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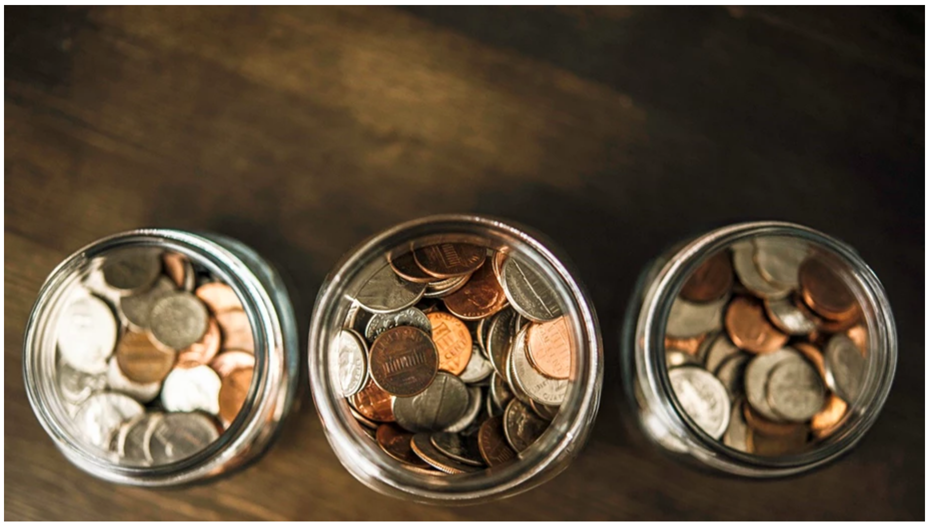
What's Your Church's Currency?

Money talks—but it speaks a different language in each congregation.

GARY FENTON | **POSTED** APRIL 1, 1991



Late one evening, a young pastor called me, a frantic tone in his voice. He quickly got to the point: he feared he was about to be fired.

He outlined his story. Nine months earlier, when he accepted the church's invitation to become pastor, the church's needs and his gifts had seemed a good match.

Although the church had a budget, the former pastors and treasurer had never followed it. Upon the death of the tenured treasurer and the resignation of the pastor at about that same time, the church thought it a good time to bring order to their financial chaos.

According to the pulpit committee, the church needed a pastor with administrative gifts; according to this young pastor's own understanding and the evaluation of his peers, administration was his strength.

My friend quickly applied some of his organizational skills and set up a new structure for managing the money. Because his new system gave more responsibility to people and less control to the pastor, he assumed his new semi-rural, conservative parishioners would rise up and call him blessed.

Instead, they rose up and blasted him.

The same leaders who had wanted him because of his management skills were criticizing him publicly for lack of administrative ability. The leaders felt they had been misled.

The pastor, for his part, felt betrayed. He counter-punched by reminding the leaders of the church's financial chaos when he began. One long-time church leader said he preferred chaos to the new system. Soon the pastor and leaders were questioning each other's integrity.

What went wrong? Did the pastor lack financial and organizational skills? Did the lay leadership overestimate their management abilities? Or was something else at work here?

Although many factors can cause pastor-versus church conflicts, money issues are likely near the top of the list. After visiting the church and hearing both sides, I became convinced that neither the pastor nor the lay leaders were inept or lacking in integrity. The pastor simply followed business principles used in a large corporation, and the church leadership followed principles used in small, privately owned farms and businesses.

It's not enough to manage the finances according to "sound business principles," because the definition of "sound business principles" varies widely, shaped by the culture, mindset, and financial setting of each particular community.

I have served churches in four settings: an agricultural area, a community with a highly competitive tourist industry, a university community, and a small city dependent on the oil industry. Each church's financial accounting system reflected, in different degrees, the local community's prevailing definition of good business.

I've also visited with other pastors and churches, and I've supervised a number of doctoral students serving as pastors. In all, I've found at least five models of financial management used in communities and churches. By no means is my list comprehensive, but recognizing the differences between these five has helped me and others manage our churches' financial affairs.

The Family-Business Church-Lovers of Thrift

Many smaller communities operate on family-owned business economies. This is especially true in agricultural areas. Farms are family-owned businesses, and often the small town nearby is dominated by family-owned enterprises: the car dealership, the Dairy Queen, the service station, and the clothing store.

In family-owned businesses, the owner knows every cost and expenditure. He or she knows the price of raw materials, utilities, labor, and even the paper towels in the restrooms. The owner or manager knows that if he loses touch with costs, he will likely lose the business. So, knowing the details becomes a prized principle of good business.

The survival of the family-owned business often depends on its ability to serve customers well. Since the owner is usually responsible for the quality of service, he or she personally seeks to discover the needs of customers and listens to their complaints.

In the family-owned business culture, the pastor of a local church is often viewed as the business manager of the church, expected to know the cost of each and every item the church purchases. In such a church, "sound business principles" mean that the pastor is knowledgeable about such financial details.

In one church I served, I heard (frequently) about a former pastor who discouraged a committee, which was shopping for a church lawn mower, from taking bids from every local store. The committee had obtained prices from all but one local distributor, and according to the oft-told legend, the pastor told them not to waste their time with the other merchant. He urged them to go ahead and make the decision without calling that distributor.

After the committee purchased the lawn mower, the chairman discovered the church could have saved nearly ten dollars on the two-hundred dollar purchase from the other distributor. This story and embellished versions of it were rehearsed many times by the men of this small church to illustrate the irresponsibility of the former pastor.

The issue was not so much the ten dollars, but that the pastor did not handle the purchase like the owner of a small business usually does. Consequently, the pastor couldn't get the church to enact some of his programs, and during my pastorate he was still remembered as an extravagant spender, even though his purchases often expedited programs.

In the family business church, then, thrift is highest virtue. Thriftiness may not produce change, but it keeps disaster at bay. The pastor may convince a congregation not to worship thrift but will probably never convince it to abandon thrift as a primary principle of management.

This does not mean, though, that the pastor must be involved in the purchase of every item. Several years ago I led revival services in a church located in a town of less than 5,000 people. The church had been served by the same pastor for ten years. Several times during that week, members told me their pastor was not only a great preacher and pastor, but also a good business manager.

That surprised me, because he didn't seem consumed by the church's financial details. I asked him why people thought of him in this way.

"Early in my ministry here," he replied, "I found people continually asking me about expenditures, and I was continually replying, 'I don't know.' Some of the old timers felt I was unconcerned about administration.

"As a result, I asked the treasurer and the secretary to provide me a list each month of all the checks written and what products or services the checks had purchased. Prior to each business conference, I began spending an hour reviewing the list. Then in the business conference, I never appeared surprised at people's questions."

He concluded, "These have been the best hours I've spent for saving me time and bringing me credibility."

In such churches, the committees and boards responsible for church business often bog down discussing small expenditures. Many pastors are tempted to accelerate the discussion or even bypass it altogether. But such pastors risk being seen as poor stewards, since they don't seem concerned about the smallest expenditures.

The pastor of a family business church is also seen as the primary provider of services, much like the owner of a small business. The provider of services, of course, must listen to the complaints of the clients.

Among other things, the pastor in this setting must listen to complaints about spending. If someone complains that the church is paying too much for light bulbs, the pastor will need to graciously hear these comments instead of telling the meter watcher to take the matter up with the buildings and grounds chairman.

As pastors, we can slowly educate people to ask such questions of others, but to ignore those questions is to ask for small-business people to question your management and integrity.

The Entrepreneurial Church-Risk Takers

A second type of church with distinct financial characteristics is the entrepreneurial church. Open this spirit is found in towns where prominent individuals have started their first business.

In contrast to the family-owned business, many of which are inherited, the businesses of entrepreneurs have been started from scratch. The family-owned businessman may practice thrift to preserve what he has but the entrepreneur is striving to build a business and create a profit through calculated indebtedness.

The entrepreneur is, then, a risk taker. And entrepreneurs view risk taking as a sign of character. These types often gather and swap risk-taking stories the way self-help group leaders tell pain stories.

Translated into church language, financial risk taking is seen as evidence of spirituality. Such people may think the pastor who refuses to risk lacks faith.

Most ministers advocate the value of moving out on faith, but many are wary of risking their own financial future and career, and for good reason. But leaders in an entrepreneurial church live in a world where bankruptcy is a constant threat. Some of them live on the edge of financial collapse each time they print out a new spread sheet. They have little sympathy for a pastor who calls the church to risk but then is unwilling to risk anything personally.

During the high oil prices of the early 1980s, one entrepreneurial church in a booming suburb considered making the compensation of the staff entirely performance related. The pastor reacted so vehemently against the idea that his leadership was challenged, his credibility disappeared, and he soon left.

The new pastor negotiated the issue, explaining the disadvantages of the plan. At the same time, he didn't seek to have every benefit and perk guaranteed.

Later one of that church's key lay leaders told me the church thought the new pastor was "a man of faith" while the previous pastor failed to practice what he preached.

Entrepreneurial communities honor effectiveness more than thriftiness. Entrepreneurs want results. The entrepreneur is willing to lose money if he feels the potential of gain is worth the risk. Entrepreneurs describe their work in terms of how much they make rather than how much they save.

My first encounter with this culture occurred while pastoring in an emerging tourist town. I was surprised at the ease with which we spent money, for we were not a wealthy church.

One time I made a rather passionate plea to a committee to fund a summer program to bring students in to do ministry among tourists. Much to my surprise, the committee doubled my request for funds. The project succeeded, and no one objected to the fact that the same results could have been accomplished with much less money.

Other projects more worthwhile (like badly needed building repairs) suffered for lack of funding, but this particular project became sacred because it was measurably effective.

Entrepreneurial people are goal oriented, and they bring that orientation with them to church. But their goals usually include money. So the pastor whose goals and vision for the church exclude financial concerns may have trouble gaining a following for ministry ideas.

In the entrepreneurial church I served, I arrived with goals for church growth, and soon I developed these into specific program goals. I presented the master plan to the deacons, and they endorsed it, though without much enthusiasm.

I was disappointed by their calm response, because I had hoped my plan would spark discussion. I wanted their input, but they accepted the goals with little excitement.

My enthusiasm for the plan carried me through my first fifteen months there. Finally, though, one of the men in the church challenged me to set not only goals for church membership but also financial goals (like projecting the church's budget two and three years ahead and determining how much could be set aside for a new building).

I thought focusing attention on finances was "unspiritual." I saw money as a means and not the end. Setting money goals smacked of materialism.

Nonetheless, I reluctantly prepared some financial goals and took them to the appropriate groups. I was surprised to see that these financial goals became the catalyst of discussion I had hoped for earlier. We met three times within one month, and I was able to use the "means" goals to discuss the "end" goals.

Setting the financial goals provided the opportunity among these entrepreneurs for vision setting and vision selling. This group then completely reworked, revised, and improved the master plan.

Entrepreneurial churches appear to change pastors and staff members with great ease. The grief process after a resignation or termination does not appear to be as long as in other churches. In the world of the entrepreneur, leadership changes are common.

Pastors who feel their emotional world would collapse by being dismissed probably will not be able to function in this type of economic setting. As one business executive told me about a friend in the ministry, "He would be a much better pastor if he didn't think termination was terminal."

In entrepreneurial churches, financial plans are constantly being revised. They function in a world where financial structures change dramatically.

I live in a community in which three of the four largest banks have changed ownership and philosophy in the last four years. The largest bank has had four names and three different corporate owners and has added two new branches since 1986. And we are not the exception in the Southwest.

That impacts the local church. A pastor who serves a church located in a yuppie suburb told me, tongue in cheek, "My church expects a new five-year plan every eighteen months."

This is an exciting type of church in which to serve, but there is an inherent weakness in this financial atmosphere. Sometimes, in pursuit of results, efficiency is undervalued and even despised. Thus, the church may find itself suddenly in financial problems.

Furthermore, successful entrepreneurs, programmed to cut their losses, may decide to leave the church they've decided has no future. Stability is not valued in this type of church, unless it's simply a stage on the way to becoming a super church.

I once met with a church that in its previous twelve years had fired three of its four pastors. During this same period, this church also had built three new buildings, received the denomination's distinction of being "the fastest growing church in the state" two different years, and gone through a bitter split. The attendance for the morning Bible study during this twelve-year period had been as high as five hundred but had then dropped to less than two hundred. According to a denominational worker, most of their problems related to finances.

Some of the reasons for this lack of stability I discovered as I learned about the community. Most cities have several suburban rings that usually correlate to social and economic groupings. This community was located on the second outer ring of a progressive city. These folks were young riskers who had purchased small acreages in a nearby community that real estate people were suggesting would explode in residential growth. These young bucks had told their wives and children they were buying into semi-rural living, but they were really trying to buy futures in the real estate market.

Only one of the four pastors in the last twelve years was entrepreneurial, and he had unfortunately been a high risk taker in his marriage and lost his position due to immorality.

The next pastor wanted to bring stability by removing risk from the church's financial program, but his low-risk style alienated some families from the church. He was fired, and the charges against him included a "lack of vision."

The church has now called a pastor who takes calculated risks. He's seen not as a caretaker, but as a man of vision. His vision is well thought out, though, and the church's attendance is on the increase.

The Nonprofit Community-Lovers of Process

A significant number of our communities are dominated by nonprofit organizations such as government entities, universities, and religious bodies.

People with experience in nonprofits have a different value system and vocabulary than do entrepreneurs and small-business owners.

A pastor moved to a bedroom community close to a state capital. Most of the members worked for the state government or for a government-funded agency. The pastor had assumed that since the community was relatively small, the management principles he had mastered in the other small town in which he had pastored would transfer. But within three months he was in deep trouble with the lay leaders.

At an area conference, this pastor told me he was aggressively seeking another church. He was used to informally supervising staff, without resorting to formal job descriptions. But people would regularly ask him upon what basis he delegated duties.

Others would question him about money management. Finance committee meetings consumed over three hours while members dissected the church's finances. All this left him angry, confused, and believing his integrity was challenged.

When I moved to a university community, an older pastor gave me some wise advice: "If you will accept questions as compliments or as requests for your approval, you will love working with university professors. If you see their questions as threats or delays, you will be miserable."

Most nonprofit organizations create energy through study and analysis, and that means asking lots of questions. If a young professor on a university campus wishes to impress her department head, she poses the difficult, intriguing question in a faculty meeting. Good questions are rewarded in the academic setting, and often the person asking the question is a committed team player.

Most nonprofits are most closely modeled after the academic community (although some nonprofits are beginning to model themselves on an entrepreneurial model).

A minister of education with an impressive resume and list of achievements asked me to help him relocate. He indicated that his pastor and most of the staff were looking for places to serve as well.

"What are the reasons for the tension?" I asked.

He said that everything the pastor and staff did was questioned. He mentioned by name one woman in particular who pestered him, asking before each decision how it would relate to the mission statement of the church. She served on the church's finance committee and continually examined his budget, even asking for written self-evaluations on some of his programs.

I had served with this woman on a local community board and found her to be a caring and articulate Ph.D. She asked the same kind of questions in our board meetings even though she and the executive director of this agency were close friends. I am convinced that she saw this as her way of fulfilling her duties both on the board and in the church.

Members of nonprofit communities do not see committee meetings and business conferences as perfunctory. While serving in a church dominated by the university community, I found that business committees could devote forty minutes to a single, seemingly minute issue. Questions would be asked and recommendations made regarding the slightest detail.

Often I noticed new members become tense in this process. They seemed afraid that a verbal explosion was imminent, only to find that when we voted, we had either unanimous or overwhelming majority approval.

Study, of course, can become an end in itself. My greatest frustration in the nonprofit church I served was the large number of ad hoc study committees that were continually at work.

One staff member told me he thought ad hoc was Latin for "to slow down" because that was the primary function performed by many of these temporary, single-issue committees.

In the world where these people live, though, study committees are a part of good and necessary management. Nonprofits live off of the voluntary generosity or the taxes of others, and as a result they feel an obligation to avoid failure. Most pastors see the resources as belonging to the Lord, and we may not be as sensitive to the donor as people in other nonprofits.

Another characteristic: nonprofits are primarily print-oriented organizations. Printed reports are the primary means of telling supporters, clients, and constituents what is happening. As a result, motions and recommendations need to be worded carefully. Print is more precise than spoken reports, and an effective leader of nonprofits learns to word his or her recommendations in print clearly and accurately.

I have seen a finance committee vote to spend $70,000 to repair a church-owned building and then appoint a special committee, giving them two weeks to properly word the motion before presenting it to the church.

One committee member, relatively new to this particular church, ridiculed the committee for wasting time. He had just moved to town and purchased a fast-food franchise quicker than they could word a statement. Members of the committee, to this day, question this man's stability, even though his annual income now surpasses any three of the professors on the committee.

Finally, in nonprofits process is as important as results. Nonprofits generally attract people committed to principles more than product. This may be changing as the entrepreneurial types move into leadership of nonprofits, but I think most nonprofits' employees are not primarily interested in the bottom line.

It is assumed, for instance, that the person charged with supervising finances and spending money will follow procedures, even if the organization suffers as a result. To violate the process is to violate the group, even if the group benefits from expediency.

A pastor who served a church with a large number of government employees told me that he and the newly elected church treasurer once moved some church funds from one financial institution to another, doing so without checking with the entire finance committee. It was an emergency situation, and their actions saved the church well over $3,000.

When he and the treasurer reported this to the finance committee, they expected the committee to congratulate them on their wisdom. Instead, they were openly criticized. The saving of $3,000 proved to be costly to this pastor's credibility, which took two years to reestablish.

The Corporate Setting-Competitors for Approval

A fourth environment in which churches operate is the corporate setting. Some communities are dominated by people who work for large corporations.

Generally, people in corporations have specialized views on money; some are trained to create new money through sales and user fees while others are trained to save money through close financial control. Few people in a corporation are trained to see the big picture.

Since senior management-the big picture people-have to say no to the many special interest groups in the company, they often are the most resented in the company. On the other hand, those trained to specialize often have difficulty becoming big-picture people.

In a church of this culture, the pastor may be seen as the big-picture person, the one to whom members must bring their specific interests for evaluation and blessing. Although a church in a corporate community may be committee driven, many of the key members will probably assume that their special interests ultimately need the pastor's blessing to be implemented.

The Christian education committee, the missions committee, and the music committee become competing interests, each crusading for more resources. If the pastor rejects their idea, people may become angry-until, that is, they have another idea that needs approval. If their report is accepted, they see the pastor as an ally-until, that is, the time when their proposal fails.

Pastors who have been most successful in this system accept the necessity of adversarial relationships. In a corporation, competition between individuals can build strong products; the tension is accepted as a necessary part of creativity.

But many pastors, including myself, have difficulty working with even temporary adversaries. With my messiah complex, I tend to believe people are either for or against me personally.

Recently one well-known pastor publicly prayed that God would forgive those who disagreed with him. We may feel like doing that, but it limits our effectiveness in the corporate culture.

Also, most corporations have a clearly defined chain of command for making decisions, spending money, and allocating resources. Some points on the chain are perfunctory stops, although corporate workers know they must make every stop. But they also know that each stop is not equal. The effective corporate climber knows where to make full stops and where to make whistle stops.

The pastor and staff can only build credibility and become effective planners in the corporate church by doing the same. In one church I've worked with, three committees had to be consulted before any major expenditure could be made: the finance committee, the planning committee, and the deacons.

The deacons were a whistle stop. When you mentioned to them the project that needed funding, they would rarely discuss it thoroughly before approving it. They just wanted to know what was going on. But woe to the person who tried to get something funded without informing the deacons!

On the other hand, the finance committee was a full stop. They had a major say in determining any spending, and they wanted to go over every proposal thoroughly. You figured to spend some time at this stop if you wanted a project funded.

The Mixed-Economy Church

Many churches have members from more than one of the above categories. This creates its own set of problems. In order to avoid misunderstanding, the pastor in this type of church may need to spend more time getting to know the lay leaders responsible for directing and evaluating the financial concerns of the church.

I presently serve a church in which the chairman of the finance committee is the primary church spokesman about the congregation's finances. This position rotates annually, and in the last three years it has been held, in turn, by a lawyer, a stockbroker, and an executive in an oil-related industry.

The committee rotates a third of its members each year, and we now have two real estate agents, two government employees, one man who started his own company, one hourly-wage employee, two attorneys, a homemaker, and a man who inherited his father's small business.

Helping this diverse group agree on good management procedures is no small challenge, but it can be done. I followed a pastor who served this church for more than thirty years. After his retirement, he told me he had found that many of the conflicts on the finance committee were the result of the clash of the economic subcultures.

Consequently, when he was pastor, each January he visited each member of the finance committee. During his visit he found out what financial terms and phrases that person used in his or her business. He felt his major role in that committee was interpreting various financial tongues, helping the members communicate with one another.

Looking back on my first year as pastor at this church, I contributed to a volatile situation in the finance committee because I failed to see the diversity of the church. I assumed that all of the committee members were on the same page and made remarks to the committee that were misunderstood by some. As a result I spent more time explaining what I meant than it would have taken to get acquainted with our committee members in the first place.

Churches with highly diverse membership, and thus with highly diverse financial standards, may need to include interpretation as a regular agenda item at the annual leadership retreat.

Obvious forms of evil such as manipulation, lack of personal integrity, and misuse of funds are wrong in any kind of church. But many of the means we use to measure the quality of church business practices are finally subjective.

Furthermore, the flexibility needed to minister in many churches is not the result of lack of conviction but an honorable and necessary trait for successful financial management.

My goal is to lead people to become a family of faith. Recognizing that different churches approach financial management differently has not resolved all financial conflicts, but it has reduced these conflicts to a minimum. And that, in turn, makes it a lot easier to become a church family.

CHRISTIANITY TODAY