

Lake Institute study highlights changes in US congregations' participation and giving

BY DAVID P. KING

Although fewer Americans are claiming a religious affiliation and the percentage of individuals who are members of a congregation is declining, more US congregations saw increases in participation and giving than experienced declines, according to a new study from Lake Institute on Faith & Giving at the Indiana University Lilly Family School of Philanthropy at IUPUI. The National Study of Congregations' Economic Practices (NSCEP) focuses on congregations rather than individuals and reveals that while some congregations are declining in size and revenue, many continue to grow.

The NSCEP is the largest and most comprehensive, nationally representative study of US congregations' finances in more than a generation. It reveals a detailed picture of the nation's more than 300,000 congregations and provides new insight into how congregations receive, manage, and spend money. The study was made possible by a \$1.67 million grant from Lilly Endowment Inc.

"There is a widespread perception that when individuals move away from religious affiliation that congregations across the board experience a drop in participation and revenue. While many congregations are experiencing declines, the overall picture is far more complex than conventional wisdom suggests," said David P. King, Karen Lake Buttrey Director of Lake Institute.

"Our study sheds new light on the rest of the story with a detailed look at congregations, their funding, and how they manage their resources."



Congregations in the US are widely diverse, not only in their beliefs and practices but also in other characteristics. The NSCEP examines differences in congregations' sizes, ages, racial compositions, and generational makeup, among other factors, and demonstrates how those differences help to shape congregations' varying approaches to economic practices.

Much less is known about congregations' finances than about those of other types of nonprofits.

"Many people who are active in congregations may be surprised by how little they know about their own congregations as well as the broader landscape of religious communities," said King. "This report can serve as a guide to the kinds of questions that people should be asking about their local congregations."

The NSCEP asked congregations to compare their giving and participation in fiscal year 2017 to three years earlier.

Key findings include:

- More than half of all congregations report growth in either the number of regularly participating adults or money received.
- Congregations experiencing the highest percentages of growth include
 - o those located on the West Coast;
 - o younger congregations formed in the past two decades; and
 - o larger congregations.

- Among religious traditions, Catholic congregations face the greatest challenges, with more than half of all parishes declining in size and revenue during the past three years. Half of mainline Protestant congregations declined in size, while only 38% indicated a decline in revenue. Just over half (51%) of black Protestant congregations reported growth in both size and revenue. Evangelical congregations reported the highest percentage of congregations remaining the same in size.
- Although Christian churches make up the vast majority of US congregations, the NSCEP finds that the houses of worship of other major religious traditions such as Judaism, Islam, and Hinduism—when taken together—show significant growth in participation and revenue, indicating growth of America’s religious pluralism.
- On average, US congregations spend almost half of their annual budgets on staff and another quarter on facilities. Individual congregations’ budgets range from a few thousand dollars to several million dollars. Twenty percent of congregations are led by part-time or bi-vocational clergy.

Not all spending goes toward congregations’ internal operations.

“Most congregations support causes and organizations that help people in their communities and around the world. Eighty-four percent of congregations have participated in some type of social service or community development program in the last year, from offering food and clothing to addressing physical or mental health needs or providing disaster relief,” said Brad R. Fulton, assistant professor at the Indiana University O’Neill School of Public and Environmental Affairs and co-principal investigator for the study.

These congregations are helping people through programs funded by congregation budgets and through direct appeals on behalf of other organizations.

“On average, congregations allocate 11 percent of their total budgets to funding missions, service, and benevolence efforts,” Fulton said. “Fifty-seven percent of congregations explicitly collect funds for other social service or missions agencies beyond their own annual budgets, such as Catholic Charities, Buddhist Global Relief, or Jewish Family Services.” The full report is available at www.nscep.org.



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About Lake Institute on Faith & Giving

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. Lake Institute is a program of the Indiana University Lilly Family School of Philanthropy. Follow us on [Twitter](#) or “Like” us on [Facebook](#).

