

Church Budget Priorities Survey Executive Report



**Conducted by:
NationalChristianPoll.com**

**For:
Christianity Today International's
Your Church Media Group**

2009

BACKGROUND INFORMATION

Purpose of the Study

The purpose of the study is to learn church budgeting priorities and to identify sources of church income. It also assessed the influence of current economic conditions on churches.

How the Data Was Gathered

Interviews were conducted among Active Christians panel members on NationalChristianPoll.com. Active Christians believe salvation is through Jesus Christ. They are very active Bible readers and church attendees with a high percentage in leadership roles. They use many different types of Christian media and are very active in sharing their faith with others because they believe they have an obligation to do so.

Number of Qualified Respondents: 1,168

Survey Mail Date: February 25, 2009

Cut-off Date: March 5, 2009

Limitations

With a total sample of 1,168 completed questionnaires, the maximum margin of error is +/- 2.9 percentage 95% of the time. With a sample less than 1,168, the margin of error is greater than ± 2.9 percent 95% of the time.

Report Notes

- Responses that do not total 100% are due to multiple responses, rounding of numbers, or refusals.
- Bold numbers in “significant difference” tables signify statistical significant difference at 95% confidence level.

EXECUTIVE SUMMARY

CHURCH BUDGET

CURRENT TOTAL CHURCH OPERATING BUDGET

- Median church operating budget is \$295,300.
- One-fourth of the respondents' church operating budget (excluding capital fundraising) is less than \$200,000.
- 14% of respondents' church operating budget is \$1 million or more.

BASIS FOR BUDGETING

- Nearly half of respondents' churches base their budgeting on a combination of estimated expenses and pledged giving.
- For the rest of respondents' churches, budgeting is 12 times more likely to be based on estimated expenses (37%) than it is based on pledged giving (3%).

BUDGET OVERSEER

- In nearly two-thirds of respondents' churches, trustees/deacons/elders/board members oversee that church expenditures are within the budget. In more than 4 in 10 churches, the treasurer (46%) and pastor (41%) take care of this responsibility.

BUDGET TIMING

- Nearly half of respondents' churches start working on the church budget anywhere from two to less than six months (46%) in advance of it going into effect.
- While 6% start working less than one month before it takes effect, 9% start working on it 6 months or more before it takes effect.

CAPITAL FUNDRAISING

- Approximately 4 in 10 respondents' churches are collecting pledges from a past campaign, seeking pledges in a current campaign, or are planning to start a campaign within the next 12 months.
- 18% of those who are planning to start a campaign within the next 12 months are also collecting pledges from a past campaign. In addition, 11% are seeking pledges in a current campaign.

CHURCH INCOME AND OPERATING BUDGET

CHURCH'S PRINCIPAL SOURCES OF INCOME

- The biggest source of church income is tithes and offerings, comprising an average of 87% of the church budget.
 - Nearly all churches rely on tithes and offerings as one of their church's principal sources of income.
 - 33% of churches' say all (100%) of their principal sources of income are from tithes and offerings.

CHURCH EXPENSES

- Salaries and wages comprise the largest expense in church operating budgets at 38%. A distant second is building expense at 12%.
 - Over 9 in 10 churches (92%) report Salaries/wages as part of their current church operating budget.
- 8 in 10 or more churches include utilities, maintenance/cleaning, and property/liability insurance among their current church operating budget.

DIFFERENCES BETWEEN CURRENT BUDGET AND PREVIOUS YEAR'S BUDGET

- Nearly one-third of the respondents expect their current church budget to stay about the same (plus or minus 2%).
- There are three times as many respondents who say their church budget will increase by 2% to less than 5% than those who say their church budget will decrease by the same amount.

CURRENT ECONOMIC CONDITIONS

WEEKLY GIVING

- One-third of respondents estimate giving is about the same (plus or minus 2%) considering the current economic condition.
- 40% say current economic conditions result in a decrease in weekly giving by 2% or more, compared to 9% who say weekly giving increased by 2% or more.

CHURCHES' ACTIONS IN RESPONSE TO ECONOMIC CONDITIONS

- Three-fourths (75%) of respondents' churches do not feel any affects of the current economic condition when asked what they consider doing as a direct result of economic condition. Only 65% of respondents say they do not feel any affects of the current economic condition when asked what their church has actually experienced.
- Salary freezes is the most considered option in nearly 3 in 10 churches, followed by hiring freezes, pay cuts, and layoffs. A similar pattern emerged when asked what churches actually experienced, except actual experience is fewer than what is being considered.

CHURCH AND RESPONDENTS' PROFILE

- Average worship attendance is 580; median is 236.
- Nearly half (47%) are from churches with less than 200 people in average attendance.
- Most of the respondents' churches are located in a small town or rural city (40%) or the suburb of a larger city (36%).
- Half of respondents' churches have been in existence for 50 years or more.
- One in eight churches (12%) has been in existence for less than 10 years. More than twice as many (25%) have been in their current physical location for the same amount of time.
- Nearly 2 in 10 respondents' churches operate a school.
- 95% of respondents' churches employ full-time employees; 87% employ part-time employees.
- About 2 in 10 respondents hold the following positions of responsibility: pastor/minister/priest/clergy
 - elder/deacon/trustee/board member
 - committee leader/member
 - ministry leader/coordinator

CHURCH BUDGET

CURRENT TOTAL CHURCH OPERATING BUDGET

Q: Approximately what is your current total church operating budget, excluding capital fundraising and special projects?

- One-fourth of the respondents' church operating budget is less than \$200,000.
- 14% of respondents' church operating budget is \$1 million or more.

BASE: Number of respondents	1836
	%
Less than \$100,000	15
\$100,000 to less than \$200,000	10
\$200,000 to less than \$300,000	7
\$300,000 to less than \$400,000	4
\$400,000 to less than \$500,000	3
\$500,000 to less than \$750,000	5
\$750,000 to less than \$1,000,000	5
\$1M to less than \$1.5M	5
\$1.5M to less than \$2M	2
\$2M or more	7
No budget	1
Not aware/Don't know	35
Mean	\$664,426
Median	\$295,300

Note: The rest of the report is based on 63% respondents who are aware of their church budget.

CAPITAL FUNDRAISING

Q: Which of the following apply to your church’s situation in regards to capital fundraising? (Choose ALL that apply)

- Approximately 4 in 10 respondents’ churches are collecting pledges from a past campaign, seeking pledges in a current campaign, or are planning to start a campaign within the next 12 months.
- 18% of those who are planning to start a campaign within the next 12 months are also collecting pledges from a past campaign. In addition, 11% are seeking pledges in a current campaign.

Significant Differences:

- Respondents from churches with a budget of \$1M or more are more likely than all others to be collecting pledges from a past campaign.
- Likewise, respondents from churches with an average worship attendance of 500 or more are more likely than all others to be collecting pledges from a past campaign.

	Total
Base: Number of respondents	1122
	%
We are collecting pledges from a past campaign	21
We are seeking pledges in a current campaign	14
We plan to start a campaign within the next 12 months	9
None of the above	52
Don't know	10

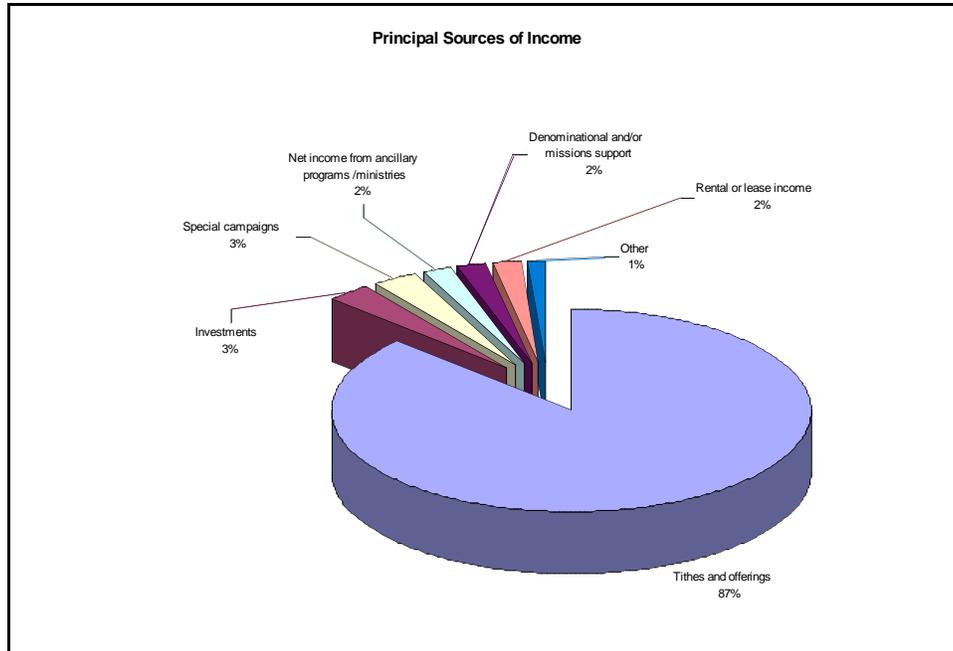
CHURCH INCOME AND OPERATING BUDGET

CHURCH'S PRINCIPAL SOURCES OF INCOME

Q: What are your church's principal sources of income for the current budget year? Please indicate, in percentages, your best estimate in the space provided.

Note: Total should add up to 100%

- The biggest source of church income is tithes and offerings, comprising 87% of the church budget. The remaining 13% are spread almost evenly among other sources of income.



Source of Income	Source of Income For all Churches (%)
BASE: Number of respondents (793)	
Tithes and offerings	87
Investments	3
Net income from ancillary programs /ministries (e.g., bookstores, cafeteria, daycare center, library, radio stations, school, thrift shops, etc.)	2
Denominational and/or missions support	2
Rental or lease income	2
Special campaigns (e.g., capital fundraising, etc.)	3
Other	1

Q: What are your church’s principal sources of income for the current budget year? Please indicate, in percentages, your best estimate in the space provided.

Note: Total should add up to 100% (continued)

Tithes and Offerings

- Nearly all churches rely on tithes and offerings as one of their church’s principal sources of income.
- 33% of churches’ say all (100%) of their principal sources of income are from tithes and offerings.

Other Sources of income

- 35% of churches rely on investments as one of their church’s principal sources of income.
- 24% of churches rely on special campaigns as one of their church’s principal sources of income.
- 20% of churches rely on rental or lease income as one of their church’s principal sources of income.
- 18% of churches rely on net income from ancillary programs/ministries as one of their principal sources of income.
- 11% of churches rely on denominational and/or missions support as one of their church’s principal sources of income.
- 9% of churches rely on “other” sources as one of their church’s principal sources of income.

Source of Income	% of Churches Who Use This Source of Income	Average For those who use this source of income (%)
BASE: Number of respondents (793)		
Tithes and offerings	100%	87
Investments	35%	9
Special campaigns (e.g., capital fundraising, etc.)	24%	11
Rental or lease income	20%	10
Net income from ancillary programs /ministries (e.g., bookstores, cafeteria, daycare center, library, radio stations, school, thrift shops, etc.)	18%	12
Denominational and/or missions support	11%	16
Other*	9%	14

*Other includes:

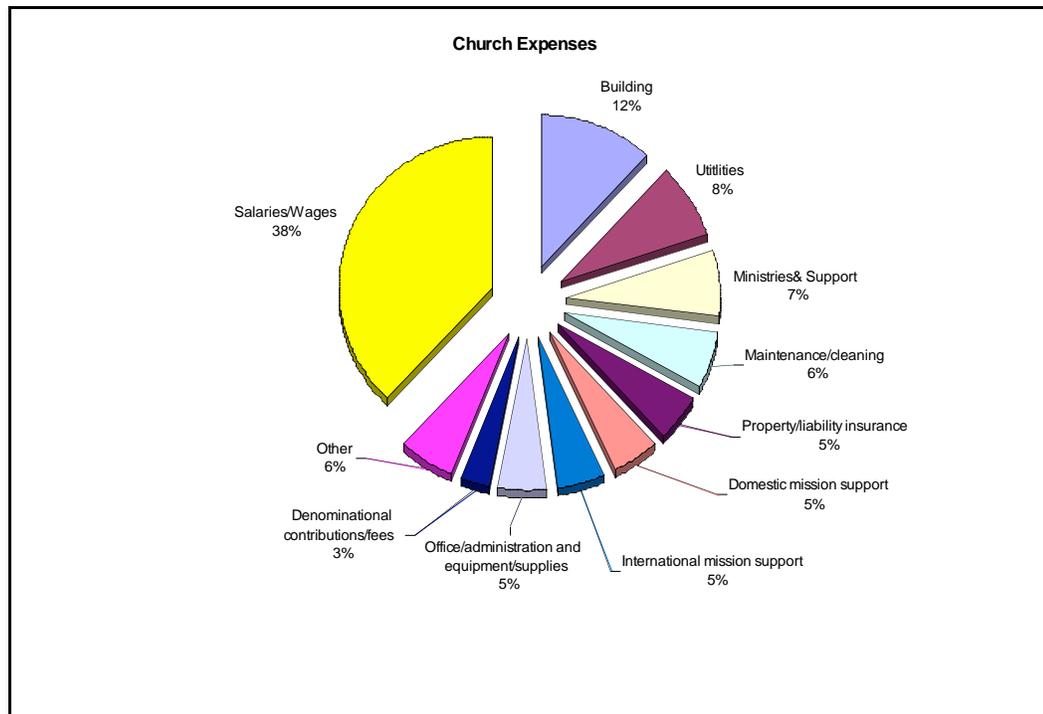
- Alms
- Appropriated Funds
- Benevolence
- Bequests (3 mentions)
- College room, board, and tuition (2 mentions)
- Designated/restricted gifts (3 mentions)
- Donations/free will offerings (3 mentions)
- Endowments (3 mentions)
- Fundraisers (5 mentions)
- Gifts/special gifts/memorial gifts (11 mentions)

- Hour of Power
- Mail Appeal
- Principal from investments spent
- Repayments
- Savings/reserves (4 mentions)
- Supporting churches
- The Lords House income
- Thrivent
- Trust funds

CHURCH EXPENSES

Q: Of your current church operating budget, please indicate, in percentages, approximately how much goes to each of the following:

- Salaries and wages comprise the largest expense in church operating budgets at 38%. A distant second is building at 12%. The remaining 50% is almost evenly distributed among other expenses ranging from 3% to 8% of church operating budgets.



Church Expenses	Average Percentage of Expenses For all Churches (%)
BASE: Number of respondents (664)	
Salaries/wages (including base salary, benefits and reimbursements)*	38
Building (mortgage, rent, lease)	12
Utilities (water, electric, heat, phone service, Internet, security services)	8
Ministries & support	7
Maintenance/cleaning (building & grounds)	6
Property/liability insurance	5
Domestic mission support	5
International mission support	5
Office/administration and equipment/supplies	5
Denominational contributions/fees	3
Other (see next page for list of other expenses)	6

Q: Of your current church operating budget, please indicate, in percentages, approximately how much goes to each of the following:

“Other” expenses include:

Advertising
Building fund
Capital Repairs
Christian Education
Church account (2 mentions)
CP (includes missions giving)
Educational institutions (3 mentions)
Emergency Fund
Evangelism/outreach (3 mentions)
Fundraising Supplies
It all goes in an account and taken out as needed
Kitchen, Decorations
Millenium Development Goals
Ministry/Program expenses & supplies
(4 mentions)
Miscellaneous expenses (4 mentions)
Music (2 mentions)
Retained income
Savings (3 mentions)
Southern Baptist Programs
Summer Bible School
Technology
Tithing off the Tithe
Worship needs/services (3 mentions)

- Over 9 in 10 churches (92%) report Salaries/wages as part of their current church operating budget.
- 8 in 10 or more churches include utilities, maintenance/cleaning, and property/liability insurance among their current church operating budget.

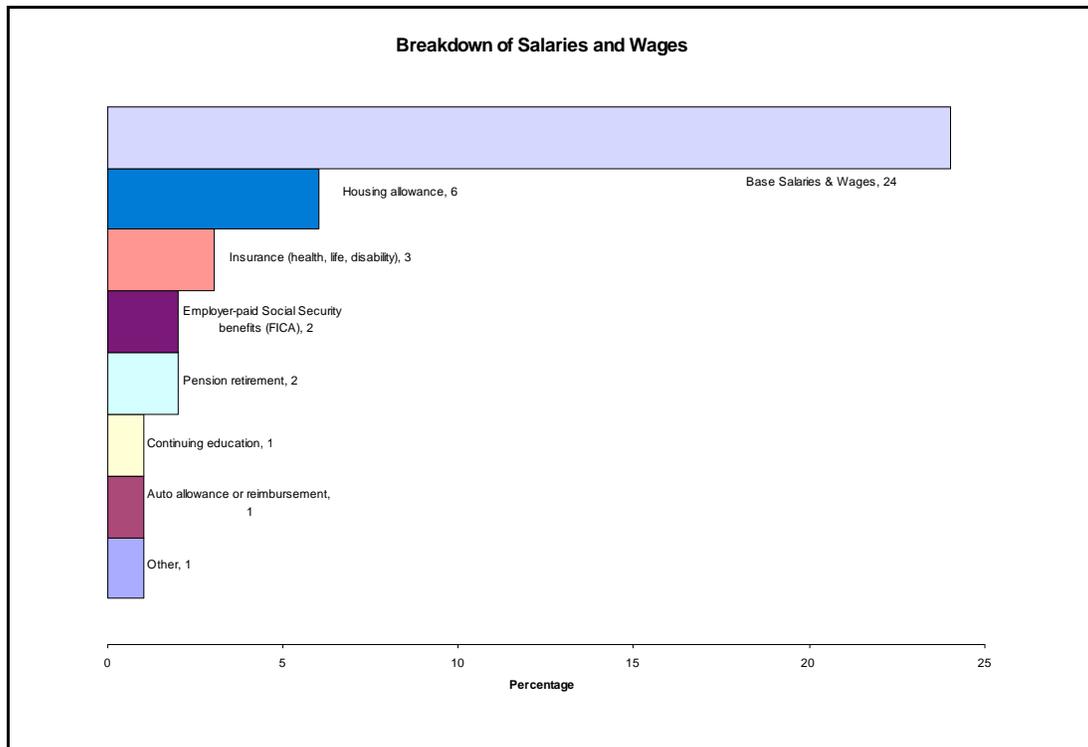
Church Expenses	% of Churches Who Report This Expense	Average for Churches who Reported this Expense (%)
BASE: Number of respondents (664)		
Salaries/wages (including base salary, benefits and reimbursements)	92%	41
Utilities (water, electric, heat, phone service, Internet, security services)	84%	10
Maintenance/cleaning (building & grounds)	80%	8
Property/liability insurance	80%	6
Office/administration and equipment/supplies	77%	6
Domestic mission support	70%	7
International mission support	69%	8
Ministries & support	67%	10
Building (mortgage, rent, lease)	58%	21
Denominational contributions/fees	47%	7
Other*	12%	47

Q: You indicated (XX)% of your church budget goes to Salaries and Wages. What percentage of the total budget goes to each of the following?

In other words, of the total Salaries and Wages, please give us your best estimate on how &&% is broken down to each of the following categories:

Note: && in the question above indicates their response to the previous question for Salaries and Wages is inserted in their online survey.

- As expected, the biggest piece of the Salaries and Wages expense goes to Base Salaries and Wages (24%)



“Other” responses includes:

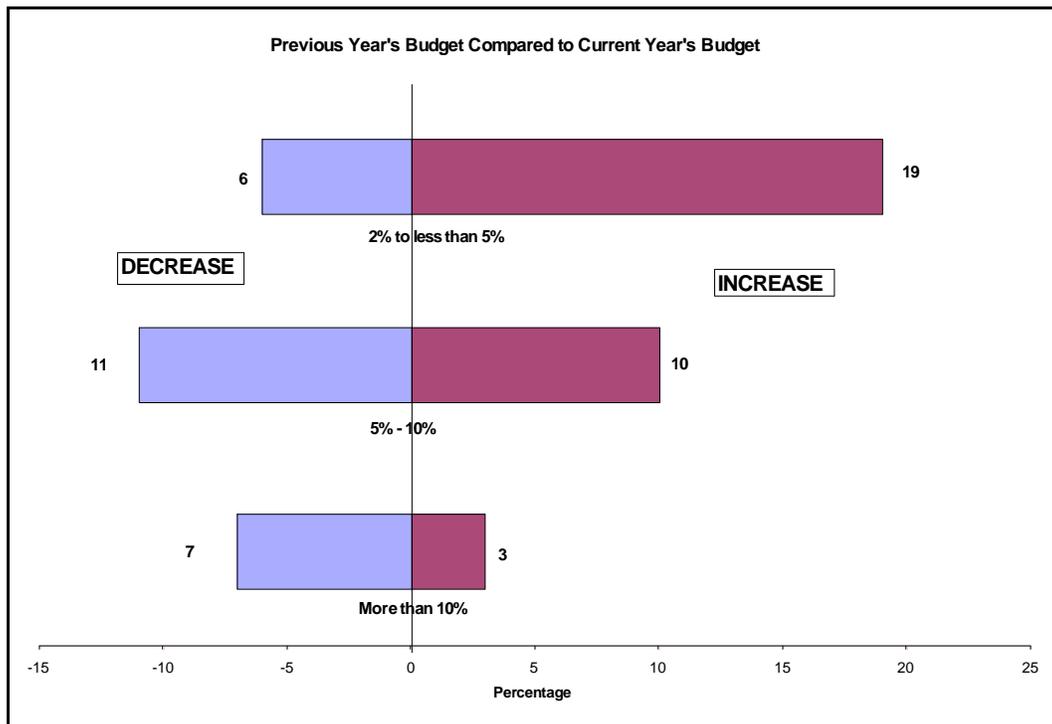
- Bonus (2 mentions)
- Cell phone
- Reimbursements (2 mentions)
- Pension/SSI/insurance/medical all together through denomination
- Professional expenses (2 mentions)
- Taxes
- Workers Comp (2 mentions)

Q: Compared to the previous year's planned budget, did/will the current year's budget increase, decrease, or stay the same?

- Nearly one-third of the respondents expect their current church budget to stay about the same (plus or minus 2%).

Base: Number of respondents	834
	%
Decrease by more than 10%	7
Decrease by 5% - 10%	11
Decrease by 2% - to less than 5%	6
About the same (plus or minus 2%)	31
Increase by 2% - to less than 5%	19
Increase by 5% - 10%	10
Increase by more than 10%	3
Don't know	13

- There are three times as many respondents who say their church budget will increase by 2% to less than 5% than those who say their church budget will decrease by the same amount.



CURRENT ECONOMIC CONDITIONS

WEEKLY GIVING

Q: Within the past six months, how much, on average, are current economic conditions affecting weekly giving?

- One-third of respondents estimate giving is about the same (plus or minus 2%) considering the current economic condition.
- 40% say current economic conditions result in a decrease in weekly giving by 2% or more, compared to 9% who say weekly giving increased by 2% or more.

Base: Number of respondents	830
	%
Decrease by more than 10%	11
Decrease by 5% to 10%	17
Decrease by 2% to less than 5%	12
About the same (plus or minus 2%)	33
Increase by 2% to less than 5%	5
Increase by 5% to 10%	3
Increase by more than 10%	1
Don't know	16

Significant difference:

- Respondents from a church with \$100K to less than \$500K are most likely to say weekly giving is about the same compared to all other groups.

Effect of economy on weekly giving	CHURCH BUDGET			
	<\$100 K	\$100K to <\$500K	\$500K to <\$1M	\$1M +
About the same (plus or minus 2%)	37%	40%	26%	23%

WEEKLY GIVING (continued)

- Churches' budgets for the current year correspond with the effects of economic conditions on weekly giving.

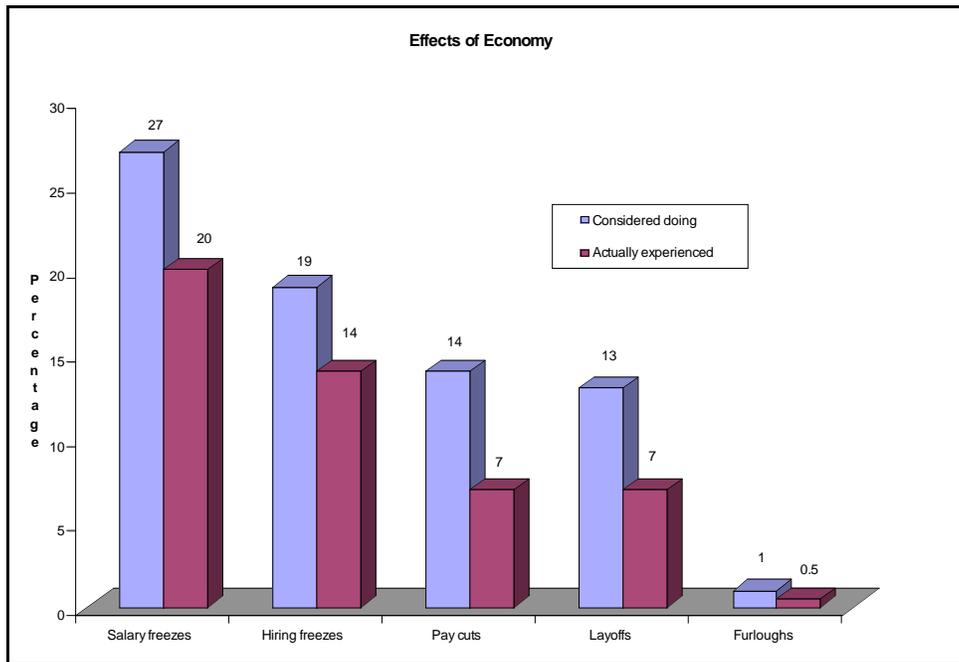
	CURRENT ECONOMIC CONDITIONS							
	Within the past six months, how much, on average, are current economic conditions affecting weekly giving?							
	Decrease by more than 10%	Decrease by 5% to 10%	Decrease by 2% to less than 5%	About the same (plus or minus 2%)	Increase by 2% to less than 5%	Increase by 5% to 10%	Increase by more than 10%	Don't know
Base: Number of respondents	94	139	103	278	44	26	10	136
	%	%	%	%	%	%	%	%
Decrease by more than 10%	31	9	5	2	2	0	10	1
Decrease by 5% - 10%	26	21	9	6	7	8	10	4
Decrease by 2% - to less than 5%	6	4	12	7	0	4	0	1
About the same (plus or minus 2%)	15	34	42	41	34	19	0	16
Increase by 2% - to less than 5%	4	18	17	24	39	23	0	15
Increase by 5% - 10%	9	6	10	10	11	31	20	9
Increase by more than 10%	3	1	0	4	5	12	40	3
Don't know	6	6	7	5	2	4	20	50

CHURCHES' ACTIONS IN RESPONSE TO ECONOMIC CONDITIONS

Q: Which of the following has your church ever considered doing as a direct result of current economic conditions? (Choose ALL that apply)

Q: Which of the following has your church actually experienced recently as a direct result of current economic conditions? (Choose ALL that apply)

- Three-fourths (75%) of respondents' churches do not feel any affects of the current economic condition when asked what they consider doing as a direct result of economic condition. Only 65% of respondents say they do not feel any affects of the current economic condition when asked what their church has actually experienced.
- Salary freezes is the most considered option in nearly 3 in 10 churches, followed by hiring freezes, pay cuts, and layoffs. A similar pattern emerged when asked what churches actually experienced, except actual experience is fewer than what is being considered.



	Considered doing	Actually experienced
Base: Number of respondents	827	827
	%	%
Salary freezes	27	20
Hiring freezes	19	14
Pay cuts	14	7
Layoffs	13	7
Furloughs	1	<1/2
Other*	15	14
Don't know	27	24
None, my church doesn't feel any affects of the current economic situation	25	35

CHURCHES' AND RESPONDENTS' PROFILE

CHURCH SIZE

Q: What is the size of your church? (average total worship attendance including children)

- The average worship attendance in respondents' churches is 580; median is 236.
- Nearly half (47%) are from churches with less than 200 people in average attendance.

Base: Number of respondents	822
	%
Less than 100	27
100 - 199	20
200 - 299	11
300 - 499	14
500 - 999	9
1,000 - 1,999	8
2,000 or more	11
Mean	580
Median	236

CHURCH SETTING

Q: Which of the following best describes the setting in which your church is located?

- Most of the respondents' churches are located in a small town or rural city (40%) or the suburb of a larger city (36%).

Significant Differences:

- Respondents' churches that have a budget of under \$100K are more likely than all others to be located in a small town or rural city (53% vs. 36%) or a farming area (16% vs. 4%). Likewise, respondents' churches with an average worship attendance of less than 100 are more likely than all others to be located in a small town or rural city (52% vs. 36%) or a farming area (14% vs. 4%).
- Respondents' churches that have a budget of \$1M or more are more likely than all others to be located in a metropolitan city (32% vs. 13%) or suburb of a larger city (47% vs. 33%).
- Respondents' churches with an average attendance of 500 or more are more likely than all others to be located in a metropolitan city (38% vs. 15%).
- Respondents' churches with an average attendance of 2,000 or more are more likely than all others to be located in a suburb of a larger city (48% vs. 31%).

Base: Number of respondents	822
	%
Metropolitan city	17
Suburb of a larger city	36
Small town or rural city	40
Farming area	7

AGE OF CHURCH

Q: How many years has your church been in existence (officially organized)?

Q: How many years has your church been in its current physical location?

- Half of respondents' churches have been in existence for 50 years or more.
- One in eight churches (12%) has been in existence for less than 10 years. More than twice as many have been in their current physical location for the same amount of time.

	Officially organized	Physical location
Base: Number of respondents	790	788
	%	%
Less than ten years	12	25
10 to less than 20 years	9	13
20 to less than 30 years	13	11
30 to less than 40 years	10	10
40 to less than 50 years	7	8
50 to less than 100 years	25	19
100 years or more	25	13