

Beyond *the* Offering

Energizing Congregational Giving



Alexander-Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things *First*



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www.fundraisingcounsel.com



from the Carolina office of
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"My Crystal Ball is Fuzzy!"

So said famous mathematician and developer of **fuzzy logic**, Lotfi Zadeh when asked to predict the future. This is exactly how many of us feel after nearly seven months of living with the COVID-19 pandemic, economic fluctuations and on-going social and political unrest. We are seeking certainties, answers, and clear direction for the future but everything remains *fuzzy*.

With the release of the *Giving USA 2020* information in mid-June, we saw that giving to religion, when adjusted for inflation, remained relatively flat in 2019 while giving to all nonprofit organizations was up 4.2% overall. Giving to religion remains by far the largest overall recipient of charitable dollars. While overall charitable giving was strong as we entered 2020, we have yet to determine the impact of the current pandemic and economic issues on congregational giving.

Just as we are tracking the effects of the pandemic and recognize that situations vary according to local communities, we recognize that congregations are different given their communities, cultures and practices.

Based on early 2020 studies, we know that between 84% to 95% of donations to a congregation come through the offering plate. Since most congregations are not able to gather for their sabbath in person, and since most have moved to live-streamed or on-line worship services, *the offering plate* has been replaced by on-line giving or mailed in envelopes. (On-line giving is taking off with churches, see below.)

We don't know what the future of church will look like – the crystal ball is fuzzy, indeed. However, I believe the pandemic has accelerated some changes in how our congregations already were attempting to change certain elements of raising funds pre-pandemic, primarily online giving, communication technology, and the annual practice of *stewardship campaigns*. Here are some practical approaches I recommend for the coming months:

1. **Provide opportunities for giving via multiple "channels."** Especially as we

approach the fourth quarter when historically attendance rises, and assuming even if some members are able to gather in person most medical experts are advising against passing the plate, congregations must make giving simple, direct and immediate. By now, most congregations have established some form of online giving. Take this one step farther by encouraging your constituents to set up monthly giving.

2. **Focus on talking about specific needs.** Your congregation is still engaged in life-changing work that is likely more important now than ever. Be clear in stating weekly or monthly needs to help your members see the impact of their giving. Anecdotally, I've heard that churches which have that established specific COVID-19 relief opportunities focused immediate needs – housing, food, medical - are receiving increased financial support.
3. **Emphasize a different type of year-round strategy for giving.** The abbreviated stewardship season, focused annual giving campaign or in-gathering Sundays which we used in the past are changing. Your stewardship team should meet now and develop new approaches for communicating your financial needs in support of your mission throughout the year. Instead of focusing annual stewardship on one week or one month, giving opportunities and messaging should be spread throughout the year.

I am joining others who believe that we will always need to address *dual congregations* – a group of members who participate on-line or *virtually*, and another group who will gather in some form or another for more traditional faith community experiences. We must do all we can now to think strategically about new approaches to the changing concept of stewardship, create a plan for maximizing gifts during the fourth quarter of the current calendar year, and be willing to pivot as congregation leaders as things change.

Remember, *The magic is inside you. There ain't no crystal ball!* – Dolly Parton

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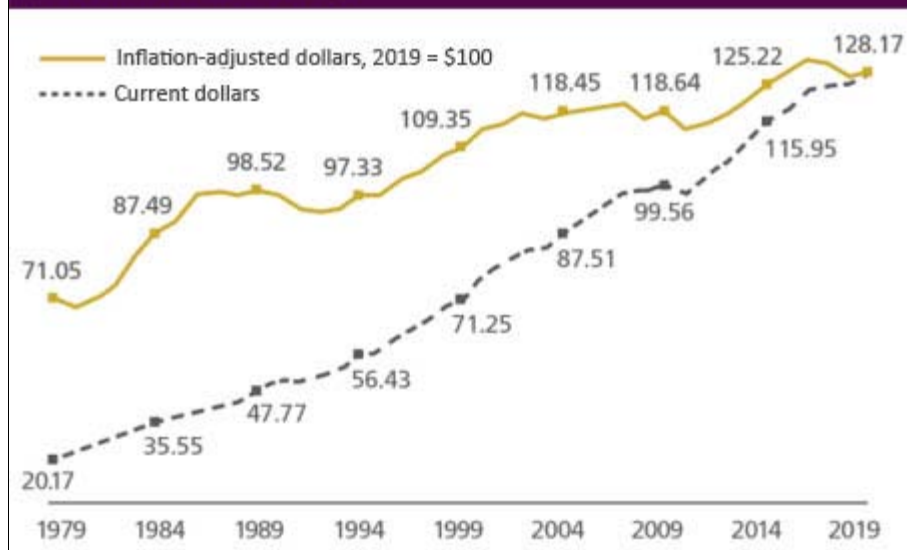
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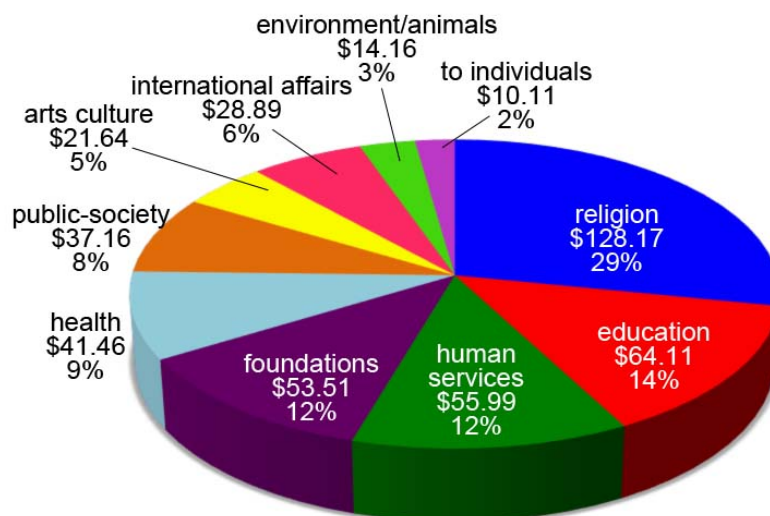
Giving to religion in 2019

Giving to religion 1979-2019 (in billions of dollars)



- Giving to religious organizations increased 2.3% in current dollars from 2018, totaling \$128.17 billion in 2019. Adjusted for inflation, giving to religion was flat, with growth of 0.5%. It comprised 29% of all donations received by charities.
- In 2019, contributions to religion totaled the fourth highest inflation-adjusted amount recorded to date.
- According to Blackbaud Institute's Charitable Giving Report, online giving to its sample of faith-based organizations increased 8.0% between 2018 and 2019. Online giving comprised 10.0% of total giving for these organizations.
- In current dollars, giving to religion was flat at 0.2% between 2017 and 2018. Cumulatively, current-dollar giving to religion increased 2.5% between 2017 and 2019.
- Adjusted for inflation, giving to religion decreased 2.2% between 2017 and 2018, and increased 0.5% between 2018 and 2019. Cumulatively, giving to religion decreased 1.7% in inflation-adjusted dollars between 2017 and 2019.
- In the last three five-year periods, giving to religion realized the slowest rate of growth during.

Giving by Recipient



Tithing & Giving Updates

Giving to Faith-Based Organizations Likely to Hold Steady or Increase

Eighty-five percent of people who gave at least \$1,000 in 2018 or 2019 to a faith-based nonprofit say they expect to give the same amount or more this year as they did last year, according to a new survey.

Key Highlights

- 60% said they expect to give the same amount this year as in 2019.
- 25% said their giving will increase.
- 15% said their giving will decrease.
- 8% said they plan to shift their giving to other causes or nonprofits because of the Covid-19 pandemic.
- About half of donors said they made special contributions in March through June 2020 in response to the pandemic.
- 71% of those donors said they consider that money "over-and-above their regular giving."

The report concludes: "Overall giving to faith-based nonprofits is likely to hold steady or even increase through the remainder of 2020."

On-line Tithing Grows in Popularity How Is Yours?

When churches started moving services to online only, churches started having success with online giving. While online giving becomes normal for many members, church officials anticipate that the trend will continue into the future.

"Now that we have been meeting in person again, people are still giving online mostly," said Reese Gill, pastor at **Mumford Baptist Church** (AL). "If online giving has been this successful in rural Alabama among many church members who are not the most tech-savvy people, I believe it is reasonable to expect the majority of churches to see their giving shift heavily to online."

Sam Rainer, pastor of **West Bradenton Baptist** (FL), said the church's leadership team asked members to switch to online giving. The two-campus church, with a pre-pandemic attendance of about 700 people, has seen online giving increase from 20 percent to 50 percent since the emphasis. Rainer said in addition to the giving portal on the church's website, the church will also be adding a text-to-give option in the next month. *Baptist Standard, 8-3*

CARES Act Funds to Faith-Based Organizations

Religious organizations received as much as \$10 billion in the first round of COVID-19 aid. An analysis by *Ministry Watch*, an organization that provides guidance on charitable giving, reported this month that churches and other religious non-profits as a whole received between \$6 and \$10 billion from the Paycheck Protection Program, which provided forgivable loans under the CARES Act in March. The report identified more than 400 evangelical ministries and churches that each received at least \$1 million in COVID-19 aid, with seven institutions receiving PPP loans of \$5-10 million. *NPR, 8-3*

Majority of Donors Are Optimistic

A nationwide survey of the giving intentions of donors across 44 states finds overall, U.S. donors appear to be optimistic about the economic recovery in the coming months, and more than a third surveyed reported their financial situation was better than last year.

Key Findings

- Nearly two-thirds expect the economy will rebound by the end of 2020 or by the middle of 2021 at

the latest. Nine percent say they don't expect the economy to recover to pre-pandemic levels for a very long time.

- Six out of 10 mid-level and major donors expected their giving to stay at the same level as last year, and that one in four respondents expected to increase their charitable gifts in the second half of 2020.
- One-in-six donors expected to give less, and fewer than one in 20 anticipated a substantial drop in their giving for the rest of the year.
- More than 40% of major donors surveyed said they won't attend a big in-person gathering until there's a vaccine.
- About 80% of donors expressed a willingness to meet one-on-one with fundraisers, or attend a small event at their church or in someone's home, as long as social-distancing and other measures were in place.

Financial Advisor, 8-3

We Want You to *Know*....

Transforming Institutions

For more than 30 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with both large and small faith-based organizations, helping sew the seeds of compassion, hope and charity.

[See a list of our faith-based client partners...](#)

Our Transformational Services

Raising the funds to meet the mission and ministry needs of churches is becoming increasingly challenging. At Alexander Haas, we understand the challenges that congregations face in raising the funds to support their mission. More importantly, we understand how to overcome those challenges. We offer a variety of stewardship services for the unique needs of faith-based organizations.

[What can we help you with?](#)



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