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# STEWARDSHIP IN HARD TIMES

by the Rev. Linda L. Grenz

In the past couple of years, churches, and other nonprofits, have been coping with the fallout from the recent economic downturn. As our members face lower incomes and job losses, that has an inevitable impact on church budgets. Almost half of American donors say they have cut their charitable giving to nonprofits. Churches fare a bit better with only about a third of members reporting that they cut their giving.<sup>1</sup> Some churches face a greater impact than others, depending on their theology, stewardship practices and the economics of their community or region.

Those members who felt the strongest negative impact on their personal finances include Boomers, parents of minors, lower income adults, and residents of the Northeast. Those who were most likely to reduce giving to churches were divorced adults, parents, and Roman Catholics while older adults and evangelicals were the least likely to reduce their giving.

Churches with a larger percentage of tithers (e.g., 24% of evangelicals) fare better than churches with fewer tithing members. While the Episcopal Church has established tithing as the norm for its members, only a small number of members adopt this spiritual practice. Not surprisingly, people over the age of 45 are more likely to tithe than younger people, especially those with children. Over the past decade the number of church members who tithe has held constant at 5-7%.

While not every church saw declines in income in 2009, the majority did. Charismatic denominations, black churches, Southern Baptists, congregations located in the Northeast, those whose pastors earn less than \$40,000, especially multi-site congregations reported the biggest drops in income. Mainline churches and those in the Midwest tended to stay pretty even. The average pledge in the Episcopal Church, for example, rose slightly from \$2302 to \$2314 while total plate and pledge dropped by about \$30 million (translation: pledging members held their own but plate offerings dropped). Overall, the Episcopal Church lost about \$100 million (out of \$2.2 billion receipts) between 2008 and 2009. Roughly 30% of that was a drop in plate offerings; 70% was a decline in other income – most likely investment income.

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<sup>1</sup> Statistics in this article are taken from a Barna Group study which can be found at <http://www.barna.org/barna-update/article/18-congregations/327-the-economys-impact-on-churches-congregational-budgets-part-1-of-3>.



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Churches with fewer than 100 members (which is the majority of Episcopal churches) lost about 16% in income in 2009; those with 100-250 members saw 13% drop, while those between 250 and 1000 lost an average of 11% and those with more than 1000 members lost 9%.

In terms of the future, people who live in the West, are politically conservative or vote Republican are the most pessimistic about the economy and, thus less likely to plan on increasing their giving in the next couple of years. Democrats, political liberals, African-Americans, singles, and those under the age of 26 were somewhat more optimistic about the future but most people feel it will take two, three or more years to recover. What this means is that churches and nonprofits need to settle in for the long run and not expect that they will recoup this lost income anytime in the near future.

## WHAT'S A CHURCH TO DO?

Churches primarily responded to the financial decline in one of three ways:

1. Reduce spending (21%) – cutting budgets, looking for bargains, asking vendors for a reduction in their charges (when I did this in a parish all but one vendor gave us a discount of 5-10% of both one-time purchases and ongoing costs).
2. Cutting staff and program (18%) – mostly this involved eliminating staff positions, cutting staff positions to part-time or fewer hours, going to volunteer staff.
3. Reducing facility costs (3%) – scaling back, delaying or eliminating construction plans, deferred maintenance, delaying equipment upgrades, etc.

However, 45% of churches reported that they did not make any significant budget adjustments. While the study does not say whether that means their income remained stable or if they took larger amounts out of endowments or other reserve funds, one must assume that these would be the two logical reasons they were able to maintain pre-2008 budget levels.

I don't know if the Barna group didn't ask or if no one gave an obvious response: increase income. When your budget is out of balance you can only do two things: decrease expenses or increase income. Decreasing expenses is under your control, is the quickest and easiest thing to do. So it tends to be a congregation's first response.

A slower, more challenging response is increasing income. Churches have several options to consider:

1. Find ways to encourage members to give more.
2. Increase the number of givers by gaining new members or more visitors.



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3. Expand fundraising activities
4. Find ways to make the facility “pay” by renting it to new users, charging current users and/or charging more for building use.
5. Finding something totally “out of the box” that generates income.

One of the fundamentals that the Barna group identified is relentlessly addressing six donor motivations:

1. operating efficiently
2. featuring the compelling cause at the core of your work
3. communicating the urgency of the need
4. nurturing personal relationships with donors
5. demonstrating transformational impact, and
6. helping contributors feel a sense of personal benefit from giving

While churches do a reasonable job of addressing some of these, we tend to do so only during the fall “pledge season.” One lesson we can learn is the need to do this work year round. Here are a few suggestions:

1. The parish newsletter needs to have regular “stories” about what the staff, vestry and volunteers are doing to use the funds you have efficiently. When a staff member negotiates a discount or finds a sale that saves you money, report it. When a volunteer suggests doing something that helps defray expenses, report it. Tell those stories in ways that are upbeat, positive and in a faith context.
2. Every newsletter should report the current income vs. budget and expenses. The bulletin should publish last week’s receipts, the previous week’s and the average year-to-date receipts. Why? Because what gets measured is what people pay attention to and that’s what improves. Again, set this in a faith context. Create a header that says: Gifts we have given for God’s mission at St. X’s or something that communicates what this money is being used for.
3. Ask the vestry to take turns writing a personal note to every member who gives (pledges or plate offering of record), thanking them for their financial contribution and their ministry. This is easy to do in a parish of less than 200 members (which is about 80% of our churches). Divide the parish into groups assigned to each vestry member. Each month, each member writes 1-3 notes. You can also start or end your vestry meetings with a time of thanksgiving for these people – name what each of them does (that allows others in the group to add things that the original petitioner might have forgotten or not known about so he/she can add it to their note).
4. Alternatively, or perhaps in addition, invite people who have a ministry of intercession to send a notes to church members on their birthdays, thanking them for their ministry



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and saying they have been remembered in prayer. This is an especially meaningful ministry for those who are homebound or older and unable to “do” as much as they did before. Make sure the clergy and vestry value this ministry so it doesn’t become a menial task.

5. Your website, newsletter and announcement, etc. all need to tell your story in a compelling way; they need show your church’s ministry is transformational. If your church is “just going through the motions,” this might mean you need a revival before you have something compelling to share! But if you can’t consistently say why your church needs to exist and what it is doing for the people whose lives it touches, you need to find that source. Look at all of your communications vehicles – most of them just give dry information. They don’t say why anyone should care about this event or this church. Or how an event was transformative. Mostly, we tend to give information that we hope will motivate people to attend, give or do something. We don’t tell them stories about how what we’ve done or are doing is touching people’s hearts and lives. Tell stories. Give thanks. Celebrate.
6. Tell people why the need is urgent – over 40% of Episcopal churches are declining and that matches what’s happening to Christianity in America today. The fastest growing faith group in America is “none of the above” – and that is even truer for younger people. At the same time, these same people are drawn to God and want a deeper faith life. This is a time in history when the need for vital Christian congregations really IS urgent! If you want to grow, remember: aging congregations don’t grow; congregations with children grow. Churches that have a clear purpose, a strong spiritual life, an absence of conflict and a willingness to change grow vs. those that don’t have these elements. Churches that are alive, vital and connected to God in a real way grow vs. those that are just going through the motions.
7. Over-communicate. People receive innumerable messages every day and your message has to compete with that “noise.” Use multiple methods. Be clear. Be creative. Pay attention to quality (a handwritten sign scrawled on a scrap piece of paper says “this isn’t really important”). Think outside of the box: design a poster just for the nursery that communicates the message to that audience, post a touching story in an unexpected place, create a changing monthly display with a theme for your bulletin board, etc. Change things regularly – people notice new things, a poster up more than a month becomes wall décor. Don’t assume that because you’ve said it, people have heard it.
8. Offer value to people in the congregation and community. If people value what you are doing, they will support it. If they aren’t supporting it (or coming to your church), look at what you are offering. What worked in the 1950’s will not work today...even what



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worked in the 1980's or perhaps even in 2000 won't necessarily work today. Find out what people in your congregation and community need. Be willing to try things – and eliminate those that fail. Celebrate failures as well as successes. Pay attention to what works and see if you can figure out WHY it worked – the answer might not be obvious. Don't assume – the world is changing so fast that we have to set aside our assumptions and learn to look, listen and learn. We need to find ways to create environments in which people can encounter the Risen Christ and be transformed by him. That may turn out to be different from what you are now doing. But when people start telling you stories about how they were transformed by Christ, that's when you know you are on the right path.

9. Finally, you can find more ideas in my article entitled “Sustainable Church” found on our website at [www.LeaderResources.org/free](http://www.LeaderResources.org/free). You are welcome to make copies and share with whomever you choose.

I hope these ideas help get your creative juices flowing. I'm sure you have many more that will fit your situation. The key is to avoid becoming discouraged or retreating to just cutting the budget. People make changes when the current situation is more painful than the unknown future. The advantage to these tough times is that it has made our current situation painful – and thus created an opportunity for us to open ourselves to God acting in our lives in a new way. “Behold, I make all things new” (Rev. 21:5). Now is an ideal time to step out in faith and invite God to make us anew.



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