

“Why should we hire a Consultant to raise money?”

Helpful thoughts on a difficult subject

“No way!” said one elder when the question of using outside fund-raising help was suggested.

‘We’re crazy if we don’t!’ said another after listening thoughtfully to the pros and cons.

The response of these two leaders, incidentally from the same church, illustrates the differing and often volatile responses church leaders and members have as to whether or not to hire a Consultant to provide the expertise to raise large amounts for capital projects.

As an individual who has worked in stewardship ministries with institutions, churches and church-related organizations for over forty years, I am more convinced today than ever that using outside assistance is an appropriate and legitimate option for churches when they need to raise significant money to fund growth. When considering this option, here are some of the most common questions churches have.

Q/A Who are these fundraising Consultants?

People who work as professional Consultants in stewardship ministries for churches and Christian charities are, for the most part, sincere committed Christians. Most have some form of church ministry background, are hard working and are conscientious people of integrity. Many have extensive training in the field and have been involved in numerous capital fund raising projects. Their experience therefore can be very helpful in maximizing the church’s financial potential for their project.

Q/A Does the process fit the church?

One of the suspicions church leaders have about professional Christian fund-raisers is that the campaigns they offer are nothing but secular models. Some secular companies that try to work in the Christian context do offer that of course but secular models do not work in churches or Christian charities. The reason being is that giving motivation in the Christian context is totally different than giving in the general field of philanthropy.

The other issue of course is that churches often think that the campaigns being offered are nothing but a ‘cookie-cutter’ approach where the same model is used for all churches, rural or urban, large or small, whatever denomination it happens to be. Such a ‘cookie-cutter’ approach does not work. Every church has their own ‘DNA’ and church leaders need to ensure that the proposed campaign design has church leadership input so that the methodology fits the church program, culture and ministry focus.

The other suspicion church leaders have about professional campaigns is related to campaign focus. The major question involved in this is, “Will this campaign have a biblical focus?” Yes...it needs to. The biblical focus achieved however depends on how stewardship is defined. Fund-raising is not asking for money, but preparing a donor to respond, a focus that leads to a discipleship-driven commitment. Campaigns that are simply money-driven are rarely successful whether done in-house or through using outside help. Stewardship is not really about money, it’s about commitment. When campaigns therefore emphasize Biblical teaching as the basis of the motivational process they achieve excellent financial and non-financial results.

Q/A Can we do it ourselves?

Some churches run internal campaigns and achieve positive results. Many of these churches may have done previous campaigns with Consultants, understand the general process and may still have the initial leadership to lead their second campaign. Many churches however that have not done previous campaigns may not have understanding of the basic principles involved and may therefore struggle. There are some exceptions to this of course but the industry average is that ‘in-house’ programs usually raise 35% to 40% of what can be achieved in relation to their potential.

Professional Consultants offer a campaign process that is designed on the basis of tried and proven principles of fundraising. . They also offer assistance where most churches and charities struggle: assessments to determine financial potential, campaign design, leadership training and the creation of an appropriate critical path and time-frame. When churches and charities pay to benefit from such experience they position themselves to achieve their full financial potential.

Q/A But our Minister loves raising money!

If that is true then perhaps the church, simply because of their Minister’s gifts and preference, will decide to do their own program. The real question however, is not whether the Minister can do it, but rather whether the Minister should do it. It is very important when campaigns are conducted that church ministry be very strong, that the vision which is driving the campaign be articulated and that the Minister provides the needed motivation and inspiration. The Minister’s time should therefore be best spent on ministry, providing a clear spiritual focus for the task at hand. If however the Minister prefers to put on a ‘fundraising hat’ for the five to six month period, most churches have them provide the leadership of a campaign run ‘in-house’.

Q/A What is the financial potential in a directed program?

There are many factors that effect potential in church campaigns; nature of the project, state of the church, level of commitment to the vision that is driving the project, socio-economic make-up of the congregation and the potential for large commitments. Not least of the factors is the enthusiastic and sacrificial support evident from pastoral and board leadership.

Churches that are vision-driven and growth orientated and are planning some element of new construction usually can raise from 2.5 to 3.5 times their operating budget, over and above existing giving, over a period of three years. Of the amount that is committed, if construction happens in a six to eight month time-frame following the campaign, churches can expect to receive from 85% to 90% of the pledges committed over three years.

When charities decide to run a campaign, specifically to do some type of project beyond the operating budget, they need to do a Financial Assessment to determine what the potential is.

Q/A Is the cost justified?

If the cost is seen as an investment, it is almost always worth it! In a church building program, for instance, the cost of raising money needs to be put against the cost of borrowed money. Let's say that the church has the potential to raise \$1,000,000 for a new building program. If they run their own campaign, using the industry average, they might raise \$400,000. If however they have a professional Consultant working with them, they should raise close to the \$1-million. If with outside help, therefore, there is an additional \$500 or \$600 hundred thousand raised, the cost of the Consultant's fee becomes insignificant when compared to the cost of borrowing the extra money needed to complete construction and the debt-servicing cost of their mortgage.

The 'rule of thumb' in the industry is that the cost to raise the funds should not exceed 5-7% of the total raised. Most campaigns conducted by Harder & Associates are in the 3-5% range.

Q/A Is the fee a percentage of what is raised?

It should not be. The Code of Ethics of most fundraising organizations strictly prohibits being paid a percentage of what is raised. In church campaigns, the fees Consultants charge are fees for services rendered, services that are outlined in a formal Contract setting out the complete financial liability of the client.

In campaigns for charities, the fee is usually set as a percentage of what the campaign goal is, assuming of course that the goal is in the range of the charities potential for the project.

(Discussion as to the cost of services provided by Harder & Associates is answered in another section)

Q/A What are some of the rules to follow in selecting outside help?

If you decide to use outside professional help in your capital fund program, there are some simple rules to follow:

- 1) **Check out the individual/company carefully.** Reputable stewardship professionals

welcome scrutiny. Do not be satisfied by simple letters of reference. Call and talk to people the individual/company has worked with. You probably have some of the same questions they had in the beginning.

Also make sure that you meet the actual person who will be working with you. Large companies have front people who sell services to clients. Once the church or charity is sold on the concept, a Consultant is then assigned to work the program. That person may not fit your church.

- 2) **Be wary of ‘cookie-cutter’ programs.** No Consultant re-invents the wheel, but churches must be able to evaluate the proposed campaign design and adapt and revise it if necessary to make sure that the process fits their church. This is particularly true when working with companies based in the United States. Southern US Bible-belt methodologies, for instance, don’t work in Canadian churches.
- 3) **Make sure your leadership is committed.** Most often, good programs fail because leadership is not seen to be supportive, financially committed and involved.

Q/A If we use outside help, are we guaranteed success?

No one can guarantee success. The dynamics of church life are very fragile. When campaigns however are church-designed and run by well experienced professionals, the majority of directed programs are very successful. Your best reference is to talk to fellow Ministers who have run professionally directed programs. Ask the hard questions. You might be surprised at what you hear.

Ben Harder is president of Harder & Associates, a Christian service company offering professional stewardship services to churches and Christian organizations.