

# The Least Exciting Fundraising Campaign—Debt Reduction

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A debt can be debilitating, demoralizing, enervating and polarizing. But it's a reality in the life of many congregations.. On the other hand, turning a debt around and finding ways to be rid of it can also be a way to boost the activity and morale of a church family. It's not easy, by any means, but some suggestions can be found in a chapter in the handbook, *Successful Fundraising*, and PSI welcomes inquiries for additional resources and/or advice.

Before considering a serious campaign to reduce or eliminate a debt, consider some of these points.

- a) Is there an urgency to pay the debt? What are we not able to do because there's a debt? Are there services and ministries that are diminished or on hold while we pay the debt?
- b) Is the stewardship level of the congregation such that they exhibit loyalty to the church in their giving? Does the congregation understand why there is a debt? Has information been shared so that the congregation has reason to be generous and perhaps "stretch" to pay the debt? If stewardship levels are low, it might be that a debt reduction campaign isn't possible to implement at the moment.
- c) Is this a "pastor's debt" or one which the congregation "owns?" Is the debt the result of a capital campaign that took place and now the church is paying off the building costs? Or is the debt a result of bad management of church funds, real or perceived? Was at least the leadership of the congregation, besides the pastor, involved in whatever activity or project that incurred the debt?
- d) Is the debt and/or monthly payments sucking the lifeblood out of significant church programs? If the debt were paid, what else could be done NOW that builds up the loyalty, involvement and religious experience of the members or adds new members to the congregation?
- e) Is the church and its leadership willing to focus on a debt reduction campaign and put their support, financial and work, behind it? If not, what's holding back the church family from supporting an effort to rid their congregation and church building of a debt that hangs over their collective head like a Damocles sword?

Wishing won't make that debt go away. Inaction or apathy about a debt can drain the life out of a church. A good debt reduction campaign, however, can inject new enthusiasm and a sense of belonging to a winning organization.

In the next issue we will provide some ideas on how to manage a debt reduction campaign. We also encourage you to get a copy of *Successful Fundraising* and read the chapter on debt reduction. Contact PSI for any additional information we can provide, including phone or on-site counsel.

Without a doubt, fundraising professionals and others experienced in this activity will readily acknowledge that debt reduction is the most difficult money to raise. After all, who can get excited about giving to a campaign that focuses on money going (or gone) “down the rathole?!”

Here are some suggestions of how a debt reduction campaign might succeed.

- a) Don't hide behind “feel good” information sharing to the congregation, and don't whitewash the fact there is a debt. Instead, prepare a comprehensive plan, outline a process that is equal to today's demands for a well-constructed campaign and communicate this plan. Get church members involved, one by one, small group by small group, until a responsible plan is in place and church members are behind it.
- b) Don't begin a debt reduction campaign with just good intentions and the desire of a few to eliminate debt. Ensure the church body is behind the campaign, has given faithfully, and is willing to “stretch” in their giving as well as do fundraising according to a plan whereby people's talents, contacts, and skills are used.
- c) Show the church family what the realities are of today's church budget, and what can be done if the debt is eliminated.
- d) Inform so that finger-pointing is eliminated as much as possible. Blaming those who were or are responsible, whether in reality or as a result of negative gossip, is counterproductive to morale as well as a successful campaign. Church finances sometimes take on the level of secrecy equal to the CIA. Of course, sensitive and personal information shouldn't be shared, but a budget and realities of church finance need not be state—or church—secrets.
- e) Ensure that both pastoral/leadership and membership support and involvement is in place. Few things are more counterproductive than “the pastor's campaign.” The leader must be behind the effort and use his/her talents in the best way possible. This means that at times the pastor is the right person asking for funds, internally within the church family or externally from other possible donors, but at other times perhaps a member or even a friend to the congregation might be the right person.
- f) Consider the mission and values of the Church. Why is it important to reduce or eliminate the debt? What is not happening in the church because it has a debt? Focusing on the

reasons why the church exists and functions is more advisable than just focusing on the money that is owed. Give your members and donors a reason to want the church to be solvent!

- g) Consider the side-benefits of a debt-free church: more funds for community outreach and evangelism, therefore a likely increase in membership; increased morale and more focus on worship and faith-related activities; less anxiety and more enthusiasm; and increased faith in God that He has helped a church family move ahead.
- h) Prepare and implement a responsible campaign plan that can succeed in today's environment. Gone are the days when a pastor could implore, urge or even exhort a church to give. Today members are more inquiring, more demanding of information and a "say," more focused on accountability of church funds, and more conscious of how money is used. Treat them with the respect they deserve and just possibly your church will get a new lease on life, debt free!