AMERICA’S Religious Congregations: Measuring Their Contribution to Society
The Research Program at INDEPENDENT SECTOR promotes the understanding of charitable organizations by developing research that accurately defines and charts the nonprofit sector and ways it can be of greatest service to society. It conducts empirical research and convenes forums with its partners to produce useful information for those who work in and support the nonprofit sector in the United States and abroad.

Launched in 1996, the Measures Project is a major initiative of the INDEPENDENT SECTOR Research Program. The long-term goal of the project is to measure the impact of the third sector on society. Building a body of knowledge about the roles and contributions of nonprofit institutions is a central component of the project.
AMERICA’S Religious Congregations:
Measuring Their Contribution to Society

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America's Religious Congregations illustrates findings from two INDEPENDENT SECTOR national surveys of religious congregations, the Measures Survey in 1998 and From Belief to Commitment conducted in 1992. It also contains relevant data from other INDEPENDENT SECTOR research projects, such as Giving and Volunteering in the United States and the Nonprofit Almanac. The focus of this work is to identify the role and contribution that religious congregations make to American society.

The data presented in this booklet focus on local congregations of all faiths. This includes churches, synagogues and mosques, as opposed to denominational organizations or other religious charities, such as Catholic Charities, or religiously affiliated institutions, such as schools or hospitals. The findings are of particular interest to leaders of religious organizations, researchers, policy makers, the media, and all who are interested in religion and the nonprofit sector.

We gratefully acknowledge The Ford Foundation, The Lilly Endowment, and other donors for supporting the INDEPENDENT SECTOR Measures Survey. Thank you to Reverend Margaret Graham, St. John's Church, Georgetown Parish, Washington, DC, for reviewing and commenting on drafts of this publication.

For more comprehensive information and complete methodology, please reference Balancing the Scales: Measuring the Contributions of Nonprofit Organizations and Religious Congregations (2001), From Belief to Commitment, and Giving and Volunteering in the United States, published by INDEPENDENT SECTOR.

Additional copies of America's Religious Congregations and other INDEPENDENT SECTOR publications are available by calling 1-888-860-8118 or online at www.IndependentSector.org.

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Overview

Freedom of religious choice and the right to free assembly have always been essential elements of American civil society. In fact, the First Amendment of the Constitution protects these rights. Religious congregations have served important roles in communities throughout American history. They are local groups of people with common beliefs who meet together for religious worship.

According to INDEPENDENT SECTOR estimates, in 1997 there were more than 353,000 religious congregations in the United States. This represents nearly one-fourth of all nonprofits. INDEPENDENT SECTOR surveys reveal that the majority of congregations were founded between 1931 and 1970. Most are located in residential neighborhoods within metropolitan areas while rural areas account for 14% of congregations. On average, congregations have approximately 100 to 400 members. Annual expenditures for all congregations ranged from an average of $56,000 for small congregations to $432,000 for large ones.

Recent studies have confirmed that congregations engage in a variety of activities beyond religious worship and education. Many offer programs directly through their congregation, while some collaborate with other organizations to provide services, including other nonprofits, governmental agencies, and companies. Most mobilize their members to volunteer or to give financial support to these programs. Individual giving remains the major source of financial support for congregations and their programs.

Changes made to welfare policy in 1996, known as "charitable choice," heightened public attention to the role congregations play in providing services

<table>
<thead>
<tr>
<th>CONGREGATION CHARACTERISTICS BASED ON SIZE</th>
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<tr>
<td>All</td>
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<tr>
<td>---</td>
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<tr>
<td>Percentage of All Congregations</td>
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<tr>
<td>Average Members</td>
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<td>Average Expenditures</td>
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The total revenue of religious congregations reached $81.2 billion in 1996, the last year for which figures are available. More than $68.2 billion was generated from private contributions, 94% of which was given by individuals. Other sources of revenue included bequests, funds from denominational or other organizations, and 16% of revenue originated from dues and program fees.

Revenue and Expenditures

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For more information on congregations and charitable choice, please see the Resources Section at the end of this booklet.

To the most needy. Under this new federal law, congregations are now eligible to receive public funds to carry out human service programs that include a faith component so long as there is a secular alternative in the community.

Today, there is continuing interest in encouraging congregations to take a more active role in other federal programs. Congress is currently considering several bills enabling faith-based organizations to compete for other federal program contracts, including those in public health, drug and violence prevention, housing and literacy.

1For more information on congregations and charitable choice, please see the Resources Section at the end of this booklet.

CONGREGATION REVENUES (1996)

Collections made during religious services were the source of 58% of individual contributions to congregations. The remaining donations came through pledges and fixed fees. The 1993 study *From Belief to Commitment* found that smaller congregations rely more heavily on collections while larger congregations, those with 400 or more members, collect over 40% of contributions through pledges.

Expenses for religious congregations totaled $79.1 billion in 1996. Over 70%, or $55.8 billion covered operating expenses. Other expenses included $10.3 billion for property improvements and acquisition, and $9.6 billion in donations to other organizations and individuals. Congregations set aside an average 4% of total expenses for savings.

Costs related to personnel (including wages, salaries, and fringe benefits) accounted for more than half of operating expenses. Of the $9.6 billion in donations by religious congregations, 66% was distributed within the denomination, 23% to organizations outside the denomination, and 11% was given in direct assistance to individuals.

### TOTAL CONGREGATION EXPENDITURES (1996)

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Total Dollars</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>$55.8 billion</td>
<td>71%</td>
</tr>
<tr>
<td>Property improvements and acquisitions</td>
<td>$10.3 billion</td>
<td>13%</td>
</tr>
<tr>
<td>Donations to organizations and individuals</td>
<td>$9.6 billion</td>
<td>12%</td>
</tr>
<tr>
<td>Savings</td>
<td>$3.4 billion</td>
<td>4%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$79.1 billion</td>
<td>100%</td>
</tr>
</tbody>
</table>


### CONGREGATION OPERATING EXPENSES (1996)

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Total Dollars</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>$25.6 billion</td>
<td>46%</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>$6.7 billion</td>
<td>12%</td>
</tr>
<tr>
<td>Professional fees and other payments</td>
<td>$0.9 billion</td>
<td>2%</td>
</tr>
<tr>
<td>Supplies, services and other costs</td>
<td>$12.6 billion</td>
<td>23%</td>
</tr>
<tr>
<td>and other costs associated with occupancy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other supplies and services</td>
<td>$5.1 billion</td>
<td>9%</td>
</tr>
<tr>
<td>Radio &amp; TV broadcasts</td>
<td>$0.3 billion</td>
<td>1%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$4.7 billion</td>
<td>8%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$55.8 billion*</td>
<td>100%*</td>
</tr>
</tbody>
</table>

*May not add to total due to rounding.

Involvement

Millions of Americans participate in worship activities, volunteer time and contribute money to religious congregations each year. According to INDEPENDENT SECTOR’s 1999 survey of Giving and Volunteering in the United States, 76% of respondents attended religious services at least once in the previous year. Half of these attendees went to services weekly or nearly every week.

Those households that regularly attended worship services gave and volunteered at a higher rate than those with limited religious participation. Religious congregations engaged some 45 million volunteers and received the greatest share of total annual household contributions (60%).

Nine out of ten congregations used volunteers. A previous INDEPENDENT SECTOR survey (1993) showed that 57% of total volunteer time in congregations was devoted to religious worship and education. The remaining volunteer hours were spent on additional congregational programs, including 15% on education, 9% on health, and 8% on human services and welfare.

Other INDEPENDENT SECTOR research indicates that approximately 1.3 million paid employees worked for religious congregations in 1998. This represented 11% of employment within the nonprofit sector.

Programs

Religious congregations in the United States typically conduct religious services and offer religious education to their members. Also, congregations provide many services to communities beyond these spiritual programs. An INDEPENDENT SECTOR survey in 1992 revealed the types of activities in which congregations were involved, both directly and indirectly.

The three most frequent activity areas were in human services (92%), health (90%), and international programs (74%). Most congregations ran their own human service and health programs internally. However, they primarily supported the international programs of other organizations or those within their denomination. Very few congregations created a separately incorporated organization to run programs.

The Measures Survey, a study conducted by INDEPENDENT SECTOR in 1998, asked religious congregations to identify up to three of their most important programs or activities by revenues expended in 1997. Nearly two-thirds of congregations described missionary or outreach programs to underprivileged populations, in both the United States and abroad. These programs often combined sharing religious messages with providing needed social services. Specific responses included:

- Local mission work (providing food and shelter).
- Ministry to local area.
- Mission trips (building churches and renovating houses).
- World service (monies going to missions and other religious services).
Programs addressing social needs were described as an important activity by 40% of the congregations. These services primarily focused on basic human needs, like food and shelter. Others operated daycare centers, drug recovery programs, or provided gifts to those who otherwise may not have received one during a holiday. A number of congregations specified they donated money to other organizations that provided social services, while some provided monetary assistance directly to their needy members.

For only 19% of congregations, faith or affiliation with a religion was a prerequisite for gaining access to programs or activities. However, congregations were not asked to specify which programs had this prerequisite.

Over 72% of congregations had a formal statement of moral or ethical beliefs, far more than other types of nonprofit organizations. For most congregations, this is manifested through the selection of clients, the ways services are delivered, and the type of work in which the congregation is involved.

Nearly two-thirds of congregations felt the level of services requested in 1997 was higher than in 1996, but 46% felt the level was only a little higher. To meet the increased demand, they most often referred people to other organizations. Some opened a new program, worked overtime, or added capacity to an existing program. Less than 10% put people on a waiting list and 19% turned people away.
A major question posed by the Measures Survey was whether or not religious congregations provided unique services. Most congregations believed they do. Only 35% of congregations indicated they offered services that were also available through governmental agencies. Even fewer (24%) felt that their services were available through for-profit businesses.

Religious congregations expressed that the primary difference between their programs compared to those in government or business is that they incorporate religion or spirituality into their services. One congregation stated, for example, that "We [congregation] provide the program or activity with a spiritual dimension, i.e. parenting classes through the eyes of faith."

Compared to government agencies, congregations believe they provide programs to individuals who may not qualify for governmental assistance and often do so with less paperwork. One benefit, they suggested, is providing help more quickly.

Compared to for-profit businesses, congregations believe their programs cost less and are prompted by different motives. For example, "Our [congregation’s] goal is to minister and help others rather than make money."

In 1997, less than 20% of congregations charged fees for their programs or services. This is far less frequent than other types of nonprofit organizations. Nearly 85% of these congregations adjusted their fees by the ability of recipients to pay, and only 8.3% increased fees for their programs.
Civil Society

Religious congregations also engage in activities that influence public policy. To accomplish this, 35% participated in coalitions with other organizations. A similar percentage of congregations sent a representative to personally meet with elected or appointed public officials.

Over 27% of congregations actively supported issues by writing editorials or letters to the editors of newspapers or magazines, and 16% bought advertising time or space in some type of commercial media for advocacy. In addition, 16% paid dues to an association or belonged to a coalition that advocated or lobbied on their behalf.

Measuring Results

Record keeping and program evaluation are not uncommon activities among religious congregations. In 1997, 66% of congregations routinely collected or reported data on units of service provided, and 53% kept records on the cost of services. Fewer congregations collected or reported data on client satisfaction, changes in the condition of those who received services or quality of services provided.

According to the Measures Survey, most religious congregations regularly collect data and report on their accomplishments or results for some or all of their programs. More than two-thirds performed evaluations at least once every two years, including evaluating the performance of staff (58%), conducting an internal evaluation (49%), and soliciting feedback from participants (48%).

While most religious congregations collected data about their programs, they did so less frequently than other types of nonprofit organizations. This could partially be explained by the fact that stakeholders were less likely to ask congregations to measure accomplishments. One-fourth received requests from their board of directors, and some reported information to denominational organizations. Very few were asked for results from private donors, foundations, accreditation societies or government agencies.
When they do collect information, congregations primarily shared results with inside personnel and their board of directors. Many used the information to improve how programs are conducted, to decide whether to add or drop certain programs and to motivate volunteers and staff.

Congregations felt their biggest challenge to evaluating results, aside from financial constraints, was that some of their results are intangible. For example, it would be very difficult to assess the spiritual growth of members. Many congregations also felt that the success of their work can best be described by how it fulfills their spiritual calling.

More than one-third of congregations expressed a lack of knowledge of how to measure accomplishments, and some have a limited capacity to collect and manage data. Few congregations indicated that there was a lack of support from their board.
Future Challenges

INDEPENDENT SECTOR asked congregations to describe what they believe will be their biggest challenge over the next five years. The three most common responses were: financial challenges, personnel issues, and changing demographics.

Most financial challenges centered around fears that congregations would not have enough money in the future.

Specific responses include:
- Funding what appears to be a growing demand for services.
- Financial health (current debt load keeps congregation from funding other ministries and increased staff).
- Money to provide extra paid staff to meet and reach more of the community’s needs.
- Fewer dollars contributed by current members.
- Ability to financially support existing and proposed programs.
- Finding money to build a new building.

Personnel issues focused on burnout and predicted deficits of qualified staff and volunteers to carry out the congregation’s work.

Specific responses include:
- Heavy work load and stress on paid staff.
- Change of leadership, especially at the pastoral level.
- Priest shortage.
- Leadership development and expansion.
- Outgrowing our current staff capabilities.
- Training volunteers to do the work of ministry vs. hired professional staff.

- Maintaining growth rate to keep a large pool of volunteers.
- Time pressure of people because of working schedule of both parents. Finding time to work for the Lord.

Congregations predicted a number of demographic changes that will have a direct impact on their work. Many focused on generational shifts and diversity issues. In addition, some congregations described changes in the size of their community’s population.

Specific responses include:
- Changes of ministries to meet the needs of the communities because of economic, social, and age changes.
- Meeting the needs of elderly and providing needs of the young at the same time.
- Making Christ relevant to young people.
- The elderly community country-wide is becoming larger and their requirements need to be addressed.
- Reaching out to those seen as ‘different’ from current congregation.
- Racial inclusiveness that reflects the community.
- Evolving family problems reflecting two working parents, latch-key kids, pressure on youth to achieve, single parent homes, etc.
- Our community has moved away from us.
- Exploding local population.

Without a doubt, religious congregations play important roles in their community. Societal changes relating to economics, employment, and demographics affect congregations in unique ways. By identifying and addressing these challenges, religious congregations can continue to serve important community functions into the future.
RESOURCES FOCUSING ON RELIGIOUS CONGREGATIONS AND CHARITABLE CHOICE:

- **Call to Renewal**, 2401 15th Street, NW, Washington, DC 20009, 800-523-2773, www.calltorenewal.com
- **Center for Public Justice**, 2444 Solomon’s Island Rd. Suite 201, Annapolis, MD 21401, 410-571-6300, www.cpjustice.org

INDEPENDENT SECTOR SOURCES:


ADDITIONAL RESOURCES ON RELIGIOUS CONGREGATIONS:

The following represent a few recent national studies and organizations focused on the contributions of religious congregations to society. You may also wish to explore resources within specific denominations or communities.

- **Hartford Institute for Religion Research**, Hartford Seminary, 77 Sherman Street, Hartford, CT 06105, 860-509-9543, hirr.hartsem.edu
- **National Congregations Study**, Dr. Mark Chaves, Department of Sociology, University of Arizona, P.O. Box 210027, Tucson, AZ 85721
INDEPENDENT SECTOR is the only national forum that brings together foundations, corporate giving programs, and nonprofit organizations to strengthen America’s nonprofit sector. INDEPENDENT SECTOR members include many of the nation’s leading foundations, prominent and far-reaching nonprofits of all sizes, and Fortune 500 corporations with strong commitments to community involvement.