

Ministry Funding Challenges for 2021 Key Ideas and Observations

Churches face increased operating expenses due to the technology and data infrastructures necessary to support digital ministry needs and expectations.

The pandemic has provided an opportunity for churches to evaluate current commitments and make changes without creating the distractions and interruptions these adaptive and technical changes would cause in a less disordered time.

Many churches are losing connection with their donors, and they don't even know it. The challenge with using only online connections to measure online worship attendance is an inability to see who has quit attending. A 2019 Barna Group study suggests that 32% of Christians have stopped attending church during COVID-19 and another 18% have switched churches. This challenge is compounded when a church has reduced small group and service opportunities due to COVID-19. An effective online registration system to measure worship, small group, and service participation is critical.

On average, it takes three to six months before a recurring giver or someone who has made a pledge stops giving after they stop attending. Only measuring current giving doesn't help identify the risk of a future decline of overall giving. The time to re-engage with the people who have stopped attending and engaging with your church is now. Don't wait, or it may be too late.

Positive cashflows in 2020 are leading many church leaders into a state of complacency. Based on conversations with hundreds of churches and studies from the Lake Institute and ECFA, it appears that about 60% of churches had one of their best cash flow years due to PPP loans and lower operating expenses. Many leaders are leaning back instead of leaning in, lulled by having record amounts of cash on hand.

Stay connected to your ministry and financial leaders. In most churches, 10-20% of households fund the majority of ministry funding. It frequently takes 7-10 new givers to offset the loss of one financial leader. Make sure you are making personal contact with your ministry and financial leaders on a regular basis.