

The **DATA** **REVOLUTION**

And The Future of
Giving For Churches



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The Data Revolution and The Future of Giving For Churches

How churches can use digital giving and data for discipleship

Data is big business. In fact, some economists predict that “data is the new oil.” It powers the digital economy in the same way that oil powered the industrial revolution. Like oil, data has to be collected, refined, and turned into something useful.

The topic of data makes some people uncomfortable because we’ve seen it abused. Companies like Facebook have come under fire for exploiting user data. But the truth is that data empowers many of the things we like about 21st-century living.

When Netflix suggests a new series, it’s based entirely on your viewing habits. Google Maps uses satellites to access your current location and help you find your destination. And when your credit card company sends you a potential fraud alert, it’s because they’ve recognized activity that’s outside the norm. All of these things rely on data to work efficiently.

When Netflix suggests a new series, it’s based entirely on your viewing habits.

In the same way, many of the technological advances coming to the church offer access to data that can equip them to understand their members and guide them in their spiritual journey. But in order to get the most out of these tech advances, churches need to embrace and prioritize digital giving rather than simply offer it as a potential giving method.

What to expect from this resource

The first section of *The Data Revolution and The Future of Giving At Your Church* will examine how technology has disrupted the ways people handle their finances. Banking and retail establishments understand what’s at stake if they ignore e-commerce, while the church struggles to fully incorporate digital giving platforms—even though most of their members have already done so in their personal lives.

Then we'll look at how each generation accesses their money and explore why churches need to pivot toward the ways younger generations handle and understand money. We'll look at all the opportunities for building trust among Millennials that comes with prioritizing digital giving.

Lastly, we'll use the example of Pushpay's Donor Development Dashboard to examine the ways digital giving data can be used to encourage maturity and generosity in your congregation.

Let's dig in.

The digital revolution has already happened

It's been interesting to watch the church respond to technology over the last couple of decades. In some areas, adoption happened fairly quickly. Pastors embraced the Bible software solutions that would make sermon prep and study easier. Churches jumped quickly from overhead projectors

to PowerPoint presentations and then to various church-presentation software options. But when it comes to handling money, many churches have been much more reserved.

This cultural shift hasn't just impacted how people do their personal banking. It's changed the way they interact financially with one another.

Meanwhile, the banking industry is in the middle of massive digital disruption as more and more of their customers rely on electronic bill payments, online deposits, and mobile transfers. A 2017 [Digital Banking Consumer Survey](#) from PricewaterhouseCoopers

found that a growing "omni-digital" segment of the population avoided physical banking altogether, preferring digital banking from their mobile phones, PCs, and tablets.

Banks are struggling to adapt to the fact that between 2012 and 2017, the folks who were only banking digitally grew from 27 percent to 46 percent. And the people who were using a combination of physical and digital banking dropped from 57 percent to 45 percent.

What's even more telling is the fact that PwC's [2019 Digital Banking Survey](#) didn't even address the continued growth of digital banking. Instead, it focused on how digital-based banking is changing the way people think about their primary bank relationship. Because they're so used to digital finance, Millennials and Gen Z don't even consider it necessary for their primary bank to have a physical branch close to them.

The banking industry is no longer trying to figure out whether digital money management is a growing trend. Instead, they're looking to the future to figure out how retail banking has to adapt in order to remain relevant and solvent in this new financial climate.

This cultural shift hasn't just impacted how people do their personal banking. It's changed the way they interact financially with one another. For instance, most people aren't writing their babysitter a check anymore. They're sending them money via an app like Venmo. When one friend covers the bill at a restaurant, the others reimburse them with a banking app or Apple Pay.

What does this have to do with churches? Everything. The cultural shift in how people handle their finances has occurred. There was a time when a conversation about whether churches needed to embrace digital giving in the future was poignant. But that future time has come and gone. Churches who haven't embraced digital giving have put up barriers between potential donors and their bottom line.

It's not enough to offer a digital option

The fact of the matter is that most churches offer some form of digital giving solution—and this is one of the reasons why they don't recognize that they might be negatively impacting their giving. These giving solutions might be a form on the website, a lone kiosk in the foyer, or an app that's mentioned in the bulletin. Meanwhile, the focus is still on taking a physical offering.

But it's not enough to simply have a digital giving solution anymore. It needs to be the prioritized means of accepting tithes and offerings. A 2017 national survey from GivePlus discovered that 62 percent of church members would rather give to churches through some digital means.

For Millennials aged 25–34, that percentage jumped to 75 percent. And this was in a survey taken almost three years ago. We can be certain that the percentage of people wanting to make digital donations has only grown.

Since the 1830s, churches have been so reliant upon taking a weekly physical offering that it's hard to imagine what it would look like not to keep that at the center of the gathering.

Since the 1830s, churches have been so reliant upon taking a weekly physical offering that it's hard to imagine what it would look like not to keep that at the center of the gathering. And while it's not necessary to entirely do away with that practice, the time has probably come to decentralize it.

Not only do churches need to be better about prioritizing giving options that make sense to people who interact with currency in an entirely different fashion than the previous generation, but they need to understand the missed opportunities that come with not prioritizing digital giving.

It could be that your regular members come to church with a checkbook or cash in hand because they've been trained to—but what happens with a visitor who wants to give? Is the onus on them to figure out how to give money to your church? Do they have to scour the bulletin or browse your website to figure out the best way to give? And if they become a regular attendee, will you expect them to start bringing physical forms of currency?

And what about spontaneous giving opportunities? At any point in a church service, someone could be moved toward generosity. Maybe the pastor is talking about a need in the community or preaching on the joy that comes from giving. They could simply look across the sanctuary and notice a family that the church has helped financially and that's enough to prompt them to give. But if the offering isn't taken for another 20 minutes or, worse yet, it's already come around, you have to hope that their feeling isn't a momentary impulse that's gone before they have the opportunity to follow through.

Thinking through generational giving

Another important factor preventing churches from going all in when it comes to digital giving is the fact that in most churches, 60 percent of the giving is done by people over the age of 60. Churches don't want to alienate the generation they rely on for the lion's share of their income.

62% of survey respondents between the ages of 45–54 said they'd prefer to give digitally—and 58% of those aged 66–74 agreed!

But even that generation understands how the culture has changed. In a recent [Washington Post article on electronic giving](#), it was reported that 62 percent of survey respondents between the ages of 45–54 said they'd prefer to give digitally—and 58 percent of those aged 66–74 agreed!

Churches need to think long-term. What happens in 10–20 years when churches need to rely on younger generations for support? Are they going to wait to try and pivot toward their giving preferences at the last minute, or will they have created a path that accommodates younger Gen Xers, Millennials, and Gen Z?

The challenge churches face with the next generation

When it comes to Millennials and Gen Z, the church has a huge opportunity and a major challenge on their hands. The Boomers who currently support churches financially were raised by parents who communicated the importance of regular giving to the local church. But they were also raised in a climate with fewer giving opportunities.

Sure, they had still had charities, telethons, and drives, but their exposure to them was limited. Even though there were big-name charities like Unicef, The Salvation Army, or The American Cancer Society, the advertising and marketing weren't pervasive. Church giving was not only a way they could be faithful in their generosity, it was the place they did the larger part of their charitable giving in order to bless their community.

84% of Millennials made a charitable donation in 2014—and 70% of them annually donated more than an hour of their time to charity.

Millennials are incredibly philanthropic. Case Foundation's [Millennial Impact Report: 2015](#) showed that 84 percent of Millennials made a charitable donation in 2014—and 70 percent of them annually donated more than an hour of their time to charity. The problem is that they are completely inundated with causes, issues, and giving opportunities.

Social media not only brings the world's tragedies and needs right into people's feeds, but nonprofits and charities are capitalizing on the effectiveness of social platforms for raising capital. The online fundraising platform [Classy reports](#) that social media drives 57 percent of all traffic to fundraising campaign pages.

But that's not the end of it. Social media has given rise to crowdfunding and peer-to-peer fundraising platforms too. On any given day, someone can log onto Facebook to discover an acquaintance, friend, or loved one is raising funds to cover an illness or catastrophe.

While Millennials show a huge propensity for giving, they're also suffering from severe charity fatigue.

How churches can respond to the challenge

Over the next 30 years, we will begin to see a [historic transfer of wealth](#) as more than \$30 trillion moves from Baby Boomers through Generation X to Millennials. Millennials have already proven themselves to be a particularly benevolent and humanitarian generation, but are churches adequately prepared to engage this integral generation when they're the ones controlling the purse strings?

It's critical that churches recognize the predicament they're in. The generation churches have relied upon for most of their support is shrinking. But while they've been looking to Boomers to carry the bulk of the financial need, there's been a seismic shift in almost every front: banking, communications, and generational priorities.

In the recent past, the church hasn't been hurt too badly by being slow to adapt. But the challenge churches face today isn't about whether they should get rid of the big wooden pulpit or go all in on a contemporary service; it's about whether they're ready to speak to and accommodate the needs of the first truly postmodern generation.

...a little more than half of Millennials didn't attend a church service more than a couple times a year.

There's been a lot of discussion about how Millennials have taken a [dramatic step back from religious activities](#). A recent Pew Research Center survey found that while religious practices are declining across the board, it's [occurring most rapidly between the ages of 23–38](#). In 2009, Pew discovered that a little more than half of Millennials didn't attend a church service more than a couple times a year. The number jumped to nearly two-thirds in 2019—and 4 out of 10 say they never attend a service.

Meanwhile, the Millennials who do attend church find that there are greater demands on their limited means. Every day there is a growing awareness of financial inequality and hardships in the world and new and more ingenious ways people are raising capital to meet those needs. It's no longer a given that someone committed to a church will see the church as the best place to indulge their generosity.

This means that churches will need to get more proactive about how they communicate about giving and—more importantly—how they demonstrate the good that they are able to accomplish when people give. In a world where people are overwhelmed with legitimate causes and problems, it's imperative that churches clearly communicate how financial investments are used to grow the kingdom and serve others.

Capturing generosity opportunities

Since the beginning of the 21st century, charities have been capitalizing on technology to raise funds for disaster relief. After the Indian Ocean tsunami in 2004, text-to-give was used to raise \$200,000. When the 2010 Haitian earthquake left nearly 3 million people killed, injured, or homeless, the Red Cross raised \$22 million via text messaging—and that was raised in \$10 increments.

What made text-to-give so valuable to nonprofits was that it created an instant relationship between the exposure to a need and a means to respond. In 2010, around 80 percent of Americans had a cell phone, which gave an immediate outlet for their compassion. The Red Cross didn't have to worry about someone losing the feeling that they could make a difference or forgetting to send in a check later. It was an instant stimulus and response.

Social media has made it easier for nonprofits to target potential givers with ads based on their interests and history...

So much has changed since then. Social media has made it easier for nonprofits to target potential givers with ads based on their interests and history, and the rise of mobile apps have made giving even easier with a more intuitive and seamless experience. So even though many of these organizations have benefactors who give regularly, they've discovered the potency of enabling people to respond instantly.

Moving forward, churches will need to continue to shepherd people toward generosity and regular sustained giving, while finding ways to encourage impromptu giving. Because as distasteful as it is to say out loud, churches are competing with other charitable giving opportunities now more than ever.

But that's not necessarily a bad thing.

Some competition for charitable dollars encourages churches to spend wisely and become more transparent in how money is being used and distributed. As local congregations demonstrate how they're genuinely making a difference and investing into the communities around them, it creates an incentive for Millennials to rethink the efficacy of the church.

But this really comes down to a church's ability to provoke the desire to give and provide the immediate means to do so. It's just not advantageous to put up a Facebook post that says, "Don't forget! We're taking a special offering for the local women's shelter on Sunday." It's great to take a

special offering, but why wait until the weekend? What about the people who won't be there this Sunday? What happens when they see a GoFundMe five minutes from now and spontaneously give their charitable budget to that need?

As valuable as taking an in-service offering can be, it simply can't be a church's primary method of collecting funds. It's vital that they're thoughtfully, intentionally, and consistently guiding people toward a mobile app that makes giving quick and easy. In the same way that you want people to respond to the impulse to pray by praying, you want them to be able to respond to the impulse to be benevolent by being benevolent. You don't want them to have to wait for Sunday in the hopes that the inspiration is still active.

Creating trust in a skeptical generation

Younger generations are increasingly skeptical about the role churches play in society. And while we can argue about whether that skepticism is valid or earned, it exists. The [Barna Group did a study](#) back in 2015 that demonstrated just how deep that mistrust went. Earning that trust back is profoundly important.

It's not a new phenomenon that people are wary when the church starts talking about money. It's always been an issue. The bad examples of unscrupulous clergy fleecing their congregations

and churches that spend money frivolously have poisoned the whole topic. Many pastors hate touching on this topic because they don't want to seem self-serving.

More than ever, people are overwhelmed with marketing messages and charitable requests.

But it's always been a topic that needed to be addressed consistently and frankly. Jesus talked about finances all the time, frequently using money as an indicator of one's

devotional life. It was almost as if how one handled their resources was a Rosetta Stone that interpreted the truth about their spiritual commitment.

Allowing this critical topic to be swept under the rug to keep people from feeling uncomfortable created a breeding ground for misunderstanding and misappropriation. In the future, this will be an area of considerable opportunity for churches. By tackling this topic head-on, you not only get to help people wrestle with issues of stewardship for themselves, but you also get to demonstrate openness when it comes to how the church handles the issue of finances.

More than ever, people are overwhelmed with marketing messages and charitable requests. Younger generations seem to be a lot less sensitive when it comes to talking about financial issues.

They're overburdened and open to the discussion—but they need to know that the church is on the level. And the only way to provide guidance and build trust is to talk about finances transparently and shamelessly.

How data is shaping the future of giving

By embracing digital giving, churches aren't jumping on a trend or a bandwagon. They're acknowledging and adapting to the cultural changes in the ways people are handling their money. The digital revolution has occurred, and churches that haven't already started moving in that direction are playing catch up.

What's remarkable about going digital is that it gives you instant access to data that was never regularly available before. Let's face it, no one had the time to take all of the checks and cash from the weekly offering and create intricate spreadsheets to study giving trends. But as electronic giving becomes the norm, churches have access to data that can help inform their decision-making and pastoral relationships.

Only 27% of the giving happened on Sunday morning.

This data will not only offer clearer insight into the church-wide, seasonal giving cadence, but it can also give churches a clearer insight into your congregational giving habits. Churches that use Pushpay have uncovered all sorts of interesting facts about how their church tends to give.

When Pushpay looked into the data around giving on our platform, we discovered that:

- **Only 27 percent of the giving happened on Sunday morning. The other 73 percent was stretched throughout the rest of the week—with Friday being the next-most-funded day at about 15 percent.**
- **Around 20 percent of the gifts are made between 7–9 AM, and 17 percent are given between 6–9 PM.**
- **About 10 percent of financial gifts are offered on the last day of the month. Another 6 percent comes in on the 1st and 5 percent on the 15th.**

Do you see how that kind of data could be valuable? Not only does it demonstrate that people don't want to be restricted to Sunday-only giving, but this kind of information could help inform when you send out reminders about fundraisers and drives your church is doing. If you know that a majority of your church gives on specific days or at specific times, it can inform when you send out emails or schedule social media updates.

Creating a framework for financial discipleship

A personal giving pattern is another extremely helpful data point that churches can draw from digital giving. There is very little visibility into how people are growing in their generosity—when used responsibly, this data can be a powerful discipleship tool.

Churches can create a system and resources to help people transition through the various stages of generosity. What's more, people's giving habits can be strong indicators of their spiritual journey. By having visibility into individual giving habits, churches can become more proactive about how they speak to individuals. Instead of trying to communicate what specific people need to hear to the entire church body, the church is equipped to be targeted and intentional in the way it talks to people about giving.

The Donor Development Strategy

The strategy of engaging givers and guiding them on their journey of generosity is not a new one. Non-profit organizations see this a fundamental practice to their day-to-day business. The same principles apply to churches and are even more meaningful because a person's generosity is strongly connected to their spiritual growth. Now with the availability of the right data, this is an even more powerful practice that can guide churches into the future of giving and budget planning.

One way that Pushpay is using data to empower churches with this donor development strategy is with the Donor Overview dashboard. Your church isn't made up of givers and non-givers. It's populated by people in a number of very specific places on their journey of generosity:

1. **First-time givers:** people who have been moved to make a first-time donation within the last 30 days
2. **Second-time givers:** people who followed up their initial gift with another
3. **Occasional givers:** people who tend to be sporadic or undisciplined in their giving
4. **Regular givers:** people with giving habits you could set your watch by
5. **Recurring givers:** people who have set up their giving to happen automatically
6. **At-risk givers:** people whose giving has recently stopped or they've paused their recurring giving
7. **Lapsed givers:** people who have completely stopped giving over the last 120 days
8. **Top givers:** people who carry a lot of the church's financial burden

Simply seeing the eight different places on this field helps one quickly ascertain the value of good data. The conversation that you'd have with each person on this spectrum to move them along in their faith journey needs to be completely different. And the Donor Development Dashboard allows you to quickly see where people are and develop a plan for engaging them.

Just imagine how this information could inform your strategy for people in various stages of generosity. The following ideas are just the tip of the iceberg.



First-time givers

The first gift to your church is a major step for someone to make. It shows they trust you and believe in what you're doing. And now that they've given once, choosing to give again will literally take them seconds. You would want to engage immediately and personally thank them for their generosity.

Maybe you could check these numbers every week so, and a pastor or staff member could personally reach out to them during the week. If the first-time giver is also a first-time attendee, this could be very meaningful. However you choose to reach out to them, this is also a perfect time to communicate how their gift is being used to serve the community and advance God's kingdom.



Second-time givers

Whether this is a fairly new visitor or someone who has been in your church for a while, giving a second time is a big step. Someone who gives once might have just been moved by the moment or a specific need, but a second gift suggests that someone is becoming more intrigued by your mission and considering their own commitment to the church.

This is a perfect opportunity to send an email thanking them once again for giving and inviting them to take the next step in their development. This could include encouraging them to attend membership, discipleship, personal finance, or stewardship classes.

You could also remind them about Recurring Giving, which allows them to set up their giving to happen automatically.



Occasional givers

These are people who have made one or more successful payments to your church, but they don't fall into the category of a new, second-time, or regular giver. First-time givers who haven't given again in the last 31 days fall into this category.

This could be a group to whom you send an email thanking them again for the last time they gave and showing what goals that regular giving empowers the church to accomplish. Help them understand how their giving serves the church and the community.

And why not add a postscript reminding them about Recurring Giving? Or you could add a postscript about an upcoming giving campaign.

Regular givers



People who practice disciplined and intentional giving don't do it to receive attention or applause. They do it because they're committed to serving the church with generosity. But this doesn't mean they should sacrifice in obscurity. Demonstrating gratitude to the people who faithfully give their time and resources affirms them and lets them know their offerings are appreciated.

But faithful givers are more than financial partners—they're examples of commitment. These folks are resources to help you better understand what motivates others to take that step themselves. They're people you might want to connect with to hear their story; find out what encouraged them to take the necessary steps to become more disciplined in their giving and how generosity is having a positive impact on their life.

When you find someone with a particularly powerful or moving story, ask them to share their story with others. Occasional givers need to hear how consistent giving has positively impacted the lives of others. These testimonies can be filmed, written, or shared live. And they can be used in all sorts of places:

- [Sunday-morning testimonies](#)
- [Social media posts](#)
- [Websites](#)
- [Emails](#)
- [One-on-one mentoring](#)



Recurring givers

Recurring givers are the best givers in your congregation—not just because they give more, but because they're the kind of model givers you want all attendees to reflect. To praise these people even more, recurring givers [give 42% more](#) than a typical giver and they [give 28% more](#) in additional gifts than non-recurring givers.

Plus, when your congregation gives consistently, it makes it easier for your church to budget.

It's so important to stay connected to these givers because they mean so much to your church. Even if they're simply doing it out of convenience, they're still recognizing that they have no intention of ceasing in their giving. At the very least, send them an email and thank them for their generosity. To show even more appreciation, host a dinner or reception to celebrate them and show off all that their giving has contributed to. You can host an event like this near the end of the calendar year which will also serve as a reminder to your donors about their year-end contributions.

It's wise once a year to send an email out to recurrent givers and remind them to reevaluate their giving. Maybe they set their giving at three percent of their income and it's time for them to challenge themselves by giving more. Or maybe they've gotten a promotion and a raise and haven't thought about making an adjustment in their giving.



At-risk givers

Here's where data becomes incredibly valuable.

At-risk givers are regular givers whose last gift was between 91 and 120 days ago, or they're a recurring giver who has either cancelled or paused their giving, and their last successful gift was 32–120 days ago.

Typically this is a cross-section of people that a church wouldn't have much visibility on. These are people whose giving has abruptly stopped—and it represents potential problems that might go deeper than simple financial issues. This could be a red flag that there is something urgent going on.

It could be that someone has lost their job or there is some other financial crisis that they're too embarrassed to tell the church about. Or maybe this is in response to some kind of offense that needs to be straightened out. It could be that something was said from the pulpit that they disagreed with, or maybe there's conflict in the church that you're not aware of. Maybe there's been a church decision or direction that has made the giver question their alignment with your vision.

When a regular giver suddenly stops, it could be a sign of a crisis that the leadership is unaware of. Think about it this way: consistent giving is a sign that a person sees a church as their community and family. Someone like that doesn't just spontaneously decide to leave the church; they begin pulling away. When someone used to be a steady giver and suddenly becomes a sporadic one, it might be a sign that there are problems.

You aren't able to know every single person in your church but this data helps surface the people that may need the most support and attention. It's not about their giving, it's about what their giving habits may indicate about their spiritual health.



Lapsed givers

When someone who used to be a recurring or even a regular giver has stopped giving for more than 120 days, they become a lapsed giver. Hopefully, you can keep this group down by being proactive with the at-risk givers. It's going to be a lot easier to influence an at-risk giver than a lapsed one.

Remember, a lapsed giver used to give consistently. So it's important to keep reaching out to them personally and find ways to make them feel connected and cared for. Keep in mind that something significant is happening when someone moves from committed giver to no longer giving. The lapse is a symptom of changes or crises that need to be addressed.

Data makes the difference

As you can see, accurate and timely data can have a huge impact. Without good data, a church doesn't have this kind of insight into patterns and behaviors. In the past, knowing where people were on their giving journey would have taken a lot of time and effort. But by transitioning to an innovative digital giving solution, you're not only meeting people where they are in everyday life, you're also creating data trails that make it easier to collate and interpret all kinds of pertinent information.

The usefulness extends beyond what you can learn about your members, but it can also help inform how you communicate with them. In the early '90s, a church might send out mailers to church members and have almost zero insight into their effectiveness. When churches started collecting email addresses in the mid to late '90s, the thinking was that communicating via email would be cheaper and less time consuming, but over time, more and more data became available.

Churches could suddenly see things like: how many people were opening their emails, when they were being read, how many people were clicking on links, and whether they were using computers or mobile devices. Industrious churches started taking advantage of this information by testing different kinds of messaging, templates, and even the best times to schedule emails. The data became a tool that enabled churches to do more effective work in less time.

The same is true for digital giving. Over the last ten years, access to data has made digital giving much more than a nice alternative to carrying cash or writing a check; it's helped simplify the whole process. This includes making it easier for bookkeepers to prepare and send end-of-year giving statements and do [batch reconciliations](#). But as time has passed, churches have discovered how the collected data is making it easier to communicate with and inspire their members to get more involved.

In the past, treasurers and pastors would have to do a lot of work to put together giving information for an annual board or church membership meeting. All of that work would be put in to get half the information that's available today at the push of a button. Having in-depth and insightful data at your fingertips enables churches to create budgets that just make sense and equips them to understand and communicate with members easier—not to mention more effectively.

Data discipleship

Companies like Amazon, Apple, and Google understand that the future is data driven. These organizations use data to influence their future decisions and direction. But unlike these companies, the church has the opportunity to use data in a positive way that encourages spiritual growth and maturity.

The digital revolution has already happened. We've already seen dramatic changes in the way church members manage their money. But with these changes come all-new opportunities to understand where people are and how we can foster growth, understanding, and generosity.

Interested in learning how Pushpay can partner with you to provide your staff with the data and insights needed to deepen connections at your church?

TALK TO AN EXPERT



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