

9 QUESTIONS YOU'RE ALREADY ASKING ABOUT ONLINE GIVING

**HOW TO KNOW IF ONLINE
GIVING IS RIGHT FOR YOUR CHURCH**

by Tim Whitehorn and Ben Stroup

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INTRODUCTION

There are certain things Americans do that they have always done. Sure, methodologies change, but many of the tasks have remained constant.

More than 65 percent of donors used information from the Internet before giving, whether online or offline—and 40 percent always go online before giving, regardless of whether they give online or offline. (Kintera Luth Nonprofit Trend Report, 2005)

One thing is certain—a congregation can get by without online giving. But is it wise to ignore the effectiveness of a tool that is commonplace in our world today? With so many people carrying less and less cash, and probably never having their checkbooks on them, can online giving meet the needs of today’s believers and churches? We don’t have to guess at the answer to that question. Many congregations already are using online giving with exceptional results.

According to the Pew Research Center, 59 percent of all adult Americans access the Internet wirelessly. Much of their online activity includes financial transactions. Retailers and financial institutions are driving more and more of their business toward a paperless environment. So, why should the church and other charitable organizations follow suit?

The bigger question is this: What would your church do with an extra week’s tithes and offerings every month? According to statistics, that’s the minimal result of instituting online giving. While your results might vary slightly, the truth is that your offerings will increase if your congregation has the option of participating in online giving. Why? Because you will have removed a significant barrier to giving for a growing number of people who sit in your pew.



Whether by telegraph, letter, phone, or through Twitter, we have always communicated.



Whether by wagon train or airplane, we have always traveled.



Whether by placing cash in a receptacle or completing an online transaction, we have always given to things we believe are important.

SECTION ONE

Choose Online Giving

QUESTION ONE

What is Online Giving?

We live in a technology-dependent culture in which people conduct their financial business with debit or credit cards. For many younger adults, the only checks they ever write are to the church.

Online giving is the same as online bill payment—simply put, online giving connects the available resources of individuals with the financial needs of the church in a way that is safe, reliable, and available anytime.

Online giving is today's checkbook.

Technology has changed the way Americans live and work. Think about some of the ways we use technology every day: e-mail, online banking, direct deposits, bill paying, shopping, research, education, information, entertainment, and so forth. Online giving is one more way to utilize technology with which people already are comfortable.

Online giving is not a replacement for onsite giving. Churches will still accept cash and checks placed in offering plates during regular services. Today, however, people often view worship services online or, because of work and/or travel, attend irregularly. Onsite giving limits the giving potential of anyone who does not attend every week.

What are three things you do differently today than you did ten years ago?

The number one reason donors say they give online is convenience. Other top reasons include giving quickly at times of crisis, making multiple gifts in one transaction through a giving portal, and seeing their overall giving history.

(Network for Good, 2007)



What is something you've been able to do with a debit/credit card that you would have been unable to do if you would have been limited to the cash you had available?

Ultimately, the church wants to enable people to be obedient to the biblical instruction to give. Online giving is a complementary strategy to the church's existing methodology for collecting offerings. This is one more way to arrive at the same destination.

Giving has always been tied to the currency of the day. Old Testament laws required people to tithe their crops. In the New Testament, the widow gave a mite and the church described in Acts 2:42-47 pooled its resources so every need was met. The Bible clearly presents giving as the constant and methodology as variable. In a barter system, people offered their goods and services in obedience to God's command to love others.

In a monetary system, people gave their mites. It stands to reason that in a world where electronic currency is commonplace, people would be given the opportunity to use the currency with which they are most comfortable. Among younger Americans today, that currency is electronic.

How often do you use a credit/debit card to complete a transaction?



QUESTION TWO

Why Should I Care?

More and more churchgoers today did not grow up in the church. Therefore, they never heard their parents talk about giving and they never experienced the rice bowls and piggy bank offerings we remember so well. Most people would agree that ours is a culture of consumerism in which people view the church as an organization that has something to offer.

Many younger adults expect a convenient place to park, a comfortable place to sit, a competent childcare staff, coffee and donuts to go, and a feel-good experience. If their “service” is good, they leave a “tip”; if not, they look for another vendor of religious experiences. Many younger adults today don’t need excuses not to give. They need compelling reasons to give and a convenient way to give.

Online donors are younger than the average donor.

Blackbaud, 2005

Where would your church or organization be today if it had refused to leverage technology for the benefit of its ministry? Many churches have stopped mailing expensive printed newsletters and started sending out e-mail newsletters. Some

churches have opted for downloadable curriculum rather than purchasing printed resources. Most of the information a guest wants to know can be given on a church Web site, saving the time that would normally be spent answering informational calls.

Let’s be honest—many churches and organizations are poised for success if the 1940s ever make a comeback! Today’s congregation, though, is made up of people who are much different than those who made up the 1940 congregation. People attend less frequently—on average, twice per month. Most churches are facing financial struggles because their budgets are designed to work when people attend and give regularly. Yet, most ministries are fueled by the faithful giving of the Baby Boomer generation, which is careening toward an age of fixed incomes—and based on the health of a struggling economy. If the church doesn’t find a way to involve the younger generation in its financial base, it will face a difficult future.



WHAT WOULD YOUR CHURCH BE ABLE TO DO IF MORE PEOPLE GAVE MORE CONSISTENTLY?

Overall, online giving climbed 37 percent in 2006 over 2005.

Online giving is important because it allows people to give the same way they pay their bills—electronically. If your church or organization depends solely on the resources provided through cash and checks, you must be prepared to change the way you do ministry.

As a leader in your church, you are concerned about your church fulfilling the Great Commission. Ministry requires resources. Many churches find their ministries paralyzed by a lack of resources making the Great Commission little more than wishful thinking. Certainly we can't

reduce the work of ministry to dollars and cents, but giving is one way of measuring the spiritual health of your congregation. People today are giving online to various charitable organizations. When a church accepts only cash or checks solely on Sundays, many well-intentioned potential donors fail to exercise biblical stewardship. They don't carry cash and don't have time to write a check while trying to get to church before they are late. They want to give, but they have to wait until next time. This isn't about manipulating people into doing something they don't want to do; it's all about opening a new avenue of opportunity for them to give faithfully.

QUESTION THREE

What are my options?

The options are simple—keep doing what you’re doing and adjust your ministries to work on decreasing revenues . . . or tap into the social consciousness of a younger generation that is willing to invest its resources in things that matter.

What are some of the reasons people might not accept online giving as an option?

What are the three most significant reasons your organization should incorporate online giving into its strategy?

Online donors are generous. Whether due to income levels, the impulsive nature of online giving, or the credit card effect, online donors give significantly more than offline donors. (Network for Good, 2007)

No matter what you choose, the future will not be business as usual. It wasn’t too long ago that trips to the video store to rent movies and games were a regular part of our lives. The video rental business exploded and stores popped up everywhere. Today, those stores are closing and the companies are going out of business. Why? It’s not because Americans stopped watching movies, but because now Americans prefer a different methodology. They can stream movies live through their service provider, have them delivered right to their mailbox within a day or two, and if they rent from stand-alone kiosks, they can go online to see what is available and reserve their DVD.

People who are compelled to give will sometimes be inspired to give on Tuesday or Thursday. However, they aren’t inclined to write and mail a check because they use online banking for their expenses. So, when inspired, they will choose to give online . . . to some organization. Why are they not giving to the church? Because when inspired to give, they can’t give to you so they choose another recipient.

So, you must make the choice. You can tap into the online habits of today’s potential givers or you can continue employing a system that has been largely abandoned by a growing segment whom you expect to give.

SECTION TWO

Introduce Online Giving

QUESTION FOUR

Who Should I Expect to Use Online Giving?

Not everyone will take advantage of the online giving option. People who have always given through the offering plate will continue to do so, and you don't need to force them to change their ways. But those who do not give using traditional methods are most likely to use online giving.



Online givers are young, with men and women giving in equal numbers.

Online givers are young, with men and women giving in equal numbers. The median age of donors at Network for Good is thirty-eight, with the average between thirty-nine and forty. This is significantly younger than offline donors, who tend to be sixty years and older according to most studies.

As congregations watch their financial base age, they must turn their attention to cultivating a new generation of givers. Whether people are prone to give is a question of spiritual maturity, but how people are allowed to give is a question of methodology.

The Bible doesn't distinguish between generations when it comes to the expectations related to stewardship. All believers are to manage their lives in accordance with God's principles and guidelines. That's a given. So, why should your church incorporate online giving into its stewardship strategy?

Put yourself in the place of today's thirty-something family with two working parents and 2.2 children. Life is busy, so they do everything they can to save time. Their mortgage, utilities, and other expenses are set up through their bank's online bill payment system. So, at the end of the month, a few clicks of the mouse takes care of a chore that used to take an hour or more. No more checks to write, stamps to buy, or return addresses to complete. In their minds, they have paid their bills.

Sometime later there is a discussion about giving to the church. The intention is there, but time is lacking—and eventually funds are depleted. They decide to write the check later. But later never comes, and the subject is never mentioned until they are running out the door headed to church on Sunday. Again, there is no time to write the check. They make another promise to write it later. Later bleeds over into the next payday, and this time a check is written but the check only reflects the latest paycheck, not the previous one as well. They intended to give more, but their monthly gift is half of what they could have and should have given. This problem can be averted through online giving.

The other people who will take advantage of online giving are those people who sometimes work on Sundays or are prevented from attending weekly. With online giving, stewardship is no longer tied to attendance habits. People who can't attend can still give. This might even open the door for many senior adults to continue supporting their churches when they can't get out as often as they did in their younger days.

Weekdays are when most donors make their contributions. By dollar amounts, Monday, Tuesday, and Wednesday are the days donors are most generous. People seem to be at their most generous on weekdays, not weekends.

(Network for Good, 2007)

How would you respond to someone who said he wanted to give but doesn't carry a checkbook or much cash?



QUESTION FIVE

How Should I Introduce Online Giving to the Church Body?

Online giving can be presented as a service to your congregation. Though your intent is to increase your revenue, the congregation must view it as something that benefits them. Consider some of the advantages such as the ability to give anytime from anywhere, the opportunity to view their giving history, and the ability to modify their preferences at any time.



The majority of online donors have little to no prior giving history with an organization. This can be interpreted to mean that it is easier to acquire an online donor than it is to convert a current donor into an online donor. (Blackbaud, 2005)

Online giving should be marketed as an opportunity for non-givers to start giving from the convenience of their homes or during a lunch break at work. Though some offline givers will convert to online giving, the real target audience for online giving is new givers.

Online giving can be easily promoted to your congregation through your regular online communication channels such as your Web site and e-mail communications. People who receive their information online are likely to accept online giving as a normal part of their congregational experience.

In addition, online giving opens other services to your church such as event registration. Online giving portals allow people to purchase tickets to events hosted by your church. This opens your doors to your community and provides a first step for people who are looking for a church to call home.

Forty percent of donors always go online before making a donation, either online or offline.

(Kintera Luth Nonprofit Trend Report, 2005)

With recurring payments, irregular givers will become regular givers, and your congregation will see an increase in total revenue. The presence of online giving as an option in no way diminishes the effectiveness of traditional giving methodologies. In other words, people who give through traditional methods aren't negatively affected by the presence of online giving.

If you knew that certain people would start giving if they could do it online, would you encourage your church to begin incorporating electronic giving into its stewardship strategy?



QUESTION SIX

What Objections Should I Anticipate, and How Should I Respond?

In the church, change is always met with a certain degree of resistance. Few organizations are more resistant to change than the church, so there will be people who find valid and invalid reasons to criticize the strategy. Here are a few common objections.

First, people will complain that the church is encouraging its members to use credit cards to give to the church. Through ServiceU's online giving system, your church decides what electronic giving options to make available to members: debit cards*, credit cards, and/or bank drafts. You can choose one, all, or any combination of the three.

Second, others might believe doing financial business online is unsafe or not secure. Again, that's not true. ServiceU's online giving system is secure, and your personal information is protected. ServiceU is one of the few online payment and registration companies certified by Visa and MasterCard as a Level 1 Service Provider, in compliance with the Payment Card Industry (PCI) Data Security Standards (DSS). You are at more risk carrying a checkbook than giving online, because your checks contain personal information that can be used to access your resources.

Third, some people might get the idea that the church will discontinue accepting checks and cash. That's a ridiculous notion, because the church will accept donations of any kind.

Ultimately, online giving will make the church's counting and reporting much quicker and more accurate. Transporting large sums of money to the bank will be a thing of the past. Entering check data by hand will no longer be necessary. A person's personal giving habits will remain private, because even those counting will no longer need to know who gave how much.

For those who question the strategy, the answer is simple. No one will be forced to use the system. It is a service available to those who prefer to give online. Anyone desiring to use more traditional methods of giving is encouraged to keep giving the way they've always given!



Many hotels, airlines, and rental car companies require use of a debit or credit card for reservations. How much of your personal financial business is conducted through use of a credit or debit card? Consider fuel, bills, groceries, entertainment, etc.



*Debit only option available Spring 2011

SECTION THREE

Use Online Giving

QUESTION SEVEN

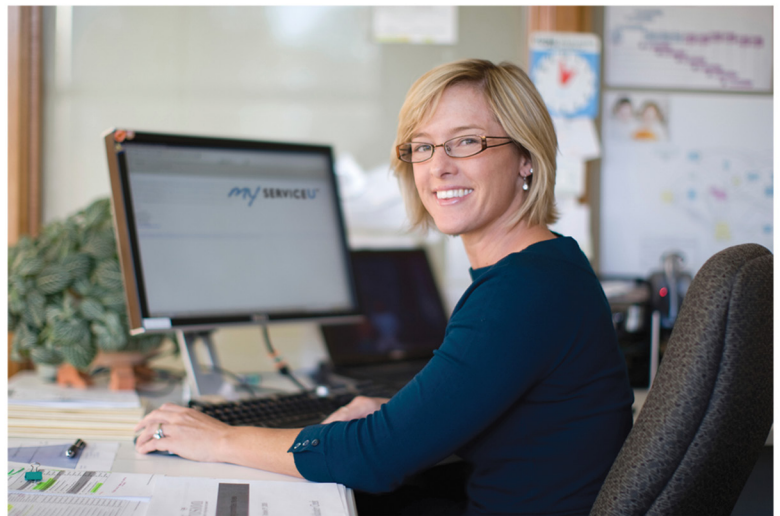
How Can I Customize the Online Giving Experience?

ServiceU allows your church to maintain complete control of the giving experience. As discussed in the previous chapter, you choose if you want to allow the use of debit cards*, credit cards, and/or bank drafts. You can be as specific as allowing only debit cards and bank drafts for tithes and offerings while allowing credit cards for event registration.

The link to ServiceU's online giving platform is seamless from your church's Web site. That means your congregation will never know they're not dealing with your church.

Each church decides what level of access to give to their congregation. It's possible for each person to have access to his or her personal giving history. Think about the reduction in phone calls that might result from people being able to answer their own giving history questions online.

In addition to giving, your congregation can register for events, donate to special causes, and participate in any special emphases going on in your church. The bottom line is that your church can customize the system to meet its needs.



The link to ServiceU's online giving platform is seamless from your church's Web site. Your congregation will never know they're not dealing with your church

*Debit only option available Spring 2011

Friends Church in Yorba Linda, California, has long been a huge proponent of online giving. Beginning in 2006 when the church began taking online donations using TransactU up until today, every event signup begins with an online registration form. Because the church members are familiar with going online to register for events and donate online, the church feels that this level of comfort has afforded them great success with the church's end-of-the-year online giving campaigns.

“Our biggest reason we promote online giving—both throughout the year and at the year's end—is the comfort our congregation feels using ServiceU,” says Christy Moore, Project Director for Friends Church. “It has been a natural progression to utilize the online giving tool, and our pastors readily share with the congregation the ease of donating online during the weekend services.”

That comfort level among the church body has allowed Friends Church to increase its online giving from 5 percent in 2006 to more than 45 percent today, which has been a great win both for the congregation and for the finance department during these difficult economic times.



“Our biggest reason we promote online giving...is the comfort our congregation feels using ServiceU.”

QUESTION EIGHT

What Are the Most Effective Ways to Promote the Use of Online Giving?

Each church is unique in how it approaches giving with its members. This said, it is important to promote online giving so that people know about it and want to use it to make their giving more regular and streamline their church finances. Here are some ideas to point you in the right direction:



FROM THE PULPIT

One of the most effective ways to overcome any anticipated opposition is for the pastor and key leaders (deacons, session members, etc.) to give online the Sunday it is introduced to the congregation.

If every leader will commit to giving online at least once, then the pastor can announce its availability and say that the entire staff and lay leadership body gave online this week. In a sense, you have “blessed” this new channel of giving as appropriate and accepted.

Here are some additional ideas:

- ➔ Remind your congregation about online giving during the church service.
- ➔ Tie online giving availability into promotions for missions drives, capital campaigns, benevolence offerings, and any other special programs so that people know they can give to any fund, not only the general fund.

PRINT AND ONLINE MATERIALS

One of the cardinal rules of good communication is to say it, then say it again, and again. The more you blanket your members with the same bit of information, the more likely they are to hear it, even if they miss it the first time:

- ➔ Create a special section in your church bulletin on “How to Give Online.”
- ➔ Include a link to your Web site.
- ➔ List the top three reasons why they should give online.
- ➔ Help people understand that it’s easy and secure.
- ➔ Post it to a blog, Facebook wall, or Twitter feed, or any other social media the church utilizes for ministry.

Using aggregate data from more than one thousand clients of Convio, GetActive, and Kintera, the average e-mail open rate was 19 percent, the average message click-through rate was 4 percent, and the average online gift was \$95. (e-nonprofit benchmark study, 2006)

To avoid the appearance of using online giving as just a way of asking for more money, highlight the benefits to members, such as:

- 1 Set up recurring giving so you don’t have to bring your checkbook to church
- 2 Use your credit card, debit card, or online check for maximum convenience
- 3 Contribute to additional church funds or programs whenever the Spirit moves you.

Here are some Proverbs to reflect on as you develop your communication strategy

“**F**rom a wise mind comes wise speech; the words of the wise are persuasive.”

Proverbs 16:23 (nlt)

“**W**hoever loves a pure heart and gracious speech will have the king as a friend.”

Proverbs 22:11 (nlt)

QUESTION NINE

In Addition to Tithes & Offerings, What Other Ways Can I Leverage this Technology?

One of the most useful by-products of an online giving strategy is online event registration and payment. Through electronic means, your community will find it easy to register for, and participate in, your varied events.

With TransactU, there are no more handwritten forms to be filled out—people simply go to your Web site to register for events and pay using their debit or credit card, or with an e-check. The system allows you to process paperless event registrations.

You also can customize the event registration and payment pages to match the look of your own Web site. The end users will be delighted because they can submit payments in a safe, secure method. Your church can eliminate selling tickets in the lobby, unsightly tables lining the walls, and the handling of large sums of money in an insecure environment. If you do not wish to part with traditional ways, adding an electronic option will at least help you extend your reach.

Through your electronic communications, your church can link directly to the giving portal so donors can give to needs as they arise. We all remember the tragedy of the earthquake in Haiti. Through TransactU, churches were able to receive and distribute funds without waiting for special offerings. Donors were able to give immediately, putting more resources in the hands of relief workers.



How many people would give for the first time, begin giving regularly, or perhaps even give more if they had an option that was consistent with their regular habits related to the exchange of money? Can your church afford to leave potential donations in the hands of well-intentioned individuals?

No one tells the story better than those who are using the system. Central Church in Tulsa, Oklahoma, is just one of many churches that have benefited from this strategy.

We began receiving online donations almost eleven months ago through TransactU. It was an easy decision to begin accepting donations online.

These days, people are accustomed to being able to take care of financial business online. Many pay all their bills online. Some no longer carry a checkbook. We needed to make it easy for those people to give to the church.

Setting up the online giving forms and getting it started was simple. The online manual was helpful in that process.

We have promoted online giving on our Web site, in e-newsletters, and in our Sunday morning bulletins. Response was a little slow at first but has gradually gained momentum. I think once people try it, they find out how easy it is. They like that they can set up recurring contributions every week or month rather than having to enter them each time. It was particularly nice for people trying to make last-minute contributions for tax purposes at the end of the calendar year. They could make their donation regardless of what time the office closed on December 31.

In the past eleven months since implementing online giving, we have received 15 percent of our total donations online. And that is a percentage I expect to continue growing.”

The fact is that anything you can do with cash and checks can be done more efficiently and more safely through online giving. This is the way business today is being done, and it's time for the church to leverage the technology for the benefit of God's kingdom.

CONCLUSION

The benefits of online giving are significant. Your congregation can maximize the giving potential of donors by opening this avenue of opportunity. There are five key points that will make your decision an easier one:



YOU WILL EXPERIENCE INCREASED CONSISTENCY IN GIVING.

Unfortunately, everyone misses a Sunday or forgets their checkbook from time to time; however, not everyone remembers to make up their planned contribution the next week. By scheduling their gifts online, your donors are more likely to continue giving, even when they can't make it on Sunday.



YOU WILL GIVE DONORS CONTROL.

Give donors the ability to manage how often they give, how much they give, and to which fund they give . . . all from your organization's Web site. Givers simply go online, log into their account, and determine these settings. Their preferences can be changed at anytime.

Online giving is only part of the ServiceU solution

Every ServiceU church also receives these additional features and functionality.



Event Registration



Kiosk Giving



Mobile Giving



YOUR GIVING WILL BE CONDUCTED WITH THE HIGHEST STANDARDS OF SAFETY AND SECURITY.

With TransactU, your members' data is protected at the highest level. ServiceU is certified by Visa and MasterCard as a Level 1 Service Provider, in compliance with the Payment Card Industry (PCI) Data Security Standards (DSS). We are one of the few online payment and registration companies that meet these rigorous standards. We take care of all the details, worry, and liability so you don't have to.



YOUR FINANCIAL TEAM WILL SAVE TIME.

TransactU offers extensive reporting that makes it possible for staff member to reconcile the deposits quickly and easily. Without such reporting, you could waste many hours.



YOUR CHURCH WILL RECEIVE FUNDS DIRECTLY.

ServiceU helps you set up your own merchant account so that funds are deposited directly into your bank account and are available immediately. No more waiting for checks to clear. No more having to return checks for insufficient funds.

The decision is yours, and ServiceU is here to help you make the wisest choice. If online giving isn't for you, we'll tell you. Ultimately, our goal is to help your church reach more people with the message of God's love. This requires all of us to be good stewards. ServiceU would like to partner with you to help your congregation achieve its ministry goals.

EASY STEPS TO ONLINE GIVING



STEP 1

Contact ServiceU for a FREE demonstration and evaluation of the product. (No strings attached. Seriously.)

ServiceU Corporation
60 Germantown Court, Suite 202
Memphis, TN, 38018
Phone: 1.866.709.7420
sales@serviceU.com



STEP 2

Implement Online Giving in Your Church. (We can probably have it ready for you to use before your next Sunday service.)



STEP 3

Introduce online giving for the first time by asking your leadership (including the pastor) to commit to give at least one time, preferably the day the formal church announcement is made. (Don't forget to send regular reminders through the church bulletin, newsletter, and e-mail blasts that online giving is available.)

THE AUTHORS

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is the founder, CEO, and president of ServiceU, Inc. After selling a telecommunications company he built from the ground up, he discovered a need for software to help churches manage doing church. That effort would later become ServiceU. Living at the intersection of faith, ministry, and technology, Tim has led the ServiceU team to push beyond the needs of today and continually invest in ways that support the expansion of the Kingdom through local church ministry.

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