

# THE PARISH PAPER

## IDEAS AND INSIGHTS FOR ACTIVE CONGREGATIONS

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### Giving to Congregations: Have Patterns Changed?

Two extraordinary gifts made headlines.

◆ Warren Buffett, the world's third richest man, donated the biggest gift in U.S. history—\$30 billion—to the Bill and Melinda Gates Foundation.

◆ The second noteworthy gift—a more modest \$150,000—was donated to The University of Southern Mississippi by Oseola McCarty, one of the state's poorest citizens. She spent more than eighty years washing and ironing clothes. A disciplined saver, she wanted “somebody's child to go to college,” an opportunity she never had. She sacrificed to make certain she saved one person from her fate.

Most of us possess resources somewhere between these two high-profile contributors.

*Across America, lots of money goes to charitable causes, including local congregations.* Two out of three U.S. households make charitable contributions. Large gifts like the two examples above receive media attention, because 95 percent of us give a total of \$6,000 or less per year to all charitable causes. For all giving-households, the median annual gift was \$1,917.

Contributors direct sixty cents of every dollar given to charitable causes to religious organizations, primarily local congregations.

*What other types of organizations attract contributions?* The long list of worthy causes includes poverty relief, education, health, youth and family services, the arts, neighborhood improvement, the environment, international aid, combined funds (such as the United Way), and other open-ended charitable endeavors.

*Are people of faith the most generous of givers, even to secular causes?* Yes. Households where an adult claims a religious affiliation give substantially more to all causes (66 percent of all households in this group make contributions). Only 41 percent of all households where an adult declares “no religion” contribute.

**Time versus Money?** If people volunteer their time to a charitable organization, will they give less money to that same cause? In other words, do they treat time and money like a multiple-choice question?

◆ Research on this “either-or” theory reveals that households where an adult member volunteers give more than the average household gives.

◆ The volunteer-household gives more than double the amount to charitable causes than the no-volunteer household gives—\$1,994 compared to \$866.

**New Insights for Congregations.** The Center on Philanthropy<sup>1</sup> released its findings from a panel study of giving that has tracked the same households and their financial matters since 1968. Several results point to significant trends:

◆ First, increases in religious giving by the “Pre-war Generation” (families headed by someone born in 1945 or earlier) kept pace with their income growth.

◆ However, religious giving by “Baby Boomer” families (whose heads were born between 1946 and 1964) was about \$250 less than expected, given their income growth during the same period. The drop in Baby Boomer *religious* giving was larger than the drop in their *secular* giving, which was only \$70 less than expected.



*What explains that difference in religious giving between the Pre-war Generation and the Baby Boomers?* After extensive research, the Center on Philanthropy scholars concluded the following:

◆ The differences were *not* caused by income, wealth, diversion (shifting contributions to secular causes away from religious ones), or other factors.

◆ The less-than-expected religious giving is also *not* due to a drop in the number of large givers among Baby Boomers. The top 5 percent of Baby Boomer givers contributed an amount fairly close to that of the Pre-war Generation's top 5 percent of givers. But, on average, the remaining 95 percent of Baby Boomers made smaller gifts.

*Why do Baby Boomer households give less than Pre-war Generation households give?* Differences in religious giving reflect differences in religious involvement. Individuals who attend church and those who are involved in congregational life give more generously to the local church. Baby Boomers attend less, are less involved, and therefore, give less.

**Lessons for Members.** First, *be an exception* to the rule. Follow the example of Oseola McCarthy. Her scotch-tape-bound Bible opened to 2 Corinthians 9:11: "You will be made rich in every way, so that you can be generous on every occasion." (NIV) What life changes could you make that would enable you to move your giving into the top 5 percent of all households?

Second, be an example for your children. Again, research shows that adults whose parents give to religious causes are 11 percent more likely to give to religious causes than are adults whose parents did not contribute to those causes.

**Lessons for Church Leaders.** Shift from old-paradigm giving methods to new-paradigm methods:

◆ Develop a strategy that asks for signed pledges.

◆ Send individual contributors quarterly statements that show their gifts-to-date compared to their pledges.

◆ Give members specific education about contributing. Currently, three out of five worshipers in conservative Protestant churches give 10 percent or more of their income to the congregation. In mainline Protestant churches fewer than one in five worshipers give 10 percent or more. Therefore, that education should emphasize (a) giving to the church as a priority, (b) percentage-of-income giving—a well-ordered approach that insures growth in giving as income grows, (c) progressive giving—a commitment to *increase* the percentage of income given, and (d) promptness—a commitment to respond to requests from the congregation for a planned strategy.

◆ Move away from a "unified budget" (comprised of requests from all of the committees and ministries, including special offerings) to a budget built on central congrega-

tional values and mission priorities, plus special offerings.

◆ Measure church health by multiple factors, including the actual dollar amounts given for ministry. Church health is not a function of (a) the percentage of the total church budget given to "ministry" or "outreach" or any single category or (b) the membership's per capita giving.

◆ Explore avenues for helping members contribute from all pockets of wealth—savings, investments, annuities, gifts of property, and other accumulated resources.

◆ Ask in person for contributions. Never use blanket invitations to give or mass "customized" mailings that solicit contributions in any manner other than face-to-face (in the worship service or in a personal visit).

◆ Involve clergy in a central and visible leadership role in all financial campaigns.

◆ Emphasize that members are stewards, not owners, of earthly resources.

**The Main Point.** Duncan Hanson, a denominational leader, retells a story about a mission worker's arrival in a small town in Central Europe. The local congregation warmly welcomed the missionary. After a lavish meal and festivities, the members complimented the visitor on his sensitivity to local customs, how he relished the foreign menu, and his command of the national language.

Finally, everyone departed except for the mission worker and one elder in the small church. The mission worker said to his new friend, "Everything was beautiful. But I do have one question. Why did the people of this congregation not ring their church bell?"

The elder paused and then replied, "There are perhaps a thousand things I could say. For instance, I could tell you about the sociology of our small town or the history of bell making in this region from Roman times to the present. But perhaps one point will be enough."

"Yes?" inquired the visitor.

He answered, "There is no bell."

*Why do many local churches have fewer financial resources than in the past?* The answer is not complicated:

◆ Fewer Americans attend religious services. If they are not involved, they do not give.

◆ If they attend, they often are not asked personally to give.

<sup>1</sup> Mark Wilhelm, Patrick Rooney, and Eugene Tempel, 2005 ([http://www.philanthropy.iupui.edu/Research/WorkingPapers/religious\\_cycle\\_002.pdf](http://www.philanthropy.iupui.edu/Research/WorkingPapers/religious_cycle_002.pdf))