

LEADER CONVERSATION GUIDE

Budgeting to Thrive with Chris Hodges - Episode 123

Proven Principles That Lead To Healthier Finances

When people see their church being led intentionally and efficiently with wise financial decision making, they will become incredibly generous.

Unfortunately, many churches make unwise decisions when it comes to budgeting and planning that result in regular cuts and spending freezes.

Churches can operate with enough healthy margin that will prepare them for some of the amazing opportunities God will send their way—it only requires following a few proven principles.

This week on the podcast we conclude our four part series on financial challenges that churches face today. Chris Hodges joins from the [Church of the Highlands](#) to talk about how churches can become more practical in financial planning.

Common Mistakes Churches Make In Financial Planning

- Creating annual budgets that rely on 100% of the income from the previous year or budgeting based on growth projections rather than actual past income.
- Failing to be generous in meeting needs with church finances.
- Expanding into building projects too quickly with too much debt.
- Overstaffing by just filling positions rather than staffing to lead teams.
- Leaving no margin to take advantage of great opportunities as they arise.
- Failing to get buy-in from the team before making budget cuts or freezes.

Practical Next Steps To Financial Health

- Base your annual budget off of 90% of previous year's income.
- Keep campuses portable for five or six years and then build a building with cash.

- Build a mission portfolio and then create a floor of what percentage of your budget you plan to give away (churches can't ask people to live on 90% of their income if they don't do it themselves).
- Create a budget ceiling for salaries and buildings.
- Hire people to lead teams rather than to do jobs.
- Create financial margin by building incredible volunteer teams.
- Find proven models that have worked for others so you do not have to reinvent the wheel.

Next Steps

- **Do you have a clear vision for the future of your church?**
The Unstuck Group wants to help you take steps towards health and growth by defining how you're going to get where you want to go. [Learn more about our process.](#)

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