



The Stewardship Coach Volume 7 / Issue 15



What's next? Right now, you need to be asking yourself that question. If you are still scrambling around like a chicken who has lost its head, you are never going to recover from this crisis.

My focus for you is to help you think through the question, what's next? *You* must keep working the compassion part of meeting the COVID-19 challenge. My task is to help you think critically *and* to keep you focused upon sustaining your ministry beyond the present crisis. We know that it will pass. The question is what will be the long-term damage?

Before we get to that, a bit of a review of **My Immediate advice for churches:**

1. **Cut spending.** Again!
2. **Cut your budget.** See my section below for more on this.
3. **Turn the thermostat down!** Cut waste is my point.
4. **Think 30, 60, 90, 120 days out!**
5. **Protect your Assets.** Make sure you make your monthly bank payment!

The longer you take to act on the above, the deeper the hole you will be in!

How much will giving be down this year? The real answer is it depends. There are so many things to consider, the financial stability of your church before COVID-19, the demographics of your congregation, your region, how many weeks you lost, etc. So, let's run through a scenario to help you think through what this will mean to you.

First, start by answering these questions:

- Using pre-COVID-19 numbers, what does it take weekly for you to make your budget?
- Were you ahead or behind those budget numbers going into the shutdown?
- What is your average weekly offering *now* since the shutdown?
- How much comes in via online giving and what percentage of that is recurring giving?
- What is your typical quarterly breakdown of giving?
- Specifically, what percentage of budget do you make between Memorial Day and Labor Day?
- How much has end-of-year giving been historically for your church?
- How much do new donors bring in annually? Most of my clients see 10% of all gifts from 1st time givers.

A \$520K annual budget example. For simplicity, take a church with a \$520K budget. They need \$10,000 a week to hit their numbers. How will COVID-19 impact them? Let's say they are:

- -5% behind going into March 8th after 9 weeks of non-COVID-19 impacted giving. That is only \$4,500 behind. Not bad.

- -50% of normal offerings is their average receipts from March 8th to April 26th, the 8 weeks of forced closure. Instead of receiving \$80K they receive \$40K. At 17 weeks into the year, they are now \$44,500 behind budget. Total receipts are \$125,500.
- -26% behind budget going into May when we *hope* we are back in business!

What about the rest of the year? Let's start with May 3rd and pray that indeed we are back.

- Let's make a wild assumption that they average \$10K a week for the next 35 weeks.
- \$350,000 comes in which is added to the \$125,500 from the first 17 weeks for a total of \$475,500
- 9% decline in giving if everything falls into place. How likely is that?

How many of you right now would jump at only a 9% decrease in giving? Most churches will not see the above scenario.

Why the decline in giving will be greater than 10%. Here are my thoughts:

- Most churches were not in a good financial position going in to COVID-19. I was generous with my -5% shortfall.
- The weeks leading up to Easter are a church's second largest giving period behind end-of-year giving. You have lost that, never to regain it.
- Churches will be opening back up right as summer hits, the church's worst giving time of the year. Think how hard it has been to make budget in past summers. I predict good offerings for the first few weeks of May and then we will see massive declines.
- Your ability to rebound your giving is entirely dependent upon the financial make up of your members. If all your members are schoolteachers and government workers, you might not see much of a decline. If, however, you live in oil country, like Brad Graves, then you will be impacted differently. What giving looks like post COVID-19 is anyone's guess.

25%! My educated guess at this, having reviewed tons of information and data, is that we are looking at a loss of **25%**, on average! Some churches will do better than this and some will do worse. Right now, however, my recommendation is that you cut your budget immediately by at least 25%. You can always, increase the budget *if* all we experts are wrong.

Game Changer Prediction - Dr. Deborah Birx, last Monday, provided a bleak outlook predicting that if everything to combat the virus is done "almost perfectly, there could be up to 200,000 deaths in the country." If that happens, all of the above declines will climb steeply.

Dr. Mark Brooks, your giving doctor, says if you do everything to combat the decline in giving, you could potentially only lose up to 25% of your 2020 giving.

You must have a plan of action ready to roll out NOW! I can help with that!



Mark Brooks – The Stewardship Coach
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CARES ACT INFO: Monday Mornings With Mark The Stewardship Coach, will be live this Monday, April 6th at 11 AM EST. Here is the link <https://attendee.gotowebinar.com/rt/7081778876232214541>

This Week's Offering Talk

The challenge all of us are facing is how to do ministry remotely? The same is true when it comes to taking up an offering in front of no one! Now more than ever, it is important to position your offering in a way that people will respond. Here is my offering talk for this Easter.

Because He Lives, We Live!

Hope. That is what we are desperately needing in these days of uncertainty. That is what this day is all about, hope. Easter is the church's time of celebrating the resurrection of Jesus Christ our Lord and Savior. He is the hope of all the world!

Often our hymn and chorus writers can say it so well. This week an old Bill and Gloria Gaither chorus came to mind that says:

"Because He lives I can face tomorrow, Because He lives all fear is gone; Because I know He holds the future. And life is worth the living just because He lives!"

That is what Easter is about, declaring that Jesus is alive! Because He *is* alive, we have hope!

That is what we here at YOUR CHURCH NAME are doing day in and day out amidst this crisis. While our doors might be closed today, we continue our ministry to our community and the world.

This would be our normal time of offering in our services. Obviously, we can't pass a physical offering plate. You can still give by going to, LIST ALL YOUR DIGITAL GIVING PLATFORMS.

Let me thank you for your continued generosity through this time. We know "this too shall pass." Your faithfulness in generosity helps us keep our ministries strong. We have not given up hope on the rest of our year and we are depending upon your generosity to help make this happen.

So, let's continue to be faithful in worshipping through our gifts. Now more than ever, our world needs a message of hope. Your generosity will give that hope. Thank you!

CARES Act Bonus Section

Many of you have asked about the impact of the CARES Act for your church. This section is meant to provide you with the information you need.

Helpful links: I will list links to various sites that I feel have good information for you.

Monday's, April 6th webinar on CARES link is listed below.

Special Interview on CARES: I asked my brother Michael to research this for us. Before retirement, Michael served as an Executive Vice President at several of the leading insurance firms in America. He is widely known in the industry and has appeared before Congress working on reforms and legislation to the insurance industry. AND, he's my big brother and one of the smartest men I know! Here is my interview with him.

Me: Michael, thanks for helping our clients with understanding the CARES Act. In a couple of sentences or so, what is the CARES Act?

Michael: Thanks, for asking me Mark. The CARES Act is the single largest financial act ever passed by the U.S. government. Bottom line, the purpose of the Act is to get huge amounts of money into the U.S. economy and our economy back up and running.

Me: The first question I am getting, from church leaders, is of course, does my church qualify? Can you answer that for us?

Michael: YES...Churches do qualify. In fact, there were multiple elements and exceptions included in the Act just for churches and non-profits. Normally, church staff and employees would not qualify for any unemployment benefits. (Because churches don't contribute to the state's unemployment trust.) But under the CARES Act churches DO qualify - both for the state benefit and the \$600/week federal bonus unemployment amount.

And secondly, churches also qualify for the Payroll Protection Loan within the Act. The federal government regulates and guarantees the program, but the feds have the administration done through the SBA. Thus, just contact your local bank authorized with the SBA to take advantage of this element. Bottom line...this is the federal government again putting tons of money back into our economy. In this case, money for churches to retain or re-hire their employees.

Me: Thanks, Michael. Preachers have an old saying about government help that says, "Shackles bring shackles." Is there any downside to a church taking advantage of the CARES Act?

Michael: The feds put \$349 Billion into this CARES Act to fund this portion of it. Amazingly, what they did NOT put in the Act was a huge set of rules and guidelines - the shackles in this case rest easy on the church! Just comply with some simple stipulations. The loaned funds must be used within 8 weeks. In addition to payroll costs, the funds can be used for things like employee benefits costs, loan interest (though not principle repayment), utilities, etc. Basically, costs required to keep employees on the job. Remember, the bottom-line intent of the CARES Act is simply to get tons of money back into our economy in order to get people and our economy working strong again.

Me: I think one question many have is, what if we can't pay it back? Will our buildings be confiscated?

Michael: For starters, there are some specifics in the CARES Act that make it possible for some, if not the total, loan amount to be forgiven. (Your SBA associated bank can give you details on this.) But for all churches, this is a federally guaranteed, totally non-recourse loan to the church. No collateral or personal guarantees are required. The SBA administering bank goes to the feds for any recourse so the bank nor feds can't take the loaned funds back from the church or foreclose or confiscate any church property. The max loan amount is 2.5 times the church's average annual payroll costs, up to \$10 Million max at an interest rate not to exceed 4% and up to 10 years to repay.

Me: Finally, what do churches need to do to take advantage of the CARES Act?

Michael: For the employee unemployment element, the employee must contact your state unemployment office. For the Payroll Protection Loan element, just contact any bank already authorized to conduct SBA business - which are most banks and likely the one you are currently using.

Monday's, April 6th webinar with Dennis Moses of Church Capital Resources will be to discuss the CARE Act. Here is how to connect: <https://attendee.gotowebinar.com/rt/7081778876232214541>

Informative Links – The following links provide information on the CARES Act.

This is a great overview of CARES: <https://vimeo.com/402530500>

Religious Liberty Concerns:

<http://bpnews.net/54586/religious-liberty-concerns-resolved-for-churches-to-receive-cares-act-stimulus-funds>

Paycheck Protection Program – Application Form:

https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf?j=268557&sfmc_sub=111417397&l=3151_HTML&u=8813281&mid=7306387&jb=404&utm_medium=email&SubscriberID=111417397&utm_source=NewsUp_A20Mar225&Site=aicpa&LinkID=8813281&utm_campaign=Newsupdate&cid=email:NewsUp_A20Mar225:Newsupdate:Share+the+application:aicpa&SendID=268557&utm_content=Special
