



Automatic for the People

5 Great Reasons to Consider Electronic Giving

By Matt Whitaker

More time. More money. When I pondered the top five reasons why churches should consider offering electronic-giving options, I kept coming back to those two basic benefits.

"It's like having an extra Sunday every month," claims Melinda Donovan of St. Elizabeth of Hungary Catholic Parish in Acton, Mass.

And Carol Poplin of St. Anthony of Padua in Falls Church, Va., found that, on average, people who enrolled in electronic funds transfer (EFT) gave 17 percent more than they had the previous year.

Despite such benefits, electronic giving is a big leap for many church leaders. Many have philosophical issues with foregoing the collection basket. Others feel their churches are too small to benefit. Some naturally shy away from technology. And many busy pastors or finance committees simply haven't found the time to sift through an increasing number of options.

There certainly are challenges in implementing any new program, but I believe the benefits of EFT far outweigh the costs.

1. Your Members Want It

The Federal Reserve recently estimated it expects overall check volume to decrease by 15 percent this year to 11.8 billion checks, continuing a trend that started in 1998 when check volume peaked at 17 billion.

How does this translate to your church? Check volume is decreasing because more American consumers — your worshippers — are automating many of their bill payments and paying more through electronic-banking systems.

At every church we've worked with, there has been some pent-up demand. When the church rolls out a program, they get an immediate positive reaction from a number of members. My own Catholic Parish in Arlington, Va., recently asked parishioners what their "wish lists" were for the church, and electronic giving was one of the top responses.

People are looking to simplify their lives, and automating church giving can help them do that.

2. You'll Save Time

Electronic giving can simplify your life. One church we spoke to uses about 10 hours of volunteer time every Sunday opening envelopes and counting checks, along with another eight hours of staff time during the week posting payments. Every time a donor selects a monthly electronic-giving option, that's about 4.5 fewer envelopes to open and 3.5 fewer payments to post every month. You could redeploy those volunteers to more meaningful projects.

Additionally, depending on how you implement your program, you might even be able to automatically post all your electronic payments.

3. It's a Natural Extension of Other Stewardship Campaigns

Electronic giving is a tool to support your mission and, at its best, a very effective one. It shouldn't, however, replace good stewardship principles.

If you've read literature on stewardship or talked to one of the many excellent consultants in the market, you've most likely heard a few best practices. For example, stewardship consultants recommend that you tell your members exactly how their money will be spent so they feel more involved and attached to the work of the church. Ask them to make a commitment in writing. And keep them updated

on how they're doing fulfilling their commitments — a friendly reminder partway through the year if they fall behind or an expression of gratitude when they fulfill their pledge, for example.

Once people make a pledge, however, often the realities of life get in the way of fulfilling them. For many people on tight budgets, one or two missed payments can be hard to make up. Electronic giving is a gentle way to support your stewardship campaign and keep people on target. Once they make a commitment, the payments will automatically happen.

4. Donations Will Increase

Think of all you could do with a 10-percent lift in your budget. Electronic giving will help increase your total donations in a number of ways.

People who sign up will give more since they won't miss a donation when they miss a service. Additionally, you can get financial contributions from people who only occasionally attend.

Others have signed up people who are just joining the church, or who might attend for only a few months for special events such as baptisms. Many pastors we've spoken to have been a little uncomfortable about being perceived as always having their hands out, or about putting money concerns ahead of spiritual concerns. However, we know that churches with more money can initiate more programs and reach more people, and we've never heard any anecdotes of people staying home because they decided to electronically donate.

5. It's Easier than You Think

If you agree with my first four reasons, why not start offering EFT now? It's easier than you think.

Start by seeing if your current membership software has an ACH module. If so, it will save a file onto your PC, and you can send that file to your bank or to a third-party processing company to initiate the transactions. When you produce the file, the payments will post automatically, saving you more time every week.

If not, then some banks — and many third-party processing companies — can offer another easy option to generate payments. Some provide a completely outsourced solution: You send them your donor information, and they take care of the rest.

Web donations can get a little more involved if you take them through your own church website; however, there are also companies that will manage this component for you. EFTs typically cost less than 50 cents per transaction, and many companies or banks also charge a monthly fee. Credit cards are less accepted by churches as the costs are higher and many pastors have reservations about their members donating on credit. Credit card fees typically cost about 2.5 percent of the donation, plus a small transaction fee. Many companies can help you set up a merchant account to accept credit cards.

As more and more churches make the move to electronic-giving programs, you'll certainly see more articles like this one — and hear more success stories.

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