

How Can Big Data Increase Generosity In Your Church?

13 Vital Benchmarks to Assess Giving Potential

Brought to you by MortarStone

by Warren Bird, Ph.D.



Have you ever calculated a generosity measure at your church—such as the percent of your regular attenders who are monthly givers—only to ask, “What does our calculation mean? Should we be encouraged? Discouraged? Are we normal?” One way to answer is to compare notes with other churches.

Now you can do just that. Suppose churches gave you access to individual giving records from more than 722,000 households. Imagine further that you had a team of people at your service with some serious number-crunching expertise. What patterns, trends, and benchmarks would you want to calculate and compare against your church’s situation? How could you use that intelligence to develop your church’s giving potential and inspire your church toward greater generosity?

David Thoroughman, co-founder of [MortarStone](#), has done just that by tracking and analyzing more than \$1.5 billion (yes, billion) given through large churches over a 12-month period—with all specific giver names kept in absolute anonymity and strictest confidence¹.

At Leadership Network we’re always on the lookout for innovative approaches and effective tools. In fact, several of our programs and publications over the years have focused specifically on helping churches improve their generosity. As Chris Willard, our director for generosity initiatives and co-author of *Contagious Generosity* says, “An increasing group of pastors believe that cultivating generosity is an important component of discipleship.”

I stumbled on the MortarStone system at a conference and asked David Thoroughman if his team had created or gone public with benchmarks that help church leaders know what’s normal in large churches: how does “my” church compare to others?

He said no, which led to many back-and-forth discussions between my team and his.

The following infographic represents my take on MortarStone team’s best insights² designed to help you steward your church’s resources, both human and financial, in a more effective manner. Then we offer an opportunity for you to have MortarStone create select metrics for your own church.

What Gets Measured Gets Managed

If indeed what gets measured is also what gets managed, which of the following 13 factoids is your church tracking already? Which of the 13 should you begin to monitor?

Want to Know Your Church’s Vital Benchmarks?

See page 7 for more information on obtaining a custom report. Or simply click the button below.

HOW CAN THESE 13 VITAL BENCHMARKS INCREASE GENEROSITY AT YOUR CHURCH?



55%

#1 55% of new givers to your general fund (i.e., unrestricted giving³) will give a second time within a 12-month period.



48%

#2 Adding up all new givers over a 12-month period, you will retain 48% of them through month 24.



64%

#3 Those who did continue giving into year two will give 64% more across months 13-24 than they did in months 1-12.



6%

#4 6% of trackable giving to your church's general fund comes from new givers over the course of a year.



69%

#5 69% of your congregation's new giver constituency (i.e., new giving units⁴) contribute more than \$200 annually to your general fund.

99%

#6 99% of your church's general fund comes from those giving units who give \$200 or more a year to your church's general fund.⁵

\$1,000,000

#7 For every \$1,000,000 in giving to your church's general fund, there are 396 giving units behind that amount.

continued...

6%
41%

#8 6% of your church's giving units give \$10,000 or more annually to your church's general fund.

#9 41% of general fund giving comes from those giving units who give \$10,000 or more annually to your church's general fund.

\$10,000



\$18,842

#10 Among those who give \$10,000 or more annually to your church's general fund, the average annual gift per household within this group is \$18,842.

-30%



#12 The average large church loses 10 giving units for every 7 gained over a 12-month period-- a 30% loss.⁶



#11 0.6% of new givers will give \$10,000 or more to your church's general fund during their first year.

3%



#13 Only 3% of giving units who have not given over the prior 12 months will be reactivated as givers over the next 12 months.

HOW CAN THESE 13 VITAL BENCHMARKS INCREASE GENEROSITY AT YOUR CHURCH?

The “Why” Behind These Categories

How do you feel about those national averages? Some are quite encouraging, such as #1, which perhaps caused you to think, “Hmm, maybe there are things we could do to help more of our first-time givers become second-time givers, such as sending a personalized thank-you letter to every first-time giver.” (Good idea, by the way.) Others, especially #12, are painfully sobering—saying in essence that the rate of cultivating new givers is slower than the ability to retain them. (One way for churches to reverse this alarming loss is to crack the riddle of how to more quickly guide new attendees into givers.)

You might also be wondering how these particular metrics were calculated. MortarStone segments **giving units** into four or five levels, each known as a gift band (as in Table 1). This “bucketing” approach allows a church to better understand how givers are growing in their stewardship.

What does each gift band look like to the church? Here are the levels MortarStone recommends, which each church is encouraged to adjust to its specific context. “As a discipleship strategy, each of the bands should be benchmarked and have a documented strategy with goals for improvement,” says David Thoroughman.

MORTARSTONE'S RECOMMENDATION ⁷ : Analyze Your Church's Giving Units in 5 Categories			
Level	Amount	Giving Units	Amount Given
Band 1	\$1-\$199	(Not calculated)	(Not calculated)
Band 2	\$200-\$999	43%	7%
Band 3	\$1,000-\$4,999	39%	29%
Band 4	\$5,000-\$9,999	12%	23%
Band 5	\$10,000 or more	6%	41%
(total tracked annual donations to your church's general fund)			

Table 1

Another approach is to categorize **givers**. “The idea is to create a giving ladder as part of people’s discipleship journey,” David says. He recommends the four types of givers seen in Table 2.

“We need to talk to different kinds of givers differently,” he says, observing that most pastors have one message about giving that they communicate to everyone, which is usually quite ineffective.

“Each of these segments has different needs,” he says. “For example, there’s a world of difference between new givers and lapsed givers. By contrast, financial leaders want to understand the vision and want to be part of the solution. How you treat each group often dictates their next steps.”

How do the two groups—giving units (Table 1) and givers (Table 2)—relate to each other? “Think of the gift bands as a feeder system,” David says. “As givers are assimilated into the church family, you hope to see growth in giving as a result of spiritual maturity.” He believes two specific influences on growth in giving are clear vision of a church—also called purpose of the mission—and stewardship education.

MORTARSTONE'S RECOMMENDATION: Don't Assume Your Giver Segments Have the Same Discipleship Needs	
1. New Givers	Those with no prior history of giving to your general fund.
2. Trackable Givers	Those who have given to the general fund for at least 12 months AND who give \$200 or more annually.
3. Financial Leaders	Those who annually give above a certain threshold, such as \$10,000 or more.
4. Lapsed Givers	Those with a prior giving history who have not given over the last 12 months.

Table 2

How to Get the Best Insights for Your Church

The ratios, concepts, and categories in the material above can help you establish metrics to address how you are doing, and how you compare with others. For example, maybe you could start by looking at the total budget income to your general fund. How does your situation compare to the 6% that comes from new givers each year (factoid #4), to the 396 givers behind each \$1 million given (factoid #7), and the benchmark that 5% of givers gave \$10,000 or more (factoid #8)?

For whatever metrics you create, try examining the current year against the previous year. Perhaps a church's most important comparison point is against its own history: to learn if you're gaining ground, treading even, or losing ground.

If you want to go further and compare yourself against others, MortarStone has created 22 key performance metrics, drawn from its work with more than 500 large churches—representing over 2 million givers who give in excess of \$1.5 billion annually. Many of these churches are the largest and fastest growing churches in America. A few of MortarStone's 22 key performance metrics are reflected in this report, but here are some others:

- How many new givers are you attracting?
- At what financial levels do they give?
- What is your retention rate of those givers?
- What is their growth rate in the amounts they give?
- How many of your financial leaders are increasing in their giving?

For readers of this report, MortarStone offers a \$299 customized, one-time assessment for how you are doing compared to some of the benchmarks in this assessment. Plus, the budget-specific benchmarks matched to your church's annual budget range. Details are on the page 7.

"It is essential that ministry leaders have accurate and usable giving data for their church. Often, a change in giving—whether up or down—reveals a pastoral need in the life of the giver. That is why I have recommended MortarStone to hundreds of churches," says Chris Willard, Leadership Network's Director of Generosity Initiatives.

"Finally, we have a way to study giving with a collection of big data from rapidly growing churches that is being constantly updated. The insights this yields for the field and for individual churches is invaluable. I would start the assessment right now," says Dave Travis, CEO of Leadership Network.

David Thoroughman adds, "Churches treat their church giving data with the utmost confidentiality, and rightly so. That means only a small amount of people can access it. Rather than adding multiple hours of computations to their plate, let MortarStone provide you with the analysis and insights you need to improve your growth in giving, which will also have implications for your attendance."

"Once people are informed, they can better manage the ministry," says David. By analyzing your church's data you can define reality, understand it more clearly and determine what action steps to take. If, for example, you learn that your church is way below a norm, you can give attention and support to it. While total financial giving per year is not necessarily a measure of generosity or someone's potential, it does help us understand various levels of gifts from church attenders.

If you're like others, your study will lead to many "aha!" moments, and your congregation will grow as disciples. Please turn the page to find out more.

Leadership  Network

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HUB:Generous Churches will help you to create a comprehensive strategy to inspire greater stewardship and giving in your people and create a culture of generosity in your church.

Visit leadnet.org/generosity for more information.

Here's How MortarStone Can Help Your Church



MortarStone's "Leadership Assessment" is a 17-page illustrated report tailored specifically to your church. It provides a number of comparison points, each designed to help you assess your church's present giver patterns and benchmark them against other churches.

What specifically will the "Leadership Assessment" report do for our church?

- Give you a holistic picture of your congregation's financial trajectory and trends.
- Measure ministry development of both (a) number of givers and (b) amounts given.
- Identify performance metrics across three strategic cohorts: new givers, top giving units, and total giving units.
- Generate detailed scorecards that allow you to visualize your church's effectiveness in the area of financial generosity.
- Provide benchmarking data so you can see how your church compares to hundreds of other churches.
- Measure your church's acquisition, growth and retention rates across a three-year span.

What data do I need to provide?

Simply create an Excel .csv file containing your giving data (no names, just family ID numbers) and MortarStone will take care of the rest. You can export the file from any church management system or similar software application, or directly from Excel.

For additional information, please click on the link below.

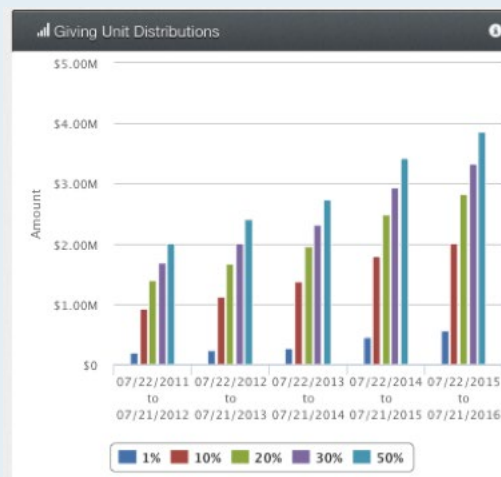
How much does the report cost?

For a limited time, we are offering the report for a one-time payment of \$299. You can purchase the report online with a valid credit card.

How do I get started? [Click here!](#)

What if I have more questions?

Visit our website, www.mortarstone.com, call us at 775-722-4444 or email us at info@mortarstone.com. We can email you a PDF and demo of the "Leadership Assessment" report.



About Leadership Network

Leadership Network's role is to foster innovation movements that activate the church to greater impact for the glory of God's name. The nonprofit founded in 1984 now serves over 200,000 leaders all over the world. See leadnet.org.

About the Author



Warren Bird, Ph.D. serves as Director of Research and Intellectual Capital Development at Leadership Network. An ordained minister with background as both a pastor and seminary professor, he is an award-winning author or co-author of 28 books for ministry leaders including [*God Dreams: 12 Vision Templates for Finding and Focusing Your Church's Future*](#) with Will Mancini and [*Next: Pastoral Succession that Works*](#) with William Vanderbloemen. Other recent titles are [*Better Together: Making Church Mergers Work*](#) with Jim Tomberlin, and [*Wisdom from Lyle E. Schaller*](#). Some of Warren's recent online reports include "[Leadership Network/Generis Multisite Church Scorecard](#)," "[The Heartbeat of Rising Influence Churches](#)" and "[Pastors Who Are Shaping the Future](#)." He is widely recognized as one of the nation's leading researchers of megachurches, multisite churches, large church compensation and high-visibility pastoral succession. Follow him on Twitter [@warrenbird](#).

Additional Resources from Leadership Network

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Endnotes

¹MortarStone's privacy policy is never to sell or disclose individual data, but instead to study it at an aggregate level and to query specific giver data only for patterns and trends. See their full privacy policy at <http://www.mortarstone.com/privacy-policy>.

²The Infographic section of this document involves specific queries and sample numbers to calculate the results presented. MortarStone's overall benchmarks, reflected in the "Leadership Assessment" offered at the end of this document were calculated as follows:

- A. MortarStone looked up every church that was beyond +/- 1.65 standard deviations (a 90% confidence interval) from the mean in terms of givers (new, giving units and financial leaders) and giving (new, giving units and financial leaders) to make sure the data was accurate;
- B. The final dataset is comprised of 379 churches;
- C. The churches analyzed had a range of annual giving to the general fund from \$100,879 to \$27,817,734;
- D. The average church analyzed received \$3,421,205 in annual giving to the general fund, while the median church (50th percentile) received \$2,145,674 in annual giving to the general fund;
- E. The interquartile (IQR) range was \$1,104,457 to \$4,166,413;
- F. The benchmarks represent the lower (bottom 25%) and upper (top 25%) quartiles, in addition to the median;
- G. MortarStone used quartiles for our benchmarks because i) it is consistent with how we score the Leadership Assessment Report and ii) the IQR is a robust estimate (i.e., extreme observations have little effect on their values), while the average and standard deviation statistical measures are subject to being influenced by extreme outliers;
- H. MortarStone used R to generate quartiles for the following cohorts:
 - o New Givers
 - o Giving Units
 - o Financial Leaders (giver greater than \$5,000 yearly)
- I. This process was followed for both givers (people) and giving (dollars).

³"General fund" is a generic term for your non-restricted or non-designated account used to fund most church operations. Some churches have other names such as Current Operating Fund or Local Ministries Fund.

⁴A giving unit can be either the sole giver from a household or a family such as a husband and wife. Thus giving units are identified as any person or group who gives in a trackable way -- by check, credit card, bank transfer, or cash in an offering envelope with their name on it -- and who gives \$200 or more to the church on an annual basis.

⁵The 99% figure refers to 99% of tracked donations, with the remaining 1% being tracked annual giving of \$1 to \$199. Certainly most churches also receive loose cash, but those amounts rarely exceed 5% of the tracked amounts. In many churches loose cash represents 2%-3% of the tracked total.

⁶More specifically, this is what you find when you compare the number of new giving units over the last 12 months to those that at one time were giving units but have no giving history over those same 12 months. That is, if new giving units are your "front door" givers, then the average large church is getting only 91 new giving units (coming in the front door) for every 100 that have not given during the same 12-month period (going out the "back door").

⁷The percentages in the "Giving Units" and "Amount Given" columns represent the general fund averages (medians) determined through MortarStone's work with 379 churches.