

Commentary: How will the post-pandemic church pay the bills?

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(RNS)—The conversation among many church leaders and pastors is how COVID-19 will change how we worship and gather as congregations. There's another question looming for many houses of worship about the post-pandemic world: How will they keep the lights on?

According to a study by Barna Group, 65 percent of American churches have seen a decrease in contributions during the pandemic. A staggering 1 in 5 churches may be forced to close their doors in the next 18 months, the study said.

It's a reckoning that has been anticipated for decades as church attendance has slowly waned and Americans have steadily decreased the proportion of their charity designated to churches.

Thirty years ago, about 50 percent of all charitable donations went to houses of worship. By the time the coronavirus struck, that number had shrunk to about 30 percent. Though giving to other sectors was up overall for the 2018-19 fiscal year, donations to religious institutions dropped by a whopping \$3 billion.

Alternative sources of revenue

Mark DeYmaz, pastor of Mosaic Church in Arkansas, has been watching the trend for years. In his 2019 book *The Coming Revolution in Church Economics*, DeYmaz declared "tithes and offerings were no longer enough" to provide for the needs of most congregations. The pandemic, he told me recently, has only accelerated the inevitable.

The decline in giving is part of a bigger story of the American worker. It closely tracks the slow “hollowing out” of the nation’s middle class, the demographic on whose backs churches have been built and funded for generations. As wealth increasingly is concentrated among the rich, debt-stressed middle-class Americans no longer possess the means to shoulder the burden of supporting American Christianity’s sprawling infrastructure.

The pandemic, DeYmaz told me, “is serving as a long overdue and much needed wake-up call for the American church.” He predicts many churches have seven to 10 months either to “adapt or die.”

The only way to survive, he said, is to reduce their dependence on weekly donations and develop alternative sources of revenue that leverage the congregation’s property and personnel in new ways.

“Conventional wisdom says that if a church’s budget is not 100 percent supported by tithes and offerings, then that church is not sustainable,” DeYmaz said. “An increasing number of churches are finding they are unsustainable by that definition. The traditional model based on weekly donations will cease to work in our lifetimes.”

DeYmaz cautions too that, with an increasing number of Americans disaffiliating from religious organizations, many have come to see churches as financial freeloaders that contribute nothing to the tax rolls—or to a rapidly changing society. In a Democratic debate last October, former U.S. Rep. Beto O’Rourke even suggested churches that oppose gay marriage should lose their tax exemptions.

“What government grants, it can detract,” DeYmaz says.

Churches with buildings, he suggests, can turn underutilized space into a gym or a co-working space or rent to medical or legal firms. Coffee shops that rival Starbucks are not uncommon features on some church campuses. Why not let them pay rent? Disused land might be developed into a mall or

office complex. An empty or underutilized parsonage could be converted into a rental property.

DeYmaz practicing what he preaches

DeYmaz has put his congregation where his mouth is. In 2016, Mosaic moved into a 100,000-square-foot former Kmart on roughly 10 acres, taking on a mortgage payment of nearly \$16,000 a month. Where shoppers once perused aisles, worshippers from more than 25 nations converge to create what Mosaic's website claims is the region's most ethnically diverse church.

But Monday through Saturday, when only a portion of the building is needed for ministry programs, the church leases a large portion of the building to a fitness club whose rent alone covers nearly half of the church's mortgage. The old loading dock is rented by a small appliance store for \$1,000 a month; a small nonprofit pays another \$400 monthly for office space. Twice a year, a carnival occupies the parking lot, bringing in approximately \$16,000 annually.

The church's main auditorium and classrooms, dually branded as the Rock City Events & Conference Center, often are rented for community events. A wellness and nutrition business, a carpenter's shop, the University of Central Arkansas' summer reading program and a security company owned by a former mixed martial arts fighter have all taken space at the church. Today, about 30 percent of Mosaic's \$1.2 million annual budget is funded by other than tithes and worship-hour offerings.

As lucrative as these ventures are, they might expose the church to the risk of losing its real estate tax exemption. To protect the church, Mosaic's leases require businesses to pay taxes on their space.

Entrepreneurial structuring

Such a bustling business may sound overwhelming to a pastor who knows more about Communion wafers than commerce, but DeYmaz recommends churches hire business managers to lead their for-profit ventures.

Besides, congregations can start small. When Mosaic realized offering free coffee to worshippers was costing it about \$3,000 per year, the church didn't simply place a donation basket beside the coffeepot; it began to sell warm sausage biscuits and "Pastor Mark's Famous Waffles" to parishioners on Sundays. The on-site barista sales of specialty lattes and other items more than cover the still-free regular coffee.

Mosaic also founded an umbrella nonprofit under which a dozen of its ministries and programs now operate, including Little Rock's largest food distribution center. The nonprofit offered free groceries to 20,000 people in need last year alone, some via a retired bus that delivers fresh food to the city's food deserts. An immigration counseling center has helped more than 8,000 undocumented immigrants maintain residency and apply for citizenship.

Importantly, the nonprofit is eligible for financial grants the church would not be, and the nonprofit can solicit donations from individuals who don't normally give to religious organizations. In other words, his model not only helps the church survive but enables it to expand its capacity for outreach.

DeYmaz's entrepreneurial approach may be attractive from a purely financial standpoint, but financial incentives could alter the church's sacred mission. It's possible that business-minded managers might tilt their portions of the church business away from helping people, preferring to maximize profit.

Opposition to business model

Scot McKnight, Julius R. Mantey Chair of New Testament at Northern Seminary in Illinois and author of *A Fellowship of Differents*, said he is “vehemently opposed” to running churches like secular businesses. He points to the story in which Jesus grew enraged at merchants selling items in courts of the Jerusalem temple, flipping over their tables, as a specific warning against such thinking.

“The church is called to a holistic nurture of the people of God and to generosity to those whom the church can serve, not to make money for itself,” McKnight said, adding this is just “one more step toward the commodification of the church, the gospel and of Jesus.”

One certainly can find less controversial precedent for what DeYmaz is proposing. For centuries, monastic communities around the world have manufactured and sold products from beer to pottery to jars of jam.

Yet others, however, may hear echoes in DeYmaz’s plan of the kinds of commercial endeavors that helped spark the Protestant Reformation, such as the sale of indulgences to pay down church debts or efforts to secure ecclesial revenue from the British crown.

DeYmaz acknowledged his proposed revolution could carry unforeseen dangers. But well-meaning churches shouldn’t avoid doing something well just because a corrupt congregation down the street does it poorly. For this reason, he encourages church leaders following his advice to seek professional counsel and establish accountability measures from the beginning.

And for the record, DeYmaz said the gospel never prohibited the church from conducting business. He interprets Jesus’ expulsion of the moneylenders as “protesting greedy profiteering and economic injustice

rather than the making of fair or reasonable profit.”

Reducing expenses rather than increasing income

There’s another, bigger doubt about DeYmaz’s model: namely, that churches as they exist today, with full-time paid employees and expensive permanent buildings, are worth sustaining.

The majority of church budgets today are allocated to salaries—upward of 50 percent. Buildings are usually the next highest expenditure. Commonly, less than 10 percent of a church’s budget funds ministry programs. Perhaps the revolution will replace the current model, centered on propping up the institution, with a new structure that prioritizes ministry, community development and social justice.

In Philadelphia, Christian activist Shane Claiborne, author of *The Irresistible Revolution: Living as an Ordinary Radical*, helped found a residential religious community called The Simple Way. Claiborne’s group isn’t a church, but rather a community of worshipping Christians living alongside each other and working together to help meet the neighborhood’s needs.

His experience has led him to conclude churches should rethink their entire financial model, perhaps even taking cues from the success of Alcoholics Anonymous, which owns no property and has no professional, paid employees on principle.

“Many of the pastors in my neighborhood are bivocational and have other jobs that help with expenses, just as Jesus was a carpenter and Paul was a tentmaker,” says Claiborne. “Rather than asking how we can increase our income, sometimes we should be asking how we can decrease our

expenses.”

Whether you sympathize more with Claiborne’s suggestion to lower expenses or DeYmaz’s proposal to increase revenue, the fact remains something must change if America’s flailing congregations hope to survive.