The Church in Wales
Membership and Finances
2016

YR EGLWYS YNG NGHYMRU

THE CHURCH IN WALES

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Welcome to the Church in Wales Membership and Finances report for 2016.

This year's report is based upon a 90% return from Church in Wales Ministry Areas, Mission Areas and parishes. Significant changes to parish structures in a number of dioceses have made the collection and analysis of annual statistics more difficult than in recent years, and so we are particularly grateful this year to clergy and diocesan and parish officers for helping to ensure that submissions were made in time for this report to be produced for the Governing Body. In addition, we are pleased to be able to report that 233 parishes (out of a total of 796) used the online questionnaire facility in its second year of operation. This represents an increase of 37% compared to the number of parishes using the facility last year, and we intend to refine further the online portal to encourage parishes to switch to this more environmentally-friendly option in future years.

Last year's report was the subject of considerable discussion by the Governing Body, with members voting for an amended motion which reflected the level of their concern about the trends described in the report and calling upon the Standing Committee to undertake new work on church growth. This new work has since been taken forward by the Bishop of Bangor. In addition, evangelism and growth have become major themes of the Church's work in 2017, with a major debate on evangelism at the Governing Body meeting in April, and new funding to support evangelistic projects supported by the Representative Body in June. Some have questioned the usefulness of collecting these statistics on a regular basis, citing the administrative burden on parishes and the depressing effect on church morale evidence of downward trends in attendance and participation might have. However, the GB debate in September 2016 demonstrates the impact that this report can sometimes have in providing the context and evidence for church members to make decisions about the Church's future priorities. In this case, the report has served as a catalyst for the Church to undertake new action to seek to arrest the downward trends the report described.

If the headlines from last year's report were largely negative, this report has some more positive messages, in relation to both the membership and financial aspects of the report. However, the messages are not wholly positive, and several more troubling statisitcs – Easter communicants, Baptisms and Confirmations, Average Giving per Sunday Attender – stand out to remind us that the sense of urgency expressed since September 2016 about the need for growth and more effective mission was not misplaced. Positive figures can provide a timely boost to confidence, reassurance that we should continue with the difficult programme of work we have set for ourselves. But they must not provide a false sense of achievement, nor a distraction from the important work still to be done.

Membership

Table 1: Participation in Parish Life in 2016 and 2015.

		2016	2015	2016 - 2015	%
Communicants	Easter	**48,112**	51,435	-3,323	-6
	Pentecost	**28,514**	28,658	-144	-1
	Christmas	**50,593**	49,827	766	2
	Trinity III	**26,392**	27,714	-1,322	-5
Average Attendance - over 18	Sundays	**28,291**	28,958	-667	-2
	Weekdays only	**4,090**	3,884	206	5
Average Attendance - under 18		**5,963**	5,789	174	3
Electoral Roll		**45,759**	46,580	-821	-2
Baptisms		**6,192**	6,707	-515	-8
Confirmations		**872**	1,101	-229	-21
Weddings		**2,718**	2,841	-123	-4
Funerals		**6,203**	6,476	-273	-4

The concept of "membership" in the Church in Wales has always proved difficult to define, with the claim to the Cure of Souls in each parish sitting more easily with the Anglican tradition in Wales than membership lists. The number of Easter communicants has traditionally been the high point of attendance figures, with average Sunday attendance providing a more reliable guide to regular levels of participation. In addition, Electoral Roll figures have been used to record the number in each community with a demonstrable connection to the work of the parish.

The Picture for 2016 compared with 2015

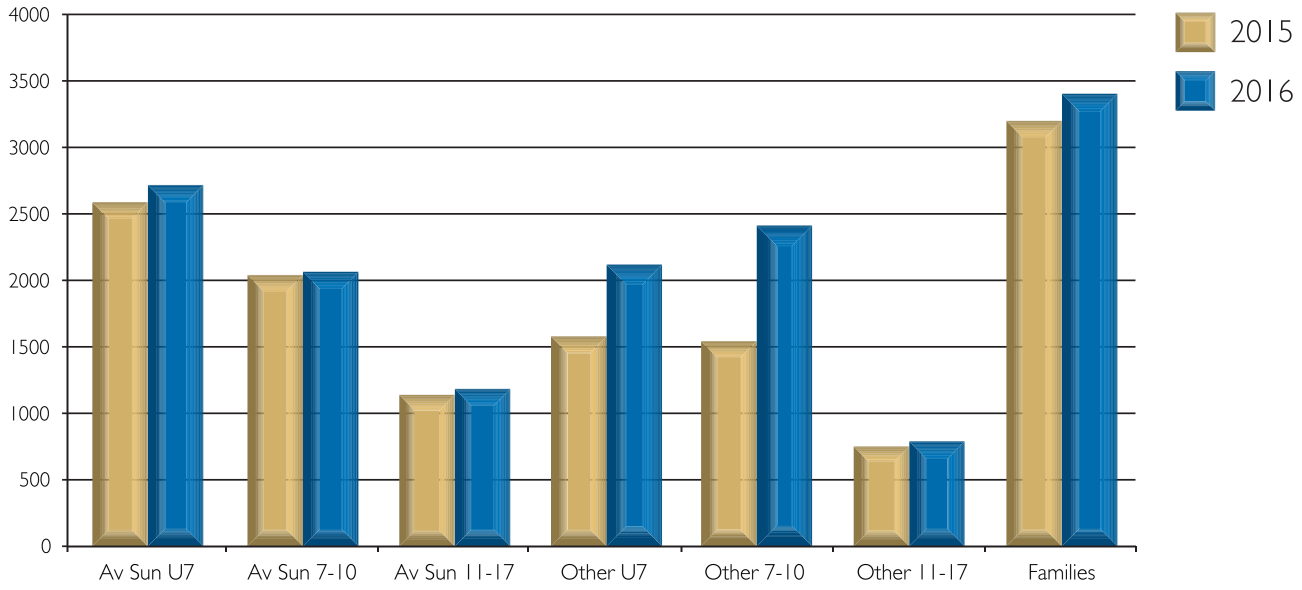
Table 1 sets out a comparison of key attendance figures for 2016 and 2015.

Some of the key figures for 2016 are more positive than in the 2015 report. The decline in average adult Sunday attendance and Electoral Roll is below the trend of recent years, whilst adult weekday attendance and attendance by young people has risen. The number of communicants at major festivals and Trinity III suggest decline, with the exception of Christmas. Easter and Christmas communicant numbers have fluctuated in recent years, with timing (for Easter) and weather (for Christmas) key factors, but are useful indicators of levels of occasional attendance by those in the wider community. Figures for Pentecost and Trinity III provide a better guide to a "normal" Sunday's attendance.

The figures for occasional offices all show decline, with some (Baptisms and Confirmations) particularly worrying. The figure for Confirmations will require further investigation, but given that the number of Confirmations increased in 2007, 2009, 2012 and 2015 over the previous year's figures, it may be that a sharp decline in the number of Confirmation in any one year is indicative also of a shift to a less frequent pattern for confirmations (perhaps a bi- or -triennial model) in some parts of the Church.

In addition to these more traditional measures of attendance and participation, we also collect statistics from parishes for other major acts of worship which might not fall into the categories set out above. Such additional services, which include civic services, family services, Remembrance, Carol and Christingle services, were attended by a total of 215,000 people in 2016. The figure for 2015 was 206,000.

Figure 2: Analysis of Attendance by Young People and Families



Working with Children, Young People and Families

One area in which the figures for 2016 are clearly positive is attendance by young people and families, with increases in all fields. This is particularly the case for participation in "other" forms of worship (that is, aside from the normal Sunday activities), where the age groups up to the age of 10 show the highest figures since these statistics were first collected in 2011. This may be the result in part of parishes becoming more familiar with recording figures for non-Sunday activities. However, it is also the case that there has been strong investment by dioceses and the Representative Body in appointing and supporting the work of new officers with responsibility for children, young people and families, and there has been a significant growth in less formal (and more youth-focussed) expressions of worship such as Messy Church. It would seem that this investment, and the willingness to try new things, may be bearing fruit.

Amongst these very positive figures it is easy to overlook the fall in the level of participation by those aged 11-17 compared with younger age groups. Anecdotal evidence suggest that this remains the most difficult age group for the Church to reach, and the figures support this claim. Since 2011, the number of young people in this category attending worship on Sunday has fallen by 15%, and the number attending other worship has fallen by 22%.

"Non-traditional Acts of Worship"

Data provided by parishes about "non-traditional acts of worship" – an intentionally broad category – suggests that many parishes are now engaged in some new and creative expressions of Church. In addition to the ever-popular Messy Church, these include:

- Nursery Rhyme Harvest;
- *Jam Sul*;
- Forest Church;
- Treetops Nativity;
- Pizza and Praise;
- Darkness to Light.

Overall, it is estimated that over 27,000 people took part in some form of non-traditional worship in 2016.

Finances

Table 3: Provincial Summary of Parish Finances for 2016 and 2015

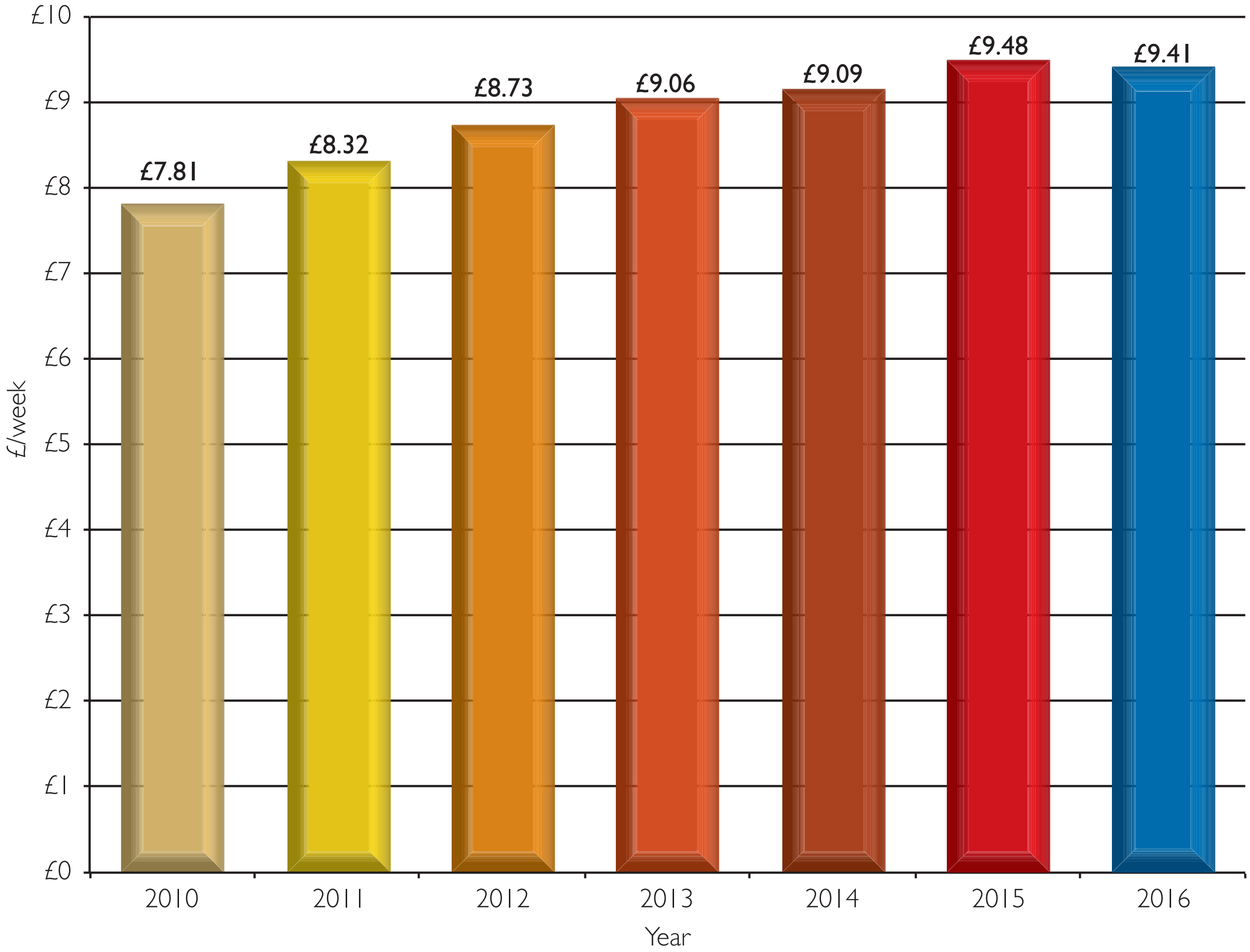
INCOME	2016 £k	2015 £k	EXPENDITURE	2016 £k	2015 £k
Planned Giving	**11,113**	11,436	Parish Share	**16,595**	16,708
Loose Collections	**2,783**	2,899	Clerics' Expenses	**1,126**	1,151
Donations	**3,124**	2,879	Other Ministry Support	**331**	267
For Mission	**478**	529	Maintenance of Services	**1,502**	1,491
Tax Refunds	**2,810**	2,797	General Parish Expenses	**1,865**	1,825
Legacy Gifts Received	**1,652**	3,292	Maintenance of Churches	**6,032**	5,960
Grants	**4,429**	2,864	Maintenance of Property	**2,294**	2,090
Money Raising	**4,723**	5,104	Exceptional Property Expenditure	**4,638**	3,499
Fees	**2,642**	2,500	Parish Grants	**577**	619
Investments	**2,123**	1,732	Home/World Grants	**944**	1,059
Other Incoming Resources	**3,976**	3,744	Capital Payments	**1,028**	1,440
			Cost of Money Raising	**718**	605
TOTAL INCOME	**39,853**	39,776	**TOTAL EXPENDITURE**	**37,650**	36,714

In recent years, parishes have maintained a healthy overall surplus of annual income over annual expenditure. This is not in itself an area of concern – it is usually better to be in the black than in the red. However, the downward trend in parish expenditure has seemed to indicate a lack of confidence by parishes, particularly in taking on major projects. In addition, it might be the case that parishes have been waiting for the outcome of major pastoral reorganisation as Ministry Areas are established before committing themselves to new programmes of work.

This trend has been reversed in 2016. Whilst total income still exceeds total expenditure by some £2 million, total expenditure has increased by nearly £1 million. Grant income and exceptional property expenditure is at its highest level since 2012, and expenditure on maintenance of churches is at its highest level since 2010. These figures are all indicators of new projects being undertaken and, perhaps, renewed confidence, ambition and certainty about the future. Interestingly, following a period in which parishes were being asked to meet an increasing proportion of the costs of ministry, total parish expenditure on maintenance of ministry fell to its lowest level since 2009.

On a more worrying note, planned direct giving (the main source of regular parish income) fell again in 2016, and has now fallen for five years in a row. This is the clearest threat to the long-term financial sustainability of parishes. Parishes are managing to keep afloat by maximising the tax efficiency of giving (see page 8) and income from other sources, but there is a continuing concern that some are using reserves to meet regular commitments.

Figure 4: Weekly Direct Giving per Sunday Attender



Direct Giving

In 2016 weekly direct giving per Sunday attender fell to £9.41, representing 2.6% of the average Welsh Gross Weekly Adult Income (compared with 2.7% in 2015).

It has been a feature of these reports in recent years that, despite a year-on-year decline in average attendance, income has remained relatively high due to the generosity of that shrinking pool of members, many of whom give sacrificially to their local church. However, it has also been a concern that ultimately there will be a limit to what members are able to give. In 2016 weekly direct giving per Sunday attender fell for the first time since 2000. Whilst the rate of decline is very small (less than 1%), its significance lies in what it might represent: that a ceiling has been reached, and that parishes could be facing a new period of increased financial pressure. Of course, one way in which total direct giving might start to rise again is for attendances also to rise, with the result that the financial burden of running the local church may be shared among a broader group of people. Whilst not the main inspiration for pursuing church growth, greater financial security of parishes would be a helpful by-product.

Figure 5: Changes in Direct Giving

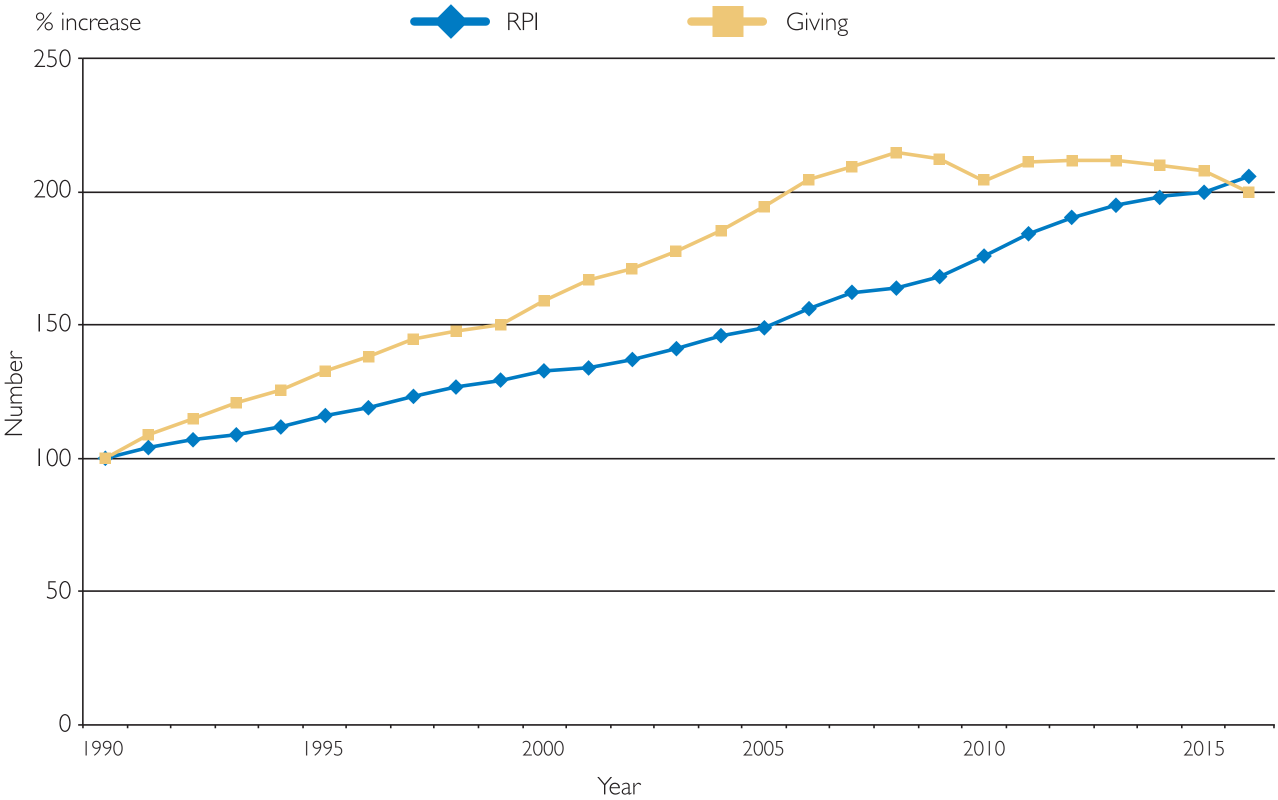
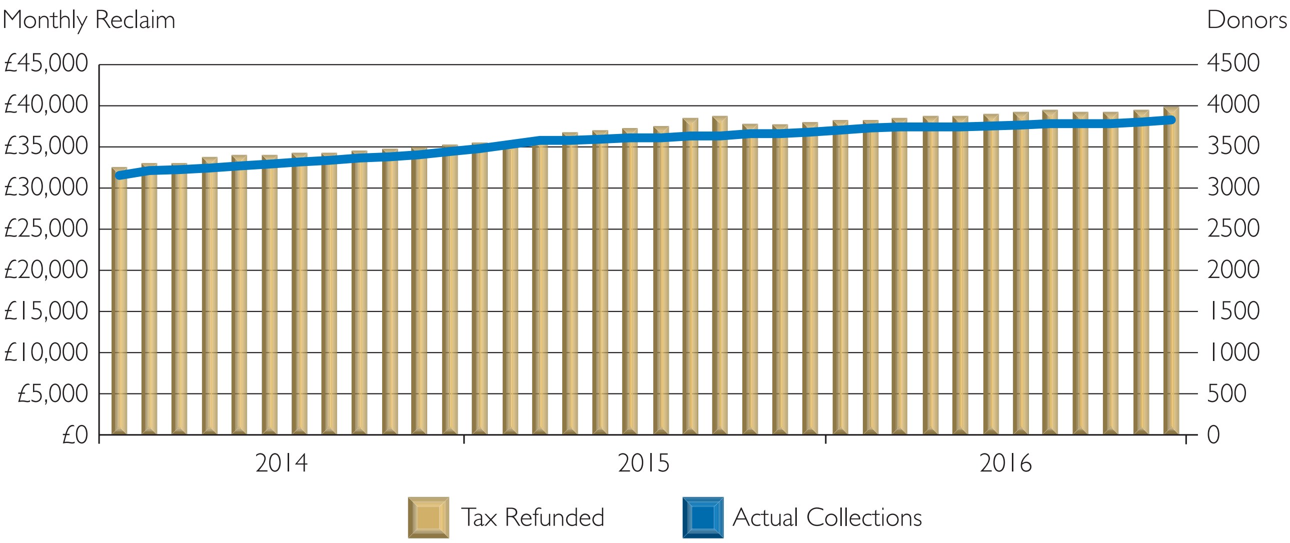


Figure 5 compares the rate of increase on a donation of £1 given in 1990 using the Retail Price Index (RPI) and the actual rate of increase in direct giving by Church in Wales members.

Since its introduction this chart has shown consistently that the "actual giving" line has stayed ahead of the "RPI" line despite periods of great financial pressure. In 2016, that was no longer the case as the "RPI" line finally overtook the "actual giving" line. Whilst an increase in RPI from 1.2% in 2015 to 2.5% in 2016 is a major factor here, when viewed alongside other examples on pages 5 and 6 of the decline in direct giving this image provides further cause for concern about long-term financial viability for some parts of the Church.

Figure 6: Donors and Tax Reclaim via Gift Direct 2014-2016



One of the positives in the data on parish expenditure is that income from tax refunds via Gift Aid increased in 2016 to its highest level since 2012 despite a fall in direct planned giving. In addition, tax refunds from the Gift Aid Small Donations Scheme increased from £271,000 in 2015 to £335,000 in 2016. At a time of falling household incomes in real terms and consequent pressure on direct giving, it is vitally important that parishes maximise potential sources of income. The Gift Aid and Gift Aid Small Donation Schemes represent "no brainer" opportunities to increase income very easily.

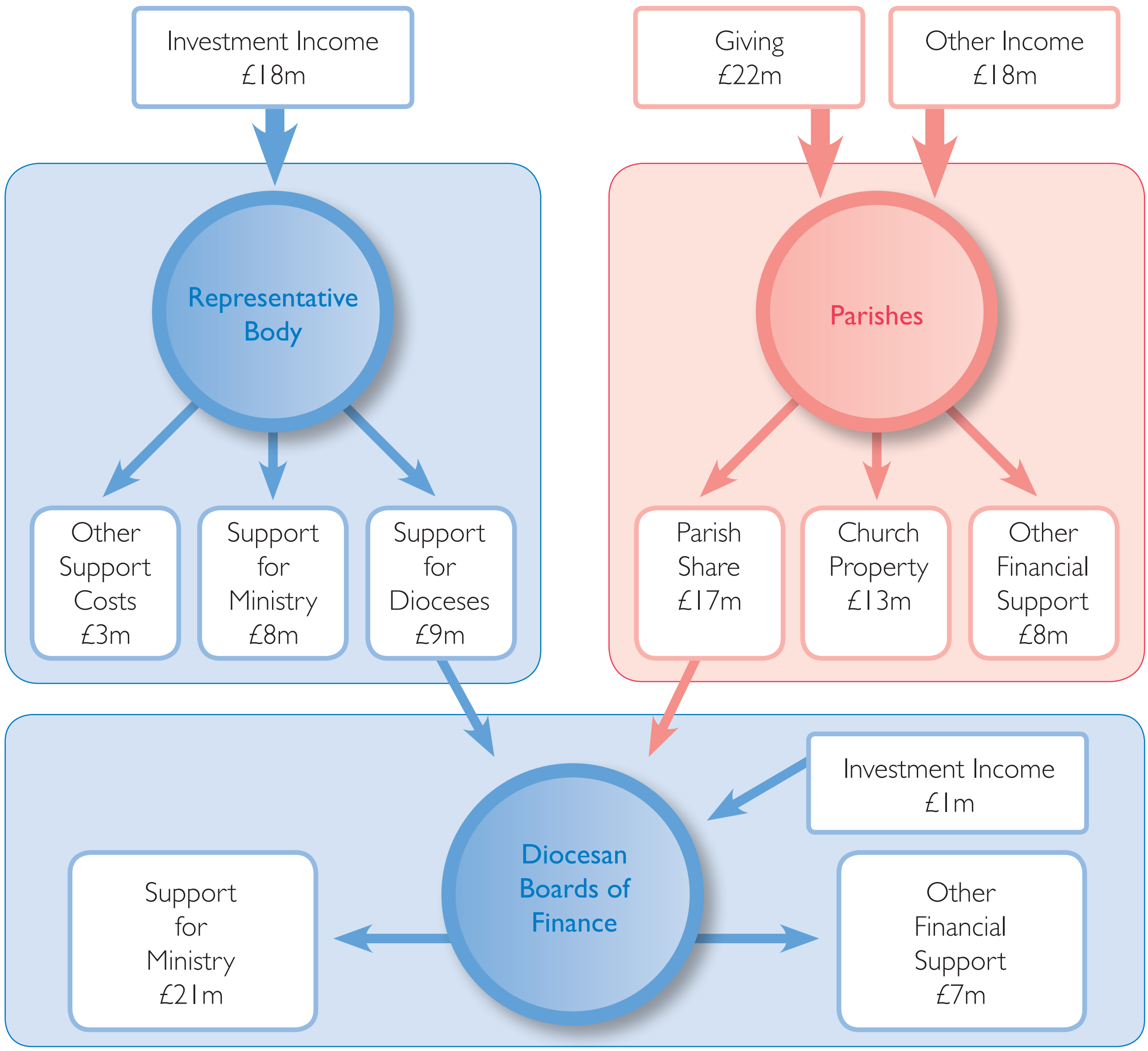
For those parishes who are still wary of the administrative implications of engaging with the challenge of tax efficiency, help is available. Diocesan offices provide advice on using both Gift Aid and Gift Aid Small Donation schemes, and we would also remind members of the Gift Direct facility, which is operated free of charge by Representative Body. Gift Direct enables individual donors to make regular monthly donations by Direct Debit. Each donation, plus any tax reclaim due via Gift Aid, is paid electronically into a nominated parish account each month. Regular statements are made to parishes, and the amount given and to whom it should be paid remains in the hands of the donor.

Figure 6 illustrates the growth of the Gift Direct facility over the past three years. During that period the number of individual donors has increased from **3,151** to **3,825**, and the amount of tax reclaimed on donations per month increased from **£32,364** (annual Figure 2014 **£406,196**) to £39,726 (annual figure 2016 **£465,761**).

Please note: you do not need to be a tax payer to make donations via Gift Direct.

For information about Gift direct please contact: glendaedwards@churchinwales.org.uk

Figure 7: How the Church in Wales is Funded 2016



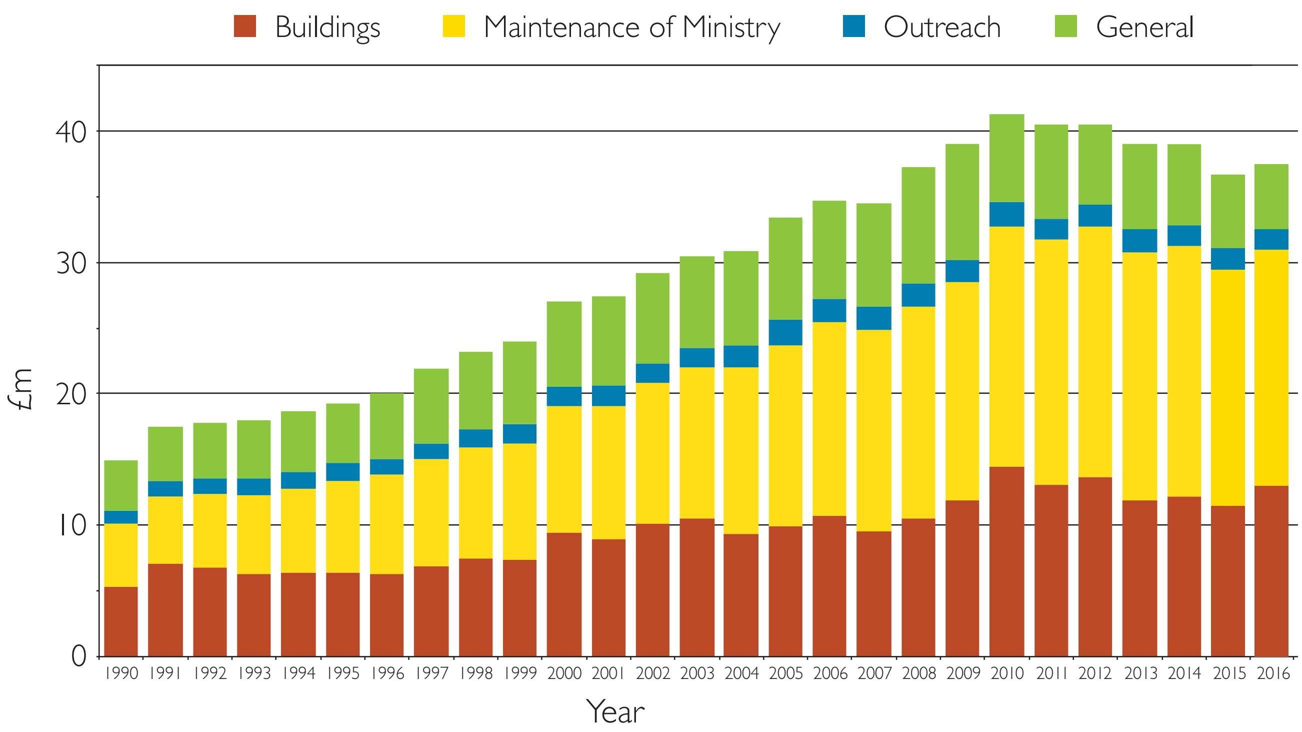
How the Church in Wales is funded?

Parishes play a major role in helping to meet the costs of running the Church in Wales. However, it is worth considering also how the parishes' contribution fits into the broader provincial picture.

Figure 7 is a diagrammatic representation of the way in which the Church in Wales is funded. Dioceses are responsible for meeting the cost of clergy stipends. To help them to do so dioceses receive funds from both the parishes (via Parish Share) and the Representative Body (via the Block Grant). Members will note that both the Representative Body and (overall) the dioceses are currently distributing more annually than they receive in income.

The parishes, dioceses and the RB have other major areas of expenditure also. The main component in the Representative Body's "Other Support of Ministry" is the cost of the past-service element of the Clergy Pension Scheme. "Other Financial Support" by parishes includes support for ministry (e.g. clergy expenses and the cost of services) not included in Parish Share.

Figure 8: Parish Expenditure since 1990



How do Parishes Spend their Money?

2016 saw total parish expenditure increase on 2015 levels, and a reversal of the trend in recent years as expenditure on property rose and expenditure on ministry fell. In the context of the introduction of new patterns of ministry (and in particular local non-stipendiary ordained ministry and licensed/ commissioned lay ministries), it is too early to tell whether this change is a short-term blip or represents the beginning of a new trend.

Figure 9: Parish Expenditure 2016

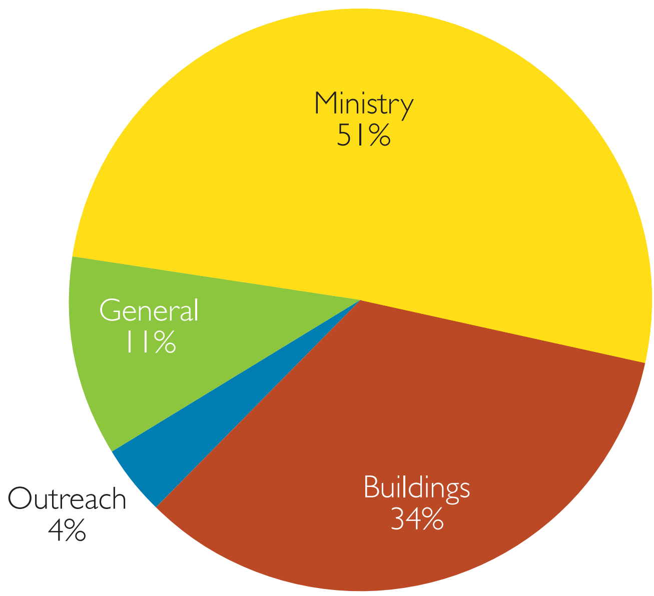


Figure 9 provides a breakdown of parish expenditure in 2016.

The proportion of expenditure on buildings rose from 31% in 2015 to 34% in 2016, with a correspondent fall of 3% in the proportion of expenditure on ministry over the same period.