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Six critical steps for giving and spending

By Tom Ehrich

As church leaders conclude annual stewardship campaigns and turn their attention to operating budgets, it’s important to examine how a healthy church handles money.

First, **a healthy church teaches stewardship year-round**, with special emphasis on sacrificial giving and proportionate giving. Sacrificial giving moves beyond self – what I can afford, how church fits into my spending plans, what giving feels adequate for sustaining membership – and instead looks to the needs of the other and the Gospel call to self-denial. Proportionate giving is grounded in gratitude and the Biblical commandment to give a tithe (10% of the harvest) back to God.

If this year’s pledge drive wasn’t a culmination of year-round instruction, but rather a year-end appeal for operating funds, then resolve right now to start next year’s stewardship ministry in January.

Second, **a healthy church** doesn’t view pledges as “income,” to be entered into the Revenue side of an operating budget. It **views giving as an expression of gratitude and faith**. If giving is low, then something is broken in the recognition of gratitude and/or the giver’s family is in distress and/or faith is ebbing. Either way, the healthy church sees low giving as a pastoral issue, not a report card on church programs and staff.

**Third, the healthy church has a clear standard** for low, medium or faithful giving. It’s the tithe, that is, the first tenth-portion of the harvest (before-tax income). When a family whose household income is, say, $57,584 (the median for my county) and the pledge is $1,500, that’s 2.6% of household income, or one-quarter of the tithe. Something is misfiring and needs to be understood by pastors.

This is both an individual assessment that suggests pastoral issues, and a corporate assessment that suggests quality of spiritual life. A tithing church will do amazing things, serve in far-reaching ways, challenge its constituents, and convey God’s love to a broken world. The farther a church moves away from tithing, the less it does, the less it transforms, and the less anyone notices it.

Fourth, **the healthy church prepares a budget that is grounded in community service**, or mission, and not in satisfying constituent interests. There’s no hard-and-fast formula, but in general terms, a healthy church gives away at least 50% of its revenues to the outside community (not counting judicatory dues), and spends less than 50% on itself (including judicatory dues). As it is now, the typical church spends upwards of 90% of its revenues on itself. Mission starves for funding.

Fifth, **the healthy church lives within its means** (measured as 90% of likely giving, to allow for attrition). No dipping into endowment, no “faith budgets” guaranteed to produce shortfalls, no badgering of constituents for extra giving. Endowment should be allocated to startup ventures in mission. Capital improvements should come from capital fund-raising.

Sixth, **the healthy church doesn’t reward those who withhold funds** as an expression of displeasure. The pastor’s salary is a professional and contractual obligation, not a contingency. Those who play games with their giving should be invited to leave.

Each of these steps is entirely within the range of possibility. They do require steadfast teaching and fresh attitudes toward money. But they are true to what God wants, they can be done, and the results will be rewarding for everyone. A church that is led by tithers, for example, is much healthier than a church led by the stingy and controlling.

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