

IS THE CHURCH FACING A FINANCIAL CRISIS?

by Robert K McIver and Stephen J Currow

Tithe is increasing each year in the South Pacific Division. This is good news, or it would be except that wages and costs have been increasing at a faster rate. Some sobering evidence reveals that tithe in Australia has been falling behind wages and costs for at least 20 years. Naturally, this is impacting on the whole of the South Pacific Division.

Early in 1999 the youngest member of the executive committee of the North New South Wales (NNSW) Conference said, "My age group is not giving tithe. We need to do some research into the future financial viability of the church in this conference." That one remark sparked a number of interrelated initiatives. This report examines two of them: census data, and the results of an analysis of tithe receipts held in local churches.

Census data

Census data show tithe has fallen by approximately 40 per cent in the past 20 years relative to the income of Australian Adventists.

Our research didn't begin with the Australian Bureau of Statistics (ABS), but it is a logical place to begin sharing our results. Since the 1971 census a separate check-box for Seventh-day Adventists has been provided to the question asking about denominational affiliation. For a modest fee, the ABS supplied us with the number of those living in Australia since 1976 who said they were Seventh-day Adventists.¹ As well as this, they were able to provide the number who were in each age group, and an estimate of their incomes.

Of course, not everybody who

identified themselves as an Adventist on the census attends church every Sabbath, and perhaps a small number who attend church do not identify themselves as an Adventist on the census. But there must be a considerable overlap between the two groups and we do know the number in both groups is increasing at about the same rate.

This means that while the Australian census figures are not the best available estimate of Adventist income available, they might actually be a relatively accurate estimate. A full tithe would be 10 per cent of income, and it is possible to plot this 10 per cent against tithe receipts (see A: Tithe compared to 10 per cent income—Australia).

Although church figures for tithe are available since the church began in Australia, it proved convenient to graph tithe receipts back to 1951. Tithe receipts have shown a continuous upward trend, and the church has been rightly proud of the faithful tithe stewardship of its members. Yet, comparing 10 per cent of actual income earned by Australian Adventists since 1976, it is clear that income has been increasing faster than tithe receipts. In 1976, the actual tithe was about 86 per cent to what might be estimated as 10

per cent of total Adventist income. By 1996 this had dropped to 50 per cent.

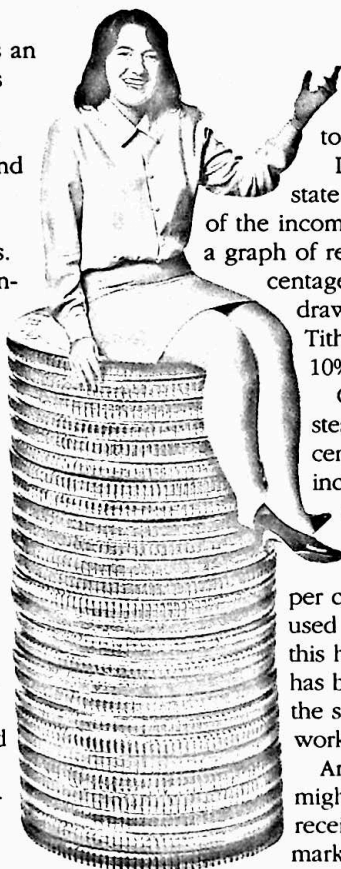
It's easier to see the real state of affairs if 10 per cent of the income is kept constant, and a graph of receipted tithe as a percentage of that figure is drawn. (See the graph in B: Tithe as a percentage of 10% income—Australia.)

Over the past 20 years a steady decrease in the percentage of Adventist income returned to the church in tithe has occurred. This decline is in the order of 40 per cent. As almost all tithe is used by the church in wages, this has meant the church has been unable to employ the same number of church workers per church attender.

Any number of factors might explain why tithe receipts have fallen so markedly against actual incomes, but the results of an analysis of tithe receipts from churches in the NNSW Conference show a significant age-related difference in tithe-giving patterns.

Age-related differences in tithing

It was clear that tithe receipts held by the various churches would provide valuable insights into the patterns of tithe return. Yet a procedure had to be put in place to ensure continued confidentiality of the tithe-giver. As a result of widespread consultation and a submission to the Human Research Ethics Committee of Avondale College, it was decided the best way to do this



would be to have church treasurers perform the actual analysis, given that they already knew the identities of tithers.

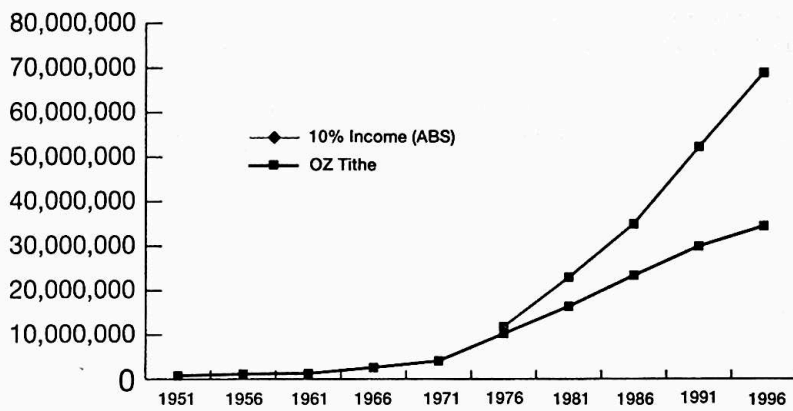
Pastor Peter Colquhoun, the NSW Conference president, wrote to church boards requesting permission for the church treasurer to provide the data. Where permission was given, the church treasurers then used a list put together by the pastor of those who attended church twice a month or more, together with their ages. They then reported how many from each age group on that list returned tithe, and totalled the amount of tithe that came from each age group.²

Church treasurers are volunteers, and the analysis they were asked to do was very time consuming and tedious. Nor was the task trivial for pastors of larger congregations. It is remarkable so many were willing to participate in the research, which represents an analysis of thousands of receipts.

In fact, the data provided represents the tithe-giving of those attending 23 churches. Between them, 5152 members are on the rolls of these churches, or 53 per cent of the conference membership of 9760. More than 2529 worshippers attended these churches at least twice a month,³ with between 270 and 459 in each 10-year age bracket. Nineteen churches reported tithe totals from the various age groups. These totals amount to 43 per cent (\$A1,697,674) of the \$A3,955,877 tithe receipted through churches in the NSW Conference.

We thus had access to figures that gave an age-related breakdown of tithe contributed, as well as percentages of those who tithed in each age group attending church. The most significant finding arose from a comparison between the percentage of total tithe contributed by a particular age group and the percentage of total income earned by that age group. We compared the two numbers by subtracting the two percentages. This procedure would give a zero if that age group contributed an amount of tithe that

A: TITHE COMPARED TO 10 PER CENT INCOME —AUSTRALIA



corresponded to its income. The results are shown in C: Comparison of tithe and income by age group.⁴

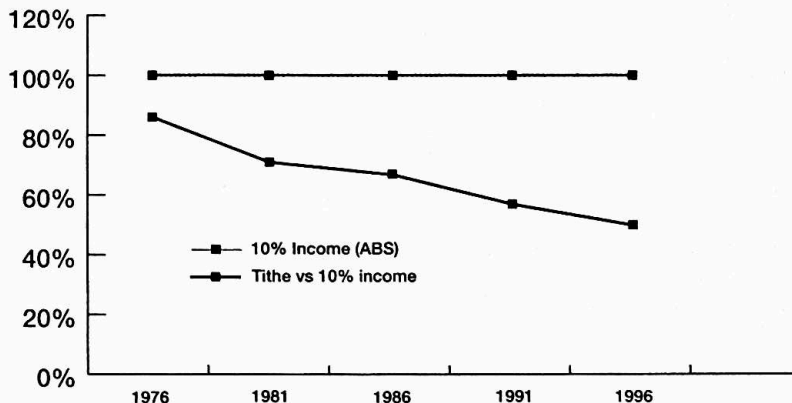
This graph reveals a striking difference in tithe-returning behaviour between the under-50-year-olds, and the over-50-year-olds. It is true that the younger a person is, the less likely they are to return tithe, but superimposed on this trend is a dramatic difference that occurs at the age of 50. This difference shows in the percentage of tithers in the two age groups as well, with 42 per cent of those under 50 years old tithing, compared to 62 per cent of those 50 years and older.

One thing that should be noted is that while these results are significant for church attenders, they do

not give the ability to predict who returns tithe. One cannot go to somebody under 40 and say, "You are not tithing," because a considerable number of them are faithful tithers, and do so at considerable sacrifice. Nor can one say of somebody who is over 50, "You are a tither," because 38 per cent of them are not. But by and large, a significant difference occurs in the number of tithers in the two age groups.

This age-related difference in tithe-returning behaviour explains why tithe receipts have decreased against wages earned for the past 20 years. The group now aged between 40 and 50 have most likely always contributed less tithe than their elders, as has each younger

B: TITHE AS A PERCENTAGE OF 10% INCOME— AUSTRALIA



group. As these groups represent more of the salary and wage earners in the church, tithe has declined compared to wages.

How important is this for the South Pacific Division?

According to the latest figures available (1999), only 16 per cent (49,644 out of 317,560) of the South Pacific Division church membership lives in Australia.⁵ These figures may indicate that perhaps the fall in tithe in Australia isn't important to the division. But 63 per cent (\$A36,680,463 out of \$A58,499,950) of tithe receipted in the division comes from Australia. Thus what happens to tithe and other giving in Australia has a very significant effect on what the South Pacific Division is able to do to fulfil its mission.

Does this mean there is a financial crisis in the South Pacific Division? No. The Adventist membership continues to be very generous with tithes and offerings, and the church still has significant financial resources available. Nor should one downplay the significant financial contribution to the church made by Sanitarium Health Food Company. But because most tithe is

used in wages, it has meant a slow erosion of the number of denominational employees it is able to fund from tithe received.

Is there only gloomy news?

Is the news all bad? No, indeed not. A large number of faithful tithe returners are in the younger age group. Moreover, we are about halfway through a research project seeking to understand what motivates members to return tithe, involving surveys of church attenders. Several encouraging things are emerging from that survey. For example, so far, 57 per cent of those answering the survey who did not tithe, or did not tithe a full 10 per cent, checked this box: "I think I should tithe, but I need to get into the habit of tithing regularly." A very deep well of goodwill toward the church is evident, and a continuing conviction that tithing is a biblical principal, which shows that, perhaps, it is not too late to slow or even reverse the downward trend in tithe.

One thing is sure: the issue of tithing will probably be talked about more often than it might have been in the past few years. In future articles we hope to bring

further reports on our research into what motivates members to tithe, and perhaps looks more closely at the biblical data on tithing. **R**

Footnotes

1. For some technical reason, the figures regarding ages and incomes were not available for 1971. The writers are indebted to the South-Pacific Division for providing funds for this particular request of the ABS. They would also like to express gratitude to the NNSW Conference for financially underwriting much of the recorded research in this report.

2. In practice the procedure was a little more complex than this. For example, denominational employees usually contribute tithe directly from their salary. So their tithe does not appear receipted in the books of local churches, therefore the figures relating to the number of denominational employees in each age group that attended had to be collected so correct adjustment to the final figures could be made. A tithe was defined as one who contributed tithe six or more times a year, or who contributed significant amounts once or twice a year, such as might be the practice of a tithe-paying farmer or businessperson.

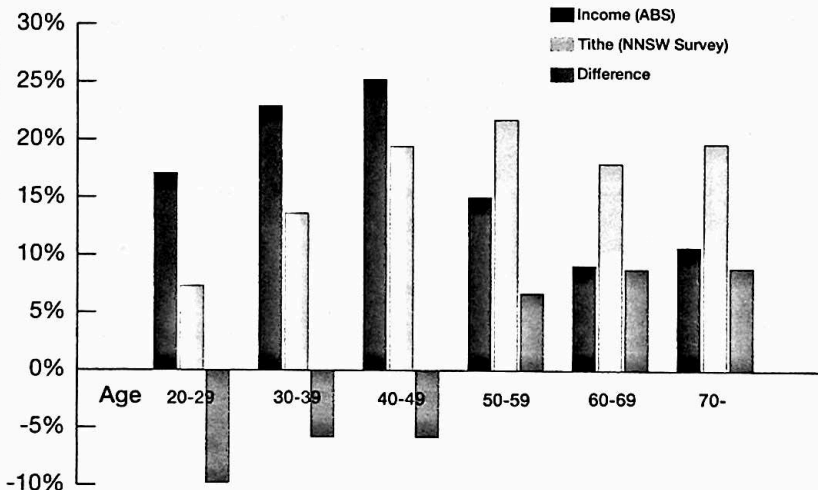
3. Two large churches in the conference have church rolls of more than 1000 members. With both of these churches, the figures were derived only from names that appeared on their church rolls. They both have many regular attenders whose names do not appear on the roll, especially College Church at Avondale College. So the number of actual attenders is underreported. It is the tithing behaviour of the 2529 known worshippers that is detailed in this report.

4. Those under 20 years of age have been excluded from this table: they earn 2.3 per cent of the income, and contribute less than 0.5 per cent of the tithe. Further, the figures from several churches on numbers from this age group who attended church and who tithe appeared less reliable.

5. These statistics are derived from an insert in the RECORD of June 3, 2000. The number of Australian members was determined by taking the membership of the Trans-Australian Union Conference (20,347) and the Trans-Tasman Union Conference (40,341) and subtracting the number in the two New Zealand conferences (9212 and 1832) to give an Australian membership of 49,644.

C: COMPARISON OF TITHE AND INCOME BY AGE GROUP

Age	20-29	30-39	40-49	50-59	60-69	70-
Income (ABS)	17.1%	22.9%	25.2%	15.0%	9.1%	10.7%
Tithe (NNSW Survey)	7.3%	13.6%	19.4%	21.7%	17.9%	19.6%
Difference	-9.8%	-9.3%	-5.8%	6.7%	8.8%	8.9%



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