

Guidance for Faith-Based Organizations on Fundraising and Support Strategies



Types of faith community support

Many faith-based nonprofits rely on their sponsoring faith community for at least a portion of the resources needed to pay for staff and programmatic activities. It is important to note that FBOs may draw from multiple sources of support, including government funding (local, state or federal), secular foundations, corporate giving, endowments, and income from tuition or fees for services. In fact, many agencies receive the bulk of their support from sources outside of their faith community. Even if only representing a small percentage of an FBOs budget, however, faith community resources often play an important role by leveraging other funding or allowing agencies to do work other funders do not cover. This support also reinforces the other significant ways that FBOs are connected with their faith community, for example in the form of mission guidance, board members, media exposure and client referrals. It is not our intent to suggest that FBOs should focus their fundraising efforts only on the faith community; rather, our goal is to help maximize the mutual benefits of these connections.

The kind of support that typically comes first to mind is funding. Financial support takes a variety of



forms, including contributions from congregations, whether as a regular budget item or occasional giving earmarked for special projects; individual donations or bequests by members of the faith community; grants from religious institutions such as denominations, umbrella organizations or faith-based foundations; and faith community participation in fundraising activities such as banquets or walk-a-thons.

This resource offers guidance for faith-based organizations (FBOs) on developing support for their work, particularly in relation to their connections with the faith community (e.g. a sponsoring congregation, denomination or faith tradition). It is designed for staff and board members of FBOs, as well as leaders in the faith community, and organizations that resource and train FBOs.

While FBOs are diverse in their support systems, program goals, scope of outreach, and organizational structure, they share a common need to develop resources for their work. This document focuses primarily on support from the faith community. We outline key findings from our research about the range of ways FBOs can develop resource strategies that strengthen connections with their faith community, so that the work of the organization can thrive.

For more general advice on fundraising or resource management, see the list of recommended resources on the Faith and Organizations Project website, www.faithandorganizations.umd.edu

Besides direct funding, faith communities support the work of nonprofits in many other important ways. Non-monetary types of support include:

- In-kind donations—goods to be distributed, used in fundraising, or utilized to defray operating costs (e.g., food, clothing, furniture, computers, raffle prizes, office supplies)
- Donation of space and/or utilities (free or below market rate)
- Use of vehicles or equipment

- Volunteers
- Skilled labor, pro bono or below market cost (e.g., accountants, lawyers, doctors, teachers, social workers)
- Management or technical assistance (e.g., tax advice or computer expertise)
- Training

Additionally, faith communities offer intangible support. This includes moral and spiritual support, such as encouraging staff and praying for agency needs. By inculcating values of compassion and justice, faith communities inspire individual members to embrace a nonprofit's mission. Another important intangible resource is faith community members' personal connections, which can lead to additional support. For instance, when Jewish Council for the Aging bought a new building, a faith community member facilitated a loan with favorable terms. The Habitat for Humanity chapter in this study received skilled volunteers and free building supplies through key faith community volunteers who spread the word with for-profit contractors about Habitat's needs. FBOs may also rely on the faith community to validate their reputation as a trusted organization of good standing, on which the success of other fundraising efforts may depend.

Support strategies

The nonprofits in our study cultivate support from their faith communities in a variety of ways. Examples of support strategies include:

- *Mobilizing new donors and volunteers* from the faith community, and channeling current volunteers into higher levels of commitment and giving. A Jewish Community Center in Baltimore, for example, received funding to hold a leadership training program for Jewish youth in order to prepare the next generation for support roles in the Jewish community.
- *Forming partnerships with a congregation.* One illustration is the CDC (community development corporation) launched by Union Bethel AME Church and housed on church property. The church pays for utilities, furniture and other operating costs, and members support the CDC through an annual fundraising event. When the church celebrated its 180th anniversary, however, the CDC cancelled its annual fundraiser in order not to compete with the church, showing that the relationship is one of mutual respect.
- *Taking advantage of free publicity* in the faith community, raising awareness and visibility for the organization among a pool of potential donors. This strategy entails circulating information and appeals through vehicles of communication such as mailing lists, newsletters, bulletin boards and web pages. Many of the organizations in the study had developed a sophisticated use of multimedia to communicate their mission.
- *Involving the faith community in fundraising events*, choosing activities appropriate and appealing to that community. For example, the Caroline Center, a Catholic job training agency, raises \$60,000 through a Saint Patrick's Day family festival. The Notre Dame Prep



School gives them free use of their facilities, and a network of Catholic school alumnae provide volunteer support. A different type of fundraiser is the Baby Bottle Campaign, in which churches fill bottles with donations for an Evangelical pregnancy help center.

- *Maintaining a database of potential supporters* in the faith community to call on for assistance. A development officer for the Caroline Center indicated, "I've got a great network of SSNDs [School Sisters of Notre Dame] who jump in when I need something done." When the agency needed to redo their personnel policies, an unemployed SSND who formerly headed an organization volunteered to review the policies.
- *Encouraging faith-based supporters by acknowledging them* in various ways, such as the ecumenical agency GEDCO's annual volunteer appreciation dinner. Besides giving volunteers awards and affirming that their service makes a difference, this event provides an opportunity to remind volunteers of the scope of unmet needs, to publicize new service opportunities, and to encourage volunteers to recruit others to serve.
- *Developing relationships with national religious bodies and umbrella organizations.* As a staff leader for Lutheran Immigrant and Refugee Services describes their support strategy in the faith community, "Historically the interaction has all been at the national level. It is money and then vocal support from the leaders of the national church bodies."
- *Organizing events to motivate support by drawing attention to the need* addressed by the nonprofit. This leader describes how Project Garrison mobilized an African American community to address drugs and prostitution by organizing an annual "Jericho walk":

We would march up and down Garrison Boulevard. We even had a casket in front where we would stop at strategic points along the boulevard and we would pray. ... By the seventh year we had almost a thousand people marching with us. ... Then we would do a rally at the end of the march with keynote speakers and health fairs and entertainment and free food. That strategy was what ... made us aware of the fact that what we need to do is develop a strategic plan for Project Garrison, which we did.

- *Offering training events to educate the faith community* about the menu of options for sharing resources. For example, the Charitable Christian Foundation designed planned giving workshops that would teach the churches in their network about how to include CCF in their wills, and other personal funding strategies.
- *Offering services that the faith community is willing to pay for.* The majority of the budget of the Kreiger Schechter Jewish Day School, for example, comes from tuition. As support from the sponsoring congregation has declined, "The expectation is that for the school, primarily the parents will fund the education."
- *Drawing board members from the faith community* who can contribute financially to the organization or solicit support from faith-based networks and sources. The board for Quaker Senior Services, for example, includes board members from the local Meeting, who raised concerns in the congregation when they thought the Meeting was not sufficiently supporting the nonprofit. Regularly rotating new personnel onto the board of directors is one way that some FBOs, especially in the Jewish community, continually expand their available resource networks.
- *Drawing on grant writing expertise and contacts* of members of the faith community. The

director of Union Bethel's CDC has developed relationships with the directors of two other church-based CDCs in the area, who share their business training and leads on grants. "If there is a way for us to secure funding, we will share that with one another."

As these examples illustrate, support strategies take a variety of forms and come from a wide range of sources. Direct monetary support is only one part of a larger picture.

Support strategies and community connections



These support strategies represent more than a financial transaction; they are embedded in a broader process of developing relationships. For FBOs, funding strategies involve three important relationships: the sponsoring faith community, the community that provides support to the organization, and the community served by the organization. These may be distinct communities, or there may be overlap. An effective fundraising and support strategy will reflect the economic and social networks between all of these parties.

A nonprofit's priorities, direction and reputation are influenced by its sources of support. Funding generally comes with expectations (whether overt or unspoken) about the goals and identity of the

organization. When the community served by the organization also helps to fund the organization, as with a community center or a school, this community generally seeks greater input into decision-making. Volunteers bring convictions about the connection between their faith-based values and their service. Nonprofits that share space with a place of worship are implicitly linked with how people perceive their host. The more a FBO relies on the faith community for support, the more its connections with this community tend to shape its character and values. Similarly, when a faith community provides regular support to a nonprofit, this investment may lead to a stronger identification with the nonprofit's mission.

Thus successful support strategies depend on—and reinforce—the connection between a nonprofit and its faith community. Where these connections are strong and positive, support mechanisms can emerge that reflect shared goals and understandings. Conversely, organizations lacking in informal connections and trust often have trouble gaining or sustaining support from their founding communities. In one instance in our study, the disconnect between an organization and its denomination contributed to its being shut down for lack of funding.

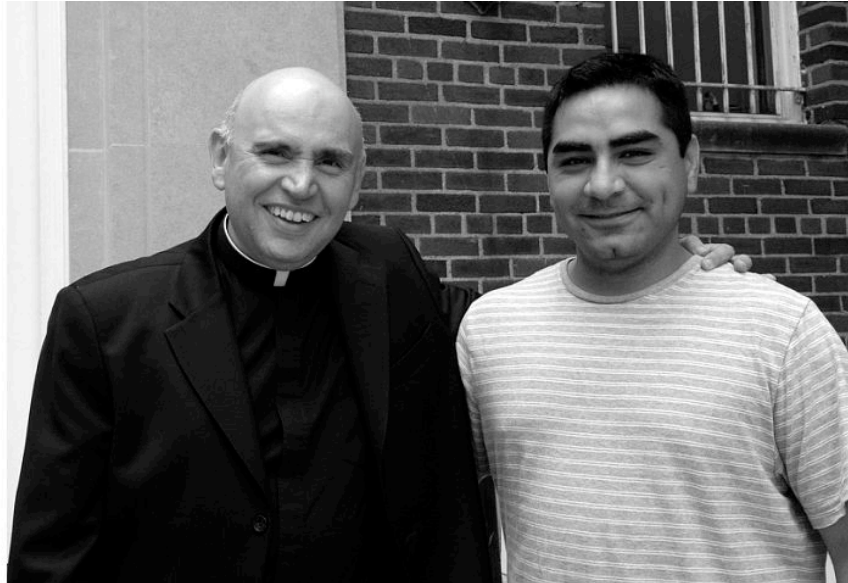
Organizations can be intentional about creating support mechanisms that strengthen the connection with their sponsoring faith community. One way to do this is to emphasize that support is a two-way street—that the faith community also benefits by having an organized outlet for religiously-mandated service to those in need. As the leader of a Catholic nonprofit put it, "We provide [Catholic volunteers] with a way to live out our mission."

Another strategy is to offer opportunities for supporters to form a personal connection with the agency. For example, the Christian Community Foundation, an evangelical relief organization, created a "compassion garden" outside its main office, a small prayer garden with a paved brick path. For a fee, the CCF engraves the name of a deceased loved one on a brick in the walkway.

This generates revenue for the nonprofit while also offering donors a tangible symbol of a personal, spiritual bond.

One illustration of tension over funding involved an urban United Methodist church and its conference, the regional judicatory. The conference originally served as the fiduciary for the congregation's government-funded alternative education program; it allowed the regional organization to keep ten percent of the grant for administrative costs. However, the conference considered the arrangement too great a liability risk and asked for structural changes that the congregation and its pastor considered incompatible with their mission. The partnership ended.

The effort to maintain positive, productive connections between faith community and faith-based nonprofit can be seen as part of what this project has defined as *stewardship*. Although the concept of stewardship often is defined narrowly in terms of fundraising and financial accountability, this project found that faith communities practice stewardship in a much broader sense. The larger picture of stewardship may be defined as *the*



faith community's efforts to maintain its practical theology of justice and charity in the activities of the nonprofits affiliated with that religion or denomination. This understanding can help nonprofits be more intentional about cultivating a dynamic relationship with their affiliated communities as an inseparable part of the practical task of generating resources for their work.

Support strategies and stewardship systems

As we have seen, nonprofits have numerous options for connecting with resources from a faith community. However, not every strategy works for every organization. An effective support strategy draws in part on larger patterns of how religious communities organize their stewardship (see the resource, "Strategies to Maintain Connections between Faith Communities and Faith Based Organizations"). Fundraising strategies are significantly shaped by three main patterns: institutionalized, congregational, and network systems.

- ***Institutionalized systems*** organize and centralize supports at the faith community wide level, with expectations that the entire faith community is responsible for those in need. Within this system, most notably for Catholics and Jews, sharing of resources and networks among nonprofits is common. Nonprofits within the institutional model are less likely to turn to congregations for volunteers or direct support. Among Jewish organizations in particular, board members are expected to financially support the organization and/or national Jewish umbrella agencies.

In institutionalized systems, the broader support community may have a significant influence

on the faith character of the organization. For example, Baltimore's Associated Jewish Charities raises the majority of funding for all the Jewish agencies in the city. In return, the Associated sets the criteria for what constitutes an eligible Jewish agency, including the stipulation that all Jewish organizations close for the Sabbath.

- **Congregational systems** see congregations as the primary organizing force for justice and charity work (sometimes with support from denominational structures). In this study, Mainline Protestants, some African American churches, and Quakers were most likely to fall into this category. Many nonprofits spin off from a congregation but remain linked to various degrees. FBOs may raise funds and volunteers directly from their sponsoring congregations, or congregations may give through a centralized denominational office. In congregational systems there may be a tension between faith community members giving through their church, and direct appeals for individual support. There may also be a competition for church resources between denominational programs and independent nonprofits working in similar areas of service.



The connection between nonprofits and their associated congregations is elastic. Maintaining the link requires intentional attention. Lutheran Immigrant and Refugee Services, which receives the majority of its funding from government while engaging volunteers from congregations, describes making an effort to build a more meaningful connection between the agency and its congregational partners. "We have tried to provide educational materials from a theological perspective for congregations. ... We tried to engage individuals in the church bodies in advocacy so they will know about legislation and about how they can speak out. ... We are making those things more important and we are building towards more sustained engagement."

- **Network systems** draw together individuals with a shared commitment to the work of the agency, based on the founder's social network or institutional/virtual networks of individuals with a similar vision. Most supporters share the founding faith, have a connection with the leader, or have some other personal connection with the ministry. Network systems typically rely on individual donors, as well as supportive congregations and other sources where a trusting relationship has been established. Because of the important role of entrepreneurial leaders, support in a network system is often vulnerable to leadership transitions.

The Urban Center, an Evangelical ministry, illustrates the network approach. A staff leader relates, "We also were very intentional in going out to all the churches in the neighborhood. We had known [one local pastor] through some of these fellowship lunches before. So, he was excited about our being here and was really championing our cause." Through a personal relationship with the pastor, the nonprofit connected with a new network of supporters attracted to their mission.

Organizations that follow the expectations of their stewardship system may be most effective in raising support from their faith community. For example, a nonprofit reaching out to Catholic or Jewish partners may find it more productive to work through umbrella organizations than to seek support directly from individual congregations. On the other hand, organizations may benefit from creatively adapting elements of different models, especially in an interfaith context or in a

season of economic transition.

Support strategies and religious culture

In addition to these overarching patterns, effective support strategies also reflect the more specific religious culture of the sponsoring faith community. Each religious tradition (Catholic, Jewish, Quaker, etc.) applies its own *practical theology*—its history, beliefs, organizational customs, religious practices and cultural values—to its activities of charity and justice. Organizations that are in tune with the practical theology of its faith community are better able to build meaningful connections and sustainable support systems with that community.



Several examples help explain the role of practical theology in resource development:

- Fundraising in the Jewish community is intertwined with sustaining Jewish identity. A staff leader with Associated Jewish Charities explains their distinct approach to fundraising:

Our ability to support these institutions is driven through our values as a Jewish people—what we believe in, our commitment to social justice and our recognition that we need to take care of our own. We need to take care of our people in a very dignified way. We can't live sort of a sheltered myopic life ... That is just not who we are as a Jewish people, as a Jewish identity. ... The seed was planted in us a long, long time ago that we as an organization, and myself as a professional, are trying to impart on to that next generation.

- The foundational Quaker principle of "seeking that of God in everyone" means that interpersonal trust and respect for the integrity of leaders is a core ingredient in building strong connections between the faith community and its organizations. At one Quaker leadership meeting there was considerable discussion of the Quaker "style" of offering services as a criteria for ongoing community support. This style reflects Quaker values of simplicity, consensus, equality, non-violence, inclusivity, and "plain dealing." The faith community is more likely to support organizations that demonstrate transparent financial records and inclusive processes for incorporating community feedback.
- In the Evangelical tradition, regardless of how support is obtained, God is affirmed as the ultimate source. According to the director of the Urban Center: "We have a funny fundraising process—we pray for it." Unable to pay their utility bill, the ministry was about to have their lights cut off, and staff were praying for a solution. Then "a friend of a friend," an artist, asked about renting space for her art studio. The Center let her use the space for free, and

she offered to cover the electric bill. "So, that's how we feel that God has provided for us." Supporters of Evangelical ministries embrace their role as instruments of God's provision. Maintaining faithfulness to theological principles and cultural values is critical to sustaining support in the Evangelical community.

- Mainline Protestants tend to view the organizations that they sponsor in terms of the value of outcomes and operational efficiency, and to follow a business model in organizational decisions. This is illustrated by the GEDCO executive director's comments at a recognition dinner encouraging supporters to think of themselves as "shareholders" in the organization. If organizations are not seen as being capable and committed to the goals of the sponsoring faith community, there may be a corresponding decline in contributions. On the other hand, as long as FBOs are fulfilling their intended mission, then Mainline communities often go to great lengths to sustain their good work even in the face of financial struggles.
- The prevailing assumption even among Catholics that all Catholic organizations are controlled and funded by the local diocese causes fundraising problems for those which are not. In reality Catholic organizations are significantly diverse in their relationship to the larger faith community, spanning the gamut from tight control by the diocese or parish, to varying degrees of oversight by religious orders, to complete independence from all formal religious control. One significant trend has been the declining numbers of staff from members of religious orders serving in Catholic schools, hospitals and agencies. This not only adds a financial burden in having to hire more expensive replacement staff, it also removes a basic symbol of the religious status of the organization, as well as the support networks of these religiously connected individuals.
- The historic legacy of the Black Church has been its mission to uplift and empower all African Americans, as a disadvantaged minority in American society. In one African American church, a tension arose between the congregation and its affiliated nonprofit over control of assets. The pastor stepped in to clarify the relationship: "An irrevocable trust is to be given to the church on every asset that is developed through an affiliate agency, so that everything has to have the name of the church on it." Regardless of their independent legal status, nonprofits supported by the African American community are often perceived to be an integral part of the church's mission.

Familiarity with the stewardship system (institutional, congregational, or network) and practical religious culture of the sponsoring faith community helps an organization build a sustainable relationship with supporters. When a nonprofit reflects the culture and theology of its faith community, this enhances legitimacy and trust. At the same time, a nonprofit's credibility in any faith community ultimately depends on the nature and quality of its services.

Faith community support in relation to other funding sources

Some FBOs choose to rely wholly on the faith community for support in order to remain independent from bureaucratic regulations or restrictions on incorporating explicitly religious activities. For many other FBOs, faith community support is only one piece of a larger resource development strategy. Most organizations are sustained with a blend of resources that may include public funding, foundations, corporate sponsors, and individual donors.

The current economic context is one factor driving organizations to diversify their funding base. A recurrent theme in our interviews was the decrease in direct funding from churches and other religious institutions. One leader of an Evangelical charitable organization noted: "In the past,

organizations like [ours] functioned through a denomination, but today, the major churches that are growing are not denominational churches but they are the community churches. ... They're developing their own social ministry programs. So that doesn't bode well for an organization like [ours]." This situation has been compounded by the current economic downturn, as another interviewee laments: "The organization has been losing money because they are facing rising expenses, but their income rates have stagnated. ... Churches often give less when they are concerned with serving their own members in need." (For more on the impact of the economic downturn on FBOs, see the Faith and Organizations Project resource, "Organizational Survival")

As FBOs broaden their resource base out of necessity or opportunity, the challenge is to maintain a constructive relationship with the faith community. An organization that disregards its founding faith community in the course of pursuing other resources runs the risk of growing detached from the identity and ideals that have motivated their activities. For example, a FBO might perceive a need to downplay its religious vision to attract nonreligious donors; or it might emulate a secular model that erodes the distinctive values of its founding religious culture.



One face of this challenge is that nonprofits often must professionalize their management and accounting practices in order to become eligible for grants or membership in professional associations. This process may actually enhance a nonprofit's standing in the faith community by strengthening its financial accountability and credibility. On the other hand, some changes that come with professionalization may potentially weaken the connection with the faith community, such as replacing volunteers with credentialed staff. The faith community may sense that its influence is diminished by the standards imposed by external funders. Moreover, when an organization succeeds in winning large grants, it may become more difficult to convince the faith community that its support is still needed.

There are several ways that FBOs with a diverse funding base can maintain a meaningful relationship with their faith community.

- First, *FBOs can emphasize that government or secular sources are an effective means to fulfilling their religiously-grounded mission.* A staff leader with Lutheran Immigrant and Refugee Services explains, "Historically the agency has seen itself as being appointed by the Lutheran churches to take care of refugees and immigrants, using the government funding." This approach works well with faith traditions that take a more pragmatic, outcome-oriented approach to service.

- As organizational structures and funding mechanisms change, *nonprofits can emphasize the consistency of their underlying faith-based goals*. The Black church has sponsored many organizations to address the problems faced by low income urban residents, and as new public funding opportunities have arisen, these organizations have become well positioned to collaborate with city, state and federal programs with similar objectives. One African American nonprofit found the flexibility and opportunity provided by access to grants to be so beneficial that it made grant funding its primary resource, hiring a full-time grant writer and expanding its service offerings. Yet its core mission remained unchanged.

- Another strategy is to *highlight the value of non-monetary support resources provided by the faith community*, including access to resource networks, space, volunteers, training, and trusted referrals within the community served. For many organizations, the dollar equivalence of work done by volunteers may actually outweigh financial donations. Volunteers not only serve on boards and carry out the service work of the organization, they leverage other kinds of support. For example, by volunteering a few hours a week, a skilled auto mechanic significantly increased the resale value of old automobiles donated to a nonprofit. Moreover, each volunteer represents an entry point into a network of personal and professional contacts. FBOs can also appreciate the role of faith community volunteers in reinforcing connections with the founding community and its values. Even as direct funding from churches and denominations declines, non-monetary contributions can still thrive.



- Additionally, *FBOs can emphasize the faith community's role in providing the foundational motivation for the work*. As a Lutheran agency leader comments about their staff, "It is public funding so they don't do religious activities, but these are people who are here because they have a sense of calling." Agencies can affirm the vital commitments of faith-based staff, regardless of the sources that pay their salary.
- Finally, organizations can stress that *diversifying funding decreases the fiscal responsibility of the faith community*—a boon in a challenging economic climate. The infusion of outside support frees up faith community resources for elements of their mission that secular sources will not fund.

Maintaining a faith-based identity and mission as an organization becomes increasingly independent from faith-based funding sources requires intentional effort. GEDCO, an ecumenical community development agency, considered the possibility of modifying its mission statement in order to reflect the growing involvement of non-faith-based supporters. The board ultimately rejected this change, as it was feared that such a move might be perceived as a step towards secularization, thereby alienating the core faith community that supported them and defined their identity as a Christian organization.

Summary of recommendations for FBOs

- **Support strategies should take into account the significant value of non-monetary resources that the faith community has to offer.** This includes space, volunteers, publicity and technical assistance as well as intangible assets such as a trusted reputation, access to networks, and spiritual inspiration for service. These non-monetary assets can thrive even (or especially) in a time of diminished financial giving.
- **FBOs should view raising support within the faith community as more than a financial transaction.** Effective support systems are mutually beneficial—they not only channel resources to the agency but they reinforce the vision, values, beliefs, and culture of the faith community.
- **Pay attention to the relational dynamics of fundraising.** The stronger a nonprofit's connection with its faith community, the more its support strategies will reflect and strengthen this relationship. Cultivating this relationship requires intentional, ongoing effort.
- **Recognize that support inevitably comes with expectations, both formal and informal.** Each organization has to work out the balance of independence and influence that offers access to the resources needed to achieve its goals without compromising its mission.
- **Consider the stewardship system (institutional, congregational or network) and practical theology of the supporting religious tradition.** This awareness can help organizations develop effective support strategies that are consistent with the values and goals of their faith community. Evangelicals, for example, tend to support organizations where they feel personally connected with the mission. Mainline Protestants are more likely to invest their resources where they see a demonstrated practical impact. Jewish appeals are likely to emphasize connectedness with the values and identity of the broader Jewish community.
- **Trust, communication, accountability, and financial transparency are essential ingredients of any resource development strategy.** How a nonprofit cultivates and manifests these qualities, however, may vary depending on the expectations of the founding faith community.
- **Each organization must weigh the pros and cons of various kinds of funding sources and their impact on its faith-based mission and connections.** Certain types of government funding can limit how programs can incorporate explicitly religious activities. Professionalization and secular funding sources do not necessarily lead to overall secularization of the agency, however, if the FBO remains intentional about affirming its connection with its faith community.
- **Even where faith community support is not the only or primary budget source, it may still play a key role.** Faith-based support is often instrumental in leveraging other kinds of funding and in keeping the FBO faithful to its core mission.
- **Nonprofits should periodically review their support strategies and relationships.** This is particularly the case if a nonprofit finds that its support community has become independent from, or in conflict with, its relationships with its founding faith community and with the community served.

About the Strategies Series

This resource draws on the *Faith and Organizations Project*, which conducted case studies from 81 organizations to understand the ways that faith based nonprofits and their sponsoring faith communities sustain their relationships. The project looked for strategies that help faith based organizations (FBOs) maintain ties to supporting faith communities, while providing quality services. It compared strategies across religions (Mainline Protestants, Catholics, Jews, Evangelicals, Quakers, and African American Christians), and among a variety of FBOs offering social services, health and senior services, education and community development.

This is one of eight pamphlets in a series. Readers interested in fundraising and support may especially want to see companion strategies documents on *Appointing Board Members*, *Engaging Volunteers*, *Organizational Survival*, and *Maintaining Connections between Faith Communities and FBOs*. These documents, general findings and reports for each religion are available at www.faithandorganizations.umd.edu.



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