

Study: Church Giving Begins Rebound

✖ It's been a tough time financially for churches the past three years. But just as a glimmer of hope began to surface this past year, the federal government's desire to tinker with the charitable tax deduction has most church leaders concerned.

The 3rd annual "State of the Plate" constituency survey of more than 1,500 congregations showed that 43 percent of churches saw giving increase this past year. That's up from 36 percent last year).

When asked about the federal government's plan to modify the rules concerning charitable tax deductions, 91 percent of church leaders expressed concern that this would negatively affect giving.

"Charities and churches have been hit hard by the economy the past three years," says Brian Kluth, founder of MAXIMUM Generosity and the State of the Plate research. "If the government's plan to change the rules on charitable tax deductions goes through, giving to charities and churches will likely be negatively affected."

The Evangelical Council for Financial Accountability (ECFA) in Washington D.C. was a co-sponsor of this year's State of the Plate research. ECFA recently was asked by Sen. Charles Grassley (D-Iowa), former chairman of the Senate Finance Committee, to lead a commission that will look into changes related to regulations governing non-profit charities and churches.

"Sen. Grassley has said in the past that he wants churches to properly self-govern in financial matters," says 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-94 percent make their financial statements available to members, 73 percent have a finance committee, 56 percent conduct an internal audit annually, and 36 percent have invested in a CPA audit in the past 3 years. Our research shows many churches are implementing strong financial accountability practices.”

This year’s State of the Plate research also showed that 39 percent of churches saw giving decline this past year. While the Pacific Coast states showed the greatest declines in church giving in 2008 and 2009, the Southeast states experienced the heaviest declines in 2010. Smaller churches, those with attendance under 250, saw giving decline more than larger churches.