

Successful Planning and Building in Difficult Economic Times

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LifeWay Research reports in a recent poll that of 1009 North American churches surveyed, fourteen percent reported building projects or capital expenditures had been delayed because of economic concerns in the past year. By contrast, twenty percent of churches reported none of the belt-tightening measures identified in the survey. What does the current economy mean to you and your church as you consider addressing current and future facilities needs?

It most certainly does not mean doom and gloom. While fiscal circumstances will always be a concern in any church building project, let's look at your situation from an objective point of view, considering the following questions:

- Does the church **need** additional space to accomplish its mission and vision?
- Is the congregation and leadership **highly committed** to achieving the mission and vision?
- Where is the **church's giving** in comparison to previous years?
- What is the construction environment in the **local economy**?

The first issue to consider is **need**, particularly in relationship with the church's clearly defined and established mission and vision. If the church truly needs additional or refurbished space to accommodate growth and ministry objectives, this need presumably will not change based on occurrences on Wall Street. In difficult economies it is more important than ever for the church to clearly and honestly prioritize its needs, its wants, and its preferences; in that order,

Any successful building and planning requires **effective leadership**, and this is amplified in the down economy. The leader and the congregation must be highly committed to staying the course with confidence despite a barrage of doubt-sowing from naysayers and newscasters. This confidence must be gained through wise planning, necessary adjustments in scope of the project, consensus building among key leaders, and by communicating the achievement of milestones on the journey, including navigating around such obstacles as present themselves along the way. Progress, even slower progress than originally desired, is almost always preferable to standing still or worse, moving backwards.

Many churches have seen some reduction in **giving** and have taken measures to address this through reduction in expenses. While stock prices on Wall Street plummeted by 50 percent or more, most churches saw income reductions of ten percent or less, with many remaining stable and a small percentage continuing to increase.

Any building project financial plan should be based upon **actual undesignated church income**, not a future projection. At the same time, with consumer spending on the decline and with banks in a hyper-cautious mode after being overly aggressive in lending practices, expectations of capital fund raising and borrowing capacity should be adjusted. Analysis of actual income, fund raising and borrowing potential may require a reduction in project scope from that previously anticipated, but not as drastic as one might think watching the evening news. For discussion purposes a quick rule of thumb would suggest a project scope ranging between 2.5 and 3.5 times church undesignated income will produce a fundable project.

The **construction environment** actually gives some **good news and opportunity** for effectively led, mission driven churches. For a number of years, construction prices were inflating much faster than church incomes were increasing. LifeWay Architecture has recently seen church clients benefit from the economy through greatly reduced costs for construction. One particularly bold client has even increased its project scope to take advantage of the economy. While construction costs bottomed nationally last summer, increases in cost have been slow and many areas still present opportunity for those churches willing to plan wisely and move forward in a steady, deliberate, perhaps even cautious manner.

For God has not given us a spirit of fearfulness, but one of power, love, and sound judgment (2 Tim 1:7 HCSB). Let us hope that those churches who have delayed have done so in order to better prepare to move forward rather than abandon a project essential to their mission/vision. To wait until construction prices have moved back into inflationary mode could be a costly mistake.

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