Last week, The Giving Institute released *Giving USA 2016: The Annual Report on Philanthropy for the Year 2015*. As the most comprehensive annual report on philanthropy in America, *Giving USA*’s research undergirds much of Lake Institute’s own education and training. This year, Lake Institute not only provided The Giving Institute with the context for trends in religious giving, but also authored the chapter that describes this context in more detail. In this edition of Insights, we explore what these trends mean for fundraisers, donors, and religious leaders in faith-based contexts.

**THE LANDSCAPE OF RELIGIOUS GIVING**

In 2015, philanthropic giving in America reached an all-time high for the second consecutive year. When compared to 2014, *Giving USA* estimates charitable giving in 2015 rose 4.1%, with religious giving showing steady growth of 2.7%. While Americans are giving more to religion than they ever have before, religious giving continues to grow at a slower rate, when compared to the other nonprofit subsectors, over the past five years. Although giving to religion was the last form of charitable giving cut by many during the Great Recession, we have seen religious giving return at a slower pace in the post-recession years. Religious fundraisers, particularly those in congregations, would be wise to be aware of this trend and actively engage donors in considering their overall giving.

The IU Lilly Family School of Philanthropy’s *Philanthropy Panel Study* (PPS) found that the average contribution to religion has remained stable since 2003 for almost all religious groups. The most notable increase in the average religious gift since 2003 came from conservative, non-denominational believers (Mormons, Jehovah’s Witnesses, and Christian Science), who increased their average gift by 30% (2003: $2,454.12; 2013: $3,210.71). Members of these groups have maintained the highest average gift to religion each year that the PPS has been conducted since 2003.

Despite growing at a slower rate, religious giving still represents the largest portion of charitable giving in America. Even when defined narrowly (primarily as houses of worship, denominations, mission boards, and TV and radio ministries), religious giving (32%) is more than twice as large as the second largest nonprofit subsector, education (15%).
THE SIZE OF CONGREGATION IMPACTS DONATIONS
The 2015 National Congregations Study, directed by sociologist Mark Chaves, found that congregational size has an effect on giving patterns. Congregations that fall between 100 and 1,000 members tend to give less than those on either end of the spectrum. Moreover, while the majority of congregations were found to be small, the majority of churchgoers attend larger congregations. The average size of a congregation was reported to be 70 members with an annual budget of $85,000, but the average churchgoer attends a church with 450 members and an annual budget of $450,000.

ONLINE GIVING GROWS
Giving USA reports, “Giving to religion enjoyed tremendous increases in online giving in 2015.” A study conducted by Dunham+Company reveals that 42% of congregations offer online giving compared to 70% of non-church nonprofits that offer online giving options. The percentage of congregations that offer online giving is heavily weighted towards houses of worship with more than 200 in attendance. Congregations without electronic forms of giving may find it difficult to increase donations. As one participant in Lake Institute’s programs said,

“Many of the people in my congregation no longer carry cash or checks. If we do not offer some form of electronic giving, we prohibit them from fully participating in worship.”

While Lake Institute encourages religious fundraisers to promote and expand revenue streams through electronic giving, we caution that electronic giving should not become a substitute for actively and regularly engaging donors in person.

JEWSH PHILANTHROPY
Less is known about giving to Jewish and Islamic houses of worship. The last nationally represented study of Jewish synagogues, Connected to Give: Synagogues & Movements, was published in 2014. The report found that the greatest predictors of Jewish giving are marital status, close Jewish social networks, worship attendance, and volunteerism for a Jewish organization. Although synagogues have traditionally established dues for its members that determine the level of giving, some congregations in America have begun employing a flexible dues model whereby each member determines the right amount to give, based on a suggested donation provided by the synagogue.

MUSLIM PHILANTHROPY
Dr. Sabith Khan notes two important trends in Muslim giving. First, Gulf States have historically provided a high degree of funding to establish mosques in America. However, funding for mosques built in recent years has come from the direct support of members in the United States instead. Dr. Khan also suggests that a shift in Muslim identity is taking place. Rather than Muslim identity being formed exclusively through the local mosques, Muslim Americans are connecting with other Muslims through more secularized philanthropy. Dr. Khan has found that Muslim giving in America has become more directed to humanitarian relief efforts, community building, and civil rights.
While giving to religion remains by far the largest share of charitable giving in the United States and reached new heights in 2015, long-term trends reveal that other nonprofit subsectors continue to gain significant market share.

**Lake Institute encourages religious leaders to...**

1. Cultivate strong relationships with donors
2. Explore online giving options that make it easy for individuals to give
3. Be aware of changing donor demographics

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1 Unless otherwise noted information for this article is drawn from Thad Austin and Richard Clark (2016), “Giving to Religion” in Giving USA: The Annual Report on Charitable Giving. Giving USA Foundation.
3 Data analysis conducted by the Indiana University Lilly Family School of Philanthropy. Philanthropy Panel Study data are available upon request.
   
   Note: Congregations of under 100 gave 2.3% of their income, those between 200-300 gave 1.4%, 500-100 gave 2.2%, those over 1000 gave 3.7%.
6 Dunham+Company (2015), “Study shows churches lag behind in facilitating online giving.” Online
7 Steven M. Cohen and J. Shawn Landres (2014), Connected to Give: Synagogues and Movements, Jumpstart, 5. Online

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