UPDARE COVID7
UPDATE FOR CHURCHES RE COVID-19

Dear Pastors, GMs, Business Managers and CFO's

Firstly, please note that any name in the distribution list on the attaching email, does not mean they are a contributing Church to this report.

Secondly please note – this bulletin is provided as general advice only and legal, employment and accounting advice must be taken in your jurisdiction before taking any decisions. Some advice is country relevant only and may not apply to you.

Following on from my previous updates we have continued collating stats from a wide range of churches in various countries, ranging from single campus to multi campus Churches in order to detect some form of country wide trend and collective identification of savings. We have also had the privilege to have input into some of these Churches.

We are now well into the COVID19 lock downs with some countries beginning to emerge to lower level with lesser restrictions. There are some interesting discussions happening and some Churches are also taking this time to do significant resets on operational priorities and staffing.

I continue to remain amazed at the favour of God and the commitment of his people to sowing into the local Church.

Here is some commentary from our observations including formal and informal feedback from various Pastors and situations

1. There is ongoing concern within the Church community about when the restrictions are lifted. A common question is, "will people automatically come back after having an extended time of Church at home". Some of the USA has in the past week or so lifted restrictions for Church gatherings and attendance. It was significantly down on what some Leaders expected. Meanwhile some other Churches have undertaken an informal review with congregants and there is being expressed a reticence for some congregations to come back until an antidote or vaccine is freely available.

2. A large number of City Churches are reporting that some "large lump sum" gifts are coming in from congregants. Amounts of $100,000, $26,000, $64,000, $32,000 have been reported. Where possible we have attempted to remove these figures from the reported statistics. It is encouraging to see those who are able to go above and beyond, doing so.

3. Regional cities are suffering a higher drop off in tithes than those in the major city Churches. It is particularly noticeable where casual and part time employment is higher and centred around the restaurant /café and hospitality industries. (e.g. Airports, hotel admin, hotel cleaning, rental real estate etc.)

4. Non tithe income such as Missions and Building Fund giving are suffering a more severe drop. This is probably based on the fact that many congregants see these as extra "offerings" and not base tithes. Care needs to be taken to watch this as most Churches use Missions offerings for Missionary support. It may be necessary to allocate some general funds to carry a shortfall.

5. Churches that have a more widely taught belief that tithing is from a "principle not preference" or "conviction not by convenience or compunction", are seeing a greater retention of their tithes. I use the words "taught belief" not as the chat around offering collection time, but a structured teaching program such as Robert Morris – "The Blessed Life", Paul de Jong's -"God, money and Me".

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6. Based on conversation and observation there is also a pattern that Churches that have a higher percentage of the congregation who regularly volunteer are seeing a higher retention of tithes, those more staff centric Churches who exclude or minimise the use of volunteers are seeing a lower retention. We see this as an expression of "owning" the vision of the house, not "renting" the house.

7. Churches that have an annual miracle offering are taking either a "wait and see" approach or indicating a softer sell in the May / June period and a more concerted approach in the last quarter of 2020. Many Churches carry missions giving, building mortgage / development and new initiatives cost from the annual offering. For those Churches who have commitments from this annual giving we recommend a very careful assessment of the probability of a larger reduction in giving.

8. The pathway out of COVID19 will be slow and gradual. Churches that have built (or continue to build) stronger and wider mid-week groups will be better equipped to transition to congregation meetings as these groups will become the main congregational point of contact.

9. There has been some amazing "statements of Kingdom unity" from groups of Churches within a city or a State. For example, the combined Worship Leaders within City of Pittsburgh (USA) producing a joint worship song (the Pittsburgh Blessing https://www.youtube.com/watch?v=kdxMgmN9pA). Others are sharing technology platforms with those without the knowledge and others financially assisting others in need.

In our reporting we are comparing 2020 Actuals against last year 2019 Actuals. We have considered using budgets however each Church has a different model on income projection so any group comparison would be erroneous. However, what we have also observed is that Churches who use last year's actual income as a basis for the current years budget (i.e. zero revenue increase) are able to respond more quickly in this environment because they have not proposed spending unproven income. Tis model of using last year's actual (or even a reduction) is a good model and has been used by several larger Churches globally. One of the greatest proponents is Ps Chris Hodges and the ARC movement.

On the basis of an agreed to non-disclosure of the contributors we can advise as follows

IMPACT ON TOTAL TITHES INCOME (excludes Missions and Buildings)

As a general statement, the lower the percentage of "in-service" the lower the risk of a drop in offerings at this point.

Country /(# locations)	**Cancelled or restricted**	**March20 Impact over 2019**	**April20 Impact over 2019**	
Australia (60+)	22 March	+01% to +14%	-03% to +10%	
NZ (9)	22 March	-03% to + 30%	+03% to+16%	
Malaysia (8)	22 Feb	-06% to to +15%	-14% to + 3%	
UK (5)	15 March	-07% to +27%	-15% to -09%	
USA (3)	15 March	-01% to +01%	-01% to +15%	
Southern Africa (5)	various	-13% to + 44%	-21% to -17%	Some of
South Africa March skewed by end of financial year giving last week Feb 2020.				
Singapore (2)	07 April	+39% to +103%	+09% to +43%	
Western Europe	various	+09% to +127%	+05% to +10%	Excludes
France where we are hearing many churches are less 40-50%				
Japan	22 Feb	-06% grouped	+8% grouped	

Recommendations

1) Review Miracle Offering and missions offerings to see if general funds will be needed.

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2) Watch out for the June to September period when unemployment and restricted hours may come in effect in our congregants
3) Continue to keep close attention to the Government announcements. They came in quickly and may be adjusted back by stages.
4) Watch out for any leases or loans that have a lump sum retirement figure in the next quarter and provide for them
5) Keep a close eye on creditors invoices. We are hearing of contractors asking for "advances" on future months work.
6) A handy tool. Establish a reporting system that tracks your bank account balances back to the Number of weeks cash left.
   e.g. Cash at bank $260,000, Revised cost to operate per month $50,000 = 5.2 weeks cash.

I trust that you have found this of some assistance. Please feel free to contact me with further data for inclusion or constructive contribution

Kind Regards

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