

Missional Churches and Budgeting: Redoing Church Budgets to Make Possible A Missional Emphasis

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I and others have previously laid out some of the challenges facing established churches that wish to adopt a more missional stance and to reach out to the world immediately around the church building and beyond.

A seldom-mentioned, but significant challenge facing many churches who desire to adopt such a focus is financial. The reality in the contemporary US culture is that giving is down in the current economic climate, and most churches spend most of their budget on themselves. Sometimes this is the result of the congregational realities—smaller churches with smaller budgets have limited funds available for outreach and missions. An equally common situation is that middle-sized and larger churches are overwhelmed by two major expenditures—mortgage payments and staffing costs.

With the church growth emphasis on staff-attendance ratios, many churches have invested heavily in hiring staff. One lesson from recent years is that more staff does not automatically bring church growth. In fact, some surveys suggest that increasing staff hires often discourages the involvement of the members in the works of the church, and also tends toward hiring staff members to serve the needs of the congregation more than outsiders. In most churches, staffing represents one of the larger slices of the budget pie. Fact2008 says that the average U.S. church spends 45% of its annual budget on staff. In a survey by *Your Church*, the average was about 41% percent of annual budgets spent on staffing. Other organizations estimate the average runs closer to 50%. In some congregations, especially smaller congregations, the percentage is undoubtedly higher.

In a time when many churches are unable to do the work of God because of staffing costs, a recent shift in church budgeting toward “lean staffing” may provide a helpful approach to churches that wish to develop a genuinely missional focus. A “lean-staffing” survey was recently conducted by Leadership network in partnership with Christianity Today, publisher of *Your Church* and *Leadership Journal*.¹ The survey made clear that it is possible to do effective ministry with fewer staff members and less financial outlay. The survey, completed earlier this year, used a select group of respondents in a “lean staffing” comparison. Among the responding churches, slightly less than 15% spent less than 35% of their budget on staff costs, while the rest of the churches spent 35-65% of their budgets on staff. Churches identified as “lean staffed” also spent a higher percentage of the budget on activities outside their walls. This suggests that one factor in an increasing missional emphasis is to limit the amount of the budget devoted to staff costs.

¹ More information on the survey is available at www.christianpost.com, www.christianitytoday.com, and www.christianitytoday.com/yc/2010/spring/leanstaffsurvey.html

Many church leaders say they want to spend less on personnel and more on outreach, but most church leaders are not aware of churches that are successfully following such a strategy. With the survey results, there is data to suggest such churches do exist. According to Warren Bird, "There are churches that seem to be healthy and outreach-minded and do, indeed, have a lower percentage of their budget going to staffing costs. It can be done. That was very affirming."

The findings may encourage churches to more accurately assess how many paid staff members they need to effectively minister. The survey also provides some conceptual help for churches who want to develop a church climate more in tune with missional outreach.

- Lean-staffed churches hired almost 25% fewer staff. The lean-staffed churches averaged one paid staff member per 86 attendees compared to a 1-to-70 ratio for the other churches.
- Lean-staffed churches spent about 20% more of their budgets on outreach and missions (18% compared to 15% for other churches).
- Churches desiring a more missional emphasis can evaluate staff-to-attendee ratios and the percentage of budget spent on outreach and missions, and how they would like to shift those numbers.
- Churches with lean-staff budgets do more with volunteers and part-time staff members; have more lay leadership development and involvement opportunities, outsource some staff jobs, tend to have lower contributions, and may have income and designated contributions beyond members' donations.
- Lean-staffed churches also tend to be growing, younger in average attendee age, located in older areas, and using at least three part-time staff for each full-time staff.

Suggestions

- Study staffing needs and avoid over-hiring
- Set percentage goals as to how much of the budget should be spent externally on outreach and missions
- Make a conscious effort to educate and train, equip and empower the membership
- Develop and use a well-trained volunteer base
- Insist that a significant percentage of the activities of the paid staff be purposefully focused outside the needs of the membership and the walls of the church building. When that occurs, show in the budget that an appropriate portion of the staff cost is focused externally and not internally
- Provide adequate ministry support funding in lieu of hiring the work done