

Depth Perception

30 June 2010

Commentary from Design Group International™

[Money leadership: from "Oh-my" to "A-men."](#) a live webinar series with Mark L. Vincent touches on this subject.

Sponsored by Bethany Theological Seminary and the Church of the Brethren, the webinars are open to the first 120 people who log on. Click [here](#) to learn more. To view a recording of the first in the series, click [here](#).

The Congregational Economy

When asked the size of their congregation's economy, most church leaders answer with the size of the budget, not remembering that at least two numbers make up a budget:

1. Total Expected Income
2. Total Expected Expense

Further, the number most choose to use is total expected expense, but reporting it as if it is the congregation's annual income. If the numbers are close together, this mistake comes off as no big deal. If expenses are 20% greater than income, however, as is the case for many congregations who subsist on transfers of their dwindling reserve accounts to operating income, then it is clearly irresponsible.

This irresponsibility is not just in the error of mixing up expense with income. It also shows up in continuing to set budgets where income does not match anticipated expense, where reserves are drawn down to make up the difference and to create the aura of a balanced budget (which is strangely celebrated as an achievement), and in not correcting the problem until the congregation is insolvent.

A congregation's economy is larger than the budget. It includes:

- Household income and assets that might be made available for kingdom work beyond official church initiatives. An example is a parent that transports up to eight junior highers to Wednesday evening youth group for three years.
- The anticipated firstfruits contributions of households to the congregation's operating budget.
- The anticipated above budget offerings to church initiatives and to ministries beyond church walls.
- Fee-based income such as church rentals.
- Income from any enterprise operating by the church. An example might be operating a nursery school.
- Unanticipated income such as a bequest.

Keeping the ENTIRE congregational economy in mind not only helps congregational leaders lead with greater fiscal responsibility, but it also provides needed information by which leaders can think strategically about using assets available to the congregation in ways faithful to the congregation's mission. This year and next year too.

-mark l vincent

©Design Group International™.

www.DesignGroupInternational.com

This e-mail is proprietary and strictly confidential. All requests to reprint must be submitted in writing.

To subscribe to *Depth Perception*, [click here...](#)

To unsubscribe, [click here....](#)