



Financial Report

FINANCIAL REPORT FROM PASTOR JIM MEAD:

In the coming 45 days your session and staff will be making decisions that will impact the life and mission of this congregation next year: we're preparing the 2011 fiscal budget. We know you love Chapel Hill and we also know we need to do a good job of letting you know where we are as a church financially. That way, you can be part of praying about the decisions your leaders are making and offer us your input.

Let's begin with this: everyone knows the economy has had a tough impact on many families in this church—some lost jobs, some lost houses, some retired people went back to work. As Paul says, when one member of the body suffers, all suffer; and the real truth is that all of CHPC has suffered because of the recession.

If you're not sure that's true, let me put it in perspective. In 2008 we budgeted \$4.3mm in giving. This year, 2010, we budgeted \$3.7mm in giving.

So, in the past 3 years we have cut \$612k out of our planned expenditures, and we cut an additional \$74k in the past month. It's been the right, and only, thing to do. And, while it's been really painful, in some ways it's actually been good for us because the Lord has taught us there were some things and some staff positions we could get along without.

So: what expenses do you think we've cut; what have we stopped doing? Let me help you find the answers. In your bulletin is this document—will you please find it so we can look at it together?

The far right column shows the percentage each department has cut from its budget since 2008. Scan down it with me, please, until you find these numbers: 30% and 24%. What departments of our church have been cut 30 and 24 percent—you'll find the department name on the left of the chart.

Yes, Administration and Facilities—the two “sexiest” departments in the church, of course. We've cut those two departments \$497k in the past 3 years. That's 73% of all the cuts we've made. Now, think about that with me a bit. If 73% of the cuts have been in administration and support, what has not been cut very much?

Did you figure it out? Right: ministry, programs and mission: worship, children and youth ministries, Recovery ministries, mission partners and so on.

We've cut \$345k out of staff, and we've saved more than \$100k by putting off fixing and replacing things, but we have not cut a single ministry or program—not one.

How could we do that—how could we cut staff and not cut programs? Well, partly because the staff who are still with us are working harder and longer hours, for less money and less benefits, and partly because members have taken up some of the slack. For example, our Cornerstones group—mostly 70+ in age—are setting up and taking down their own tables and chairs each month.

Now, here's the thing, beloved: we are at the end of our ability to cut the budget any further without cutting ministries. That may be hard to believe, I know, when our budget is \$3.7 million. And, I've even heard some people who ought to know better say that we probably have too much staff. But the reality is that our staff hasn't had a raise in three years, and most of us took salary and benefits cuts in 2008.

I know, people say, “In this market you should be glad to have a job and a paycheck.” That's true enough—and those of us who are still on the staff are grateful to still have our jobs. But we are not overstaffed for the size of the ministries we are leading and supporting. I've been the Sr. Pastor of a large church, and in my ministry leading a presbytery of 157 congregations I've observed 100s of congregations all over the country.

I've been watching Chapel Hill for most of three years, now, and I am certain of this: we no longer have enough staff to keep doing all the ministries we have—some of our staff are showing signs of burnout now.

Here's what's even tougher: the staff positions we need to add at this point are all in support, administration and facilities—positions that are invisible to the congregation, but provide the essential foundation that lets everything else work.

So, the bottom line is this: the only way to reduce our expenses at this point is to stop doing a ministry, program or mission. Over the past several weeks our ministry leaders have been me to answer this question: What would you cut that would not cripple your core mission?

Here is an example of how that works. Two years ago Pastor Jeremy cut the position of Director for Early Childhood ministries from full-time to half-time. This summer we will restructure the department and eliminate the position entirely. This won't cripple our core ministry to our smallest children, but every week this coming year we'll have 20 fewer hours devoted to our littlest children by a talented, creative leader who knows what it takes to reach them and their families for Jesus.

Here are some other cuts we could make without crippling our core mission in any department:

- Cancel Go Sunday, or move it to a Saturday (\$32k)
- Close every Friday with no exceptions, which means eliminating CHill, a ministry to middle school kids
- Close the church building for a third week—in August
- Go from 3 to 2 worship services each Sunday
- Eliminate a pastoral position—2 pastors instead of 3
- Cancel Upward and Day Camp next year
- Not give our 2nd graders Bibles next year
- End our children's drama ministry
- End Wednesday evening ministries and dinners
- Cancel our Bell Choir ministries
- Eliminate complimentary coffee and end our food services ministries
- Or, take \$100k out of our mission budget—support for Go Teams, money to mission partners and more.

Please hear me: every one of these ministries matter and we are NOT proposing that we make any of these cuts. But there is nothing left to cut without cutting a program, ministry or mission. We've already cut everything else we could.

I know that some of you will wish we had talked about this more clearly a year ago. I ask your forgiveness for not making sure we did that. But, now you know.

If you want to know more detail about any of this, or want to give us your input, I'll be in the Prayer Chapel after this service, with our Financial Director and key elders.

Two weeks ago Pastor Mark preached powerfully about God's sovereignty. Like you, your leaders trust God. Sometimes God says to a church, "I want you to have less, not more." If that's God's word to us, we will thank God and the congregation for its giving and then we'll seek the Lord's leading about what to keep and what to let go of.

The Lord is with us.