Trends, Statistics and Benchmarks on

Church Giving, Budgeting & Generosity Initiatives

of 1,360 Christian Churches

Brian Kluth of MAXIMUM Generosity, in collaboration with Christianity Today and ECFA



2012 STATE OF THE PLATE

Research Results

Surveying thousands of churches and Christians in cooperation with:







Table of Contents

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1.	3 Key Findings of the STATE of the PLATE Church Research	· · · · I
2.	Survey Demographics	3
3 .	Church Giving Trends	4
4.	Church Giving Trends by Church Size	5
5 ·	Church Giving Gains and Declines	6
6.	Church Budgeting Trends	
7•	Church Budget Sizes	
8.	Church Capital Fundraising Campaigns	
9.	How Churches Collect Donations	
10.	Financial Accountability and Integrity	_
11.	Financial/Generosity Ministry Initiatives	_
12.	Outside Financial/Generosity Resources	
13.	Press Release: Study Shows Giving Finally Rebounding for Majority of	f
	Churches	12
14.	History of the annual STATE of the PLATE Research	.15
15.	Additional Research/Articles and Future Research	15
•	Copyright and Contact Information	_

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Giving Rebounded in 2011 for Many Churches

Annual Survey Shows Positive Signs with Tithing, Electronic Giving Practices

By Brian Kluth, Founder of www.MAXIMUMgenerosity.org and www.STATEofthePLATE.info 720.432.2422 bk@kluth.org

DENVER — Churches learned to navigate difficult financial challenges when the Great Recession began in 2008, but a new national survey of churches shows a majority finally experienced a rebound in 2011.

The fourth annual STATE of the PLATE, a survey of more than 1,360 churches, reveals slightly more than half experienced giving increases in 2011, the first such occurrence since the research began in 2009.

The survey, a collaborative research project by Brian Kluth's MAXIMUM Generosity ministry, Christianity Today, publisher of

budgeting and generosity initiatives, as well as programs to help families negatively affected by the economy.

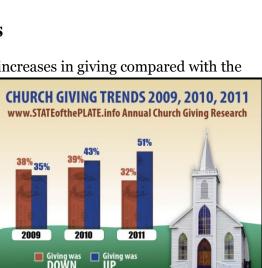
Church Finance Today and Leadership Journal, and ECFA, asked pastors, staff and leaders of all church sizes, theological leanings and regions to report on their church giving,

Among the survey results, three major trends emerged:

1) A majority of churches reported giving increases

For the first time in three years, more than half of the churches saw increases in giving compared with the prior year:

- 51 percent of churches saw giving increases in 2011, compared with 43 percent in 2010 and 36 percent in 2009.
- 32 percent of churches reported a decline in giving in 2011, compared with 39 percent in 2010 and 38 percent in 2009.
- More than 70 percent of megachurches (churches with more than 2,000 people in weekend attendance) saw giving increases. Only 39 percent of small churches (fewer than 100 in weekend attendance) saw giving increases.
- Among churches that saw giving increases, 50 percent said it was primarily because of increased attendance. 42 percent said it was because people gave more after their church conducted financial/generosity teaching initiatives.
- Heartland states (MO, MN, IA, ND, SD, KS, NE) saw the biggest rebound with nearly 55 percent of churches experiencing giving increases. Pacific Coast states (CA, OR, WA, AK, HI) led the nation in church giving declines for the third time in the last four years, with 38 percent reporting decreases in 2011. However, 45 percent of churches in these states saw giving increases, with 17 percent reporting giving was flat.



Donations Up in Majority of Churches Church giving trends in 2011

Research

from 1.360

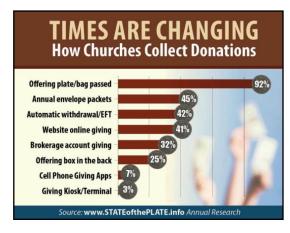
Churches

2) Electronic giving options continue to gain traction

Many Christians in America remember when churches gave families a box of envelopes to encourage

faithful giving throughout the year. While the traditional passing of an offering plate remains the top choice, that practice has decreased in recent years. The use of envelopes soon will be surpassed by electronic giving options, as more churches explore technological tools to encourage faithful giving:

Offering plate/bag passed 92 percent Annual envelope packets 45 percent Automatic bank withdrawal/EFT 42 percent Website online giving 41 percent Brokerage account giving 32 percent Offering box in back of church 25 percent Cell Phone Giving Apps 7 percent Giving Kiosk/Terminal 3 percent



3) Churches prioritize financial integrity and accountability

Sen. Charles Grassley (R-Iowa) formed a commission in 2011 to examine ways churches govern themselves in financial matters. The 2012 *STATE of the PLATE* shows a significant number of churches actively use several practices and procedures to ensure financial integrity and accountability. For instance:

- 92 percent make their financial statements available upon request to their members.
- 89 percent provide copies of their annual budget to their congregation or make them available upon request.
- 86 percent of the church boards are made up of five or more people, with at least three of those people not a pastor/staff or related to a pastor/staff.
- 72 percent have a finance committee in which the majority of members are lay people.
- 55 percent conduct an annual internal audit.



Special note: There were two surveys for the 2012

<u>www.STATEofthePLATE.info</u> research. The second survey, *View from the Pew*, assesses churchgoers' personal financial, debt, giving practices and trends. The *View from the Pew* results will release later in 2012.

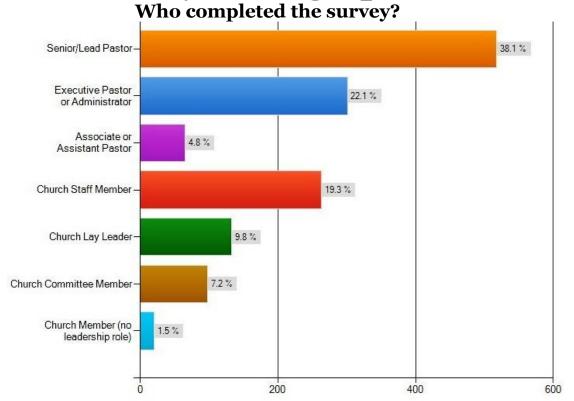
MEDIA CONTACTS FOR COMMENTS AND INTERVIEWS

A full Executive Summary with charts and graphs is available for the media at www.STATEofthePLATE.info/2012media.htm

Media contacts for the three sponsoring organizations:

- **Brian Kluth**, founder of MAXIMUM Generosity and the *STATE of the PLATE* research: 303.346.5332 or 720.432.2422; bk@kluth.org
- **Matt Branaugh**, director of editorial for Christianity Today's Church Management Team: 630.260.6200, ext. 4228; mbranaugh@christianitytoday.com
- Dan Busby, president of ECFA, Winchester, Va.: 1-800-323-9473; dan@ECFA.org

Survey Demographics



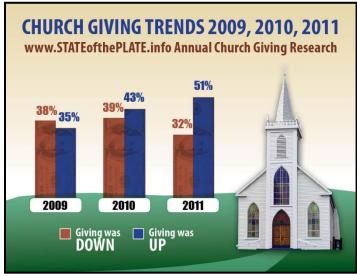
- Completed number of surveys: 1,360 surveys completed as of March 27, 2012.
- **Geographical demographics:** Emails were sent to churches in all fifty states, representing seven regions of the country. Churches from each region participated.
- **Denominational/theological demographics:** Churches from the following denominations participated: Mainline (13 percent), Evangelical (22 percent), Baptist (26 percent), Charismatic/Pentecostal (14 percent), Independent/Nondenominational (19 percent), Catholic/Orthodox (1 percent), and other (5 percent).
- Type of research conducted: This annual research is done as a constituency survey. Each participating group (MAXIMUM Generosity, Christianity Today, and ECFA) sent email communications and provided website links for their individual constituencies and partners to participate. Each group serves thousands of pastors, churches, and church leaders through their publications, products and services. Because this is constituency survey, not a random sampling study, a scientific error margin is not included. Over the past four years, our annual research findings have been compatible with major church giving research studies done by Hartford Institute for Religion Research, Leadership Network, Barna Research Group, <a href="The Lake Institute on Faith & Giving, The Alban Institute, LifeWay Research, Tomb, <a href="National Association of Church Business Administration (NACBA), Non-Profit Finance Fund Survey, Science of Generosity—
 University of Notre Dame and Church Budget Priorities Survey by Your Church magazine.
- **Church size:** Survey participants represented churches of all sizes: Fewer than 100 people (27 percent); 100-249 (30 percent); 250-499 (16 percent); 500-999 (14 percent); 1,000-1,999 (8 percent); 2,000-4,999 (4 percent); 5,000-10,000 (1 percent); more than 10,000 (<1 percent).

Church Giving Trends

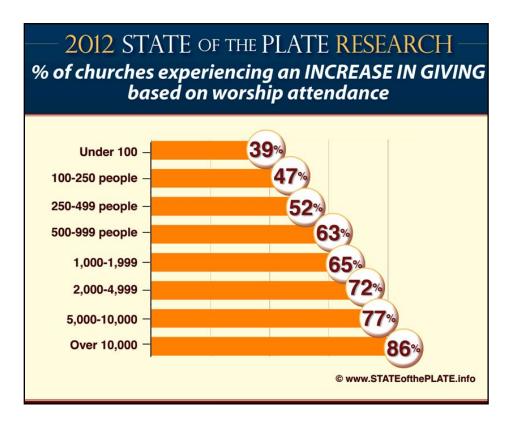
What happened to giving at your church in 2011?



- **Giving increases:** 51 percent of churches saw giving increase last year compared with 43 percent last year and 35 percent the year before.
- **Giving decreases:** 32 percent of churches reported a decline in giving in 2011, compared with 39 percent in 2010, and 38 percent in 2009.
- **Church size:** More than 70 percent of megachurches (churches with more than 2,000 people in weekend attendance) saw giving increases. Only 39 percent of small churches (fewer than 100 in weekend attendance) saw giving increases.
- **Reasons for giving increases:** Among churches that saw giving increases, 50 percent attributed the increase to increased attendance. 42 percent said it was because people gave more after their church conducted financial/generosity teaching initiatives.
- **Giving by regions:** Heartland states (MO, MN, IA, ND, SD, KS, NE) saw the biggest rebound with nearly 55 percent of churches experiencing giving increases. Pacific Coast states (CA, OR, WA, AK, HI) led the nation in church giving declines for three of the last four years. In 2011, 38 percent of Pacific Coast states saw giving declines, 45 percent saw giving increases and 17 percent reported giving was flat.



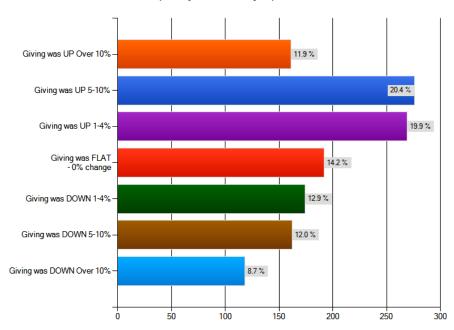
Church Giving Trends by Church Size



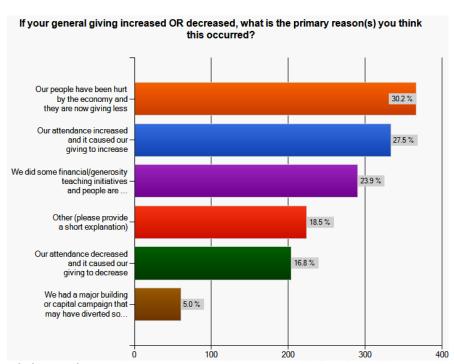
- **Increased giving directly connected to the size of the church:** 39 percent of churches with fewer than 100 people in worship attendance (adults and children) saw giving increases, whereas 86 percent of churches with more than 10,000 people saw giving increases.
- **Reasons for giving increases:** Among churches that saw giving increases, 50 percent attributed the increase to increased attendance, and 42 percent said it was because people gave more after their church conducted financial/generosity teaching initiatives.

Church Giving Gains and Declines

How much do you estimate your general giving (not designated giving) went up or down in 2011 (or for your last fiscal year)?



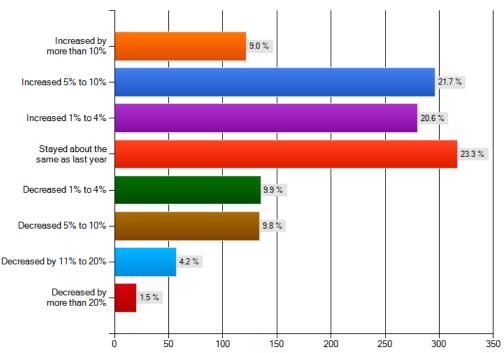
- Giving gains: Among churches that saw giving increases, 32 percent saw increases of 5 percent or more.
- **Giving declines:** Among churches that saw giving declines, 21.7 percent saw giving decreases of 5 percent or more.



- **Reasons for giving gains:** The No. 1 reason (27.5 percent) for giving increases was increased attendance. A close second (23.9 percent) was that the church conducted financial/generosity teaching.
- **Reason for giving declines:** The No. 1 reason given (30.2 percent) for giving declines was that churchgoers hurt by the economy were now giving less.

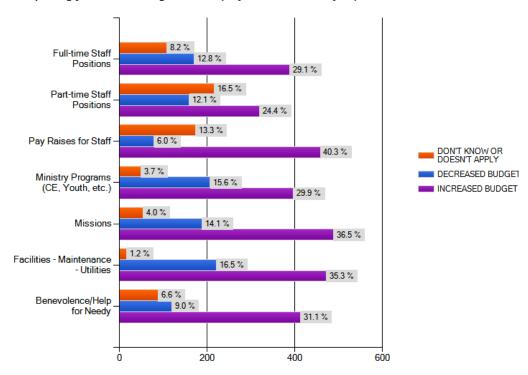
Church Budgeting Trends

Compared to the last year's budget (2011 or previous fiscal year), did the current year's budget increase, stay the same, or decrease?



• **Budget changes:** 51.3 percent increased their budget, 23.3 percent kept it the same and 25.5 percent decreased it.

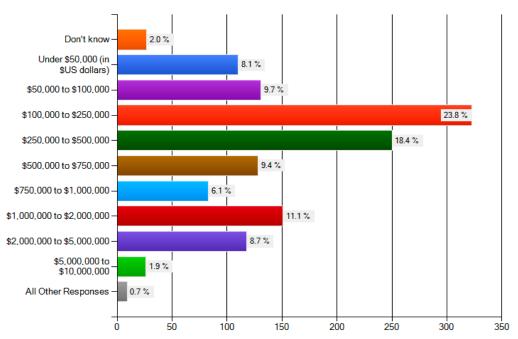
What do you know about how your church handled the following items impacting your church budget for 2011 (or your current fiscal year)?



• **Largest increases:** Pay raises for staff (40.3 percent), missions (36.5 percent), and facilities (35.3 percent).

Church Budget Sizes

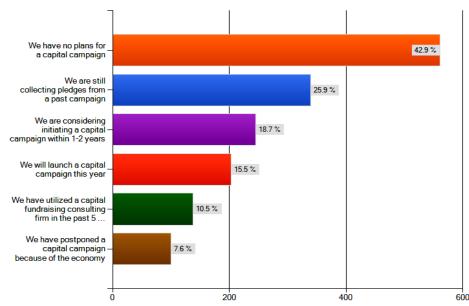
What is your ANNUAL CHURCH OPERATING BUDGET? Note: This amount should NOT include any additional DESIGNATED giving for building projects, school, missions, benevolence, or other DESIGNATED giving accounts.



• **Church budget sizes:** 41.6 percent of churches have general operating budgets LESS THAN \$250,000, and 21.7 percent have a budget MORE THAN \$1 million.

Church Capital Fundraising Campaigns

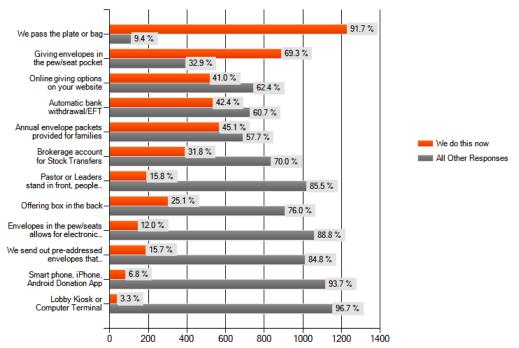
Which of the following apply to your church's capital fundraising projects? (Check all that apply)



• **Interesting trend:** Churches considering conducting a capital campaign within the next one to two years have dwindled by nearly 50 percent over the past three years — 18.6 percent this year, 21.8 percent last year and 34 percent two years ago.

How Churches Collect Donations

Many churches offer a variety of ways for people to give, and more churches are offering electronic and online giving. What are giving options your church offers?



• Electronic and online giving: There has been a major shift away from the "envelope packets" of yesteryear (now used by 45.1 percent of the churches) and increased giving in EFT bank withdrawals (42.4 percent), online giving (41 percent), brokerage accounts (31.8 percent), electronic giving in pew envelopes (12 percent), cell phone apps (6.8 percent), and lobby kiosks (3.3 percent). All of these electronic giving options have increased in the past four years.

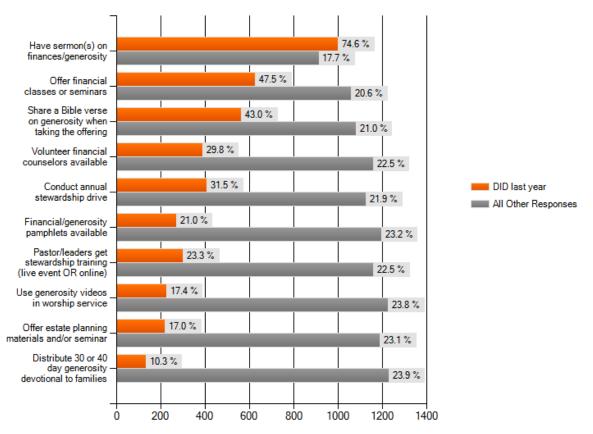
Financial Accountability & Integrity



• This graph shows that many churches use financial practices and procedures to maintain leadership integrity and financial accountability. These best practices lead to greater credibility so that people can confidently give their faithful and generous support to their local congregation.

Financial/Generosity Ministry Initiatives

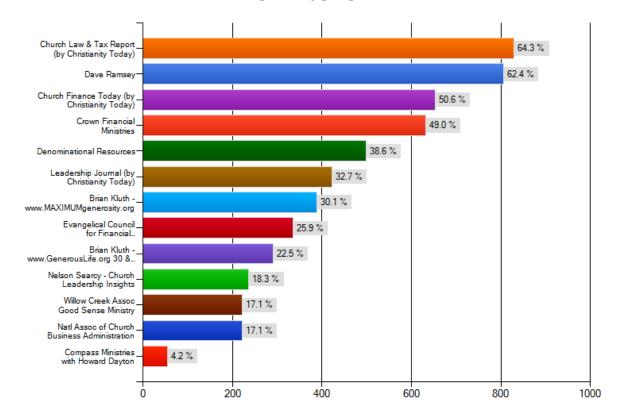
What does your church do to help people with their finances, inspire generosity, and increase church giving (check ALL that apply)?



- **Reasons for giving increases:** In an earlier question, 42 percent of churches that saw giving increases said it was because of their financial/generosity teaching initiatives.
- **Generosity initiatives:** Churches are continuing to look for positive, proactive ways to teach on personal finances and encourage faithful, generous giving. Nearly all initiatives listed above increased the last three years (e.g. 74.6 percent of churches did a sermon or a sermon series on finances/generosity in 2011, compared with 66 percent two years ago).
- **Note:** "All other responses" referred to those who answered that they were planning or considering this item in the next year.

Outside Financial/Generosity Resources

Click on any group you know that helps provide materials & helpful ideas for your church related to church finances/budgets, expert advice, financial classes, and/or encouraging generosity/giving.





Study Shows Giving Finally Rebounding for Majority of Churches

4th Annual 'State of the Plate' Survey Shows Giving Increased Last Year; Budgets Up, Electronic Giving on the Rise, Greater Financial Transparency

DENVER (March 27, 2012) — Churches suffered from plummeting donations after the recession began in 2008. But in the past year, a majority of congregations experienced giving increases because of a better economy, higher attendance and more church teaching on giving.

Trends in 2011 included higher budgets, which brought more church spending on staff salaries, missions, facilities and benevolence. Trends also included greater attention to fiscal transparency and board governance and a rise in electronic giving through technological tools, such as cell phone applications and automatic bank withdrawals.

The fourth annual "State of the Plate" constituency survey of more than 1,360 congregations revealed that 51 percent of churches saw giving increase in 2011, up from 43 percent in 2010 and 36 percent in 2009.

The survey was a collaborative research project sponsored by MAXIMUM Generosity, Christianity Today, publisher of *Church Finance Today* and *Leadership Journal*, and ECFA. The survey asked pastors, staff and leaders of all church sizes, theological leanings and regions to report on their church giving, budgeting and generosity initiatives, as well as programs to help families negatively affected by the economy.

"Charities and churches were hit hard by the recession, but many are now beginning to see increased giving," Kluth said. "A better economy, more Bible teaching on finances and generosity and a growing number of online giving options are helping many churches rebound financially."

Giving increases were greatest among larger churches, with more than 70 percent of megachurches -- 2,000 or more in weekend attendance -- experiencing giving increases last year. Heartland states saw the biggest rebound, with nearly 55 percent of churches experiencing giving increases. For three of the last four years, Pacific Coast churches continued to struggle financially. In 2011, 38 percent experienced giving declines.

Among churches that saw giving increases, 50 percent attributed the rise to greater attendance. Forty-two percent said it was because people gave more after their church conducted financial/generosity teaching initiatives, such as sermons, classes, seminars or distributed devotionals about the subject.

Church budgets, consequently, are up, and churches are allocating the extra funds to staff pay raises (40.3 percent), missions (36.5 percent), church buildings (35.3 percent) and benevolence (31.1 percent). And the way churches receive donations has shifted from the traditional "envelope packets" toward electronic giving, such as cell phone applications, automatic bank withdrawals and lobby kiosks.

"As giving has improved for many churches nationwide, this survey shows many have made budget decisions that directly care for people," said Matt Branaugh, director of editorial for Christianity

Today's Church Management Team, a survey sponsor. "Many churches increased their spending for missions and benevolence – two ways churches work to meet the needs of people locally and globally. And pay raises for staff and pastors were a move to care for their own, after many churches were forced to freeze or cut salaries during the recession."

The "State of the Plate" shows a significant number of churches actively use a variety of practices and procedures to ensure financial transparency and accountability. For instance, 92 percent make their financial statements available upon request to their members; 89 percent provide copies of their annual budget to their congregation or make them available upon request. Eighty-six percent of church boards are made up of five or more people, with at least three of those people not a pastor or staff member, or related to either.

"It is important that churches properly self-govern in financial matters," said 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. Our research shows that many churches are implementing strong financial accountability practices."

Winchester, Va.-based ECFA leads the Commission on Accountability and Policy for Religious Organizations in response to a request from Sen. Charles Grassley (R-Iowa).

In conjunction with the "State of the Plate," a second survey called the "View from the Pew" assesses churchgoers' personal financial, debt and giving practices, and trends. Findings of this survey, which focuses on those who give 10 percent or more of their incomes, will be released at a later date.

"State of the Plate" online surveys were completed by 1,360 churches of varying types from all regions of the country. For an executive summary with charts, graphs and trends, visit www.STATEofthePLATE.info/media2012.htm.

About MAXMUM Generosity

In mainstream media circles, Brian Kluth (www.BrianKluth.com), founder of "State of the Plate" research and the MAXIMUMgenerosity.org website, is known as "America's Giving Guy." A best-selling author, speaker and media commentator, Kluth's book "40 Day Journey to a More Generous Life," has become a bestseller, with a half-million copies sold. Kluth is a speaker for the www.GiveWithJoy.org radio program and the www.GenerosityPledge.org movement.

About Christianity Today

Christianity Today (www.christianitytoday.org), based in Carol Stream, Ill., is a global media ministry founded in 1956 by the Rev. Billy Graham. It provides nine publications, including *Christianity Today, Leadership, Church Finance Today* and an award-winning website reaching more than 2.5 million unique visitors each month.

About ECFA

ECFA (www.ecfa.org), based in Winchester, Va., is an accreditation agency dedicated to helping Christian ministries earn the public's trust through adherence to Seven Standards of Responsible StewardshipTM. Founded in 1979 and now with more than 1,600 members, ECFA provides accreditation to leading Christian nonprofit organizations that faithfully demonstrate compliance with established standards for financial accountability, fundraising and board governance. Members include Christian ministries, denominations, churches, educational institutions and other tax-exempt 501(c)(3) organizations. Collectively, these organizations represent more than \$20 billion in annual revenue.

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Media contacts for the three sponsoring organizations:

- **Brian Kluth**, founder of MAXIMUM Generosity and the "State of the Plate" research: 720.432.2422, bk@kluth.org
- Dan Busby, president of ECFA, Winchester, Va.: 1-800-323-9473, dan@ECFA.org
- **Matt Branaugh**, director of editorial for Christianity Today's Church Management Team: 630.260.6200, ext. 4228, mbranaugh@christianitytoday.com

History of the Annual STATE of the PLATE Research

The stock market plunge of October 2008 ushered in the Great Recession. With that financial crisis came a deluge of articles in newspapers, including *The Wall Street Journal*, national magazines and prime-time television programs about decreases in giving to churches. Many of these stories offered anecdotal support based on a reporter calling a few pastors to learn what was happening in local churches. Few articles referenced any national research or solid data to substantiate what was really happening in churches across America.

In response, Brian Kluth of MAXIMUM Generosity created the *STATE* of the *PLATE* research, a survey built to gain helpful data and benchmarks about what really happened with church giving, budgeting, generosity initiatives, and programs to help people in their church and community being impacted by the recession. In conjunction with the *STATE* of the *PLATE*, a second survey called the *VIEW* from the *PEW*, was created to measure the financial, debt and giving/tithing statistics of individual Christian households.

In 2010, editors from *Christianity Today*'s *Church Finance Today* newsletter and *Leadership* asked to collaborate with Kluth to continue the research on an annual basis. The goal: to capture statistics, true benchmarks and trend lines that could help church leaders truly know how to "understand the times and to know what to do" amid economic challenges. In 2011, ECFA became a sponsor.

Past research received major media coverage through the *Washington Times*, *USA Today* (front page info graphic), *The Wall Street Journal*, NBC, CBS, ABC, FOX, Associated Press Radio, NPR, Reuters, USA Radio Network, Prime Time America, *Chronicle of Philanthropy* and more than 300 newspaper and print publications around the world.

About Brian Kluth and MAXIMUM Generosity



Brian Kluth is the founder of the STATE of the PLATE research. In mainstream media circles he is known as "America's Giving Guy" (www.BrianKluth.com). A best-selling author, speaker and media commentator, Kluth's book 40 Day Journey to a More Generous Life has become a bestseller with a half-million copies sold. Kluth is founder of the MAXIMUMgenerosity.org website and an eNewsletter with more than 20,000 subscribers. Kluth is a speaker for the www.GiveWithJoy.org radio program and the www.GenerosityPledge.org movement.

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About Christianity Today

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Additional Research/Articles

The **www.STATEofthePLATE.info** church giving and financial data can be cross-referenced to similar research projects and articles by the following groups.

- Hartford Institute for Religion Research
- Leadership Network
- Barna Research Group
- The Lake Institute on Faith & Giving
- The Alban Institute
- LifeWay Research
- The State of Church Giving by the Empty Tomb
- National Association of Church Business Administration (NACBA)
- Non-Profit Finance Fund Survey
- Science of Generosity University of Notre Dame
- Church Budget Priorities Survey by Your Church magazine

Research for Groups* that Serve Churches/Clergy/Christians

*Denominations, associations, businesses, financial institutions, media

The *STATE* of the *PLATE* research surveys are available for groups that want to collect giving/financial data, trends, and benchmarks among their churches, constituency or customers. A special survey link for the existing *STATE* of the *PLATE* surveys is available for free upon request. In addition, customized surveys and/or reports are available on a fee basis. Contact Brian Kluth for more details at bk@kluth.org.

Future Research

The STATE of the PLATE survey takes place annually in February. Groups that desire to partner or collaborate with this research are welcome to participate. Partners can be provided with a special link that will allow them to conduct surveys among their own constituencies. Contact Brian Kluth for more details at bk@kluth.org.

Copyright and Contact Information

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