When it comes to charitable giving, research shows religious organizations receive the bulk of donation dollars. And households that contribute to religious organizations tend to give more — both in the amount of their donations and the percentage of income they donate.¹

For example, in 2016, total giving to charitable organizations was $390.05 billion. Of that, $122.94 billion went to religious organizations across all faiths.² And it is the donating public, not big foundations, who is responsible for the majority of those annual donations.³

Religious organizations experience challenges similar to most nonprofits: Keeping donors engaged, retaining them, and enabling ongoing and sustainable contributions. They must also build and grow sustaining donor programs to help ensure a consistent cash flow. Also, they would ideally want all donor contributions to go toward the organization and not credit card fees.

At Mission Hills Church, they have learned that donations by direct withdrawal via ACH extend the impact of their donors’ giving even further.

¹ National Center for Charitable Statistics
³ Charity Navigator https://www.charitynavigator.org/index.cfm?bay=content.view&cpid=42
THE MISSION OF MISSION HILLS

Mission Hills, which recently celebrated 75 years as a church, is a large, nonprofit organization with four campuses in the Denver metro area. Through the church’s giving, it seeks to affect lives in-house, in its community, regionally and around the world through rescue from sex trafficking, Bible translation, career and leadership development, education and more.

Since its beginnings as a small Sunday school group meeting, Mission Hills’ membership has grown to more than 4,000, with about 3,100 members attending services across its campuses on any given weekend.

The church needed a way to provide its thriving, dedicated, cross-generational congregation with a quick, easy and safe way to give tithes, offerings and other financial donations to support the church and its work in the community and around the world.

TRANSITIONING FROM THE OFFERING PLATE TO ELECTRONIC GIVING

In 2008, when Tracy Snyder took on the role of Business Operations Director at Mission Hills, some members who missed Sunday church service or who were traveling would reach out to her individually with their personal financial information to make donations. “I didn’t feel comfortable having access to all this information and being the person in control of making changes to peoples’ accounts,” she says.

She continues, “I wanted to make the department more automated and lower the liability of the church when it came to having access to the personal finance information of the donors. So I started to investigate the software we used for our database and finances and its capabilities. When I discovered it had an online donor option, I presented it to our board. I explained it wasn’t that different from the online bill pay services that people were using at an increasing rate. They agreed to the new option.”

At the beginning, Snyder explains, online donations consisted of the ability to do an online gift through the church’s software, e-check and Visa or MasterCard. Years later, it’s evolved: “It has been just amazing and is an unbelievable blessing to the church on how it has stabilized our giving all year. It has also broadened our fundraising in a great way.”

In addition, continuing education was crucial to the success of the program. Church leadership encouraged members to give electronically and further explained the benefits of giving by direct withdrawal via ACH.

Members who donate electronically give more per person than those who give via the offering plate. During a recent Sunday service, the average check was $235. Of those who gave electronically the average donation was $347 per person.

Direct withdrawal via ACH allows members to make payments using their bank account. This method of giving reduces fees and administrative hassles; it also encourages automatic, recurring giving. It further expands an organization’s payment options, providing members with the flexibility to make payments in the manner that best suits their needs.
ACH GIVING BECOMES CHURCH’S PREFERRED WAY TO DONATE

In 2017, Mission Hills Church received $8.05 million in donations. Currently, Snyder says, more than half of Mission Hills’ donations are given online—versus cash and checks placed in the offering plate each week—of which 40 percent are by direct withdrawal via ACH.

“When we first started, we had maybe three percent,” Snyder says.

“Our members’ giving is definitely shifting toward ACH. The decline in the number of checks we receive has been consistent,” she says. “And then for a long time, most of our online donations were done via credit cards with very little ACH. But now, that’s flipping in the other direction, with ACH working hard to overtake credit cards.”

The church makes it clear to its congregation that ACH donations allow more of their contributions to be put toward church efforts and are preferred to credit card donations because of the latter’s related transaction fees that can cost the church up to 3 to 5 percent of the donation amount just to process.

“ACH is our preference. We are very intentional about sharing with our members that the church must pay a fee for each credit card transaction,” Snyder says. “The church also strongly discourages members from paying their tithes on a credit card. We do not want them to incur debt while supporting the mission of the church.”

GROWTH IN SUSTAINING DONATIONS

About 30 percent of direct withdrawal via ACH donations are recurring versus one-time, Snyder says, and that number continues to climb. She attributes this to Mission Hills’ extensive efforts toward educating their membership—for example, that they can change or cancel their payments at any time.

WHAT IS DIRECT WITHDRAWAL VIA ACH?

Direct withdrawal - a form of Direct Payment via ACH - is an electronic payment in which funds are withdrawn or debited from a donor’s checking or savings account and transferred electronically to your organization. Direct withdrawals via ACH are processed through the Automated Clearing House, an electronic network at the center of commerce in the U.S. moving money and information from one bank account to another through Direct Deposits and Direct Payments. Direct withdrawal serves as an efficient means for nonprofit organizations to collect donations.

CHARITABLE DONATIONS TO RELIGIOUS ORGANIZATIONS

- Historically, religious groups receive the largest share of charitable donations. In 2016, 32 percent of all donations, or $122.94 billion, went to religious organizations.1

- Total giving in 2016 to charitable organizations was $390.05 billion. By far, the largest percentage of giving came from individuals for a total of $281.86 billion.2

- Donors who give via ACH donate more—and more often—than other donors. ACH donors give more than double in a year ($1700 vs. $650) compared to people using checks, credit or debit cards, or other means. 3

- 71 percent of ACH donors authorize automatic donations on a set schedule vs. 9 percent of people using other payment types. 4

1 Charity Navigator giving statistics, and Giving USA 2017: The Annual Report on Philanthropy
3 Donations Tracking Study, ConsumerQuest, October 2016. Data represents respondents’ behavior over a 12-month period.
4 Donations Tracking Study, ConsumerQuest, October 2016. Data represents respondents’ behavior over a 12-month period.
Mission Hills has always advocated that its members set up recurring gifts, but the church has really promoted it during its current capital campaign that began in January 2018.

In three years, the church is seeking to raise $9 million to build a new auditorium, increase its worship center seating by 700, expand its lobby, and increase its multisite campuses, as well as add additional housing for a missions program in Poland.

Sustaining donations have been a “huge avenue” to help people remain consistent in their pledging during capital campaigns, Snyder says.

THE END OF THE OFFERING PLATE?

Since Mission Hills implemented online giving, the number of ways to give has grown: Options now include text-to-give and mobile apps—the church now uses MobileAxept—to make donating easier. Already Snyder has seen a decline in checks per weekend from what she used to see—more than 100 fewer checks, in fact—but online is making up for it. And she doesn’t see that letting up anytime soon.

“Earlier on, you had to use a computer to get to the site, and now you have your phone. It’s much simpler than it used to be, and now more people are willing to do things like pay bills online—this isn’t that different.”

Snyder finds members who donate electronically give more per person than those who give via the offering plate. For example, Snyder says, during a recent Sunday service, the average check was $235. Of those who gave electronically, the average donation was $347 per person.

“I really do think when people are donating online, they are a little more intentional about how they go about it,” she says. “When attendees set up an ACH recurring gift, they take a look at their financial picture now and in the future enabling them to give more intentionally to God first. When you do it week by week, it opens the door for your gift to be based on what’s left over because life can get in the way.”

Jon Roberts, Ministry Services Pastor, added, “Online giving has transformed how Mission Hills is able to normalize its cash flow throughout the year. Summertime used to be a very low giving season and now we see a steady stream of giving throughout the year. Various online methods help make the giving process comfortable to just about everyone interested in giving electronically.”

For more information on how your organization can benefit from direct withdrawal via ACH, visit ElectronicPayments.org/donor.