

Christian giving now and for the future

WELS Ministry of Christian Giving
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Rev. Kurt Lueneburg
Mr. Adam Goede

Introductions

- Kurt & Adam
- WELS Ministry of Christian Giving



In fall 2005, after 21 years of serving congregations in Memphis, Tenn., and Cannon Falls, Minn., Kurt started serving as a WELS Christian giving counselor in the Minnesota and Nebraska districts. In January 2013 he began serving as WELS' director of Christian Giving. As a counselor, Kurt greatly enjoyed the opportunity to meet God's gifted people, hear their faith stories, and nurture them in our Lord Jesus Christ. He felt it was a blessing to see the Spirit compel them to bring thank offerings to our Father who graciously gives all of us one blessing after another in Christ. Now as director he is privileged to encourage Christian giving through a team of Christian giving counselors and support staff, and to assist district presidents, circuit pastors, and Ministry of Christian Giving district chairmen as they help congregations grow their mission offerings. All to God's glory and by his grace! Kurt and his wife, Susan Ann, live in Ixonia, Wis., and worship at St. Mark's Lutheran Church in Watertown, Wis.

Adam attended one of our synod's ministerial education high schools, Luther Preparatory School, and received his bachelor of arts in communicative arts from Wisconsin Lutheran College. He was blessed to do an internship with WELS that led to a part-time job at Northwestern Publishing House while in college, and then to a position as supervisor in the Ministry of Christian Giving office in 2004. In the Christian Giving office his primary role is producing communications aimed at encouraging Christian giving. As he's worked with Ministry of Christian Giving to encourage others with Scripture, he's enjoyed his own spiritual growth—learning to trust in God for all things so that he can joyfully use his possessions to love others and share the good news of Jesus. He and his wife, Stephanie, have four children and live in Milwaukee, Wis. They attend St. John's Lutheran Church in Wauwatosa, Wis.

WELS Ministry of Christian Giving (MCG) serves on behalf of the Conference of Presidents (COP) to

encourage every WELS member to “excel in the grace of giving” through Christ. It is our privilege to help God’s people offer gifts to Jesus for his work in their congregations, synod, and WELS-affiliated ministries. MCG assists the COP with their responsibility to fund the Lord’s work through our synod. This funding is provided through Congregation Mission Offerings (CMO) as well as direct gifts to WELS from individuals, groups, and foundations.

Christian giving

- Why give
- Stewardship – biblical principles
- We should talk about and teach giving



Faith in Christ results in actions in our lives that reflect trust in God.

We steward/manage God's possessions, talents, time, and Truth toward his will.

We should talk about and teach giving as part of the response to God's love (sanctification). This resonates with God's people.

Christian giving

Christ's love compels us, because we are convinced that one died for all, and therefore all died. And he died for all, that those who live should no longer live for themselves but for him who died for them and was raised again.



Christian giving

If the willingness is there, the gift is acceptable according to what one has.

Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful giver.



Christian giving

Command those who are rich in this present world...to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share.



To what do we give?

- We are created in Christ Jesus to do good works which God prepared in advance for us.
- WELS options: local, regional, synodical
- The value of ministry vision
- “For such a time as this”



Ministry plans/vision help focus donations, connect donor interests to gospel ministry.

“For such a time as this.” God has given American Christians the will and the means to support the growth of his Church.

Ways to give now

- Cash/check in envelope or plate
- Bill pay
- Online donations
- Text to give
- Credit card readers/giving kiosks
- Peer-to-peer apps (mobile wallets)

Cash/check

- Brought to church or mailed in
- No cost to the church
- COVID caused a shift toward electronic, but cash is still a primary means for giving

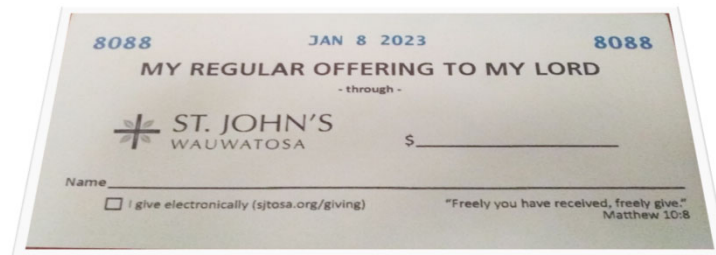


There is no cost to the member or church for giving cash or check because there is no credit card or donation form vendor involved.

COVID caused congregations and individual members to quickly move toward electronic giving. Giving at a couple of the larger Milwaukee-area churches is now 50/50 envelopes/electronic. Cash/check is still a major way in which believers give offerings.

Benefits of automatically recurring gifts

- Convenience for you
- Convenience for your church
- Still worshipful



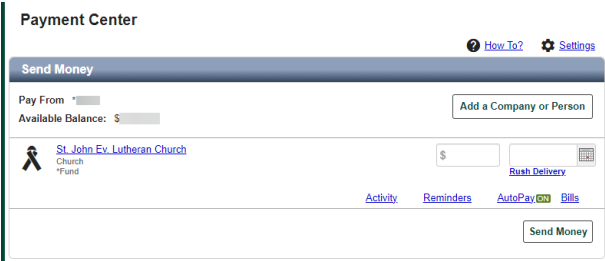
Recurring giving is convenient for the donor because it's easy to set up or modify online.

It is convenient for the church because the more people that have recurring gifts the more predictable income the church has.

Still worshipful: A recurring gift can follow biblical principles: firstfruits giving, planned, proportionate to income, cheerful. Members can participate in the offering – some churches add an “I give electronically” box to the envelope (members then drop their empty envelope into the offering plate). Other churches have laminated cards in the pews with the “I give electronically” message. Members can put these in the offering plate. Ushers then return the cards to the pews. This method avoids wasting offering envelopes.

Bill pay

- Usually a free service through your bank
- No cost to the church
- The **best overall option**, but...
 - Maybe not everyone has access
 - Some may want easy options for a smartphone

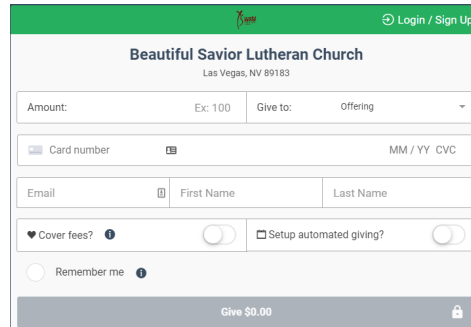


The screenshot shows a web interface for a 'Payment Center'. At the top, there are links for 'How To?' and 'Settings'. Below this is a 'Send Money' section. It includes a 'Pay From' field with a dropdown menu and an 'Add a Company or Person' button. Below that is an 'Available Balance: \$' field. The main recipient field is populated with 'St. John Ev. Lutheran Church' and 'Church Fund'. There is a dollar sign (\$) and a calendar icon next to the recipient name. Below the recipient name are links for 'Activity', 'Reminders', 'AutoPay', and 'Bills'. At the bottom right of the form is a 'Send Money' button.

Bill pay is the best overall option because it is the convenience of online/recurring technology but with no cost to the individual or church. The downside is it's not universally easily accessible.

Online donations

- One-time or recurring
- Credit card or ACH— saves significantly on fees
 - Typical CC fee: 1.5-3.5%
 - Typical ACH fee: .5-1.5%
 - If 12 people giving \$100 every other week switch from CC to ACH, it would save close to \$1,000/year.
- Can include phone app



The screenshot shows a web form for Beautiful Savior Lutheran Church, Las Vegas, NV 89183. The form includes fields for Amount (with an example of 100), Give to (set to offering), Card number, MM / YY, and CVC. It also has fields for Email, First Name, and Last Name. There are toggle switches for 'Cover fees?' and 'Setup automated giving?'. A 'Remember me' checkbox is also present. At the bottom, there is a 'Give \$0.00' button with a lock icon.

We are all used to making online donations to our favorite charities but don't usually think of the costs involved. There is a behind-the-scenes cost to the organization for using an online vendor, and there is a cost to using a credit card or even ACH (also known as electronic fund transfer – where you enter your bank routing and account numbers and a transfer is made from your account). ACH is much cheaper than credit card, however.

Besides including a web form for donations, these vendors usually provide a phone app. It's like a simplified donation form for your phone where you enter and it remembers your contact and payment information. Going forward, then, you can simply enter a dollar amount and submit your gift.

The online donation form and phone app are some of the easiest ways for members to give, so it is important to offer these options to members.

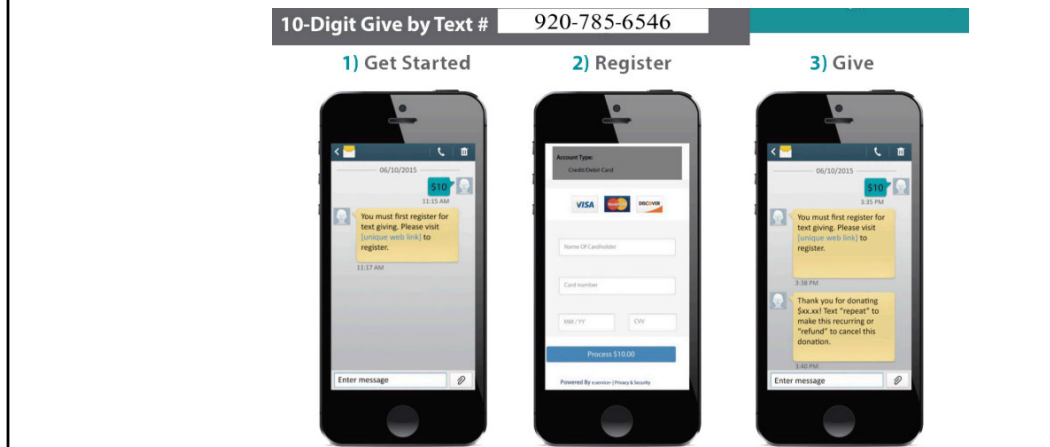
Text to give

- 91% of American adults own a smartphone
 - 7 out of 10 churchgoers use text messaging
 - 25% of donors complete their donations on mobile devices
 - In the past year, mobile donations have increased by 205%
- Nonprofits Source

Why provide giving options like the online donation vendor's phone app or text to give for smartphone? Because smartphones are increasingly the tool people use for transactions including giving.

Text to give

- Text to give history
- How it works



Text to give is a means of giving on your phone where you text the donation amount to a phone number set up for the church by the donation vendor.

It is important to know the history of text to give because there was an inconvenient past version and there is now a “new and improved” version. You’ll want to make sure your vendor is providing the new version of text to give.

About 10-15 years ago you might have seen a commercial on TV asking you to donate \$5 to a relief effort by texting “Relief” to a phone number. The problem with text to give back then was there was no flexibility on the dollar amount. If you wanted to give more or less you could still only give \$5. You also couldn’t turn the gift into a recurring gift. Meanwhile, since the gift was taken by your phone carrier as a charge on your phone bill, the transfer to the charity was quite delayed and often without much donor information that could help the charity build a relationship with the donor.

The improved text to give, originally called “text to donate” (but now it seems “text to give” is the term used once again), has you do a one-time setup with the donations vendor. You save your contact and payment information with them. Then you can give a gift of any amount, and even make it recurring, with simple text prompts. Your gift and associated information goes directly to the church.

Credit card reader / giving kiosk

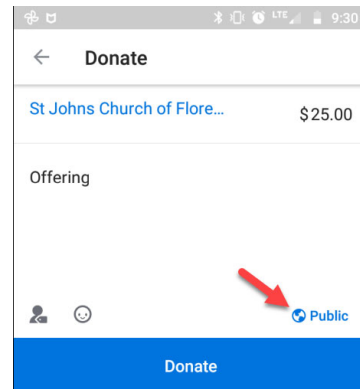
- An option with online giving vendors
- Not widely used among WELS churches



The vendors that provide online donation forms, phone apps, and text to give, also provide credit card readers that churches can make available in the back of church, for example. Out of the 500 largest WELS churches we looked at (see the next slides), a couple of churches used this option. One of those said they stopped using it since many people can just give through their phones now. However, it's always worth considering what's useful for your congregation's particular situation. I've heard of one church that never used a particular feature while another church loved that feature.

Peer-to-peer apps

- Vendors like Venmo, Cash App, Zelle, Apple/Google Pay
- Popular for transferring payments between individuals
- Less than ideal for donations
- Supplemental not primary
- Options for those wanting to make fast phone donations: donation app or text to give



Peer-to-peer apps like Venmo store your personal and payment information and then let you connect with other people in a social media-like setting. Transferring money is as easy as identifying the person or organization, setting an amount, and hitting “submit.”

These apps are very popular, especially among younger generations. But these apps were really built for “peer to peer” (person to person); they aren’t ideal for charitable donations, at least at this point. See our handout for some of the issues with these apps.

Because of this, your church could have them as a “supplemental” and not primary part of your offerings strategy, meaning your church could register on Venmo to receive gifts but not go so far as to widely encourage Venmo for gifts.

One notable feature of peer-to-peer apps or at least Venmo: I mentioned how the app isn’t just about the financial transaction but is also a social media platform. You can share who sees your transactions. This may seem odd, but it gives friends an idea of what’s going on in your life. And perhaps in the future if these types of apps become a better fit for charitable gifts, one advantage is people can share that they gave to your emphasis and, in doing so, build momentum as church friends see that and join in the effort.

Choosing a vendor

- What does your church need?
- Things you want:
 - Ability to list multiple designations
 - Credit card and ACH options
 - Recurring giving
 - Giving history
- Pricing—compare
 - $(\$200 \times 2.9\%) + \$0.30 = \$6.10$
 - $(\$200 \times 2.5\%) + \$0.50 = \$5.40$

Because a vendor plays such a big role in what you offer your members (the online donation page, phone app, and maybe text to give and other features like the credit card reader), the big question is: How do I choose a vendor?

We in WELS Ministry of Christian Giving are often asked, “Does WELS recommend a vendor?” or “Could WELS choose a vendor for all churches to work with (and get a discount because of the widespread use)?” The problem with this is there is no one-size-fits-all solution. Churches have a variety of needs, and vendors offer a variety of options—and their complex pricing reflects this.

Your church’s first step should be to consider your situation. Do you just need a donation form or do you also want other options like tools for group e-mails or texting? Maybe you even need a database solution? You will want to consider things like how many of your members are giving online? Do they give via credit card or ACH? When you look at the features offered by different vendors it may prompt ideas for ways to help your congregation.

This slide lists some things you would want and that most vendors provide. You want donors to be able to give to multiple designations, for example, not just the general fund but maybe the campaign fund, the outreach fund, etc. You want them to be able to give not only via credit card but also ACH (which saves the church on fees). Recurring giving is important. And it’s helpful for donors to be able to review their giving history.

Once you know what your church needs you can compare pricing. Most vendors have some information online, but ultimately you’ll need to work directly with the company to get a quote.

When it comes to pricing, it would be nice if it just involved comparing flat rates, but unfortunately

pricing is complex. For example, there might be a setup fee, costs per transaction, and extra costs for certain features. And the transaction fee is itself complex – a percentage plus a flat fee on each transaction. You'll want to do the math based on your situation. For example, if your donors give larger amounts per transaction, they'll benefit from a lower percentage side of the transaction fee even while the flat fee may be larger (see slide). For more examples of how it helps to do the math for your situation, see the ChurchTrac video link in the handout.

Choosing a vendor

- Avoid platforms that...
 - Charge more than 2.9% for credit card or 1% for ACH
 - Monthly fee higher than \$100
 - Have a high setup fee
 - Lock you into a (long) contract

Here are some things to watch out for and avoid when looking at vendors. There are usually plenty of vendors that will provide what you need at lower costs.

These are things to watch, not necessarily hard rules. For example, if you enter a contract but with a really good transaction rate it may benefit you. Generally speaking, though, contracts benefit the vendor; they get to lock in a customer while you have less flexibility.

Top five vendors used by WELS churches

- No online giving – 22%
- Vanco – 46%
- PayPal – 5%
- Tithely – 5%
- Pushpay – 3%
- easyTithe – 3%
- Others
- Community foundations



We took a look at the giving pages of the largest 500 WELS congregations and were able to learn some things – the vendors they were using and how they communicated giving options. This slide shows the results.

Vanco jumps out as the most-used vendor – just under half of these WELS churches use Vanco. This is because early on Thrivent offered the “Simply Giving” recurring gifts program and many churches utilized this. When Thrivent discontinued the program, the company pointed interested churches to the vendor behind the program, Vanco.

See the handout for a couple of dozen other vendors being used by WELS churches beyond these top five, including a couple in Canada.

Community foundations - including ones run by Facebook, PayPal, and Thrivent – allow you to give to your church without fees. Just know that you’re not giving directly to your church but to the foundation. You’ll be acknowledged by the foundation and the church will have to get your information from the foundation. Several WELS churches encourage on their sites the utilization of a community foundation.

A closer look at the top five vendors

- All of these:
 - Allow a listing of multiple designations
 - Offer credit card and ACH
 - Provide recurring giving
 - Allow users to view their giving history
 - Allow users to cover the transaction fee
 - Have mobile apps

Let's take a closer look at the top five vendors used by WELS congregations. All five vendors offer these features. We've talked about all of these except the second to last. This feature allows donors to check a box on the gift form to indicate they will cover the fees associated with their donation. This means a \$25 donation might become a \$26.03 gift, for example. Studies show that 70-80 percent of donors are happy to do this.

A closer look at the top five vendors

- Vanco
 - No contract or setup fee
 - Packages start at \$0/month
 - Debit/credit card fees: 2.65-2.90%+\$.39-.45/transaction
 - ACH fee: .90-1.00%+\$.39-.45/transaction
 - Available: text to give (\$10/mo.), kiosk
 - Integrates well with church information systems

A closer look at the top five vendors

- PayPal
 - No contract or setup fee
 - No monthly fee
 - CC/ACH fee: 1.99%+\$.49/transaction for registered charities
 - No text to give

PayPal as an app collects payment through a transaction rate that is the same whether you give via ACH or credit card. Since they aren't a company offering a slate of giving solutions, they don't offer features like text to give.

A closer look at the top five vendors

- Tithely
 - No contract or setup fee
 - No monthly fee
 - 2.9% fee for CC, 1% for ACH. Plus \$.30 on every transaction.
 - Available: text to give (\$19/mo.), kiosk

A closer look at the top five vendors

- Pushpay
 - Involves a contract
 - No setup fee
 - Fees by consultation only...however:
 - Per Tithe.ly: \$199 monthly fee and 2.9% CC / 1% ACH+\$\$.30/transaction.
 - A church reported \$217 monthly fee and 1-3% CC / no ACH fee+\$.30/transaction
 - Available: text to give, kiosk

Pushpay has some of the red flags we talked about, including a contract and a monthly fee of more than \$100. This might have to do with them being more than just a donations solutions company – they are a database provider. They were the only of the five vendors that didn't list prices online but direct you to consult with them. The prices shown are provided by one competitor and by one WELS church that has used them.

A closer look at the top five vendors

- easyTithe
 - No contract or setup fee
 - Monthly fee \$19-75
 - 2.6-3.0% CC / 1.00% ACH+\$.42/transaction
 - Giving options include credit or debit card, ACH, Google Pay, or PayPal
 - Available: text to give, kiosk

This vendor integrated giving apps like Google Pay and PayPal directly into their donation form so that people with those apps can give easily through them (by their pre-entered contact and payment information).

The ideal setup

- Church giving page
 - Clear explanation of biblical principles
 - Lists options (with transparency on costs)
 - Cash or check brought to church or mailed
 - Bill pay
 - Online donation (with phone app and/or text to give)
 - Planned giving options (link to WELS Foundation)



HELPFUL RESOURCES

- › Charitable Gift Annuity
- › Charitable Remainder Trust
- › Donor Advised Fund
- › Endowment Funds
- › Learn more

WELS Foundation serves donors and the ministries they support by providing gift administration for charitable remainder trusts, charitable gift annuities, donor advised funds, and endowment funds.

WELS Foundation also processes gifts including real estate, life insurance, and marketable securities.



What would we recommend as the ideal setup for WELS churches?

Each church should have a giving page on its website listing ways people can give. This page would start with Scriptural principles as a reminder of why we give. Then list options because there will be a variety of preferences in your congregation. It's good to be upfront with associated costs because some people want to know in order to maximize their gifts. Options should include:

- The traditional setup - bringing an offering of cash or check
- Bill pay
- Online donations (with the phone app or text to give for those most comfortable on phones)
- Planned giving options (see the following slides). These special gifts often provide longer-term stability to congregations. WELS Foundation can personalize a sidebar for your web page that helps people learn more about planned giving. See the handout for contact information.

Also see the handout for good web page examples from some WELS churches.

The ideal setup

- Communicated during worship: link, QR code, or phone number

Offering

Members of St. John's give offerings to support the Lord's work in our community and around the world. Visitors are welcome but not obligated to give an offering. All worshipers are asked to fill out a Connection Card (included with the service folder). Physical offerings and Connection Cards can be left in the basket on your way out of church. To submit your offering electronically or fill out a Connection Card online, scan the QR code or visit www.sjtosa.org/offering.



At worship you can then display in your bulletin and on-screen how people can give an offering, including a url/link to your donation page, a phone number (for text to give), and a QR code. People can use their smartphones to take a picture of a QR code to open a web page or app. This way, during worship, people can give in the traditional way or by using their phones (or take the bulletin home to set up a recurring gift).

Creating a QR code: Many donation vendors will do this for you as part of their work with you. See the handout for how to create your own QR code.

Acknowledging gifts

- Amounts over \$250
- “Contemporaneous” (by tax time)
- Contains congregation name, donor name, date, amount, designation(s), “no goods or services provided”
- Nice to personalize, share how gift will be used
- Special template required for IRA qualified charitable distributions

Don't forget to properly acknowledge gifts. Legally you are required to provide acknowledgment of any gift over \$250. You need to do this by tax time, April 15. The acknowledgment should include the church name; donor name; date, amount, and designation of the gift; and a statement that “no goods or services were provided” in exchange for the gift. It's nice to personalize the acknowledgment with a cover letter talking about how the church is being a good steward of offerings by utilizing them for ministry.

IRA qualified charitable distributions require a special type of acknowledgment – see the handout for a template.

Special gifts now

- Refer to *Different Ways to Make Planned Gifts*
- Appreciated assets (e.g., stocks)
- IRA qualified charitable distribution (70.5+)
- Grain or livestock
- Life income gifts: charitable gift annuity, charitable remainder trust, “give-it-twice” trust
- Bunch gifts using a donor-advised fund
- Donor-designated endowment

These different types of planned gifts are explained in detail in the booklet *Different Ways to Make Planned Gifts*. See our handout for how to access it.

Ways to give for the future

- Opportunity: “Great Wealth Transfer”
 - \$70 trillion transferred from Baby Boomers to next generations between 2018 and 2042: 87% to heirs, rest to charity. (Wall Street Journal)
 - 37% of WELS members are Baby Boomers or older (2020 WELS Statistical Report)
- Estate planning/gifts through will
- Beneficiary designations
- Bequests
- Endowments

There is an opportunity to teach planned giving in our churches as the large Baby Boomer generation begins passing along their accumulated wealth to the next generations.

Regarding estate planning, reference the booklet *Estate Planning for the Christian Steward* (see handout).

Encouraging Christian stewardship

- Synod programs: wels.net/stewardship
- “Stewardship by the Lectionary”
- Congregational planned giving committee



Here are some resources for encouraging stewardship in your congregation (see the handout for how to access these resources).

“Stewardship by the Lectionary” provides short, stewardship-themed devotions based on the weekly Scripture readings used in worship.

We provide a *Congregational Planned Giving Program* manual that is a guide for any church wanting to better promote planned giving options to members.

Discussion

- Ways to give now
- Ways to give for the future (planned giving)
- Stewardship resources

Thank you!

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