

# 2009 Congregational Economic Impact Study

LAKE INSTITUTE  
ON FAITH & GIVING

*A Program of*



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The Alban Institute is an independent center of learning and innovation that connects congregational leaders with the most creative people, ideas, and resources to fulfill their high callings. Located in the Washington, D.C. area, Alban is a not-for-profit membership organization that develops and shares knowledge through print and web-based resources, face-to-face and online learning environments, and consulting services.

### **Lake Institute on Faith & Giving**

The Lake Institute on Faith & Giving exists to serve the public good by exploring the multiple connections between philanthropy and faith within the major religious traditions. Its mission is to foster greater understanding of the ways in which faith inspires and informs giving by:

- providing educational forums that engage the general public, faith leaders and scholars;
- encouraging and supporting original multidisciplinary research and scholarship that sets the agenda for critical inquiry into the dynamic relationship between faith and giving in a variety of historical, cultural and religious contexts;
- assisting donors in the pursuit of their philanthropic passions, whatever their religious orientation or financial means;
- stimulating thoughtful conversations among individuals, families and faith communities on issues related to faith, money and giving as a way to nurture cultures of generosity.

### **The Center on Philanthropy at Indiana University**

Every culture depends on philanthropy and nonprofit organizations to provide essential elements of a civil society. Effective philanthropy and nonprofit management are instrumental in creating and maintaining public confidence in the philanthropic traditions – voluntary association, voluntary giving, and voluntary action. The Center on Philanthropy at Indiana University increases the understanding of philanthropy and improves its practice through programs in research, teaching, training, and public affairs. The Center on Philanthropy at Indiana University is a part of the IU School of Liberal Arts at Indiana University-Purdue University Indianapolis. The Center has academic and research programs on the IUPUI and the IU Bloomington campuses.

The Alban Institute  
2121 Cooperative Way  
Suite 100  
Herndon, VA 20171  
Phone: 703.964.2700  
Fax: 703.964.0370  
[www.alban.org](http://www.alban.org)

Lake Institute on Faith & Giving  
The Center on Philanthropy at Indiana University  
550 West North Street, Suite 301  
Indianapolis, IN 46202-3272  
Phone: 317.278.8965  
Fax: 317.684.8900  
[www.philanthropy.iupui.edu](http://www.philanthropy.iupui.edu)

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## Introduction

Changes in charitable giving have long been linked to changes in the overall economy.<sup>i</sup> Research indicates that charitable giving is associated with personal income, gross domestic product, and changes in investment returns. In general, during times of strong economic growth, giving tends to increase, and during times of slower economic growth, philanthropy continues but at a modest rate of growth. Finally, during economic downturns, giving generally declines, even after adjusting for inflation.

According to the National Bureau of Economic Research, which monitors the U.S. economy, the current recession began in the United States in December 2007. In the first quarter of 2009, GDP contracted by more than 5 percent and personal income decreased by almost 0.6 percent.<sup>ii</sup> Given the economic climate and the clear link between the economy and charitable giving, the Lake Institute on Faith & Giving and the Alban Institute embarked on this project to explore the impact of the current recession on U.S. congregations and to discover lessons from congregational responses that might facilitate future changes in practice.

News reports about how religious institutions across the United States are faring during the current recession have been an important part of the storyline of this economic downturn. Many people are naturally concerned about the health and vitality of this important sector of American life. The 2009 Congregational Economic Impact Study reflects the desire of the Lake Institute on Faith & Giving and the Alban Institute to shed some light on congregational experiences during the current recession and to learn from the diverse ways communities of faith are dealing with the challenges and opportunities of this economic climate.

In this study, we examine how congregations have been affected by and have responded to the current recession. First, we observe how congregations were impacted financially by the economic downturn. We then examine what congregations have done for their communities and congregants in response to the recession. Finally, we look at which types of congregations have fared better during these difficult times.

This study was a collaboration between the Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University and the Alban Institute. Many of the more than 1500 congregations that participated in the study are members of the Alban Institute. A large majority are Protestant congregations, with an average age of congregants between 50 and 60, average income of congregants between \$40,000 and \$60,000, one full-time staff member, and between 101 and 300 people attending weekly worship services (see Description of Congregations for more information). This study is not a nationally representative study of all congregations in the U.S. However, it provides information that is suggestive of the response of a typical Protestant congregation to the economy. A detailed description of the methodology for this study is on page 48.

## Key Findings

### How the Economy Impacted Congregations

- Overall, congregations responding to the study were more likely to report fundraising receipts increased in the first half of 2009 compared to 2008 than report a decrease.
- However, more congregations reported a decrease in fundraising receipts between 2008 and the first half of 2009 than reported a decrease between 2007 and 2008. This may indicate that the recession has had a greater impact on congregations' fundraising receipts in 2009 compared to 2008.
- Nearly 37 percent of congregations reported an increase in fundraising for the first half of 2009 compared to 2008, a drop of 13 percentage points from those reporting an increase in 2008 compared to 2007.
- The percentage of congregations reporting a decrease in fundraising receipts for the first half of 2009 compared to 2008 was 29.4 percent. This is 8.1 percentage points more than reported a decline in giving in 2008.
- Just under 40 percent of responding congregations reported an increase of 8.7 percent on average in 2009 pledged giving, while 35.1 percent reported a drop of 10.4 percent on average in 2009 pledged giving.
- Nearly one-third of responding congregations reported making budget cuts in 2009.
- To adjust to budgets that were either reduced or flat in 2009, nearly 16 percent of congregations did not increase salaries for their staff while almost 15 percent reduced their utility costs, and almost 13.6 percent reduced their program costs.
- Only 6.8 percent reduced their number of full-time staff in response to the economic recession. Slightly more, 10.7 percent, indicated that they laid off part-time staff.

### How Congregations Responded

- Congregations responded to the recession in traditional ways such as an increase in donations of food, clothing, and community outreach. Others participated in non-traditional, creative ways to support congregants and community needs such as offering employment fairs, community gardens, and courses on financial planning.
- While most clergy preached or talked with congregants about charitable giving the same amount as they did last year, nearly 40 percent reported they discussed charitable giving more than last year.

### Type of Congregations that Fared Better During the Recession

- Congregations that reported an increase in attendance over the past five years were statistically significantly more likely to report an increase in fundraising receipts when compared to those that reported their attendance had stayed the same, even after controlling for differences in other factors such as congregational revenue.
- Revenue size was a statistically significant predictor of 2009 pledged giving amounts. Congregations with total revenue of less than \$150,000 reported a greater percentage decrease on average, 11.1 percent, than congregations with higher revenue.
- Congregations in which the average age of congregants was older were more likely to report a decrease in fundraising receipts in 2008 and the first half of 2009. Younger congregations (those in which average age of congregants was less than 50) were more likely to report an increase in fundraising receipts in both 2008 and 2009.
- Congregations with an endowment were statistically significantly less likely to report their 2009 budgets increased, even after controlling for other factors.

## Impact of the Recession on Congregations

Many congregations are concerned about charitable giving in these times. The Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University and the Alban Institute have collaborated to assess the challenges congregations have faced over the past two years and to provide information that will help inform changes in current practices. First, we present how the current economic recession has affected congregations' fundraising activities in 2008 compared to 2007.

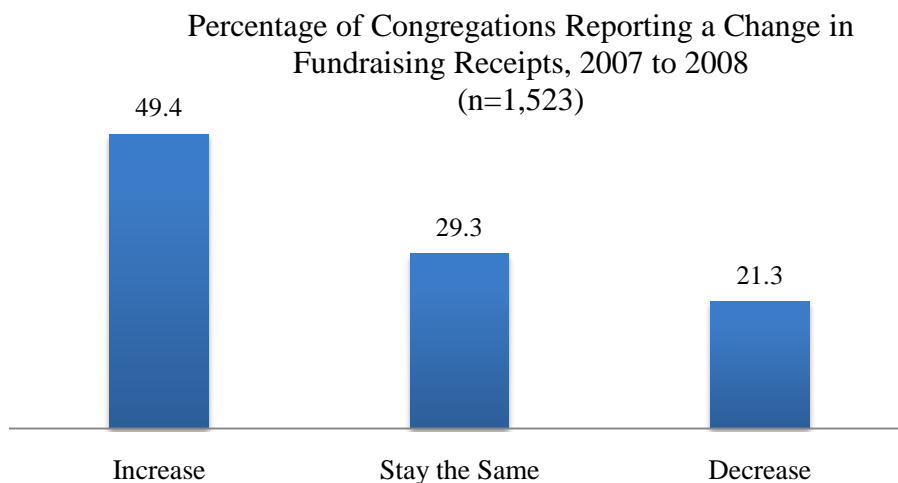
### Change in Fundraising Receipts, 2007 to 2008

Over one-fifth of the responding congregations reported a decrease in total fundraising amounts in 2008, compared to 2007 (see Figure 1). Despite the recession, among responding congregations:

- Approximately 50 percent reported an increase in total fundraising amounts from 2007 to 2008.
- More than 29 percent reported that overall fundraising receipts stayed the same in 2008 compared to 2007.
- Just over 21 percent reported total fundraising receipts decreased in 2008 compared to 2007.

BY FUNDRAISING RECEIPTS WE MEAN CHARITABLE GIFTS FROM TITHES, PLEDGE FULFILLMENTS, ASSESSMENTS, DUES, OFFERINGS INCLUDING UNDESIGNATED PLATE GIVING, BEQUESTS, OR FOUNDATION OR CORPORATE DONATIONS. FOR THE PURPOSES OF THIS STUDY, FUNDRAISING DOES NOT INCLUDE EARNED INCOME, DENOMINATIONAL SUPPORT, OR INTEREST INCOME.

Figure 1



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

As shown in Table 1, when congregations said their fundraising increased from 2007 to 2008, it increased by almost 12 percent on average (median, 7 percent). When congregations reported a decrease in fundraising, the average drop was nearly 12 percent (median, 10 percent).

Table 1

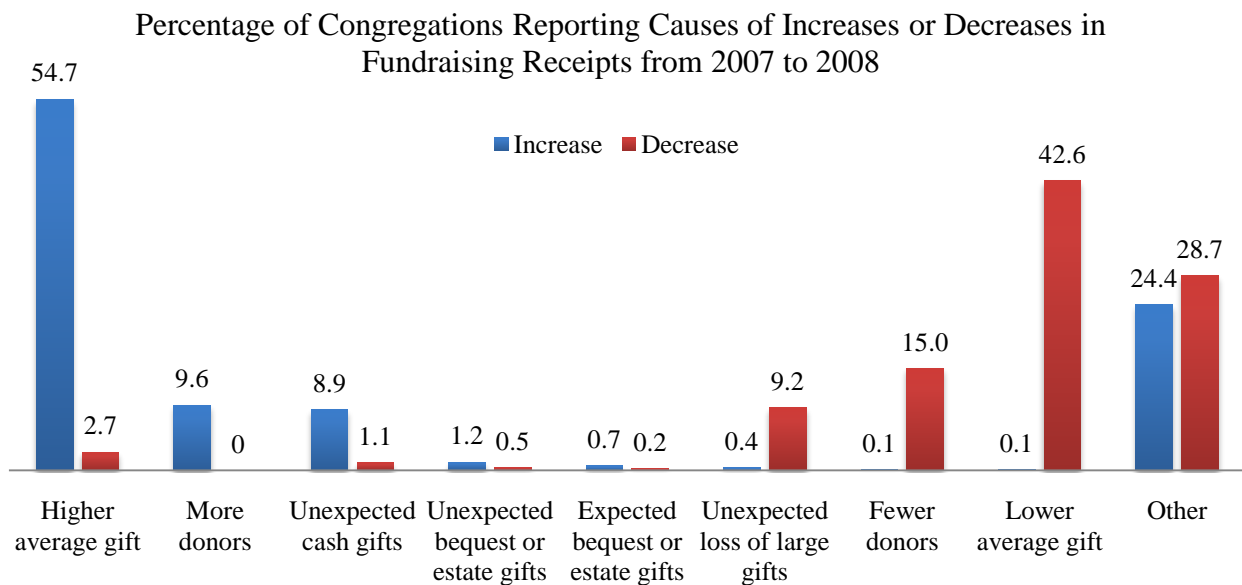
Percentage of Congregations Reporting Changes in Fundraising Receipts in 2008 Compared to 2007 and Average and Median Percent Change in Amount Raised

2008 Compared to 2007	Percentage of Congregations	Of those that Reported a Change:	
		Average Percent Change	Median Percent Change
Increased	49.4	11.6	7.0
Decreased	21.3	-11.7	-10.0

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

According to responding congregations, increases in fundraising receipts in 2008 were due largely to higher average gifts (54.7 percent), as opposed to gaining more donors (9.6 percent) or an unexpected cash gift (8.9 percent). Similarly, when congregations reported fundraising receipts decreased, they were due largely to lower average gifts (42.6 percent) rather than fewer donors (15.0 percent). Nearly one quarter of responding congregations reported other causes for the change in fundraising receipts. Those other causes included emphasizing to congregants more stewardship for charitable giving, as well as the loss of financial resources by congregants because of job losses (see Figure 2).

Figure 2



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Change in Fundraising Receipts, 2008 to First Half of 2009

Overall, congregations responding to the study were more likely to report fundraising receipts increased in the first half of 2009

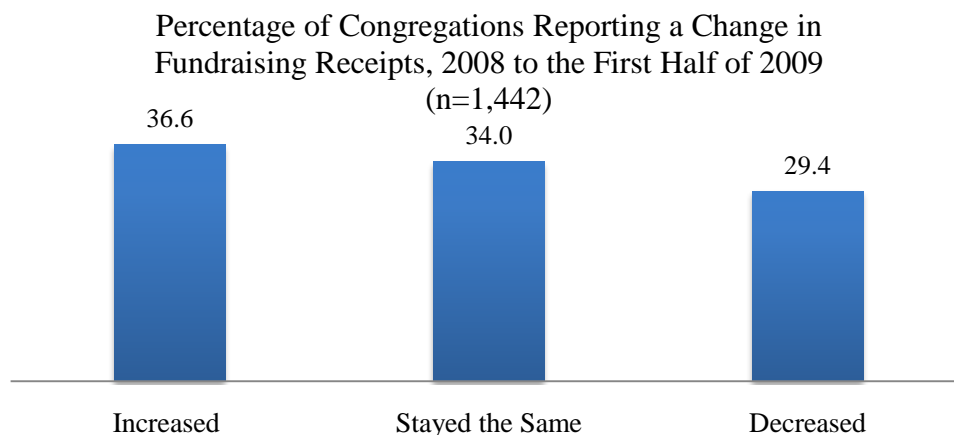
compared to 2008 than report a decrease (see Figure 3). However, more congregations reported a decrease in fundraising receipts between 2008 and the first half of 2009 than reported a decrease between 2007 and 2008. This may indicate that the recession has had a greater impact on congregations' fundraising receipts in 2009 compared to 2008. Of those congregations that responded to the study,

- Approximately 37 percent reported an increase in the total amount of fundraising receipts in the first half of 2009 compared to 2008, which was roughly 13 percentage points less than the percentage change reported from 2007 to 2008.
- About one-third, or 34 percent, reported the same level of fundraising receipts between 2008 and the first half of 2009.
- Less than one-third (29.4 percent) reported a decrease in the total amount of fundraising receipts in the first half of 2009.

### OUR STORY

“Despite the loss of several major pledging units because of people moving or dying, our canvass team set a ‘stretch’ goal. [They] involved every canvasser in training, used motivational messages and materials to remind people of what our community would be like if our congregation weren’t here, and provided significant outreach to this community and to a congregation in Tennessee where a gunman shot and killed two people during a worship service. Clergy and lay leaders worked together to achieve a significant increase in the canvass results. Hope, pray & work!”

Figure 3



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

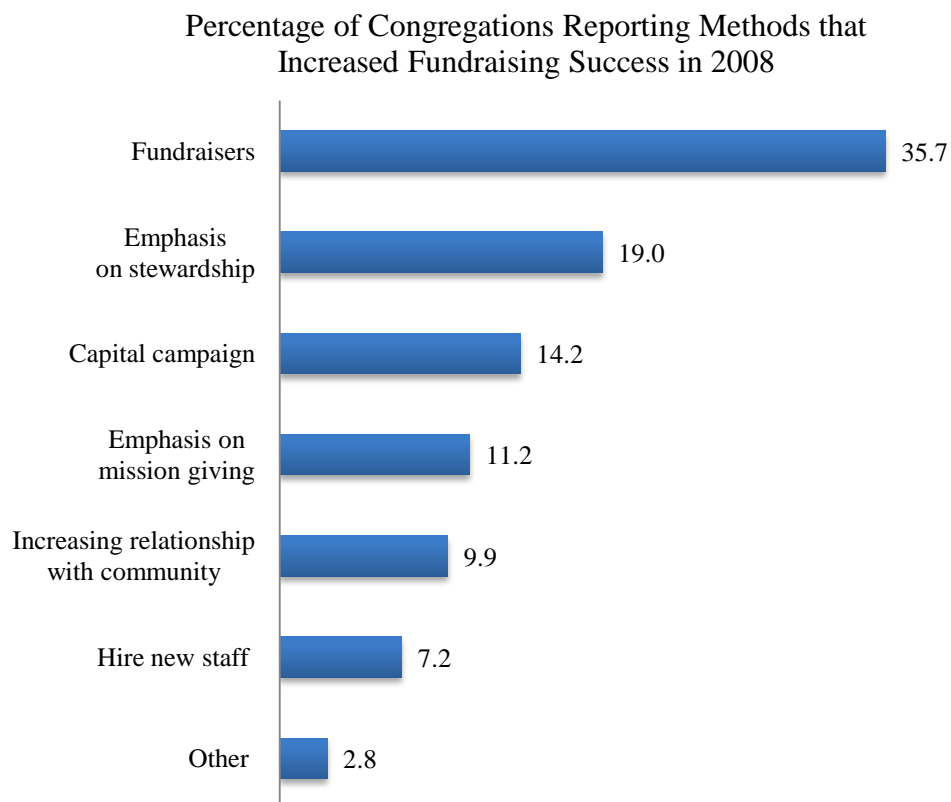


## Congregational Efforts to Increase Fundraising Success in 2008

During 2008, approximately 36 percent of the responding congregations (534 congregations) initiated new activities to increase their fundraising success (see Figure 4). Among those responding congregations that initiated or expanded fundraising:

- Almost 36 percent developed new fundraisers such as musical festivals, church fairs, and writing new grant proposals.
- Approximately 19 percent emphasized better financial stewardship such as consecration stewardship (the culmination of the stewardship campaign), trust in God, faithful giving, and the importance of tithing.
- Almost 10 percent strengthened relationships with their community through more outreach programs, such as increasing space used by outside groups and increasing programs for non-attending community members.
- Approximately 7 percent hired new staff such as an additional pastor, which led to fundraising success.
- Almost 3 percent tried other activities to increase their fundraising success, such as applying for a grant from the diocese and growing their global engagement.

Figure 4



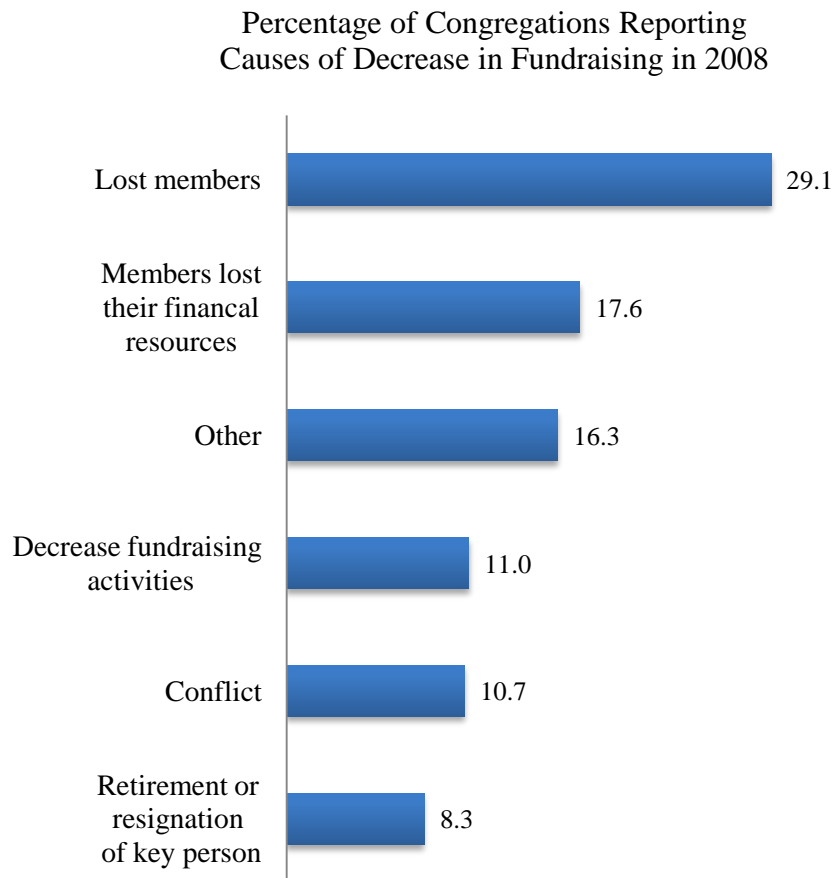
Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Causes of Decreased Fundraising

Just over one-fourth of responding congregations reported causes of decreased fundraising in 2008 (see Figure 5). Among those 374 responding congregations:

- Just under 30 percent have lost members mainly because members moved out of the area, particularly due to job losses.
- Approximately 18 percent reported members have lost their financial resources to support the church because of layoffs, businesses closing in the area, and loss of some of their income sources.
- Just over 16 percent reported other reasons such as natural disasters and aging congregations.
- Almost 11 percent reported conflicts between members and pastors or among members.
- Just over 8 percent reported the pastor or key members in the congregation retired.

Figure 5



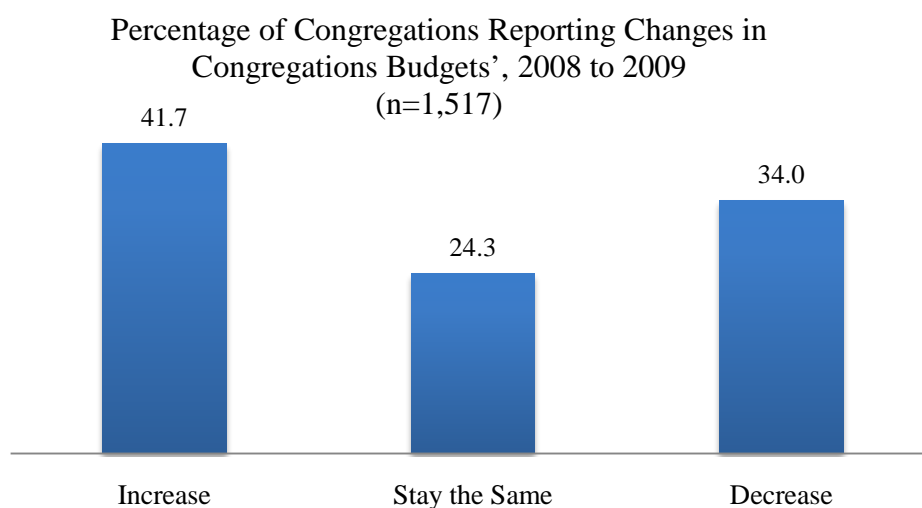
Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Changes in 2009 Operational Budgets

Just under 60 percent of responding congregations reported their 2009 budget was either the same as their 2008 budget or the budget decreased (see Figure 6). Specifically, we found:

- Approximately 42 percent of the responding congregations have increased their total budget in 2009 compared to 2008.
- Nearly one-fourth of the responding congregations' budgets stayed the same in 2009 compared to 2008.
- Only about one-third of the responding congregations decreased their 2009 budget.

Figure 6



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

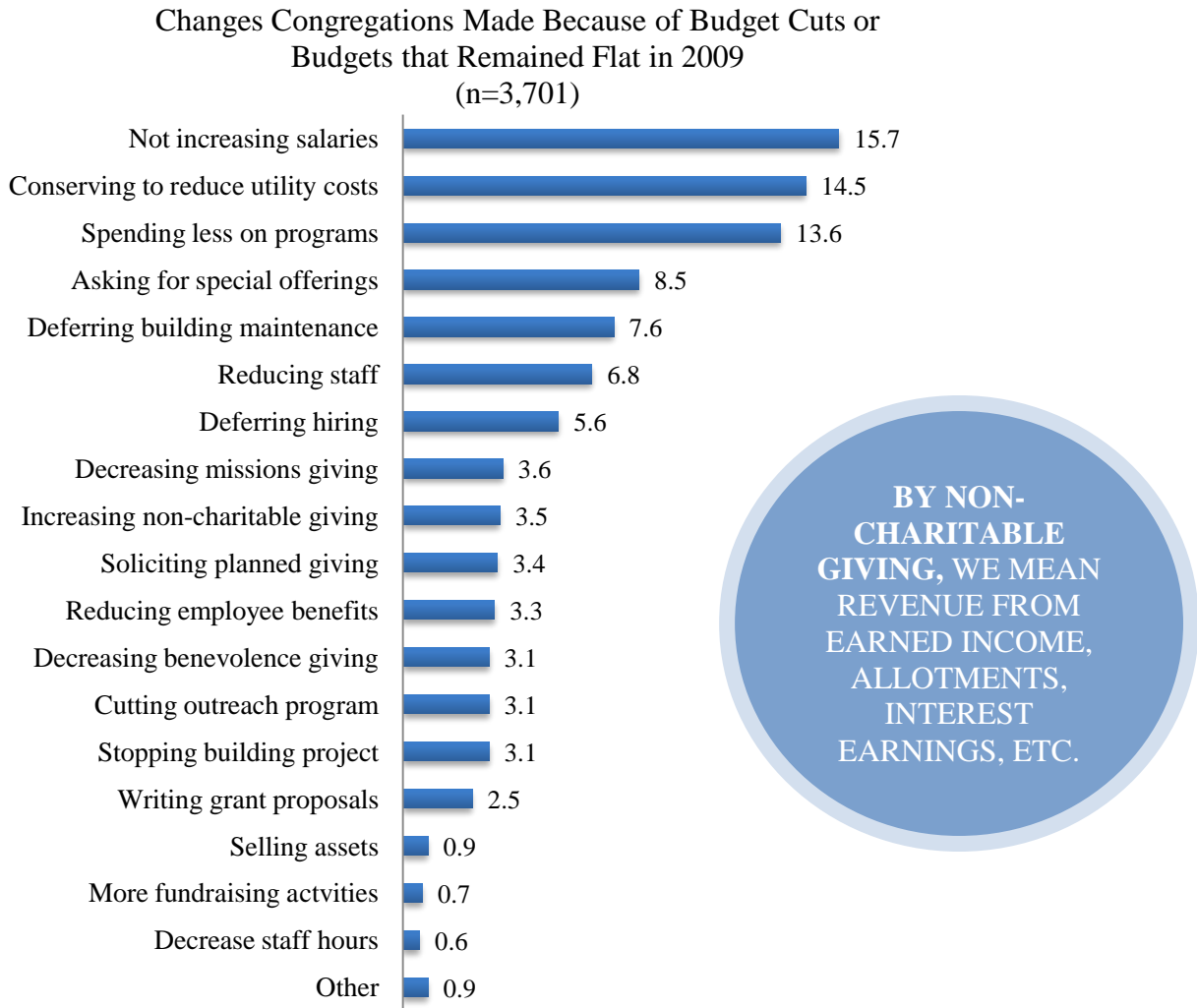
Many congregations had to reduce activities in response to 2009 budget cuts or budgets that remained flat. When examining how congregations adjusted the budget, we found that of those responding congregations whose budgets stayed the same or were reduced (see Figure 7):

- Nearly 16 percent did not increase salaries for their staff.
- Almost 15 percent reduced their utility costs, such as electricity and gas bills.
- Almost 14 percent reduced their program costs, such as reducing the size of their after-school programs or Sunday school.

### OUR STORY

“We have been careful not to over-extend ourselves during times of good receipts so that we do not find ourselves in a bind during down times. Our pledges were actually higher than our budget needs, but rather than spend frivolously, we identified some ‘second mile areas’ that could be funded as money is available, but would not lock us into a higher budget year after year.”

Figure 7



Note: This survey question was multiple choice. Therefore, responses do not total 100%.

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

### OUR STORY

“Think of any options you can. We have explored merger with other congregations, selling our rectory (clergy housing), selling one of our two buildings and using only the other, and now working with a Spanish program to possibly become a Diocesan-funded mission program with Spanish-speaking services being primary and English the secondary (which is reverse of the current and historical situation for the past 198 years!). If an old church can make radical changes, anyone can. Also, get consultants to help. We have been working with a good one, thanks to help from our Diocese with payment.”

## Change in the Number of Staff

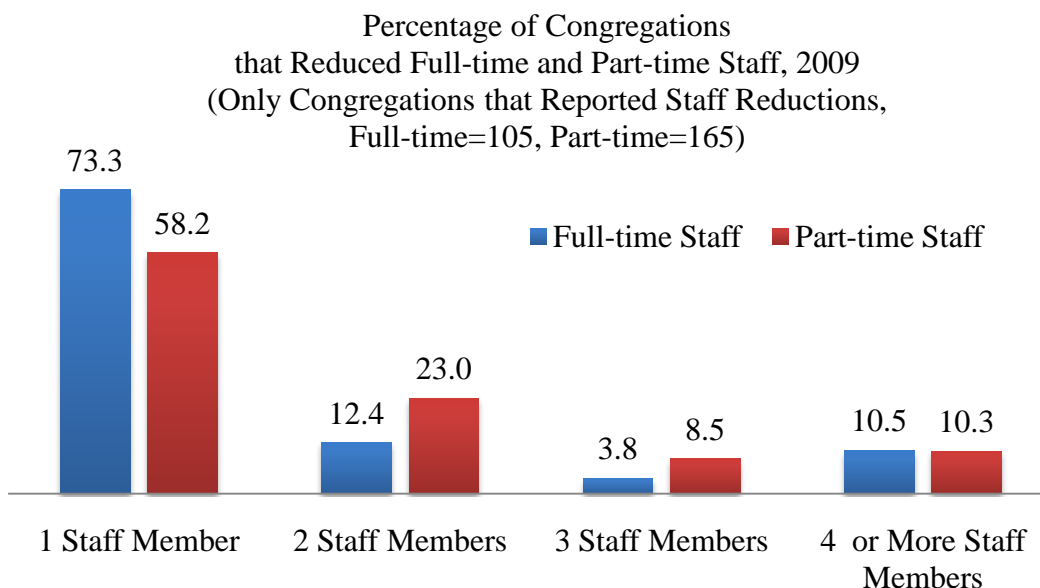
Since the country entered the current economic crisis, some congregations have laid off staff in response. However, among 1,540 responding congregations, 6.8 percent (only 105 congregations) responded they have laid off full-time staff in response to the economic recession. Slightly more, 10.7 percent, indicated that they laid off part-time staff after the recent recession (only 165 congregations). When analyzing only those who laid off staff, we found:

- Just over 73 percent, or 77 congregations, reduced their full-time staff by one person.
- Just over 58 percent, or 96 congregations, reported letting one part-time staff person go.
- Approximately 10.5 percent reported they let go four or more full-time staff members and 10.3 percent reported laying off four or more part-time staff members.

## OUR STORY

“We have had to step out of our old way of doing things and make some sacrifices in order to continue giving to our community at our 2008 levels. We made the commitment to change to a part-time pastorate rather than cut our charitable giving—a very difficult decision for all but one that has motivated the congregation to strive to increase their giving of time and talents as well as cash. We’ve learned a lot about trusting God to continue blessing us as we’ve watched our community struggle and make transitions and we are very open about our own struggles, which seems to be resonating in the community: our membership and attendance have actually grown this year.”

Figure 8



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

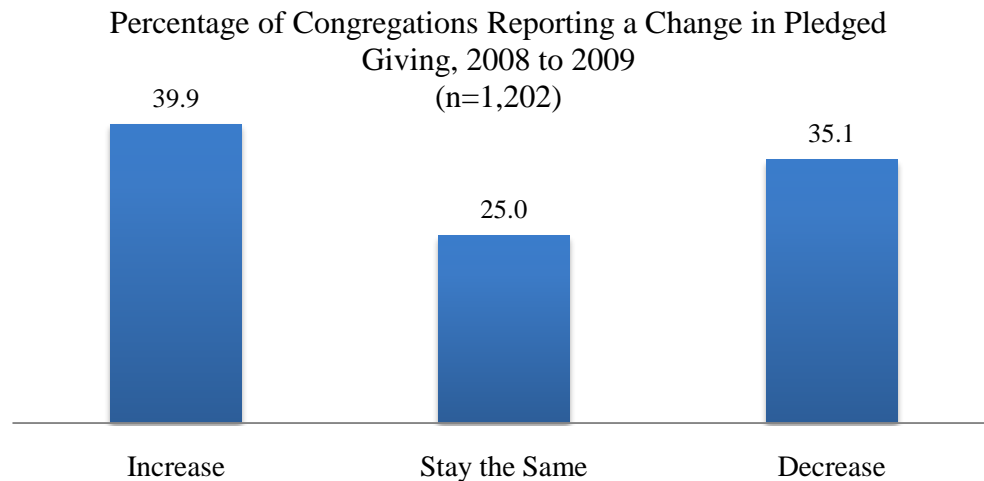
## OUR STORY

“The recession hit the rust belt in the early '80s and never left. There was no ‘bubble’ here, except for older people who thought they were ‘rich’ a couple of years ago based on invested pension funds and now feel ‘poor’ for the same reason. However, the task is to move previously affluent people who gave out of their surplus to becoming stewards who give out of a sense of responsibility to a community in which we all care for each other.”

## Changes in 2009 Pledges

Among responding congregations, 81.4 percent asked congregants to make a pledge for their charitable giving in 2009. Figure 9 shows the percent change in the total amount of pledges in 2009 compared to 2008. Approximately 40 percent of the congregations reported an increase in the total amount pledged for 2009. In contrast, 35 percent of the congregations reported a decrease in the total amount pledged in 2009. One-fourth of congregations reported no change in the amount pledged for 2009 when compared to 2008.

Figure 9



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

As shown in Table 2, when congregations reported the total amount of charitable giving pledged increased in 2009 from 2008, the pledged amount increased by 8.7 percent on average (median 5 percent). When congregations reported the total amount pledged in 2009 decreased from 2008, on average that decrease was 10.4 percent (median 10 percent).

Table 2

Percentage of Congregations Reporting Changes in their 2009 Overall Pledged Amounts Compared to 2008 and Average and Median Percent Change

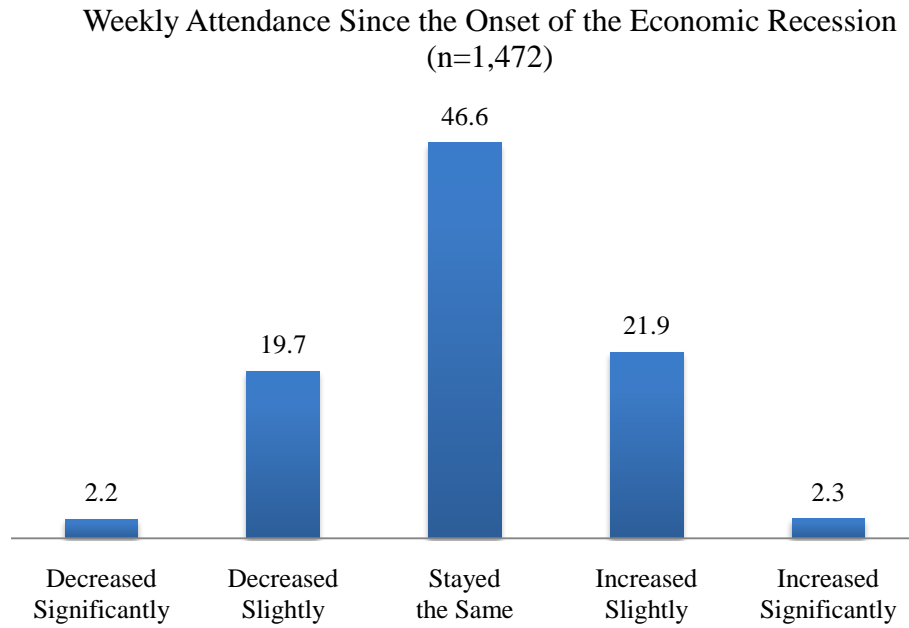
2009 Compared to 2008	Number	Percent Change Reported by Congregations	
		Average	Median
Increased	39.9	8.7	5.0
Decreased	35.1	-10.4	-10.0

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Change in Weekly Attendance

Almost 47 percent of the responding congregations reported no change in the number of attendants at weekly religious services. Nearly 22 percent of congregations have seen a decrease in their weekly attendance, while over 24 percent have seen an increase in their weekly attendance since the onset of the recession.

Figure 10



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## **Congregations' Responses to the Recession**

Congregations responded to the recession in both traditional and nontraditional ways. Many reported increasing their community outreach and expanding programs. In this next section, we take an in-depth look into how congregations responded to the recession. First, we look at support for both community and congregations' needs. Then we examine how congregations emphasized charitable giving in preaching and teaching last year. Finally, we asked respondents what they have learned during the past year and a half and what advice they would share with others.

### **Responding to Community & Congregational Needs**

Some congregations gave charitable donations to community organizations mostly for basic needs like food and shelter, while others extended their reach through volunteerism or the use of their property. Many congregations engaged congregants and the community in multiple ways. Only a few reported that because of the recession and a decrease in giving that they had to decrease outreach or they were unable to reach out to help others.

One congregation reported, "We are using cash reserves to maintain our level of support for community needs." Another stated, "[we] maintained our level of giving to helping agencies in the community despite our own lower budget this year." Still another wrote, "There is little we can do to help the 'community's needs,' inasmuch as we ARE the community and its needs are our needs. We do strive to be a center for encouragement and hope. We strive also to be intentional in support of those who are losing jobs, income, etc..."

In the next section of this report, we explore those trends as written by the congregations themselves. This represents just a sample of what congregations shared.

### **Partnering with Community Organizations**

Congregations are reaching out to others by partnering with or contributing to community organizations that range from local food banks and shelters to national organizations such as Habitat for Humanity or Meals on Wheels. Below is a sample of how congregations are partnering with community organizations, reported in their own words:

"...have filled our ranks for Meals on Wheels volunteers; participated with community garden projects & continued work with Habitat."

"...increased giving to food pantry & homeless shelter..."

"increased donations to Lutheran Social Services-Second Harvest Food Bank as well as a second community food bank and assistance group."

"...have made building space available to non-profits..."



“[are] helping to form a chapter of Love INC, adopt a family; working with the ministerial association; and administering the Deacon’s Good Neighbor Fund.”

“[are] hosting [a] daily lunch program for VISTA/AmeriCorps Volunteers working with Presbyterian Disaster Assistance in rehabilitation of housing/neighborhoods.”

“Collected a love offering on the 5th Sundays of March, May, August, and November of 2009 for local non-profit organizations.”

“... are going to build two Habitat Houses rather than just one.”

“... continue to tithe from our offering to locally based outreach ministries.”

“Donated the entire Christmas Eve collection instead of typical half to local charitable organization.”

“... now collect food for the food bank year-round rather than at Thanksgiving. We joined the nearby city program to feed the inner-city needy on weekends (350 meals at a time).”

### **Outreach Services**

Many congregations also run their own programs. For example, one congregation redesigned its children’s and youth programs in response to funding cuts in city-run programs. For many congregations, their outreach services included providing basic necessities such as food and shelter. Congregations also told us:

“... [we] deliver groceries to a number of home-bound folks.”

“...Our biggest program provides a sack of food for the weekend for hungry children. We serve over 1,000 children each week during the school year.”

“Operate the local food bank—increased days and amount of commodities distributed.”

“The local food pantry is the main ministry of this congregation. We have also helped more with utility assistance.”

“Several persons being helped with finances and transportation. Additional giving to local food banks. Instead of once-a-month emphasis we are contributing every Sunday.”

“Increased use of our food pantry; donations from congregants to Jericho Road Fund for emergency needs of members of the community.”

“Free clothes closet for business; Good Samaritan fund for gasoline, groceries, rent, etc.”

“...2009 budget reductions did not include outreach funds. Our community program feeds 400-500 meals each day, Monday through Friday.”

“We also worked with area churches to write a FEMA grant for emergency food.”

“...We host a children’s clothing distribution which served 545 individuals in 2008. We cook a meal once a month for about 50 HIV/AIDS clients at a local interfaith ministry...”

### **Employment Services & Financial Planning**

During this recession, many people have lost their jobs. In response, congregations reported offering a variety of financial planning courses and employment assistance.

“We offer an unemployment support group that meets weekly...”

“We are offering financial management seminars and a job fair...”

“...Provided computer training to assist in job placement.”

“...Planning to offer Dave Ramsey’s Financial Peace University.”

“...Initiated support group for persons in career transition due to downsizing...”

### **Outreach to the Homeless**

Many congregations also reported an increase in outreach to the homeless.

“Increased support of [the] homeless who travel through, increased support of food banks and family support programs.”

“Sponsored winter coat drive for marginalized or homeless persons...”

“Support of tent city.”

### **Education**

Some congregations have focused their attention on education.

“...Offering a weeklong day camp free of charge to the community this summer aimed at children reading below grade level (school funding for such programs has been drastically curtailed in our area).”

“Hosting a class with the local community college—free & open to public...”

“Partnered with the local school district to offer a very affordable Parent Participation Preschool—limited financial assistance to families with acute hardships—raise a special offering for bus passes for students to get to school from the local homeless shelter.”

### **Medical**

A few congregations responded with medical treatment for the community.

“Parish-sponsored clinic...”

“...monthly well child clinic & mobile dental van...”

“...Hosting a free health fair open to the community (many have no health care)...”

“Our members continue to participate in a community-wide program to give rides to those needing transportation to appointments.”

### **Love Offerings**

Another congregation focused on individual families in need.

“We have given love offerings for some families facing hard times—a child with brain cancer; a father with cancer and a son with autism; and a single mother family that lost their home due to a fire. The response was generous!”

### **Home Missions**

A few noted the importance of mission during these times.

“Yard Sale donated to Appalachian Service Project for 2009 summer work trip.”

“Working to initiate local mission projects to help with home repair, etc.”

“...We are also significantly engaged in local missions.”

### **Community Garden**

Some congregations are offering support for community gardens.

“We dedicated a third of our church yard to a community garden...”

“Helped create a community garden where urban folks could grow their own vegetables...”

“We host a community garden (sent in 1092 lbs. of produce to local feeding ministry in 2008)...”

## **Prayer & Support**

Beyond material goods and outreach programs, congregations reported their support for the community and congregants has also involved prayer. Congregations reported they:

“... have listened & been stable.”

“opened the church at lunchtimes for prayer...”

“...Increased listening / praying time with people who stop by.”

## **Other Creative Support**

“Provided emergency gas cards...childcare date nights at no cost, scholarships for families to attend camp, and informal job announcements.”

“Developing an Emergency Preparedness Team in case the economic situation deteriorates further in the future.”

“Investigating alternatives to predatory lending—e.g., what would it take to start a community credit union?”

“We have offered a free family fun night—free music, movies, popcorn and beverages for our neighborhood. We also started an after-school tutoring/mentoring program for the children of working poor in our neighborhood.”

“...We have also become more involved in advocacy work for non-profits in the community that address those [basic] needs.”

“...Hosted free tax preparation.”

“Started a diaper bank.”

“...Adding support for refugee resettlement...”

“...A ‘resource center’ for info on health care, food stamps, etc.”

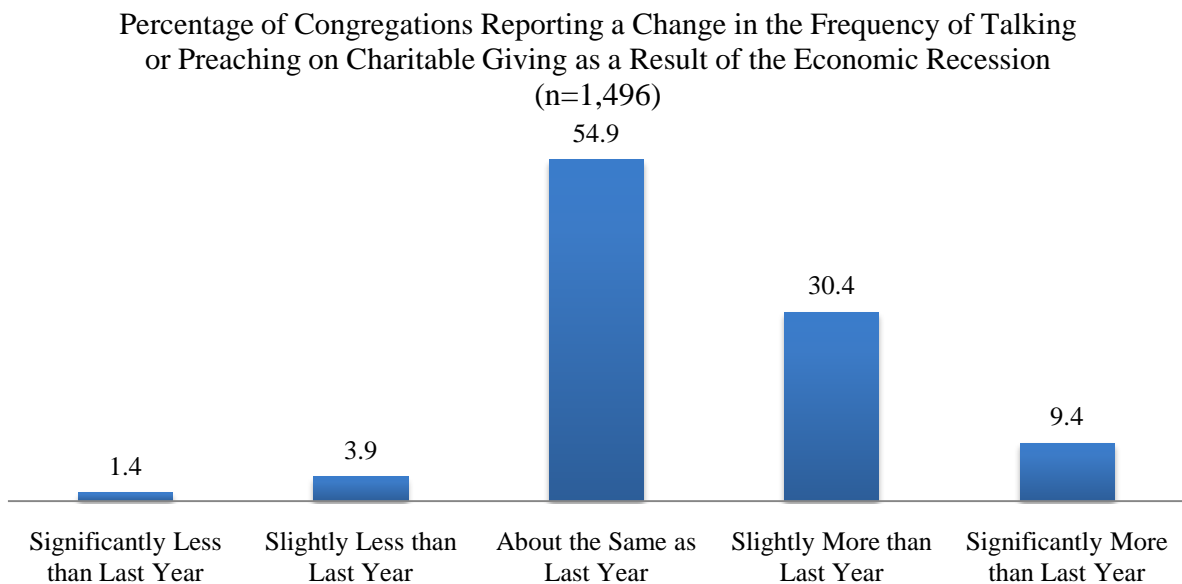
“Increase in 12-step programs.”

## Talking or Preaching About Charitable Giving

While most congregational leaders preached or talked about charitable giving the same amount as they did last year, nearly 40 percent reported they discussed charitable giving more (see Figure 11). Among responding congregations:

- Almost 55 percent indicated that they have emphasized charitable giving about the same amount as they did the previous year
- Just over 30 percent emphasized charitable giving slightly more than they did last year.
- Just over 9 percent talked about charitable giving significantly more than they did last year.
- Only 4 percent emphasized charitable giving slightly less than they did last year.

Figure 11



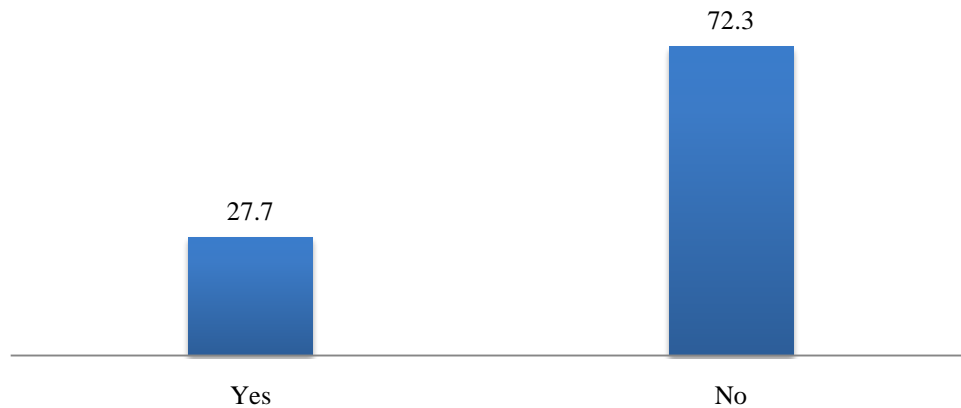
Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Personal Finance or Giving Courses or Classes

Since January 2008, 27.7 percent of responding congregations reported they offered special courses, workshops, classes, or seminars on personal finance or giving in response to the economic recession (see Figure 12). These courses include Crown Financial Ministries, Dave Ramsey’s Financial Peace University, the Lake Institute’s Creating Congregational Cultures of Generosity and others. In contrast, 72.3 percent of the responding congregations did not offer any special events or classes on charitable giving or personal finance since January 2008.

Figure 12

Percentage of Congregations Reporting They Offered Special Events or Classes on Personal Finance or Giving in 2008  
(n=1,517)



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## **Advice from the Field**

Many respondents to the study offered helpful advice about what they have learned over these past months about management, focus, communication, and other issues related to how they have dealt with the recession. The following is just a handful of the suggestions received.

### **Focus on God**

Much of the advice reminded clergy to stay focused on God.

“Preach passionately the Gospel and don’t worry about funding.”

“It’s not about money. It is about God and what he has called us to do.”

“Return to the basics—faith in God. Affirmation that God will provide what we need to do the things God would have us do—and we need to be focused on what God would have us do, not on how God will provide what we need.”

“Put the hand to the plow and get to work and let God take care of the rest. This current economic situation has served as a reminder that our hope is in Jesus Christ, not the economy or the government. It has given us an opportunity to live by the words we print on our money, ‘In God We Trust.’”

### **Remember What God Says**

In addition to staying focused on God, many respondents said it is important to remember what God said in sacred texts.

“Finances aren’t the issue. At least here, fear is the real problem. God has a lot to say about that and can deal with it in ways that so totally boggle my mind and are not what I planned, hoped for, or even dared dream...whether it is my own checkbook, the books here at church, or the larger community. Sometimes the lack of money opens up things so wonderful, and other times the money just comes—provided for me—that I learn to listen to the voice saying, ‘Fear not.’”

“Trust in the Lord with all of your heart and lean not to thine own understanding but in all your ways acknowledge Him! We have found that when we do real ministry (feeding the homeless, clothing, helping the poor) that money follows ministry. This is not about someone getting rich, it is about giving all to follow Him!”

“Importance of connecting giving and support to the church to an overall concept of discipleship.”

“The Gospel calls for faithfulness, not success...try to remain faithful, even in times of economic uncertainty.”

“I would re-read the story of Joseph in Egypt and be prepared for the lean years with savings.”

“Scripture has much to say about finances and possessions. Don’t shy away from claiming or reclaiming what Jesus teaches in the scripture in regard to these subjects. This is an important time to embrace and grapple with Jesus’ challenging teachings. These are times in which the church can shine, reaching out with the heart of a servant Christ embracing the hurt of our world. Faithful stewardship is using what we have to make a compassionate difference for God in the world.”

“Remind the congregation that Christianity is about giving generously rather than consuming extravagantly.”

### **Cutting Back & Staying Out of Debt**

Some advice focused on cutting back on expenses or staying out of debt.

“When others can’t afford the basics, we WON’T afford the extras.”

“It’s important to place difficult decisions (such as layoffs) within the framework of discernment and the church’s mission.”

“Better to be open from the beginning about the current financial situation and make deeper cuts up front rather than stringing the cuts along.”

“Stay out of debt as much as possible. Don’t overbuild. Be as frugal as you can but still be effective.”

“It does not help to cut the budget. It has a negative effect on morale. Being more frugal works better. Freezing the budget is the best option, if possible. Most churches have a lot of resources that are just sitting around that can be used or re-used.”

“Do not cut back on charitable benevolence giving to your local community.”

“Don’t submit to the view that money is not available for necessary ministry and charitable purposes. While we have all lost money in our investments, and many have lost jobs, others have enough money to carry us through this difficult hour. Church work is as important as maintaining a local clinic or a local school. Church ministry is essential to our daily life and needs to be funded through shared sacrifice and creative imagination.”

### **Practical Tips**

A few offered very practical tips.

“An accrual system of accounting gives a much better indication of financial circumstances than a cash flow system. We were slow to respond because we didn’t see some of the problems until they were somewhat advanced. When we combined the economy with two of the worst winters in the Pacific Northwest in history, it combined for major struggles. The snow kept people from attending worship (hence not giving their tithes and offerings) and the costs of snow removal and



heating costs skyrocketed. This produced a ‘perfect storm’ of events that changed our financial picture over \$15,000 in 2 months.”

“The Dave Ramsey’s Financial Peace University has been of great help to our congregation. People have become slaves to their debt. Asking them to give more without first setting them free from debtors’ prison just generates guilt, not results.”

“Make phone calls to people you have not heard from. Keep your door open.”

“Work with diocese to lower amounts given to diocese.”

“Our one-on-one canvass helped leadership better understand motivations for giving.”

### **Secondary Source of Income**

Some clergy weighed in on looking for secondary sources of income.

“Don’t replace unearned income activities in order to have a building used—utility costs may not outweigh the income produced or the community awareness.”

“Seek to develop alternative income streams through program offerings and ‘investment’ in human resources and real estate. Our church is working on a ‘weddings ministry’ to be promoted through banquet halls, hotels, store-front churches, bridal magazines and newspaper supplements, and LGBT periodicals.”

“Our annual auction was the most successful in the history of the church. We kept the cost low and made it really fun so that it was accessible to everyone (no one turned away).”

### **The Message**

Respondents also offered advice on the message congregations should be communicating.

“Most people are not affected financially! They’re just scared. Make church a place to cultivate trust.”

“If you are trying to help your congregation to have a tithing mind, it is too late and the wrong time.”

“The church is needed more than ever when people are in crisis. See this as an opportunity to re-focus the mission of your church and to develop a spirit of teamwork among the members and friends. [This is also] a great time to begin small groups of folks with similar needs/interests [and] also a chance to buck the forces of consumerism that say we have to be rich in order to be successful.”

“It is not so much about the money/finances as it is dealing with the fear/anxiety. Faith has response to fear, which frees people to consider connection to finances.”

“The economic recession is a brutal but excellent reminder that budget-based giving doesn’t work. If we ask congregants to give to a church to support its budget or ministries, these gifts become non-essential in difficult times. However, if we teach that stewardship/pledging/tithing is a gift to God and a spiritual practice we must take seriously, churches will see stewardship sustained even in these difficult financial times.”

“This is the time for the very highest of financial standards and bookkeeping and for accountable reporting to the congregation. This is NOT the time to be asking for more money, but IS the time for discovering and communicating a compelling vision and mission. People will give to the things that inspire them and help them.”

“Focus on what the ministry/ies have done to change lives, not on the money.”

“It is not primarily about doing more with less. Rather, the current economic downturn (depression) is an opportunity to clarify what our mission is and to focus upon what we are called to do, and, just as important in this success-obsessed, action-driven culture, who we are called to be as disciples of the Lord Jesus Christ.”

“The advice I would give is to let other clergy know that people feel rejected by the economic downturn and need to feel accepted by their congregation—no matter what.”

“Not to preach doom and gloom but lift up examples of God doing seemingly impossible things. We are in pastoral transition and so the natural focus toward the future and new vision has helped us to anchor and contextualize our giving and financial needs and goals for emerging ministries, and people have responded abundantly to specific projects while our general giving (pledging) remained relatively the same.”

### **Stewardship & Communication**

Communication and stewardship issues were also the focus of much of the advice.

“Communicate with your congregation. Have lay leaders (wardens) write letters explaining the congregation’s needs. Hold parish meetings to explain what the vestry is doing to address budget challenges. Communicate!”

“Majority of investments need to be in fixed income if you have any plans to use them in the next 5 years. Stewardship is a long-term idea that needs frequent conversation.”

### **OUR STORY**

“...Before this year, we were not very good at telling congregants when the church was in trouble. For years we have been spending down our capital reserves bits at a time. This year we are closer than ever to a balanced budget because of better communication about financial needs and potentials on all sides.”

“Be honest about the uncertainty. Encourage prayer. Ask for God’s blessing upon our help for those in need.”

“Inform congregation quarterly, by budget category (not just bottom line), of their financial status. Make communications two-way (don’t let it be just a status report). Ask for suggestions for necessary budget category adjustments.”

“Continued emphasis on biblical stewardship (i.e., a congregation’s funding practices are primarily a matter of stewardship...that a congregation’s members giving to God in response to what God has done for them such as, salvation through Christ). It is not primarily a ‘fund raising’ model (i.e., give to keep the lights on)...”

“Not to assume everyone is in trouble and to soften the asking. Assume people can learn to be more generous by seeing the need around them compared to their relative well-being.”

“Be more than open about the current state of the congregation’s financial situation. Even though we published our financial report in each monthly newsletter, it wasn’t until we actually out-and-out told them of some of the drastic steps that would need to be taken that people increased their giving.”

### **Lessons Learned**

A few congregations offered the lessons they have learned.

“I find that I have been affirmed that the commitments we have made in the past to teach on finances as a regular part of our programming have served us well through the economic downturn. Early in the year, we responded to the negative financial news by taking an extra offering and giving it away to other organizations that gave us no immediate return. The point was to break the growing spirit of fear and confess our trust in God as our provider. We’ve been reminded of how spiritual money is, and we need to address it as a spiritual issue.”

“... It is my strong belief (and personal experience) that it is only through pledge commitments that people grow into tithers.”

“We eliminated one full-time position and reduced hours for all full-time staff. I don’t think it pays. The effect on morale has been horrible. There’s also a lot of resentment for the decades when the congregation spent down the investment principal during flush years. When the anxiety rules and the spirit in the air is one of ‘batten down the hatches’ people go away. And it really does not pay to cut children and youth ministry.”

“We delayed hiring a youth director and took it out of the budget. The finance committee indicated we’d try to find alternative funding. That has not happened. My lesson learned: when you de-budget an item you are really saying ‘No’ and might as well be honest about it.”

“Talk about money as living mission. Our pledge drive came in the same as last year but lower than we needed because we are growing and need more staff (for mission). Finance refused to talk more openly about money to the congregation so I did not preach on it again, and the board did not make a second ask (congregational polity operating here). We voted in a slight deficit budget and did not retain our assistant minister. Our new board (voted in after the budget) spoke to some donors and in 48 hours raised \$12,000 to keep our assistant minister part-time next year. I always wanted to go back to the congregation for a second ask and explanation of how increased pledges could meet mission. Finance thought that was rude and in a tough financial year folks had given all they could. \$12,000 in 48 hours indicates to me that people will pay for what they want (and I need to explain to them why it is mission-based) and that they had more money to give.”

### **Setting Priorities & Making Tough Choices**

Finally, advice surrounded how to set priorities and make tough choices.

“To help their boards develop clear priorities in case they are forced to make mid-year budget changes. It saves them from having to try to define those priorities in the midst of a sense of crisis. Also to think carefully about how they and their congregations will provide pastoral care to congregants who are suffering financial losses / decline in income / job termination.”

“Consider inconceivable options. I never thought I’d break a lease, but it was that or close—which would technically also break the lease.”

## Lessons from the Recession

Depending on the type of congregation, the impact of the economic recession has varied. In this next section, we examine which types of congregations fared better during the recession and which types were more adversely impacted. Understanding these patterns can help congregations prepare for future economic difficulties. We begin by looking at differences by revenue, then weekly attendance, average age of congregants, average income of congregants, region of the country, type of congregation, denomination and use of endowment.

### **By Revenue Size**

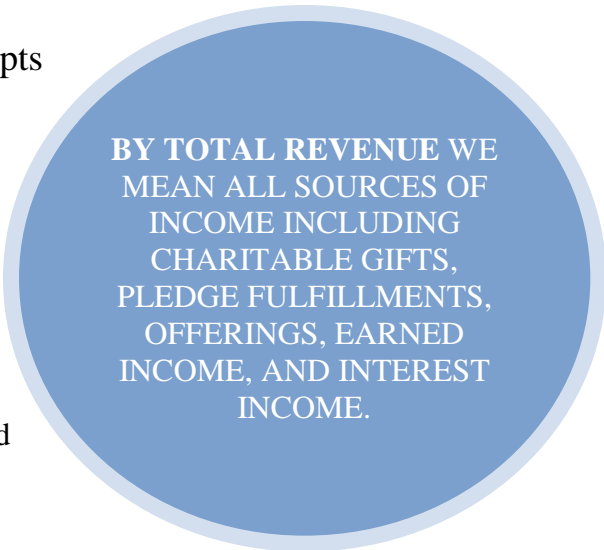
We found overall revenue size was an important factor in determining overall 2008 fundraising receipts and 2009 pledged amounts.

#### **Impact of Revenue on 2008 Fundraising Receipts**

As shown in Figure 13, congregations with higher revenue were more likely to report an increase in their 2008 fundraising receipts when compared to 2007.

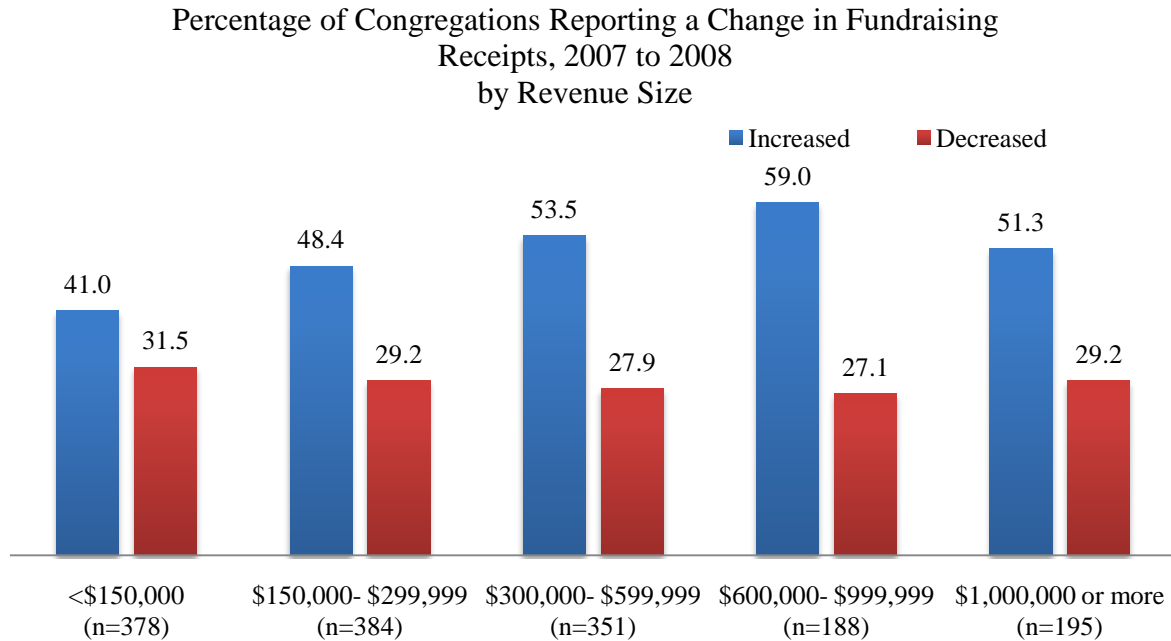
We found:

- Forty-one percent of the 378 congregations with revenue less than \$150,000 saw an increase in total fundraising in 2008 compared to 2007. In contrast, 31.5 percent of the congregations reported a decrease in total fundraising in 2008 when compared to 2007.
- Over 53 percent of 351 congregations with revenue from \$300,000 to \$599,999 had increased total fundraising in 2008. Almost 28 percent of congregations at that revenue level reported a decrease in total fundraising in 2008.
- Among 188 congregations with \$600,000 to \$999,999 in revenue, 59 percent observed increases in total fundraising in 2008, which is the largest percentage of congregations reporting an increase among all revenue sizes. About 27 percent of congregations at that revenue level reported a decrease in total fundraising.



**BY TOTAL REVENUE WE MEAN ALL SOURCES OF INCOME INCLUDING CHARITABLE GIFTS, PLEDGE FULFILLMENTS, OFFERINGS, EARNED INCOME, AND INTEREST INCOME.**

Figure 13



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

### Impact of Revenue on Overall 2009 Pledged Giving

Most of the survey respondents, 81 percent, asked their members to make pledges for their intended charitable giving during 2009 (see page 13). Of those congregations who asked for pledges, almost 40 percent reported pledged amounts increased whereas just over 35 percent reported a decrease in the total pledged amounts for 2009 (see Figure 9, page 13).

As shown in Table 3, when congregations reported an increase in the total amounts pledged by congregants in 2009, the percentage increase did not statistically vary by the revenue size of the congregation. On the other hand, when congregations reported a decrease in 2009 pledged giving amounts, the percent decrease was statistically significantly different by revenue size. Congregations who reported a decrease in pledge giving and had total revenue less than \$150,000 reported a larger average percentage decrease in total pledged amounts (11.1 percent) than congregations with higher revenue. Of congregations that reported a decrease in pledged giving, other results are:

- Congregations with revenue between \$150,000 and \$299,999 reported an average decrease in 2009 total pledged amounts of 10.2 percent (median, 5 percent).
- Congregations with revenue of \$300,000 to \$599,999 had an average percent decrease of 8.0 percent in total pledge amounts (median, 5 percent).
- Larger congregations, those with revenue above \$1,000,000, reported an average decrease in total pledged amounts of 7.3 percent (median, 4 percent) for 2009.

Table 3

Percentage of Congregations Reporting a Decrease in 2009 Total Pledge Amounts Compared with 2008 by Revenue Size and Average & Median Percent Change

Congregational Revenue	Congregations Reporting Percent Decrease	Average	Median
<\$150,000	34.5	-11.1	-8
\$150,000- \$299,999	31.5	-10.2	-5
\$300,000- \$599,999	34.9	-8.0	-5
\$600,000- \$999,999	38.0	-5.6	-5
\$1,000,000 or more	38.5	-7.3	-4

• Note: the results of ANOVA test indicate that congregations with revenue less than \$150,000 had the biggest average percent decrease among all revenue size groups (p<0.001).

• An increase in pledge amounts was not statistically associated with differences in congregational revenue.

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## By Weekly Attendance

Very large congregations, those with more than 1,000 people attending services, were statistically significantly less likely to report a budget increase in 2009 compared with smaller congregations (those with less than 100 people attending). This is even after controlling for other differences such as revenue, denomination, and region (see Appendix A for details). In addition to changes in the budget, weekly attendance was also correlated with changes in fundraising receipts. The size of congregations, defined as the number of people attending weekly services, was positively correlated with the change in 2008 fundraising receipts.

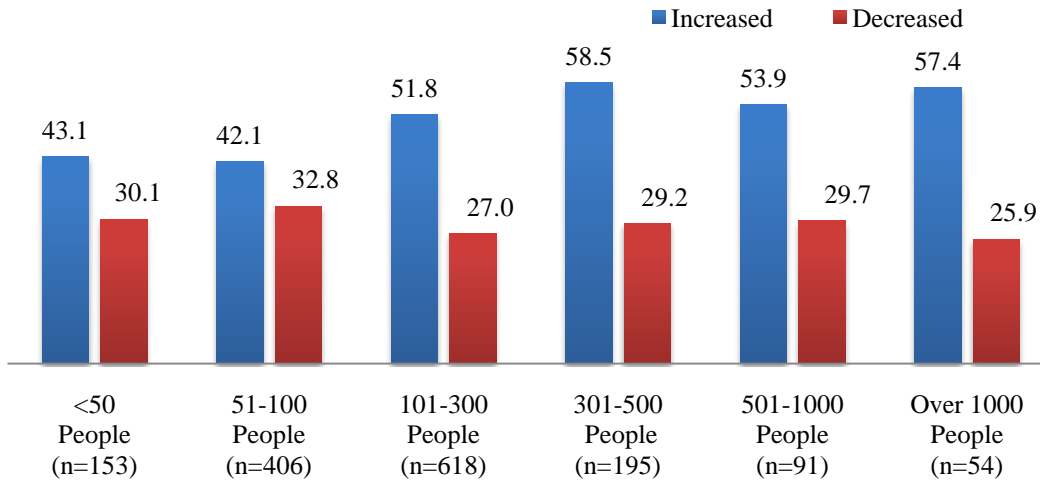
### Impact of Weekly Attendance on Changes in 2008 Fundraising Receipts

Larger congregations, especially those with a weekly attendance of more than 300 congregants, were more likely to report an increase in fundraising receipts between 2007 and 2008 (see Figure 14). Detailed findings are:

- Just over 43 percent of very small congregations (those with weekly attendance of 50 or less) reported an increase in fundraising receipts from 2007 to 2008, whereas just over 30 percent reported a decrease.
- Approximately 33 percent of congregations with weekly attendance of 51 to 100 reported a decrease in total fundraising receipts for 2008 when compared to the past year.
- Very large congregations, those with weekly attendance over 1,000 congregants, were the least likely to report decreased total fundraising receipts in 2008 (nearly 26 percent) when compared with 2007.

Figure 14

Percentage of Congregations Reporting a Change in Fundraising Receipts, 2007 to 2008 by Size of Weekly Attendance



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## By Change in Weekly Attendance Over the Past Five Years

The change in weekly attendance was a very important factor in understanding changes in fundraising, in pledges, and in budgets. Those congregations that reported a decrease in their weekly attendance over the past five years were statistically significantly less likely to report an increase in fundraising for 2008 and 2009, an increase in 2009 pledged giving, or an increase in their 2009 budget when compared to congregations that reported their attendance has stayed the same over the past five years. This is true even after controlling for differences in revenue, denomination, and average income of congregants, as well as others factors (see Appendix A for more details).

### Impact of the Change in Weekly Attendance over the Past Five Years and Changes in Fundraising Receipts for the First Half of 2009

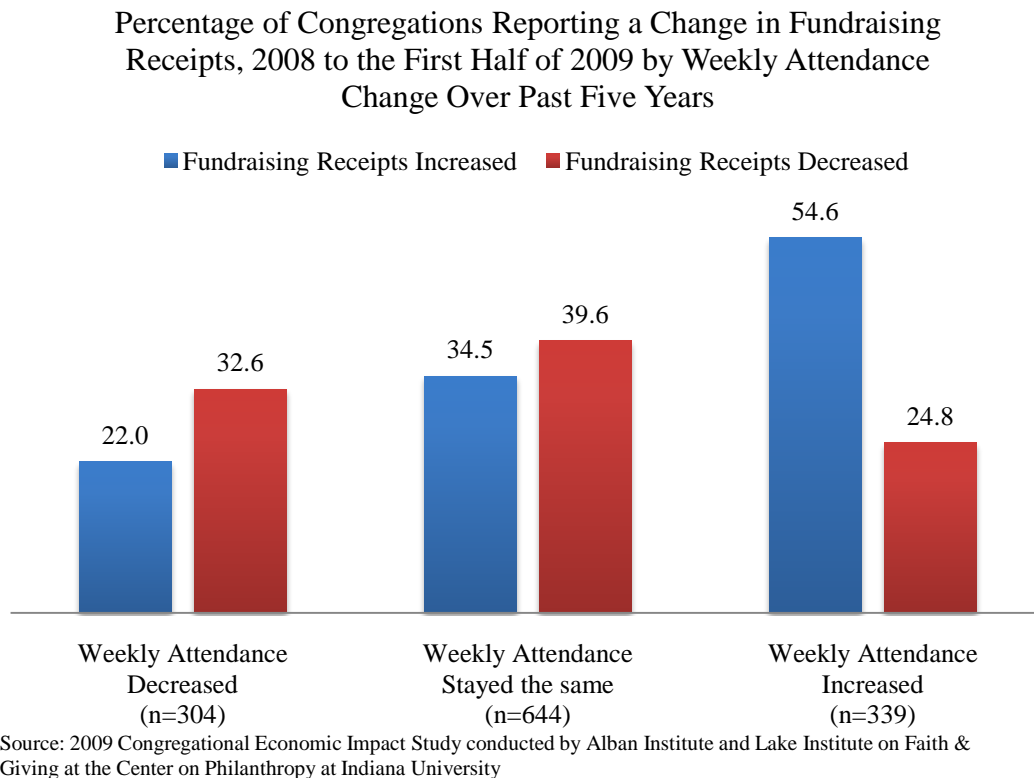
When congregations reported their attendance at weekly services had been growing for the past five years, they were more likely to report an increase in fundraising receipts for the first half of 2009 when compared with 2008 (see Figure 15).

- Among responding congregations that experienced a decrease in weekly attendance at services over the past years, only 22.0 percent reported an increase in fundraising receipts in the first half of 2009, compared to 2008. In fact, they were more likely to report fundraising decreased (32.6 percent) over the same time.



- On the other hand, when congregations reported their attendance had been growing over the past five years, over half, 54.6 percent, reported an increase in fundraising receipts for the first half of 2009 when compared to 2008.

Figure 15



## By Average Age of Congregants

We found the age of congregants was associated with changes in fundraising receipts. However, once we controlled for other factors such as revenue and changes in attendance, average age of congregants was not associated with changes in fundraising (see Appendix A).

### Impact of the Age of Congregants on Changes in 2008 Fundraising Receipts

Congregations where the average age of congregants was older reported more stable fundraising receipts whereas younger congregations were more likely to report increases in 2008 fundraising receipts over the past year (see Figure 16). The detailed results are:

- Just over 24 percent of congregations with an average age from 21 to 40 years old reported decreased total fundraising receipts in 2008, which was the smallest percentage of congregations reporting a decrease among all congregations. In addition, almost 54 percent of congregations with an average age of 21 to 40 years old reported an increase in total fundraising receipts in 2008, which was the second highest percentage reporting an increase among all congregations.

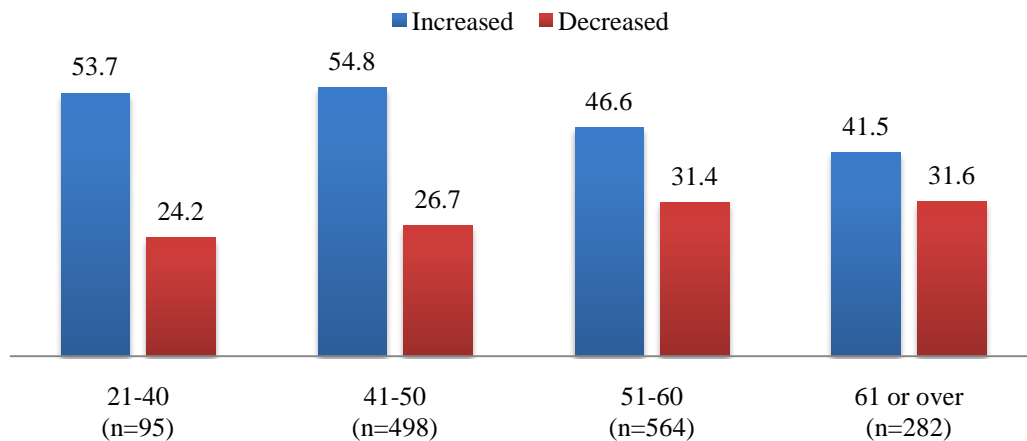
- Nearly 27 percent of congregations with an average age of 41 to 50 had decreased total fundraising receipts in 2008. In contrast, 54.8 percent had increased total fundraising receipts, which was the highest percentage reporting an increase among all congregations.
- Just over 31 percent of congregations with an average age of 51 to 60 years old had decreased total fundraising receipts in 2008, which was the second highest percentage reporting a decrease among all congregations. Almost 47 percent had increased total fundraising receipts, which was the third highest percent reporting an increase among all congregations.
- Congregations where the average age of congregants was 61 or older were most likely to face a decrease in 2008 fundraising results when compared with 2007 and the least likely to report an increase (41.5 percent had increases and 31.6 percent had decreases).

**OUR STORY**

“The recession hasn’t [hit] us hard, partly because an aging congregation has relatively guaranteed income and partly because there’s not too much left to cut back in one of the poorest counties in NYS.”

Figure 16

Percentage of Congregations Reporting a Change in Fundraising Receipts, 2007 to 2008, by the Average Age of the Congregants



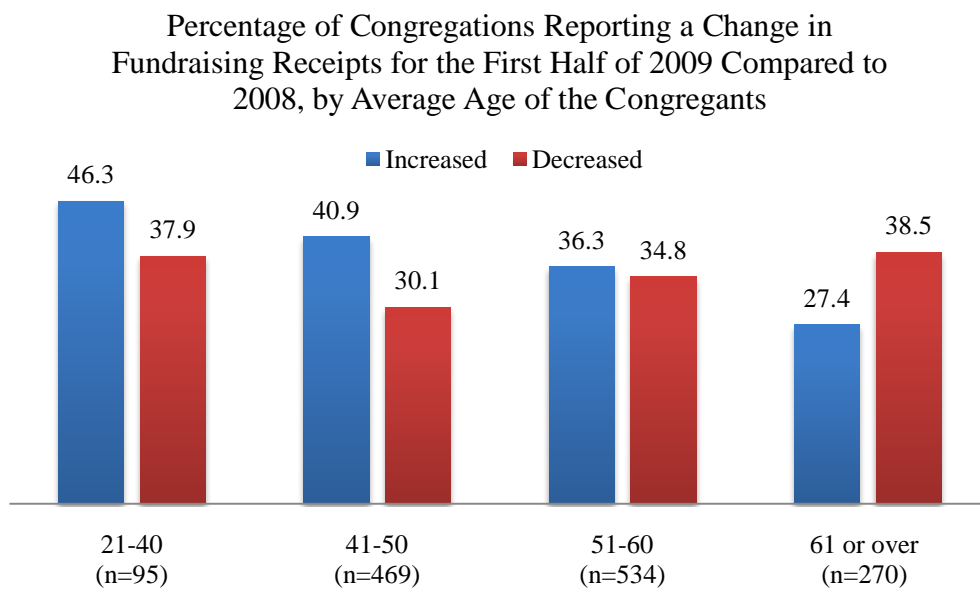
Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Impact of the Age of Congregants on Changes in Fundraising Receipts for the First Half of 2009

The change in fundraising receipts between 2008 and 2009 showed a similar pattern to the change in fundraising receipts between 2007 and 2008 when examining receipts by the average age of congregants. Younger congregations were more likely to report an increase in fundraising receipts for the first half of 2009 when compared with 2008. Congregations where the average age of congregants was older were more likely to report a decrease in fundraising receipts for the first half of 2009. The detailed findings include:

- As shown in Figure 17, during the first half of 2009, 38.5 percent of congregations where the average age of congregants was 61 or older reported a decrease in total fundraising receipts in the first half of 2009 when compared to 2008, which was 6.9 percentage points higher than those reporting the change between 2007 and 2008 (see Figure 16). In addition, only 27.4 percent of those congregations reported an increase in total fundraising receipts in the first half of 2009, which was 14.1 percentage points lower than the percentage of congregations with increased total fundraising receipts in 2008 (comparing Figure 17 to Figure 16).
- Almost 38 percent of congregations where the average age of congregants was between 21 and 40 years old reported decreased total fundraising receipts in the first half of 2009, which was 13.7 percentage points higher than in 2008. In addition, the percentage that reported an increase in total fundraising receipts in the first half of 2009 was 46.3 percent, which is 7.4 percentage points less than in 2008.

Figure 17



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## By Average Income of the Congregants

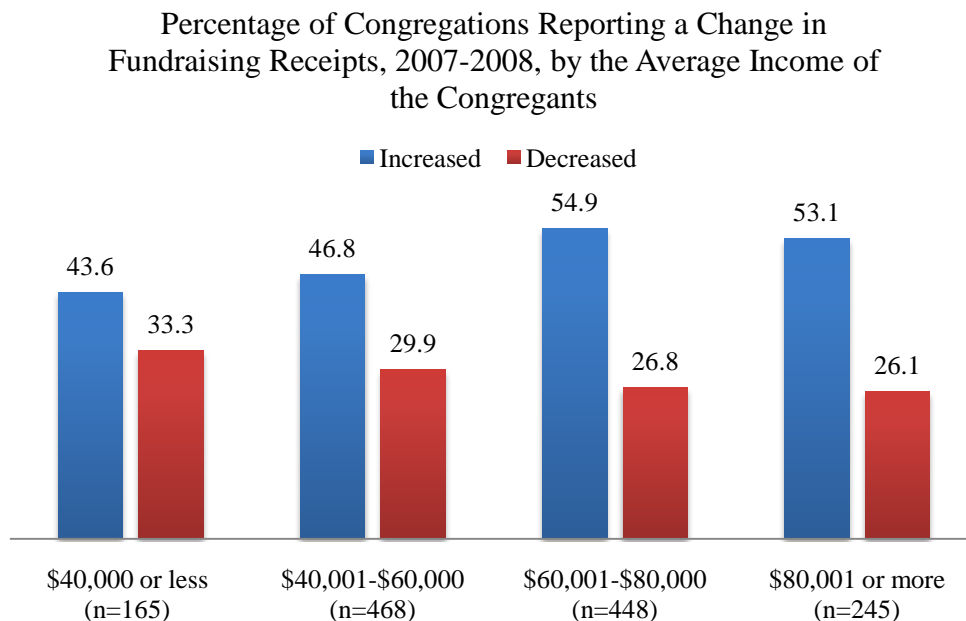
The average income of congregants was also correlated with changes in fundraising receipts. Similar to average age of congregants, however, once other factors like changes in attendance are controlled for, average income is no longer associated with changes in fundraising receipts (see Appendix A).

### Impact of Income on Changes in 2008 Fundraising Receipts

The results indicate that congregations with higher average incomes have experienced smaller declines in total fundraising receipts in 2008 than the congregations with lower average incomes. Figure 18 shows the percentage of congregations reporting an increase or decrease in total fundraising receipts in 2008 by the average income of the congregants. The detailed findings include:

- Among the 245 congregations that reported their congregants had a high average income (\$80,000 or more), 26.1 percent experienced a decrease in total fundraising receipts in 2008, while just over 53 percent reported an increase in total fundraising receipts in 2008.
- Congregations with lower average incomes (\$40,000 or less) were the most likely (33.3 percent) to report a decrease in fundraising receipts in 2008. Within the same income group, 43.6 percent of congregations reported an increase in total fundraising receipts in 2008.

Figure 18

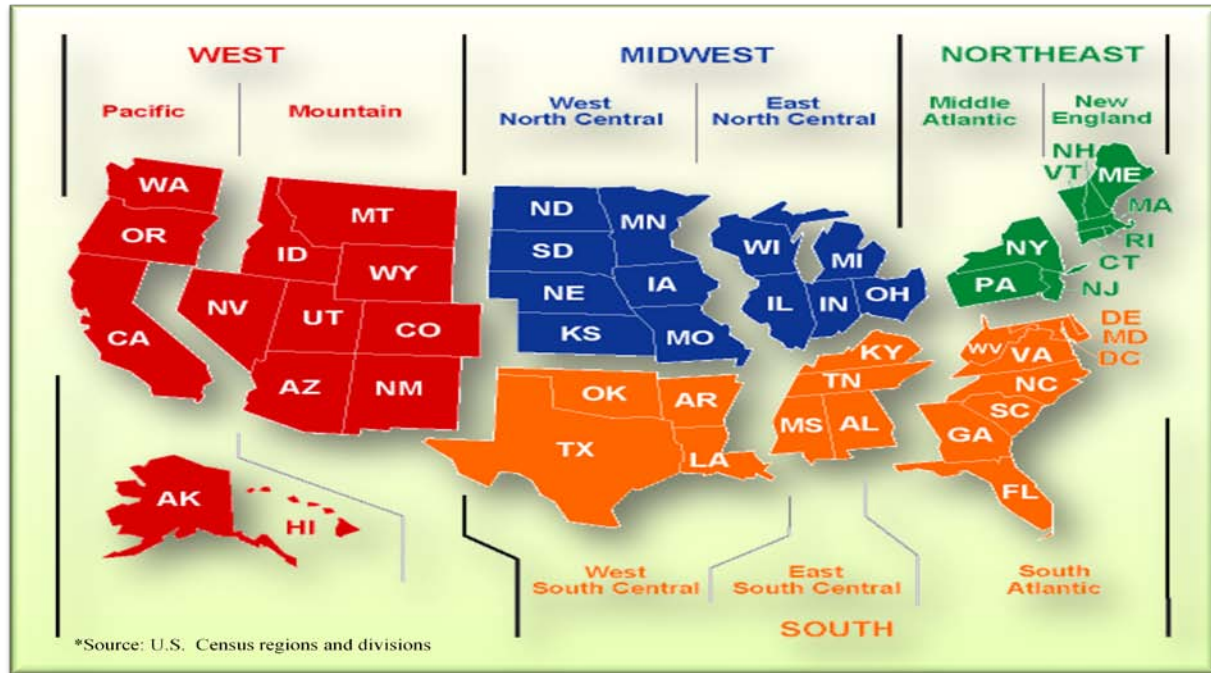


Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## By Region of the Country

As shown in Figure 19, the U.S. Census Bureau divides the United States into four census regions and nine census divisions. Responding congregations were sorted according to U.S. Census division codes in order to estimate the congregations' fundraising receipts by region.

Figure 19

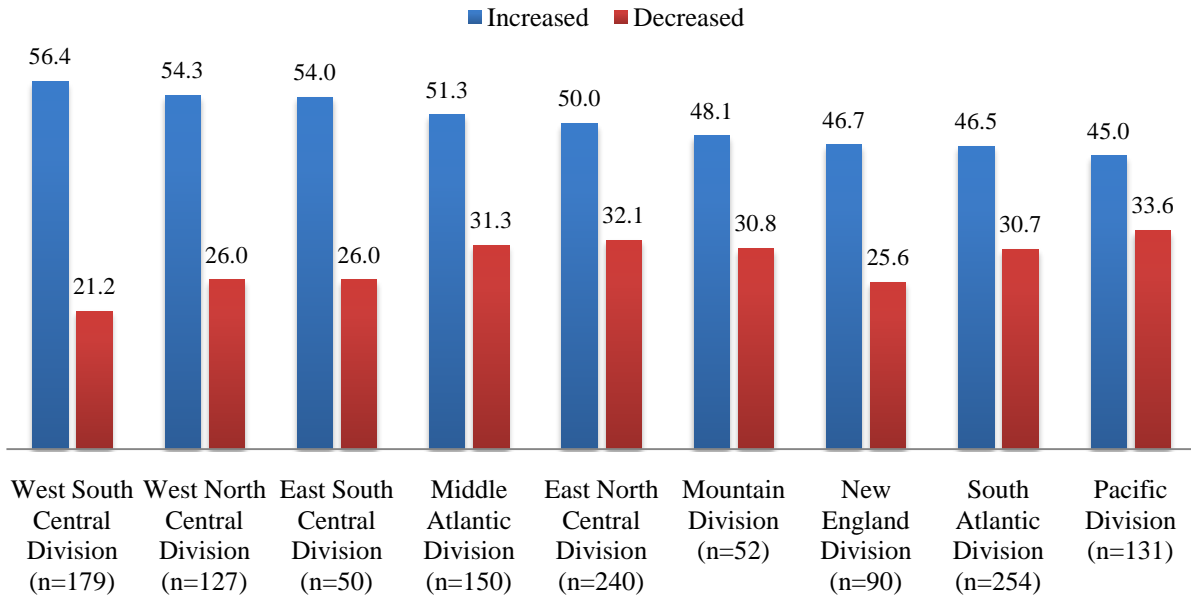


While congregations in each region were more likely to report an increase in fundraising receipts than a decrease, congregations in certain regions were slightly more likely to report an increase than a decrease (see Figure 20). The detailed findings include:

- Over half, 56.4 percent, of congregations in the West South Central Division, such as Texas and Arkansas, reported an increase in total fundraising receipts in 2008 from 2007, a higher percentage than in any other region. In contrast, only 21.2 percent of the congregations in this region indicated a decrease in total fundraising receipts from 2007 to 2008.
- Half of all congregations in the East North Central division, such as Indiana, Illinois, and Ohio, reported an increase in total fundraising receipts from 2007 to 2008.
- Forty-five percent of the congregations in the Pacific division, such as California, Washington, and Alaska, indicated that their total fundraising receipts increased in 2008 from 2007 levels, which was the lowest percentage of any region. Nearly 34 percent of the congregations in this region reported that total fundraising receipts decreased in 2008, which was the highest percentage of congregations reporting a decrease in any region.

Figure 20

Percentage of Congregations Reporting a Change in Fundraising Receipts,  
2007 to 2008 by Region



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## By Type of Congregation

In this study, we examined the impact of the financial crisis on different types of congregations based on the growth of weekly attendance and the growth of congregations' finances. Based on information about the congregations' financial growth during the past 5 years and the change in weekly attendance rates during the past 5 years, we categorized congregations into four groups that we labeled: survival, maintenance, growth, and other.

A. **Survival congregations:**

the weekly attendance at religious services has been declining more than 10 percent total over the past five years and the congregations' finances have been just barely enough during the past five years.

B. **Maintenance**

**congregations:** the weekly attendance at religious services has stayed about the same and the congregations' financial situation has stayed about the same at a moderate level during the last five years.

C. **Growth congregations:** the weekly attendance at religious services has increased and the congregations' finances have grown by more than 10 percent total over the past five years.

D. **Other congregations:** the pattern of weekly attendance at religious services could not be described or the congregations' financial conditions could not be explained according to one of the above categories.



**SURVIVAL CONGREGATIONS –  
DECLINING ATTENDANCE AND  
JUST BARELY ENOUGH FINANCES  
FOR THE PAST FIVE YEARS**

**MAINTENANCE CONGREGATIONS  
– ATTENDANCE AND FINANCES  
HAVE STAYED RELATIVELY THE  
SAME FOR THE PAST FIVE YEARS**

**GROWTH CONGREGATIONS –  
INCREASES IN ATTENDANCE AND  
A GROWTH IN FINANCES OVER THE  
PAST FIVE YEARS**

As shown in Table 4, of the responding congregations, just over 29 percent are survival congregations (417 congregations), 21 percent of responding congregations are maintenance congregations (301 congregations), and 45.4 percent of the responding congregations in this study are growth congregations (652 congregations).

Table 4

Types of Congregations

	Number	Percentage
Survival Congregation	417	29.1
Maintenance Congregation	301	21.0
Growth Congregation	652	45.4
Other Congregation	65	4.5
<b>Total</b>	<b>1,435</b>	<b>100.0</b>

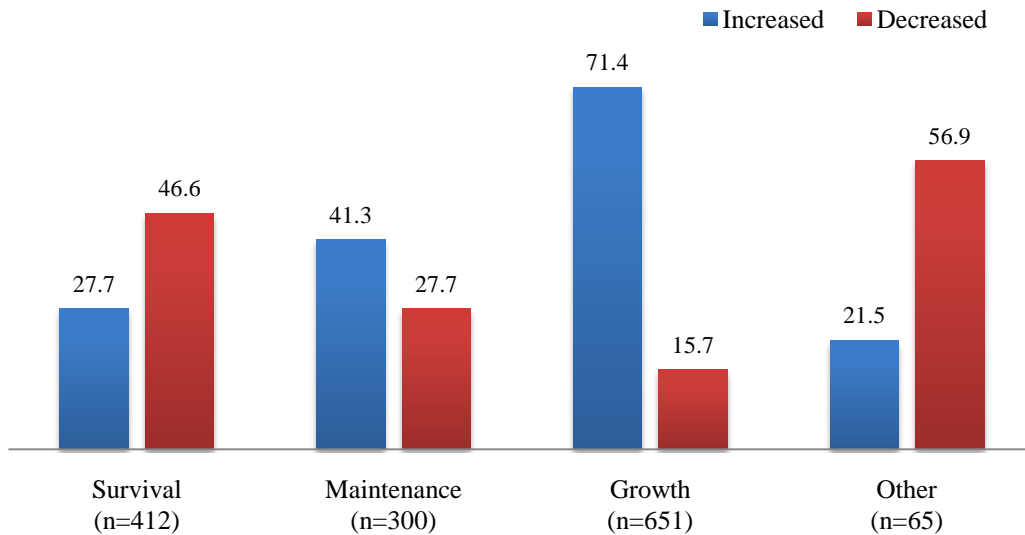
Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

Impact of Type of Congregation on Change in Fundraising Receipts, 2007 to 2008

Nearly 47 percent of survival congregations report a decrease in total fundraising receipts between 2007 and 2008 (46.6 percent). Only 15.7 percent of growth congregations reported a decrease in fundraising receipts over the same period. On the other hand, 71.4 percent of growth congregations reported an increase in total fundraising receipts in 2008 (see Figure 21).

Figure 21

Percentage of Congregations Reporting a Change in Fundraising Receipts, 2007-2008 by Type of Congregation



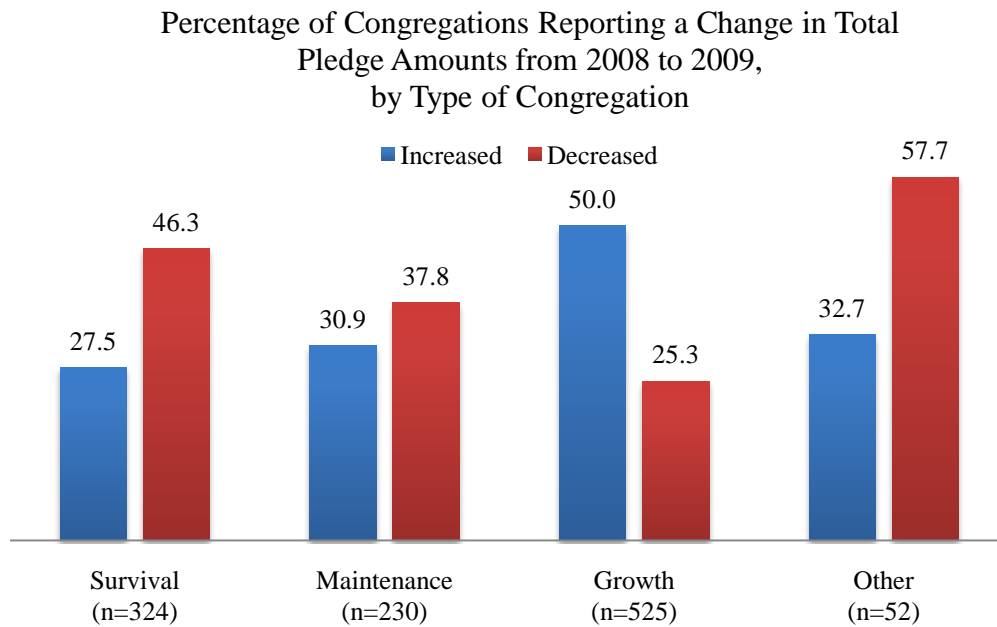
Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University



## Change in Total 2009 Pledge Amounts by Type of Congregations

Similar to fundraising receipts between 2007 and 2008, the change in 2009 pledge amounts from 2008 differed by type of congregations as shown in Figure 22. For survival congregations, the percentage reporting a decrease in total pledge amounts in 2009 from 2008 was 46.3 percent. About one-fourth of growth congregations reported a decrease in total 2009 pledge amounts from 2008. Just over one-fourth of all survival congregations that responded to the study reported an increase in total pledge amounts between 2008 and 2009, but half of all growth congregations reported an increase.

Figure 22



Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

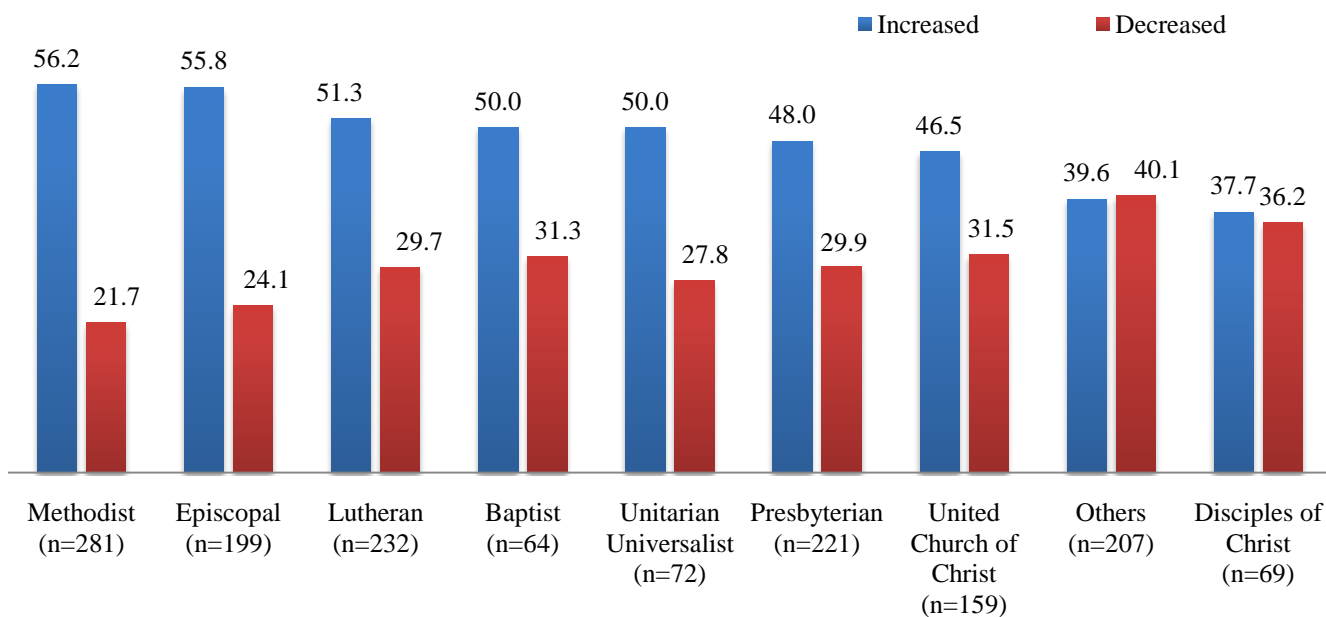
## By Denomination

In this study, we examine the impact of the financial recession on charitable giving to congregations by denomination. As shown in Figure 23, there was some variation in the change in 2008 fundraising receipts from 2007 by denomination. More United Methodist churches reported an increase in 2008 fundraising receipts from 2007 than any other denomination. That is, 56.2 percent of the United Methodist churches that responded to the study reported an increase in the total amount of charitable dollars raised in 2008. Only 21.7 percent of the United Methodist churches reported a decrease in the total fundraising receipts, a smaller percentage than other denominations. However, once other factors such as changes in attendance and average income of congregants is taken into account; denomination alone is not a statistically significant predictor of changes in fundraising receipts. Other findings include:

- Nearly 56 percent of Episcopal churches reported an increase in total fundraising receipts from 2007 to 2008.
- At least half of responding Lutheran, Baptist, and Unitarian Universalist churches reported an increase in total fundraising receipts from 2007 to 2008.
- Less than 50 percent of Presbyterian and United Church of Christ churches reported an increase in total fundraising receipts in 2007 to 2008.
- For Disciples of Christ churches, 37.7 percent of responding churches reported an increase in total fundraising receipts in 2008.

Figure 23

Percentage of Congregations Reporting a Change in Fundraising Receipts from 2007 to 2008 by Denomination



Note: Faith groups not listed including Judaism, Catholicism, and Pentecostalism received too few responses and are therefore categorized as others.

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## By Endowment

Of the congregations that responded to the study, almost 57 percent reported they have an endowment, while 43 percent do not. While having an endowment was not statistically associated with changes in fundraising, those with an endowment were statistically significantly less likely to report an increase in their 2009 budget, even after controlling for other factors like changes in attendance (see Appendix A for details).

## Utilization of Endowment for Operational Expenses

In Table 5, we examine the reliance responding congregations have on their endowments. Among responding congregations with an endowment, we estimated that 23.5 percent rely very little on their endowment (one percent or less of their budget comes from endowment) to fund operations of their congregation. Almost 32 percent of the congregations rely on 2 to 5 percent of their budget from endowment. Almost 30 percent of the congregations with an endowment rely on that endowment for 11 percent or more of their budget. This includes nearly 12 percent that responded their endowment makes up more than a quarter of their budget.

### OUR STORY

“As a heavily endowed congregation, we have had to work hard not to be lulled into complacency by the false security of our 3-year rolling average draw on our endowment. We have aggressively reduced spending so that we will be ready for the crunch [which] will not completely affect us until 2011.”

Table 5

The Share of Budget (Operational Expenses) Funded by an Endowment for those Congregations with an Endowment.

Percent of Budget that comes from an Endowment	Number	Percentage
1% of budget from Endowment	132	23.5
2% - 5% of budget from Endowment	177	31.5
6% - 10% of budget from Endowment	88	15.7
11% - 25% of budget from Endowment	98	17.4
26% or more of budget from Endowment	67	11.9
<b>Total</b>	<b>562</b>	<b>100.0</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

Use of an endowment for operational expenses, however, was not correlated with changes in fundraising receipts. In other words, the degree to which a congregation used their endowment to fund their budget, whether a small amount or a large amount, was not associated with changes in fundraising amounts.

## Description of Congregational Respondents

In this next section, we present the demographic characteristics of those congregations that responded to the study and on which the previous results are based.

### Financial Resources of the Congregations' Revenue

Nearly all congregations, 99.8 percent, collect tithes or pledges as a financial resource (see Table 6). When congregations collected tithes and pledges, on average, they made up 74 percent of total congregational revenue in 2008. Special offerings, which were collected by 74.2 percent, made up on average 7.3 percent of responding congregations' income. Just over half, 56.6 percent, reported income from an endowment while only 4.4 percent reported income from private non-affiliated foundations or corporate support.

Table 6

Sources of Congregational Revenue, Percentage of Congregations with Each Source and Average of Total Revenue from Each Source

	Number	Percentage	Average
Tithes/pledges	1,537	99.8%	74%
Special offerings	1,142	74.2%	7.3%
Capital campaigns	501	32.5%	3.8%
Bequests, memorials, estate gifts	620	40.3%	2.3%
Earned income	873	56.7%	4.9%
Interest income	825	53.6%	4.2%
Denominational support	97	6.3%	0.9%
Private non-affiliated foundations or corporate support	68	4.4%	0.3%
Endowment	872	56.6%	11.2
Other fundraising activities	58	3.8%	N/A
Unpledged giving	50	3.2%	N/A
Other	23	1.5%	N/A
<b>Total</b>	<b>6,666</b>		

Note: Average percentage of total revenue from endowment was calculated including only the congregations with endowments.

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

### Change in Congregational Finances over the Past Five Years

In this study, we examine the change in the congregations' revenue over the past five years. As shown in Table 7, 43.3 percent of responding congregations reported their finances have grown overall during the past 5 years, while approximately 25 percent of responding congregations reported their finances have been just barely enough over the past 5 years.

Table 7

## During the Past 5 Years, the Change in Congregational Finances

	Number	Percentage
Been just barely enough	378	24.9
Stayed about the same at a moderate level	418	27.5
Grown overall	657	43.3
None of the above	65	4.3
<b>Total</b>	<b>1,518</b>	<b>100</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Number of People Attending Weekly Religious Services

As shown in Table 8, among the 1,528 responses to this question, 40.5 percent of the congregations indicated that average attendance at weekly services was between 101 and 300 people (618 congregations).

Table 8

## Average Number of People Attending Typical Weekly Services

	Number	Percentage
<50 people	158	10.3
51-100 people	412	27.0
101-300 people	618	40.5
301-500 people	195	12.8
501-1000 people	91	6.0
More than 1000 people	54	3.5
<b>Total</b>	<b>1,528</b>	<b>100.0</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Change in Weekly Attendance at Religious Services

Just under 50 percent of responding congregations reported their weekly attendance has been about the same over the past five years (see Table 9). Nearly one quarter of the congregations indicated that the number of people attending weekend services has been declining during the past 5 years (351 congregations).

Table 9

## During the Past 5 Years, the Change in Weekly Attendance

	Number	Percentage
Been declining	351	23.5
Stayed about the same	734	49.1
Grown overall	411	27.5
<b>Total</b>	<b>1,496</b>	<b>100.0</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Year of Establishment of the Congregation

Over 40 percent of the responding congregations were founded between 1801 and 1900 (see Table 10). About 20 percent of the responding congregations were founded between 1901 and 1950 and 4.6 percent were founded in 1991 or after.

Table 10

Year of Establishment of the Congregation

	Number	Percentage
1800 or before	75	5.0
1801~1900	642	42.5
1901~1950	306	20.3
1951~1990	418	27.7
1991 or after	70	4.6
<b>Total</b>	<b>1,511</b>	<b>100.0</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Average Age of Congregants

Nearly 40 percent of the congregations that responded to the study reported that the average age of their congregants was between 50 and 60 (see Table 11). Another 34.5 percent of the congregations reported that the average age of their congregants was between 41 and 50.

Table 11

Average Age of Congregants

	Number	Percentage
21-40	95	6.6
41-50	499	34.5
50-60	566	39.1
61 or older	288	19.9
<b>Total</b>	<b>1,448</b>	<b>100</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Average Income of Congregants

Just over 35 percent of the congregations indicated that average income of their congregants was between \$40,001 and \$60,000 (see Table 12). Approximately 18 percent of the congregations indicated that average income of their congregants was more than \$80,000.

Table 12

Average Income of Congregants

	Number	Percentage
\$40,000 or less	167	12.5
\$40,001-\$60,000	469	35.2
\$60,001-\$80,000	451	33.9
80,001 or more	245	18.4
<b>Total</b>	<b>1,332</b>	<b>100</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Average Number of Full- and Part-time Staff

Table 13 shows the average number of full-time staff and part-time staff at the responding congregations. Almost 42 percent of the congregations have only one full-time staff member at their congregations, while only 2.2 percent of the congregations reported they do not have any part-time staff.

Table 13

Average Number of Full- or Part-time Staff

	Full-Time Staff		Part-Time Staff	
	Number	Percentage	Number	Percentage
No staff	46	3.3	34	2.2
1 Staff Member	589	41.8	166	10.8
2 Staff Members	222	15.7	209	13.6
3 Staff Members	163	11.6	275	17.9
4 or more Staff Members	390	27.7	856	55.6
<b>Total</b>	<b>1,410</b>	<b>100</b>	<b>1,540</b>	<b>100</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Denomination

Table 14 shows the denominations represented in this study. Of the responding congregations, the largest participation was from Methodist churches. That is, approximately 18.6 percent of the responding congregations were Methodist. Of the responding congregations, 15.4 percent were Lutheran, 14.6 percent were Presbyterian, 13.3 percent were Episcopal, and 10.6 percent were United Church of Christ. The congregations from other faith groups, which made up 13.7 percent of the responding congregations, included Jewish, Mennonite, Metropolitan Community Church, Moravian, and Roman Catholic, as well as others.

Table 14

Denomination of Congregations

	Number	Percentage
United Methodist	282	18.6
Lutheran	234	15.4
Presbyterian	221	14.6
Episcopal	201	13.3
United Church of Christ	161	10.6
Unitarian Universalist	73	4.8
Disciples of Christ	72	4.8
Baptist	65	4.3
Others	208	13.7
<b>Total</b>	<b>1,517</b>	<b>100</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

## Region of the Country

Table 15 shows the percentage of the responding congregations by region. Nearly 20 percent of the congregations are located in the South Atlantic division, which is Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia. Almost 19 percent of the congregations are located in the East North Central division, which is Illinois, Indiana, Michigan, Ohio, and Wisconsin.

Table 15

### Location of Congregations

	Number	Percentage
South Atlantic Division	257	20.0
East North Central Division	242	18.8
West South Central Division	181	14.1
Middle Atlantic Division	151	11.8
Pacific Division	135	10.5
West North Central Division	127	9.9
New England Division	90	7.0
Mountain Division	52	4.1
East South Central Division	50	3.9
<b>Total</b>	<b>1,285</b>	<b>100</b>

Source: 2009 Congregational Economic Impact Study conducted by Alban Institute and Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University

Note: Detailed information of division is presented in Figure 19 and referenced below.

Census Region	States
<b>New England:</b>	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
<b>Middle Atlantic:</b>	New Jersey, New York, Pennsylvania
<b>East North Central:</b>	Indiana, Illinois, Michigan, Ohio, Wisconsin
<b>West North Central:</b>	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
<b>South Atlantic:</b>	Delaware, District Of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
<b>East South Central:</b>	Alabama, Kentucky, Mississippi, Tennessee
<b>West South Central:</b>	Arkansas, Louisiana, Oklahoma, Texas
<b>Mountain:</b>	Arizona, Colorado, Idaho, New Mexico, Montana, Utah, Nevada, Wyoming
<b>Pacific:</b>	Alaska, California, Hawaii, Oregon, Washington

Source: U.S. Census Bureau Division Codes



## Methodology

The 2009 Congregational Economic Impact Study is a collaboration between the Lake Institute on Faith & Giving at the Center on Philanthropy at Indiana University and the Alban Institute. The purpose of the study was to better understand the impact of the economic recession on congregations. Starting in June 2009, the Center on Philanthropy began surveying a sample of more than 19,000 congregations across America, provided by the Alban Institute. The survey consisted of 38 questions ranging from demographic information to financial and management questions.

Nearly 19,100 potential respondents were emailed a link to an online survey instrument. They were then emailed three reminders, once per week for three weeks. In addition, various denominations and organizations that work with congregations emailed a link to the survey instrument to their organizations or posted the link on their website. When data collection ended, 1,540 respondents had completed the survey. After cleaning the dataset, ensuring that only congregations in the United States responded to the study, the final number of responses used to calculate the information presented in the report was 1,525. However, the sample size for each question changes based on the number of congregations that responded to that particular question. The sample size used to calculate each question is noted in all graphs and tables.

The design of the study means that responses are not representative of all congregations in the United States. Rather, they are more representative of congregations known to the Alban Institute. Their responses tend to be like those of a typical Protestant church (please see Demographics of Respondents for more detailed information about responding congregations).

## Conclusion

When the Lake Institute on Faith & Giving at the Center on Philanthropy and the Alban Institute partnered on this project, we sought not only to examine the impact on American congregations of a recession unlike any we have seen in the last sixty years, but also to learn from a glimpse into this particular slice of American congregational life the multiple ways that faith communities have responded. Behind the data of research projects like this one, there are a myriad of stories—individual stories . . . congregational stories . . . community stories . . . stories of hardship and stories of resilience. The design of this study reflects the desire of the Lake Institute and the Alban Institute to find answers to our research questions while providing a peek into these diverse and powerful stories of hope—the fabric of which American congregational life is made.

We are not surprised to discover that this snapshot of one segment of American religion<sup>1</sup> reveals the vitality for which congregational life is known, as a majority of congregations reported an increase in their fundraising receipts in 2008 and early 2009 despite the recession. However, when examined from another angle, the storyline shifts. While approximately 50 percent of the congregations reported an increase in fundraising from 2007 to 2008, the other half reported either no increase or a decrease in their fundraising receipts for the same period. We are concerned that along with positive news, this study finds that the number of congregations reporting fundraising increases dropped by almost 13 percentage points from 2008 to the first half of 2009. In comparison, the number of congregations reporting a decrease in fundraising actually rose by 8.1 percentage points. This knowledge gives us pause.

Still, it is important to note that in this same study, which illuminated challenges and struggles, we discover American congregations active in combating the adverse effects of current economic conditions on some of the most vulnerable members of our community. A number of congregations involved in this project are to be commended in their response to the imposed budgetary constrictions. Many tightened their own belts by forgoing salary increases and cutting back on internal program costs before cutting mission and outreach programs to those beyond their walls. It is also good to see that some congregations are talking more openly about money and financial concerns and discovering the redemptive dimension of money-talk.

Finally, we are impressed by the resilience of the congregations that participated in the study. Their sense of moral and philanthropic imagination is truly noteworthy and reflective of the theological truths and values they profess. We recognize that this survey cannot reflect all of the ways the many different congregations throughout this country are reacting to the impact of the current recession. Yet, we hope that this insight into what congregations are experiencing serves as a source of encouragement to faith communities across this land as they look to the months and years ahead.

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<sup>1</sup> This study is not nationally representative, but is instead suggestive of the response of a typical Protestant congregation to the economy.

## Appendix A: Probit Regression Results

	Increase in fundraising receipts '08	Increase in fundraising receipts '09	Increase in pledges '09	Budget increase in '09
Revenue \$150K - \$299K	0.140 (0.117)	0.064 (0.120)	0.070 (0.137)	-0.096 (0.118)
Revenue \$300K - \$599K	0.156 (0.151)	-0.150 (0.154)	-0.032 (0.174)	-0.219 (0.152)
Revenue \$600K - \$999K	0.304 (0.192)	-0.349 (0.196)	-0.050 (0.211)	-0.472* (0.192)
Revenue \$1million +	0.041 (0.213)	-0.587** (0.224)	-0.302 (0.237)	-0.682** (0.217)
Revenue unknown	0.347 (0.250)	-0.045 (0.312)	0.081 (0.366)	0.306 (0.273)
Weekend attendance 101- 300	-0.044 (0.108)	0.080 (0.112)	0.065 (0.122)	0.080 (0.108)
Weekend attendance 301-500	-0.030 (0.162)	0.041 (0.166)	0.014 (0.181)	-0.142 (0.166)
Weekend attendance 501-1000	-0.064 (0.215)	0.392 (0.215)	-0.176 (0.226)	-0.275 (0.215)
Weekend attendance 1000 and over	0.083 (0.249)	0.343 (0.255)	-0.131 (0.281)	-0.650* (0.262)
Weekend attendance unknown	-0.330 (0.573)		-0.784 (0.719)	
Year founded 1801-1900	-0.202 (0.170)	-0.137 (0.175)	-0.097 (0.179)	-0.160 (0.173)
Year founded 1901-1950	-0.265 (0.182)	-0.239 (0.186)	-0.178 (0.195)	-0.251 (0.185)
Year founded 1951-1990	-0.319 (0.181)	-0.268 (0.185)	-0.248 (0.192)	-0.333 (0.184)
Year founded 1991 or after	-0.435 (0.235)	-0.349 (0.245)	0.042 (0.266)	-0.381 (0.251)
Year founded unknown	-0.716* (0.345)	-0.605 (0.383)	-0.143 (0.401)	-0.298 (0.349)
Avg. age 41-50 years	0.048 (0.160)	-0.195 (0.157)	0.087 (0.185)	-0.026 (0.162)
Avg. age 51-60 years	-0.080 (0.165)	-0.241 (0.162)	0.072 (0.190)	-0.024 (0.167)
Avg. age over 60	-0.044 (0.178)	-0.435* (0.177)	0.011 (0.209)	0.046 (0.181)
Avg. age unknown	0.333 (0.221)	-0.339 (0.226)	0.399 (0.245)	0.125 (0.222)
Avg. income \$40K - \$60K	-0.102 (0.124)	0.039 (0.129)	0.094 (0.163)	-0.005 (0.128)
Avg. income \$60K - \$80K	-0.059 (0.133)	0.091 (0.138)	0.208 (0.169)	0.108 (0.136)
Avg. income over \$80k	-0.149 (0.155)	0.114 (0.160)	-0.174 (0.187)	-0.198 (0.158)
Avg. income unknown	-0.175 (0.149)	0.157 (0.157)	-0.032 (0.189)	-0.046 (0.150)

1 Full-time staff	0.309 (0.209)	0.191 (0.219)	0.010 (0.327)	0.096 (0.216)
2 Full-time staff	0.102 (0.235)	0.171 (0.243)	-0.080 (0.344)	-0.077 (0.239)
3 Full-time staff	0.098 (0.247)	0.176 (0.257)	0.170 (0.355)	0.121 (0.254)
4 Full-time staff	0.091 (0.251)	0.149 (0.262)	0.138 (0.359)	0.302 (0.258)
Full-time staff unknown	0.207 (0.231)	0.088 (0.246)	0.004 (0.355)	-0.142 (0.238)
Midwest	0.146 (0.123)	-0.013 (0.127)	-0.136 (0.134)	-0.011 (0.123)
South	-0.026 (0.122)	0.082 (0.126)	0.078 (0.133)	0.124 (0.122)
West	-0.058 (0.145)	-0.008 (0.146)	0.029 (0.153)	0.041 (0.142)
Region unknown	-0.049 (0.130)	0.126 (0.134)	-0.119 (0.141)	-0.092 (0.131)
Maintenance congregations	0.341*** (0.104)	0.318** (0.111)	0.045 (0.120)	0.341** (0.107)
Growth congregations	1.077*** (0.092)	0.626*** (0.096)	0.557*** (0.103)	0.880*** (0.094)
Other congregations	0.062 (0.127)	0.276* (0.136)	0.246 (0.145)	0.171 (0.131)
Change in attendance decrease	-0.082 (0.093)	-0.330*** (0.099)	-0.318** (0.108)	-0.313** (0.096)
Change in attendance increase	0.322*** (0.091)	0.464*** (0.090)	0.369*** (0.099)	0.281** (0.089)
Change in attendance unknown	0.240* (0.117)	0.016 (0.120)	0.180 (0.128)	-0.018 (0.115)
Local economy affected somewhat	0.083 (0.120)	-0.174 (0.121)	-0.007 (0.132)	-0.300* (0.117)
Local economy affected great deal	-0.104 (0.121)	-0.206 (0.122)	-0.080 (0.133)	-0.386** (0.118)
Local economy affected unknown	-0.301 (0.339)	-0.223 (0.414)	-0.389 (0.425)	-0.855* (0.427)
Endowment	-0.061 (0.090)	-0.021 (0.094)	0.016 (0.101)	-0.197* (0.091)
Endowment unknown	0.189 (0.100)	0.189 (0.101)	0.066 (0.110)	0.161 (0.099)
United Church of Christ	-0.234 (0.194)	0.046 (0.199)	-0.079 (0.225)	0.115 (0.191)
Disciples of Christ	-0.290 (0.223)	-0.348 (0.238)	-0.402 (0.260)	-0.352 (0.220)
Episcopal	0.007 (0.183)	0.050 (0.185)	0.063 (0.212)	-0.133 (0.180)
Lutheran	-0.172 (0.179)	0.037 (0.186)	-0.030 (0.215)	0.170 (0.179)
United Methodist	-0.011 (0.173)	-0.078 (0.175)	-0.206 (0.210)	0.002 (0.172)

Presbyterian	-0.170 (0.178)	-0.106 (0.182)	-0.135 (0.208)	-0.028 (0.176)
Unitarian Universalist	-0.146 (0.223)	-0.261 (0.242)	-0.262 (0.251)	0.106 (0.222)
Other denomination	-0.306 (0.181)	-0.110 (0.189)	-0.334 (0.232)	0.042 (0.180)
N	1525	1435	1202	1510
Pseudo R-sq	0.151	0.098	0.093	0.129

Marginal effects; Standard errors in parentheses; (d) for discrete change of dummy variable from 0 to 1

\* p<0.05 \*\* p<0.01 \*\*\* p<0.001

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<sup>i</sup>See, among other work, Deb et al., 2003, Charitable giving in the United States, *Nonprofit and Voluntary Sector Quarterly*, December 2003; Giving USA Spotlight #3, 2008, Giving during economic recessions and slowdowns, Fall 2008.

<sup>ii</sup> Bureau of Economic Analysis, National Economic Accounts, <http://www.bea.gov/national/index.htm#gdp>