

Lifting the bonnet: about the giving profile

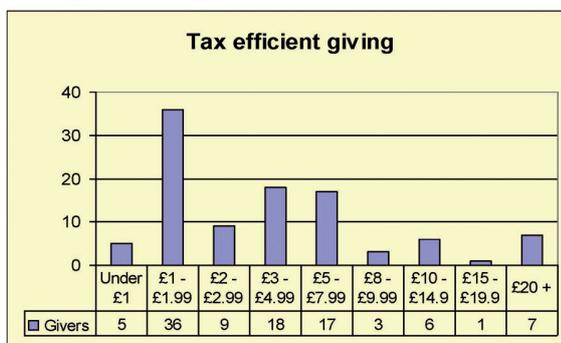
Building a giving profile helps us look under the bonnet of what is, for most churches, our largest source of income. This Stewardship Tasks paper suggests why a giving profile is important and explains the 'skew' that the giving profile will almost certainly show.



What is a giving profile?

Churches often monitor their income, expenditure and reserves and many will also be aware of average levels of planned giving. A Giving Profile adds to this helpful information, lifting the bonnet as it were to look at the engine that drives congregational giving. You may be surprised by what you discover.

The chart on this page illustrates a giving profile for a fairly typical suburban church. Note first that a giving profile is always anonymous; individuals are never identified.



In this 'typical church' there are 102 tax-efficient planned givers. On the left, 50 tax paying givers are giving less than £3 p/w. By contrast, on the right fourteen people give over £10 per and of these seven are giving over £20 – and in real life some will give

well in excess of £20. These fourteen people contribute maybe 55%-65% of the total tax efficient giving in the church; the seven biggest givers alone perhaps 40%-50%. Most churches depend on a few big givers.

Low levels of giving

This distinctive pattern of giving, a few big givers and a larger number of lower level givers is called 'skew'. It is found in charities. In 2012 the 6% of UK donors giving over £100 per month to charity contributed 40% of total charitable giving. ⁱ It is found in churches. A 2011 UK church survey suggests that the top 20% of givers may contribute over half (52%) of total giving, with average giving at £29 per week, more than twice that of the next 20%, at £12.28. By contrast, the bottom 40% of givers contribute just 12% of total giving. ⁱⁱ Among American churchgoers, the top 5% give 51% of total giving, the top 10% give 66%. ⁱⁱⁱ

Understanding skew

How and why does skew happen? Importantly, skew is *not* a result of the obvious fact that people have different incomes. We cannot assume that those who have the most give the most. If true, levels of giving would closely mirror levels of income; they don't. The skew in giving is much greater than the skew in household incomes. In cash terms, those with higher incomes do give more. But when lower income donors do give then as a *proportion of their income* they give more than higher-income donors. ^{iv} People have different incomes but also choose to give widely varying amounts of money not directly related to how much they earn. Skew seems to be a product of variable incomes, variable giving and a lack of correlation between income and giving. ^v

The median gift

The giving profile also identifies the *median* gift, which is what? If we stood 100 church givers in a line from the lowest to the biggest giver, the median giver is the person in the middle and the median gift what she gives, for example £6. But how does this help us?

Average giving levels are captured by and reflect this skew in giving. The average gift may be £10 per person per week but if 3 people give £40p/w and 5 give £20 a lot must give rather less than £10 to get that average figure. From experience we estimate the median tax efficient gift at around 60% of the average. Thus a £10 average gift has a median around £6 with half of donors giving less than £6 and many much less than that. The Giving Profile will accurately identify your median gift and offer a different, more realistic perspective on giving.



Where does the giving profile get us?

First, and most important, churches often hesitate to address giving because they assume that everyone is already giving all that they can. This is risky thinking; it can accelerate a downward spiral as leaders believe there is no way to address financial difficulties. The Profile will often show that this risky thinking is groundless. It may be a rather a shock to see how little some are giving but mostly it is encouraging to see there is capacity to increase giving in the church.

Second, the giving profile can underpin our confidence in asking for greater giving, in developing a stewardship culture and in the principle of [differentiation](#). Skew is a result not just of different incomes but also of the choices we make about our giving. Those choices reflect our underlying personal commitments and values and culture change happens when shared expectations and generosity as a congregational value are nurtured and grown. The discipleship approach to stewardship within Giving in Grace aims to do just, offering biblical principles and practical tools to resource that culture change.

Third, more practically the giving profile reminds us that we must *teach* about planned giving. In real life at least some of those giving just £3p/w will actually put more in their weekly envelope – but fail to bring envelopes for the weeks they miss. Check it out. Take a random sample and count how many

envelopes actually arrive in one year. Many people are giving less than they think they give. That's why standing orders, and Direct Debit where possible, are so crucial. ^{vi}

Methods of giving

The Giving Profile offers an additional perspective on planned giving framed around the methods by which people give. The Profile distinguishes those who give by weekly envelope and those who give via standing order and increasingly by Direct Debit and the more infrequent use of charitable giving accounts and payroll. This information, while optional, can prove most helpful in understanding the giving patterns in the church and developing a strategy to nurture planned giving.

A small number of givers

Where there are very few planned givers there are issues to consider, including the risk of compromising anonymity. Options are found in the guidance paper, *Creating the Giving Profile*.

And Finally

We won't eradicate skew in giving. Teaching generosity and a confident ask will certainly raise the bar of lower-level giving and encourage higher-level givers but the fundamental pattern will not change. The presence of skew is not a failure of congregational stewardship but we can't ignore it or let it justify the status quo.

Skew is not static. Some of our big givers will die or leave and a key stewardship challenge is to nurture the next generation of big givers in our churches. Skew is a fixed pattern of giving but the givers who make up that pattern are constantly changing and growing.

Notes and Resources

- i UK Giving 2012 (CAF/NCVO) page 8 By contrast, 41% of donors giving less than £10 gave just 5% of total charitable giving
- ii [Giving Insight](#): (2011) p10. A giving survey of five UK denominations from Churches Together
- iii *Passing the Plate*, Smith, Emerson and Snell (OUP) pp 39-43
- iv In April 2013 Prof. Yaojun Li of Manchester University found that the poorest 20% gave 3.2% of their gross monthly income to charity, the richest 20% gave 0.9%. For American data see *Passing the Plate* pp 43-48
- v See 'Skewness Explained in Financing American Religion' eds. M Chaves and S Miller,
- vi For concerns and good practice with envelopes see the [Weekly Envelopes tab](#) in the Programme strand of Giving in Grace.