

Alternative Funding Models for Congregations

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Pastor John Wertz, Jr at EPIC, Harrisonburg

Resource: Funding Forward by Grace Duddy Pomroy

Why do congregations explore alternative funding models?

- Congregations decide to explore more economically sustainable models that emerge from the congregation's mission.
- The cost of maintaining a facility and the combination of salaries and benefits for staff members has increased dramatically.
- The ELCA research department estimates that on average a congregation needs to have \$160,000 to \$180,000 per year in financial resources to support a ministry with a full-time pastor. (roughly 50 donors giving \$3400 to \$3600 per year)
- Regular and deferred maintenance on buildings often means large one-time expenses or significant regular expenses.
- Alternative funding models provide opportunities for expanding existing ministry.

Utilizing Property

- Some congregations who have under utilized space or land are looking at options for using their property to generate financial resources for ministry.
- Look for opportunities with positive mission impact or opportunities that are mission neutral, not simply those that produce the most financial impact.
- The ELCA recently launched a Church Property Hub with resources for congregation on building utilization and stewardship.
 - Link to Resource Hub Main page: <https://www.elca.org/church-property-resource-hub>
 - Link to Downloadable Files: <https://resources.elca.org/?categories=church-property-resource-hub>
- Repairs, Maintenance, and Taxes are all consideration.

Partnerships

- Possibilities:
 - Shared staff to reduce the cost of staffing and increase impact
 - Shared space
 - Shared ministry efforts
- Alignment with the mission of the congregation is key.

Social Enterprise

- What is a social enterprise? According to Grace Duddy Pomroy, "a social enterprise is 'a venture that seeks to engage in social impact while also generating revenue from operations.'" (pg. 113)
- Opportunity to use the gifts and resources of the congregation to make an impact in the community to support the mission of the congregation.
- Fee-Based Ministries: Some congregations charge for events and programs. For example, a congregation might run a summer camp for kids where the fee pays for staffing and use of the building.
- Non-Profit Business
- For-Profit Business

How Can we Shift Our Congregation's Financial Model?

According to Funding Forward, the forwarding six practices “were the fuel that the congregations [in the research project] needed to get this process off the ground and to endure as they created cultural change.” (pg. 165)

- Partnerships/Community Relationships
- Pastoral Leadership
- Lay Leadership
- Focus on Mission
- Generosity
- Openness to Change