The case statement
Financial conclusions

Introduction

This paper offers guidance on drawing conclusions from the collection of financial data. The initial work may well be undertaken by the treasurer but time should be given at the planning group for a thorough discussion of the data. This will contribute to a real understanding of your current financial situation and identify areas of risk, concern and potential growth. A clear picture of what is happening will address the 'myth of scarcity' (W. Brueggemann) and the sense of being paralysed by financial shortage.

For us the myth of scarcity is actualised in the belief that there is nothing more to give or that everyone is giving all that they can. Addressing these myths honestly and fairly and tackling misconceptions is crucial if Giving in Grace is to have any chance of making a lasting difference to the church.

Doing the analysis

To produce the financial information for Section 3 of the case statement take note of the following:

1. Calculate the weekly income and expenditure for the current year and, from the parish plan, the coming year. Divide the totals by 52 for a weekly amount and always "round to the pound".

2. Make sure that the weekly costs analysis reflects the basic costs of running the church. It will sometimes be necessary to exclude also any unusual one off items such as a large insurance claim or major fabric repairs from the previous year. It will, however, be necessary to retain longer term exceptional items such as the repayment of a loan. Exclude also all income and expenditure from restricted funds.

3. Evaluate the patterns of planned giving within the congregation. The "headline" averages of weekly giving for tax efficient and non tax efficient giving often mask a much more complex story. Average giving levels can be distorted (the usual term is 'skew') by the very generous giving of a few members of the church. Significant numbers of planned givers can be giving rather less than the headline average might suggest. Giving patterns may highlight dependency on too few givers or unrealistic patterns of giving.

4. Evaluate the open plate collections. What percentage of giving income comes from loose or open plate collections and what percentage of the regular congregation is on the planned giving scheme, giving either by envelopes or Standing Orders?.

5. Assess levels of mission giving. Every parish should have a mission giving policy approved by the PCC/DCC. Average mission giving in the Diocese of Liverpool in 2004 was just over 8% of direct giving income, although this figure masks significant variation across the parishes. For many churches mission giving of 10% of church income is the aspiration.

The collection of financial information and the analysis of that information is a key element in completing the case statement. When the planning group has completed a first draft it will be shared with the church leadership for comments and input.