Squandering a Legacy, and Building One: How Robert H. Schuller Lost the Crystal Cathedral, and How the Catholic Church Captured It.

Douglas J. Swanson, Ed.D APR
Terri Manley
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Douglas J. Swanson, Ed.D APR
& Terri Manley
California State University, Fullerton
Department of Communications
800 N. State College Blvd.
Fullerton, CA 92831
(657) 278-8607

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Dr. Swanson is Professor and Chair of the Department of Communications and Terri Manley is a graduate student in the Department of Communications.
Correspondence to: dswanson@fullerton.edu
Abstract

This case study shows how a failure to follow accepted strategies for organizational crisis management preceded and contributed to the demise of Robert H. Schuller’s Christian ministry and the loss of its iconic church, the Crystal Cathedral. The case study illustrates how the Roman Catholic Diocese of Orange, which had already engaged in strategic planning for a new house of worship, was able to take advantage of Rev. Schuller’s situation and acquire his ministry’s property for a fraction of its value. Data gathered through a narrative analysis of news media stories and interviews shows the clear superiority of the Catholic Diocese’s communication in addressing issues critical to involved publics. This case study demonstrates that religious organizations must present themselves as vibrant, engaged, socially ordered entities if they hope to maintain strong emotional ties with followers and the general public.
For those who exalt themselves will be humbled, and those who humble themselves will be exalted (Jesus, Luke 14:11, The Bible, New International Version)

Robert H. Schuller and the Crystal Cathedral

For more than fifty years, Reverend Robert H. Schuller was among the world’s most recognized and admired Christian ministers. Ordained in the Reformed Church in America, Schuller left Illinois and arrived in Southern California in 1955 with a few hundred dollars in his pocket. Before long, he was preaching from the rooftop of a drive-in theater snack bar. His sunny, positive ‘I’m OK, you’re OK’ philosophy brought great notoriety. As his congregation grew, Schuller left the snack bar roof and in 1961 built a new sanctuary for his Garden Grove Community Church. Huge sliding doors allowed Schuller to preach to congregants sitting in cars outside or in pews inside (Retailing optimism, 1975; Drive-in devotion, 1967). By the late 1970s, Schuller had taken his message to a worldwide audience through his “Hour of Power” television program that claimed 10 million viewers (Miller, 2001).

Having become one of the world’s most popular TV evangelists, the reverend who some say invented the mega church concept (Greenblatt & Powell, 2007; Dart, 2002) required an icon for his church – one with “accessibility, service, visibility, positive thinking and excess parking” (Retailing optimism, 1975, p. 44). The result was the Crystal Cathedral, an all-glass sanctuary with 10,000 windows, seats for 2,700 people, and one of the world’s largest pipe organs (History 1955 to today, 2011). Schuller claimed the $18 million building was dedicated without debt in
1980 (Miller, 2001). The ministry later dropped its Garden Grove Community Church name and rebranded itself to identify with its new building.

In 2009, the ministry began unraveling. Son and heir apparent Robert A. Schuller was installed as senior pastor and then removed (Schuller picks daughter... 2009). Family members began quarreling publicly (Oleszczuk, 2011). Financial donations waned. Within months, the ministry was broke, with 400 creditors and debts exceeding $50 million (Cathcart, 2010). A last-ditch “Miracle Faith Campaign” to erase insolvency raised less than $180,000 (Santa Cruz, 2011, October 31).

When bankruptcy court proceedings began, the Roman Catholic Diocese of Orange and other interested buyers filed notices of intent to acquire the Crystal Cathedral and its surrounding property. In November 2011, after six months of legal proceedings, a bankruptcy court judge selected the Diocese as the winning bidder for the Cathedral, its school, office buildings, visitor center, and 34 acres of gardens, fountains and statuary. In what was the religious equivalent of a fire sale, the assets were acquired for $57.5 million, just a fraction of their value.

This case study shows how the Schuller ministry’s failure to follow accepted strategies for organizational crisis management preceded and contributed to social disintegration and loss of its iconic property. The facts illustrate the fragility of family-based Protestant Christian ministries, especially when ministries expand beyond their ability to financially support themselves (Frankl, 1990).

The case study then profiles the Diocese’s “For Christ Forever” campaign. Organized quickly, the effort connected with followers, secured financial support for the property acquisition, addressed emotionally charged anxiety about the
cathedral’s transformation for Catholic worship, and built accommodating relationships with the news media. The former Crystal Cathedral – now Christ Cathedral – could indeed become “the most significant Catholic cultural center in the world outside of the Vatican” (Kopetman, 2012, August 8, para. 8).

In reviewing the facts of the Schuller downfall and the Diocese response, this case study offers clear and timely lessons about how religious organizations must demonstrate strong, attractive and compelling social order (Cowan, 1997; Duncan, 1968). Religious organizations must embody “an organized set of meaningfully understood symbolic patterns” (Alexander, 1992, p. 295) if they hope to unite followers in a shared set of values.

Crisis at the Cathedral

Organizational crisis represents “a low-probability, high-impact situation that is perceived by critical stakeholders to threaten the viability of the organization and that is subjectively experienced by these individuals as personally and socially threatening” (Pearson & Clair, 1998, p. 66). When a well-publicized crisis situation is managed poorly, organizational stakeholders experience stress because they do not get information about what has happened and do not know what is being done to protect them from similar events in the future (Benoit, 1995; Coombs, 2006).

In this situation, an organization’s competence or honesty is threatened. The organization cannot predict public communication, and has little or no control over content of that communication and its influence on people (Lattimore et al, 2007; Smith, 2009). This is what happened to the Crystal Cathedral Ministry.
A narrative analysis within the perspective of media framing was conducted on 80 news media stories from 19 media sources published or broadcast between July 2010 and December 2011 (Swanson, 2012). The analysis identified 21 distinct crisis events involving financial shortfall, family conflict, and an unsure future. See Figure 1. More often than not, the ministry offered no explanation of its plans and no rebuttal to media-generated criticisms. Below are a few examples.

In 2010, when taking over as the Cathedral’s new leader, Sheila Schuller Coleman reported, “I’ve had a huge, huge mess to clean up” (Fowler, 2010, p. 17). She asked for more financial support without explaining what the mess was.

Cathedral leadership rarely spoke to members of the media, and offered little explanation for the obvious problems within the ministry. Media narratives offered almost no ‘voice’ of the congregation, either individually or collectively. Cathedral leadership even went so far as to shut down a ministry news website run by a former parishioner, claiming he had no legal right to use the words “Crystal Cathedral” (Bharath, 2011, August 20).

Many media stories identified Schuller family members as “insiders.” One such story told of family receiving “generous salaries, housing allowances and other benefits while the church struggled financially” (Bharath, 2011, October 3, para. 1). Another story told how members of the congregation were solicited to bring cooked meals to the church for delivery by chauffeured limousine to Robert Schuller’s home (Bharath, 2011, November 3). Other stories chronicled behind-the-scenes squabbling among the Schullers and of parishioners who felt “devastated” and
“thrown under the bus” by the debt and resulting bankruptcy (Santa Cruz, 2011, November 18, para. 9-10).

Almost half of the articles contained no direct quotes from family members, from anyone else in leadership, from any member of the congregation or supporters outside the congregation. Robert Schuller, one of the most admired Christian televangelists (Ahlersmeyer, 1989), television program host and author of dozens of spiritual and motivational books – stood mostly silent.

Because Cathedral leadership failed to use the media to express human accountability for what the media repeatedly characterized as poor financial stewardship, leadership’s repeated declaration that faith in God would save the Cathedral (Swanson, 2012) appeared disingenuous. Media stories portrayed Robert Schuller as an insignificant player in the drama, Sheila Schuller Coleman as the new leader without a plan, and the rest of the family as quarreling spendthrifts with conflicting objectives who were disconnected from the congregation.

Crystal Cathedral Becomes Christ Cathedral

Catholic history in Orange County, California began in 1776 with the founding of the seventh California Mission at San Juan Capistrano. Two hundred years later, Pope Paul VI established the Roman Catholic Diocese of Orange. At the time of its establishment in 1976, the Diocese represented 330,000 Catholics in 42 parishes. By 2013, the county was home to more than 1 million Catholics in 55 parishes and seven centers spread across a metropolitan area with a population of 2.7 million (History of the Diocese of Orange County, 2013).
For more than a decade the Diocese had been searching for land upon which it could build a cathedral to accommodate at least 2,500 worshipers. The Diocese anticipated spending $100 million to purchase land, and another $100 million to build a cathedral (as noted in Medlin, 2011, and confirmed in an interview with Diocese leadership). When the Crystal Cathedral filed for bankruptcy in 2010, the Diocese released a carefully worded statement expressing its “concern” about the bankruptcy proceedings and its interest in the “landmark church remaining a functional part of the liturgical landscape” (Medlin, 2011, para. 12).

Extensive negotiations were conducted both within the court and behind the scenes to allow a property swap. The Diocese would purchase the Crystal Cathedral while allowing remaining Crystal Cathedral congregants to have a long-term lease to worship at the nearby St. Callistus Catholic Church. After the sale, Robert Schuller offered words of comfort in a newspaper story. The sale to the Catholics, he said, “could have happened 20 years ago because I haven’t changed. It’s who I have always been. The Roman Catholic Church isn’t going to change its theologies. I trust them” (Santa Cruz, 2011, December 18, p. A1).

Within a few weeks, the Diocese launched a public campaign to solicit suggestions for renaming the building. Bishop Todd Brown asked followers to submit proposed names that would be “Christological” and would link “this wonderful structure and its future to our faith and the larger community” (Cassidy, 2012, para. 3). After four months and 4,000 suggestions, the Diocese announced the selection of the Vatican-approved name Christ Cathedral (Kopetman, 2012, June 4).
“For Christ Forever”

At the point where the opportunity to acquire the Crystal Cathedral presented itself, the Diocese was actually well on its way toward launching a capital campaign to raise money to build an edifice. The Orange Catholic Foundation – the fundraising organization that works on behalf of the Diocese – had recently hired Hank Evers as its director of development and communication. Extensive fact-finding had already been conducted, and more than 10,000 opinion surveys had been collected from parishioners.

According to information gleaned from interviews with Evers and others involved in the effort, this preparatory work allowed the Foundation and the Diocese to quickly begin putting together a plan for fundraising and communication even before the sale of the property was finalized. This plan would eventually be branded “For Christ Forever,” a name suggested somewhat inadvertently by Robert Schuller himself – who remarked during a conversation with Diocese leaders at April 2012 event that he had built the Cathedral “for Christ, forever.”

The campaign fundraising target was set at $100 million. To meet other needs and help deflect opposition, multiple priorities were established. Funding for Cathedral acquisition would amount to $53 million. The remainder would support parish infrastructure improvements, support Catholic education, support ministerial outreach, and add to an endowment fund for retired priests.

Six advertising/ marketing agencies submitted proposals to contribute to the effort. A panel of communication experts organized by the Foundation interviewed the firms and selected two of the bidders. One would focus on the fundraising
strategies; the other would focus on communication. A third firm that specializes in development and management of fundraising campaigns for religious groups also provided guidance for the effort.

The first phase of the project involved more than 300 reception events held in the parishes and at other venues to introduce the campaign, explain its goals, solicit feedback from donors and congregants, and make personal appeals for financial support. The Christ Cathedral Guild was formed as a group to recognize and reward donors of $100,000 or more – and within a few weeks, 75 such gifts had been received. At the end of the first ten months, the campaign reported a total of $70 million had been pledged, including several corporate gifts of $1 million or more.

Communication outreach included at least eleven different communication tools, as described in Figure 2. In addition, the Diocese signed an agreement with Freedom Communications, owner of The Orange County Register, to expand the Diocese’s newspaper, OC Catholic, from a monthly to weekly publication. The 24-page newspaper with multilingual content is available to Register subscribers through free home delivery.

Throughout the effort, the Diocese’s communication was single in focus, entirely positive, and thoroughly professional, revolving around the seizing of an opportunity for growth to support the needs of the county’s 1.2 million Catholics. When community dissent arose (see Figure 3), the overwhelming amount of positive communication by the Diocese and transparent approach with media gatekeepers successfully prevented incidents from evolving into crisis.
Conclusion

In 1982, Robert Schuller went to the Vatican and met with Pope John Paul II. Schuller showed the design plans for the Crystal Cathedral, and received the Pope’s blessing. Today, Diocese leadership cites the church’s acquisition of the Crystal Cathedral as “providence” that was initiated in that meeting thirty years ago.

Because Crystal Cathedral leadership failed to follow accepted principles of crisis management in its media communication, the public image of the Crystal Cathedral became that of a fractured, discordant organization incapable of survival after loss of the edifice with which the ministry was identified.

The Roman Catholic Diocese of Orange, by contrast, developed a strategically sound media communications effort to explain its decision to purchase the property, and show how the purchase would be funded. The “For Christ Forever” capital campaign also incorporated funding for other projects identified as important by parishioners. A comprehensive outreach through paid and unpaid media use supported the effort. Officials of the Diocese addressed the emotionally charged objections of Catholics and former Crystal Cathedral congregants in such a way that none of the media stories crossed the threshold into crisis.

Socially ordered religious organizations must ‘talk the talk’ and ‘walk the walk’ if they are to take advantage of opportunities, engage the faithful, and raise the enormous sums of money needed to finance the infrastructure for congregational fellowship, growth, and stability in 21st Century America. This case study presents noteworthy examples of how this was accomplished in regard to the Crystal Cathedral.
## Figure 1

**Crystal Cathedral – Timeline of Crisis Events**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 11, 2010</td>
<td>Robert H. Schuller announces his retirement; Sheila Schuller Coleman will become lead pastor.</td>
</tr>
<tr>
<td>October 18, 2010</td>
<td>Crystal Cathedral files Chapter 11 bankruptcy.</td>
</tr>
<tr>
<td>October 24, 2010</td>
<td>Speaking publicly for the first time since the bankruptcy filing, Robert H. Schuller tearfully asks parishioners to help the ministry with $43 million in indebtedness.</td>
</tr>
<tr>
<td>November 24, 2010</td>
<td>Bankruptcy court agrees to allow the church to spend cash collateral that it had set aside to secure bank loans while the Cathedral is in bankruptcy.</td>
</tr>
<tr>
<td>March 16, 2011</td>
<td>Crystal Cathedral Ministries asks choir members to sign a covenant declaring the Bible as “authoritative and infallible,” and marriage to be “between one man and one woman.” Robert H. Schuller says he is “tolerant of all people” but agrees with the covenant’s position on homosexuality.</td>
</tr>
<tr>
<td>May 25, 2011</td>
<td>Ministry announces it will sell properties to a real estate group for $46 million, to raise enough funds to cover debts and emerge from bankruptcy.</td>
</tr>
<tr>
<td>July 4, 2011</td>
<td>Robert H. Schuller removed from his voting position on the board of directors.</td>
</tr>
<tr>
<td>July 16, 2011</td>
<td>Longtime Crystal Cathedral congregants, claiming new leadership is unresponsive, announce an effort to “rise up and take our church back” and demand a “truly independent board” to govern the ministry.</td>
</tr>
<tr>
<td>July 22, 2011</td>
<td>Roman Catholic Diocese of Orange offers $50 million for Cathedral properties.</td>
</tr>
<tr>
<td>July 28, 2011</td>
<td>Crystal Cathedral Ministry board is “reorganized” and Robert H. Schuller is reinstated as a voting member.</td>
</tr>
<tr>
<td>July 31, 2011</td>
<td>Ministry board makes the announcement that “the cathedral is not for sale at any price.” Congregants are called to open their checkbooks and help wipe out an estimated $50 million in debts.</td>
</tr>
<tr>
<td>August 10, 2011</td>
<td>Debtor’s committee of unsecured creditors announces it is analyzing Crystal Cathedral books to see if fraudulent financial transfers were made to “insiders” including Schuller family.</td>
</tr>
<tr>
<td>September 30, 2011</td>
<td>Creditors claim Schuller family has been taking money from the church endowment; Schuller family denies the allegation.</td>
</tr>
<tr>
<td>August 20, 2011</td>
<td>Website hosted by dissenting Crystal Cathedral members is shut down, after Crystal Cathedral leadership alleges “unauthorized use of its copyrighted name.”</td>
</tr>
<tr>
<td>October 18, 2011</td>
<td>Ministry reports to the bankruptcy court that its “miracle faith” campaign to raise $50 million has raised $172,000.</td>
</tr>
<tr>
<td>October 26, 2011</td>
<td>Crystal Cathedral Ministries endorses sale of property to Chapman University for $50 million.</td>
</tr>
<tr>
<td>November 14, 2011</td>
<td>Chapman University and Roman Catholic Diocese of Orange both increase their bids for the Crystal Cathedral properties.</td>
</tr>
<tr>
<td>November 17, 2011</td>
<td>Crystal Cathedral Ministries endorses sale of property to Roman Catholic Diocese of Orange for $57 million, saying, “there is still plenty of time for God to do his miracle” and save the ministry.</td>
</tr>
<tr>
<td>November 17, 2011</td>
<td>Bankruptcy court judge reviews offers and orders sale of church and property to the Roman Catholic Diocese of Orange.</td>
</tr>
<tr>
<td>December 13, 2011</td>
<td>Roman Catholic Diocese of Orange reveals that “deferred maintenance” to Crystal Cathedral by Schuller ministry will require millions of dollars in repair costs beyond the purchase price – projected needs, $100 million.</td>
</tr>
<tr>
<td>December 18, 2011</td>
<td>Robert H. Schuller declares, “I trust the Catholic Church” to be the new owner of the Crystal Cathedral.</td>
</tr>
</tbody>
</table>
Figure 2
Roman Catholic Diocese of Orange “For Christ Forever” Campaign Materials

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
<th>Format/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Sacred Spot</td>
<td>Orange County Register special section (6/28/2013) with celebratory feature stories about the Diocese’s plans for the Cathedral</td>
<td>(8 pages, full color, illustrated newsprint – later reproduced on glossy heavy bond paper)</td>
</tr>
<tr>
<td>A Special Invitation: Christ Cathedral Guild</td>
<td>Identifies Guild benefits, invites donors of $100,000 or more to join</td>
<td>(4 pages, full color, illustrated, glossy, heavy bond paper)</td>
</tr>
<tr>
<td>Capital Campaign Welcoming Video</td>
<td>Overview of the campaign and its goals – DVD production paid for through a donor’s gift</td>
<td>(DVD, 7:28 run time, in English, Spanish, Vietnamese)</td>
</tr>
<tr>
<td>Experience Christ Cathedral</td>
<td>Illustrated map of Cathedral, other buildings and grounds</td>
<td>(Large, 6 panels, multilingual, illustrated, glossy, full color)</td>
</tr>
<tr>
<td>Focus: Cathedral Campaign and Cathedral Update</td>
<td>Cumulative number of donors and amount pledged, donor spotlight profiles, donor memorial/recognition opportunities, FAQs.</td>
<td>(Large, 6 panels, illustrated, glossy, full color)</td>
</tr>
<tr>
<td>Focus: Catholic Education</td>
<td>Explains the “top priority” of education, presents elements of endowment plan to support schools and students</td>
<td>(Large, 4 panels, illustrated, glossy, full color)</td>
</tr>
<tr>
<td>Focus: Christ Cathedral &amp; Cathedral Campus</td>
<td>Itemized list of Cathedral, other buildings and grounds, planned renovations for each, and planned expenditures</td>
<td>(Large, 4 panels, illustrated, glossy, full color)</td>
</tr>
<tr>
<td>Focus: Endowment for Retired Priests</td>
<td>Explains roles and responsibilities of priests, presents elements of endowment plan to support priests in retirement</td>
<td>(Medium size, 10 panels, illustrated, glossy, full color)</td>
</tr>
<tr>
<td>History in the Making</td>
<td>Overview brochure, identifies campaign priorities and how to give</td>
<td>(Medium size, 6 panels, multilingual, illustrated, glossy, full color)</td>
</tr>
<tr>
<td>Orange Catholic Foundation – Capital Campaign Donation Card</td>
<td>Allows congregants to pledge up to $50,000 and pay via bank draft, check, or credit card</td>
<td>(Small, card stock, two-color)</td>
</tr>
<tr>
<td>Supporting Our Faith, Church, and Future</td>
<td>Fundraising appeal using brief interviews with congregants who would benefit</td>
<td>(DVD, 8:28 run time, in English, Spanish, Vietnamese)</td>
</tr>
</tbody>
</table>
### Figure 3
Media Reported Dissent During “For Christ Forever” Campaign

<table>
<thead>
<tr>
<th>Date</th>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2012</td>
<td><em>The Christian Post</em></td>
<td>A congregant of the Crystal Cathedral has filed a claim in bankruptcy court, seeking $5.6 million from the California mega church founder Robert H. Schuller and $30 billion from the Roman Catholic Diocese of Orange, alleging the sale of the church campus violated his religious and civil rights.</td>
</tr>
<tr>
<td>August 2012</td>
<td><em>Catholica</em> blog forum</td>
<td>The hierarchs want another albatross “monument” to “glorify” themselves… Does God really needs another “Catholic temple” to send up more holy smoke of burnt offerings, while millions of human beings go uncared for in the world?… I suspect that the Church has just bought itself one HUGE liability… Think what $50mil could have done for charities that deal with the extremes of human suffering?… I think it is just a disgrace we do not need a Cathedral like this,</td>
</tr>
<tr>
<td>April 2013</td>
<td><em>Fish Eaters Blog</em> forum</td>
<td>Why don’t we just spend 1/5 of the total amount and build a Cathedral which actually looks like a Catholic Church… Since Vatican II we’ve been saturated with cheap structures consisting of drywall, carpeting and brick that cost very little but ended up being bland.</td>
</tr>
<tr>
<td>September 2013</td>
<td><em>The New York Times</em></td>
<td>The Roman Catholic Diocese of Orange, which bought the enormous glass and steel church last year, has begun ripping out the memorial stones as it begins major renovations to modernize the campus and convert the nondenominational mega church to a Catholic place of worship… the stones, many of them memorials to dead loved ones, have become expendable. Sources quoted describing the Diocese action as “disgraceful,” “betrayal,” “crummy,” “an insult.”</td>
</tr>
<tr>
<td>October 2013</td>
<td><em>The Christian Post</em></td>
<td>Filmmaker and Christian media consultant Phil Cooke recently offered a word of advice to those upset that their donor bricks at the former Crystal Cathedral in Orange County, Calif, are being replaced with new landscaping. Cooke advised the upset donors to &quot;get a life,” and to focus on the act of giving more than the reward of recognition that accompanies it.</td>
</tr>
</tbody>
</table>
References


http://www.ocregister.com/articles/cathedral-313168-crystal-church.html


Retailing optimism (1975, February 24). *Time*, p. 44.


