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**Office of Information and Research
Report 10**

**Giving Practices and
Attitudes**



Seventh-day Adventist Church

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Executive Summary

Giving Practices and Attitudes

The members of the Seventh-day Adventist Church in North America have a strong history as dedicated tithers and generous donors. Yet in the past two decades the increases in tithe and offering income to the denomination have not kept pace with inflation during many years.

The purpose of this study is to identify some of the key attitudes that motivate tithing and other giving practices, especially as they relate to denominational financial programs and strategies. The information can be used in future decisions about stewardship education, offering promotion and strategic planning and budgets at all levels of the church.

Nine in ten church members (92%) believe in tithing, and four out of five (82%) think that it should be paid through the local church. The majority support the way the Seventh-day Adventist Church handles tithes and offerings.

Two-thirds of members (60%) calculate their tithe on the basis of their pre-tax income, while a third (32%) do so on the income they receive after taxes are deducted. Younger members are more likely to use the after-tax approach.

While there is nearly universal agreement among church members that the tithe should be used for the salary and benefits of the clergy (94%), only about half are of the opinion that tithe should be used to pay clerical staff in conference offices (59%) and teachers in church-related schools (54%). Less than two in five believe it is proper to use the tithe to purchase equipment for conference (38%) or local church offices (36%).

At least four in ten church members (41%) report that they place some of their tithe in the local church budget, building fund or student aid fund. For most, the tithe handled in this way constitutes a small percentage of their total tithe, the vast majority of which goes into the Tithe Fund. Only one in seven members indicate that they give at least some of their tithe to independent ministries (15%) and non-Adventist organizations (12%).

A profile of giving to offerings reveals that one in four church members (24%) donates a "second tithe" or more. A majority (54%) give five percent of their income or more to offerings in addition to returning a tithe. It should be kept in mind that the sampling method used in this survey excludes almost all of the 35% to 40% of persons on membership rolls who almost never attend church.

Knowing how the church spends the money given to it is the most powerful motivational factor that influences the giving of church members. Almost as many say they would give more if they believed that the Adventist Church were in a financial crisis. Factual presentations of need, implementation of a plan whereby a percentage of the tithe stays in the local church, and the opportunity to give to specific mission projects instead of a general fund are also major motivators.

The influences rated least effective in the motivation of giving are also methods that professional fund raising, development and stewardship specialists find to usually produce good results in practice. Nonetheless, the majority of church members have negative feelings about visits in their home to deliver stewardship information or discuss giving, special offering envelopes and direct mail appeals.

Only one in three members (31%) are "intentional" givers who usually give offerings on the basis of a percentage of their income—these are the people who fit the Personal Giving Plan (PGP). Another third (29%) are "reactive" givers who respond to regular stimuli such as verbal and video appeals in worship or direct mail, but are not likely to participate in the PGP. One in five (22%) are "habitual" givers who have at some point in the past learned to give a set amount of money on a regular cycle and are not much influenced by promotional strategies or giving plans of the denomination. This information underlines the need for something other than a "one size fits all" stewardship program.

As many church members give to world missions through special offerings in worship or their tithe envelope as do in Sabbath School. About half (46%) are in each category. Missions promotion cannot afford to be limited primarily to the Sabbath School.

Four out of five church members (78%) have confidence in their pastor's leadership, but less than two-thirds express the same confidence in denominational leaders. Two-thirds (67%) approve of how their local church spends money, but only half approve of how the other levels of the denomination use the funds they control.

Overall, the Adventist Church retains the loyalty and financial support of a significant number of its members, but the strongest supporters are predominantly those over the age of 65 and members of smaller and rural churches. The segment of the membership that should be the backbone of the denomination's financial support—the 69% of members who are either in their prime earning years or preparing to move into their prime earning years—tend to be more critical of church leadership and less supportive as givers.

The picture that emerges is one of a church that runs the risk of losing the confidence and financial support of its younger and more urban members. This segment is:

- More likely to disagree with denominational policy on the distribution of tithe and offering income
- Less likely to express confidence in denominational leaders
- More likely to figure their tithe on after-tax income or to not return tithe at all
- Less likely to give a sizeable portion of their income to offerings
- More likely to divert tithe to non-tithe funds

Until the Seventh-day Adventist Church can come to terms with the attitudes of these members, it faces a continuing decline in available financial resources. A strategy is needed to develop a new generation of strong financial support.

NAD Office of Information & Research
Report 10
May, 1995

Introduction

The Office of Information and Research provides regular, up-to-date information about the local congregations and members of the Seventh-day Adventist Church in North America – demographics, church attendance and involvement, attitudes and opinions related to the goals of the denomination and its varied ministries. More than a score of significant studies have been conducted over the past fifteen years, but this is the first permanent, systematic program of survey research established by the church.

Three primary streams of data collection are monitored each year:

- Survey of Members conducted in a panel of 45 local churches which have agreed to participate. Each church circulates a questionnaire to their entire attendance on a Sabbath morning, thus providing a random sample of about 1,500 to 2,000 church members.
- Survey of Church Board Members which is conducted by sending a questionnaire by mail to a random sample of 1,000 drawn from the local conference lists of current church officers.
- A Survey of Pastors which is also conducted by mail to a random sample of 1,000 clergy currently assigned to local churches also drawn from the local conference employee lists.

In addition, specialized studies are conducted from time to time as requested by the North American Division (NAD) officers, department heads and standing committees. This data bank is supplemented from time to time by the Pacific Union Church Resource Center, Sentinel Research Services, faculty and graduate students in Adventist colleges and universities, and denominational staff at all levels.

All of these sources, as well as established systems for retrieving comparative data from the Christian and secular research industries, provide a rich information base for church leaders, their staff and decision-making groups. The Office of Information and Research functions as the clearinghouse for access to this information base. Questions and requests for additional information should be addressed to the office at 12501 Old Columbia Pike, Silver Spring, MD 20904, or by Fax at (301) 680-6464, or by E-mail at 74617,14 on CompuServe or via the Internet to 74617.14@compuserve.com.

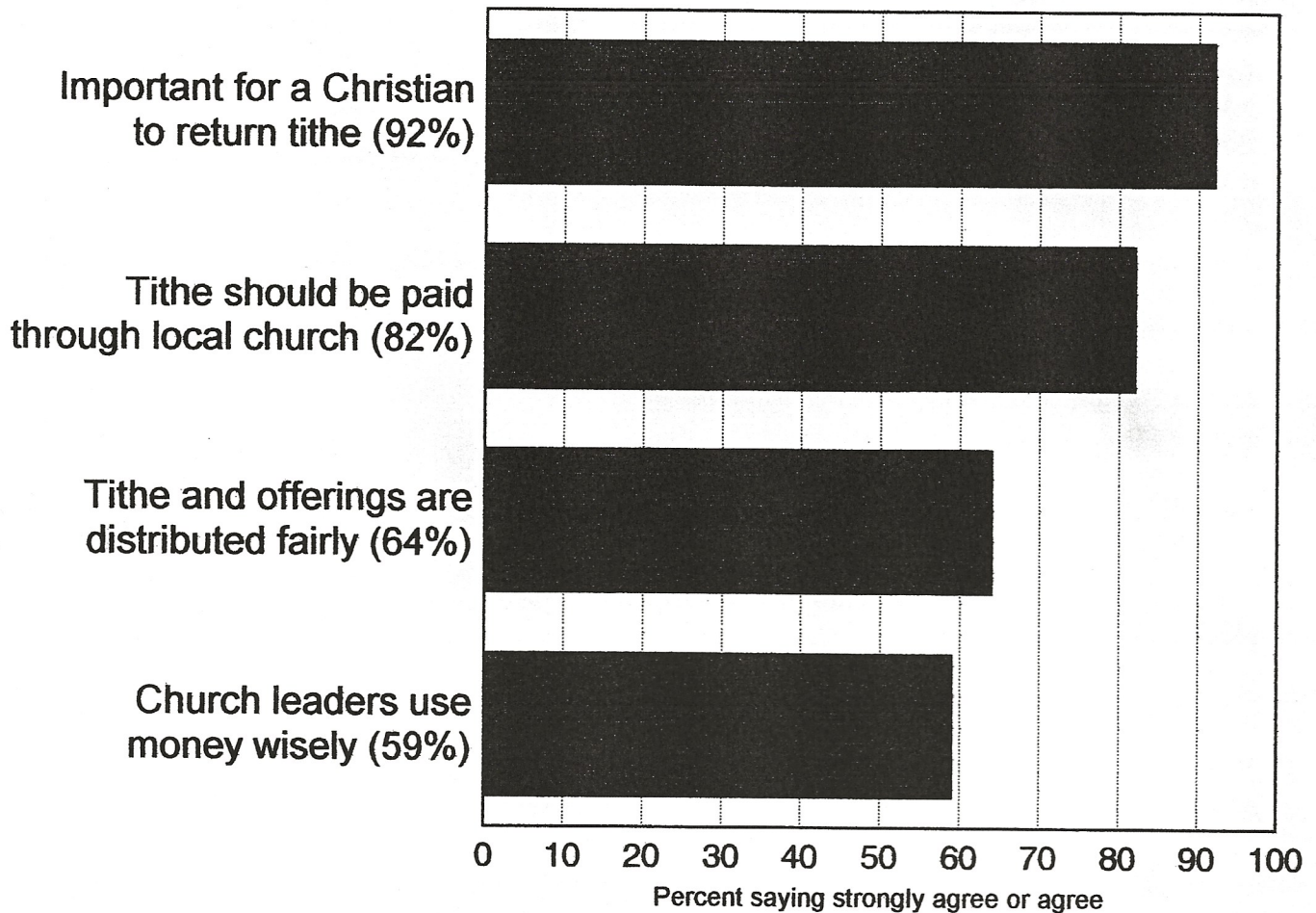
How the Information in the Report Was Collected

This is one in a series of reports published by the NAD Office of Information and Research. It presents information collected during the annual Survey of Members conducted in the fall of 1991. A panel of 40 congregations distributed the questionnaire to those in attendance on Sabbath morning. This yielded a random sample of 2,256 useable responses. The sampling error is 3 percentage points at a 95% confidence level. Additional information about the statistical sampling method used is provided in the Technical Appendix.

I also want to acknowledge the work of Ginger Ellison and Gan Theow Ng, staff assistants at the Institute of Church Ministry who worked on this survey, and Meridith Webster on the NAD staff.

Monte Sahlin
May, 1995

Members Support Tithe Practices



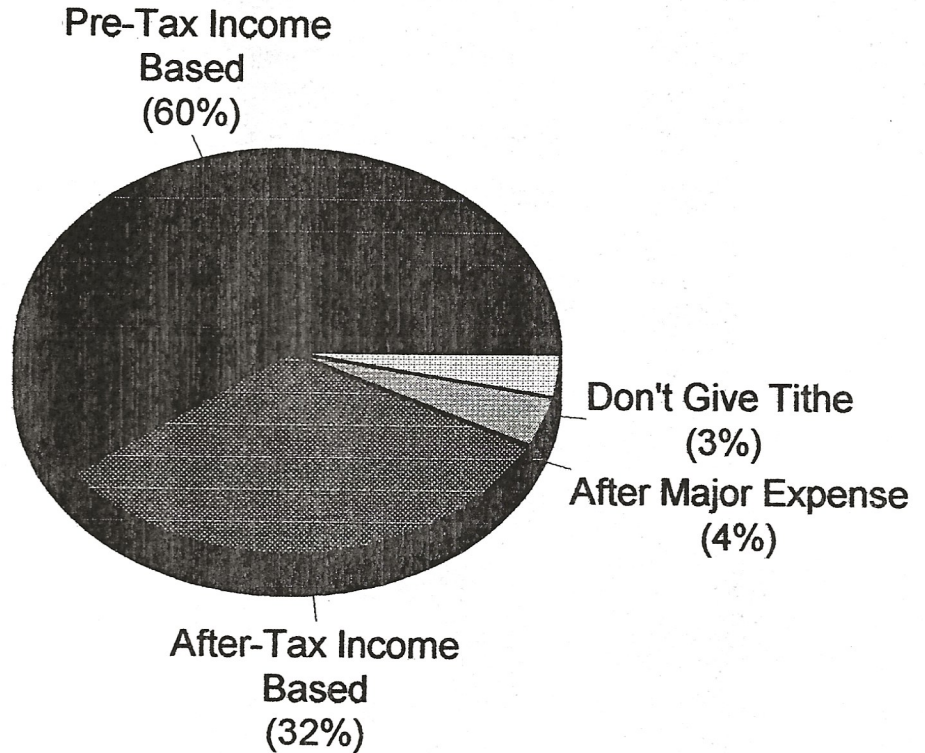
Church members overwhelmingly believe in tithing. More than nine out of ten agree that it's important for a Christian to return tithe. More than four out of five also agree tithe should be paid through local churches.

However, church members are less supportive of the way tithe and offerings are distributed. Fewer than two-thirds agree that the policies for distributing tithe and offerings are fair, and even fewer believe church leaders use funds wisely.

In general, those who are most supportive of the church's tithe and offering practices are members age 65 and older and those in smaller, more rural churches. Newer members are also more likely to agree with church practices.

The larger the church and the more urban the location, the less likely members are to agree that tithe and offerings are distributed fairly and that church leaders use funds wisely.

How Members Figure Tithe



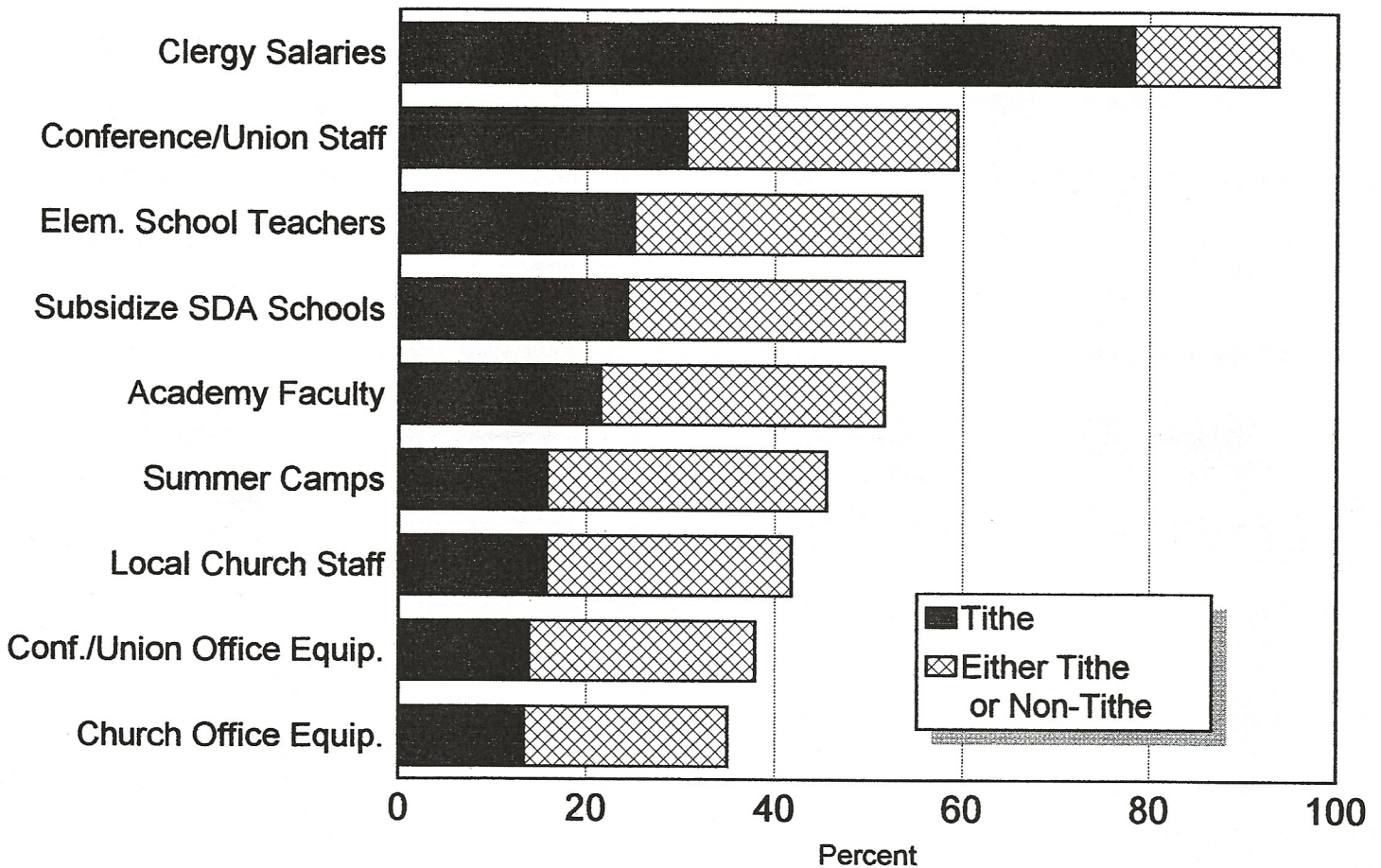
Three out of five church members calculate their tithe on gross or pre-tax income. Another 32 percent figure it on net income after taxes.

Those who calculate their tithe on gross income tend to be older, long-term members of rural churches. Asians and Hispanics are somewhat more likely to figure tithe on gross income as well. Members of the Baby Boom generation are those most likely to figure tithe on net income, although quite a few more figure on gross income (54%) than on net (41%).

Nearly as many newer members say they figure tithe on net income (38%) as do on gross income (42%). Newer members are also somewhat more likely to say they figure tithe after major living expenses are paid (12%), or that they don't return (8%).

Although only 3% of all members say they don't tithe, members under the age of 25 are significantly more likely than average to say they don't tithe (14%), perhaps reflecting a lack of or limited income among this age group.

What Is Appropriate Use Of Tithe?



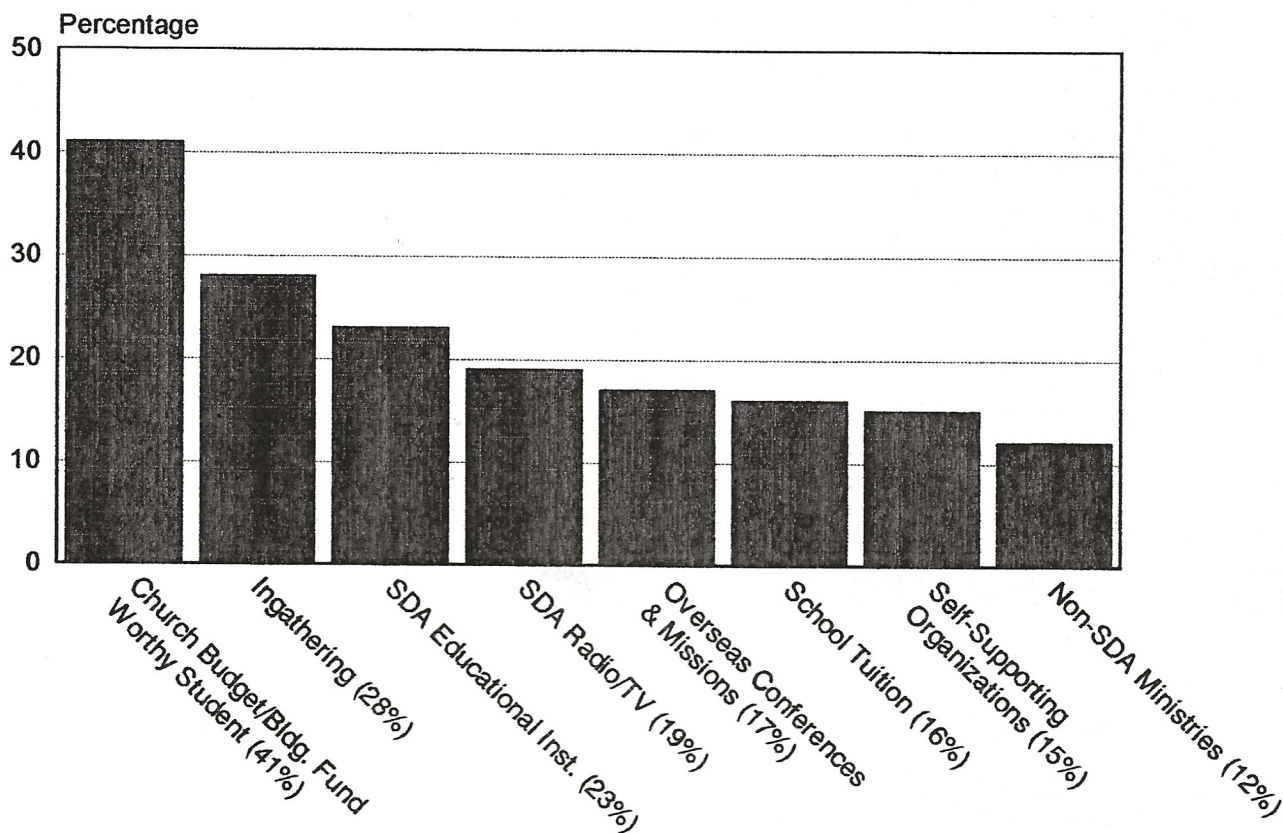
There is nearly universal agreement among North American Seventh-day Adventists that tithe should be used to support pastors, Bible teachers, evangelists, and other clergy. Beyond that, opinions diverge. About half of members are willing to use tithe to pay support staff in denominational offices and all faculty in Adventist schools, as well as to subsidize Adventist education and summer camps.

There is serious disagreement between the views of a majority of church members and current

denominational policy regarding the use of tithe for some items. Examples of this disagreement include the willingness of members to use tithe to fund all aspects of Adventist education, but not to pay for equipment and supplies in denominational offices.

Attempts on the part of the church to increase giving by its members is very likely to be hampered, at least in part, by the discrepancy between current denominational policy regarding the use of funds and the preferences of members.

Gave Tithe To Non-Tithe Funds



At least four out of every ten church members place tithe dollars in something other than the conference Tithe Fund. The percentage could be higher, since the survey only asked if members gave tithe to each of these various funds, rather than if they diverted tithe at all.

The diversion of tithe to non-tithe funds closely parallels what members report about their level of confidence in church leaders, as well as their desire to know how the money is being spent. Apparently a significant portion of the membership believes the best way to maintain the integrity of their stewardship is to give it directly to the ministries they deem important. Those most likely to divert tithe are:

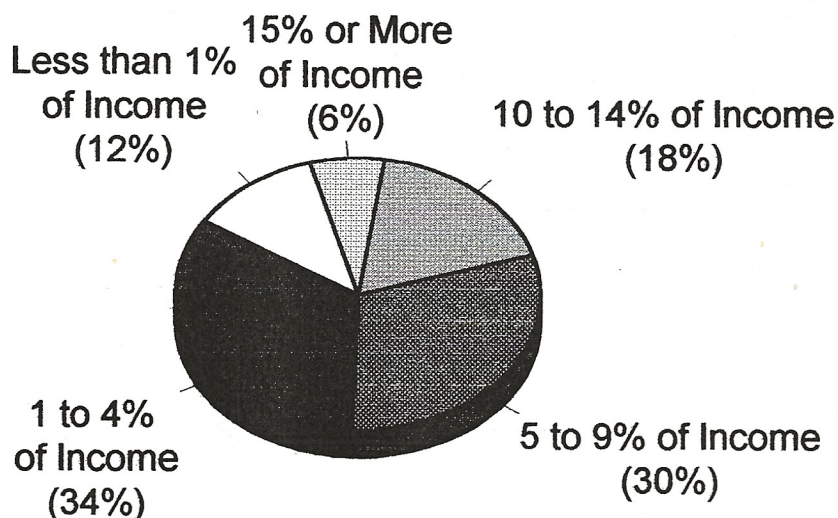
- Ethnic minority members
- Metropolitan area members
- Newer members

- Members under the age of 65
- Members of churches with more than 100 members.

Some interesting observations:

- Those baptized less than a year, those under the age of 45, and members of churches with 300 to 600 members are the ones most likely to give tithe to non-Adventist ministries.
- Those under the age of 25 are significantly more likely to give tithe to an Adventist educational institution or to use tithe to pay school tuition.
- Adventist Radio or TV ministries are the only project to which those over the age of 65 and those in small churches are more likely than average to give tithe.

Percentage Of Income Given As Non-Tithe Offering



A picture of the Adventist donor base in North America emerges in response to a question about the percentage of annual income given as non-tithe offerings. In general, older members of rural churches are the most generous, while newer members, those under the age of 25, and those in suburban or small town churches are the least likely to report significant non-tithe giving.

Ethnicity is another key factor in non-tithe giving; nearly one-third of Hispanic and African-American members report giving 10% or more of their income in non-tithe offerings.

Top givers are the one in 18 members who give 15% or more of their income to offerings beyond their tithe. These members are most likely to be long-term members over the age of 65.

Second tithe members are the one in five (18%) of members who give 10% to 14% of their income to offerings — a second tithe. These members are somewhat more likely to be 65 years of

age or older and significantly more likely to be members of rural churches.

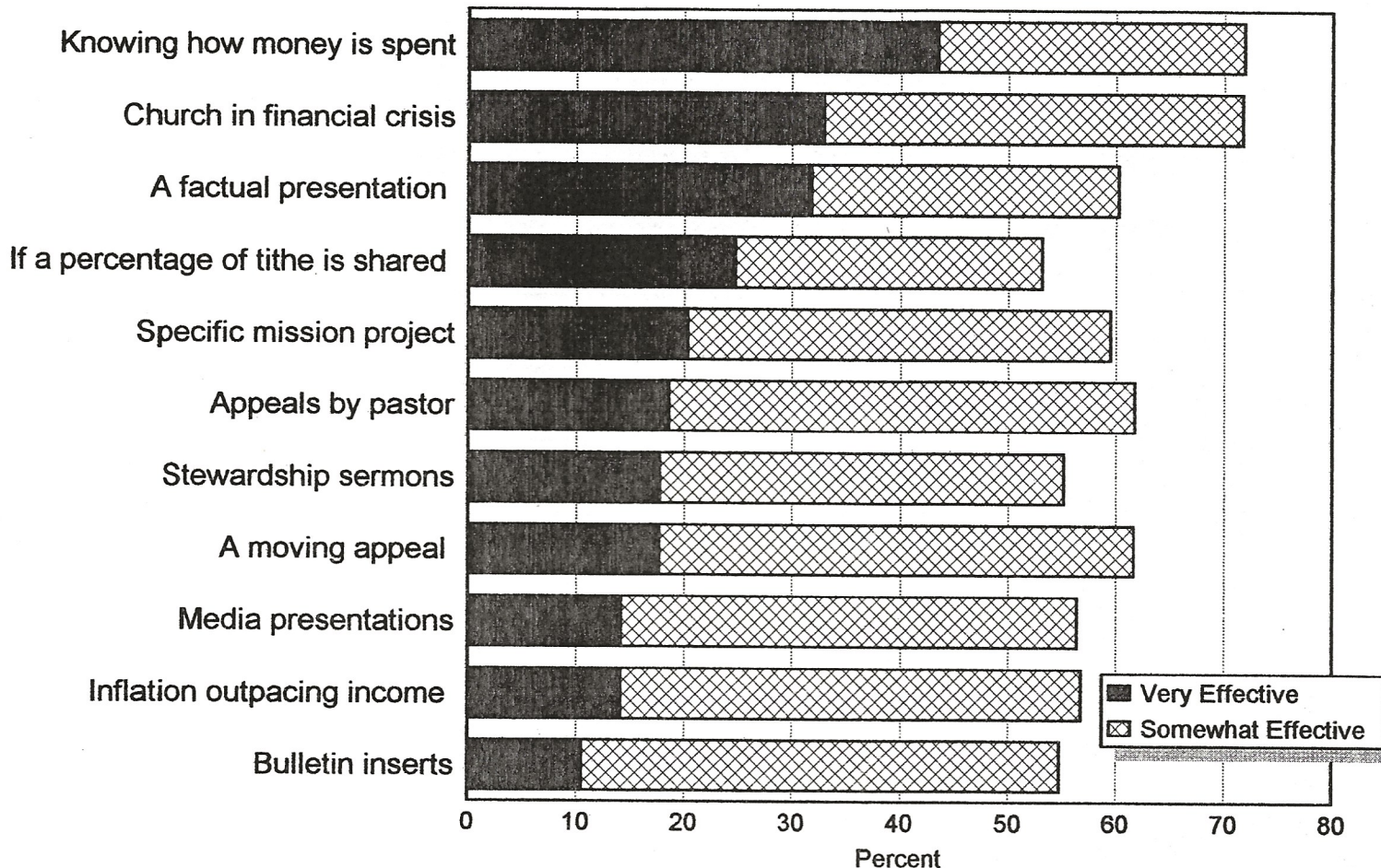
Guideline givers are the one-third (30%) of members who give 5% to 9% of their income to offerings; the range suggested in Personal Giving Plan guidelines.

Below guideline givers are the middle third of members (34%) who give 1% to 4% of their income to offerings. These are significant donations, but below what is usually considered necessary to support the local church and the other ministries funded from the official schedule of offerings. Increasing the giving of these members must be a key part of any strategy to improve the church's financial situation.

Marginal givers are the one in eight (12%) of members who give less than 1% of their income to offerings. It probably will be difficult to motivate these members to give more, either because of personal financial limitations or negative attitudes.

What Influences Giving?

Most Effective Motivators



More than seven out of ten church members say they are most motivated to give when they know how the money will be spent. And the younger the member, the more likely that person is to say that knowing where the money goes influences to what and how much they give.

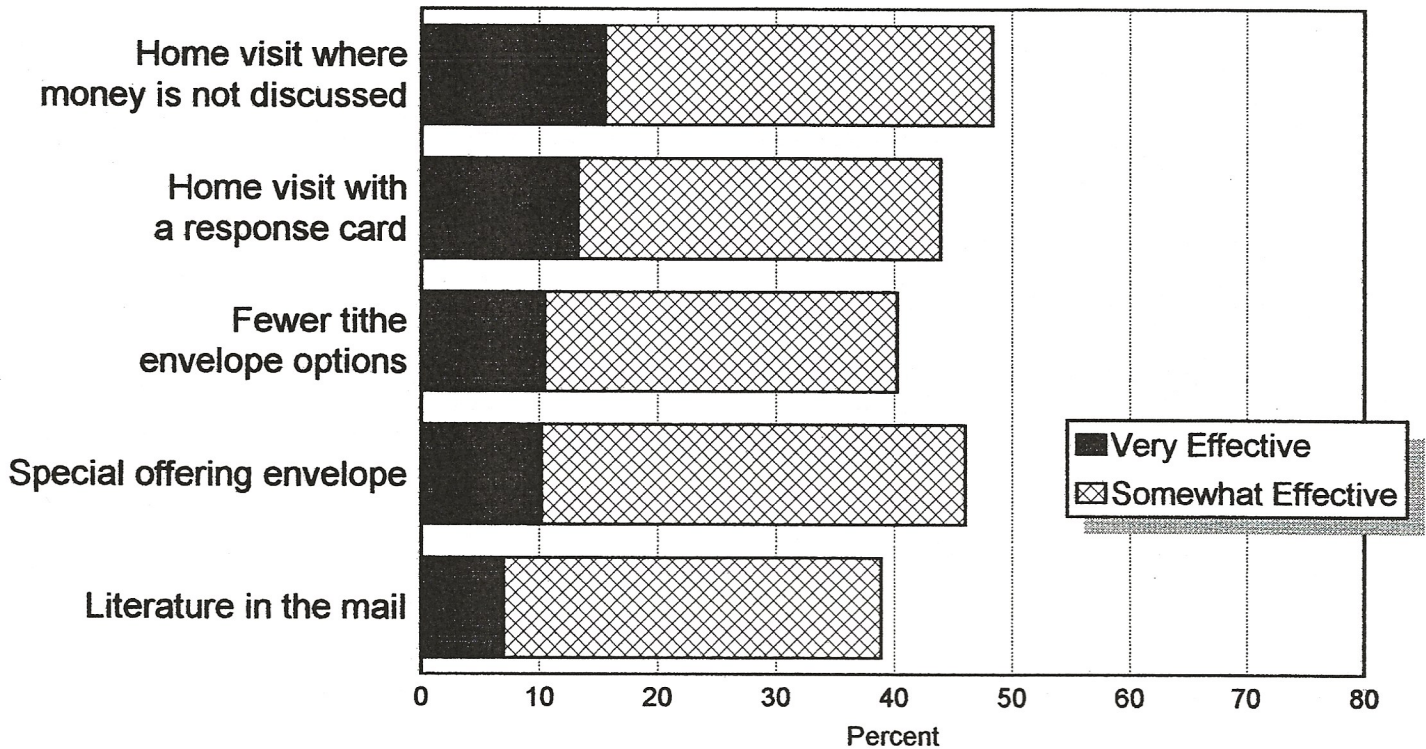
Members also say a financial crisis in the church due to an economic recession would be a powerful motivator. And more than half of members want a percentage of tithe earmarked for the local church

and say that such a policy would increase their giving. Again, the younger the member, the more likely he or she is to feel this way.

The pastor is an important vehicle for communicating financial needs to members. Pulpit appeals by the pastor are viewed favorably by nearly two-thirds of members, and stewardship sermons are effective with more than half. Specific appeals are also effective motivators, ranging in effectiveness from more than 50% to more than 60%.

What Influences Giving?

Least Effective Motivators



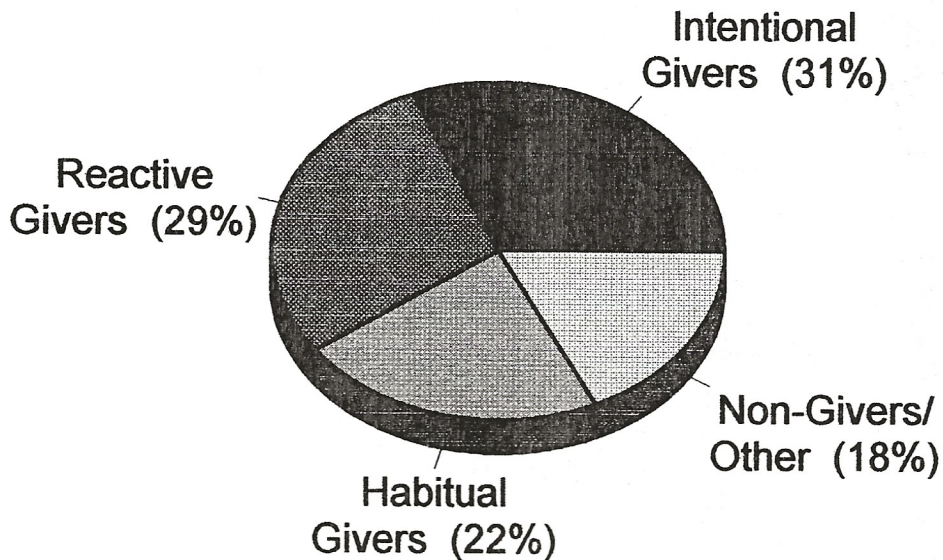
Among the least effective motivators, or those that fewer than half of members say have any positive impact on their giving, are home visits. In fact, a home visit, even by lay people, seems to be counterproductive.

Members dislike being approached

about money at home in any form; literature in the mail at home was rated the least effective of all motivators.

To positively impact giving, it appears members need to be approached about money at church, in either factual or emotional appeals.

Giving Styles of NAD Members



What motivates a church member to give? Beliefs, deep spiritual commitments, information about the needs and persuasive communication are all part of the picture, but the personality of the giver plays a key role. At least three key behavior patterns or "giving styles" have been discovered in studies of giving. That question was replicated in this survey.

Intentional Givers are those who plan their giving. They make pledges or establish a personal giving plan, setting aside a percentage of their income for offerings each pay period.

Intentional givers tend to belong to smaller, rural churches, to be long-term members, and to be white, Hispanic or West Indian. Members move into an intentional giving pattern as they move past the 25-year-of-age mark.

Reactive Givers are those who require some stimulation to get them to actually make a donation. They believe in giving and intend to give, but until they receive a persuasive appeal or find an exciting project, do not actually write

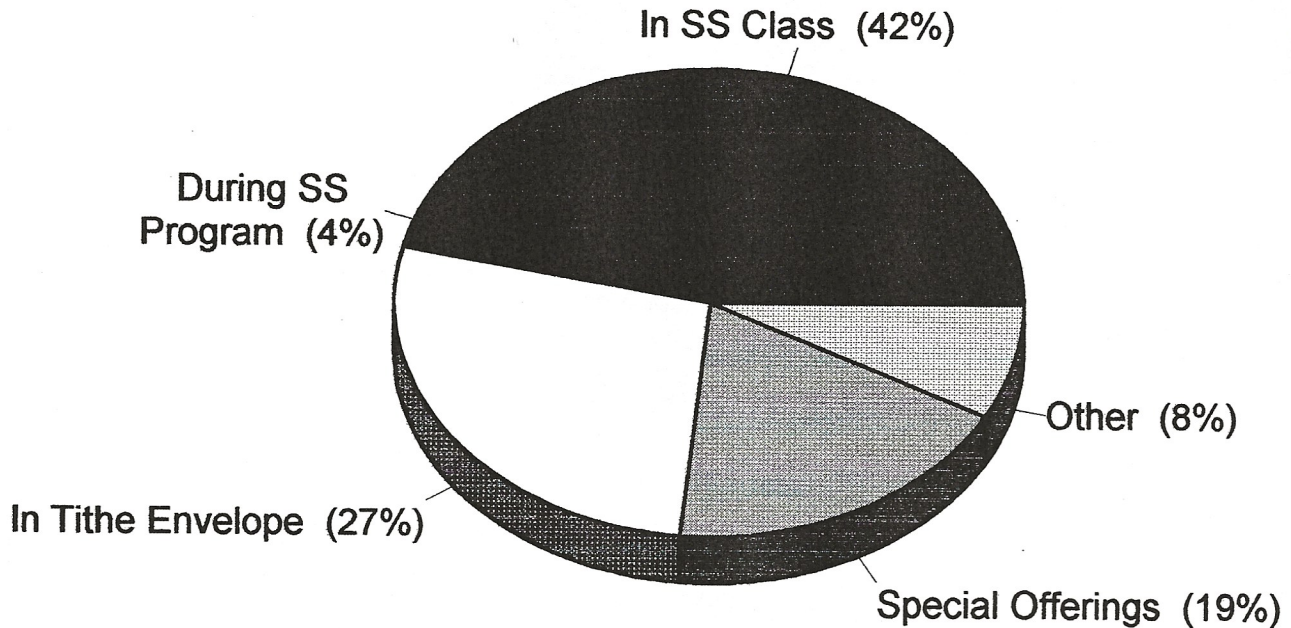
a check or place money in the offering plate. Some even say the amount of their offering is determined by how much money they happen to have with them when the plate is passed.

Reactive giving is the overwhelming giving pattern for those under the age of 25, who report their non-tithe giving is most influenced by the amount of money they have with them at church. Reactive giving is more common among those who have been church members for 5 years or less and among those who attend urban churches. The tendency increases with church size.

Habitual Givers are those who give a set amount of money. They may be giving the same dollar amount they were giving years ago, even though the buying power of that money has decreased significantly since they became used to dropping that amount into the plate each week.

Habitual givers are most common in suburban churches and members tend to become habitual givers with age.

How Members Give To World Missions



Nearly half of Adventist members give to world missions in Sabbath School. Most do so during the Sabbath School class and a much smaller number during the opening program.

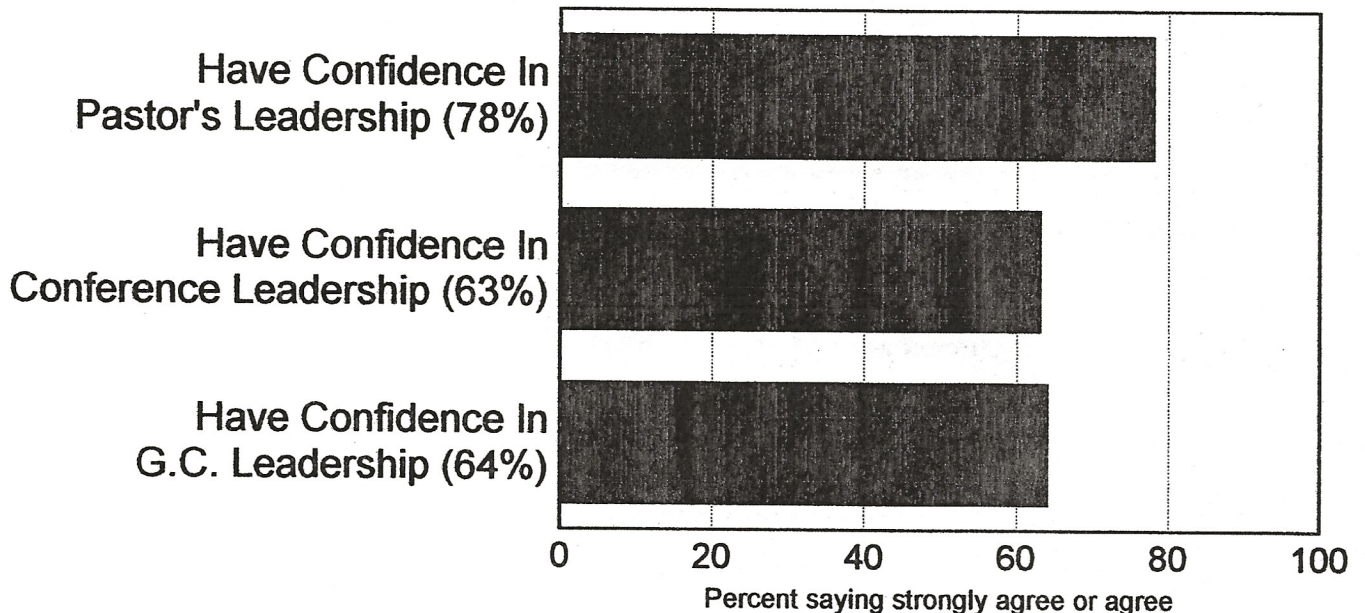
More than a quarter give to world missions via the tithe envelope, perhaps reflecting those givers who intentionally plan their offering.

It is interesting to note that 17% of members said they gave tithe to an overseas organization, reflecting a base of members that is relatively small but especially committed to world missions. Asians and those with an ethnic background of "other" are those most

likely to divert tithe to overseas organizations.

One in five members give to world missions through special offerings scheduled as part of the Sabbath worship offerings throughout the denomination. This is essentially the same percentage of members who said the opportunity to give to specific mission projects is a very effective motivator (20%). With more about three out of five members favorably impressed by the use of media presentations and specific appeals, these avenues could be used more extensively to increase giving to world missions

Do Members Have Confidence In Church Leadership?



Members have significantly more confidence in their pastor's leadership than they have in leadership at either the conference or General Conference level. This goes hand-in-hand with the approval rating of how different levels of the church spend money.

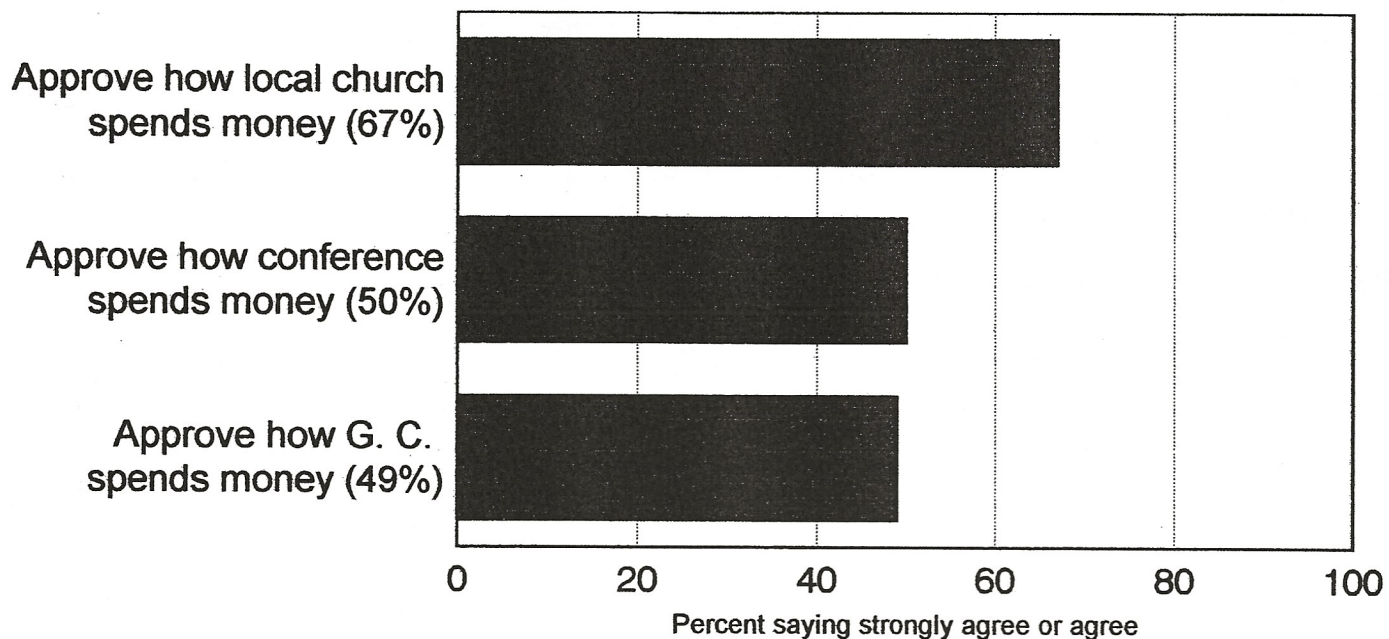
Not surprisingly, newer members are significantly more likely to express confidence in the local pastor than are longer-term members, affirming the pastor who probably led them into the church and baptized them. And although long-term members are no more likely than average to express

confidence in either local or General Conference leadership, they are less likely to approve of their local pastor's leadership.

Members over the age of 65 are more likely to express confidence in both local and General Conference leadership than are other members, as are members of churches with fewer than 100 members.

African Americans and those who give themselves an ethnic background of "other" are less likely to approve of church administrators, while Black West Indians are more likely to approve.

Do Members Approve Of How The Church Uses Funds?



Members are significantly more likely to approve of how their local church spends money than they are to approve of how the denomination spends money. Two-thirds of members approve of how local church funds are used, but only half approve of how their conference and the General Conference use funds.

It appears that some disenchantment with the way church administrators use money sets in after an

individual has been a baptized member for about five years. Those least likely to approve of how the conference and General Conference spend money have been members for six or more years.

In addition, younger members, members of congregations with more than 100 members and suburban and urban congregations are less likely to approve of how the church uses its funds at all levels.

Technical Appendix

In interpreting survey results, it should be borne in mind that all sample surveys are subject to sampling error; that is, the extent to which the results may differ from what would be obtained if the whole population had been interviewed. The size of such sampling errors depends largely on the number of interviews.

The following tables may be used in estimating the sampling error of any percentage in this report. The computed allowances have taken into account the effect of the sample design upon sampling error. They may be interpreted as indicating the range (plus or minus the figure shown) within which the results of repeated samplings in the same time period could be expected to vary, 95 percent of the time, assuming the same sampling procedures, the same interviewers, and the same questionnaire.

The first table shows how much allowance should be made for the sampling error of a percentage:

Size of Sample	1500	1250	1000	750	500	250	100
Percentages near 10	2	2	2	3	3	5	7
Percentages near 20	3	3	3	4	4	6	10
Percentages near 30	3	3	4	4	5	7	11
Percentages near 40	3	3	4	4	5	8	12
Percentages near 50	3	3	4	4	5	8	12
Percentages near 60	3	3	4	4	5	8	12
Percentages near 70	3	3	4	4	5	7	11
Percentages near 80	3	3	3	4	4	6	10
Percentages near 90	2	2	2	3	3	5	7

This table would be used in the following manner: If a reported percentage is 33 for a group which includes 1250 respondents. Then we go to row "percentages near 30" in the table and go across the column headed "1250." The number at this point is 3, which means that the 33 percent obtained in the sample is subject to a sampling error of plus or minus 3 points. Another way of saying it is that very probably (95 chances out of 100) the true figure would be somewhere between 30 and 36, with the most likely figure the 33 obtained.

In comparing survey results in two samples, for example, men and women, the question arises as to how large a difference between them must be before one can be reasonably sure that it reflect a real difference. The tables below indicate the number of points which much be allowed for in such comparisons.

One table is for percentages near 20 or 80; the other for percentages near 50. For percentages in between, the error to be allowed for is between those shown.

Table A
Recommended Allowance for Sampling
Error of the Difference 50% and 50% (at 95 in 100 confidence level)

Size of Sample	1500	1250	1000	750	500	250	100
1500	4						
1250	5	5					
1000	5	5	5				
750	5	6	6	6			
500	6	6	7	7	8		
250	8	8	9	9	9	11	
100	13	13	13	13	13	14	17

Table B
Recommended Allowance for Sampling
Error of the Difference 20% and 80% (at 95 in 100 confidence level)

Size of Sample	1500	1250	1000	750	500	250	100
1500	4						
1250	4	4					
1000	4	4	4				
750	4	4	5	5			
500	5	5	5	6	6		
250	7	7	7	7	8	9	
100	10	10	10	10	11	12	14

Here is how the tables are used: 50 percent of men responded a certain way and 40 percent of women respond that way also, for a difference of 10 percentage points between them. Can we say then that the 10 point difference reflects a real difference between the two groups on the question? Let us consider a sample which contains approximately 750 in each of these groups.

Since the percentages are near 50, we consult Table A, and since the two samples are about 750 persons each, we look for the number in the column headed "750" which is also the row designated "750." We find the number 6. This means that the allowance for error is 6 points, and in concluding that the percentage among men is somewhere between 4 and 16 points higher than the percentage among women, we should be wrong only about 5 percent of the time. In other words, we can conclude with considerable confidence that a difference exists in the direction observed and that it amounts to at least 2 percentage points.

In another case, responses among a group of 750 men amount to 22 percent and 24 percent in a group of 750 women, we consult Table B because these percentages are near 20. We look for the number in the column headed "750" which is also in the row designated "750" and see that the number is 5. Obviously, then, the two-point difference is inconclusive.