

U.S. Churches Feel Offerings Pinch

✖ The recession may have officially ended in June 2009, but its ripple effect is just catching up to some churches. So says a study from LifeWay Research.

Although Protestant churches felt moderate impacts of the recession during the last two years, the offering plate is coming up thin in 2010. With offerings declining, 79 percent of pastors say the economy is making a negative impact on their churches.

It's the third year in a row where more churches are seeing fewer offerings than the year before. According to LifeWay, 34 percent of churches report receiving less offering this year than in 2009, as compared to 23 percent in 2009 that received less than in 2008, and 19 percent in 2008 that received less than in 2007.

"It's hard to explain in financial terms how churches have done as well as they have the last three years," says Scott McConnell, director of LifeWay Research. "Churches actually saw average offerings rise 3 percent in 2009, but the recession though officially over mid last year has finally taken its toll on churches in 2010."

What's causing the drought? McConnell points to two possible reasons: flat Social Security benefits and sustained high unemployment rates that drive long-term declines in consumer income.

"Because many members give in direct proportion to their income, Protestant churches may be more impacted by unemployment and Social Security than the stock market," he says. "Until unemployment turns around, Protestant churches may continue to struggle financially."

There is a silver lining or two in the data, though. Volunteerism is up, and so is church spending to help the needy. As McConnell sees it, scarcity brings clarity and economic realities call for churches to be cautious with their spending. LifeWay reports 54 percent have frozen staff salaries in response to the economy.

“Our studies at LifeWay Research have shown that churches quickly responded at the beginning of the recession to address emerging needs in their communities,” McConnell says. “Now, as a third of all churches are directly dealing with declines in giving themselves, they have actually made their community service more permanent by building spending into their budget and launching new ministries to meet needs.”

How is your church doing more with less? Let me know in the comment box below.