

Financial reserves

Does my church really need them?

We talk to church leaders every day. Our team understands your concerns about meeting your ministry's needs today and tomorrow. We're going to set out to convince you that saving for a "rainy day" is being a good steward—and generous and wise to boot!

If you've ever attended a finance seminar or listened to almost any financial advisor, you understand the wisdom of having a personal emergency fund, or rainy-day fund. However, what we understand and what we do don't always match.

The average American does not have the recommended three months of expenses set aside, let alone the six months or more that is broadly considered prudent in case of emergencies.

Saving can feel like an onerous task, especially when budgets are tight. And our society is good at pressuring people to spend.

Is it any different for a church? Don't we feel the same push and pull of present and future needs? The quick answer is "no, it's not different, and yes, we should set aside reserves." Easier said than done! For most of us, this exercise is akin to taking on a triathlon after training for a 5K.

If you're like us, understanding the big picture, the why, makes saving easier.

Let's look at a few reasons why creating and maintaining reserves make sense.

Stewardship

We are stewards of everything we've been blessed to have, including buildings, church members, ministries, time and relationships. Managing our blessings includes being able to handle unplanned issues as they arise.

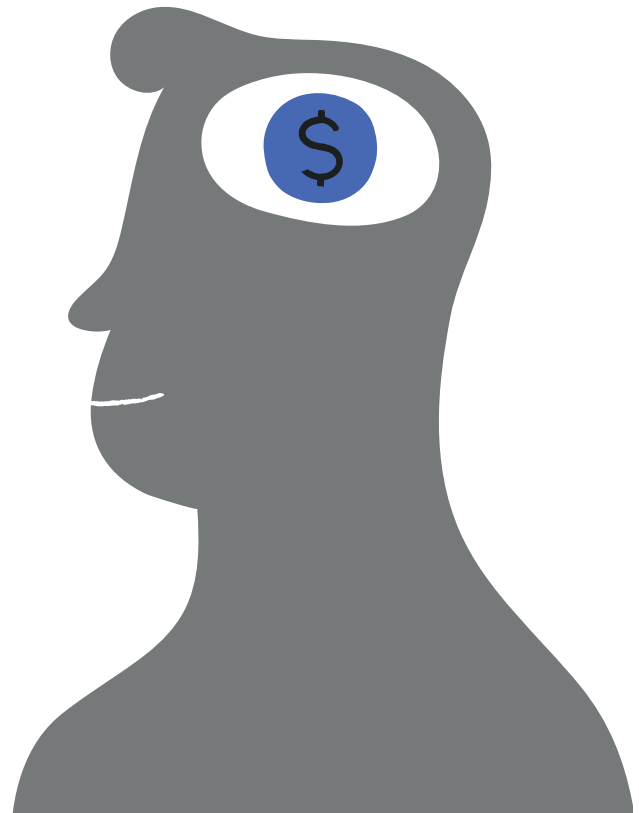
We often see church leaders feel guilty about setting aside finances that have been donated, tithed or offered. They regularly raise two concerns. First, the resources were provided to carry out a ministry, not to set aside. Second, what about faith? If God called us to do something, won't he provide the resources? Both are true and valid, but the Bible also advises us to plan and be responsible for our resources. Planning to be financially secure and being good stewards can go hand in hand.

Modeling

As leaders of churches and ministries, we want to be considered role models and above reproach. If we think it wise for our church attendees to have savings or reserves in their personal lives, why not model this behavior transparently to the individuals we hope to influence?

Trust

Any leadership seminar will tell you that strong leaders garner trust. Trust may need to be built over a lifetime.



But it can be damaged in only a moment. Being able to fund the emergency building repair or span the leaner summer months helps instill trust in ministry leaders. Many church members become uneasy when leaders have to come to them with unplanned needs or budgets—and no contingency plan. Trust isn't necessarily broken, but it may be dented.

Wisdom

Proverbs, known as the Book of Wisdom, offers advice in the area of finances. Proverbs 6 contrasts the ant that gathers and stores for later versus the one that doesn't plan ahead and has to deal with scarcity. We, too, ought to plan and store up enough for future needs, as a matter of wisdom.

Generosity

Have you ever had a friend or church member lose his or her job and wished you could help offset a significant bill but didn't have the means? Have you heard about a ministry that was doing incredible work, had an urgent need or opportunity, and you wanted to help but didn't have extra money to contribute? Sometimes being generous is spontaneous. Sometimes we have to plan in order to be able to be generous. You can only spend a dollar once. If you haven't spent it, it's available when you are moved to share it. Thus, saving isn't necessarily only for the benefit of the saver.

Have we convinced you yet?

Oh, and more food for thought: If you're refinancing as interest rates decrease or are looking for a loan to expand a building or to purchase a building for a new campus, one of the first questions your potential lenders will ask is what you have set aside as financial reserves.

Having a reserve account or emergency fund can be a powerful tool in any church's financial toolbox, as well as in its ministry—an umbrella for those rainy days.

**“Go to the ant, you sluggard;
consider its ways and be wise!
It has no commander, no overseer
or ruler, yet it stores its provisions
in summer and gathers its food
at harvest.”**

Proverbs 6:6–8 (NIV)

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