

Essentials of Fundraising for Churches



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When you hear the word “fundraising,” do you get excited or do you begin trembling in terror? For many, the mere thought of raising funds for their churches makes them uncomfortable. It’s often the last item on the board meeting agenda, unless the church is beginning a building campaign. Even then, it remains an uncomfortable topic for many pastors and ministry leaders.

Fundraising shouldn’t be this painful, but it often is because few in the church understand it, and few churches have a professional fundraiser in their congregation. So what’s the senior pastor—entrusted with the church’s budget—to do? A good starting point is to lift the mystique of fundraising.

Lifting the Curtain

Let’s begin with a definition. Fundraising means asking people to partner financially so that a vision and mission can be fulfilled. If, for example, your church’s vision is to become a community of Christ followers who live out the gospel by loving your city to the glory of God, then your congregation and donors need to embrace this vision.

The “Must Haves” of Fundraising

To effectively raise funds for your church, you must have certain key bases covered. These are nonnegotiable.

- 1) ***The vision must be established.***
Senior leaders should prayerfully set the vision for both the church and for each fundraising effort. What has God uniquely called the church to do? A vision should inspire people to act.
- 2) ***A compelling case must be communicated.***
A compelling case, or plan, convinces people that the vision is achievable and spells out steps that must be taken to ensure its fulfillment?
- 3) ***Senior leadership must be committed to raising the funds.***
Just as senior leaders set the vision, they must be intimately involved with programs that raise funds for the church. Their level of commitment to raising funds correlates directly to their commitment to the vision. Senior leaders will often be the ones who ask for funds from the top givers. While they can’t be expected to handle administrative functions, they do need to know the church’s progress at all times during the fundraising campaign.
- 4) ***The “science” of fundraising must be done.***
You’re probably familiar with the 80/20 rule. Applied to fundraising, it says that 80 percent of a

church's funds are given by 20 percent of the people. While the percentages will vary, a minority of most congregations give the majority of their churches' income (Callahan, *Giving and Stewardship in an Effective Church*). If this statistic is true for your church, then the giving minority must be identified to maximize giving potential. In addition, your senior leaders should be committed to educating the congregation about biblical stewardship and generosity (which will be discussed more fully in the next section).

There is some debate regarding how much pastors should know about individual giving. John R. Throop, president of Summit Consulting, an Illinois-based nonprofit and public agency consulting and training firm, asks:

Should pastors know how much individual members give to the church? Few congregations and pastors have stated policies, but many have deeply held convictions. Many churches clearly distinguish between the pastor as spiritual leader and the lay leaders as managers of the church's temporal business. The result, however, can be an unbiblical dualist position: The belief that our use of money is not a spiritual matter. Thus pastors and lay leaders must wisely analyze the arguments for knowing and not knowing (*Leadership Handbook of Management and Administration*, p. 416).

Throop says that one argument *against* knowing is that if pastors don't know about individual giving, they cannot be prejudiced toward generous givers or against those who don't give as much—or not at all. On the other hand, one argument *for* knowing is that pastors can “motivate greater stewardship and spiritual growth” and be aware that “when giving stops or decreases (or jumps), it signals a change that may require pastoral attention” (p. 417).

Throop concludes: “Whether the pastor knows individual giving or not, it is vital that he or she have all the information possible to be the best pastor possible. That includes, in some form, the finances of the members” (p. 417).

The bottom line is that pastors must guide their congregants to be biblical givers.

- 5) ***The staff and congregation must be educated.***
A church should have a plan to teach congregants about biblical stewardship. The complacency mentioned above often exists because believers

simply don't know what the Bible teaches. They don't know that good stewards prayerfully manage *all* that God has entrusted to them, including money. Consider Psalm 24:1, "The earth is the LORD's, and everything in it, the world, and all who live in it."

The 33 Laws of Stewardship emphasizes this concept: "Christ-centered stewardship is the byproduct of a Christ-like attitude" (p. 32). The authors go on to say:

Faithful dependability as a Christian steward relates to the management of money, but also to a great deal more. The "portfolio" for which we are responsible includes a wide range of components, and God's expectation is that we make the most of each one. Think of all the "assets" you have under your management: Your money, your time, your possessions, your opportunities, your influence, your relationships, and much more. And to this long list can be added the spiritual assets with which we are entrusted: The Gospel of Christ, the mystery of godliness, [and] the secret things of God. This is no small responsibility we bear, and to handle it rightly demands absolute faithfulness (p. 32-33).

In his book *Proven Principles for Finding Funds*, Chester L. Tolson, writes, "Stewardship is not just an ecclesiastical term for a way to get more money. It should become the constant message of the church in order to enlarge the mission of the church and enrich the lives of each contributor" (p. 35).

Your congregants need to understand that giving financial resources is an act of worship.

The Cycle of Fundraising

Raising funds, whether for general operations or building campaigns, usually follows a cycle: Identify, interest, involve, invest, and influence.

1) **Identify**

Identifying your top givers was mentioned earlier in the science of fundraising. You may have people in your church who would cheerfully give more to grow the kingdom, if only they were asked.

2) **Interest**

This is where you present your church's vision and describe the compelling case. Show how your church is helping to grow the Lord's kingdom and how people can be a part of that vision.

3) **Involve**

Show people how their financial giving helps fulfill your church's vision. Help them clearly see how they can personally participate in this great endeavor.

4) **Invest**

Once your congregants understand the vision and how they can participate, ask them to invest. This is usually the toughest step, and the most crucial. We'll dig more deeply into it in the next section.

5) **Influence**

This is where you engage people and encourage them to invite others to participate. It's also where you celebrate by sharing stories of how God has worked in the lives of those who pursue biblical generosity. Finally, it can't be stressed strongly enough that whatever people give, they need to be thanked and regularly reminded of how their giving is fulfilling your church's vision and growing God's kingdom.

Because churches have ongoing needs, they must sustain this cycle. Unfortunately, regular giving hasn't yet become a habit for many, which underscores the importance of ongoing stewardship education.

But the People Won't Give

Church leaders often say it's difficult to get people to give, and statistics seem to support them. Only 3 to 5 percent of Christians give 10 percent of their income. However, Tolson argues that people really do want to give—that it's natural. He uses the expansive giving that followed September 11, 2001, as an example. The problem is that church leaders don't ask. He says that "Inviting people to contribute to a cause is often the key to making it happen. It's so simple. If you want people to give, just ask them" (p. 25).

John Bisagno concurs in his book *Successful Church Fund-Raising: Capital Campaigns You Can Do Yourself*. He writes, "God owns the cattle on a thousand hills. His people control trillions of dollars of God's capital...The key is to explain to people the need, present a logical, reasonable, thought-out plan to meet the need, inspire them to meet it, and give them the opportunity" (p. 5).

So, why does it seem so difficult to ask our people to give? Tolson says (pp. 25-26) that church leaders don't ask because:

- They are afraid to ask.
- They're not sure the prospective donor will give.
- They think the timing is wrong to ask.

- They're not sure of their cause (vision).
- They are lazy.

We could add:

- Talking about money is uncomfortable.
- They're afraid of rejection—if someone doesn't give, we often take it personally.

By inviting people to give, you have the privilege of helping to write stories that illustrate how God is at work through your church.

Ideas for Out-of-the-Box Fundraising

One crucial step in raising funds bears repeating: *People need to be taught about biblical stewardship.* You may want to offer a proven program, such as Dave Ramsey's Financial Peace University, or programs offered by Crown Financial Ministries or the Willow Creek Association's GoodSense stewardship ministry.

Many churches plan a yearly stewardship service that encourages congregants to give. And commitment cards are often made available when beginning a pledge drive or capital campaign. These techniques can be effective, but there are many other ways to raise funds. For example:

- 1) Senior leaders can personally visit specific members of the giving "minority."
- 2) Congregants can be invited to a vision dinner (quarterly or twice a year) where they can reconnect with the church's mission and celebrate how the Lord is working in the church, the community, and the world.
- 3) Try a "piggy-bank" campaign. Provide inexpensive banks that illustrate your church's vision and invite people to put their pocket change in their banks each day. One 8,000-member church did this and raised \$100,000 in four months.
- 4) Regularly celebrate God's blessings by highlighting givers' stories—don't wait for your once-a-year stewardship Sunday. Start a once-a-quarter. Help people see the joy and impact that comes from worshipping God this way.

When people see how God works through their giving, one potential result is a growing sense of gratitude for the opportunity to partner in his kingdom work. And gratitude

often prompts a growing commitment to worship through giving.

Fundraising doesn't have to be painful or frustrating. With the right vision and education, raising funds can be a wonderfully growing experience for church leaders and congregants alike. As Bisagno writes, "Fund-raising builds the kingdom and blesses the folks. Don't be fearful and don't be negative. Positively, joyously, abundantly, and expectantly go to the Lord and go to your people, and watch what God can do" (p. 5).

Further Reading

Giving and Stewardship in an Effective Church, Kennon L. Callahan, 1992

God & Your Stuff: The Vital Link Between Your Possessions and Your Soul, Wesley K. Willmer and Martyn Smith, 2002

Growing Givers' Hearts: Treating Fundraising As Ministry, Thomas H. Jeavons and Rebekah Burch Basinger, 2000

Leadership Handbook of Management and Administration, James D. Berkley, 2002

Proven Principles for Finding Funds, Chester L. Tolson, 2003

Successful Church Fund-Raising: Capital Campaigns You Can Do Yourself, John R. Bisagno, 2002

Team-Based Fundraising Step by Step: A Practical Guide to Improving Results Through Teamwork, Mim Carlson, 1997

The 33 Laws of Stewardship: Principles for a Life of True Fulfillment, Dave Sutherland and Kirk Nowery, 2003

Other Resources

Proven Ways to Increase Giving to Your Ministry (free ECCU webinar recording)
(www.eccu.org/resources/webinars/2012/giving)

Crown Financial Ministries (www.crown.org)

Everyday Steward, a division of Ronald Blue & Co., LLC
(www.everydaysteward.com)

Willow Creek Association's GoodSense Stewardship Ministry
(www.goodsenseministry.com)

For additional information or resources on ministry financial management, visit www.eccu.org/resources.