

A Vital Tool for Stewardship: The Narrative Budget (adapted from Stewardship Manual)

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How To ... Prepare a narrative budget: The Story behind the numbers

Have you ever considered how what you spend can reveal what is important in your life?

In the same way, spending practices of a congregation reveal its values and commitments. Study a church budget carefully, and you can describe the priorities of that congregation. In fact, identifying the priorities of the church can begin with the budget.

While a **line-item budget** is useful for understanding the financial requirements of the church, a **narrative budget** will identify the mission and ministry of the congregation.

It will help you link people with mission as you discover the many ways in which your congregation touches the lives of people. In addition, your members will be motivated to increase their financial support of the church when they more clearly see the personal impact of their giving.

A line-item budget will be still in use, giving the treasurer, the session, and other decision makers the information they need for effective financial management. Such a budget, however, does not interpret the ministry and mission supported by those dollars. To do that, it is essential to tell the story behind the numbers.

The story behind the numbers is called a narrative budget.

The narrative budget focuses on people and mission. It enables church members to see the personal impact of their giving. When a budget is presented in this form, people are moved to increase their support of ministry because they see the ways in which people are touched by the church.

You will see the numbers come to life as you describe each area of your congregation's mission and allocate the budgeted costs among the areas. As you construct your narrative budget, you are illustrating that the purpose of our giving is more than paying bills and funding an institution; instead, it is doing the work of Christ that has impact on lives in ways that touch hearts and souls.

Follow the steps below to develop a narrative budget. As you proceed, talk with your pastor and other church leaders; they have much of the information you will need. Look forward to learning more about your congregation's ministry as you work along!

Step 1: Getting Ready

Remember this is a marketing tool, not an accounting tool. Focus on ministries and stories of lives impacted.

Decide who should help prepare the narrative budget. It works best if the group is small – three or four participants. Then obtain a copy of the congregation's line-item budget. You will need an application like Word to produce a document with text, pictures etc. You might also want to produce an Excel spreadsheet. To make it easier: The Stewardship Navigator, a free resource, has a Narrative Budget Generator built in: www.stewardshipnavigator.com.

Step 2: Identify Your Congregation's Key Areas of Ministry

You will use ministry categories rather than line items. What brings your congregation the greatest joy? For example, you might identify the following categories:

EXAMPLE MINISTRY AREAS

- Missions & Outreach
- Worship
- Christian Education
- Pastoral Care
- Music
- Fellowship
- Youth
- Getting Connected
- Care & Compassion
- Spiritual Growth
- Family Ministry
- Joyous Worship
- Loving Outreach
- Authentic Relationship
- Helping
- Teaching
- Nurture
- Building Faith
- Sharing Christ
- Support Enable
- Reaching Up
- Making Disciples
- Justice
- Empower
- Recreation
- Discipleship
- Outreach

Use between 4-6 ministry categories. You will notice these ministry categories **will not match** your line-item budget categories. Using ADMINISTRATION or BUILDING or DEBT or INFRASTRUCTURE as a Category will **UNDERMINE** the impact of this ministry resource and render your efforts ineffective!

Step 3: Allocate Line Items Across Each Category

» All line items are assigned to split up into one or more categories.

» Salaries are assigned across categories. Allocate staff time to each area.

» Youth Ministry? Education or Fellowship & Education

» Allocate all other resources proportionately to each area. For example, Sunday school supplies could be placed in the “Education” category.

» Add or modify categories to fit your ministry, keep only 4 to 6 categories.

» Create a column for each category. Format cells as percentages.

» Distribute staff costs by percentage of time across categories.

» Distribute percentages of line items into category columns.

Example:

- A. Worship
- B. Education
- C. Fellowship
- D. Mission
- E. Pastoral Care

	A%	B%	C%	D%	E%
Personnel					
Pastor	35	20	10	10	25
Secretary	20	20	20	20	20
Music Director	100				
Janitor	40	40	10	5	5
Building	40	30	20	5	5

Multiply these percentages against line-item dollar amounts to determine dollar amounts; total for each mission category and work out percentages of total budget.

(Eventually, you can consider adding volunteer hours to categories as well. When all ministries are considered, a reasonable estimate is 10,000-15,000 volunteer hours per year. Or keep this as a separate data point/infographic.)

Step 4: Use Category Totals to Create a Pie Chart

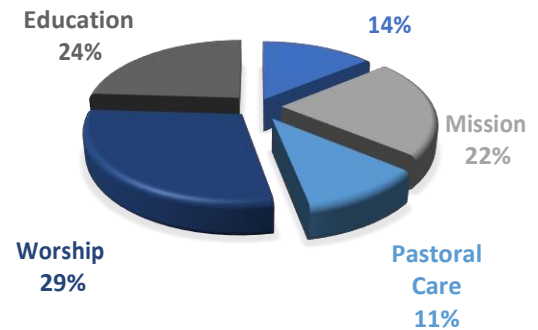
» 11 cents of every dollar I give goes to Pastoral Care

» 22 cents of every dollar I give goes to Mission

The pie chart can lead to congregational self-evaluation and affirmation!

CATEGORY TOTALS

Fellowship



Step 5: In Your Narrative Budget Write/Highlight Stories of Impact and Changed Lives in The Past Year

- » Share a description and stories about the ministry categories. Use pictures and images.
- » Tell a specific story of a person being touched by that ministry.
- » Give us experience the impact the ministry of the church has on peoples’ lives.
- » Experience shows they become inspired and takes greater ownership of the ministries.
- » Each year, review and expand upon stories and talent recognition.

A Few Advanced Recommendations:

- ✓ Leave line item budget in church office
- ✓ Distribute the narrative budget during the annual congregational meeting
- ✓ Keep five copies of the completed line item budget available in the church office
- ✓ Put a bulletin insert out each week for six weeks highlighting a different category of ministry
- ✓ Schedule regular stories throughout the year sharing the impact on lives of each category of mission
- ✓ Pray for that ministry
- ✓ Be determined to talk about money and ministry in a new way

For examples of Narrative Budgets and a Narrative Budget Generator go to: www.stewardshipnavigator.com

