



Study of COVID-19 Impact on U.S. Episcopal 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 Episcopal 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. Southern Baptist Convention 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 nearly recovered in year two when measured in nominal terms but has eroded in real terms relative to pre-pandemic levels.

The second hypothesis **was not supported**. The reverse was observed in the data for Episcopal churches. Relative to their larger counterparts, smaller churches were more likely to experience an increase in giving since COVID and they also experienced the largest increase in overall collections.

The third hypothesis **was supported**. The number of congregants utilizing digital giving methods has increased by 156%. In other words, there are now more than 2.5 digital givers for every congregant giving digitally prior to the pandemic. The share of digital gifts has more than doubled following the onset of the pandemic.

Key Findings

1. There was a 10% drop in collections in the first six months of the pandemic (April – September 2020) followed by a near return to pre-pandemic levels in the second six-month period (still 2% below pre-pandemic levels).
2. Total collections for the 890 churches in this study had roughly returned by the second year of the pandemic relative to pre-pandemic levels (\$564 million compared to \$566 million). However, when adjusted for inflation this represents a 13% drop in purchasing power compared to the year preceding the pandemic.
3. The number of donors dropped 28%, from 174,383 to 126,027 in the first six months of the pandemic. The number of donors rebounded significantly since 2020 but remained 11% below pre-pandemic levels in the most recent year. This poses a risk to the long-term sustainability of many churches.
4. Encouragingly, annual per donor giving increased 16% in the first year of the pandemic, from \$3,384 to \$3,929. 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. 46% of churches in this study saw collections increase compared to 51% which experienced decreases. 3% experienced a change of less than 1% in collections. In the tails 33% had collections increase over 10% and 36% had collections decrease over 10%.
6. Differences in giving patterns by region were not statistically significant.
7. Average annual gifts are increasing in church size. Larger churches experience larger average giving per donor.
8. Roughly half of smaller churches experienced an increase in giving since COVID and total nominal giving increased for churches with a pre-pandemic budget of <\$1.25 million. Only about a third of the larger churches (>\$1.25 million) have experienced a nominal increase in giving since COVID and total collections for this group have declined.
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 156% and the share of collections received digitally increased by 117% 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 890 Episcopal churches and operating in the United States. The data did not include any identifier other than the church's denomination and state in which the church was located.¹

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 Episcopal churches from 49 states as well as Washington DC. The distribution is over-represented relative to the Episcopal church's population in the South and underrepresented for the Episcopal church's population in all other regions. Given the large sample size of Episcopal churches, we believe the findings for this sample are still instructive for church leaders, but differences by region should be interpreted with caution.

¹ 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: Episcopal Church Distribution by Region

	2014 Pew	2022 ACST Data	2022 ACST Data
	Episcopal & Anglican Population Share	Donor Share	Church Share
Northeast	25%	24%	28%
Midwest	14%	10%	11%
South	41%	57%	52%
West	20%	9%	9%

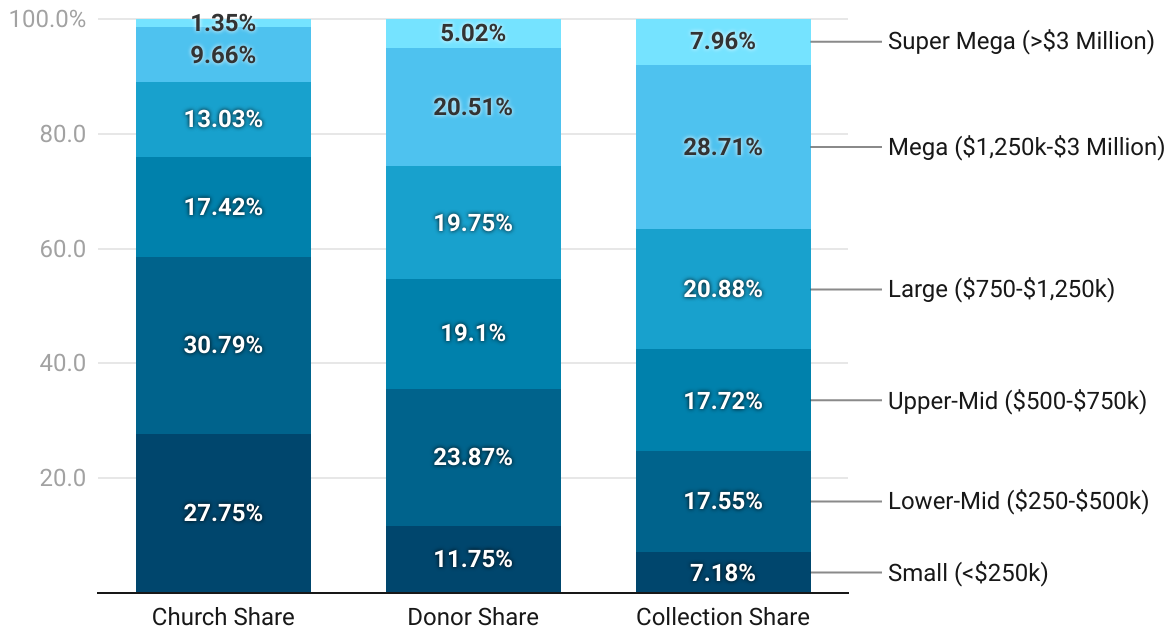
*Pew Data comes from 2014 U.S. Religious Landscape Study. Pew Research Center's Religion & Public Life Project.
<https://www.pewresearch.org/religion/religious-landscape-study/>*

Created with Datawrapper

Total overall giving increased for churches in the Southwest (+5%), West (+2%) and Northeast (+2%) compared to pre-pandemic levels. Total overall giving remained level for churches in the Midwest and decreased for churches in the Southeast (-2%) compared to pre-pandemic levels. However, the differences across region were not statistically significant.

The distribution of church size, which is determined by the size of pre-pandemic annual collections, is provided in **Figure 1**. This distribution is provided by number of churches, donors, and total gifts. Small and mid-sized churches (<\$750k in annual collections) represent 3 out of 4 churches observed while larger churches (>\$750k) represent the majority of offerings.

Figure 1: Distribution by Church Size

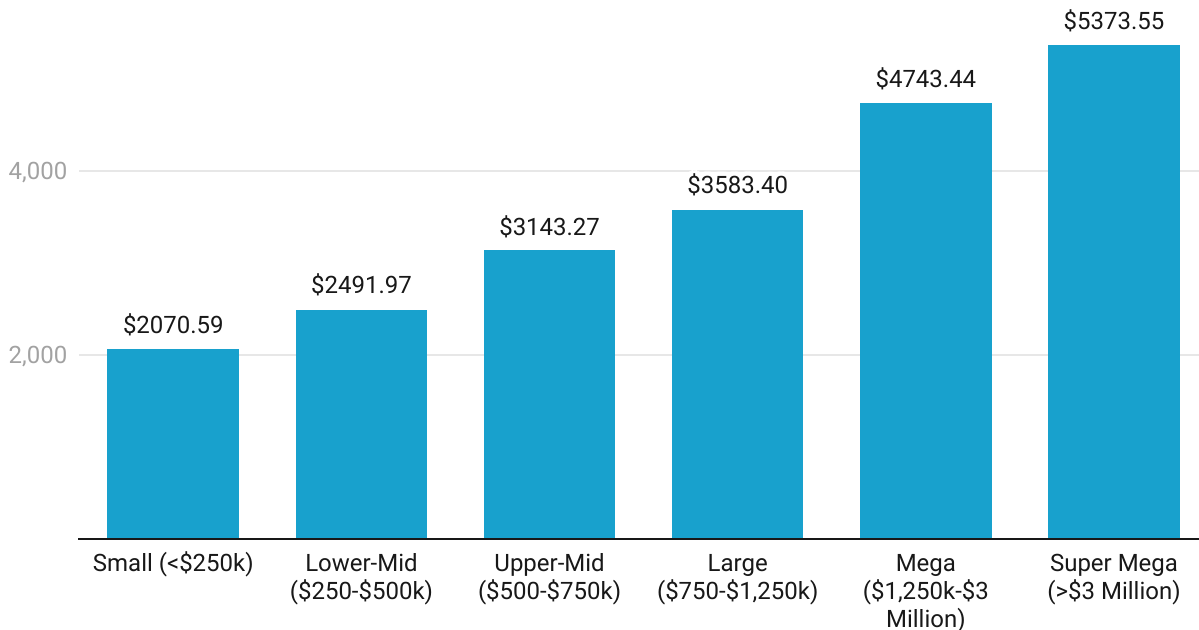


Church size is based on annual Pre-COVID giving (12-month period ending March, 2020)

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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 (\$5,374) are roughly 2.6 times larger than the average gifts per donor from small churches in our sample (\$2,071). 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, in contrast to our original hypothesis, nominal giving has surpassed pre-pandemic levels for smaller churches (specifically those with a pre-pandemic budget of <\$1.25 million) and decreased on average for churches with a larger budget. This result can be observed in **Figure 3**.

Figure 3: Percent Change in Nominal Gifts by Church Size



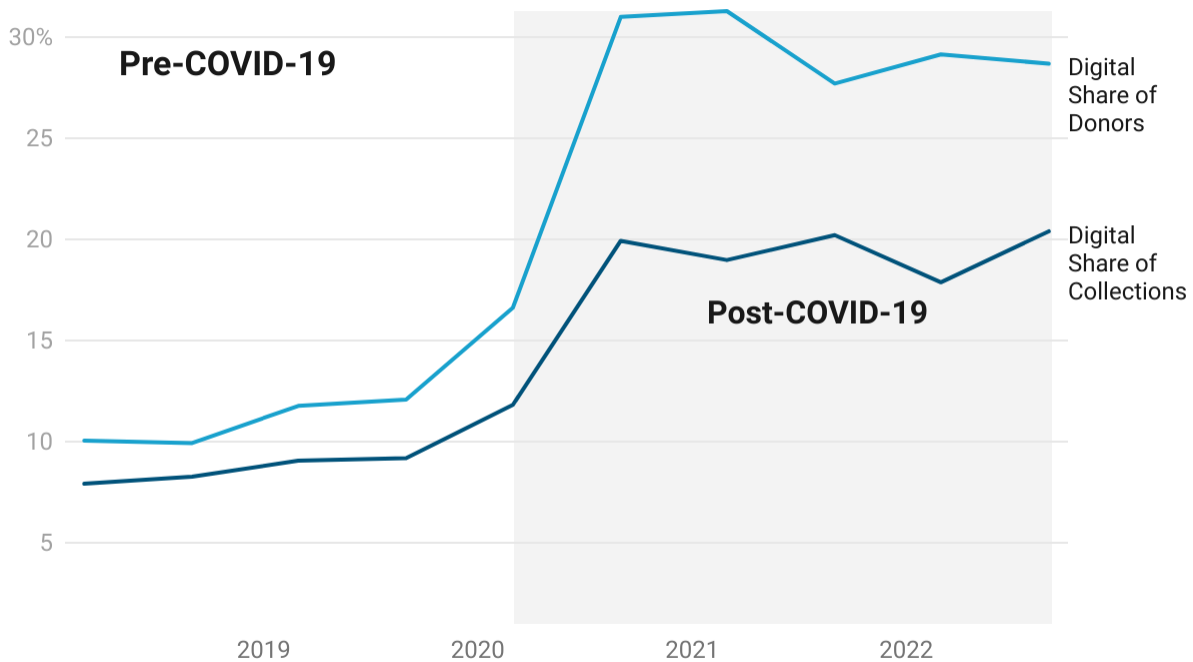
Church size is based on annual Pre-COVID giving (12-month period ending March, 2020). Percentage change is calculated using total gifts by church size in the 12-month period ending September 2022 compared to the total gifts by church size in the 12-month period ending March 2020.
 Created with Datawrapper

Digital Giving

Among the 609 churches in our sample which were participating with ACST as of March 2012, only 16% were equipped to receive digital gifts at that time. By September 2022, this share had increased to 87%.²

While the increasing trend in digital giving has been consistent throughout the observed period, it was accelerated during COVID-19. Prior to the pandemic, roughly 15% of all donors were utilizing digital mediums. As can be observed in **Figure 4**, within the first six months following the onset of COVID in the US, that share had increased to 31% and has remained around that level through September of 2022.

Figure 4: Share of Digital Donors and Collections

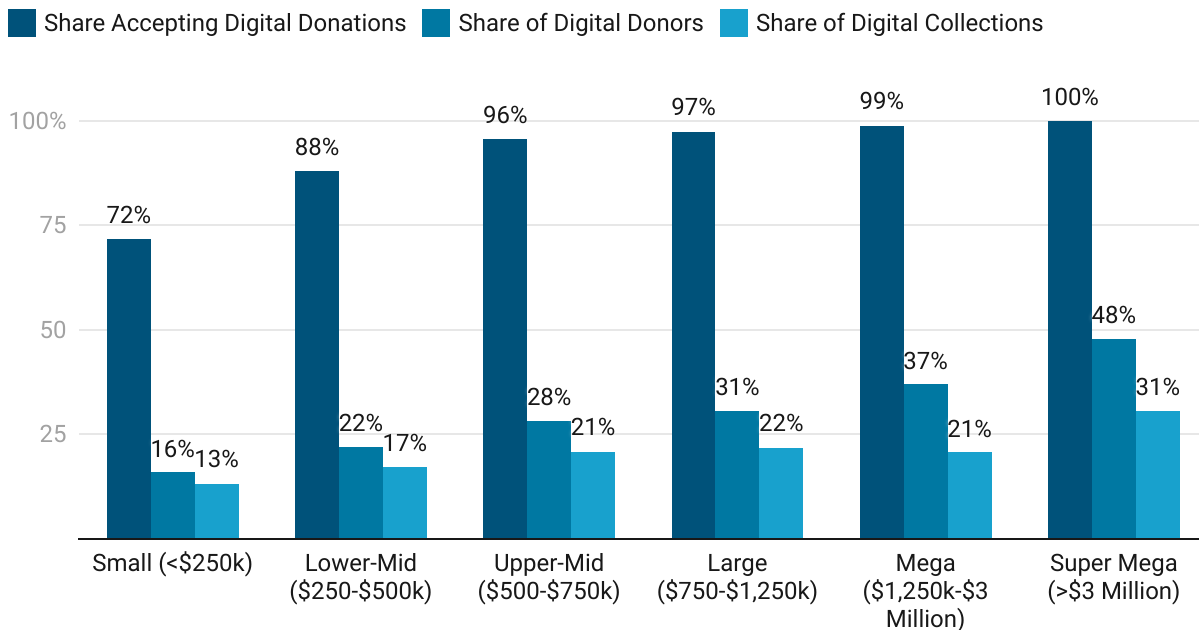


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When we split churches by size, similar trends are observed. However, the largest churches are more likely to extend digital options for giving. 100% of super mega churches compared to 72% of small churches provided a digital giving option in the most 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) just under half of donors utilize digital giving methods and 31% of collections are received digitally. This contrasts with the smallest churches for which roughly 16% of donors give and 13% of donations are received digitally. These results can be observed in **Figure 5**.

² 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 5: 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 in the Episcopal church gave roughly 1/3 less on average per year compared with those who used traditional giving methods. Note, as with other empirical results, care should be taken in interpretation of this observation. While it could be the case that digital giving methods reduce average gift size, it could also be the case that digital giving methods over-represent certain groups (for example younger givers) and that these groups give different amounts on average. Further analysis should be applied before drawing conclusions.

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 16% increase in the average per-donor giving from \$3,384 per year to \$3,929 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 \$564 million from April 2021 to March 2022 is reduced to \$485 million. That means that on average, Episcopal churches have 8% less spending power today than they did pre-pandemic.³ 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.

³ The adjusted 2019 numbers (brought to 2018 real dollars) were \$559 million. The change in purchasing power was calculated as $13\% = \$485 \text{ million} / \$559 \text{ million} - 1$. Dollars were adjusted using the [CPI-U](#).