

The Stewardship Journal

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**From My Desk
to Your Inbox**



**The Future of Giving:
It Ain't Good, Part 1**



**An Interview
with Ron Sellers**



**A False Sense
of Security**

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From My Desk to Your Inbox

I don't have to tell you that the economy is taking its toll on the offering plate.

In the coming weeks, *The Stewardship Journal* will focus on the state of giving in America, what this means for churches, and how you can work to reverse a grim outlook.

In this week's article ***The Future of Giving: It Isn't Good, Part 1***, Mark Brooks, the Stewardship Coach, reviews three sobering statistics. Then, Mark discusses the overall drop in giving with Ron Sellers of Grey Matter Research in ***An Inside Look at the Giving Gap, Part 1***.

Finally, Mark emphasizes the importance of considering both sides of the coin to avoid ***A False Sense of Security***.

Remember, you can find past issues of *The Stewardship Journal* at stewardshipjournal.com or LouisianaBaptists.org/Stewardship.

Keep Looking Up,



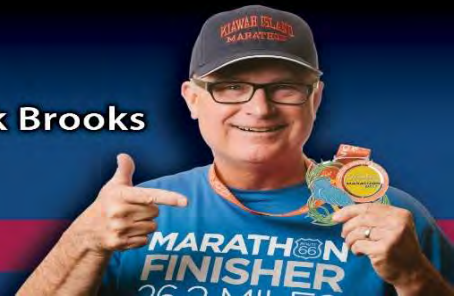
Dr. Steve How

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THE STEWARDSHIP COACH
REVERSING THE DECLINE IN GIVING

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Mark Brooks



The Future of Giving: It Ain't Good, Part 1



I have three major studies on giving trends on my desk, and all three say the same thing: giving to charitable organizations, including the Church, is in serious decline. I will break down the findings in this Coach, *The Future of Giving: It Ain't Good, Part 1*.

"The average evangelical Protestant gave 1.7% of household income to church over the past 12 months, with a median of just two-tenths of one percent. Because of both lower generosity among those who are still giving and a drop in the proportion who give anything to church, **the average has fallen 28% over the past three years** from 2.4% generosity in 2021. The median has fallen from 0.6% three years ago."¹

The good news is Americans gave \$557 billion to charity in 2023. Yet, in looking at the other side of the coin, the percentage of what Americans give, we find an alarming trend developing. Consider these statistics from a report by the Generosity Commission called *The Shifting Landscape of American Generosity*.² They found,

- A 2023 giving decline of 2.1% after a decline in 2022 of 8.4%.
- Fewer Americans are involved in their community by volunteering and giving than ever in the last two decades.
- The share of U.S. households reporting that they had donated to a nonprofit organization dropped from 65% in 2008 to 49% by 2018. This was the first time it had been below 50%.
- A three-year 19.1% drop in donors. The number of donors dropped by 3.4% in 2023 after having dropped by 10% in 2022 and by 5.7% in 2021.

This is but the tip of data that reveals that while charitable dollars are up, the number of donors and the percentage amount they give is declining. At the same time, volunteer hours are up, and the number of volunteers is down. Both facts are troubling for the future financial stability of churches. Why? Studies have shown that those who volunteer in an organization always give more. Yet one of the biggest concerns with the report lies in this finding, "More recently, researchers have linked the decline in charitable giving rates to the divergent beliefs, practices, and life experiences of younger age cohorts who are becoming a larger share of the giving population."

The Shifting Landscape of American Generosity study found many reasons for the decline in charitable giving. One alarming trend for the Church contributing to this is the decline of American religious affiliation and participation in religious institutions. The report states that "Surveys from the Pew Research Center have shown that Americans who attend religious services weekly are more than 50% more likely to have given to charity in the last week than those who do not attend, while research from the Lilly Family School of Philanthropy has demonstrated that the average annual charitable contributions of Americans who claim religious affiliation are more than twice as large as those who do not." As a result, "...the share of households that give to religious organizations or causes has fallen more steeply than the share of households giving to secular organizations, dropping from more than 46.5% in 2000 to 29% in 2018." This spells trouble for future giving in the Church. While *The Shifting Landscape of American Generosity* looked at philanthropic giving overall, including giving to religion, *The Giving Gap: Changes in Evangelical Generosity* focuses exclusively on Evangelicals.

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Here are some of their key findings concerning the current state of giving to the Church.

- The proportion of evangelicals who gave money fell sharply from 2021. The proportion giving to a church fell from 74% to 61%, and the percentage who gave to a nonprofit or ministry outside of church fell from 58% to 50%. The proportion who supported neither one rose from 19% to 31% in the past three years.
- Not only are fewer evangelicals giving, but those who are still giving are donating less than in 2021. Among evangelical donors to the church, the average amount given over the past 12 months was \$2,503. This is down 15% from an inflation-adjusted average of \$2,953 in 2021.
- Among charitable donors, the average given in the past year is \$1,151, down 5% from \$1,210 (inflation-adjusted) three years ago.
- Among those who gave to church or charity (or both), the average given is \$3,053, a 15% drop from \$3,572 (inflation-adjusted) in 2021.

The third report on my desk is from empty tomb, inc., an organization that conducts the most extensive research on the state of giving to the Church. Their findings mirror much of the other two studies, including discovering that giving as a percentage of income is now around 1.8%. They summarize their findings by stating, **“These and other findings suggest that the church in the U.S. is currently following a trajectory that is weakening its ability to present the Good News of Jesus Christ in a meaningful way.”**³. (Emphasis mine.)

So, wake up, Church leader! A train is heading your way, and it's picking up momentum. Here is a reality that nearly every Christian leader ignores: your giving has declined even though you might not have realized it. Why? Because for too long, we have only focused on one side of the giving coin: the total amount of money donated. Year after year, that has increased while at the same time, the percentage people give has steadily declined.

One of the biggest concerns with these reports is this finding: “More recently, researchers have linked the decline in charitable giving rates to the divergent beliefs, practices, and life experiences of younger age cohorts who are becoming a larger share of the giving population.”⁴. This is why the future of giving ain't good.

Next week, I will continue sharing thoughts about moving forward. The news is bleak, but we serve a mighty God!

For more information about the decline in giving, check out my Bonus Section!



Mark Brooks – The Stewardship Coach
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1. Infinity Concepts | Grey Matter Research, *The Giving Gap: Changes In Evangelical Generosity*. 2024 report.
2. Giving USA Foundation, *Giving by Generation*. 2024 report.
3. *The State of Church Giving Through 2021 Intentional Miracles*, John L. Ronsvalle and Sylvia Ronsvalle, Champaign, IL, May 2024, p.138
4. Giving USA Foundation, *Giving by Generation*. 2024 report.

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Bonus Section

An Interview with Ron Sellers

In my opening post, I referenced a study entitled, *The Giving Gap: Changes in Evangelical Generosity*. The study was done by Infinity Concepts | Grey Matter Research. Ron Sellers of Grey Matter Research was gracious enough to give me an interview about their recent report. Due to the length of the interview, I will break it down into two parts. Ron shares background information and details about The Giving Gap in this part. Next week, I'll talk to Ron about his view of how we need to rethink our approach to the tithe. I think you will find the discussion informative and fascinating.

Mark Brooks: Ron, recently, your organization released a new study on the current state of giving in Evangelicalism. Could you begin by giving us an overview of the report?

Ron Sellers: Well, this is a joint effort between Grey Matter Research and Infinity Concepts. Grey Matter is a company that specializes in serving faith-based and nonprofit organizations, denominations, churches, etc. And we do that through research, through consumer insights, through trying to basically answer questions. You know the kinds of questions ministries can be asked that will help them get answers to help them make wiser decisions, knowing a little bit more about the landscape. Infinity Concepts is an agency that also specializes in serving the Christian community in areas such as branding communications and fundraising. Infinity is working to put, in a sense, feet on what Grey Matter does. And so, we've been collaborating since 2021 on a series of reports.

In 2021 we put out a report called *The Generosity Factor*, where we looked at the giving of evangelical Protestants. And this report, *The Giving Gap*, is an update of that report. When Covid 1st hit, we heard great wailing and lamenting from ministries and nonprofits, saying with people staying home, with them not working, with the economy sinking, and everything else, we're going to get a landslide of lapse donors, people not giving any more. What ended up happening in reality is that giving, and this is just nationally, not just among the evangelical population, but overall nationally, during the prime covid years, giving actually went to some of the highest levels ever measured. Now, that doesn't mean those are high levels. But they were higher than what had been seen previously. And so, now that Covid has become sort of a thing in the back of everybody's minds rather than in front of their faces with a mask, we wanted to update this and see where things have gone.

Mark Brooks: Can you give us an overview of the contents of *The Giving Gap* and what it looked at?

Ron Sellers: We essentially looked at the giving levels of evangelical Protestants. And there are, and this is something I'll warn everybody who uses research in the Christian community, a variety of definitions of evangelicals out there, ranging from they represent 6% to 7% of the American population to they represent 40%. We define evangelicals by people who agree with Theological statements about the primacy of the Bible, the importance of evangelism, etc. So, these are Evangelicals by belief, regardless of what church they attend or whether they attend church. Regardless of what they call themselves or what their denomination is.

Grey Matter has done research previously that shows Americans in general, including Evangelicals, give radically different answers when asked about the amount of money they give and the proportion of their household income they give. The average person thinks they give proportionally, dramatically, more than they actually give. So, I mean, in some cases, they're inflating their giving by about 800%.

We will compare the amount given to church, the amount given to charity, and then compare that to household income, and we come up with what's called generosity, which is the proportion of household income that is given to church or charity.

Mark Brooks: So why is that important? What you just described is that to get out of even percentages and total amount, start looking at it from their household income. Why is that an important metric?

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Ron Sellers: The higher the income level, the higher the capacity to give. Now, that is mitigated somewhat by the fact that you might have somebody who earns 40 grand a year, but they have no family, no commitments, they live very simply, the house is paid off, and so that 40 grand a year is for basic living expenses, and they're free to give a lot more. You might have somebody else who is earning a hundred grand a year, but they're putting two kids through college, supporting two elderly parents and an elderly uncle, and one of them is fighting breast cancer. These are all different factors that have to be taken into consideration.

Mark Brooks: What findings surprised you in *The Giving Gap*?

Ron Sellers: A lot of what we found didn't surprise us, but a couple of things were different. One is that giving dropped substantially among virtually every evangelical type, both to church and charity. And when I say virtually every evangelical, I mean those with high spiritual engagement, those with lower spiritual engagement, younger, older, male, female, higher income, lower income. The generosity dropped, and it dropped to both churches and to charity. So, the amount of the drop surprised me, and the proportion who gave nothing at all rose substantially.

There's one other thing that didn't surprise me, but it was an anomaly in all of the numbers. This is a sample of a thousand people. So, when you look at that, that's a good, healthy sample size from a research perspective, and it's designed to be demographically representative of Evangelicals. It's got the appropriate proportion of charismatic and noncharismatic and Baptist and Assemblies of God and everything else. But when you start breaking it down and looking at different subgroups, you only have a finite level of how far you can break it down.

But we do have a very robust sample of white Evangelicals versus Evangelicals of color, which would be American Indian, Asian American, African American or Black, and Latin or Hispanic. What we found consistently is that the giving drop was greater among whites than it was among evangelicals of color. In fact, in some measures, evangelicals of color actually increased their generosity during this time. So, there was substantially more steadfastness and even the occasional increase among evangelicals of color, and the decline was substantially higher and substantially greater among Caucasian evangelicals.

Mark Brooks: Can you put a finger on the why of that?

Ron Sellers: You know, my first thought was Evangelicals of color, people of color in the United States, tend to be somewhat lower in household income, and they tend to be younger. But when we look at those factors within Evangelicals, we see greater drops in generosity among the young and among the lower-income than we do among the higher-income and the older. So that flies in the face of the supposition that it's because they're lower income or younger on average. I don't have an answer for why, and I can't even separate it because we have smaller sample sizes of people of color. All I can tell you is that people of color, evangelicals of color, were substantially more steadfast in their giving over the past three years than were Caucasian evangelicals.

Mark Brooks: Ron, we have a lot more in this interview that I want to probe in our next edition of the *Journal*. For now, how can church leaders receive this study and other information you produce?

Ron Sellers: Probably the best way to start would be to go to our site, <https://greymatterresearch.com>. There you will find this study, as well as many others, listed for free downloads. You can also sign up for our emails, which will notify you when we have new information, studies, and help for church leaders.

Next week, we will probe more about the state of giving in America with Ron Sellers.

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A False Sense of Security

How can giving be up when it's actually down? The 33rd edition of *The State of Church Giving through 2021* Intentional Miracles, a highly respected source, reveals some startling facts. In 1933, the worst year of the Depression, Americans gave 3.2% of their Disposable Personal Income (DPI) to the church. Fast-forward to 2021, and Americans that year gave only 1.81%.¹

Every year an organization called empty tomb, inc. (yes, dear reader, all lower-case) puts out what is perhaps the most detailed look at giving in America. The authors of the report, John and Sylvia Ronsvalle, project trends and patterns in American giving. I began reading their research in 2009. They revolutionized how I viewed American giving. I learned from them the value of looking at both sides of the coin. This gives writers on stewardship issues like me an ability to track trends to better understand what future giving might be. As Wall Street says, "The trend is your friend." Of course, until the trend isn't friendly that is. Let me explain and then make a few observations about the state of giving.

To accurately track present and future giving, it's crucial to consider both sides of the giving coin. While the dollar amount given is often the focus, it's equally, if not more important, to look at giving as a percentage of income. For instance, Americans gave \$557 billion to charity in 2023; yet in 2022, they gave only 1.7% of their DPI.² So, what's the headline, that giving is up or down? As a stewardship coach, I often find it challenging to persuade church leaders to consider both sides of the coin.

My friend and fellow classmate at Southwestern, Dr. Ronnie Floyd, explained why we must look at both sides of the coin in his book ***Ten Percent: A Call to Biblical Stewardship***:

"You must think about giving from two perspectives, like two sides of a coin. One side reveals the percentage of the donor's income given. The other side reveals the amount in terms of actual dollar amounts given. So, while giving in terms of amounts has increased, giving as a percentage of income is declining.

If you only look at one side of the coin, it has the potential to create a false sense of security about the financial health of the church. For many, this is what has happened. The decline is so slow that we can't recognize what is right in front of us."³

Church leaders have been lulled to sleep by a false sense of security by the smallness of each year's decline. What difference does a declining percentage of giving mean? We often see Baptist Press headlines about Cooperative Program giving being behind by a percent and wonder what the big deal is. Just a few million here or there.

In recent years, agencies have adjusted budgets and worked around declines. It is much the same for local churches. A small decline is manageable. This is why Dr. Floyd makes the point about a false sense of security. We have been caught looking at only one side of a two-sided coin for years.

When leaders were made aware of the small declines, they assumed they would have time at a later date to make corrections. Years of warnings have been ignored. Now, we have no choice but to pay attention to the decline. The decline has picked up the pace, and it's heading for *your* church at a pace that will remind you of March 2020 all over again. Except there will be no "miracle" shot to return you to past giving levels. What you experienced for a few weeks in March of 2020 will be your future in the 2030s.

The above is a reason for why church leaders were seemingly unaware of the decline. But what is the result of that delay in action?

The Snowball Effect has picked up momentum and threatens to flatten SBC institutions and churches. What started out as a small snowball of a decline has now accelerated. The proportion of evangelicals who gave money fell sharply from 2021. The proportion of giving to a church fell from 74% to 61%, and the percentage who gave to a nonprofit or ministry outside of

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church fell from 58% to 50%. The proportion who supported neither one rose from 19% to 31% in the past three years. That snowball will soon be an avalanche wiping out thousands of churches in 2030.⁴

I've been writing and speaking on the two-sided coin of giving since 2009. Since the fall of 2019, I've spoken to local, state, and denominational executives, their second-in-command people, and SBC institutional and state institutional leaders on this issue. I sit in the State Executive's offices with proposals to avoid this. They are polite, nod in agreement, and promise to consider my proposal. After I leave, they return to the crushing responsibilities of keeping their state afloat. I'm forgotten about by the next morning.

In April 2023, I was invited to speak at the Executive Committee's Cooperative Program Retreat. There, I issued a warning and challenge to State CP directors about the two-sided coin and what it will mean to Southern Baptists. Everyone was polite. Everyone promised that this time, they would act. I even received an invitation to talk to every state Executive Director. Then, another controversy hit the EC, and that never happened. For the most part, it was a bunch of people sitting around a table talking and doing nothing about the problem but feeling good they had the conversation.

Three state conventions, Missouri, Mississippi, and Louisiana, are working with me, to produce a platform for the SBC to help pastors receive this newsletter. For many pastors, I am their only source of information and help regarding stewardship. It's a start, but it needs to be national.

The truth is we have no strategy or plan to meet this avalanche. To be very frank, few, if any, of our major leaders have a plan other than selling off property. When donors see an institution selling property, they know trouble is brewing. It's time for our SBC leadership to admit to the rank and file how bad things are. Every day we delay action, we further endanger not only our institutions but our local churches.

It's time to stop kicking the can. The longer we wait to act, the harder it will be to reverse the current decline. The more we will see colleges and seminaries adopting a survival mentality, selling assets and property to survive, the more we will lose thousands of churches, Gospel lighthouses in communities around the globe. The sad thing is nobody is doing anything about it.

I'm a Boomer. I hate to admit it, but my time is about up. What I want to do is quit. I've written and talked until I am blue in the face. I don't have the platform to make a difference anyway, nor to gain the attention of those who could act. My friends who used to be in those places are now retired. Who is going to address this issue for Southern Baptists?

I will, until the day I die. What I want to know is, is there anyone that will stand with me? Anyone?

1. John and Sylvia Ronsvalle, *The State of Church Giving through 2021*. (Champaign: empty tomb, inc., 2024), 12.
2. https://www.thegenerositycommission.org/wp-content/uploads/2024/07/Generosity-Commission_Landscape-Analysis_072424_Final.pdf?goal=0_b82a25e92a-3e63e6de59-429417656&mc_cid=3e63e6de59&mc_eid=b3d6b62414
3. Floyd, Dr. Ronnie, *Ten Percent: A Call to Biblical Stewardship*. (Nashville: Baptist Press, 2020), 6.
4. Infinity Concepts | Grey Matter Research, *The Giving Gap: Changes In Evangelical Generosity*. 2024 report.