

AVOID DEBT DAMAGE TO YOUR CONGREGATION

Adapted from an article written by Herb Miller

Question: Our Finance Committee is in disagreement. Two years ago, generous gifts and three-year pledges allowed us to enlarge our 1945 education building. That capital campaign raised \$550,000 of the total cost: \$1.2 million. The new facilities are beautiful. We'll pay off the \$650,000 note in several years.

Some of our Finance Committee members say, "Let's fold monthly building payments into next year's operating budget." Others say, "Let's do another three-year capital campaign." What should we do?

Answer: Folding building payments into your operating budget will produce the following results:

- The amount people give to debt retirement over the next three years will equal approximately 40 percent of the dollars another three-year campaign would accomplish.
- Few people who made pledges two years ago will continue giving at the same level when their pledge ends.
- You will deny affluent members the opportunity to give large gifts foundational to successful campaigns.
- You will deny newcomers the opportunity to give to building improvements.
- You will miss a chance to teach Christian stewardship in ways that impact giving habits for a lifetime.
- You will reduce the opportunity to grow spiritually through financial stewardship.
- Your building debt will retire in 10 to 15 years instead of three to five years.
- You will pay tons of unnecessary interest.
- You will restrict abilities to finance other missions and ministries.

As you did with the first campaign, secure professional leadership for another three-year capital campaign next spring. In a campaign for \$650,000, "doing it ourselves" reduces the end result by at least 50 percent. Don't quibble about the cost of a professional. Such specialists are far cheaper than failure to achieve your goals and huge interest payments for five to 10 additional years.

In a population-booming suburb near Atlanta, a 150-year-old congregation experienced meteoric membership growth. Two years into a campaign for expansion, they had to build again to accommodate attendance. During 12 years, the congregation conducted four back-to-back, three-year campaigns.

Each time, some Finance Committee members asked, "Aren't we going to the well too often?" Others were just tired of exerting the effort a campaign requires. They suffered success fatigue. Each time, however, logic triumphed over emotions. Leaders kept debt service payments out of the operating budget. The result: Thanks to those four, back-to-back campaigns, people gave generously and the Church did not short-circuit the growth God was giving.

BOTTOM LINE: Does your Finance Committee plan to roll building payments into its operating budget at the end of a three-year pledge period? Get over it!

Herb Miller is a Consultant whose columns are carried by over 25 denominations.