

stuff you wish they taught in seminary



5 Church Budget Items to Rethink for Fall 2020

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As we look to the coming months, a **tremendous amount of uncertainty** still remains.

Many church leaders across the country are facing **huge pressures from COVID-19** and the ensuing economic crisis.

Budgetary pressures are leading us to rethink many aspects of the way our churches invest their resources. We find ourselves in a prolonged reopening phase that is requiring many churches to consider **how best to ensure their long-term resiliency**.

We must look carefully at church expenditures and wrestle with how we are investing these resources. In today's post, we dig into five budget areas to rethink and reconsider in the coming months to help us increase our resilience during this phase, and better position us for long-term effectiveness as a ministry.

Rethink Partnerships

Many churches have found a way to relieve budgetary pressure by partnering with other like-minded ministries in their communities.

This is an opportune time to contact a student ministry in your community about potentially working together to make a great, combined student ministry, or maybe to connect with a like-minded church across town and discuss their expenditures to see if there are overlapping areas where both churches could share resources.

This is also a time for denominations to step in and coordinate spending among their movements to ultimately help their churches save resources.

Partnerships are a powerful way to find budgetary savings while still seeing ministry effectiveness.

We have been [discussing church mergers](#) and, in a very real way, a church merger is the ultimate partnership to help your church continue to reach people in a cost-effective manner.

What if you challenged ministry leaders to look at every item that they are planning on spending this fall and ask them if there is a way to accomplish the same ministry outcome with a partnership? Adjacent ministries or organizations that you have a relationship with would be the best place to start. You could serve as a relationship broker to help your ministry connect more with others, long term.

Partnerships can improve church resilience during this phase.

Rethink Hiring Relationships

The church staff is often the largest budget item for a church, and it is impossible to address budgetary pressure without carefully considering how your church pays for staff, considering that this accounts for nearly 50% of many church budgets.



We need to look carefully at staff-related expenditures and see if there are ways to compress this area and find more financial efficiency.

One way to do this is by considering [1099 independent contractors](#) rather than full employees for certain tasks. **Independent contractors can provide a more discrete service that may not require a full-time staff member, and this provides them the flexibility to work with multiple organizations.** For example, rather than hiring another graphic designer or video editor, you could hire a few part-time creative professionals, working as 1099 contractors, at a similar cost. Additionally, you can refocus these contractors on tasks completed rather than hours worked to control staff expenditures.

Another way to decrease staff expenditures is to consider part-time employees. Some churches are reluctant to hire part-time employees because they believe that, unless someone works full-time, they will not be fully committed to the church's mission. **However, in this season, there may be roles that could be part-time as your ministry moves forward.**

Consider leveraging more remote staff working relationships. [Belay Solutions](#) has a proven track record of supporting churches with their virtual assistants, remote bookkeepers, social media team members, and more. [Design Pickle](#) is a proven solution for helping tackle design work for your church. At unSeminary we've just started using [Video Husky](#) to do regular video editing at a very affordable price.

Rethink the Budget Process

Many churches have a 12-month budget process that outlines future spending and revenue plans. However, in our current situation, this may not be the most prudent plan. **Rather than budgeting for the entire year, you might instead plan for the next three or six months and reposition your budget around short-term goals.**

This has been a practical function for our church during a relief phase in which we were pivoting and trying to understand what way was up. However, through this resiliency phase, we may need to continue to consider the short-term rather than planning for longer durations.

While we need to have an eye to the horizon and make decisions that will best position the church for a strong relaunch when we are finally free of COVID-19 impacts, carefully focusing on the short term could better position us for this resiliency phase.

Rethink Donor Development

No budget reconsideration is complete without considering both expenditures and revenue.



We should never consider only cost-cutting areas. It is essential to look also at what we are doing to increase revenue. There are many churches that have seen this as a season of revenue growth because they have been increasing their communication and engagement with their community. COVID-19 has forced us to improve the communication process, which has ultimately engaged more donors. Here are three ways to improve donor engagement during this season.

- **Weekly offering talks** // The two minutes before the offering is received during an in-person service, or encouraged in an online

service, are probably the most important two minutes in your entire service for donor development. Leverage focus, effort, time, energy, and creativity on making the most of those few minutes. Ensure that you cast a vision and explain how donations are making a difference in the lives of others.

- **Monthly donor updates** // Most churches do a poor job of keeping donors current on how their giving is impacting the church. What if, rather than having only an annual donor update that looks at the financial picture of the church, a monthly update was provided? These reports should include great images, focus on a vision, and express gratitude to donors.
- **Increase the “thank you” process** // People who continue to give in this season are truly sacrificing and our churches need to increase their thank you processes. When someone gives to your church for the first time, what is done to reach out to them, to ensure that they know that we are thankful for their gift? How can we give extra appreciation to those who become recurring givers? Perhaps this gratitude could be expressed through the online giving process. What is being done to give extra kudos to those who continue to be a vital part of your ministry?

Rethink Expenses in Light of the Need for Surplus

One of the things that COVID-19 has taught us all is the incredible need for us to generate surplus revenue.

Every church in the country needs to work towards **having at least a three-month revenue surplus on hand** to be able to continue to minister and to respond to the needs of our community during emergency situations.

What if we reconsidered our spending in light of how an expense helps or hinders us in generating a three-month surplus? If your church is currently generating a surplus, how many weeks until it will amount to three months' worth of expenses?

What expenses could your church decrease to accelerate that process? Accelerating surplus generation to achieve a three-month surplus and

focusing those resources on new ministry opportunities will help your church increase its resilience during this phase.

If our churches do not have a three-month surplus available, we are simply not leading in a way that will help us to have the resilience necessary to accomplish a full relaunch once we overcome the impacts of COVID-19.

Are You Looking for More Help During This Phase?

"The first job of a leader is to define reality, last to say thank you and, in between, to be a debtor and a servant." – Max DuPree.



Where are we now?

We have **developed a new leadership talk to help us wrestle with the phase in which we find ourselves.** In this talk, we give clear context for where churches in the country have been since the outbreak of COVID-19, define the dynamics we are currently experiencing, and chart a course towards a strong relaunch.

This video is perfect for senior church leaders to use with their teams. It comes with a team discussion guide to help your team think through the implications of this current season. It is designed to get your team talking!

[Click here to watch a free leadership training video on understanding the three phases of COVID-19 impact on your church and how your team should be responding in this season to lead from here.](#)