

Know The Numbers

How to “broke” proof your budget



Know the Numbers

Q1 Report from the Unstuck Group

Giving has increased during the pandemic around 1.7%

Number of giving units has decreased by 6%

Churches average 22 weeks of cash reserves

Recommended is 12 to 15 weeks

Churches are at the top end of financial investment—55% of budget is salaries

Recommended is 45-55%

Churches are continuing to reduce their level of debt



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Why do you need to know the numbers?

“You can’t abdicate ultimate financial leadership to a bookkeeper or finance team, refusing to deal with real-world operational problems.

You’ve got to step up and lead...spiritually AND financially.”



Numbers don't tell the whole story, but they tell as big part of the Story!

When you look at the numbers, and compare them to a year ago, you'll begin to understand a pattern. When you notice that someone who used to be a faithful giver has stopped giving ,that should alert you to an opportunity for ministry. Numbers, especially financially numbers, are **SIGNS** of health and growth.



Numbers represent People!

I always laugh a little when I meet a superspiritual person who tells me they don't care about the numbers. It may sound good, but it's just not true. If you ask someone how many kids they have, they won't respond, "Oh, I don't know...I just take care of whoever God sends to my house that night.

NO WAY!

You know how many kids you have. You know their names. You know their birthdays. That number is important, because that number represents important people.



Numbers give you a snapshot look at health.

A hospital measures vital signs because they know that a few important numbers paint a picture of patient health. There are many more tests and studies they can do over time, but a quick check of your blood pressure and pulse reveals a lot. Likewise, there are few important numbers that quickly speak to the financial health of your church.



What you measure you will actually do!

This is really important, and it's honestly the missing ingredient from a lot of churches. This budget principle is so simple, but it's powerful, and it just works.



The **ONE** Principal to broke
proof your budget

Budget 90% of Last year's income



So why you wouldn't do it!



People will ignore the Numbers

You'll create a budget in your head or based on emotion, and one year later, you'll wonder why it didn't work. You may feel like your church received more money last year, but the numbers don't lie.

Look at everything that was given last year, and budget on 90% of that number.

Ignoring the financial numbers in your church while it's skimming by week-to-week is like the overweight person who refuses to get on a scale.



Over Spiritualizing

No matter how smart this principle sounds, there will be a group of people who want to create a “faith budget,” as if randomly putting numbers in a spreadsheet is a great act of faith. Yes – God is in control. Yes – God may want to do more in your church next year.

But it’s not a sign of faith to over commit to salaries, mortgage payments and more...that’s simply bad leadership. If you budget on 90% and God blesses more than that...AWESOME! Imagine all you can do with the extra. In fact, go ahead and dream and plan about what you would do if and when God blesses you with more.



The #1 reason people will agree with this principle but do nothing about is in the thinking,

“We can’t afford to do this.”



You are thinking, “Budgeting on 90% sounds good, and it’s probably the safe thing to do, but I’d have to cut so much to make it happen...it’s not worth it.” If you don’t measure something, you’re not going to take intentional steps to improve it. You’ll continue to lead according to a feeling, and end up overspending after good weeks and reacting poorly to bad weeks. But when you track some important numbers, and keep your finger on progress, you’re much more likely to end up where you want to go.





4 Steps

- Make the decision to do this before you ask how
- Know the right numbers
- Engage others
- Cut Stuff

The Right Numbers

OVERALL GIVING

PER CAPTIA GIVING

PERCENT GIVEN DIGITALLY

FIRST TIME GIVERS

BREAKDOWN BY AGE

Holy Communion Episcopal Church

Pledge Campaign Results

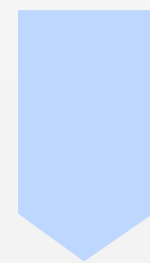
Pledging Units	Pledged \$	% of \$ Pledged	Median \$	Average \$
13	\$63,904	81%	\$4,402	\$5,433
19	\$15,058	19%	\$460	\$753
32	\$78,962	100%	\$3,948	\$2,459



TWO REPORTS



BUDGET VS. ACTUAL

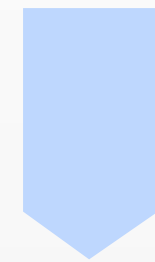


PROFIT AND LOSS

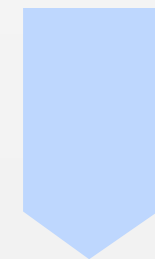
If your reports are confusing, you need to ask someone to explain them to you. If they are still confusing, you need to ask someone to make them simpler. These reports should not be unreadable, mysterious documents only understood by CPA's.



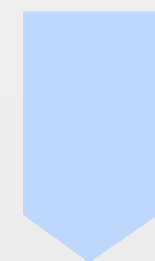
Some Last Thoughts



KNOW YOUR 'WHY' BEFORE YOU
DECIDE YOUR WHAT OR HOW



PRAY



Outsource you bookkeeping

Let's be honest: firing people is never easy. However, from time to time, it has to be done. It is far easier to fire someone for poor job performance that is not internally connected to your organization.



QUESTIONS



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