



## Is Fundraising a New Animal?

Churches take fresh approaches to fundraising campaigns

by Martin Sinderman

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Churches don't have to let today's tough economy stand in the way of running successful fundraising campaigns for new facilities.

Recession-induced fears of job loss may have parishioners wary of giving, and lenders looking to make loans may seem to be in short supply. But at the same time, there are churches out there utilizing some innovative strategies that have enabled them to set new fundraising records; and while getting credit is no easy task, it is not necessarily impossible either.

### The economic backdrop

"We are beginning to see the impact of the poor economy on extraordinary giving projects," says J. Scott Reitsma, senior vice president of the Ministry Development Group for San Dimas, Calif.-based Christian Community Credit Union (CCCU). "But not on ordinary giving [i.e., tithes and offerings], which has proven to be pretty resilient historically."

Ordinary church giving typically doesn't decline during recessions unless they are prolonged, according to Reitsma. "It usually takes about 18 months before you start seeing a tail-off in ordinary giving—but extraordinary giving typically starts to show the effects well within a 12- to 18-month period."

There has been very little slippage in extraordinary giving for capital campaign projects in areas where unemployment is still in the single digits, reports Gregg Hood, senior vice president, Loan and Capital Solutions, for Springfield, Mo.-based AG

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Eagle Brook Church turned to a different campaign strategy for its most recent successful campaign. Church staff hosted a series of 10 services that held 250 people each, called "The View From Here." They set up the sanctuary platform with chairs and had attendees look out into the worship center seats as they projected people's stories onto the walls and ceilings, and lit up a chair that would represent a life that was changed. The pastor framed the experience as being what he sees from his vantage point each week. Eagle Brook's three-year, \$25-million pledge campaign that has been reported as the largest campaign of its type for an Evangelical church in 2009. (Photos courtesy of Eagle Brook Church)

Financial Solutions. "But where we have seen a real drop in places where unemployment is 15% or higher, which is what you would expect."

Don't be overwhelmed if your church is located in a high-unemployment area, though. "People need to remember that even when unemployment reached double digits at 10%, 90% are still employed," Hood notes.

In times like these, pastors need to keep their eyes on the fundamentals of fundraising campaigns, according to Hood: "First off, there has to be a demonstrated need. If you have people coming to church on Sunday and the building is crammed full and there is nowhere to park, they will find a way to give for a new facility."

Demonstrated strong leadership is also important. As Hood adds, "Church members have to be convinced that church leadership can meet the challenge for which funds are being raised, so they can be confident that they are entrusting scarce resources to leaders that can make the project happen."

Most of all, remember that money always follows vision. "It's the 'vision piece' that creates excitement," Hood says. "People need to see that they are not being asked to give just to clean up a mess, but for something that enhances the Gospel being preached, and people being saved through ministry."

#### Not time to hunker down

Eagle Brook Church, a three-campus church in the Minneapolis-St. Paul, Minn., area that has some 12,000-13,000 in attendance every Sunday, wanted to raise funding for two new campuses. Given the current state of the economy, though, the church originally thought it should cut back on the monetary goals of its capital campaign, or perhaps postpone it all together.

That's not what this church wound up doing, however; instead, Eagle Brook recently wrapped up a three-year, \$25-million pledge campaign that has been reported as the largest such campaign for an Evangelical church in 2009.

"If you wait for the economy to get where it needs to be, if you wait for your church to get where it needs to be, you will be waiting forever," says executive pastor Scott Anderson. "If God has laid something in your church's heart to accomplish, it is not dependent on the economy." Our outlook has always been, "We will use money to accomplish what we need to, whenever it is available," he says. "And when it is not, we will find other ways."

Eagle Brook has historically done in-house campaigns every two to three years, but this time around decided to do things a lot differently.

"We realized the economy was going to be a major factor, and that the goals of our campaign were pretty big," Anderson recounts. In response, the church partnered with Dallas-based fundraising consultant RSI, "who helped us fashion our campaign in ways that worked really well."

During past campaigns, Eagle Brook used a "platform-based" approach to generating interest and enthusiasm, according to Anderson, this largely taking the form of announcements and talks given during weekend services. This latest campaign, however, used different tactics.

"At the suggestion of RSI, we were much more proactive in getting individual members to give highly personal talks on how the church has influenced their lives," recounts Anderson. The actual speakers were recruited from a website Eagle Brook had set up a few years ago for congregation members to relate stories of how the church changed their lives.

"In previous campaigns, we focused on physical details—new buildings, how big they are going to be, that kind of thing,"



Canyon Creek Church in Lynwood, Wash., tried a new tactic when it came to its most recent fundraising effort. Lead Pastor Brandon Beals says the church put its time and effort into creating a high-tech campaign that spoke to its local culture. The church produced a tri-fold brochure and DVD telling the story of what the church hoped to accomplish through its building campaign. They also set up a web page, "The Amazing Race," where members could go for daily updates on campaign progress. As a result, Canyon Creek raised \$1.5 million in about 30 days. (Photos courtesy of Canyon Creek Church.)



A new app for non-profits to increase donation revenue ... FrontGate Media, an Orange County, Calif., faith-based, pop-culture media and marketing group, has partnered with MobileGive.us of Irvine, Calif., on its uGive mobile fundraising application. According to the Mobile Giving Foundation, \$30 million has been raised for Haiti relief via text donations using the app. That's a six-fold increase over all of 2009. Find out more at <http://www.FrontGateMedia.com/MobileGive>.

Anderson recounts. "We decided to minor in those things this time around, and instead major in personal stories."

These talks were given at a series of events held between September and November. The campaign was launched with pig roasts at all three campuses, "where we called on people to celebrate what God has done for us, have a meal and some fun together, and hear a message about what we felt God was calling us to do," Anderson shares.

Another event was "The View from Here," a five-night series where congregation members shared stories about the impact of the church on their lives, in order to get the crowd to embrace the idea of promoting the same thing in close-by communities.

Some 2,000 people attended these events, according to Anderson. "We felt these events were a good way for us to get people in those areas excited and ready to embrace the idea of a new church nearby—I [believe] they were very useful in getting people talking, and generating some 'buzz' and excitement."

The campaign was capped by a five-week message series, followed by a commitment weekend in the middle of November.

"We feel like the goals of our campaign resonated deeply with our people," Anderson says. "The levels of participation went well beyond what we had experienced in the past, and exceeded anything we even dreamed about."

In the advice department, Anderson advises churches to not be flummoxed by the state of the economy.

"Our initial thoughts were that we were just going to do a small campaign, given that this is a time when a lot of people are just 'hunkering down' financially," Anderson says. "But the more we talked about it, the more we realized that we are continuing to grow, there is lots of momentum behind what God is doing here—and it is NOT the time to hunker down."

### **\$1.5 million in 30 days**

The 600-member congregation of Canyon Creek Church, an Assemblies of God congregation in Lynwood, Wash., is predominately white collar, comprised largely of young families, according to Lead Pastor Brandon Beals. "And as a result, we have a group of people that are consistent in their tithing, but we don't get a lot of huge checks."

Working with guidance from AG Financial Solutions, the growing church recently undertook a capital campaign to acquire property for a new home. The effort lasted roughly one month—and grossed \$1.5 million in pledges to be paid over a three-year period.

Introduced on the last Sunday in October 2009, Canyon Creek's capital campaign was run a bit differently from most.

"Most of the time, churches are advised to emphasize personal meetings during campaigns," Beals says, "but we put about 75% of our efforts into creating a very high-tech campaign that spoke to the culture of our church."

Campaign leaders produced a tri-fold informational brochure that included a DVD telling the story of why the campaign was being held, and showing examples of what the funds would accomplish. They also set up a web page entitled "The Amazing Race," where parishioners could get daily updates on campaign progress and the status of the property.

The campaign for funds for the new church ended in November. "This is going to be known as a church an entire congregation built, because there were 215 family units, with no one pledge over \$50,000, that enabled us to raise the \$1.5 million," Beals says, adding, "which gives us assurance that we will probably fulfill 100% of what was pledged."

### **Credit corner**

Bank lending for commercial real estate, and by extension church facilities, is virtually non-existent, according to Reitsma. The situation is particularly acute in areas hardest-hit by the housing bubble. CCCU "is still very, very active" in this market, he reports, although it has made some changes to its underwriting guidelines within the past year.

Churches attempting to refinance existing loans on construction projects are also caught in a bind these days, according to Reitsma.

"One unfortunate scenario we're seeing is where a church is seeking to refinance a bond," Reitsma says. Bond companies were particularly aggressive lenders a couple of years ago, and did not have to work under the same underwriting limitations/guidelines as more regulated financial institutions such as credit unions, he explains. "And now we see those churches unable to refinance for the amount they are looking for, due to the slide in property values."

Today's credit crunch and weak economy mean that ministries need to plan to amass their capital campaign dollars prior to construction, adds Reitsma. As late as two years ago, it wasn't unusual for a church to provide its contribution to a capital project over the course of construction, "But that's a virtually unknown scenario today, given the relative unpredictability of

capital campaigns.

“In most cases, the best source of capital these days is the money you raise yourself,” adds Hood. Churches that want to borrow money should first find a good lender that is still in the market, he says, with denominational lenders being a good choice. And once you find a lender willing to talk with you, “Make sure your documentation is in order, that you can demonstrate positive growth trends, and provide evidence of good stewardship.”

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