



# Study of COVID-19 Impact on U.S. Methodist Church Giving

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## Background

The financial impact on churches was immediate and significant when the world shut down in response to the COVID-19 pandemic in March 2020. Religions that relied heavily on member giving which occurred during the weekend services were hit especially hard, including the Methodist Church.

While the world will never be the same as it was before the pandemic, restrictions on activity caused by COVID-19 have been lifted in most instances. People are back to work, children are back to school, and congregants can worship in person again.

The purpose of this study is to understand the impact of COVID-19 on U.S. Methodist Church giving. The study was designed to test the following hypotheses:

1. The decrease in church attendance since the pandemic started has led to a decrease in church collections.
2. Larger churches with more financial resources were able to weather the storm of the pandemic better than smaller parishes.
3. COVID-19 increased the rate of adoption of digital donation methods by both churches and congregants.

The first hypothesis **was supported**. After an initial drop, total church giving has partially recovered in this sample but remains below pre-pandemic levels in year two.

The second hypothesis **was not supported**. The difference in size of church was significant in predicting percentage change in collections. However, the smallest churches experienced the largest increase in collections, while large and mega sized churches (collections between \$750k and \$3 million), experienced the largest decreases in collections.

The third hypothesis **was supported**. Both the number of congregants utilizing digital giving methods and the share of digital gifts roughly doubled following the onset of the pandemic. Since the pandemic, the share of digital gifts has remained at the higher level but has not continued to increase.

**Key Findings – Numbers across all protestant churches are included in parentheses.**

1. There was an 11% (5%) drop in collections in the first six months of the pandemic (April – September 2020). In the following six months, the drop from pre-pandemic levels was reduced to 5% (1%).
2. Total collections for the 786 churches in this study was only slightly lower in the second year of the pandemic relative to pre-pandemic levels \$655 million to \$634 million. However, when adjusted for inflation over the two year period, this represents a 16% (10%) drop in purchasing power.
3. The number of donors dropped 27% (24%), from 202,900 to 148,422, in the first six months of the pandemic. The number of donors rebounded slightly since 2020 but remain 19% (16%) below pre-pandemic levels. This poses a risk to the long-term sustainability of many churches.
4. Encouragingly, annual per donor giving increased 19% (22%) in the first year of the pandemic, from \$3,282 to \$3,905. This is likely a combination of a selection effect of larger donors being more likely to continue giving, increased generosity in response to the need, larger gifts from the biggest donors, increased giving capacity for those who received stimulus funds, and benefits of the shift to recurring online giving.
5. 36% (50%) of churches in this study saw collections increase compared to 61% (46%) which experienced decreases. 4% (4%) experienced a change of less than 1% in collections. In the tails 19% (34%) had collections increase over 10% and 40% (29%) had collections decrease over 10%.
6. Total overall giving decreased for Methodist churches in all regions of the country. Differences across region were not statistically significant.
7. Average annual gifts per donor are correlated with church size. Larger churches experience larger average giving per donor.
8. Church size had a statistically significant impact on the change in collections. The smallest churches (total annual collections less than \$250k) were the most likely to experience an increase in collections while larger churches were less likely.
9. The onset of the pandemic was accompanied by a swift increase in the rates of digital giving. The share of donors utilizing digital giving method increased by 140% and the share of collections received digitally increased by 99% comparing April-September of 2020 to April-September of the previous year.

**Methodology**



[ACS Technologies](#) (ACST) is a leading comprehensive provider of operational, relational and educational ministry software and service solutions to nearly 50,000 churches, schools, dioceses, and denominational offices.

The Center for Church Management in the Villanova School of Business and Wheaton College partnered with ACST to study the ongoing effects of the COVID-19 pandemic on church giving.

Our study requested and received five years of giving data for an anonymized sampling of 786 Methodist churches operating in the United States. Of these churches, the vast majority (767) belonged to the United Methodist Church, 7 to the Free Methodist Church and 12 did not explicitly identify. The data did not include any identifier other than the church's denomination and state in which the church was located.<sup>1</sup>

The effects of COVID-19 on church operations and method of attendance primarily began in the middle of March 2020 and the impact on collections was most significant beginning in April 2020. For analysis purposes, church collections were organized in six-month segments from April to September, which included Easter each year, and from October to March, which included Christmas each year. ACST also provided the total number of donors who contributed in those same six-month buckets.

The five-year period from October 2017 through September 2022 was analyzed.

The data set includes Methodist churches from 41 states as well as Washington DC. The distribution is over-represented relative to the Methodist population in the South and underrepresented for the Methodist population in the West. Given the large sample size of 786 Methodist churches, we believe the findings for this sample are still instructive for church leaders looking to understand macro trends.

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<sup>1</sup> Selection was conditional on the use of ACST throughout the entire observation period. None of the churches selected entered or exited operation or participation with ACST during the observed period. Representation beyond the particular dataset employed is not guaranteed.

**Table 1: Methodist Distribution by Region**

	2014 Pew Population Share	2022 ACST Data Donor Share	2022 ACST Data Church Share
Northeast	16%	6%	9%
Midwest	26%	16%	18%
South	49%	76%	70%
West	9%	2%	3%

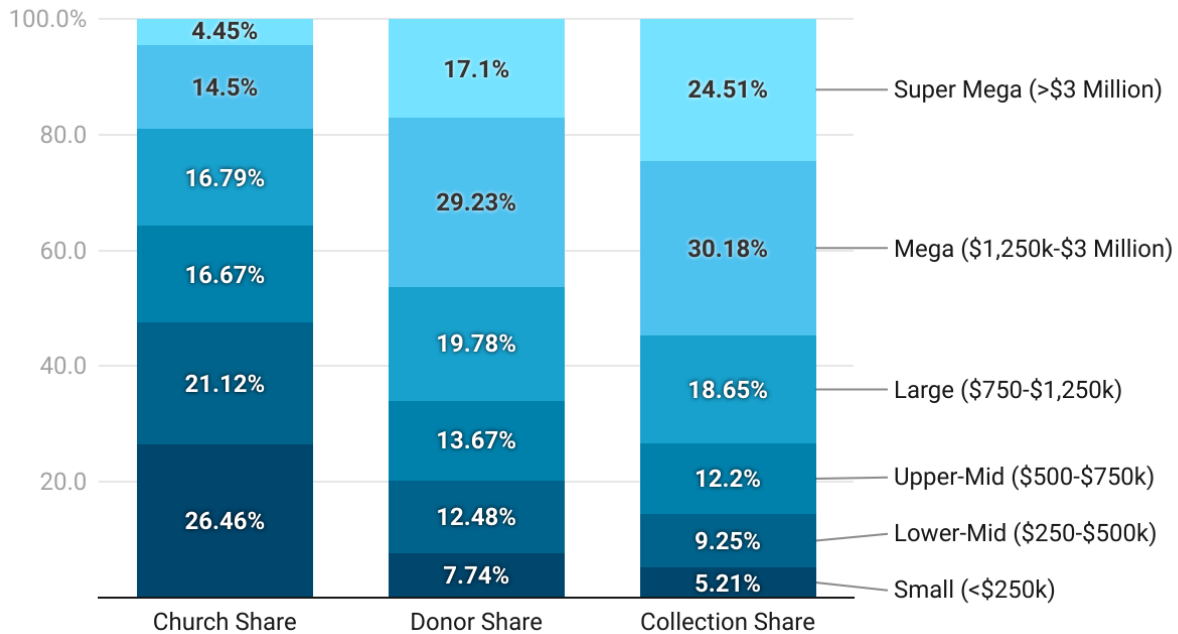
*Pew Data comes from 2014 U.S. Religious Landscape Study. Pew Research Center's Religion & Public Life Project.  
<https://www.pewresearch.org/religion/religious-landscape-study/>*

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Total overall giving decreased for churches in all regions. Compared to pre-pandemic levels, the largest to smallest decreases were: Southwest (-10%), Northeast (-7%), Midwest (-6%), West (-5%) and Southeast (-2%) compared to pre-pandemic levels. However, differences were not statistically significant across geographic regions.

The distribution of church sizes in this data set, based on the size of pre-pandemic annual collections, is provided in Figure 1. Roughly 1/4<sup>th</sup> of churches (208) were classified as small (receiving less than \$250k in collections in the 12 months period ending March, 2020). Over the same period, 19% of churches (149) in our dataset were classified as mega or super mega (receiving greater than \$1,250k in collections). As expected, if we look at the share of unique donors and collections received, this pattern reverses with small churches representing 8% of donors and 5% of gifts while mega and super mega churches represent 46% of all donors and over 55% of all collections.

**Figure 1: Distribution by Church Size**

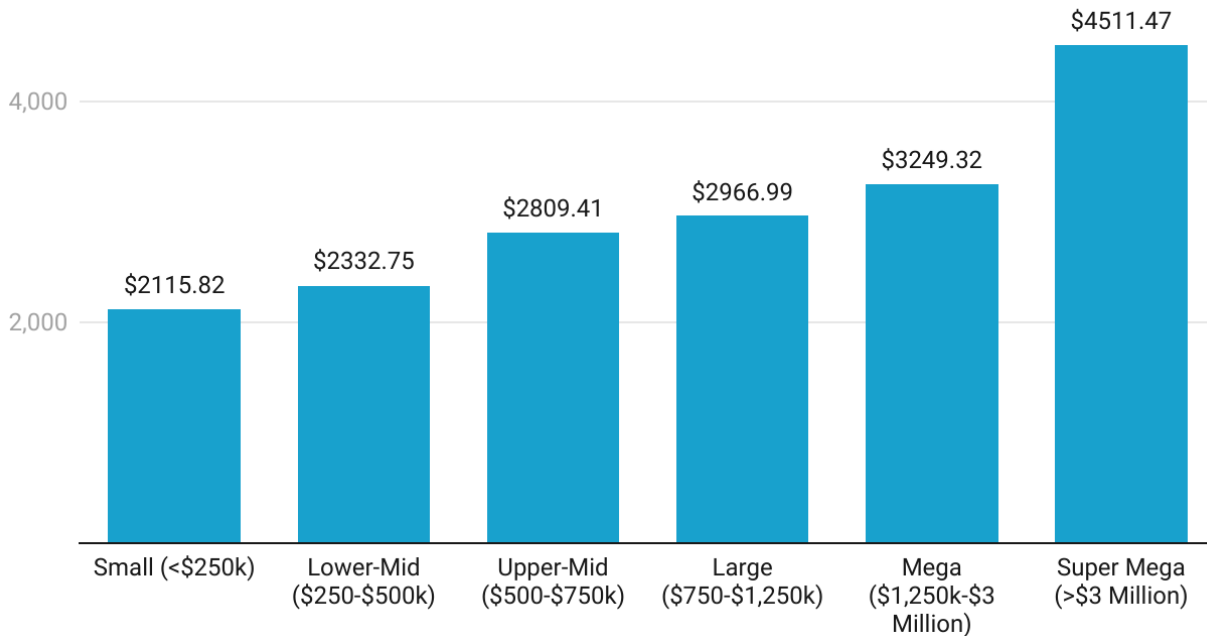


*Church size is based on annual Pre-COVID giving (12-month period ending March, 2020)*

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As the careful reader may have inferred from the previous figure, this implies that average giving per unique donor is increasing with church size. The pattern is smooth across sizes and quantitatively important. Average gifts per donor from super mega churches in our sample (\$4,511) are more than double the average gifts per donor from small churches in our sample (\$2,116). The full results can be viewed in Figure 2. Readers are encouraged to be careful with interpretation of this result. For example, it is possible that average giving per congregant is larger at larger churches. However, the reverse could be true if a larger share of congregants contribute to collections at smaller churches.

**Figure 2: Avg. Giving per Unique Donor Split by Church Size**



*Church size and average giving are based on annual Pre-COVID giving (12-month period ending March, 2020)*  
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Notably, churches with the smallest amount of collections pre-COVID (<\$250k annually) were most likely to experience an increase in collections following COVID (44%). On the other end of the size distribution, only 23% of the largest churches (>\$3 million in annual collections) have experienced an increase in collections since COVID.

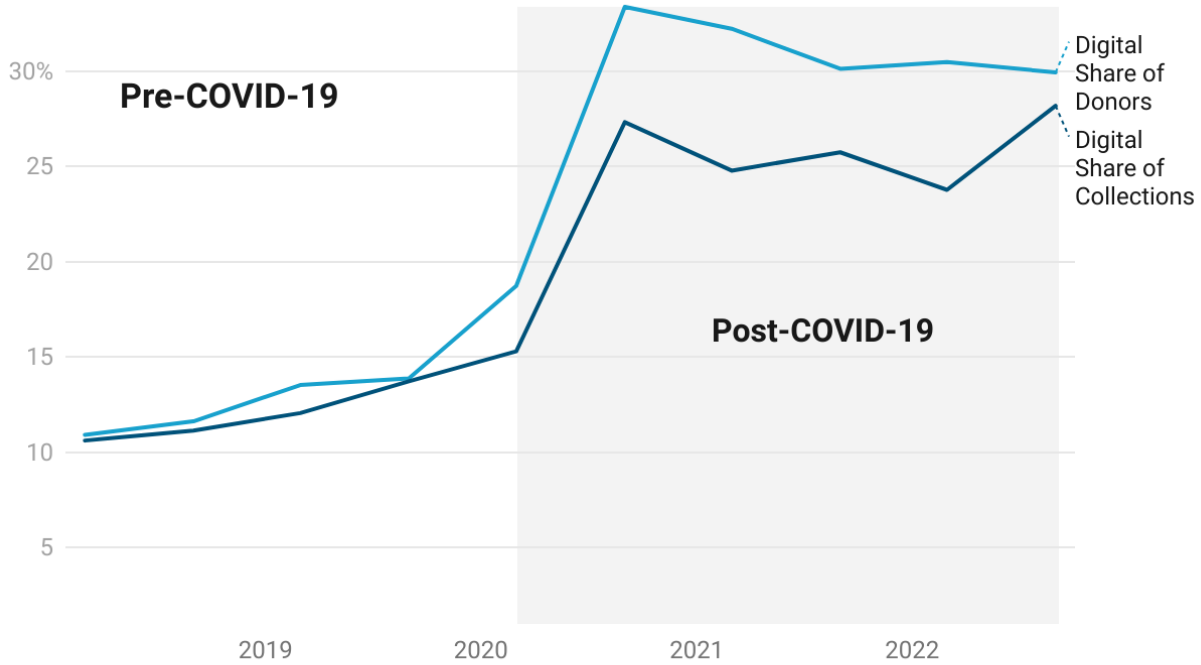
### Digital Giving

Among the 557 churches in our sample which were participating with ACST as of March 2012, only 20% were equipped for digital gifts at that time. By September 2022, this share had increased to 84%.<sup>2</sup>

While the increasing trend in digital giving has been consistent throughout the observed period, it was accelerated during COVID-19. Prior to the pandemic, less than 15% of all gifts were received through digital mediums. As can be observed in Figure 3, within the first six months following the onset of COVID in the US, that share had increased to 27% and has remained around that level through September of 2022.

<sup>2</sup> The reader is encouraged to keep in mind that all churches in our dataset have employed ACST tools and may have systematically different behavior relative to the entire population of churches.

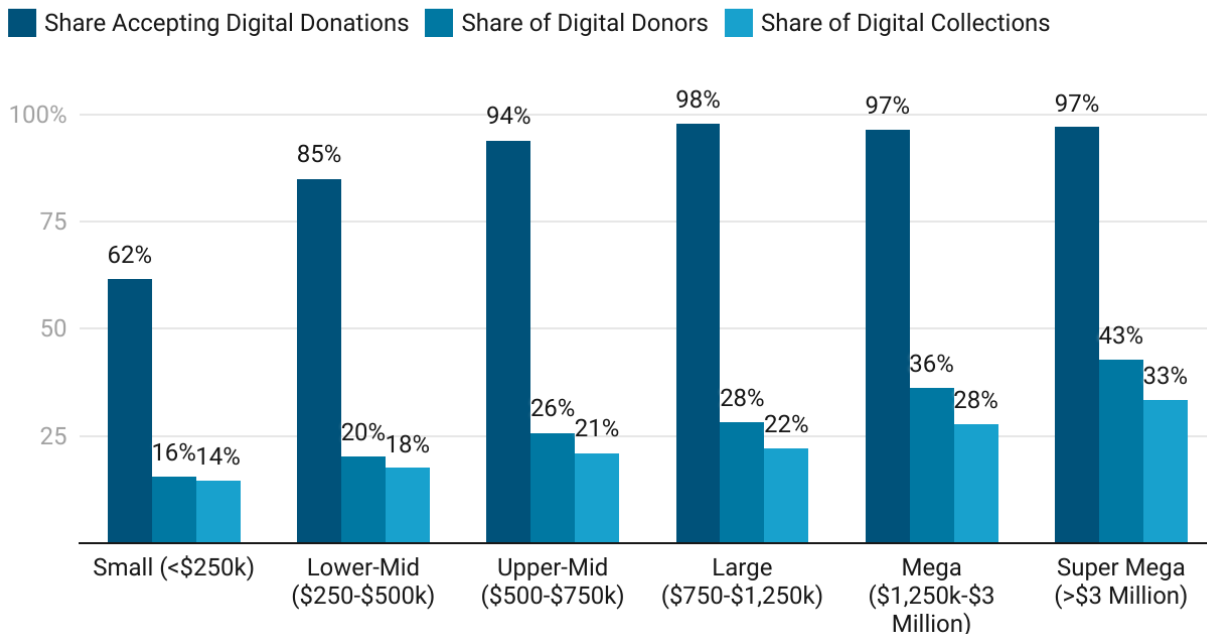
**Figure 3: Share of Digital Donors and Collections**



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When we split churches by size, similar trends are observed. However, the largest churches are more likely to extend digital options for giving. 97% of super mega churches compared to 62% of small churches provided a digital giving option in the most recent year we received data for (ending September of 2022). Additionally, the share of gifts received digitally also increases with church size. Among the largest category of church size (super mega) 43% of donors utilize digital giving methods and 33% of collections are received digitally. This contrasts with the smallest churches for which roughly 15% of donors give and donations are received digitally.

## Figure 4: Digital Shares by Church Size



*Church size is based on annual Pre-COVID giving (12-month period ending March, 2020)*

Created with Datawrapper

One final observation regarding digital collection methods is that digital donors gave less annually on a per donor basis relative to those who used traditional giving methods (roughly 15% less).

The appendix includes the rest of the data analysis and charts in presentation form.

### Recommendations

The rebound from the COVID-19 drop in 2020 and the subsequent increase in giving over pre-pandemic levels is good news and should be celebrated. There are many negative trends in the church today and this rebound is an encouraging pattern.

The 19% increase in the average per-donor giving from \$3,282 per year to \$3,905 per year is dramatic. Once again, we caution the reader in interpreting this statistic. It is possible that existing donors increased their average gifts, but it is also possible that this result is partially explained by a reduction in donors who gave smaller amounts prior to COVID. Further analysis to better understand how much of this change is driven through selection effects compared to a change in giving behavior by continuing givers is encouraged. Churches should look at this metric for their community and should ensure proper stewardship and appreciation for the generosity of their remaining donors.





The decrease in the number of people supporting the church is concerning. These may be people who attended and gave infrequently pre-pandemic, and the COVID-19 closures led them to stop altogether. A shrinking base of supporters who are more generous can sustain things in the short-term, but a smaller group of donors may be unable to support the current ministries and infrastructure in the long-run. Without a change in this trend, more church mergers and closures will be inevitable. There is also the risk that a smaller number of more significant donors could have an outsized influence on the direction of the local church, which could lead to unfavorable outcomes on several levels.

Church leaders should consider a personalized and individual outreach to lapsed donors seeking to re-establish a relationship with the church community. Over time, this could lead to a rekindling of their faith, and as a by-product, support for the mission again. Personalized individual outreach is time-consuming and labor intensive, yet it is also the fundamental evangelizing work of missionary discipleship to which we are all called.

The impact of inflation on the spending power of churches must also be considered and watched closely. Given the decreased value of a dollar due to inflation, if present day dollars are adjusted for inflation, the \$634 million from April 2021 to March 2022 is reduced to \$544 million. That means Methodist churches have 16% less spending power today than they did pre-pandemic.<sup>3</sup> It is likely that increases in church salaries, similar to most sectors of society, have not kept up with the cost of living. Many church workers already sacrifice earning potential for the sake of the mission, but the reality of inflation could cause an even greater strain today. This is a potential risk to the talent pool currently employed by churches and should be monitored.

### **Next Steps**

The Center for Church Management in the Villanova School of Business and Wheaton College are excited to continue to partner with ACS Technologies to unleash the power of data and analysis for the benefit of church leaders. Additional studies of the impact of COVID-19 on other traditions will continue throughout 2023.

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<sup>3</sup> The adjusted 2019 numbers (brought to 2018 real dollars) were \$647 million. The change in purchasing power was calculated as  $16\% = \$544 \text{ million} / \$647 \text{ million} - 1$ .