

In tight economy, churches should look at how they handle money

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Tough economic times may result in stronger, healthier and smarter churches and Christian ministries, according to Dan Busby, president of the [Evangelical Council for Financial Accountability](#).

In times of economic stress, contributors prioritize giving. So, local congregations and programs that provide “safety-net” assistance for people in need generally have been most successful in attracting or retaining donors, Busby noted,

In fact, the [Salvation Army](#) recently reported Americans gave a record \$139 million last Christmas to its Red Kettle Campaign, which provides more than 28 million Americans with food, shelter and substance abuse treatment.



Anecdotal evidence indicates many individual congregations have fared better than most parachurch ministries during months of recession, Busby added.

And just as tight dollars force contributors to make hard choices, economic

stress also should prompt churches and Christian ministries to set priorities.

“Those that are able to redirect their focus may come out healthier than if the recession had not occurred,” he said. “Churches and ministries should focus on their core mission.”

When times are good, ministries tend to create new programs and expend energy promoting them, he noted. But when times get tough, smart ministries focus on their central purpose.

Congregations and related Christian ministries can prepare for hard times by “building margin into ministry,” Busby urged, rather than operating on a razor-thin edge.

Desperate times can lead trusting people to desperate acts, and churches in financial trouble should beware of fraudulent perpetrators of get-rich-quick scams, he recommended.

“It’s human nature to want the best deal and the best return on one’s investment. But so many times, people don’t learn from history. If it looks too good to be true, assume that it is,” he said.

In a tight economy, churches should take special precautions against embezzlement and fraud, Busby advised.

“As Christians, we often let our guard down. We’re the most trusting people. Too often, we don’t institute internal controls, segregation of duties and other basic business principles at church that we know make sense anywhere else,” he said.

While many churches spend time and money on security systems to protect themselves, they fail to put in place simple checks and balances and internal control mechanisms to guard against misuse of funds, he noted.

“Most funds that disappear from the church coffers disappear after the offering is safely in the bank account,” Busby said.

Common-sense business practices protect churches from losing their credibility, he added. When financial scandals hit a church, dollars lost to the church budget represent the least important loss, he stressed.

“The negative impact on the kingdom of God is hard to measure, as people get disenchanted with the local church,” he said.