Chapter 8

Religious Congregations

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Religious Congregations

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There are more than 300,000 religious congregations—churches, synagogues, mosques, and temples—in the United States. More than 60 percent of American adults attended a service at a religious congregation within the past year, and about one-quarter attend services in any given week. Although their exact manner of legal incorporation varies across states and religious groups, congregations, like most other kinds of membership organizations, reside almost wholly within the nonprofit sector; if by nonprofit sector we mean those organizations that do not distribute surplus income to their boards, employees, or members. Although congregations’ manner of incorporation varies, and although at times they engage in for-profit activities, contemporary American congregations do not span the nonprofit, for-profit, and government sectors to the same extent as other types of organizations, such as hospitals, childcare centers, social service providers, and schools.

Contemporary American congregations also do not span the boundary between nonprofit and government to the same extent as congregations in other times and places. In some other societies, and at earlier points in American history, religious congregations are, or were, at least partly under the auspices of government in more or less officially established state churches. Today, however,

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contemporary American congregations are essentially voluntary membership organizations, and this fact fundamentally shapes their current situation and the nature of the challenges facing their leaders.

Assessing the overall health of religious congregations in the United States is greatly complicated by the dramatic variation that exists among congregations. One important dimension of that variation is size. Congregations and denominations define congregational "members" differently, making it difficult to examine congregations' size in terms of official membership. Other measures—the number of regular participants, for example, whether or not those participants are official members of the congregation—provide a better picture of congregations' size. The same picture emerges across several such measures. Most congregations are small: 59 percent of U.S. congregations, for example, have fewer than 100 regular participants, counting both adults and children; 71 percent have fewer than 100 regularly participating adults.

The smallness of most congregations represents only half the story, however, since the size distribution of American congregations is highly skewed. That is, there are relatively small numbers of very large congregations with sizable budgets and multiple staff, but there are many more small congregations with much more modest budgets and only one—or no—full-time staff person. This skewness is such that, although most congregations are small, most people are associated with medium-to-large congregations. The median congregation has only seventy-five regular participants, but the median person is in a congregation with 400 regular participants. David Horton Smith has pointed out that, like the natural universe, the nonprofit universe has much "dark matter" that is not visible through the usual lenses that focus on the largest organizations.¹ This certainly is true of congregations.

Resource distributions are similarly skewed. The average congregation has an annual budget of only $55,000, but the average person is in a congregation with an annual budget of $250,000. Forty percent of congregations, containing 15 percent of religious service attendees, have no full-time staff; 24 percent, with 7 percent of the people, have no paid staff at all. Only 25 percent of congregations have more than one full-time staff person, but 65 percent of the people are in those congregations. Clearly, congregations with no paid staff face challenges qualitatively different from those facing congregations with more than one full-time staff person.

Observers of American religion occasionally speculate about the amount of wealth controlled by religious organizations. Although some congregations hold very substantial endowments, the well-endowed congregation is a rarity. The median congregation has about $1,000 in a savings account, and even the median person's congregation has savings of only $20,000. Only 5 percent of congregations have endowments or savings that total twice their annual operating budget; only 11 percent have a one-year cushion. Although this might make
congregations slightly more secure, on average, than other nonprofit organizations—one analyst estimates that only 2 percent of nonprofit organizations have endowments sufficient to cover at least two years of budget—it is clear that the well-endowed religious congregation is atypical. As with income, the wealth distribution among congregations is highly skewed. Some congregations hold significant wealth, but the vast majority operate on the money raised each year.

Another major source of variation among congregations is their denominational affiliation or lack thereof. Individuals do not belong directly to denominations. They belong to congregations, most of which, in turn, are attached to umbrella religious organizations—denominations. The character of these attachments varies substantially. In some denominations, congregations are wholly independent local organizations, owning their own property, fully in charge of decisions about hiring clergy and other staff, and in no way subject to the authority of a denomination’s regional or national bodies. In other denominations, congregational property is legally owned by a unit of the denomination, clergy are assigned to congregations by denominational officials, and congregational policies and practices are subject to denominational oversight. Many varieties and mixed forms exist between these two extremes.

However hierarchical or nonhierarchical the relations between congregations and denominations might be, denominations are, themselves, complex organizations. More accurately, denominations are sets of concrete organizations tied to each other in complex and variable ways. In addition to congregations, denominations might contain regional associations of congregations, regional or national representative assemblies, colleges, seminaries, foreign missions agencies, publishing companies, clergy pension companies, social service organizations, Washington lobbying operations, church development offices, and so on. The extent to which these concrete organizations are tightly or loosely connected to each other—and to congregations—varies substantially across denominations.

Congregations relate in very different ways to different parts of their denominations. For some denominational activities, such as periodic national assemblies or conventions, congregations are, on the one hand, sources of delegates and, on the other hand (in denominations in which such assemblies exercise religious authority over congregations), recipients of directives. For others, such as denominational publishing houses, congregations are the primary market for the denominational agency’s products or services. Although this chapter does not fully catalogue the ways in which denominations might shape the challenges facing congregations, readers should keep in mind that denominations differ in ways that are relevant to congregational life, and broad developments might have variable consequences for congregations after they filter through different denominational structures.

Table 8-1 gives, in broad categories, the distribution of American congregations’ denominational affiliations. The table shows this distribution from two
Table 8-1. Denominational Distribution of U.S. Congregations, 1998

<table>
<thead>
<tr>
<th>Denominational affiliation</th>
<th>Attendees in congregations with listed affiliation</th>
<th>Congregations with listed affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roman Catholic Church</td>
<td>29</td>
<td>6</td>
</tr>
<tr>
<td>Baptist conventions/denominations</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>None</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Methodist denominations</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Lutheran/Episcopal denominations</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Denominations in the reformed tradition</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Other Christian denominations</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Pentecostal denominations</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Jewish</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Non-Christian and non-Jewish</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101</strong></td>
<td><strong>101</strong></td>
</tr>
</tbody>
</table>


a. Except for the Roman Catholic Church, these categories represent multiple distinct denominations. The largest Protestant denominations are the Southern Baptist Convention, with which 16 percent of congregations and 11 percent of churchgoers are affiliated, and the United Methodist Church, with which 12 percent of congregations and 9 percent of churchgoers are affiliated.

b. This category includes congregations affiliated with denominations but not elsewhere classified in this table.

perspectives. The first column gives the percentage of people in congregations associated with a particular denomination. The second column gives the percentage of congregations associated with each denomination without respect to how many people are in those congregations. These two percentages are most different for Roman Catholics. On the one hand, 29 percent of religious service attenders in the United States attend Catholic congregations; on the other hand, only 6 percent of U.S. congregations are Catholic. The difference between these two numbers reflects the fact that Catholic congregations are much larger, on average, than other congregations.

Another fact from table 8-1 is worth emphasizing: 18 percent of congregations, containing 10 percent of those who attend religious services, are formally affiliated with no denomination. Although it is not obvious from table 8-1—which collapses specific denominations, except the Roman Catholic Church, into religious families—if unaffiliated congregations were all in one denomination, they would constitute the third largest in number of participants (behind the Roman Catholic Church and the Southern Baptist Convention) and the largest in number of congregations. Although most congregations are attached to denominations, a noticeable minority of American congregations are not formally affiliated with any denomination. Some of these independent congregations even operate as sole proprietorships. We do not have national data to
assess whether the number of independent congregations is increasing or decreasing, but research on congregations in one New England city finds that more recently established congregations were much more likely to be non-denominational than congregations established longer ago. How independence from any denomination alters the challenges facing congregations and how the presence—perhaps the increasing presence—of large numbers of independent congregations creates challenges for the sector as a whole are open questions that this chapter does not attempt to answer.

Although size and denomination may be the most basic ways in which congregations vary, they are not the only important sources of variation. Some congregations draw their membership mainly from the immediately surrounding neighborhoods, others—which Nancy Ammerman calls "niche" congregations—draw certain kinds of people from all over a city. Some are rural; others are urban. Congregations also vary in their ethnic, social class, and age composition. And so on.

This complexity notwithstanding, this chapter attempts to assess certain aspects of the state of America's religious congregations, paying special attention to four key challenges: maintaining a membership base, securing adequate financial resources, recruiting talented leaders, and finding the right balance between member- and public-serving roles. None of these challenges is new—indeed, they are all perennial challenges for American religion—but they take different forms at different times. The goal of this chapter is to describe the specific shape of these challenges at the beginning of the twenty-first century.

Unless otherwise noted, statistics reported in this chapter are from the National Congregations Study, a 1998 survey of a nationally representative sample of 1,236 religious congregations. The congregational sample was generated by asking respondents in a national survey of individuals to report the name and location of the religious congregation they attend, if they attend religious services. A one-hour survey was then administered to a key informant—usually clergy or other staff—within each named congregation. The response rate was 80 percent.5

Key Challenges for American Religious Congregations

American religious congregations are facing a variety of challenges. Four of these challenges seem especially significant: maintaining a membership base, securing adequate financial resources, recruiting talented leaders, and finding an appropriate balance between member-serving and public-serving roles. This section examines each in turn.

Maintaining a Membership Base

Religious congregations are voluntary membership organizations, and their fortunes are directly affected by demographic changes that influence participation
in voluntary associations. Although conventional religious belief remains very high in the United States—more than 90 percent of Americans believe in some sort of higher power, more than 60 percent have no doubts about God’s existence, almost 80 percent believe in miracles, 70 percent believe in heaven, and almost 60 percent believe in hell⁶—stable high levels of religious belief do not guarantee stable trends in participation.

Indeed, recent research shows that participation in organized religious activity has declined since the 1960s. One study, drawing on time-use diaries completed by individuals, finds that weekly attendance at a religious service declined continuously over the past three decades from about 40 percent in 1965 to about 25 percent in 1994.⁷ Additional evidence comes from Robert Putnam’s recent monumental book on civic engagement in the United States.⁸ Putnam, using survey data from five sources, finds the same decline in religious participation evident in the time-use diaries. Although there are variations in this pattern across religious traditions, the pattern of decline is similar for both blacks and whites. African Americans are more religious than white Americans, but their religious participation shows the same sort of decline.

Putnam’s findings on other sorts of civic engagement place the trends in religious participation in a broader context. These findings suggest that the decline in religious participation is but one part of a broader decline—one that began sometime in the last third of the twentieth century and continues into the present—affecting a whole range of civic and voluntary associations that are close cousins to religious congregations. In this light, it probably is a mistake to proceed as if the membership problems facing some congregations are peculiar to religion.

Evidence also converges on an important demographic aspect of this trend: recent generations attend religious services at lower rates than did previous generations when they were the same age. Putnam finds this pattern across a strikingly wide range of activities, including church attendance. Declining participation in all sorts of voluntary associations, including religious ones, is not occurring so much because individual people became less involved over the past three or four decades. Rather, younger cohorts of individuals do less of this activity than older cohorts, and those born earlier are inexorably leaving the scene, being replaced by less civically engaged recent generations. Even if not a single individual changes his or her behavior over time, it still is possible for widespread social change to occur via generational turnover, and this seems to be happening with civic engagement in general and with religious participation in particular.

There is, of course, variation in these patterns across religious groups, perhaps the most important of which is between evangelical and mainline Protestants. It is well known that evangelical or conservative Protestant denominations have grown in recent decades, while mainline and more liberal denominations
have declined. While the percentage of American Protestants claiming mainline affiliation declined from 57 percent in the early 1970s to 47 percent in the late 1990s, conservative Protestant denominations grew from 43 percent of all Protestants to 53 percent in the same period. This shift is often attributed to people fleeing mainline denominations for the supposedly warmer confines of evangelical churches, but recent research shows that perhaps as much as 80 percent of this shift is produced by differential fertility rather than by religious switching. In every birth cohort for which we have the relevant data, women affiliated with conservative Protestant denominations have more children than women affiliated with mainline Protestant denominations.9

Nor is television evangelism successfully competing for members of traditional congregations. Research from the 1980s, at the height of televangelism’s popularity, showed that, except for some elderly and infirm people who would not be able to attend conventional churches anyway, religious television is watched disproportionately by people who are regular churchgoers.10 Religious television does not, in general, compete with congregations; it is better understood as a kind of entertainment that supplements, rather than substitutes for, congregation-based religious practice.

Religious switching is relevant to the different fortunes of evangelical and mainline Protestants, but not in the way many people think. The most important trend in religious switching is that conservative denominations lose fewer people to mainline denominations than they did in previous decades, perhaps because upward social mobility no longer prompts switching from being, say, Baptist, to being Presbyterian or Episcopalian. Evangelical denominations and congregations have, with their participants, become firmly middle class. Conservative denominations also lose fewer people to secularity. Conservative Protestant denominations have been doing better than mainline and liberal denominations in recent decades, but not because many people have switched from one to the other. The main dynamic is demographic, and this fact has implications for both mainline and evangelical congregations. For mainline congregations, evangelical competitors should not be a primary concern; the main membership challenge arises from low fertility rates and increasing losses to secularity. For evangelicals, birth rates also are declining (along with the gap between their fertility and mainline fertility), and the rate at which evangelicals lose people to secularity and to religions other than Protestantism, although still lower than for the mainline congregations, is increasing. The variations described here notwithstanding, both mainline and evangelical congregations face demographic challenges to their membership base in the coming years.11

Although variations within American religion are interesting and important, the key point in the current context is that the growth of evangelical denominations—with their higher levels of religious participation—is not sufficient to offset mainline losses and thereby change the general picture. This general
picture is one in which fewer people engage weekly in religious activity, but
without believing less in the supernatural and without becoming less concerned
about spirituality. This pattern is not limited to the United States. On the con-
trary, it characterizes many countries around the world. Although the United
States has more participation in organized religion than most other advanced
industrial societies, and although advanced industrial societies vary widely in
their aggregate level of religious participation and religious belief, many of these
countries have experienced the same basic trends in recent decades: down on
religious participation, stable on religious belief, and up on thinking about the
meaning and purpose of life. (Some ex-communist societies show increases in
both participation and belief, a subject for another time.)

Although cohort differences in religious participation suggest that many con-
gregations, in general, will have smaller pools of active members in coming
years, another demographic trend will push in the opposite direction. Religious
participation increases with age, and so the projected aging of the American
population over the coming decades is good news for congregations. Whether
the bump in overall participation produced by an aging population will offset
the downward pressure exerted by the inexorable replacement of older people by
their less civically engaged children and grandchildren remains to be seen.

Increased immigration is another demographic development affecting the
membership base of congregations. Recent immigrants may not be present in
the majority of congregations, but they are noticeably shaping a minority of
congregations. Fourteen percent of congregations—containing 24 percent of
religious service attenders—held a worship service at which Spanish was spoken
in the past year. Eleven percent—containing 19 percent of churchgoers—held a
service within the past year in which a language other than English, Spanish,
Hebrew, or Latin was spoken. The growing Hispanic population in the United
States is especially consequential for Catholic churches. Within the past year,
one-third of Catholic congregations held a worship service in which Spanish
was spoken.

Although the current immigration wave is different from the wave in the
early twentieth century in that recent newcomers are more likely to be from
Latin America and Asia, there is continuity in that immigrant religion remains
an important vehicle both for preserving ethnic identity and for facilitating
assimilation. Recent immigration also is responsible for increasing numbers of
non-Judeo-Christians in the United States. There probably are twice as many
Muslims, Buddhists, and Hindus in the United States today as there were in the
1970s. The percentage of Muslims, Buddhists, and Hindus remains tiny—these
three groups combined still make up less than 2 percent of the U.S. popula-
tion—but their numbers are growing. It is safe to say that religious pluralism
will continue to pose both opportunities and challenges for American religious
congregations.
Securing Adequate Financial Resources

The vast majority of congregational income comes from individual donations. Three-quarters of congregations receive at least 90 percent of their income from individual donations, and about 80 percent of all the money going to religious congregations comes from individual donations. This extreme reliance on individual donations sets congregations apart from the other types of nonprofit organizations examined in this volume, all of which rely much more heavily on government grants and fee-for-service income and for which individual donations constitute only a minor source of income. This contrast arises mainly because congregations are the only membership organizations examined in this volume. Like other membership organizations, congregations are much less affected by shifts in government funding or by competition from for-profit providers than are other parts of the nonprofit sector, and they are much more affected by trends in individual giving.

Because religious congregations depend almost entirely on donations from individuals, declining participation ought to produce declining revenue. But this does not seem to be happening. Although there is a long-term decline in the percentage of their income that Americans give to congregations, per capita religious giving among those individuals attached to congregations has increased in recent decades, outpacing inflation and producing an overall increase in the total amount of income received by congregations. An analysis of overall giving in twenty-nine denominations finds that total giving, adjusted for inflation, increased 63 percent between 1968 and 1998. Evangelical giving is higher than mainline giving, but the trend is the same across the board. Those who remain in congregations are as generous as ever, perhaps more so, producing overall increases in the total number of dollars received by American congregations.

Although total giving to congregations has outpaced inflation in recent decades, congregations have been using more and more of their income to maintain their local operations. An analysis of spending in twenty-nine denominations finds that the percentage of congregations' income spent on maintaining the local operation rose from 79 percent in 1968 to 84 percent in 1998. In-depth studies of several denominations find a similar, or more dramatic, shift toward spending on congregations' internal operations. Part of this trend probably is produced by higher clergy salaries. The median annual salary, in constant 1998 dollars, for full-time clergy with graduate degrees, rose from $25,000 in 1976 to $38,000 in 1999. It also seems likely that increases in other expenses, such as health insurance and energy, have led congregations to spend more and more simply to maintain their basic operations. In recent decades, it seems that people remaining in congregations are giving more mainly in order to meet these internal budgetary needs.
If increased giving to congregations is mainly a response to the increased costs of organizational maintenance, then such increased giving should not be interpreted as an easing of financial pressure on American congregations. As mentioned, the median congregation has only about $1,000 in a savings account, and only 11 percent have as much as a one-year cushion of monetary savings. Moreover, the most common issues around which congregations seek help from their denominations or any other outside consultants are financial ones. In 1998, 16 percent of all religious service attenders were in congregations that sought outside consulting on financial matters. Of those congregations seeking outside consulting of any sort, 27 percent sought it about financial matters. Many congregations feel financially pressured, notwithstanding the aggregate increase in overall contributions.

It would be misleading to give the impression that financial pressure is new for American congregations. On the contrary, it would be difficult to find a moment in American religious history when there was no hand-wringing about the financial health of many congregations. Although there certainly is variation over time in the size of congregations' income streams—the 1930s, which is perhaps not surprising, was a particularly difficult decade for congregations—the fact of financial pressure for many congregations seems to change less than the typical strategies for relieving that pressure. Pew rents, dues systems, sales of goods, investment income—not to mention, in an earlier day, public support through taxation—all, in greater or lesser degree, have been part of congregations' funding streams.

Today, perhaps the most important source of secondary income for many congregations, after individual donations, is the sale or rent of property or space in their buildings. Although only a minority of congregations—23 percent, containing 38 percent of religious service attenders—received income from the sale or rent of buildings or property in 1998, this is substantially more than the number receiving income from their denominations (12 percent), from foundations (4 percent), or from government (3 percent). Congregations that received such income also received it in amounts that are not trivial for small organizations. In 1998, 30 percent of congregations with income from the sale or rent of buildings or property received at least $5,000 from this source, 20 percent received at least $10,000, and 10 percent received at least $25,000. Moreover, 30 percent of congregations receiving sale or rental income received at least 5 percent of their annual income from this source, and 15 percent received at least 10 percent.

It is difficult to know whether income from the sale or rent of property has become increasingly important for congregations over time. It seems safe to say, however, that, although income from this source remains small for the majority of congregations, for a notable minority it is an important way to make ends meet. More generally, we might expect congregations to respond to the financial
pressures exerted by demographic changes by seeking to reduce their dependence on individual donations. More sales of auxiliary properties or buildings and more renting of building space seem likely. Congregations with valuable property or in desirable locations might, using this strategy, be able to sustain themselves for many years even in the face of dramatically dwindling memberships. The desirability of this sort of trajectory is, of course, another question.

**Recruiting Talented Leaders**

Perhaps the most important challenge raised for congregations by demographic trends, financial pressures, and other long-term social change is that of attracting quality leadership. Defining quality leadership is, of course, difficult, and it is especially difficult for clergy because there are qualitative differences among the employers of clergy—congregations and religious denominations—concerning which kinds of training, skills, and personal characteristics make for high-quality congregational leaders. Some congregations and religious traditions, for example, value religious zeal in clergy more highly than their level of formal education. This variation notwithstanding, some indicators suggest a long-term, and continuing, decline in the average talent of individuals choosing clerical careers. Of all individuals taking Graduate Record Examinations (GREs), for example, the number saying they were headed to seminary declined 20 percent between 1981 and 1987. Moreover, the average verbal and analytical GRE scores of prospective seminary students declined during the 1980s, a decade in which average scores rose for all test takers. Prospective seminary students score significantly lower than national averages on the quantitative and analytical sections of the GRE, although only male prospective Master of Divinity students score lower than the national average on the verbal section of the test. More generally, the gender differences in GRE scores among prospective seminary students are substantial, with females consistently outperforming males, a fact that perhaps is a basis for optimism, since clergy are increasingly female. In some denominations, recent cohorts of seminarians are 50 percent female, although only 10 percent of American congregations are led by females.18

Members of Phi Beta Kappa and Rhodes Scholars are, of course, a much more select group than all those who take GRE exams, but a similar trend is evident among both of these groups. Four percent of Phi Beta Kappa members who graduated from college in the late 1940s became clergy, dropping to 2 percent for early 1970s college graduates and to 1 percent for early 1980s college graduates. Eight percent of American Rhodes Scholars in 1904–09 became clergy, dropping to 4 percent in 1955–59 and to 1 percent in 1975–77.19

Neither GRE scores nor career choices of Phi Beta Kappa members or Rhodes Scholars are definitive measures of trends in the average talent level of America’s clergy, and it certainly is true that many gifted individuals continue to enter the priesthood, ministry, and rabbinate. Still, it is noteworthy that all three
of these measures, however imperfect, point in the same direction. Declining participation in congregations and other social changes influencing the status and authority of clergy seem to have reduced the attractiveness of spending one's life leading a religious congregation.

The challenge of attracting quality leadership is not shared equally by all congregations. As with participation, there are major differences across religious traditions. Jewish congregations—which pay their clergy much better, on average, than Christian congregations—appear to be least affected by this challenge. The Roman Catholic Church, by contrast, appears most affected. In every tradition, however, the challenge of attracting quality leadership is most acute for rural congregations and, whether rural or urban, for the smallest and least well-off congregations. Although only the Catholic Church is widely perceived to have a severe shortage of clergy, Protestant congregations are in fact more likely than Catholic congregations to be without either clergy or full-time staff. Seven percent of Protestant congregations (with 5 percent of Protestants in them) are without a clergy person or religious leader in the congregation, compared with 1 percent of Catholic congregations (containing 2 percent of Catholics). Thirty-nine percent of Protestant congregations (containing 18 percent of Protestants) have no full-time staff, compared with 31 percent of Catholic congregations (containing 6 percent of Catholics).

Leaderless Protestant congregations are concentrated among Baptists, Pentecostals, and congregations with no denominational affiliation, but congregations within other major Protestant denominations, in general, are as likely as Catholic congregations to have neither clergy nor paid staff. Perhaps Protestant denominations, despite on-the-ground similarity with Catholics in the proportion of leaderless congregations, do not perceive themselves as experiencing a shortage of clergy because, in most denominations, the total number of clergy continues to exceed the total number of congregations. At the same time, however, many clergy do not work in congregations. The United Methodist Church, for example, reported 35,609 congregations in 1999 and 43,872 total clergy, but only 24,998 clergy were serving in congregations. The same pattern is evident in many Protestant denominations. In other words, although there are sufficient qualified clergy to meet the labor needs of congregations, substantial numbers of congregations are unable to attract those clergy, mainly, it is safe to say, because they are unable to provide adequate compensation or because they are located in places where many clergy prefer not to live.

The demographic changes already described probably mean that a growing number of congregations will be too small to be able to employ a full-time clergy person. This clearly is occurring in at least one major denomination, the Evangelical Lutheran Church in America, which in 1998 had 270 more congregations with fewer than fifty attendees than it had in 1988. Consequently, the number of Lutheran congregations without pastors increased over this period.
from 10 percent in 1988 to 19 percent in 1998. Of the congregations in this
denomination with fewer than 175 members, 38 percent had no pastor. Part
of the problem is a decline in absolute numbers of ordained clergy and new
clergy recruits, but that decline is not sufficiently large to account wholly for the
increase in congregations without a preacher. It seems likely that this kind of sit-
uation—in which the allocation of clergy is as problematic as the overall supply,
and perhaps more so—characterizes other denominations as well.

Small and rural congregations long have been disadvantaged in the labor
market for clergy, but this disadvantage is exacerbated by two recent develop-
ments. First, the growth of two-career families further constrains the geographic
mobility of clergy, making rural congregations less attractive than they might be
if meaningful employment for a spouse were not an issue. Second, the increas-
ing number of individuals entering the ministry in mid-life, as a second career,
enhances labor supply problems for small and rural congregations because such
individuals often require higher salaries and are less geographically mobile than
younger people.

The main point here is that the challenges of attracting high-quality leadership
are unequally distributed among congregations. The congregations hit hardest by
demographic changes will be those crossing a threshold below which they can no
longer attract the kind of leadership they would like to have. Several
denominations recently approved ecumenical agreements making it easier for
congregations to share a clergy person, even if they are in different denomina-
tions. These agreements were driven, in part, by recognition of this problem. It
remains to be seen whether or not increasing numbers of small or rural congrega-
tions will take advantage of these administrative changes by pooling their
resources for the purpose of jointly hiring a minister across denominational lines.

Finding the Balance between Member-Serving and Public-Serving Roles

A fourth challenge confronting congregations is emerging from the public pol-
icy realm. Policy analysts and policymakers have recently discovered the role
played by inner-city congregations in running soup kitchens, homeless shelters,
and other social service projects. In some quarters, this has given rise to the
belief that religious organizations may hold the answer to the country's most
severe poverty and human services problems. Indeed, a veritable movement—
sometimes called the charitable choice movement—has emerged with roots in a
resurgent evangelicalism and with the objective of encouraging new partner-
ships, including financial partnerships, between government and religious
organizations doing antipoverty work. Visible in conferences and publications
sponsored recently by prominent think tanks, government agencies, and reli-
gious organizations, this movement has given new prominence to a long-
standing tension within the world of religious congregations between their pub-
lic-serving and member-serving functions.
The charitable choice movement received a major boost when the Personal Responsibility and Work Opportunity Reconciliation Act of 1996—welfare reform—required states that contract with outside organizations for the delivery of social services using funding streams established by this legislation to include religious organizations as eligible contractors. It forbids states to require that a religious organization "alter its form of internal governance" or "remove religious art, icons, scripture, or other symbols" as a condition for contracting to deliver services, and it asserts that contracting religious organizations shall retain "control over the definition, development, practice, and expression of its religious beliefs." Similar language has since been included in legislation affecting other funding streams.

The election of George W. Bush as president in 2000 gave these initiatives a further push. In the opening days of his administration, President Bush issued executive orders establishing offices of faith-based and community initiatives in the White House and five federal agencies, and he proposed legislation applying the charitable choice provisions to additional programs. These initiatives have been echoed as well in various federal agencies and at the state level. Indeed some attempts have been made to create public funding streams for which only religious organizations can apply. Included here are California's faith-based initiative and the U.S. Department of Health and Human Services' (DHHS) $4 million fund to support prevention of substance abuse and HIV infection, although the California initiative faces a court challenge and the DHHS fund has since been opened more broadly.

On one level, these initiatives break no new ground. Government agencies have long funded religiously affiliated organizations like Catholic Charities, Salvation Army, Lutheran Social Services, and many others to deliver social services. The legality of government funding for this sort of religious organization is well established and not affected by charitable choice legislation. Indeed, religiously based nonprofit organizations—what are sometimes called faith-based organizations—have always been significant players in our social welfare system, and many of them have long pursued and received government grants and contracts. Well before charitable choice became law, moreover, religious social service providers wishing to maintain a religious atmosphere or religious content in their programming—and not all, perhaps not even most, religious social service providers wish to do this—commonly did so openly and with little, if any, interference from their government funders.

What is new about the charitable choice movement is its encouragement of government funding of organizations, like congregations, whose primary purpose is to provide religion to their members, not social services to their clients. In 1998, only 3 percent of religious congregations received government support for their social service activities, and only 11 percent reported any sort of collaborative relationship with a government agency on a congregational program or
mission. If the charitable choice movement succeeds in directing meaningful amounts of public money to religious congregations, and in the process involves more than a very few in publicly funded human services work, this could constitute a notable change in the role of religion in our social welfare system.

How realistic such an expectation is, however, is open to considerable question. Most congregations are fundamentally focused on their religious activities, and they have neither the desire nor the capability to operate social service programs. Virtually all congregations produce worship services at least weekly, virtually all run religious education classes of some sort, and the vast majority of congregations’ resources are devoted to these activities and to pastoral care for their own members. A recent national study of clergy in fifteen denominations, for example, finds that the top five time-consuming activities of clergy, in order, were sermon preparation and delivery, church administration, attendance at church meetings, visits with members, and education and teaching. Of the eleven activities that clergy were asked about, they spent the least amount of time serving on community boards or committees. A survey of clergy in one urban county finds that, in a work week of about fifty-five hours, about twenty hours were spent on worship or worship preparation, five on teaching, thirteen on counseling or visiting members, and thirteen on administration or congregational meetings. Clergy reported spending only about one hour each week in work with civic organizations. In short, the vast majority of congregational resources are spent producing religion and maintaining the congregation itself, not providing social services to a broader community.28

Only a minority of congregations engage in social service delivery in a serious way. Table 8-2 lists several types of social service activities and the percentages of congregations engaging in them. Although a majority of congregations (58 percent) engage in some sort of social service activity, only a minority engage in any particular kind of program, and fewer than 10 percent are involved in areas other than food, clothing, or housing. Moreover, social service activity is disproportionately engaged in by the largest congregations. The largest 10 percent of congregations, for example, account for more than half of all the money spent by congregations directly on social services.

The numbers in table 8-2 disguise a great deal of variation in the intensity with which congregations are involved in social service activity. The 33 percent of congregations supporting or participating in food programs, for example, encompasses a wide range of involvement levels, including donating money to a community food bank, supplying volunteers for a meals on wheels project, organizing a food drive every Thanksgiving, and operating independent food pantries or soup kitchens. Similar variety is evident among housing programs and programs to serve the homeless. Regarding housing, specific activities include providing volunteers to repair the homes of the needy, assisting first-time homebuyers with congregational funds, participating in neighborhood
redevelopment efforts, and building affordable housing for senior citizens. By far the most common housing-related activity engaged in by congregations is participation in Habitat for Humanity projects—projects in which groups of volunteers build or rehabilitate an apartment or house for a low-income family. Forty percent of the housing-related activities reported by congregations refer to Habitat for Humanity projects. Regarding serving the homeless, congregational involvement includes donating money to a neighborhood shelter, providing volunteers who prepare dinner at a shelter on a rotating basis with other congregations, and even providing shelter for homeless women and children in the congregation's building. Here, the most common activity is providing money or volunteers to shelters administered by other organizations.

Other measures also indicate the limited extent to which congregations are deeply engaged in social service activity. Only 6 percent of all congregations have a staff person devoting at least a quarter time to social service projects. Limiting attention to those congregations that report some sort of social service activity, only 12 percent of these more active congregations have a staff person devoting at least a quarter time to these activities. The median dollar amount spent by congregations directly in support of social service programs in 1998 was about $1,200. This level of spending, which does not take into account the value of staff time, volunteer time, or donations to denominations, represents a median of about 3 percent of congregations' total annual budgets. Even volunteer involve-
ment in social services is on a small scale for most congregations, with the median active congregation involving only ten volunteers in these efforts.

In a society in which the vast majority of services for the poor are funded by government, even when they are delivered by nonprofit organizations, and in which the median congregation has only seventy-five regular participants, an annual budget of only $55,000, and very limited current involvement in social service activity, substantially increased social service delivery by congregations can occur only via increases in government funding to congregations. Even if many more congregations are mobilized to participate in antipoverty work, it seems unlikely that engaging congregations is going to be a money-saving strategy for government.

It is too early to tell whether or not the charitable choice movement will succeed in significantly increasing congregational involvement in social services. On the one hand, only 24 percent of congregational respondents had heard of charitable choice in 1998, and a spring 2000 effort to exhaustively catalogue charitable choice efforts in nine states found only 125 post-1996 collaborations between government and religious organizations. More than 40 percent of these were simply new contracts with religious organizations, like Catholic Charities, that had long-standing funding relationships with government. Only one-third of the 125 collaborations (forty-five of them) were funding relationships with religious organizations that had not previously collaborated formally with a government agency.36

At the same time, some new collaborations involve dozens of congregations through a single grant to an intermediate organization, and a large minority of American congregations—about one-third—express willingness to apply for government money to support human services. This last number should be interpreted cautiously since it takes into account neither a congregation's collective will nor its administrative capacity to transform an inclination into an actual grant application. Still, given that today only about 3 percent of congregations receive government funds, there appears to be a sizable well of untapped interest among congregations in seeking government funds to support congregational social service activities. Moreover, public education and mobilizing efforts continue at both national and state levels, and these efforts have received wide publicity since the beginning of the Bush administration. It therefore remains possible that the charitable choice movement will, in the medium term, result in more congregations receiving government funds to deliver social services.

Whether this movement increases congregational involvement in the social service realm, however, will depend on how congregations respond to five important challenges. First, congregations will need to develop the expertise and management systems necessary to administer grant money and publicly funded work. Most experts recommend that congregations seeking government grants or contracts establish a separately incorporated nonprofit organization to
administer such funds and make it easier to establish that public money is not inappropriately supporting worship or proselytizing.

Second, congregations will have to manage new dependencies that could be produced by new funding streams. We know that a nonprofit organization’s mix of income sources influences its behavior in many ways. A congregation wholly dependent on individual donations is likely to act differently than one whose income comes, say, 60 percent from donations, 30 percent from a contract with a state or county agency, and 10 percent from rental income. The resource dependency issues raised by charitable choice sometimes are described in terms of congregations moving from financial independence to dependence on government, but this is a misleading way to characterize the challenge. Congregations whose only source of income is individual donations are not without resource dependencies. Rather, they are dependent on the people who give the money. In most congregations something like 80 percent of the donations come from something like 20 percent of the people, which means that the typical congregation’s financial livelihood depends on the minority of its people who are the best givers. The change in resources represented when a congregation receives a government grant or contract, then, is better described as a shift in the congregation’s resource dependence—reducing somewhat its dependence on individual donors and increasing somewhat its dependence on government. The challenge for congregations moving in this direction is to manage the consequences of this sort of shift.

A third type of challenge is that government collaborations, with or without funding, might lead to program expansions that will then present additional challenges for congregations to manage. Ram Cnaan, for example, describes the challenges facing a Philadelphia congregation that was supporting several alcoholics anonymous (AA) and other substance abuse recovery groups. The city of Philadelphia, after cutting its own publicly funded AA program, began having its probation and parole officers refer offenders with substance abuse problems to the church’s programs. This new partnership between government and a congregation did not involve a financial relationship. The consequence of this new partnership was that the church was overwhelmed with all the new clients and had great difficulty managing the expansion. Vandalism increased, thefts and damage to the building occurred, and volunteers who worked at the congregation complained of abusive behavior by clients. The moral is that a congregation-based program or effort that is very successful at one level of operation may not be equally successful at an expanded level.

Fourth, and related, congregations engaging in social service activities may lack sufficient resources to sustain the desired activities or achieve the desired results. Beyond congregations’ interests in protecting themselves from this sort of disappointment, important normative questions are raised by the prospect of their participation in social service initiatives that are not funded at adequate
levels. The charitable choice movement has focused on redirecting existing social service funding so that more of it goes to funding religious organizations; it has not focused on expanding the overall size of the human service funding pool. Do congregations truly want to participate in collaborative initiatives that are not adequately funded, thereby encouraging the myth that small-scale, local efforts and volunteer labor can replace, rather than complement, comprehensive and well-funded social service systems?

Finally, if the charitable choice movement successfully increases the number of congregations pursuing social service projects in collaboration with government, this more visible religious presence in our social welfare system will likely raise new questions concerning congregations’ public accountability. Some charitable choice proponents seem to believe that congregations delivering publicly funded social services ought to be subject only to minimal public accountability requirements and be exempted from many general rules regulating other social service deliverers, such as licensing requirements, building standards, and health, safety, and nondiscrimination laws. It seems more likely, however, that government agencies will want to subject congregations and other religious organizations to the same requirements as apply to secular social service providers.

Congregations moving in this direction should welcome the dual challenge of being accountable and of demonstrating that accountability to a wider public. In 1998, only 28 percent of Americans said that they had a great deal of confidence in those who run religious organizations. This is a higher vote of confidence than that received by some sectors, such as the press (10 percent) or Congress (11 percent). But it is less confidence than that expressed in some other institutions, such as medicine (45 percent) or the military (37 percent). Perhaps most important, this was significantly down from 1974, when 45 percent of people said that they had a great deal of confidence in those who run religious organizations.

It is not difficult to imagine that public confidence in religious organizations could be shaken further by only a few stories of malfeasance or substandard service on the part of religious organizations that receive public funds, much as the televangelism industry suffered from the 1980s sex and money scandals. Such stories already have begun to appear. Religious congregations and other religious organizations that receive public money ought to welcome the opportunity to develop safeguards that will protect their reputations, while helping to ensure that public money is used for the public good.

In the end, if the charitable choice movement is consequential at all, it will probably affect religiously affiliated social service organizations more than congregations. Moreover, if there are new opportunities for congregations to seek government funds to offer social services, these opportunities will not be equally available to all congregations, and congregations will not be equally willing or able to take advantage of them. States vary in the extent to which they are reaching out to congregations, encouraging them to compete for available funds, and
providing the technical assistance in grant writing that many congregations are
likely to need if they are to move in this direction. Larger congregations, of
course, are more likely to have the expertise, or the resources to purchase the
expertise, necessary to write successful grant proposals. Theologically liberal
congregations are more open than conservative congregations to pursuing
financial collaboration with government. And, perhaps most important,
African American congregations are much more likely than white congrega-
tions to respond favorably to opportunities to contract with government a-

genies for social service delivery. All this is to say that, although the charitable
choice movement presents new opportunities—and, consequently, new chal-

lenges—to congregations, these opportunities and challenges will not engage
the majority of congregations even though all congregations may be exposed to
higher expectations.

Conclusions

Congregations are, in general, member-serving organizations that receive many
of the tax privileges usually reserved for public-serving organizations. This chap-

ter has sought to call attention both to demographic trends that pose challenges
for congregations by virtue of their status as membership associations and to
public policy changes that could encourage many congregations to serve the
public more explicitly than they currently do. All in all, we should not lose sight
of the reality that congregations mainly produce religion, serve their own mem-

bers, and use the vast majority of their collective resources to maintain them-
selves as religious organizations. Only a small minority engage in any serious
way in activities directly aimed at a wider public. The most significant chal-

lenges facing congregations are the ones most directly relevant to their core con-
dition as religious membership associations.

That said, it would be a mistake to ignore the public-serving activities of reli-
gious congregations. Properly assessing congregations' contributions to com-

munities—and the extent to which we should understand them as public-serving
versus member-serving organizations—can best be done by comparing congruga-
tions' mix of member- and public-serving activities to the mix observed in
other organizations, especially other membership organizations, whose main
purpose, as for congregations, is something other than charity or social service.
In what other population of membership organizations do the majority of units
provide social services, however peripherally? In what other organizational pop-
ulation do as many as 33 percent of the units organize food donations, 12 per-
cent distribute clothing, 8 percent engage in some sort of service to the home-
less, or 6 percent have a staff person devoting quarter time to social service
activities? From this comparative perspective, congregations appear to serve the
public more than many other membership organizations.
Moreover, having a low percentage of congregations actively involved in social services does not necessarily imply trivial absolute levels of social service delivery. If only 0.5 percent of the approximately 300,000 congregations in the United States are deeply engaged in social service activity, roughly 1,500 congregations are so engaged. Especially when we consider that congregations in poor neighborhoods are more likely to be deeply engaged in social services, congregations emerge as a different sort of membership association, one that, although oriented primarily to serving the religious needs of its own people, at the same time seems to generate more public-serving activity—and more activity directed at serving the disadvantaged—than other membership associations. Indeed, maintaining a balance between serving the religious needs of members and serving the human needs of the community—and figuring out where that balance appropriately lies—are long-standing concerns in American religion. It is, perhaps, the perennial attention to this balance, rather than where it is struck at any particular time or place, that makes congregations, alone among membership associations, an appropriate topic of concern in a book about public-serving nonprofit organizations.

There are advantages to the current visibility of congregations and other religious organizations within the social service sector, not least of which is the possibility that this enhanced visibility may bring with it needed resources. But there also are risks, not the least of which is the possibility that these same opportunities will make congregations more vulnerable to demands for public accountability from which religious congregations have been largely exempt. This is why, after the ongoing and fundamental challenges of maintaining a membership base, securing adequate financial resources, and recruiting talented leaders, perhaps the most important challenge facing many congregations in the coming decades will be finding an appropriate balance between the memberserving and public-serving aspects of their identity and then managing the consequences of where this balance is struck.

Notes


11. All the empirical facts in this paragraph are from Hooy, Greeley, and Wilde, "Demographic Imperative in Religious Change."


23. In the Evangelical Lutheran Church in America, the average age at ordination has increased from 29.5 in 1980 to 37.8 in 1998; see Evangelical Lutheran Church in America, Division for Ministry, Ministry Needs and Resources.

24. The Brookings Institution, for example, co-sponsored a Religion and Social Policy conference in January 1999; the Manhattan Institute included a session on successful church-state welfare-to-work partnerships in its April 1999, Next Steps in Welfare Reform conference; the U.S. Department of Health and Human Services sponsored a national Welfare Reform and the Faith Community conference in November 1999; the U.S. Department of Housing and Urban Development sponsored a Faith Communities and Community Building conference in June 2000; and Call to Renewal included a workshop on churches and charitable choice, along with many other sessions encouraging church-state collaborations to fight poverty, in its February 2000 national meeting, Poor No More: A National Summit on the Churches and Poverty.

25. Lester Salamon, Holding the Center: America's Nonprofit Sector at a Crossroads (New York: Nathan Cummings Foundation, 1997), p. 6, for example, distinguishes between member-serving and public-serving institutions and includes churches among the latter, along with "foundations, environmental groups, civic organizations, and a wide assortment of service agencies providing everything from health care to education to housing for the homeless to information on crucial unmet needs." This largely reflects the legal classification of congregations, unlike most other membership organizations, as eligible for tax-deductible gifts along with 501(c)(3) organizations.


27. Stephen Monsma surveyed international aid agencies and child service agencies in 1993–94. For those organizations that both received government funding and reported that they engaged in religious practices, the majority of religious practices that they engage in—62 percent for the international aid agencies and 77 percent for the child service agencies—were done openly. Only a minority of religiously affiliated, government-funded, child service agencies—11 percent—reported having to curtail religious activities, and only a minority—22 percent—of publicly funded, religious, international aid agencies reported experiencing any sort of pressure or problem related to their religious activities. Most, perhaps all, of the activities about which problems were reported, such as requiring attendance at religious services, are the kind of sectarian worship, instruction, or proselytizing activities that are prohibited...


