

FINANCIAL CRISIS 2009 WEB VIDEO ADDRESS PASTORS AND DONORS

Thank you for taking the time to view this video about the current economic crisis affecting Free Will Baptist International Missions. Your willingness to take the time is an indication of your interest in what God is doing around the world through International Missions. When I say "CRISIS" I do not use that term lightly. What we are facing is a crisis by any definition. The purpose of this video is to give you a complete update on the situation, the actions taken recently at our board meeting to deal with it, and what you can do to help.

First of all, let me try to give a brief summary of the depth of the crisis. Let's start with last year, 2008. That was the beginning of two difficult years. The U.S. dollar dropped severely in its value against other world currencies. Though almost all of the money is raised in dollars, most of it is spent in Euros, yen, rupees, rais, rubles, and other currencies. When the dollar loses its value, it takes more dollars just to do the same thing. Our internal research indicates that over the last two years we have incurred over \$600,000 in expenses, because of the currency rates, for which we had no income. In addition, in 2008 we had a loss of over \$265,000 in the stock market. Therefore, we ended 2008 with a loss in net assets of \$426,000. It was in this weakened financial state that we entered 2009.

As we began this year, we took specific steps to prevent losses similar to those incurred in 2008. No one in the Mission took raises, retirement contributions were suspended, and all budgets were significantly reduced. Our hope was that these steps would at least hold things steady while we worked our way through 2009. As we carefully tracked income and expenses in the first half of the year, these steps seemed to be sufficient. Even through July, we felt that income-versus-expenses were in line and, perhaps, the worst was behind us.

Beginning in August, however, any thoughts that we had already seen the bottom evaporated. Donor income plummeted. In the past five months, August through December, total income has fallen \$580,000 short of the same five months in 2008, and those months were not very good. To date, in 2009 there has been an 8% drop in donor income compared to 2008. At the same time the currency exchange rates continue their two-year pounding on the expense side. All of this has worked together to produce the perfect, and painful, financial storm we are now experiencing.

Let me pause for a moment to give a strong word of commendation to our missionaries and stateside staff. We asked them at the beginning of this year to keep expenses down in **dollar** terms. They have done that, even **while** the dollar kept losing value. Let me quantify that statement. As a Mission, our 2009 spending will be nearly \$500,000 **less** than it was in 2007. Without this extraordinary effort, the crisis would be far worse.

But, the grim reality is that in 2008 we had net asset losses of \$426,000. It is probable in 2009 for net asset losses to exceed \$500,000. That would be nearly a million dollars of net asset losses in two years. It is appropriate for us to feel a great sense of urgency, because this is the most dangerous financial crisis we have ever faced, by far.

The precipitous decline in donor income during the last five months has come on suddenly, and therefore limited our options. Subtle budgetary and expenditure changes will not be sufficient. A series of substantial and painful cuts has been immediately necessary.

Two years ago we traveled around the denomination, in 25 meetings with over 600 pastors, describing the proposed changes in the funding system. We were asked more than once about scenarios just like we are currently experiencing. Questions were posed like, “When you face an economic crisis in the future, where are you going to cut first?” Our answer was always that we would do as much as possible stateside to absorb the loss. We would do everything we could to maintain our field presence and ministry.

Little did we know that this would be put to the test just as we are coming into 2010. But, we are doing what we said we would do. Our recommendation to the board in December began with significant and painful cuts in stateside personnel. We felt that an income budget of \$7.2 million was a prudent projection for 2010 under the current circumstances. In order to get our expense budget down to 7.2 million, the following specific and very difficult stateside personnel decisions were made:

- The position of communications project coordinator was eliminated.
- Production of our quarterly *IMpulse* video magazine will be suspended. In essence, this will eliminate another full-time staff position.
- A part-time IT position was eliminated.
- And, the director of member care position was eliminated as a full-time staff role. In order to continue serving the needs of our missionary family, the Mission will enter into a contract with Dr. Gilliland to provide ongoing member care services on a consulting basis.

Please pray for these individuals and their families as they face difficult choices and financial challenges as a result of these actions.

In addition to the specific stateside eliminations, all of the International Missions family will be affected by the following very difficult decisions:

- All IM personnel, both stateside and field missionaries, will experience a 5% reduction of their base salary in 2010.
- For the second year in a row, retirement contributions for all personnel (home office and field) will be reduced to the minimum required by the Board of Retirement to maintain an active account status.

The financial crisis facing us will also affect plans for the celebration of the 75th anniversary of the Mission that is planned for 2010. For almost seven years there have been plans for all current and former missionaries from around the world to join with adult MKs and their families in Tulsa for a few days before the National Association this summer. The funds set aside to underwrite this, however, had to be used for our number one priority—to keep missionaries on the field. Only those missionaries who are scheduled to be in the U.S. for stateside assignment will be brought home at Mission expense in 2010.

- The annual *Celebrate!* banquet is also cancelled for 2010.
- The museum and gift shop planned for the national association in Oklahoma City will be in place only if sponsorship funds can be secured to underwrite the costs.

Retreating from our original 2010 plans has been very painful, but the reality and depth of this crisis has in effect made the decision for us. We plan, however, on doing everything that we can to celebrate the 75th anniversary within the constraints placed upon us. The Go10 Walk is still proceeding, as is the

coffee table book, *Into The Darkness*. Both of these should actually generate revenue next year. As many of you know, we have invited international guests from all of our fields around the world to come to Oklahoma for the National Association, as well as the International Fellowship meeting. The unanimous feeling from our field leaders has been that withdrawing these invitations would have very broad and negative implications. Even if the number invited has to be reduced, fulfilling our commitment to national leaders is a significant priority. We are currently in the process of seeking donors willing to cover their travel and expenses to allow the leaders to come. We realize that many are paying their own expenses to attend and we will welcome them with as much fanfare as we can muster.

Other plans and activities will be announced in the coming weeks. Though we do not have the finances to celebrate as we had hoped, we will make special efforts to celebrate our 75th anniversary at our National Association in Oklahoma City in July.

Our hope is that these aggressive actions on the expense side, coupled with equally aggressive actions on the income side, will eliminate further losses.

I know that for some of you who are hearing all of this for the first time, this is very disappointing. It has been very difficult for us on the International Missions leadership team. But, that is not the end of this message. When I get somewhat discouraged or overwhelmed by a crisis, I remind myself of the speech John F. Kennedy made in 1959. Alluding to the growing crisis of Communism, Kennedy related the details of the Chinese word for "crisis." It is actually a combination of two words: danger and opportunity. Most of the time, in any crisis there is not only a danger, but also a huge opportunity. In fact, speaking of the current economic crisis, one political insider in Washington was heard to say, "Never let a serious crisis go to waste."

A crisis can provide an opportunity to build a strong coalition among those who develop a common purpose. It can eliminate distractions and move the gaze to higher priorities. Our disappointment may in fact be God's appointment for us. We certainly do not believe this has occurred without His knowledge or outside of His guiding care. So, can we use this crisis to advance the cause of world evangelism among Free Will Baptists? I believe we can.

This crisis will force us to immediately address questions and possible weaknesses in the new funding system as we head into 2010. At this point it would probably be good to make an admission. We have not done as good a job as we should have in explaining how the transition to the new system will take place, or how it works in the real world of our churches. It has not been for lack of desire, or even lack of effort. But, with the questions we continue to receive, it is evident there is still a significant amount of confusion. I apologize for that. Our desire is to make it simple. We commit to redouble our efforts and seek to make the transition clearer.

As a denomination we need to develop the same degree of passion to become involved, under the new system, as we did in the old system when the missionary we supported was in the red. In the old system, we knew what to do. If our missionary was in the red he or she would contact our churches and make them aware of the need. They would also contact their family, friends, donors, and other churches and appeal to them to keep their account out of the red, or take a special offering to get them back to the field. How do we utilize the strength of those relationships to make an appeal when the entire Mission is in crisis? We need to figure that out. AND, WE REALLY NEED TO FIGURE IT OUT SOON.

I'd like to pause for just a moment and give a personal reflection. During these past several months all of us on the International Mission staff here in Nashville have felt the burden of growing deficits and falling

income. During our board meeting last month it dawned on me, and I said it to them, “Guys, this is what the purpose of the restructuring of the funding system was all about. In the past it was the missionary that felt the whole weight of their account when it slipped into the red. It was they who felt helpless when currency exchange rates ballooned their deficit.” Looking around the table I said, “The pressure we now face is what we asked for. We did not want our missionaries to face that alone. It is our responsibility, and we need to shoulder it.”

So, if under the old system it was the missionary who felt the whole weight of their account and deficit, who is it who must feel it now? Those of us in the administration and on the board have our portion, but it can't end there. It is all of us . . . *Everyone!* Recently when Southern Baptists had a steep drop in the 2008 Lottie Moon Offering, the most passionate voices were not missionaries, or even representatives from their International Missions Board. No, it was leading pastors who rose up to say, “We simply cannot decrease our efforts to get the gospel to the unreached around the world.” *They* wrote articles in their own publications, state publications, and spread it abroad throughout their networks.

Under the restructured funding system, that is what we need today. We need voices of Passion and Truth to rally us. The Free Will Baptist pulpits in this land of plenty we call America need to ring out with the renewed Macedonian Call.

So, specifically and simply, what can you do to help? Let me give three specific suggestions:

NUMBER ONE—We need as many of you as can to make a special crisis appeal in the first quarter of the year. Historically, because of cyclical factors, during the first quarter we anticipate a deficit of over a quarter of a million dollars. We usually make that up later in the year. With our current financial picture we simply cannot do that this year, or we risk significant reductions in field ministries—perhaps even leading to recalling missionaries. You may have already heard from the missionaries you support. They need your help.

NUMBER TWO—Urge your people, especially your young people, to participate in the Go10 Walk for the World. This is a 2,500-mile walk in 2010 to honor the 75th anniversary of our pioneer missionary Laura Belle Barnard's commissioning and departure for India. If our people can raise \$500,000 in this walk, a donor has already committed to match up to that amount. \$1,000,000 would go a long way in helping us in 2010. Go to the website go10walk.com for more information.

NUMBER THREE—Consider purchasing a copy of the book, *Into the Darkness*. This is a coffee table book that celebrates the 75 years of Free Will Baptist missionaries taking His light into the darkness. There is a \$50 version. For those, however, who could purchase the \$500 commemorative edition, it would be a significant help as we move into 2010.

I believe in what we are trying to do to extend the Kingdom. I believe in the International Missions team and that we can face challenges head-on. And, I believe in our Free Will Baptist people. You have always come through and responded when you are made aware of a legitimate need. Now, you can make a difference, and help us continue planting churches among unreached peoples.

As we think of the task before us I want to share what former Brazilian President Fernando Cardoso once said, “*The future is not a point in time waiting for us to get there. It depends on and is shaped by the decisions that we make today.*”

I do believe that God expects us to make good decisions, and gives us the capacity to do so. But, there are sometimes that all the good decisions in the world are not good enough for your crisis. In those times, I firmly believe that God Himself intervenes on behalf of His children.

One incredible story of this was found in *Leadership Weekly* several years ago. Joe McKeever wrote: *Late one night, a man in Slim Cornett's church was showing Slim around a county airport in rural Mississippi. "This switch lights up the runway," the man said as he flipped it. "Then, let's say there is a plane in distress up there. I would throw this switch and turn on the search lights."*

As the night skies lit up, a small plane materialized out of the darkness and landed. Slim and his friend watched in amazement as Franklin Graham, son of the famous evangelist, stepped off the plane. The pilot had been flying Franklin back to school in Texas when the electrical system shut down, leaving them stranded in the Mississippi night without lights or radio or any means of guidance. From out of nowhere, the search beam had come on and guided them to the landing strip.

*As Franklin's mother, Ruth, tells the story, earlier that evening before they left home, Billy Graham had prayed for the Father to protect and guide his son and the pilot (Joe McKeever, "God Winks," *Leadership Weekly*, 12-18-02).*

In a metaphorical way, we need someone to switch on the searchlights, and right now, we do not know they are even down there. God works that way. Pray diligently with us that God will provide wisdom to make good decisions and/or individuals who can turn on the searchlights.

And, finally, in the midst of this crisis I think it is important that we remind ourselves about a few things. First, this crisis will pass. All financial crises do. We as a Mission have faced many of them. With appropriate and prudent actions, we will make it through this one. But, what will not pass is the call of Christ to reach the unreached with the Truth of His gospel. Even in the midst of this crisis, that is what we are about. We thank the Lord that even now some incredible works are being done around the world to advance His Kingdom. We exist to facilitate church planting movements among unreached peoples. From all of us here in Antioch, we are so thankful to be a part of a team that is passionately focused on doing just that. Working together we can rest in His provision.

Thank you, in advance, for all of your efforts to help us truly have a Happy New Year in 2010.