

URC EASTERN SYNOD - FAIRSHARE REVIEW 2020

A total of 131 surveys were sent to church treasurers either via SurveyMonkey or by post if e-mail addresses were not available. A 60% response was received.

This report summarises the responses, the conclusions drawn for these responses and tries to address some of the comments made.

I would like to take this opportunity of thanking everyone who took part in this survey. The response has provided invaluable feedback, thoughts for discussion and a clear indication of how the Eastern Synod M&M Advocates should proceed with their work.

THE FAIRSHARE SYSTEM'S UNDERLYING PRINCIPLES

THE FAIRSHARE SYSTEM PLACES MORE EMPHASIS ON FINANCIAL MEANS (A MEASURE OF SELECTED INCOME AND EXPENDITURE) THAN ON NUMBER OF PEOPLE

75.6% of respondents agreed/strongly agreed with this principle.

The ratio of **70:30** was the most popular option from those people who expressed a preference.

THE FAIRSHARE SYSTEM USES AVERAGE ADULT ATTENDANCE AT SUNDAY WORSHIP RATHER THAN CHURCH MEMBERSHIP AS THE 'PEOPLE PART' OF THE FORMULA

82.3% of respondents agreed/strongly agreed with this principle.

THE FAIRSHARE SYSTEM ALLOWS FOR CHURCH GIFTS TO DECREASE RATHER THAN INCREASE TO REFLECT CURRENT CIRCUMSTANCES

81% of respondents agreed/strongly agreed with this policy.

THE FAIRSHARE SYSTEM IS BASED ON THE PRINCIPLE OF THE STRONG SUPPORTING THOSE WHO ARE LESS SO, RATHER THAN THE BIG SUPPORTING THE SMALL

77.2% of respondents agreed/strongly agreed with this principle.

THE FAIRSHARE SYSTEM TAKES ACCOUNT OF YEAR-ON-YEAR CHANGES IN CIRCUMSTANCES

89.7% of respondents agreed/strongly agreed with the premise.

THE FAIRSHARE SYSTEM LIMITS THE ANNUAL INCREASE IN GIVING TO 5% ABOVE RPI

62.3% of respondents agreed that this was the correct limit.

28.6% of respondents thought that the percentage increase should be higher.

THE FACTOR USED TO INCREASE THE ANNUAL SYNOD TARGET FOR GIFTS TO THE M&M FUND IS THE PERCENTAGE INCREASE IN MINISTERIAL STIPENDS

86.8% of respondents agreed with the use of this factor.

Conclusion – the high percentage of responses that agreed/strongly agreed with the underlying principles of the FairShare system is taken to indicate that the FairShare system still reflects the ideals of most churches and is a sign of endorsement of the methodology in use.

THE MINISTRY AND MISSION FUND

SURVEEYES WERE ASKED TO INDICATE HOW MONEY GIVEN BY LOCAL CHURCHES TO THE M&M FUND IS USED BY RANKING SIX EXPENDITURES FROM 1 (IF A LOW COST TO THE M&M FUNF FUND) TO 6 (IF THE LARGEST COST TO THE M&M FUND)

FOR REFERENCE:

In 2019 churches and synods gifted £18,817,000 to the M&M Fund

In 2019 the combined cost of ministry, training, mission and youth work was £22,442,000

The difference between the income and costs above was met in main by investment income, grants and legacies

MINISTERIAL COSTS IN 2019 WERE £17,378,000 AND THE LARGEST ITEM OF EXPENDITURE

75% correctly identified this as the highest cost to the M&M Fund.

TRAINING (EDUCATION & LEARNING) COSTS IN 2019 WERE £3,142,000 AND THE SECOND LARGEST ITEM OF EXPENDITURE

47% correctly identified this as rank 5 with remaining responses mainly spread across rank positions 2-4.

MISSION COSTS IN 2019 WERE £1,537,000

There was a regrettable flaw in the survey that stipulated overseas mission as opposed to all mission. The results of responses to this section are thus invalid.

YOUTH WORK COSTS IN 2019 WERE £385,000

19% correctly identified this as rank 3 with the remaining responses spread mainly across rank positions 2, 4 & 5.

CHURCH HOUSE SUPPORT COSTS (PREMISES, GOVERNANCE, AND STAFF AND OFFICE COSTS IN RESPECT OF CENTRAL SECRETARIAT/HUMAN RESOURCES/FINANCE/COMMUNICATIONS & I.T.) ARE APPORTIONED ACROSS ALL AREAS OF CHARITABLE ACTIVITY. IN TOTALITY THEY AMOUNTED TO £2,441,00 IN 2019

Responses to the survey were spread fairly evenly across all rank positions.

SYNOD OFFICE COSTS ACCOUNT FOR 6% (£130,000) OF THE GIFTS THAT CHURCHES IN THE EASTERN SYNOD HAVE GIVEN TO THE M&M FUND

Responses to the survey were spread fairly evenly across all rank positions.

This cost to churches is being phased out over the period 2021-2026.

UNDERSTANDING ABOUT THE FAIRSHARE SYSTEM

SURVEEYES WERE ASKED IF THEY HAD A GOOD UNDERSTANDING OF HOW M&M COSTS ARE CALCULATED

48% answered 'No'

SURVEEYES WERE ASKED IF THEY THOUGHT ELDERS IN THEIR CHURCH HAD A GOOD UNDERSTANDING OF HOW M&M COSTS ARE CALCULATED

64% answered 'No'

Conclusion – a lot of work is still needed to encourage understanding of how church gifts are calculated. It is thought that changes in church treasurer personnel may contribute to this. The M&M Advocates need to be aware of when there are changes in treasurers and instigate a conversation at an early opportunity.

QUESTIONS RAISED

WHY IS RPI USED AS THE MEASURE AND NOT SOME OTHER MATRIX?

There was considerable discussion as to the best matrix to use when the FairShare system was developed. There are pros and cons for different options. RPI was agreed upon because it was felt to be the matrix that most people would recognise.

TWO RESPONDENTS QUESTIONED THE USE OF THE TERM 'M&M GIFTS'

The M&M Advocates are keen to encourage churches to recognise that the contributions that they make to the M&M Fund are not demanded of them but acknowledged as sacred offerings given freely and willingly for God's work.

TWO RESPONDENTS THOUGHT THAT FREE RESERVES SHOULD BE TAKEN INTO ACCOUNT

This was researched by the M&M Advocates in 2012. The trial involved adding income to the FairShare return to represent 5% of general fund balance after the subtraction of a £2000/attender allowance. This affected 22 churches but only five of these were larger churches with an average attendance greater than 50; the remainder being a mix of both small and medium-sized churches. Changes to anticipated contributions varied between -1.71% and 0.94% for all but three churches who were affected at rates of 3.4%, 8% and 24.25%. In view of the complexity of extracting the necessary information, inconsistencies between accounting procedures and the minimal impact in real terms on the figures it was unanimously agreed that it was not beneficial to try to instigate such a process.

ONE RESPONDENT THOUGHT THAT COSTS OF MAINTAINING LISTED BUILDINGS SHOULD BE TAKEN INTO ACCOUNT

39% of churches in the synod currently have listed status. The M&M Advocates discussed the respondent's proposal. It was unanimously agreed and acknowledged that: the Plan for Partnership directive that ministry is the first call on a church's financial means applies to all churches equally; churches with Listed Buildings status are able to source additional funding for their buildings (e.g. Listed Places of Worship Scheme and Heritage Fund); church buildings that are not of listed status can be equally costly to maintain and factoring in an adjustment within the FairShare System would be arbitrary and unnecessarily bureaucratic. On the basis of these conclusions it was agreed that an adjustment to the amount requested from churches with listed status was not appropriate or justified.

THERE WERE TWO CRITICISMS OF LACK OF TRANSPARENCY AND TOO MUCH COMPLEXITY

The M&M Advocates are always happy to discuss how the system works and answer any questions. The system of prorating according to two factors is very simple in practice.

ONE RESPONDENT COMMENTED THAT THE WAY OF CALCULATION IS OUTMODED AND DOESN'T MEET ORIGINAL INTENTIONS

The high percentage of responses that uphold the underlying principles of the FairShare system indicate that that it does still meet original intentions.

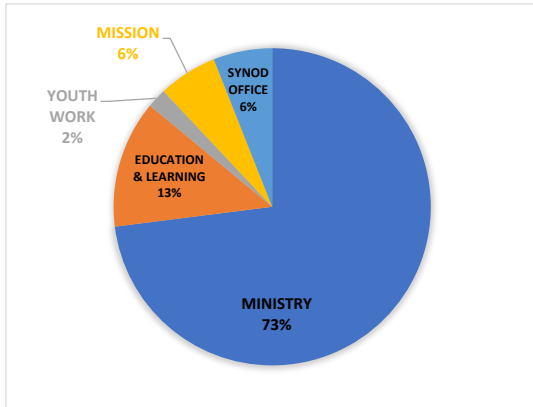
FIVE RESPONDENTS THOUGHT THAT INCREASE IN SYNOD TARGET SHOULD BE LINKED TO M&M FUND BUDGET

The M&M Fund budget is based on anticipated gifts from churches as opposed to the budget dictating the contributions needed. As contributions from churches are limited by their ability to give the budget has to flex to meet those limitations.

QUESTIONS RAISED (cont'd)

ONE RESPONDENT WANTED A SIMPLE PIE CHART TO SHOW WHAT PERCENTAGE OF MONEY GOES WHERE

This information is distributed in graphical format with the 'Thank You' certificates sent to churches. However:



OTHER COMMENTS WERE MADE INCLUDING: HOW THE DENOMINATION IS ORGANISED, CRITICISM OF CENTRAL COSTS AND LOCAL SITUATIONS

These are either not within the remit of the M&M Advocates to pass comment on or are specific and so need to be dealt with on an individual basis.

ON A POSITIVE NOTE!

The following comments were also made:

I support the FairShare system.

I think that the FairShare system appears to be a good and fair system.

No system is perfect but FairShare has done much to rebalance M&M over the years to reflect what churches can afford.

The FairShare system has worked over the past ten years and been more successful than any other Synod's system in supporting the M&M Fund.

If respondents made a comment that is not addressed to their satisfaction within this report and would like to discuss it further please do contact your Area M&M Advocate in the first instance.

Faith Paulding

Eastern Synod M&M Advocate

November 2020