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WHAT IS INFLATION

Inflation is **the increase in the prices of goods and services over time.**

Inflation cannot be measured by an increase in the cost of one product or service, or even several products or services.

Rather, inflation is a general increase in the overall price level of the goods and services in the economy.

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How Does Inflation Work?

Inflation represents the rate at which the cost of goods and services increase over a period of time.

Demand-Pull



When demand for goods/service exceeds production capacity.

Cost-Push

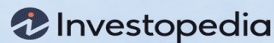


When production costs increase prices.

Built-In



When prices rise, wages rise too, in order to maintain living costs.



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HOW DOES THIS IMPACT GIVING?

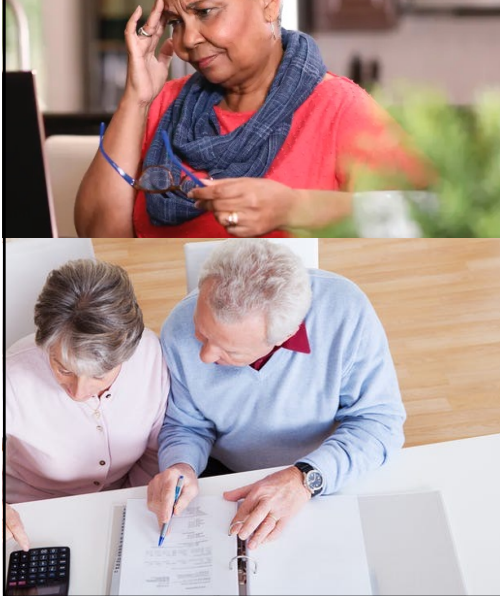
OWNERS vs. RENTERS

- Homeownership has primarily been seen as a 'hedge' against inflation.
- Statistically, 80% of those in their 60's own homes. Comparatively, only 30% for those that are in their 30's.
- Pastors leading younger churches might be more impacted than a church serving an older demographic.
- The same can be said for those that 'rent' cars by leasing versus purchasing. When you 'rent' or lease a depreciating asset, the effects are compounded.



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HOW DOES THIS IMPACT GIVING?



FIXED INCOME RETIREES

- As a rule, those living on fixed incomes with social security or pensions will be more protected in the long term as annual benefits tend to be adjusted or indexed to Consumer Price Index (CPI).
- These people are feeling the effects of what our leaders have called 'transitory inflation' now for many months.
- The lead/lag aspects of adjusting fixed income typically will fall short of actual increases; therefore, you should expect a decline from segments of this group dependent on a fixed income.

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HOW DOES THIS IMPACT GIVING?

INFLATION vs. CHURCH BUDGET

- Has giving really increased as compared to inflation?
- As fixed expenses or "overhead" costs increase with inflation, funds allocated for ministry and programs absorb the impact, thus diminishing dollars deployed for mission and vision.



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HOW DOES THIS IMPACT GIVING?

DEMOGRAPHICS IMPACTED

- Bands 1-3 (those giving under \$5,000 per year)
- Younger Givers (under 34)
- Older Givers on a Fixed Income

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METRICS TO MEASURE IN MORTARSTONE

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STEPS TO INCREASE FINANCIAL STABILITY



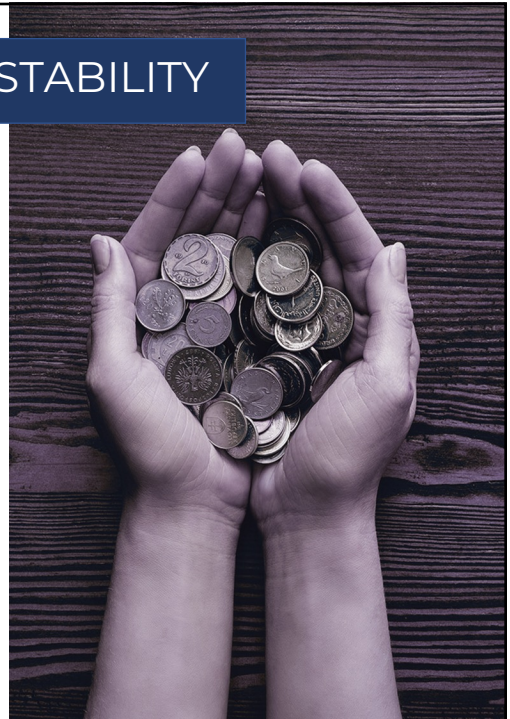
- Assimilation Processes
- Lapsed Giver Strategies – “Close the Back Door”
- Financial Transparency with Reporting & Communication
- Financial Classes
- Major Gifts Ministry/Creative Giving

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STEPS TO INCREASE FINANCIAL STABILITY

Creative Giving Opportunities = Giver-Centric Giving

- Provide different options to give cash
- Help Givers Save on Taxes & Create Income-Producing Gifts with Major Non-Cash Giving Options



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MAJOR GIFTS MINISTRY POTENTIAL

Average American Church (~\$3M in Annual Giving)

- Giving Households (60+ years old): 144
- Current Giving from 60+ year old: \$1,027,173
- Average Giving per household/year: \$7,133

GIFTS OF ASSETS

Assets gifts average 10x more than the average yearly giving per household.



Potential Asset Giving for Church Funding: \$10,271,730

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MAJOR GIFTS MINISTRY POTENTIAL

Types of Asset Gifts for a Typical Church

- Testamentary Gifts by 70% of Households: \$7,190,211
- Split Interest Gifts by 20% of Households: \$2,054,346
- Outright Gifts by 10% of Households: \$1,027,173

TOTAL \$10,271,730



Provide your givers with the opportunity to give from assets, and you can potentially see a 10x increase in overall funding.

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NEXT STEPS – GET TRAINED!

Register today for one of our upcoming trainings –
MortarStone.com/major_gifts_training

Tuesday, April 26 – Orlando, Florida

Thursday, May 5 – Fresno, California

Tuesday, May 10 – St. Louis, Missouri

Thursday, May 12 - Lone Tree, Colorado

Tuesday, May 17 – Allen, Texas

Thursday, May 19 – Austin, Texas