Adventist Cult Leaders in Ghana Arrested for Trafficking, Forced Marriage of Girls: A group of Adventists who have immersed themselves deeply in apocalyptic speculation and have moved into a remote camp, are accused of trafficking in underaged women as young as age 14. Authorities have arrested group leaders.

Million-dollar Salaries in Adventist Healthcare Free Offer: The spring issue of Adventist Today is now in the mail, and free electronic access to the cover article ended last Sunday. The article has become amazingly popular on our Web site, and in deference to those who want to peruse some more, AT makes the following free offer: SEND an email to atoday@atoday.org with the following message: "Please send the complete PDF copy of the article on Health care executive compensation by return email to this address, and include all graphs and illustrations."

Thinking about Church: The departure of Ryan Bell from the pastorate of the Hollywood, California church, prods blogger Lawrence Downing to consider how "church services" as well as "The Church" have changed since Dr. Downing himself pastored that same congregation in Southern California. Have they changed for good or or evil—or have they simply changed with the times?

Participate in a Survey: Please participate in a survey about the tragedy in Waco 20 years ago. Click the link below and answer a few quick questions. And, please join an experiment with "network sampling" by sending a copy of this announcement and the link to five Adventists that you have in your email list. The survey is entirely anonymous and the email
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Adventist Cult Leaders in Ghana Arrested for Trafficking, Forced Marriage of Girls

Submitted: Apr 14, 2013

By Adventist Today News Team

Five men and two women were arrested by Ghana Police Service at the Maranatha Adventist Prayer Camp in rural Ahafo Ano District and arraigned last Wednesday (April 10) in an Accra Circuit Court charged with human trafficking and conspiracy, according to a number of sources. Among the seven alleged offenders were Veronica Agbo, age 30, who had assumed the alias Ellen Christ, and John Agbo, age 36. The other five ranged in age from 24 to 42, according to court records published in Ghana Business News on April 11.

A group formed in the Aflao Seventh-day Adventist Church about five years ago during an evangelism crusade. “The team had fasting and prayer ... and all of a sudden, the spirit fell on” Veronica Agbo, a Lucien Anane, who identified himself as an elder, told an investigative reporter for the New Crusading Guide newspaper in Ghana. When church leaders admonished Agbo, she accused them of being possessed by an evil spirit and when the group was disfellowshipped, she told church members that the Second Coming and the Battle of Armageddon were very near and they should flee to a rural area.

The investigative reporter, Anas Aremeyaw Anas joined the prayer camp near the village of Mentukwa and evidently recorded conversations with a number of the group members, including children. Transcriptions of some of the interviews are being published in a series of long stories in the New Crusading Guide.
The adherents were told that because the return of Christ was so near they must stay at the secluded camp and away from the “sinful world” in order to assure their salvation. “They were preparing themselves to be lifted to Heaven,” reported the Daily Graphic, another newspaper in Ghana. “About 50 members of the church in Aflao bought into the prophecy and followed the” Agbos to at least two other rural “prayer camps” before settling in the Mentukwa location.

Police Superintendent Patience Quaye told The Ghanaian Times that the group had built mud houses and was cultivating crops of corn, beans, cassava and plantain at the camp. The police decided to raid the group when it received a tip that girls as young as 14 were being forced into marriages with older men in the group, and that children were denied food, health care and education, reported the Daily Guide based on statements by Quaye.

A total of 18 individuals were rescued when Quaye’s team raided the camp on Sabbath, April 6. Four babies and at least seven children under 14 years of age were among the victims, according to several news reports. The Ghana national government’s Minister of Gender and Social Protection, Nana Oye Lithur, said some of the children were malnourished after she visited with the group. She said they were being placed in a shelter and would be provided with new living arrangements.

The investigative reporter, Anas, recorded young boys at the camp telling him, “They don't allow us to use phones,” speaking of the adults in charge. “They say when we start using a phone, all our attention will be on the phone and we will forget God.” They were taught that their thoughts must always be focused on God if they were to be saved when Jesus returned. The boys indicated to Anas an interest in attending a nearby school but told him they were not allowed to because “when we go to school ... our attention will be drawn away from the Word of God.”

Anas also reports evidence of the members of the group being whipped and caned. Physical punishment was evidently dished out to all except the Agbos. “Even the financier of the church, [an] Aflao based business woman” said when she could not immediately deliver cash to the Agbos, “for not giving the church money, I was whipped.” A 13–year–old girl for “her refusal to consent to an arranged marriage” was beaten.

Anas was told that a mother “refused to send her daughter to the hospital” when she became ill, because “the doctrinal position of the church was against orthodox medication.”
Anas explains that “adherents are virtually psychologically enslaved to ... Prophetess Ellen ... whose words could not under any circumstances be challenged.” Anas stayed under cover in the camp for several months and reported, “The first accusation that is usually leveled against any member whose actions go against the dictates” of Veronica Ago, calling herself Prophetess Ellen Christ, “is that he or she has been possessed by ‘evil spirits.’ This accusation paves the way for deliverance,” meaning dire restrictions and physical punishment.

The camp was located beyond where rural electrification has extended in Ghana. The group wore “footwear made of wood with a leather flap. They do not take meat and pepper; members are always dressed shabbily,” Anas wrote. “They read and learnt the Bible a lot ... pray more than 15 to 20 times a day ... study the Bible morning, afternoon and evening.”

The first story by the investigative reporter in the New Crusading Guide likened the Adventist splinter group to the Jonestown Massacre of 1978. It also recalled a similar event in Uganda in the 1990s when “500 followers of Joseph Kibwetere under the group African Movement for the Restoration of the 10 Commandments committed mass suicide ... to announce the coming apocalypse of 2000.”

There are 375,000 members of the Seventh-day Adventist Church in Ghana in a total population of about 25 million. Some researchers believe that there may be as many as three times the membership among unbaptized children and other adherents, based on census data and surveys. There are seven local conferences in the country and nearly 1,200 local churches. The denomination operates eight hospitals and nine community clinics in Ghana, as well as a large Adventist Development and Relief Agency (ADRA). In addition to Valley View University in Accra and Asokore Teacher Training College, there are four Adventist secondary schools in the nation and Advent Press is located in Ghana.

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Million-Dollar Salaries in Adventist Healthcare

Submitted: Apr 10, 2013

By T. Joe Willey

In a denomination that has long stressed dedication and sacrificial wages, there are at least 52 highly paid Adventist hospital executives receiving annual “total compensation” ranging from $815,000 to $5,079,386. The reportable W-2 earnings in the group averaged $729,434 per individual in 2010. With benefits, retirement, and other perks, this lifted individual executives’ “total compensation” along with wages to an estimated average of $1,346,679 in the same year, according to data obtained from the IRS 990 reports. There are many more executives on the way up from $196,500 to $815,000. As a point of reference, the annual wage of former General Conference (GC) President Jan Paulsen in 2008 was $87,008. If you are looking for a career that provides an opportunity to stack up worldly wealth and help coordinate the healing ministry of the Seventh-day Adventist Church, just about any administrative job in the Adventist healthcare system is your best option.

A Pivotal Decision

Persons closely connected to wage and salary policies for workers in God’s vineyard are aware that the General Conference approved a higher remuneration structure for top administrators and other employees in the Adventist healthcare corporations. The last step occurred during the 1989 Spring Meeting of the GC Executive Committee, acting as a North American Division committee. Adventist Review reported that the topic of wage-scale improvements provoked a lively and sometimes cantankerous debate. Aspects of the debate continue to the present.

The first session on Wednesday, April 5, 1989, was highly charged with emotion. Some delegates accused the healthcare executives of being motivated by greed and avarice. One hospital president said that “he had finally found something worse than going to the dentist
and that was attending Spring Meeting.”

The meeting chairman, former GC President Neal C. Wilson, favored the new salary structure. At the end of the day he could see that removing the salary caps for hospital leaders was not going to pass, so he called for a motion to table the matter. Church leaders present in the meeting discussed how higher pay had already caused tension between hospital employees and church workers. Individuals who opposed larger wages felt that the decision was contrary to repeated statements from the Spirit of Prophecy, such as: “If a portion of the workers receive large wages, there are others, in different branches of the work, who will call for higher wages, and the spirit of self-sacrifice will gradually be lost sight of.” Several statements from Ellen G. White concerning wages in church institutions were read, and the committee broke away from deliberations at least twice during the day to pray for divine guidance on the matter.

Committee members supporting the new salary cap included a few laypersons and the union conference presidents who chaired the Adventist healthcare systems. During the ensuing debate, 14 committee members spoke in favor, including four from hospital administration, and 13 were against the motion. Five committee members were neutral. In the background David Dennis, then director of the GC Auditing Service, was well aware that the union presidents on the hospital boards were enjoying “nice perks … [including] pampering them with freebie cruises to Alaska and other significant gifts.” Adding a sour note during discussions, Dennis spoke out about the loss of 34 experienced auditing personnel who were lured away from the GC by offers from the healthcare system. Afterward and into the night, Chairman Wilson met with various individuals and drew up “seven safeguards that, if added to the motion, might make it more acceptable.”

Near the end of the next day, after some members of the opposition had left for home, Wilson again brought up the wage matter. He rejected the argument used the day before that removing the salary caps was one more step down the road that would eventually lead to separation of the hospitals from the church. This argument had been expressed artfully by the highly respected GC Treasurer, Don F. Gilbert, who was concerned about placing wages for hospital executives on a worldly standard. Trying to take some of the wind out of the arguments, Donald Welch, then president of Adventist Health System, assured the GC brethren that “his group would recommend lower rates than the consultants’ study.”

Chairman Wilson contrasted the ideal with the pragmatic and said that anyone who objected should come forward and present viable alternatives. It appeared that “the only way for
our medical work to return to the church’s wage scale would be to start new institutions operated on the original medical missionary philosophy that led to the founding of Battle Creek Sanitarium.”

Reports in Adventist Review and Ministry magazines indicated that the hospitals were facing financial challenges in retaining top management under church wage caps. At the same time, morale was also suffering. With the federal government enlarging Medicare and the management of the ever-growing healthcare markets becoming more complex, objections to higher administrative wages simply faded into the sand. After that, the law of supply and demand prevailed with a different economic model for highest-compensated employees.

The removal of salary caps did not come easily. It took some arm twisting, including cajoling and a secret ballot at the end of the day on Thursday. Fifty-two members voted yes, and forty-two voted no.

How Much Should Executives Be Paid?
Salaries for key hospital executives were allowed to jump from $81,700 to $116,400. The approved plan included a 10-percent differential for geographic considerations and an additional 10 percent for the three largest hospitals at that time—Florida Hospital, Kettering Medical Center, and Loma Linda University—and the health systems corporate offices. This was three to four times the earnings of other church employees, including some who voted for the change. Once freed from church wage caps, the top hospital executives’ total compensation ballooned (within a few years) to well over a million dollars, using a variety of reward strategies to create more annual pay. Currently almost 50 percent of executive earnings are in the form of bonuses, incentives, and other cash, including deferred nontaxable benefits, gross-up tax payments, travel for companions, and supplemental employee retirement plans not available to lower-paid hospital employees. These supplemental gains were one way to get around the salary caps approved by the GC, and they are not unusual for the nonprofit hospital industry.

When accounts of these executives’ high wages began to appear in the newspapers, many church members raised their eyebrows and wondered what was happening. Others were shocked and outraged to learn of the details. One of the first stories was carried by the Washington Post. The Post reported that Bryan Breckenridge left his job in 1997 as president of Washington Adventist Hospital with a lump-sum payment of $4.74 million, and soon thereafter chief financial officer Edmund R. Peters also resigned with $3.1 million in total compensation for the year. Adventist officials justified these wages by telling the Post
reporter: “The board made a reasonable business decision that retirements for a number of the executives ... were not adequately funded in comparison to what they would otherwise have received in a nonreligious organization. The decision was made to do a catch-up, if you will.”

The high-wage controversy is expected to intensify in the future because of the unprecedented financial pressures facing the hospital industry, including the rising costs of medical care and at times cutting back on wages and benefits to the hardworking support staff because of painful budget cuts. Of course, there are other issues too. Lofty executive pay can threaten the tax-exempt status of nonprofit hospitals if not enough is spent on indigent care, education, and outreach programs. Hospital executives defend receiving these wages, saying it has no effect on healthcare costs.

The executives go on to champion high wages as the only way to attract highly trained individuals who can manage a hospital facility with many employees, provide access to the uninsured, and at the same time deliver quality care that saves lives. Also, they defend high wages because some income includes supplemental retirement accumulations before the executives are qualified to receive the money. Given that the base wage may begin around $500,000, it is still disappointing to many denominational church workers to learn of such high wages. Their general reaction comes from a long-held (almost sacred) view that high wages are a substantial deviation from the “philosophy of remuneration maintained by the SDA Church involving sacrificial wages while doing God’s work.” Others who are more pragmatic say that you must pay for expert hospital leadership. The hard questions begin when you ask what hospital executives should make, and why. Wrestling with such questions against the backdrop of the church’s stated remuneration philosophy makes the policy sound like a scolding based “upon the fact that a spirit of sacrifice and dedication should mark all denominational employees irrespective of the position they hold or the department or service they represent.”

All of these earnings in the IRS Form 990—including deferred compensation in the highly compensated group of Adventist executives—totals more than $70 million, with an average of $1,346,679 per executive, starting from an average W-2 base and incentive wage of $729,434 for the group. The retirement benefits for executives are paid out over several years as the employee nears retirement; like a pension, the benefit is not paid after retirement. The total wages are governed by hospital trustees, who are influenced by GC church leadership and the union conferences. Basically, compensation is largely determined by market-wage-rate percentiles obtained by consultants comparing peers at
hospital systems of comparable size, complexity, and performance. An executive who is a high performer is very likely to be recruited away elsewhere. Consequently, the pressure to keep such an executive at the highest possible salary and benefits is driven by competitive forces and the cost of executive replacement.

With the Affordable Care Act (Obamacare) in place, hospital health systems are beginning to move away from volume-based incentives for executives to value-based payment models, and consequently boards must be more sophisticated in justifying market data used for compensation. There is a consensus that increased compensation is needed to attract the best and the brightest. This has driven the current management culture to the viewpoint that administrators, according to Naomi Freundlich, “are entitled to a special share of other people’s money. Because of their innate and self-evident brilliance, they are entitled to become rich.”

In economic terms, the Adventist hospitals have gross revenues almost six times greater than worldwide church revenues. Adventist healthcare is big business. These tax-exempt nonprofit hospitals are community institutions deriving in large part revenues from taxpayers (Medicare) and insurance payers. It is not widely known, but the tax reports indicate that some residual revenues are directed in supporting SDA churches, union and local conferences, and educational institutions.

For instance, in 2010 Adventist Health System Sunbelt Healthcare Corporation (the management firm that operates multiple hospitals and nursing care facilities) transferred grants totaling $1,459,050 in general support funds, which mostly went to the Lake Union, Southern Union, Southwestern Union, and Mid-America Union. Oakwood University received $100,000, and Union College received $15,000. Southern Adventist University received $3,320,500, and the Florida Conference of Seventh-day Adventists picked up $1,040,000 in general support from the Florida–based corporation. The grants are small compared to $2.9 billion in gross revenues reported that year, although the Adventist conferences, churches, and educational institutions receiving this money probably look upon it differently. The other hospital corporations also direct small appropriations to church entities.

Public awareness about hospital CEOs’ big paychecks is increasing, due in part to Wall Street and corporate abuses, but also because the subject tends to vex the public mind when compared to an average annual household income of approximately $56,000. Health economist John Troidl recognizes that “executive pay is always controversial.”

This can show itself in many ways. Individual richly compensated Adventist health
executives may appear in newspapers and business journals on occasion. High wages are becoming more widely known in the media. In 2010, according to public records, Darwin Rembolt, the president and CEO of Simi Valley Hospital in California, had a base wage of $311,580, but total compensation of $1,830,633 and another $1,322,981 in previously deferred benefits he earned upon termination. According to the newspaper, Simi Valley paid a combined total of $1.25 million to two different CEOs in the year Rembolt assumed leadership of the Adventist hospital. 28 “That’s slightly more than the hospital provided in treatment for poor uninsured patients where there was no attempt to collect payment, though hospital leaders say charity care definitions encompass only a fraction of the total care they provide without pay.”29 Given that these hospitals exist to provide quality healthcare and are required to render community and charitable benefits, the Internal Revenue Service (IRS) is concerned about how much executive compensation (cash) is flowing away from the purposes served by nonprofit tax-exempt hospitals. Congressional leaders say such financial rewards “reveal the need for more regulation on nonprofit entities that rely heavily on government money.”30

The IRS Ensures That Nonprofits Serve the Public Good, Not Insiders
While church leadership is apparently no longer troubled about high executive salaries, the IRS has a strong interest in subjecting nonprofit organizations to what is known as nondistribution constraint, or what is more commonly called the prohibitive inurement doctrine. Simply stated, this means that nonprofit organizations cannot distribute profits to those who control the tax–exempt institutions (i.e., executives, key employees— the insider group). Generally, surplus revenues in the nonprofit corporations are retained for investments, debt payments, selfpreservation, or future plans, etc.

The IRS has the statutory power to enforce limitations on outsized compensation through the IRS’s “Rebuttable Presumption.” Failure to comply can prompt the IRS to revoke the nonprofit status of an organization when it has engaged in transactions that constitute inurement and excess benefits. In fact, the IRS periodically reports that the most common type of abuse in nonprofits is excessive compensation paid to insiders. Wages continue to rise in good times and bad. Within the past few years, the IRS has issued a bulletin that it intends to scrutinize and audit nonprofit charitable 501(c)(3) organizations more closely and determine whether or not the income and assets of a charity are benefiting individuals who have close relationships with their organization. Form 990 is also undergoing revisions to make compensation more transparent.

If the IRS finds that an executive has been overpaid, it can fine both the executives and board members who approved the overpayment, or it can even revoke the organization's
tax-exempt status. To avoid such problems, the board must: (1) base its compensation decisions on appropriate research of the employment markets, and (2) document its decision-making process at the time it approved the compensation. The nonprofit tax-exempt corporation is required to reveal how it established executive compensation. Loans to key employees and insider business transactions must also be reported.

Like other nonprofit organizations, Adventist hospitals are required to disclose how their trustees oversee executive compensation. To get a better understanding of how this is communicated to the IRS, take the 990 tax document (2010) for Adventist Health System, the parent organization for Florida Hospital, as an example. In the paragraph disclosing the process for approval of the compensation, Florida Hospital openly places the burden of the decision on the church and church leadership. The policy reads in part: “As a faith–based organization sponsored by the Seventh–day Adventist Church (the Church), the philosophy and principles with respect to its executive compensation practices reflect the conservative approach of the Church’s mission of service and were developed in counsel with the Church’s leadership.”

Why Should Trustees Give Better Benefits to Executives?
Knowing that officials at the highest levels of the denomination serve as trustees on the hospital boards who approve “fair compensation” for its executives, former Adventist Review Editor William G. Johnsson in 2000 assured readers that such salaries are norms in the hospital business and then asked a question: “The church—our church—has a work to do. It employs many thousands of people in a variety of capacities. In this time of incredible wealth, what is fair compensation for those who work in church–related enterprises?” He revealed that the church actually maintains two disparate remuneration systems and then enlarged on the “wider, more complex issues.” Specifically, he pointed out that ministers, teachers, conference presidents, etc., are paid with church funds (tithes and offerings). For them, Johnsson remarks, the denomination has a uniform plan that creates congeniality and equality. He is referring to the traditional Adventist sacrificial (church or living) wage concept.

Johnsson addressed the second, higher community–rate plan as follows: “All health–care personnel, however, are paid out of hospital–generated funds, and their pay scale is guided by rates in the marketplace.” In the educational/medical leadership context or environment that Johnsson is referring to in his Review article, the wages of the Loma Linda University (LLU) CEO and president can be compared to those earned by the president of the vast multiple campuses of the University of California (UC), including the prestigious medical centers in Los Angeles and San Francisco. UC President Mark G. Yodof’s take–home salary
in 2011 was $561,000; he is “the 152nd highest paid employee [out] of 252,540 on the [UC employee] payroll and is paid from state funds.” Richard Hart from LLU, with a base salary of $350,000 and total compensation slightly over $500,000 in 2011 (see Table 1 on page 14), probably has fewer headaches, because Yodof administers an institution with 234,464 students, 18,896 faculty, and 189,116 staff.

Speaking on behalf of denominational leaders, Review Editor Johnsson explained, “The issue isn’t whether they [hospital executives] deserve high salaries, but what levels of compensation are appropriate in an Adventist context.” He attempted to address the Adventist “context” question in the hospitals by weakly admitting, “This is surely an unhealthy situation that must be addressed.” But it struck him as “unseemly” to call for a public listing of all salaries.

Critics of high compensation in publicly funded health programs such as Medicare and Medicaid argue that trustees need to be prepared to address these questions based on denominational values and beliefs that drive its decisions about executive pay. It did not go over well when John Ryan, a reporter from public radio near Seattle, Washington, asked to interview the CEO of Providence Health and Services, a Catholic hospital. Ryan had discovered through public records that the hospital paid its chief executive a cool $2.4 million in 2008. The CEO would not talk to Ryan, but the human resource official at the nonprofit hospital did and explained: “So our mission is to reveal God’s love and care for the poor, especially for the poor and vulnerable, through our compassionate care. To be able to do that, we need to make sure that we can attract and retain the best talent. So, yes, we need to make sure that we’re paying at least market for any of our employees that serve.”

Church officials contend that in order to attract well-qualified CEOs and other top executives, it is necessary to follow labor market trends, just as in other businesses. Hospitals may be taxexempt charities, but they are still complicated businesses with narrow profit margins. They need skilled and talented executives to keep them running. Management consultants go on to argue that there is, in fact, no rational basis for why executives should not be paid as much as they are paid. This all boils down to what a job is worth, what an employer is willing to pay an employee to do it, and what an employee is willing to accept as payment for the job.

A few trustees on these hospital boards might be surprised to learn that studies show that a hospital executive’s performance is not related to pay after all. In a recent major study, the New Hampshire Center for Public Policy Studies found that there is “virtually no correlation
between hospital [CEO] pay and either quality or cost” at nonprofit health systems.”

Another example of how this idea flies in the face is Barack Obama, who is paid $395,188 annually, because few executives have any greater challenge than the president of the United States.

Who Owns Adventist Healthcare?

Less than 30 years ago, nearly every hospital in the country was an independent institution. Today most belong to multihospital systems. Executives understand that as smaller hospitals merge into multihospital systems, executives have the potential to create greater compensation (their earnings are based largely on revenues.) Adventist healthcare is similar, with a multihospital system maintained through five independent regional corporations. With all of the changes, many Adventists do not have a clear understanding of who actually owns these healthcare organizations. For some, the regional Adventist corporations are seen as being financially independent from the church.

Even before the wage change was approved in 1989, Adventist hospitals were divested from the church as not-for-profit organizations. The “right arm of the message” began to lengthen and shrink away from direct financial control of the church, and by 1982 the hospitals were incorporated into separate 501(c) (3) nonprofit tax-exempt organizations with different “owner” memberships (stakeholders or constituencies) and separate boards of trustees. Despite these changes, all of these boards retained senior-level representation from denominational leaders, with the bylaws specifying a church leader as chairman of the board. Only a Seventh-day Adventist in good standing can be a hospital executive or key employee in one of these healthcare corporations. Consequently, a non-Adventist hospital expert, even the most respected in the field, cannot be the CEO (or assume other higher leadership roles) in an Adventist corporation.

The stated purpose for creating this “curtain of separation” was to protect the denomination from ascending liability and exposure to medical-related lawsuits. There was also great concern that if one of these large institutions failed, the church would be financially responsible. Today, the collective Adventist hospital groups are the largest Protestant healthcare corporations in America—although considerably smaller than the Catholic health system. And there is still an argument on the table that this remarkable growth is the result of placing the hospital administration in the hands of professionals and paying them well for what they do.

Some form of that reasoning applies to the presidents and key executives of the financially struggling Adventist postsecondary academic institutions—except by comparison, the college and university executives are paid a pennyweight.
One for All and All for One

Going on to education, there are a few private-college presidents who are getting higher salaries that are also vulnerable to criticism. According to The Chronicle of Higher Education, at least 36 earned more than $1 million in 2009. Have such exorbitant wages entered Adventist higher education in North America, including the professional schools?

This study will compare salaries of the educational executives in the professional schools embedded in the Adventist healthcare systems with those in the Adventist liberal arts institutions (essentially, both are organized into 501(c)(3) corporations). There are three professional schools: Loma Linda University, Adventist University of Health Science (formerly Florida Hospital College of Health Sciences), and Kettering College of Medical Arts. The compensation systems of the executives in these three professional schools will be compared to the liberal arts key executives in the nine Adventist higher educational institutions.

Backing up a few years, it is interesting to note that in 1983 Loma Linda University tried to push open the door to improve performance and establish a more equitable wage scale for educational professors in Adventist universities and colleges. The proposal failed, apparently because Adventist colleges and universities did not generate significant surplus revenues like the hospitals. The schools are also in a squeeze to keep down the cost of education.

In 1983 LLU presented a salary study showing the disheartening wage discrepancies between the faculty on the two campuses. At the time, the La Sierra University (LSU) lowerdivision campus was part of LLU. The LSU faculty members doing similar teaching were paid lower wages than nonmedical basic science faculty at LLU. A biochemistry professor on the LLU campus (with less teaching and with basically the same graduate degree) was paid at least a third more than a chemistry professor at LSU. The administration at LLU proposed to correct the situation. (The professional schools at LLU for most purposes were separate from LSU.)

The study also provided comparisons with church pastors, indicating that U.S. Adventist pastors were already in the 80th percentile compared to their non-Adventist counterparts. Pastors also enjoyed a basket of nontaxable benefits not available to teachers. By comparison, Adventist educators—particularly administrators and full professors—were in the 20th percentile compared to their counterparts. After discussion the 1983 LLU study was deferred to a GC committee.

Two years later, wage concerns came up again during Autumn Council. Clifford Sorensen,
secretary of the North American Division Board of Higher Education, told the church leaders that it was “curious that when we can’t get quality people in industry, we develop incentives. But in getting professors, we say we can’t deviate from the wage scale.” Sorensen mentioned the difficulties of recruiting freshly minted doctorates seeking employment, who look for better pay and benefits at non-Adventist institutions.

By the end of the day, the educator wage discussions had bogged down. The hardening gel of pragmatism set in. It was pointed out that there were not enough disposable revenues to justify improving faculty wages, much less expecting to bring wages into parity with similar Christian institutions. The argument coming out of Annual Council criticized a second wage scale for educators. But six years later, church leaders caved in to the hospital administrators’ request to improve compensation. So in the end, the long-standing church wage continues for leaders, ministers, administrators, and faculty in the undergraduate liberal arts colleges. Table 2 shows current compensation for the three key executives in Adventist higher education.

The annual 990 tax documents also show that some Adventist campuses barely muster expenses (not shown in the tables) and are in debt to union–conference revolving funds and banks. Alumni are not heavy donors, and endowments are small by comparison. The cost of education has continued to rise. Like Adventist hospitals, the union educational institutions are also separate corporations “owned” through a membership or constituency, except for the GC institutions. These higher education boards are chaired by church leaders, and the same union conference presidents serve as trustees on the hospital boards. Institutional revenues for these schools come mostly from student tuition and fees. Significantly, a large portion of tuition revenues is actually derived through government student-aid programs ($142,336,433, according to the U.S. Department of Education in 2010). Appropriations from the organized church have not kept pace with rising costs and are significantly less than government funds. Today, more than ever, both Adventist hospitals (Medicare and Medicaid) and the postsecondary institutions (state and federal student grants and loans) depend on government largess. Both Adventist organizations use tax-exempt bonds to fund capital investments. Generally, the hospitals are more highly leveraged (in billions) than the educational institutions (in millions). The facts are that the church contributes approximately $35 to $40 million (from tithe money) to the colleges and universities against combined overall gross revenues of $752,724,100 (2010 tax documents), or roughly 4.61% of college collective revenues (a third of the church appropriations go to LLU).

Almost everywhere outside of Adventism, the total compensation to academic leaders is bumped up by offering supplemental earnings and deferred compensation, as occurs for hospital executives. For example, the president of Oregon State University, Edward Ray, has
a base salary of $260,700. But by the time all of the extras are added to the total reportable compensation, his annual salary is $587,705, including incentives created to keep improving the institution.

Link Between Executive Compensation and Performance
Based on tax reports open to public inspection, academic leaders in Adventist liberal arts colleges are not blessed with high salaries comparable to executives in Adventist healthcare educational institutions, where incentives and deferred compensation are used to recognize performance. What makes the difference? The disparity between the two classes of Adventist educational institutions is even more dramatic if you compare executive salaries in the healthcare systems (see Tables 1, 3, and 4) against the pay in the liberal arts schools (see Table 2). This may surprise some observers, since many of the same church leaders serve as overlapping trustees in both organizations.

To individuals trained in human resources who are familiar with compensation standards and systems, it appears that current incentive-pay schemes for these two educational organizations in the Seventh-day Adventist Church are inconsistent and flawed. Compensation equality should be based on substantially similar duties and responsibilities, degrees, experience, and administrative skills, etc. They are not. Professional academic leaders at Loma Linda University, Adventist University of Health Science, and Kettering College of Medical Arts receive significantly more remuneration than similarly situated academic executives in Adventist liberal arts schools. (Only the academic leaders are shown in these tables.)

Keep in mind that these postsecondary schools are an integral part of the institutional fabric of Adventism, as are the professional schools. The “educated products” from Adventist liberal art colleges may in fact become future employees of the hospitals, yet the leaders in these colleges and universities who are guiding the education of future workers are not recognized by compensation equalities. It is clear that the three professional schools pay executive wages within the “context” of the residual revenues generated by the hospitals, not according to the church wages binding other executives in the tertiary schools.

For example, in 2010 David Greenlaw, president of Florida Hospital College of Health Sciences (now known as Adventist University of Health Sciences), was listed as having been paid $471,923 on federal returns, as compared to Niels–Erik Andreasen, president of Andrews University, who reported wages of $85,430 (see Tables 2 and 3). Both presidents hold the same academic degree. Henry R. Hadley, who serves as both executive vice president for Medical Affairs at LLUAHSC and as dean of the School of Medicine at LLU, received $491,704 in 2011 (see Table 1) as compared to the dean or provost of Andrews
University, who received $76,672 in 2010 (see Table 2). Gross wage disparities also show up when the dean in the School of Dentistry at LLU is compared to the dean in the School of Medicine ($282,844 vs. $491,704) in the same institution (see Table 1). Similarly, the smaller undergraduate professional school at Kettering College of Medical Arts pays its president $361,836, matched by bonus and other incentives (see Table 4). Kettering is about the same size in head count to Union College, an Adventist liberal arts school that also offers nursing degrees and training programs for physician assistants; however, Union College’s president receives $75,450 annually (see Table 2). Apparently, the primary difference is Kettering’s affiliation with Adventist healthcare, with greater disposable or surplus revenues. Obviously, the pay structures are emblematic of medical economics. Human resource personnel could argue that these two church organizations are essentially conducting the same business of education, but their executives are paid differently simply because there are greater surplus revenues related to healthcare. Unfortunately, this abundance is one reason why “Healthcare is eating away at our economy and our treasury.”

The church’s philosophy of remuneration in the hospitals appears bewildering to outside observers due to certain unexamined assumptions and perhaps due to ideology that advertises a claim to continue “the healing ministry of Jesus Christ.” But, for one thing, the Seventh-day Adventist Church does not actually control executive high wages in the hospital corporations. Rather, it is the individual board of trustees for each corporation, adhering to competitive forces in the healthcare marketplace. The trustees follow the recommendations of consultants and legal advisors who are not church members. In part, too, there is a mysterious fear that hospital administrators will not condescend to sacrificial wages in the heated environment of what other nonprofit hospitals are paying their executives. In other words, the traditional moorings in the Adventist social culture of working for sacrificial wages have been broken. And it all took place under the tent of spiritual counsel from the Spirit of Prophecy, including extensive writings against following worldly standards.

It is also important to comprehend that there is a certain pride (unless you believe nothing can be done under the circumstances) in Adventist higher education that salaries of administrators and professors remain sacrificial in order to maintain a shared vision of the mission of Adventist education and also to keep tuition affordable. This speaks about an educator’s willingness to accept remunerations that are lower than market rates established for Christian private institutions. Many administrators and professors in Adventist colleges accept a lower salary to the point of personal sacrifice—even greater than Adventist ministers.
What Lessons Can We Learn?
Much of the deep-seated public resentment toward executive pay in healthcare can be attributed to an awareness that tax-exempt nonprofit hospitals are community institutions paid for in large part by taxpayers. However, the attitude against high wages in Adventism is somewhat different. Criticism is colored by a cautious moral veneer that many young Adventists acquired: a belief in the cultural value of working under conditions of sacrificial wages in readiness for the second coming. For many there was a strong belief that no worker in “God’s employment” expecting to hasten this event should be paid beyond a living wage, thus providing resources sufficient to enlarge the field of workers. Some argue in more explicit terms: that it is morally wrong to pay a person exorbitant wages. Unfortunately, most people are aware that the healthcare marketplace has many hands reaching in to take a piece of the financial pie. Americans are likely to spend $2.8 trillion this year with $800 billion through Medicare insurance programs. It is what is driving the federal deficit. According to Time magazine, the healthcare industry has the means and will to keep it that way.42

“If you look into the seeds of time, and say which grain will grow, and which will not,”43 it was probably not possible to predict the extent to which executive compensation would grow after 1989. Adventist hospitals are not operating in normal free markets. Executive hiring is not open to the public, and the supply of money from the government is intended for a specific purpose to support the necessities of maintaining a workforce to deliver healthcare and sustain the organization. If high prices call forth a greater supply of goods, this benefit has to be weighed against the burden such prices impose on those least able to afford them. It is well known that individuals least able to pay are the ones (without Medicare and private insurance) being hit with the highest rates of medical care.44 If such prices pose a genuine hardship, the poor may stay away from treatment centers and hospitals.

Ultimately, in this regard, church leaders face a dilemma. Do their remuneration decisions seek to promote justice and virtue of its workforce while at the same time carrying out the “healing ministry of Jesus”? Is the upward spiral the future for Adventist healthcare, where the solution is to buy more hospitals and raise executive salaries to six and seven figures because of volume?

As we have seen, the denominational leaders in 1989 reluctantly agreed to low-end market benchmarks for hospital executives—but then along came the bonuses, incentives, supplemental retirement plans, and other perks for a few executives. Under great distress at the time, Chairman Wilson in Spring Meeting told those who opposed richly compensated
executives that anyone who objected should present viable alternatives. The trouble is that when one is in pain or facing the danger of dying, one can hardly object to an imbalance in wages by personnel who derive income from insurance or Medicare designed to pay your medical bill.

T. Joe Willey is a founder member of the National Association of Professional Employer Organizations. For about 15 years he was the owner of a contract staffing company, a development payroll software firm, and a consulting and publishing agency. He has written 13 business and trade books and has served on the board of several large corporations. He was the recipient of the 2001 Michaeline A. Doyle Award.

1This report is based on “cash” accounting, using information obtained from IRS 990 reports. Highly paid executives participate in what some call “top hat” benefits. Thus some numbers in a report may not represent what an individual took home as pay for that year or even in subsequent years. No method is without certain issues arising, because highly paid executives seek to shelter earning from taxation. The IRS designed the Form 990 to capture any possible compensation for its auditing purposes. The compensation in 2010 represents what the nonprofit corporation recognized as an economic event or in most case the cash paid to the employee in that year. At the least, this is a reasonable snapshot of what it cost the corporation to maintain employment. Adventist Executives Base Compensation Bonus & Incentive Compensation Other Reportable Compensation Retirement & Deferred Compensation Nontaxable Benefits educational executives included in the study are from U.S. colleges only, as listed by acronyms in Table 2. College executive compensation is much easier to identify, because it is simpler and they are not trying to shelter income.

2Data open to public inspection was obtained from the IRS 990 tax document filed in 2010 from each of the regional healthcare corporations that make up the Adventist hospital system. These include Kettering Adventist Healthcare; Adventist Health System/West; Adventist HealthCare (Maryland); Adventist Health System Sunbelt Healthcare Corporation; Florida Hospital College of Health Sciences; Loma Linda University Adventist Health Sciences Center; and Portercare Adventist Health System.


4Sharon Anderson Wilson, “Health–Care Pay Scale Stirs Controversy,” Adventist Review (Special Report), April 13, 2000, pp. 19–23 (http://www.adventistreview.org/thisweek/storyhealth.htm). Until 1968 every employee in the Adventist Church was paid a living wage without consideration of local or competitive wages. Nurses were the first to be given an exception. Then in 1978 most other employees in Adventist hospitals—other than top administrators—were shifted to community rates.


7 David D. Dennis, Fatal Accounts: The Audacity of an Adventist Auditor’s Quest for Transparency (Riverside, CA: Adventist Today, 2009), p. 44.


9 Spangler and Newman, p. 25.


13 ibid., p. 25.

14 ibid., p. 24.

15 ibid., p. 25.


17 Spangler and Newman, p. 23.

18 No matter what you call the compensation, it is still money removed from the hospital revenues to fund the total wages of the executives. Even deferred nontaxable wages will eventually end up in the pockets of the executives.


20 Avram Goldstein, “Troubled Hospital Gave Out Big Raises,” Washington Post, Dec. 1, 1999. The executive compensation levels reported on the 990 tax documents appear difficult to interpret because these are reportable wages, not just W-2. Accountants argue that whether it is taxable or not, the totals should be viewed as money removed from the system that does not go to the charitable purposes of the institution.


23 “Philosophy of Remuneration,” North American Division Remuneration Book (Office of

24The 990 tax document reads in part that Adventist Health System Sunbelt Healthcare Corporation (AHSSHC) is “operated, supervised, or controlled by the General Conference of Seventh–day Adventist in accordance with 509(a) (3)(B)(1).”


26See the 990 tax documents (2010) from Adventist Health System/Sunbelt, Inc. and Adventist Health System Sunbelt Healthcare Corporation.


28Kisken and Wilson, p. 3.

29ibid.

30ibid.

31The IRS 990 tax document was the source for the data used in this article. 32ibid.


34ibid.

35ibid.

36Nanette Asimov, “UC Sees Rise in High Earners Despite Money Struggles,” San Francisco Chronicle, Aug. 27, 2011. According to UC Executive Vice President Nathan E. Brostrom, UC has a $22 billion annual budget at its 10 campuses, three national laboratories, and five medical centers.


38Freundlich, p. 3.


42ibid., p. 20.

43William Shakespeare, quoted from his play Macbeth, Scene III.

44Brill, p. 22.
Thinking about Church

Submitted: Apr 10, 2013

By Lawrence Downing

For the past couple of weeks I’ve given thought to questions about church: What is church? What is its purpose? In more specific terms, what is the Adventist Church and what is its purpose? A contributing event that prompted the transference from thought to paper was the news that Ryan Bell is no longer pastor of the Hollywood church, the parish where I began my pastoral ministry.

These questions were first prompted by the numerous brouhahas that have recently erupted within the Adventist Church. Examples are the young earth/old earth debate, women’s ordination and the “rebellion” within the ranks evidenced by the choice two Union Conferences made to reject the strong statements from GC leaders to follow the guidelines relating to the ordination of women. To this mix one can add the admonition from GC personnel to avoid dabbling in biblical higher criticism and the call from this same group for revival and reformation within the Adventist Church. The repeated calls for revival and reformation lead one to conclude that the prompters accept a priori that the Adventist Church is somnambulant or worse, and has strayed from a path that it must once more regain. Which leads me again to ask: what is the Church and why does a Church exist? If it were a matter only of definition, a quick look at a dictionary will provide answers. However, a dictionary does not answer the “whats” and “whys.”

In seeking answers to the “what’s” and “whys,” of church, the theological track leads one
direction. “The True Church exists to ‘finish the work.’” The Church, in this scenario, proclaims the Three Angels’ Message that culminates in the Second Coming. There is another track that I’ll call, for lack of a better term, the social direction. Those who prescribe to this scenario understand the Church to be a group of diverse people who are bound together by a common experience or shared goal. There are, I believe, especially among the under-30 group, more Adventists who are on board the sociological band wagon than those who hoist the theological banner.

An observer of the American Adventist Church will note that in the past couple of decades there has been a significant shift in how people view and practice church. Today the brand loyalty that once held people secure in the Church has markedly diminished. Doctrine does not have the power and influence it once possessed. People are more apt to go where their needs are addressed and met than to a church that can “prove” its beliefs are right and true. This component views the Church as the medium, not the message. The Church is a vehicle, a tool, that has no more inherent value than any other tool. The more adaptable and effective the tool proves in meeting a need, the higher the value. On the obverse, when the tool proves ineffective, it will be discarded; its place taken by another.

When compared to previous generations, Adventists today are far less committed to specific beliefs or doctrines than they are to finding a church where they feel comfortable and where they find people they like and can relate to. This is a significant shift that has been largely ignored by the Church hierarchy. One should not conclude that the Church has become a social club. Not at all! What we find is that the social aspects of a Church have taken precedent over statements of belief. The shift in priority has resulted in a more inclusive attitude on the part of Church members and a less judgmental stance. The post-modernism bent may be labeled the culprit or celebrated as a welcome wind of change. Whichever it is, there is abundant evidence that the people who sit in the pews today have a far different read on life than Adventists of previous generations.

The “Good Old Days,” when the Adventist gloried that he could prove Adventists right and the others wrong, who took pride that his Church was the True Church, are gone forever and are not recoverable. The seismic shift brings consternation and anger to a still influential segment within the Church. There exists among Adventists a group that pounces upon those who do not come up to the mark they have established. There are Adventists
who are certain that the Church is defective if it does not proclaim, in their voice, their Truth. For them, the Church is God’s ark of safety; his shelter from the stormy doctrinal errors that abound. Church, for them, is synonymous with the salvation vehicle. It is difficult, if not impossible, for this mind-set to accept the proposition that a church is a group of people who decide to meet together to sing, pray, plan and think, and nothing more. Which brings us back to the questions we started with: What is church? What is its purpose?

Scripture, especially the Older Testament, offers few clues and fewer specifics as to the purpose and function of a local congregation. We do find in the writings of St. Paul instructions to believers that give guidance to how believers are to act and what behaviors they are to avoid. We are hard pressed to find instructions that enable us to create a church structure or practice. Inferences? Yes. Specifics? Few. This lack of direct biblical teaching on how a church is to function creates a dilemma. Who is/has the final word on what church is and its purpose? The answers are as diverse as the number of church entities, and these groups now number in the tens of thousands. What we can do is accept that people’s understanding of church has changed from what it was three decades ago and will continue to evolve. If the Adventist Church is unwilling to accept those who do not follow a once-accepted church-governance model, the revolving door will continue to turn and the steady stream of young people now leaving the church will increase, and older ones will join the throng. Sad and unnecessary! Where is it written that the Church is responsible to hold people to a specific belief system? Why does an organization, on whatever level, feel the need to define belief and in practice enforce those on others?

Individuals chose to be with Jesus because he provides them a safe place where they can be themselves. Yes, he challenged destructive behavior and he did call men and women to follow him. What he did not do is reject and isolate those who decided otherwise. If people left his presence, it was their decision, not his. Should his followers today evidence such wisdom, understanding and compassion? Perhaps one day.... And what would the Church look like if this were its modus operandi? How would the Church define its purpose? The guardian of “truth” or a vehicle of that offers welcome and care? The abode of the “pure” or a beacon of hope for those who seek? These questions, and others like them, await answers.
20 Years After the Waco Tragedy

1. What was your main reaction when you heard of the shoot-out between Federal agents and the Branch Davidian SDAs in April 1994?
   - Horror at the deaths involved
   - Concern that people would think it was an Adventist group
   - Perplexity about how this happened
   - Shock that someone who had been an Adventist member could be involved

   Other (please specify)

2. As you look back on the tragic events at the Branch Davidian SDA compound near Waco what is your primary view of those things today?
   - Concern about extreme groups at the margins of the Adventist movement
   - Questions about how the Federal agents handled the situation
   - Fear that this incident has affected what Americans think of the Adventist faith
   - A sense that one must be aware of unbalanced people who may be in the church
   - Worry that an emphasis on the study of prophecies can lead to extreme views

   Other (please specify)

3. Did you have any personal connection with anyone caught up in the tragic events at Waco in 1993?

   Yes   No

4. How should Adventists relate to the 20th anniversary of the Waco events?
   - Ignore it; most people have forgotten about it
   - Remember the families who suffered from the tragedy
   - Recall the events and think about what can be learned from them
   - Recall the events and seek God's leadership for the future
   - Redouble vigilance against extreme individuals and groups

   Other (please specify)
20 Years After the Waco Tragedy

We are almost done. Please answer these demographic questions.

5. What year were you born?
   - Before 1946
   - 1946 through 1964
   - 1965 through 1979
   - 1980 or later

6. How long have you been a member of the Adventist Church?
   - I am not a member
   - Less than 10 years
   - 11 to 19 years
   - 20 years or more

7. Were you raised by at least one Adventist parent?
   - Yes
   - No
   - I am not sure.

8. What is the highest level of education you have completed?
   - College degree
   - Graduate degree
   - Other

9. What is your primary ethnic background?
   - African
   - Asian
   - Hispanic
   - White, Anglo
   - Other
   - American

10. Thank you! If you would like a copy of the survey results, please leave an Email address. The survey is confidential and will nothing you’ve answered will be related to your Email address. If you have questions about this survey, call Monte Sahlin at (800) 272-4664