

# CASE STUDY



## Three Churches Expand Ministry Capacity Through a Debt Campaign





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## SUMMARY

Three pastors reflect on their experience with Horizons Stewardship guiding debt reduction campaigns in their churches. In each case, the purpose of the campaign was to reduce the debt service burden on their ministry budgets so they could increase funding for current and new ministry initiatives.

This case study summarizes church leadership's experience in identifying the need to reduce existing debt, evaluating using outside counsel, creating a clear and compelling vision, engaging leaders, testing for support, conducting the campaign, and celebrating the results.

## PASTORS AND CHURCHES FEATURED

Pastor Jean Ness

Ligonier United Methodist Church (Ligonier, Indiana)

Average Worship Attendance: 184

Pastor Craig Finnestad

The Water's Edge Church (Omaha, Nebraska)

Average Worship Attendance: 825

Pastor Mike Schreiner

Morning Star Church (Dardenne Prairie, Missouri)

Average Weekly Attendance: 1,976



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## THREE CHURCHES EXPAND MINISTRY CAPACITY THROUGH A DEBT CAMPAIGN

More pastors and church leaders are seeking to eliminate debt service expenses from their ministry budgets than ever before. For these churches, a debt reduction campaign can be a life-giving and perhaps even life-altering solution. A church can quickly and significantly increase ministry funding by reducing or eliminating existing debt or serving the debt with capital campaign proceeds.

Some church leaders fear debt campaigns aren't something that will inspire their congregations. They wonder how they will be able to articulate a compelling vision. It is much easier to imagine energizing the church to build or to remodel a building than asking people to give generously to reduce debt.

During a debt campaign, the church's vision is focused on the increased ministry impact that is made possible by removing or reducing debt service expenses from the ministry budget. It is also common for churches with modest capital needs to use split campaign proceeds between reducing debt and other high priority projects. To the surprise and delight of many church leaders who complete well-constructed debt reduction campaigns, the experience is far more exciting and spiritually formative than first anticipated.

### THE NEED TO REPURPOSE DOLLARS FROM DEBT TO NEW MINISTRY OPPORTUNITIES

Pastor Jean, who leads Ligonier United Methodist Church in Ligonier, Indiana, knew that eliminating debt service would free up critical dollars for ministry. While a debt campaign seemed like a practical and logical solution, she wasn't sure if it would be as successful as she hoped. Pastor Jean says, "Our Finance Committee was concerned that a debt campaign would only be moderately successful."



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Ligonier's situation is common to many churches, regardless of shape, size, or location. Pastor Craig Finnestad, The Water's Edge Church in Omaha, Nebraska, also found himself in a similar place considering a debt campaign after multiple capital campaigns over the last decade. He says, "We knew that the less money we spent on our mortgage, the more money we would have for ministry."

Pastor Mike Schreiner of Morning Star Church in Dardenne Prairie, Missouri says "We saw growth consistently year over year. And through our desire to meet needs and continue to expand our ministry, our church had incurred debt that needed to be paid off." In order to find enough margin in the annual budget to fully fund all the ministry projects, Pastor Schreiner says they believed "a debt campaign would allow us to almost instantly improve our ability to do more ministry."

## THE DECISION TO SEEK OUTSIDE COACHING AND COUNSEL

"Our church has a long history of doing self-directed campaigns with some success. But we agreed that outside coaching would be necessary if we wanted to be successful," says Pastor Ness. "Our dream was to be debt free so we could reach more people. We needed to make sure we could deliver on that vision."

Pastor Finnestad says, "We asked ourselves if we could do it internally. We wanted to make sure the cost was worth the outcome. Achieving the goal was too important to risk doing it on our own. So, outside leadership felt like an insurance policy against a less than stellar result."

"A feasibility study revealed that our church was motivated to eliminate the debt, so that was the goal," says Pastor Schreiner. "We wanted to target our debt, and we needed that to be the priority over every other ministry expansion project we were considering at the time." He continues, "And we needed someone from the outside who had a track record of helping churches like ours through a debt campaign."



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## CHOOSING A TRUSTED GUIDE TO LEAD THE DEBT CAMPAIGN

“I had a friend who had worked with a consulting firm on another capital project. The experience wasn’t great. My friend never felt like that particular firm believed in their project,” says Pastor Ness. “We needed to work with a firm that believed in us and what we were trying to accomplish. And we found that with Horizons.”

Pastor Finnestad says, “We interviewed multiple firms. Our impression was that many of them seemed more interested in marketing than discipleship.” He believes Horizons helped The Water’s Edge see that debt campaigns aren’t really about money but about helping disciples grow in their understanding and practice of generosity.

“Our debt was compromising our ability to do ministry,” says Pastor Schreiner. “Our Board, after interviewing multiple firms, decided that Horizons Stewardship provided the clarity we needed to trust their ability to walk with us through a well-refined process that would take us where we wanted to go.” Pastor Schreiner saw this decision as key to improving his confidence overall in meeting and exceeding the debt campaign goals.

## INCREASED CAPACITY TO DO MORE MINISTRY

“We needed to raise \$1 million to get out of debt. We secured commitments for more than \$1.3 million,” says Pastor Ness. She says, “I remember our campaign chair commenting to me that they had high hopes for the campaign, but never in their wildest dreams did they think they would be able to achieve the level of commitments the church did.”

“Our goal was to pay off \$1.5 million in debt, but we raised commitments of more than \$2 million,” says Pastor Finnestad. “And we also continued to see budget giving increase even during the campaign.”

Pastor Schreiner says, “We needed to raise about \$2 million from the debt campaign. We



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exceeded that goal and raised approximately \$2.1 million.” He continues, “The debt campaign became a transformative experience, because it helped people see how repurposing dollars from debt to new ministry initiatives had immediate and sustained impact on outreach and discipleship.”

## ADVICE FOR OTHER MINISTRY LEADERS

“Don’t do it alone,” Pastor Ness says. “When it’s a critical project, the responsible decision is one that ensures you are able to turn your vision for the future into reality.”

“One of the reasons I love campaigns is that they unify a church around one singular goal,” says Pastor Finnestad. He continues, “Make sure the trusted guide you choose isn’t just concerned about delivering a financial result. He or she should understand it is a spiritual experience first.”

Pastor Schreiner says, “Sometimes you have to do the smart thing, even when it doesn’t appear to be the most exciting thing. On the other side of a debt campaign, you’re going to be able to fund a lot more ministry opportunity than you can right now.”

While budgets, campaign goals, and size varies among churches, these pastors all agreed that a debt campaign was a very important strategic decision for them, positioning their churches to sustain and grow both now and in the future. Using the elimination of debt to advance ministry initiatives is a practical and necessary decision.

With the right partner and guide, your church can turn a financial event into a discipleship opportunity. And, as a result, you can not only fund more ministry but also make more disciples. The job of a pastor is never easy. But no pastor or church leadership team should feel like they have to do it alone.



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## ABOUT HORIZONS STEWARDSHIP

Horizons Stewardship helps church leaders make disciples and fund ministry through a collaborative framework that is tailored to the unique culture of the church, aligned with leadership's vision, and implemented through coaching, planning, technology, and analytics to ensure the church lives into its full ministry potential and impact.

Here is how we are helping leaders of churches and faith-based nonprofits of all sizes lead with confidence and live into their full ministry potential:

### Annual Giving

- Discovery Assessments
- Ministry Plan Communications Strategies
- Year-Round Generosity Planning
- Church Analytics and Dashboards

### Capital Giving

- Potential and Possibility Studies
- Coaching and Implementation
- Fulfillment Programs
- One Journey Experiences

### Special Giving

- Financial Leader Ministry Planning
- High Capacity Donor Identification and Development
- One Sunday Initiatives
- Outreach and Missions Funding

### Planned Giving

- Planned Giving Education Experiences
- CPI Assessment (Capacity, Propensity, and Interest)
- Endowment and Foundation Planning
- Legacy Giving Communication Strategies

Go to [nextlevelgenerosity.com](https://nextlevelgenerosity.com) to learn more about how Horizons Stewardship is inspiring congregations and communities across the country through a deeply integrated, spiritually focused approach that is leading to increased funding for ministry as well as more effective disciple-making strategies.