

Giving to Religion—A Changing Landscape

By

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Every year the subsector in the United States that receives the largest share of charitable dollars is religion. In 2012, the total charitable dollars were \$316.23 billion. Of this amount, the largest share went to religious causes—32%.

“Collectively, religious organizations are perhaps the most significant and important social institution in America. While this might seem like a bold statement, statistics abound on the important of religion to the American way of life”¹

When Giving USA compiles giving to the religious subsector, it includes religious congregations, houses of worship, offices of denominations and faith groups, missionary society, religious media, and organizations formed for religious worship, fellowship or evangelism. It does not include other faith-based organizations such as education or healthcare.²

However, there has been a decline in charitable giving in the religious subsector, partly explainable by declining church membership, especially among young adults. Other factors are ethnic composition, age and social as well as economic stability.³ These comparative figures are revealing of this decline.

1970.....	\$18.3 Billion given.....	44.80% went to religion
1980.....	\$47.74 Billion given.....	46.3% went to religion
1990.....	\$122.57 Billion given.....	53.7% went to religion
2000.....	\$203.45 Billion given.....	36.5% went to religion
2011.....	\$298.42 Billion given.....	32% went to religion

¹ *The 2013 Congregational Economic Impact Study*, IU School of Philanthropy and the Lake Institute for Faith and Giving, p. 9.

² *Giving USA 2013*, p. 121.

³ *Giving USA 2013*, Giving USA Foundation, p. 40.

“What sits behind this decline in religious giving? While for the moment there are no clear answers, there are storm clouds bearing a watchful eye as religious giving is a barometer of larger cultural issues.

- The decline in both church attendance and formal institutional membership.
- The generational shifts in religious practice, participation and styles of giving.
- The dominance of large congregations as the church of choice of attendees: the larger the congregation the greater the number of "free riders" - people who attend but do not give.
- The silence of religious leaders and congregations in talking and teaching about the faithful use of possessions apart from the annual obligatory stewardship or giving sermon.
- The failure to adapt best fundraising practices to congregational life, leaving congregations dependent on an outmoded, one-dimensional approach to giving.”⁴

The news, however, is not all grim. There are many congregations that maintain giving during tough economic times. The secret to their success is that these congregations believe in generosity as a practice, that giving is a virtue, that they inspire their members, and that use a variety of fundraising strategies.

There are numerous studies all showing that people who attend church, mosque or synagogue weekly (or two to three times a month) are between two and four times more generous in their charitable giving than those who attend less frequently or not at all.

- People of strong faith commitment are not only more generous in their religious giving they are also generous in their secular giving.
- The more important religion is to a person, the more likely that person is to give to a charity of any kind.
- Among Americans who claim a religious affiliation, the study said, 65 percent give to charity. Among those who do not identify a religious creed, 56 percent make charitable gifts.
- About 75 percent of people who frequently attend religious services give to congregations, and 60 percent give to religious charities or nonreligious ones. By

⁴Insights of Dr. William Enright, Lake Institute 7/3/2012, *Giving USA 2012 Report*, “Fasten Your Seatbelts for a Bumpy Ride!”

comparison, fewer than half of people who don't attend faith services regularly support any charity, even a secular one.⁵

What can help increase giving? According to Brian Kluth, some factors are:

Use of more financial and generosity teaching initiatives, such as sermons, seminars and classes.

Using more electronic means for giving, such as cell phone applications, automatic bank withdrawals and lobby kiosks.

Procedures that ensure financial transparency and accountability. *"It is important that churches properly self-govern in financial matters,"* said Dan Busby, president of ECFA. *"The 'State of the Plate' research shows that a significant number of churches are concerned about financial integrity and accountability. Our research shows that many churches are implementing strong financial accountability practices."*⁶

Dr. Bill Enright of the Lake Institute for Faith and Giving has summarized this paradigm shift in religious giving in the following way:⁷

Old Paradigm

Moral obligation
Theology of Duty
Institution Centered
Institutions are to be trusted
Budgets are need-driven
Giving is a contribution
Fundraising is raising money
Different from business

Emerging Paradigm

Donor cultivation
Theology of Grace
Donor Centered
Institutional trust must be earned
Giving is value-driven
Giving is creating change
Fundraising is nurturing generosity
Embraces business principles and practices

Other resources:

Brian Kluth, www.stateoftheplate.info

www.givingusareports.org/

⁵ Adapted from Alex Daniels, "Religious Americans Give More, New Study Finds," *Chronicle of Philanthropy*, Nov. 25, 2013.

⁶ Quoted in Brian Kluth, "New Research: 5 Major Trends Impacting Church Giving," *4th Annual 'State of the Plate' Survey*.

⁷ Adapted from "The Changing Landscape of Religious Giving," presented by Dr. Bill Enright, Nov. 2012.

The 2013 Congregational Economic Impact Study, IU School of Philanthropy,
<http://www.philanthropy.iupui.edu>

MAXMUM Generosity: In mainstream media circles, Brian Kluth (www.BrianKluth.com), founder of "State of the Plate" research and the MAXIMUMgenerosity.org website, is known as "America's Giving Guy." A best-selling author, speaker and media commentator, Kluth's book "40 Day Journey to a More Generous Life," has become a bestseller, with a half-million copies sold. Kluth is a speaker for the www.GiveWithJoy.org radio program and the www.GenerosityPledge.org movement.

ECFA (www.ecfa.org), based in Winchester, Va., is an accreditation agency dedicated to helping Christian ministries earn the public's trust through adherence to Seven Standards of Responsible Stewardship™. Founded in 1979 and now with more than 1,600 members, ECFA provides accreditation to leading Christian nonprofit organizations that faithfully demonstrate compliance with established standards for financial accountability, fundraising and board governance. Members include Christian ministries, denominations, churches, educational institutions and other tax-exempt 501(c)(3) organizations. Collectively, these organizations represent more than \$20 billion in annual revenue.