The New Church Start Funding Model of The Center for Church Development (CCD)
North Texas Conference of The United Methodist Church (NTC)

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In 2018, the Center for Church Development (CCD) changed the way new churches are funded in the North Texas Annual Conference. Prior to 2018, the North Texas Conference funded new churches at around $300,000 through block funding, according to the following formula:

- $50,000 the first six months,
- $100,000 in the first full year,
- $80,000 in the second year,
- $50,000 in the third year, and
- $20,000 in the fourth year.

This funding model was developed to help churches launch stronger and faster. It was generally used in higher-income mission fields in which there was some affinity toward the United Methodist denomination. The strategy was designed so that congregational giving would replace declining conference support. The guiding principle was uniform funding, so all churches, regardless of context, operated under this same funding strategy.

Regrettably, this model has not served the North Texas Conference well in recent years. Congregational giving in the vast majority of church starts in the North Texas Conference has not been able to fill the gap created as the conference block grant decreased each year. Congregational giving was not incentivized financially in the earliest seasons of the church plant, so congregations soon found themselves without adequate financial resources. This block funding model also resulted in the overfunding of church starts, which ultimately made congregations unsustainable. Consequently, an unacceptable percentage of our church plants have closed in recent years after hundreds of thousands of dollars had been poured into the projects. One such church even exceeded $500,000 in conference funding before it was closed.

A better model was needed, and it was developed in 2018. The new guiding principle in the new funding model is to fund church starts **strategically** and to use **leveraged funds** in lieu of uniform, block funding. Each church plant can still earn up to $300,000 over the lifetime of a church plant; however, these funds will be distributed strategically and will be leveraged at each stage of the church plant.

Strategic Funding

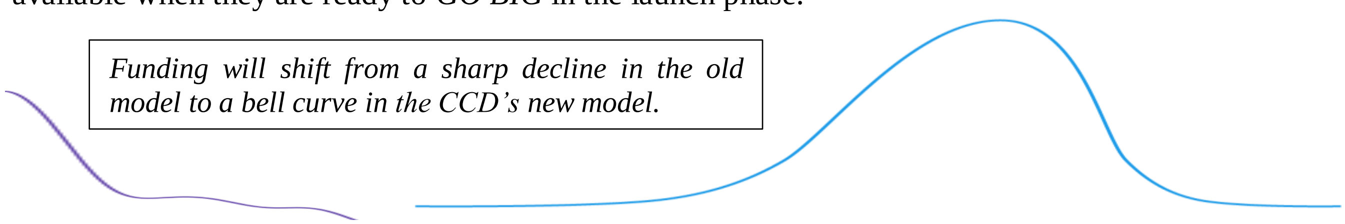
All ministry is contextual, especially church planting. Standard formula, block funding does not acknowledge this reality. Therefore, the Center for Church Development is taking extra care to pay attention to the nuances of each planting context (including the phases of the church plants) and is doing the extra work to fund each plant at each phase strategically. The goal is to not underfund or overfund any church plant in order to optimize funding for success.

For example, in the earliest phases, data shows that church plants do better with *indigenous leaders*. "Indigenous" can refer to culture, race, ethnicity, geography, and so on.

Indigenous also concerns a planter who originates in the sending congregation and its culture. Data shows that the more *indigenous* the planter is to the sending church that is planting as well as to the mission field, the more likely the church plant will be successful. “Indigenous” should be seen on a spectrum. On one end, the most indigenous leaders are those who have spent their lives in the community and culture where the church is being planted and who have been discipled in the church from which the planter is being sent. On the other extreme is a planter who has never spent time in the context and does not even speak the language of the mission field. When a planter is being moved into a new context, data shows that the more integrated a planter *can become* in both the mission field and in the sending church, the higher will be his or her success rate.

An adaptive and culturally intelligent planter will become more and more “indigenous,” the longer the runway that planter is given. While on this runway, mission-field income is limited. During this time, the planter is learning the communities, building relationships, and building a launch team and seed congregation. The greatest expense during this season is the salary of the planter. In this season, the Center for Church Development ideally places the planter in a bi-vocational role so that a smaller amount of the $300,000 is used. Ideally, the second vocation of the planter is aligned with the plant. For example, the planter could work on the staff of the sending church.

In the past two years of making this shift, almost all of the second vocations have been in the sending churches. Bi-vocational planters in the North Texas Conference are serving half-time as a children’s minister, as a director of a community center where the church is being planted, as a worship leader, and as an associate pastor. In other churches, the planter is working fulltime in the sending church and is not using any of the $300,000 during this season. In another church, the planter worked part-time as a substitute teacher in the ISD of the mission field. Because the Center for Church Development was not paying 100 percent of these salaries, these churches used less of their grant in these early years than in previous models, thereby enabling funds to be available when they are ready to *GO BIG* in the launch phase.



Funding will shift from a sharp decline in the old model to a bell curve in the CCD’s new model.

Strategically, the church should spend the largest amount of its funding to *GO BIG* in the launch. After numerous hand-off events, numerous preview services, when the kinks of worship have been smoothed out and a strong leadership and critical mass is in place, the largest chunk of the grant should be used to launch BIG. Referring to the lines above, the bell curve not only represents funding, but the first half of the bell also represents participation, membership, attendance, and giving. The swell of the bell curve represents the “momentum” and launch seasons of the church plant. As participation and potential giving in the mission field increases, additional funding at this strategic time in the life of the church enables churches to hire staff, advertise, and improve the quality of the worship experience during the key launch time. As in the previous model, Center for Church Development funding then declines, as congregational giving replaces conference funding; ideally, with more funding available during this season and a greater foundation and culture of giving so that the decline in conference funding does not hinder or destroy the newly formed church.

Leveraged Funding

The Center for Church Development has identified block funding as an ingredient in poor performance. Block funding can discourage planters from raising funds and discourage supporters and congregants from giving. Data shows that matching and challenge grants yield greater giving. Guided by our principles of using strategic funding and leveraged funding, the Center for Church Development has shifted from block grants to *challenge grants* and *matching grants* for projects.

Challenge grants and *matching grants* are distinct. *Challenge grants* require a planter or congregation to raise a specific amount of funds in order to receive the grant, meaning no funds are granted until a specified goal is reached. In contrast, *matching grants* give an allocated amount for each dollar raised by the planter or congregation. *Challenge grants* are generally used for capital grants. *Matching grants* have become the CCD's means for granting operating funds.

The simplest matching formula is a dollar for dollar match. For each dollar raised by the planter and/or congregation, the CCD matches that dollar with a dollar. The CCD is able to be nimble in the formula. So far, the CCD's formulas have ranged from the CCD giving $2.00 for each $1.00 to giving $0.40 for each $1.00. The CCD strategically sets the formula each year per the context and planting phase in order to inspire and to stretch the planter, the congregation, and donors to yield the highest contextual income for the project.

During the runway phase of a church plant, the CCD incentivizes planters to raise *friends and family* money. For example, the CCD challenged one pastor by offering $2.00 for each $1.00 raised for an up to $30,000 grant. This incentive gave the church where the planter previously was serving an opportunity to celebrate the planter's call through raising funds for the project, knowing that their gifts were being doubled by the conference. This planter successfully raised $15,000 from the time the planter found out about the appointment until within the first two months of her planting appointment. The $15,000 the planter raised in addition to the CCD's $30,000 match gave the project a total of $45,000, while only drawing on 10 percent of the $300,000 potential grant.

As the new congregation develops, the most sustainable giving is mission-field/congregational giving. While friends and family may give in the earliest seasons of a church plant or for special occasions or projects, those who congregate or are being discipled by the church tend to be the most faithful for long-term giving. Generally, after the initial six months or first year, the CCD shifts funding from leveraging all giving to leveraging giving from those who are being discipled in the new congregation.

Again, amounts and formulas are strategic per context and phase of the plant. This model celebrates that giving is not about amounts and who gives the most as much as it is about testing "sincerity" and "earnestness," about helping people give "according to their means," and about assisting leaders in God's church to "excel in this grace of giving" (2 Cor. 8:3-8). Stewardship and generosity thus are poured into the foundation of the new congregation. As leaders and people commit to the new church and come to understand the matching funding model, they expand the financial stewardship and serve in the discipleship of the new congregation to help others "excel in this grace of giving."

Benefits of Leveraged Funding

Leveraged funding has numerous benefits. Here are eleven benefits of leveraged funding. First, the CCD's funding model is about *making disciples of Jesus Christ for the transformation of the world*. Christians believe, "It is more blessed to give than to receive" (Acts 20:35). Too many planters have been too hesitant to actively offer this blessing. The CCD's new model incentivizes planters, who may have not developed their own discipline of giving or may be hesitant to ask people from the mission field to give, to both give and to encourage others to do so in order to experience the blessings of giving.

Second, this model encourages planters and others to place their treasure in the project and thus encourages planters and people to place their hearts in the project because. as Jesus said, "Where your treasure is, there your heart will be also" (Mt. 6:21 *NIV*). Third, under Jesus' assessment, this model assists the CCD to assess the planter's commitment to the project as well as the planter's ability to lead others into placing their treasure and hearts in the project. If the planter is not personally giving to the project, his or her heart is not in the project. If the planter is unable or unwilling to lead others to place their treasure in the project, the CCD will need to offer additional or specific coaching to help the planter sharpen her or his fundraising skills or to adjust the project as the CCD becomes aware of the project's financial limitations.

Forth, planters are encouraged to have stewardship conversations with their leaders, launch team, and people in the mission field earlier as a part of holistic discipleship. This helps establish a generous DNA in the new congregation as the planters and leaders live and instruct "to do good, to be rich in good deeds, and to be generous and willing to share" (1 Timothy 6:18).

Fifth, in the same way that the CCD can assess the commitment of the planters by the planters' giving and asking others to give, in these stewardship conversations, the planters can also assess their launch team members' and their leaders' commitment levels.

Sixth, this model assists the planter in developing a broader donor base faster. Data shows that leveraged funding yields *more givers*. While many *friends and family* in the early phases of the plant often make one-time gifts, others may become faithful and consistent supporters. Some friends and family may also be inspired to give at various moments in the life of the project, such as giving for anniversaries or other special occasions, for the launch, for projects, or for capital campaigns. Other donors in this runway season will become a part of the congregation they have invested in financially.

Seventh, as the congregation develops, new people are encouraged to start giving sooner, as their giving is multiplied by the CCD. Again, growing giving from those being discipled in the new congregation offers the strongest base of financial giving for the long-term sustainability of a congregation. As formulas and matches become based off people being discipled by the church plant, a longer-term donor base is developed.

Eighth, adjusting the leverage formula each year and even during the year allows the CCD to be nimbler. The model's nimbleness gives the CCD, the planters, and projects the ability to both spend and raise money more strategically. For example, only five to ten percent of funds are earned or spent during the first six months, since the earliest grant is based off friends and family giving, and expenses are being strategically minimized.

Ideally, these initial *friends and family dollars* would be escrowed by the CCD as *already earned dollars* to be spent strategically during the momentum phase. In the pre-2018 model, 17 percent of conference funds were allocated in the first six months. Then, within a year and a half of the project's start, half of the conference's $300,000 already had been given and oftentimes spent with little congregation to show for the money. One congregation being funded under the previous model spent over $200,000 in the first two years of the project, only to be closed because of the lack of any significant traction in the two years. Matching funding helps the CCD to become *more faithful and wiser managers* of conference funds (Luke 12:42).

Ninth, *matching funding funds fruits* (say that 3 times). As churches perform, so they receive (Mt. 25:14-30). In each given year, the churches that grow receive greater funds as amounts and formulas are set as stretch goals. Those churches that are not growing will receive less. If a church is growing rapidly and is quickly exceeding its yearly grant, the CCD, in its nimbleness, is able to take funds from a church that is not making its grant and potentially apply it to a church that is growing and in need of funds to leverage that growth. Also, the CCD can carry over the savings from stagnant and declining church plants to apply funds to growing plants as well as to fund new projects.

Tenth, matching funds granted yearly can result in an end-of-the-year influx in giving. Because of previous tax codes and because the end-of-the-year is a *season of giving* for many cultures, matching funds incentivizes giving toward the end of the year when churches have not hit their stretch goal. The *matching* grant of the CCD can come to feel like a *challenge* grant as pastors talk about the money they are "leaving on the table" if they are unable to reach the full match, and to challenge their congregation to get the full grant.

Finally, education around matching funding gives the United Methodist connection, multiplication culture, the NTC, and the CCD greater exposure to donors, to new congregants, and to congregants of sending churches. Again, strategic, leveraged funding primarily is about discipleship. Our prayer is that churches being planted today, knowing they are being helped by a connection of believers, will be our sending churches tomorrow. Instilling a sense of generosity and connectionalism in new and existing congregations can help lead the North Texas Conference into a new season of church planting.

Closing

The CCD's new funding model is only two years old, and the results are positive. Other churches under this model have seen an increase in funding as pastors and leaders of congregations take advantage of the matching funding model. One congregation, Oasis African Fellowship, has seen a 153 percent increase in congregational giving since beginning matching funding in January 2018. Another example, the Latino congregation at Kirkwood UMC, has experienced 40 percent growth in congregational giving.

On the other hand, financial weaknesses in some of our churches have been exposed and have led leaders of projects to close the project earlier, thus saving the conference and the local church further years of expense. Strategic, leveraged funding is also causing leaders to rethink strategies in how to launch stronger. While general data has already shown that matching funding increases giving, the NTC has its own data that shows that shifting to a strategic, matching funding model yields greater income and better results than uniform, block funding. The CCD is making this shift in all projects and for all phases.