

Draft

MISSION FUNDING

Revised April 1, 2003

For the past six months, a churchwide staff working group (including staff from the Office of the Bishop, Department for Synodical Relations, Office of the Treasurer, ELCA Foundation, Department for Research and Evaluation and Division for Congregational Ministries) has been examining all aspects of funding for the mission of the ELCA. Historical trends, current practice, and future options comprised the scope of this work. The goal is to increase the resources available to carry out the mission entrusted to all expressions of the ELCA.

Two main factors drove this effort: accelerating changes in funding patterns and anticipation of the funding needs of the emerging churchwide strategic plan.

The guiding biblical themes for this work came from 2 Corinthians:

And God is able to provide you with every blessing in abundance, so that by always having enough of everything, you may share abundantly in every good work. (v. 8)

I do not mean that there should be relief for others and pressure on you, but it is a question of a fair balance between your present abundance and their need As it is written, “The one who had much did not have too much, and the one who had little did not have too little” (v. 13-15).

This document is presented for ongoing consideration by partners and is conveyed to the Office of the Presiding Bishop for its consideration in its oversight of the work of the churchwide organization.

GENERAL RECOMMENDATIONS:

- 1. Intensify conversations with and among synods and congregations on all aspects of mission funding, with the goal of increasing the financial resources available to carry out ELCA ministries through all expressions.**
- 2. Develop and articulate a clear and compelling case for support of ministries beyond the congregation.**
- 3. Centralize and empower development leadership, planning and implementation of the ELCA churchwide organization’s resource development efforts through integration and coordination of all churchwide fundraising/development activities, including resource development databases and operation.**
- 4. Develop a comprehensive strategy for all income streams¹ that support churchwide ministries, especially strategic directions, relying on both undesignated and designated giving. Set specific goals for mission support, World Hunger and designated giving, and implement a coordinated plan to achieve those goals, with the separate parts reinforcing each other within the broader strategy.**

¹ E.g., the annual churchwide appeal, missionary sponsorship, W/ELCA, et.al.

5. In partnership with the Office of the Presiding Bishop, the Mission Funding Work Group will continue to work with this document in its implementation.

Costs/Staffing/Structure Implications: Cost of moving to and maintaining a centralized development function should be referred for study and possible implementation to the Office of the Presiding Bishop for integration with the emerging churchwide strategic plan.

Within the context of such integrated planning and implementation, attention needs to be given to the following four elements of a strategic plan:

(1) MISSION SUPPORT

- Mission support is the unrestricted dollars from congregations mutually entrusted to synods and the churchwide organization. Allocation decisions are made through the consultation process. Funds are received by synods and the agreed portion is remitted to the churchwide organization.
- The desired outcome of mission support discussions is for congregations, synods and the churchwide organization to provide sufficient funding for the local, regional, national and global mission of this church. This requires a common commitment to encouraging growth: growth in membership of the ELCA², growth in financial giving by members (beyond the current 1.8% average), growth in congregational sharing in support of the wider ministries of the church, growth in the commitment of synods and churchwide organization to share beyond themselves, and growth in the relationships that link the various expressions of the church together in mission.
- Mission support will continue to be the primary source of support for synodical ministries and most churchwide ministries, complemented by the designated and restricted funds, most notably the World Hunger Appeal. Mission support and these other funds provide funding for ministries that are carried out on behalf of and in support of congregations/members.
 - The \$135 million in mission support shared by congregations is a wonderful – and reasonably stable – source of support for synod and churchwide ministries.
 - The long-term trend of an ever-smaller *percentage* of giving going beyond the congregation is unlikely to change without significant efforts to strengthen relationships, reinforce Lutheran ecclesiology, “make the case” for the wider ministries of the church, and build a common commitment to both local and wider ministries of the church.³
- Mission support from congregations is entrusted mutually to synods and the churchwide organization for the wider ministries of the church (just as the gifts of members are entrusted to congregations for both local ministries and the work of the church beyond the congregation). Relationship and mutual commitment to mission – undergirded by sound information – should shape the decisions about the use of these mission support dollars.

² Between 1988-2001, the number of ELCA baptized members and congregations has declined slightly (from 5,251,000 members in 11,120 congregations to 5,100,000 in 10,766 congregations); the number of multiple point congregations has increased (to the current level of 27.1 percent of ELCA congregations).

³ Mission support has declined as a percent of total giving in congregations: from 16.1% in 1963 to 6.4% in 2000. Reasons include: perceived “self-sufficiency” of larger congregations which feel they do not need synod/churchwide services; impact of social/political/theological issues and economic conditions; financial challenges facing small congregations as they seek to maintain full-time pastoral leadership; “softer” factors that contributed to a gradual decline in mission support, which are difficult to analyze (lacking voiced opposition or discontent).

– The trend of an increasing percentage of congregational mission support remaining in synods⁴ should be the focus of intentional, system-wide decision-making that takes into account: past history, current and future priorities of the church, changes in shared functions between churchwide organization and synods (e.g., campus ministries, outreach, support of seminaries and institutions, companion churches), churchwide assumption of financial commitments (e.g., health

benefits for retired pastors and church workers), the declining number of ELCA congregations and members, increasing global relationships and needs, strategic planning and prioritization, strategic “division of labor”, availability of other sources of income (e.g., special appeals), and mutuality in the struggle of dealing with increasing “fixed costs.”

– Sound “multi-dimensional” data about what is happening is needed to inform this process.

- Given societal changes and both external and internal “competitors” for the attention of members and congregations, a strong, clear case for both synodical and churchwide ministries must be made more consistently, forcefully and persuasively (in whole and in its component parts) if current levels of mission support are not to continue their decline.

Mission Support Recommendations:

1) Synodical-Congregational Relations

- a) Intensify synodical-congregational consultations (involving every congregation in all synods), with additional supportive resources that clearly and persuasively “make the case” for partnership in the wider ministries in the church.**
- b) Support a growth goal for overall mission support from congregations that is challenging, fair and consistent with the local context. Measurement indicators will be developed at a future date.**

2) Synodical-Churchwide Relations

- a) Develop a protocol document that expresses mutual accountability between the churchwide organization and synods.**
- b) Agree to maintain at least the current percentage division of mission support between churchwide organization and synods, pending outcome of the review of synod and churchwide functions and responsibilities.**
- c) Conduct an intentional review of the division of synodical and churchwide functions and secure agreement between synods and the churchwide organization concerning where activities and financial responsibilities are best funded for maximum effectiveness in mission (e.g., starting new congregations, DO staffing, funding global mission, seminaries, and campus ministries), within the context of common strategic directions.**
- d) Intensify the consultation process, in a way that expresses Lutheran ecclesiology and strengthens opportunities for conversation, consultation and cooperation.**
 - i) Develop a year-round consultation process between synods and the churchwide organization that involves *negotiation*, in which partners discuss competing needs within the context of shared priorities.**
 - ii) Provide more in-depth preparation for these consultations, with clarity on priorities, useful data (to help synods and the churchwide organization understand what is happening within the synod, in relation to other synods, and in the church system as a**

⁴ The proportionate distribution of mission support from congregations has shifted toward the synods from 75% churchwide/15% synod in 1963 to 52% churchwide/48% synod now. This parallels the experience of other denominations.

- whole), clear information on the impact of specific fundraising campaigns on mission support, and benchmarks for mission support, with clear criteria and goals.
- iii) Train participating churchwide staff, use paired synods and Church Council members, and involve the presiding bishop more fully in the consultation process.
 - iv) Work together with congregations that are major contributors to mission support to sustain and expand their support to synods and the churchwide organizations.

3) Churchwide Organization Responsibilities

- a) Assist churchwide staff, Church Council, board and steering committee members to see themselves as responsible for growing mission support. Provide specific training for the RIS staff as they respond to mission support questions.
- b) Include in all churchwide communications the opportunity to give.
- c) Engage with seminaries and organizers of first-call theological education to train and equip pastors and congregational leaders to lead their congregations in support of the wider ministries of the church through mission support and provide similar training for all rostered leaders.
- d) Intensify support for synods as they, in turn, support congregations in stewardship⁵
- e) Encourage synod bishops in their role as steward leaders as they foster support for and financial commitment to the mission of this church and provide them with the resources, including “best practices” in stewardship.
- f) Continue to invite congregations to support both synod and churchwide ministries and develop a strategic plan for increasing member awareness of churchwide and synodical ministries.⁶

Costs/Staffing Implications: To be determined.

(2) DESIGNATED GIVING

- The church has a long history of receiving gifts that honor the donor’s intentions for a variety of purposes. The future of giving by members and congregations in the ELCA will not be like the past: one size does not fit all. Inviting members and congregations to support the wider mission of the church increasingly requires analysis of such elements/realities as:
 - differences in giving behavior between age cohorts, differing individual giving inclinations, increased diversity of donors, desire for increased “donor choice,” age-related and other changes in institutional loyalty, increase in cause-focused designated giving, traditional v. “entrepreneurial donors”, multigenerational giving (family foundations, donor-advised funds), and a plethora of competing appeals (both internal and external).

⁵ New approaches to complement current activities might include: “segmentation,” based on congregational and/or donor typologies and analysis of giving patterns (e.g., 14 percent of ELCA congregations provide 50 percent of mission support; on the other extreme, 50% of ELCA congregations provide just 10 percent of mission support), developing in different “languages” and media clear cases that connect with different types of audiences, and intentionally thanking congregations).

⁶ Other possibilities to build connections and relationships include: using “pastors as mentors” model, encouraging congregations to tithe funds received for building programs, using the Kirchentag model to nurture a common vision among rostered leaders, and expanding the Mission Interpreters program (2-3 interpreters working with each bishop).

- The ELCA World Hunger Appeal will continue to hold a vital position in funding churchwide ministries, being similar to mission support in that it provides an ongoing income stream from congregations to churchwide anti-poverty ministries⁷. At the same time it will also continue to be similar to other designated giving possibilities, as it solicits individuals and congregations for specific projects).
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- Designated giving is a useful component of a comprehensive strategy for support of churchwide ministries, in cooperation and consultation with synods and their designated giving campaigns.
- The churchwide organization should offer designated giving opportunities that relate to churchwide priorities.
- Synods and the churchwide organization need to exercise “strategic creativity” in strengthening or establishing income streams to support synodical and churchwide ministries that are priorities – with designated giving part of that process. This needs to be done in a way that does not undermine mission support – but rather enhances it.
- The strategy for promoting designated giving must not undermine Lutheran ecclesiology, but rather point from specific projects/activities to the wider mission (of which the specific projects are an expression). Individual projects are seen as examples within the one common mission entrusted to the church.
- New designated giving opportunities will be integrated with mission support and World Hunger in a way that decreases internal “competition,” provides continuity of support for less popular but nonetheless essential ministries, enhances flexibility, and is administratively streamlined.

Designated Giving Recommendations:

- 1. Develop a comprehensive strategy for all income streams that support churchwide ministries, especially strategic directions, relying on both undesignated and designated giving.**
 - a. Develop ways to address different audiences and their needs, while reinforcing the understanding of unity of mission among donors.**
 - b. Address issues of faith and relationships that are raised by the promotion of designated giving (the tension between “fundraising” and “stewardship”) within the context of Lutheran ecclesiology.**
- 2. Continue to support the World Hunger Appeal, which provides core funding for mission through individuals and congregations and is a significant source of budgeted churchwide income.**
- 3. Increase opportunities for relationships between the donor and the ministry supported (e.g., volunteer connections) that deepen loyalty not only to a specific ministry but also to the ELCA as a whole.**

Costs/Staffing Implications: To be determined.

⁷ Giving to the World Hunger Appeal, that along with Mission Support provides substantial income to the churchwide budget, has moved from an \$11-12 million plateau during most of the 1990s to a \$15-16 million level over the past four years (with an additional \$1 million in 2002 in the experimental designated campaign, Stand With Africa).

(3) FOUNDATION (INCLUDING INDIVIDUAL GIVING)

- Efforts to provide more (and more targeted) invitations to individuals to give major and planned gifts have tremendous potential for increasing income in a way that does not compete with other income streams.
- An increased emphasis on major and planned giving would provide a comprehensive service that benefits the entire church: churchwide, synodical, and congregational ministries, as well as church-related agencies and institutions.
- Time is of the essence in increasing the ELCA's capacity to ask for planned gifts, due to the huge inter-generational transfer of resources that is already under way.
- Invitations to individuals to give will encourage donor choice in support of local, synodical and churchwide ministries, building on existing networks. However, providing a compelling story about churchwide strategic mission priorities will encourage potential donors to support the wider ministries of the church.
- This effort, which focuses on stewardship of all assets, should be complemented by a strategy for solicitation of individuals through direct mail (focusing primarily on gifts for current operations) – one that identifies individual donors with whom relationships can be developed.

Foundation Recommendations:

- 1. Develop a comprehensive strategy relating to *individual* donors to augment financial resources available through the *congregationally-based* gathering of funds through Mission Support and the World Hunger Appeal.**
 - a. Planned and Major Gifts**
 - i. Increase staffing for the Foundation in strategic geographic areas.**
 - ii. Implement through the Foundation a major gifts emphasis to complement planned giving work.**
 - iii. Identify new individual donors and develop a strategic plan for building relationships with and appropriately thanking them.**
 - iv. Be intentional in approaches to individuals to encourage gifts to support the core functions and the strategic priorities of the ELCA (e.g., FO gift planners might encourage donors to include a minimum 10% gift to churchwide ministries).**
 - v. Develop expertise in relating to family foundations and donor-advised trusts and support inter-generational teaching about stewardship of all resources.**
 - b. Direct Mail**
 - i. Implement a segmented comprehensive strategic plan for all direct mail efforts, supervised by a direct mail expert.**
 - c. Coordination**
 - i. Centralize resource development database and operations.**
 - ii. Develop an integrated plan for donor relations.**
 - iii. Develop more effective donor research activities to inform strategic planning in this area.**
 - iv. Explore new technologies to support these activities.**
 - d. Bequests and Trusts**
 - i. Develop long-range principles on the use of bequest and trust income.**

e. **Outside Grants**

- i. **Contract with a well-trained grant writer to research and write proposals to outside foundations and corporations to increase the financial resources available to carry out strategic directions.**

Costs/Staffing/Structure Implications: To be determined.

(4) MAJOR CAMPAIGN(S)

- A major churchwide campaign to support specific churchwide mission priorities (e.g., planting new congregations) could provide significant additional income. (An appropriate goal might be \$20 million per year for 5 years.) Such a campaign could enhance a sense of unity and, possibly, new energy and excitement to advance a common purpose. It could also build major donor capacity and provide an opportunity to “tell the story.”
- A major churchwide campaign would, however, require a significant, multi-million up-front outlay to defray fundraising expenses (commensurate with the goals set). It would have a long window for return (earliest possible rollout in 2007 and first income in 2010). In the current fundraising and economic environment, the outcome of such a campaign is not certain.
- Many synods have launched major synodical campaigns – or are in the process of considering them. These often focus on starting new congregations on the territory of the synod. The issue of coordination with (and avoidance of competition with) synod efforts is key.
- The impact of such a new churchwide campaign on other existing churchwide efforts is not certain.
- There is a lingering bad feeling about past churchwide campaigns that could hamper any new one.

Major Campaign Recommendations:

1. **Do not launch a major churchwide campaign at this time.**
2. **Thoroughly investigate the capacity of the churchwide organization to assist synods as they plan and implement synodical campaigns.**