



Study of COVID-19 Impact on the Presbyterian Church (USA) 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 Presbyterian Church (USA), alternatively referred to as PC (USA).

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 Presbyterian Church (USA) 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 churches.
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 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**. There was no clear pattern between church size and the change in collections during COVID-19 for PC (USA) churches.

The third hypothesis **was supported**. The share of congregants utilizing digital giving methods has increased by 153%. The share of digital gifts has increased by 117% following the onset of the pandemic.

Key Findings

1. There was a 6% drop in collections in the first six months of the pandemic (April – September 2020) which recovered to 4% below pre-pandemic levels in the second six-month period.
2. Total collections for the 462 churches in this study had almost returned to pre-pandemic levels by the second year after the onset of the pandemic (decreasing from \$380 million to \$375 million in nominal terms). However, when adjusted for inflation this represents a 14% drop in purchasing power compared to the year preceding the pandemic.
3. The number of donors dropped 27%, from 106,070 to 77,622 in the first six months of the pandemic. The number of donors rebounded significantly since 2020 but remained 14% 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 18% in the first year of the pandemic, from \$3,727 to \$4,393. 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. 39% of churches in this study saw collections increase compared to 57% which experienced decreases. 5% experienced a change of less than 1% in collections.¹ In the tails 23% had collections increase by more than 10% and 37% had collections decrease by more than 10%.
6. Differences in giving experience by region were not statistically significant.
7. Average annual gifts are positively correlated with church size. Larger churches experience larger average giving per donor.
8. Differences with respect to changes in giving following COVID split by church size were not statistically significant.
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 153% and the share of collections received digitally increased by 117% comparing April-September of 2020 to April-September of the previous year.

¹ All figures were rounded to the nearest percent and so the total may not add to 100%.



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 462 PC (USA) churches 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.²

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 PC (USA) churches located in 42 states and the District of Columbia. The geographical distribution of churches in our dataset is compared to Pew's 2014 Religious Landscape Study in **Table 1**. The regional representation of the PC (USA) churches in our study is significantly overrepresented in the South compared with Pew's findings and is underrepresented in all other regions, especially in the West. Given the large sample size of PC (USA) churches, we believe the findings for this sample are still instructive for church leaders, but differences by region should be interpreted with caution.

² 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: Presbyterian Church (USA) Distribution by Region

	2014 Pew	2022 ACST Data	2022 ACST Data
	PCUSA Population Share	Donor Share	Church Share
Northeast	17%	13%	15%
Midwest	24%	18%	18%
South	38%	65%	63%
West	21%	5%	4%

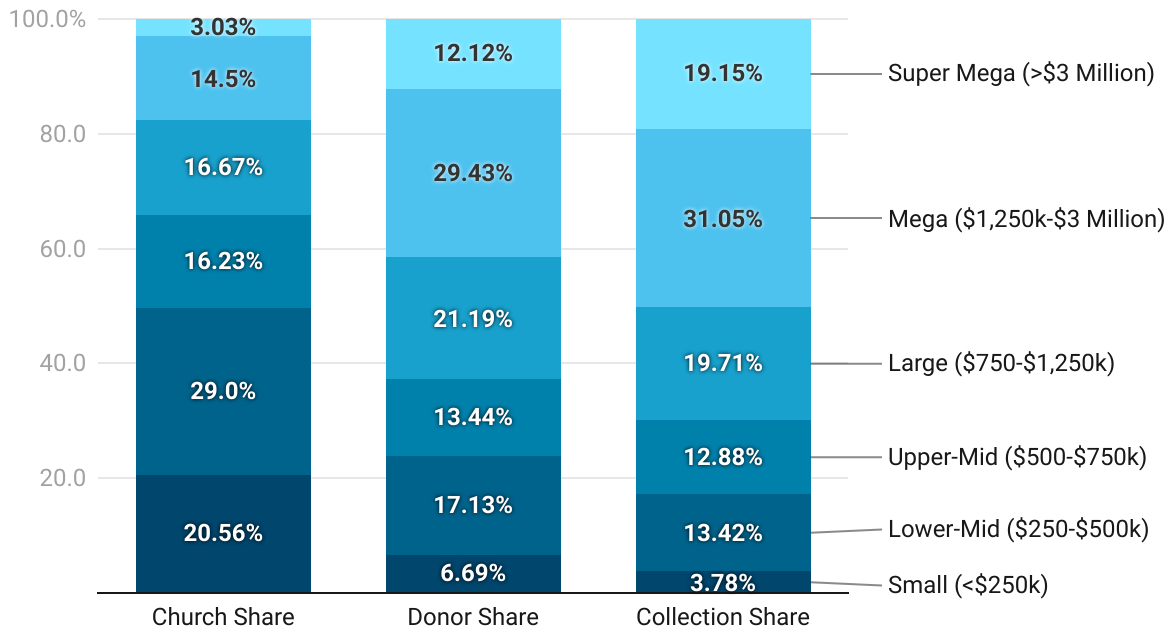
Pew Data comes from the 2014 U.S. Religious Landscape Study. Pew Research Center's Religion & Public Life Project. <https://www.pewresearch.org/religion/religious-landscape-study/>

Created with Datawrapper

Total overall giving increased for churches in the West (+3%) and Southwest (+1%) compared to pre-pandemic levels. Total overall giving decreased for churches in the Northeast (-9%) and Southeast (-4%) while remaining flat for churches in the Midwest. However, these differences 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 2 out of 3 churches observed while larger churches (>\$750k) represent 70% of donations.

Figure 1: Distribution by Church Size

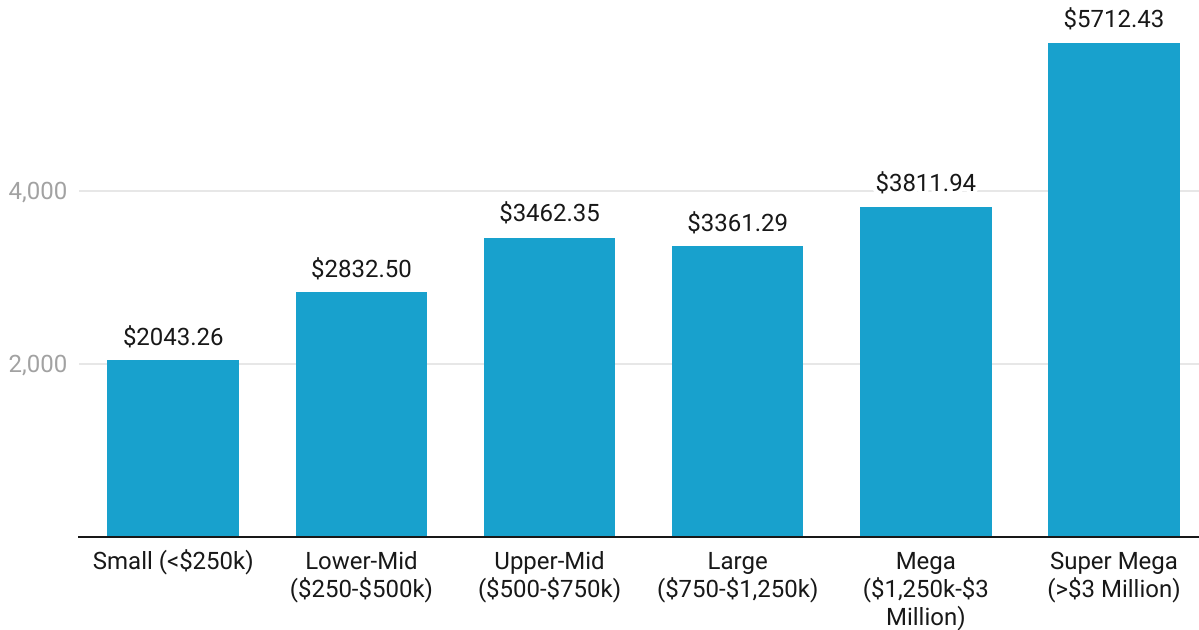


Church size is based on annual Pre-COVID giving (12-month period ending March, 2020)

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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 quantitatively important. Average gifts per donor from super mega churches in our sample (\$5,712) are roughly 2.8 times larger than the average gifts per donor from small churches in our sample (\$2,043). 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, the changes in nominal giving do not appear to be connected to church size nor were these differences statistically significant. This result can be observed in **Figure 3**.

Figure 3: Percent Change in Nominal Gifts by Church Size



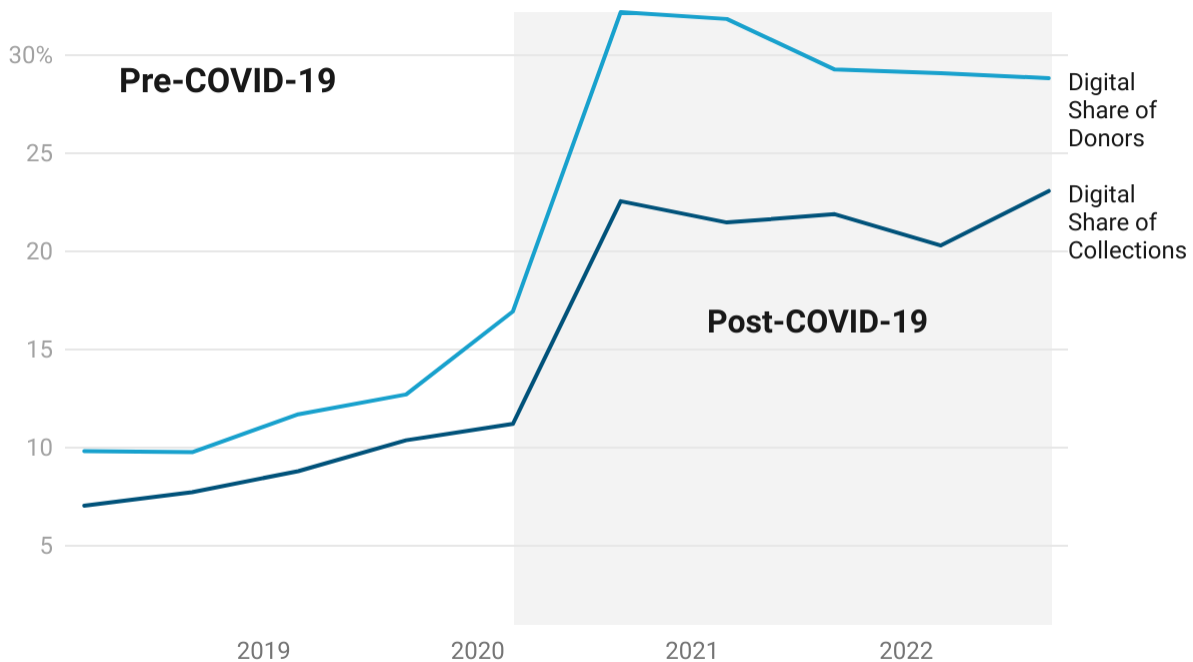
Church size is based on annual Pre-COVID giving (12-month period ending March, 2020). Percentage change is calculated using total gifts by church size in the 12-month period ending September 2022 compared to the total gifts by church size in the 12-month period ending March 2020.
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Digital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

Among the 333 churches in our sample which were participating with ACST as of March 2012, only 14% were equipped to receive digital gifts at that time. By September 2022, this share had increased to 85%.³

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 16% 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 32% and has remained just below that level through September of 2022.

Figure 4: Share of Digital Donors and Collections



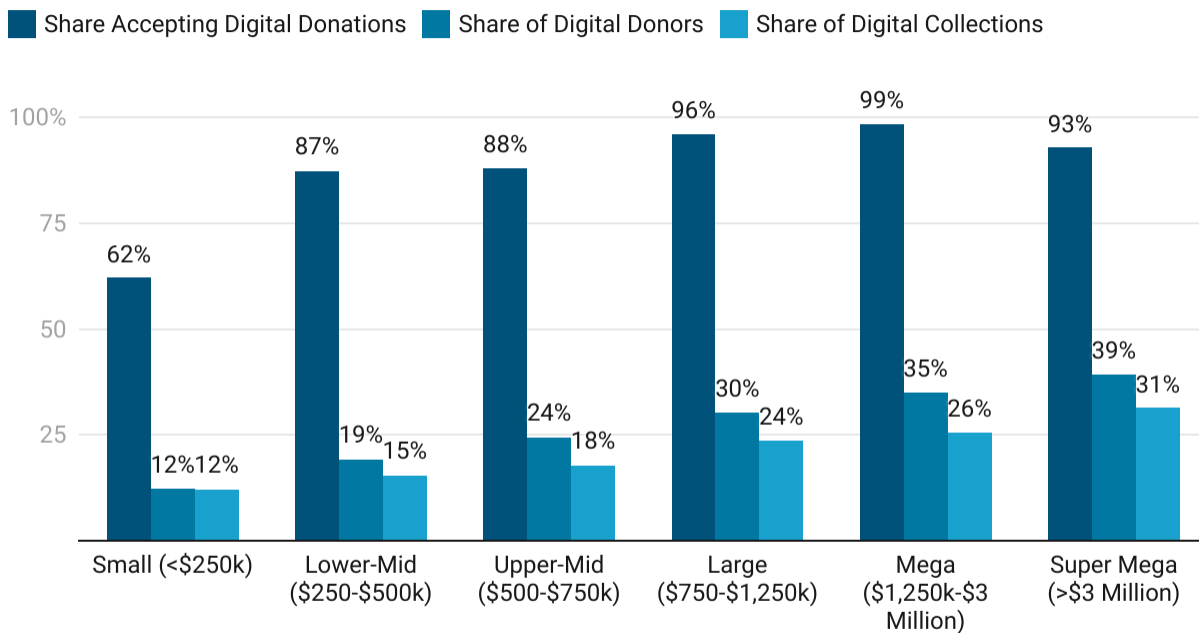
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When we split churches by size, similar trends are observed. However, the largest churches are more likely to extend digital options for giving. 93% of super mega churches and 99% of mega churches compared to 62% of small churches provided a digital 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) 39% of donors utilize digital giving methods and 31% of collections are received digitally. This contrasts with the smallest churches for

³ 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.

which roughly 12% of donors give and of donations are received digitally. These results can be observed in **Figure 5**.

Figure 5: Digital Shares by Church Size



Church size is based on annual Pre-COVID giving (12-month period ending March, 2020)
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The appendix includes the rest of the data analysis and charts in presentation form.

Recommendations

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

The 18% increase in the average per-donor giving from \$3,727 per year to \$4,393 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 \$375 million from April 2021 to March 2022 is reduced to \$322 million. That means that on average, the Presbyterian Church (USA) has 14% less spending power today than they did pre-pandemic.⁴ 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.

⁴ The adjusted 2019 numbers (brought to 2018 real dollars) were \$375 million. The change in purchasing power was calculated as $14\% = \$322 \text{ million} / \$375 \text{ million} - 1$. Dollars were adjusted using the [CPI-U](#).