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BUDGET BASICS

Where does all the money go? The question every church planter must ask.

Money follows vision…so the type of church you plan to start significantly influences the money required to start. In a previous tutorial page, we discussed church planting models. As you might expect, house and cell churches require far less funding than a parachute plant.

Budgeting and fundraising are often two of the most daunting things that church planters face. This doesn't have to be the case. In simple terms the overall goal of the Church Planter is to determine what God is calling them to do (budgeting) and to discover how God will provide for it (fundraising). After initial planning most church planters discover they need more money to accomplish their goals than they currently have resources. The Church Planter has three options; raise more money, spend less money, or some combination of the two.

In general, expenses through pre-launch phase can be grouped into the following categories:

Staffing How much will you spend on staffing? This depends on how many staff will be hired, how much they will be paid, when they will be hired, and whether they are expected to raise any outside support. In a house church, staffing expenses may be zero. In a multi-staff, sponsorship plant, staffing expenses could be well over $100,000. Staffing is often a major expenditure for the new church and will include at least the lead planter's salary.

Equipment Most new churches have a number of one-time expenses for equipment purchases. These include but are not limited to a sound system, lighting, multi-media projector, storage cabinets, children's supplies, Bibles, and a trailer. Depending on the quality and size, total equipment costs can range from zero (house church) to $80,000 or more. Unlike staffing expenses which are ongoing, most equipment purchases are one-time expenses in support of opening day. Most churches will spend at least $10,000 to $15,000 in getting started.

Marketing and Outreach Marketing and outreach are all about starting conversations with seekers in the community. Too many church planters rely on one big marketing campaign just prior to launch to establish name recognition rather than a more balanced approach of outreach and marketing activities. A new church is ready for a big direct mail campaign only AFTER establishing broad name recognition in the community. Like equipment expenditures, total marketing and outreach costs can range from zero (house church) to $80,000 or more. Most churches will spend at least $10,000 to $15,000 in getting started.

Facilities Many new churches cannot afford to purchase worship facilities. Instead, they rent either schools, movie theatres, or community centers. Sunday rental expenses typically range from $12,000 to $50,000 per year. Additional facility costs may include rented office space. During the pre-launch phase when the new church has not yet started weekly services, facility costs will be much lower. Costs will be driven by the timing of when you start holding weekly worship services.

Operations Ongoing operations include printing, copying, office supplies, insurance, phones, pagers, etc. Church planters are encouraged to develop a budget through opening day and a second budget for the first year of the church after opening day. In developing a pre-launch budget, we recommend the following approach:

1. Work through the development of a philosophy of ministry and picture of opening day
2. Develop a detailed launch plan that will help turn your vision into reality.
3. Assign cost figures and completion dates to each of the actions in your launch plan.
4. Sum up the total expenditures and compare them to available income. If expenses exceed income, you will need to raise more money, spend less money, or some combination of the two.

NOTE: Budgeting requires that you look at two different aspects of expenses vs income. First, you need to verify that your total expenses over a given period of time are less than or equal to your total income over the same time period. Second (and often completely neglected), you need to verify that your "cash flow" stays positive as a function of time and that your bank account does not go negative.

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