WHEN CONGREGATIONS ARE UNDER WATER

No, I'm not talking about Noah's flood. I'm talking about the church mortgage crisis; when failed capital campaigns leave congregations saddled with enormous debt. In several of our recent seminars I've been surprised by the number of small to medium-sized congregations who - post recession - are spending from 20 to 35 percent of their annual budget in debt reduction or mortgage payments. Caught in an austerity crisis these congregations are unable to think beyond survival, let along dream about a tomorrow.

Austerity is demoralizing; austerity is also unsustainable. Amidst the austerity crunch programs serving members are reduced, outreach missions to the community and world are cut, pay raises are eliminated and disheartened members seek other religious pastures in which to graze. Giving also remains flat as members feel no need to give more money to a congregation intent on treading water. How might congregations respond to this austerity crisis? The most common desire is to mount a debt reduction campaign as the answer to financial woes. Such a program is usually the recipe for failure as underwater congregations are not in the position to carry out such campaigns.

Friend Bob Demont of Demont Associates in Maine offers this advice to nonprofits underwater:

1. focus on annual operations,
2. strengthen your annual giving program and
3. build a major gifts program.[1]

For congregations this means:

1. Focus on enhancing the services you provide for your members and
your surrounding community.

2. Strengthen your **annual fundraising program** by utilizing best fundraising practices.

3. Build a **major gifts program** whereby you work with people of vision and generosity to create special giving opportunities that will birth new programs, breathe new life into old bones and resuscitate hope!

Today, many faith-based institutions are caught in what Ron Mattocks calls "the zone of insolvency." What is the way out? It is to focus on building current institutional financial strength.

-Insights of Dr. William Enright


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Jim Hodge is Manager of the Principal Gift Program at the Mayo Clinic in Rochester, Minnesota. Prior to his current tenure at Mayo, he served as Director of Development, Associate Vice President of Bowling Green State University in Ohio. His 21 years of fundraising experience include special emphasis on planned giving. He currently serves as adjunct faculty for the Center on Philanthropy's The Fund Raising School, has served on the editorial board for New Directions for Philanthropic Fundraising, and has written articles focusing on planned giving and major gifts.

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"The comprehensive scope of knowledge and experience in stewardship and fundraising was apparent in the way the seminar was conducted. Stories were woven together with statistics and strategies, and the emphasis was placed on transformation of the giver."

Geneva Butz, Pennsylvania SE Conference of UCC

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