

**Office of Information and Research
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**The Impact of Consolidation
of Local Conferences**

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In the on-going discussions of how to make the organizational structure of the Seventh-day Adventist denomination more cost effective, one option often proposed is to reduce the number of Local Conference entities by merging the smaller units. Although it is easy to project financial savings by calculating reduced staffing and office expenses, it is more difficult to estimate the real impact of such a move beyond the perceptions and emotions of denominational employees and church members.

The Commission on Mission and Organization, during its work in 1995, placed a request with the Office of Information and Research to provide reliable information on this question. The Office of Information and Research asked the Institute of Church Ministry at Andrews University to conduct the analysis.

This report presents an analysis of the impact on church growth from the one major experiment with the consolidation of local conferences conducted in the North American Division in recent decades. In 1980 and 1981 two union conferences were merged—the Northern Union and the Central Union came together as the Mid-America Union Conference. Eight of the ten local conferences also merged, reducing the total number of conference offices from 12 to 7 with about a 50% reduction in total staff salaries.

To provide a control group, the analysis compares the four merged conferences with five neighboring conferences of similar membership. The one Regional Conference in the Mid-America Union—which did not merge—was not included in the analysis due to the different ethnic focus of the conference.

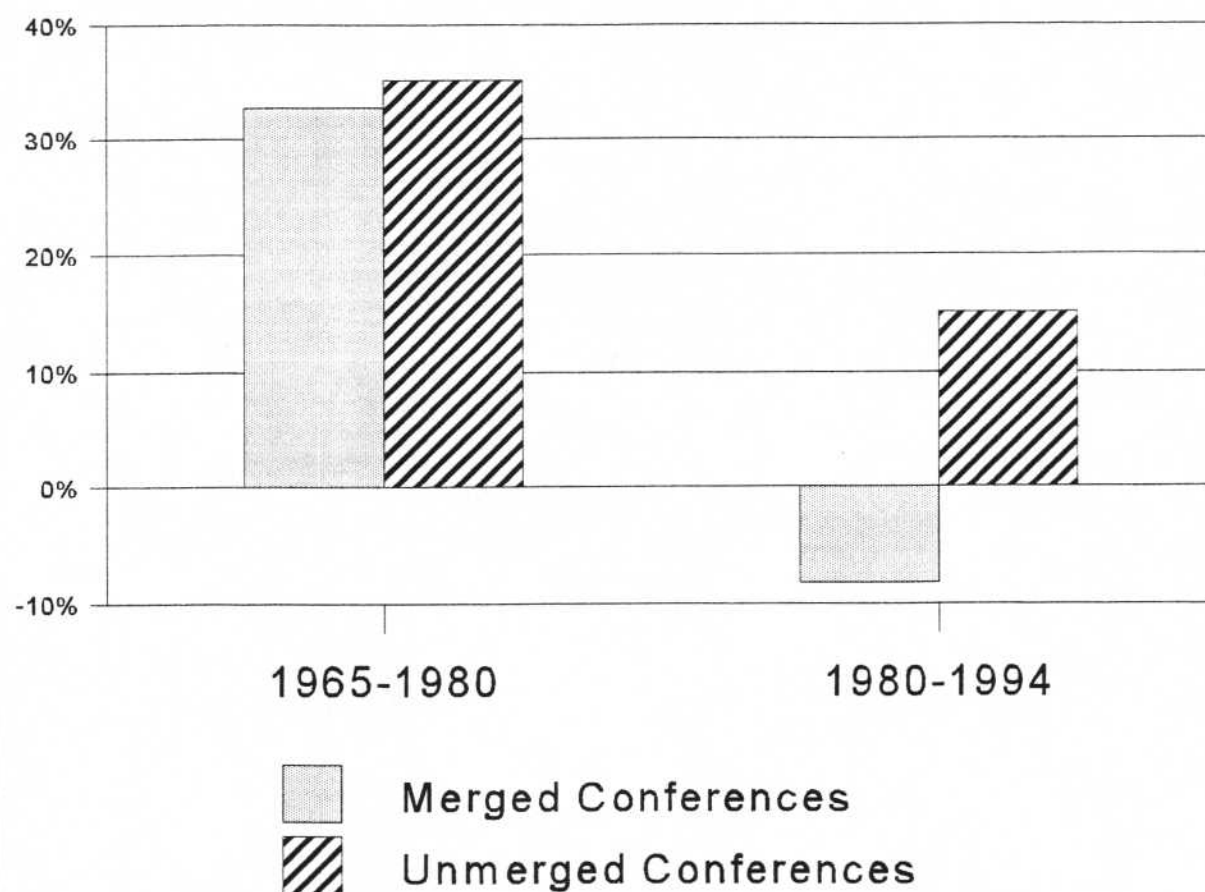
During the 15 years prior to the mergers, the eight merged conferences and the five conferences in the control group had very similar growth; 33% for the merged conferences and 35% for the control group. During the 15 years following the mergers, the two groups took a very different path. The control group had 15% net growth in membership—less than half the rate in the earlier period, reflecting the overall demographic and socioeconomic decline of the central region of the U.S. The merged group actually lost 8% of its total membership.

The comparison between the two groups is striking. (See Figure 1.) No other obvious variables are apparent. The general demographic and socioeconomic decline was even throughout the region, and the merged conferences and those in the control group followed much the same policies and programs. Evidently the consolidation of local conferences has a negative impact on church growth.

Monte Sahlin
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Figure 1

Net growth in membership



The complete data and calculations are displayed in the table on page 3, and Dr. Dudley's complete notes on the analysis procedure are included on pages 4 and 5. Observations concerning the method and outcome of this analysis are invited.

**Comparison of Growth Rates Between Four Merged Conferences and Five Unmerged Conferences
1965-1980 and 1980-1994**

<u>MERGED</u>	Year end 1965	Year end 1980	1965-1980 Gain	1965-1980 Growth rate	Year end 1994	1980-1994 Gain or (Loss)	1980-1994 Growth Rate
<u>Dakota</u>	[4,563]	[5,302]**	[739]	[16.2%]	4330	(972)	-18.3%
North Dakota	2,801	3,339	538	19.2%			
South Dakota	1,762	1,963	201	11.4%			
<u>Iowa-Missouri</u>	[7,975]	11,662*	3,687	46.2%	9,907	(1755)	-15.0%
Iowa	3,537	4,473	1979 figures				
Missouri	4,438	6,925					
<u>Kansas-Nebraska</u>	[9,015]	[10,736]**	[1,721]	[19.1%]	10,987	251	2.3%
Kansas	3,664	4,699	1,035	28.2%			
Nebraska	5,351	6,037	686	12.8%			
<u>Rocky Mountain</u>	[10,345]	[14,639]**	[4,294]	[41.5%]	13,654	(985)	-6.7%
Colorado	8,923	12,619	3,696	41.4%			
Wyoming	1,422	2,020	598	42.1%			
<u>UNMERGED</u>							
Minnesota	4,667	5,451	784	16.8%	5,335	(116)	-2.1%
Illinois	7,433	8,777	1,344	18.1%	11,486	2,709	30.9%
Idaho	2,977	4,259	1,282	43.1%	5,256	997	23.4%
Montana	2,373	3,084	711	30.0%	3,518	434	14.1%
Arkan-Louisi	3,967	7,364	3,397	85.6%	7,697	333	4.5%
Merged Conferences	31,898	42,339	10,441	32.7%	38,878	(3,461)	-8.2%
Unmerged Conf.	21,417	28,935	7,518	35.1%	33,292	4,357	15.1%

* 1980 merger

** 1981 merger

[] Merged from two below

COMMENTS ON CHART OF GROWTH RATES

Roger L. Dudley

1. Since 8 conferences merged into 4 conferences and only Minnesota remained unmerged in the territory of the former Central and Northern Union Conferences, we decided that one unmerged conference did not offer enough variance for a valid comparison. Therefore we selected 4 other conferences that never merged--Illinois, Idaho, Montana, and Arkansas-Louisiana. These are conferences that surrounded the old Northern and Central Unions and that in 1965 were very similar in size to the 9 conferences in those two unions.
2. Each of the 8 conferences that eventually merged was separate in 1965, but the figures for the merged conferences that eventually resulted are calculated by adding the components together and indicated in brackets. For example, North Dakota at 2801 and South Dakota at 1762 are shown as the Dakota Conference of [4563] even though the latter conference didn't exist in 1965.
3. The same scheme is followed for 1980 in the case of 6 of the conferences because the Dakota, Kansas-Nebraska, and Rocky Mountain Conferences were not created until 1981. The figures for 1980 are the last ever for their component conferences. The exception is Iowa-Missouri which merged in 1980. The 11,662 is for the merged conference, and there are no figures for Iowa and Missouri separately. We have inserted their 1979 figures (last available) for close comparison, but they do not add exactly to the 1980 merged figure.
4. By 1994 year end we have only the figures for the mergers. For the five conferences that never merged individual figures are available at all points.
5. For the period of 1965 to 1980 the overall growth rates for the conferences that would now merge (32.7%) and those that would remain unmerged (35.1%) were very similar.
6. This overall similarity masks the fact that within each group a wide variety of growth rates exists. Among the merged conferences Iowa-Missouri and Rocky Mountain had growth rates of over 40% for the 15 years. For Dakota and Kansas-Nebraska the rate was under 20%. Among the unmerged conferences the rates ranged from 16.8% in Minnesota to 85.6% in Arkansas-Louisiana.
7. All conferences except Illinois grew at a slower rate from 1980 to 1994 than in the previous 15 years. The merged conferences actually showed an overall loss of -8.2% for the 14-year period. On the other hand, the unmerged conferences grew at a rate of 15.1%. This was not a great gain for a 14-year period but was significantly better than the loss suffered by the merged conferences.

8. The only conference in the merged group to show a gain for 1980-1994 was Kansas-Nebraska (2.3)%. The only conference in the unmerged group to show a loss was Minnesota (2.1%). This may suggest that being in the territory of the former Northern and Central Unions was a negative factor for growth during 1980-1994.
9. The Central States Conference was not included in this analysis because of the different dynamics of growth that operate in Black conferences.
10. While the unmerged conferences overall clearly did better in growth than the merged conferences during 1980-1994 while doing similarly in 1965-1980, it cannot be concluded that the mergers *caused* the slowdown in growth. It is certainly possible that merging brought about an impediment to growth, but that cannot be established from these kinds of data. It is certain that merger did not lead these conferences into a healthy growth pattern. Whether they would have lost membership over the next 15 years if they had remained unmerged (as Minnesota did) is something that can never be known. The pattern shown by this chart, however, does not present a case for merger.