

THE ECOMY STUDY ON CHURCH ECONOMY
STUDY DEPARTMENT

A. Background

1. The 7th General Assembly of the ECOMY in 1971 expressed its concern about fact that it is (so) much easier to get help to community development than to congregational work. Why do some supporting agencies make such a distinction between the two? Jesus came to serve the whole man. The present trend threatens to upset the balance in the work of the Church in favour of human development while at the same time the doors are open for the Gospel as never before.
2. In response to the General Assembly resolution the Lutheran World Federation, Department of Church Cooperation, suggested that the ECOMY carry out a study of its economy.
3. An International Study on Church Economy had already been initiated by LWF in 1966 and started in the beginning of 1969. The first stage of this study was terminated three years later.

A Geneva Consultation in November 1971 decided that the final stage of the study should be carried out by a few selected churches themselves with the assistance of the LWF.

4. The 23rd Executive Committee meeting of the ECOMY in January 1972, decided to undertake a Study on Church Economy. A study committee of six members and a panel of synod representatives and consultants with the General Secretary as Chairman was elected.
5. All the synods and joint programs through their representatives have agreed to participate in this Study. The actual data collecting is expected to be responsibility of theirs with the assistance from the Study Committee. Each synod has therefore established a Study Sub-committee.
6. Lutheran World Federation has given a grant towards this Study.

B. Why this study?

1. First of all: To collect the facts about the present economy of the Church. Where does the money come from? What is it used for?
2. Secondly, how is the whole thing administered? We have the complex of problems related to the integration policy and the channelling of funds and personnel to the Church from old and new supporting agencies.
3. Thirdly, how to establish policies and priorities for the use of all our resources, external and internal?
Who decides what?
Are we now doing what we would have done if we could have planned it all over again? Is it all good stewardship what we are doing?
How does the church worker spend his time? Is his/her potential fully utilized for witness and service?
What is the future need of man-power?

Even more important: How does the common Church member spend his time, talent and treasure?

The Church is made up of congregations, the fellowships of believers. She is as strong as the congregations are strong.

Guiding principles

The Study on Church Economy has as guiding principles

- that the greatest treasure of the Church is the Word of God with the message of reconciliation, and the people of God.
 - that each believer as Christ's ambassador should offer himself to proclaim to other people God's love in Christ which brings forgiveness and salvation
 - that each believer should offer of his possessions which God has entrusted to him, to serve God and neighbour.
 - that a believer whose heart is touched by God's love will do this gratefully and willingly.
 - that the Church therefore has within its own membership adequate resources of people and possessions which can support her.
- By this we will understand the term self-reliance.

The Study on Church Economy is aimed at assisting the Church to develop and utilize her resources for self-reliance.

Methodology

Forms were prepared to collect information about the total work of the Church in terms of functions. The work has been classified into five categories: Congregational work, School work, including boarding/hostel, medical work, projects/programs and central administration.

Each form is structured according to some basic functions.

Forms about decision making and manpower needs and questionnaires for pastors, evangelists and elders have also been prepared.

The forms have first been discussed with administrators in all the synods and been tested in selected congregations and institutions before being finalized.

A major problem has been to get into the synods reaching down to the local congregation in an efficient way. The following system has been followed in whole or in part:

- a) An interviewer was hired in the end of March. For a time two interviewers have been working in the field.
- b) The Study was introduced to and explained to all the pastors in a synod in a regular pastor's course.
- c) The interviewer went to regular district meetings or expanded district council where all congregations were represented and explained the Study.
- d) The interviewer then went with the pastor and visited a few congregations in his parish.
- e) The pastor should then finish the survey in his parish after the interviewer had left.

5. But when no such arrangements have been made beforehand, time and money have been wasted.

It is now in the hands of the synod subcommittees with the help of the pastor and district superintendants to follow up and complete the survey in those districts which has been visited so far.

E. Findings.

1. An immediate result of the survey is the agreement made in the 24th Executive Committee on a common terminology and structure of the administrative units in the synods.
2. Statistics is usually the last thing busy people try to do. But it is necessary in order to evaluate our present work and make sensible plans for the future.
A simple case in study is one synod assembly which recently were given the figures of last year's growth in membership. What was the reason for the decline in growth?
Conclusion: More courses for new believers needed.
3. The elders find this survey to be educational to them. That's why we want all the local congregations to be visited. The elders are carried through a process where they participate in giving information and suggestions. Most of the questions no one has asked them before. The elders are stimulated to think through various problems and to contribute. This is education at its best.
4. Generally, the elders have appreciated very much the visits of the interviewer and the pastors, showing concern for their work.
The pastors also have learned to know their congregations better.
Common expressions are: "Why have we not thought about this before? This we should have written down. We will do that for the future!"
A common complaint is the lack of reporting and communication.
"They only ask us to give money to God but don't tell us how it has been spent."
This was not heard where the congregations were more directly involved in budgeting and decision-making.
The synods should give this matter their serious attention. Is the gap between the level of action and the level of responsibility too big?
5. A great many of the congregations have never heard about budget before. Yet, quite a few handle relatively large sums of money.
Most of the congregations visited so far have not their membership recorded. And many have no financial records.
6. But education and evaluation is a continuing process.
The synod committees and boards should study whether any of the questions should be part of an annual standard congregational report, and bring up proposals.
7. The leaders of one of the synods have suggested that some of the questions to the pastors and evangelists be included in an annual standard report from the pastors/evangelists.
It would be good if the synod committees and boards would study this matter and bring up proposals.
8. The financial accounting and reporting could, by small changes, in some cases be made more functional.

It is advisable that the synod financial committees study the matter of a functional financial reporting and bring up proposals.

- a) Distinguish clearly between capital investment and running expenses. Should depreciation of capital investment be taken into account in the running expenses? The Study committee thinks so. In case, at what rates?
- b) Distinguish between staff salaries and other salaries, between the different kind of school and training programs, between school and boarding, between text-books and other school-supplies, between building cost and furniture/equipment etc.
9. Data about capital investment in the past is in many cases not readily available.
10. The survey clearly points out the need for a more efficient accounting system in some areas. The synod financial committees should study the feasibility of central accounting offices doing the book-keeping of districts, stations and institutions.

Oskar Nydal
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The ECYH Headquarters Salary Scale
and
Budget Study Committee
February 5 and 11, 1972.

Present: Hon. Fit. Baissa Jammo - Conver
Ato Menkir Esayas - Secretary
Mr. Edmund Lindtjorn
Ato Berne Beyene

What the Budget layout shows for 1972.

at the 1972 Budget layout should show:

Discussion:

Clearing Agents:

A lump sum amount of \$820:- is shown as the salary for clearing agents for 1972. Upon examination of the individual salary of the two clearing agents, namely \$400:- and \$390:- per month, there is a difference of \$30:- when compared with the budgeted \$820:- This is also in view of the benefits budgeted for.

The 1972 Payroll indicates an increase of \$15:- for Ato Bedilu, whereas no increment is shown against the salary of the second clearing agent.

Recommendation:

If salary increases have been simply an annual practice, it is recommended that the second clearing agent be also given the raise of \$15:- On the other hand, it's strongly recommended that a systematic salary grade and a ceiling be established for these positions.

Salary - General Secretary

Position: Upon review of the Job Description and the general responsibility of the General Secretary we have found that the salary assigned to this position does not seem to be realistic. While recognizing the financial difficulty of the Church, it is nevertheless unrealistic to match the responsibility outlined in the Job Description with the monthly salary of \$600, as after all the taxes are deducted, he is left with \$555.10:- plus \$150:- per month to take care of housing, medical expenses, schooling and the high cost of living in Addis Ababa. The Committee laboured at length on this situation also in view of the present salary assignments in the various projects of the Church. The position of the General Secretary was found to be unmatched with any position in the ministry of the Church simply because the function of the General Secretary is different in comparison with other positions.

The General Secretary on behalf of the President is the Chief Executive of the Church. In this capacity and in view of the unique position of the Office it is recommended that:

-) a starting salary for this category be set at \$600:- with the ceiling at \$800:-
-) It's recommended that a salary of \$750 plus 30% allowance be paid to the General Secretary for the year 1972.
-) The "position allowance resolution" of the 1971 General Assembly be paid to the General Secretary retroactive less \$18,00:- which was paid to the Rev. Gudina Tumsa during 1971. The amount due to him is therefore \$288:-

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In recommending this we are strongly aware of the fact that a calling cannot be measured in terms of financial remuneration.

3. Hidden Resources and subsidies:

As has been the practice in other projects of the Church, the remunerations of the expatriate personnel serving the Church in the Central Office should be reflected in the operating budget of the Church Office to show a realistic picture of the expenses.

In this connection it's recommended that \$10,460:- for married couples and \$6,000, for single persons be reflected as salary expenses in the fiscal year 1972.

4. Youth Department, Director

We recommend that Ato Tarekagne Adebo be given a salary of \$550:- per month starting Jan. 1972. This proposed salary is within the practice of the Institutions of the ECYH.

- 5. As the salary scale used in the Head Office is temporary it is herewith recommended that a carefully worked out salary scale be developed for all the employees at the Church Headquarters in accordance with the 1971 guideline set by the General Assembly.

7. To advice on leadership training (Sunday School Teachers, Youth Workers, Evangelists, etc) and organize workshops and seminars as deemed necessary.
8. To keep informed on areas of need so member congregations can more effectively carry out their evangelism ministries in Addis Ababa."

The CLCAA tries to reach the level of achieving the target it has set for itself through four Committees appointed right after the Council was constituted. The four Committees are:

1. Evangelistic Committee
2. Youth Committee
3. Social Committee
4. Research Committee

There are other programs and organizations cooperating with the Council of Lutheran Congregations in Addis Ababa. They are the Mekane Yesus Youth Hostel & Centre, the Mekane Yesus Youth Department, the L.Harms Hostel, Radio Voice of the Gospel, the Yemissrach Dimts and the Mekane Yesus Seminary. These are coopted members of the CLCAA.

It may be interesting to note the number of Lutheran Congregations in our Capital. There are eight established congregations trying jointly to undertake urban industrial evangelism. Through sponsorship of the L.Hostel some evangelists are engaged in evangelistic work in the Kofle area. It is hoped that this endeavour will develop in establishing of congregation in the area. With the assistance of its Committees the CLCAA has started locating areas where some sort of work should be undertaken, with the assistance of Addis Ababa map prepared by the Committee on Research, the need in some areas of the City became obvious. Attempts are being made to secure a piece of land near the Langano Lake with a view to minister to those who go for week-ends. It seems to be already too late to secure a suitable site for our purpose. The CLCAA realizes that an urban undertaking is much more expensive than in rural area. The problem, as I see it will be only in the initial period. Once started an urban congregation will be able to support itself in a short time. The hope of the Council is that with coming of the Rev.J.Launhardt something worthwhile will be done to take care of these who flock in great numbers, to Addis Ababa from our Synods, and as well as reaching to those outside.

Many African Churches are ahead of us in urban industrial evangelism. For example the Evangelical Lutheran Church in Tanzania, as Mr.K.J.Lundstrom and myself have observed during our visit in Feb.1970, has advanced in a fine way on urban work and the labour has started to yield a good harvest not only for the ELCT but for all the Churches in Dare Salam. Urban evangelism is to be informed of the concrete urban situation, if it is to be of use to the people in urban settling. Although man is basically what the Bible defines him to be a fallen creature, in spite of his sophisticated life philosophy. There is no difference in need for salvation between the uneducated rural man and the intellectual urban man. Due to environment where he lives, urban community develops a different psychology connected with his needs, for example,

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to mention few, a countryside person prays for rain to be able to cultivate his field. To get a rewarding product from his labour a rural person prays during harvest for stoppage of rain. The problems facing the urban person is not the same. His immediate needs are, an employment, shortage of houses, and water etc,. This is to say that urban man takes life from a different point of view. It is to such a situation of life that the CLCAA is trying to minister.

Gudina Tumsa
Chairman-CLCAA.