Innovations in Church Financial Models: Research on Alternative Practices

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Innovations in Church Financial Models: Research on Alternative Practices

W. Jay Moon
Asbury University

Abstract

Asbury Theological Seminary conducted a research project exploring financial models beyond traditional church tithes and offerings. This qualitative study focused on financial viability and missional vibrancy. It involved surveys, interviews, a focus group, and site visits to churches using alternate financial models. Major findings revealed that six alternate financial models are presently used that increase missional impact, allowing churches to serve communities and engage in meaningful interactions. These models also provide churches financial viability and surprising missional benefits that include goodwill, partnerships, real estate development, job creation, and enhanced community engagement. Some precautions are also noted based on the experiences of these churches using alternative financial models.

This study was partially funded by Exponential NEXT (https://exponential.org/next/).

Beeeep...Beeeep...Beeeep. That’s the sound of 25% of churches in America
on life support, suspended between continuing operations on a budget shortfall or shuttering their doors completely (Toberlin & Bird, 2020). Financial stress in churches is a significant problem, amplified by the COVID pandemic during which over half of American churches experienced a decrease in giving according to accountants Faulk and Reiff (2020). They estimate that one-third of churches in the U.S. are barely making payroll each month. This financial stress takes a toll on the leadership and may ultimately decrease the missional effectiveness of the church. Instead of launching or developing outreach and ministry programs, leadership may be left in survival mode, wondering if the doors will even be open next month.

Church planting teams often face similar financial challenges. Passion for ministry can fade after several months of difficult and unsuccessful fundraising. Common North American church planting financial models ask the planting team to raise money for the first three years of operations prior to launch, which is typically around $300,000 to $500,000 (personal discussion with a representative from the church planting network Stadia, 2018). When teams are unable to raise this much capital, the seed of what could have been an effective ministry may die.

How do we change dying churches into alive and growing churches, the salt and light of the community as the hands and feet of Christ? How do we lift the sails of new and existing church plants, passionate for the gospel and their unique areas of calling? The good news is that church leaders are finding new ways to create financially thriving churches so that the gospel can expand.

Many church planters are finding solutions in alternate financial models that are not completely dependent on tithes and offerings. In this article, I will describe the research process undertaken to understand alternate financial church models and summarize the findings drawn from their practices. I will also describe six alternate financial models in practice today and suggest some pressing questions that need further research.

**Method**

Asbury Theological Seminary undertook a research project in 2022 that assessed the opportunities and obstacles for existing churches pursuing financial models that did not rely solely on tithes and offerings to finance their activities. Both financial viability and missional vibrancy were of great concern. The objectives of this study included understanding the principal financial issues that these churches have faced and how these have affected their missional impact. Furthermore, objectives included describing alternate financial models that are presently used effectively...
and evaluating the results of these alternate financial models to provide both financial viability and missional vibrancy of established churches and church plants. A final objective was to discover questions concerning churches with alternate financial models that need to be addressed with further research.

The research approach was a qualitative study using mixed methods to collect data in three phases.

**Phase I Questionnaire and Interviews (October 2022)**
An open-ended questionnaire using questions developed to reach the research objectives (see Appendix 1, [https://osf.io/y6qcf](https://osf.io/y6qcf)) was emailed to 59 leaders of churches with alternate financial models. These practitioners were selected for their experience in this area and were part of the author’s social network through Asbury Seminary or Exponential, a large annual church planting conference in Orlando, Florida. Eleven leaders provided phone interviews, which were then recorded and analyzed during Phase II. The respondents were church leaders, largely from the East, South, and Mid-West United States. Their experience ranged from three to more than twenty years in ministry.

**Phase II Focus Group (November 2022)**
The leaders on the initial Phase I list were invited to Asbury Seminary to discuss with the Innovation Lab (comprised of Asbury Seminary faculty and students) the initial Phase I results, provide additional insight, and develop research problem statements for further research. See Appendix 2 ([https://osf.io/2tvjc](https://osf.io/2tvjc)) for the schedule of these meetings. Twenty-five leaders of churches with alternate financial models participated.

**Phase III Site Visits (January-March 2023)**
Drawing from sites listed in Phase I, members of the Innovation Lab visited 7 different churches (see Appendix 3, [https://osf.io/fmr5j](https://osf.io/fmr5j)) that were using alternate financial models, chosen from the original list of 59. The site visits included tours of the facilities and neighborhoods and interviews with 17 church leaders who were seasoned practitioners at these sites.

**Results and Discussion**
Building on the initial analysis of the data (Moon, 2023), a more in-depth analysis of the data collected indicates that several themes occur repeatedly in the discourse of these churches. Similarly, several common approaches to finding alternative funds were observed and used effectively in these churches.
Common Themes Among Leaders of Alternative Financial Model Churches

The following are six themes that came out repeatedly in the interviews of the leaders of these churches that used alternative models of financing.

Financial trends are making it harder to depend upon tithes and offerings alone.
The most common financial concerns in the churches were inflation/rising rent (63% of participants) and unemployment (18% of participants). In addition, there were concerns about a possible recession, food insecurity, and lack of affordable housing. Several of the leaders noted that they would likely no longer have a viable church if they were depending solely on tithes and offerings to support the church.

Younger generations present budgeting challenges with inconsistent giving.
All of the leaders noted that there is usually less giving by the younger people in the church who are more “tippers” than tithers compared to older people in the church. One of the participants, Mark DeYmaz (pastor of Mosaic Church, Little Rock, AR) estimated that it takes approximately seven Millennials to replace the amount of tithing of one Baby Boomer who leaves his church. Some of the hesitancy among younger generations may be their distrust of institutions in general, along with their desire for transparency and vision concerning how money is spent (e.g., they may be wondering if their tithes are making a difference.). One church planter who works among marginalized young people noted that he is seeing “lives changed, but they make lousy tithers.” Another church planter summarized the thought of many other leaders, “We’ve found sole reliance on Sunday morning giving is not a viable source of income like it may have once been in the local church context.”

It is not viable for churches to depend only on income from a separate non-profit.
Some noted that when a church forms a separate non-profit organization, this often plays a helpful role in addressing physical needs in the community. One participant noted, however, that non-profits do not normally disciple people; therefore, the church must work in parallel with the non-profit. In addition, some participants noted that non-profits can have a limited life span, which makes it hard to rely upon this income stream for the long term.
Churches can generate income from businesses but with added complexity and cautions.
Since a church is a benevolent organization, people may expect services to be free. As a result of this expectation, it is hard for some church-related services to function as a business to generate income. Several noted, though, that many churches have space that is not utilized throughout the week that provides opportunities for revenue generation for ministry. Some addressed the need to be aware of the tax implications, particularly for unrelated business income to the church. This is a helpful and necessary caution against naively baptizing business on one hand or demonizing it on the other hand.

Alternate financial models increase missional impact in the community.
After paying the pastor’s salary and building mortgage, church budgets often have very little money left for mission in the community. One planter serving in a multiethnic community noted, “The more people who joined our church, the more it cost us [to serve them].” Alternate financial models allowed this church to serve the community and church members in ways they could not afford before. In short, generating revenue from the church space allowed the church to be more generous to the community. This resulted in people who were more committed and missionally engaged in the church.

Moreover, pastoral staff number and effectiveness often increased with alternate financial models in these churches. When previously relying upon tithes and offerings alone, several churches were forced to cut pastoral staff due to decreasing funds. One church that previously had five pastors was now reduced to a pastoral staff of two.

Several alternative financial models require pastors to assume new roles, and as a result, their field of mission has been expanded. For example, the pastor of a church plant that bought an outdoor shopping plaza regularly visits several of these businesses and noted, “The interactions we have daily on our plaza are as important as the interactions we have on Sunday mornings.” These interactions provide pastors and church planters new opportunities to foster relationships with those outside the church.

These pastors with increased ministry opportunities echo Paul Unsworth (2014), a church planter with the Church of England who started an entrepreneurial church plant with a coffee shop that also serves as a church venue. Paul said, “I have had more spiritual conversations with people in a week than I had in working in a church for a whole year...
people that don’t know anything about Jesus. We need to create opportunities to genuinely listen to people. In time, they will be interested in what I believe. Church is more than a service on a Sunday. Church is a spiritual family that comes together to redeem the lost.” This response stresses that the alternate financial models are not based on economic motivations alone; rather, there is a missional passion that often drives pastors and church planters to consider these models. This accords with a study in Canada among co-vocational pastors that found “that money and time were not necessarily their primary concern” (Watson et al., 2020, p. 10). In short, the alternate financial models allowed pastors to break out of the walls of the church and engage others in the marketplace for missional impact.

Several participants also noted that these churches with alternate financial models increased the missional engagement of their members in the community, provided more exposure to the church, and added to the church’s credibility since they were engaged in the real needs and concerns of the community.

Alternate financial approaches provide surprising benefits to the community.

The participants described how alternate financial models provided surprising benefits. The most common of these are shown in Table 1.

Table 1: Common Benefits for Churches Using Alternative Financial Models

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percent of Churches Reporting This Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill in the city</td>
<td>45%</td>
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<tr>
<td>Partnerships with others outside the church</td>
<td>36%</td>
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<tr>
<td>Development of real estate (such as the creation of a</td>
<td></td>
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<tr>
<td>laundry, grocery store, gym, or kitchen)</td>
<td>27%</td>
</tr>
<tr>
<td>Encouraging local entrepreneurs to start their own</td>
<td></td>
</tr>
<tr>
<td>businesses</td>
<td>18%</td>
</tr>
<tr>
<td>Encouraging other church planters to plant other</td>
<td></td>
</tr>
<tr>
<td>churches</td>
<td>18%</td>
</tr>
<tr>
<td>Providing a tangible service to the community</td>
<td>18%</td>
</tr>
<tr>
<td>Other benefits included providing jobs from the</td>
<td></td>
</tr>
<tr>
<td>businesses formed, providing people a place to</td>
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<tr>
<td>belong, offering dignity provided by work, increasing</td>
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<tr>
<td>the spirit of generosity of church members, reducing</td>
<td></td>
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<tr>
<td>the burden of raising funds, spreading the gospel</td>
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<tr>
<td>outside the church, meeting people</td>
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</table>

Other benefits included providing jobs from the businesses formed, providing people a place to belong, offering dignity provided by work, increasing the spirit of generosity of church members, reducing the burden of raising funds, spreading the gospel outside the church, meeting people
in tragedies and celebrations of life, developing faithful courage in the leadership team, and teaching the church that seemingly ‘secular topics’ can have sacred potential (e.g., financial education, stewarding money, and viewing business as a discipleship activity).

**Effective Alternate Financial Approaches Used by Churches**

Previous research (Moon, 2020) found that six approaches to alternatively finance churches are commonly practiced in contemporary American churches. This six-fold classification of practices was confirmed by observing the practices used by the churches participating in this study. These churches following an alternative financial model use one or more of the following approaches.

**Monetizing Existing Church Resources**

Monetizing existing church resources means generating revenue, especially by renting existing church property. This is the most common approach to alternative financing, utilized by 55% of the participants in the study who generate revenue from the church property by renting space to others (e.g., businesses, non-profit organizations, and individuals to use as a collective workspace or other churches who do not have their own meeting space). In this approach, the church rents its space to users who operate out of it for an indefinite period, but the church does not operate the associated business or non-profit organization. For example, some churches rent space to entrepreneurs to use as a coworking space. Mazareanu (2019) notes, “Coworking is a new but fast-growing trend in the United States - from only 14 spaces in 2007, the number of coworking and other shared, collaborative office spaces increased to 4,043 in 2017.” This not only provides an income stream for the church, but it also presents the church as relevant and engaged in the issues and community concerns of Millennials, who are typically the most frequent users of coworking spaces.

The Post Commons in Alton, Illinois, provides a collective workspace inside of a converted old Post Office that they have bought as a meeting place for the church. In addition, the ministry rents the building to a business that operates a coffee shop inside the building. Not only does this provide income, Hugh Halter, the founder and leader of this church, described how this provides an ecosystem for ministry to people that he meets in the coffee shop as well as in the neighborhood.
Incubating New Businesses

Incubating new businesses refers to churches starting new activities that generate revenue. Unlike traditional business incubators, the goal is not necessarily to help independent businesses flourish. Rather, the new business activities may either continue as part of the church or become independent for-profit organizations. The goal is to start activities that generate revenue and contribute to the mission of the church. This approach, characterized by offering services that have market value, was utilized by 36% of participants. In contrast to the previous approach where the business activity was led and initiated by individuals in long term rental agreements with the church, the church staff in this approach is often more involved in the regular business operation that uses the church space. This often (36% of participants) takes the form of short-term rentals (e.g., an event space or Airbnb) or business collaborations (27% of participants) during the week. For example, a church may offer photography or wedding planning services or house a counseling center or workout facility.

Consider the ministry and financial opportunities presented by running an Airbnb. Millennials account for roughly 60% of Airbnb users. Airbnb hosts earn an average of $9,600 annually (Meyer, 2023). Looking at this from a missional perspective, Airbnb challenges Christians to do what they should do – show hospitality. Airbnb incentivizes its hosts to practice hospitality by making a room available for rent. At the same time, offering hospitality through an Airbnb creates opportunities to connect with others for faith discussions. Churches can open a parsonage or other space to travelers who are thankful for the accommodation. Again, this not only provides an income stream but also engages the church to meet the needs of the community via hospitality. The result can be a fresh missional engagement. The Airbnb that operates in my house has led to many faith discussions as well as some guests even coming to church with me.

Grace Chapel in Cincinnati, Ohio, incubated six revenue-generating activities that provide over $200,000 annually for the ministry of the church. In addition to providing this income, Jeff Greer and Chuck Proudfit (2013) describe how this provides the opportunity to help entrepreneurs engage faith and work in what they describe as ‘biznistry’, meaning a “faith-based business that generates profits for ministry” at the Grace Chapel (2013, p. 18). These include renting spaces, coaching, and offering financial services. The motivation for each of these biznistries is “to create purpose-filled, meaningful work in the business world that advances the kingdom of God” (Greer and Proudfit, 2013, p. 52).
Nonprofits Forming Mission Arms of the Church

Another common approach to increase financial viability and missional vibrancy is to form a separate nonprofit organization that serves as a mission arm of the church that can receive funding not available to churches. This approach was used by 36% percent of the participants. Since the non-profit is a separate entity from the church, the nonprofit is eligible to receive grants from organizations (governmental and non-governmental) that are prevented from giving to churches or other religious organizations. The nonprofit focuses on a need in the community (e.g., food distribution, supporting teenage mothers, or business incubation) that corresponds to a passion of some of the church members. As a result, this becomes a mission focus of the church, but at least part of the funding for this mission comes from outside the church.

Mosaic Church in Little Rock, Arkansas, has formed a separate non-profit called Vine and Village (vineandvillage.org) that has its origins in the holistic work of the church. The leaders of this ministry have attempted to integrate three components for community transformation, as described by their mission statement, “To be a catalyst to serve people living in and around Little Rock’s emerging University District by helping to meet their social, economic and spiritual needs resulting in Real Community Transformation.” Since this non-profit is separate from the church, Vine and Village can attract government grants and donations from other entities that would not give to the church. Even other churches are donating to this non-profit due to their missional impact. This separate non-profit then becomes a mission arm of the church as they address community needs by assisting immigrants, training teen moms, offering fresh produce in ‘food deserts,’ providing an extended family for those with disabilities, organizing a community chess club, maintaining a clothes closet, and providing employment training. This non-profit contributes to the financial viability of the church because the mission activities do not require funding from the church. In addition, the non-profit can rent office space from the church at market rates, thereby providing revenue to the church. Once again, both missional impact and financial viability are achieved through this approach.

Co-vocational Pastoring Opening Multiple Income Streams

Karl Vaters (2017) in Christianity Today called bi-vocational ministry the “new normal.” This form of pastoring has increased from about one-quarter of all head pastors in the US in 2010 to about three-eighths of all head pastors in 2015 (Vaters, 2017). A growing number of pastors are adopting this approach for both financial and missional reasons. Since the
marketplace is a relational network in which people exchange value, the co-vocational approach is particularly helpful in developing relational networks, in addition to providing another source of income. In this study, 18% of the participants used this approach.

The term bi-vocational commonly describes a pastor who works another job outside the church. Often this outside job is considered secular, suboptimal, and a temporary solution until the church can afford a full salary. Once the church can afford a full salary, the pastor might be expected to leave his or her secular job and work full-time for the church. The term co-vocational, in contrast, assumes that the pastor will continue to work outside the church even when the church can afford a full salary. The co-vocational pastor regards the work outside the church as a choice to remain engaged in the community. These pastors, about 40% of bi-vocational pastors, see both serving in the church and in their job as long-term vocations (Yang, 2019). Again, such an approach can cause the church to be more missionally engaged in serving the community, as well as develop relational networks through the pastor’s job (Briscoe, 2018).

I am part of a co-vocational leadership team for Shadowland Community Church in Nicholasville, Kentucky (shadowlandchurch.com). Three teaching pastors share the preaching but only one is salaried (part-time). The church has a goal to give away a large percentage of its income to reveal the kingdom of God to the surrounding community. This would be hard for many traditional churches because the personnel and building costs often comprise large parts of the budget. This example demonstrates that the alternate financial models often require a team approach instead of a sole church pastor or church planter.

Entrepreneurial Churches Locating Church Inside the Marketplace

A spiritual entrepreneur may be defined as “a visionary who, in partnership with God and others, challenges the status quo by energetically creating and innovating in order to shape something of kingdom value” (Volland 2015, p. 32). Extending this definition to churches, an entrepreneurial church would be a group of believers committed to innovation in serving God. Because many churches value tradition over innovation, not all churches are entrepreneurial.

One entrepreneurial approach to church is to hold church meetings in commercial locations, in contrast to a traditional church building dedicated to church activities. This approach was used by 27% of the participants and can be defined as forming
“Communities of Christ followers among unchurched people through businesses in the marketplace. Entrepreneurial church plants address the need to engage public society through the marketplace via entrepreneurial means. Such entrepreneurial church planters either start new businesses or work within existing businesses to plant churches in business venues.” (Moon & Long, 2018, p. 6)

Paul Unsworth, the Church of England church planter mentioned earlier, noticed that 20,000 people a day walked down his street in London each weekend, yet there was no vital Christian witness (Personal conversation, 2019). Only 5% of the British attend church regularly (Brierly Consultancy, 2015). How could he gain access to this large group of people and lead them to Jesus? His response was to open the Kahaila coffee shop (kahaila.com) that serves excellent coffee and cake. Unsworth explains his rationale:

We need to find out how to form community. This is why we chose a coffee shop. It is a third space where people share life. We aim to build community in the café. For evangelism, if you like doing something, do it with others. Invite others to do it with you. You build community and listen to others. (Baptist Union of Scotland, 2015)

This has resulted in a church plant that also meets in the same building on Wednesday nights. He is motivated by a missional impulse to connect with the unchurched or de-churched. Unsworth is not unique in this approach (Moon & Long, 2018). Several venues have been used successfully to start entrepreneurial church plants such as workout facilities, bakeries, barber shops, hotels, and cafes, in addition to numerous coffee shops.

Decentralized Churches Not Requiring Large Memberships or Buildings.

Decentralized churches go under several names, such as house churches, simple churches, organic churches, dinner churches, fellowship bands, and micro-churches. What they all have in common, though, is the gathering of small groups of Christ followers in everyday settings for worship, fellowship, and mission. The venues vary, as well as the number of people and the meeting frequency. They all challenge the existing financial models as they subtly ask the question, “When did church attendance at a large gathering become the gold standard for church health? Who said that bigger is always better?” (Suttle, 2014). Since a large central gathering space with a paid pastor is not essential, this eliminates (or greatly reduces) the largest line items for most church budgets:
building costs (such as mortgage, rent, and maintenance) and salaries.

The recent COVID-19 pandemic revealed the strength of decentralized churches. In a short time, large church gatherings were prohibited (Anderson, 2021; Franks, 2021; Norregaard & Ng, 2021). As a result, many churches quickly adapted to technology such as Zoom to maintain their connections with their congregations. Hugh Halter explains how decentralized churches hardly skipped a beat amidst the pandemic,

“Where is the missional movement?” so many have asked in the last five years. Well, the real answer is that the missional church, with decentralized form, is alive and well. Like cockroaches to the coronavirus, we know how to navigate and even prosper among the rubble. We already know how to live off the meager scraps. We are everywhere and we’re healthier now than ever before. (Halter, 2020)

One of the surprises of the Coronavirus has been that churches have been ‘forced’ to decentralize for their own survival. The pandemic evokes events from biblical stories and various historic periods in church history when the church survived and thrived amidst great struggle and persecution.

While none of the participants in this research used the decentralized approach, this option highlights what all of the participants realized: A church can be financially viable and missionally vibrant even when the membership is small. Historically, a church planter needed 100 to 150 people to faithfully give for the church to remain viable with a building and full-time pastor. Using these alternate financial models, however, some of the participants have an average church attendance of 30 to 40 people, yet they are still financially viable and missionally vibrant. Using the traditional model, these churches would have likely closed due to a lack of finances.

In some ways, multisite churches fit into this category, but they have a more central hub than the other churches that have been described here. I know of several financially challenged churches that have reached out to a larger church to become one of their offsite campuses. This has kept the struggling church open while also allowing more lay involvement.

**Challenges for Alternate Financial Approaches**

Churches using alternate financial models also face challenges. Here is a summary of some of the greatest challenges identified by the research participants.

* **Sustainability**
The most common concern (27%) was sustainability. This was most
prominent when relying upon a grant to be renewed, as well as when the business entrepreneurs’ expenses were greater than the income, as is typical at the beginning of the business lifecycle.

**Administrative and Management Demands**
Another major concern (27%) was the time required to manage the revenue-generating activities. One church planter said during certain busy times (e.g., after the church space was flooded), “I spend 40% of my time on managing concerns.” Another church planter commented (during the most difficult period of the pandemic), “I am one step removed from doing ministry since I am consumed with administrative concerns.” Nevertheless, the church conducted 60 baptisms the following year, indicating that challenges can be overcome.

**Finding Good Business Partners**
18% commented how it was hard to find good partners for rentals. Renters may default or they may simply ignore their rules (e.g., one participant noted that guests added graffiti with Satanic symbols and gay pride symbols). One participant said, “It is sometimes better to turn down money for better partners.”

Other challenges included the need to prohibit some people from attending due to safety concerns, confronting legal and tax matters not usually affecting churches, planning and space issues, and lack of thoughtfulness from other churches or church leaders.

**Questions for Further Research**
One of the main goals of this research was to discover the major questions that practitioners face. What do we still need to learn in order to encourage others to experiment with alternate financial models for their church or church plant? Four major questions arose, as follows.

**Reframing: How do We Reframe our Mission Field and Ministry?**
Church pastors and church planters using alternate financial models often have a different daily routine than traditional church pastors and church planters. Tim Farrell operates his church and ministry in a shopping plaza in Orlando, Florida, and described it this way:

Ministry does not look like it did when we graduated from seminary in 1998. We now look at all of the ministry on the plaza as a part of what the Lord is actively doing. Our staff understands that the interactions we have daily on our plaza are as important as the interactions we have
on Sunday mornings. Talking to a stranger who does not know Jesus but loves the coffee at Du058 (named one of the top 10 coffee shops in Orlando) is exactly why we gather on Sunday mornings!

Many of the pastors and church planters using alternate financial models find that a significant portion of their time and energy is spent outside the walls of the church. As a result, they have begun to reconceptualize their ministry and mission in a larger way to include what God is doing in the marketplace. Some of the participants described this phenomenon, “I had to leave my pastorate in order to get into ministry,” “I have to redefine the success of my ministry,” and “[I] look at every encounter as a ministry opening. Do I have an ear to hear the concerns like a pastor?”

Traditional and non-traditional churches and ministries need to rethink or reframe their mission fields and ministries. During the site visits, several church planters drew from missiological sources such as Lesslie Newbigin (1989) and Alan Hirsch (2003). Traditional pastors often feel frustrated and irrelevant being part of traditional churches that sideline marginalized people, but they feel hopeful seeing colleagues who are leading non-traditional churches to which these people can relate. We need to better understand how both traditional and non-traditional churches and ministries that use alternative financial models have gone through the process of discerning their mission fields and ministries. How do they articulate their ministry, incorporating theological, biblical, and missiological concepts? What does success look like and how do they measure it? How do they conceptualize their roles when engaged in the marketplace?

An initial research statement could be stated this way, “We need to understand how traditional and non-traditional churches and ministries using alternative financial models have re-framed their mission fields and ministries with new and sustained metrics.”

**Sustainability: Are These Alternative Approaches Financially and Missionally Sustainable?**

While some of the participants have been using these alternative financial models for over 20 years, questions still remain about sustainability after the initial visionary leader moves on. This was a particularly acute question for one of the church planters who had just retired after approximately 25 years, and was now watching his successor navigate his role. Some participants noted that long-term sustainability is an extremely important issue when relying heavily on funding given to church-associated nonprofits since grants often are for a limited time.
Similar questions relate to sustaining the missional connection between suburban and urban churches. For example, “How do we help suburban churches and people (who have financial resources and missional motives) to maintain passion for poor urban areas?”

Some participants noted that rental arrangements can be burdensome if the relationship between the church and tenant is not good or if the partnership between the church and the renting organization sours. How do we develop and sustain good relationships with tenants who align with our mission and would benefit from renting space at our churches?

Case studies of existing churches using alternate financial models may be especially useful for answering these questions. One potential church worthy of additional study is the Mercy Road church in Indianapolis which is undertaking a project involving a co-working space, affordable housing, and a 30,000 square foot community center. They envision a Trinity Network comprised of entrepreneurs, investors, and faith leaders that will lead to church planting by combining three components: profit, non-profit, and church.

An initial research statement could be “We need to study the current sustainable, innovative, and disruptive church financial models to learn reliable approaches in order to provide a vision to launch, accelerate, and sustain missionally vibrant and financially viable movements of the Kingdom of God to the ends of the earth.”

**Organization: How are Churches with Alternate Financial Models Organized?**

Many of the practitioners were surprised and delighted that other church leaders were undertaking projects similar to their own. They felt that additional church pastors and church planters would also move in these directions if the lessons learned from the pioneers could be clearly articulated. While each context is unique, some common patterns have emerged. What are some of the initial organizational models that need to be articulated, especially concerning the roles of leaders, the timing of decisions, legal structures, and relational networks? There are many unknowns in these alternative financial models of churches, particularly in the early startup phase. Depending on the business model chosen, there may be a need for an administrator, a grant writer, a vision caster, an accountant, or a realtor. How are the staffing decisions made? Moreover, the timing of balancing priorities in activities needs to be better understood. How does the experience of a church planting team differ if profit-generating activities are established before a church plant, rather than if the church is established first?
Questions regarding legal and fiscal issues also need to be addressed, such as “How do we cover liability while making money in church space?”, “What tax implications are there?”, “Does this change our legal status?”, “What are the rules for space that is used?”, “Do we need guidance from a CPA?”, and “Is there a network of like-minded practitioners to connect with (for coaching, assistance, etc.)?”. The practitioners in this study had to address these organizational concerns eventually, but the common sentiment was that it would have been better to have understood these issues before starting.

Some participants noted that there are likely to be differences in the experiences of churches using alternative financial models in the urban contexts of the majority of the participants compared to suburban or rural contexts. Similarly, churches of different ethnicities will have different experiences. Several participants noted that the non-White churches are often eager to join this conversation because the traditional funding models are often not appropriate in their contexts. In addition, many of these churches have been using alternate financial approaches for a long time and may be able to provide valuable insights to others. The insights from the bishops and pastors from the Church of God in Christ, a primarily Black denomination, may be especially important. They indicated that these alternate financial models have been used in their churches since the founding of their denomination and will likely continue.

An initial research statement could be framed this way, “We need to study churches with alternate financial models that have at least five years of ministry experience to identify potentially unforeseen organizational patterns in order to inform and prepare churches that want to adopt alternate financial models in changing environments.”

**Practice: What are the Best Operational Practices for Churches and Church Plants Using Alternate Financial Models?**

Concerning the day-to-day operations of their churches, the participants were eager to share best practices from hard-learned lessons. Each of the participants could explain metrics like the number of income streams they have and the percentage of income that each stream supplies to the church budget. They also could describe surprises they had to learn about and address. This led to questions like, “What are the best operational practices that we can learn to increase cross-pollination? What have we learned that doesn’t work? What are some cautions/pitfalls that we need to be aware of and address?”

Several participants expressed a desire for a repository of resources to help guide the operations of churches using alternative financial models.
This could include best practices from business theory, entrepreneurship, marketplace ministry, missional thinking, history of the church in the marketplace, and biblical and theological perspectives. To the surprise of several of the participants, there is a long history of God’s people participating in the marketplace in both the Old and New Testaments, as well as in church history. For example, several were surprised to hear that John Wesley, founder of the Methodist movement, was a successful businessman who made the equivalent of four to five million dollars in today’s money. He had several sermons on the use of money and the dangers of riches to describe both the opportunities and dangers related to money (see https://osf.io/8kw6z for some examples). What we are really discussing is a renaissance more than a new movement. We are re-discovering what the church has lost more than discovering something new. One of the practitioners at a site visited described how he had learned valuable business insights from the Trappist Monks (Turak, A. 2013).

The Exponential organization has been at the forefront of publishing on alternate financial models (Moon, 2019, 2021) recently but there is still a great need to make resources available and accessible to practitioners and other leaders in order to sustain a movement. An initial research statement could be framed this way, “We need to compile best practices of churches that are practicing alternate financial models to inform and prepare church pastors and planters who want to adopt alternate financial models.”

Conclusion

Discussing and visiting sites to learn these alternate financial models of church has been exhilarating. It provides a breath of fresh air to the church planting movement. For example, upon visiting the Camp House church in Chattanooga, Tennessee, Pastor Matt Busby described the long journey of engaging a socio-economically diverse population in downtown Chattanooga through their coffee shop, café, art gallery, conference room, prayer chapel, and church sanctuary. They had to pivot many times along the way but were able to survive during the COVID period and even double their attendance to about 500 people.

While Busby mentioned the financial viability these alternate financial models provide, he seemed to have the biggest glean in his eye when he described how the church was contributing to the flourishing of the neighborhood. He noted,

Property values have risen after our participation in the neighborhood... We find niche culture events to host... We are trying
to bless the city and care for the common good, per the book of Jeremiah... People make decisions based on desires, and desires are based on habits, so we provide liturgy to form habits that reflect the kingdom of God.

Walking away from the Camp House after the conclusion of our visit, I could not help but think (like I did on our other visits), “This approach to revealing the kingdom of God is what more neighborhoods need around the world.” Financial viability provides a means for church pastors and church planters to be more generous and outward-facing in their communities. There are certainly real challenges and questions to understand and address, but there is the potential for a sustainable movement of church planting using these alternate financial models for the church of the future.

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