

Price of Politics: How much are evangelical Presbyterians willing to pay to separate?

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Motivation

- Survey evidence suggests people have deeply-held and polarized ideological stances on social issues (LGBTQ rights, abortion, gun rights)
- Deeply-held polarization can lead to dysfunctional political processes
- It is unclear how much people value their stances, which is relevant to address polarization
- Religious institutions grapple with polarization leading to schisms after major decisions on social issues like LGBTQ affirmation
- Institutional policies can place a cost on departing congregations, providing a natural experiment to price ideological stances

John Ortberg's Menlo Park Presbyterian votes to leave PCUSA despite \$8 million fee

Sarah Pulliam Bailey - March 7, 2014

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Members of one of the largest congregations in the Presbyterian Church (USA) have voted to leave the denomination, despite facing an \$8.89 million cost for leaving.

Menlo Park Presbyterian is based in the San Francisco Bay area and led by well-known author and pastor John Ortberg. It is the ninth-largest PCUSA church, with about 4,000 members, including former Secretary of State Condoleezza Rice.

The motion to leave the PCUSA was approved by 93 percent of the church's members who voted, with 2,024 ballots in favor of the motion and 158 ballots opposed, according to a letter posted by Ortberg. Menlo Park determined that to keep its property and leave the denomination would cost \$8.89 million, based on a summary for dismissal agreement.

Figure: This occurred just before the 2014 decision to allow LGBTQ+ marriage.

Payments large and at times prohibitive

- Menlo Park Presbyterian paid nearly \$9M to leave PC(USA) in 2014
- Milwaukee Presbytery wanted \$500K to let Oostburg congregation

“It’s a price we are unwilling to pay and never were willing to pay,” said the Rev. Brian Jacobson, pastor of FPC-Oostburg. “Our congregation has already expressed that it will not vote for that motion.” (Source: The Layman)

- Congregation “disaffiliated” and joined a Covenant Order of Evangelical Presbyterians
- Filed a civil suit against Milwaukee Presbytery to keep property
- Church is still at the same address today
- “Off record” conversations indicate other congregations would leave, but can’t afford it

Research Question

- How much are conservative PC(USA) congregations willing to pay not to be part of an LGBTQ-affirming denomination?
- What happens to congregations that cannot pay?
- What increases/decreases willingness to pay?

Relevant literature

- Mainline Protestant denominations have been losing members for decades, but the rate of loss has increased in recent years ([Marcum, 2017](#))
- Wide acceptance of LGBTQ rights throughout secular society has left only strong holdouts largely within conservative religious groups ([Badgett et al., 2021](#))
- Trade-off between more services and more conflict as jurisdictions (denominations) grow ([Alesina et al. \(2004\)](#), [Alesina and Spolaore \(1997\)](#))
- Challenges overturn weakly-held beliefs, embolden strongly-held ones at large expense ([Bénabou et al., 2016](#))
 - Quarter of Pakistani men surveyed turned down 1/5th of day's wages to avoid showing gratitude to US government for funds ([Bursztyn et al., 2014](#))

Partisanship of Presbyterian Church (USA)

- The PC(USA) is a Protestant church with a hierarchical, representative structure
 - 11K local churches \subset 165 presbyteries \subset 16 synods \subset 1 general assembly (GA)
 - Local pastors and elders form session, a governing body, a subset of which go to presbytery
 - Presbytery elects commissioners to GA, synod elects commissioners to GA
- It is like an extremely decentralized version of the US government
- It also makes for a number of contentious decisions and bureaucratic processes

Map of the PC(USA)

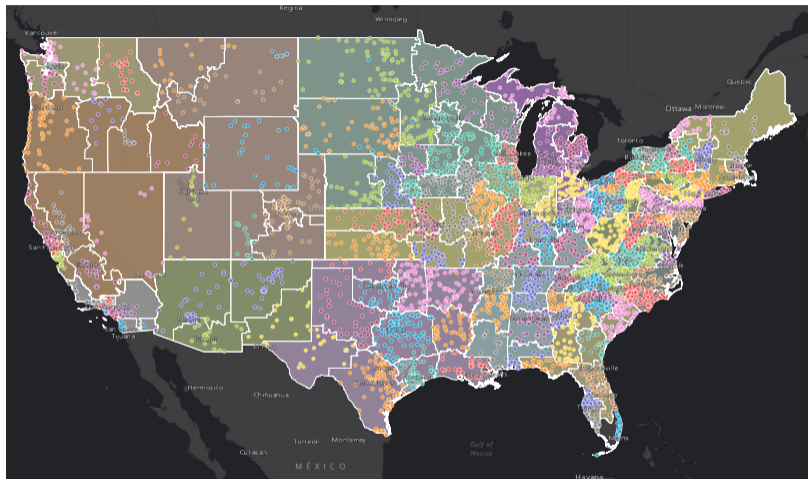


Figure: Map of the presbyteries and synods. Offices flagged and congregation locations as dots. Source: Vicente Guna Mid Councils directory and Office of General Assembly.

Timeline of decisions

- Increasingly progressive GA decisions on social issues, “alienating” conservatives:
 - 2001:
 - 317-208 to overturn celibacy requirement of unmarried clergy (G-6.010b); rejected by presbyteries
 - 369-163 vote to add “for us” to a statement claiming salvation is found through Christ alone
 - Confessing Church Movement created to protest, joined by 1200 congregations by 2005
 - 2010: G-6.0106b overturned and presbyteries approve, creating “local” option to ordain non-celibate LGBTQ members
 - 2012: **May 2012** shows 51% members oppose same-sex marriage to only 41% of pastors
 - 2014:
 - 429-175 to allow pastors to marry any two people and churches to host any weddings, 70% of presbyteries approve
 - 366-363 to divest from three companies that provide services to Israel in Gaza
- All decisions create “local options” and no requirement to ordain or marry LGBTQ people

Data in hand

- PC(USA) Session Annual Statistics Report: Congregation-level data covering 2000-2021 with over 11K congregations
 - Includes congregation name, address, membership, demographics, dismissal, and finances
- Dismissed congregation-level data collected by Presbyterian Layman Committee supplemented with Presbytery minutes and AC reports
 - Includes payment details, new denomination, dismissal date and votes
 - Payment often broken down by property (with appraisal), debts, and good will offering
 - Includes payments of 346 congregations through 2017
- Directory of confessing church movement using Wayback Machine scrapes of website
- State-level data on judicial stance on hierarchical church property disputes
- Census data on median house property values at zip code level

Missing/incomplete data

- **Payment:** Only have data on payment for churches that pay money to leave
 - Commercial property index (good data source?)
 - Church sales data to yield a hedonic price model (source?)
 - Leave-one-out averages of payment records?
- **Held in trust:** Not all churches are held in trust, but no formal list of which
- Incomplete data (some online, some I need to directly request):
 - Dismissal policy terms for each presbytery (I've acquired roughly 70)
 - Administrative Commission Report of each church's dismissal
 - Received permission to view archives of select presbyteries at the Presbyterian Historical Society

Departure vs. dismissal

- GA statistics list the annual churches that were dismissed and dissolved annually
- I digitized the dismissal records
- I list a church as dissolved or disaffiliated if it stops appearing on the SASR panel
- This is a data limitation: I cannot distinguish the two as the PC(USA) tracks some disaffiliates as dismissals and some disaffiliates as dissolutions
 - A church disaffiliates, but a faithful remnant remains then closes – that is a dissolution
 - A church entirely disaffiliates and joins another denomination – that is likely listed as a dismissal

Churches close, departure, or get dismissed

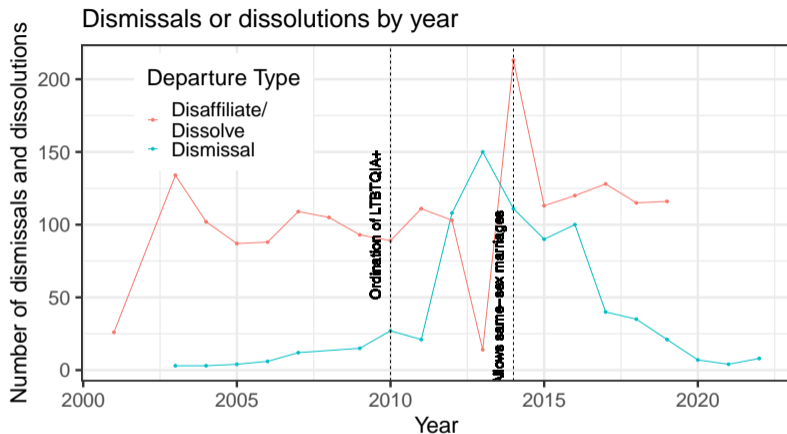


Figure: Hundreds have closed, been dismissed, or disaffiliated with upticks around major decisions by PC(USA). Dissolution is not always driven by conflict with the larger denomination, nearly all dismissals are.

Willingness to pay to leave

- Official policy: congregations get dismissed by a presbytery vote
- Dismissal agreements enforced based on wanting to retain any property and require:
 - Payment to presbytery
 - Switch to another reformed denomination
- Payment amount is (largely) determined by:
 - Local property values
 - Loans and debts
 - State judicial stance on church hierarchy
 - Presbytery policy on property consideration
- Congregations that leave without property “disaffiliate” and pay to acquire new property
- Alternatively congregations members may leave – incentive for congregations to leave

Payment by median housing value

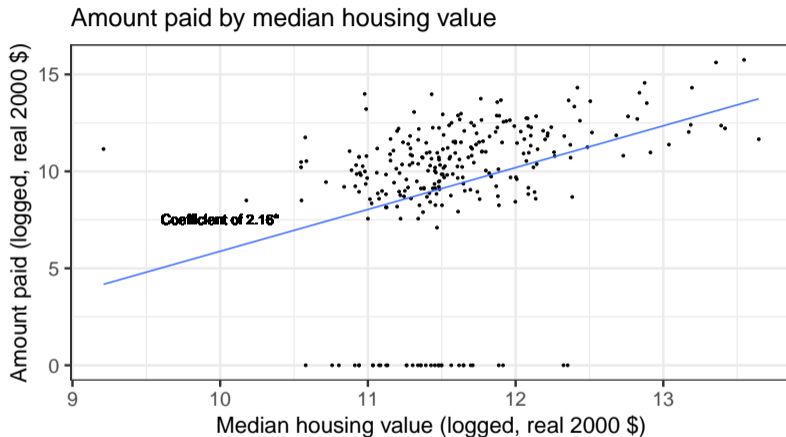
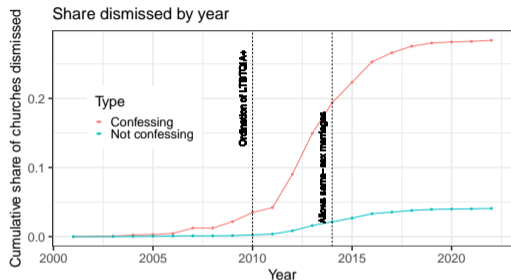


Figure: Amount paid by median housing value at zip code level. Both adjusted to be in 2000 USD.

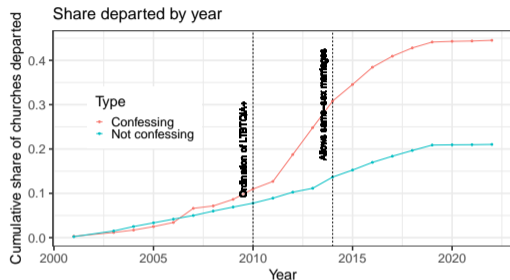
Confessing churches were most likely to leave

- The confessing church movement started to protest increasingly progressive GA theological and social stances
- 1285 congregations signed on through 2005
- I use the Wayback Machine to scrape the archived confessing church website
- Returns a list of 1285 congregations that signed on
- Of these, 365 were dismissed, 207 disaffiliated or dissolved, and 721 remain through 2021

Confessing church dismissals and departures



(a) Dismissals cumulative share



(b) Dismissals+Other Departures cumulative share

Figure: Share of churches dismissed or departed by year and confessing status

Hypothesis: Price and decision to leave are negatively correlated

- Churches in more expensive areas will have to foot a larger bill to leave
- Follows that a church in an expensive area will be less likely to leave at the margin
- Churches in cheaper areas will be more likely to leave
- Let's check that out descriptively
- Spoiler alert: dismissed churches are in the zip codes with the highest average median housing values

Are “remain” confessing churches in more expensive areas?

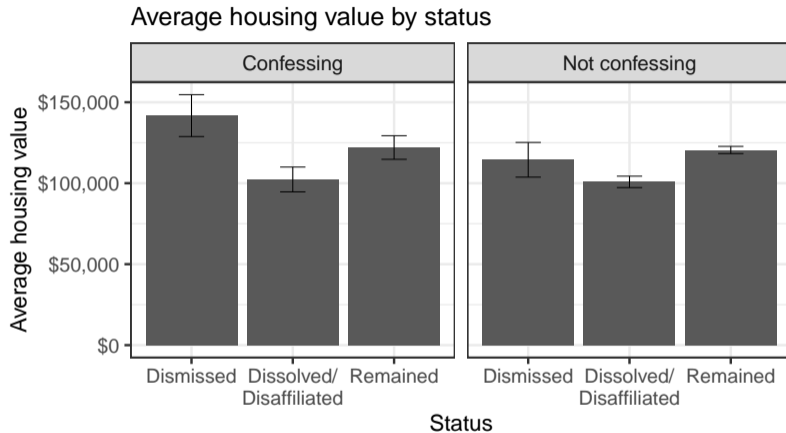


Figure: Average housing value by departure status of congregations. Adjusted to 2024 USD and 95% confidence intervals shown.

What explains churches in expensive areas leaving?

- Caveat: the analysis above did not control for anything – this work is still preliminary
- High housing value areas likely have higher income members
- Higher income members have more disposable income to pay to leave
- Higher income members may have an easier time finding a new church
- Alternatively: are there other barriers to leaving?

Barriers to leaving PC(USA)

Property Trust Clause

- Individual PC(USA) church property is held in trust for the benefit of the denomination
- In property disputes, the denomination has a presumptive right to the property
- Sales, purchases, and encumbrance of congregational property require presbytery approval

Gracious Dismissal Policies

- In 2008, GA asked presbyteries to develop “gracious” dismissal policies
- Fiduciary duty to consider “property” as of 2012 GA Permanent Judicial Commission

State legal stances

- **Neutral:** State supreme court treats property trust equal to property deeds/legal records
- **Hierarchical:** State supreme court defers to denominational decisions
- **Ambiguous:** A mix of precedents in place

⇒ Neutral favors congregations, hierarchical favors denomination

State court stance and departures

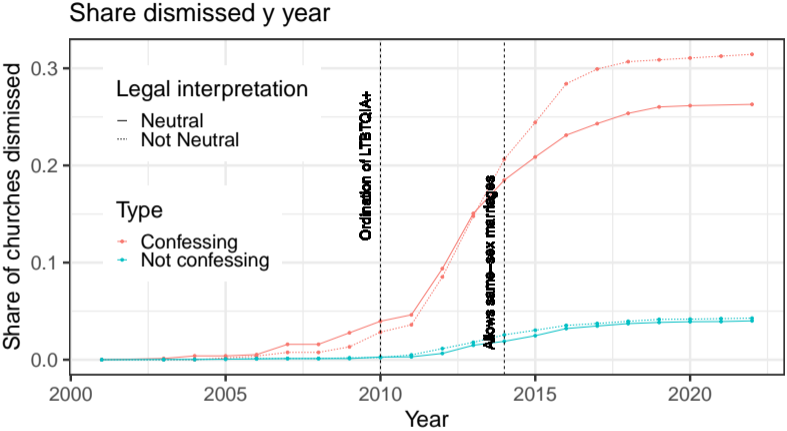


Figure: Cumulative share of church dismissals by whether they were part of the confessing status and whether they are in a neutral principles state or not. Confessing churches left earlier than non-confessing churches.

Non-Neutral States Pay More (though noisy)

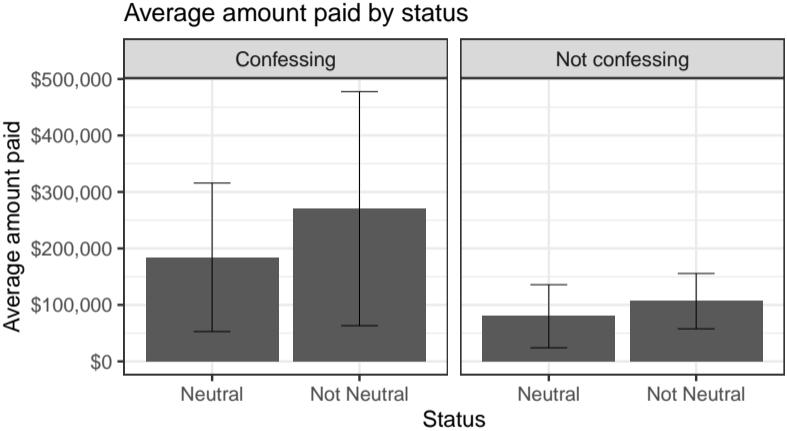


Figure: Average amount paid (Real 2024 USD) by state legal interpretation in confessing and non-confessing churches.

Findings & Next steps

- Local property values predictive of dismissal payment amounts
- Confessing churches pay a lot more to leave
- Local property values not (obviously) predictive of departure status
- State legal stance matter somewhat for payment amounts
- Next steps:
 - Consider relevance of state legal stances on LGBTQ rights
 - Find property valuation data
 - More data entry and scraping!
 - Select empirical methodology that fits framework and question

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