

Dam the Deficit With Data

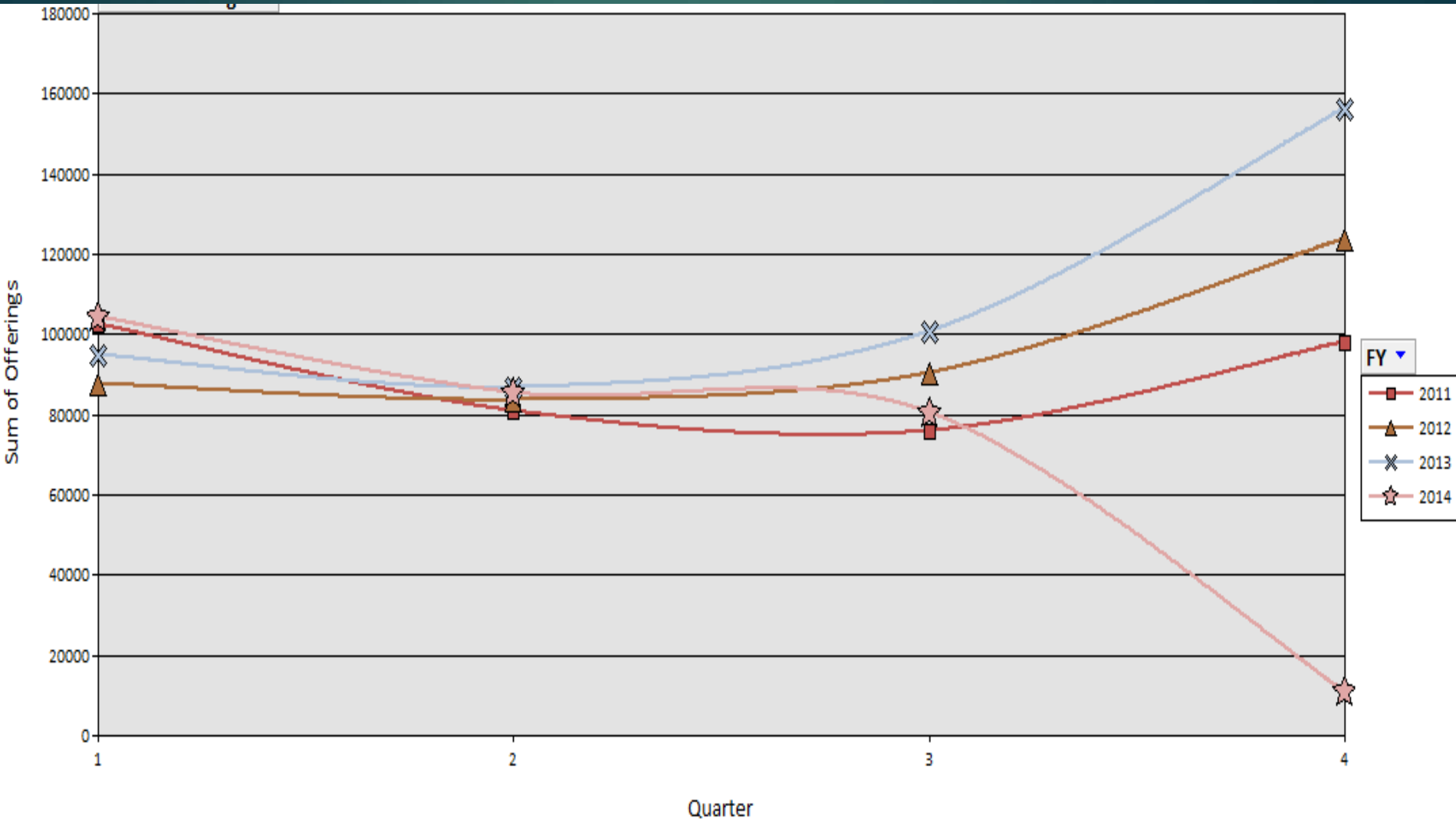
SWD PASSIONATE BELIEVERS CONFERENCE

JANUARY 30, 2016

NATHAN JASTRAM

The Wake Up Call

Start of the 4th Quarter



Somebody Has to Do Something

▶ *Somebody* has to do something

- ▶ Board of Stewardship
- ▶ Financial Secretary
- ▶ Treasurer
- ▶ President
- ▶ Pastor
- ▶ Contractor

▶ Somebody has to do *something*

- ▶ Sermons
- ▶ Short talks at beginning or end of services
- ▶ Bible studies
- ▶ Telephone calls
- ▶ Home visits
- ▶ Bulletin or newsletter articles

What Would Make a Difference To Me?

- ▶ Is the projected deficit for actual needs or merely for budgeted ones?
- ▶ Has the congregation been trustworthy in how it uses contributions?
 - ▶ Can expenses be cut instead of income being increased?
- ▶ Why did a deficit develop this year when last year was fine?
- ▶ Does the congregation have the capacity to increase its giving this year?
- ▶ Is the required level of increased commitment reasonable, assuming that many members will not dramatically alter their giving?

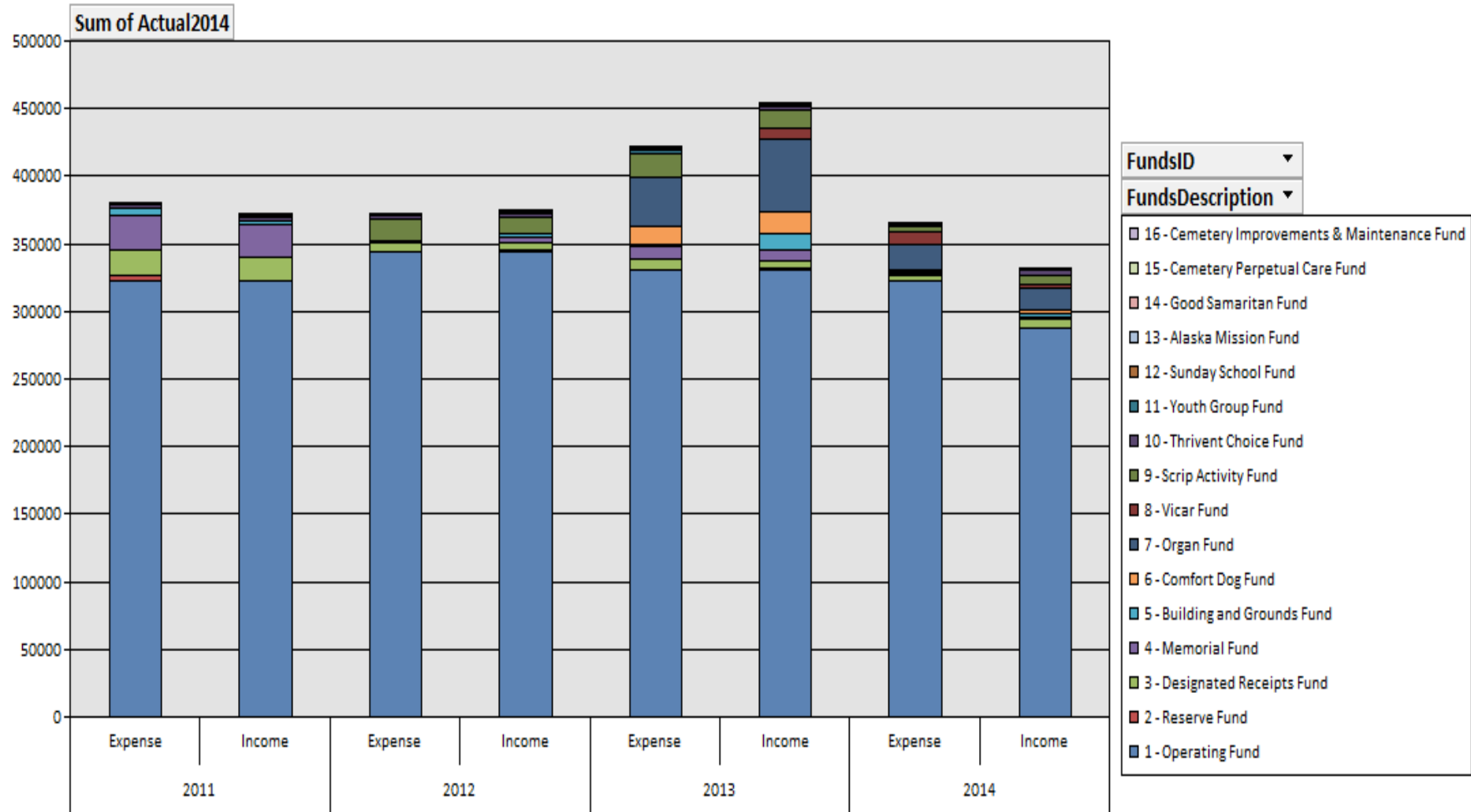
What Would Be Healthiest For the Congregation?

- ▶ Gather solid data rather than working with conjecture.
- ▶ Keep the church council informed and gain its support for interaction with the congregation.
- ▶ Tell the truth, but in a positive way as much as possible.
- ▶ Keep the data sharing as simple as possible.
- ▶ Resist attempts to solve the problem quickly by appealing to the wealthiest donor(s) to make massive contributions.
- ▶ Resist attempts to “solve” the problem by blaming the weakest donors for the deficit.

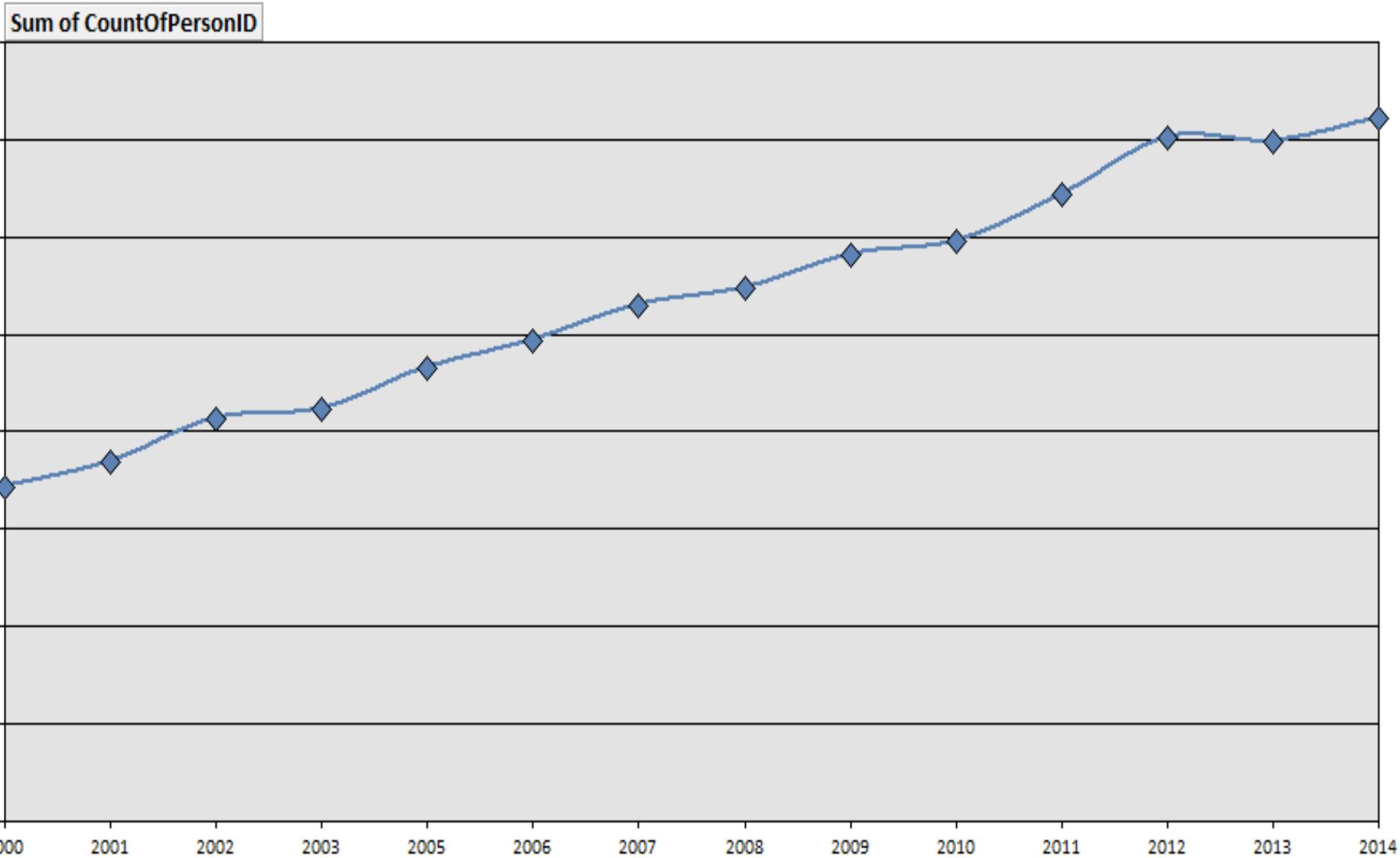
Resources for Data

- ▶ Treasurer Reports
 - ▶ Nine pages, four hundred lines, for every month
- ▶ Shepherd's Staff
 - ▶ 57,000 records of individual contributions for fifteen years
 - ▶ Limited options for reports
- ▶ Access
 - ▶ Limitless options for reports
- ▶ Excel
 - ▶ Many options for pivot charts
- ▶ Trust of the congregation and the council

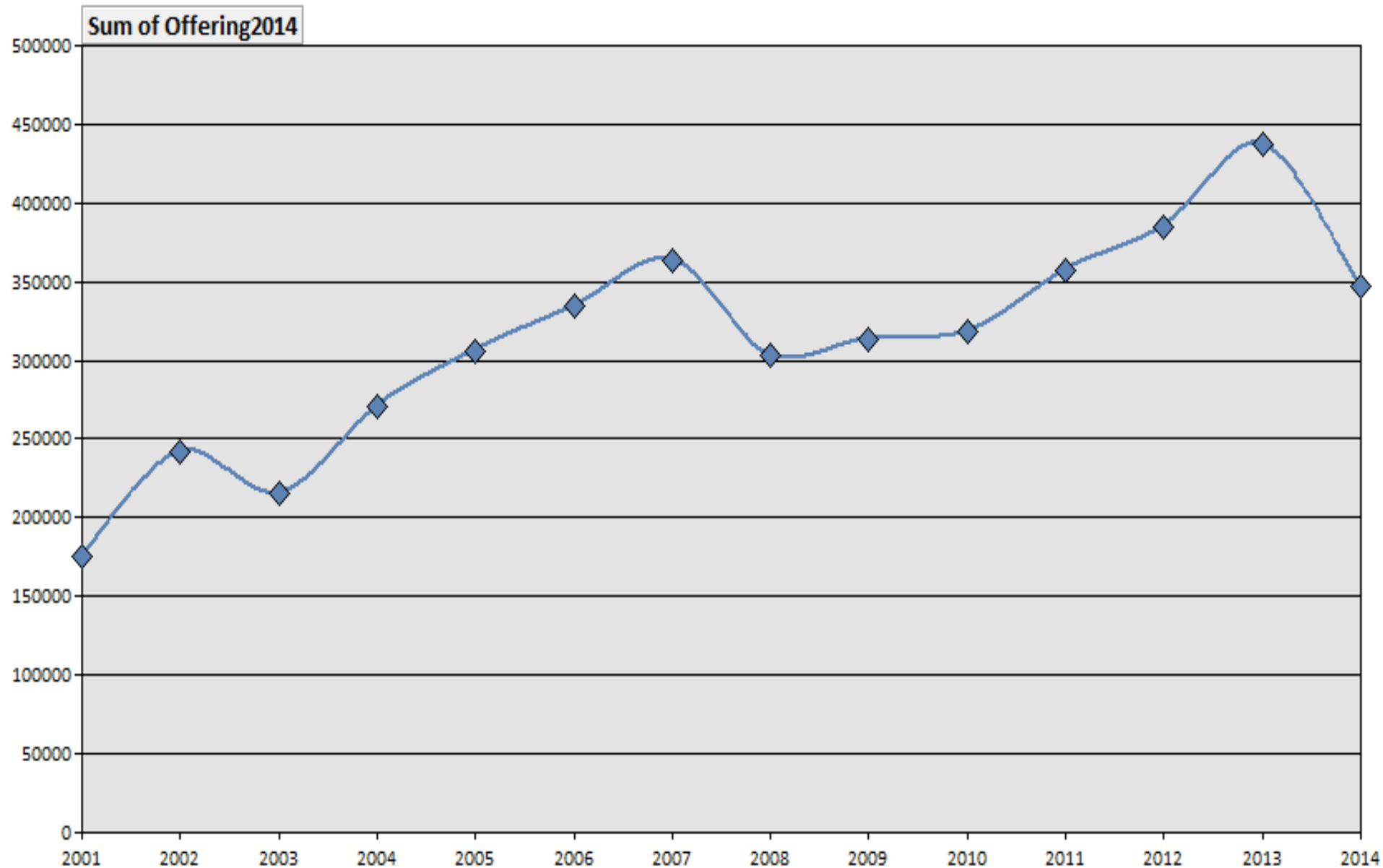
Total Income and Expenses By Different Funds



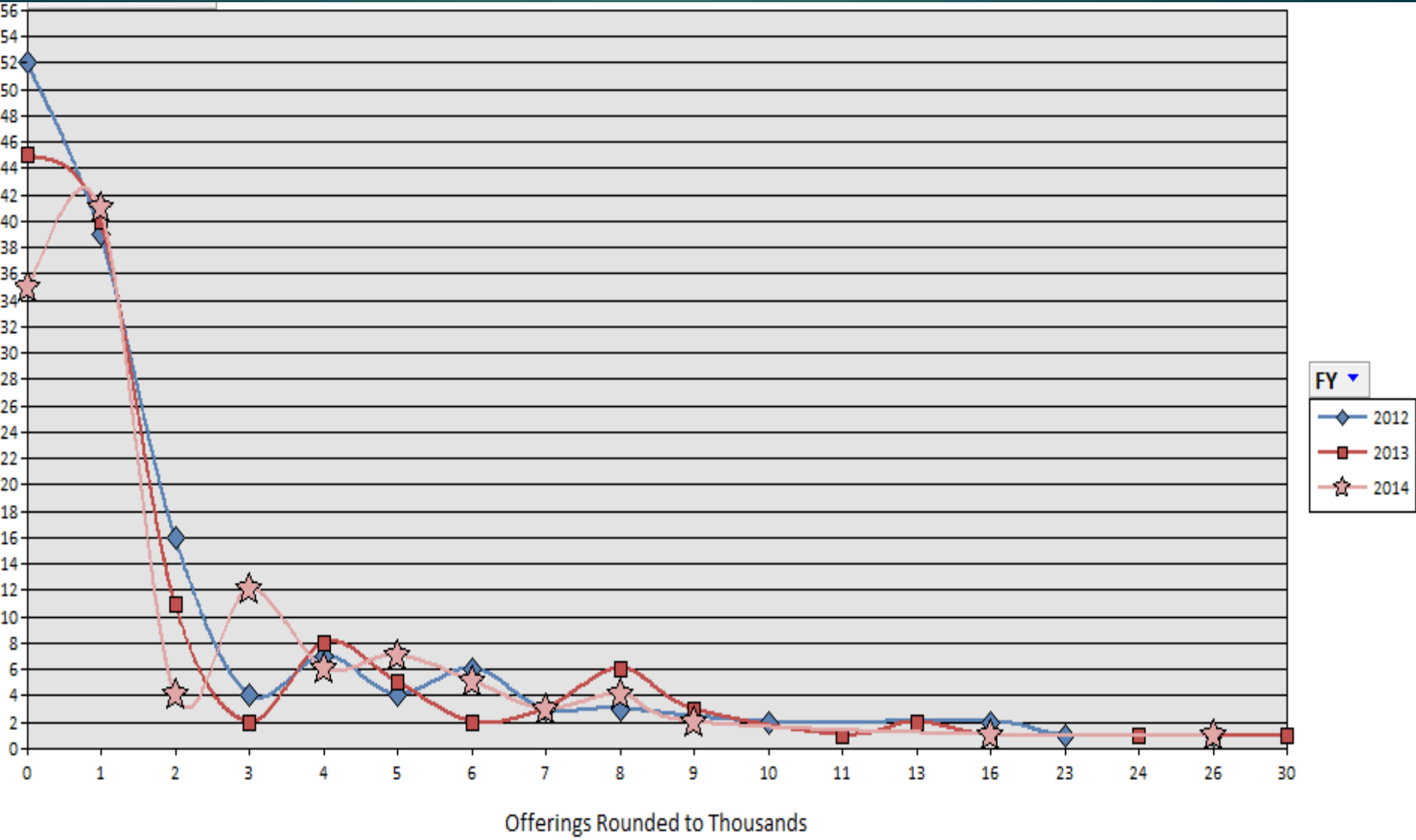
Growth in Membership



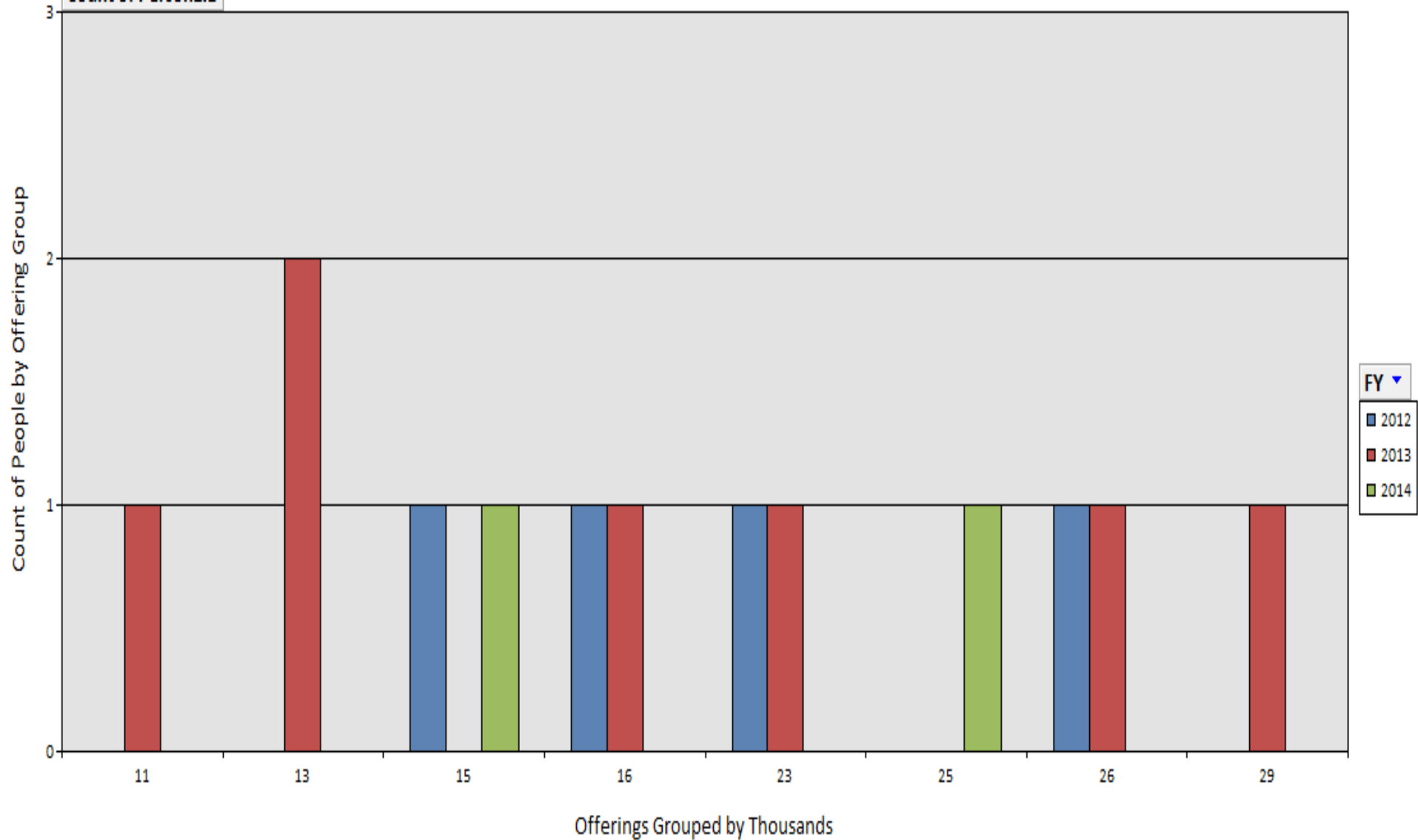
Growth in Contributions



Giving Units Grouped by Thousands



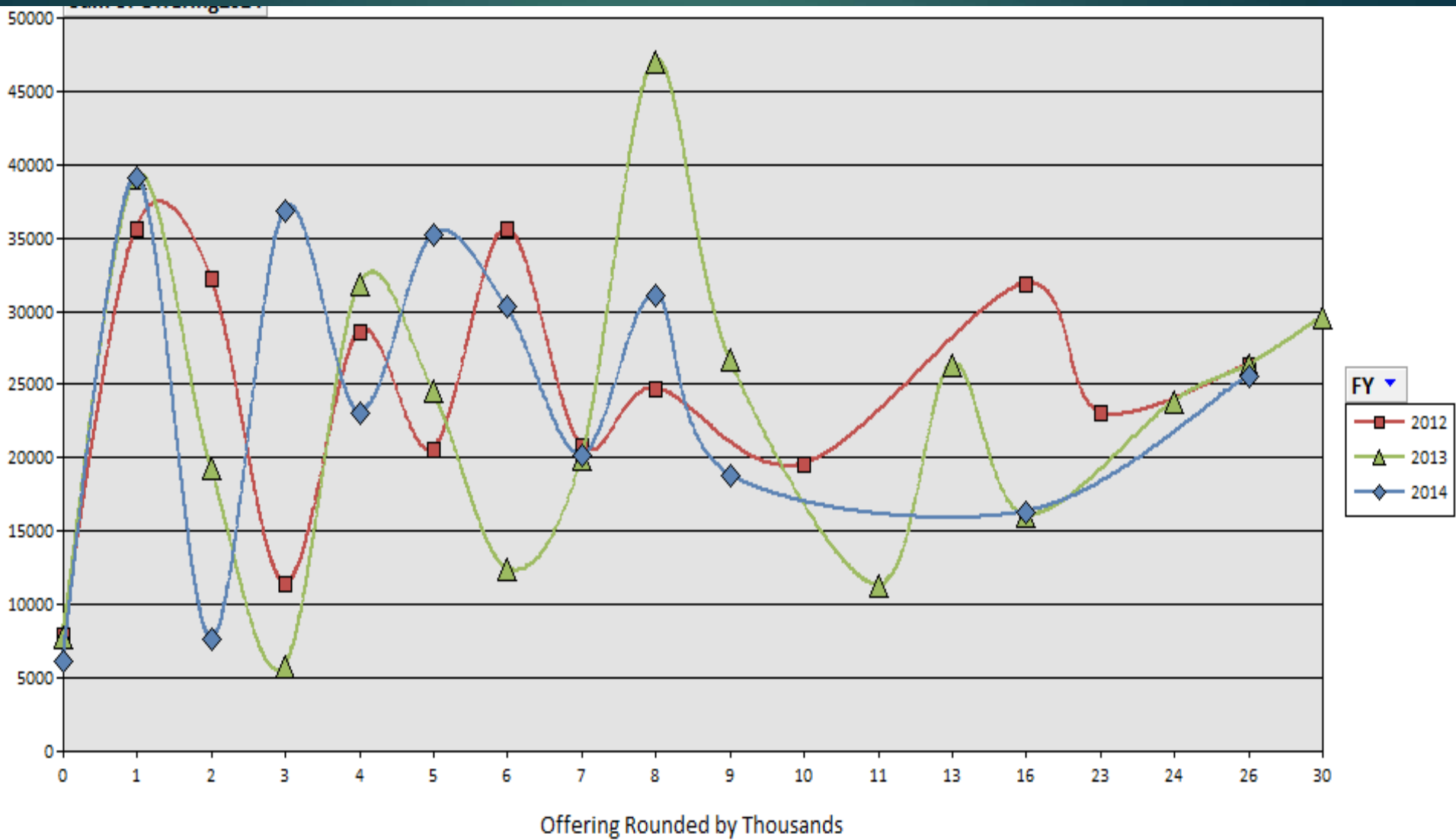
Largest Contributor Groups



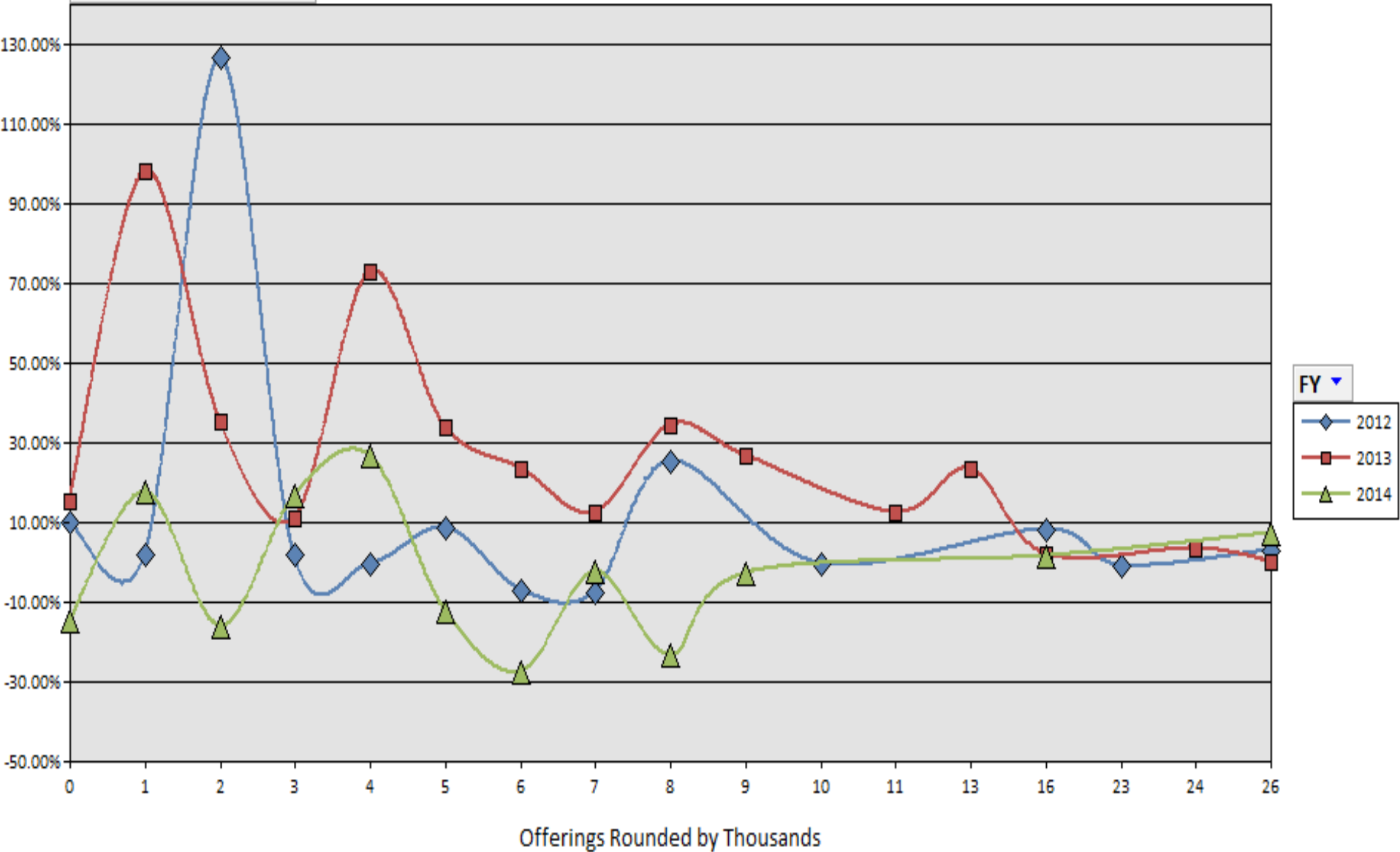
Major Decreases in Contributions

- ▶ Four major contributors were on track to have decreased contributions of nearly \$60,000, roughly half of which would affect the projected deficit
 - ▶ Non-deficit items
 - ▶ Major gift made for special project in previous year
 - ▶ Uncertain giving pattern
 - ▶ Deficit items
 - ▶ Change in membership
 - ▶ Change in business
- ▶ Bad blood was not a factor!

Sum of Contributions in Each Group Members of One Body



Change in Giving by Group



Hypothetical Financial Capacity Of the Congregation

- ▶ Median household income for Mequon between 2010 and 2012 was \$107,382
(<http://quickfacts.census.gov/qfd/states/55/5551150.html>)
- ▶ BSLC has 122 households
- ▶ **If** BSLC households are median Mequon households, and **if** each household followed the OT guideline of contributing 10% of income, **then** the annual BSLC budget could be
 - ▶ $122 \text{ households} * \$107,382 \text{ per household} * 10\% = \$1,310,060$
 - ▶ Actual budgets approximately \$370,000

Mission Possibilities With Hypothetical Financial Capacity

- ▶ Pay off mortgage in one year instead of in 20 years
- ▶ Support SWD ministries reaching out to the inner city
- ▶ Support the Karenni ministry
- ▶ Support several missionaries overseas
- ▶ Support several students studying to become pastors
- ▶ Support several charities in Mequon and Milwaukee

Reality Check On Financial Capacity

- ▶ God calls the lowly
 - ▶ Brothers, think of what you were when you were called. Not many of you were wise by human standards; not many were influential; not many were of noble birth. But God chose the foolish things of the world to shame the wise; God chose the weak things of the world to shame the strong. He chose the lowly things of this world and the despised things—and the things that are not—to nullify the things that are, so that no one may boast before him. (1 Cor 1:26-29).
- ▶ God's children also support other deserving charities

Reality Check

On Ignoring the Projected Deficit

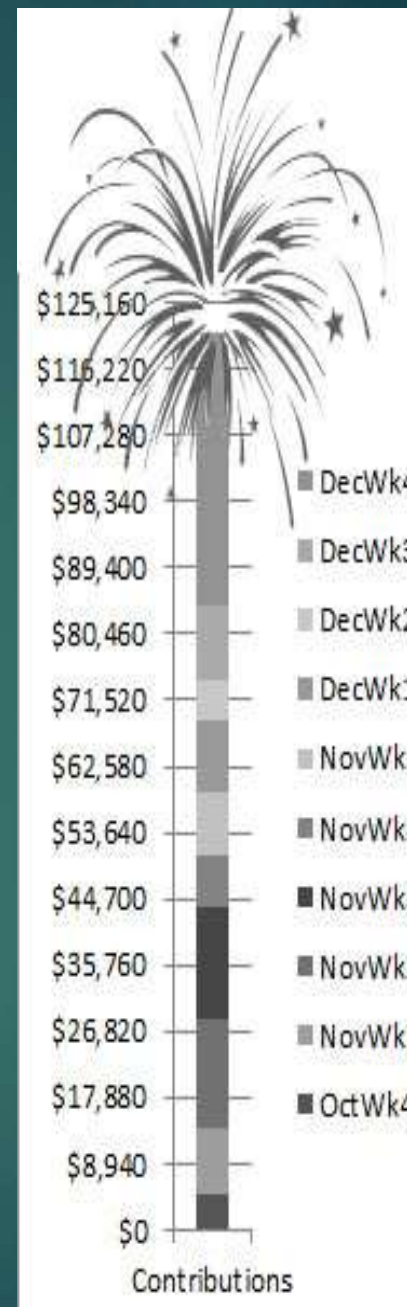
- ▶ Not much change the first year due to reserve fund
- ▶ Next year's budget would have to be changed
 - ▶ Renegotiate mortgage payments?
 - ▶ Salaries frozen or cut?
 - ▶ Less long-term stability
 - ▶ More spiritual suffering

Reality Check

On Path Forward

- ▶ Keep BSLC a vibrant spiritual family
- ▶ Switch some non-BSLC contributions to BSLC?
- ▶ Raise percentage of income to contribute?
- ▶ Rely on each other
 - ▶ 30 contributors raising contributions by \$1,000 in last quarter of year
 - ▶ And retaining the increase for the next year (\$20/week)
 - ▶ “Together we can make a difference”

Updates in Bulletin and Newsletter until End of Year



Needed to Avoid Deficit: \$76,000

Post Mortem

- ▶ Decision to use surplus for missions, mortgage, and energy conservation
- ▶ Congregation relieved, energized, and confident
- ▶ Members happy to see positive YTD summaries in bulletin
- ▶ Council monitoring financial health with enthusiasm
- ▶ Work remains
 - ▶ Increase commitment levels for the right reasons
 - ▶ Increase mission offerings as percentage of budget
 - ▶ Increase mortgage payments for future health