

# Christian Stewardship

## Doing Good By Giving Well

By David Weekley

The concept of Christian Stewardship begins with the understanding that everything we have – all of who we are – comes from God. Deuteronomy 8:17-18 says: *Beware lest you say in your heart, “My power and the might of my hand have gotten me with wealth.” You shall remember the Lord your God, for it is He who gives you power to get wealth.* This basic understanding is the foundation for our responsibility to give back to humanity in ways that are pleasing to God.

We each are unique and have the ability to positively affect this world with our time and talents, as well as our resources. As the Bible says in Romans 12:4, 6: *For as one body we have many members, and all the members do not have the same function... Having gifts that differ according to the grace given to us, let us use them...* When we use our gifts for the Kingdom, we feel the presence of the Holy Spirit working through us, which leads to pure joy in our lives as we serve others.

### **The Importance of Accountability in the Nonprofit World**

We are all aware that in the free market society, businesses prosper or decline by an organization’s ability to meet its customers’ needs by delivering products or services to the marketplace in a cost-effective manner. Nonprofit organizations are businesses just like their for-profit counterparts, advancing their missions by delivering programs and services and meeting many of our society’s greatest needs and interests. However, the economics of the nonprofit sector are less rational than the private sector, and there is often little correlation between a nonprofit organization’s performance on its mission and its ability to fund itself.

All too often, nonprofits claim success merely because they exist and have staked out their missions, and they seek funding from donors without reporting clear and measurable results. Some charities seem to suggest that they need not worry about performance measures or financial and organizational accountability simply because they are nonprofits. Instead, the

opposite should be true. They should hold themselves to a higher standard of performance and accountability because they are entrusted with gifts provided by donors who can freely choose to support any – or none – of the 1.4 million charities that exist in the United States today.

### **Making Choices: Two Essential Factors to Consider**

Most people would not make personal portfolio investment decisions without evaluating the performance of the companies or funds in which they are investing. Yet many individuals invest significant amounts of God’s financial resources in nonprofit organizations without the same kind of scrutiny. As conventional wisdom tells us, “people give to people,” a phrase that telegraphs the fact that philanthropic decisions are often made based upon our friendships, or the interests of others we know, rather than by our own personal investigation of the organizations seeking our support.

Instead, perhaps we should make careful choices about how to invest the gifts that have been entrusted to us by considering two important questions. The first question is driven by our heart: What do we feel called to get engaged in? The second should be dominated by our head: How can we best advance our God’s Kingdom through effective stewardship of our time, talent, and resources?

### **When A Gift Can Hurt**

If we consider both these questions, we can actually help to ensure that a donation “does no harm.” Harm can be caused for many reasons, and one is simply that there is an excessive level of competition among nonprofits when there is not enough money to fully support all of them. By giving to those that are not performing very effectively, we are taking away resources from those that perform well.

It is estimated that 40 percent of the nonprofits in the United States have been formed in the past decade, many by well-intentioned individuals with great passions to make something good happen in the world. However, many of these organizations are duplicative, and the ideas that are driving them could have found homes in other nonprofits. Too many of America’s nonprofits have overlapping missions, raising money to fund administrative and

program expenses that perhaps could have been conserved and put to more efficient use for our society's benefit.

Because the collective financial needs of nonprofits exceed the amount of money actually contributed each year (\$260 billion in 2005, with 76 percent contributed by individual donors), a misspent donation may perpetuate an organization that in reality should fail. In free markets, organizations fail if they don't meet the needs of the market effectively. A nonprofit fails only if it does not generate the donations needed to maintain its overhead structure. It is therefore prudent to fully understand the benefits a particular nonprofit brings to our society, and insure that they are delivering these services in the most cost-effective, high-impact way possible.

The donor must also be careful not to manipulate an organization's mission or programs to meet his or her own needs or priorities. This can create tension between the nonprofit and the donor, especially when the donor has strong interests. The nonprofit must balance its desire to please the donor and demonstrate effectiveness, while at the same time ensuring that it does not fall prey to "mission creep" or pander to the donor. This is one reason why nonprofits are often challenged to communicate in ways that will touch donors' hearts and heads, while knowing their mission may be dependent upon other important factors that the donor might or might not fully understand or appreciate.

### **Building a Healthy, Strong Relationship with Nonprofits**

How can a donor provide support, especially year after year, without creating a situation where the nonprofit becomes dependent? We have all heard the ancient proverb that tells us: "If you give a man a fish, he will eat for a day. If you teach a man to fish, he will eat for a lifetime." This may well be the first writing against the welfare society.

Like people, nonprofits need to earn their contributions by using their funding to achieve measurable results. It is damaging to give a "handout" rather than a "hand up," which is what happens when we reward nonprofits without expecting them to perform effectively. A non-profit that does not earn a donation through measurable and effective results is effectively living on philanthropic welfare and developing an unhealthy dependency, rather than growing a strong, mutually beneficial relationship with donors.

This is not to say that nonprofit organizations have bad motives. In fact, it is likely that most nonprofits have a sense of mission and commitment that is to be celebrated and cherished. However, they may not have the vision, time, resources or skills to see how they can reach the next level of effectiveness.

### **Making the Leap from Effective Giving to Transformational Giving**

For those donors who take the time to learn how to give effectively, sharing time, talent, and treasure with a nonprofit produces a sense of personal pride and shared accomplishment. As Paul writes in 1 Timothy 6:17-19, *Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life.*

Moving to a level beyond effective giving are donors who have the capacity to make transformational gifts, and who want those gifts to make a great and lasting impact on a nonprofit. To evaluate these possibilities, the donor may consider whether the potential gift will lift the organization to a new level of growth or service. Will the gift be multiplied in its impact? Enable the organization to do something new that is truly needed – or do something measurably better?

Transformational giving occurs when the donor's investment is a catalyst for positive growth and change in an effective organization that has every element in place *except* the funding required to execute excellent plans. The donor considering a major charitable investment should closely investigate that the nonprofit has:

- 1) A unique and well-defined mission
- 2) Excellent programs or services that clearly advance the mission
- 3) A three- to five-year strategic plan
- 4) A business model and cost structure demonstrating that the organization will make a greater impact in a more efficient way as it grows
- 5) Strong executive talent

- 6) A clear way to measure results
- 7) A strong and effective Board of Directors

Unfortunately, the great majority of donors will not invest the time to investigate whether some or all of these elements are in place, or are unsure of how to approach an organization to ensure that their major gift can be a transformational gift. The same amount of money invested in two different organizations – or even two different ways in the same organization – can produce very different results. It is up to the strong nonprofit to maximize the impact of a major gift – and it is up to the donor to discern which organizations can do this best.

If a nonprofit decides it wants to seek major contributions, then it should be prepared to show a sophisticated donor how a substantial gift can be truly transformational to the organization – and be eager to be held accountable for results. It is through this interaction and accountability that true excellence in the nonprofit sector may be achieved. This is giving at its best, when a true partnership develops between the organization and the donor, with the organization's mission providing the cement between the two.

*Much is required from the person to whom much is given;  
much more is required from the person to whom much more is  
given.*

Luke 12:48