
10 KEY INSIGHTS FROM PASTORS WHO'VE BUILT

*An augmented summary of original research commissioned by the
Cornerstone Knowledge Network*

About the Research

This paper contains data, conclusions and observations excerpted from the **Facility Impact Research Study (FIRSt)** conducted by The Rainer Group, 2005. The original study was based on in-depth interviews and/or surveys of 58 churches, representing a cross section of American evangelical churches from small to large. The study results were then tested against surveys of an additional 263 churches for a total of 321 churches involved in the study. The person hours spent on this project were 1,021 hours, or 17.6 hours per church. This validated the findings of the original sample. In a couple areas, additional research was consulted and is referenced.

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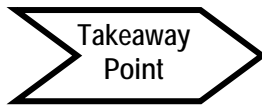


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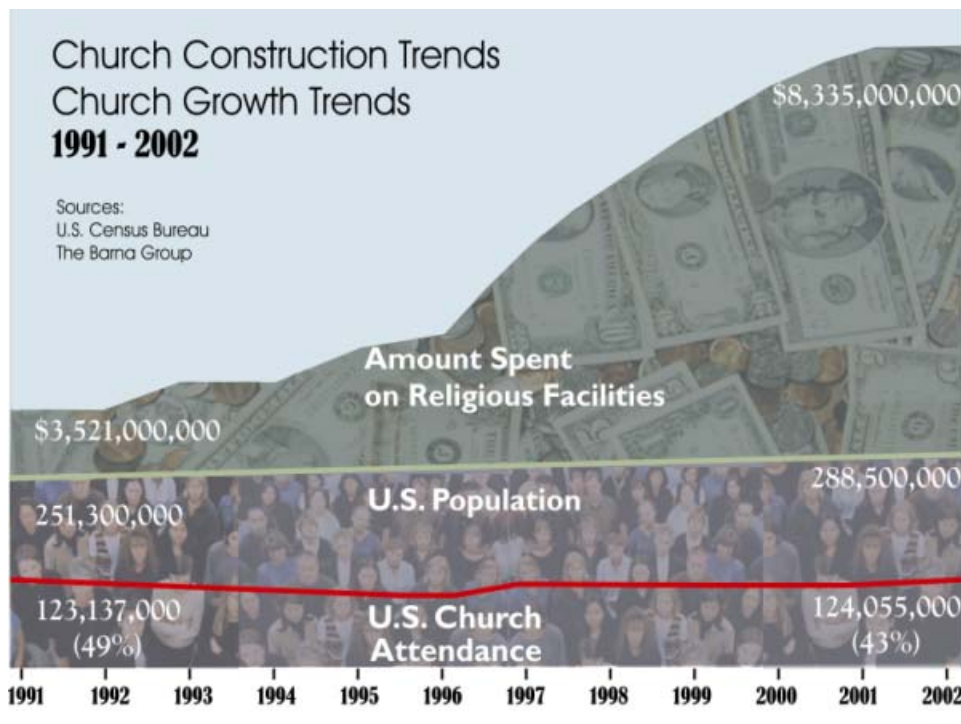
1. Building is vital to the growth and health of the church.



In 93% of the 45 growing churches in our study, our team concluded that if the churches had not built, their growth would have slowed or ceased. The situations of the other 7% were not as clear, but their building programs seemed to be more positive than negative.

The value of church additions has been understated....

Perhaps the single most important conclusion that we derived from the study is that the value of church facility additions toward church growth has been understated. In our initial conversations with the leadership of our client *Cornerstone Knowledge Network*, we have heard them express a deep concern about the 400% increase in church construction spending over the past decade and the deterioration in the percent of people attending church in the United States.

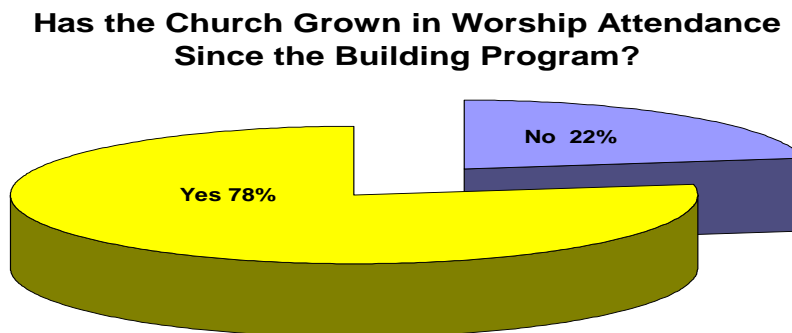


One of the quests in the FIRSt project was the determination of the relationship between church growth and building programs. If a building program takes place, what is the likelihood that the construction of new facilities could possibly engender growth?

Our initial survey pool of 58 churches was not sufficient to provide conclusions with a narrow margin of error, such as plus or minus three percent. However, the hundreds of hours of interviews in this project yielded more valuable information than could be gleaned with a larger study sample.

We believe that such a concern, while warranted from a stewardship perspective, is not the issue with the lack of growth in churches in the United States. Before we pursue this line of thought, let us look at the simple growth issues of the 58 churches in the original FIRSt study.

Building programs were critical to church growth.....



Nearly eight out of ten churches we studied have grown, on average 8-10% per year, in the aftermath of their building programs. Again, from a sampling perspective we cannot demonstrate clear causation of building programs to growth. And the use of simple annual average worship attendance is not fully determinative.

But this apparent weakness is resolved with the method of study we used. Our qualitative approach allowed us to dig fairly deep into each church's situation. We were able to draw some reasonable conclusions. And the single most profound conclusion we made was that the building programs were critical to the growth of the churches. Most of the growing churches in our study would not be growing without the facility additions they made.

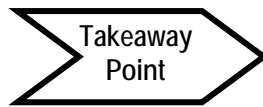
We are then back to the question posed by the leadership of *Cornerstone Knowledge Network*. How can we justify billions of dollars in new facilities when the American church continues to show anemic growth and health? By that same logic we could argue that we

should stop expending funds on all programs and ministries. After all, the church is no healthier today despite billions spent in this area.

Likewise, one could argue that ministry staff salaries should be reduced or eliminated since the church has not become healthier. The same would be true for mission trips, utility expenditures, and Sunday school literature.

In summary, we attempted to isolate the costs of building facilities to determine their efficacy on the growth of the church. Our clear conclusion was that facility expenditures are vital to the growth and health of the church.

2. The vital attribute present in all 78% of churches that grew after construction



The single most significant discovery in our 1,100 hours of conversation with church leaders was the impact of church organizational and ministerial health. Church organizational and ministerial health was not only vital to an effective building program but to church growth upon the program completion as well. No other variable came close to impacting results.

Growing churches are not necessarily healthy churches, but healthy churches almost always become growing churches...

Other research completed by The Rainer Group suggests that 83% of the churches in the US are in decline. Yet 78% of the churches in this study grew after construction! We have known for some time that growing churches are not necessarily healthy churches, but healthy churches almost always become growing churches. We discovered the key to the 78% success rate was due to both organizational and ministerial health. Unfortunately, the past models for success have typically been growing churches.

To underscore the importance of church health, additional research by the consulting firm, TAG, was reviewed. TAG studied various trends over the last five years to see if there was any correspondence between a church's level of dysfunction or health and "results". It is no surprise to find that the unhealthy churches were in decline and that the healthy churches were growing.

Over the course of five years...

- Healthy church membership increased by 20.96% while unhealthy churches declined by 2.4%
- Healthy churches average worship attendance increased by 28.11% while unhealthy churches declined by 5.7%
- Healthy churches saw an increase in member involvement (outside of worship) by 16.1% while unhealthy churches saw a decline of 7.4% in member involvement (outside of worship);
- Healthy churches experienced a 35.46% increase in giving while unhealthy churches barely kept up with inflation at 8.91% growth

The big surprise was the difference in member involvement outside of Sunday morning worship. Healthy churches have, on average, 93.2% of their members involved in some sort of ministry while unhealthy churches average only 11.7% involvement. (The statistics above come from a not-yet-published TAG white paper called *Lasting Impact...Overcoming the Five Dysfunctions of The Church.*)

Unhealthy churches need to get healthy first...

Of course, church builders are often confronted with a building request from an unhealthy church. In these cases caution is warranted, and more financial warnings are necessary. The research team was able to discern fairly quickly those churches that were unhealthy before the building project took place. In every case the building program did not improve the health of the church. The team noted several reasons for this consistent negative assessment:

- Some of the churches counted on the building program being the magic bullet to reverse declines and to solve other problems. Some of the leaders also thought that a building program could distract members from other problems that were taking place.
- Most of the unhealthy church leaders did not understand how facilities could best help their congregations. For example, one church built an elaborate fellowship hall even though the church was declining and even though the congregation needed 60 more parking spaces just to meet the needs of their current worship attendance.
- Unhealthy churches tend to do the least amount of research to discern the best architect, builder, design-build firm. They depend on “somebody in the church” to make a recommendation or for a congregational member actually to do the work with promises of a better deal.

Dr. Rainer concluded, “I wouldn’t consider a building program without first conducting a church health assessment.”

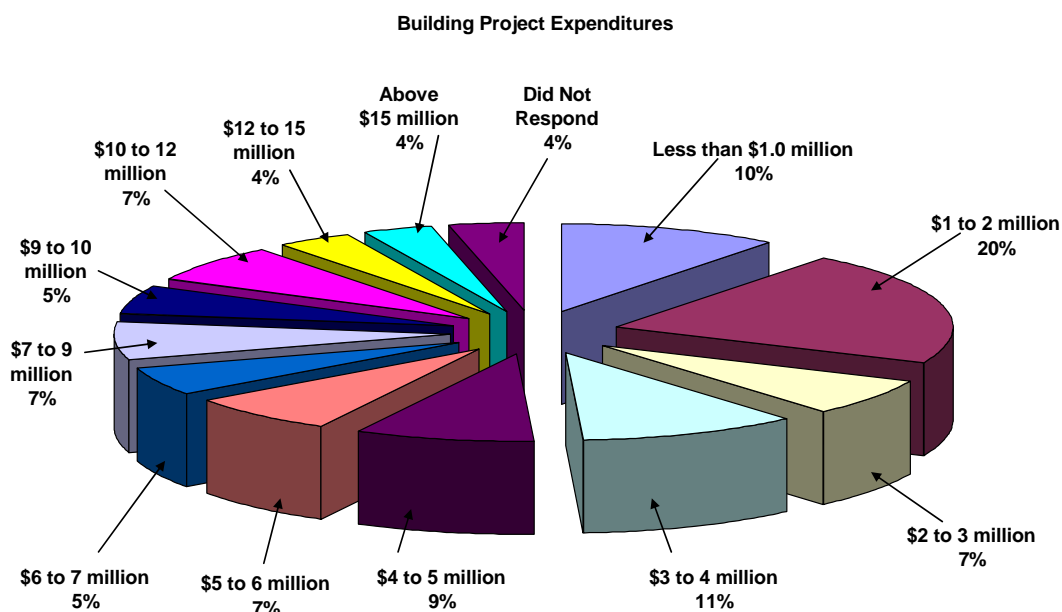
3. Healthy churches require healthy challenges



Healthy churches respond to the great challenges such as a total relocation or a multi-campus approach. The healthy church leaders often stated that builders gave them bad advice by advocating smaller and less expensive facilities. The less healthy churches are not equipped for such major endeavors. The more conservative approach is best advocated to the less healthy churches. They should be guided toward the most practical facilities, such as a multi-purpose facility. Church leadership teams should develop relationships with building professionals who understand and can help them accurately assess their church health before designing.

Project size and quality...

Our sample accurately reflected much of the mosaic of the American church world. The lowest cost project in our study was \$120,000, and the highest was over \$20 million.

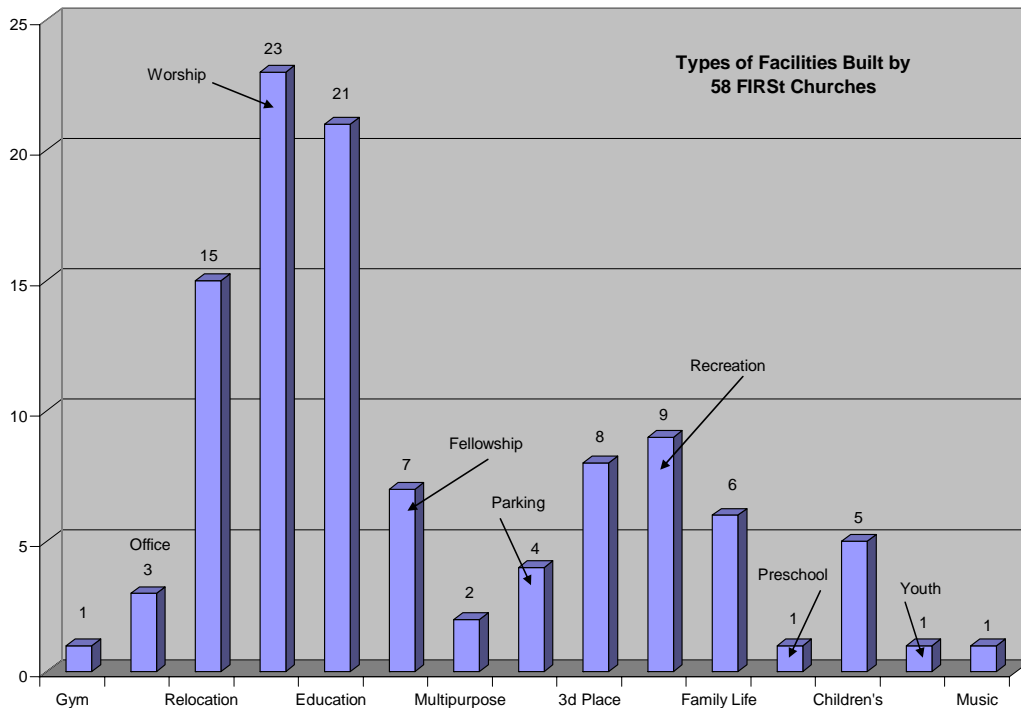


In the majority of cases, the church leaders felt they should have spent more and built bigger. And they often blame the builder for the conservative approach to the total expenditures for the project. The healthy churches needed greater challenges. And they bemoaned the lack of space they had within only a short period.

Several churches bemoaned their frugality on key expenditures, as well. “We should have gotten the best audio, video, and lighting to begin with,” a key leader told us. “Now we are living with a reality that guests think we are a low quality church.”

The clear picture that began to emerge in the issue of expenditures is that some churches do need to be discouraged from over building and over spending, but that many do not. The healthier churches are often frustrated that they built too little, and should have demonstrated greater faith by expending more funds on the project. The ideal scenario is that church builders would discern which churches are healthy, and encourage them to take steps of faith. The less healthy churches certainly need to hear the admonitions of restraint.

The greatest step of faith.....



From our team’s perspective, the surprise related to this specific issue was that the highest overall assessments took place in total relocations. We anticipated hearing of struggles and dissension as churches elected to move to another site. To the contrary, the church leaders, both ministers and laypersons, found the greatest satisfaction when they paid the greatest costs. Such is not to suggest that the process was not filled with difficulties and opposition. Still, healthy church leaders found great joy in seeing a very difficult decision finally become a reality. One senior pastor said succinctly, “It was the greatest step of faith our church had ever taken. We all call it ‘the God thing.’”

4. What your church's weekly giving is telling you



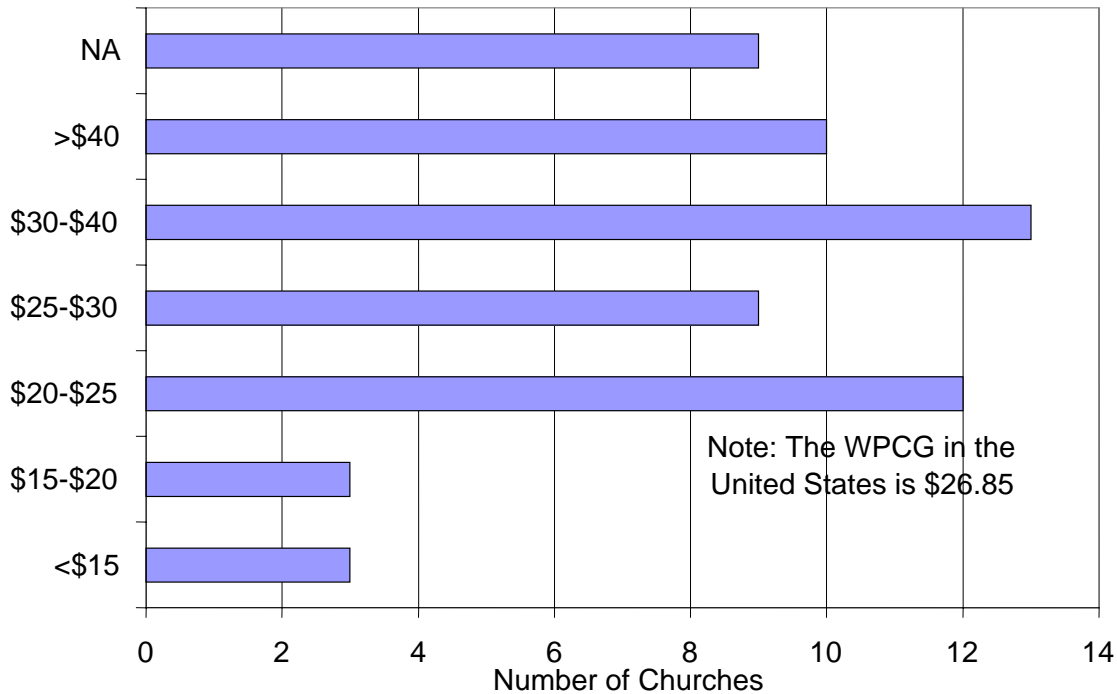
The weekly per capita giving (WPCG) can be a significant indicator of church health and future fundraising potential.

The national average WPCG is \$26.84....

Though many good financial and church health assessment tools are available to church builders, the WPCG should be used with confidence.* To calculate, take the church's annual undesignated giving and divide it by the weekly worship attendance, inclusive of children and youth.

The average national WPCG for 2004 was \$26.85. That number means that the average amount given toward non-designated accounts in the church was \$26.85 for each attendee each week, regardless of age. With that in mind, we were able to compare our FIRSt churches with the national norm.

Weekly Per Capita Giving of FIRSt Churches



Two correlations to pay attention to....

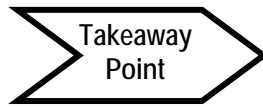
There is a strong correlation between WPCG and commitment to the church community, vision, and ministry. A WPCG less than \$15 may indicate a weakness in the church's organizational and/or ministerial health. **Church leadership teams with low WPCG should seek building professionals with significant experience with church health assessment as well as church health consulting before proceeding.**

On the other hand, churches with a WPCG above \$35 may indicate a congregation that has already sacrificed at a level making it difficult to fund a significant building program. **These churches should be proactive in partnering with building/stewardship professionals that can assist them in conducting a fundraising feasibility study to assess the giving potential for a building program before initiating any new building designs.**

It is important to note that a local demographic with household incomes significantly different than the national norm will require professional assistance in discerning what your WPCG may be indicating about your local congregation. In addition, as with any generalizations of statistical data, care should be taken and professional assistance sought to insure a wise conclusion.

* The national WPCG data comes from a separate study by The Rainer Group, completed in 2004.

5. Church size, approach, and satisfaction

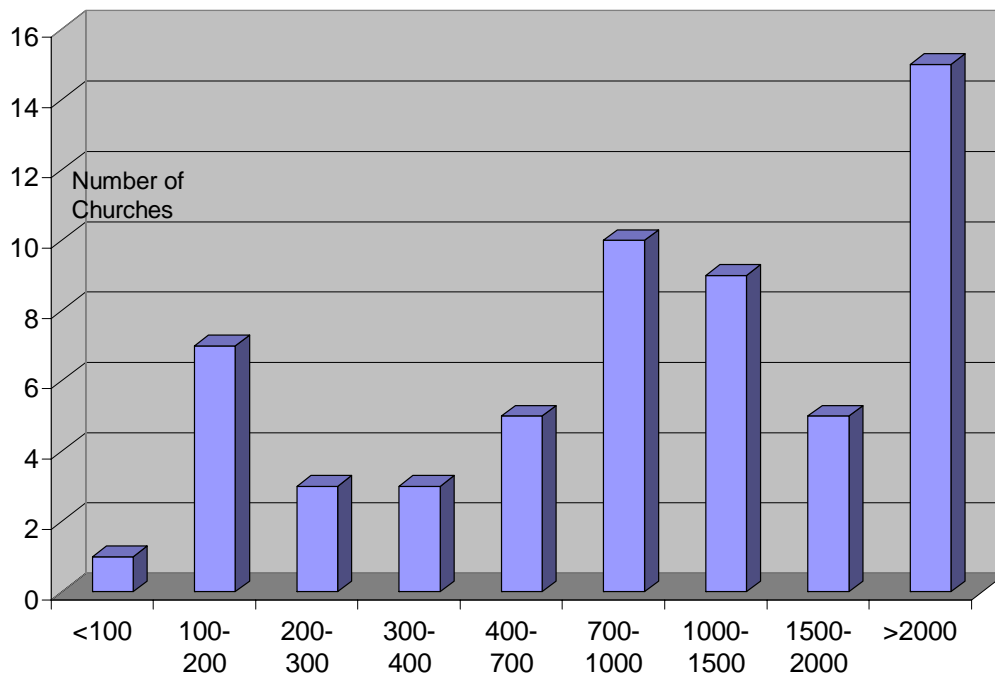


If we noticed one overarching issue related to the church size, it was the diversity of approaches used to select the building team. Larger church leaders tended to rely on their own expertise as well as experienced building professionals. They also generally wanted a greater level of control over the design, financing and construction processes. Medium size churches, with less internal talent, tended to pursue building teams that provided a collaborative approach between design, finance, and construction to better manage their time and risk. Smaller churches struggled to understand the process and typically sought to work with people they knew. Unfortunately, they often had minimal experience.

A broad range of church sizes....

The FIRSt project studied a wide range of sizes of churches. The smallest church had an average weekly worship attendance of 89, and the largest church averaged 8,940 in worship attendance.

Average Annual Worship Attendance of FIRSt Churches



Provoking patterns of satisfaction....

We looked at size of churches by worship attendance and found several interesting patterns:

- The churches with an average attendance under 300 had the most informal means of choosing a builder, architect, or design-build firm. They also were the least satisfied with them.
- The mid-size congregations, those in the 300 to 1000 range, reported the greatest satisfaction with the building programs. They were also the fastest growing churches after the building program.
- An overwhelming majority of all size churches emphatically stated if they had to do it over they would pursue a builder with an integrated service or bundled services approach. The process of interviewing multiple candidates and making an educated decision in the Design, Interior Design, Finance, Capitol Stewardship, Construction, Audio/Video/Lighting, Furniture/Fixtures/Equipment, Etc disciplines was overwhelming and risky. The result was a high risk of cross-discipline ambiguity and conflict culminating in burn out of those leading the process.
- A high correlation was present between the size of the church and the likelihood that the church had a third place facility. The larger the church, the higher the likelihood.

6. “Really, we needed a coach”



We see an emerging and growing trend in churches that desire “one-stop shopping” in church building programs. We believe that the great companies of the future will include a team of architects/designers, builders, church health consultants and stewardship consultants. Churches should be encouraged to pursue companies who have formed these alliances radically simplifying the interview and selection process. In addition, these alliances can significantly reduce the risk of discontinuity between the critical disciplines in designing, funding, and constructing a facility.

If they could do it over....

As one executive pastor noted: “I wish [we] did not have to go through the hassle of dealing with so many people: architects, builders consultants, fundraisers, etc. If I had it to do over I would have one company or collaborative group handle it all. In addition to the building issues,” He shared,” we had to plan for increased staffing due to ministry expansion as well as increased building maintenance and management issues. These of course impacted our budget, our leadership team roles and confidence, as well as our ability to minister at a high level to our current congregation through the building process and subsequent rapid growth. Really, we needed a coach who had been there to walk us proactively through the two year process. There were nights I wondered if I would make it ”

This hassle can be so significant the church can lose its focus on the Great Commission and it’s ministry effectiveness for a period of up to two years while completing the program. This lack of focus can result in serious loss of momentum and increased risk of leadership turnover and congregation harmony.

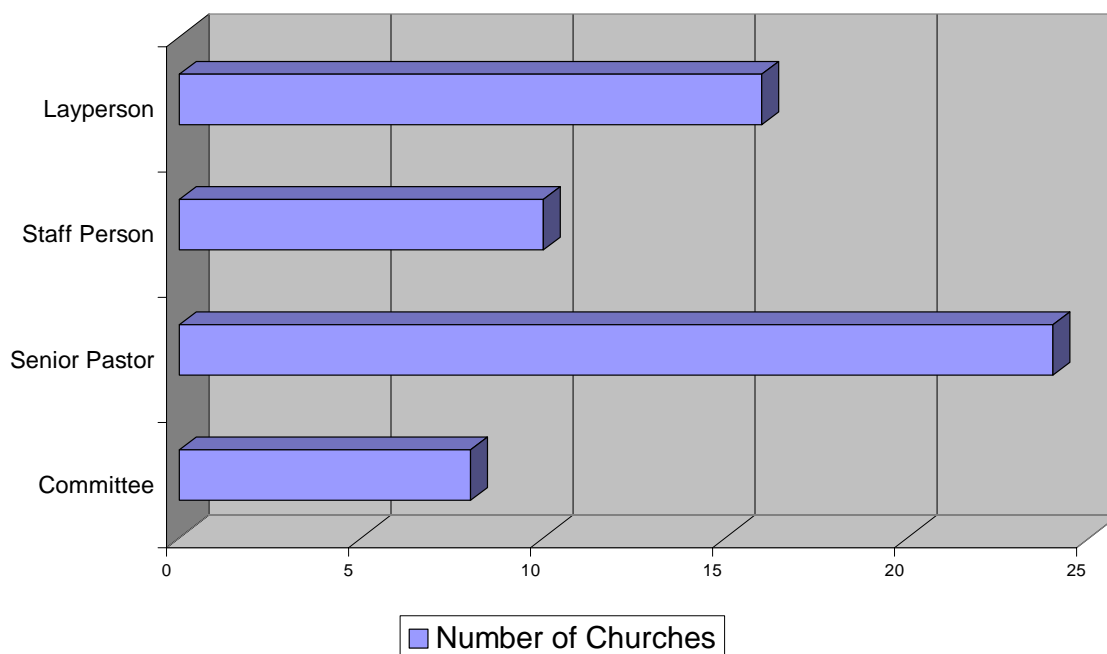
7. The two key leaders



Two key leaders are vital: one for the building project and one for the fundraising efforts. The former almost always is more successful when it is the senior pastor. The latter is typically either the senior pastor or a key layperson.

Leadership Is Important...

Key Leader for Project within Congregation



When we used the phrase “key leader,” we made clear that we meant the person who was the primary spokesperson for the project, the “face” of the project rather than the detail person.

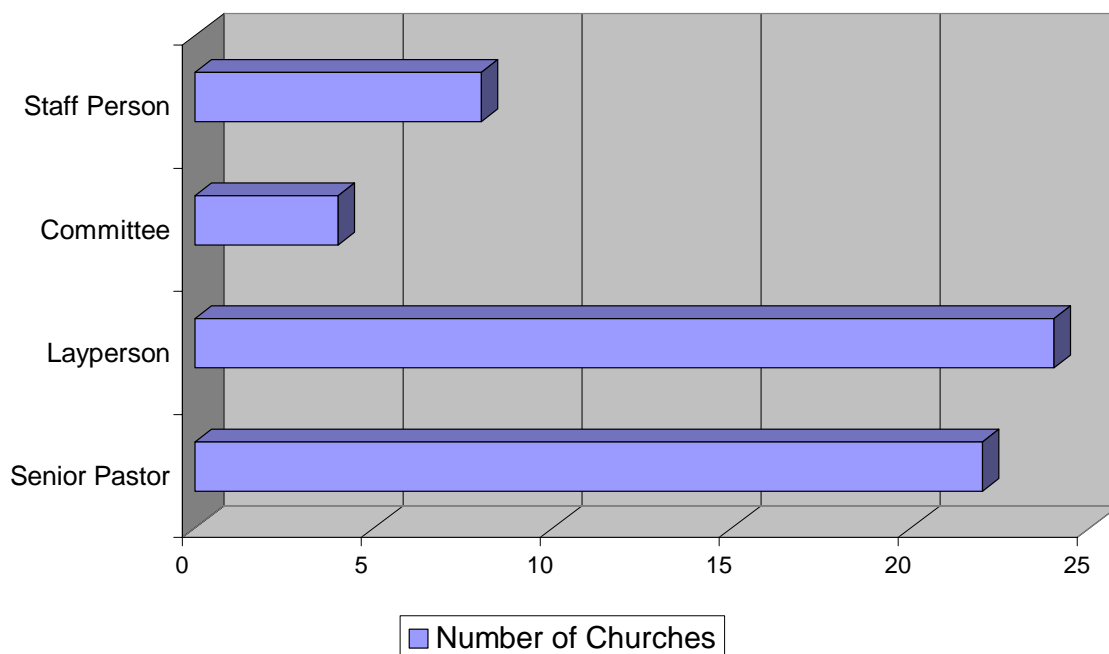
Coincidentally, the overall satisfaction of the project depended largely on the spokesperson, and in the same order of frequency. In other words, the congregation rated the project the highest if the senior pastor was the spokesperson and the lowest if a committee spoke collectively.

On the other end of the satisfaction scale is the idea of the collective voice of a committee providing leadership. From the perspective of the congregation, if several are in charge, no

one is in charge. “We would parade a different [building] committee member to speak to the church every month,” a forty-something church member told us. “We never felt like the building program had consistent leadership. It’s little wonder we did not have much support, in spirit or in money.”

We differentiated between the leadership for the building project and the leadership for the fundraising for the project. Though some churches had the same leader in both phases, most churches utilized two different leaders. The results were significantly different.

Leader for Fundraising Within Congregation



In this response, a layperson was named as the most frequent leader, slightly exceeding the number that listed senior pastor as their response. The overall satisfaction level of a layperson being the ‘face’ or spokesperson for fundraising was also slightly higher than that of the senior pastor.

Interestingly, there was a consistent pattern among those churches that had committee leadership at either the building phase or the fundraising phase. These churches tended to be among the weaker churches.

- The committee-led churches had the overall lowest satisfaction rating of all the FIRSt churches.

- These churches were those that were most likely to be in numerical decline.
- The committee-led churches had the highest level of conflict.

We want to be clear on two issues. First, most of these churches had building committees. But the healthier churches typically had one key person as the public leader for the program. Second, the dissatisfaction was not with the people on the committee as much as it was on the lack of singular leadership.

8. A critical planning step 2 out of 3 churches skipped – and lived to regret



Since there is such a high correlation between the conducting of a feasibility study and the overall satisfaction church leaders have in a building program, church leaders should consider a feasibility study prior to any major construction. Feasibility studies must include an assessment of church leadership passion, congregation giftedness, and community needs to determine the “Ministry Sweetspot.” The “Ministry Sweetspot” should then guide a strategic planning process which defines the vision, mission, and strategies. This plan will guide the church into the future and provide direction for the building program.

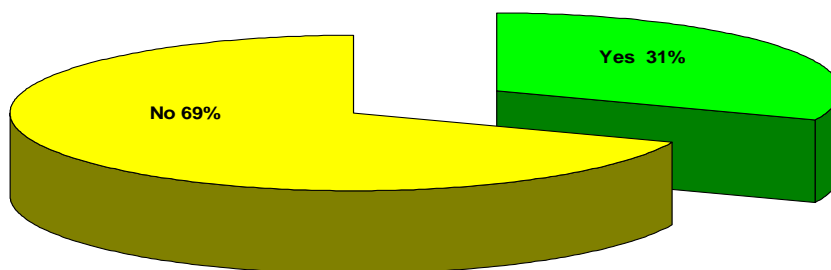
Avoid the same big mistakes...

The level of importance of a feasibility study was very clear in the FIRSt study. Churches clearly fit into one of three categories. One group had little comprehension of the meaning of a feasibility study. They did not know its details or value.

The second group seemed to grasp the meaning of a feasibility study, but chose not to conduct a study. For reasons we did not explore, they felt as if they had sufficient information going into a building program.

The third group conducted a feasibility study. They felt the need to get as much information as possible prior to the building program. A relatively small 31% of the churches had a feasibility study conducted.

Did the Church Conduct a Feasibility Study?



Simply stated, churches that conducted feasibility studies had the greatest overall satisfaction with the facilities built. Many of the church leaders whose churches did not conduct a feasibility study expressed the regrets of 20/20 hindsight. Noted one senior pastor

in the FIRSt study: *“When we finished our building program, we loved the new facilities we had. But in less than a year when we discovered we had made some big mistakes that would definitely affect our future.”* Another pastor from Roanoke, Virginia shared, *“When space became the priority, ministry took a secondary role. Focus became the space not community. We lost 3 years of momentum.”* A few leaders wondered why the builders did not point out this obvious oversight they were about to make.

Effective feasibility studies include the following elements:

- Church readiness / health assessment
- Demographic studies of targeted community
- Psychographics
 - Mindset of community
 - Worship style
 - Media alignment
 - Need definition
- Ministry strategy
- Organizational chart and strategy
- Growth rate projections and phasing plan
- Financial modeling

9. Fundraising insights

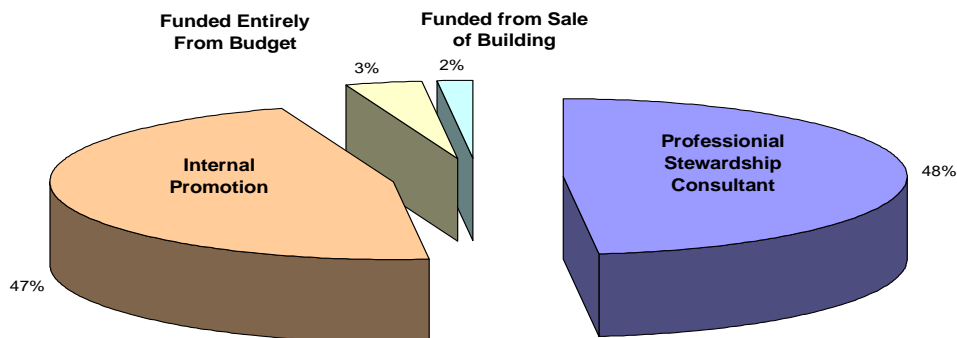


The one obvious complaint with the fundraising process was directed at the person responsible for follow through. A 3-year follow-up plan is critical in realizing a high percentage of the pledges committed. To insure an 85% or higher collection rate, quarterly feedback and follow-up with the congregation is critical. Unfortunately, few congregations demonstrate the discipline to do so and as a result are disappointed in the actual money collected.

Two key issues to pay attention to...

We looked at two aspects of fundraising for this project. First, we studied the primary method that churches utilized to raise non-debt funds. The four responses were professional stewardship consultant, internal fundraising, budget funding only, or the sale of a building. The second issue of fundraising was indebtedness incurred.

Primary Means of Funding Project



Churches were almost equally divided on the use of a professional stewardship consultant or a “do-it-yourself” program within the congregation. Those churches that conducted their own internal promotion were likely to be on their second, third or even fourth major building program. They had seen the mechanics of such a program in the past. They understood the significance of casting a vision, silent campaigns, communication, and follow through until the final pledges were collected at the end of year three. They saw no reason to pay the fee for something they felt as if they could do themselves.

First, the overall satisfaction of fundraising was very high. Second, there was no distinction in satisfaction between the external stewardship consultant and the method that was internal to the congregation.

Churches have little hesitation in taking on major fundraising efforts, particularly if they are among the healthier churches. They also typically have little aversion to debt. The only two concerns the churches had were:

- a. The fragmented process of procuring funding.**
- b. The poor job of follow up to collect the pledges.**

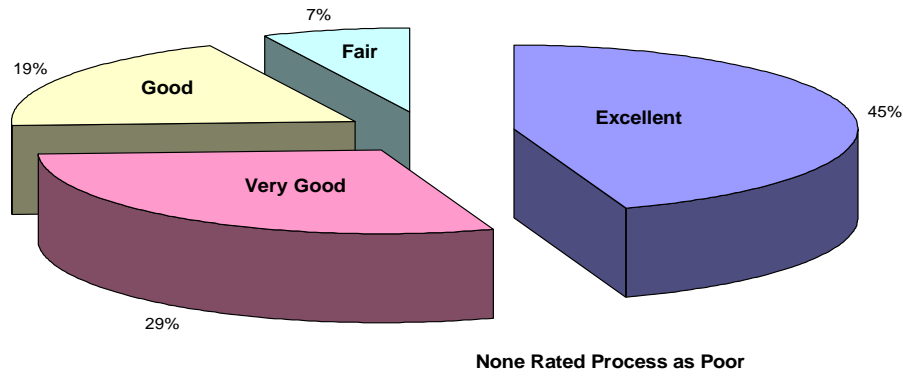
Although currently few builders get involved in assisting churches in the process of procuring funds for the project, it is integrally related to the overall satisfaction of a completed facility. If the church has a bad experience with a professional stewardship consultant, or if there is dissatisfaction with the bank in the procurement of a loan, most church leaders felt the builder should have helped them avoid the problem. Again, church leaders are overwhelmed and needful of a coach or collaborative team to help minimize risk and conflict.

Follow up seemed to be the biggest stumbling block with in house or outside stewardship campaign efforts. Typically, pledges are three year commitments. Once the initial effort to gain the pledges wears off, it becomes difficult to remain disciplined to keep the issue in front of the congregation. Not only will the commitment to the initial pledge wane over the subsequent three years, new attendees will not be compelled to join the effort as well. As a result the church loses two critical opportunities to support the building project. It would be wise for the church to appoint a follow up person to keep the issue in front of the congregation until the campaign completion. The original fundraising leader is the best choice. However, the pastors vocal support is critical as well.

Financing and overall satisfaction....

The FIRSt churches noted bank debt, bond debt, denominational loans, and no debt as the four different means of funding the building.

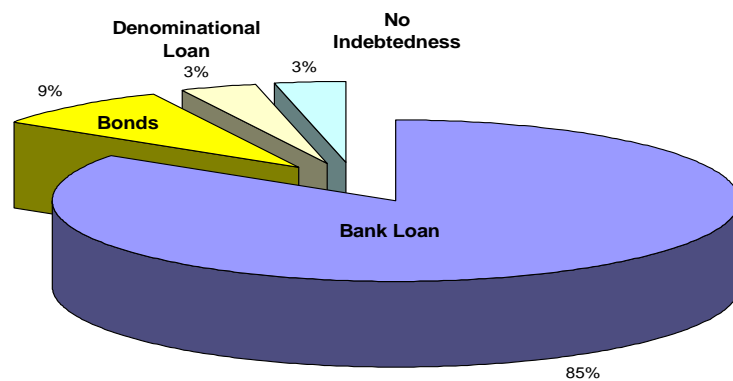
Evaluation of Overall Funding Process



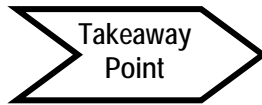
The pie chart above represents satisfaction levels of all fundraising approaches, but it is virtually the same for all methods. Note that 93% of the respondents rated the fundraising process as excellent, very good, or good. Only 7% evaluated it as fair and none evaluated the process as poor.

Again, the only improvement issue noted was a desire to have a “package” approach to facility additions. The negative stories often heard of fundraising seem much more isolated than conventional wisdom suggests.

Primary Source of Indebtedness



10. The design feature that is a growth and innovation catalyst



“Third Place” facilities are innovation accelerators. They can help growing churches toward better growth and healthier churches toward better health. They cannot, however, make a declining church grow or an unhealthy church to become healthier. It is incumbent on the church leaders to have some idea of the health of their church and a clear ministry strategy to use a “Third Place” before introducing or advocating the concept.

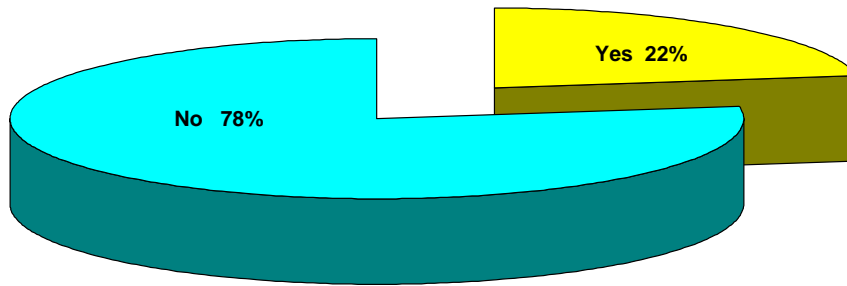
Discovering church facilities that can help propel ministry...

One of the assigned foci of FIRSt was to examine the issue of third place facilities. The assignment reflected a priority of our client, *Cornerstone Knowledge Network*, and the desire of our research to discover some of the cutting-edge issues in church facilities that can help propel ministry.

“Third place” was coined by sociologist Ray Oldenburg in his book *The Great, Good Place*. What Oldenburg calls "the third place" is a place away from home and work (the first and second places respectively); it is somewhere people can relax in good company on a regular basis, and thus create community. It is a place “where everybody knows your name.” It is a place where people can escape our culture’s isolation and connect with others resulting in healthier relationships within the church as well as at home.

A significant number of innovative churches in the past few years have built “Third Place” facilities with the desire of facilitating those relationships creating a greater sense of community, church health, and connection within the church. Some of the facilities are cafes and coffee houses; others are bookstores and food courts. We approached this research project with a keen interest in learning more about third place facilities.

Does the Church Have a Third Place Facility?



“Third Place” is becoming more common place...

Even though the concept of “Third Place” has had a strong influence on retail design the past 10 years church leadership teams have been slow to grasp the significance of it. Even so, we were surprised to find one in five churches had a third place facility. And there were no surprises in the types of third place designs; “Starbucks/Barnes & Nobles emulations” were normative.

The good news is that the churches that had built such areas were generally pleased that they did so. But frankly the level of satisfaction, though positive, was no greater than that of other facilities.

We also learned that the larger and healthier churches were much more likely to understand the need for and have developed a clear ministry driven community strategy. The less healthy or less sophisticated churches didn’t see the need or have the ministry programs to utilize such a space effectively.

Church leaders should seek out architects and builders who have significant experience at Master Planning church campuses as well as interior design experience utilizing the “Third Place” concepts. The effort needs to be an integrated ministry/facility strategy led by a healthy church leadership team along with an experienced “Third Place” design team.

Key issues church leaders should consider:

- Church leaders must understand the concept and need of community for effective and healthy ministry growth. If they cannot understand community, they cannot utilize the “Third Place” concept.
- Some church leaders envision “Third Place” s a significant cash-flow generating enterprise. They need to see the reality of the profitability or non-profitability of the facilities.
- “Third Place” should not be considered a magic bullet that will bring great numbers of un-churched people to the church. Other health issues must be in place to have a truly effective “Third Place”. Again partnering with an experienced designed is important to ensure a collaborative ministry/facility strategy.
- Church leaders should seek out working examples of such strategies and facilities.
- The future of “Third Place” facilities seems promising. It appears, however, that churches are still on a steep learning curve toward mainstream implementation.

Conclusion from Aspen Group

Our hope and prayer is these “10 Key Takeaways” provide you with additional clarity and direction as you are considering a building project. I hope you gained confidence from the results showing how church buildings enhance church growth and continued church health. And I trust that the findings about the importance of church health will motivate you to assess your church’s condition before investing in a building program. The need for a proper feasibility study was also emphasized by the pastors in this study. It’s a necessary step to ensure alignment of your building plans with your ministry strategy.

If you need assistance with your building planning or more information about the subjects in this paper, feel free to contact Aspen Group at 1-888-241-9980. Ultimately, our goal is the same as yours... to see completed buildings that can help fulfill your ministry strategy in transforming your communities for the Kingdom – a transformation that is to His glory and honor!

In Him,



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