

10 Ah-Ha Moments About Church Funding Today (Part 1)

More and more churches are experimenting with alternative funding models to meet their ministry needs

by Grace Pomroy

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A few weeks ago a pastor reached out to me with a question: “What’s new in church funding?” Her congregation was beginning to feel the pinch that so many congregations are experiencing—their offering income wasn’t enough to live out the congregation’s mission. They began to wonder: Might there be other ways to bring in income so we aren’t reliant solely on the offering plate?

This pastor’s question brought a smile to my face. After reading countless articles and books, interviewing dozens of ministry leaders, and exploring this topic with hundreds of students, I finally have some concrete data to share. This fall, my research team and I identified a list of 200 congregations in the U.S. and Canada who have experimented with more economically sustainable models for ministry that are aligned with God’s mission for their community. This isn’t to say that these congregations chucked out the offering plate entirely—quite the contrary. The offering still plays an important role in each of these congregations. However, they have decided to look at how God might be calling them to live even deeper into their mission by starting a social enterprise, renting out their church property to a neighboring ministry, securing grants, eliminating church programs that were no longer related to their mission, making changes to their church’s staffing, and more.

We surveyed this group of 200 congregations to learn more about their funding models and we received over 100 responses! To our knowledge, this is the first survey of its kind that looks at the broader landscape of church funding focusing specifically on congregations with more creative funding models. I’m looking forward to sharing more about this survey with you over the coming months. Today, I want to share with you the first five of the most surprising findings from the survey and next week I’ll share five more.

1. **Alternative Sources of Revenue:** In more than two-thirds of the congregations surveyed, 60% or less of the congregation’s income is coming from donations. Often I’ve heard congregations say that they didn’t want to pursue income sources outside of the offering plate because they could never make enough money to be worth the work. Generally these congregations have experimented in a small way (like posting on their website that they will rent out their space for \$100 per event), bringing in limited income or even losing money after the cost of facilities and cleaning.

In contrast, many of the congregations who responded to this survey were using one or more alternative income sources and were not only breaking even but bringing in substantial income to supplement (and in some cases even supersede) the amount coming in through the offering plate.

2. **A both/and Scenario – Mission and Money:** While there were certainly some congregations where its mission was the primary motivator for shifting its financial model, in most cases it was a mix between mission, decreases in church attendance, and concern about long-term financial viability driving the change. As I was asking around for recommendations of congregations who might be a good fit for this survey, I came across a few leaders who felt it was an “either/or” scenario. You either cared about God’s mission and your community or you cared about your church’s finances and long-term sustainability—you couldn’t do both! And yet, in most of these congregations it’s clear that both factors were at play.

3. **Top 3 Funding Strategies:** The three most popular funding strategies these congregations used were: renting church property, creating self-sustaining ministries, and securing grants from organizations outside of judicatory/denominational church bodies. I wasn't surprised to see renting property at the top of the list, but I was surprised to see that self-sustaining ministry and securing grants ranked so high. Many congregations I have interacted with didn't even know their congregation could qualify for grants outside of their judicatory/denominational body. Similarly, I have rarely heard of congregations starting a ministry with the intention of it becoming self-sustaining. I find many ministry leaders assume that all of their congregation's ministries will cost money – it's just the cost of doing ministry.
4. **Social Enterprise On The Rise:** Congregations who are looking to live out their mission in a new way are most likely to start a social enterprise and/or sell products and services. While starting businesses out of the church is certainly not a new concept, I've rarely heard of a church council putting this idea out on the table, instead it often springs up from entrepreneurial members or staff. I wonder if the pandemic has caused congregations to shift in their thinking around social enterprise and even selling products and services as so many turned to these options as a way to support their communities during the pandemic. A great example of this is the [Global Blends pay-as-you-can deli](#).
5. **Renting Property:** Congregations looking to raise additional funds are most likely to turn to renting their property. Renting can be a great source of ongoing income for congregation's who own property. About a third of the congregations who have or are currently renting property received 0-9% of their congregation's revenue from rentals, another third received 10-24%, and the final third received 25%+ from renting their property. Imagine what your congregation could do if it received an additional 5% of its revenue from renting unused or underused property?

From the Stewardship Leaders Program →

This is the second article sharing some of the early results of the Funding Forward research being done by Grace Pomroy, Director of the Stewardship Leaders Program at Luther Seminary, and a team of researchers. Funding Forward is coming up with new ways of funding ministry driven by God's mission, that go beyond relying solely on the offering plate.

The team has learned a lot already, and the data is just starting to come in. This week, Grace will share surprises 6-10 from their survey research with congregations engaged in Funding Forward. Phrases that caught my attention from this week's article: *blazing a trail of relationship and community; impact goes far beyond the walls of our congregation to every continent on the globe; so many "God winks" in this process; God still finds a way to energize us with curiosity at what is next; The relationships we have in the kitchen and at the serving window are God's presence among us.*

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10 Ah-Ha Moments About Church Funding Today (part 2)

by Grace Pomroy

This week's blog article is a continuation of last week's blog post about the recent Funding Forward Survey. If you haven't had a chance to read it yet, I encourage you to check that one out first.

I spent most of my summer and early fall reaching out to anyone and everyone in my network to see if they knew of congregations who were experimenting with their funding models. It was amazing to see how many people across the U.S. and around the world are engaged in this work. It opened new doors for me and led to many unexpected and delightful connections. I'm grateful to everyone who opened up their networks to me to share about this project.

The only stumbling block I faced while virtually "knocking on doors" to complete our list of congregations was this series of questions that came up on a few occasions during the process: "Why do you care so much about sustaining the church? Don't you care about God's mission in our communities?" This series of questions hit me like a slap in the face each time they came up. First because I actually don't care that much about sustaining the institution of church, in its current form, as it exists today. I'm the last person to say that a church should continue to keep its doors open solely because it has money left in the bank. What I care about is funding the mission that God has called us to and that mission takes many forms: nonprofits, social enterprises, and, yes, even traditional congregations.

Second, I was taken aback by the implication that money and mission can't play together in the same sandbox. I don't believe God's mission should be a servant of the money and I see that happening in too many churches today. But, I do believe that God invites us to use all of the resources that God has entrusted to our care (money and property included!) to live deeply into God's mission for us. This is good stewardship on a congregational level. Money and other church assets can be an excellent tool to live deeply into God's mission. Remember Jesus' words from Luke 12, "For where your treasure is, there your heart will be also" (Luke 12:34).

I was delighted to see that the data from the 101 congregations not only affirmed this belief about the connection between money and mission, but they offered clear supporting evidence of how God is at work. Here are my five remaining surprising findings from the survey data:

- **Generating income outside of the offering plate wasn't just important to the congregation's bottom line, it also helped to create meaningful relationships with people outside of the congregation and even unexpected opportunities for evangelism.** We asked the congregations who are currently utilizing or have utilized income sources outside of the offering plate if they had any evidence. For all of the income sources except one (repurposing money from an endowment fund), more than 50% of congregations said they had evidence that the income source was successful at creating relationships with people outside the church. We received countless comments from congregations sharing their stories. One of my favorites is "We used to be a black box in the middle of our neighborhood. Nobody

inside knew what was going on outside, nobody outside knew what was going on inside. Today we're a focal point of our neighborhood, everyone knows us, everyone comes to activities that we host, some of our services are considered essential."

- **For a ministry to become self-sustaining, they often had to reach outside of the congregation to create community partnerships, fundraising with people outside the congregation, and/or secure grants.** Ministries are unlikely to become self-sustaining solely based on internal assets and connections. Congregations have to reach outside themselves. One of the students in my class in January shared a great example of a self-sustaining food ministry called Sustainable Renton, a free grocery store that takes place in her church's parking lot every Monday. It relies on donated foods from organizations outside of the congregation and is run by volunteers from inside and outside the congregation. This is a ministry that the congregation could never sustain on their own that's grown exponentially because of community partnerships!
- **While pastors play an important role in church funding, they aren't alone.** While 87% of those who responded to the survey were clergy, I was excited to see that when asked who led the financial shift in their congregation, clergy and church leadership were tied with church stewardship/finance teams and church staff members also receiving many votes. This "select all that apply" question illustrated the village it takes to create change in congregations.
- **The congregations who are doing this creative work are eager to share their stories.** At the end of the survey, we asked if their congregation would want to be considered for the second phase of the research project: interviews with 13 of the congregations' surveyed. I wondered if we would get enough volunteers. Instead, 82 congregations expressed interest! These congregations are eager to tell their stories and we are excited to share them with you. Over the next year, we hope to share many of their stories.
- **God is present at every stage of the process.** My favorite part of the survey data was reading through the responses to this question: "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?" I wept as I read through the responses. I'd love to share them all with you. But for now, I'll share four of my favorites:
- **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."
- **There have been so many "God winks" in this process** - everything from unexpected financial gifts just when they were 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."

- **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."
- **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."

About the author:

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