



Guide to Year-End Giving for Your Church



by Tim Whitehorn and Ben Stroup

• BONUS: Checklist for Year-End Giving Success •

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INTRODUCTION

What's the Big Deal About Year-End Giving?

November and December make up the most generous season of the year. Even people who wouldn't usually consider giving are drawn to thoughts about generosity. This leads to a flurry of benevolent endeavors.

Churches make up about one-quarter of all charitable organizations. This means seasonal donors have three viable, non-religious options for every church in existence. Most every charitable organization makes a push for year-end dollars. Some need the revenue to end the year on a solid financial basis. Others simply want to capitalize on the seasonal generosity of even the most stoic people.

We all know that many of today's church-goers are not consistent donors. Most researchers suggest that only 5-7% of believers actually tithe, with less than 1% of people under 25 tithing. Because many church-goers give from their discretionary income, their giving is random, at best. So, at the time of the year when non-givers are most likely to give something, how can the church position itself to be the beneficiary of their seasonal generosity?

The past several years have produced a change in the primary motivation for giving. Boomers are more likely to give to the church out of their spiritual depth and long-term commitment to their faith. Younger generations connect their giving to the effectiveness and focus of the organization, so they will give to causes that provide orphan care or clean water in Third World countries long before they give to a church that isn't clearly making a difference in its community and in the world. They certainly won't give just to pay the mortgage or balance the budget.

If the church is going to capitalize on the seasonal generosity of its congregation, it must have a well-defined plan. Otherwise, year-end dollars will find their way to other socially conscious organizations.

CHAPTER ONE

Three Characteristics of a Church Year-End Appeal

A year-end appeal is simply your way of communicating with your congregation the financial needs and obligations that remain to be met. The appeal should be a purposeful, deliberate part of your stewardship communication, not a panicked plea for money.

Church leaders should begin thinking about their year-end appeal no less than 90 days from the end of the year. A casual analysis of past giving trends will help leaders predict their year-end giving. Church leaders know if their churches are on track to meet their financial goals. Even if your church is on track to end the year in the black, a year-end appeal can serve a useful purpose.

People need to be reminded that they are missing out on an incredible blessing by remaining outside of God's work in and through the church. By failing to participate personally and financially, people are disconnected from all that God is doing. They are, for all purposes, little more than consumers of religious services.

In order to have an effective year-end appeal, make sure you include these three primary steps in your plan:

1. **Celebrate the life-change that has taken place in your church.** Highlights of significant events might have been captured in pictures or video. Use images from high points in the church year to remind people of what has taken place and to educate people who are new to the congregation. Think about those pivotal moments and relive some of the greatest triumphs in your church through short stories, images, and videos. This provides the platform for you to move forward into the coming year.
2. **Cast a vision for the coming year.** Many church leaders focus on finishing the year on a sound financial footing, but their people aren't interested in giving just so the church will finish in the black. Believers want to invest in something that is significant in the kingdom of God. The year-end appeal isn't about getting to the finish line; it's about continuing to make a difference in the community and world. A focus on ending the year strong develops one-time givers. If the year-end appeal extends into the coming year, however, people are more likely to continue giving.
3. **Provide a call to action.** Ask members to respond to the need in a number of ways—serving, giving, going, etc. People want to feel as if they have made a decision to do something. When you give people only one option, they lose their sense of ownership. People might want to give financially in a non-traditional way. People might be unable to give a significant amount of money, but they may be interested in investing time in a local ministry. Clearly communicate different ways people can give, and let them decide what to do. Without a call to action and the opportunity to make a decision, people will not intuitively respond to the year-end appeal.

A year-end appeal can be a simple letter or it can be a ministry plan booklet or brochure. If you choose to take a more creative approach, be careful not to let the details get lost in the design. Include a "What can you do now?" section that presents the options in short, bulleted statements. Remember, if you try to say too much, people will read very little. Use your words wisely or your audience will never make it past the beginning of your appeal.

CHAPTER TWO

Four Key Elements to Crafting Your Year-End Appeal

The average American is exposed to over three thousand advertising messages of some kind each day (<http://www.ucsus.org/assets/documents/ucs/cg-chapter-1.pdf>). Your year-end appeal likely will be one of several messages received at the same time by members of your congregation. Many will glance through their mail or e-mail messages looking for one of two things—income (checks) or outgo (bills). Everything else fits into a broad category of “uninvited mail,” which is also referred to as junk mail. You and I know that your appeal letter isn’t junk mail, but that’s how it can appear to the recipient.

So, how do you create a year-end appeal that will make it all the way to the intended recipient? Here are four key elements to keep in mind as you sit down to compose what many churches are hoping will bridge the gap between operational budget needs and actual giving year to date:

1. **Be honest.** There is nothing worse in the mind of the person in the pew than when the person in the pulpit refuses to be honest about “what is.” If you’re behind budget, then you need to be talking about it, but not negatively. Don’t tell everyone how bad (or disobedient) they are. The pulpit you preach from is not a bully pulpit. Rather, honest conversation is liberating and allows you to clearly define where you are now, where you are going, and what it is going to take to get there. Today’s church-goers need to be invited on the journey. You need to make them feel as if they are missing out on the most incredible activity you’ve ever seen (and if you can’t say that honestly, you might need to reevaluate the purpose and vision of your church).
2. **Tell them what you want them to do.** This is important. I love watching those TV infomercials when they are advertising something like a new “must have” product that will clean my house in three seconds or less. My favorite part is when they come to the end and say something like, “and if you call now, you’ll receive five more absolutely free.” Do you know why they say that? Because it generates action. People—especially those already hooked by the ad and the must-have product—now have an unbelievable reason to not just think about it but to act. (Note: Action is the goal.)
3. **Include specific dates.** When you define what you want the person to do, it’s also a good idea to include dates. Dates and deadlines motivate us to accomplish the goal. Most people aren’t disciplined enough to do this on their own. Make it easy for them to do what you’re asking them to do. If you’re going to communicate deadlines and dates, don’t be afraid to stick to the dates. Any church that fails to enforce deadlines will eventually be unable to motivate time-related action. Cry wolf long enough and people will stop believing the deadline means anything at all.
4. **Make it easy for people to respond.** There is a reason why so many different payment methods exist. Every person has his or her own preference. It’s not the church’s place to decide the method a person uses to contribute. So when you make your end-of-the-year appeal, be sure to list the different ways, such as giving online, using a postage-paid reply envelope, or bringing their contribution with them on Sundays. Consider placing giving kiosks throughout

your facility. The low cost of technology makes it possible for you to have a state-of-the-art giving kiosk for less than one thousand dollars.

The end-of-the-year appeal letter is a very effective way to bridge the gap between budget needs and funding. It's also a way to maximize a giving increase. Keep pressing on through December 31.

People who run marathons say that the real race begins at about mile twenty. That's where those who are prepared are separated from those who aren't. The same is true for churches. Don't lose sight of the goal of reaching a fully funded ministry budget. And whatever you do, don't give up. Remember, it's not about mortgages and utility bills; it's all about life-change and reaching the world with the message of the gospel.

CHAPTER THREE

Eleven Ways to Turn Year-End Statements into Dollars

The end of the year means different things to different people. For churches, this time of year includes (among many things) providing year-end contribution statements. This is much more than sending out a government-required statement. Before you send out reports about last year's giving, rethink the usefulness of this mailing (or e-mail for those of you sending them out electronically). There is more to this piece than just a report over last year's giving. It is an opportunity to:

1. **Celebrate your ministry achievements in the previous year.** In the statement, include a thank-you that highlights some of the things that were accomplished in the previous year.
2. **Articulate your ministry intentions for the coming year.** Let people know that there is a lot of work to be done in the coming year. Highlight some of the ministries or programs that the congregation's continued faithfulness will make possible.
3. **Substantiate the previous year's financial contributions of the individual.** No matter how large or small the gift was, the fact that people gave made a difference. Affirm people for their sacrificial stewardship of God's resources.
4. **Invite the individual to be even more generous in the coming year.** You might challenge people to increase the frequency of their giving. You might encourage people to increase their giving by 1%. Consider sending letters to people who attended but gave nothing, inviting them to begin their journey toward tithing by giving a small percentage on a regular basis.

When you send your year-end contribution statements, include three things:

1. **Letter from the pastor.** Church-goers want to hear from their senior pastor, sharing from his heart. They want to know that he has a plan for the coming year. They also want to know that he is aware of their support for the ministries of the church.

2. **Contribution statement.** We keep score in every area of life. People only grow in giving when they are challenged to do so. In fact, it's like that for just about everything in life. Let people know how their giving compared to their giving in previous years. Also, put in perspective the significance of their gifts.
3. **Postage-paid return envelope.** This is a surprisingly effective follow up component of the year-end appeal. It suggests action on the part of the contributor. Some people will make a special donation on the spot. Be sure to include an online link at the bottom or on the back flap of the envelope in case they want to give online. When was the last time you got something from World Vision or Compassion International or AARP without a return envelope?

In the letter:

1. **Restate your vision for the coming year.** Your vision must be big enough to inspire people to action.
2. **Provide evidence of ministry impact.** Use statistics and stories to help people understand the value of their participation in the ministry plan of the church.
3. **Outline your expectations moving forward.** Tell them why you need them. Make it clear what's in it for them. People want to know the value of the things in which they are investing. They want to know their role in the vision and the intrinsic value of their involvement and participation.
4. **Encourage them to take action.** Tell them specifically what you want them to do.

Don't miss the opportunity to begin building next year's giving while you reflect on the previous year. If you're going to take the time to do it, be intentional about leveraging this piece as a way to generate funds instead of just another expense item.

CHAPTER FOUR

Plan Your Year-End Communication Schedule

There is no other time of the year when mass numbers of people are looking for a place to make a contribution. If your church doesn't make this appeal, you lose and you help fund other well-meaning, good-intentioned organizations . . . but not your church. As with anything in life, planning is a huge part of the process. Here is a sample mailing schedule and description of the "call to action" to include in each piece:

1. **First week after Thanksgiving:** Mail a letter from the pastor that includes the instructions, "Gifts must be postmarked by December 31 to receive the tax benefit in the current tax year."

2. **The week before Christmas:** Mail a letter from the pastor that includes the instructions, “Gifts must be postmarked by December 31 to receive the tax benefit in the current tax year.”
3. **The final week of the year:** Mail or email a letter from the pastor that includes the instructions, “Gifts must be postmarked by December 31 to receive the tax benefit in the current tax year.”
4. **On December 30:** Send an e-mail from the pastor that reminds them that time is running out, with the instructions, “Gifts must be postmarked by December 31 to receive the tax benefit in the current tax year.” In the response section of the e-mail, be sure to include a link that takes them directly to your online giving tool.

All four steps above include the same call to action. That is intentional. This is, perhaps, the simplest appeal you will make this year. This transaction-based appeal resonates with everyone at the end of the year. At no other time do you have mass numbers of people responding with a great sense of urgency to such a simple, one-dimensional call to action.

For many organizations (including churches), the final week or two of the year have a huge impact on funding their budgets. Choosing to ignore this opportunity will cost you money. (But maybe you already have so much that it just doesn't matter.)

In case you are wondering whether you will annoy your membership with so much communication about year-end giving, the answer is no. There really is a magic to the season. No other time during the year will your membership interpret your diligence as a thoughtful, helpful, personal reminder. They will sense your concern for them not to miss out on a tax benefit. (Tax benefits, admittedly, are one of the worst motivators to give outside of year-end giving even though most taxpayers don't itemize their return to receive the tax benefit. Nonetheless, it is the very reason they will “say” they are making a last minute, year-end gift.) Don't forget to use first-class postage. If your appeal arrives in January, you're TOO LATE!

CONCLUSION

Six Things You Must Do Every Chance You Get

People in the church are naturally passive. Unless compelled to engage in the life-changing work of God, they will sit comfortably while their kids are in free childcare. They will take but never give. This is the natural tendency. A life-changing encounter with Jesus is the only thing that will disrupt their trajectory. Some of them know that, so their defenses are on high alert. These are the people who are first to complain that the pastor talks too much about money. People who are giving seldom complain about such conversations.

If people are going to be compelled to action and involvement, you must continue to make the following six things a part of the DNA of your church:

1. **Make sure your mission is relevant.** People want to invest themselves and their financial resources in places that are moving forward and accomplishing something they couldn't do on their own.
2. **Actively engage everyone.** That might mean opening the door to new service opportunities outside the traditional roles of teacher, event director, etc. Discover the gifts the people in your pews bring to the church rather than looking for ways to work them into established positions. Get people involved serving as soon as possible (even before they are members).
3. **Create a safe environment for sharing feedback.** If giving is an emotional decision grounded in a relationship with a person one knows, likes, and trusts, then there must be opportunity for conversation. The new normal has empowered donors to expect access to key information about the organizations they support and to be able to converse with key leaders.
4. **Provide relevant content delivered in the form of the reader's choosing.** Churches no longer get to determine how they will communicate with members. If you're not communicating in ways that are native to the giver, then you aren't being heard. No matter how much noise you make, you'll be on mute.
5. **Provide opportunity for spiritual formation.** There must be a consistency between what we say about our churches and the behaviors and lifestyles of the leadership and membership. We must have a plan to move people from where they are today to what the community has defined as a Christ follower. Engaging people in church funding is a spiritual endeavor and is grounded in the spiritual formation process. This isn't restricted to lectures or on-campus events.
6. **Find ways to help members connect and do life together.** Relationships matter. Regardless of how compelling your vision and mission is, and no matter how effective your service is to the community and the world, if you don't care about me and if I can't find people to do life together with, I'm just passing through.

Well, enough reading for now.

Enough planning.

What will you **DO** this year to make year-end giving a **WIN** for your church?

BONUS

Checklist for Year-End Giving Success

We've covered a lot of ground. It's amazing to see so many churches underutilizing the year-end giving cycle to fund its ministry. People have money to give and will be looking for a cause or organization to give that money to. Why not your church? (Especially if that person or family is already sitting in your pew.)

Let's review what we've talked about so your year-end appeal this year is the best it can be.

- Make year-end giving a big deal in all your communications.
- In your year-end appeal, celebrate life-change, cast a vision, and provide a call to action.
- Your year-end appeal must be honest. It must clearly communicate what you want readers to do and when it should be done. Their options should be stated simply, and they should be able to respond quickly and easily.
- An effective year-end appeal should capture the essence of what has been accomplished in the previous year and cast a vision for what is planned for the upcoming year. It should affirm people's investment in the ministry of the church and challenge them to look for ways to increase their giving.
- Every year-end appeal must be part of a well-conceived communications strategy. September is the time to start thinking about your year-end appeal.

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