



GUIDE TO A SUCCESSFUL BUILDING FUND DRIVE

for Pastors & Church Leaders



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Why & How To Conduct a Multi-Year Fund Drive for Expansion, Building Projects, Debt-Retirement, or Relocation

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Special multi-year pledge drive campaigns are commonly used to accomplish church expansion, renovations, relocation, or debt retirement. Within any congregation, if you're there long enough, you will find that eventually facilities need to be expanded, renovated, or maintained beyond the normal operating budget of the church. On rare occasions, a church may need to relocate because of space problems or drastic changes in the neighborhood or congregation. There are also times when previous expansion, renovation, or maintenance dollars were accomplished with the use of borrowed funds and the monthly payments are hampering the ongoing ministry costs. All of these events will usually require a special fund drive or multi-year capital campaign effort to move the church forward.

A one year capital campaign drive can usually be used to raise needed dollars for projects requiring 15 to 40% of the church's annual budget. *Multi-year pledge drives* should be used to secure financial commitments to accomplish expansion, renovations, relocation, or debt-retirement projects that will require gifts equal to 50% to 300% of a church's annual budget.

Here are some key reasons to conduct a capital campaign followed by practical ways to succeed with your campaign:

Reason 1: Move forward in your ministry. If you attempt to do everything needed for your church only with funds from your annual operating budget, you may quickly discover you are restrained from taking any great strides forward. Building projects, renovations, and major maintenance projects require a significant influx of cash that cannot be accomplished without the clarion call of “*it’s time to build*” or expand, or fix, or relocate, etc.

The focus, energy, and passion needed in a capital campaign will marshal energy, leadership, and resources to take your church to a new level.

Reason 2: Facilities facilitate ministry. I’m not a big believer in “*if you build it they will come.*” But I do believe that “*if they’re coming, you need to build it or expand it.*” Church architect, Ray Bowman, confesses in his excellent book, “*When Not to Build*”⁵, that some churches he’s worked with over the years followed a foolish approach; they did not have any excitement or new people coming to their church, and went ahead with “*if we build it, they will come.*” Ultimately, church is not about building buildings, but building lives. But in the process of building lives, we find that our church facilities can facilitate valuable ministry. Youth groups need space to operate, nurseries need room for babies, sanctuaries allow God’s people to gather together, and fellowship halls allow people to recreate and socialize together, as a few examples.

If your church is an older facility, it is important to properly care for what God has entrusted to you. It doesn’t need to look sloppy (*e.g., peeling paint, torn/dirtied carpets, broken light fixtures, and cracked windows, for example*).

A well done capital campaign can be conducted for these things, often by freeing financial resources that people do not give for the regular budget, but would use to improve, renovate or expand facilities.

Reason 3: Big gifts flow to big vision. The Bible says, “*Without vision, the people perish.*” A wise pastor once said, “*Without vision, the people go to another parish.*” And a fundraising consultant would say, “*Without money, the vision perishes.*” A man approached his pastor and said, “*Pastor, if you could have any amount of money to help this church, how much would*

you need and what would you do with it.” The pastor thought for a while and said, *“If I could just receive an extra \$500, I would fix us the ladies rest room.”* Unbeknownst to the pastor, the man had come in \$100,000 and was going to give it to the Lord’s work. If the pastor would have had a \$100,000 vision (or greater), the man would have given the entire amount to the church. Instead, he said, *“Pastor, that’s great. Here’s \$500 to get the job done.”* The pastor was happy, but the man was saddened and went out and found a ministry with a vision big enough to strategically and effectively use his remaining \$99,500! When you have a God-given vision for the future and action plans to get there, you may experience some of the biggest gifts your ministry will ever receive.

Reason 4: God has blessed people with resources that need to be released into God’s work. God is often at work behind the scenes preparing people to give by pouring significant financial resources into their lives. The Lord wants to use those resources for His glory and at just the right time these resources will be release—sometimes in unexpected ways. God allowed David to accumulate vast wealth from his military campaigns because God wanted to use those resources for the building of the temple. On their way out of town, the Israelite slaves plundered the Egyptians of gold, silver, and fine clothing. God orchestrated this in advance so the former slaves would have significant resources to build the tabernacle in the wilderness.

One word of caution: you may be thinking of a rich person in your congregation that could give lavishly to a building project, but remember Proverbs 13:7 says, *“One man pretends to be rich, yet has nothing; another pretends to be poor, yet has great wealth.”* In the book *“The Millionaire Next Door”*⁶ the author talks about the fact that if someone looks and acts like a millionaire, they probably aren’t, but the person you least expect might very well be a millionaire. When a church conducts a capital fund drive, it is during those times that God causes people to look at what He’s given them so they can lavishly, generously, and sacrificially give to a special undertaking.

There are also some people in your congregation that may only give a few thousand dollars a year, but during a capital campaign may commit to giving a five, six, or seven figure gift! In a recent project in our church, a retired

couple that I barely know (*who only come to our church a few months a year*) committed to giving \$100,000! You'll sometimes never know what God has blessed people with until you have a project big enough to capture their heart and God's desires to use them.

10 Ingredients for a Successful Capital Campaign

Years ago, I studied eighteen churches that conducted capital fundraising campaigns. Regardless of the amount a church was seeking to raise—from a few hundred thousand dollars to millions of dollars—the churches that were successful used the following important ingredients in their recipe for success. The ones that didn't were often frustrated and disappointed in their results. These 10 essential ingredients are grouped into four categories:

- ✓ Identifying and igniting a vision
- ✓ Instructing and inspiring
- ✓ Leading and informing
- ✓ Inviting and involving

IDENTIFYING AND IGNITING A VISION

Ingredient 1: Receive God-given vision. Make sure your vision for future growth is from God and not just a dream to promote your own self interests or agenda. Consider how biblical leaders in the past looked for clarity. Moses spent 40 days on a mountain top with God, David met quietly with the Lord and wrote down what he saw, and Nehemiah fasted, prayed and planned. If we walk humbly with the Lord, and are open to his ways and timing, He may choose to do mighty things in our generation for God's glory.

Ingredient 2: Write the vision. A vision must be clear and compelling for people to get excited and support it with their hearts and their financial resources. In fact, I believe that if a vision cannot be written down on paper, it may not be a God-given vision. Exodus 24-34 shows how Moses received and listed in detail a clear vision of God's desire for the future.

Habakkuk 2:2-3 reads, “Write down the revelation and make it plain on tablets so that a herald may run with it. For the revelation awaits an appointed time; it speaks of the end and will not prove false.”

Ingredient 3: Gain leadership support. I once heard it said, “If you think you’re leading and you turn around and no one is following you, you’re only out for a walk.” For a capital campaign to succeed, you need a cohesive, united team effort from your most dedicated top leadership who will give sacrificial gifts that meet 40 to 60% of your total campaign goal. In 1 Chronicles 28 and 29, David gathered, inspired, and challenged his leadership and the result was a \$35 billion dollar pledge of financial resources for a building project! In Exodus 35 and 36, Moses inspired those around him and they had to restrain the people from bringing in more. Your project will not surge forward if you are primarily counting on the average non-leader in your church to carry the campaign; your top leadership needs to lead the way.

INSTRUCTING AND INSPIRING PHASE

Ingredient 4: Provide Biblical teaching. Once you launch your capital campaign, build momentum and inspire people with biblical stories with generosity truths of building expansion, renovation, and major maintenance projects. Use written materials to take your congregation deeper into the Scriptures. For example, I wrote a Bible devotional booklet for a church campaign called, “A 40-Day Spiritual Journey to a More Generous Life.” It took the congregation through over 500 Scriptures verses in a 40-day period. With weekly projects and discussion questions, readers could assess their giving in light of their income sources, lifestyle choices, assets, and giving priorities. One church was told by their capital campaign consultant that the maximum amount they could ever hope to raise would be \$1.2 million in cash and pledges. They decided to add the 40 day devotional booklet on generosity to their campaign and raised over \$1.8 million (50% more than their consultant believed)!⁷

Ingredient 5: Include personal testimonies. During your campaign God will be working in people’s hearts and you will hear some

incredible stories of how He's changed people's attitudes and their actions in positive ways. With permission, share real life stories of sacrificial acts of giving with your congregation to inspire everyone to greater levels of generosity. Use them in sermons, live testimonies, video testimonies, or in pamphlets and written materials. In one church where I served, we actually distributed \$5,000 in \$20 bills to the congregation and challenged people to use the money and multiply it for our building project. People got enthused and creative. One 12-year-old boy used his seed money to purchase dog shampoo and washed people's dogs in the neighborhood for donations. The original \$20 entrusted to him ultimately returned \$187 in donations for the building project. Remember, often the most inspiring stories come from the least expected or neediest people.

Ingredient 6: Aim to make the fund drive a rich, spiritual experience. A fund drive is about more than just brick and mortar; it's bigger than a building effort. Help people to see that it's about God and his vision. The aim is to learn deeper lessons in faith, generosity, obedience, and sacrifice. Here is a growing opportunity for the church to work as a family, pulling together to essentially reach the lost, and do more in the future for God's work and his kingdom.

LEADING AND INFORMING PHASE

Ingredient 7: Get experienced counsel/help. How safe would you feel in a building erected by inexperienced people who thought they could save you money with a do-it-yourself construction project? When it comes to hiring fundraising consultants, people in your congregation may say the same thing, "We can save money by doing the campaign drive ourselves!" What usually follows is neither safe nor successful. One church I've observed felt that way. They ran a campaign on their own, but it wasn't very successful and they raised hundreds of thousands of dollars less than what was needed. In the end, they borrowed the rest of the money which cost the church hundreds of thousands of dollars in interest payments. All of this happened because an individual or individuals strongly voiced opposition to paying for professional counsel and guidance.

What does a fundraising consultant do? He or she will not personally go out door-to-door and raise the money for you. On the contrary, this professional will provide much-needed customized and proven fundraising plans (*and sometimes the motivation to keep you on track in order to be successful*). I once witnessed a consultant who effectively mediated and settled a difference of opinion between leaders that would have led the church toward disastrous results.

The general rule of thumb about companies that provide capital campaign consulting services to churches is that a church will normally raise two to three times their annual operating income over a three-pledge period. There are many variables that affect the outcome of the final amount of cash and pledges, but about 80% of the time this is a reasonable expectation when you retain the services of an experienced consultant or church fundraising firm. It is wise to request at least three consultants or consulting groups to make a no-charge presentation to your leadership before making a final selection in this important endeavor.

If your church decides to run a campaign without the services of professional consultants, consider using some proven resource for effective church fundraising or building campaigns, like the “*40 Day Spiritual Journey to a More Generous Life*” Building Campaign Version (*available online at www.MAXIMUMgenerosity.org*) or Saddleback Church’s “*It’s Time to Build*” Campaign Kit.

Ingredient 8: Have a strong leadership team and comprehensive plan. Many details need to come together in a timely and coordinated manner for a campaign to build, gain and maintain momentum to achieve your desired goals. As you move forward with your capital campaign, it is important to follow an approved plan that outlines specifically the tasks (*what*), timeline (*when*) and people assigned to each task (*who*).

a) Consulting selection phase: If you use an experienced consultant or consulting firm for your capital campaign, you will need to do the following:

1) Talk with other church leaders in your community or denomination (*or any personal connections*) and get recommendations and their experiences on working with specific consultants or firms.

2) Review consultants/firm's websites and references. Make sure the consultant is knowledgeable and experienced with conducting campaigns for your size, style, or type of church.

3) Schedule a no-cost interview meeting with potential consultants/firms. Make sure the consultant who would be assigned to your campaign is present at the meeting. It is important that your leadership feels the consultant is a "good fit" for your leadership and congregation. In this meeting you will need to clearly understand the steps and phases each consultant will take you through in order to reach your maximum funding potential.

4) Obtain all costs as clearly as possible upfront that are associated with retaining a particular firm/consultant including: consulting fees, feasibility study (*if applicable*), travel costs, office or equipment costs, mailings, multimedia, and estimated costs of promotional materials.

b) Leadership selection phase: To move the initiative forward effectively, you will need key leaders on your team, like: the Campaign Consultant, a Campaign Chairman, the Senior Pastor, Administrative Support, Communications Director, Prayer Coordinator, Home Groups or Home Visits Coordinator, Major Events Coordinator, Lead or Leadership Gifts Coordinator, and others. An excellent resource to purchase and read BEFORE putting together your team and plan is Michael Reeves "*Extraordinary Money: Understanding the Church Capital Campaign*."⁹ The book clearly outlines in a comprehensive overview of specific job descriptions for leadership positions and provides step-by-step guidance on conducting a successful capital campaign. You may want to order several copies of the book for each of your team members.

c) Planning phase: Hold a comprehensive planning session and develop your vision materials (*sometimes called a "case statement" or a "case for support"*) that articulate the future and what it will take to get there. An informational piece with answers to commonly asked questions needs to be developed and a master calendar needs to be created and finalized. Develop a detailed multi-

tiered giving chart or pyramid (*i.e. how many gifts/pledges at different amounts will be needed to meet your goal*) so people can clearly see what is needed and where they can fit into the big picture.

d) Quiet or advance funding phase: This phase includes personal visits with key people and receiving advance lead and/or leadership gift commitments. It is often called the quiet phase since it is comprised of work done before the campaign moves into a larger, public phase. Biblically, it is wise if you can identify major lead gifts that spark the campaign's movement. In 1 Chronicles 29:2-5, King David announced his personal lead gift and challenged others to give. Nehemiah and Ezra also received generous "*lead gifts*" in the form of government grants from a heathen king before they began their building renovation projects.

e) Leadership commitment phase: Leaders need to lead in their giving. During this time, your top leadership groups (*elders, board members, church council, committee members, and staff*) will be asked to turn in their financial commitments prior to the congregations being invited to make their own pledges. Key verses to support this are: 1 Chronicles 29:6-9, Ezra 2:68-69, and Nehemiah 7:70-71. This phase is frequently the most important part of the whole campaign. Depending on the church, you may experience anywhere from 60-90% of the total financial resources will come from your lead giver(s) and leadership group. If you don't have more than 60% or more of your needed financial commitments and gifts/pledges turned in from 90% or more of your leadership, you will likely be facing a difficult and disappointing journey ahead.

f) Public phase (*or informational and inspirational phase*): This important phase includes personal meetings, home group meetings, dessert meetings, or informational meetings at the church where the pastor and/or key leaders share the vision and answer questions in a warm and open environment. This is also the time for use of multimedia, literature, drawings, models, mailings, testimonies, and preaching messages.

g) Consecration (*or commitment or celebration phase*): Depending upon your consultant's experience and/or your church's desires, this phase can

culminate in a major banquet, a celebration event, and/or a dedicated worship service where everyone (*that has not already done so*) is asked to turn in their specific cash gifts and financial pledges/commitments. Again, this was modeled biblically by David and his leaders in 1 Chronicles 29 when he had a great celebration and the leaders turned in their commitments for the temple building project.

h) Follow-up phase: This phase is very important for the long-term success of the campaign. Here, you intentionally provide written information and pledge updates to your congregation throughout the entire pledge period. People need to see information in writing concerning what's happening, how things are progressing in fulfilling their pledges.

Ingredient 9: Provide informative and inspiring materials.

As I mentioned previously, you will need to invest time, effort, and money in providing quality communication materials that share the vision for the future, the campaign plan, and the timeline, along with biblically-based devotional materials that provide people with the information and inspiration on why and how to give sacrificially and generously. Ultimately, you must answer the key underlying questions about “*why this is important and why should I get involved in giving to this project?*” Communication methods can include: PowerPoint presentations, literature, DVD's, Bible devotionals on generosity, skits, video clips, pamphlets, drawings, models, website information, email updates, and much more.

INVITING AND INVOLVING PHASE

Ingredient 10: Have specific times of commitment and follow-up communications in the campaign. Once people have been informed and inspired, they need clear instructions on when and how to give for maximum return and participation. Without an intentional approach all of the information and inspiration generated can be wasted. I know of a church that held a major building campaign and gave these instructions, “*There is a box in the lobby—if you want to give something, go ahead.*” Needless to say their funding efforts were a flop. Instead of raising millions of

dollars from their large and growing congregation of thousands, they received a few hundred thousand in building fund donations and borrowed over \$3 million dollars. On the other hand, a small congregation I know of had a clear funding plan and commitment timetable and they raised \$1 million dollars in cash and two-year pledges from 100 working-class families.

Today, it is important to offer options on how people can fulfill their pledges: Do they want to donate stock? Do they need estate planning assistance? Are they donating land or a gift-in-kind asset? Do they want to fulfill their pledge electronically? Your follow-up communications will be vital to your ultimate success. It is also important to provide quarterly, twice-a-year, or at least annual updates on the progress of the work and where people are at in fulfilling their pledges.

Finally, as you lead your congregation into the flowing river and riches of God's teaching on generosity, I trust that you and those you influence will be forever changed and transformed by God's amazing grace as you learn to excel in the grace of giving for the rest of your life this side of heaven.

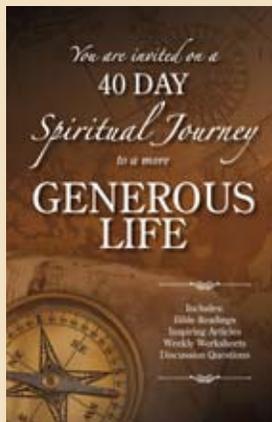
Helpful Resources

These proven resources can help to generate significant financial resources for your church's God-given expansion, renovation, major maintenance, relocation, or debt-retirement plans.

- *Run-your-own-campaign resources:* If this is the direction you decide to go, check out Saddleback Church's "It's Time to Build Campaign Kit" or Brian Kluth's helpful online resources at www.MAXIMUMgenerosity.org. The "40 Day Spiritual Journey to a More Generous Life" CAPITAL CAMPAIGN VERSION will be helpful.
- *National firms:* Some of the larger firms with a professional, proven track record that you can locate on the internet are: INJOY Stewardship Services, RSI, Generis, The Gage Group, Cargill Associates, and The Rogers Company. These groups have consulted with churches from many different denominations. Most of them have a large consulting

staff of 20 or more active consultants serving churches.

- **Regional firms:** These consulting groups tend to be made up of the owner of the firm or a network of 2-10 associated consultants that serve a 3-15 state area. They often have a strong track record serving churches from a few specific denominations that are heavily populated in the churches where they serve.
- **Denominational consulting services:** A growing number of denominations are providing their own capital campaign services to their churches. Usually the overall cost is more affordable than using a national capital campaign consultant and the denomination's consultants have the advantage of understanding the philosophy and culture of their churches.



To review my *"40 Day Spiritual Journey to a More Generous Life"* Bible devotional booklet that has helped churches increase their building fund drives 10-50%, go to:

www.generouslife.info



Brian Kluth is a senior pastor and founder of **www.MAXIMUMgenerosity.org** and **www.Generouslife.info**.

His **www.MAXIMUMgenerosity.org** website has received Google's No. 1 ranking on "biblical generosity" and provides a wealth of generosity materials and resources for pastors, church committees and congregations. Kluth also offer a

monthly generosity e-newsletter that is sent FREE to thousands of pastors, church leaders and denominations. He is the author of a Bible devotional booklet, "40 Day Journey to a More Generous Life" that can be used for church small groups, Sunday schools, stewardship campaigns and building fund drives.

