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## CHURCHES AND FAITH-BASED FUNDRAISING: RECOMMENDATIONS FOR RECOVERY AND GROWTH

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**The new realities of the pandemic are beginning to have a financial impact on our churches. But there is some good news among the challenges churches are facing.**

**According to a LifeWay Research survey of 400 pastors, about half said giving has decreased from earlier in the year.**<sup>1</sup> Only 18 percent stated that giving remained the same.<sup>2</sup>

With Easter—the largest giving Sunday of the year—behind us, churches are discerning ways to grow the generosity of their members, determining other funding sources, and facing difficult ministry and staffing decisions.

To further complicate the situation, **amidst the drop in giving, the need for pastoral care has grown.**

Parishioners face uncertainties about job and income. Shelter at home mandates have forced us to disconnect when we know God created us for relationships. These realities have led to a rise in depression, spiritual searching, and tangible needs of food and shelter.

**Connection, hope, and faith—the strength of the church—are what people are searching for today and what churches are best equipped to provide.** Today's climate begs the question, how can the church meet the rising need with diminishing financial resources?

To answer that question, we must look at how churches got to where they are today. Diminishing church giving directly correlates to two factors: online worship and a low rate of online giving subscribers.

First, the shift to remote worship means people are not present to give to the weekly offering. According to Lake Institute of Faith & Giving, **78 percent of money given to churches is received in the context of a worship service, with a check or cash.**<sup>3</sup> Remote worship creates the

<sup>1</sup> Aaron Earls, "Most Churches Have Stopped Gathering, Few Plan to Meet on Easter," LifeWay Research, April 2, 2020, <https://lifewayresearch.com/2020/04/02/most-churches-have-stopped-gathering-few-plan-to-meet-on-easter/>

<sup>2</sup> Ibid.

<sup>3</sup> David P. King et al., "The National Study of Congregations' Economic Practices," Lake Institute on Faith and Giving (Indiana University Lilly Family School of Philanthropy, September 2019), [https://www.nscgp.org/wp-content/uploads/2019/09/Lake\\_NSCEP\\_09162019-F-LR.pdf](https://www.nscgp.org/wp-content/uploads/2019/09/Lake_NSCEP_09162019-F-LR.pdf)

logistical impossibility of passing a plate.

Second, most churches had not shifted congregants to online giving prior to the pandemic. For more than a decade, emerging church leaders have been touting the need and value of electronic giving. Not only does this open the door of generosity to generations that will never own a checkbook or carry cash, it also provides a way for a congregation to

have recurring, sustainable income, even when parishioners are away on vacation.

Early studies found that if a congregation had 50 percent or more of in donations made electronically, that congregation exceeded its annual budgets consistently. Unfortunately, the national average shows less than 10 percent of donations made to churches are made electronically.

### **What can a church do now?**

To survive this new worship environment, churches must adapt new methods of receiving gifts. In the short term, this can mean inviting members to mail in or drop off their checks at the church. For long-term solutions, however, other options must be considered.

We encourage church leaders to use today's situation to move towards online giving, recoup lost revenue, and serve their communities in this time of crisis. We recommend three immediate steps:

1. Step up your communication with your members and visitors.
  - Call your members starting with those who are most vulnerable and disconnected, as well as those who are your most faithful donors. Listen to their stories and search for ways to genuinely serve an emerging need. Divide the list and have pastors, elders, deacons, or small group leaders make calls.
  - If you have the ability to go to daily communication, do so. If not, at least communicate weekly.
  - Let your congregation know how your church is serving right now. How have you adjusted to the new reality? What new ministries are you providing? How are you adapting your existing programs?
  - Use Scriptures, stories, and statistics to quickly communicate your gospel work.
  - With all emails, include a donate button so the reader has an opportunity to give.
2. During your online worship experience, keep the offering time and use it to communicate how members and visitors can respond with a generous gift.
  - Tell a short story that illustrates the ministry impact amid Covid-19.
  - Show a video to show them how to give online.
  - Demonstrate, on your phone, how to give online.
3. Continue or reinstate quarterly giving statements.
  - Use them as a way to say thank you.
  - Show how their gift makes an impact for the Kingdom.
  - Email mid-year statements that include an impact newsletter without specific giving details.



There is good news in the new reality. With online giving, the number of opportunities for giving increases from 52 times a year. Now, someone has the ability to give 24/7 to grow the Kingdom of God. Your members may feel so compelled by a story they read in the newsletter or in an email that they do not wait until Sunday to make a gift.

In addition, online givers give more. Research by Pushpay Digital Giving found that “On average, digital givers donate 33% more than non-digital givers and donate 44% more often than non-digital givers.”<sup>4</sup> This means that churches who take a caring approach to serving their members and offer practical ways for them to support the ministry will rebound faster from our current reality. They will also be in the best position to impact the Kingdom for years to come.



Figure 1: Digital givers donate 33 percent more than non-digital givers and donate 44 percent more often than non-digital givers.

Source: Pushpay Digital Giving Trends Report2019

<sup>4</sup> Kent Woodyard, “Digital Giving Trends Report: 3 Takeaways from the Latest Research,” Pushpay, August 24, 2019, <https://pushpay.com/blog/digital-giving-trends-report-3-takeaways/>

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