Applause, cheers, and a couple of “Amens” greeted the approvals of modest Disciples Church Extension Fund (DCEF) loans to Disciples congregations in mid-December 2022. The casual observer might have wondered, “Why all the fuss?”

But DCEF Staff Loan Committee members understand it can take months — even years — to help a congregation move through the pipeline from application to loan approval. Plus, these loans were the first approvals for two of the newest Building and Capital Services Advisors, just six months on the job. Committee members naturally applauded their new colleagues for reaching this benchmark.

However, the outsized response to the action also could be attributed to a sense of new hope: Even a trickle of new loans indicates Disciples congregations are finding their bearings again in a challenging ministry context. That alone is worth “all the fuss.”

The last three years have been fraught with ministry tests that persist in this new era:

- the Covid 19 pandemic
- a long-overdue, and appropriately challenging racial reckoning
- increasing fallout from climate change
- the staggering human and global economic impact of the Ukraine/Russia war

Ministry practices as fundamental as worshiping together or feeding hungry neighbors have required innovative thinking and pluck to continue; qualities Disciples congregations demonstrated as they faithfully rose to the occasion. Of course, they did. The Good News of God’s unconditional love is more relevant, and more needed than ever in such times.

DCEF’s aim is to come alongside faith communities — not only to help them endure complex challenges but to help them make the most of what they are learning as they respond to God’s call in this daunting season.

The Context

With congregations in survival mode, DCEF’s work in 2020 and 2021 shifted to helping partners thrive during the worst of the unprecedented times we all faced. For example:

- DCEF supported congregational efforts to apply for government Paycheck Protection Program (PPP) loans — and then to take the appropriate steps for those loans to be forgiven through the program.
• DCEF provided grant funding to help congregations acquire the
technology necessary to remain in touch with parishioners and serve
hurting communities that could no longer meet in person. We continue to
support this transition by offering our lowest rates for technology loans.
• DCEF suspended loan payments to allow congregations time to regroup in
the new context for ministry. As congregations and other partners re-
establish their financial footing, we remain mindful of the stresses on
budgets as loan payments resume.
• DCEF leaders met with Puerto Rico congregations throughout the multiple
climate crises on the island, crafting services to support their recovery and
continued growth. This included a long-overdue, face-to-face visit of the
DCEF Board mid-year to testify authentically to DCEF’s continued
commitment to a 123-year-long partnership.

This advocacy and support came at a time when DCEF was experiencing its own
challenges.

The Cost of Advocacy
Following a strong performance in the investment portfolio in 2021, the DCEF board
approved a 2022 budget that included an operating loss of $173,606. Leaders
understood Disciples — and thus DCEF — faced a year of recovery.

Meanwhile, one of the cushions for DCEF’s operations — the investment portfolio —
was about to go on a roller coaster ride. The S&P 500 began its descent in January
2022, a slide that resulted in a bear market by mid-June that continued throughout
2022.

Thanks to significant containment of budgeted operating expenses, the
final *unaudited* balance for 2022 showed an operating gain of $20,758. But the market
slide was beyond our control. Our unaudited figures showed unrealized loss of
$3,023,205 in investments. (‘Unrealized’ simply means the funds are invested, and thus
not a cash loss. As the market recovers, the investments should recover as well.)
Combined with other amounts besides unrealized gain/loss on investments that also are
applied against the operating gain, DCEF’s *unaudited* Total Change in Net Assets for
2022 shows a $2,021,868 loss.

Finding Balance
DCEF’s significant reserves, and its partnerships — both ecumenical and
denominational — have protected DCEF and its investors in this difficult season.
DCEF’s lasting power has helped the 139-year-old ministry weather many a storm.
Furthermore, the DCEF Board has approved a break-even budget for 2023, which
includes tightening the proverbial belt and pursuing additional income streams.

DCEF’s new vision statement: “We will be the catalyst for change in the
renewal and rebirth of our congregations,” sums up DCEF’s driving
intention for the coming season. DCEF is a guide for congregations facing
a rapidly changing context for ministry. Not only will benchmarks for DCEF’s performance be driven by this call, but they must be quantified by a realistic sense of market potential — and be backed by a robust strategic effort to maximize impact.

Such ingenuity requires a full complement of staff. So, as 2022 dawned with staffing in flux, the first order of business was to onboard strong, competent new leaders aligned with DCEF’s mission and values.

Staff changes started at the top. New President and CEO Belinda King, MBA, officially took the helm in January 2022. Her 10-year history with DCEF and partner congregations, as well as her background in banking, meant she was not naïve about the struggle DCEF would face in her first year. Her presidency began with the need to fill significant staff positions left vacant at the close of 2021 and into 2022.

New Church Ministry
The next staff change announced was Rev. Dr. José Martinez, who stepped up from Associate Minister to overlap with the outgoing New Church Ministries leader at the end of 2021. By late January, Rev. Martinez was leading the churchwide ministry as Transitional Minister of New Church Strategies, which operates with oversight by DCEF. A national search will result in calling the new Minister. Meanwhile, Rev. Martinez and his team have not missed a beat.

- The New Church Hacks webinars marked success in 2022, by matching content with the changing needs of both new and existing congregations. Webinars titled “Trauma-Informed Ministry and Pandemic Recovery,” “Navigating Grief in Children and Youth Ministries,” and “Creating Best Practices for Creation Care,” drew hundreds of participants.

- While Leadership Academy drew a respectable attendance as well, plans to reboot this gathering are expected to improve its impact.

- Exploration of a new initiative — “Disciples NEXT” — in partnership with the College of Regional Ministers, seeks to develop core competencies that train leaders as movement initiators, rather than perpetuating a model of church growth based on a history of colonization.

- The inaugural Leader’s Retreat focused on the spiritual health and wellness of those who are involved with starting a new movement.

- Meanwhile, the 2022 Pentecost Offering, which supports the ministry, was on pace with gifts the previous year.

Fielding a Team
By June, DCEF had called new Building and Capital Services Advisors Brock McCracken and Rev. Richard Williams, bringing deep connections among Disciples.
Existing advisors, Rev. Gilberto Collazo, Jim Michel, and Rev. Rosario Ibarra, bring the team to five. The search for a new Vice President for the department continues, with Rev. William Bass, retired veteran DCEF advisor, assisting the team in the interim.

Two additional Disciples veterans came on board as directors in mid-year: Rev. Patricia Case, Transitional Senior Director for Marketing and Services, and Katy McFall, CFRE, Director of Development.

As Covid restrictions lifted, staff logged hundreds of miles catching up in person at dozens of regional assemblies and in face-to-face gatherings with congregational leaders and donors across the country. When travel is not advised, as waves of viral variants ebb and flow, virtual meeting skills — sharpened in the pandemic — will continue to provide cost-effective gathering opportunities to strengthen relationships.

Meanwhile, serious illness and one resignation combined to leave the Finance Department short-staffed for much of the last two quarters of 2022. The remaining finance staff worked heroically to keep day-to-day operations on track while their colleagues grew strong enough to return to work full-time. Furthermore, leadership moved quickly to bring in Christy Paddock, CPA, CGMA, of Paddock Advisors, LLC, to bridge the gap, as a national executive search commenced for Chief Financial Officer. Christy’s background in supporting such transitions for non-profits proved a solid fit for DCEF’s needs.

Both Board Chair Jeff Champeau and Vice Chair Martha Brown agreed to continue their positions to further continuity in the transition. Elected to join the board with terms that began January 1, 2023, were Regional Minister of the Christian Church in the Southwest Rev. Andy Mangum; Andy Sherrer, regional president of First United Bank in Oklahoma and member of First Christian Church, Norman; and Candis Wilson, who serves as bursar at Central State University, Ohio Regional Moderator, and is member of First Christian Church in Xenia, Ohio.

Signs of Recovery
Signs of recovery do not end with modest loan approvals, or with filling mission-critical leadership positions:

- **A new strategic planning** process, which began in Q4 2022, continues into Q1 2023, with expectations for new initiatives that can take DCEF’s work to the next level in helping congregations thrive.

- The strong performance of the silent phase of “**New Ways into the World,** the first Capital Campaign for DCEF,” sets the tone for a General Assembly public launch of the drive. The campaign will strengthen new DCEF initiatives to help congregations thrive in a new landscape for mission; bolster New Church Ministry as the church-wide effort pivots for its next phase; and support DCEF Disaster Relief Services that provide expert consultation on such things as
property and casualty insurance settlements, and complex engineering reports — all at no cost to the recovering congregation.

- **New Ministry Relevance Services**, designed to help guide congregations in a changing landscape for ministry, will maximize the core resources of faith communities: their people, property, and finances. These innovative new services will help congregations identify and leverage *all* their resources for their unique mission and ministry context.

- Continued ecumenical partnerships through **Hope Ecu** provide a growing market for congregational transformation services crafted by the DCEF-related ministry formerly known as Hope Partnership.

- A new initiative within New Church Ministry — **DisciplesNEXT** — focuses on identifying and equipping a new generation of leaders with a passion for restoring the core strength of Disciples as a movement — and shifts Disciples away from colonizing models of church growth.

- A goal to widen DCEF’s impact for ALL Disciples congregations drives new initiatives to support **historically underserved faith communities** — primarily those ministering to communities of color, low-income neighborhoods, and other marginalized groups.

- With the awareness that climate-driven disasters will only increase in coming years, DCEF continues to work with partners to help congregations prepare for and navigate the fallout of a crisis through enhancements to **Disaster Relief Services**.

**In short, DCEF continues to step up:**
- To meet congregations and other ministry partners where they are;
- To listen as they name their historic ministry and the new ways they feel called into ministry in today’s new context; and
- To identify ministry assets — people, property, and finances — that can be leveraged in service to faithful, effective, and innovative ministry.

Can we get an “Amen!”?

The General Board receives this report and forwards it to the 2023 General Assembly for consideration and discussion.