

Ninth Edition

The State of Church Giving through 1997

Excerpt:

*The Future of Congregational Giving:
The Need for Creative Church Policy*

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HIGHLIGHTS

*The Future of
Congregational Giving:
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During one of the longest economic expansions in the history of the U.S., church members did not increase the portion of income they gave to their churches. Why not?

Previous chapters in this volume document an overall decline since the 1960s in church giving as a percentage of income.

An obvious question is, Why has giving gone down?

Yet, a corollary development has not been explored in depth: (1) Members gave a smaller portion of their incomes to their churches during a time of sustained economic development. (2) Therefore, the church did not attract a larger portion of people's increasing resources; why not? It is this latter issue—why people did not increase giving when they had more resources at their disposal—that will be the main focus of this chapter.

A variety of reasons may help explain a decrease in giving as a percentage of income from the 1960s to the 1990s. For example, changes in American culture contributed to the decline. Consider that women going into the workforce meant less education about giving and missions was going on in the church. Global independence movements and increased communications confused many church members about the need to invest in international church programs that traditionally raised their commitment beyond their own needs.

Another aspect of the change in giving is that members did not increase the percentage of income donated, even though incomes were expanding. From this viewpoint, one

concludes that the church did not effectively communicate a reason for members to donate to church programs more of their increased affluence.

Current church policy emphasizes two main reasons for members to make significant gifts to the church. One is endowments. The other is buildings. Regardless of rhetoric, church members are offered the preservation and upkeep of their institutions as a priority for giving. Church giving data demonstrates that this line of approach attracted a limited increase in dollars over the past three decades. Since the growth in income exceeded the growth in giving levels, the portion of income invested in the church decreased as a consequence.

Church leaders could offer a fresh and compelling vision for impacting world need in Jesus' name, and thereby increase giving. Immediate investment in global need—rather than establishing endowment funds that will meet those needs over time—has the advantage of providing prompt feedback to donors, thus encouraging additional giving among a broad base of church members.

Further, endowments, while historically useful, may belong to an earlier paradigm. A new model that is more responsive to the major economic changes in American society is needed.

To date, the assumption has been that endowments are the more effective means to meet needs than the immediate distribution of gifts. In this chapter, a mathematical model is presented that compares the results of the endowment approach with the results of immediate distribution. This model demonstrates that investing immediately in human beings may have more long-term benefits than building up endowment funds, even if the purpose of those endowments is also mission funding. A moratorium on gifts to endowments with a renewed focus on “endowing” human beings presently alive might provide an alternative agenda that will increase giving.

Finally, a strategy is outlined to strengthen congregations. By challenging wealthier members to match increased missions outreach through their congregations, the higher-income donor can leverage his/her giving by mobilizing church members who now give nothing, or only token amounts.

NARRATIVE

Why Has Giving Gone Down? Previous chapters in this volume analyze church giving data that indicates members were giving a smaller portion of income to their congregations in the 1990s than in the late 1960s.

Other research suggests that giving has declined to churches for a variety of reasons. Some of these developments are documented in *Behind the Stained Glass Windows: Money Dynamics in the Church*.⁶¹ The following discussion in this section is based on findings presented in that book.

Practical handicaps provide part of the explanation. For example, pastors are not trained to talk about money, from either a theological or administrative viewpoint.⁶² Church members do not have effective training about money as a result.

Paradigmatic shifts—or changes in the very framework of the present worldview—have also affected giving. Women are now in the workforce and have less time to volunteer as stewardship and mission educators. The impact of this change is significant. A general consensus exists that women were largely the mission trainers in the congregation.⁶³ These promotion activities encouraged grassroots philanthropy education. With fewer women available to provide an ongoing educational emphasis on the broader responsibilities of the faith, a communications void developed in the church that has not yet been filled. Global mission was one commitment that raised members' visions beyond their own immediate needs. Without women actively involved in raising the sights of the congregation, a "club" mentality developed among the membership.

This situation was aggravated by communications technology. The whole world became so immediate that the average American found it overwhelming: This week, a disaster in the Philippines may be broadcast into living rooms; next week it will be an African nation. As Henri Nouwen and his coauthors observed, it is not that people have too little information, but rather too much. Feeling overwhelmed may easily lead people to feeling numb

about the larger world in which they live.⁶⁴ With the needs of the neighbor blurring into an unapproachable composite disaster, religion is tempted to emphasize making people happy, rather than transforming them to be of service to others.

This communications overload produced by new technological advances occurred at the same time that traditional national church mission policy fell apart. On a de facto level, colonialism functioned as a framework in which most denominational, and even many parachurch, mission agencies pursued their goals. When global independence movements unraveled the strategy inherent in the geographical spheres of influence defined by colonialism, church leaders did not develop an alternative comprehensive plan. As a consequence, church members now felt responsible not for a particular region of the world, but for the whole of the increasingly complicated world. A new level of isolationism appeared as a tempting alternative.

The Cold War provided a framework for a while, dividing many mission agencies into camps, on one side of the issues or the other. One of the repercussions that accompanied the end of that political struggle was that the church was again left without a comprehensive missions approach.

The solution, of course, would not include a return to the destructive patterns of colonialism. However, creative thinking about how to interpret world need as part of one's faith commitment, in light of the changed circumstances, was not forthcoming from church leaders.

Why Hasn't Church Giving Gone Up? The issue of why giving has gone down has been widely discussed.

Another important issue generally escapes the attention of those concerned with the area of philanthropic behavior. The question can be asked, With the tremendous affluence that has spread through most levels of U.S. society in the decades since World War II, why hasn't giving to churches increased dramatically?

⁶¹ John Ronsvalle and Sylvia Ronsvalle, *Behind the Stained Glass Windows: Money Dynamics in the Church* (Grand Rapids, MI: Baker Books, 1996).

⁶² See the discussion in Ronsvalle and Ronsvalle, *Behind the Stained Glass Windows*, chapter 7, especially pages 140-152.

⁶³ Ronsvalle and Ronsvalle, *Behind the Stained Glass Windows*, 272.

⁶⁴ Donald McNeill, Douglas Morrison and Henri Nouwen, *Compassion* (New York: Doubleday, 1983), 53.

The tremendous potential for increased giving that is now present in American society has been all but invisible in our culture.

The biblical mandate to give money, whether the tithe (Matthew 23:23), or selling all one has and giving to the poor (Luke 12:33),⁶⁵ makes it safe to assume that positive giving patterns are to be expected among a well-functioning church. One would expect people successfully pursuing a faith walk to be increasing, rather than decreasing, the portion of income given to the church, particularly during times of economic growth. Therefore, the fact that it would be a positive development if giving increased to the church will be regarded as an operative understanding during this discussion.

While it may be tempting to look for where to place blame for declining donations, that approach is of limited value. Rather, a clear articulation of the problem might be more helpful in formulating solutions.

Such an articulation requires clear definitions. A brief review of a few basic concepts in behavioral psychology may be helpful here.

In Psychology 101 courses, students are taught to separate verbal statements from actual behaviors. For example, a heavy man may complain bitterly that he hates his weight. Yet, at dinner that night, the man orders and consumes an extra piece of pie. Should he have done that? What impact will his behavior have on his ability to get a date? Why would he do such a thing? None of these ideas is relevant from a behavioral viewpoint. Setting moral judgments aside, the only observation that can be made in the present context is that the man found the piece of pie more “reinforcing” than the discomfort of carrying his present weight. A layperson might translate this idea as, He wanted the pie more than he wanted to lose weight.

Applying this approach to church giving, some conclusions also are evident. First, church leaders say they want giving to go up. While church members provide a few more dollars in response, over the years incomes increase faster. As a result, member donations actually represent a smaller portion of the members’ available resources in the 1990s than in the 1960s,

even though total resources have expanded. The observation can be made that the present behavior of church leaders does not produce the desired end result of increased giving by members.

Again, apart from moral judgments, two additional conclusions can be drawn. First, church members did not choose to spend a larger portion of their incomes on church activities.⁶⁶ Second, church leaders did not effectively communicate a reason for increasing donations such that members increased, rather than decreased, the portion of income given to the church.

It is important that the second conclusion is not read as a values statement. Assuming there is sincere interest in reversing current negative giving trends on the part of church leaders, a first step in developing a solution is to state clearly what is happening. Fault-finding is not the agenda. Should church members have given more because it is the right thing to do? Should church leaders have been more effective communicators? These issues are not immediately relevant in the present discussion. The observable facts are that members did not increase giving as a portion of income over the past three decades, and that church leaders did not effectively attract increased giving from members for the agenda that the leaders presented.

What behavior has defined church leaders’ efforts to improve member giving? Two agendas are key components of the church’s current approach.

Current Church Policy: Institutional Maintenance. Two strategies serve as the de facto policy of church leaders to increase giving to the church. Whether the discussion occurs at the local, regional, or national level, church policy to increase giving is to ask for gifts for endowments and/or buildings. Any incipient endeavors to increase mission giving are seen to compete with the basic operations of the congregation, including the pastor’s salary. That conflict is generally not acknowledged. In practice, missions funding is therefore treated passively while efforts to enhance the operations base through buildings and endowments are actively pursued.

Endowments. Endowments can be dedicated to a variety of purposes. An endowment might be for

⁶⁵ It should be noted that this particular pronouncement was not made by Jesus in the context of his encounter with the rich man. Rather, it is part of a general teaching session, introduced with the words, “Then Jesus said to his disciples” in Luke 12:22.

⁶⁶ As the discussion in chapter seven indicates, data does not support the idea that philanthropic activity other than the church has absorbed the difference between previous and current levels of church giving. Apart from any reallocation within giving levels, the present discussion is focused on why church giving has not increased.

the upkeep of the physical plant, for the operations of the congregation, or even for the mission work of the church. Endowments are seen as a way to secure the work of the church for the future. These accounts can absorb large gifts. The money received can be invested so that the balance increases over the years. The attraction of endowments may be the power that is associated with growing resources, independent of future unknowns (apart from fluctuations in the stock market). Endowments are emphasized in denominations such as the Presbyterian Church (U.S.A.) and The United Methodist Church, as well as independent “megachurches.” Yet, these endowments have not had a significant positive impact on general giving patterns as a portion of income. Leaders voice support for endowments because these funds can secure the program or building of the church in the face of decreasing future support. What appears as a strength to leaders may communicate a siege mentality to potential donors.

Buildings. The other de facto policy offered by church leaders is to construct buildings. One church consultant suggested that a congregation ought to have some portion of a building under construction at all times, because people will give to a building, and the budget will be raised as a side benefit.⁶⁷ The focus on buildings is consistent with the “felt-needs” approach that emphasizes the church’s responsiveness to the needs of the members.⁶⁸ All too quickly, this idea can move toward a consumer-approach to religion, emphasizing satisfied “customers” rather than the transformation of people into disciples. William Willimon reflected on this trend when he wrote,

As William Sloane Coffin once asked, how can we attract people to the church by appealing to their self-centeredness and selfishness and then offer them the Christ who said that we find our lives by losing them, and that in dying we live?⁶⁹

Is the present church building boom unusual?

As a brief aside, the current level of building activity among churches in the U.S. has attracted attention in the media. Once again, data helps evaluate whether the present level of church construction exceeds that of past decades.

Census Bureau data indicates that new construction of religious buildings was about \$1

billion dollars in 1964, compared to over \$6.4 billion in 1998. So on a current-dollar level, more building was going on in the late 1990s than in the mid-1960s.

However, as has been emphasized in previous chapters of this volume, aggregate numbers considered apart from population, inflation, and changes in income, do not give a complete picture.

When inflation and population were taken into account, the data indicated that building in 1997 and 1998 was a little lower than during 1964-1966. In 1965, per capita expenditure in the U.S. on religious buildings was \$26 dollars per person in inflation-adjusted 1992 dollars. In 1998, it was \$21 dollars. Of course, a smaller portion of the entire U.S. population may have been investing in religious buildings in the late 1990s than in the mid-1960s. To have a meaningful comparison, changes in membership as a portion of population would have to be taken into account. Data considered in chapter five of this report suggests that membership in historically Christian churches declined as a portion of the U.S. population between 1968 and 1997. However, other religions were added to the religious milieu of the United States during this period. The Census data includes all religious construction, not just Christian churches. So the rough estimate may be fairly useful as a first approximation.

What may be more informative, however, is religious construction as a portion of income. Again, the \$26 per capita spent on religious buildings in 1965 represented a different portion of income than the \$21 spent in 1998. In fact, as a portion of income, Americans spent .26% on the construction of new buildings in 1965, compared to .11% in 1998.

The building activity occurring in the late 1990s has to be evaluated in the context of the general affluence produced by decades of economic expansion in the U.S.

The care and feeding of the institution. Both the endowment approach and the building approach emphasize the maintenance and care of the institution. Whether it is a place to meet, with offices in which to conduct business, or the larger operations structure of the church, leaders are communicating a goal that members should help the leaders to preserve themselves, albeit with the mitigating reason being to serve others.

⁶⁷ Ronsvalle and Ronsvalle, *Behind the Stained Glass Windows*, 51.

⁶⁸ For a discussion of the impact on the “felt-needs” approach on giving patterns, see *Behind the Stained Glass*

Windows, chapter two, especially pp. 41-47.

⁶⁹ William H. Willimon, “Will It Sell?,” *The Christian Ministry*, November-December 1999, 47.

While endowments and buildings have attracted gifts of sometimes dramatic sizes, the overall portion of income donated to the church has continued to decline in general. It may therefore be observed that the present endowment/building policy has not effectively communicated a reason to the majority of church members to increase the portion of income given to the church.

Endowing Institutions Versus Endowing Human Beings. *Behind the Stained Glass Windows* presents the findings from empty tomb, inc.'s multiyear Stewardship Project.⁷⁰ The Stewardship Project National Advisory Committee consisted of national representatives of fifteen communions and a seminary vice president. This group developed seven statements that the participants could agree on, even though the communions they represented spanned the theological spectrum. Having reviewed the observations and conclusions drawn from the Stewardship Project activities, the sixth conclusion reads: "The church needs a positive agenda for the great affluence in our society."⁷¹ The assumption is that the church has a responsibility to help members integrate their ability to earn money with the practice of their faith. The church ought to provide members with a reason to spend more money on activities that are perceived as furthering God's work.

A related assumption is that if church leaders could help people integrate their money with their faith, church members would be willing to give more. Further, the process of giving more would have a positive impact on the practice of the individual's faith, and benefit the giver as much as the work of the church institution receiving the donation.

A positive agenda. What might a positive agenda look like?

Such an agenda would likely involve helping other human beings at their point of need. This idea is not only based on a theological mandate. Consider the outpouring of donations that result when a hurricane strikes a community in the U.S., or pictures of famine-stricken people in another country are broadcast into American living rooms.

Therefore, for the sake of the present discussion, suppose a positive agenda were proposed of stopping global child deaths in Jesus' name. The facts are that some 30,000 children under five die daily around the

globe, for a total of 11.6 million a year. Further, most of these children are dying from preventable poverty conditions. One estimate suggested that \$2.5 billion a year, carefully applied, could stop most of these deaths.⁷²

So, suppose the goal of stopping child deaths in Jesus' name is offered as a compelling positive agenda for an increased portion of the affluence available to most church members.

Comparing models to meet the need. Given present church policy, it might be assumed that the most efficient way to meet this need would be to set up an endowment to accept these additional funds. This endowment would not only accept the funds in the first place, but the gifts would be invested to build up additional funds to help children in the future as well. Church leaders do not need to be sold on the value of compounding interest and capital gains.

Yet, in light of declining giving trends, this long-term approach has at least two drawbacks. First, church members are not given an immediate dynamic to attract their giving. Helping children who are not yet born might be logical, but it is not satisfying. One observation strongly affirmed in the Stewardship Project survey was that people want to know what their donated money is doing.⁷³ To date, money sitting in an account accumulating interest has not proved attractive enough to reverse present patterns.

The other drawback to the long-term investment approach is that the children who are born now, and need the help now, will not receive assistance now, the reason being that careful planning by those managing the funds values their existence less than preparing to help their counterparts who are not yet born.

Both of these reservations are emotional rather than factual. Therefore, a mathematical model was developed to explore, and objectify the discussion as to, whether the endowment approach is more beneficial than giving the money away as soon as it is received.

Components of the mathematical model. The mathematical model compared two strategies.

In both strategies, a basic assumption was made that money "invested" in a human being through meeting a need (particularly if done in Jesus' name,

⁷⁰ The full name of the project was Congregation-Level Field Observations and Denominational Giving Reports Stewardship Analysis Project, funded with a three-year grant from the Lilly Endowment Inc.

⁷¹ Ronsvalle and Ronsvalle, *Behind the Stained Glass Windows*, 293.

⁷² These facts are from UNICEF documents.

⁷³ Ronsvalle and Ronsvalle, *Behind the Stained Glass Windows*, 90.

although a weighting component for this factor was not calculated as part of the model) would “compound” the value of the initial investment in an ongoing fashion.

Placing the donations to help the children in an endowment might be termed the “Deferred” strategy. In this approach, \$100 million is placed in an endowment fund. The average annual return was calculated at 8% over 50 years. Of the 8% each year, 3% was reinvested in the fund and compounded over the remaining portion of the 50 years. The other 5% was “invested” in human beings each year, with a compounded “return” rate of 8% a year.

For purposes of this model, the same percentage of return for the endowment fund was placed on healthy children. For example, one might assume that a child in whom blindness was prevented would compound her or his “value” to the global community at 8% a year. Some individuals helped as children

might “produce” an even greater value to the global community than 8% a year. Yet, theologically, how can one calculate the “annual rate of return” of helping any child, in general, or a young Billy Graham or Mother Teresa, in particular, to grow up healthy and live to fulfill the individual’s potential? Even so, for purposes of the present model, an average figure of 8% was used, a number similar to a somewhat conservative expectation for cash invested in the stocks and bonds market.⁷⁴

Giving the money away immediately to help dying children might be termed the “Current” strategy. In this approach, the \$100 million was immediately “invested” in helping human beings in Jesus’ name. As noted above, the model calculated the “return” on this immediate investment in human beings at 8%, compounded annually.

The results are presented in Table 18.

Table 18: Financial Results of the “Deferred” Strategy and the “Current” Strategy

Factor Description	“Deferred” Strategy	“Current” Strategy
Initial Investment	\$100 million invested in endowment fund, with 8% annual return. Starting with Year 2, 3% reinvested in the endowment and compounded at 8% a year; 5% is “invested” in human beings, compounded at 8% a year.	\$100 million “invested” in helping dying children in Jesus’ name through church agencies.
Year 2		2060% more “compounded investment” from the help given to dying children in Jesus’ name.
Year 50		11% more “compounded investment” from the help given to dying children in Jesus’ name.
50-Year Average		152% higher annual average “compounded investment” from the help given to dying children in Jesus’ name.
Fund status as of Year 50	\$3.9 billion “compounded investment” in dying children (including actual “investment” of \$564 million and compounded growth over 50 years) plus retained principal of \$425.6 million in fund.	\$4.3 billion “compounded investment” in dying children (including actual “investment” of \$100 million and compounded growth over 50 years).

⁷⁴ The authors overcame any reluctance to set the “value” of a healthy child at the same rate as endowment earnings, in part, by realizing that present behavior in the church, which tolerates the daily deaths of children around the globe,

effectively values these children’s lives at zero. A model that places increased value on children’s lives might help raise awareness of their plight. Perhaps this thinking will also assist the reader.

Observations about the results of the mathematical model. Table 18 presents a number of noteworthy points.

If the number of dollars is valued, more money is actually “invested” in human beings in the “Deferred” Strategy over 50 years than in the “Current” Strategy. Over the 50 years, \$564 million is shared with dying children in need in the Deferred Strategy, compared to \$100 million in the Current Strategy.

However, the compounding aspect minimizes this difference. The children benefited by the “investment” from the Current Strategy continue to produce compounded “returns” over the entire 50-year period. By the end of the 50 years, at \$4.3 billion invested in helping human beings, overall the immediate investment returned an annual average of 152% more benefit to humans in need than did the endowment model. Table 19 below presents the data in the comparison between the Deferred and Current Strategies.

It may also be noted that both strategies provide immediate “investment” in human beings. The immediate benefits of helping dying children is understood. However, the Deferred Strategy provides an additional form of human investment. In order to produce an 8% return on the money invested in the endowment fund, that money is invested in financially better-off persons, as available capital for businesses to use to produce more wealth.

Additional factors can also be considered in evaluating the strategies. For example, both strategies provide financial means for making a significant impact on the situations faced by dying children.

The two strategies, however, produce different designs for adapting to changing circumstances. In the Deferred Strategy, the donors retain control of most of the donated money, and can change how the money is used over the 50 years. In the Current strategy, the human beings who benefited from the immediate “investment” in them will be the ones who use the compounding “returns” in their lives to adapt to changing circumstances over 50 years.

The two strategies also may have a different effect on church members, who are another beneficiary of the plans. If these church members will benefit from integrating their faith and their money, then how the strategies encourage church members to increase giving should also be evaluated.

In the Deferred Strategy, the congregation is presented with a two-track model. Talented people will be needed to create and manage the endowment

fund to insure an 8% return each year. Talented people will also be needed to interpret, educate, communicate, and inspire other members about the “investment” in the dying children.

In the Current Strategy, the congregation is presented with a one-track model. All the talented people in the congregation are asked to focus on the task of interpretation, education, communication, and inspiration of other members about the “investment” in the dying children.

The advantages of this single track should be understood. Many times, the most accomplished members of the congregation focus their talents on the task of creating and overseeing endowments. The members of the congregation who are successful in business have generally demonstrated real talent in their non-church life in the areas of leadership, creativity, and organization. The congregation’s stewardship and mission education efforts might well benefit from these abilities if these talented people were not absorbed in directing endowment activities, and instead applied their personal gifts and experience by joining other members in mission interpretation.

Also, a message is sent to congregation members in general by the Deferred Strategy that the goal of future security is as important as helping dying children immediately. The Current strategy emphasizes the goal of helping dying children immediately.

Investing the \$100 million gift in an endowment through the Deferred Strategy may also communicate a “ceiling” on the level of generosity needed. In contrast, the \$100 million gift invested through the Current Strategy in immediate assistance to dying children might be seen as encouraging increased giving in an ongoing process.

Were church members to act on their potential for giving, then, an endowment might not be the most practical instrument to absorb the great amount of money donated annually. Instead, the task would shift, the goal being to provide donors with the means to keep sharing significant amounts of money each year to make an immediate difference. Endowments may be a strategy to manage money when expectations for the practice of continued good stewardship are low within congregations and denominations. When it is reasonable to assume that a broad base of church members are in a position to donate significant amounts for identifiable needs on a continuing basis, the task shifts from securing a fixed amount to build up over a period of years, to finding effective ways to share the funds generously donated on an ongoing basis.

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Table 19: Deferred Strategy and Current Strategy, A Comparison of an Initial Investment of \$100,000,000

Year	Deferred Strategy:		Current Strategy:	"Endowment" of Humans: Percent Difference of Current Strategy Compared to Deferred Strategy
	Cumulative Balance: \$100,000,000 Endowment Fund with 3% reinvested	Cumulative Balance: 5% "endowing" human beings, with 8% annually compounding benefit from "endowed" humans	Cumulative Balance: \$100,000,000 "endowing" human beings Year 1, with 8% annually compounding benefit from "endowed" humans	
1	\$100,000,000		\$100,000,000	
2	\$103,000,000	\$5,000,000	\$108,000,000	2060%
3	\$106,090,000	\$10,550,000	\$116,640,000	1006%
4	\$109,272,700	\$16,698,500	\$125,971,200	654%
5	\$112,550,881	\$23,498,015	\$136,048,896	479%
6	\$115,927,407	\$31,005,400	\$146,932,808	374%
7	\$119,405,230	\$39,282,203	\$158,687,432	304%
8	\$122,987,387	\$48,395,040	\$171,382,427	254%
9	\$126,677,008	\$58,416,013	\$185,093,021	217%
10	\$130,477,318	\$69,423,144	\$199,900,463	188%
11	\$134,391,638	\$81,500,862	\$215,892,500	165%
12	\$138,423,387	\$94,740,513	\$233,163,900	146%
13	\$142,576,089	\$109,240,923	\$251,817,012	131%
14	\$146,853,371	\$125,109,001	\$271,962,373	117%
15	\$151,258,972	\$142,460,390	\$293,719,362	106%
16	\$155,796,742	\$161,420,170	\$317,216,911	97%
17	\$160,470,644	\$182,123,620	\$342,594,264	88%
18	\$165,284,763	\$204,717,042	\$370,001,805	81%
19	\$170,243,306	\$229,358,644	\$399,601,950	74%
20	\$175,350,605	\$256,219,501	\$431,570,106	68%
21	\$180,611,123	\$285,484,591	\$466,095,714	63%
22	\$186,029,457	\$317,353,914	\$503,383,372	59%
23	\$191,610,341	\$352,043,700	\$543,654,041	54%
24	\$197,358,651	\$389,787,713	\$587,146,365	51%
25	\$203,279,411	\$430,838,663	\$634,118,074	47%
26	\$209,377,793	\$475,469,727	\$684,847,520	44%
27	\$215,659,127	\$523,976,194	\$739,635,321	41%
28	\$222,128,901	\$576,677,246	\$798,806,147	39%
29	\$228,792,768	\$633,917,871	\$862,710,639	36%
30	\$235,656,551	\$696,070,939	\$931,727,490	34%
31	\$242,726,247	\$763,539,442	\$1,006,265,689	32%
32	\$250,008,035	\$836,758,909	\$1,086,766,944	30%
33	\$257,508,276	\$916,200,024	\$1,173,708,300	28%
34	\$265,233,524	\$1,002,371,440	\$1,267,604,964	26%
35	\$273,190,530	\$1,095,822,831	\$1,369,013,361	25%
36	\$281,386,245	\$1,197,148,184	\$1,478,534,429	24%
37	\$289,827,833	\$1,306,989,351	\$1,596,817,184	22%
38	\$298,522,668	\$1,426,039,891	\$1,724,562,558	21%
39	\$307,478,348	\$1,555,049,215	\$1,862,527,563	20%
40	\$316,702,698	\$1,694,827,070	\$2,011,529,768	19%
41	\$326,203,779	\$1,846,248,370	\$2,172,452,150	18%
42	\$335,989,893	\$2,010,258,429	\$2,346,248,322	17%
43	\$346,069,589	\$2,187,878,598	\$2,533,948,187	16%
44	\$356,451,677	\$2,380,212,365	\$2,736,664,042	15%
45	\$367,145,227	\$2,588,451,938	\$2,955,597,166	14%
46	\$378,159,584	\$2,813,885,355	\$3,192,044,939	13%
47	\$389,504,372	\$3,057,904,162	\$3,447,408,534	13%
48	\$401,189,503	\$3,322,011,714	\$3,723,201,217	12%
49	\$413,225,188	\$3,607,832,126	\$4,021,057,314	11%
50	\$425,621,944	\$3,917,119,956	\$4,342,741,899	11%
Annual Average for Years 1 through 50:				152%

An additional practical comparison between the Deferred Strategy and the Current Strategy has to do with fulfilling the initial intent of the donors in giving the money. The Current Strategy provides for the immediate implementation of the desire to help dying children in Jesus’ name, as noted in the example above. Numerous examples exist of changes in focus of endowment funds. Thus, within the Deferred Strategy, the possibility exists for people in the future to change the intent of the endowment, so that within the 50-year period, the funds will be used for purposes other than helping dying children in Jesus’ name. In contrast, the Current Strategy insures the funds are applied as the donors intended.

Table 20 presents these comparisons in summary form.

There are factors to recommend both the Deferred Strategy and the Current Strategy. The authors acknowledge that in the present discussion, emphasis has been placed on the Current Strategy. They beg the reader’s indulgence on this point, given the fact that the Current Strategy generally receives no serious attention as a valid alternative. Perhaps that is because

the basic working assumption about money is that the best thing to do with it is to accumulate it.

The compelling nature of the value of accumulating money is so deeply ingrained that the concept is rarely, if ever, challenged. While it may be logical, the accumulation approach represented by endowments may also be dated. To use a popular word, the “paradigm”—or framework of operation—may have shifted, making endowments a less useful concept than in the past.

Endowments reflect a past paradigm.

Previously, the economic reality was that the minority of people had affluence beyond their basic needs, and the majority of people were struggling for survival. In this situation, the amount of resources were limited to what a smaller class of individuals were willing, and had available, to share. Large gifts could be given, and invested for use over time. In this way, a relatively small group of people were able to make a gift, and not be expected to “carry” the larger population year after year.

Since World War II, the landscape has changed. Now, the majority of people in a number of societies,

Table 20: Comparison of the “Deferred” Strategy and the “Current” Strategy

Factor Description	“Deferred” Strategy	“Current” Strategy
Use of original \$100 million	Initially available to business to create additional wealth, and then “invested” in dying children.	Immediately “invested” in dying children.
Adaptability	Donor retains control to adapt to changing circumstances over 50 years.	Children benefited use their increased “capital” to adapt to changing circumstances over 50 years.
Agenda provided	Two tracks are presented: Talented people to direct the endowment investments; talented people to interpret and educate about need.	One track presented: All talented people apply their gifts to interpretation and education about need.
Priority	Emphasizes future security.	Emphasizes mobilizing money on a scale consistent with potential giving to help now.
Comprehensive Agenda	Offers a large-scale vision for meeting need over time.	Offers a large-scale vision for meeting need immediately.
Continuing agenda	Implies that responsibility shifts from a limited number of initial donors to money managers; implies a “ceiling” to the need for donations.	Implies that continuing involvement among a broad base of donors is needed in coming years; initial gift is a “floor” on which to build, asking donors for ongoing annual commitment.
Achieving original intent	Endowment focus can be changed by future generations, meaning that initial intent is not fully achieved.	Intention of helping dying children immediately achieved.

including the United States, had more resources than required for basic needs. The responsibility for the general welfare of not only American society but global need could be spread among a larger portion of the population. More people could also share in the satisfaction of making an impact on their surroundings during their lifetimes.

This new circumstance requires a different communications approach, however. Instead of emphasizing “noblesse oblige” to a limited group of people, the message needs to be reinterpreted to a much broader audience. Even as the media and public held accountable the turn-of-the-century wealthy, such as the Rockefellers, Carnegies, and Vanderbilts, today the national media follow the giving patterns of Ted Turner, Bill and Melinda Gates, and George Soros.

But who is holding accountable the rest of the population, the multitude of citizens who now have increased resources? The vast majority of potential donors in the church continue to escape serious engagement. Moreover, on an individual basis, these people do not have the amount of wealth to “invest” in long-term concepts that are attractive to someone with a large amount to give at one time. It is through the combination of many smaller gifts that the current strength and potential power resides among the vast majority of church members.

In these new circumstances, a strategy that emphasizes ongoing commitment of smaller amounts from many people, rather than mainly occasional large sums from a few, would be a more useful strategy. Future security for institutional maintenance activities does not communicate as much to this larger group as does feedback about what money already given has been doing.

Further, smaller amounts can be given over many years. This ongoing commitment therefore has the power to transform the givers by establishing new life priorities, even while it has a positive impact on the receivers.

Endowments may still have their place in some situations.⁷⁵ As a general strategy for congregational and denominational life, endowments may not be as

useful an approach as in the past. What is needed is a strategy that can effectively attract comparatively smaller donations from a larger group of people over a sustained period of time.

Those concerned with philanthropy might compare this new situation with the consequences of technological developments in the world of computers. The Internet is changing everything from investing patterns to book publishing, as a function of making formerly exclusive activities accessible to a broad audience. Philanthropy can also continue to evolve and adapt to a new environment where more people have the potential to be involved at increased levels. New tools can help philanthropy adapt.

Leadership may define how donors respond.

Leaders may defend the present policy of asking for major gifts for endowments and buildings with the rationale that past results indicate that people will give to these two agendas. Two ideas recommend that this perspective be rethought.

First, it should be asked, is the present policy producing the desired results? Of course fund-raisers rejoice when a large gift is secured. However, overall declining giving patterns are not being impacted. Is the goal to raise a certain (limited, in light of potential) amount of money for specific needs? Or is the goal to mobilize the vast majority of givers, to increase their levels of investment in the work of the church in an ongoing fashion?

Second, church leaders may be restricting donors’ generosity by how they define the need. The watershed Commission on Private Philanthropy and Public Needs produced reports over a period of years by the U.S. Treasury Department. Various papers reflecting on the content of the Commission’s findings were also published. One such paper observed:

There is the added reality, omitted by the Commission’s report, that patterns of support reflect what *donees seek*, as well as what donors select. Churches do not seek large individual gifts as a pattern, especially for their operating purposes. Universities do seek very large individual gifts, not only for current

⁷⁵ Some activities are of such an abstract nature that endowments may provide a firm base for necessary activities. Education is one example. Research may be another. In its experience, empty tomb, inc. has found that current donations are not available to fund activities that would explore how to reverse long-term declining giving patterns. Unable to locate sufficient current funds, empty

tomb, inc. is in the process of trying to establish an endowment to provide an ongoing base to further such research and development activities. It is interesting to note that in the commercial realm, the value of research and development is acknowledged, unlike in the nonprofit environment.

operations, but for capital and endowment purposes. Donee influence likewise affects bequests. It is too simplistic to attribute the patterns of objects of gifts only to the wishes of the donors⁷⁶ [italics in original].

Some congregations have now begun to follow the pattern of universities, and request relatively larger gifts for endowments. However, is the church as an institution different than a university or, for that matter, a museum? As Douglas John Hall has pointed out, the sustained vitality of the North American church has been seated in its need to convince the population over and over again that its program is worthy of support.⁷⁷ Perhaps it would be worthwhile, in light of continuing giving patterns, to consider a different approach to raising the overall portion of income given to the church other than by emphasizing endowments.

Also, as uncomfortable as the fact may be, the Current Strategy is consistent with a general Christian theological framework.

Theological view of sharing. The concept of the Christian as “steward” might benefit from a fresh review.

In Matthew 24:45-51, Jesus presents the model of the disciple as caretaker of the master’s agenda. The wise steward not only takes care of the master’s interests, but also makes sure that all members of the household receive food and care at the proper time. Jesus warns that if the master returns and finds that the steward has decided to use the master’s resources for personal indulgence, causing suffering on the part of other members of the household, then the master will punish the wicked steward.

From within the faith perspective, parallels might be drawn between the parable imagery and the church in the U.S. Resources are entrusted to the Christian to pursue the larger agenda of loving the neighbor out of love for God. If (1) children in the “global household” are dying from preventable poverty conditions; and (2) expenditures for personal indulgence in the U.S. are growing while the portion of income given to the church declines; then, do not church leaders have a responsibility to call those stewards to accountability on behalf of the Master? Perhaps a concern for the spiritual well-being of their parishioners could help pastors overcome their fear

of the expected pressures that would result from bringing up the topic of money.

Part of the difficulty in not achieving church giving potential may also have to do with confusion about values. Hugh Magers, former Director of Stewardship and now Director of Evangelism for The Episcopal Church, suggested that people misunderstand what real “treasure” is. “ ‘Lay up for yourself treasure in heaven.’ We human beings are the treasure. We can use our resources to nurture folk into Heaven. We have an opportunity to establish a deep appropriation of the faith. Instead of being in a world with starving babies, we have the opportunity to help there be well babies and to support a friend for eternity.”⁷⁸ While the logic supporting endowments and the related accumulation is tempting, from a theological viewpoint the better goal might be to use available resources to meet today’s needs, particularly when technological communications advances have helped to define present need so clearly.

Finally, how Christians handle money needs to be informed by biblical rather than cultural standards. The established approach to money is that the main goal is to accumulate it. This idea contrasts with the biblical focus of a God who gives. As described in John 3:16, God gave his Son, and the church was founded through this action. Giving, rather than accumulating, is the defining hallmark of the church.

Strategy for a New Paradigm. The current policy of the church, that has tried to attract increased giving through buildings and endowments, has not reversed negative giving trends during a multi-decade economic expansion. Many prognosticators suggest that an economic “correction” is inevitable. If they are correct, an urgency permeates the need for a fresh agenda to help church members integrate their faith and money, while they still have access to expanded resources.

A moratorium on additional gifts to congregational and denominational endowments may be the most constructive step that the church can take at this point. A distinction is being made here between money that currently sits in existing endowments, and additional contributions to existing or newly forming endowments. Money that has already been donated to endowments is not under discussion. However,

⁷⁶ Max M. Fisher et al., “Commentary on Page 133,” *Giving in America: Toward a Stronger Voluntary Sector* (n.p.: Commission on Private Philanthropy and Public Needs, 1975), 203.

⁷⁷ Douglas John Hall, *The Stewards: A Biblical Symbol Come of Age* (New York: Friendship Press, 1982), 2-3.

⁷⁸ Ronsvalle and Ronsvalle, *Behind the Stained Glass Windows*, 184-185.

additional gifts to existing endowments, and the creation of new endowments, would be suspended under this approach.

Jesus challenged his followers to sell what they have and give to the poor. This particular behavior has not been typical of church members in the United States. Past behavior demonstrates that it is difficult to fit in with Jesus' directions in regard to money already accumulated. However, could church members, at the congregational community of faith institutional level, make a commitment, beforehand, to be faithful with money not yet received, with money they do not yet possess? Could a commitment be made to sell or dispose of gifts to help the poor *before* those gifts have been received? In this way, the resolve to be faithful would take root before the sticky nature of money has had the opportunity to exert itself.

The focus would then shift from building future security to being faithful with present responsibility. Many smaller and larger gifts from many different people can be combined to impact current need, as a response to the Master's direction. The immediate feedback from "investment" in people in need will possibly have the positive effect of reinforcing giving behavior, and encourage ongoing giving.

A game plan for the relatively wealthy to help revitalize the practice of philanthropy in congregations. The present environment in which congregations exist requires a different approach from the traditional endowment and building strategy. One idea being developed by the authors is a "Matching" concept. Members who have accumulated a sizable amount of this world's goods could provide leadership that will help to revitalize the majority of people in congregations who are not presently engaged in faithful giving behavior. This game plan is built on three key ideas.

- Research by the authors has established that most congregations currently have a maintenance mentality. As 84% of the pastors and 89% of the regional officials responding to the Stewardship Project survey affirmed, "In most congregations, the goal of stewardship is defined as meeting the budget."⁷⁹ This maintenance mentality does not foster increased giving, and therefore needs to be addressed.

- The authors are not aware of nationwide quantitative research on the percentage of people who do not give to the local congregation. However, in discussion with denominational leaders across the theological spectrum, the idea that 30-50% of the resident members do not give anything to the local congregation has been affirmed. A plan to increase giving must engage those presently not involved in the practice.
- Again, lacking quantitative research, the authors have had the opportunity to talk with both church leaders and wealthy individuals about the idea of why wealthy people rarely tithe to their congregations. Repeatedly, the opinion was stated that well-to-do people often do not feel they have a good reason to invest sizable amounts of their money in a congregation. Reasons vary from not wanting to create a "welfare" mentality to feeling the congregation is not doing anything significant enough to merit large donations.

If there were less of an emphasis on endowments or buildings, what might attract the increased financial participation of wealthier-than-average members in the life of the congregation?

The authors are currently testing a plan in their ongoing work with congregations. The first component is for the local congregation to establish a baseline for its present operations. The commitment is made that any money received beyond this baseline—including undesignated bequests, and increased giving—will be directed by the congregation to expand mission outreach, both globally and locally.

The second component of the plan is to secure commitments from one or more wealthier-than-average members in the congregation. The commitment is that this individual will first make a regular pledge to the baseline budget of the church. Chances are very good that this commitment will not represent 10% of this wealthy member's income. (It should be noted that a variety of church experts believe wealthy members should not be limited by the 10% guideline.) So the member is asked to make an additional commitment, up to a certain dollar figure defined by the wealthy individual, to match all money that is donated by the rest of the congregation beyond

⁷⁹ Ronsvalle and Ronsvalle, *Behind the Stained Glass Windows*, 121.

the baseline budget. The purpose of this additional money is to expand mission outreach.

This approach provides the well-to-do member with a reason to invest a greater portion of income in the congregation. The plan also emphasizes the need for *all* members of the congregation to first, secure the baseline budget of the congregation, and then, to exceed that budget in order to expand the global and local mission outreach of the congregation.

Information about the authors' work with congregations through The National Money for Missions Program is available at the Web site <www.emptytomb.org>.

Summary. Present church policy, emphasizing buildings and endowments as a means to attract increased giving to the church, has not significantly reversed negative giving trends.

A mathematical model compared a "Deferred" Strategy, emphasizing endowment funds helping dying children, and a "Current" Strategy, emphasizing immediate help directed to dying children. The

Current Strategy produced a higher annual average benefit in humans helped.

Endowments may be rooted in a paradigm that no longer defines present church circumstances. Broadly-distributed affluence has produced a majority of people in the society who have more resources than they require to meet their basic needs. A strategy that emphasizes immediate "investment" in meeting the needs of other human beings may be more useful in raising giving levels, than the endowment approach which emphasizes long-term investment and accompanying delayed response to need.

Biblically, an emphasis on giving, rather than accumulation, may also suggest that the Current Strategy will be more helpful in assisting church members in the United States to integrate their faith and money.

New strategies will be needed to attract increased donations, such as matching additional mission giving. Creative thinking may produce fresh initiatives, suited to the present cultural and economic environment, to reverse declining giving patterns in the church.