EXCLUSIVE: Ron Luce Speaks Out on Teen Mania's Debt, Overhaul

Teen Mania Ministries President Ron Luce said the financially troubled organization has learned some hard lessons over the past six months but will bounce back stronger than ever.

Key to its recovery, Luce told *Charisma News*, is the shedding of mountains of debt by walking away from its sprawling 472-acre campus headquarters in Garden Valley, Texas, in favor of leasing office space in the Dallas-Fort Worth area.

By reducing overhead, including outsourcing much of the work used to set up its dozens of Acquire the Fire weekend youth-ministry events around the nation, Luce said the 28-year-old evangelical organization should have its financial books "back in the black" by the end of its fiscal year August 31 and see a substantial surplus within another year.

"We're not afraid to admit we've made mistakes, and we are correcting those," Luce said.

Teen Mania suffered a public-relations black eye last month when *WORLD* magazine published a scathing review of the ministry's finances and operations. Luce said the Christian periodical "took hearsay from terminated staffers and treated it as data without checking it out as good journalists do." But he declined to discuss a point-by-point rebuttal of the magazine's assertions because he said he did not want to throw more fuel on the fire. He did, however, answer some of the criticisms in a letter to Teen Mania Alumni that was published online.

As a result of some of the internal reforms that were instituted months before the magazine's review was published, including plans to move the headquarters to much smaller space and outsource certain work to set up Acquire the Fire events, the ministry expects to slash its annual overhead expenses by more than 90 percent from $2 million to about $175,000.

Part of the reason Teen Mania acquired an untenable debt load, Luce said, was that when its finances were flush before the Great Recession, the organization borrowed to erect new dormitories and other buildings on its large east Texas campus. Donor support dropped dramatically, as it did for many ministries and secular charities, after 2008.

“In the last six or eight months, we’ve gotten a number of businessmen in the Dallas area to coach us to fundamentally rethink our business model,” he said. The ministry is getting greater diversification of the skill set on its board, he added. New members have more business expertise.

One of the guiding principles behind this financial overhaul, Luce added, was the obvious conclusion that “not one brick in these buildings is going to go to heaven.” Hence, future investments will concentrate on people rather than infrastructure.

Also adding to the ministry’s credibility, Luce said, is the presence of such high-profile Christian leaders as Jack Hayford, James Robison, John Maxwell and Robert Morris on Teen Mania’s president’s council who provide valuable wisdom and advice.

“Fundamentally, it will be run a lot more professionally than in the past,” he said.

Teen Mania is in the process of nailing down its final site selection, which, Luce said, likely will be near Dallas/Fort Worth International Airport. He expects to complete the move in August, and the next crop of interns will live in nearby apartments rather than on campus as before.

Luce refuted published reports that said Teen Mania fell six months behind on its mortgage payments. With the exception of one missed payment last November, the ministry has never defaulted on that obligation, he insisted. But realizing that finances were headed toward a cliff, administrators approached their key lender and asked it to take back the property in what Luce called a “friendly foreclosure.” That transfer of property was completed March 4. Teen Mania is paying rent until it leaves in August.

Despite offloading about 75 percent of its debt, it nettles Luce that Teen Mania remains pegged at No. 5 on Charity Navigator’s list of the nation’s 10 charities in deep financial trouble. He has shown the watchdog group its new balance sheet and is appealing to be taken off the list. In any event, he said, that will happen no later than September when the organization’s latest audit is complete.

Also by September, Luce expects the ministry to bring its financial plan up to standards and submit documentation supporting a renewal of accreditation by the Evangelical Council for Financial Accountability. Teen Mania lost its ECFA accreditation in March.

Another important move for the ministry, Luce said, is to “be more intentional about engaging donors. We need to engage the body [of Christ] in what we’re doing so they can pray or give.”

Also ahead is a greater emphasis on overseas missions. Teen Mania will still conduct its 32 Acquire the Fire weekend events for youth around the nation each year, but Luce said he is getting calls from youth ministers in other countries “that say their kids are acting a lot like Americans kids” and want to reverse that troubling trend.

Teen Mania, recently named by *Ministry Today* magazine as one of the nation’s 21 most influential ministries for the

21st century, passed 3 million kids who have attended more than 500 Acquire the Fire events over the past 22 years. They are held in a different city every weekend from September through May.

"The aim is to detox kids from the noise of the world so they can hear the whisper of God," Luce said. "We have a lot of hope for the future."