



A Special Report from

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S T E W A R D S H I P

Seven Challenges to Funding Ministry in 2021

Joe Park



A Special Report from Horizons Stewardship's CEO: Joe Park

Never in the 20 years since I left my role as a bank CEO and followed a call into ministry, have I seen anything approaching the level of exhaustion, stress, anxiety, and depression among pastors and key staff. The isolation created by social distancing protocols has left our church members largely unaware of the trauma their staff is experiencing. Now, after investing heroic efforts to pivot from an in-person ministry focus, the honeymoon seems to be over and disillusionment is beginning to set in.

Pastors and staff exhausted themselves by pouring their hearts, souls, and creative energies into solving the enormous technical challenges to get to this point, only to see their fall regathering plans disrupted by last minute delays in school openings and constantly shifting guidance on what's safe and what's not. Rather than being cheered on for their efforts, as would occur in most disasters, unaware church members are not just un-affirming, but often increasingly disgruntled and demanding.

In the midst of all of this change, pressure, and uncertainty, pastors are feeling tremendous stress to plan and fund ministries in 2021, and it is going to be harder than ever.

THE CHALLENGES ARE PILING UP

Despite the great financial year most churches are enjoying in 2020 due to PPP loans and lower operating costs, funding the 2021 ministry budget will be much different. In addition to exhausted staff and uncertainties due to COVID-19 and social distancing, churches are facing a number of other challenges. Here are just a few.

- **32% of practicing Christians have stopped attending during COVID-19.** These are the findings of a recent Barna Group State of the Church study. It is a great concern that most churches don't even realize they have lost these folks, because online attendance numbers have generally held steady. The challenge is that most churches have failed to invest in effective online worship registration strategies, so they simply do not know who is attending. It is likely the loss of these primarily Gen-X and Millennial worshipers is being masked by Boomers and Builders attending online worship more frequently than they attended in-person worship.



- **14% of practicing Christians have already switched churches.** In the same Barna Group study, 14% reported they had already switched churches, and another 18% are essentially church shopping by watching more than one worship service each week. That means that only 35% are still actively engaging in online worship with the church they were attending in March.
- **Giving to the church is in decline.** Giving to religion fell 1.7% over the last two years in inflation adjusted dollars, making it one of only two major giving categories to see a decline. The other eight all grew from 2.7% to 14.4%. This is a long-term trend dating back to 1989 when religion received almost twice the percentage of total US giving as it does today.
- **Giving almost always falls in recessions.** The US economy contracted by an annualized rate of over 32.9% in the second quarter, which is the worst decline in decades. It is almost certain this massive economic contraction will impact future giving.
- **Changes due to COVID-19 are impacting the reasons many donors give to the church.** Each generation born after 1945 is increasingly quick to reduce giving when the church cannot demonstrate impactful life change and when they lose personal involvement in worship, discipleship, and service. Many churches have scaled back or ceased important ministries, small groups/Sunday schools, and service opportunities. Doing so, even if unavoidable, weakens many of your donors' motivation to give to you. Sound year-round generosity discipleship strategies can effectively grow your worshipers to embrace percentage giving, tithing and beyond, but you are going to be increasingly asked to answer this question "Why should I invest God's tithe in your church?" If they don't like your answer, they will increasingly shift their giving elsewhere. The impact has been that most churches today are already receiving a minority of their members' giving.
- **Financial leaders need a plan.** There has been a significant shift in wealth (17%) since 1989 from the bottom 90% of households to the upper 10%. Recent changes in the tax

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codes have created a new normal where wealth is increasingly being concentrated in the top 1% of households. Consequently, church ministry funding is becoming increasingly dependent on high-capacity donors, who already tend to share only a minority of their charitable giving to religious causes. To maintain and grow these donors' giving to your church or ministry, it is increasingly important for them to hear a clear ministry plan with measurable results. That means you must make your case as to why they should invest in your ministry or giving will continue to shift elsewhere.

- **Increased operating expenses.** It will be increasingly rare for churches who worship over 100 to thrive if they do not fully embrace a digital strategy of ministry, in addition to continuing effective in-person strategies. This will require the addition of new skills and technology, which requires additional funding and/or the purposeful abandonment of many sacred cows. Making this pivot can be particularly difficult for some in the Builder and Boomer generations who are much more likely to connect with God through the familiar surroundings and patterns of in-person Sunday morning worship. Reverend John Thornburg refers to this as the Spirituality of Place (and Space), which is not restricted to church buildings, as people also connect with God in nature or in other settings and activities.

SO, NOW WHAT?

In spite of the increasing difficulties, fully meeting your ministry funding needs is achievable and tens of thousands of churches will continue to succeed and prosper. But, the days of one size fits all generosity development strategies are long gone. **In response, Horizons has developed a process to grow cultures of generosity we call Next Level Generosity.** It's grounded in five disciplines that provide a tangible and measurable plan forward in the midst of uncertainty. In fact, churches who work with Horizons see an average increase of 16% in the first year.

You don't have to go through this alone, and I highly recommend you don't. Horizons has a team of experienced, trained guides who have helped thousands of churches raise billions of dollars for ministry over the last few decades. Now is the time to gather your staff, key leaders, finance committees, and generosity teams to have an honest conversation about the macro trends that will impact your church in the next 30-120 days—if they haven't already.



To aid you in these conversations, you may request a highly-skilled Horizons Ministry strategist to participate in or even guide these conversations on an hourly basis. The first hour is on us.

The decisions you make today will impact your capacity to fund your ministry plan, make more disciples, and, ultimately, do more ministry. All in a time when the world needs the church to rise up more than ever.

Schedule your no-cost discovery session by visiting Horizons.net

About the Author

Joe Park, 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 seven 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.

Prior to joining Horizons in 2002, he served as CEO of Community Financial Group with banking, insurance, and investment presences in seven different cities. He was named one of Arkansas' Outstanding Business leaders by Arkansas Business Magazine, was a recipient of the Sam Walton Business Leader Award and was selected by the Secretary of the Air Force as a Civilian Leader representative to the Air War College. The Community Financial Group received the prestigious Arkansas Governor's award for Most Outstanding Mid-Sized Company for Community Service.

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.