

A Plea for Fairness
and Transparency

Give Us Only
the Good News

Where Do We Get
Our Doctrine?

20th
ANNIVERSARY ISSUE

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Adventist *Today*



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DOLLAR
SALARIES
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Twenty Years of Thinking

By J. David Newman

Introduction to This Special Issue

Twenty years ago (spring 1993), *Adventist Today* came into existence. The first editor was Raymond Cottrell, former associate editor of the *Adventist Review*. He was succeeded by Jim Walters, professor of ethics at Loma Linda University, as executive editor. In 1997 John McLarty, a church pastor, took over as editor and guided the magazine for the next 10 years. He was succeeded, briefly, by Andy Nash, who teaches journalism at Southern Adventist University. J. David Newman, the present editor, has served since 2009.

In this issue, Jim Walters and John McLarty reminisce about their tenures as editor. *Adventist Today* was born to bring to light issues that the church press ignored or said very little about. So it is appropriate that, in the light of that tradition, we are publishing a major article on the very large salaries that Adventist healthcare executives receive and how this trend began. Read and enjoy.

To Think Is to Question

In this 20th-anniversary issue of *Adventist Today*, we are reminded that one of the reasons for the appearance of this publication was to ask questions that the institutional church was not asking.

You see pictured on page 4 a cartoon with the caption: “We’ll never get anywhere if you keep asking so many questions, Harry!” And I can imagine one of the questions: Why are there square wheels on the axles when we have round wheels in the wagon?”

Religious institutions are too often like the first man in this cartoon. They say: “Just keep on doing what we have always done. What made us successful in the beginning must still be able to make us successful today.”

It is true that questions can be awkward. Questions can be difficult to answer, and there may be questions for which there are no answers. In some cases there

will never be an answer—such as for the question “Where did God come from?”

Ellen White stressed the importance of thinking. She wrote, “It is the work of true education to develop this power, to train the youth to be thinkers, and not mere reflectors of other men’s thought.”¹

To think is to question. But teaching people to think poses its dangers. After all, they just might question some belief, some doctrine, some tradition, some standard. Yet without questioning, there would be no progress.

Albert Einstein said: “The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.”

Voltaire said, “Judge a man by his questions rather than by his answers.”

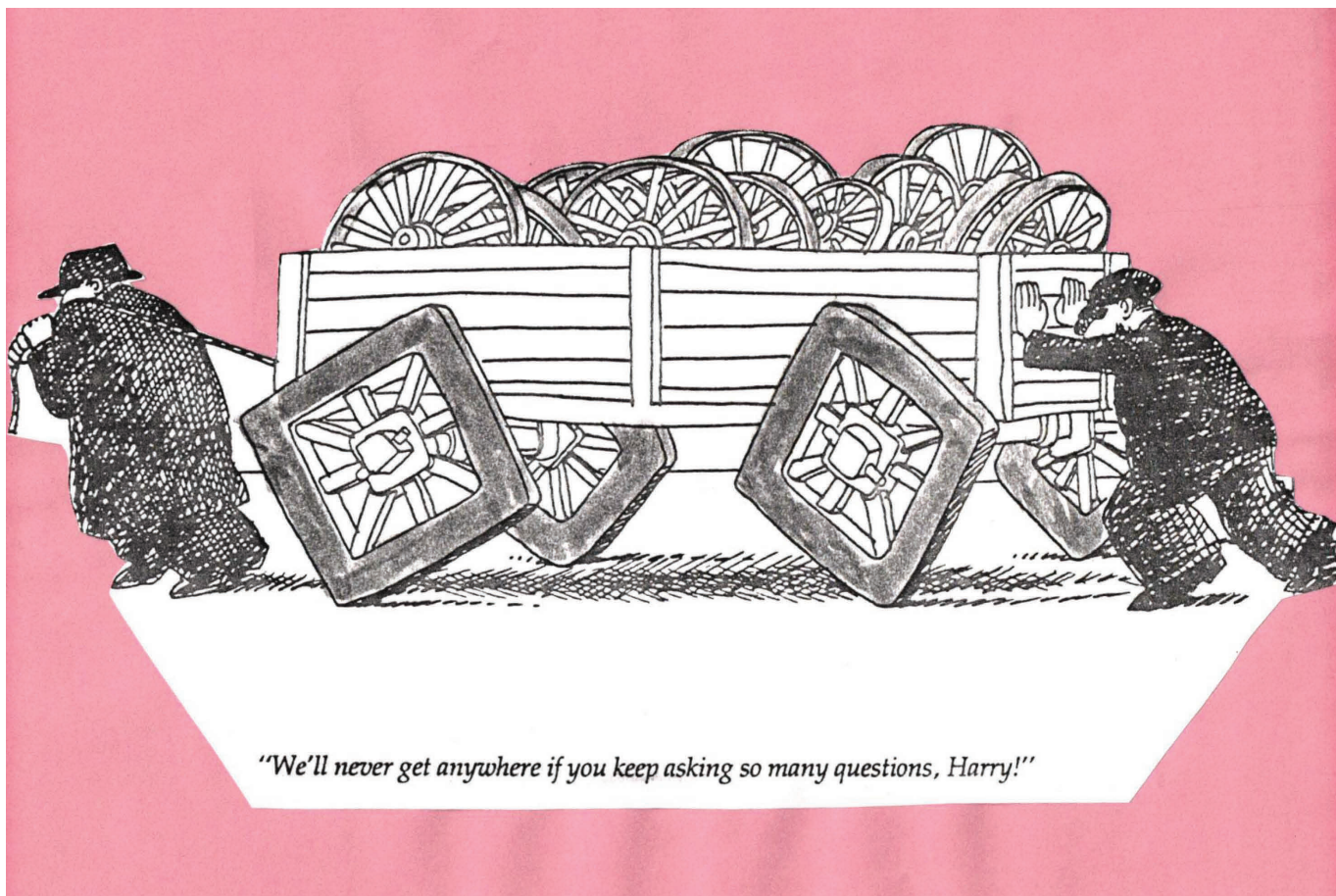
And Thomas Edison uttered a sad truth: “Five percent of the people think; ten percent of the people think they think; and the other eighty-five percent would rather die than think.”

Luke, when writing the book of Acts, felt it important to record how different the Bereans were from the people in Thessalonica because they believed in critical thinking. “Now the Berean Jews were of more noble character than those in Thessalonica, for they received the message with great eagerness and examined the Scriptures every day to see if what Paul said was true” (Acts 17:11, NIV). I can imagine them asking a lot of questions.

Thinking Is Driven by Questions

Thinking is not driven by answers, but by questions. Questions drive science. Physics, chemistry, and biology would not be where they are today if not driven by questions. And science progresses only as new questions are raised. To think through or to rethink anything, one must ask questions that stimulate thought.

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If that is true for science, it is just as true for religion. Questions that define tasks, express problems, and delineate issues cause us to probe deeper. Answers, on the other hand, often signal a full stop in thought. Only when an answer generates a further question does thought continue its life as such.

Jesus was always asking questions. The Gospels record more than 50 of them—from seemingly mundane questions such as “Who touched me?” (Luke 8:45) to the most profound of questions, “Who do you say I am?” (Matt. 16:15, NIV). In between he asked questions to discomfit the religious leaders: “I ask you, which is lawful on the Sabbath: to do good or to do evil, to save life or to destroy it?” (Luke 6:9, NIV). “Now if a boy can be

circumcised on the Sabbath so that the law of Moses may not be broken, why are you angry with me for healing a man’s whole body on the Sabbath?” (John 7:23, NIV).

He challenged the people to consider the purpose of life: “What good will it be for someone to gain the whole world, yet forfeit their soul? Or what can anyone give in exchange for their soul?” (Matt. 16:26, NIV).

Ellen White was especially conscious of the need for individuals to think for themselves. “We must study the truth for ourselves. No man should be relied upon to think for us. No matter who he is, or in what position he may be placed, we are not to look upon any man as a criterion for us. We are to counsel together, and

to be subject one to another; but at the same time we are to exercise the ability God has given us, in order to learn what is truth.”²

To think is to question.

¹Ellen G. White, *Education*, p. 17.

²White, *Testimonies to Ministers and Gospel Workers*, p. 109.

EDITORIAL PHILOSOPHY

The views expressed in this publication do not necessarily reflect the views of the editor or the editorial board. One of the purposes of this magazine is to encourage dialogue between those of differing viewpoints within the Adventist Church. Thus, we will publish articles ranging throughout the conservative-liberal continuum.



A Must for Our Maturing Denomination—a Vital Free Press

By Jim Walters

Adventist Today was born in a “different time”—or, as the country song put it, “not just a different time, it was a different world.”¹ The Seventh-day Adventist Church was less than half its present size, and the North American Division’s union presidents were like the curial bishops, so was their power in the world church. I can still recall these ample white men, in buttoned black suits, strolling across the Loma Linda University campus to annual meetings of the LLU board. And those were the days when the General Conference president had pope-like stature—pre-Folkenberg-fall and an ecclesiastically chastened Ted Wilson.

Twenty years ago *Adventist Review* reported whatever news church leaders desired. *Spectrum*, an independent highbrow journal, was making a distinctive contribution to the intellectual life of the church. And then along came the bimonthly *Adventist Today*, whose name suggested both conceptual modernity and journalistic currency. Significantly, the masthead of that first issue read: “The purpose of *Adventist Today* is to report on and discuss contemporary issues of importance to Adventist church members. Following basic principles of ethics and canons of journalism, this publication strives for fairness, candor, and good taste.”

Thus a magazine was born whose primary purpose was journalistic—informing Adventists about what was really happening in their church.

In that first issue we editorialized that “a lively free press” is mandatory if our democratic church were to have representatives whose votes at constituency meetings would be

informed votes. But gathering and reporting news is hard work, and *Adventist Today* has been sporadic in fulfilling its journalistic pretensions—until a year ago, when Monte Sahlin, a seasoned Adventist journalist and churchman, became *Adventist Today*’s executive director. Today a story per day, on average, appears on atoday.org. What a difference 20 years makes: arguably more Adventists get their news and interpretation of church events through the Adventist free press than

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through official church channels. But still the Adventist free press is in its adolescence—desperately needing a more sure financial base and a more stable staff of investigative reporters, and these two concerns are directly related. As Adventism matures and its diversity becomes more pronounced and evident, a free press is indispensable if our church of increasingly educated thought leaders around the globe is to have reliable information upon which to decide issues.

Looking back, the most significant advance in Adventist journalism has been technical—the Internet. The Internet and related technologies toppled governments (e.g., the Arab Spring uprisings), and they’re reforming Adventism, as the Pacific and Columbia Union constituencies would never have voted 4-1 for woman’s ordination if independent news weren’t available. The ubiquitous Internet may undercut the acute need for a free press, but its gush of raw opinion and bits of news cry out for investigation and intelligent synthesis—and that’s where the vital free press comes in. At its best, *Adventist Review* has served that function. The journalistic apogee for *Adventist Review* was associate editor Raymond F. Cottrell’s six-part series, “A Church in Crisis,” published in January and February of 1977, on the Lutheran Church—Missouri Synod and its Concordia Theological Seminary, presciently anticipating Adventism’s looming theological challenges.

As I reflect on *Adventist Today*’s early days, the person of Ray Cottrell looms large. *Adventist Today* is the child of several members of the Centennial Sabbath School class at Loma Linda, but it’s not coincidence that Ray Cottrell was invited to be the founding editor—with the agreement that he’d be the spiritual/intellectual guide, but that others would do the heavy lifting. Ray had been a religion teacher at Pacific Union College, a key thinker behind the *Seventh-day Adventist Bible Commentary*, and an associate editor at *Adventist Review*, where he wrote that historic series on the Missouri Synod.

Continued on page 30



A Labor of Love

By John McLarty

The invitation to become the editor of *Adventist Today* was an astonishing honor. I brought to the job a deep, instinctive loyalty to the Adventist community—its theology, its history, its people—and an equally deep and instinctive suspicion of the Adventist bureaucracy.

In the world I grew up in, the Adventist church was not a massive institution characteristic of the Adventist ghettos, but rather a local urban congregation and the classic theology that formed and informed that congregation. There were no esteemed theologians. Instead, there was the grand edifice of Adventist theology indifferently represented by local ministers and colorfully voiced by evangelists who baptized crowds of people who disappeared after the meetings. Sitting astride this church life, theology and evangelism was the bureaucracy staffed by ministers with career ambitions. The real heroes were missionaries—ministers and medical professionals who braved the wilds of Africa or New Guinea. Missionaries were revered and conference presidents were disdained with equal fervor.

My dream, as I took on the editorship, was to give voice to a creative, contemporary vision of Adventism that was gracious and humane. In addition, I hoped the journal would continue to provide the check on bureaucratic hubris that could come only from an independent press. I loved the church. Unlike George Knight and Clifford Goldstein, who complain that “truth” forces them to remain in a church culture they find annoying, I enjoyed the Adventist Church. It was my home, my birth family. Adventism was my native

tongue, the language of my heart.

I like our theology. I have little appreciation for evangelical orthodoxy that requires the eternal torment of all Buddhists and Hindus and mentally disabled people whose disability renders incapable of “conscious faith.” (“Without conscious faith in Jesus Christ, there is no salvation,” wrote Albert Mohler, president of Southern Baptist Seminary). Even the conservative, legalistic Adventism of my academy Bible classes allowed theoretically for the salvation of people incapable of “naming Jesus.”

Sabbath practice can foster optimal life, especially in contemporary American society. The Adventist emphasis on the importance of good habits turns out to be conducive to physical, social, and mental health (if we decouple that emphasis from perfectionism). The Adventist emphasis on education contains within it the seeds of social advance and liberalization.

These things—a formal rejection of eternal torment for all except those capable of voicing the evangelical formula, Sabbath practice, the unabashed advocacy of practices that are conducive to health, a belief in the lawfulness of God—are distinctive Adventist treasures not readily available elsewhere. As editor of *Adventist Today*, I had a wonderful freedom to advocate this idiosyncratic view of the heart of Adventism.

No community, no system of thought, no institution is perfect. I was happy to be a gadfly, an affectionate critic of my church. I dreamed that criticism would make us better. And sometimes I think that happened. I heard through the grapevine that more than once, in conversations at denominational

headquarters, when bureaucrats wished to keep something out of church papers, church editors won permission to address a particular issue because they said, “If we don’t, you know *Adventist Today* will.” Our existence gave more freedom to the people within the system who favored openness.

Unfortunately, I also learned the painful reality of my own fallibility. I remember fairly early on approving the publication of an article lambasting the denomination for mistreating an employee. It was a hard-hitting, well-written article. The conference president involved was a total jerk. The employee was a mistreated saint. The article was completely believable. And wrong. Truth, it turned out, was elusive even in an “independent” journal. I would love to be able to claim that this early error was my only significant lapse in judgment. Alas, to the contrary.

I still believe the denomination needs the check on bureaucratic power provided by an independent press. I think the denomination needs the marketplace of ideas that can exist only outside the control of the institution. I am less critical of lapses in judgment on the part of those in the bureaucracy because of my own errors committed under the weight of less pressure. And, yes, I am still in love with the church.

John McLarty is a former editor of Adventist Today and now serves as a consulting editor. He is pastor of the Green Lake Adventist Church in Seattle and posts his sermon manuscripts at liberaladventist.blogspot.com.



More on Intelligent Design

This letter is a response to the article “Intelligent Design: Whatever It Is, It’s Not Science” by Mailen Kootsey and Ervin Taylor (Winter 2013).

The condemnation of intelligent design by the phrase “Whatever It Is, It’s Not Science” is quite harsh, in view of the fact that for centuries philosophers of science have attempted to establish a generally acceptable definition of science, with little success. Intelligent design (ID) theorists use the same empirical science that evolutionary biologists use, but they arrive at a different postulate. Obviously intelligent design has metaphysical implications, but ID theorists make no attempt to identify a designer.

It is puzzling that Kootsey and Taylor would use the article “Synergy and Self-Organization in the Evolution of Complex Systems” to support their statement: “Unfortunately for ID proponents, in recent decades it has become evident that there are natural mechanisms that can generate information and complexity.” The author, Peter A. Corning, does not believe that information exists, as expressed in his own words (p. 114): “I have proposed that information does not in fact exist; in reality it is an umbrella concept like ‘natural selection’ that we use to characterize certain properties, or functional aspects, of a wide variety of phenomena”¹ (emphasis added).

The references are far from establishing scientifically that natural mechanisms can generate information and complexity. Synergy and self-organization do not advance their contention, because all of biology is profoundly self-organizing. The mere existence of self-organization and complexity is not evidence for the generation of prescriptive information by natural mechanisms. Rather, prescriptive information creates self-organization and complexity according to Francis Crick’s “central dogma,” which states that information transfer is only from DNA to protein and never the reverse. Further, for coding to have useful prescriptive information there must be a recipient that can decipher the code.

Franklin M. Harold, an evolutionary biologist and emeritus professor of biochemistry and molecular biology at Colorado State University, writes: “We must concede there are presently no detailed Darwinian accounts of the evolution of any biochemical or cellular system, only a variety of wishful speculation.”² Further, Robert M. Macnab, an evolutionary biologist from Yale University, published an elegant 19-page review article on the self-assembly of the bacterial flagellum, titled “How Bacteria Assemble Flagella.” He concludes that “the process of flagellar assembly is a remarkable one, involving many genes and gene products... *How they evolved is another matter*” (emphasis added).³

The reference to the 2002 book *The Emergence of Everything* by Harold Morowitz, an origin-of-life evolutionist, provides no scientific support for the emergence of anything. In chapter 11 on the emergence of metabolism on page 72, “At present there is no scheme for generating the metabolic chart from such basics, *but hope springs eternal*” (emphasis added). In chapter 33 titled “Analyzing Emergence” (p. 181), “*In one way or another, favored autocatalytic chemical networks emerged, and the method of complexification changed to making information-rich polymers*” (emphasis added).⁴ It is unclear how this book gives scientific support for the contention by Kootsey and Taylor that “there are natural mechanisms that can generate information.”

Lastly, evolutionary biologist George C. Williams observed: “Evolutionary biologists have failed to realize that they work in two more or less incommensurable domains: that of information and that of matter.”⁵ *Information has no dimensions, no mass, and no charge, and matter has no bytes.* “The gene is a package of information, not an object.”⁶

In conclusion: Information Science is real and will not disappear by arbitrary definitions of science. There is no justification for marginalizing intelligent design theorists. If empirical science can generate useful prescriptive information by random mutation or natural law, intelligent design will be falsified and the discipline will die a natural death.

GEORGE M. GRAMES
Redlands, California

¹Peter A. Corning, “Synergy and Self-organization in the Evolution of Complex Systems,” *Systems Research*, Vol. 12, No. 2, 1995, pp. 89-121.

²Franklin M. Harold, *The Way of the Cell: Molecules, Organisms and the Order of Life* (Oxford University Press, New York, 2001), p. 205.

³Robert M. Macnab, “How Bacteria Assemble Flagella,” *The Annual Review of Microbiology*, Vol. 57, No. 77-100, 2003.

⁴Harold J. Morowitz, *The Emergence of Everything: How the World Became Complex* (Oxford University Press, New York, 2002).

⁵George C. Williams, “A Package of Information,” from *The Third Culture: Beyond the Scientific Revolution*, edited by John Brockman (Simon and Schuster, 1995), pp. 42-43.

⁶ibid.

MILLION-DOLLAR SALARIES

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 \$5,079,386.¹ 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.² 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 \$87,008.³

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.⁴ *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

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going to the dentist and that was attending Spring Meeting.”⁵

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.”⁶ 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.”⁷ 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.⁸ 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.”⁹

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.¹⁰ 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.”¹¹

Chairman Wilson contrasted the ideal with the pragmatic and said that anyone who objected should come forward and present viable alternatives.¹² 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.”¹³

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.¹⁴ 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.¹⁵

How Much Should Executives Be Paid?

Salaries for key hospital executives were allowed to jump from \$81,700 to \$116,400.¹⁶ 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.¹⁷ 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.¹⁸ 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.¹⁹ 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

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."²² 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."²³

MANY ADVENTISTS DO NOT HAVE A CLEAR UNDERSTANDING OF WHO ACTUALLY OWNS THESE HEALTHCARE ORGANIZATIONS. THE REGIONAL ADVENTIST CORPORATIONS ARE SEEN AS BEING FINANCIALLY INDEPENDENT FROM THE CHURCH.

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."²⁰

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.²¹

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

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.²⁴ 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.”²⁵

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.²⁶ 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.”²⁷

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, self-preservation, 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.³¹ 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.”³²

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?”³³ He revealed that the church actually maintains two disparate remuneration systems and then enlarged on the “wider, more complex issues.”³⁴ 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.³⁵ 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. Yudof’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.”³⁶ 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 Yudof administers an institution with 234,464 students, 18,896 faculty, and 189,116 staff.³⁷

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.”³⁸

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 tax-exempt 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.”³⁹ 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”

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 2009.⁴⁰ 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

ONCE FREED FROM CHURCH WAGE CAPS, THE TOP HOSPITAL EXECUTIVES' REPORTABLE COMPENSATION BALLOONED (WITHIN A FEW YEARS) TO WELL OVER A MILLION DOLLARS, USING A VARIETY OF COMPENSATION STRATEGIES TO CREATE MORE ANNUAL PAY.

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

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) lower-division 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

Table 1

Loma Linda University Adventist Health Sciences Center (2011)
Includes Loma Linda University (2010)

Executives (2011)	Base Compensation	Bonus & Incentive Compensation	Other Reportable Compensation	Retirement & Deferred Compensation	Nontaxable Benefits	Total of Columns	Compensation in Prior 990*
Richard Hart, Current CEO	\$350,000		\$100,987	\$15,014	\$39,538	\$505,539	
Michael Jackson, VP Strategic Plans	\$144,846	\$48,856	\$369,369	\$15,014	\$22,466	\$600,551	
Ruthita Fike, EVP Hospital Affairs	\$635,000	\$130,050	\$355,654	\$15,014	\$42,935	\$1,178,653	
Kevin Lang, EVP for Financial Affairs	\$537,000	\$68,351	\$264,610	\$15,014	\$-21,480	\$863,495	\$59,374
Henry R. Hadley, EVP for Medical Affairs	\$331,790		\$121,081	\$15,014	\$23,819	\$491,704	
Position at LLU (2010)							
Ronald Carter, Provost	\$143,982		\$24,019	\$6,698	\$17,789	\$192,488	
Charles Goodacre, Dean of Dentistry	\$249,473		\$101	\$16,536	\$16,734	\$282,844	
Marilyn Herrman, Dean of Nursing	\$159,224		\$101	\$11,942	\$15,471	\$186,738	
Walter Hughes III, Dean of Pharmacy	\$176,904	\$491	\$1,149	\$13,268	\$18,706	\$210,518	

Notes: Loma Linda University Adventist Health Sciences Center (LLUAHSC) is the parent corporation for LLU and the LLU Medical Center. According to public tax records, LLUAHSC coordinates “the healing ministry of the Seventh-day Adventist Church. This function is accomplished by managing the various schools and hospitals and affiliated organizations of LLUAHSC.” Earnings for LLUAHSC were obtained from the 2011 tax documents (upper part of the table). The latest 990 tax document available for LLU was 2010, so there could be discrepancy between the two classes of employees. Executives and key employees involved in the professional schools obtain their salaries and benefits (see figures above the dark horizontal line) from LLUAHSC, with allocation of the compensation amounts to the applicable related organizations. Figures below the dark horizontal line include LLU salaries for provost and deans—more in keeping with church wages. Total compensation for highly paid executives and key employees may vary, depending on incentives, supplemental benefits, and retirement plans. Since it is impossible from the 990 to determine what one thinks of as actual earnings, they are treated as a cash event for that year, recognizing that some of the numbers may come from prior years and are included because of the standards of reporting by the IRS. The Form 990 is designed by the IRS to capture earnings and to control abuse. LLU’s deans and provost do not participate in all of the same benefit opportunities and shelter devices allowed by the IRS for highly compensated individuals.

*Under Part III lines 4a-b in the LLUASC 990 tax document, an additional amount of \$1,039,302 was paid out in cash to the highly compensated employees for SERP, Net Flex Plan Credits, and Employer Contribution/payments for Elective Benefits and Forfeited Benefits funded in prior years. See supplement information on the 990 tax document (2011).

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

Table 2

Adventist Liberal Arts Executive Base and Total Compensation

Position	AU	LSU	OU	PUC*	SWAU	UC	WWU*	WAU
President	\$85,430 --	\$123,418 \$165,402	\$94,093 \$124,380	\$69,328 \$81,368	\$91,763 --	\$75,450 --	\$63,312 \$94,310	\$90,000 \$176,059
Provost or Dean	\$76,672 --	\$96,046 \$132,253	\$79,933 \$110,032	\$76,178 \$81,453	\$38,637 --	\$62,724 --	\$50,456 \$75,033	\$80,325 \$98,067
CFO	\$56,024 --	\$104,377 \$143,466	\$84,968 \$105,067	\$65,991 \$70,277	\$70,434 --	\$62,724 --	\$50,450 \$75,679	\$85,867 \$91,919

Notes: The data used in this table was obtained from 990 tax documents (mostly the year 2010). The top line for each individual shows base wage, and the next line below is the total compensation, which includes all other forms of reportable compensation. If this line is blank, it is because the institution is not reporting additional compensation. Southern Adventist University (SAU) does not appear in the table because it does not file a 990 tax document with the IRS. According to GuideStar, SAU considers itself a “church” rather than an academic institution.

* Also, comparisons for Pacific Union College (PUC) and Walla Walla University (WWU) executive compensation may appear lower than the other institutions shown in this chart because PUC no longer reports key employee wages on its 990. Consequently, the data used in this table for PUC was obtained from the 2008 tax document, where the wages last appeared under the administration of then-President Richard Osborn. Likewise, WWU no longer files a 990 tax document, also classifying itself as a church rather than an academic institution. Consequently, the executive wage figures for WWU were obtained from the latest tax document available, in 2007.

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

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.”⁴¹

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

Table 3

Florida Hospital College of Health Sciences (2010)

Executives	Base Compensation	Bonus & Incentive Compensation	Other Reportable Compensation	Retirement & Deferred Compensation	Nontaxable Benefits	Total of Columns
David Greenlaw, President	\$227,934	\$54,175	\$131,864	\$17,319	\$40,631	\$471,923
Desmond Cummings	\$442,723	\$128,156	\$227,955	\$87,321	\$23,061	\$909,216
Sheryl Dodds	\$280,773	\$65,754	\$32,486	\$33,813	\$10,239	\$423,065
Gray Kristen	\$163,550	\$3,221	\$12,468	\$15,534	\$8,415	\$203,188
Connie Hamilton	\$288,024	\$68,458	\$48,439	\$32,201	\$21,580	\$458,702
Robert Henderschedt	\$573,822	\$166,156	\$221,069	\$103,853	\$27,815	\$1,092,715
Lars Houmann	\$805,019	\$232,797	\$1,673,664	\$171,790	\$42,086	\$2,925,356
Donald Jones	\$310,507	\$59,940	\$57,795	\$37,783	\$19,416	\$485,441

Notes: Florida Hospital College of Health Sciences was renamed Adventist University of Health Sciences in August 2012. Compensation figures were obtained from Schedule J (Form 990) for 2010. Certain executives participate in a supplemental executive retirement unqualified plan. Executive salaries are tied to volume-based revenues and other factors considered by consultants in making recommendations for market rates. Consequently, Florida Hospital may have higher wages than other Adventist healthcare corporations, since this corporation is larger in volume and more complex.

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 LUAHSC 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

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

Table 4

Kettering College of Medical Arts (2010)

Executives	Base Compensation	Bonus & Incentive Compensation	Other Reportable Compensation	Retirement & Deferred Compensation	Nontaxable Benefits	Total of Columns
Fred Manchur	\$771,183	\$170,029	\$387,340	\$207,055	\$16,783	\$1,552,390
Roy Chew	\$609,130	\$129,122	\$54,124	\$340,729	\$19,094	\$1,152,199
Charles Scriven	\$186,350	\$26,929	\$61,638	\$65,474	\$21,445	\$361,836
Brenda Kuhn	\$292,318	\$49,435	\$2,707	\$49,018	\$19,918	\$413,396
Beverly Morris	\$213,642	\$36,903	\$2,068	\$33,250	\$13,644	\$299,507

Notes: These individuals serve as trustees of Kettering College of Medical Arts; Charles Scriven is president of the college. Compensation figures were obtained from Schedule J (Form 990) for 2010.

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.

⁴²This 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
Continued on page 30



A MODEST PLEA:

FAIRNESS AND TRANSPARENCY, FOR JESUS' SAKE

BY JIM WALTERS

T. Joe Willey reports in his “Million-Dollar Salaries in Adventist Healthcare” (this issue) that more than 50 administrators at Adventist hospitals made an average in excess of \$1,300,000 in either 2010 or 2011, with the highest earning more than \$5 million.¹ This is disquieting. And if it isn’t, it should be; the average is nearly triple what the CEOs of the largest charities earn and more than three times the salary of President Barack Obama.

The irony is that the salaries of Adventist health systems executives are not determined by the highly paid executives themselves, but are voted by ordained churchmen who dominate the Adventist Health² boards. With vision and courage, Adventist healthcare executives and boards could align salaries with their stated core values and mission, as all Adventist hospitals are explicitly committed to extending the healing ministry of Jesus (or a stated equivalent). Such a realignment is perhaps a remote possibility, given the seemingly one-way track of salaries. But it could happen, if Adventist Health executives would commit to just wages for all.

The Broader Context

Adventist healthcare is perhaps the most recognizable face of Adventism to the world. Every day in Adventist hospitals, approximately 100,000 Adventist Christian and like-minded

caregivers minister to hurting patients. These caregivers are implementing the dominant half of the Christian message, according to Ellen White, who indicates that Jesus spent more time healing than preaching.³ It is only appropriate that executive salaries in Adventist healthcare be congruent with this vital ministry, and perceived as such.

Adventist Health executive compensation must also be seen within the secular context of the soaring salaries paid to the corporate elite in America. Willey reports that in 1989 when the General Conference officers voted for Adventist healthcare executives to receive industry wages, the wages were three to four times what the average church worker made. But executive wage inflation was already gaining steam, and of course that contributed to the GC vote. “The average annual earnings of the top 1 percent of wage earners in the United States grew 156 percent from 1979 to 2007,”⁴ and “for the top 0.1 percent they grew 362 percent,”⁵ while workers in the bottom 90 percent had only a weak 17-percent growth. CEOs have fared even better: From 1978 to 2011, CEO compensation increased more than 725 percent, versus a 5.7-percent growth rate in worker compensation.⁶ Compared differently: CEOs earned approximately 20 times more than typical workers in 1965, 383 times more in 2000, and 231 times more in 2011⁷—which is still more than 10 times the 1965 ratio. The CEO-worker ratio continues to be relatively low in the rest of the developed world (still about 20-to-1 in Europe and 10-to-1 in Japan), although U.S. ratios are having an exacerbating effect.⁸

In recent years some hedge-fund managers have received billion-dollar compensation packages, and multiple CEOs have taken home multi-hundred-million-dollar packages. Hospital executives have been significantly affected, with analysts as recently as a year ago writing about, as one headline put it, “More Tales of the Hospital CEO Compensation Bubble.”⁹ The article cited some illustrations: Akron Children’s Hospital CEO William Considine’s \$1,560,659 (2010) and Summa Health System CEO Thomas J. Strauss’s \$1,408,062 (2010).¹⁰ Recently in Wisconsin *The Janesville Gazette* published a story about one area hospital CEO who had received \$3.6 million in total compensation in 2009.¹¹ The *New York Post* ran an article in 2011 citing the retiring CEO at New York-Presbyterian Hospital getting \$4.3 million in total compensation, followed by the CEO of Montefiore Medical Center in the Bronx getting more than \$1.75 million, and the head of Mount Sinai Medical Center getting a \$1.2 million bonus in 2010.¹²

Adventist Health Salaries and Hidden Costs

Salaries of Adventist healthcare executives are now nearly 12 times what they were raised to in 1989, if one takes Willey’s \$116,400 as the 1989 compensation and \$1,346,679 as the average 2010 compensation. Present compensation is now 50 times what it was before the 1989 decision. When church leaders voted to limit

Adventist healthcare executives to community norms, it meant that no Adventist hospital CEO is to be paid above the 40th percentile of comparable executives, based on national compensation surveys. Tellingly, from the hospital CEO salaries cited above and a cursory survey of other such salaries, the Adventist Health salaries that Willey cites appear to be at least as high as peers—surely not less than half.

For sake of argument, let’s grant that present salaries of Adventist hospital executives are justified. Church leaders struggled with this issue in 1989 and justified a correlation of the salaries of Adventist Health executives to other health-care-industry executives. Top church administrators continue to chair the boards of regional Adventist Health organizations, with annual approvals of executive remuneration packages. Regardless, excessive executive salaries carry hidden “costs” made even more problematic by Adventist Health’s sacred mission. Those hidden costs are:

1. Fairness is questioned. In a Christian hospital where every employee ideally sees their role as a “calling,” it would be unfair for the CEO to make more in 20 minutes than another worker takes home in a week—to a family of five, barely making ends meet.

2. Morale or corporate culture is eroded. Disproportionate executive salaries cast throughout an institution a largely silent pall that can’t be countered by even the most insightful and socially honed in-service training programs. An institution’s intangible sense of itself, its *esprit de corps*, is more caught than taught—to use a popular phrase.

3. Trust is jeopardized with multiple stakeholders. Church members, whose talented pastor is paid a relative pittance, may distrust a health system that pays its elite so well. Hospital board members, many of whom have no explicit knowledge of compensation packages, may distrust the executives who engineer these deals. Patients and the general public may lose trust in their local Adventist hospital, viewing it as yet another money-driven company—see below.

4. Collegiality is diminished. Disproportionate salaries can erect largely silent walls of financial privilege, making uncomfortable camaraderie in dining halls, community events, and church services—given the tendency of humans to socialize with equals.

Public Scrutiny of Big Salaries

Florida Hospital is huge—the largest in Florida—and unsurprisingly it draws attention, as it did in 2009 when a leading columnist for the *Orlando Sentinel* wrote a story on executive compensation at Florida Hospital and its parent corporation, Adventist Health System (AHS):

“CEO Don Jernigan earned \$3.5 million. Not bad for a faith-based nonprofit. Jernigan’s compensation package for 2007 was actually more than what was paid to the top administrators of

the famed Mayo Clinic and Johns Hopkins Health System ... combined.”¹³

The writer proceeds to speak of the “massive,” “excessive,” even possibly “downright obscene” salaries paid to AHS executives whose organization has a philanthropic mission and gets tax breaks because of it. It didn’t escape the columnist’s notice that the Seventh-day Adventist Church’s mission statement is: “To extend the healing ministry of Christ.”¹⁴

The *Sentinel* writer compared Jernigan’s salary with that of the CEO of another Orlando health system president, John Hillenmeyer, who made \$858,000. But he could have compared

The point is that it’s time for boards of trustees to grapple with the compensation issue in light of their Jesus-mission—and let all stakeholders know how this mission is real. Turn loose those creative compensation consultants to devise the most just salary system possible.

Jernigan to another CEO, Delos “Toby” Cosgrove, of the Cleveland Clinic, who receives \$2.1 million in compensation. The Cleveland Clinic, founded in 1921, is one of the most highly respected medical centers in the nation, known for its progressive medical initiatives and its high ethical standards.¹⁵

Significantly, the Cleveland Clinic’s website includes a section on “Business Ethics.” The Clinic was a founding member of the Northeast Ohio Business Ethics Coalition, which comprises 120 companies that seek to elevate the business climate in northeastern Ohio, promoting best compliance practices in the construction and healthcare industries and their vendors. The Clinic was invited to be an inaugural partner because of its reputation for ethical processes. The Coalition’s pledge addresses “Tone at the Top,” a commitment of top management to make “ethical business practices a priority.”

Attracting and Retaining Top Talent

By far the most common rationale for highly paid Adventist hospital executives, used by GC leaders at the Spring Meeting in 1989 and still today, is that without competitive salaries Adventist hospitals cannot attract and retain the top-flight leadership that the multi-billion dollar Adventist healthcare systems demand. This plausible (but not proven) assumption is based on the idea that money—in cash, bonuses, deferred payments, etc.—is all-important. It’s not. Recent studies have shown that other rewards are important, as well—such as a healthy institutional culture, fair

and transparent management practices, and the meaningfulness of one’s job—according to Martin Makary, a physician healthcare analyst.¹⁶ One study found that corporate executives of a faith orientation had “stronger feelings of satisfaction and fulfillment,” resulting from their business, personal, family, community, and spiritual goals being met.¹⁷

“Compensation is not simply about material gain or greed.... compensation is, to most people, about self-worth,” said Kenneth R. Feinberg, special master for TARP executive compensation, at the height of the fiscal crisis of 2010.¹⁸ Income, as such, is never enough, as it’s but a symbol for success and prestige, once life’s wants and desires have been abundantly supplied.

Whole Foods, with 342 stores, 72,000 employees, and revenue of \$11.7 billion, has a CEO salary cap of 19 times the average of all employees,¹⁹ resulting in the spigot now being turned off at \$800,000. John Mackey, founder and co-CEO, has publicly lamented the great pay gap between executives and their workers, citing a toll on “employee morale, loyalty, and strategy and execution.”²⁰ At a University of Virginia Law School conference in 2011 on “ethically problematic” executive salaries, William P. Carmichael, chairman of Columbia Funds, lamented the decrease in morale of employees, and another distinguished panelist, Walter Bardenwerper, called the salary disparity “a rendering of the social fabric.”²¹ Exorbitant salaries aren’t necessary to attract and keep good employees, according to Mackey, who “claims that Whole Foods hasn’t lost employees it wanted to keep because of higher salaries elsewhere. He believes that once basic needs are met, ‘deeper purpose, personal growth, self-actualization, and caring relationships provide very powerful motivations and are more important than financial compensation for creating both loyalty and a high performing organization.’”²²

It may seem ironic that John Mackey, known for his libertarian capitalism, would openly evangelize for leaders to find further fulfillment in nonfinancial rewards—including spiritual rewards such as healthy relationships and loyalty. But on second thought, he also eyes the bottom line, recognizing that a good *esprit de corps* makes his customer-direct markets more “user friendly,” which consequently attracts more business.

Need for a Christian Ethical Rationale

The primary issue in this discussion isn’t the high total compensation packages, per se, since the initial performance of Adventist hospitals would not likely change much if executive compensation were cut in half. That’s because their salaries, even though exponentially higher than in 1989, represent but a fraction of annual revenue. Given that the five regional Adventist healthcare systems are a \$15 billion ministry, the \$70 million going to the top 50 executives represents only 1/200th of total revenue, albeit a much larger percentage of “profit.”

The real issue is much more fundamental, going to the reason Adventist Health was initially formed. The issue is nothing less

than the mission of extending the healing ministry of Christ, a core concept but admittedly abstract. Although many books have been written on Jesus' ministry, in more concrete terms Jesus' healing ministry can be summed up in two terms: compassion and excellence. What do compassion and excellence have to say about executive compensation? Let's apply these two concepts to three options for executive compensation:

1. Sacrificial wage. Given the growing affluence of Adventists and how healthcare is awash with money, the notion of executives returning to such a wage is not feasible. For healthcare professionals willing to work for sacrificial wages, compassionate care is a given, but excellence would likely be in short supply.

2. Percentage of industry wages. This approach is what is now supposedly in effect, but it does not appear to be functioning well, given the numerous creative ways its intent can be circumvented.²³ Whether or not employees will have the spirit of compassion for the long-term if executive salaries remain excessive is a question, but money can always buy technical excellence.

3. Ratio to employee average. This approach demands a team approach, in that only as workers advance as a group does the leader advance in salary. Compassionate care would flourish, but whether or not top-notch Adventist leadership could be retained is an open question—although numerous studies show that there is no direct relationship between high executive compensation and performance.

If Adventist Health were Humana or Hospital Corporation of America (HCA), the ultimate mission would be different. At HCA the goal is to make money for the shareholders, with good patient care a means to that end. But at Adventist Health, the mission is to extend the healing ministry of Jesus, and Jesus' care for every sick woman, man, and child is the model. If "continuing the healing ministry of Jesus" is more than a neat catchphrase or an appealing brand-subtext, it must be reflected in every aspect of an Adventist hospital or medical center. The leaders of Adventist Health—the corporate body claiming to further Jesus' healing ministry—must particularly reflect that sacred mission.

Toward More Just Salaries and a Just and Relevant Church

Adventist Christians, with the historical notion of shared sacrifice and with the model of Jesus Christ's selfless service, should be leaders in seeing the uniquely U.S. bubble in executive salaries for what it is: greed on the part of corporate CEOs in America, which has tainted the countries' hospitals, including Adventism's health ministry.

Ira T. Kay, a leading advocate of high executive compensation, says that such remuneration causes CEOs to "make difficult decisions that are otherwise unpleasant. They sell off businesses. They move offshore. The desire for personal gain causes them to do the hard stuff." And *The New York Times* writer who did the

interview concluded that Kay was saying, "in other words, greed is good."²⁴

One might defend the Adventist Health policy of pegging CEO salaries to the 40th percentile of community salaries, explaining, "We are seeking to be average; that's our goal." But that's average in the world of corporate America. What about seeking to be just, according to our own and the greater society's moral lights? Rather than linking salaries to a greedy bubble, tie them to one's teammates in ministry—the nurses, doctors, therapists, and housekeepers. As with Mackie's salary, what about executive salaries rising only with ministry workforce increases? Maybe 19-to-1 is not defensible, and for a particular hospital system it should be 10-to-1, or 30-to-1. The point is that it's time for boards of trustees to grapple with the compensation issue in light of their Jesus-mission—and let all stakeholders know how this mission is real. Turn loose those creative compensation consultants to devise the most just salary system possible. Rather than waiting for the possibility that the IRS will cite an Adventist hospital CEO for making \$5 million, let that same CEO make headlines for leading a movement to limit his or her compensation for the sake of Christ's mission. Just watch the pride grow in running such a hospital, and the retention and hiring of value-oriented executives may be a boon—not a bust—for the whole ministry.

Adventist hospital systems are positioned to provide the denomination more than only practical implications of the gospel—as important as these are. Adventist Health is ideally situated, where Adventism comes most directly and consistently in face-to-face encounter with the broader society, to also make significant conceptual contributions. Humanities and religion scholars at Adventist University of Health Science, Loma Linda University School of Religion, and Kettering College of Medical Arts think in the broader context of the Adventist-world interface, and thus they may contribute to developing church attitudes and beliefs in ways that may uniquely aid the church in remaining relevant to the changing world. However, what credibility these thinkers have with the denomination's laity is undercut if such matters as excessive executive compensation taint those members' trust in incorporated Adventist healthcare. Too many Adventists now have the impression that the church has "lost" its healthcare ministry, whereas the large hospital systems have aided the church's internal operations by instituting more fair and equitable policies, justly applied—in contrast to an earlier day when too many church administrators ruled idiosyncratically.

Action Urgently Needed

Realistically, if movement toward more just compensation would happen in Adventist Health, it must come at the initiative of the very executives Willey cites in his lead sentence—the 50 who are most highly paid. Adventist Health cannot do without these highly talented 50, and the union conference presidents who chair the

Adventist Health boards and their board members know this and wisely will not unilaterally vote to dock the high salaries, even in the unlikely event of an uprising of the Adventist constituency for such a cutback in salaries. The GC leadership is not likely to push for more just wages, as it's preoccupied with maintaining doctrinal orthodoxy and containing a movement toward women's ordination. So, it's up to the Adventist Health executives to catch the larger vision and request that they be paid less in the name of Jesus. I believe these men and women are capable of such action, for they have shown great creativity in devising explicitly Christian programs. Witness Orlando-based Adventist Health System's His Touch DVD series and the Wellness Our Way program for employee fitness.

Of course, Adventist hospital executives can't do this on their own; the boards of trustees vote salaries. But it is time for the boards and hospital administrators to seriously address the issue of executive compensation, if their rhetoric of continuing the healing ministry of Jesus is to ring true. "If an organization does have true ethical issues they can be revealed by their CEO compensation plan," writes Steven Spires, a vice president at Lee Hecht Harrison, an executive talent company.²⁵ "If governance has anything to do with ethics, then an organization's compensation agreement reveals it as good or bad.... Failure to define values that drive purpose and compensation may well reveal potential ethical failure." Spires quotes Warren Buffett: "Executive compensation is the acid test of corporate governance."

Adventist Health executives and boards, in taking their mission seriously and applying it consistently, should re-evaluate their remuneration practices for all employees and match, if not surpass, the best business-ethics practices in the industry.

The Christian spirit seen in patient-relations needs to also permeate governance and business practices. Two specific, modest goals are called for:

1. Financial Transparency. Beginning with board members and extending to the public, adopt a best-practices policy and be transparent regarding the remuneration being paid to all employees. Annually post the 990 tax documents on the institutional websites.

2. Fair Salaries. Recognizing that sacrificial wages are no longer an option for executives in Adventist healthcare, accept that no employee should be paid sacrificial wages and no executive should be paid an inflated compensation package.

Adventist Health, in extending the healing ministry of Jesus, can do no less. 

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¹Willey states that the figures used in his article are based on a "cash" method of accounting—the amount of cash taken from hospital revenue and given to

an executive in a particular year. See the appendix regarding the complex IRS 990 tax documents and my attempt to approximate annual total compensation packages.

²*Adventist Health* is used herein as a general term to denote the five regional Adventist healthcare systems: Adventist Health System Sunbelt (headquarters in Orlando, Florida), Adventist Health (headquarters in Roseville, California), Adventist HealthCare (headquarters in Rockville, Maryland), Kettering Health Network (headquarters in Dayton, Ohio), and Loma Linda University Health Care (headquarters in Loma Linda, California).

³Ellen G. White, *The Ministry of Healing* (Mountain View, CA: Pacific Press Publishing Assoc., 1974), p. 19.

⁴Lawrence Mishel and Natalie Sabadis, "CEO Pay and the Top 1%," Economic Policy Institute, May 2, 2012 (<http://www.epi.org/publication/ib331-ceo-pay-top-1-percent/>).

⁵*ibid.*

⁶*ibid.*

⁷*ibid.*

⁸"Executive Compensation: Not OK to Pay This Way?" USC Levan Institute: Ethics Resource Center (<http://dornsife.usc.edu/executive-compensation/>).

⁹Roy M. Poses, "More Tales of the Hospital CEO Compensation Bubble," Health Care Renewal Blog, Dec. 26, 2011 (<http://hcrenewal.blogspot.com/2011/12/more-tales-of-hospital-ceo-compensation.html>).

¹⁰*ibid.*

¹¹*ibid.*

¹²*ibid.*

¹³Scott Maxwell, "Nonprofit Hospitals' Bosses Get Big Bucks, *Orlando Sentinel*, May 17, 2009.

¹⁴*ibid.*

¹⁵The Cleveland Clinic is certified by the Health on the Net Foundation, an international association dedicated to provision of good health information on the web—based on eight ethical principles, including confidentiality, justification, and transparency. On its website, the Clinic includes annual financial statements and its 990 form, introducing these documents by stating: "Given our commitment to good governance and transparency...." From the CEO's open letter to employees to the Clinic's disclosure of key documents, one senses a high ethical tone. Ideally, a strong Christian commitment by Adventist healthcare systems includes a concomitant dedication to high ethical standards, but the former does not necessarily entail the latter.

¹⁶Martin Makary, *Unaccountable: What Hospitals Won't Tell You and How Transparency Can Revolutionize Health Care* (Bloomsbury Publishing, 2012).

¹⁷Frank Toney and Merrill Oster, "The Leader and Religious Faith," *Journal of Leadership Studies*, Vol. 5, No. 1, 1998.

¹⁸Cited in Gael O'Brien, "The Week in Ethics: The Hidden Costs in Excessive Executive Compensation," April 4, 2010 (<http://theweekinethics.wordpress.com/2010/04/05/the-week-in-ethics-the-hidden-costs-in-excessive-executive-compensation/>).

¹⁹Anne VanderMey, "Whole Foods' quality crop," *Fortune*, Dec. 3, 2012 (<http://management.fortune.cnn.com/2012/11/27/whole-foods-admired/>).

²⁰See O'Brien.

²¹<http://www.law.virginia.edu/html/news/2011>

²²See O'Brien.

²³Ironically, Willey specifically cites the salaries of Loma Linda Health Center executives, when these individuals are at or below the 40th or 50th percentile rule and do not illustrate his contention that the top 50 executives average \$1.35 million in total compensation.

²⁴Joe Nocera, "What If CEO Pay Is Fair?," *The New York Times*, Oct. 13, 2007.

²⁵Steven Spires, "CEO Compensation as an Ethical Issue—When Does It Cross the Line?" (http://robinson.asu.edu/ethics/pub/2006/ceo_compensation.html).

Appendix

In order to better understand the calculation of executive compensation behind T. Joe Willey's analysis of Adventist hospital executive compensation, I met with three executives at Loma Linda University Adventist Health Sciences Center (LLUAHSC), one of whom arranged a half-hour conference call with an attorney consultant specializing in executive compensation who is retained by LLUAHSC. Further, as a member of the Adventist Today Foundation executive committee, I wanted *Adventist Today*

to publish the most accurate articles possible on this potentially sensitive topic, so I invited Willey to accompany me to most of these meetings. Although most of the meetings included Willey and myself, the two of us were interested in different pictures of executive compensation: Willey reports the exact amount of funds that went to an executive in a single year (regardless of when these benefits were accrued), whereas I am more interested in knowing the approximate annual cost of the compensation that goes to executives.

Using LLUAHSC as an illustration of Adventist healthcare systems in general, here is my composite picture that focuses on but is not limited to how LLUAHSC approaches the issue of executive compensation:

Salaries. LLUAHSC's top-paid executives were given an average base salary of \$373,626 in 2011. Base salaries are determined by a 50/40 rule—total compensation packages cannot exceed the market median at the 50th percentile of executives in nonprofit hospitals of commensurate size and complexity, with the exception that the CEO's compensation not exceed the 40th percentile. These limits are rigidly enforced, asserted the consultant, who observed that many other nonprofits he advises have adopted similar guidelines, but some are content to have executive compensation merely cluster around the median and are not opposed to using the 75th percentile in occasional, individual cases. LLUAHSC follows an “extremely conservative” guideline.

LLUAHSC is a \$1.5 billion per year enterprise, whereas the Orlando-based AHS is five times as large. Given the market benchmarks used to determine compensation, some salaries in Orlando would be larger than at Loma Linda, and due to its size, AHS would have many more executives. It's estimated that there are between 200 and 250 executives in Adventist hospitals nationwide, and per denominational policy all must be members of the Adventist denomination. Whether Adventist health systems in general are as strict as LLUAHSC in following denominational guidelines is not known, and LLUAHSC is probably unique in having a CEO and his predecessor (Richard Hart and B. Lyn Behrens, respectively) who refused the high salaries policy warranted. Willey's survey of executive compensation across Adventist healthcare systems suggests that LLUAHSC is significantly lower, overall.

Total Compensation. Whereas determination of base salaries for the highest executives is simple, it's a line item on the IRS-mandated Form 990 (a nonprofit's disclosure document, analogous to a tax return), so finding total annual compensation from examination of the 990 “can't be done,” according to the consultant. This is because the 990 only reflects career retirement benefits as lump sums during the year that these benefits are vested or paid out. Another limitation is that these figures may or may not include employee contributions, funds brought over from a previous employer or accrued interest. Similarly, money

listed as an incentive or bonus may be earned in one year, or up to five years. Attached notes in the 990 *may* explain some of this pay, but notes may not even exist.

However, aside from the 990 with its opacity, there is a method for at least estimating the base of total annual compensation: take 40 percent of an executive's salary as an estimate of benefits (e.g., paid/sick leave, health insurance, retirement, life insurance, auto allowance, etc.) and add this to the base salary. Using this method, the total annual compensation for the most highly paid LLUAHSC executives would average \$523,075 (in 2011). This amount is only the base salary and benefits. Any applicable incentive or bonus or nonqualified retirement benefits, etc., must be added and, as indicated above, retirement benefits can be difficult if not impossible to determine from the 990 tax document. Of course, the hospital system's board authorizes the executives' total compensation and should know, and the IRS could know if it audited the 990, but such information is impossible for others to know.

Transparency. LLUAHSC says that it desires transparency in its reporting on executive salaries, and if that is true regarding LLUAHSC and other Adventist Health entities, more needs to be disclosed about retirement payments and any miscellaneous perks because of the difference between the base compensation and total compensation itself. For example, in Adventist Health System/Sunbelt's 990 tax document for 2009, executive Richard K. Reiner's salary is listed as \$774,656. If 40 percent or \$309,862 is added as benefits, plus the listed \$197,553 bonus/incentive, the likely compensation would be \$1,282,071. But this figure is dramatically lower than the 990's “total of columns” listed as \$5,079,388. And the major unknown is found in the “other reportable compensation” column's figure of \$3,896,651. An explanation is given in a supplemental note regarding accumulated retirement funds, but the 990 is not designed for full explanation. For a variety of reasons, the 990 tax document doesn't reflect annual compensation figures—only disbursements in the year at issue. This is why Willey contents himself with a one-year snapshot view, knowing that it's inadequate for getting at annual numbers, but it's the only concrete number available. If Adventist healthcare entities are dissatisfied with Willey's citing of a nearly \$1.35 million average total compensation for its top hospital executives in 2010, then they need to give an alternate calculation (particularly in regard to “other reportable compensation”) if transparency with their stakeholders is important. Without such disclosure, those interested in annual compensation packages can roughly figure the base of total compensation (salary plus 40 percent) and add incentives/bonuses, but total compensation is left to the imagination.

If the Adventist healthcare system's executive compensation is based on conservative market norms, more transparency about executive compensation would benefit these entities and the constituencies they serve.

The preamble to our Fundamental Beliefs says we have no creed but the Bible. But in practice, that's far from true.

lacking that, is it even a group?

Every religious movement starts out spontaneous and flexible. People come together because they have a common interest. No one has to be forced to sort and gather ideas and opinions into piles—first, because there isn't yet much to sort and gather; second, because they're still enjoying the process of discovery; and third, because those who come already have a good feeling about the matters under discussion or they'd not be there.

But gradually, if the group is successful, items of greater emotional and material bulk begin to bind them: property,

us what we shall believe. The second is, to make that creed a test of fellowship. The third is to try members by that creed. The fourth to denounce as heretics those who do not believe that creed. And, fifth, to commence persecution against such.”¹ Loughborough wasn't one of our more reliable historians, but he knew how churches behave when they accept centralized authority.

Yet by 1872 the believers had committed to writing *A Declaration of the Fundamental Principles Taught and Practiced by Seventh-day Adventists*. The preamble reads, “In presenting to

Where Do We Get Our Doctrine?

BY LOREN SEIBOLD

Years ago I visited a church member whose husband (not a fan of his wife's church) informed me during the visit that he belonged to a Christian group that—he emphasized repeatedly—did not believe in church organization.

“What are your group's beliefs?” I asked.

There were no set beliefs, he said, because they didn't believe in organization.

“And when do you meet?” I inquired.

I almost laughed aloud when he admitted they almost never got together, because that would require planning—and, of course, they didn't believe in church organization. Making it work would require some level of organization;

paychecks, schedules, traditions, committees, print and media, new generations of believers, brands and trademarks, investments, educations, and careers. Pretty soon you need rules and doctrines to keep it all working.

To hear the calls in the past decade for a return to a more tightly defined Adventist doctrine, you'd never know that our founders started out insisting that they would never systematize their beliefs, nor enforce them. They would have no creed but the Bible, no authority but the leading of the Spirit. Church pioneer J.N. Loughborough is often cited, who said at an early organizational meeting: “The first step of apostasy is to get up a creed, telling

the public this synopsis of our faith, we wish to have it distinctly understood that we have no articles of faith, creed, or discipline, aside from the Bible.” Similar wording still precedes today's 28 Fundamental Beliefs.²

Although some will undoubtedly argue the point, it seems to me the explanation is self-contradictory. What is a creed but an expression of what we believe the Bible says? Back up this statement of beliefs with even a little authority, and you are no longer operating with “no creed but the Bible,” because people of goodwill did then, and still do, give different interpretations of the same Bible.

In saying that “Seventh-day Adventists

accept the Bible as their only creed,” did the framers of our 28 Fundamental Beliefs intend to say that those of us in the church have the freedom to believe and teach something different than Seventh-day Adventists have traditionally believed and taught, as long as we support it with Scripture? Or does it merely mean that you are free to leave if you see things differently? (If the latter, its inclusion is pointless.)

I suspect the crafters of this preamble displayed unfounded optimism at best, and disingenuousness at worst, for it has been a long time since anyone with a public voice in the church was cheerfully granted freedom to go counter to the main current of Seventh-day Adventist doctrine, no matter how much good Scripture they could muster in their support. Our denomination has many wonderful qualities, but easy flexibility in doctrine isn't one of them.

So perhaps it would be more honest for us to simply admit that we have a creed and to aver that no matter what truths you think you've found in the Bible, if you want to continue to hang out with us, you're stuck with—and had better stick with—what our church teaches.

Are the 28 Fundamental Beliefs a good way to systematize doctrine? I know a pastor who insists that the Fundamental Beliefs are his best ally, for the current list is in most ways a more general document, the principles larger and more inclusive than they were in 1872. (For example, the current statement doesn't mention the papacy; the 1872 one did.) About any number of conflicts in the congregation, he can simply say, “The Fundamental Beliefs don't address that, and they are the final authority.” This, he explains, is much easier than arguing from the Bible or playing “dueling quotes” with Ellen White's writings.

There is a great deal that the current

Fundamental Beliefs don't address, which is why they've accommodated both conservative and liberal Adventists for more than 30 years. Some Adventists, though, are now expressing the need for more specificity, as in the recent discussion around a tighter statement about the time and method of creation. When I wrote a few years ago in *Adventist Today*³ about the possibility of our being less focused on Roman Catholicism as our adversary, one conservative website lamented, “We are sure that many who consider themselves to be conservative or historic Adventists have bristled at Seibold's article. . . . What they do not realize is that Seibold has not given up any official view or accepted any view in his article that is contrary to any of the twenty-eight fundamentals which define the official position of the church.”⁴ The writer demands a fuller, toothier definition of all that we believe, including again naming the papacy in our fundamental beliefs—though little would so clearly reveal to the world a lack of healthy self-differentiation as to identify, in our official self-description, another Christian denomination as our particular enemy.

Another group wants to source our doctrines from the Adventist pioneers. In publications from several independent ministries recently, I have seen a passage cited from Ellen White as proof that what we believe was established between 1855 and 1905. It reads: “Where shall we find safety unless it be in the truths that the Lord has been giving for the last fifty years?”⁵ Like concrete, our doctrine was plastic during its formation and congealed suddenly in 1905, so that anything developed or clarified after that is “new theology” and therefore heretical. They're right to this extent: things have been introduced to Adventist doctrine in the past century that the pioneers didn't endorse. The biblically weak clean/

unclean meats distinction, for example, wasn't an Adventist fundamental until comparatively late in our development.

Pioneer Adventism reintroduces a few old conflicts, too. Some of the pioneers didn't accept the doctrine of the Trinity. In fact, the 1872 statement of belief isn't explicitly trinitarian,⁶ and it remained like that up to the 1931 statement. It's no coincidence that among the offshoots who enthusiastically hold the pioneer Adventism view, most are anti-trinitarian Seventh-day Adventists.

Closely related are the believers who turn all doctrinal authority over not to the pioneers, but to Ellen White. I have heard Seventh-day Adventists say that the Bible is ancient and difficult to understand, which is why God gave us a contemporary (more or less) prophet to make clear what the Bible couldn't. In this view, the Bible is to Ellen White what the Hebrew Scriptures are to the Greek: an ancient, somewhat outdated document that laid the foundation for a new, superior revelation, updated for our times and completing, if not actually obsolescing, what came earlier.

Ellen White has been essential for our doctrinal development. Yet the problem, it seems to me, is that if the Bible is confusing because of its antiquity and language problems, Ellen White is confusing for another reason: she wrote so much that one can find there a range of beliefs, even contradictions, particularly if you cite her writings in the proof-text, extracted-from-context way that we have often used with Scripture. You can quote a stern, judgmental Ellen White or a grace-filled Ellen White; an Ellen White of painful particularity about behavior or an Ellen White of Christian freedom and great good common sense. Each of us quotes the Ellen White that is personally most appealing.

Others refer to themselves as historic

Adventists, which in practice appears to be a pragmatic assemblage of whatever aligns with the faith one experienced in childhood, shaped by a lifetime of evangelistic meeting points and orphaned Ellen White quotes, and overlaid with the conservatism of old age. The historic Adventists want an Adventism of tradition, which they try to dignify with a hermeneutical label. In actuality, it is impossible to find a fully consistent Adventism in our history; our founders and their successors were different kinds of Adventists at different times.

However we define our doctrine, it's clear that the Bible and the Bible alone isn't going to be enough for many Seventh-day Adventists. After all, the rest of the world's Christians have the

take the Bible and the gifts of the Spirit; embracing the faith that thus the Lord will teach us from time to time. And in this we take a position against the formation of a creed. We are not taking one step, in what we are doing, toward becoming Babylon."⁷ Although we're unlikely to build torture chambers for Adventist heretics, the system we've evolved tempts ex cathedra pronouncements about doctrine and almost certain rejection of anyone whose spiritual gifts lead them to embrace unconventional Bible truths.

Perhaps this is understandably so. In a church of this bulk, this much inertia, there is much at stake. To function as a church we need organization, and organization restricts individual freedom. I doubt we'll get rid of statements of

everything in the form of a human creed."⁸

Can you imagine the denomination embracing a new prophet unless he or she added virtually nothing of substance to what we already have? James White was right when he warned of petrification. "Making a creed is setting the stakes," he said, "and barring up the way to all future advancement."⁹

Rather than driving our heretics away, we might do better to keep them close, and instead cultivate just a touch of the openness to discovery that our pioneers had. Maybe our differences needn't lead to threats, anger and schism. Maybe we would even learn from them. What if the example we set to the Christian world were not of defensive believers enforcing a stern creed—history shows that's been tried often enough already—but of tolerant and broad-thinking people who don't need lockstep compliance in everything to appreciate solidity in the central matters of Christian faith and practice? 

Loren Seibold is a pastor in the Ohio Conference of Seventh-day Adventists.

Perhaps it would be more honest for us to simply admit that we have a creed and to aver that no matter what truths you think you've found in the Bible, if you want to continue to hang out with us, you're stuck with—and had better stick with—what our church teaches.

Bible, and that hasn't resulted in what we regard as right doctrine. Perhaps that's the reason for the crescendoing drumbeat for stronger definitions of what Seventh-day Adventists must believe. Yet beneath any of these overlapping methodologies—fundamental belief Adventism, pioneer Adventism, Ellen White Adventism, historic Adventism—is a concern that would have troubled those 1861 church leaders: each takes authority from individual Bible students and turns it over to a doctrinal system. And that, as Loughborough warned, can be dangerous.

The pioneers rejected the papacy not just for its wrong doctrines, but for its freedom-suppressive manner of operation. The persecution of the Middle Ages was no doubt in their minds as they discussed the matter. James White wrote: "We

belief. But we might review, in light of our history of openness to theological discovery, our attitude toward those who follow the Bible in unorthodox directions.

The pioneers eschewed creedalism in favor of active spiritual gifts, especially the gift of prophecy. James White wrote: "Let us suppose a case: We get up a creed, stating just what we shall believe on this point and the other, and just what we shall do in reference to this thing and that, and say that we will believe the gifts too. But suppose the Lord, through the gifts, should give us some new light that did not harmonize with our creed; then, if we remain true to the gifts, it knocks our creed all over at once. ... A creed and the gifts thus stand in direct opposition to each other. Now what is our position as a people? The Bible is our creed. We reject

¹"Doings of the Battle Creek Conference, Oct. 5 & 6, 1861," *Advent Review and Sabbath Herald*, Vol. 18, No. 19 (Oct. 8, 1861), p. 148.

²"Seventh-day Adventists accept the Bible as their only creed and hold certain fundamental beliefs to be the teaching of the Holy Scriptures. These beliefs, as set forth here, constitute the church's understanding and expression of the teaching of Scripture."

³Loren Seibold, "Letting Roman Catholics Off the Hook," *Adventist Today*, Winter 2010, pp. 22-23.

⁴<http://tinyurl.com/seiboldAT>

⁵Ellen White, *The Review and Herald*, May 25, 1905.

⁶The first two sections of the 1872 document are about God and Jesus. The Holy Spirit is identified only as a representative of God. The word "trinity" is never used, nor are the three listed together. "I. That there is one God, a personal, spiritual being, the creator of all things, omnipotent, omniscient, and eternal, infinite in wisdom, holiness, justice, goodness, truth, and mercy; unchangeable, and everywhere present by his representative, the Holy Spirit. Psalm 139:7. II. That there is one Lord Jesus Christ, the Son of the Eternal Father, the one by whom God created all things, and by whom they do consist..."

⁷James White, *Advent Review and Sabbath Herald*, Oct. 8, 1861, p. 148.

⁸ibid.

⁹ibid.



"Give Us Only the Good News"

By Alden Thompson

With an eye on this column, I went back and surveyed the first volume of *Adventist Today* (1993). Unhappiness abounded. The first issue featured David Koresh and the Branch Davidians in Waco, Texas. According to the *Adventist Today* coverage, an initial confrontation between the community and the authorities on Feb. 28, 1993, left four federal agents dead and 15 wounded. Then in the conflagration of April 19, 1993, 87 Davidians, all God's children, perished.¹

The second issue focused on another renegade Adventist, David Mould, who was sponsoring anti-Catholic billboards in Orlando, Florida. The disease was spreading. Among other places, billboards sprouted up in Walla Walla, Washington, where I have lived since 1970, as well as in the valley where I grew up: Lewiston, Idaho, and Clarkston, Washington. There the *Lewiston Morning Tribune* featured a front-page story with a picture of the local sponsors of the billboard, a young couple with two small children. The paper told how this couple had borrowed \$6000 and sold her wedding dress to help finance the billboards.

That event is particularly vivid in my mind because my father, a longtime elder in the Clarkston Adventist church, wrote a remarkable letter to the *Tribune*, declaring the Adventist Church's love for Roman Catholics—including the pope—as well as the church's love for the young couple, who had "zeal not according to knowledge," as my father put it. "We are praying for them," he wrote, "as well as for the Pope!"

My father didn't always write peace-loving letters. But this one was a gem and triggered a thank-you note from the

head of Catholic Charities in the valley. "It is nearly impossible to defend oneself against that sort of calumny," she wrote. "That can only be done by someone who is not personally under criticism. Thanks!"

Then she expressed her concern for the needs of the couple and their two small children. "Charity from the Catholic Daughters would probably not be especially welcome," she wrote. "But if you know of some way in which we might help, please let me know."

Are there any clear guidelines that can help us avoid the good news/bad news extremes—ones that could be useful to *Adventist Today* as it ponders its role in Adventism?

For all kinds of reasons, an independent press can explore such issues more thoroughly than official church papers can. But here is the rub: Given the intent to publish what church papers cannot, a certain combativeness too easily permeates the independent press. I know of at least one progressive pastor who for many years refused to read anything in *Adventist Today* because of its reputation for mean-spirited attacks on church leaders.

But if being too critical is dangerous, so is featuring only the positive—a danger applying not only to the reporting of news but also to the discussion of the Bible and its teachings. Here the lessons of 1888 loom large, for prominent church leaders didn't want anything to change. For example, the General

Conference president at the time, G.I. Butler, even declared that Adventists had "never taken a stand upon Bible exegesis [interpretation] which they have been compelled to surrender."²

Ellen White resisted such rigidity, writing in 1889: "As real spiritual life declines, it has ever been the tendency to cease to advance in the knowledge of the truth. Men rest satisfied with the light already received from God's word and discourage any further investigation of the Scriptures. They become conservative and seek to avoid discussion."³

Continuing in the next paragraph, she said: "When no new questions are started by investigation of the Scriptures, when no difference of opinion arises which will set men to searching the Bible for themselves to make sure that they have the truth, there will be many now, as in ancient times, who will hold to tradition and worship they know not what."⁴

Are there any clear guidelines that can help us avoid the good news/bad news extremes—ones that could be useful to *Adventist Today* as it ponders its role in Adventism?

Indeed there are. The first one comes from Jesus, succinctly summarized in Matt. 7:12: "In everything do to others as you would have them do to you; for this is the law and the prophets" (NRSV).

A second one is just as simple: Allow for diversity in our interpretation of Scripture. This diversity can easily be discovered by the inductive study of Scripture—unless one is spooked by the fear of contradiction. And Ellen White affirms it with explicit statements. But our Adventist sectarian heritage too easily filters our reading. The monolithic

stridency of the second angel's message, "Babylon is fallen" and "Come out of her, my people,"⁵ muffles both the gracious words of Jesus and the mature counsel of Ellen White.

Writing in 1892 and building on Jesus' two great commands, Ellen White declared that the unity of the church cannot consist "in viewing every text of Scripture in the very same light."⁶ Even when the church passes "resolution upon resolution to put down all disagreement,"⁷ at best these resolutions only "conceal the discord."⁸

"Nothing can perfect unity in the church but the spirit of Christlike forbearance,"⁹ she wrote. "The great truths of the Word of God are so clearly stated that none need make a mistake in understanding them. When as individual members of the church, you love God supremely and your neighbor as yourself, there will be no need of labored efforts to be in unity, for there will be oneness in Christ as a natural result."¹⁰

Those are astonishing lines, yet they were not published formally by the church until 1987, when the four volumes of Ellen White's 1888 materials appeared, and again in 1990 in two separate manuscript releases.¹¹

My use of this quote in class prompted this student response: "It almost bothers me how you have collected such powerful, insightful, and balanced quotes from Ellen White. I always am wondering why nobody else seems to notice these things. One particular favorite appeared in this same assignment when she explains what we must agree with: the two Great Commandments. Never until WWU have I read or heard of a helpful Ellen White."

Two other remarkable Ellen White

quotations affirm the need for diversity.

One is well-known and easily accessible: the opening lines of the chapter "In Contact with Others" include the striking statement that "our understanding of truth, our ideas in regard to the conduct of life, are not in all respects the same."¹² Once, when I shared that quotation in a church seminar, a thoughtful Adventist physician commented: "If you hadn't identified Ellen White as the author, I would have taken it as a postmodern quote."

Her comments on "The Bible Teacher" in *Counsels to Parents, Teachers, and Students* are similarly vivid. After arguing that students need more than just one Bible teacher year after year, she declared: "Different teachers should have a part in the work, even though they may not all have so full an understanding of the Scriptures."¹³ For support she referred to the diversity of the New Testament books. This diversity is needed because "the minds of men differ."¹⁴

Even more far-reaching are these lines a couple of paragraphs later: "So today the Lord does not impress all minds in the same way. Often through unusual experiences, under special circumstances, He gives to some Bible students views of truth that others do not grasp. It is possible for the most learned teacher to fall far short of teaching all that should be taught."¹⁵

Given our traditional anti-Babylon rhetoric, Ellen White's statements in *Testimonies for the Church* are at least as astonishing as the ones cited above: "The Lord wants His people to follow other methods than that of condemning wrong, even though the condemnation be just."¹⁶ "In the advocacy of truth the bitterest opponents are to be treated with

deference and respect."¹⁷ "Treat every man as honest."¹⁸ Since few "mainstream" Adventists have enough fortitude to read through the *Testimonies* series to volume 6, these stunning quotes are likely to remain hiding in plain sight. They are excerpted in *Gospel Workers* and *Evangelism*, but in no other EGW compilation. As for the *Testimonies* themselves, they are now available on a superb new website from the White Estate.¹⁹ But unless you already know of this database, Google is much more likely to take you to an independent Adventist site if you want to access the *Testimonies* online.

Since exploratory liberals are more likely to press for full exposure and the devout conservatives for solid affirmation, how can *Adventist Today* walk the dangerous middle road?

Carefully and prayerfully, that's how—with two guidelines firmly in place: (1) treating others the way we would want to be treated; and (2) allowing for diversity in interpretation. Let's look at some examples.

First, "full disclosure" liberals need to realize that a protective idealizing impulse can be readily documented both outside of Scripture and within. Recently Claudia Rowe, an award-winning news reporter, spoke at the Walla Walla University campus, lamenting the demise of local newspapers. She told a chilling story from Poughkeepsie, New York, where the *Poughkeepsie Journal* was protecting the town's tourist industry by not reporting the fact that every few weeks another woman would disappear from downtown. Nothing at all was printed until five or six women were gone, and a full story appeared only one week before the perpetrator, Kendall Francois, confessed to all eight killings.

The protective, idealizing impulse is similarly revealed in Nahum Tate's revision of Shakespeare's tragic play, *King Lear*. In the original, Lear holds the lifeless body of Cordelia and utters these heartbreaking lines:

Why should a dog, a horse, a rat, have life,

And thou no breath at all? Thou'lt come no more,

Never, never, never, never, never.

By contrast, in Tate's 1681 revision, divine justice prevails, Cordelia lives, and Lear never speaks those searing, doubt-laden lines.²⁰

In Adventism the enormously popular *The Clear Word* rewrites the Bible in a more gentle mode: Moses commands the death of adult Midianite males instead of baby boys (Num. 31:17), and then there's the story of a householder giving bread to an urgent midnight visitor "because he's your friend" when the text actually reads that he will *not* get up because of friendship but because of persistence (Luke 11:8).²¹ Ironically, in *Inspiration: Hard Questions, Honest Answers* (1991),²² I point out what Scripture actually reads and am well criticized for so doing by the Adventist Theological Society (ATS).²³ Even though ATS is committed to defending a high view of Scripture, yet its president, Jack Blanco, published a "Bible" that actually changes those texts that I point out as remarkable.

Yet as critical as I may be inclined to be of the *The Clear Word*, I must admit that Chronicles treats the books of Samuel and Kings in a way remarkably similar to the way the *The Clear Word* handles all of Scripture. The seamier side of David and Solomon, for example, is laid out for all to see in Samuel-Kings, most likely written

after the fall of Jerusalem in 586 C.E. to demonstrate that even Israel's best kings were thoroughly flawed. But 100 years or so later, Israel was feeling that sense of condemnation so thoroughly that the Chronicler retells the story with all the nasty stuff left out, not even mentioning the David and Bathsheba incident. It's clear that he wants to encourage those who had been burdened down with an almost impossible burden of guilt. For pastoral reasons, the Chronicler writes his "Good News" version of Samuel-Kings.

In the buoyant Phil. 4:4-6, Paul admonishes: "Always be glad because of the Lord!" and "Don't worry about anything" (CEV). Wonderful idealism. But Paul comes down to earth with the rest of us in 2 Corinthians 11. After cataloging his long list of troubles, he concludes with this exclamation: "Besides everything else, each day I am burdened down, worrying about all the churches" (verse 28, CEV). Ideal? Don't worry! Reality? Constant daily anxiety.

So what should *Adventist Today* do as it begins its third decade: Tell it like it is, or the way we want it to be? The clear answer to that question is "Yes!" True to its heritage as part of the independent Adventist press, it dare not give us just the good news. But by God's grace it can handle issues and people with compassion as we wait for the day when we can say anything we want because we are safe in God's new kingdom and his law is written in all of our hearts.

¹According to Wikipedia (http://en.wikipedia.org/wiki/Waco_siege), 76 died in the fire that ended the siege in Waco on April 19, 1993.

²G.I. Butler, "A Circular Letter..." January 1888. Cited by George R. Knight, *Angry Saints* (Washington, D.C.: Review and Herald, 1989), p. 15.

³*Testimonies for the Church*, Vol. 5 (1889), p. 706.

⁴*ibid.*, p. 707.

⁵Revelation 14:8 (KJV), linked by our pioneers with Rev. 18:4 as a call to escape not only from Roman Catholicism, but also from an "apostate" Protestantism.

⁶Manuscript 24, 1892, "Love, the Need of the Church," *The Ellen G. White 1888 Materials*, Vol. 3 (1987), p. 1092; see also *Manuscript Releases*, Vol. 11, p. 266, and Vol. 15, p. 149.

⁷*ibid.*

⁸*ibid.*

⁹*ibid.*

¹⁰*ibid.*, *Manuscript Releases*, Vol. 15, p. 150.

¹¹The manuscript (#898) published in *Manuscript Releases*, Vol. 11, was actually released in 1981, and the manuscript (#1158) published in *Manuscript Releases*, Vol. 15, was released in 1985. But neither of these volumes was published until 1990.

¹²In addition to its inclusion in *The Ministry of Healing* (1905), p. 483, the same lines appear in an earlier compilation, *Testimonies on Sabbath School Work* (1900), p. 117, and in three later compilations: *Gospel Workers* (1915), p. 473; *Counsels on Sabbath School Work* (1938), p. 102; *Mind, Character, and Personality*, Vol. 2 (1977), p. 615.

¹³*Counsels to Parents, Teachers, and Students* (1913), p. 432.

¹⁴*ibid.* The same line, "the minds of men differ," appears in three other published sources: *Sermons and Talks*, Vol. 2 (1994), p. 241, citing Manuscript 91 (1903); *Manuscript Releases*, Vol. 6 (1990), p. 328, citing Manuscript 87 (1907); and *Mind, Character, and Personality*, Vol. 2 (1977), p. 424.

¹⁵*Counsels to Parents, Teachers, and Students*, pp. 432-433. These lines are found nowhere else in the published EGW writings.

¹⁶*Testimonies for the Church*, Vol. 6, p. 121; also cited in *Gospel Workers* (1915), p. 373, *Evangelism* (1946), p. 305, and *Mind, Character, and Personality*, Vol. 2 (1977), p. 790.

¹⁷*ibid.*, p. 122; also cited in *Gospel Workers*, p. 373, and *Evangelism* (1946), p. 306.

¹⁸*ibid.*

¹⁹<https://egwwritings.org/>

²⁰Nahum Tate, *The History of King Lear... Reviv'd with alterations* (London, 1681).

²¹Probably because of heightened criticism, the 2000 edition of *The Clear Word* lists no publisher and does not indicate that it is printed and distributed by the Review and Herald Publishing Association. All rights belong to the author, Jack Blanco.

²²Alden Thompson, *Inspiration: Hard Questions, Honest Answers* (Hagerstown, MD: Review and Herald Publishing Association, 1991).

²³Most notably in Frank Holbrook and Leo Van Dolson, eds., *Issues in Revelation and Inspiration* (Berrien Springs, MI: Adventist Theological Society Publications, 1992).

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Ray was not afraid to tackle tough issues, such as women's ordination, and once locked horns with *Adventist Review* Editor William G. Johnsson on an ecclesiastical issue. Ray, whose personal Adventist lineage goes back to church pioneers, dearly loved his church but had a moderately confrontative style. Similarly, my naturally somewhat forthright nature came through my editorials and leadership in *Adventist Today's* early years, and *Adventist Today* was seen by many as a negative publication. Further, we consciously chose to cover the news that couldn't be read in the *Review*, and that meant a disproportionate share of unflattering stories. When Pastor John McLarty took the editorship, a sea change occurred, as John—more than Ray and me—virtually oozed love and devotion to his church, warts and all. Not that he loved more, but his love was more evident; now *Adventist Today* assumed a smiley face, a most genuine one. And I happily report that with journalist Andy Nash and then veteran churchman J. David Newman sitting in the editorial chair, *Adventist Today* has continued in a very church-friendly vein, although John stands alone in radiance.

With David Newman editing the *Adventist Today* magazine and Monte Sahlin filling the role of executive director of Adventist Today Foundation, *Adventist Today* has achieved its 20-year-old journalistic goal as never before. But still the goal of the Adventist free press must be to match the institutional stability of the denomination it so worthily serves. 

Jim Walters was a co-founder of Adventist Today and now serves as a contributing editor for the magazine.

¹"A Different World" was recorded by American country musician Bucky Covington and released in January 2007. It was written by Jennifer Hanson, Tony Martin, and Mark Nesler.

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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.

³Edwin A. and Edwin D. Schwisow, "At What Price?" *Adventist Today*, September-October 2008, p. 11.

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.

⁵J. Robert Spangler and J. David Newman, "GC Committee Votes Large Pay Increases," *Ministry*, August 1989, p. 23.

⁶Ellen G. White, "An Object Lesson," *Selected Messages*, Vol. 2., p. 178.

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

⁸"Spring Meeting Approves New Division, Higher Wages," *Adventist Review*, April 20, 1989, p. 8.

⁹Spangler and Newman, p. 25.

¹⁰*Adventist Review*, April 20, 1989, p. 8.

¹¹Spangler and Newman, p. 23. By 2000 some hospital executives believed that the 1989 action set maximum salary at the 50th percentile against competing healthcare institutions in the area. Former GC President Neal C. Wilson stated in an interview on January 20, 2000, that "it [the 1989 action] specifically rejected the fiftieth percentile." See *Adventist Review* (Special Report), April 13, 2000, p. 24.

¹²Spangler and Newman, p. 24.

¹³*ibid.*, p. 25.

¹⁴*ibid.*, p. 24.

¹⁵*ibid.*, p. 25.

¹⁶*Adventist Review*, April 20, 1989, p. 6.

¹⁷Spangler and Newman, p. 23.

¹⁸No 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.

¹⁹Wilson, pp. 19-23. See also Tom Kiskken and Kathleen Wilson, "Lofty Pay for Hospital CEOs: Area Administrators Make \$500,000 and Up," *Ventura County Star*, July 24, 2010 (<http://www.vcstar.com/news/2010/jul/24/lofty-pay-for-hospital-ceos-area-administrators/>).

²⁰Avram 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.

²¹Tom Kiskken and Kathleen Wilson, "Lofty Pay for Hospital CEOs: Area Administrators Make \$500,000 and Up," *Ventura County Star*, July 24, 2010 (<http://www.vcstar.com/news/2010/jul/24/lofty-pay-for-hospital-ceos-area-administrators/>).

²²*Adventist Review*, April 20, 1989, p. 8.

²³"Philosophy of Remuneration," *North American Division Remuneration Book* (Office of the North American Division Treasurer: Silver Spring, MD, 2002), p. 1. Published in *Adventist Review Online*, April 10, 2003 (<http://www.adventistreview.org/2003-1515/Remun-2003-1.pdf>).

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)."

²⁵Naomi Freundlich, "High CEO Salaries at Nonprofit Hospitals Under Scrutiny... Once Again," *Health Beat by Maggie Mahar*, March 24, 2011.

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

²⁷Kathy Robertson, "Sacramento Region Hospital CEOs Bring Home Big Paychecks," *Sacramento Business Journal*, April 8, 2011.

²⁸Kiskken and Wilson, p. 3.

²⁹*ibid.*

³⁰*ibid.*

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

³²*ibid.*

³³William G. Johnsson, "Fair Compensation," *Adventist Review*, April 13, 2000, p. 5.

³⁴*ibid.*

³⁵*ibid.*

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.

³⁷http://en.wikipedia.org/wiki/University_of_California

³⁸Freundlich, p. 3.

³⁹Jay Hancock, "Study: High CEO Pay Doesn't Boost Hospital Quality," *The KHN Blog*, July 6, 2012 (<http://capsules.kaiserhealthnews.org/index.php/2012/07/study-high-ceo-pay-doesnt-boost-hospital-quality/>). See also H.L. Tosi, S. Werner, et al., "How Much Does Performance Matter?" *Journal of Management*, Vol. 26, No. 2, April 2000, pp. 301-339.

⁴⁰Tamar Lewin, "Private-College Presidents Getting Higher Salaries," *The New York Times*, Dec. 5, 2011, p. A17.

⁴¹Steven Brill, "Bitter Pill: Why Medical Bills are Killing Us," *Time*, Feb. 20, 2013, p. 20.

⁴²*ibid.*, p. 20.

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

⁴⁴Brill, p. 22.



Future Schlock

Veteran pressman Ernie Furbush lives in the garret room next to mine in the gothic *Adventist Today* building. Only a wall's width separates Ernie's massive 1980s-era kitchen microwave and my writing desk—which, thanks to *Adventist Today's* hyper-frugality, supports an early-1990s laptop.

Every night at suppertime, Ernie inserts a slab of Choplet into a sliced bagel and cooks them at low heat for exactly 8 minutes. (Ernie has informed me that he likes both his Choplets and his bagels rubbery.)

One night, at the very moment I heard his microwave start to hum beyond my wall, I was at the old laptop working on this column about our magazine's 20th anniversary. From the *Adventist Today* website, I had just pulled up the covers of archived issues when Ernie cranked up his microwave. All I can figure is that those crude electronic pulses (possibly distorted by the gothic copper piping within the wall) entered the equally crude circuitry of the old laptop. And the rest is—well, not so much history, but its opposite.

I suddenly found myself looking at an entirely different set of *Adventist Today* covers. Gingerly zooming in on one, I read the date: April-June, 2024. The hair rose on my scalp. I clicked on others and found them similarly futuristic. Then I grinned and was about to Alt-Tab to another screen and shoot off a “You turkey!” email to our new IT guy, a young sprout

Adventist Man

A SATIRICAL LOOK AT ADVENTIST LIFE

who would be fully capable of perpetrating such a hoax.

But the more I stared at the covers on the laptop screen, the icier my spine-chills became. Maybe, through some twist of the space-time continuum, I was indeed looking into what future *Adventist Today* readers would be discussing!

Ernie's microwave gave a slight hiccup, and my screen flickered. I suddenly realized that if during the next seven minutes I didn't make notes on what I was seeing, the chance might be gone forever. Not daring to try to cut-and-paste, I grabbed for a nearby roll of paper towels and a pen, then I began to scribble. Here's a condensed version of the result.

“The Puzzle of Pet Ordination,” read one *Adventist Today* cover from 2028. Pets, said the article, have long been appreciated for their companionship and their ability to act as non-judgmental sounding boards for their owners' deepest thoughts. A cat's grave stare, or a dog's loving gaze, encourages the sharing of secrets that the ear of a pastor might never hear.

Why not, asked the author, ordain such pets as paw-pastors or claw-clergy? Churches could provide them little consulting rooms, with valid ordination certificates on the wall above the litterbox or pet door, so that parishioners not wishing to trouble (or horrify) the pastor could process their issues in the presence of a listening and absolutely confidential ear. Pets could be taught when to provide simple affirmations, such as a sympathetic whine, or a rapid spasm of tail-wagging, or a loud purring. They could touch noses or paws to statements written on a floor-level whiteboard: *How does that make you feel? Did this issue begin in your childhood? What do you see in the stain I have made on this carpet?*

Working madly against what I knew was the approaching *ding* that would end Ernie's microwaving, I made notes about other topics, such as the ethics of using DNA to reconstruct beloved meat substitutes from vintage samples of Nuteena or Protose. Several readers remembered their grandparents' fondness for Wham and offered large sums for samples of the original product. One person—possibly a descendant of our *Adventist Today* information-technology kid—suggested an implanted genetic device that could emit a cheerful porcine squeal just before cooking.

Rapidly scanning through other articles, I discovered that voice-interactive devices will become intelligent enough to feel and express emotion. GPS units will experience deep chagrin at giving wrong directions. Tablets will express righteous indignation at spam email. Smartphones will provide unsolicited advice about schedules and even relatives. These cognitive abilities caused a thoughtful author (in the October-December 2019 issue) to wonder if these units should now be considered “menservants or maidservants” and be given Sabbaths off.

“Ding!” went Ernie's microwave, and sure enough, the future issues of *Adventist Today* vanished. Night after night I have tried to bring them back. No luck.

Moral: Keep subscribing to *Adventist Today*! Now you know what you'd otherwise miss!

Do you have a tough question? Adventist Man has “the answer.” As a former member of “the remnant of the remnant,” Adventist Man was ranked 8,391 of the 144,000—and working his way up. Now he relies solely on grace and friendship with Jesus. You can email him at atoday@atoday.org.

Where Is the Adventist Church Headed?

Change is in the air for the Seventh-day Adventist Church!

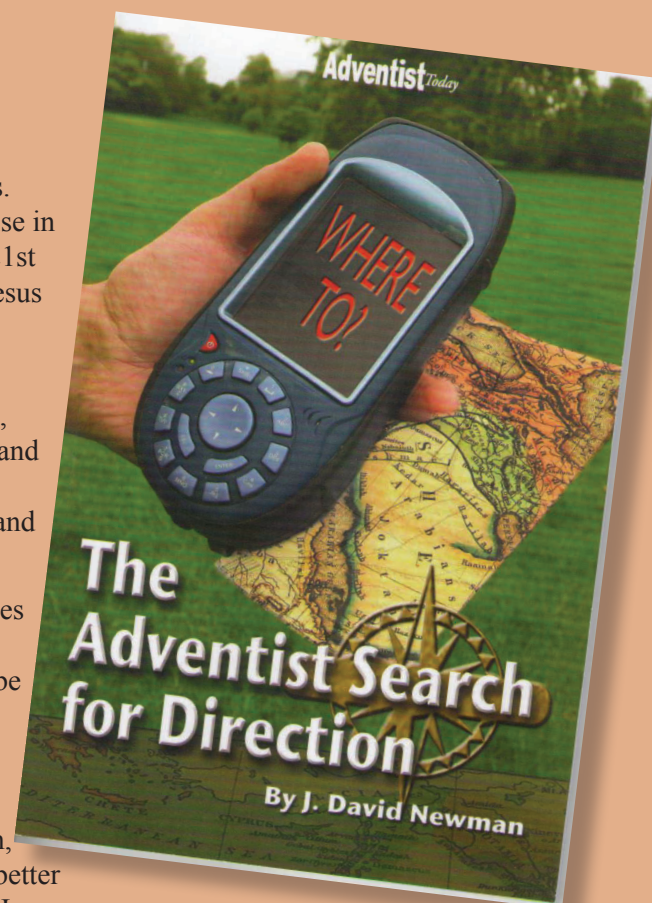
In this special commemorative issue of *Adventist Today* we read about the trajectory of the Church during the past 20 years. Adventist healthcare has become a multi-billion-dollar enterprise in America alone. Within that context, what is the destiny in the 21st Century of a church dedicated to going out of business when Jesus returns?

In this recent 130-page book, **“Where To? The Adventist Search for Direction,”** *Adventist Today* editor David Newman, D.Min., looks at both church history and the current condition and leadership of the Church. He projects some specific directions where he believes we are headed—based on gospel principles and modern realities.

Trying to return to the past is neither possible nor prudent, writes the author. The world is changing, and ministering to end-time society in the manner and using the principles of Jesus cannot be accomplished by simply replicating past approaches.

In times past, when all nations were essentially Third World in perspective, a one-size-fits-all approach in church administration worked reasonably well. But with sophistication, education, and increased standard of living has come need for better approaches, with significant changes in the models of the past. In a world that increasingly demands equality of gender as an absolute minimum ethical requirement, Adventism continues to struggle; in a world where business success is increasingly defined financially rather than success in mission; in a world where it has become customary to denounce with partisan harshness those deemed misguided or even heretical—this is a book for such a time as this. Special offer available through June 15, with additional discounts available on orders of 10 or more....

We must triangulate new avenues to the hearts of the people, as we spread the gospel in increasingly complex times.



About the Author: Dr. Newman is a highly successful pastor whose church doubled in size. Son of missionary parents who has lived in many parts of the world, he for many years edited *Ministry* magazine for the General Conference. Dr. Newman looks at the church globally and applies what he sees to what is happening at the local-church level in First-world nations as well as developing nations. We are fortunate to have such a voice of wise perspective and ability serving as editor of *Adventist Today* in this 20th anniversary of the magazine.

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