CHRISTIANITY TODAY

Strategic Trajectory

Board Report from the President

Date: April 2025

Submitted by: Timothy Dalrymple, President and CEO

In lieu of the typical board report, I have sketched out a strategic trajectory for the next three years at Christianity Today. The intention in the following is not so much to propose something new as it is to synthesize directions already discussed. It is also not to impose a binding set of requirements on the ministry, which cannot respond to evolving circumstances, but to put in writing our best thoughts on how the ministry should develop in the coming years and create the basis for adaptation and optimization in the future.

Before discussing future directions I will talk about what we have already done in recent years, so that we see the lines of continuity between what has already been accomplished and what yet remains to be done.

01 | Where We Are

We Have Reaffirmed and Reexpressed Our Vision and Mission

We are still called to "express historical Christianity to the present generation." We rearticulated our Vision, "For all people to love Christ and his Kingdom," and our Mission, "To Illuminate what it means to follow Jesus faithfully in our time." Even in adverse circumstances, we do not consent to mission drift or accommodate our beliefs to shifting winds in the church or culture. Although the team should always respond to opportunities and optimize strategies and tactics, we will remain true to our vision, mission, and values. You can see them here.

We Have Cultivated a Community Around That Vision

Christianity Today began to create the conditions for a meaningful Mission Advancement effort in 2014. A gift from the Lilly Endowment in 2016 helped expand those efforts. We have seen steady and then spectacular growth since that time, accelerated by the launch of the President's Council in 2020 and the One Kingdom Campaign at the end of 2022.

This has produced a community of men and women who stand alongside Christianity Today and invest in our future. In 2024, CT received gifts from 2,256 givers. We had 363 sustaining partners ($1000 or more), 66 major givers ($5000 or more), 35 family units (individuals or

couples) represented in the President's Council, and 13 foundation grants. The team raised $8.6M in 2023 and $10M in 2024. While these numbers are dilated by the campaign, we believe with the generosity of the board, President's Council, institutional friends, and thousands of annual givers we can expect a consistent $5M or more per year after the campaign concludes.

We Have Constructed a Talented Team to Pursue That Vision

The recruitment of outstanding talent has been supported by, and added to, our momentum in philanthropy. The editorial team is led by two of the most prominent figures in their fields, the news and ideas teams are flourishing, the media team is filled with gifted creatives, and our print and online content are as strong as they have ever been. We have also brought on new leaders over impact and operations, talent and culture, and technology and marketing. We have also added future leaders whose names you might not know, but whom we regard with great anticipation for all they will do in the years ahead.

Of course, there are many who have remained and produced faithful work for years or decades. We are as grateful for their long faithfulness as we are for new additions. But joining the new and the longstanding, the talent level today is stronger than ever, from top to bottom.

We Have Enhanced Our Platforms and Expanded Our Audience

To pursue our calling of advancing the stories and ideas of the global kingdom of God *in the twenty-first century*, it was imperative that we should enhance our platforms and expand our audience. Not so long ago, Christianity Today possessed a dated brand and design in print and online formats, published on outdated technology platforms and largely ignored audio and visual media, and reached an audience that was aging and diminishing.

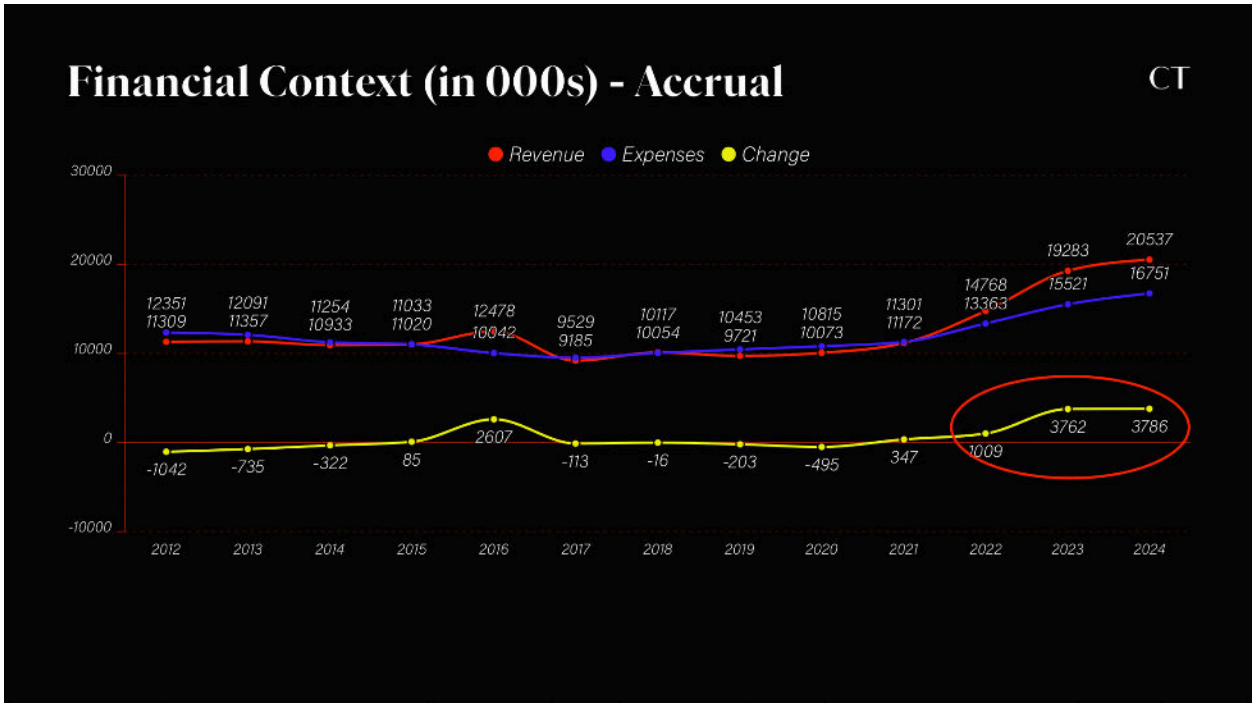
In recent years, CT has adopted a more diverse and global complexion from its board to its leadership, staff, writers, and readers. 38% of our readership and 16% of our subscribership are now outside the United States. Our Big Tent efforts have built better relationships with black, Hispanic, Asian, and other American Christian communities. And our growth in audio and visual media, as well as efforts such as Ekstasis and Inkwell, are building momentum with younger generations who will walk with Christianity Today for decades. Roughly 40% of our total audience is now aged 18-35 and our podcast audience grew eightfold from 2018 to 2024.

2024 was a particularly seminal year in which we introduced a refreshed brand, rolled out a

reimagined and redesigned print magazine, launched a new website with more sophisticated tools, and commenced our public communications around the One Kingdom Campaign. All of these moves, we believe, position the ministry for significant growth in the years to come.

We Have More To Do

In a market landscape where numerous media organizations have closed or downsized significantly, we are grateful to God that our story has been different.



There are, however, several areas where we must see growth in the years ahead. First, the vast majority of our revenue growth has come through philanthropic revenue. We celebrate the expansion of this major new revenue stream. It's entirely appropriate for a nonprofit to have healthy philanthropic collections. However, we expect a decline in philanthropic revenue post-campaign, and intend to invest (at least much of) the capital gained through philanthropy in ways that will grow non-philanthropic revenue. **The goal we have set for a compounded annual growth rate of non-philanthropic revenue is 15% per year for 2025-2027, which would total roughly 50% growth over that span.**

Second, the *entirety* of the margin from 2022-24 is accrued but not yet received. It has gone

straight to Accounts Receivable, in the form of grant commitments, pledge commitments, and the Employee Retention Credit. Put differently, those years were profitable on accrual but even on cash, which means we have a larger budget but a reserve fund of cash and investments that has not grown. This leads to annual cash pinches. Thankfully, much of that AR will convert to cash in 2025. **The goal we set is to add $6M to our cash reserves and endowment in 2025-2027.**

02 | Where We Are Going

Prepare the Ministry for Lower Revenue Figures in 2025-2027

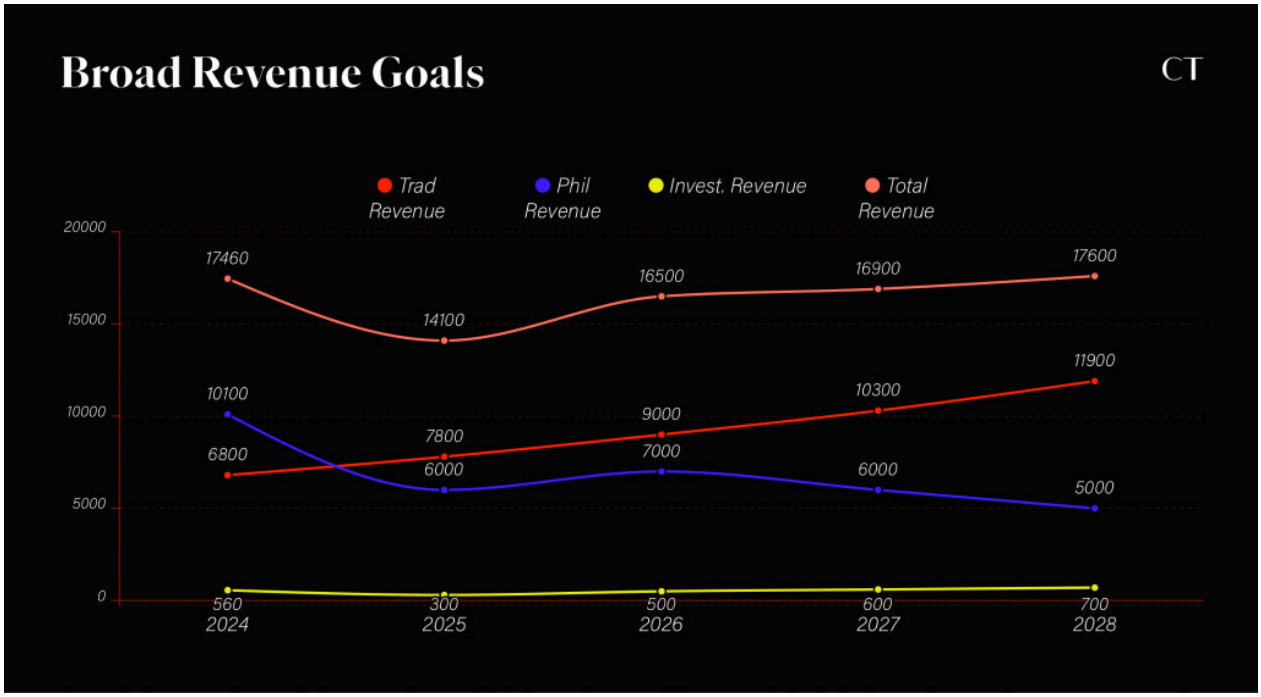
We have seen extraordinary revenue growth from $9.7M in 2019 to $10.1M, $11.2M, $14.4M, $19.3M, and $20.5M in subsequent years. Some but not all of this growth in the past three years (2022-24) has been powered by irregular events such as the campaign, the Employee Retention Credit (ERC, currently about $1.4M in AR), the sale of the former headquarters building (which netted about $1.1M in gain on sale), and the sale of Church Law & Tax and Church Salary (which netted $1.5M so far that has been counted as revenue, as well as committed marketing spend and equity – more on this soon).

While God has provided abundantly every year, we cannot assume such growth will continue. The budget we shared with the board in November projected in 2025 a "return to normalcy" in which we accrue $13.8M in revenue. Fortunately, much of the revenue (about $8.4M) that we accrued but did not collect in prior years is projected to arrive in 2025. So cash flow will be significantly greater than new revenue booked.

Nonetheless, even though we anticipate a cash-positive year, we feel it's imperative to prepare the ministry for post-campaign reality. While we believe we can expect roughly $6M in philanthropic revenue this year and $7M for the 70th anniversary of 2026, we project falling gradually to $5M per year in post-campaign philanthropic revenue. This will be a significant decline from the current rate. We thus need rising non-philanthropic revenue to counterbalance diminishing philanthropic revenue.

As mentioned, our goal is to grow non-philanthropic revenue at a compounding rate of 15%. This would lead non-philanthropic revenue (once we deduct revenue from one-time events and

from Church Law & Tax and Church Salary) from $6.8M in 2024 to $7.8M in 2025, $9M in 2026, $10.3M in 2027, and $11.9M in 2028. Together with growing revenue from investments (accounting for a probable down year in 2025), this yields the following revenue projections. (Note that the number for 2024 will not match reported actuals because, again, we have pulled out revenue from CLT/CS as well as one-time transactions in order to create a consistent comparison year-to-year.)

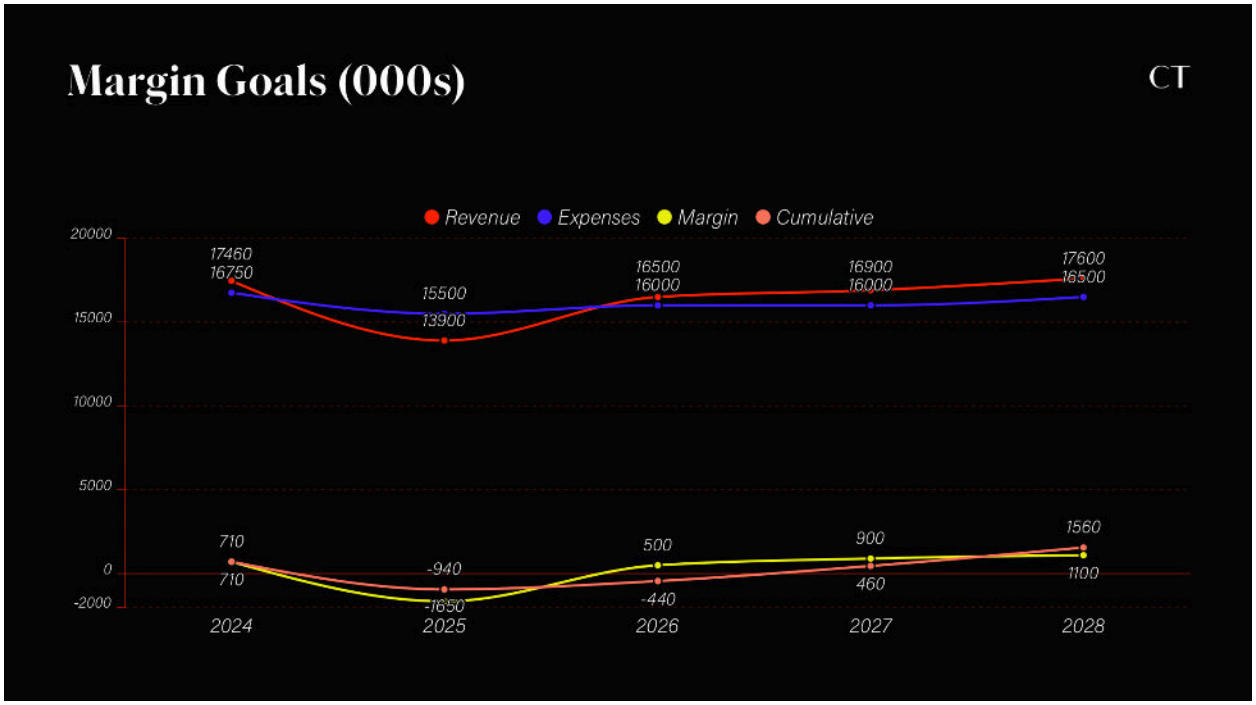


Control Expenses at $15.5M in 2025 with Modest Annual Increases

The 2025 budget we shared with the board in November 2024 included expenses of $15.9M. After seeing actuals that did not match the budget, we interrogated the budget and discovered missing expenses. These added up to about $850k in total, which would have taken our expenses to $16.75M. This would put our expenses on an unsustainable path for future years. As a result, we made strategic reductions (personnel and non-personnel) in our budgeted expenses of about $1.45M. This brings our projected expenses for 2025 to a target of $15.3M. (Or, say, $15.5M to leave a little room.)

We see this as a game plan that can guide our budgeting in the years ahead. If we can control expenses at $15.5M in 2025, then limit ourselves to modest increases of $500k per year in the

following years, then our annual margins and cumulative gains would look thus:



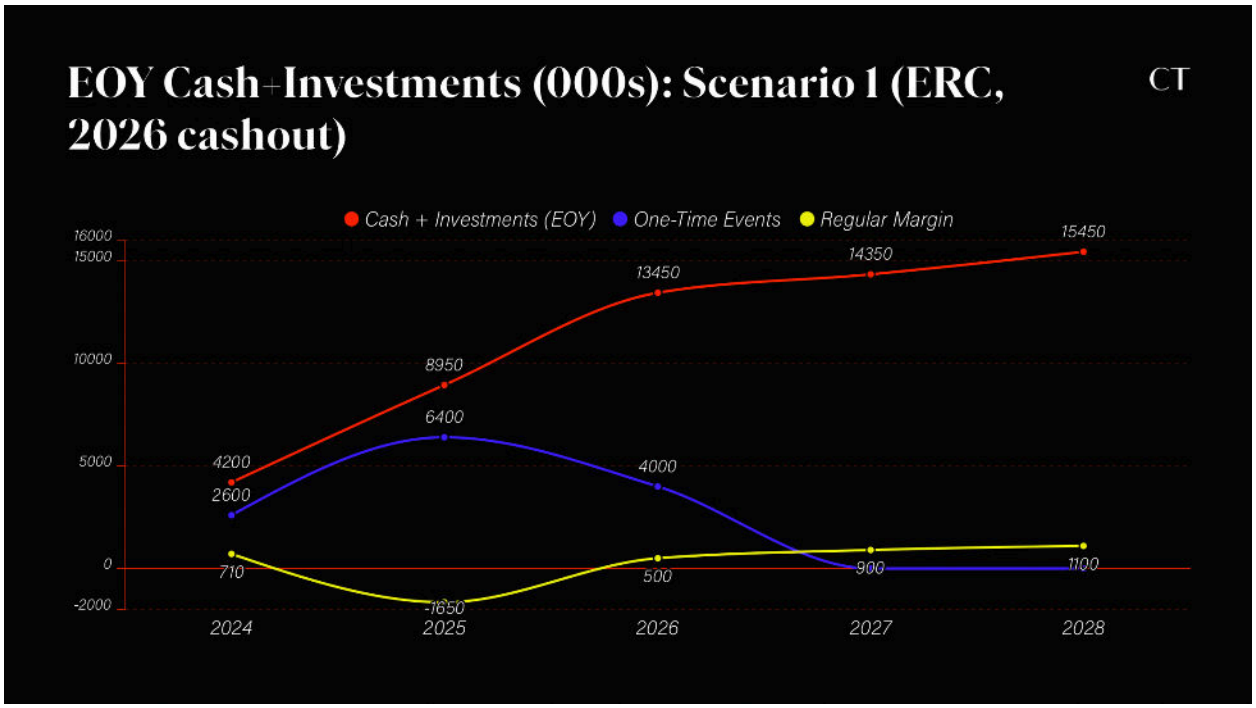
Build Significant Reserves in Cash and Investments

As our budgets have grown larger, and philanthropy has become a larger part of the budget picture, we have experienced annual cash pinches. Cash flow generally reaches a "low tide" in the third quarter before it recovers (often to a net profit) to a "high tide" at year's end. This is good reason for the board to consider switching to a July-June fiscal year. The graph below takes the figures projected above for 2026 – $16.5M in total revenue ($7M in philanthropy, $9.5M in non-philanthropic revenue + investments) against $16M in straight-lined expenses and shows a typical cash flow:

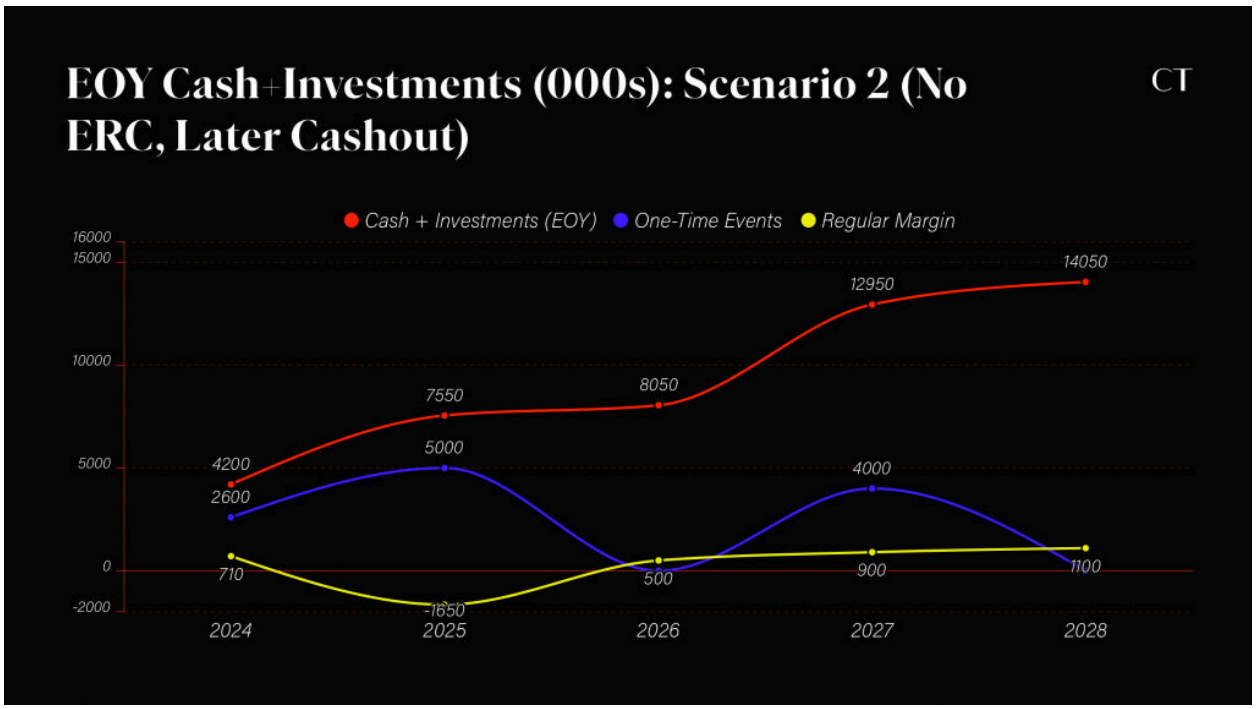


As you can see, the "low tide" here is $2.5M below the beginning of the year, even in a year that is comfortably profitable. Of course, in the real world, the timing of some sources of revenue (such as foundation grants) is difficult to predict, general market factors could always intrude, and expenses are not always evenly distributed. This is why I recommend maintaining sufficient cash and reserves for a "low tide" that is $4M below the high tide (such as the below goal of $10M at high tide and $6M at low tide).

Fortunately, we do have one-time *cash* (not revenue) occurrences ahead. Significant Accounts Receivable are due to arrive in 2025. This includes roughly $7M in collections on grants and pledges (including $3.75M from the Lilly Endowment in June) and $1.4M from the Employee Retention Credit. Also, as a part of the Church Law & Tax transaction, we received equities that can be converted to cash as early as Q3 2025 but no later than Q2 2027 (at which point a "put" can be exercised to convert our equity to $4M in cash). In the Scenario 1 graph below, we project collections on outstanding commitments to arrive in 2025 and the equity sum to arrive in 2026. The equity sum may amount to more – current valuation estimates would make our equity worth $6M or more – but I will use the more conservative projection of $4M.



In a more conservative scenario, we never receive the ERC and liquidate equity in 2027.

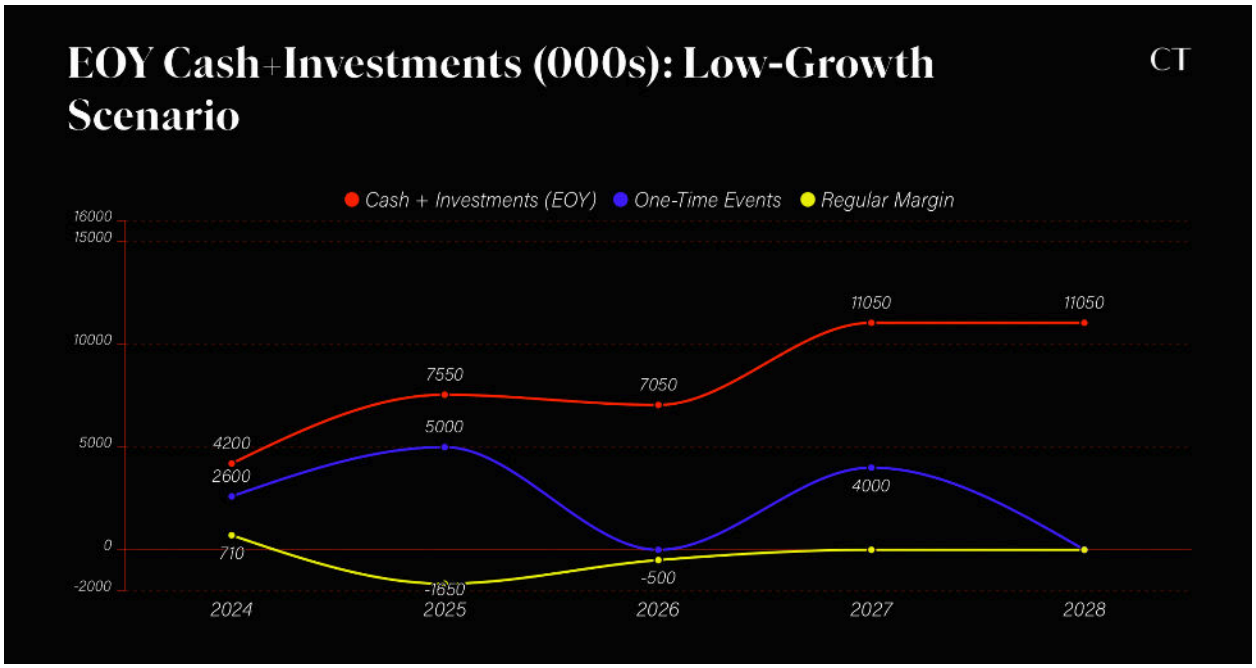


It's worth underscoring that most of these cash events are solid, scheduled distributions from foundations or equity underwritten by a secured put. Where we are optimistic, albeit less certain, is in the Employee Retention Credit. I should also note that I am blending some accrual and cash projections above, but over time the distance between them will close.

In either scenario, we add significantly to cash and investments. Management may decide to put more into growth drivers. **I recommend, however, developing budgets each year that (1) include cash flow projections and (2) retain enough in cash and investments to cover at least 4 months of expenses *at the year's low tide* in cash flow.** As an estimate, this may mean $10M in cash and investments at the end of the year (which would be high tide) and $6M at low tide.

Invest in Non-Philanthropic Revenue Streams

The most speculative parts of the scenarios above are the philanthropic and non-philanthropic revenue projections. I include one scenario here that shows low growth, no margin (in yellow), no ERC credit, and flat mission advancement. In this scenario, given one-time cash events (in blue) of collections on outstanding commitments (2025) and a late equity cashout in 2027, the EOY margins look thus. Bear in mind again that this is not so much an addition to total assets but a conversion of Accounts Payable and equity to cash (and liquid investments).



Even under this low-growth scenario, Christianity Today would have adequate reserves in 2026, bumping up to the desired $10M+ after the equity liquidation in 2027.

Still, we would greatly prefer a growth scenario. How, then, do we drive growth in non-philanthropic revenue streams? Here are some broad brush strokes.

First, we invest in smarter and more sophisticated marketing. This is already underway with a new VP who brings a rich background in growth marketing for successful businesses. He has reorganized the marketing team, rebuilt our dashboards and processes, redesigned our marketing strategy, and led several successful campaigns early in the year. Together with a planned subscription rate increase, the rollout of a CT app in 2025-2026, and the new offering of localized pricing for subscribers outside the United States, we believe we will see healthy growth in subscription revenue in 2025 and beyond.

Second, we diversify our advertising revenue. Listeners downloaded CT podcast episodes 366k times in 2017 and 594k times in 2018. This year, we saw 504k downloads in February alone. The runaway success of *Rise and Fall of Mars Hill* in 2021 and 2022 brought Christianity Today into the lives of many new readers and listeners. With exciting new podcasts this year, such as *Devil and the Deep Blue Sea*, *Wonderology*, and *In Session with Christine D'Clario*, in addition to steady growth on *The Bulletin* and *The Russell Moore Show*, it's all the more imperative that we have an advertising team that can leverage audio and video platforms. We will be hiring a new position to manage new media marketing shortly. We are also bullish on native newsletter advertising, which has grown 75% YOY.

Third, we rebuild CT Resources around pastors and church leaders. We offloaded Church Law & Tax and Church Salary but retained Preaching Today because we believe the latter aligns with our core mission. We are presently wrapping Preaching Today into CT Pastors, relaunching Leadership Journal as an annual issue, and building a special pastors premium subscription. Given her background at Lifeway, Joy Allmond has turned her focus to CT Resources and we believe there is a great deal of low-hanging fruit here that will both serve the church and improve our resources revenue.

Fourth, we invest our growing reserves, including our endowment. $6M-$10M in reserves will yield, in fair to strong economic years, a considerable amount of investment revenue that will further empower the ministry.

Finally, We Carry the Campaign to a Successful Completion in 2026

In round numbers, we have gathered $26M toward the One Kingdom Campaign as of late March 2025. Of that number, $2M comes through planned estate gifts that are counted toward the campaign target but not counted as revenue. Of the $24M that has been booked as revenue, $17M has actually been received and $7M are pledges or grants that remain to be collected. In light of the progress of the campaign and its extension to the end of 2026, we have increased the goal from the original $24M and an earlier-revised $28M to our new goal of $32M. If we perform according to projections in 2025 and 2026, we will significantly exceed that goal.

Over the remainder of 2025, we will promote each of the strategic initiatives in turn: the Global Initiative, the Next Gen Initiative, and the Big Tent Initiative. In 2026, we will turn our efforts toward the 70th anniversary of the ministry's founding. The executive team has launched an Anniversary Planning Team to flesh out specific projects and objectives for 2026. We intend for this to be a major inflection point in our fundraising efforts, and we are certain that adding to the endowment will be one of our preeminent anniversary goals.

03 | In Conclusion

The strategic trajectory sketched above should be relentlessly reexamined and optimized to make the most of emerging conditions, new opportunities, and fresh insights. We cannot and do not pretend to know what the future may bring, but we wished to take some of the general directions that have existed within our minds and conversations and set them in writing.

None of this happens without excellent editorial and operations. We are profoundly grateful for the everyday excellence and faithfulness of the entire team. None of it happens without the board's wisdom, encouragement, and support, and the continued generosity of our donors. And none of it happens without the blessing of God, for which we continuously pray. We are honored and glad that we have this rare privilege of serving a ministry that lifts up the kingdom of God all around the planet.