

What are the key differences between businesses and nonprofits in America? In my experience, there is real confusion for some Christians about this topic, but maybe not in the way you might think! The reality is, for the Christian, there is little substantive difference between the two in several key facets. Having been involved intimately with many businesses and Christian nonprofits for decades, I'm going to dive right in here topically: six key facets from a Christian perspective.

First, full-time ministry. There are likely few stronger, de facto doctrines promoted in an offhand fashion in evangelical churches in America than that of “full-time ministry.” As you likely know, the phrase “full-time ministry” is code for “I receive my primary salary through a Christian ministry or nonprofit.” I was stunned, as a new believer in my late 20s, to find this very limited definition of “full-time ministry” to be both assumed and common among many believers. But the Bible clearly teaches that each and every new believer is transferred to the Kingdom of God and immediately becomes an ambassador for Christ. That is a primary mission of every believer: to be a *full-time ambassador* for Christ, while working very competently as a nurse or marketer or IT specialist—often in workplaces where there are few, if any, other Christians. That's exactly where so many ministry opportunities can be cultivated! As a relatively new believer then, working in business and seeing spiritual impact work, I rejected that definition of “full-time ministry,” and as a professor touching thousands of students over the years, I reject it now!

This is a serious issue for the American church. Only a very small fraction of believers receives a paycheck from a Christian organization. Sadly, this narrow thinking leaves, say, 98% of Christians to concede that their workplace is *not where full-time ministry is to be a reality!* So, we actually wonder why the American church is not effectively salt and light? Here's the real deal: each sincere believer's steps are being directed by God. Every believer—whether a greeter or a CEO, *at a business or a nonprofit*—is in full-time ministry!

Second, nobleness of the enterprise. Quite often, I actually find Christian university students whose stated goal upon graduation is simply to work at a nonprofit. Why is this? Well, mostly because they have been taught to think nonprofits are inherently more noble than working in business, which is often perceived as inherently “dirty” or “unseemly.” This is a big problem...from at least two angles. First, many nonprofits are simply not noble, like abortion clinics. Is every nonprofit noble? No. Some nonprofits are noble, many are not. End of story. Second, for the Christian, being in business settings is all about the opportunity to manifest Christ-like stewardship for customers, employees, and owners—that great stewardship is a vital part of the witness for Christ! Recently I met a talented young banker and elite consultant from Russia who earned an MBA from one of the world's best business schools. He was amazed that I told him that business is *not* inherently a bad place to work—instead, business is an opportunity for great stewardship! Later, he sent a note saying how that discussion had impacted him. Hey, Sam Walton, the founder of WalMart, positively impacted hundreds of millions of America's working poor over decades, having more personal daily impact on the lives of many *than any other person of the last century.* ...But, the fact remains, too, that—just like nonprofits—some businesses are noble, and many are not!

But a third dimension remains. Just like Jesus was often found hanging with sinners of many stripes, Christians are not always called to hang with the seemingly pure and noble—even at work! As long as a Christian is not compromising the Word, that Christian may well be called to a workplace considered less than ideal by Bible legalists. Is your life a fortress to avoid bad sinners or an adventure of engagement? Step back now and consider: nonprofits are not inherently more noble than businesses, and believers are called wherever God calls them, regardless of that organization's perceived nobility by legalists.

Third, revenue. Obviously, every business and every nonprofit must first pursue, then sustain revenue. For businesses, that typically comes through services or product sales. For nonprofits, revenue can also be generated by services or product sales, but also from donations or grants. For a business or nonprofit to be sustained, customers or donors must perceive there is strong value to allocating their resources to the business or nonprofit. Many nonprofits and businesses directly compete for customers with one another,

like hospitals or universities—and many customers simply don't care whether they're served by nonprofits or businesses! Here's the deal: revenue is not money-grubbing activity, it's the fruit of mission! And *whether a nonprofit or a business*, your enterprise must have expertise in getting and sustaining revenue.

Fourth, profit and stewardship. For context in this, we must ask this key question: can a nonprofit go out of business? Of course it can! See the apparent irony of these words? *A nonprofit that, in the minds of many, is supposedly not a business can go "out of business."* That's because nonprofits are actually "in business!" Well, then, at a minimum, over the long haul every nonprofit should target not losing money!

So, both businesses and nonprofits must vigorously target the appropriate profit result—because the primary difference between the two types of enterprises is the *targeted* profit. First, businesses. They must earn enough profit to be a good steward for investors as compared to other investment alternatives for those same investors...that's the stewardship challenge! So, then, a business's necessary task is to be a great steward simultaneously for both its investors and its customers, given that its competitors are relentlessly working to reduce its profit opportunities. To attract and retain investors, businesses must ultimately be profitable while providing great value to customers.

In contrast, the targeted profit for nonprofits is officially zero, hence the very name "nonprofit!" A nonprofit's necessary task is to be a great steward simultaneously for both its donors and its customers or beneficiaries. And donors to nonprofits do expect to receive *intangible* returns on their investment, like the satisfaction of seeing beneficiaries' needs met. The reality is this: a *donor* is a very real type of *investor* for the nonprofit...it's just that there is no monetary return expected by the donor. But, again, if the nonprofit goes out of business because it lost its money, it lost sight of meeting the targeted profit of \$0. Then the donor has ultimately lost out, too, because an apparently sustainable mission is extinguished.

Fifth, capital and mission-effectiveness. Of course, both businesses and nonprofits of any real size will need capital resources to advance their enterprises—for new buildings, fresh initiatives, new projects, you name it! And some of the sources of capital are already evident so far: current and future customer revenues, current and future donor revenues, and profits that have accumulated, for example. But businesses and nonprofits can also borrow money from banks or mortgage companies or issue bonds—the possibilities are many. Of course, what debt issuers will need to see in order to lend funds is that the enterprise, *whether a business or nonprofit*, is being run as a mission-effective and efficient enterprise.

Sixth, sacrifice and rewards. Many nonprofits, especially Christian nonprofits, consider their mission to be so compelling that people should expect to sacrifice financially to work there...all part of being a good steward for the Lord, you see—after all, the reward should be expected in heaven, right? The problem with that is the Lord has appointed that worker to be a good steward for family, too. So, sadly, some nonprofits routinely forego the opportunity to even get to interview the full range of candidates, all in the name of frugality as a human resource strategy. But is that really the best stewardship? Oh, I get it, that's how we select our personal surgeons, too—frugality when considering doctor fees? Silicon Valley learned this long ago: hiring the best typically requires strong current salaries *plus* back-end stock ownership. Likewise, *both businesses and nonprofits* should wisely select the sacrifice and reward structure that is truly best in effectiveness, not just wishful thinking or an easy path to a blameless budget rationalization.

These six facets only scratch the surface of discussing businesses vs. nonprofits. But suffice it to say, much of the dysfunctionality found in many nonprofits and businesses stems from faulty ideas. We do know this—Christians can draw deeply on Kingdom precepts we have outlined here: every Christian in full-time ministry...a clear perception of how "noble" applies...revenues as fruits of mission...targeted profits exemplifying astute stewardship...mission-effectiveness and efficiency as positioning for new capital access...true alignment for sacrifice and reward. Overall, here is the key takeaway: nonprofits and businesses can easily get off-target on these key facets, but *God's Kingdom principles rule for both!*

A&A: Application & Action

1. Do you think work or career in Christian organizations is more in God's will than work or a career in secular organizations? How do you envision that God's heavenly rewards will align with your thinking? Elaborate.
2. Deep down, do you think God's will is more clearly for Christians to work at organizations with the highest ethical reputations, whether Christian or not, or for Christians to work at organizations with the most opportunity for witness of the gospel of grace (Acts 20:24)? Or perhaps it is both, because the firms with the highest ethical reputations can be ones full of people with a need to stop relying on their strong fulfillment of ethical standards as a path to heaven *rather than the gospel of grace* (James 2:10: "For whoever keeps the whole law but fails in one point has become guilty of all of it.")? Elaborate.
3. After listening to the six facets of this episode, what do you believe are the fundamental differences and similarities between a business and a nonprofit? Does your posture as an ambassador for Christ change across the two contexts? Explain.