



FROM NUMBERS TO NARRATIVES

USING A NARRATIVE
BUDGET TO BUILD
GENEROUS GIVING





DISCIPLESHIP MINISTRIES

The United Methodist Church

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FROM NUMBERS TO NARRATIVES: USING A NARRATIVE BUDGET TO BUILD GENEROUS GIVING

Every church needs a budget. It's a roadmap for the financial life of a church. It helps us prepare for the journey of the coming year in ministry. It helps us know where we are, keeps us on course, focuses us on where we hope to go as we do the work of making disciples of Jesus Christ for the transformation of the world.

In many places, budgets are prepared and shared as spreadsheets — columns and rows of numbers. However, there is much more to a budget than numbers. There are stories of lives touched by ministry and a commitment to mission; and there are hopes and dreams of a community transformed by the witness of a local church. Stories and hopes and dreams do not show up in spreadsheets.

Spreadsheets are important tools that help financial leaders do their work in the church. They provide vital information for planning. They enable congregational leaders to be faithful in their stewardship of the church's resources. What spreadsheets cannot do, however, is motivate the majority of people to give. A surprisingly small percentage of the American population can read and understand a line-item budget. Too many churches distribute copies of the annual budget, believing that they have communicated important information. Unfortunately, very little communication has occurred. People do not give to budgets. They give less from the head than from the heart. People give to other people, to needs, to causes — to things that make them feel good and happy. Budgets miss these key targets.

Often, what is contained in a line-item budget is of little interest to the majority of people who attend our churches. Moreover, many church leaders find line-item budgets confusing to understand and to interpret to others. Most

people who are going to give to the church *will* give a certain amount to support the facilities. People realize that there are costs to maintain the building, pay the insurance and utilities, and to support the pastor. Most people are motivated to give to support the mission and ministry of the church.

The narrative budget is one way to give people—especially those in leadership positions — an opportunity to experience the mission and ministry that are achieved through the various line items. It focuses less on the financial numbers and more on what the numbers accomplish. It is a one- to two-page presentation that explains: (1) what the church hopes to accomplish and (2) why funds are needed to reach and exceed goals.

The following is one example of a narrative budget.

MISSIONS

The ministry group on missions has done an excellent job providing leadership for our congregation. Our mission involvement has increased greatly in the past three years. We support H.E.L.P., a local community-based ministry that offers emergency food and clothing assistance to needy families. We are beginning a second year with our thrift shop and soup kitchen. The Growing Needs Mission Center receives monthly offerings from our church. Through our Church World Service, Africa University, and Black College Fund apportionments, we give \$7,500 in support; and we contribute approximately \$3,200 to the six designated United Methodist Special Sunday offerings annually. We can continue this work next year with \$12,000 in support. Our hope is that we can exceed that goal by another \$2,000. That will enable us to send a representative from our church on the mission trip in July. Future plans include reaching out to our community through literacy programs for children and adults and support of the Women's Shelter Project. For an additional \$2,000, we will be able to train crisis counselors to work with the shelter and to build a library to teach men,

women, and children how to read. Your faithful support of these ministries through your financial contributions helps our church grow strong in missions and outreach.

DISCIPLESHIP

The church council has reviewed our program ministries for the past year and hopes to continue providing high quality opportunities for spiritual growth, learning, and worship in the year to come. In education, we fund our curriculum and resources with \$1,500 each year. The additional \$1,500 we received this year allowed us to purchase new Bibles and learning center materials. We hope to do the same in the coming year, funding the church school needs and adding to our resource library. An additional \$2,500 will enable us to provide the church school with a television and DVD player, and *Disciple* Bible study materials for a new group. We plan to purchase new whiteboards and bulletin boards for each classroom. We have received two donations toward our whiteboards, totaling \$550. With an additional \$1,000, we will be able to purchase these and the bulletin boards.

WORSHIP

Worship would like to continue to count on \$500 for the coming year for worship supplies. The \$900 memorial gift allowed us to purchase new paraments for Lent, Easter, Christmas, and Advent. We hope to purchase Pentecost and Kingdomtide paraments this year for an additional \$450. We also plan to replace 50 hymnals. We have \$200 designated for hymnals, but we need another \$400.

MEMBER CARE

Member Care is still working on developing the Stephen's Ministries program, and we are thankful for the training we received this year. We hope that we can use \$900 for training and resources in the church. For twenty-five percent more, the membership ministry group will

purchase devotional booklets to give to homebound and hospitalized members and friends. We are still developing visitor packets and would like to purchase commemorative mugs to give to visitors to our church. These will cost about \$350, and we will get them if the funding is available.

PASTORAL SUPPORT

We have been very faithfully served and are grateful for the fine leadership of our pastor. The staff-parish relations committee has recommended a three percent increase in salary for the coming year that we joyously support. With increases in hospitalization coverage, pension, continuing education, and travel expenses, the pastoral support for the coming year will be \$76,975.

OTHER STAFF & SALARY

Youth Pastor	\$32,500
Secretary	\$28,000
Music Ministries Director/Organist	\$31,500
Custodian	\$25,350

BUILDING & GROUNDS

We estimate needs of \$126,750 for the coming year. Insurance on the church and on the parsonage will be \$11,175.

This is just a sample of what a narrative budget might contain and the way it might be presented. Dollar figures are rounded and easy to comprehend. No totals, and no bottom-line figures are provided. Instead, there are estimates of costs and dreams for what more might be done if money is available. Narrative budgets do a better job of speaking a language that the majority of people can understand.

In the “Missions” section, you can include the amounts in your budget for conference mission shares (apportioned giving). This is the mission impact your church has that reaches far beyond the walls of your church and the boundaries of your community. You will not want to include health insurance or pension contributions that are sent to the conference in this section. These should be included when we discuss pastoral/staff support later.

Notice three things about this very simple narrative budget. First, it lists the programs and missions of the church first. Often, pastoral support, building maintenance, insurance, apportioned funds, and salaries are listed first in a line-item budget. Apportionments have been incorporated into the mission and ministry of the church, since they are an extension of the local church’s ministry throughout the world. Mission and program budgets fund the work of the church. It is important to highlight these needs first. These programs and ministries are what most people care about deeply. We do ourselves a great favor when we list these things first.

Second, in this scenario, the church chose to offer a variety of dollar amounts in some areas: a low, a medium, and a high goal. The low figure is the minimum needed to do the work that must be done. The middle figure is a dream figure that would allow us to do more than the minimum. The high figure is also a dream figure that allows us to provide a vision for what we could do if actual income is greater than the projected income. Many people who read a narrative budget are so inspired by the medium and high goals that they will “go the second mile” to make the dreams a reality.

Third, certain budget amounts receive no description. These are fixed costs, such as insurance, utilities, and maintenance that do little to motivate increased giving. Few people plan to give more than is needed to cover the fixed costs of running the facilities.

It is for this very reason that some consultants who work with churches in developing narrative budgets suggest a

slightly different approach. **It involves dividing building and operating expenses across the programmatic and ministry areas of the budget.** To accomplish this requires estimating the percentage of building use that would be associated with each of the ministry areas listed above (or the ones your church identifies). Let's walk through how this might be done.

1. First, we are going to put to the side the categories of **Pastoral Support** and **Other Staff and Salary**. We will bring them back into the mix later.
2. **Estimate the number of hours your facilities are in use each week.** It is an estimate, but don't pick the busiest week of the year or the quietest. Sometimes looking at the calendar for a month is helpful. Sunday worship, church school, youth ministry, music rehearsals, fellowship groups, church office hours — all add up. Be sure to include times when your church is open for groups outside the congregation. Providing space for an AA group can certainly be considered part of your church's ministry to the community. Come up with a total. For our purposes, say you come up with 60 hours of operation per week.
3. **Divide those hours among the categories you've created.** Remember, these are estimates, and there will be overlap. Come up with numbers you think are fair and reasonable. Perhaps you come up with 18 hours for worship (and worship preparation), 12 hours for mission, 15 hours for discipleship, and 15 hours for member care.
4. **Calculate the percentages.** In our example, worship was 30% of the usage, mission was 20%, and discipleship and member care were each 25%.
5. **Allocate that percentage of your building and operation costs to each of these areas.**

This helps your people see that your building is more than bricks and mortar; it is an important tool to help you accomplish your mission and ministry.

Some churches have built on this and have used a similar process for dividing staff time (pastoral and non-pastoral)

among the areas of ministry of the church. Smaller membership churches that have only one paid staff person might use similar percentages. These are rough estimates and are designed to give church members an idea of how the budget supports mission and ministry. Staff costs should also include the benefit costs associated with those positions, such as the amount the church contributes to the pastor's health insurance and pension.

In churches with more than one staff person, you might want to look at each position individually and estimate the percentage of time devoted to each. For example, a music person might have 100% of his or her time credited to the worship section of the narrative budget, while a youth pastor might have his/her time divided 70/30 between discipleship and missions (just as an example). A church secretary, custodian, and others should be examined and estimated in similar fashion.

As more churches have moved to presenting narrative budgets to their congregations, creativity has blossomed. Incorporate pictures and graphics. Illustrations make books come alive, make sermons come alive, and make narrative budgets come alive! If you can find someone in your church who can design an attractive layout for your narrative budget, people will find it more engaging. Images are better when they are actual photos of people in your congregation — that kind of recognition draws people in — more so than images that are obviously from a stock photo library (although stock imagery is better than no imagery). Think of visuals that communicate the mission of your church; think how well a basin and towel communicate the mission of service to others.

Illustrations are not just artwork. Stories and testimonies from the people in your church or those you serve can be powerful illustrations of how the generous support people give to your church makes a difference in the lives of others.

If your church has never built a narrative budget, consider putting one together this year. The first narrative budget

will involve some extra work; in future years, you will find it easier. Dollar amounts will change, but percentages will not fluctuate as much. Descriptions of your mission and ministry areas will involve minor editing. Be sure to use new pictures and illustrations so each year's narrative budget seems fresh and relevant.

If you would like to see samples of how other churches have done their narrative budgets, you might contact one of these people in your conference:

1. Your district superintendent
2. Your conference treasurer
3. The United Methodist Foundation that serves your conference.
4. Check out the following web page: <http://www.UMCdiscipleship.org/resources/sample-narrative-budget>

You will be pleasantly surprised how well a narrative budget helps you focus on how your church is making an impact in ministry, as you interpret to the donors in your congregation how they are making a difference through their giving!

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