

THE NATIONAL STUDY OF CONGREGATIONS' ECONOMIC PRACTICES (NSCEP)

Executive Summary

The National Study of Congregations' Economic Practices (NSCEP) complicates the popular narrative that religion is in decline by showing that there is more to the story. There is both decline and growth, and congregations are not uniform – they vary widely in factors such as participation, giving, size of budget, and demographics, as well as practices and beliefs. This study provides new insight into what is happening in U.S. congregations today and how congregations receive, manage, and spend resources.

In 2018, total religious giving decreased (-1.5%, -3.9% adjusted for inflation) for the first time since the Great Recession (Giving USA 2019). Since the 1980s, religious giving (primarily giving to congregations) has decreased from over half of total U.S. charitable giving to just under 30% today. Despite the trajectory of decline in market share, giving to congregations still makes up by far the largest percentage of overall charitable giving (twice as much as the next biggest subsector, education). In such a time of change, what is the economic future of congregations?

The NSCEP is the largest and most comprehensive nationally representative study on money and congregations in over a generation. Even while fewer Americans claim a religious affiliation (Pew 2015) or membership in

a congregation (Gallup 2019), the NSCEP found that more congregations are growing than are declining in their number of participating adults and the amount of money they received. Thirty-nine percent of congregations reported a greater number of regularly participating adults in 2017 than three years earlier, and 48% reported receiving more money.

The economic practices of congregations are diverse and dynamic. Most religious traditions saw a greater percentage of their congregations increase in revenue than in participation.

- Higher percentages of black Protestant congregations report growth in participation and giving than any other group.
- Congregations of other religious groups, when grouped together, comprise the second highest group growing in revenue (53%)
- Over half of all Roman Catholic parishes experienced declines in both participation and giving.
- Half of mainline Protestant congregations experienced decline in participation even while fewer mainline congregations experienced a decline in revenue (38%).

The NSCEP takes a comprehensive look at the ways congregations receive, manage, and spend financial resources.

Receive

The vast majority (81%) of funding for congregations comes from individuals' direct contributions. And the largest percentage of that funding comes specifically through giving during religious services. However, most congregations have multiple revenue streams.

- In fact, over 75% of churches receive at least some revenue from both individual donations and special fundraisers, and 62% receive money from renting their facilities.
- On average, congregations received 22% of their giving digitally and nearly a fourth (24%) of attendees gave at least once in a digital form over the last year.
- Just over a third (35%) of congregations, on average, have an endowment. About three times as many congregations founded before 1900 have an endowment than congregations formed after that time. Evangelical and Black Protestant congregations are much less likely to have endowments than other religious traditions.

Manage

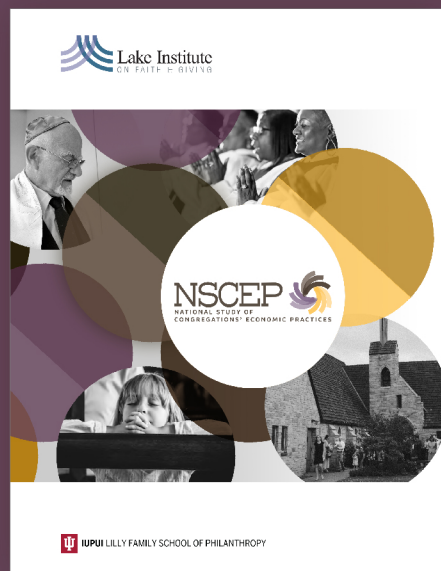
The NSCEP also sheds light on how congregations manage their resources. Unlike most nonprofit leaders, a substantial proportion of congregational leaders or clergy take a limited role in financial decisions and are hesitant to discuss finances or teach on giving.

- Most congregations ask for money weekly, but at the same time 76% of congregations explicitly discuss giving during religious services quarterly or less often. Nine percent discuss or teach about giving weekly, and among those congregations, 90% experienced revenue growth over the past 3 years.
- We find that 55% of head clergy have access to giving data, and of those with access, only 50% view giving records. Among those that have access and look, 58% reported increased revenue.
- Congregational leaders ask their members to give a portion of their resources but rarely acknowledge or thank their donors. Sixty-three percent of congregations acknowledge individuals for their gifts once a year.

Spend

Most congregations spend almost all of what they receive annually. On average, they spend nearly half of their annual budget on staff and another quarter on facilities. Yet, not all funding remains in the congregation, with the majority of congregations raising money for outside organizations bringing tangible benefits to local communities.

- Clergy compensation ranges from no compensation to approximately \$350,000. Twenty percent of congregations employ bi-vocational or part-time pastors.
- Spending on missions makes up, on average, 11% of a congregation's budget and spending on programs make up 10%.
- Eighty-four percent of congregations participate in social services, half raise money for outside organizations.
- While larger percentages of congregations spend some of their missions budget locally (96%), many also fund work nationally (78%) and internationally (66%).



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