

## **Donor-Directed Giving**

**Article Summary:** Christians wishing to address the problem of extreme poverty by giving through their churches face twin challenges. First, are the projects they support truly effective? Second is the issue of dilution: Giving to a church's general budget results, on average, in only 2% of the gift being applied to lifting those who live in extreme poverty out of their suffering. While acknowledging that giving directly to parachurch organizations with demonstrated expertise in this field is an effective and biblically sound option, this article makes the case that there are significant advantages to allowing and encouraging congregants to direct sacrificial contributions to these organizations *through* their local churches. Among these advantages are the revitalization of local congregations as they focus upon a purpose outside of and larger than themselves, and the enormous positive impact on the broader Church's witness. Accordingly, this article advocates (and urges congregants to do the same) for the inclusion of carefully selected parachurch organizations within the local church's framework of donor-directed giving opportunities.

# Donor-Directed Giving

Many followers of Christ desire to answer God's call, to work beside Him in building for His kingdom – by sacrificially sharing a part of the income He has blessed them with to help the least and the last. They have determined that playing their part, though small, is both eternally and practically significant – especially when added to the efforts of those who *help well* – the long-term mission projects and parachurch organizations working for true transformation in the lives and communities of the desperately poor. And so, *effectiveness* in giving to help those living in extreme poverty becomes a priority.

The question of *effective giving* is a two sided coin: where and how. The principles of *helping well* guide us in choosing what kind of work, whose work, to support – the *where* of effective giving. For Christians, who are also called to support their local church, the *how* side of the coin can be a challenging one.

## Dilution

Even if your church has its own thoughtfully designed mission projects, or supports *parachurch* organizations (e.g., World Vision, Food for the Hungry, Compassion International, etc) known for effective, transformative work, giving through the church's *general budget* seems to be an inefficient way to help those living in extreme poverty. Let's face it – the dilution inherent in the average church budget (only 2% goes to overseas work of any kind)<sup>1</sup> *doesn't do much to inspire sacrificial giving* to help these desperate mothers, these hopeless fathers, these suffering children. Put another way, a \$100 gift to the general budget yields only \$2, on average, with which to serve the least and the last. Even in the rare case of a church that commits 25% of its general budget to serving the overseas poor, there is still a 75% dilution in your gift.

Sadly, but understandably, the effect of this dilution is enough to prevent many of us *from making the gifts at all* – a tragedy in the truest sense of the word. This article seeks to illuminate alternatives to general budget giving for those who wish to sacrificially share a part of their financial resources for the purpose of serving the least and the last in the name of Christ – with the goal of helping to unleash our giving potential....

In the following pages, we will explore the idea of **donor-directed giving**, for the purpose of empowering us to execute our biblical call to stewardship responsibly, intentionally, compassionately – and confidently, with the assurance that the support we wish to give to thoughtfully chosen efforts on behalf of the least and the last actually gets there, undiluted, working to advance the all-encompassing kingdom that Christ came to earth to proclaim.

## Donor-Directed Giving and Helping Well

A majority of churches in America allow for some level of donor-directed giving, ranging from those offering a few mission support opportunities, to churches offering a veritable smorgasbord of ministries, projects, and organizations focused on serving the world's poorest. In churches which allow for (or even promote) donor-directed giving, donors are able to specify the ministry account to which a particular gift should be applied. The question, then, is whether or not a particular church offers ministry choices focused on *effective, transformational work* with those living in extreme poverty.

As discussed in [Helping Well](#), truly effective giving aimed at alleviating extreme poverty hinges on what are described as *best practices* which focus on working *with* the poor instead of doing *for* the poor. These best practices, long employed by the most effective **parachurch** (Christian relief and development) organizations, focus on securing participation and ownership on the part of the poor, from beginning to end; issues of empowerment and capacity building are a high priority; and the work is relational and long-term in nature, with sustainable transformation at both individual and community levels being the desired outcome. We have seen that many of the short term missions projects undertaken by our churches fall far short when measured against these criteria, due largely to the nature and limitations of short term projects.<sup>2</sup> And, of course, not every Christian relief and development (parachurch) organization is noted for effective, transformational work, however well intended. *Therefore, one of the most pressing concerns in making donor-directed gifts is the **choice** of the projects or organizations to be supported... are they truly effective and transformational in nature? Do they offer an empowering hand-up, or a dependency creating hand-out?*

Many churches offer a broad range of effective projects and excellent organizations towards which donors may direct their gifts. In many more, however, the menu of choices may contain few, if any, projects or organizations that could be considered transformational in nature. This can present a very real problem for those who, in making their gifts, wish to make a truly lasting difference for the desperately poor and for the kingdom.

## What to do?

Where a given church is lacking in effective, transformational overseas ministry choices, there are several options. The first might be to lobby for the creation of a top-notch, long-term mission project within your church. This is, of course, a huge investment in time and energy, requires considerable expertise, and commits church resources for an extended period of time.... and is perhaps a bit inefficient in the sense of "*re-creating the wheel*" that so many top-flight parachurch organizations have already created.

A second option might be to simply give directly to these parachurch organizations, outside of your local church, with the knowledge that your gifts are indeed making a difference for the poor, and for Christ. A good choice -- however, this option, though it is efficient, effective, and biblically sound, precludes the immensely positive impact that can be had when our gifts are funneled through the local church: church bodies reinvigorated as they join in a purpose larger than and outside of themselves, and the broader Church growing in relevance and reputation in the eyes of a watching world.

A third option, one with the best potential to benefit all parties involved, would be to **advocate for the inclusion of a limited number of exemplary parachurch organizations within your church's menu of opportunities for donor-directed giving.** The advantages of such inclusion would be significant:

- The confidence that the gifts made to these organizations will truly make a lasting difference for the world's most desperately poor people often generates an increase in giving – no small thing, if the Church is indeed in the business of **growing givers**, an important aspect of biblical discipleship.
- Congregations often find themselves re-energized as they become infected with a new sense of **purpose** that is outside of and larger than themselves, serving Christ with a new vitality as they discover the special joy that comes with sacrificially giving, together, to make a lasting difference.
- A **compelling witness** grows as more members of the congregation join in an externally focused project that demonstrates Christ's love in tangible ways – a witness not only to the least and last, but also to a world that is watching to see if Christianity walks its talk.

Note that this option – that of **including a few exemplary parachurch organizations within a church's range of options for donor-directed giving** -- is open to literally any congregation, regardless of size or wealth. It costs the local church nothing to implement and maintain, requires no particular expertise, and is adaptable to a wide range of changing needs and conditions. And with a wide range of top-quality parachurch organizations to choose from, the local church body has the opportunity to express its unique identity and values in its choice of projects or organizations to support. Of course, churches with multiple *exemplary* missions projects to which donors may direct their gifts may not feel the need to add parachurch projects to their menu, yet many have found that doing so strengthens the vitality of their overall missions presence and focus.

For churches that are for some reason unable to include parachurch organizations or projects among their options for ongoing support, or do not accept donor-directed gifts, countless half-steps are available for which we can advocate. Many exemplary parachurch organizations are specially equipped for helping churches conduct periodic special events such as child sponsorship drives -- or to support them in specific development projects like drilling wells, training in sustainable agriculture, assisting with schools and church buildings, human trafficking interventions, microenterprise development, and so forth. Many churches have watched their working relationships with parachurch organizations morph into full-blown partnerships with communities on the other side of the globe – a truly exciting and rewarding endeavor! Many of the larger parachurch organizations have whole departments devoted to supporting just such partnerships.

## Your Church Needs You...

At this point in our discussion, an important caution is in order; that is, if not handled thoughtfully, the idea of donor-directed giving has the potential to impoverish our local churches – your church. The local church, Christ's Church, depends upon our support of their general budgets. If we value our church's ministries, the spiritual growth it fosters within its congregation, and its work in our community, then we simply *must maintain our present level of giving to the general budget* – or these ministries will simply go away.

While it is often and accurately argued that the broader Church must do far more to serve the least and the last, we must remember a foundational, biblical fact – WE are the church. So, when we speak of desiring to give more to help those living in extreme poverty, we are speaking of obediently and **sacrificially digging deeper**, into our own funds, to do this work..... because it's worth it, because it makes a real and lasting difference, because God wants us to. We need to be perfectly clear: *To redirect our present giving away from church general budgets would be to bring harm upon His Church.* We are talking instead about new giving, **sacrificial giving** in response to God's clear call on His people to help the least and the last.

Similarly, we should address the question of giving *directly* to parachurch organizations outside of the Church proper, which are engaged full-time in the work of serving the needy in Christ's name. Sacrificial giving to these organizations is praiseworthy: They are God's people, doing God's work, in His power, in His way, for His glory – and many are especially effective, *helping well*, with long track records in getting transformational results. Supporting such organizations directly with our gifts is undoubtedly a sacrifice pleasing to God.

**There are, however, some compelling reasons for sending our giving to these organizations through our local churches, to the extent possible.** Doing so results in praise and thanksgiving to God, an important outcome (2Cor 9:11-13) of our giving. In allowing donors to direct gifts to serve the least and last, our churches can stimulate generosity, helping believers grow in their discipleship. Funneling our gifts to parachurch organizations through our local church bodies can reinvigorate our churches, strengthening their sense of purpose and connectedness with God's work in the world. The broader Church's witness will benefit as well as it reclaims and strengthens its position of relevance and reputation in the midst of the world that God has placed her in -- a world that is watching us closely, to find out if there is more to following Christ than the exclusivity, hypocrisy and judgmentalism that it so often charges us with. *These are no small matters*; indeed, issues of relevance and reputation are proving to play a key role in inviting the next generation into the faith conversation. Funneling our gifts *through our local churches* makes a difference for the poor, *and* for the Church. *Donor-directed giving* is the mechanism through which this may be accomplished.

What is needed from you and I, then, as Christians who are passionate about God's call to serve the least and the last, is to **advocate for the inclusion** of exemplary parachurch organizations and projects among the ministries that our local church body supports, and to then **direct sacrificial gifts** to them as we are able and called.

## How it could be...

In closing, consider with us a vision of how this could work from a bigger picture standpoint. There are two implications of the inclusion model advocated above that could result in a truly out-sized impact for both the poor and the broader Church. First, consider the very real possibility that, given the opportunity to truly make a difference in the lives of the world's poorest people, Christians might respond with unprecedented generosity – precisely because of the fact that they see that their gifts can make a meaningful difference. **Many** in our churches **desire to do so**; *if convinced of their ability to do so and given regular opportunities through their churches*, it is not inconceivable that American Christians could find another 1% of their income for the Lord's work. (*Consider that tithing levels were 27% higher than present during the Great Depression.*)<sup>3</sup> Second, consider the impact of *100% of these gifts flowing through, undiluted*, to this kingdom building work. Remembering that under the present model, just 2% of church funds are released to help the world's poorest, the potential growth in the Church's financial support for helping the least and the last is staggering. Given these figures, it is very possible that we could grow the Church's support for helping those in extreme poverty **by a factor of 25 or more**<sup>4</sup>....

*In a world searching for signs of God's presence on earth, God's design is for His Church to be that presence; imagine the impact such an outpouring of Christian generosity could have on the broader Church's witness!*

### **Donor-Directed Giving – Making a Lasting Difference for the World's most Desperately Poor People**

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<sup>1</sup> State of Church Giving Through 2005, "Giving Research," Empty Tomb, Inc. as cited in *The Hole in Our Gospel*, by Richard Stearns, Thomas Nelson Publishers 2009.

<sup>2</sup> *When Helping Hurts*, by Steve Corbett & Brian Fikkert, Moody Publishers 2009. See also the appendix to the "Helping Well" article on this site, titled "Short Term Missions and Helping Well"

<sup>3</sup> Ibid (1)

<sup>4</sup> Approximated as follows: US \$93 billion given to religious organizations (2005), of which less than \$2 billion went to overseas missions work. Additional giving of 1% of US Christian income would generate over \$50 billion more – if passed through *in its entirety*, this would be over 25 times the amount presently allocated to overseas missions work..... a 2500% increase (source: Empty Tomb, Inc).

*This article may be viewed on the web at [www.GiversByDesign.org/Effective-Giving](http://www.GiversByDesign.org/Effective-Giving)*

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