What is a church's money for?

As a pastor, I am both grateful for our congregation's healthy endowment and distressed by it. I don't think I'm alone.

by Adam Hearlson in the August 2024 issue
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(Century illustration)

A few years back, Jane died. She had been among the most faithful and generous givers in our church's history. When touring the building, members frequently remarked, "Jane gave that." Air-conditioning in the sanctuary. Jane gave that. New skylight over the fellowship hall. Jane gave that. New roof over the pastor's office. Jane gave that.

In her death, Jane gave one final large bequest to the church. Such a gift was in keeping with the history of her generosity. Her gift was then added to our investment accounts.

Days after receiving word of Jane’s gift, I read a Pew Charitable Trust study about poverty in Philadelphia. The church I serve sits between the historically impoverished neighborhood of West Philadelphia and the affluent Lower Merion suburbs. The Pew research indicated that in neighborhoods east of our church, as many as 40 percent of residents live below the poverty line. Additionally, outside my office window was the yearly memorial erected to honor the nearly 400 people killed by guns in Philadelphia the previous year. A hundred feet west of my church, the Lower Merion school system spends $26,000 per student each year, while on our side of the road in Philadelphia, the schools spend $12,000 per student.

Philadelphia’s deep inequities, history of racial injustice, and generational poverty left me asking theological questions about our endowment and its purpose—especially as it had now grown with Jane’s gift.

In the beginning, Christ created the church, and as Luke the evangelist tells us, everything was shared in common. Just how long everything was held in common is unclear. Was it a few days? A few weeks? Luke can’t help but romanticize this utopian beginning of the church: “The people shared one heart and soul,” he writes, and a “great grace had fallen upon them all” (Acts 4:32–33). But, as the market forces promise us, Eden never lasts long. Humans always long for more than they have, even when they have enough.

Ananias and Sapphira enter the scene, betray the spirit of the community, attempt to steal piety, and prove that the model of radical sharing is especially vulnerable. To protect the church, Peter condemns Ananias and Sapphira, and they die suddenly at his feet (Acts 5:1–11). This story is a horrific moment of judgment. In Luke-Acts, the reader has become accustomed to more mercy than Peter exhibits here. The severity of the judgment thus provides a clue as to the level of danger within the early church. For Luke’s first-century audience, Ananias and Sapphira represent an existential threat to the fragile community. Moreover, their story raises a genuine ecclesiological question: Is the church’s vulnerability to schemes of self-enrichment a feature or a bug? Do our attempts to seek protection undermine the Spirit that invites us to share?

Jane’s gift provided security. I cried when we deposited the check. Now every time I see our financial statements, I feel that joy again—and with it, a sense of anxiety. I am proud of our endowment, and I am distressed by it. I don’t think I am alone.

In a recent study on congregational giving, researchers for the Lake Institute on Faith and Giving found that 34 percent of US churches have endowments, and nearly a quarter of churches receive “passive income” from endowments, investments, or bequests. Of those churches, the endowment comprised, on average, 4 percent of their annual income. Unsurprisingly, White Protestant and Roman Catholic churches disproportionately represent churches with endowments. According to the National Study of Congregations’ Economic Practices, only 5 percent of Black congregations had an endowment.

Most theological institutions don’t offer much training in this arena. Matt Manion, faculty director at Villanova University’s Center for Church Management, says he observes that most clergy he encounters feel unequipped to speak practically and theologically about endowments. Typically, clergy are just trying to keep up with finance discussions in their church, let alone provide a robust theology of endowment, excess, capital, and stewardship. According to Manion, clergy struggle to synthesize their theological convictions with the financial realities of the church. The hard part, Manion confesses, is making sure that the church’s mission remains paramount. Manion urges his students to rethink their orientation: “We think we are funding churches, when we are actually funding the mission of the church.”

Even a reorientation like the one that Manion proposes might assume that when churches acquire and store excess capital this is an intrinsic good. The church has become increasingly susceptible to this logic, especially as participation falls precipitously each year. The economic logic is easy to understand: more money increases the chance of survival. Survival is the prerequisite for the mission, so seek ye first a sustainable financial model. Then, with our Egyptian storehouses full, we can wait out the famine in the land.

This logic itself exemplifies the problem. Excess capital tends to inhibit thoughtful theological imagination before it inspires it. An extensive investment portfolio justifies remaining the same rather than encouraging growth and mission. Sadly, the preservation of capital is often likely to accelerate the type of decline the church is trying to avoid.

Take, as an example, a church with a staff that is supported well by an endowment. Let's also assume that these staff members are competent, well adjusted, and faithful. Their good work is its own tautological justification for the endowment's use. Unfortunately, their good work can obscure the acute needs that are more fully aligned to the mission of the church. Eventually staff members leave, they become disgruntled, or some other social demand intrudes—and the church realizes that its period of plenty was also a period of neglect.

The preservative value of the endowment prevents decay, but that decay is our signal that something needs to change. Or, to put it another way: an endowment anesthetizes the church, when feeling the pain is the prerequisite for imagining the cure.

While this is rarely intentional, the preservation of capital often becomes the assumed mission of the church. An unspoken cardinal rule thus binds all vision and mission: protect the money so that it can protect the church. Or, as Manion puts it, "an endowment can ensure a mission continues, but it can also foster complacency. An endowment generates revenue without having to accomplish the mission." In time, churches become Fabergé eggs: beautiful to look at but with little nutritious value on the inside.

Even more distressing than complacency is the potential for endowed churches to see their relative security as a sign of their righteousness and competence. In *The Vice of Luxury*, David Cloutier describes the contemporary ways the world's excess has become laundered into the pursuit of luxury. Excess capital can be exchanged for luxury goods and experiences, which are valuable because, the culture promises, they are the means to experience transcendence. Accruing excess capital provides means and opportunities not available to others. The exclusivity is the point.

As a leader of a church with a healthy endowment, I worry that our access to uncommon goods is confused as a sign of our access to the transcendent God. The uncommon goods—paid soloists, new building projects, a historic organ—are always in danger of becoming totems for our own value. When I feel that sweet cool air from Jane's AC unit, I can't imagine leading a church without it. Basking in the generosity of a faithful giver, I am tempted to a condescending pity for ministers without AC. The endowment then encourages an exclusivity that undermines God's promise that transcendence can be found in a font of water, a cup of juice, or an ordinary loaf of bread. More faithful ministry has been done in sweltering rooms than in airconditioned ones.

This connection of luxury with transcendence is wholly incompatible with Luke's vision of the church in Acts. Everything was held in common, and "a great grace fell upon them." It was in the sharing that the people experienced the grace—in both the giving and the receiving. This was the problem with Ananias and Sapphira: they wanted grace without giving. But also, I think they saved their money because they didn't want to be in a vulnerable position to receive from others. By saving some of their money, they could be seen as generous but still remain self-sufficient. They could give but never had to receive.

And yet, still Jane gave. At the end of her life, she gave what she had left. She had means and a generous heart. Jane loved her church. How, then, can the church honor Jane's legacy, while also avoiding complacency or exclusivity?

David King, director of the Lake Institute, admits that churches have to walk a fine line when charting their long-term financial futures. Endowments can be the place where the most conservative impulses of the church find a way to exert their power. People can ensure that something they love outlives them, even if the need for that thing no longer holds its value to the community and its mission.

That said, conservation is not necessarily a door to complacency or exclusivity. King remarks that endowments can also be invitations to honor the faithfulness of the former saints of the church. Uncertain futures are liable to distract the church from the faithful witness of the past. "Part of finding our way forward will require us to honor the past," says King. "We need to figure out how to better remember, sanctify, and honor the generosity of those who have come before us." King makes it clear that sometimes this means letting certain endowed programs die. Sometimes, the best way to honor something is to let it have the dignity of death. "We will need more liturgies for dying programs," he says.

More practically, King also encourages church leaders to be wise when receiving funds. "Steer around overly designated funds," he says. Instead of talking about what the money is for, invite conversations and stories about where God has met the giver and how the money will create encounters for others to experience the grace of God. By inviting storytelling, the conversation shifts away from the particular circumstances of the moment to the broad possibilities of how the money might meet the church's mission in an unknown future. Endowed giving is then an encouragement to future leaders to imagine how past faithfulness is shaping life today.

At its best, an endowment is a collaboration of generations who have never met. It is an invitation to listen to the wisdom of the past and harvest the seeds of faithfulness that will again bear fruit. It is also an encouragement from the past to do the work of the church in an uncertain time (and all times are uncertain). The endowment is then a reflection of that first church—a desire to share everything in common, even with a church not yet born. And if past generosity bears a resemblance to the first church, then it must be designed not just to secure the church but also to inspire its faith. Gifts are given that we might have enough faith to pursue the mission that can be passed to the next generation of churches.

The point, then, of our endowments is not our survival; it is our faithfulness. Western economic logic has sought to crowd out theological questions about faithfulness and money, but our endowments might be the doorway to asking these questions in earnest. What is our money for? What does faithful stewardship of our resources look like? How might our financial anxieties give way to faithful action?

The first church was called to share everything in common. Likewise, the church of today might also be called to give away the money that was designed for our encouragement. (My finance chair just fainted.) It might be that the most valuable thing the church can do is give away the money it has been given for the sake of a generation that wonders whether we believe any of the radical teachings of Jesus.

In the end, Ananias and Sapphira died because they couldn’t imagine what it means to be a faithful people that share everything in common. Jane, and legions of others like her, gave so that the church might flourish. And now the church, in a deeply insecure time, is called to learn how our excess capital is designed not for our survival but for our faith.