



## Background, Preparation and Support

(for Lutheran Social Service (LSS) Financial Counseling)



**Evangelical Lutheran Church in America**  
God's work. Our hands.

July 2017

## Introduction to the Resourceful Servants Initiative

In the church, we often speak of the many dimensions of wellness in our lives – spiritual, intellectual, emotional, social and physical, for instance. Financial well-being is another vital component in our endeavor to live well. The Evangelical Lutheran Church in America (ELCA) will focus on this concept in the months and years ahead as we take the next steps in assisting those exploring call, rostered ministers and congregations in enhancing their financial acumen and preparedness.

The ELCA is embarking on “Resourceful Servants,” an initiative to encourage habits that strengthen and sustain individual and congregational financial wellness and growth. Each of the four Resourceful Servants projects focuses on financial well-being.

- **Fund for Leaders** – The ELCA churchwide organization hired an Associate Director of the ELCA Fund for Leaders to increase its fundraising capacity, so it can more rapidly expand the number of full- and partial-tuition scholarships it distributes to ELCA seminarians.
- **Financial Counseling** – The emphasis of this project is to open the conversation of financial wellness and literacy early in the career of those exploring call, including candidates for ministry, seminarians not in candidacy, applicants and inquirers. Students and inquirers are encouraged to participate in financial counseling with Lutheran Social Service (LSS) Financial Counseling. This organization is part of Lutheran Social Service of Minnesota and serves the entire nation through counseling by phone.
- **Financial Wellness** – This project focuses on improving the financial wellness of rostered ministers in the ELCA. Resources around managing debt and increasing financial literacy are available at no cost. The project also includes programs to address two immediate financial needs of pastors, namely lack of emergency savings and lack of retirement savings, and include matching dollars for increased contributions.
- **Congregational Certificate** – This project focuses on the financial health of congregations by providing a website-based program targeting five financial areas: Accounting, Finance, Human Resources, Risk Management and Stewardship. Congregations will receive a certificate by implementing and maintaining a set of financially healthy behaviors, and reporting them through the Resourceful Servants website ([resourcefulservants.org](http://resourcefulservants.org)).

Supporting us financially in these efforts are our church partners, the Mission Investment Fund and the employees and trustees of Portico Benefit Services. The ELCA Federal Credit Union and LSS Financial Counseling are implementation partners. A generous grant from the Lilly Endowment also makes this initiative possible.

## Project Deep Dive

The Financial Counseling and Financial Wellness projects have the greatest implications for LSS Financial Counseling.

### **Financial Counseling**

Ministers should be free to serve well anywhere, without undue concern for their financial well-being and their long-term financial security. This means those exploring call should be equipped early in their careers with the skills needed to manage household finances, to assist a congregation in the management of its finances, to teach stewardship and promote faithful giving, and to engage in all these activities in a direct, positive and forthright manner.

Financial counseling has been shown to be an effective way to improve personal financial well-being. Those who have participated in financial counseling have incurred less educational debt, decreased their already-incurred educational debt more rapidly, increased their credit scores, paid off their consumer debt more rapidly, lessened their financial anxiety and achieved overall greater financial health.

Research has also shown that those who experience greater personal financial well-being are more satisfied and healthy as leaders than those who have poor financial health. Those in good financial health are more satisfied with their household financial situation, more satisfied in their ministry, and indicate that they are in better spiritual and physical health than those who are in poor financial health.

It is for these reasons that, through the Financial Counseling project, those exploring call are strongly encouraged to participate in financial counseling with LSS Financial Counseling. The primary channel to encourage financial counseling is a group of candidacy partners, made up of bishops, synod staff for candidacy, candidacy committee members and seminary faculty and staff. These partners are the ones who have the greatest initial influence on the career of someone exploring call.

### **Financial Wellness**

Financial wellness is a vital part of a healthy life. Ministers who are financially well experience greater satisfaction in their work and their relationships and are more able to freely serve the church and its mission without being encumbered by financial anxiety.

The Financial Wellness project brings together a variety of financial wellness resources which are available at no cost to rostered ministers in the ELCA. Engaging with these resources can provide rostered ministers the information they need to make well-informed financial decisions and the confidence to share their perspective. This competence and confidence not only affects a minister's personal financial well-being but also that of the congregations and organizations they serve.

Through this project, the church also seeks to address specific needs pastors have raised about their personal financial and stewardship health. Two Savings Matching Pilot Programs share financial resources with pastors on the road to improved financial wellness.

- The Emergency Savings Matching Pilot Program is designed for pastors who have less than 6 months income in emergency savings. The program will match selected pastors' contributions of up to \$50 per month to a dedicated emergency savings account (up to \$1,200 over two years).
- The Readiness for Retirement Savings Matching Pilot Program is designed for pastors who have less than 15 percent of their compensation contributed into their existing personal retirement account with Portico Benefit Services (when combining employer and individual contributions). This program matches pastors' increased contributions of \$50 per month to their existing personal retirement accounts with Portico (\$600 over one year).

To qualify for either of the Savings Matching Pilot Programs, pastors must complete the Financial Wellness Assessment—accessed through [resourcefulservants.org](http://resourcefulservants.org)—which asks about several aspects of a pastor's financial life, including behaviors and attitudes, level of emergency savings, level of retirement savings and credit score. The date to complete the Financial Wellness Assessment is September 15, 2017.

Qualifying pastors will be directed to the appropriate program application(s) as part of the Financial Wellness Assessment. The date to complete program applications is October 15, 2017. Applicants will be informed if they have been selected into either both or neither Savings Matching Pilot Program(s) by November 1, 2017.

It is at this point that selected recipients need to complete the requirements for participation in the Savings Matching Pilot Programs.

For the Emergency Savings Matching Pilot Program, these requirements are to:

- Open a savings account with the ELCA Federal Credit Union. This must be set up in time for the first payroll of January 2018. To ensure that this happens, a recipient must call or visit the ELCA Federal Credit Union by December 1, 2017. If he or she already has a savings account with the ELCA Federal Credit Union, he or she will work with Credit Union staff to open a dedicated account for the Savings Matching Pilot Program.
- Set up automatic withdrawals of up to \$50 per month (or up to \$25 per pay period if paid bi-monthly) from the recipient's paycheck or primary checking account to be deposited into his or her dedicated account with the ELCA Federal Credit Union. This must be set up in time for the first payroll of January 2018. To ensure that this happens, a recipient must call or visit the ELCA Federal Credit Union by December 1, 2017.

For the Readiness for Retirement Savings Matching Pilot Program, the requirement is to:

- Increase one's individual retirement contribution by \$50 per month (or \$25 per pay period if paid bi-monthly). The process for increasing one's personal contribution must be set up in time for the first payroll of January 2018.

For both programs, selected recipients need to:

- Schedule an appointment with LSS Financial Counseling. Up to six financial counseling sessions are provided per calendar year at no cost to rostered ministers and their spouses, as a benefit from Portico Benefit Services. At least one session must be held with a financial counselor at LSS Financial Counseling by Feb. 1, 2018.

On a monthly basis, beginning in February 2018, the ELCA Federal Credit Union will deposit matching funding into the emergency savings accounts of the selected recipients if the recipients have made their monthly contribution. This process will continue for up to two years, provided recipients continue to make monthly contributions.

In February 2019, Portico will deposit matching funding into the retirement accounts of the selected recipients if they have followed through on their one-year commitment to increased contributions.

## Implications and Expectations for LSS Financial Counseling

### *Uptick in the number of those seeking financial counseling*

The Financial Counseling project strongly encourages those exploring call in the ELCA to participate in financial counseling with LSS Financial Counseling. As a result, we project that there will be an uptick in the number of members of these groups who are seeking to participate in financial counseling with LSS Financial Counseling.

The Financial Wellness project uses a two-pronged approach to increase participation in financial counseling with LSS Financial Counseling:

1. All rostered ministers in the ELCA are informed through a Resourceful Servants email campaign and **resourcefulservants.org** of the benefit of financial counseling with LSS Financial Counseling provided by Portico. They are encouraged to take advantage of the benefit. We believe, due to this promotion, there will be an increase in the number of rostered ministers who choose to participate in financial counseling.

2. For those pastors receiving matching funding through either of the Savings Matching Pilot Programs, financial counseling with LSS Financial Counseling is required. The Emergency Savings Matching Pilot Program is projected to have a cohort of between 400 and 500 pastors. The Readiness for Retirement Savings Matching Pilot Program is projected to have two cohorts (one in 2017-18 and one in 2018-19) of between 150 and 170 pastors each. It is also possible that even before pastors are selected for the program, during the qualification, application and selection periods of the program, they would reach out to LSS Financial Counseling to help them determine if—through effective budgeting and debt reduction—it would be wise and worthwhile for them to apply for the programs.

### **Data collection**

The ELCA churchwide organization will work with the staff of LSS Financial Counseling on a data collection plan, including the development of a post-session questionnaire to be distributed as part of the post-session summary by financial counselors to all clients who access LSS Financial Counseling through the Financial Choice Portico telephone line.

The data from this post-session questionnaire will be collected by ELCA Research and Evaluation. This data will be shared in raw and summary forms with LSS Financial Counseling on a periodic basis.

### **Timeline/Due dates**

#### **Program Launch and Qualification**

Resourceful Servants has an official public launch date of August 14, 2017, when an email initiative featuring Presiding Bishop of the ELCA Elizabeth Eaton will be sent out to rostered ministers in the ELCA. This email will include a link to the Resourceful Servants website (**resourcefulservants.org**), which contains information about these programs and other services and resources available to people across the church.

During this time, if LSS financial counselors have pastor clients who they believe would benefit from the program, they can direct them to **resourcefulservants.org**, to the Savings Matching Pilot Programs section, and encourage them to take the Financial Wellness Assessment to determine if they qualify for one or both programs.

The due date to complete the Financial Wellness Assessment to qualify for program application is September 15, 2017.

#### **Application**

The due date to complete the Savings Matching Pilot Program applications is October 15, 2017.

#### **Notification**

On November 1, 2017, the ELCA churchwide organization will notify applicants if they have been selected into either, neither or both Savings Matching Pilot Programs.

#### **Implementation**

Selected applicants must complete at least one financial counseling session with LSS Financial Counseling by February 1, 2018.

### ***Data Transfer: Participant Verification***

LSS Financial Counseling will provide a certificate of completion to all participants. Selected recipients will be required to submit this certificate to Resourceful Servants at **resourceful.servants@elca.org** by February 15, 2018.

### **Contact Resourceful Servants**

If there are questions not answered here, please contact Resourceful Servants by email at **resourceful.servants@elca.org**. You can direct any inquiries to the same email address.