



Understanding Giving Patterns in Your Congregation

by Lovett H. Weems, Jr.

An analysis of stewardship practices in almost any congregation will reveal that a high percentage of giving typically comes from a relatively low percentage of the church's membership. This phenomenon is referred to as a *giving pyramid*. In many charitable organizations, 80 percent of donations come from only 20 percent of donors. And this typically is the case in church capital campaigns or major fund drives, as well. Annual giving in congregations generally follows a similar, although somewhat less extreme, pattern. Lyle Schaller says that 70 to 80 percent of annual giving income tends to come from 40 percent of the congregation (*The New Context for Ministry*, Abingdon, 2002, 232). Dan Hotchkiss claims the breakdown is more like 60/20 (*Ministry and Money*, Alban, 2002).

Is such a skewed giving pattern good, bad, or neutral? It is perhaps best to think of it as understandable. There are a number of good explanations for why some of your members give much more than others. For example, people have very different levels of resources and obligations at different times in their lives. Also, not all people are at the same point in their discipleship journey. The most faithful givers often did not start as such exemplary financial stewards. Lyle Schaller captures this fact well when he says that "the most widespread expression of diversity in American Protestant congregations today is the level of Christian commitment" (*The New Context for Ministry*, 232). Also, disparate giving levels are not the only example of unequal levels of participation in church life. The entire congregation does not worship equally or attend church school equally or pray equally. Knowing how the giving pyramid affects your congregation's stewardship is a means of understanding, not judgment.

To illustrate your congregation's giving pyramid, begin with a list of total donations by individuals/households for the most recent complete year. The list should be in declining order, beginning with the largest cumulative gifts and ending with the smallest. The names of donors are not necessary to do this work. Look first at the ten percent of donors at the top of the list. What percentage of total giving comes from them? What percentage comes from the next 10 percent? And so on. As this work progresses, the most logical way to group donation levels will become apparent. Once the pattern is established, it is possible to track not only how much of income comes from what percentage of donors but also how these patterns may change year to year.



A hypothetical church giving pyramid

Understanding your congregation's giving pyramid can also help you focus appropriately on three different types of givers:



Generous givers. Those at the top of the giving pyramid have received and accepted the gift of giving. It is important to make sure that they *stay connected* actually or emotionally to where the church is going. Sometimes there is a concern that these larger givers will receive inordinate attention from church leaders or exert undue influence. But more often, the problem is that these donors are taken for granted, especially if they are not on major committees or are inactive because of age or health.

Active givers with room to grow. Those in the middle of the pyramid should be encouraged to grow as financial stewards. The key for this group is increasing their *level of involvement*. They have already “lifted their hands” in support of the church’s mission and are probably very positive about the congregation. They need a chance to become more involved, to continue to grow in their discipleship, and to spend more time with those further along the journey.

Nominal or non-givers. At the bottom of your pyramid is likely to be a very large group of members who appear to be making only token gifts – or no gifts at all. Getting non-givers to start giving can be a very difficult assignment. Therefore, rather than devising new giving appeals for this group, it is more important to work on the *basics of faith*. Often this group contains many people who do not have the faith background of others in the church and did not grow up with good stewardship examples. Some may be totally new to the Christian faith, particularly as a way of life. Getting these people in a basic Bible study group will go a long way in introducing them to the Christian journey.

The giving pyramid also illustrates why it is never a good idea to suggest a giving level by dividing the budget or a major fund raising project by the number of members. Any effort to meet your budget or fund a project in this manner is guaranteed to fail.

A final word of caution: The giving pyramid tends to work best as a planning tool, not a persuasive tool. If the giving pyramid is presented to a group, it should be done with great care and without any judgmental tone. It is important for the congregation to hear the message that it takes all kinds of givers – big and small – to support the mission of your congregation. Remember that the pyramid would not have been complete without every single gift. And it is equally important that givers at every level be encouraged to take the next step in giving.

The Right Question

*Leaders do not need answers.
Leaders must have the right questions.*

Kibbie Ruth and Karen McClintock, authors of *Healthy Disclosure: Solving Communications Quandaries in Congregations*, (Alban, 2007) suggest a question that helps a congregation get at the secrets and hard stuff of their life that need attention.

What would you be embarrassed to tell new people about your congregation?



What Motivates Giving?

How can you nurture better giving habits in your congregation? Successful financial appeals are spiritually sensitive and respect the perspective of givers. Here are some tips about knowing what motivates giving.

- People give to many things for a variety of reasons. Few have a well-planned or consistent giving strategy. Some give on impulse. Others are more cautious. Different kinds of appeals are effective with different types of givers.
- *All* people want to make a difference. They will give to what they value.
- Remember that people – especially younger generations – give to support mission, not institutions or budgets. Everything you communicate about giving should stress ministry, not maintenance.
- Emphasize giving as a joyful response to God’s generosity, not an obligation. Don’t make church gifts “one more bill to pay” – a bill that can be skipped without late fees, penalties, or the need to catch-up.
- Talk to members about opportunities for giving. Most people never give more because they are not asked with compelling reasons to do so. Don’t be afraid to lift up the opportunities and needs of the church, but always in a way that emphasizes mission.
- Share information freely about the wonderful things giving makes possible. Use announcements to remind people of the impact they are having. Bulletin boards featuring how the church is in mission are good reminders to a congregation. Websites offer ways to tell the church’s story and to interpret stewardship and giving.
- Nurture relationships. People give to persons and organizations where they feel a connection. Church leaders should listen carefully for clues about issues of importance to church members.
- Congregational vitality is key to giving. Whatever increases member involvement and participation will help giving. Involve as many as possible in the church’s ministries.
- Appreciate that faithful giving is a fruit of spiritual maturity. It takes time and much nurture to develop.
- Say “thank you” often.

These practices are from "50 Ways to Encourage Faithful Giving," part of the Lewis Center’s popular *50 Ways to Build Strength* series that provides practical, actionable strategies for improving ministries that are vital to church growth. These resources are available at www.churchleadership.com/resources/50_ways_to_build_strength.htm.

The purpose of an endowment is to grow the church of tomorrow, not embalm the church of today.

Loren Mead