

Surviving through change

Examining the next-level generosity movement

By Kristine Miller

You might have already sensed the dramatic shift in the philanthropic landscape. The way in which donors are giving, the number of donors contributing, and the number of organizations donors are supporting are all in rapid flux.

Changes to the tax code have given rise to donor-advised funds and other tools that cause confusion and angst among churches and nonprofits. These changes — with more on the horizon — have challenged churches to rethink how they are engaging donors in the short and long term.



According to a 2018 study, the number of donors contributing to charitable causes has decreased from more than 68 percent in 2002 to more than 55 percent in 2014. As a result, fewer donors are providing much-needed resources to a growing number of charitable causes. The trends illustrated in the graph below, as well as changes to the tax law, suggest this decline will continue at an increasingly rapid pace.

How many Americans make charitable donations

The share of Americans who give money to charity fell from about 68.5 percent in 2002 to 55.5 percent in 2014, the most recent year for which data is available.

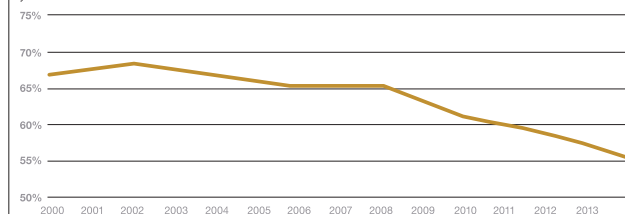


Chart: The Conversation, CC-BY-ND / Source: University of Michigan/IUPUI Lilly School of Philanthropy Panel Study

On top of this, the percentage of giving going to religious organizations is growing smaller every year. In 2017, giving to religious organizations totaled 31 percent of charitable dollars, down from close to 60 percent in 1960. The shifting landscape also includes the rise of Gen-Xers and Millennials into church leadership roles, neither of which contributes as much as their predecessors (Baby Boomers, Silents, and Builders) did when they were the same age and stage of life.

The good news

In the midst of these changes, there is encouraging news: churches that understand how to respond and adapt to the changing landscape are raising significant funds and growing their ministries.

Church leaders who have expanded their thinking beyond traditional ways of giving have found donors who are ready and willing to provide additional resources for ministry funding. Churches that have adapted to the new generosity paradigm are able to move their congregations to the next level of generosity.

According to Joe Park, managing partner at Horizons, most churches in America are experiencing several challenges. These include a decline in the percentage of giving households, members that attend worship less often, and a greater reliance on fewer loyal families.

"An increasing number of churches are looking for creative ways to move the generosity needle," Park said. "In this new environment, churches that want to thrive in the future are looking for solutions now to move their congregations to the next level of generosity."

To this end, Park said Horizons is committed to helping churches navigate this change through a process called "Next Level Generosity," or NLG. The process begins with a 360-degree review of all the church's giving, stewardship and generosity practices, as well as dozens of other church processes that have an impact on generosity — even if a church might not realize it. **The objectives are to increase giving to the annual ministry budget, address short- and long-term capital needs, and increase current endowment giving and future planned gifts, all while helping people grow spiritually.**

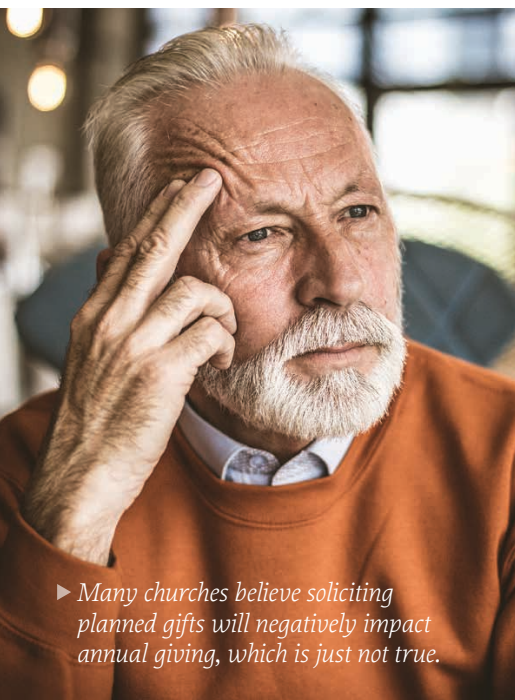
Once the NLG evaluation is complete, findings are used to develop a list of specific strategies for the church's unique culture and ministry context. The idea is to meet churches and their donors wherever they are on their generosity journey and provide specific, contextualized strategies and coaching to move them to the next level of generosity.

One of the outcomes of the NLG evaluation is a timeline that prioritizes recommendations and plans for rolling out each of the strategies. Partnering with church leaders, the Horizons staff formulates a plan and provides coaching support for growing generosity to the next level.

The resulting NLG calendar is a comprehensive plan for all areas of giving: annual, major/capital and planned giving. While some churches focus primarily on raising annual giving, churches that are able to effectively engage donors in all three pockets will be best positioned to successfully adapt to the changing giving environment. Accessing all three giving areas is critical because donors typically contribute from different income sources with distinct motivations. Churches that neglect the capital and planned giving areas often see member gifts going to non-profits that are more diligent in asking for them.

"Every good non-profit solicits all three pockets all year long," Horizons' Founder Clif Christopher said. "Those of us in the church focus too much on the annual pocket and neglect to invite donors to give from the capital pocket and the estate pocket."

Park agrees, "Many churches believe soliciting planned gifts will negatively impact annual giving, which is just not true. Our experiences suggest that people who include the church in their estate plans also increase their giving to the church's annual ministry budget. They become more invested in the church's ministry and choose to support it financially."



► *Many churches believe soliciting planned gifts will negatively impact annual giving, which is just not true.*

Often the first recommendation in an NLG plan is to identify and recruit a generosity development team who, with coaching from a Horizons ministry strategist, will create and oversee the execution of a year-round generosity development plan as outlined in the NLG calendar. A generosity development team differs from other teams such as finance and stewardship because of its interdisciplinary nature. The generosity development team will generally include representatives from church leadership, communications, worship, discipleship, missions, finance

and different worship venues/services. The mix of staff and non-staff on a generosity development team will depend on if the church is primarily staff-led or non-staff-led. Even in churches that are strongly staff-led, there are usually several highly skilled church members on the team. Adding highly-skilled and well-connected church members to the team has the added benefit of closely connecting these potentially high-capacity donors to the work of the church in a volunteer role with low time commitment and high impact.

In non-staff-led churches, choosing the right team members is particularly critical to the church's success. Professional coaching helps guide the church past the pitfalls of choosing generosity team members based on factors such as perceived availability, professional skills, or desire to become more involved. The first criteria for generosity development team participation is a personal practice of biblical generosity principles. It is essential that team members be contributing generously to the ministries of the church relative to their means. This does not mean generosity development team members must be the largest givers to the church. They should, however, be contributing generously to the church and making over and above gifts that suggest they view the church as an important priority for their giving. Above all, generosity development team members should demonstrate they understand their roles as stewards of God's abundant resources.

These principles are also critical for staff members serving on the generosity development team, particularly for pastors and key program staff. Prospective generosity development team members should be given a job description that provides clarity about the role and responsibilities. Setting expectations in advance will ensure the recruitment of the most effective group of church leaders.

In his book, "Generosity Rising," Dr. Scott McKenzie, a partner with Horizons Stewardship, has offered a helpful generosity development team job description. [www.giving365.com]

Typically, large churches will choose from 20 to 30 generosity development strategies to implement over an 18- to 24-month period. Smaller churches might choose to tackle 15 to 20 prescribed generosity strategies. Some of the most common recommended strategies include:

- Development of high-capacity donor and financial leader strategies
- Implementation of donor analytics
- Wealth screening and financial dashboards
- A personal financial management emphasis
- Alignment of mission / vision and donor strategies with the church communication channels
- Development of a theology of stewardship, giving and generosity
- Ongoing capital and planned giving development
- Inclusion of the discipleship path in the development of generous stewards
- New-donor and lapsed-donor strategies
- First-time giver strategies
- Improved offering talks
- Donor recognition strategies
- Use of small groups in vision casting and donor development

In the midst of the shifting financial and philanthropic landscape, one constant is the ongoing challenge to raise sufficient funds to keep pace with growing ministry objectives. Churches with visions for ministry that are big, expansive and expensive require increasing donor support. With fewer donors in the mix and increasing competition for philanthropic dollars, churches must adapt in order to move to the next level of generosity. [CB](#)

Kristine Miller is a Senior Partner with **Horizons Stewardship**. A book author and frequent speaker at national church leadership events, Miller oversees the content marketing for Horizons. Kristine has a Masters in Business Administration from Northern Illinois University and has held CFRE (Certified Fundraising Executive) status since 2007.