

DISCERNING OUR FINANCIAL ASSET BASE

This worksheet is intended for use by stewardship leaders in the congregation. It presents a way to determine the financial potential of your congregation. It may help you determine an estimate of the percentage income currently being contributed by members.

Calculate the Household Income Equivalent HIE

Begin with an accurate count of the membership, taking into account that differences do exist among members. By using what is called the HIE (Household Income Equivalent) count you will carefully go through the congregation membership list and assign numerical values to identifiable conditions and then compute the results for a reasonably accurate estimate of the congregation financial potential.

	HOUSEHOLD UNITS		HOUSEHOLD INCOME EQUIVALENT
Husband and wife both members With at least one full income	_____	x 1 =	_____
Full employed unmarried	_____	x 1 =	_____
Wife only/husband only members	_____	x ½ =	_____
Mixed marriage (two denominations Represented)	_____	x 1/3 =	_____
Restricted Income (Social Security Only, or illness of indefinite duration, etc.)	_____	x ¼ =	_____
	TOTAL HIE's		_____

Determine Average Household Income

The total HIE count represents an acceptable statistic because you arrived at it by actual count. Since you have adjusted the computation on the basis of actual data, you can now use the average HIE figure. To determine this number you can either consult the Chamber of Commerce, the U.S Census data, or use the method described below which gathers information directly from members.

In this simple exercise you distribute a 3"x5" card to those who attend worship that day. On the left side of the card ask them to guess the average annual income of the households in the congregation (including spouse). On the right side, ask them to indicate the actual annual income of their own household (again including spouse). No identification of the person writing on the card should be given. This is an anonymous exercise that is aimed at obtaining numbers only.

Collect the cards and follow the same procedure for both columns. Total each column and divide by the number of cards in the count. The figure on the left is the average annual income figure “guesstimated” by the group. The figure on the right hand column is a good indication of the average annual income figure for the congregation.

Total Member Resources

Whatever the average income figure you use (or how you arrive at it), this is the number by which you multiply your HIE count. Use the following space for computation:

Average Household Income \$ _____
 Multiplied by Total HIE Count X \$ _____
TOTAL MEMBER RESOURCES \$ _____

Figure Percent of Income Contributed

To find the percentage of income that the membership is contributing through this regular giving, divide the total annual member giving by the total member resources. Use this space for your calculation:

\$ _____ / \$ _____ = _____ %
 (total member giving) (total member resources)

To show graphically what could be realized by increased response, use the following grid to indicate what various percentages would produce in actual dollars for the mission of the congregation:

10% of }		} = \$ _____
7% of }		} = \$ _____
5% of }		} = \$ _____
4% of }		} = \$ _____
3.5% of }	\$ _____	} = \$ _____
3% of }	total member resources	} = \$ _____
2.5% of }		} = \$ _____
2% of }		} = \$ _____
1.5% of }		} = \$ _____

Link Proposals to Potential

By using this data you now are able to show the congregation what is possible. While we may speak of a tithe or encourage the 10-10-80 Share, Save, Spend model, the harsh reality is that many Lutherans in NJ give at a rate approaching 2%. No matter what your calculations reveal, there is likely potential to grow your percentage by 0.5%. What will those assets allow the congregation to accomplish in ministry? Will that growth be large enough to close a budget deficit? Using these figures you can now develop a proposed attainable plan for ministry that is rooted in what you have; not in what you wish you had.