Funding Forward:
A Pathway to More Sustainable Models for Ministry
Funding Forward: A Pathway to More Sustainable Models for Ministry
How did we get here?

TED Talk by Michele Wucker: “Why we ignore obvious problems -- and how to act on them”
How did we get here?

For many faith communities, it has (or will) become less and less feasible to fund their missions on tithes and offerings alone.

TED Talk by Michele Wucker: “Why we ignore obvious problems -- and how to act on them”
How did we get here?
In U.S., smaller share of adults identify as Christians, while religious 'nones' have grown

% of U.S. adults who identify as ...

... Christian

<table>
<thead>
<tr>
<th>Survey Source</th>
<th>2007</th>
<th>2014</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregated Pew Research Center political surveys</td>
<td>77%</td>
<td>71%</td>
<td>65%</td>
</tr>
<tr>
<td>RLS</td>
<td>78%</td>
<td>71%</td>
<td>65%</td>
</tr>
</tbody>
</table>

... religiously unaffiliated

<table>
<thead>
<tr>
<th>Survey Source</th>
<th>2007</th>
<th>2014</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregated political surveys</td>
<td>16%</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>RLS</td>
<td>17%</td>
<td>23%</td>
<td>26%</td>
</tr>
</tbody>
</table>

In 2018/2019, % of U.S. adults who say they attend religious services at least monthly:

<table>
<thead>
<tr>
<th>Generation</th>
<th>NET Monthly or Weekly or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silent Generation (born 1928-45)</td>
<td>50%</td>
</tr>
<tr>
<td>Baby Boomers (1946-64)</td>
<td>35%</td>
</tr>
<tr>
<td>Generation X (1965-80)</td>
<td>46%</td>
</tr>
<tr>
<td>Millennials (1981-96)</td>
<td>35%</td>
</tr>
</tbody>
</table>

Note: Don’t know/refused not shown.

Source: Aggregated Pew Research Center political surveys conducted Jan.-July 2018. *In U.S., Decline of Christianity Continues at Rapid Pace*

PEW RESEARCH CENTER

Baptized Members 2017-2050 Project
6,000,000
**Large generation gap in American religion**

*In 2018/2019, % of U.S. adults who identify as ...*

<table>
<thead>
<tr>
<th>Generation</th>
<th>Christian</th>
<th>Non-Christian faiths</th>
<th>Unaffiliated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silent Generation</td>
<td>84%</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>76%</td>
<td>6%</td>
<td>17%</td>
</tr>
<tr>
<td>Generation X</td>
<td>67%</td>
<td>6%</td>
<td>25%</td>
</tr>
<tr>
<td>Millennials</td>
<td>49%</td>
<td>9%</td>
<td>40%</td>
</tr>
</tbody>
</table>

*In 2018/2019, % of U.S. adults who say they attend religious services ...*

<table>
<thead>
<tr>
<th>Generation</th>
<th>NET Monthly or more: 61%</th>
<th>NET A few times a year or less: 37%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silent Generation</td>
<td>50%</td>
<td>10%</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>49%</td>
<td>50%</td>
</tr>
<tr>
<td>Generation X</td>
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<td>53%</td>
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<td>Millennials</td>
<td>35%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Note: Don’t know/refused not shown.

Source: Aggregated Pew Research Center political surveys conducted January 2018-July 2019 on the telephone.

*In U.S., Decline of Christianity Continues at Rapid Pace*

PEW RESEARCH CENTER
Average Weekly Worship Attendance 2017-2041
Projections

1,500,000

899,000
604,601
15,811

0
2017
2025
2041

Source: ELCA Office of Planning, Research and Evaluation
Baptized Membership in the ELCA 2017-2050 Projections

Source: ELCA Office of Planning, Research and Evaluation
PERCENTAGE OF CONGREGATIONS’ REVENUE FROM VARIOUS SOURCES

RENTAL: 6%
INDIVIDUAL DONATIONS: 81%
SPECIAL FUNDRAISERS: 6%
ENDOWMENT: 4%
DENOMINATION: 3%

PERCENTAGE OF CONGREGATIONS’ REVENUE FROM VARIOUS SOURCES

- Rental: 6%
- Individual Donations: 81%
- Special Fundraisers: 6%
- Endowment: 4%
- Denomination: 3%

“in fact, **40% of congregations** receive essentially their entire annual revenue from individual donations” (14)

"The majority of financial resources that congregations receive comes from individuals, and the vast majority of those funds are given during a worship service (78%)." (17)

How did we get here?

Baptized Membership in the ELCA 2017-2050 Projections

Average Weekly Worship Attendance 2017-2041 Projections

Percentage of Congregations' Revenue from Various Sources
Opportunities
Opportunities

• Listen to where God is calling us next & discern God's mission
• Connect with the neighborhood & form new partnerships
• Tap underutilized resources
• Diversify income streams
Funding Forward:
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What is Funding Forward?

Finding more sustainable economic models for ministry that emerge organically from the organization's mission.
"I remember standing for our congregational meeting in January [2022] and saying, ‘We're presenting you this budget that the session has approved and you can see that we feel confident we can fund about half of it. So we're going to have to do something different.’"
Anything but cookie cutter ...
Anything but cookie cutter ...
Anything but cookie cutter ...
Funding Forward: A Pathway to More Sustainable Models for Ministry
Funding Forward:
A Pathway to More Sustainable Models for Ministry
Where Congregations Tend to Get Stuck

"Why" --> "What" --> "How"
Who took the survey?
Who took the survey?

Fall 2022:
Received 101 responses from across the U.S. (96%) and Canada (4%)
Who took the survey?

101

Fall 2022:
Received 101 responses from across the U.S. (96%) and Canada (4%)
The research team identified 200 congregations in the U.S. and Canada who were experimenting with a more sustainable financial model (generating income outside of the offering plate, reducing their budget and/or creating self-sustaining ministries) in a way that was connected to the congregation’s mission. This list of congregations included traditional congregations, new faith communities, campus ministries, and more. We were curious to know: What has worked? What hasn’t? What would they like to try? How much income are they generating? How is this model connected to the congregation’s mission? The survey had an over 50% response rate with 101 responses between November 8–December 9, 2022.

The findings include input from 101 congregations across denominations in the U.S. and Canada.

Other Included:

- Cooperative Baptist Fellowship (3)
- No denominational affiliation (3)
- Disciples of Christ (2)
- The United Church of Canada (2)
- The Evangelical Covenant Church (2)
- African Methodist Episcopal (1)
- Anglican Church in North America (1)
- Assemblies of God (1)
- Baptist World Alliance (1)
- Church of the Nazarene (1)
- Southern Baptist Convention (1)
- Reformed Church in America and UCC (1)
- Moravian Church & ELCA (1)
Denomination

Other Included:

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- Moravian Church & ELCA (1)

Faith+Lead, Luther Seminary
Congregation Start Date

- 100+ years ago: 41%
- 60-90 years ago: 29%
- 30-59 years ago: 16%
- 0-29 years ago: 15%

*values don't add up to 100% due to rounding*
Average Worship Attendance (AWA)

- Small (<50 AWA): 14%
- Medium (50-300 AWA): 51%
- Large (>300 AWA): 35%
**Budget Size**

- 8%: $0 - $99,999
- 30%: $100,000 - $249,999
- 33%: $250,000 - $499,999
- 12%: $500,000 - $799,999
- 3%: $800,000 - $999,999
- 15%: $1,000,000+

*values don't add up to 100% due to rounding*
Percentage of Income Coming From Donations*

<table>
<thead>
<tr>
<th>Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19%</td>
<td>8%</td>
</tr>
<tr>
<td>20-39%</td>
<td>6%</td>
</tr>
<tr>
<td>40-59%</td>
<td>21%</td>
</tr>
<tr>
<td>60-79%</td>
<td>33%</td>
</tr>
<tr>
<td>80-100%</td>
<td>33%</td>
</tr>
</tbody>
</table>

*Values don’t add up to 100% due to rounding
92% of the congregations were using (or considering using) at least one income source outside the offering plate.
<table>
<thead>
<tr>
<th>Income Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting church property</td>
<td>78%</td>
</tr>
<tr>
<td>Self-sustaining ministries</td>
<td>72%</td>
</tr>
<tr>
<td>Securing grants (beyond judicatory/denomination grants)</td>
<td>66%</td>
</tr>
<tr>
<td>Forming a non-profit organization</td>
<td>45%</td>
</tr>
<tr>
<td>Starting and maintaining a social enterprise or business</td>
<td>37%</td>
</tr>
<tr>
<td>Selling products or services</td>
<td>28%</td>
</tr>
<tr>
<td>Crowdfunding (only past use)</td>
<td>23%</td>
</tr>
<tr>
<td>Selling church property</td>
<td>20%</td>
</tr>
<tr>
<td>Repurposing money from an endowment fund</td>
<td>17%</td>
</tr>
<tr>
<td>Another income source(s)</td>
<td>15%</td>
</tr>
<tr>
<td>Impact Investing</td>
<td>13%</td>
</tr>
</tbody>
</table>

Other income sources included: Roller Skating Rink Ministry, producing theatre productions, leasing cell phone towers on property, parking lot revenue, leasing advertising space on digital sign, patreon sponsorship for our sermon podcast, etc.
% of congregations who used the income source who said they had evidence it created relationships with people outside the church

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting your church's property</td>
<td>87%</td>
</tr>
<tr>
<td>Securing grants from organizations outside of church...</td>
<td>67%</td>
</tr>
<tr>
<td>Forming a non-profit organization</td>
<td>96%</td>
</tr>
<tr>
<td>Starting and maintaining a social enterprise or business</td>
<td>85%</td>
</tr>
<tr>
<td>Selling products or services</td>
<td>89%</td>
</tr>
<tr>
<td>Selling your church's property</td>
<td>79%</td>
</tr>
<tr>
<td>Repurposing money from an endowment fund</td>
<td>46%</td>
</tr>
<tr>
<td>Another income source(s)</td>
<td>64%</td>
</tr>
<tr>
<td>Impact Investing</td>
<td>50%</td>
</tr>
</tbody>
</table>
% of congregations who used the income source who said they had evidence it created relationships with people outside the church

- Renting your church’s property: 87%
- Securing grants from organizations outside of church: 67%
- Forming a non-profit organization: 96%
- Starting and maintaining a social enterprise or business: 85%
- Selling products or services: 89%
- Selling your church’s property: 79%
- Repurposing money from an endowment fund: 46%
- Another income source(s): 64%
- Impact Investing: 50%

92% of the congregations were using (considering using) at least one income source outside the offering plate.
92% of the congregations were using (considering using) at least one income source outside the offering plate.
20% of the congregations had reduced their budget by 5%+ in the last 10 years.
20% of the congregations had reduced their budget by 5%+ in the last 10 years.

Approximately how much of the church’s budget has been reduced over the last ten years?

- Slight budget reduction: 15%
- Medium-sized budget reduction: 25%
- Drastic budget reduction: 60%

How did they reduce their budget?

- Reduced the number of paid clergy/staff: 65%
- Employ bi-vocational, part-time, and/or contract clergy/staff: 55%
- Reduced the budget of a church program(s): 50%
- Rely more heavily on volunteer and/or unpaid leaders/staff: 45%
- Eliminated a specific church program(s): 40%
- Reduced pastor/staff salary and/or benefits: 25%
- Sold church property: 20%
- Shared property with another church: 15%
- Transitioned a current church program from congregationally funded to self-sustaining: 15%
- Other: 15%
Where is God in the process?

God winks

“There have been so many “God winks” in this process - everything from conversations with friends who heard about God's work in a particular place, to sending out literature about a mission trip that happened to be the very topic we were researching. It’s like God is using these situations to nudge us in the right direction.”

Easing conflict

“Grants have been a life-saving source of revenue and resources for our congregation. This time is a new way of being church that I find rewarding. I give 100% of the credit to our church leaders who would have never thought of doing this. The congregation got behind us and we were blessed to be able to do other church services.”

Riding the spirit’s wave

“Riding the spirit’s wave, we’ve seen moments where God has been manifested in different ways. We’ve experienced God's leading in making decisions and solving problems. The congregation has been a force that has propelled us forward.”

It’s God’s ministry, not ours

“God’s ministry, not ours. We’re the facilitators, not the leaders. We’re just the people God has chosen to carry out his work. It’s incredible to see how God is working through us.”

God brings energy and peace

“God brings energy and peace. It’s been a blessing to feel the support and encouragement from our congregation. It’s like a jolt of energy that has given us perspective and a renewed sense of purpose.”

Ridding of stress

“Ridding of stress. We feel supported and encouraged by the congregation and the spiritual leaders.”

Supporting the process

“Supporting the process, being a part of the journey.”

The path forward

“Path forward, looking forward to what God has in store for us.”

Focus on God's will

“Focus on God's will, staying true to our mission.”
Where is God in the Process?

Without question, the most impactful learning was that God is present through the whole funding process. We asked, “As you think back on the work your church has done to add income sources, reduce the budget, and/or rethink staffing, where have you seen God at work?” We received over 90 responses to this question. We heard stories of big and small miracles, God’s guidance, finding partners in unexpected places, and seeing God’s love come alive in ways they never would have imagined.

Riding the spirit’s wave

“In our newest venture that serves Christian leaders, God has been present blazing a trail of relationship and community ... And has even blazed a trail for our congregation to support and celebrate this vibrant ministry, whose impact goes far beyond the walls of our congregation to every continent on the globe and countless expressions of Christian witness. It has felt more like following and riding the Spirit’s wave than leading it at times. God continues to show up now as we reach toward financial sustainability in connecting us with the right partners and organizations who are providing capacity building support and catching the vision for our mission.”

God winks

“There have been so many “God winks” in this process - everything from unexpected financial gifts just when they are needed most, to doors being opened to find the perfect renters for the business center, to relationships being built with various people and organizations in the community, to a sense of purpose and anticipation about how God is leading and providing for the church. Last year at this time, I wasn’t sure we would even be here, and the ways God is providing is amazing.”

It’s God’s ministry, not ours

“From the beginning we have recognized that this ministry belongs primarily to God, and we are invited into it (rather than us owning it and bearing the full burden of responsibility). This has freed us to take courageous moves in adding serving days, hiring staff, etc. God is present every time someone comes to volunteer or share lunch. The relationships we have in the kitchen and at the serving window are God’s presence among us.”

Easing conflict

“Grants have been a life-giving source of inspiration and experimentation for our congregation. Since this is a new way of being church that I introduced, I give God 100% of the credit for easing the conflict that this paradigm shift would have caused. Grants take up a lot of my time. The congregation just seemed to accept that there would be fewer staff working here due to budgetary constraints, and the rector would be less available to do other church duties.”

God brings energy and peace

“This has all been A LOT of work for us. The leadership of our church is burned out. And yet, God still finds a way to energize us with curiosity at what is next. We also continue to experience a sense of peace. Though it surpasses all our understanding at times, peace at the edge of a financial and ecclesial cliff is like feeling calm and content on hospice care. We don’t yet know if death is the next journey for our church, but in that uncertainty, God’s peace abounds.”
Who did we interview?

**Interview Methodology & Respondent Profile**

Over 50% of the survey congregations viewed interest in participating in the interviews shown in the project. We sought to interview between 10-30 congregations to best represent the diversity of congregations that commit to God’s call to mission. All 12 congregations that completed the survey and were invited to participate in the interview process were also congregations who, underrepresented in the survey, had a broader presence or engaged other congregations and shared the survey. We also reached out to other congregation leaders that we knew to be interested in the project.

We interviewed at least one ministry leader or who guided the church’s community practices from the 12 congregations. These interviews took place online from February 14 to May 10, 2021.

The findings include input from conversations with ministry leaders, lay congregation members, and/or community partners from 12 congregations.

**Denomination**

- RCA
- PC(USA)
- UCC
- UMC
- Lutheran
- Baptist

**Congregation Start Date**

- Less than 5 years ago: 25%
- 5-9 years ago: 25%
- 10-19 years ago: 25%
- 20 years ago or more: 25%

**Context**

- Merge: 25%
- Split: 25%
- Real or in false tensions: 25%

**Average Worship Attendance (AWA)**

- Small (99 or below): 25%
- Medium (100-199): 25%
- Large (200 or above): 25%
Average Worship Attendance (AWA)

- 25% Small (<50 AWA)
- 50% Medium (50-300 AWA)
- 25% Large (>300 AWA)
Why did these congregations engage in funding forward?
Why did these congregations engage in funding forward?

God's mission (106)
Why did these congregations engage in funding forward?

- God's mission (106)
- Community Need (99)
Why did these congregations engage in funding forward?

- God's mission (106)
- Community Need (99)
- Underutilized Asset (39)
Why did these congregations engage in funding forward?

- God's mission (106)
- Community Need (99)
- Underutilized Asset (39)
Why did these congregations engage in funding forward?

- God's Mission (106)
- Community Need (99)
- Underutilized Asset (39)
- Finances (39)
- Congregation Need (12)
What practices did they use throughout the process?

Robust list of 40+ practices organized around these key themes: change, connection, focus (mission/finances), leadership, learning, spiritual practices, and support.
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Robust list of 40+ practices organized around these key themes: change, connection, focus (mission/finances), leadership, learning, spiritual practices, and support.
Curious to learn more about our findings?

Check out our FREE research project e-book!

www.faithlead.org/stewardship
Questions?
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