

Economic Dimensions of the Black Church: Managerial and Financial Strategies for Survival and Development

Economic Foundation and Social Mission of the Black Church

The theological rationale and spiritual motivation for the founding of the Black Church in America did not emanate from the classical, Christian, and Germanic synthesis of the Middle Ages. Neither did traditional white Protestantism and Roman Catholicism influence, significantly, its religious practices and social mission. The Black Church developed from the spirituality of West African ethos and adapted to the psychological and social needs of subjugated and enslaved Blacks. Liberation and survival was its primary objective.

Following the emancipation of Blacks in the South which concurred with new latitudes for the freedmen of the North, the Black Church was pressed to function not only as an institution for mental and emotional escape from oppression, but as a bastion for political and economic relief. Since overt political activity was repressed, the early Black Church focused its efforts toward providing some of the most fundamental economic services of the Black community. These services were represented in the forms of mutual aid or insurance societies, which were organized to cope with the crises of sickness, death and burial. Black religious denominations and denominational units gradually expanded their economic role and commitment to the Black community by establishing and developing educational institutions, child care centers, low-income housing, credit unions and various other socioeconomic auxiliaries. Thus, from its inception to the present, the Black Church is not only founded on religious and spiritual principles, but also on the economic ministrations it is capable of affording its congregations.

W.E.B. DuBois (1961) observed at the beginning of the twentieth century that the Black Church is in addition to being a religious institution,

* Dr. Anderson is Professor of Finance and Marketing at Washington State University. He is also Editor, *The Western Journal of Black Studies*, published by Washington State Univ. Pres.

it is a social, intellectual and economic center. In his study of Black religious life, he was impressed with the considerable sums of money which was collected and expended in church activities of the Black masses. Perceptibly, it was the economic cooperation and functions among Black church people which provided the foundation for the growth and development of the Black Church. In fact even today, the efficacy of each denominational unit of Black religious organizations is measured not only in terms of proficiency in the execution of spiritual, devotional and emotional functions, but also in terms of economic power and financial strength.

The Religious Business and the Economic Potential of the Black Church

Regardless of the secular or worldly implication, religion in America is a multi-billion dollar business empire (Balk 1968, Larson and Lowell 1976). While few scholars will attempt to determine the absolute value of church and religious organizations in the United States, Larson and Lowell (1976) estimates that there exists over 350,000 denominational church units including religious tax exempt properties worth over 120 billion dollars. The churches' primary source of revenue continues to be from congregational givings which totaled over 30 billion dollars in 1982 (Holck, 1983). Church and religious institutional purchases total billions of dollars annually, in addition, the invested trust funds of denominations and parishes run into billions of dollars each year. Although these figures reflect the economic wealth of the total religious empire in America, the relative economic ranking of Black religious denominations can be extrapolated from the aggregate.

The independent Black Church represents the first major economic establishment owned and controlled by the Black community. Furthermore, it was from the concept of these churches' mutual aid societies that Black entrepreneurs received the insight to found the major Black owned insurance companies. Insurance still represents the most significant and successful business accomplishment of Black people in America.

Determining the contemporary value of Black owned church properties, congregational givings and other revenues, tax-exempt investments and trusts would be speculative and would, more than likely, risk the probability of being understated. However, Carter, Walker and Jones (1976) declares unequivocally that collectively, the Black Church enterprise is an economic entity of massive proportions when compared to the other financial efforts within the Black community. On a national basis, Black church income might be equal to or exceed the annual net revenue of Black secular enterprises. The value of Black Church assets would

probably surpass that of Black private enterprises.

It is indisputable that religious institutions hold enormous wealth and are significantly active in various forms of financial activity in the United States. However, the most important factor this paper addresses is the fact that Black churches and religious organizations are not, presently, functioning as economically and financially effective as their white counterparts. In the words of Carter, Walker and Jones (1976), "the program thrust of the contemporary Black Church has simply not kept pace with the industrial and technological society in which it exists." Consequently, in failing to develop to its maximum financial potential, the Black Church is unable to provide the contemporary fundamental economic needs of the Black community.

Considering the tax-exempt status allowed churches and religious organizations, more Black churches should now—as white churches have always done—use these legal tax advantages to provide greater economic subsidization for their neighborhoods, communities and congregations. For example, the Roman Catholic Church through its religious orders, welfare agencies and related enterprises constitute perhaps the largest religious economic corporation in the world (Balk 1968). The Mormon Church has always adopted and practiced the welfare concept, and through it various commercial enterprises it subsidizes and supports its own members. The income of the Mormon Church is estimated to be over one million dollars per day and is believed to be the wealthiest church per capita in the world (Robertson 1968).

The Black Church may not ever parallel the opulence of white religious organizations because of the subordinate economic status of Blacks resulting from racism and racial discrimination. However, Elijah Muhammad, former leader of the Nation of Islam (Black Muslims) represents a classic example of how Black church groups can rise from the position of economic impotence to become economic providers for their memberships. Prior to the death of Muhammad, the Black Muslims owned a complex of tax-exempt businesses ranging from a chain of restaurants and retail stores to educational institutions. They also owned thousands of acres of land. The commercial entities of this religious organization had been estimated to be more than 75 million dollars (Larson and Lowell, 1976).

Black religious organizations have not developed financially at a pace proportionate to white church institutions is due partly to differences in theological and moral conceptions regarding the role of religion in capitalistic entrepreneurship. Among Black church leaders, there are those who perceive the role of the Black Church as being more than solely a religious function. They hold that the doctrine of Christianity dictates that the Black Church should be aggressive in activities which can advance the liberation of Black people and enhance the economic develop-

ment of the Black community. In support of this contention, Lloyd (1977) writes that

. . . the Black Church has chosen an holistic approach to economic enterprise, being concerned about resources and about capital formation, about spin-offs and about profits; but always about the economic benefit accruing to the Black community as a whole.

On the other hand some Blacks view the economic and secular entrepreneurial ventures of the church as being parasitic, drawing off the lifeblood of a deprived people for unnecessary facilities and salaries (Nelsen and Nelsen 1975). Others view church participation in secular economic practices as simply irreligious.

In spite of the ideological or theological conflict some Blacks might perceive between Christian ethics and economic practices, it is likely that the Black Church will continue to serve, to some extent, as an economic agency in the Black community. However, the theological controversy may cause Black church organizations to lag even further behind white religious institutions in economic development. White Catholicism, Protestantism and Judaism have had less problems in reconciling religion with economic practices.

The Contemporary Political Economy and the Black Church

Because of the present negative state of the political economy in the United States, the social and economic effectiveness of the Black Church is threatened more than at any time in recent history. The burgeoning national budget deficit and exceptionally high interest rates of the 1980s are adversely affecting the economic means and capabilities of Blacks. There is an ever widening economic gap between Blacks and whites, and if current economic trends continued more Black Americans will become comparatively lower income wage and salary earners. This will mean that more Blacks will fall to poor or near poverty levels of subsistence. Inflation is causing a decrease in the numbers of the middle class in general, but more importantly, there is a widening gap between the so-called "Black middle class" and the Black poor. Recent government statistics reveal that only 5.8 percent of the families that earn between \$35,000 and \$50,000 are Black and only 3.4 percent of all families that earn more than \$50,000 annually are Black. While Blacks constitute 11.7 percent of the population, almost 36 percent are among the poor.¹

The negative results of structural unemployment, underemployment and inflationary-recessionary economic trends affect the economic viability of the Black community and, in turn, the financial stability of Black

¹ For broader perspectives on the economic outlook for Black Americans in the 1980s see, "Seeking a Foundation for Stability," *Black Enterprise*. January 1985. pp. 46-60.

churches. Consequently, the future survival and development of many Black churches may well depend on how enlightened Black Church leaders begin to initiate innovative financial strategies which will strengthen the economic foundations of Black churches.

In spite of the dire economic factors relating to Blacks, Black people collectively in the United States are not destitute. It has been estimated that by 1985 the money income received by Blacks may amount to over 180 billion dollars (Gibson 1978). Black people tend to depend on the Black Church during times of hardship because it stands as a symbol of Black self-sufficiency and self-determination. It is the one institution that many will support even during times of adversity.

Innovative Approaches to Giving for Black Church Congregations

The Black Church remains, potentially, the most important and viable institution for the realization of Black economic and political liberation in America. Nevertheless, the future efficacy of this massive establishment may depend on how denominations and denominational units adopt managerial and operational systems which are practical and consistent with the modern technological and electronic age. Black religious institutions have traditionally included economic functions and, thus, must develop economically efficient policies and practices. The managerial and financial strategies suggested in this paper are not new or even creative. But for the majority of the hundreds of thousands of Black churches throughout the United States, the ideas and theories discussed may be untried and, thus, could prove essential to their greater development.

First, almost every church in the country, Black or white, is supported by the revenue received from weekly offerings on Sundays (Hartley 1984, Holck, 1983). Since the church is not a secular enterprise, it cannot issue equity capital, or initiate other capital funding schemes to increase its liquidity or revenue position. Church income is primarily dependent on offertory givings from members. But memberships are volatile and uncontrollable variables that are affected by population shifts and by normal attrition factors such as transfers among competing denominations or churches, inactive parishioners and deaths. Obviously, there are limitations involved in attempting to increase church income through membership expansion. An alternative is to maximize the giving potential of existing congregations by instituting new offertory techniques and methods which tend to be more socially convenient, economically feasible and psychologically persuasive so as to enhance the incentive for members to increase their givings. The writer concedes that the motivation for giving should be out of religious conviction, but even this motive can be enhanced through convenience and reward opportunities.

Since the popularization of the computer and the increasing trend of

electronic banking the nation has been moving towards a cashless society. Like most individuals in the society and secular organizations, the Black Church cannot afford to ignore the social, economical and financial implications of this phenomenon. As time progresses, social conditions and life styles change. More members of church congregations may find it more convenient to authorize programmed giving through the use of a credit card. Essentially, this simply means that the donor or church member authorizes the transfer of a specific amount of funds from his or her bank account to the account of the local church or church treasurer. Laws may vary in some states but in general individual churches can make arrangements with their local banking institutions for contributions from members to be programmed through their bank accounts on a weekly, monthly or quarterly basis. It must be done at the request of the church-member, consistent with the policies of the church and the bank involved (Knudsen 1974). The transfer of parishioners tithe or contributions may, in several states and local situations, be transacted through payroll deduction arrangements.

A drawback to the implementation of indirect programmed giving for Black congregations would be the traditional religious conservatism of the Black Church relative to economic matters. In the Black Church the "collection" is in itself a ritualistic part of the devotional service. It is an activity in which participation is often under the scrutiny of the pastor as well as the surveillance of the congregation. In order to alleviate the non-participant illusion on the part of members subscribing to the plan of programmed giving, acknowledgement cards or slips indicating the pre-transacted arrangement can be issued to them instead of the traditional offertory envelopes. They would deposit these cards or slips in the collection plate or tithing receptacle as a gesture of offertory participation with the rest of the congregation.

The advantages of authorized programmed giving are significant in terms of convenience and regularity. Although it is traditional to give weekly and on Sundays, persons are not always paid on a weekly or even monthly basis. Considering many unpredictable and complex work and travel schedules, erratic and declining Sunday attendance, it is obvious that bank or payroll programmed giving provides convenience, but would tend to stabilize church income which could in effect increase annual giving.

Theological versus Psycho-economic Perspectives on Giving

Economic and income disparities between Blacks and whites make it more imperative for Black church leaders to encourage means and devise innovative ways for members to contribute toward the financing of church functions and operations. Yet, some of the theoretical concepts of

giving discussed in this paper may pose problems or raise questions among many Black clergymen because of the motivational factors implied as reasons for members contributing. For some it may be difficult to reconcile certain economic practices with good Christian ethics. Theologically, the act of giving to the Church is not supposed to suggest that the process involves economic and social exchanges. More precisely, according to Hartley (1984), giving should be without the expectation of any reward. The ethical conflict here is one of theological idealism and psychological-economic realism. Indeed, economic and social exchange between the church and members occurs naturally and expectatively. Because, in principle, it is the functional benefits per se which the church offer that endows it with the power to attract members who then, reciprocally, give tithes or offerings towards its support. This is true whether the benefits are perceived in the forms of spiritual salvation, moral enlightenment, emotional release or social development. Moreover, the more successful churches are those that provide the better and most functional benefits for its members. The motivation for one's giving to religious or charitable organizations is indeterminable except within the conscience of the donor.

It may not be accurately ascertained as to what percentage of Black congregations give out of deep religious convictions, but it is evident that the Internal Revenue Code may have a significant effect on the amount of contributions which are made to the church. Charitable giving, including church donations, have a measurable affect on a communicant's income tax liability in a given year. There is a reward factor in church members engaging in creative tax avoidance with the benefits accruing to, possibly, the church and members. Tax liability deductions can be received by contributing properties to the church providing the kind, value, and whether or not such properties are capital gain or ordinary income items are stated. The following discussion explores some of the opportunities and processes by which the church may receive long-term revenue through deferred giving programs.

Deferred Giving Programs: Gift Annuity, Remainder Interest Annuity Trust and Unitrust

Many Blacks may be apprehensive in reconciling their own economic situations, financial planning and investment opportunities with the religious functions of the Church. Therefore, progressive pastors and church leaders will have to take cautious and sensitive steps to educate Black congregations to the concepts of non-traditional and non-offertory giving. The socioeconomic structure of Blacks limits the funding of the Black Church on the same scale as white religious institutions. Nevertheless, there are millions of Black parishioners with significant savings, and real,

ordinary and capital properties who are committed to the support and financial development of their church.

Gift annuities and trusts of many varieties offer attractive funding opportunities in a deferred giving program for the church. Giving plans of this nature could appeal to Blacks in all walks of life who might be interested in security of investment, stability of income return, and tax shelters. Church members also would receive the satisfaction of knowing that such investment arrangements will be to the advantage of their own economic situation and ultimately benefit the financial position of their local church.

For example, a 65-year old church member could present securities (stocks, bonds, etc.) having a market value of \$10,000 to his local church or denomination with the stipulation that he or she is to receive an agreed upon rate of annual return for life. Further, assume that the yearly rate of return will amount to about \$1,000 which can be paid quarterly, semi-annually or annually. The member or donor would be entitled to income tax deduction equaling the fair market value of the qualified appreciated securities subject to the 50 percent adjusted gross income rule.² In addition, the donor member would benefit from an exclusion of a sizable portion of the annual income. Persons entering into Gift Annuity Agreements with their church organizations through appreciated securities often have the full value of their investment returned to them within a few years considering the increased rate of annual return, the tax exclusion on annual income and the gift value of the securities. The essential aspect of the gift annuity is that the principal becomes the property of the church on the demise of the donor. At this time there is the possibility that gain for the church might be made through the increased value of the securities. Gift Annuities provide no immediate funding for the church, but is a form of deferred giving.

Only if the local church is large enough to generate an adequate dollar volume (over \$250,000 annually), and the investment aspect of the church's operations is sufficiently and expertly managed should it form its own Gift Annuity agency or foundation. However, very often the denominational headquarters have a foundation already structured to service such contracts. If denominational structures are not available, Gift Annuities can be serviced through the National Council of Churches (Knudsen 1974).

Charitable Remainder Annuity Trusts and Charitable Remainder Unitrusts provide even more attractive funding opportunities for deferred giving on the part of Black communicants. Trusts of this nature have always been included in the investment portfolios of tax-exempt educa-

² See *Charitable Contributions*. Publication 526 (Rev. Nov. 84). Department of the Treasury. Internal Revenue Service. 1984.

tional institutions, hospitals and scientific and literary organizations. The Charitable Remainder Annuity Trust may be considered less difficult to establish since it is determined and formulated by the donor or person establishing the trust. Since custodial charges for trust agreements by commercial agencies are very costly and require minimal fund standards, the local church can usually provide for trusteeship with minimal cost to the donor (Knudsen 1974).

There are numerous situations where and in which Charitable Remainder Annuity Trusts might serve church members and other donors and their designated church or religious organization. A typical situation would be one in which an older man nearing retirement wishes to maximize his retirement income without incurring capital gain taxes on appreciated securities he may have invested. He consults with his lawyer and the trustees of his local church after which he establishes a special trust of a certain amount which will provide a supplementary income annuity for his retirement. Consequently, his federal estate tax liability is reduced and he receives annual income tax deductions as a result of the trust. When he dies the remaining value of the investment amount will go to this church.

Another situation would be one in which a widow owns land and several houses left by her deceased husband. She is desirous of having a comfortable retirement income without the burden of managing the real estate properties. She is advised to place most of her real holding in trust by her attorney. The trust sells the real estate without being required to pay taxes on the appreciated value. The proceeds are then invested in relatively safe securities (certificate of deposits, municipal bonds, treasury notes, etc.) which will provide her with a reasonably good annual income. As a result she will reduce her tax burden in real estate, have a benefit in gift that will decrease her tax liability, and enjoy an exclusion on a portion of her annual income for as long as she lives. Having specified that upon her death the remaining value of the securities will become the property of her local church.

In executing remainder trust agreements, the donor is required to set up the trust in terms of his or her capabilities and interests. Under instructions from the donor the attorney will prepare the trust agreement with the understanding that the ultimate benefits are, irrevocably, designated for his or her local church. The trustee or trustees have full control of the investment portfolio. The trust funds may be invested in any regulated or approved manner which will be beneficial to the donor and also provide long-term financial benefits to the church.

The primary difference between the Charitable Remainder Annuity Trust and the Charitable Remainder Unitrust is that in the Unitrust a percentage of annual return based on the market value of the securities each year is written into the trust agreement. Although the percentage is

determined by the donor the income is not fixed and may fluctuate according to the value of the trust each year. If the income fails to constitute the specified percentage in any given year the difference is made up from the capital amount. In any event the remaining investment amount at the demise of the donor converts to church ownership. Trust agreements provide a lasting memorial for a church member or family.

Life Insurance and Gifts of Property

Life insurance has been a tradition and mainstay of Black church members since the time when sickness and burial societies and fraternal orders originated from the early Black Church in the mid 1800s. In the latter stages of Black families' life cycles, two situations may occur regarding life insurance. Senior couples and sole survivors may accrue a few paid up insurance policies and, secondly, children that were once beneficiaries may have become self-sufficient. In both situations there exists at least two options: (1) Instead of cancelling any excess or unwanted insurance policy one may, irrevocably, make his or her local church the beneficiary. If the insurance policy is not paid up the donor may continue payment of the premiums. For income tax purposes the donor is allowed to deduct all future payment of premiums. (2) A member or donor may make an insurance policy an outright gift to the local church. Rather than to liquidate the policy the trustees of the church could decide to assume payment of the premiums from the church treasury. Upon contributing the insurance policy to the church the donor would have the option of selecting the cash value or the replacement value of the policy for income tax deduction during the particular year it was contributed. If the gift value of the policy is greater than the 50 or 30 percent tax limit, the donor may deduct the excess in each of the five succeeding years until it is used up. Upon the demise of the donor the face value of the insurance policy, in addition to any earned dividends becomes the asset of the church (Holck 1983).

Many upper-lower and lower income Blacks earn only marginal weekly and monthly incomes but hold significant personal assets and real property. Procedures and programs can be developed which may allow these church members to supplement or complement their annual church pledges by contributing excess personal assets such as furniture, appliances, automobiles, construction materials, jewelry, art or equipment which have reasonably good market values. Items which the local church cannot utilize can be sold and the funds used to help defray church overhead, operations and maintenance costs. Donors of personal assets to the church may deduct the fair market value of the property at the time of

the contribution for income tax purposes.³

Elderly couples and lone survivors often find it necessary to move from their own homes into apartments or nursing institutions. They may want to contribute their houses to the church as an outright gift. Another situation would be for a person, probably of retirement age, to contribute his or her home to the church retaining the right to live in it for life. Such an arrangement should be made into a contractual agreement clearly defining the responsibility of the donor of the home as well as the church. The most beneficial agreement for the church would be for the donor to continue to assume and maintain the standard of upkeep and expenses. Any number of members of a church congregation may own real estate properties which, under an untraditional giving program, could contribute houses, lots or acreage to their local church. The gift value for income tax purposes could be written off over a period of five successive years. The church could use the land for development, as an income producing asset or it could sell the property.

Bequests and Wills

Deferred givings in the form of bequests and wills to Black churches represent long-term benefit realization, and as a result have not been actively encouraged to a significant extent among Black congregations. Essentially, trust agreements as well as bequests and wills mean that benefit will accrue to the church at some indeterminable time in the future. It is logical to assume that most Black denominational units function on an immediate need basis from month to month. However, purpose of this paper is to emphasize the need for the Black Church to become future oriented relative to long-term economic and financial development.

The execution of bequests and wills may not be a general or routine practice of most Blacks. Thus, a religious education program on bequests and wills may serve not only to make Black church members cognizant of their familial and social responsibility, but could benefit the church in the future. The fact the Black Church has survived over two centuries and looms as a formidable religious, socio-political and economic bastion in the Black community proves that Blacks want to and will support the church. Provided the enlightenment, opportunity and procedures, it is certain that some members of a congregation would be pleased to consider making a bequest or remembering the church in their wills. Wills are revocable and, therefore, it is important to emphasize that the maker of a will can revise it as one's personal or family situation changes.

³ Ibid.

Endowment Funds and Investments

Establishing and developing an endowment fund to provide supplemental support for the local church maybe an unfamiliar funding concept for most Black churches. The reluctance of some to accept the idea of funding the church through endowments and investments, again, is based on the theological question or conflict perceived to exist between religious ethics and economic practices. Weekly offerings generally support the basic mission of the church. Yet, because of adverse economic conditions such as inflation and recession, most Black congregations find it necessary to discover and initiate non-traditional means of supporting various programs of the church. Whether the means or methods are in the form of bingo, raffles, dinner sales or perhaps a dozen more revenue raising contrivances, they are "secular" in image and in practice. The economic needs of the church makes it a part of the economic world and it functions as an economic entity within the economic world. Churches regularly or sometimes receive interest income, rent from church properties and revenue from various sundry sources. Churches also pay interest on debt, engage in credit and other liability transactions. In substance and principle these business activities differ from secular practices only in the sense of religious abstraction, scope and scale. The most essential element is the difference in the social mission of the church in comparison to secular enterprises.

It might be economically prudent that most Black churches explore the possibilities of establishing an endowment fund. In considering such initiative, the matters of portfolio management, types of investment, and short-term versus long-term objectives must be studied. The management of investment properties and appreciated securities efficiently and profitably requires persons with a credible degree of economic and financial experience and training. The average local Black church may be less likely to have members whose professional backgrounds or experiences relate directly to the finance and economic fields. However, this situation is slowly changing. If the church does have among its membership an individual or persons possessing financial expertise it may manage its own investment portfolio after sufficient funds have been acquired through a non-offertory fund raising campaign. An investment officer or committee from or responsible to the trustee board of the local church may be appointed or elected to manage the portfolio. The alternative is to have an external agency, a bank or commercial trust, to manage the investments.

When a church invests funds its objectives are similar to that of secular enterprises and individuals. Mainly, it seeks to receive income as a return on capital investment. However, to maintain its exempt status as a non-profit institution, any profit or gain must be used to carry out the

religious and charitable mission of the church.⁴ If the Black Church is to fulfill its mission as a religious and benevolent institution, it has a vested interest in assuring that its investments earn maximum returns, considering foremost the security of principal.

In managing the endowment fund the officers and members of the church must establish the priority of financial needs or objectives. For example, if there exists no immediate need for funds the prudent objective would be to attempt to maximize capital growth. On the other hand the goal of the church might be to maximize income or to insure cash accessibility (liquidity). When capital growth is the objective, usually, some of the principal is sold periodically, perhaps for the purpose of building or maintenance projects or to fund a social project. If the purpose is to produce high interest income with safety, certificates of deposit are optimal securities to hold. Speculation in high yield stocks usually involves a risk of principal.

By participating in any secular investment activity, the Black Church has a religious and moral obligation to scrutinize the sources of its investment income. For instance, for a church to receive revenue from investments in liquor or gambling enterprises, or from companies whose operations are in flagrant disregard of human rights would be construed as irreligious and morally remiss.⁵ A Black church would, especially, want to investigate the discriminatory practices and affirmative action policies of all companies and financial organizations before including them in the church's investment portfolio. Johnson and Ackerman (1959) succinctly reflects this concern relative to church investments in stating that, security and yield are valid and essential criteria to be considered but not at the expense of critical judgement concerning moral and social consequences.

Grant Funding

Funding auxiliary church social and economic community functions through grants has increased in recent years. Funded grant proposals can allow the Black Church to sustain its tradition of providing not only religious, but social and economic assistance in the Black community. Many prominent Black local churches have utilized the financial resourcefulness of grants to fund church sponsored day-care-centers, adult education programs, family counseling clinics, youth recreation projects, nursing homes and housing for the poor. Grant opportunities are found by

⁴ *Tax-Exempt Status for Your Organization*. Publication 557 (Rev. Feb. 1984). Department of the Treasury. Internal Revenue Service, 1984.

⁵ The social and moral responsibility of the church as a corporate investor is examined in, *Church Investments, Technological Warfare and the Military-Industrial Complex*. National Council of Churches. 1972.

researching the various agencies or private organizations that invite applications based on their specific governmental, social, cultural or educational interests. The U.S. Federal Assistance Programs, state and local governments, corporations, private foundations and many other organizations frequently publish grant proposal ideas that can be executed by the local church. Applying for funding through grants requires, most importantly, persons possessing the ability and skills necessary to write a successful grant proposal.

Church Management and Cost Control

Regardless of the success a local Black church might achieve through non-offering income sources, its effectiveness can be offset by inefficient management and cost control. The church, like secular enterprises, requires sound accounting, budgetary and fiscal policies and practices. The church's budget defines the limits of its social and economic function beyond the spiritual, devotional and emotional. Budget capability can be maximized by eliminating waste and excessive costs. Large savings might be gained by monitoring utilities expenses and through preventive maintenance. If the building is too expensive to heat in the winter and to cool in the summer it may be more economical in the long run to install more efficient heating and cooling systems. All buying and contractual services should be on a bid basis and supplies purchased in quantity and at discount rates. Tremendous saving can be obtained if a cooperative buying program can be initiated with other churches or related organizations (Holck 1983).

It may get to the point where old church buildings require extensive repair and remodeling or require enlargement of their physical facilities. Providing this is the case, it could be more economical and cost effective in the long-run to sell existing properties and construct a new edifice. The feasibility of this course of action would depend largely on the changing social situation, growth and movement of populations and the financial advantage, strength and capability of the local church (Stiles 1965).

Finally, the local Black church must take advantage of the technological advancements of the computer age. Microcomputer programs and software are available which will allow pastoral care of church members to be accomplished with less expense and more efficiently. Computers can save time and reduce costs by automating church accounting and financial operations, member contribution records, membership information and mailing lists. Modern word processing technology and fast offset duplication methods can serve to improve communications with the existing membership and for attracting potentially new members. The cost of the new technology is now well in the affordable range of most Black

church congregations.

Summary Statement

The collective economic potential of the Black Church will become a major source of hope and strength in the lives of Black people as self-determination and self-sufficiency will be the strategy of Black liberation during the 1980s. The spiritual energy, economic capability, and political influence of the Black Church were witnessed in the 1984 national elections. This spiritual energy, economic power and political influence could have been multifold if Black churches as a whole could have benefited from the economic and financial strategies presented in this paper. Although there may be profound controversy and theological debate as to the local Black church's participation in secular economic practices, it may be the only way in which the Black Church can parallel the power and social function of white Catholic, Protestant, Jewish and Mormon institutions.

The tradition of the Black Church supports and authorizes Black economic power and sufficiency. In the words of Carter, Walker and Jones (1974)

. . .the collective power of members of (Black) congregations has been demonstrated over and over again. They have erected new edifices, established credit unions, built low income housing and served as rallying bases for movements in behalf of social justice.

The historical motif of the Black Church has been that of struggle and the alleviation of suffering. Contemporary economic conditions and the continuing racial oppression of Black people demand that the Black Church initiate innovative economic strategies to sustain its historical tradition.

References

- BALK, ALFRED. 1968. *The Religion Business*. Richmond, VA: John Knox Press.
- CARTER, HAROLD A., WYATT T. WALKER, and WILLIAM A. JONES. 1976. *The Black Church Looks at The Centennial*. Elgin, IL: The Progressive National Baptist Publishing House.
- DuBOIS, W.E.B. 1961. *The Souls of Black Folk*. New York: Fawcett Publications, Inc.
- HARTLEY, LOYDE H. 1984. *Understanding Church Finances*. New York: The Pilgrim Press.
- HOLCK, MANFRED. 1983. *Church Finance in a Complex Economy*. Nashville: Abingdon Press.
- JOHNSON, F. ERNEST and J. EMORY ACKERMAN. 1959. *The Church as Employer, Money Raiser, and Investor*.
- KNUDSEN, RAYMOND B. 1974. *New Models for Financing the Local Church*. New York: Associated Press.
- LARSON, MARTIN A., and C. STANLEY LOWELL. 1976. *The Religious Empire*. Washington-New York: Robert B. Luce Co. Inc.
- LLOYD, GIL B. 1977. "The Black Church and Economic Development." *The Western Journal of Black Studies*. Vol. 1, No. 4. p. 274.
- NELSON, HART M. and ANNE KUSENER NELSON. 1975. *Black Church in the Sixties*. Lexington, KY: The University Press of Kentucky.
- ROBERTSON, D.B. 1968. *Should Churches Be Taxed?* Philadelphia: The Westminster Press.
- STILES, JOSEPH. 1965. *Acquiring and Developing Church Real Estate*. Englewood Cliffs: Prentice-Hall, Inc.
- WILMORE, GAYRAUD S., and JAMES H. CONE (Eds). 1979. *Black Theology: A Documentary History, 1966-1979*. Maryknoll, NY: Orbis Books.