

## Donor-Funded vs. Non-Donor-Funded Revenue Models

- Two separate issues:
  - Nonprofit vs. for-profit
  - Donor-funded vs. non-donor-funded
- A non-donor-supported model is generally more accepted by the culture.
  - Donations to tax-exempt organizations in U.S. didn't become tax deductible until 1917.
- What to do when your target group can't afford your services?
- Donor-supported organizations still have to render services to generate sustainable revenue.

## Do economic incentives help or hinder "business as mission" (BAM) practitioners?

"[The study] found that practitioners who are **fully** supported by the business tend to out-perform sometimes significantly – donor-supported BAM practitioners, and are no less fruitful in terms of spiritual impact. This finding holds up even after controlling for things like geography, firm size, and firm type ... The moral of the story is that economic incentives matter. Contrary to the mission community's concern that self-support will take one's attention away from the ministry goals, the truth is that only by creating a successful business can a practitioner hope to have a meaningful and holistic impact on a community."

-Steve Rundle

## Why did Paul boast about not accepting donations?

"...when I preach the gospel, I may offer the gospel without charge, so as not to make full use of my right in the gospel."

—1 Cor. 9:18

- 1. To be relevant in the culture
- 2. To provide for other people's needs

"You yourselves know that these hands ministered to my own needs and to the men who were with me. In everything I showed you that by working hard **in this manner** you must help the weak and remember the words of the Lord Jesus, that He Himself said, 'It is more blessed to give than to receive.'" (Acts 20:33-35)

3. To teach personal discipline

"If anyone is not willing to work, then he is not to eat, either." (2 Thess. 3:10) "Follow our example" (2 Thess. 3:7, 9)

4. To stay flexible and available to the guidance of the Holy Spirit