

Eric Geiger on Church Finances
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The following is a series of short articles that were published online for Neue (formerly Relevant). I was asked to write a weekly column on church finances for a period of eight weeks.

Why is this guy writing on finances? (Week One)

When Neue asked me to write about finances for the website, my first thought is that you would think, *Why is this guy writing about finances?*

This year has been very challenging. I have thought more about church finances in the last 8 months than in all of my previous years of ministry combined.

- I have endured restless nights as decisions about staff lay-off's loomed.
- I have explained the term "soft freeze" to a staff that were accustomed to us meeting budget every year. (More on that term in forthcoming entries)
- I have combed our budget with key leaders to carve out more than 600K in budgeted dollars.
- I have interrupted my vacation to call the office to see if that big donor who promised a miraculous bailout (more on that as well) came through. And learned he did not. Which made dinner much less enjoyable.

During the last three years at Christ Fellowship, where I am honored to serve as executive pastor, we have enjoyed a fun season of growth. We have seen God bring more and more people to us, and we are honored to partner with Him in the transformation of many lives. In the midst of our growth, we set some bold budget increases to finance all God was/is calling us to do. We raised our annual budget 1.6 million from 2007 to 2008 (that was 37% for us). And while we ended 2008 significantly ahead on giving compared to the previous year (almost 25% higher), we also fell significantly behind on budget (over a 10% shortfall).

So why am I contributing to a conversation on finances?

Not because I have it all figured out. But because in the midst of a fun yet challenging year, God has taught me a ton about managing His money in His church. And I am going to share thoughts and struggles with you over the next several months.

Church Economics (1) (Week Two)

I am sure my list of church economic principles will grow as I grow and mature, but over the next several weeks I will share my current thinking on managing finances in the church. While nothing I will share will be amazingly profound, I do believe these principles will carry a ministry through times of abundance and times of shortfall. As a leader, I began to jot these down during a time when our giving was well below our planned budget.

Thought one: Manage church resources with the same care you manage your home's resources.

When the apostle Paul gave the requirements for elders, he said, "If a man cannot manage his own family, how can he take care of God's church?" (I Timothy 3:5) God has used that verse to challenge me to manage resources in His church with the same care (or greater) than I manage resources in my home.

In our home, we have always spent less than we took in. When our income adjusted downward due to my wife staying home with our new baby, our spending adjusted downward as well. If I treat my home with that type of forethought and planning, I should treat the church the same way.

In our home, we have always paid cash for everything that depreciates. We have never had any credit card debt or car payments. Since Proverbs 22:7 says, "The debtor is servant to the lender," we always viewed debt as slavery. We have, however, been comfortable financing a house as a house appreciates (overtime). If I apply this same thinking and care to the church I serve, this means I would be uncomfortable financing anything other than property or a facility that appreciates.

My challenge to you is two-fold.

1. Are your personal finances healthy? If not, you will surely carry some bad financial habits into the ministry you lead. If you are not healthy in your personal finances, then I believe you lose the authority to make financial decisions for the church. Hand that responsibility to someone else. Dismiss yourself from that meeting.
2. If your personal finances are healthy, do you treat the church with the same care?

Church Economics (2) (Week Three)

In my continued discussion on church economics, let me share thought number two from recent learning's...

Thought Two: Spend less than you receive.

Instead of living the values of a new Kingdom, our churches often live the values of the kingdom of this world. In other words, many churches live the same way most Americans live – spending all the money they make and even spending money they have not yet received. Instead of displaying wisdom in spending, shrewdness in planning, and generosity in giving, church leaders often succumb to the spending values of this world.

We must display a better way to live by how we manage the resources God entrusts to us. Part of this, I believe, means spending less than you receive as a church. I am not suggesting changing direction every week when the offering is taken. I am not advocating altering the church vision when there is a bad week of giving. I mean watching trends and responding accordingly.

How could this look practically? Here are two examples from my current context...

(1) Have a plan for spending freezes.

When our giving was significantly lower (10%) than our budget last year, I gave the management team some direction on spending freezes. We defined them as:

Soft freeze: Under a soft freeze, the only purchases a staff or department can make are ones to continue to operate at the current level of ministry. An attendee should not notice a drop in ministry execution, but there would not be any upgrades or new initiatives until giving matches budget.

Hard freeze: We never needed to move to this phase because the soft freeze brought our spending down to the level of our giving, but a hard freeze would be every single expense needs approval, including the gold fish snacks the preschoolers eat, the cones for the parking lot, etc.

(2) I will touch on next article

Your budget has been frozen (Week Four)

Last week, in my continued discussion on church economics, I shared thought number two on managing jingle in ministry. First challenge was to *Manage church resources with the same care you manage your home's resources*. And last week, I challenged leaders to *spend less than you receive in giving*.

Because we live by a new Kingdom with a new set of values, we should live in front of our people a new and better way to manage resources. One that rejects the common practice of our culture which is to spend more than you make.

To spend less than we receive in giving, I suggested having a plan for spending freezes. For example, when giving was consistently below our budget we issued a soft-freeze to staff, which meant that the only allowed expenses were those that kept the current level of ministry.

Another learning for us was to start an equipment/project budget in each department each year. This is the amount allotted for new initiatives or new equipment (such as a new mission partnership, a move to HD, a new projector in the kids department). By having this account in each department, we are able to do two things:

- (1) We are able to hold spending on those accounts across the board if giving is not meeting budget. If giving is meeting budget, go for it.
- (2) We are able to zero that account out each year. This helps us do fresh planning and thinking each year instead of simply carrying over old budget amounts to a new year that may not be justified by a direction God is leading us. In other words, if the worship department budgets for a sound upgrade one year, that amount is not automatically in their budget the following year because a major upgrade may not be on the horizon for the new ministry season. In other words, just because an amount was placed in a department's budget one year does not mean it is there again the following year because the inflated amount may have been for a project that is now complete.

If you hold to this same value "spend less than you receive in giving," I would like to hear some ways you execute this principle. I shared to have a plan for spending freezes and utilize a project/equipment line item in each department.

Is your staff too large? (Week Five)

Now that I have your attention — I have been sharing some thoughts on managing jingle in the church. Thought one was: *View His resources with more care than your own.* Thought two was: *Spend less than you receive.* Here is thought three ... Watch those payroll costs.

Typically churches spend 50-55% of their annual budget on personnel costs. Some churches go as high as 60-65% of their annual budget allotted for personnel costs. Others stay extremely lean at around 40%. (Note: you must be sure your comparing fairly. One church may outsource custodial costs and not count that as part of personnel dollars while another has in-house facility staff which is included in their compensation budget.)

I understand that there is thinking and planning behind each school of thought. For example, those with high percentages allotted toward personnel deeply believe that people reach people, and they invest in staff more than in facilities, equipment, production, etc. Then those with low percentages of personnel costs may be highly committed to volunteerism *or* they may just be stuck with a high debt retirement plan.

Currently, I find myself more of the lean school of thought, and we have 45% of our budget allocated towards staff. Here is my current thinking...

– I am more convinced in the power of volunteers who are paid in another profession but are extremely talented and gifted for the Church. From two guys who serve as volunteer campus pastors to a team of men who now care for the yard and landscaping so we could cancel the lawn contract, I am seeing that many people are hungry to offer themselves for the Kingdom. And many of these people should stay in the workforce where they can represent Christ in the public square while making major contributions at their church.

– I believe, in some cases, that effective systems can reduce the need for more staff. I love staff and really do want more. But effective systems can reduce the number of staff needed. Instead of first thinking, "who can we hire for this," I would rather think, "can we design a system that executes this critical task?"

– I do not want to worry about making payroll when we have periods of a recession or slowed giving. I met with a church leader recently who has a budget that is 80% debt retirement and personnel. Ouch. This means there is very little margin and very little room for other things. It also means that every time there is a low offering, they scramble trying to pay bills.

Just where I am today...

Some Amazing Research about Giving (Week Six)

Granted the sample of the research I am about to share is very small. So small that this would definitely not be considered an appropriate enough research sample to make wide sweeping claims. But the observation really got my attention... I put it in the amazing category. Maybe you will as well.

I am plugged into an executive pastors network with a group of guys that get together once a year. Last Spring as we were meeting, many of our churches were beginning to struggle financially. And the media spoke of a looming recession.

There were about 35 guys in the room. Someone asked how many of the churches were currently meeting budget. Seven hands went up.

Seven out of 35 churches were meeting budget.

Several moments later, someone asked how many of the churches have senior or teaching pastors spend 1-2 minutes at the offering time in the service challenging the church to give. Not heavy-handed pleas that happen occasionally with giving thermometers or special pens, but weekly brief challenges that remind people about the discipline, blessing, or vision of giving.

Eight hands shot up.

Someone smarter than me said, "Hold on a second. Please keep your hands up. Are you the same guys who are at churches who are meeting budget?"

Only one of the hands went down. Wow. Here was the picture. Eight of the 35 churches taught or celebrated giving in small ways every single week. And 7 of those churches were meeting budget.

If you were a stats person, it would break down like this (again, I know it is a small sample)– 88% of the churches that mention giving every week were meeting budget. And 0% of the churches that do not mention giving every week were meeting budget.

A Humbling Reminder (Week Seven)

At Christ Fellowship in Miami, where I serve as executive pastor, one of our campuses is in Downtown Miami. While all of our campuses are diverse ethnically, I think that the Downtown campus is the most diverse socio-economically. For example we provide a mid-week service targeting the professional community who works Downtown. And we provide meals, showers, clothes, and a worship service for the Homeless population early on Sunday mornings.

At the conclusion of our midweek service, a woman approached our senior pastor who had just finished speaking. She said she was under deep conviction to give, to be more generous. Rick prayed with her.

We found out afterwards that she is currently staying in an assisted living area for those moving out of homelessness. She came back to the church an hour later with 143.00 in cash. This was all she had. She emptied her entire bank account.

Wow. This is the modern version of the widow's mite. After processing the story I sent the following email to the management team and campus pastors. I wanted to remind us of the weight of responsibility we have as leaders when we spend other people's money.

Hey all,

Today our midweek service DT was awesome. God moved in some great ways. And it was our most attended midweek service so far with 140 adults. A lady who is homeless and lives at a mission came to Rick after the service and was convicted about her greed, as Rick addressed that and spoke on generosity. She went and emptied out her entire savings account and brought the money back to the church.

143.00

Wow, the story is humbling. Made me think about spending her money, which we do. As we spend money this week on ministry, realize that we spend her gift to God. And others who give out of their generosity to our God. When you place your CF credit card down, think of her gift and please be sure you are practicing the best spending habits possible.

*Thanks,
Eric*

When vision is not enough...(Week Eight)

Rick Warren, and many since have him, have correctly stated, "People respond to vision, not need." The statement is true. People do indeed respond to a compelling vision more than a need.

"We need more small group leaders" never works as well as "God is calling us to launch 20 more groups and we believe you should be a part."

"We need 10k for a new global partnership" does not preach like "God has burdened us to reach these people in this strategic location and 10k will give us an effective start."

I agree with the "vision not need" statement, but I fear that *only* preaching vision in relation to generous giving can adversely affect the spiritual discipline of giving in a congregation. Please do not misread me. I do believe we should tie giving to God ordained vision and direction. I am simply saying that vision should not be the *only* motivation for giving.

If vision is the only motivation for generosity, what happens if I do not believe in the vision? Is my obedience in the area of generosity related to how visionary the spokesperson is?

Currently, I am framing teaching/exhortations on giving through the following framework.

1) Grace

Paul challenged the Corinthian church to give because "they know the grace of our Lord Jesus Christ who though he was rich became poor." When we are not generous we prove we are not living in full recognition of His generosity towards us.

2) Obedience

Giving is a spiritual discipline. Jesus gives instructions on *how* we should give *when* we give. Giving is assumed.

3) Value system

When someone becomes a believer, he has switched kingdoms. And our new upside down kingdom views money differently from the kingdom of this world. This world would say, "Spend, then save, and then give." New kingdom values are opposite: "give, save, and then spend."

4) Vision

I am not anti-vision. I believe wise leaders connect vision to generosity. I just don't want to build a group of people who are vision junkies and devoid of grace, obedience, and a new value system.

What other challenges/motivations for generous giving should be added to the list?