

LEAVING YOUR LEGACY WITH THE CHURCH:  
CONCERNING THE USE OF ENDOWMENT FUNDS FOR LOCAL CONGREGATIONS

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## **Abstract**

Church finances have changed in the last 100 years. While budgets and church ministries may increase, biblical stewardship always remains constant. Yet, it seems that it is becoming more difficult to meet the financial needs of the church. What financial options can churches employ in order to contend with their growing costs? Endowment funds are an underused tool that can help offset the cost of operational budgets. But if a congregation's giving cannot meet its needs due to failed stewardship, are endowment funds the answer? Do endowment funds fit in with God-pleasing stewardship? Pastors, who are concerned with every aspect of discipleship, will want to fully explore their church's culture surrounding giving. Endowment funds can provide many blessings for a congregation, but pastors and congregations must realize that a sinful attitude surrounding giving will not be fixed by a financial tool. Regardless, these funds can be a part of God-pleasing stewardship, and they can provide a congregation with several blessings. Moreover, as this thesis will state, our Synod already has the infrastructure available and ready to aid our congregations as they seek to utilize this tool.

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## **Introduction**

How have church finances changed in the last 100 years? It is not hard to look at the budget of your congregation for this year and compare that to the budget from ten years ago and find that things have changed. Maintenance fees have gone up, the school hired a new teacher, and more money has been allocated to pay down the debt from the building project five years ago. In just a few short years, it is apparent that churches' budgets change over time to meet present needs. In fact, if you were to look at the ledgers of a church's expenditures from 100 years ago, you would find a very different budget, if indeed the church had a set budget, like the ones we know today.

In 1913, how did a church spend its money? There are the typical expenditures: pastor's salary, maintenance and upkeep, furnishings and accoutrements, etc. But obviously, the church of 1913 did not spend money on internet or cable capabilities. There was no line item for technology. Transportation reimbursement, employees' health insurance, printing costs, and many of the regular bills that we consider necessary for our churches today were not a concern for the church of the past. The way the church spends the regular offering money given by its members has gradually changed, especially since the 1970s.

In fact, the way that Americans spend their money has also changed drastically in the last 100 years. According to the Consumer Expenditure Survey from the U.S. Bureau of Labor Statistics, in 1901, 42.5% of the household income was spent on food, 23.3% was spent on housing, 14% was spent on clothing, and the remaining 20.2% was spent on everything else, including books, alcohol, and entertainment. The average household income was \$750 while the average household expenditures were \$765, a difference of -2.5%. However, when we look at the spending a century later, we see quite a marked difference. The average household income in 2001 was \$50,302, and household expenditures were \$40,748. In 2001, only 13.1% was spent on food, 32.8% was spent on housing, 4.2% was spent on clothing; and the remaining 49.9% paid for everything else, including education costs, health insurance, taxes, both federal and state, charitable giving, non-essentials (i.e., cable, internet, phone), and entertainment.<sup>1</sup>

While housing, food, and the cost of other essentials has gone down, education, health

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<sup>1</sup> Chao, Elaine L. and Kathleen P. Utgoff. "100 Years of U.S. Consumer Spending: Data for the Nation, New York City, and Boston". U.S. Department of Labor and U.S. Bureau of Labor Statistics. (August 3, 2006)

insurance, and rest of the “other” category has increased. The same can be said for our churches and elementary schools. It is now much more expensive to pay the health insurance for a church's and school's workers. The cost of educating a child even at the preschool level has risen. The cost of energy has risen, inflation demands a higher salary for employees such as the pastor(s), older churches need renovations such as wheelchair ramps or elevators, and maintenance costs have risen as well.

In short, the budgets for our churches have changed, and they continue to increase. There is a higher demand that churches raise enough money in order to meet the requirements to fund additional and ever-growing expenditures. Also, we must recognize that this strains our church body as a whole. “As congregations have used greater portions of member donations for their own purposes, denominational budgets are being squeezed to the breaking point.”<sup>2</sup> However, at the same time, as believers, we hear the call of God to go out into the world and preach the good news. We want to fund missionaries. We want to establish new churches. We want to reach out to our neighbors and invite them to our churches through outreach efforts like mission and ministry festivals. As believers who look for every opportunity to seek and to save the lost, we want to be able to come together and help fund disaster relief efforts and to send men and women to use their gifts to assist in whatever way they can. We want to help fund Christian education in our elementary and secondary schools to ensure that the youth of tomorrow are equipped with God's Word.

Herein lies the dilemma. How? How do we both provide for the bills of the “every day” activities of the church, while at the same time look to the horizon for new opportunities to spread God's Word? Can both be done well at the same time? Are there tools that we are not utilizing that could aid us in our endeavors to help others?

One of the greatest responsibilities that God has given his children is the stewardship of gospel. He has commissioned us to build upwards and outwards through the regular use of this most precious gem. God has given us gifts, tools, talents, people, opportunities, and divine assistance for the purpose of carrying out this mission. One of the sharpest arrows in our arsenal is the gift of wealth. Money is a powerful weapon that God has given us. However, that sharp arrow can, if we are not careful, become a danger as easily as it is a blessing. Therefore, money

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<sup>2</sup> Luidens, Donald, and Nemeth, Roger, *Social Sources of Family Contributions: Giving Patterns in the Reformed Churches in America. Review of Religious Research* 36, no. 2 (December 1994): 201

is and has been the most discussed, the most challenged, and sometimes the largest obstacle for congregations and church councils. Imagine what congregations could do with an unchanging, regular, and dependable source of income. More specifically, imagine how much more ministry could be done.

I propose that endowment funds should be the quiver for the arrow. Endowment funds can and should be utilized in our individual churches to help offset the cost of operational budgets. This will encourage God's people to be more active in their stewardship, take more personal responsibility for their giving, and allow them to see the offering plate as a way to practice what they believe. I believe that this will then lead both members and visitors to give to specific purposes, causes, organizations, or other ministries that need it. If even a portion of operational budgets were covered, more could be done with our money. This thesis seeks to prove the benefits of an endowment fund dedicated to the operational budget and to determine the best way to establish an endowment fund for our local WELS congregations.

## **The Basics of Giving**

“Christian stewardship is the believers' response to God's love in creating, preserving, redeeming, and sanctifying him. It can be called the Christian's management of his redeemed life and possessions, by the Spirit's power and direction through the Word – to God's glory and man's benefit.”<sup>3</sup> Why do Christians give money to church? For what purposes do we, as a community of believers, pool our resources together? What are our goals as we collect and distribute the wealth God has given us? Both in the Old and New Testaments, God addresses the subject of wealth and the use of money in the lives of his believers. In fact, apart from the kingdom of God, Jesus talks about money more than any other subject.<sup>4</sup> God knows well that money plays an important role in our lives, and its use can be a blessing to our faith or a detriment to our souls. Therefore, faith and giving are connected. Our giving, our personal stewardship, and our communal stewardship flow from our faith and our trust in God.

When we seek to talk about stewardship of the gifts God has given us, we seek to determine the correct biblical use of stewardship. What does God's Word say to us about money? The

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<sup>3</sup>Werning, Waldo J. *The Stewardship Call*. (St. Louis: Concordia Publishing House, 1965), 18.

<sup>4</sup> Lane, Charles. *Ask, Thank, Tell: Improving Stewardship Ministry in Your Congregation*. (Minneapolis: Augsburg Fortress, 2006), 18.

following section explores several principles that the Bible teaches about stewardship.

### ***Everything Belongs to God***

The first principle of stewardship is inherent in the word itself. ***Everything belongs to God, and we are the caretakers.*** “Stewardship” is the word most commonly used in today’s terminology to describe the correct Biblical use of money.

The word “stewardship” conveys both theological and Biblical meanings. In his book, *Financial Meltdown in the Mainline*, Loren Mead writes, “We are given the things of this world in trust from God and therefore are called upon to return a share to God.” In this discussion of stewardship, Mead cites a study that traces the use of this word among church leaders. Some 100 years ago, church leaders “latched onto the word ‘stewardship,’ trying to get church members to become steady, regular supporters of mission endeavors. Their intent was so they could make commitments and plans for the future.”<sup>5</sup>

The Greek word for “steward” in the New Testament is *oikonomos*. This word is rendered as “manager” in the NIV. According to Merriam-Webster's dictionary, a steward is “one employed in a large household or estate to manage domestic concerns (as the supervision of servants, collection of rents, and keeping of accounts).” In 1 Chronicles 29:11-12, David praised the LORD saying, “Yours, Lord, is the greatness and the power and the glory and the majesty and the splendor, for everything in heaven and earth is yours... Wealth and honor come from you; you are the ruler of all things (NIV2011).” David proclaimed a similar thought in Psalm 24:1, “The earth is the LORD's and everything in it, the world and all who live in it.” The ownership clearly belongs to God. He is the creator and preserver of all things. He alone can claim authority and dominion over everything. Yet, God in his wisdom gave mankind dominion over the earth (Gen. 1:28). He instructed man to care for his creation (2:15). This dominion was not negated by the fall, but God's command that mankind be the steward of creation continued (Psalm 8:5-6).<sup>6</sup> We are the inheritors of that command. God calls upon us to honor him with our possessions (Proverbs 3:9-10).

In the New Testament, Jesus uses the term *oikonomos* in two parables, both in Luke. In Luke 12:42-48, Jesus tells a parable comparing a wise and faithful manager, who takes care of his master’s servant while his master is away, and an impatient manager who beats his master’s

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<sup>5</sup>*Congregation Endowment Guide.* Thrivent Financial for Lutherans. 10/25/2013, 1.

<sup>6</sup> Malphurs, Aubrey, and Steve Stroope. *Money Matters in Church: A Practical Guide for Leaders.* (Grand Rapids: Baker Books, 2007) Appendix A. pgs. 187-188.

other servants because his master is delayed in returning. In this parable, Jesus is not referring to his followers' use of money, but he is using the term *oikonomos* in the same way that we do: *a steward in charge of his master's property*. Later, in Luke 16, Jesus tells the story of the shrewd manager. Here, Jesus teaches that his Father has entrusted Jesus' disciples with temporary, earthly possessions (wealth, money) to provide for future relationships (i.e., the potential to use worldly wealth to gain for ourselves friends who will welcome us into eternal dwellings). And in verse 13, Jesus says, "You cannot serve both God and Money." In this parable, Jesus stresses that money is a tool to be used, but he warns us not to allow money to become the object of our affection. Jesus does not want the use of our money to hinder our path to heaven. We are stewards of *God's* gifts, but we are not servants to them. Everything belongs to God, and human beings are the caretakers.

### ***Keep Heaven in Mind***

The second principle of biblical stewardship is to use wealth while ***keeping heaven in mind***. Jesus teaches us in Matthew 6:19-21, "Do not store up for yourselves treasures on earth...But store up for yourselves treasures in heaven...For where your treasure is, there your heart will be also." Jesus exhorts his followers to use wealth in such a way that will not disqualify them from the Kingdom of God and, ultimately, the gates of heaven. This key principle of biblical stewardship emphasizes the correct use of money, as a tool for this life.

Money does not buy our way into heaven, but the love of money can quickly turn into the root of all evil. Money is not the goal itself. Therefore, the use of our wealth can act as an impediment to our faith. In Mark 10, Jesus was asked, "What must I do to inherit eternal life?" Jesus responded, "Go and sell everything you have." When the young man walked away disheartened, Jesus said, "It is easier for a camel to go through the eye of a needle than for someone who is rich to enter the kingdom of God." Wealth acted as an impediment to that young man's faith and Jesus recognized that. This man cared more about money in this life than an eternal treasure.

This same thought was echoed in Luke 16:9 where Jesus says, "I tell you, use worldly wealth to gain friends for yourselves, so that when it is gone, you will be welcomed into eternal dwellings." These warnings come again and again in wisdom literature. Ecclesiastes 5:10 says, "Whoever loves money never has enough; whoever loves wealth is never satisfied with their income." And Proverbs 22:16 says, "One who oppresses the poor to increase his wealth



and one who gives gifts to the rich—both come to poverty.” Instead, as Solomon encourages us, “Choose my instruction instead of silver, knowledge rather than choice gold, for wisdom is more precious than rubies, and nothing you desire can compare with her” (Proverbs 8:10,11). And again in Proverbs 3:9-10, “Honor the LORD with your wealth, with the firstfruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine.”

God wants his believers to use money while ***keeping heaven in mind***. The Lord knows well that this life is temporary for us and he is concerned with everything that could possibly bar us from the streets of heaven. A consistently sinful use of money could be that obstacle that keeps some from heaven. As Jesus said, “Truly I tell you, it is hard for someone who is rich to enter the kingdom of heaven” (Matthew 19:23).

Preaching what God says in the Bible about money is a revolutionary concept. We have been taught that “Money makes the world go round.” We need money to survive in this world. We want more money so that we can live comfortable lives. Yet, Christ teaches us to forego the pleasures of this world and the false securities that it offers and instead seek first the kingdom of God. Wayne Pohl says, “[Money] keeps dinner on the table and the wolf from the door. Money means comfort, power, security, status, opportunity, freedom, pleasure, choice. That is why Christ makes radical claims on our checkbooks. No other issue so clearly, objectively addresses the clash between this world’s values and Christian values: ‘You cannot serve God and Mammon.’”<sup>7</sup>

When we address the topic of wealth and its use, we must always keep in mind that Christ and his heaven come first. When the use of money becomes an abuse, when it becomes a sin, then our love for money truly becomes the root of the evil in our lives. That is why Jesus, Paul, Solomon and the rest of Scripture spend so much time on the topic of wealth and money. We must ***keep heaven in mind*** when we consider wealth.

### ***Provide for the Church.***

The third principle of biblical stewardship is ***providing for the church***. This principle revolves around Paul’s words in 1 Corinthians 9 and 1 Timothy 5:17-18. In both sections, Paul emphasizes the need that preachers and teachers have for monetary compensation for their work. Therefore, a believer who practices biblical stewardship desires to give offerings to the church,

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<sup>7</sup> Bergstrom, Richard L., Gary Fenton, and Wayne A. Pohl. *Managing Church Finances*. (Portland: Multnomah Press, 1992), 42.

so that the church can financially support its pastors and teachers. Paul calls this a “right” of the called worker, even though he himself did not make full use of this (1 Cor. 9:12). The Christian recognizes and entrusts the ministry of God’s Word to these workers. There exists, then, a desire and a need to provide for the workers in our congregations.

Practically speaking, our Christian stewardship funds the Great Commission. We give in order to further the spread of God’s Kingdom, to fund missions both at home and abroad, to fund new Bible translations and outreach efforts, etc. Our giving also ensures that Christians have a place to congregate and to keep doing what the author of Hebrews wanted us to do when he said, “And let us consider how we may spur one another on toward love and good deeds, not giving up meeting together, as some are in the habit of doing, but encouraging one another—and all the more as you see the Day approaching (10:24-25).” Our giving funds the building and its maintenance, the music and the instruments, the electricity, gas, and water, and all of the other bills and necessities needed for ensuring a house of worship for us.

### ***Give to help others***

The fourth principle of biblical stewardship is ***giving to help others***. Paul spends more time on stewardship in 2 Corinthians 8-9 than in any other letter he wrote. Evidently, Paul had been involved in a fund-raising program to help the poor living in Jerusalem (Gal 2:10). The Corinthian congregation had pledged to aid this program as well, and Paul was urging them to complete their gift (2 Cor. 9:5). So, we see a group in need (the poor in Jerusalem), we see an organized effort to aid these people (both the ministers and the laity were working together), and we see believers (the Corinthians, the Macedonians, and others) voluntarily offering to give in order to help that group in need. There does seem to be a pattern that emerges concerning the direction of the giving. We notice that in the early Christian church, the money was collected and distributed among the believers who were in need. The money was most likely not designated for philanthropy or charity. There is little to no evidence that the church simply gave to help people outside of the church in need of the physical.<sup>8</sup>

Does that mean we too are only to provide for the needs of the people within our church

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<sup>8</sup> In Acts 11:27-28, we are told that Agabus prophesied a famine. The disciples then determined to raise money to send relief “to the brothers” living in Judea. This famine surely would have affected others. Yet, the money that was collected, as it is stated, did not go to help unbelievers living in the area. Acts 2:42-47 states that the fellowship of believers provided for its own needy. In Galatians 6:10, Paul encourages his hearers to “do good to all people, especially to those who belong to the family of believers.”

body? While providing for those among us who are truly in need is a priority, a command to do charity work certainly cannot be derived from these passages. Yet, we still recognize that God has blessed us and our nation more richly, humanly speaking, than any other peoples or nations in history. While North America is only about 5% of the world's population, we control around 1/3 of the world's total wealth.<sup>9</sup> What are Christians to do with their wealth, who are living in and benefiting from such abundance in the US? There are many still in need, both in this country and especially in others. Is it the church's responsibility to aid those outside of the church body? While it is not directly prescribed in the Acts of the Apostles or the epistles of Paul, it is described.<sup>10</sup> And for North Americans, who are on average some of the richest people on earth, charity and philanthropy is certainly part of stewardship. This can be done as individuals and it can be done as a church body, especially in times of disaster relief. However, this is not to overshadow the mission of the Church. The Great Commission comes first and foremost even when it comes to our giving.

We give because God is the owner of all things and we have been tasked to be his stewards. We give of our time, talents, and money while keeping heaven in mind, for that is our ultimate goal. We give in order to provide for our churches so that the same ministry that has affected our lives might also affect the lives of others in our communities. And recognizing that God has given us much, we give also to help others.

## **Why an Endowment Fund Works**

As stated before, costs are rising for our churches. It is time to start to look at all available options for supplying and equipping our churches and their schools with every tool we have at our disposal. An endowment fund is one of those tools. The whole point of an endowment "is the difference between just 'getting by,' and the security of bringing your congregation's mission and vision to life for generations to come."<sup>11</sup>

An endowment fund is a donated sum of money that produces its own income in the form of interest. Webster's dictionary defines endowment as, "a large amount of money that has been

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<sup>9</sup> See table 1.

<sup>10</sup> See Gal 6:10

<sup>11</sup> Thrivent Endowment Guide, 5

given to a school, hospital, etc., and that is used to pay for its creation and continuing support.” This fund adds an additional source of revenue for the congregation. Typically speaking, endowment funds have been used to fund projects, grants, scholarships, and specific ministries. They have even been used for matching programs.<sup>12</sup> For congregations, it is possible to set up an endowment to fund special ministries such as assisting new congregations, backing low-cost housing, or microlending.<sup>13</sup> It all depends on the congregation's vision for ministry. It is possible and, as I propose, highly beneficial to establish an endowment fund to help offset the operational budget or the “general fund” in a congregation. With the rising cost of operational budgets and the increased strain on member’s personal budgets<sup>14</sup>, an endowment fund used internally is something to be considered.

Imagine for a moment, what a group of mission minded Christians could do if they didn’t have to be concerned with paying for the bills of the congregation. What ministry could Christians accomplish, with the help of the Lord, if they didn’t need to spend any money on keeping the lights on, keeping the church clean, maintaining the property, or paying the pastor’s salary? If they were able to draw from a source of money that paid for all their bills, this group of Christians would be able to raise money to help others in need, to fund missionaries, and to assist other congregations in ways that they had not thought possible before.

If every penny of the operational budget was funded, the nature of the way we view money in our congregations would radically change. There would be no budget meetings of the sort that we are accustomed to, and there would be very little worry about meeting this year’s

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<sup>12</sup>Hotchkiss, Dan. “Setting up an Endowment Fund.” *Congregations* 27, no. 4 (July 01, 2001): 36. By matching programs, I mean to say programs that match dollar for dollar what donors give. For example, an endowment can be established in which the distribution “matches” a \$1500 gift that the congregation raises for a new electronic piano.

<sup>13</sup> Ibid.

<sup>14</sup> Looking at the statistics from the U.S. Department of Labor, charitable giving has actually increased from 1.3% to just over 3% from the 1900s to the early 2000s. This suggests that most Americans actually have more money available to donate to religious and charitable organizations. However, there are more categories listed by the U.S. Department of Labor to which Americans give their money, including personal health products, transportation, and pension expenses. So then, because of the greater number of expenses that Americans have, one could say that it is more difficult for Americans to donate to charity. Yet, because Americans actually, as a whole have more money, and therefore more dispensable money, someone else could argue that it is easier for Americans to give. If it is the latter, then the obstacle between people and giving is not an authentic strain on the budget, but a perceived strain. Still, much would depend on the individual and national economic health.

deadlines. If an endowment fund was large enough to cover the entire cost of the operational budget, scenarios like the ones that Charles Lane has observed numerous times would not occur:

Congregations have often attempted to fund their ministry by focusing on the budget. When it comes time to talk about financial support for the congregation's ministry, too often next year's budget is paraded before the congregation, and people are asked to increase their giving so that the budget can go up....Often those selected to work with financial matters in the congregation are people who deal with financial matters in their work. Such people are around numbers and budgets all the time. They are comfortable with numbers and budgets. They are even motivated by numbers and budgets. Most people in our congregations aren't like these financial leaders. Most people in our congregations find their eyes glazing over and their attention span shortening when they look at a page filled with columns comparing this year's numbers to last year's numbers to next year's numbers. They are lost or bored or confused. They are certainly not motivated. God's word, on the other hand, can and does touch the hearts of God's children...God's word will work in people's lives far more powerfully than any budget.<sup>15</sup>

Lane makes a strong case against using the budget as a way of motivating the congregation. An endowment fund could minimize a congregation's fixation on the budget, if it were large enough to cover the costs. This would leave more room for the members of the congregation to fund other ministries more fully. However, an endowment fund large enough to pay for the entire operating budget would likely not happen just based on the sheer size it would need to be. Even though most congregations would not be able to raise a fund large enough to pay for all of its bills, but an endowment fund could contribute immensely. The congregation could free up some of the money associated with paying the bills. They then could reallocate money that would normally go to the operating budget to fund other missions and ministries at least in part.

### ***Blessings of an Endowment Fund for the Church***

An endowment would be much more stable and dependable than a weekly offering plate. This model of stewardship is quite different than what most WELS congregations employ today. Typically, the general fund is supplied by the general offerings placed into the offering plate each week. While we thank God for the gifts that his children give to the church, we also recognize that the regular weekly offering is in no way consistent or assured. What happens if several people are gone vacationing during the summer months? What happens if there is an economic downturn and people are no longer able to give as much as they had in the past? An endowment provides a regular source of income every year.

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<sup>15</sup> Lane, 18

Second, an endowment also utilizes every tool at our disposal to do the most with what God has given us. This is good stewardship. In Matthew 25, Jesus praised the two servants who doubled the talents that their master gave them. They did as much as they could with what had been given them, and for this Jesus considered them good stewards. So, we too, want to do the most with what God has given us.

Third, this model would encourage a more active role in giving. Both the pastor and the stewardship committee of a congregation would be able to encourage members to search for some specific ministry. Members can see potential areas for ministry in the community. The church body would be able to pool ideas together and then decide on the best course of action. "How much does this ministry need to fulfill its mission? How much can we give to fund that outreach effort?" These questions are important because they help the people see that their giving is part of doing ministry both individually and as a church body. Stewardship is one way that we live our faith.

I want to make the case, the biblical case, that stewardship really is all about discipleship. The focus of biblical stewardship really is all about discipleship. The focus of biblical stewardship is not on the congregation's needs at all. Rather, the focus of biblical stewardship is on the fact that generous giving is one of the basic acts of discipleship. If stewardship is to be rescued, then the focus must be on the disciple, on the giver, not on the congregation.<sup>16</sup>

In, *Ask, Thank, Tell*, Lane focuses on the lynchpin between giving and faith: stewardship is a part of discipleship. Do our members feel they are doing ministry when they put money into the offering plate? We hope that they do. Yet, often times in our congregations, there exists a perception that money and giving equate to the "business side" of the church, separate from "ministry side" of the church. This can result in a "paying the bills" mentality for some congregations.

In a multi-congregational study in Protestant churches, Peter Munday studied two different church cultures. He looked at a church culture with a "pay the bill" mentality that often does not connect finances and spirituality. And he looked at a "live the vision"

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<sup>16</sup> Ibid., pg. 8. Lane most likely does not have a scenario in mind which calls for the use of an endowment fund. Rather, he is focusing on encouraging better stewardship as a whole. However, the principle applies to endowments as well, as an endowment can certainly be part of good, God-pleasing stewardship.

church which tends to “connect and integrate” money and spirituality.<sup>17</sup> I would argue that many of our WELS congregations have a “pay the bills” mentality. This is, however, a generalization, as not every member in a congregation has the same mentality of giving and the actual dynamic within the congregation is therefore more complex. But if our congregations do maintain a distinction between the "business side" and the "ministry side", then there is a disconnect between faith and giving. This disconnect clearly goes against the four principles of stewardship previously mentioned. We must come to the conclusion that God has given Christians a special use of money. Our attitude towards giving is not obligatory, but one from which we derive enjoyment. An operational budget funded by an endowment fits into this mold because it helps Christians focus on giving as part of their faith-life, and helps highlight the opposite of the “paying the bills” mentality. This issue will be addressed in depth later.

Fourth, a church that employs an endowment fund to help pay for its operational costs is a church that allows for more freedom to give. A church could have more resources to give to a particular project (such as a building or music project), or missionary effort (whether that’s starting a daughter congregation or helping overseas), or an outreach effort in the community. It might even be possible then to send members to mission fields to give firsthand reports on the congregation’s efforts. This would enable the members to really feel a part of the ministry that they are funding. When the power of the endowment fund is turned inward, it enables the members of a congregation to channel their God-given wealth more outwardly.

Fifth, this model may help make it obvious to visitors that we view our giving in a way that is different from a way that they would expect. Every once and a while, we hear someone say, “The church only wants our money.” Pastors and church leaders everywhere cringe when they hear someone utter those words. How untrue those words are! We want more from people than their money, and more importantly, we want more *for* them. The fear that a church might give the impression that all we care about is money has led many pastors and church leaders to shy away from the topic altogether.

In fact, Wayne Pohl even promotes the idea of minimizing money talk in a church to only two weeks out of the year in order to prevent visitors from thinking this. He promotes having a

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<sup>17</sup> Munday, Peter, Hilary Davidson, and Patricia Snell Herzog. “Making Money Sacred: How Two Church Cultures Translate Mundane Money into Distinct Sacralized Frames of Giving.” *Sociology of Religion* 72, no. 3 (September 01, 2011): 305.

stewardship month in November and taking two of those Sundays to promote good stewardship.<sup>18</sup> For this reason, some pastors only have one stewardship Sunday a year. During this “drive”, they try to raise all of the funds needed for the year.

Pastors oftentimes will be apologetic and timid about asking for money because they don’t want to give that impression that their church is only after the visitors' money.<sup>19</sup> This attitude even shapes our own WELS congregations. Quite often, I see the following phrase or something very similar printed in the weekly bulletin:

“Visitors and guests should not feel obligated to place an offering in the plate as it is passed around. We are certainly happy that you could join us and would love for you to come back.”

We, too, don’t want to give the impression that we are merely after people’s money. We fear that asking people to give money to a church they are not yet part of will hinder our preaching to them.

However, many people, including visitors to our churches, feel a need to donate to a cause. People enjoy giving money to disaster relief, funding inner city youth programs, and aiding the homeless or the impoverished. In a study that investigated tithing and religious giving in America, Russell James and Keely Jones discovered a marked difference among groups that give 10% of their income, specifically among exclusively-religious tithers and mixed-giving religious tithers. Those who gave 10% of their income only to their religious organization made roughly \$13,000 less than people who tithed to both religious and non-religious organizations.<sup>20</sup> People who gave both to religious organizations and charity organizations actually gave more than to people who gave solely to their church bodies. Even if it’s not to a particular church, it’s clear to see that people are still willing to give money. That assumption can be made of the average visitor in the congregation, as well. They, too, likely have given or are willing to give to a specific cause or organization. The fact that they are already in church speaks to their interest in the religious organization as well. They are comparable to the mixed-giving tithers. If, before the offering plate has been passed around, the pastor announces,

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<sup>18</sup> Pohl, 42-43

<sup>19</sup> Munday, 316

<sup>20</sup> Exclusively-religious tithers’ after-tax income: \$21,321. Mixed-giving religious tithers’ after-tax income: \$34,281. There was also a \$70,000 difference in liquid assets. James, Russell N, and Keely S Jones. “Tithing and Religious Charitable Giving in America.” *Applied Economics* 43, no. 19 (August 10, 2011), 2448.



“Today’s offering will go to help fund the WELS disaster relief efforts in the Philippines,” then there is no reason for the visitor to think, “The church only wants my money.”<sup>21</sup>

Sixth, when an endowment is properly managed, it enables a congregation to endure hard times. Buildings do not last forever. Maintenance is needed constantly in order to properly upkeep any building. Churches, especially the older buildings that are now pushing past 100 years, may need emergency repairs that were never planned for in the budget. And where does the money come from when a pipe breaks and floods the fellowship hall in the basement of the church? How is a congregation supposed to recover after a fire or flooding or some other natural disaster? There are situations that arise that cannot be planned for. An endowment fund, if it is the right type, can aid a congregation in emergency situations.<sup>22</sup>

An endowment provides several benefits to the congregation as a whole. They are stable sources of income. They promote good stewardship by utilizing every tool available to us. They encourage a more active role in giving. They allow more freedom to give to a particular project. They could potentially change the way that visitors see how we view money. They allow churches to endure hard times. But there are more than just congregational benefits.

### ***Blessings of an Endowment Fund for the Individual***

Might there also be a personal benefit for those who give to the endowment fund? I believe so. In an interview conducted with Pastor Ron Muetzel, he answered the question, “What are the potential benefits of having an endowment fund in an individual congregation?”

An endowment fund provides one more way for members to support the ministry of their congregation. Personally, I would establish a close connection between estate planning and the endowment fund. A sensible policy for a congregation would be that all estate gifts, unless otherwise designated, would be placed into the endowment fund. Most people have an aversion to seeing assets accumulated over a lifetime spent by a

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<sup>21</sup> Even if the endowment fund is large enough to fund only a portion of the church’s operating budget, and only part of the offering goes to help fund whatever the particular ministry or effort the church is currently trying to support, I still hold to the same logic. The visitor will see the offering plate not as the church’s effort to reach into the visitor’s wallet, but the church’s effort reach out, to help others, to help the community, etc.

<sup>22</sup> In interviews with Mark Arnold, he stressed that an endowment fund could be used for a rainy day fund, if the donors have left that option open. However, Kurt Lueneburg, stressed that the endowment should not be confused with a rainy day fund. I stress that it depends on how the congregation has prepared. If the congregation wishes the endowment to be used as such and the donors have clearly stated that they want the fund to be used as such, then I believe it is a good idea. However, if the donors do not want the endowment fund to be used for emergencies, then their wishes should be observed.

congregation immediately upon receipt. An endowment fund provides people a giving opportunity whereby their accumulated assets can benefit ministry over a longer period of time.<sup>23</sup>

Members who leave their assets to a congregation at their death want to know that their money is going to help their congregation. They don't necessarily want to see their gift spent immediately. They want other ways to aid the congregation that they have been a part of for years. Moreover, they want to know that their money is going to aid the congregation for years to come. An endowment is a way to continue their yearly offerings.

Imagine for a moment Jeanie Schultz. Jeanie has been a lifelong member of St. Paul's Lutheran Church. God has richly provided for Jeanie all of her life, and Jeanie has regularly shown her thankfulness by giving back to the church some \$4,000 per year. Jeanie has been working with her estate planner, trying to find a way to give to the church through a bequest. Jeanie doesn't want to interfere with the regular stewardship of the congregation through one large lump sum. She decides to establish a \$100,000 endowment fund, thereby ensuring that her regular \$4,000 per year offering will continue after she passes into glory. It is as if she continues to give her regular offerings.<sup>24</sup>

There are a wide variety of benefits and uses of an endowment fund, both for the congregation and for the people that want to give. However, if there is a problem with stewardship in the congregation, if there is a problem with paying the bills of the congregation, is an endowment fund the right answer? If the congregation has trouble giving in order to pay the bills because it is simply not "exciting ministry," is the endowment a God-pleasing solution? In order to answer this question, we must first take a closer look at the reason why we give. We have to understand the root cause and the motivation for our giving.

## **The Motivation for Our Giving**

If a congregation is seeking to start a new stewardship program, certain questions need to be answered. Is the new program actually seeking to teach and encourage biblical stewardship among the people or is it a clever device to earn more money? Is this program an escape from

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<sup>23</sup> Muetzel, Ronald. Interviewed by Derek Bartelt. Email interview. Mequon, WI, November 15, 2013.

<sup>24</sup> Lueneburg, Kurt. Interviewed by Derek Bartelt. Phone interview. Mequon, WI, January 28, 2014.

addressing a sinful attitude regarding money or is it a God-pleasing use of our time, talents, and wealth? What is the motivation behind our giving?

Motivation for our giving is the basic issue that must be discussed when stewardship is at issue. Why do Christians give? Do we only give because God has commanded us to give? Do we give out of obligation? By no means, but we give out of loving and thankful hearts to God, who has given us earthly wealth and, much more importantly, heavenly treasure. “The Gospel, not the Law, furnishes the motive power for Christian stewardship.”<sup>25</sup> No matter what the stewardship plan or program or tool that is used, it is a response to God’s love for us. This is at the heart of Christian giving. We do not start a stewardship program simply because we think it will get more money or a better response from the people. Our goal in stewardship is not to reach a certain weekly amount. Our goal and our motivation in our stewardship are one and the same: love for God who first loved us.

When we are talking about implementing an endowment fund, it is of primary importance to understand what an endowment fund is and is not. It is not a solution to sin. It is way of using God’s gifts. It is not the magic bullet to fund our churches. It is a wise and God-pleasing stewardship of our money. It is not a way out of talking about money, wealth, and stewardship, which may or may not be subjects that people like to talk about. It is a potential way to cultivate better stewardship and more active roles in the financial planning of a congregation. It is also another avenue through which people can give to tomorrow’s church.

What motivates Christians to give to their churches? This was the question at the heart of a study performed by Donald Luidens and Roger Nemeth.<sup>26</sup> These two focused on the social factors that led to giving in the Reformed Church of America. They studied three different models for church giving: 1) the high-demand church model, which assumes that church-like and sect-like subcultures motivate giving by imposing a high-demand on their members; 2) the club model, which motivates people to give (either time or money) by keeping them involved in the church; and 3) the dues-paying model, which requires people to do their “fair-share” depending on their economic status. The authors sought to assess the three models of giving and the social factors involved.

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<sup>25</sup> *Ibid.*, pg. 55

<sup>26</sup> Luidens, 207.

In the end, they concluded that the highest motivator was in fact “private devotion and conventional beliefs”.<sup>27</sup> This then leads people to higher levels of congregational involvement, which in turn leads to more financial commitment. Another study concluded that the single largest factor in motivation for giving was “an individual’s personal relationship with God”. They also concluded that “anything a denomination or congregation does to elicit contributions” was not as large of a factor as personal devotional life.<sup>28</sup> It’s interesting to note that these conclusions reflect a true biblical teaching, although they do not state it in clear language. They conclude that people who remain in God’s Word more, who study it faithfully, will want to contribute more. Believers give out of thankfulness to him who has given so much to us.

Again, why do we give? We give because God has given us everything, we give because our hearts are focused on heaven, we give to further the growth of God’s kingdom, and we give in order to help those in need. With these four principles in place, we can begin to delve into some of the key questions revolving around the motivation for giving. Motivation is essential for either implementing or not implementing fundraising tools, stewardship programs, or in this case the use of endowment funds.

“Questions ought to be asked about the lights and shadows of motivation. What appeals are to be used to inspire people to an active Christian life? Certain motives may be suggested that may help to get immediate results but which may do much harm in the long pull of church work. Can there be proper appeals to loyalty and pride? Is the payment of church bills a good motivation? Does prosperity ever create greater sense of stewardship? What is the nature and use of the Law and the Gospel in urging the dedicated life?”<sup>29</sup>

There are also several false motives for giving. Waldo Werning’s book, *The Stewardship Call*, provides a lengthy list of false motivations for giving, such as 1) “You belong to the church, it is your duty to support it,” 2) an appeal to pride, “You can’t give more than the poor widow down the street?”, 3) an appeal to personal loyalty to the minister or the church building, 4) an appeal to give more generously because, “We have never had it so good,” 5) and

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<sup>27</sup> Ibid., 215

<sup>28</sup> Zaleski, Peter A, Charles E Zech, and Dean R Hoge. “DETERMINANTS OF RELIGIOUS GIVING IN URBAN PRESBYTERIAN CONGREGATIONS.” *Review of Religious Research* 36, no. 2 (December 1994): 205  
<http://search.ebscohost.com/login.aspx?direct=true&AuthType=cookie,ip,cpid&custid=s3443150&db=hlh&AN=11057017&site=ehost-live&scope=site>.

<sup>29</sup> Werning, 15

appeal to the need of a Christian to give<sup>30</sup>, 6) an appeal to fear, "This is your last chance," 7) an appeal to the budget or to the needs of the congregation.<sup>31</sup> All of these false motivations for giving revolve around law motivation: fear, guilt, or duty.

When addressing whether or not an endowment fund is good for a congregation, one must first look at the motivation for starting the endowment. Is the congregation starting an endowment, because they are motivated by one of Werning's false motives or because they are motivated by the four scriptural principles from before? Is the congregation starting an endowment because they view it as another tool that God has given them to use? Or does the congregation simply wish to avoid putting money in the offering plate because they do not consider giving to the general fund, "exciting ministry"? The correct motivation is vital. A church should only start an endowment fund if they truly believe that it will help them in their mission to further God's kingdom, not because they are looking for a way out of paying the pastor's salary so that they can get to doing more "exciting ministry".

There are two major issues that need to be addressed before starting any endowment fund. How is the offering plate viewed in the congregation? Does it view the plate as a way to carry out its ministry? Secondly, does a congregation have a "pay the bills" mentality surrounding money, or does it have a "live the vision" mentality? Does the congregation see money primarily as the business side of the church or does the congregation see money as a means to do ministry?

### ***The Congregation and the Offering Plate***

First, how does the congregation view the offering plate? Does the church demonstrate that it cares about giving through the regular offering? If it were possible to make a judgment based on numbers and statistics alone, most would say that there is a problem with the amount that most Christians give back to church. The average conservative Lutheran gives less the 2% of income to the church. These low contributions are seen not just in conservative Lutheran

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<sup>30</sup> This need does exist as a result of our being Christian, but it should not be stressed as a motive. This would lead to legalism as it would turn something that a Christian does in response to God's love for him into something that the Christian does in order to appease God, the pastor, or the church.

<sup>31</sup> *Ibid.*, pgs. 45-47. In this case, "need-based motivation" refers to when a congregation is "guilt-tripped" into giving more money. "The leadership says that the congregation needs \$5,000 to fill the budget or else we are going to be in the red again this year. So we better give more." This type of motivation is unhealthy. However, "need-based motivation" can refer to a Christian's need to give because Christ asks it of us. This then is motivated by what Christ has done for us and is performed out of loving duty to him.

churches but actually in several other major Christian denominations. In *Money Matters*, the authors investigate the mean percentages of income given among almost all of the major Christian (and other) denominations. At the top of the list, the average member of a church of the Latter-day Saints gives about 7.3%. Members of the Baptist churches are likely to give between 2-3%. The average Catholic member gives just above 1%.<sup>32</sup> Understandably, there are a huge variety of factors that affect giving such as housing costs, living expenses, medical bills, food and clothing, education, insurance, debt repayment, and others.

Does this trend among our conservative Lutheran churches show a lack of gospel motivation in our stewardship? Or are we simply shying away from the topic of money? Or are we failing to preach a correct gospel motivation? These questions are troubling and deserve much more attention than this thesis can devote to them. The result, however, is that our churches are having an increasingly difficult time paying the bills to carry out their missions in a financially responsible way. Obviously, part of the problem comes from sin and our natural selfish attitudes. So then, is an endowment an excuse to help “cover the gaps” that our sinful natures create? Does an endowment merely enable selfish giving to continue?

If there is an issue in the regular weekly offering, some might maintain that using an endowment fund to help pay for the operational budget under these circumstances only enables the same type of giving that has led to this issue. The issue revolves around the following thought: “An endowment is just a fancy fundraising tool to ensure the church is covered when the people don’t provide what God asks of them.”

Basic fundraising strategy would say the following: “*People don’t like to give when they can’t see where their money is going.*” In the secular world, no professional fundraiser would simply walk around with a plate, asking people for money without explaining what they were giving to and what the final goal is. When the offering plate is passed around after the sermon, those in the pew do not see a set goal or a specific purpose for which to give. Humanly speaking therefore, people do not wish to give because they do not know where their money is going and what it is going to pay for.

However, can we really compare the offering plate to a fundraiser? Are our stewardship programs like endowments geared towards finding a solution to “*People don’t like to give when*

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<sup>32</sup> Hoge, Dean R., Charles Zech, Patrick McNamara, and Michael J. Donahue. *Money Matters: Personal Giving in American Churches*. (Louisville: Westminster John Knox Press, 1996), 12

*they can't see where their money is going?"* If we are employing fundraising strategies to our stewardship, we can run into several issues. When one applies the phrase, "*People don't like to give when they can't see where there money is going,*" to the offering plate, one runs the risk of turning the offering plate into something it's not: a fundraiser. Moreover, it seeks to find a clever way to work around the sinful nature.

The truth is that the offering plate is not the same thing as a fundraiser, and congregations should not view it as such. But there are things that we can learn from fundraising strategies, such as the importance of setting and communicating clear goals and thanking people for their gifts. In this way, the congregation knows what it is working towards.

First, our sinful human natures do not want to give to God. The issue revolves around the phrase, "*People don't like to give.*" And that is completely true! Our sinful natures do not want to thank God for what he has done for us. Our sinful natures say to us, "We have earned this money, it is ours and we will not give it to anybody for anything." People don't like to give money to the church because they are constantly tempted to hold back their offerings. There is a temptation to trust in money, which is tangible, rather than trust in God who is not seen. Satan uses these temptations. This attitude is only countered by a correct preaching and application of law and gospel. For sin is at the heart of the problem and needs to be revealed by the light of the law and cured with the gospel.

Secondly, "*...when they can't see where there money is going,*" twists the offering plate into a selfish act. The offering plate is not a place where we receive praise for our deeds. It is not something for which we are supposed to receive recognition. We need to constantly remind ourselves that the offering plate is one way in which believers can thank God for the love that he has lavished on us. In this sense, it is not the same as a typical fundraiser in which the big donors receive special honors and a plaque or a name on the building. Normal fundraisers show recognition to the people who have contributed most. The offering plate is not a normal fundraiser. In today's society, there are so many organizations, foundations, scholarships, and relief efforts that ask us to donate our money to a good cause. And the majority of these causes are excellent uses of our money. But they have taught us that we like to see the fruits of our labors. We like to see a receipt for what our donation has purchased. Has this trend led some to reduce their giving, albeit unknowingly, because they can't see where their money is going? Or has it become more difficult to encourage people to give more because of this trend?

Basic fundraising strategies all say the same thing. Set a goal, ask people to meet that goal, and thank them left and right for their gift and then again after the goal has been met. Yet, when the offering plate is passed around, people don't see that goal, they don't feel like they need to contribute to an unknown goal, and they don't feel thanked afterwards. Christians need to be taught that paying for the "mundane" aspects of church life, like bills, salaries, and maintenance, is also ministry. It may not be flashy, but it is necessary. Pastors need to be taught to be thankful and to clearly communicate that thankfulness for the gifts that the church has received.

### ***"Pay the Bills" vs. "Live the Vision"***

The second major issue surrounding motivation, and therefore whether or not to implement an endowment, deals with two potential mentalities concerning money: "Pay the bills" versus "Live the vision". Earlier, the subject had been broached concerning the type of money-mindset a congregation could have: "Pay the bills" or "Live the vision." The former tends to view money as the business side of the church and often times feels a duty to pay money to the church so that the church may stay afloat. The latter tends to connect the offering plate with a discipleship mindset. Biblical stewardship, as it has been presented thus far, promotes the "live the vision" model. Giving to church with an obligatory attitude of "paying the bills" does not reflect a gospel motivated attitude towards that gifts that God has given us.

On the surface, it would seem to be obvious that the "live the vision" mindset is the model to follow. Yet, even churches that claim to live this mindset run into their own obstacles when gospel motivation is forgotten. In their study of two church cultures that claimed to fit these molds, Munday, Davidson, and Herzog looked at two Midwest congregations for several months to investigate the motivations and results that these two church cultures produced.

"Each church in our study embodies distinct cultures of money sacralization. Respondents at Lakeside [Pay the Bills] almost univocally indicate that their money belongs first to God, and thus the appropriate response for them is to give back a tithe to the church that they perceive God asks of them. Conversely, congregants at Hillside [tend to couch their giving in terms of a general feeling of commitment to and love for their church community and its work in the broader community, and thus the appropriate response for them is to contribute money toward the outcomes of the church."<sup>33</sup>

At Lakeside, all are expected to give and are challenged to give more in every financial

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<sup>33</sup>Munday, 309-310



decision. The pastor's role is to motivate and to challenge the congregation. Their goal is evangelism. They give as an act of worship. Their motivation is fidelity to God and Scripture, as they recognize that it is good for them to give for their spiritual health. At Lakeside, there seems to be a mix of giving out of obligation and the healthier attitude of giving as an act of worship.

Conversely, members at Hillside give because they have a community that they are expected to support. They are only asked to give what is comfortable. They only give once per year and this giving is considered by many in the congregation to be a "necessary evil." Giving is also seen as the business of the church. The pastor's role is apologetic, but he does motivate. Their main purpose in giving is for community support and outreach. The reason that they give is out of an obligation to the community and faithfulness to the church they are a part of.<sup>34</sup> Their "live the vision" mentality lacks a true gospel motivation, and they do not connect giving to their spiritual health.

Again according to the authors of the article, Lakeside is considered to be the "Pay the Bills" mentality, and Hillside is the "Live the vision" mentality. There are obvious issues in both congregations. But I would argue that Lakeside resembles a typical WELS congregation. They give because they recognize that everything belongs to God. They give because they realize it is good for their spiritual health. They give because they recognize it is an act of worship. Their stated motivation for giving is that it is Scriptural. However, it appears that they give out of a sense of obligation and duty to the church, rather than a gospel motivation.

So what's better? Is a "pay the bills" mentality the correct attitude for stewardship? According to the study, it focuses on giving because it reflects your spiritual health, but its prime goal is keep the budget in the black. Or is a "live the vision" mentality the correct attitude? It focuses on funding the ministries to reach out to the community, yet is ashamed to talk about money in public? There are good and bad aspects of each. The correct mentality borrows from both. Biblical stewardship both seeks to give from faith (spiritual health) *and* to further God's kingdom (the vision).

Giving is not separate from faith, but flows from it. Stewardship is not separate from discipleship, but stewardship is a part of it. The issue of the "pay the bills" versus the "live

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<sup>34</sup> Ibid.

the vision” mentalities are quite complex, but the answer lies in seeing a connection between our use of money and faith. “For too long most of the congregation’s ministry has been considered ‘spiritual,’ while stewardship ministry has been considered ‘business.’ Jesus didn’t see it this way, and neither should we.”<sup>35</sup> Pastors, staff ministers, teachers, and church leaders need to understand that giving is not just the “business” side of the church. Putting the envelope in the offering plate is not a compulsory action. It’s a thankful response. Whether that money goes to help fund fifteen daughter congregations in the area, or to buy new light bulbs, it’s all part of the grander scheme that we call ministry.

Our members need to be taught that our stewardship helps to carry out the Great Commission, no matter what mission it funds in the church. Christians want to make disciples of all nations with any tool they have at their disposal! Christ’s great commission is a core doctrine and one that is held dearly by believers. Not only that, but it is also at the heart of our preaching. And when a Christian feels that he has not been doing his part to fulfill that commission, he feels like a hypocrite. Instead, that believer needs to see and understand that his giving is part of a larger operation. This important point needs to be highlighted clearly in our preaching from the pulpit. Our regular offerings enable the pastor to do his duty, to keep the building maintained, to pay the salaries of the teachers and staff, and much more. When the offering plate is passed around, the congregation needs to understand that they are giving towards the ministry. The offering plate can be exciting ministry, too.

In summary, does an endowment only enable and encourage behavior that has led to this problem of giving in our churches? Does it merely "cover the gaps" which our people aren't filling with their own contributions? “People don’t like to give when they can’t see where their money is going. You are just enabling that behavior with an endowment, because now they no longer need to admit to themselves that there is a sinful attitude in their giving.” Is there a lack of faith that their giving has any effect? Is there a selfish attitude in their giving when they refuse to give to a generic cause rather than specifically giving to something that *they* would like to give to? These are important questions. We certainly do not want to implement an endowment fund because the congregation doesn’t like to talk about money, and this gives us a way out of talking about money. We certainly don’t want to start an endowment fund just so

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<sup>35</sup> Lane, 12

that members can opt out of supporting a *boring* cause like paying the bills.

An endowment fund is not the answer to these problems. If there is a stewardship issue in a congregation such as bills not being paid because people don't like to give to the general fund, an endowment fund is not the solution. There is a sinful attitude there, and it will not be fixed by implementing some special stewardship tool.

Again, what is an endowment? Some might view an endowment as an opportunity to engage in our stewardship behavior. If a sinful attitude in the congregation is perceived, the underlying issues need to be tackled head on. It is not a solution to sin. It is not a magic bullet or an escape from the topic. It is however, a God-pleasing way of ensuring our churches' futures. It is a way to encourage good stewardship among our people.

## **Other Arguments against Endowment Funds**

Some might say that it is unwise to place so much money in a fund when economies are unstable. They might look at the recent recession that this country has faced and they might see that some of the world's largest endowments decreased dramatically. Harvard University's endowment, now reportedly around \$30 billion, had shrunk some 30% in 2009.<sup>36</sup> They might caution the use of endowments because something like this could happen to our churches, which is a very real danger and must be considered. It is true that we don't know what the future holds for us. We don't know what tomorrow brings. But that is the very reason why an endowment fund is so important! Before any financial decision, the church must weigh the risks and the potential benefits. While an endowment is not immune the changes in an economy, it can certainly weather the storms of financial upheaval if it is invested wisely and diversely. When a recession or depression affects the personal budgets of a congregation's members, giving goes down. Even though an endowment might also be affected, it also helps the congregation weather that storm.<sup>37</sup>

Other opponents of endowment funds might say that a congregation can depend too much on the endowment. They could argue that a congregation could view the endowment as a guarantee to keep the congregation open under any circumstance. Again, an endowment is not

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<sup>36</sup>Levitz, Jennifer. Wall Street Journal. [Online article] (07/31/2012. Accessed 11/22/2013) Available from <http://online.wsj.com/news/articles/SB10000872396390444130304577559141673496810>

<sup>37</sup> Hotchkiss, 1.

a magic bullet that solves every financial issue in a congregation.

Take for example St. Nicholas Collegiate Church in New York City. The church stood on one of the most valuable pieces of property in the whole country. From 1847-1949, this church stood on the corner of 5th Avenue and 48th Street. Currently, this corner lot is dominated by the buildings of Rockefeller Center. The coalition of churches in control of this church (the Collegiate Dutch Reformed) had been raising a sizeable endowment for years. Yet, when costs rose and giving did not, in 1946, the church was forced to take out a \$750,000 mortgage in order to pay their bills. However, the church was still struggling to pay their loans and other bills. Rockefeller Center was growing and the offered \$4,000,000 to buy the property.<sup>38</sup> In today's dollars that would calculate to \$47,906,872<sup>39</sup>, and this does not factor the increased property value in New York City, which would be considerably more. Even though in 1946, the leaders of church promised not to sell St. Nicholas in 1946, they were forced to sell the property in 1949.

An endowment doesn't guarantee the ongoing existence of a church. For many years, St. Nicholas depended on its endowment fund, but the endowment was not able to maintain the church in that location. While it is possible for a church to become dependent on an endowment fund, it is important to remember that a church does not exist as long as there is enough money to keep the lights on. An endowment should be used to fund ministry, whether that's paying for the bills to allow the congregation to fund other ministries, or for supplying some specific ministry or interest of the congregation.

Still, other opponents might even look at Luke 12, where Jesus tells the parable of the rich fool who stored up his wealth in barns. God told him, "You fool! This very night your life will be demanded from you. Then who will get what you have prepared for yourself?" This is probably the most common argument from the Bible that is employed against the use of endowments.<sup>40</sup>

However, this really is just poor exegesis. Those who use this section of Scripture to

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<sup>38</sup>"The Deadening Hand of Endowment." *Christian Century* 63, no. 20 (May 15, 1946), 614.

<sup>39</sup> [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm) \$4,000,000 in 1946 converts to \$47,906,872 in 2013

<sup>40</sup> From conversations with pastors and seminary students who believe that endowment funds are not biblically supported, they have used this section of Scripture to support their claims.

support their thinking believe that Jesus is saying that it is not good to collect large sums of money and store them up for future use. An endowment fund does exactly that. Rather than storing money up in funds, they say that it should all be spent now. Rather than keeping large sums of money when we don't know what the future holds or when Christ will come back, they suggest that all money be spent here and now. They believe it is better to use all resources available in the present because that would be better than having millions of dollars invested at the time of Christ's second coming. However, look at what was the rich fool's true problem. Jesus says, "This is how it will be with whoever stores up things for themselves but is not rich toward God (Luke 12:21)." The problem wasn't just with his storing of his wealth. The rich fool's true problem was the fact that he stored up wealth for himself, not for God.

An endowment fund does just the opposite. An endowment fund stores wealth up for God so that the financial future of our ministries can be more secure. We do not store up wealth for ourselves. We do not store up wealth for selfish reasons. We do store up wealth for the benefit and growth of God's kingdom. Even Jesus, in his parable of the talents, suggested that the wicked servant could have invested his talent so that it could have at least gained interest.<sup>41</sup> Nowhere in the Bible are endowments forbidden. All that we can say from the Bible is that God wants us to use our time, talents, and money to his glory. God wants us to practice good Biblical stewardship. The correct use of endowments is a part of good stewardship.

Endowments are not the solution to every money problem. An endowment will not magically alter the congregation's perception on stewardship if giving has become a problem. An endowment is an aid to good stewardship, but it cannot fix poor stewardship.

## **How to Establish an Endowment Fund for Your Congregation**

We have discussed the biblical principles of financial stewardship. We have looked at the benefits and the potential dilemmas of an endowment fund. Jim Holm and Kurt Lueneberg of the WELS' Center for Mission and Ministry and retired Pastor Ronald Muetzel, former mission advancement officer for Wisconsin Lutheran College and president of the St. Marcus Foundation

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<sup>41</sup> Mathew 25:27. This passage is found in a parable, which means we should understand it as descriptive and not prescriptive. In this parable, Jesus doesn't command that the gifts and moneys we receive from him be invested in some fund. The point of the parable is a wise use of the gifts God has given while we wait for his return. Jesus' point is that a wiser use of the money that the master gave his servant was to invest it rather than do nothing with it.

in Milwaukee, WI all recommend that more congregations investigate and utilize endowment funds.<sup>42</sup> There is great value for a congregation to be able to pull from such a deep pool. Endowments can be such a wonderful blessing.

Now, it is also necessary to know how to establish an endowment fund for an individual congregation. How is a congregation supposed to be able to raise the funds necessary to start an endowment fund? What is the correct return on an endowment fund? Which type of endowment fund is best for the congregation? With whom should the congregation entrust the funds? These and many more are the questions that need answers in order to start an endowment fund. Beyond the scope of this thesis, there are several tools available, as well as financial institutions both in and outside of our WELS circles. This thesis will discuss resources, people, institutions, and other aids in five parts. What is the purpose and vision of the congregation? What is the correct size and return for a successful endowment? Who will manage the fund and how will the congregation have access to the fund? And how will the fund be marketed to the rest of the congregation? And, finally, how does a congregation raise the funds necessary to start an endowment?

### ***The Mission of the Endowment***

So far, I have proposed using an endowment for the operational budget and general fund. I believe that it offers the most flexibility and encourages wonderful stewardship opportunities. A general fund endowment is not the only way an endowment can be utilized. What are the other possibilities for an endowment? To answer that question, a congregation first needs to consider the purpose and the vision of the congregation and how that fits into the use of an endowment fund.

What are the congregation's ministry focal points? Is there a Lutheran Elementary school attached? Is there a Lutheran High School nearby? Are there several teenagers or college aged young adults who are members of the congregation who attend MLC or WLC? If this is the case, the distributions of the endowment could be used as a scholarship fund. The distributions could also go towards tuition assistance on a need based criteria. A cursory glance at the budgets for most WELS congregations with elementary schools proves that an LES often times dominates half or more of the annual budget.

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<sup>42</sup> Based on answers from interview questions with each.

For example in 2012, in Falls Church, VA, Grace Lutheran School had a budget of close to \$475,000, while the church's total budget for the year was around 1.2 million. Nearly half of Grace Lutheran Church's budget was devoted to their school, and in 2013 they were searching for ways to either downsize the budget, increase tuition, or other ways to help fund the school, including a recent government assistance program. An endowment fund could also help with the operational budget of a school, if that is indeed the vision and focus of the congregation.

There are still several other uses for an endowment fund. As I have discussed before, using an endowment towards the general fund or the operational fund is a viable and effective option. This is how many congregations including Faith Lutheran in Anchorage, AK use their endowment.<sup>43</sup> By using this tool for the general fund, the congregation is able to channel offerings to other ministry opportunities besides paying the bills. If done correctly, a general endowment fund can lead to members to become more active in their stewardship, and can help the congregation as a whole with their stewardship.

Depending on the congregation's niche in the community or purpose for being in that area, the congregation or the donor may want to establish an endowment for that specific purpose. If there are only one or two donors for the endowment, there is less flexibility for determining the purpose, as the purpose will largely depend on the donor's wishes. But if the congregation as a whole wishes to start an endowment fund, rather than just one or two donors, the leadership of the congregation should give considerable effort into discovering the vision of the church and the purpose of the endowment. Thrivent's Endowment Guide provides a worksheet to help realize this purpose.<sup>44</sup> Does the church want to daughter another congregation? Does the church want to fund a specific outreach project? There are several other options. In fact, one WELS congregation in Wisconsin holds a meeting every year in which the members vote on how best to distribute the money.<sup>45</sup> If there are major renovations that need to be done, if there is a specific program that the church does, if there is youth ministry that needs financial assistance, or if there is opportunity to fund and enhance the worship life (such as the purchase of a new organ) an endowment can be employed.

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<sup>43</sup>Oldfield, James Rev. Interviewed by Derek Bartelt. Email interview. Mequon, WI, November 6, 2013.

<sup>44</sup> See Table 2

<sup>45</sup> Lueneburg, Interview.

The use of the endowment must be fleshed out in conjunction with the vision and purpose of the church. Most churches already have a mission statement, a purpose for being in that area and a way to carry out Christ's Great Commission. An endowment fund should also have a mission statement and it should reflect the church's mission statement. Thrivent's financial guide provides the following example endowment fund mission statement:

“Mission Statement: Provide vehicles and structure for members who have the ability and desire to benefit (Church Name) through charitable giving that is consistent with its mission of witnessing to the message of salvation through Jesus Christ on both a local and global level. The purpose of the endowment committee is to enable (Church Name) to promote funding of specific needs that support its mission and ensure its financial stability. The committee will seek to provide a perpetual source of income to benefit five current categories:

1. Missions: Local, regional and world projects.
2. Education: College and seminary scholarships.
3. Youth: Support for youth of all ages.
4. Worship and Music: Support for the worship life of (Church Name).
5. Capital Projects: Major renovations and building of new facilities.”<sup>46</sup>

Admittedly, this mission statement is quite broad, and a congregation should not just copy and paste this and claim it as its own. This statement is purposely vague in order to give an idea of what a mission statement could be. A real mission statement would need to be much more honed.

Along with the vision and purpose of the church, a congregation should also form an endowment of the correct type. There are two basic types of endowment funds. A true endowment fund is a sum of money that has been designated by the donor(s) for a specific purpose such a scholarship fund or grant fund. In a true endowment fund, the principle has been set apart and cannot be touched by the institution that manages it. Only the interest can be used. The Thrivent Endowment Guide talks about this type of endowment as an “Income only.”

“Distributions are made only from the income (usually interest and dividends) the endowment fund produces; the principal remains intact. Because the principal is left untouched year after year and increases as people contribute to the endowment fund, the fund will provide a secure financial base from which the congregation can realize its future vision.”<sup>47</sup>

The second type of fund is called a quasi-endowment. There is no time limit set for the fund,

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<sup>46</sup> Thrivent Financial Guide, 17

<sup>47</sup> Ibid., pg. 5



and the principle can be used whenever. There are still restrictions, however, for what the many may be used for, again based on the wishes of the donors. The Thrivent Endowment Guide calls this type of endowment a “percent of value” endowment:

“Because determining “income” is difficult since long-term endowment investors tend to invest for growth using balanced portfolios that are heavily invested in equity mutual funds, some congregations have moved to a distribution policy based on a percentage of the fund value. Usually it’s between 4% and 6%, which means that in years when investment return in the fund exceeds that percentage, the fund grows. This growth permits distributions in other years when market performance is poor. The ability to make regular annual distributions in spite of market performance is believed by many to support a more active endowment program that generates more interest and commitment to giving. The Uniform Management of Institutional Funds Act (UMIFA),<sup>48</sup> which has been adopted by most states, addresses the total-return approach along with other issues. Donors to the endowment should be informed of the possibility that principal will be spent if this approach is adopted.”<sup>49</sup>

The type of endowment that is chosen must parallel the ministry and vision of the congregation. Kurt Lueneburg, director of the Ministry of Christian Giving, promotes the second type of endowment. The “percent of value” endowment allows for more market flexibility. If the return has been solid for a number of years, say 12%, then the distributions can be increased.<sup>50</sup> Likewise, the opposite is true. This is the type of endowment that WELS Investment Funds and WELS Foundation utilize as well as the majority of churches in our synod.<sup>51</sup>

### ***What Makes for a Good Endowment Fund***

This brings us to the next point the leadership of a congregation needs to consider when

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<sup>48</sup> In 2012 the UMIFA was replaced by UPMIFA (Uniform Prudent Management of Institutional Funds Act) in all 50 states and the District of Columbia. Under UMIFA, many thought that an endowment could only make distributions when its growth met the value of the historical dollar value. This was not a problem up until 2009, when many endowments met financial struggle. Now, under UPMIFA, if the endowment/endowment committee can prove it is being prudent and managing the funds well, distributions can still be made even if the endowment does not meet the historical dollar value. This enables the use of endowments even under a down economy.

<sup>49</sup> Ibid.

<sup>50</sup> Lueneburg, interview. Pastor Lueneburg notes, however, that a return of 12% over 20 years is improbable. The standard is somewhere between 5.5-7%. The distribution is set at a conservative 4% in order to cover the ups and downs of market fluctuation.

<sup>51</sup>Arnold Mark. Interviewed by Derek Bartelt. Personal interview. Mequon, WI, February 5, 2014.

starting their endowment. What should the correct size and the correct return be for their endowment? As stated earlier, the largest endowment in the world is controlled by Harvard University and at its peak was as large as \$30 billion. Their endowment is so large that Harvard is able to run their operations solely from the distributions of this endowment. Even dating as far back as 1927, it was noted that the only way, practically speaking, to fund colleges and universities has been through large endowments.<sup>52</sup> Does a congregation need an endowment that is large enough to do the same in order to be effective? While it would certainly be a great blessing, the fact of the matter is that in all likelihood, a congregation's endowment will not cover the cost of the entire operational budget, though this does not mean that it is ineffective.

In order to start an endowment with an organization such as WELS Foundation, a congregation needs to have a principle starting at \$25,000.<sup>53</sup> Funds may be added at any time to this base amount. There is no limit to the growth of the endowment. Mark Arnold, a representative of WELS Investment Funds states that a minimum of \$10,000 is required.<sup>54</sup> With both of these organizations, they state that 4% is the standard annual distribution. A diversified endowment will likely gain around 5.5-7% annually, but due to changes in the market, it is best to have a set 4% distribution rate. Any extra gets placed back into the endowment. This helps counteract inflation and keeps the endowment steady in the "lean" years. A 4-5% distribution is fairly standard for an endowment. If a higher distribution is used, one risks dipping into the principle in order to pay the distribution in the "lean" years.

### ***Who Manages the Fund***

Along with this question, a congregation also must determine the best vehicle for their endowment. To whom does the congregation entrust their funds? The Thrivent Financial guide offers several options: create and manage your own endowment, use a community foundation, set up a separate foundation, use the LCF (the Lutheran Community Foundation), or use a Synod

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<sup>52</sup> Erb, Paul. "Endowments for Mennonite Colleges: Some Practical Problems." *Mennonite Quarterly Review* 1, no. 2 (April 01, 1927), 2  
<http://search.ebscohost.com/login.aspx?direct=true&AuthType=cookie,ip,cpid&custid=s3443150&db=rft&AN=ATLA0001470022&site=ehost-live&scope=site>.

<sup>53</sup> *Endowment Funds*. WELS Foundation. 2014. Accessed 1/28/2014. Accessed from <http://welsfoundation.net/giving-opportunities/endowment-funds>

<sup>54</sup> Arnold, interview. He does admit though, that depending on the circumstances, the base amount doesn't necessarily need to be exactly \$10,000, but that due to litigation post mortem, it is possible to start an endowment with less.

foundation (WELS Foundation, WELS Investment Funds, or the LCMS Foundation). 4-5% is the average, conservative, and standard return for an endowment. So then, if that figure is the norm, it shouldn't matter much who the congregation uses, right? While the distributions remain fairly constant, a congregation also needs to look at how their money will be invested. This is where the difference comes in. Because most churches committees are led by volunteers, administration for a separate foundation would likely be quite fluid. Interest or expertise would change depending on who is managing the foundation.<sup>55</sup> Moreover, the managing and administration of the endowment should not dominate the time and talents of the congregation. Therefore, setting up a separate foundation or managing your own endowment is not recommended. Rather, our synod already has people and resources in the right place to help manage a local congregation's endowment.

Jim Holm recommends that when a local congregation is ready to start an endowment, it is best to contact their district's planned giving counselor.<sup>56</sup> The planned giving counselor will then contact and work with WELS Foundation and WELS Foundation in turn works with WELS Investment Funds. WELS Foundation acts as the administrative body, while WELS Investment Funds manages the various investments. WELS Foundation and WELS Investment Funds work in conjunction so that the administrative aspect of the endowment is already provided for. Their services provide the easiest and most stress-free route. They currently manage the Wisconsin Synod's endowments.

WELS Investment Funds utilizes a practical and tried-and-true investment strategy: suntan lotion and umbrellas. If a hiker is going to be out on the trails for the day, and he doesn't know what kind of weather to prepare for, he better bring both suntan lotion and an umbrella. He needs suntan lotion in case it is going to be a bright sunny day and an umbrella in case the weather turns ugly. In the same way, WELS Investment Funds invests 60% in stocks and 40% in bonds. This results in a diversified portfolio that is prepared for everything. This helps ensure long-term investment growth. Traditionally, stocks fluctuate much more violently. Therefore, they are riskier, but they offer the greatest promise of quick gain. Bonds are slower

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<sup>55</sup> Wiersma, Maynard. *Starting a Legacy Endowment Fund: Program Overview*. Christian Stewardship Services. [Online PDF] 2007. Accessed 2/2/2014 Available from [http://www.csservices.ca/services/pdfs/CRC\\_Church\\_Legacy\\_Endowment\\_Overview.pdf](http://www.csservices.ca/services/pdfs/CRC_Church_Legacy_Endowment_Overview.pdf)

<sup>56</sup> Holm and Lueneburg, interview.

to accumulate, but they are steadier. This diversification makes sure the endowment continually grows, maintaining that 4% distribution rate.

Since our synod already has infrastructure dedicated to investments, it would seem best to utilize it rather than using a third party or outside source. There is certainly nothing wrong with using an outside source to manage a congregation's finances. The benefits of using the WELS' infrastructure simply outweigh the benefits of using an outside source.

### ***Marketing the Endowment***

Finally, when starting an endowment fund, a congregation needs to be well informed about it. Therefore, marketing an endowment is vital. Marketing and churches may seem contradictory. The word "marketing" might even be a buzzword for many leaders of a congregation. After all, a church is not in the business of commercialism. The fact of the matter is that churches market all the time. The church bulletin is full of marketing for VBS, ladies' groups, men's groups, bible classes, and more. It may not be flashy or catching, but marketing is necessary for a church. Marketing or advertising really is just educating the people as to what is going on in the church. Marketing is really about communication, then. When it comes to endowments, it is essential that the congregation knows the benefits and the uses of the endowment. On top of that, the congregation should have a clear goal for growing the endowment, if that is its desire. Marketing will further that goal, support the ministry, and ensure that the congregation stays informed on how their money is being used to help the ministry of the church.

Most likely, the leadership of the congregation will have to educate the rest of the congregation as to what an endowment is and what blessings it could provide to both the people and the church. It is essential during this education that donors understand how their restricted funds will be used. Also, if someone decides to give to the fund with money that is not restricted, it is entirely possible the congregation could designate that money for something else, such as a building project. Donors who restricted their funds need to be aware that other money that is unrestricted may be drawn out of the endowment. A lack of communication in this area has led to much grief among the leadership of congregations and donor who helped establish endowment funds.<sup>57</sup>

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<sup>57</sup> Ibid.

Besides communicating with the congregation in order to prevent future problems, it is good to communicate with the congregation to promote future blessings. When a member leaves his or her legacy with the congregation, the bequest is something to rejoice over. The endowment causes us to praise God. So then, might there be additional benefit in informing the congregation about these blessings?

Since we learn by example, when a legacy gift is received, it should be received publicly (if at all possible) with prayer and thanksgiving in worship, as well as noted in church publications. Some members who do this planning in advance may be willing to share their stories in order to motivate others to give. In any event, the greater the awareness of legacy stewardship, the more such stewardship will be part of the financial life of the church in years to come.<sup>58</sup>

We want to cultivate a church culture that encourages God-pleasing stewardship. Holding up examples, as Throop suggests, is one way to both celebrate God's gifts to that donor and encourage others to donate as well.

The Thrivent Financial Guide suggests creating a marketing plan that helps reach all audiences.<sup>59</sup> Here are a few ideas that they give to help market the endowment:

- Financial planning workshops that include a charitable giving component.
- Charitable giving brochures
- Articles in church bulletins
- Articles in newsletters
- Mailings
- Meetings with potential donors.

By far, the most effective way to market an endowment is to meet with potential donors. However, this may not be the most time efficient. Considerable planning should go into who the leadership of the congregation is going to talk to donors.

This brings us to a very important point: who should do the marketing? Is it the pastor's job to market and then fundraise for the endowment? I propose that it is better to have a committee dedicated to the endowment. Depending on the scope and size of the endowment,

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<sup>58</sup> Throop, John R. "STEWARDSHIP AND LEGACY GIVING." *Clergy Journal* 85, no. 7 (September 2009): 36.  
<http://search.ebscohost.com/login.aspx?direct=true&AuthType=cookie,ip,cpid&custid=s3443150&db=aph&AN=44251311&site=ehost-live&scope=site>.

<sup>59</sup> Thrivent Financial Guide, 14

the chairman of the congregation or the treasurer could also be in charge of marketing and fundraising. The pastor does have a role here. Many might think that the pastor cannot be involved in the money aspects of the congregation in order to avoid some sort of scandal, and that it is better for the pastor to be seen as at least partially distanced from money matters. However, as it has been proposed in this thesis, an endowment is part of stewardship. Stewardship is part of faith. Faith is indeed the pastor's role. A pastor should, then, be a proponent of the congregation's stewardship efforts. Sermons and bible classes that treat the topic of stewardship should be part of the regular topics that the pastor touches on. On the other hand, the pastor should not dominate the stewardship matters of the congregation. It does no good for a congregation if a pastor ignores the gifts of his congregation to impose his will on his people, especially when it comes to financial matters. Rather, the pastor should be a part of the component, a cog in the machine. The pastor should help and support and work with the other leaders.

### ***Raising the Endowment***

Finally, how is a congregation supposed to raise up the funds necessary to start an endowment? There are two ways in which a congregation will start an endowment. The leadership of the congregation can proactively seek to start an endowment from scratch if they recognize the potential for one in the congregation, but this is less likely. The more likely scenario is that a donor, working with an estate planner, planned giving counselor, and the leadership of the church, gives a large sum of money with the specific purpose to start an endowment, and the congregation wishes to build on that initial gift. It has been stated that in the next few decades, there will be the largest turnover of money through inheritances in the history of our country.

“Accenture estimates that \$30 trillion will pass from boomers to Millennials over the next 30 years, giving financial firms plenty incentive to court the kids. This transfer may or may not come to pass. At one time, Boomers were expected to benefit from a similar wealth transfer—some \$41 trillion at the time of this writing. Then reality happened; incomes stagnated, people lost their jobs, and for buy-and-hold investors the stock market has been dead money for 13 years. More recent estimates put the boomer inheritance at \$11.6 trillion.”<sup>60</sup>

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<sup>60</sup>Kadlec, Dan. “Boomers Never Got Their \$30 Trillion Inheritance — Will Millennials?” [Online Article] (Time Magazine. February 13, 2013. Accessed February 10, 2014). Available from

If such a transfer of funds is going on right now and will continue in the future, what a great blessing for the people of congregation who want to leave their legacy with the church, aiding and ensuring financial stability for the future. Estate planning then is an integral part of establishing the endowment. And this will likely affect the focus of the marketing strategy for the congregation. In my opinion, this is the best way to start an endowment.

So then, what would a simple outline for starting and marketing an endowment look like?

#### Endowment Fund Processes and Procedures

##### Months 1–3:

- Work with donor(s) and thank them for their stewardship
- Short articles in church bulletin or newsletter to begin marketing and garnering interest in the endowment
- Select endowment fund committee members, if the congregation feels the need to have one for their endowment.
- Contact the planned giving counselor in your district
- Write a mission statement for the fund.
- Decide who will manage the assets.
- Decide who will focus on promoting gifts to the fund.

##### Months 4–6:

- Short articles (continued).
- Hold a forum to inform members of the congregation and generate ideas and enthusiasm.
  - Educate on how the fund is supporting the mission of the congregation/institution.
- Make announcements about gift ideas in church services or institutional meetings.
- Endowment Committee/treasurer tasks (depending on the organization of the church):
  - Develop a planned giving brochure.
  - Organize a workshop for financial professionals within the congregation or institution.
  - Plan a workshop for church members/potential institutional donors.

##### Months 7–9:

- Short articles (continued).
- Continued announcements.

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<http://business.time.com/2013/02/13/boomers-never-got-their-30-trillion-inheritance-will-millennials/>. See also “Churches Seek Funds from Bequests.” *Christian Century* 114, no. 2 (January 15, 1997): 42.  
<http://search.ebscohost.com/login.aspx?direct=true&AuthType=cookie,ip,cpid&custid=s3443150&db=rh&AN=ATLA0001027592&site=ehost-live&scope=site>.

- Hold a separate workshop on other financial issues to continue stewardship theme and determine how the health of the endowment is developing.

Ongoing Procedures and Practices:

- Workshops (quarterly).
- Announcements.
- Brochures/flyers.
- One-on-one meetings with prospective donors.
- Plan a recognition event, such as a dinner, to celebrate the endowment's growth.<sup>61</sup>

You'll notice that in this outline, there is a section dedicated to "ongoing procedures and practices." It is important to note that starting an endowment is not a "one and done" type of mission. In fact, there could even be more added to this outline to continue what a pastor/leadership of the congregation should do in years two or three and following. But looking at this brief outline, we see the importance of communication throughout. The congregation needs to be informed, reminded, and encouraged by the actions of other members through the endowment.

## **Conclusion**

Suppose a carpenter was commissioned to construct an oak table for a wealthy patron. The patron gave general instructions on what he wanted the final product to look like. The patron wanted a table that was beautiful, yet practical, smooth, sturdy, and, most importantly, level. The patron even supplied the carpenter with all of the tools and materials that the carpenter would need. The carpenter quickly went to work, excited about his new task and his new customer. He spent hours carving and shaping the wood, carefully measuring twice before making every cut. He made fine, sturdy, and intricately carved legs to support the table. He sanded the surface of the table for days, and then oiled and stained the wood after he was done. After several weeks, the carpenter felt that all was ready. With the assembled table in his shop, he called for the patron to inspect his work. The patron came and after seeing the table, declared, "Fine work, master-craftsman, but I have only one test I would like to perform." The wealthy patron retrieved a single black marble from his pocket and placed it on the center of the table. The marble slowly rolled, pushed by the force of gravity until it plopped with a clink

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<sup>61</sup> Adapted from Thrivent's financial guide, 29



onto the floor. The carpenter suddenly realized his error. He forgot to use one of his most important tools: a level.

Jesus Christ has commissioned us to build his Church. He has given us resources, tools and materials to accomplish this task. Yet, can we honestly say that we are using all of his tools or talents that he has gifted his people? Are we using all of the financial tools that we can in order to fund that Great Commission? As I have proposed in this thesis, there is one tool that is underused which can be of great benefit to congregations, both for the advancement of the ministry and for the people who work, participate, and worship in the ministry. An endowment fund aids congregations of any level or size in their mission to reach children in schools, provide a worship space, fund mission projects, and yes, to make sure that the lights are on and the heat is running: all for God's glory.

Yet no matter what stewardship program, investment portfolio or lack thereof, and no matter with how much or how little God supplies us, we know that what he supplies is enough. What he supplies is sufficient to do marvelous things to his glory. What he supplies is sufficient to carry out the task he has commissioned us to do: to bring the gospel of Jesus to sinners. We trust that he equips us for this Great Commission. We only pray for the strength of faith to trust fully in his promises always.

“But those who hope in the LORD  
Will renew their strength.  
They will soar on wings like eagles;  
They will run and not grow weary,  
They will walk and not be faint. (Isaiah 40:31)”

**Appendix: Tables**

**Table 1**

Region	Percent of world population	Percent of world net worth (PPP)	Percent of world net worth (exchange rates)	Percent of world GDP (PPP)	Percent of world GDP (exchange rates)
North America	5.17	27.1	34.39	23.88	33.67
Central/South America	8.52	6.51	4.34	8.49	6.44
Europe	9.62	26.42	29.19	22.8	32.4
Africa	10.66	1.52	0.54	2.36	1.01
Middle East	9.88	5.07	3.13	5.69	4.1
Asia	52.18	29.4	25.61	31.07	24.1
Other	3.14	3.7	2.56	5.4	3.38
SOURCE: G. William Domhoff <sup>[23]</sup>					

Table 2

### Identifying the Need for an Endowment

**Step 1:** Describe the mission and vision of your congregation.

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**Step 2:** List ways your congregation’s mission/vision is put into action.

*(Examples might include: mission programs, evangelism, outreach, worship, youth development, scholarships or building activities.)*

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

7. \_\_\_\_\_

8. \_\_\_\_\_

**Step 3:** For each of the above programs, think about the means your congregation has in place to ensure that resources are available to carry them out in both the short- and long-term. Match the *program* with the *means* in the chart below.

- *Short-term means* might include a stewardship drive, library fund, building addition fund, food-shelf contributions, etc.
- *Long-term means* might include a foundation, designated accounts, etc.

Program	Short-Term Means	Long-Term Means

Many congregations find that although they have several means in place to ensure the short-term support of their programs, they do not have anything in place to support their mission in the long term. An endowment fund can help. Ask your Thrivent Financial representative for more information on creating and growing an endowment fund.

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