



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: C
FINANCE

Volume 24 Issue 2 Version 1.0 Year 2024

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Funding Strategies used by Hispanic Churches in South Florida

By Dr. Jose Gomez

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GJMBR-C Classification: JEL Code: M1, M12



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I. INTRODUCTION

This article explores the Funding Strategies Used by Hispanic Churches in South Florida. In 2017, the author entered a doctoral program at the School of Business Management in the United States and obtained a Ph.D. in Business Management in October 2021. The author's concentration and dissertation are centered on how faith-based organizations can attain financial autonomy. His academic work is referenced in this article.

Much of the literature today is dedicated to increasing membership and funding. Nonetheless, not much information is attainable for Hispanic Congregations in the South Florida area. Most of the reports are devoted to those in leadership and management positions within English-speaking churches. Nonetheless, information to assist Hispanic churches is limited, and no literature defines and considers the funding methods for Hispanic Churches in South Florida.

Presently, congregations in the United States are decreasing in membership. Corley (2018) states that Churches in America are seeking methods to retain their active members. Administrators and leaders at these assemblies must develop a funding strategy to boost attendance and positively impact their faith organizations.

Deficiencies in funding strategies have affected multiple faith-based institutions in the United States (Salmon, 2016). Numerous similar organizations still need to embrace a contemporary funding strategy. The

problem affects both English-speaking and Hispanic churches in the United States. Hispanics represent about 17 percent of the U.S. population (Pierce, 2017), and Hispanic congregations are open to serving these communities.

Pérez-Bullard (2019) states that another obstacle for Hispanic churches is the deficiency of knowledge and experience many administrators have in increasing funds for their operations. Many Hispanic leaders and managers are unaware of the funding resources available to them, and some do not have the means or the training to design a strategy for funding and planning (Vale, 2019). Many administrators are unwilling to adjust or be innovative (Kang & Jaskyte, 2011). These constraints could result in a decrease in members, which would impact the congregation's finances.

As per Hill (2019), a community must be self-sufficient, and the primitive Church comprehended the necessity to attain a standard of financial stability. Nevertheless, not owning a financial strategy could be an element that contributes to the decrease in resources for the congregations (Vale, 2019). One of the Church's primary principles is to construct a favorable environment for new attendees to have a positive experience (Johnson, 2018). Nevertheless, if the organization is not successfully developing a funding strategy that could positively influence its economy, the possibility of constructing such an environment could be nonexistent.

II. LITERATURE REVIEW

Nonprofit organizations are necessary for our society (Daft et al., 2020). The latter provides services to a specific section of the market. The main goal of these organizations is to generate a social impact (Neumayr et al., 2015). According to Lorena (2020), nonprofit companies can increase and raise funds using different resources like grants, donations, and government appropriation funds. These organizations do not increase their revenue by sales of products or charging customers for a service (Daft et al., 2020).

a) *The Economy of Southeast Florida*

Many travelers consider Florida a top destination (Walton, 2020). The state relies on the following: global trade, farming, aviation and aerospace, and life sciences (Walton, 2020). According to the

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Bureau of Economic Analysis (2020), Florida is the fourth-largest economy in the nation. The Florida Senate (2019) noted in their F.Y. 2019-2020 General Appropriations Act that the state has a GDP of \$1.1 trillion and a \$91.1 billion budget.

Southeast Florida and South Florida are in the same area, consisting of Palm Beach, Broward, and Miami-Dade counties, known as the tri-county region. According to the United States Census Bureau (2019), the tri-county region has a population of 6 million, placing the region 8th in the nation by population size. In addition, The Metropolitan Statistical Area (MSA) indicates that international migration has increased by 508 percent since 2010 (United et al. Bureau, 2019).

b) *Poverty*

Poverty affected 38.1 million Americans in 2018, 11.8 percent of the U.S. population (Poverty USA, 2020), and African Americans and Latinos are at the top of the list (Walker & Brisson, 2017). In 2019, the poverty rates were down for all communities but remained high for Hispanics. Wilson (2020) noted a 1.9 percent decrease in Hispanic poverty rates in the United States; however, in 2019, more than one-quarter of Hispanic children faced the highest poverty rates.

c) *Income*

Concerning earnings, the average income in a Hispanic family in the United States was \$40,483 between 2009 and 2011 (Kayitsinga, 2015). Compared to other groups, non-Hispanic Whites and Asians had the highest median annual income. African Americans represented the lowest income, \$34,625, and Hispanics represented an estimated \$15,395 per capita (Flores, 2017). According to Wilson (2020), in the 2019 Census Bureau report on income and poverty, an income gap persists despite the growth of the Hispanic population.

d) *Employment Status*

Sixty-eight percent of the labor force is held by Hispanics (Kayitsinga, 2015). Both African Americans and Native Americans represent the lowest unemployment rates. As of 2019, the unemployment rate for Hispanics dropped from 5.8 percent to 4.3 percent (Kochhar & Krigstad, 2017; Asante-Muhammad & Hernandez, 2019). The critical resources the Hispanic communities need are higher income, education, health, and employment status.

III. DATA METHODOLOGY

The determination to employ an explanatory case study design stood because one can sufficiently comprehend administrators' perceptions of faith-based organizations. In addition, the explanatory case study is utilized if researchers aim to answer questions defining the supposed causal relations in real-life interventions that are too complex for the survey or testing methodologies (Yin, 2018). The researcher gathered and

examined information from Mision Vida Church administrators and (2) interviewed leaders from A New Covenant of Love Ministry Church. The data and interviews were collected between 2019 and 2020. Data for the 2020 census was unavailable at the time of the data collection.

IV. RESULTS AND DISCUSSION

Based on the investigation results, the following recommendations are suggested:

1. Church administrators have to focus on financial strategies during low attendance periods. The latter will protect and create financial security if or when monetary gifts are reduced. The results indicated that one of the challenges in faith-based organizations is creating a system to increase membership ownership and consistency. Attendance is crucial, and the congregation's most significant revenue source has been donations. The latter is linked, to a point, with membership. Members who partner with nonprofit organizations donate money because the institution is an integral part of their lives and an action that many would consider beneficial (Christiansen et al., 2009). Due to the findings, faith-based organizations must focus on financial planning to thrive in their finances.
2. The ongoing shifts in the socioeconomic environment must move the congregation administrators to be mindful of any internal and external factors that may affect their financial methods. According to the Bureau of Economic Analysis (2020), The State of Florida had the fourth-largest economy in the nation, behind California, Texas, and New York. The study results suggest that faith-based administrators should understand the need to and employ a strategy to build trust within the community. However, the strategy should consider a system the effects of internal or external factors. The latter is consistent with the literature concerning fluctuations within a nonprofit organization (Powell & Bromley, 2020).
3. Faith-based administrators should collaborate with external entities and associates to develop and grow their financial opportunities. The investigation's outcomes revealed specific characteristics of the managerial role within the faith-based organization in various ways. For example, management should constantly find ways to construct or build member loyalty while exploring financial opportunities within the community. As stated above, the focus is on faith-based organizations serving the Hispanic community in South Florida. The average revenue for a Hispanic family in the U.S. is \$40,483 (Kayitsinga, 2015). In addition, Kayitsinga (2015) describes how poverty and employment status have impacted the Hispanic community within the U.S.

Faith-based organizations should be aware of this socioeconomic factor. The latter will allow the administrators of these institutions to actively seek methods to develop loyalty with their current membership while exploring financial opportunities within the community they serve. A nonprofit organization should consider activities that may increase donations (Chang & Chen, 2019). Building and sustaining collaborations may result in 1) delivering additional services to their members and 2) constructing numerous channels for monetary donations.

V. CONCLUDING COMMENTS

This article has strived to provide different funding strategies Hispanic churches in South Florida could implement. The proper strategy may positively affect church membership, yielding acceptable funds to deliver additional services and enhance overall organizational functioning. The author emphasized the significance of faith-based organizations continually assessing their internal and external environments to improve their financial plans and identify and execute a proper financial method to enhance efficiency and reduce operating costs. Lastly, these organizations must also appreciate the value of their resources and services to the community and use them comprehensively to attain financial sustainment. However, there is a necessity for further investigations to improve or extend the understanding of the dynamics of how resource insufficiency impacts economic sustainment for congregations.

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