

Expand Ministry Funding  
and Increase Your Impact



# Debt Campaigns

Kristine Miller and Joe Park



# Table of Contents

<b>Introduction .....</b>	<b>3</b>
<b>One: Increasing Impact with a Debt Elimination Campaign .....</b>	<b>4</b>
<b>Two: Develop a Compelling Ministry Plan Around Debt.....</b>	<b>6</b>
<b>Three: Create an Integrated Communications Strategy Focused on Debt Elimination .....</b>	<b>8</b>
<b>Four: Engage Your Financial Leaders .....</b>	<b>9</b>
<b>Five: Including Additional Elements in a Debt Campaign .....</b>	<b>11</b>
<b>Six: Erasing Debt Will Help You Prepare for Future Growth—Today.....</b>	<b>13</b>
<b>Conclusion.....</b>	<b>14</b>
<b>About the Authors.....</b>	<b>15</b>
<b>About Horizons .....</b>	<b>16</b>



## INTRODUCTION

### Reducing or Eliminating Debt Will Accelerate Generosity

There are two primary ways to increase the amount of money available to do more ministry; you can increase giving to the ministry budget or you can reduce, or even eliminate, the funds allocated to the debt service in your budget. A debt campaign can help you do both. As debt service is reduced or removed, it allows more ministry to be funded and creates a more compelling case for funding the budget.

### Why Debt Campaigns Are Important to Your Church

Reducing church debt is a significant concern for church leaders today. As a result, the debt campaign has become an important tool that allows you to increase the amount of money available to do ministry. Debt campaigns reduce the amount of money spent on debt service each year and free up funds to invest in current or new ministry initiatives, outreach, or other areas of need.

### How Debt Campaigns Work

A debt campaign is a process that results in reducing the amount of money your church spends on debt service. In other words, you raise funds to provide sufficient resources to pay debt service providers, thereby freeing up resources in your budget for ministry.

Within this book, we will explore how a debt campaign can enable leaders to reallocate funds previously used for debt service to fully fund their ministry plans and increase capacity for current and future impact.

*“As debt service is reduced or removed, it allows more ministry to be funded and creates a more compelling case for funding the budget.”*



## CHAPTER ONE

### Increasing Impact with a Debt Elimination Campaign

Churches exist to make disciples of Jesus Christ. Unfortunately, churches can often get weighed down with significant debt due to new construction, expansion of existing space, or even as a result of catastrophic repairs. The debt burden often means the church is limited in its ability to fulfill God's vision for its future. Churches with substantial debt can find themselves sinking deeper and unable to fully fund their mission needs. To eliminate the debt, the church has some options including reducing expenses (and therefore ministries) or increasing annual giving. These options are not, however, the only ones. Conducting a debt elimination campaign can address your debt more expediently and allow you to increase your ministry impact.





## How are Churches Doing as a Result of the Pandemic?

Most churches are seeing significantly less people in worship since the beginning of the pandemic. Even those churches that are fully back for in-person worship have not seen attendance return to pre-pandemic numbers. Anecdotally, many of Horizons' clients report that worship attendance is down by about 20% from 2019. Engagement has become the new buzz word as we all struggle to assess who will still want to be considered a part of the church family. It remains to be seen, however, how anemic worship attendance and lower levels of engagement will impact overall contributions.

*“By eliminating the debt, the church may reduce the amount of interest paid, thus saving the church money.”*

## The Debt Elimination Campaign

One of the best options for churches with significant debt is to conduct a debt campaign. A debt campaign engages your members in contributing directly to debt, thereby unburdening the church from its past and enabling a stronger future. Typically, great energy emerges from creating a new, bold, and exciting forward-looking vision.

In launching a debt campaign, it is essential to create a narrative to help people understand how and why the debt was incurred. A strategic consulting partner can help you create a timeline to provide information and clarification on the debt's origin and how it has been managed. Providing detailed information helps build credibility and trust prior to asking for contributions.

## How Will Your Church Benefit from a Debt Elimination Campaign?

By eliminating the debt, the church may reduce the amount of interest paid, thus saving the church money. Also, if debt service is being funded through annual contributions, eliminating the debt allows the church to redistribute the income for new or existing ministry initiatives. The burden of debt can often weigh heavily on church leadership. By eliminating the debt, the church leadership can focus time and energy on invigorating ministry in a post-pandemic environment.



## CHAPTER TWO

### Develop a Compelling Ministry Plan Around Debt

Talking about the church's debt can often be difficult. In some churches, the debt has been a part of the culture for so long that many members are vague about why the debt was incurred in the first place. Frequently church leaders are hesitant to talk about the debt because it feels boring and oppressive. The result is that the church remains encumbered with debt and never fully lives into its vision for ministry.

With the help of an experienced generosity consultant, you can reframe your debt conversations focusing not on the past, but rather on a future vision made possible through debt elimination. In other words, paying off the debt is not particularly compelling to church leaders or donors. What is compelling is what the church will be able to accomplish with the liberated resources once the debt is gone. Donors will enthusiastically participate in a campaign that is about growing into a ministry plan that achieves a larger impact.

#### Tips for a Successful Debt Campaign

##### **1. Provide the History of the Debt**

Church members need to be reminded about how and why the church made the decision to take on the debt. Usually there is a significant event such as a new building, expansion of an existing space, or the creation of an ambitious new ministry. Remind people of the importance of this "event" in your church's life and lay out the details of the amount of the original debt and what has been paid to-date. Share this early in your process so people know the facts of the debt right from the beginning.

##### **2. Present an Exciting Future Ministry Plan**

Debt elimination or reduction is a means to an end—not the end itself. Your future ministry plan



#### Tips for a Successful Debt Campaign



Provide the History of the Debt



Present an Exciting Future Ministry Plan



Involve the Congregation



tells the story of how freed up resources, previously allocated to debt service, will be reallocated to new ministry initiatives, growing existing ministry, and projects. Ultimately, church members should hear how the successful debt campaign will advance an exciting future vision and ministry plan.



### ***3. Involve the Congregation***

Be sure to receive feedback and input from your church members regarding your plan for debt repayment and future ministry plan. Donors are more likely to support campaigns when they have had the opportunity to weigh in to the process. Ultimately your church members will provide the human and financial resources to accomplish your future vision. Be sure to take the time to hear what God is inspiring them to do.

When done well, church debt campaigns can generate excitement and enthusiasm because members of your church community make a tangible investment in your ministry's future and close the book on the indebtedness of the past.



## CHAPTER THREE

### Create an Integrated Communications Strategy Focused on Debt Elimination

Your supporters need to have a clear understanding of what debt reduction or elimination means for your ability to grow ministry. This requires a multi-faceted and integrated communication strategy that makes use of all of your usual channels.

An integrated communication strategy provides donors with messages that are both informational and inspirational. Your experienced generosity guide will help you develop the right strategy for maximum impact.

This strategy needs to include:

- The benefits of debt elimination or reduction.
- A plan for how the change will happen.
- The role of each donor and church member in helping make this change happen.

#### Tips for Implementing a Church Debt Elimination Communication Strategy

##### *1. Use of Videos*

Create videos to share on the website and social media. In these days of online and hybrid worship services, video communication can be a highly effective tool and even engage others outside your congregation.

##### *2. Use Infographics*

Create an interactive infographic to share on your website and social media. Sometimes data is clearer when displayed graphically. Use an attractive infographic to draw people in and make complex data easier to absorb.

##### *3. Cover all your Communication Bases*

Be sure to use all channels of communication at your disposal to clearly and frequently share your message.



#### Tips for an Effective Communication Strategy

- Use Video
- Use Infographics
- Cover all Your Communication Bases





## CHAPTER FOUR

### Engage Your Financial Leaders

Financial leaders are those who have invested most heavily in your ministries. They may or may not be your largest donors, but they are the ones who are giving generously commensurate with their means. No group of donors is more ready to help you reduce or eliminate debt than your financial leaders. They understand that your debt elimination provides an opportunity to grow and secure a stronger future for making disciples and funding more ministry.

#### Tips to Engage Your Financial Leaders

##### *1. Focus on Financial Leaders First*

Before sharing your plans with the entire church body, it is important to tell your financial leaders. Remember that these are the people who joyfully support your ministries at the highest levels. They want to be supportive! So, share your vision and tell financial leaders how they can help make it a reality. Don't forget to ask for their wisdom too. Financial leaders are often also experienced professionals who have beneficial insights for your consideration.

##### *2. Talk About the Church's Vision and Mission*

One of the best ways to engage your financial leaders is to share with them your ministry objectives. Help them to see your vision for how the church can move forward in mission and ministry once the debt is gone. Invite them to dream with you about how your church can grow into God's vision for its ministry. Spend some time brainstorming with your financial leaders and listen for their joys and passions. Together discuss how you can put the debt behind you and focus on your vision for the future.



#### Tips to Engage Your Financial Leaders



**Focus on Financial Leaders First**



**Talk About the Church's Vision and Mission**



**Invite Financial Leaders to be a Part of the Solution**



horizons  
STEWARDSHIP



### ***3. Invite Financial Leaders to be a Part of the Solution***

Your financial leaders have already demonstrated their dedication and commitment to your ministry. Funding your debt should be no different. Once they have been thoroughly briefed and have clarity around your future vision, ask them how they would like to be a part of your successful debt elimination campaign. Invite them to consider not just their financial leadership but also their ability to influence others by sharing their enthusiasm and commitment to the church. Ask them to host gatherings in their homes, serve on the campaign leadership team, or share a testimony of their support in worship. Using their specific individual skill sets, financial leaders can be huge assets and help drive your campaign's success.



## CHAPTER FIVE

### Including Additional Elements in a Debt Campaign

The success of your debt elimination campaign may be helped by including additional elements that will increase donor participation and motivation. For example, perhaps you have been discussing a building renovation project, have wanted to begin an endowment fund, or are interested in increasing giving to outreach ministries. In many circumstances, adding another element (or more) to your debt campaign can broaden your appeal and engage more donors.

#### Debt, Renovation, Outreach, and/or Endowment – What’s Best for You?

Your supporters each have their personal philanthropic passions and objectives. For some, the elimination of your church’s debt will be inspiring. For others, they would be more likely to contribute if there were other items included such as renovation, outreach and/or endowment. So, how do you know if a combination campaign is right for you? Again, an experienced generosity consultant can help you discern your best options, but here are some general guidelines:

“ Adding another element (or more) to your debt campaign can broaden your appeal and engage more donors.

- If your debt is roughly the same amount, or less than you receive in annual contributions, it is frequently helpful to include other projects to your campaign.
- If your debt is twice or more the amount of your annual contributions, it is likely you will want to make debt your primary, although not necessarily your singular focus.

Much of your decision will be based on the terms of your debt, the length of time you have held the debt and other factors. A conversation with an experienced campaign strategist can help you know what is best for your particular circumstances.



## What can You Expect from Your Generosity Consultant?

Having selected a trusted partner to assist you with your Debt Campaign, what can you expect in terms of planning and support?

1. The first phase in the process is to work with you to articulate your vision for what will be different once the debt is retired. Your case for support should be inspiring and engage donors in understanding how lives will be impacted by the additional or expanded ministry you will be able to accomplish once the debt is eliminated.
2. You will want to have clarity around the amount of the debt (and/or other campaign elements) and the timing for paying it off.
3. Working through a feasibility study, your strategist will provide estimates for how much you can raise and help you establish your financial objectives.
4. It will also be important to understand who your most ardent supporters for the campaign are and who will lead the campaign effort.
5. You will want to establish a timeline for the entire campaign and prepare your people for the campaign itself. Of course, you will want to allow time to engage your financial leaders first.
6. Communication will be vital to your success. Guided by your strategist, you will create an integrated communication strategy utilizing all of your communication channels.
7. You will want to be sure to have a strategy in place through which you will express gratitude to your donors. Modeling gratitude helps set the foundation for teaching biblical generosity principles.





## CHAPTER SIX

### **Erasing Debt Will Help You Prepare for Future Growth—Today**

Paying off your debt can be the catalyst for growth and establish a strong trajectory for your ministry's future. When debt service prohibits you from taking on bold new ministry initiatives or growing your current ones, it is likely time to consider a debt elimination campaign. By intentionally tackling the debt, you will position yourself to achieve God's vision for your ministry now and in the future.

#### **How Debt Elimination Can Help You Prepare for the Future**

If your church is in debt, there are certain things you will not be able to consider such as the addition of staff members, increased programming, updating facilities, and many more. Also, if you are burdened by debt, you may not be in a position to adequately respond to financial emergencies or budget shortfalls. The elimination of debt will not only provide increased resources for ministry funding, but will convey your ability to manage a robust budget. In addition, freeing up time and resources will help improve organizational efficiency, allowing you to achieve more than ever.

#### **A Few Things to Consider Before Conducting Your Debt Campaign**

Paying off debt can be a long and arduous process. Before embarking on a campaign, be sure you address the following:

- Have clarity about the debt by understanding how it was originally incurred, how much has been paid, how much is left, and what resources are currently being used to fund it.
- Understand the terms of your existing loan(s) and what resources may be available to you such as refinancing or early payments. If the loan is held by a denominational body, meet with your denominational leaders to understand the terms and conditions that apply.
- Review your annual budget and prioritize your current and future ministry objectives.



horizons  
STEWARDSHIP

## CONCLUSION

### The Best Is Yet to Come

Many churches have a debt crisis because of the undue burden created by servicing the debt. In some churches, the weight of the debt prohibits them from discussing any new ministry objectives even in light of profound needs in their communities. If your church is in debt, a debt campaign may be the solution.

Donors contribute to you and other organizations because they want to make an impact in the world. With debt stifling your ability to reach your full ministry potential, donors will be unable to see how their generosity is working to fulfill your vision for ministry. Now is the time to assess the impact debt is having and consider a debt campaign to free up resources and more fully live into God's vision for your ministry.

A debt campaign can be the energizing event you have been looking for. Donors will appreciate your ability to remedy the encumbrances of the past and boldly create your vision for the future.

**CASE STUDY**

Three Churches Expand Ministry Capacity Through a Debt Campaign

horizons  
STEWARDSHIP

[Download](#) the Horizons' Debt Campaign Case Study.

**Have a Clear Roadmap for Success**

Visit [Horizons.net](https://Horizons.net) to learn more about Debt Campaigns.



## ABOUT THE AUTHORS



### Kristine Miller, CFRE

Partner and Senior Vice President

As a veteran generosity coach, Kristine believes generosity is key to enjoying a deeper and more meaningful relationship with God.

Kristine is a book author, keynote speaker, and workshop leader at stewardship conferences and other leadership events. She did her undergraduate work in Business Administration at The Ohio State University and received her M.B.A. from Northern Illinois University. Kristine has also held a C.F.R.E. (Certified Fundraising Executive) credential since 2007.

Kristine traveled extensively in Asia while living in Singapore and enjoys cooking Asian food. She and her husband live in Clarkston, Michigan.



### Joe Park, CFRE

CEO

Joe leads a team of 38 dedicated Ministry Strategists and support staff at Horizons Stewardship, whose mission is to help churches and faith-based nonprofits grow disciples and fund ministry. The Horizons team has assisted churches in raising over eight billion dollars in capital funding and uncountable amounts of annual and planned giving. Joe has consulted and taught extensively on implementation of best practices in generosity, strategic planning, and change management.

Joe earned a degree in Finance and Banking from the University of Arkansas and a master's degree in Business Administration from Boston University. Joe and his wife, Rev. Lisa Greenwood, live in Dallas, Texas.



horizons  
STEWARDSHIP

## ABOUT HORIZONS

Horizons Stewardship helps church and faith-based nonprofit leaders grow disciples and fund ministry through a collaborative framework that is tailored to the unique culture of the church, aligned with leadership's vision, and implemented through coaching, planning, technology, and analytics to ensure the church lives into its full ministry potential and impact.

After more than two decades of working with thousands of churches to raise billions of dollars for ministry projects, Horizons has refined a deeply integrated, spiritually-focused approach that consistently results in more ministry funding and more effective disciple-making strategies.

Horizon's ministry team of International Coaching Federation (ICF) trained coaches are ready to help you discover a proven, effective process that will empower you to move forward with clarity and confidence. On average, churches that partner with Horizons experience a double-digit increase in giving within the first twelve months.