

10 tips for surviving the recession

March 2009

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1 Introduction

As with all things in God's economy, there is a spiritual dimension. The tips that follow are largely based on common sense – but do not neglect to put on the lens of Christ as you seek to apply any of these tips.

Spiritual Focus

Tip No. 1 – Listen Carefully!

As Paul says, nothing in all creation ... neither the present nor the future ... will be able to separate us from the love of God. And that includes a global recession of unprecedented proportions!

This is not just about *knowing* Scripture, but standing on its truths and trusting God as individuals, for our church as a corporate body and for those to whom the church reaches out.

It is about listening to the heartbeat of God and focussing on His agenda for your church. So, prayer and meditation take on a fresh importance in these difficult times.

Some relevant scriptures to encourage our thinking

Trust in the Lord with all your heart. Lean not on your own understanding but in all your ways acknowledge Him and He shall direct your paths (Prov 3:5, 6)

Therefore I tell you, do not worry about your life, what you will eat or drink; or about your body, what you will wear. Is not life more important than food, and the body more important than clothes? Look at the birds of the air; they do not sow or reap or store away in barns, and yet your heavenly Father feeds them. Are you not much more valuable than they? Who of you by worrying can add a single hour to his life?

... But seek first his kingdom and his righteousness, and all these things will be given to you as well. Therefore do not worry about tomorrow, for tomorrow will worry about itself. Each day has enough trouble of its own. (Matt 6:25-27, 33-34).

Resource:

Stewardship is building a suite of Biblical reflections and resources for these difficult times. You can view these by clicking onto <http://www.stewardship.org.uk/recession.htm> Included is a short piece entitled 'How to Prepare your Church for Recession'

Focus on Excellence in Charity Management

Besides God's love, the most significant protection in a period of recession is good management. This section considers some of the more common areas in which church leaders can demonstrate this.

Resource:

The Charity Commission has recently revised their publication CC10: Hallmarks of an Effective Charity. Available free from:

<http://www.charity-commission.gov.uk/Library/publications/pdfs/cc10text.pdf>

Tip No. 2 – Good Planning is essential

This is a wide subject taking on many facets. Here are a few examples:

- **Be deliberate and intentional:** Don't just wander through the recession and hope that God will see you alright.
- **Seek God's heart for your people and your community:** Undertake a 'Community Audit' to ascertain what your particular community needs, what is already being provided and whether or not that provision is effectively meeting needs. This can be a significant piece of work. Consider partnering with other local churches in carrying out the Audit ... and possibly in the resulting actions.
- **Planning:** Plan, review, adjust, re-plan and so on. Carefully consider the risks involved in any new projects and build in contingency plans as appropriate. Budgets should not be prepared at the beginning of the year only to be forgotten until the end! A budget is a road map and should be consulted frequently through the year, comparing actual outcomes to the *year to date* budget. Is everything going to plan or do you need to reassess and re-work the plan (budget)?
- **Concentrate on the things that matter:** This may encompass cost cutting – but it is more about positively focussing resources where they will have Kingdom benefit and impact. This covers not only financial resources but staff and volunteer resources, use of property and so on. What do you do best?

Resource:

Faithworks provide a Community Audit and a Church Audit Tool. Available via the links at <http://www.faithworks.info/SubSection.asp?id=641>

Tip No. 3 – Assess and Manage the Charity's Risk Profile

Assessing and managing risks is all the more important in the current environment. It is not just about ticking a box to meet accounting and reporting requirements. It is a management tool, for the benefit of the charity. The next session will consider this in more detail.

Resource:

Stewardship provides a Risk Management Toolkit. You can find information about this at <http://www.stewardship.org.uk/documents/riskassessmenttoolkitweb.pdf> or, to purchase: http://shop1.actinicexpress.co.uk/shops/stewardship_store/index.php?cat=Publications&ActinicSID=4568786058a7dcebfb606e9485c272c

Tip No. 4 – Protect your income

Giving: Fearlessly teach the Biblical principles of stewardship and tithing. This is not about the church's needs, but the need for each of us to be disciples. So don't link the two! If you appeal for increased giving, do it on another occasion and appeal on the basis of compelling vision, not because the church is stretched.

Gift Aid tax reclaims: If you reclaim tax on giving under gift aid, consider increasing the frequency of claims throughout the year to improve cash flow.

Stewardship provides an efficient gift aid reclaim service, should you need help in this area. Tax reclaims are made on each gift as it is received, providing a regular flow of tax repayments through the year. Tax can be paid to the church as received or at weekly or monthly intervals.

Resources:

A wide range of free resources is available from the Stewardship Money Team. You can browse relevant resources from the Giving page of the Stewardship Money micro web site at: <http://www.stewardship.org.uk/money/giving.htm>

For details of our tax reclaim service: http://www.stewardship.org.uk/church_account2.htm

Focus on Risks and Threats

A full risk management process will help to identify the range of risks that a church may face. Nevertheless, each of these needs to be re-considered in the context of the climate that we now find ourselves in. Here are some examples:

Tip No 5. – Assess the Financial Risks

If we are to assess the financial risks facing our church, we need to understand the structure and make up of our finances. Have you forecast or run scenarios on what may happen if the main items of income and expenditure change materially over the coming year, two years, or even five years? This may be a simple process, focussing on just the main sources of income and main items of expenditure. For more complex forecasting, leading spreadsheet programs incorporate useful tools for scenario planning.

Example – Giving levels

A church which has a large body of committed givers, who each give broadly the same amount by standing order each month, may not see a great fluctuation in gross income as the recession works through.

Contrast this with another church that has a body of committed givers who together contribute 40% of the church's gross income, but the other 60% is made up by two highly professional members who have given sacrificially over the years from their large City bonuses. This church is likely to be at high risk of a significant fall in its overall giving as a result of the downturn. Consequently, contingency planning at the very least and possibly cut backs will be a prudent early response.

Investments and investment income

A church that has large sums to invest (perhaps as a result of an ongoing building fund appeal or receipt of a legacy) will have different risks. Namely, a sudden significant fall in investment income and questions over the security of capital.

In terms of investment income, it is worth shopping around. Banks still need to attract deposits in order to lend and will be competing for a smaller pool of investor funds. However, don't simply chase the highest rates in the market without taking into account the level of risk.

Most churches will come within the Financial Services Compensation Scheme, protecting up to £50,000 of deposits with any one *banking group*. For the time being it may, therefore, be prudent not to invest more than £50,000 with any one bank. However, take care to ensure that if investments are spread in this way, they are not put with different banks in the same group. For example, Alliance and Leicester is in the same group as Abbey. Halifax, Bank of Scotland and Lloyds TSB are all part of the Lloyds Banking Group plc.

Tip No. 6 – Look after your People Resources

Unlike businesses, people resources in a church comprise a large body of volunteers (who are also the main donors) as well as paid staff. Nothing can be more disruptive in difficult times than people becoming disgruntled and moving on.

Whilst recognising that you cannot please all of the people all of the time and that leadership means taking tough decisions, most people will respect decisions that they do not necessarily subscribe to, if they feel that they have been treated with respect and can see that those decisions have merit.

This is a wide subject and one in which others are far better equipped to deal, but maybe we all need to address this subject afresh. For example, reappraising our means of effectively communicating, of demonstrating value to people and motivating and empowering people to give of their best.

Focus on New or Enhanced Opportunities

Tip No. 7 – Recognise and meet the needs of the community

By effectively meeting the specific and current needs of the community around the church, the church's profile and reputation is enhanced. This in turn could have a positive impact on other aspects of the church's ministry and bring long term health to it.

In line with earlier comments, we should focus on what really matters. What matters to God. What matters to the community. What really makes a difference to people's lives and to their understanding of God.

Typically, we can expect an increase in debt, drug and alcohol abuse, depression and relationship issues. Just because you may live in a relatively affluent area or because you don't see evidence of these issues, don't assume that they are not there. Much happens behind closed doors.

Resource:

The Red2Black campaign provides resources to encourage and support your church tackle debt issues in your congregation and community:

<http://www.red2black.org.uk/>

Tip No. 8 – Be alert to a new pool of talent

As recession bites and jobs are lost, or gaining employment becomes more challenging, there will be a new pool of potentially under-utilised talent. The church can have a dual role here: not

only helping people to find work, but making good use of their talents in the meantime by using their skills in a volunteer capacity. This will not only help people to maintain a measure of value and self esteem, volunteering may actually help them to secure new employment, especially if they are able to demonstrate some tangible achievements in their volunteer role.

At a slightly different level, some industries and sectors are going to be short of work. - the construction industry, for example. If your church has self employed individuals in the congregation, are they able to fill slack times with some much needed work on church property?

Recruitment may also be less competitive. If your church needs to recruit paid office staff for example, this may be an easier task than in more prosperous times.

Tip No. 9 – Maximise Opportunities from Property

All too often, church buildings are used for part of the week whilst remaining empty or under utilised for the rest of the week. Are there opportunities to rent out surplus space? Churches can typically be more competitive than comparative commercial premises.

The session 'Property Issues: Blessing or Burden' will consider the issues in letting out surplus property in more detail.

Conversely, if your church has or foresees a short to medium term need for a new property or larger premises, the commercial property market is such that there will be some excellent deals for acquisition of, for example, large out of town retail units. We are already seeing discounts of hundreds of thousands of pounds for churches seeking to purchase property of this kind.

Resource:

Stewardship provides a very flexible mortgage service, especially tailored to the needs of churches. We can help you realise your vision. For more information, click onto:

<http://www.stewardship.org.uk/mortgages.htm>

Tip No. 10 – Look for Opportunities for free or low cost PR

As the church reaches out afresh into the community, why not create some good news stories of your work and impact. Use these to try and get regular articles into your local newspapers and local interest magazines.

Journalists are always on the lookout for good, local stories. Concentrate on the 'human interest' and couch the stories in a way that will be of interest to the publication's readership. There is plenty of free information on the internet on how to write successful press releases.

Finally, some church web sites are only there because many years ago, someone in the church said that 'we need to have a website', victims of a kind of cyber time warp.

So, make sure that your website is up to date with current events and initiatives, is contemporary in design and is interesting to the lay reader! Conduct searches of some of the larger churches or Google some random names such as 'King's Church' and look at the results. Compare the different styles and usefulness. Is there depth of useful information for all ages, or is there just a single page that was clearly designed 10 years ago and says little more than 'we meet at 10.00am and 6.30 pm'?

Use some of the young people in the church to help you! They will love to be asked. Not only are they likely to have more time, as well as enthusiasm and technical knowledge, they will help design a contemporary outlook.