

The Church Budget: A Catalyst for Spiritual Formation

by Ben Stroup

CHURCH BUDGETING has been the bane of many church leaders. Since 2008, church spending has come under great scrutiny by members who want more information about how their gifts are being spent and what difference is being made as a result of the use of those gifts. As the competition grows between traditional nonprofits and churches for the share of mind and share of dollar between the people in the pulpit and the people in the pew, it has become necessary for church leaders to reconsider their approach to subjects such as stewardship and generosity in pursuit of a sustainable strategy for funding and ministry development.

Long Hollow Baptist Church is a multi-site church based in Hendersonville, Tennessee. Long Hollow has an active membership of more than 6,000 people and is located in a rapidly growing suburban area just outside Nashville. Under the pastoral leadership of David Landrith, the church has grown from just a few hundred members to become one of the fastest growing churches in the country, but its growth in membership only tells one side of the story.

Any amount of church growth brings with it a unique set of complexities. Churches who have experienced rapid growth know what it is like to live in the balance of the limitations of today and dreams of tomorrow. Getting there, of course, can be a source of tension. As with many growing churches, a multi-fund budget approach has always been an assumption left

unchallenged. It is a given. Many have at least a three-fund budget: a general fund, a missions fund, and a capital campaign fund. These three vehicles often become the primary funding channels in any given year.

THE CRAZY LOVE CAMPAIGN

Long Hollow had just completed the last of three traditional three-year capital campaigns with mixed results and was hesitant about taking on yet another formal process, so it decided to take a different approach. In August 2009, Long Hollow launched its 18-month \$3.5 million Crazy Love Campaign.

This multi-dimensional appeal would provide funds for a variety of initiatives in categories such as local missions, international missions, and on-campus improvements. One important partnership that Long Hollow wanted to pursue was the Global Orphan Project through which Long Hollow wanted to establish sustainable orphan villages in countries like Haiti. Orphan care at this level was new to Long Hollow, and this could not be delayed to build a much needed student building. They had to be done together.

Given the international natural disasters such as the earthquake that would come in less than six months after the Crazy Love Campaign was launched, this campaign took on a life of its own and became the banner under which the church unified for one common purpose.

During the Crazy Love Campaign, the executive staff began looking more closely

at the impact Crazy Love was having on the generosity habits of its membership. Below are a few of the observations which were made:

1. A younger demographic became more engaged in the life and work of the church. Trends revealed that the core giving age was pushed down from 40 to 30 with a significant increase in consistent giving coming from individuals and families aged 25–35.
2. An increase of new givers. Over the course of the 18-month campaign, there were five special offering times identified for people to give. Hundreds of first-time givers emerged during each offering.
3. Those who gave to Crazy Love also continued to give to the budget. In fact, there was little evidence to suggest that the success of Crazy Love had a negative impact—as some first thought—on budget giving. The opposite was true. On average, the more people gave to Crazy Love, the more they gave to the budget, too. There was an unbelievable consistency in the proportion to budget and Crazy Love giving.

As the Crazy Love Campaign entered the final six months of its existence, the executive staff began to wonder what might happen in a post-Crazy Love Campaign budget. Considering that there was not a specific campaign identified to take its place, the staff realized they were in a vulnerable position. The prevailing question was how to capture the spirit and

energy of the Crazy Love Campaign once the campaign was complete. It is a challenge every church has faced as a successful effort is coming to a close.

GIVING IN A POST-CAMPAIGN ERA

David Landrith felt a growing desire to emphasize giving to the general budget. Given the exponential growth Long Hollow had experienced, it had been quite some time since the church had a year without some type of campaign. There existed initial pressure either to extend the Crazy Love Campaign or to create a revised version of it. No one wanted to lose the momentum of giving, serving, and spiritual growth that had captivated the membership during this time.

David also believed, however, there was a lack of conversation and teaching about budget giving because of the continued, long-term focus of campaign giving. Most churches neglect budget giving because it typically does not have the same attractive characteristics as a campaign does. David felt clear that God was leading him to eliminate any campaign beyond the general budget for the health of the church.

Lance Taylor, Derek Hazelet, and Jeff Lovingood, the three additional members of the senior leadership staff, began talking about options. They knew there was risk because they had noticed such a connection between campaign giving and budget giving. In fact, an extra 20–30% had been given above the budget over the last decade. So the thought of having only one fund drew these initial considerations:

1. The budget does not carry the same appeal as a campaign does. Few people understand the cost of ministry. Many people think churches—and institutions in general—simply exist for their own self-preservation.
2. People do not want to give to the budget. They want to give to something that matters.

3. We will lose interest and focus without a concentrated effort like a campaign. People will drift and look for other organizations or causes who present a compelling alternative to the Crazy Love Campaign.

Given the options available, extending the Crazy Love Campaign felt like it might potentially diminish the overall impact and perception of the campaign. There was not a clear and compelling reason or focus to drive the creation and launch of another special giving opportunity. The only viable alternative was seriously to consider a one-fund approach.

It was becoming clear that 2011 might be a window of opportunity to offer a one-fund approach while resting from a structured campaign strategy. The executive staff proposed a one-fund approach that would allow Long Hollow to do the following:

1. Connect everyday generosity clearly with life change.
2. Teach people that the budget is not overhead but the engine that sustains local church ministry.
3. Highlight the ministry impact of different aspect of the ministry at Long Hollow.
4. Provide the church the chance to fund mission projects locally and around the world through budget giving.

For David, this would allow him to teach about giving in an expanded way. Instead of giving resting on special giving opportunities, he would be able to represent

stewardship as a thread that ran throughout the organization.

PREPARING A ONE-FUND BUDGET

The most important obstacle was outlining a one-fund budget that did not feel like a budget. In fact, this team took their cue from the prospectus model employed by public companies which regularly report to shareholders. That meant four things:

1. The piece needed to tell a story.
2. The story needed to be supported with quantifiable data.
3. The data needed to provide evidence of impact.
4. The overall message needed to be consistent with the stated core values of Long Hollow.

When you treat givers like shareholders, several important assumptions are made:

1. There is recognition that they do not have to give to your church.
2. There is an acknowledgement that people—even Christians—are looking for impact and results.
3. There is an implicit share of core values and organizational ministry goals and strategy.

These assumptions form the basis of the strategy moving forward. A shared responsibility exists between the church and the giver. Both must trust each other; that means both must fulfill on their promises to execute the plan as presented and to

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participate in the funding and execution of that plan.

The very first challenge was what word could be used in lieu of the word budget. Since the executive team took the approach of providing an investment portfolio for existing and potential shareholders, the decision was made to call it the 2011 Compelled Ministry Plan. This would set the tone from the beginning.

Adopting a new name for the general budget opened the door of creativity in how the church would present its ministry

objectives. Another important assumption is made: the person in the pew cares little about how the money is divided among different funds in comparison to the confidence it craves in the organizations and causes they support that they are in fact making a Kingdom difference. This freed the staff to begin thinking about what God was calling Long Hollow to do in 2011 rather than how they were going to be able to pay for their expenses.

Giving is grounded in an emotional connection and is fostered through trust with people, causes, and organizations. Just like

any relationship, our consistency in fulfilling our contract with the members of our church is absolutely essential to creating a generous environment. Trust—over time—is built as comfort levels increase. Long Hollow had made no changes to its core values in recent years. It was the existing core values that led the executive staff to adopt the Crazy Love Campaign concept. Why not use them as the foundation for this new approach?

That meant building a ministry plan without taking into account those core values would have eroded trust rather than build upon it. Yet only restating the core values would have been so familiar that it would not have captured the attention of a large segment of the congregation. A more aggressive approach had to be taken.

The next step was to divide the categories of ministry to match the stated core values. These ministries were distributed using phrases that conveyed action and came with a promise to the giver. The promise was that choosing to support our ministry plan would be investing in something that was

1. Already producing life change
2. Represented real people through testimonies to validate impact
3. Presented a focused approach to the next 12 months of ministry
4. Offered an invitation to join Long Hollow as it followed God's lead.

Now it was time to begin to connect existing ministries to each category. This exercise forced the church staff to validate the core ministries of the church against the core values of the church. As expected, they aligned; however, this is not always the case. What we say we value should also be where we invest our available funds. The same is true when we tell the congregation that where we spend our money describes what we truly value.

Summary

- Since 2008, church spending has come under great scrutiny by members who want more information about how their gifts are being spent and what difference is being made as a result of the use of those gifts.
- Long Hollow Baptist Church is a multi-site church based in Hendersonville, Tennessee, which has had tremendous growth from just a few hundred members to become one of the fastest growing churches in the country.
- Following three traditional three-year capital campaigns with mixed results, Long Hollow decided to launch an 18-month \$3.5 million Crazy Love Campaign. This multi-dimensional appeal would provide funds for a variety of initiatives in categories such as local missions, international missions, and on-campus improvements.
- During the campaign, the executive staff saw significant impact on the generosity habits of its membership.
- As the Crazy Love Campaign entered the final six months of its existence, the executive staff began to wonder what might happen in a post-Crazy Love Campaign budget.
- They noticed a connection between campaign giving and increased budget giving.
- The executive staff proposed a one-fund approach that would allow Long Hollow to make some important connections. They designed a one-fund approach that treated givers like shareholders.
- Since the executive team took the approach of providing an investment portfolio for existing and potential shareholders, the decision was made to call it the 2011 Compelled Ministry Plan instead of a budget.
- They used their existing core values to build the foundation for this new approach, dividing the categories of ministry to match the stated core values. These ministries were distributed using phrases that conveyed action and came with a promise to the giver.
- When the ministry plan was presented to the lay leadership body and then the church, it was received with more interest than any budget process in recent history.

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The challenge was to assign a dollar value to each category. This was not done arbitrarily but with great intention. Each ministry of the church was divided per category along with the allotted budget. It should be noted that it was important to arrive at a global budget goal before beginning to dissect and distribute it among the different ministry categories. This process entailed considering three different models: challenging, status quo, and growth.

Much discussion surrounded this step in that there had to be a sense that the numbers made sense before moving forward. In addition to financial trends and analysis, Long Hollow considered their self-directed church health report that included attendance, small group participation, assimilation and attrition, and demographic trends.

With the global goal number decided, it was now time to distribute the funds by category. This was a relatively quick

process and left the general administrative costs left to be distributed. Because Long Hollow decided to employ a true job-cost model for future reporting and storytelling purposes, this money was distributed based on the percentage of total square feet of main campus building used. This seemed to be the most consistent and explainable way to distribute the funds. The larger the ministry space demands, theoretically, the more administrative needs to maintain and support that ministry.

Finally, a challenge had to be made. The executive staff decided that 2011 would also usher in a challenge to all members to increase their giving by one percent. This would become the call to action that would challenge members to do something measurable in response to this plan. One important lesson that the staff had seen demonstrated over and over again during their season of campaigning for various projects was that people respond

to specific invitations to take defined action. Very few people act on their own accord. Growth always happens when someone asks another to go beyond his current state or condition. There seems no more appropriate opportunity to do that than in this specific ministry plan.

**ONE YEAR. ONE PURPOSE.
ONE BUDGET.**

The 2011 Compelled Ministry Plan more accurately represented the anticipated total giving but also carried with it some risks that were not overlooked:

1. What if members did not agree with the plan?
2. What if some felt too much money was being too narrowly focused?
3. What if the lack of a second fund failed to captivate the hearts and minds of a large segment of the giving population?



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These are all good and important questions to ask. As weeks of discussion evolved grounded in prayer, all four members of the executive staff were convinced that the 2011 Compelled Ministry Plan was the direction God was calling Long Hollow. It was the spending plan that would help Long Hollow fund and execute the ministry opportunities present both locally and globally.

When the ministry plan was presented to the lay leadership body and then the church, it was received with more interest than any budget process in recent history. With only a few members casting a dissenting vote, it became obvious that the congregation agreed with the direction the executive staff had discerned for Long Hollow.

The challenge was not over, however, taking a one-fund approach also meant

1. The plan had to be executed as presented or it would violate the trust of the congregation.
2. The plan had to be funded in order to be executed.

3. The 2011 Compelled Ministry Plan had to be campaigned just like in the past two fund years.
4. Evidence of life change and impact had to be highlighted on a regular basis.

COMBINED BUDGET HIGHLIGHTS IMPACT AND LIFE CHANGE

While the one-fund approach is not for every church and not suitable for every season, it provided a path for Long Hollow to teach its members why we give to the local church, remind the congregation of our shared core values, and offer an intentional plan for investing that money in the Kingdom for eternal dividends.

The following have happened since launching the 2011 Compelled Ministry Plan:

1. Conversations about giving have naturally emerged even when stewardship and generosity were not the core teaching message.
2. The general budget has become a vehicle for ministry rather than just a catch-all for unexplained expenses.

3. A unique accountability factor with each staff ministry segment as emerged to ensure they are on track with the stated goals.
4. The executive team has been able to monitor ministry investments objectively to ensure the greatest return is received for each gift made.

The way we talk about money shapes the ideas, opinion, and actions of people, especially those looking to make a difference with what God has given them. Long Hollow recognized this challenge and took a proactive approach not to raise money for a particular project but to afford the opportunity to use the budget process—perhaps for the first time—as a guide for spiritual formation and ministry impact. It has become the playbook by which the staff makes decisions and a contract that provides confidence to the giver. What Long Hollow discovered was that no function of the church is without a spiritual dimension. Even the church budget is part of God's plan to make disciples of all nations. 

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