Mission
The Lake Institute on Faith & Giving exists to serve the public good by exploring the multiple connections between philanthropy and faith within the major religious traditions.

Resources for Tough Times
Seminar: Creating Congregational Cultures of Generosity
In this two-day seminar you will learn:

1. how to talk about money with theological integrity,
2. how to create an organizational climate of fiscal transparency and accountability,
3. how to extend the practice of pastoral care to care for donors, and
4. how to become a generous share-the-vision type of organization.

For information contact lfi@iupui.edu

Religious Giving in Uncertain Times: Outlook for 2009
The economic outlook for religious giving and fundraising in 2009 is—at best—uncertain, if not downright sobering. We base this assessment on two factors: (1) the Philanthropic Giving Index (PGI), an overall assessment of the fundraising climate in the United States based on a survey of 405 fundraising executives and consultants, and (2) our own anecdotal conversations with several dozen clergy and leaders of religious nonprofits about what they are experiencing in their respective congregations and organizations regarding giving in 2008 and pledging for 2009.

The Philanthropic Giving Index
The PGI, similar to a Consumer Confidence Index for charitable giving, is at an all-time low since its inception in 1999, having dropped 27% since December of 2007 and 21.7% alone since July 2008. When broken down into the specific subsector of religion, the PGI fares no better (as is evidenced by the chart below), indicating that fundraisers from religious institutions believe this is the worst fundraising climate since the study began. Indeed, more than 93% of all fundraisers described the economy as having a negative to very negative impact on their fundraising. On the brighter side, 83.3% of fundraisers from religious organizations reported success with planned giving.
Giving in Uncertain Times Conference

Date: May 4, 2009

Be informed by the latest findings on the economy and its effect on religious giving. Learn from two expert panels—one of clergy, the other of nonprofit managers—how they are coping with the challenges of today. Co-sponsored by the Christian Theological Seminary.

Venue: Christian Theological Seminary, Indianapolis

For more information, contact lfi@iupui.edu

Course: Faith & Fundraising

This four-day course is a joint offering of the Lake Institute on Faith & Giving and The Fund Raising School of the Center on Philanthropy at Indiana University. This program will be offered twice in 2009:

- May 4-7
- October 26-29

The Sixth Annual Thomas H. Lake Lecture on Faith & Giving

(The full PGI report including results by organization size and subsector may be purchased at http://www.philanthropy.iupui.edu/Products/products_research.aspx)

Anecdotes from religious organizations around the country echo these statistical findings...

Snapshots: Coping with Economic Uncertainty

The Barna Group, a consultancy in California, reports that in the last three months of 2008 one in five households decreased its giving to churches. The effect of such a dramatic decline was evident at a January '09 luncheon sponsored by the Indianapolis Center for Congregations. Of the fifteen congregations represented at the luncheon, the majority reported modest pledge decreases for 2009 resulting in flat budget projections. Several congregations reported decreases of between 10% and 15% resulting in budget cuts. In those congregations where attendance had increased, reflecting greater church attendance in times of crisis, increased attendance did not result in increased giving. Theological Schools and seminaries across the United States are also feeling the brunt of the economic crisis. Barbara Wheeler, president of Auburn Theological Seminary, has identified trends in the approaches of these institutions to the crisis: (1) wait and see: hope that the crisis will soon pass and be followed by a relatively quick recovery, (2) stick to the discipline: modest use of their endowments and invested funds, (3) unprecedented times: reset budgetary gauges. A few measures taken include: monthly monitoring of invested funds and income; curtailment of non-essential spending; and freezes on new hiring and faculty pay, cuts in faculty salaries, and termination of adjunct faculty.
Here are a few guidelines to help your organization weather the economic crisis:

- **Review your sources of income and know the demographics of your congregation**, as every congregation is unique. Age, geography, frequency of church attendance and economic situation all affect religious giving. If significant dollars come from older people dependent on IRAs or from family foundations or endowments, you should prepare for a greater shortfall in giving in 2009. Once a review has taken place, it is easier to determine a responsible course of action. Some congregations are delaying the finalization of their 2009 budgets until after the first quarter so they can fully measure the impact of the economic climate on their giving. In the meantime, they will make certain that their expenditures at no time exceed their income.

- **Plan for long term economic health regardless of the surgery necessary to survive the present.** If your organization has relied on credit to meet your budget goals in the past, the financial pinch you now feel may be particularly painful. Heavy reliance on an endowment fund or dependency on a large mortgage or loan will limit the flexibility you have in balancing your current budget, forcing you to make cuts in staff and programming. Just such a situation confronted an evangelical megachurch in the West. Struggling to maintain mortgage payments, the church was forced to eliminate 20 staff positions after seeing an average decrease of 8% in its weekly offerings in 2008. A historic urban congregation that has relied on its endowment to provide for 80% of its operational budget is embracing the economic crisis as a time to become less dependent and more economically responsible by embarking on a new giving campaign.

- **What insights does the giving pyramid have for the state of giving in your congregation?** In many nonprofit organizations the top 10% of donors give 60% of the dollars. The next 20% give 20% of the dollars, and the lower 70% give but 20% of the dollars. Some recent research indicates that among Christians it is the top 5% of the donors who give 60% of the dollars. The effect of the giving pyramid on the overall financial well being of a congregation or institution in this time of economic challenge can be either positive or negative. A large Jewish congregation reported a decline in giving of approximately 5%, but this was offset by a series of special gifts from some major donors. However, a smaller nondenominational suburban community church reported a 16% shortfall in pledging for 2009 due in part to the loss of the largest donor.

- **Carefully analyze the giving patterns of your congregation.** Where do you find increases and decreases in giving? Do these patterns surface needs and anxieties to be pastorally addressed?

- **This is your opportunity to realign your budget with your mission and program priorities.** Frequently, organizations become complacent in minding their dollars when income is not a serious problem. President Wheeler of Auburn Theological
Eboo Patel, founder and Executive Director of the Interfaith Youth Core
Lake Distinguished Visitor on October 21-22, 2008.

Speaking at four events to over 200 college students and professors, hand-selected high school students and their advisers, clergy, business executives and civic leaders, Dr. Patel shared his world view and noted that, while the race divide was a major challenge in the 20th century, it is the faith divide that will be one of the major challenges in the 21st century.

Seminary urges, "Don't waste a good recession! This is an opportune time for an institution to address those financial and programmatic issues that may have been overlooked or too long neglected." Consider target budget reductions. Rather than making across the board percentage cuts, target your reductions for those areas in your budget that reflect programs that are the least productive, non-essential and no longer reflective of your primary mission.

- **Embrace the current crisis as a teachable moment!** Help people learn money’s language by inviting them to rethink their own money story. Ask questions that invite autobiographical reflection: How did they come to have what they have? How much is enough? What do they do with their "more than enough"? What does it mean to be "faithful" in the use of their possessions? Open and honest dialogue about money before it becomes a problem will help congregants deal with a crisis. A small but vibrant urban Catholic congregation with a history of community outreach and a priest who unabashedly talks about the faithful use of possessions reports that it is ahead of budget for the 2008-2009 year and optimistic about its giving in 2009-2010.

- **Learn from the present by planning for the future.** It is our observation that those congregations that are coping well with the challenges of the present are congregations that have in the past been intentional in integrating money-talk and public conversations on the responsible use of possessions into their preaching, teaching and educational programming. A unique resource offered by the Lake Institute on Faith & Giving is our two-day seminar: "Creating Congregational Cultures of Generosity."

*Any use of this material must cite the Lake Institute on Faith & Giving, a program of the Center on Philanthropy at Indiana University.*

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**Faith and Fundraising**

Create a culture of generosity in your congregation or faith-based organization.

Indianapolis, Indiana May 4-7, 2009
Offered again October 26-29, 2009

"This is the best continuing education program I have ever attended."

John H. Thomas, General Minister and President United Church of Christ

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