



Lingering effect of Global Financial Crisis (GFC)

Over the past few months I have received reports and questions from Pastors of small and large Churches that their offerings are currently below their expectations. The assumption has been by many that the downward effect of the GFC on tithes and offerings should have passed.

The GFC cannot be viewed as a single event but rather as an event with varying stages.

The beginning phase was when the financial markets rapidly deteriorated and the value of investments fell but dividends and the return on fixed interest rates remained high. Governments responded with stimulus payments and Central banks dropped lending interest rates. The outcome of this phase was that many of our congregation members maintained good levels of disposable income, therefore giving was less vulnerable to change.

The second phase that we are currently in is showing very different attributes. The value of investments are now beginning to rise however dividend rates and the return on fixed interest rates have dropped. Bank lending interest rates have risen again and personal stimulus payments have ceased. The current outcome is that there less disposable income, therefore giving becomes more vulnerable. Especially when combined with the extra-ordinary pressures that are on small businesses with high overdraft rates and limited financing opportunities.

In monitoring a number of Churches across several nations a pattern has emerged that shows where a local Church is stable in numbers that the effect of phase one was a levelling of income or a marginal increase in giving. However in the current second phase many, many Churches are experiencing giving running at around 5-6% below last year on a calendar year basis.

To those who may be experiencing this pattern, you are not alone. I encourage you to stay committed to run your course, be diligent in controlling outgoings and build an atmosphere of faith and expectation with the Board, Elders and leadership.

Yours faithfully

A handwritten signature in black ink that reads "Graeme Kirkwood".

Graeme Kirkwood
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