

SUPPORT EVALUATION TOOL

Gain a deeper awareness of the financial strength of ministries & churches.

Recognize areas of concern.

Evaluate the faith stretch required for projects and strategies.



Support Evaluation Tool

The support evaluation tool is a simple, but genius hack that can provide tremendous awareness into the financial health of ministries and non-profits. Don't let the simplicity of this graph fool you, it provides insights you just don't get from a traditional financial statement.

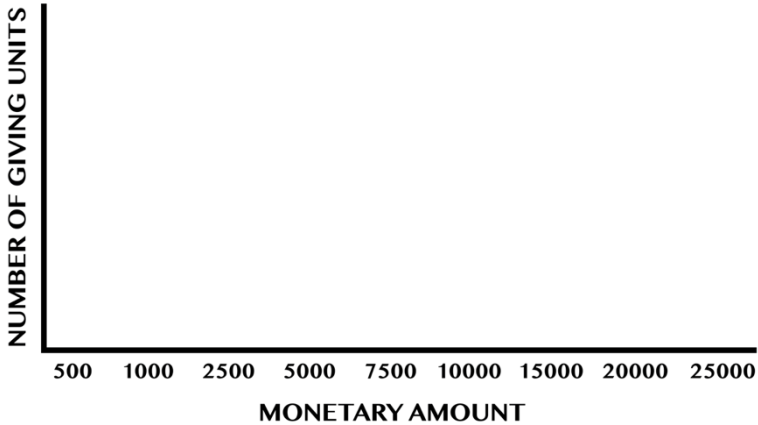
In fact, over the years, I have come to rely on it, even to go so far as require it to be completed when consulting with ministries, and preferably retroactively looking back several years. A financial statement can give a high-level overview of the financials but doesn't provide significant understanding into where strengths and possible weaknesses lie.

Investing the time, will provide deeper and greater understanding of the strength of both the organization and in some ways more importantly your supporters. We can begin to infer the strength/stability of our constituents and recognize strengths and challenges.

It is flexible enough that it works in any culture and currency. And it can remain completely anonymous. There is no need to include supporter's personal information, meaning it can be shared with key leaders for strategy and evaluation purposes.

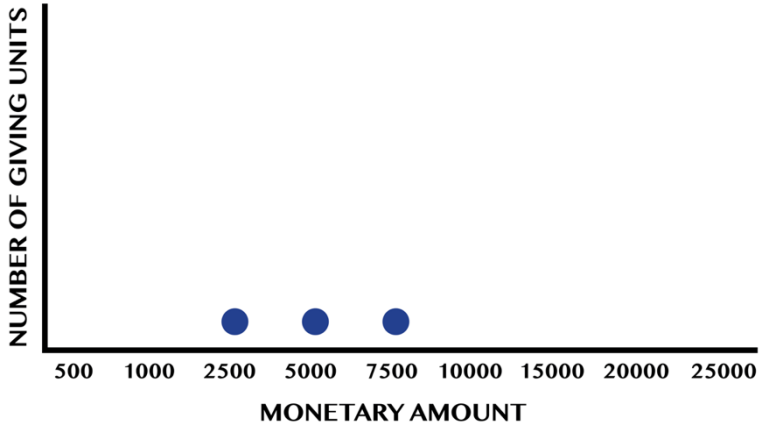
Process

As you can see below, we start with a simple L-shaped graph. On the lower, horizontal bar we have placed numbers representing various amount of annual giving by donors. This should be adjusted for increments that reflect the giving reality for each organization.

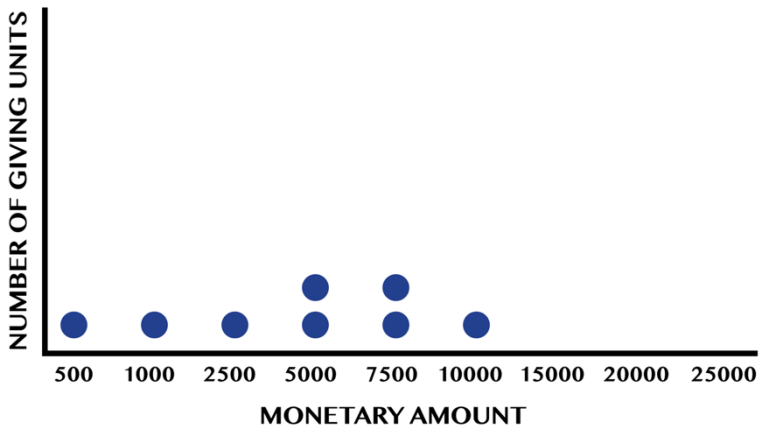


The vertical side represents the number of supporters that fit the particular column or category.

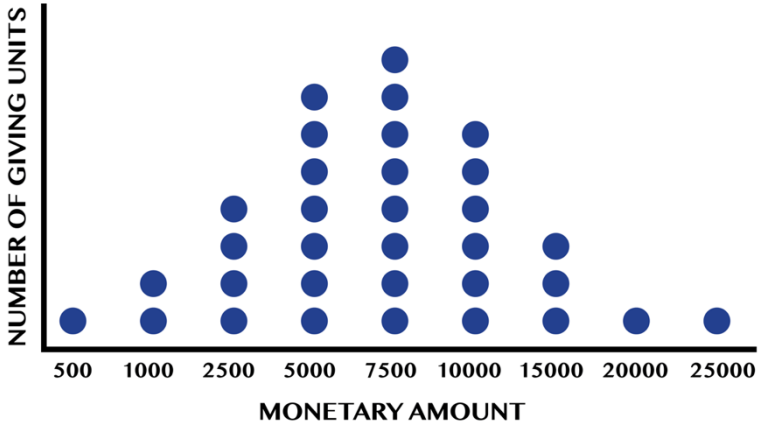
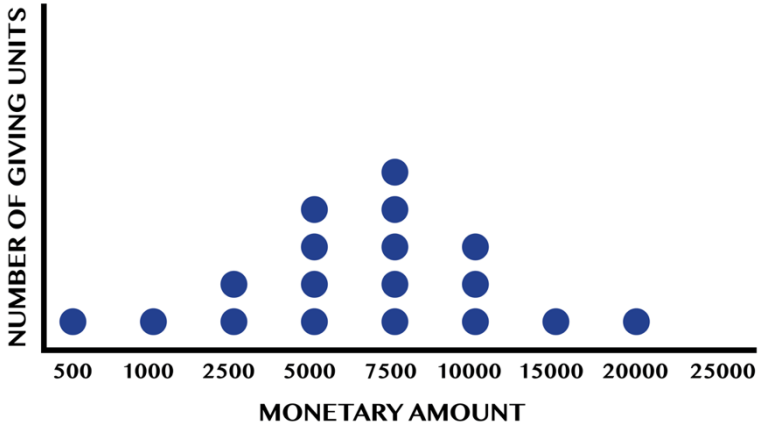
We are focusing on annual giving as the most common use. It can be done on a more frequent basis if it fits your planning needs, quarterly or even monthly. Simply adjust the giving amounts to reflect the shorter term.



As we begin to fill it in, mark the column representing the amount of support received from a particular individual, family or giving unit.



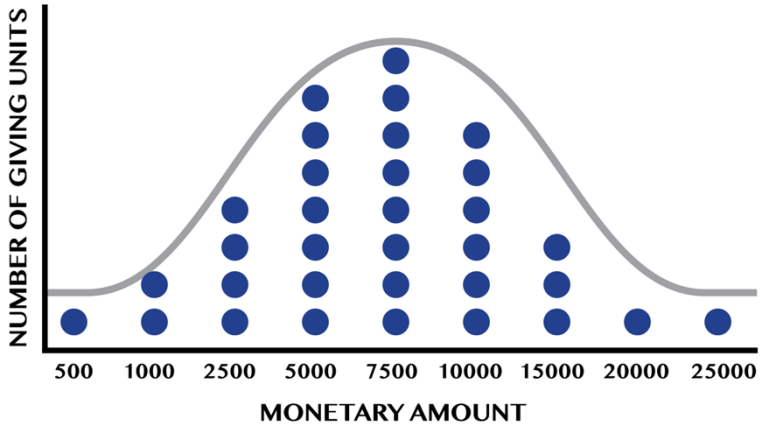
As we continue to complete this, columns will begin to have what we call “vertical development.”



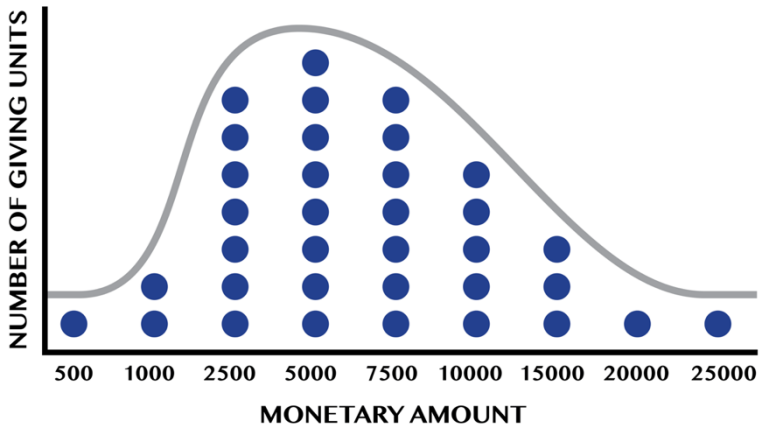
For clarity purposes, we have stacked neatly to make it obvious the information we will draw from this. Rarely does the giving amount fit nicely into a column. It is entirely fine to mark in between columns. It will continue to reveal the relevant details.

It is the core rather than specific numbers that we will be looking for. It is how the amounts align with the core that will be instructive for us.

Now that we have input all the supporters, we will draw a line resembling a bell curve.

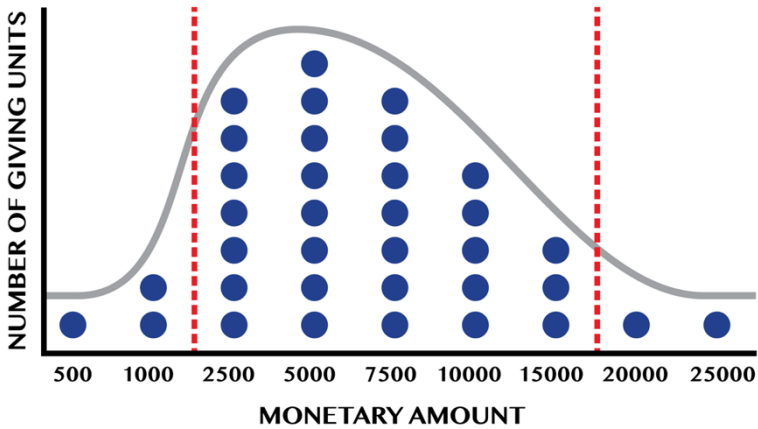
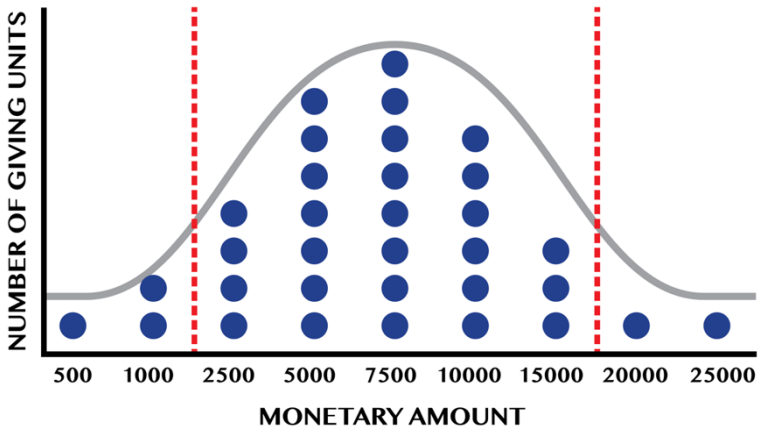


In some instances, it will appear more as a wave with an emphasis on one side or the other. This should draw particular awareness highlighting potential challenges that may require attention.

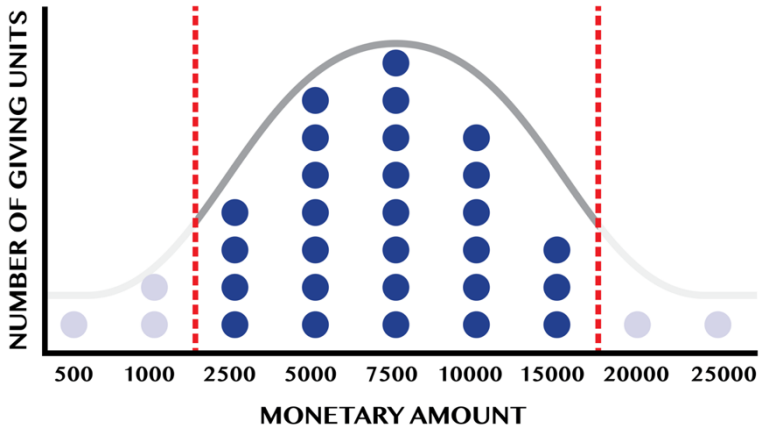


In this illustration we have shown a concentration of supporters on the lower end, which may need particular attention.

Regardless, of the shape we will invariably have the attribute of a bell curve. Now we can identify the outliers.



As we can see from the examples, the total number of giving units in the outliers do not align with the core. We want to carve off those outliers. Below we will examine why this both helpful and in some cases quite important.



Outliers

Low-end outliers:

First, we will remove the low-end outliers. We appreciate their support, but we also recognize they aren't making a significant impact on the financial stability.

They will also tend to be the least reliable, so we won't plan our strategy around them. We may not know the specifics of their giving. Do they give periodically? Was it a one-time gift? Are they growing in the understanding of their role in the financial strength of the organization?

Note: this is an area that should receive ongoing attention. Further down, we have added our experience with churches regarding the maturity giving cycle of both new believers and mature believers who become part of the church.

High-end outliers:

Removing these outliers gets very difficult for many leaders and a key area that gives greater insight than a traditional balance sheet.

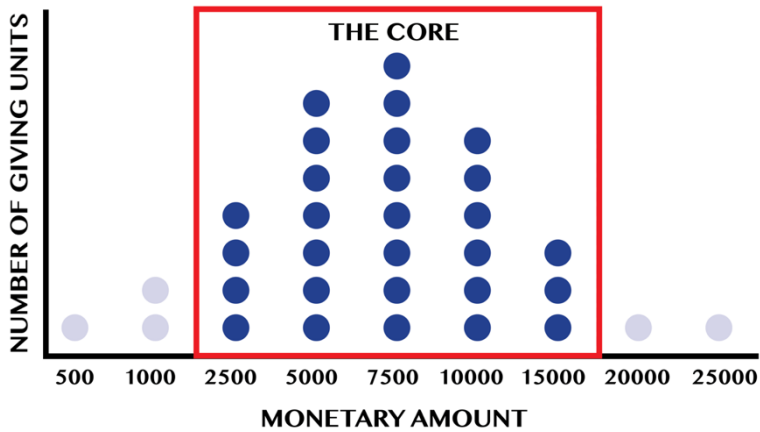
More than likely they are not only known to you, and intentional or not, a disproportionate reliance is often placed upon their support. Again, we appreciate the commitment and support but for strategy purposes we will carve them off.

In fact, banks and lending groups will generally require their exclusion when qualifying for financing. Concerns arise about shifting priorities and changing situations, as well as the amount of influence these givers may have.

Lenders will require they be eliminated for strategy and qualifying purposes. It is a wise move for us to follow and will often lead to a call to action to develop a more balanced financial approach.

Key leaders:

In smaller ministries and organizations, it is often helpful to compare with a version where the key leader's giving has been removed. Again, giving a more realistic understanding of the overall financial strength and areas requiring attention.



Evaluation

There is a tremendous amount of information we can either extrapolate or infer from the results. We will list a few here, but we always encourage groups to contact us and let us know useful ways they use the tool.

The number of giving units in the core compared to the number of consistent participants in the ministry quickly becomes a glaring view of either our successful efforts or matters requiring immediate attention.

How do the giving amounts compare with typical income levels in the community? Often it will provide indications along the lines of many of our people earn above/below the community average. Does it suggest that they are generous and committed, or that their giving focus seems to be spread among a number of entities (for a church this again suggests an area requiring attention).

Does our evaluation define a picture of a healthy, maturing support base? Or an over-reliance on a small number of supporters?

Do we gain a picture of a group of committed members? Or are a significant portion either nominally committed financially or personally financially challenged, both of which should garner increased attention and emphasis.

Areas of concern:

Among the concerns that can be exposed are issues such as a low number in the core in contrast to regular participants of the ministry.

Frequently the wave formation facing the lower end of the graph compared to average income levels is generally either an indication of a large percentage making nominal contributions or a significant portion of our constituents that are earning below the local average. Both require further examination and potentially an action plan to help mitigate the situation.

Faith Stretch

Understanding our core is essential when strategizing large projects including buildings, outreaches, expanding staff, etc. it is easy to fall into the trap of assuming that as the vision is laid out, that giving will automatically increase, but let's gain an understanding of how much of a faith stretch is required.

If we emphasize just the core, is it a small faith stretch? Or is it huge? Depending on the size of the faith stretch, we must determine how much "buy in" or commitment we get from various constituents.

Will the faith stretch require long term growth in giving? Or will short term sacrificial commitments be sufficient?

Is it within the reach of the current core? Or does it appear to be beyond current capabilities?

The most impactful projects always require faith, but that doesn't negate the instruction to "count the cost".

Comparisons

Retroactively creating graphs for prior years allows annual comparisons that highlight growth or decline. We can identify how the core is changing and evolving.

Is it growing or shrinking? How are the giving amounts changing?

What progress are we making on rectifying areas of concern.

The Giving Maturity Cycle

The following observations are ours alone based upon years of experience developing strategies with ministries internationally. While there are always exceptions, be cautious about falling into the optimism trap; believing/assuming you can consistently beat the cycle.

These observations apply specifically to churches.

Transfer growth:

Transfer growth are individuals/families that come into the ministry for various reasons, such as job transfers, relocation, etc. Regardless, rarely do they begin consistent giving immediately.

Understanding the psychology: for mature believers, beginning to give consistently is the equivalent of stating this is now home. They will tend to continue to give to other organizations until they have established that this is their new spiritual family. To the good, if you recognize that they have begun a lifestyle of giving, then they have settled on this as home.

There are rare exceptions, key word rare. As an example, when our family has moved, we begin giving immediately out of a desire to be faithful. We give to the Lord and not to the institution, but again we give out of a desire to be faithful.

Offerings:

One exception is offerings. Mature believers may demonstrate the contradiction of giving to an offering, but not to the general fund. Giving to an offering doesn't equate to the same commitment psychologically as becoming a giver/tither.

Our experience is that transfer growth doesn't begin to give consistently for about 12 months. If you see mature believers, come in, don't expect a giving commitment for the first year. If it happens sooner, allow it to be a pleasant surprise.

New believers:

The process of educating new believers on giving varies dramatically from all but non-existent to overbearing. While we need to be consistent, at the same time it is counterproductive to over emphasize it.

The process of releasing control of personal finances brings empowerment, blessing and freedom. It should be a healthy part of the maturity process.

Our experience has been that it takes an average of 18 months to see new believers embrace tithing. That said there are both those who enthusiastically embrace it quickly and those who require more time.

It isn't unusual for new believers to give periodically, in small amounts but not yet embrace their reliance on God completely. In these instances, recognize it as a small part of the maturity cycle.

As organizations experience growth, a recognition of the giving maturity cycle provides a roadmap for strategy and advancement.

Giving Cultures:

Every group has their own signature way to accept tithes and offerings. From the literal passing the offering, coming forward to give, box at the back, etc.

Over the years personally I have come full circle. At one point I enjoyed the low-key box at the back, but now I embrace and endorse participation giving. Especially coming forward to give.

We are to be joyful givers and more than anything it demonstrates giving to those new to the group in a tangible way. Culture is a powerful thing. It has the ability to easily reproduce itself without extreme teaching/emphasis.

Combining a culture of generosity with a degree of teaching is compelling. It has the elements of understanding with the visual reinforcement of demonstration.

Conclusion

Ultimately understanding the financial health and strength becomes as much about helping our constituents succeed. Both in financial freedom and in fulfilling the unique call and plan that God has for them.

The support evaluation tool can provide a visual representation of our current status.

We can objectively understand the scope of the faith stretch required to initiate and complete plans and projects. We identify areas of concern and develop efforts to remedy them.

Ultimately, we should understand that it is God's desire that we recognize challenges and combining faith with initiatives to strengthen the kingdom and fulfill the call and purpose of both ministries and the participants of them.

Please contact us with questions and unique insights drawn at contact@lordandgladden.com.

To learn more about Lord & Gladden and Randy Gladden, visit us at www.God-Powered.com.