

Giving Trends in the ELCA  
Evangelical Lutheran Church in America  
Department for Research and Evaluation  
Kenneth W. Inskeep  
October, 1999

**HOW MUCH MONEY IS GIVEN IN THE EVANGELICAL LUTHERAN CHURCH IN AMERICA?**

1. Total giving in the ELCA in 1998 was \$1.72 billion.  
\$332 per baptized member or **\$1,089** per average attender.

Total income in 1998 was \$2.12 billion. 68% of total income came through regular (undesignated) giving.

2. In 1990 total giving was \$1.23 billion.  
\$236 per baptized member or **\$757** per average attender.  
Since 1990 the average yearly increase (adjusted for inflation) has been about 1.7% per year.
3. Operating expenses have remained steady at slightly less than 80% of total giving in 1998.<sup>1</sup>
4. Congregations reported giving \$118.8 million in 1990 and \$126.9 million in 1998 for mission support.

As a percentage of regular giving, mission support declined from 10.9% in 1990 to 8.7% in 1998.

The churchwide organization received \$65.9 million in mission support in 1990 (55.5% of all mission support). In 1998 the churchwide organization receive \$66.7 in mission support (52.6% of all mission support).

**WHAT IS TYPICAL FOR CONGREGATIONS?**

5. The typical congregation in the ELCA had about \$195,000 in income in 1998 or about \$10,000 more than in 1997.

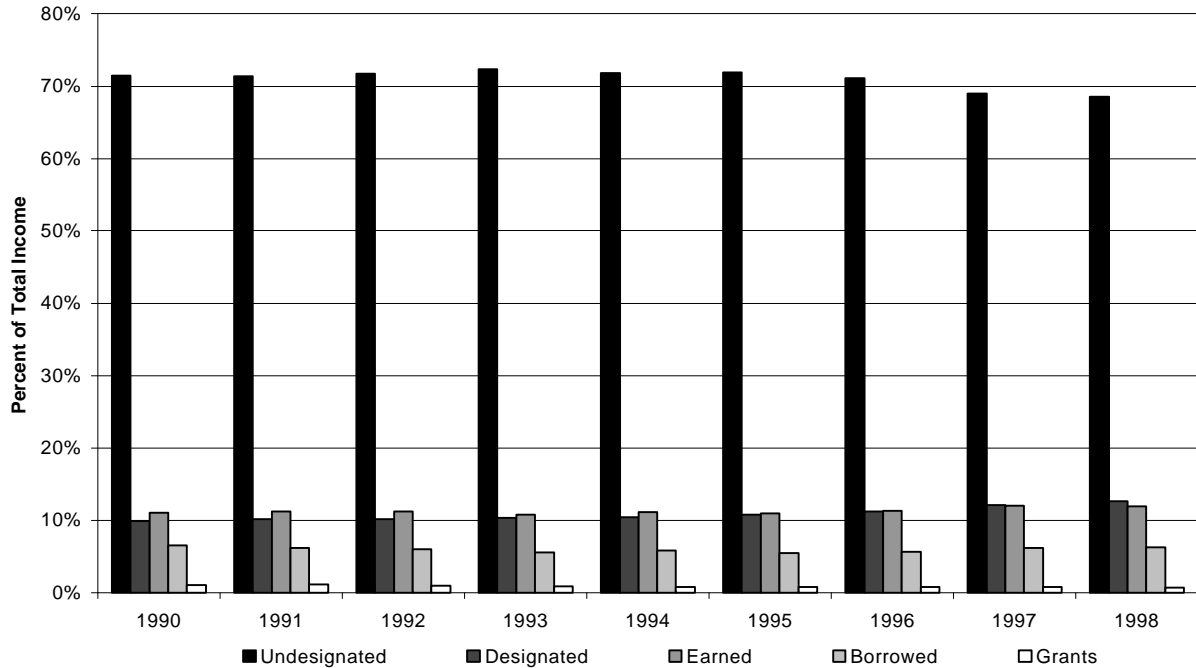
69% of the income was regular undesignated giving.  
12% was designated giving.  
12% was earned income.  
1% was from grants.  
6% was borrowed.

Between 1990 and 1998 there has been a slow decline in the percent of income that is undesignated (71.5% to 68.5%) and a slow increase in the percent that is designated (10.0% to 12.6%). (See Figure 1.)

---

<sup>1</sup>According to Mark Chaves in "Denominations as Dual Structures: An Organizational Analysis," *Sociology of Religion* 54:2 147-169, Table 3, the percent of congregational money remaining within congregations has remained consistent since at least 1939 at approximately 80%.

**Figure 1**  
**Sources of Income for a Typical Congregation in the**  
**Evangelical Lutheran Church in America**  
**from 1990 to 1998**



Source: Annual Congregational Reports, 1990 to 1998. Prepared by the Department for Research and Evaluation of the ELCA.

6. The typical congregation in the ELCA had about \$166,000 in expenses in 1998 (not including capital expenditures). (See Figure 2.)

- 80% went for operating expenses.
- 9% to payment on debts.
- 7% to mission support.
- 3% to other ELCA related benevolence.
- 1% to local benevolence.

7. The typical congregation spent about \$21,000 for capital expenditures in 1998, bring total expense to \$187,000 or \$8,000 less than total income.

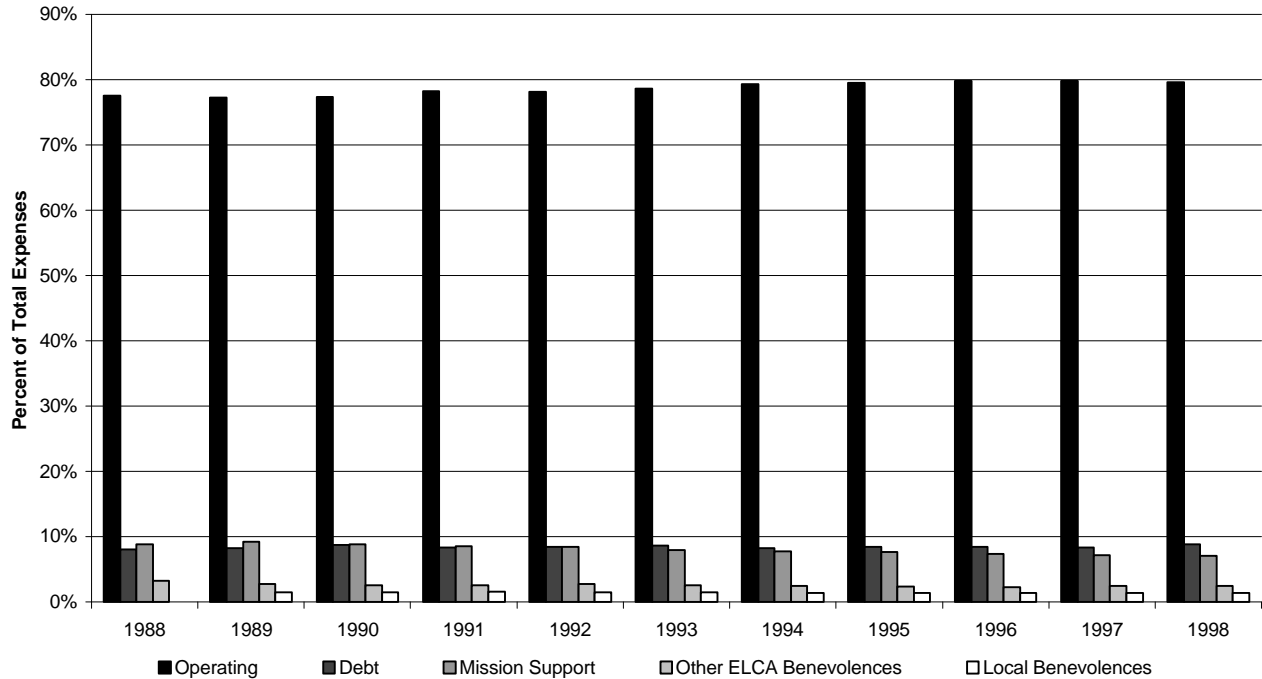
8. Cash and endowments have increased dramatically in recent years.  
 Between 1997 and 1998 cash increased from \$503.9 million to \$555.8 million (10.3%).  
 Endowments increased from \$726.8 million to \$821.0 million (12.9%).

Since 1990 cash has increased an average of 7.1% per year. Endowments have increased by an average of 6.5% per year.

9. Conventional wisdom is that giving is highest in small congregations. This is true if the size of a congregation is measured by baptized membership: \$358 given per member in congregations with 175 baptized members or less and \$312 given per member in congregations of over 1,500 baptized

members. But, when average attendance is the measure, congregations with an average attendance of 175 members or less give \$881 per average attender compared to \$1,163 in congregations that average over 1,500.

**Figure 2**  
**Sources of Expense for a Typical Congregation in the**  
**Evangelical Lutheran Church in America**  
**from 1990 to 1998**



Source: Annual Congregational Reports, 1990 to 1998. Prepared by the Department for Research and Evaluation of the ELCA.

## WHAT IS THE FINANCIAL SITUATION OF MEMBERS?

10. It has been quite some time since we asked members of the ELCA about their incomes. (*Lutherans Say... 5*)

In 1991, 16% reported incomes of under \$15,000.

34% reported incomes of under \$25,000.

The significant proportion of ELCA members at these income levels is largely due to the number of elderly and retired persons who make up a substantial number of regularly attending (and giving) members of ELCA congregations.

15% of ELCA members reported incomes of over \$65,000.

7% reported an income of over \$85,000.

11. Also as part of *Lutherans Say...* 3, members of ELCA congregations were asked in 1991 about the financial condition of the household.

2% of ELCA members said they did not have enough money to pay for the basic necessities like food, clothing, shelter, and health care.

9% said they had only enough money to pay for basic necessities.

35% said they had a small amount of money left over to spend after paying for basic necessities.

49% said they had a moderate amount left over.

3% said they had a lot left over.

2% said they didn't know.

12. Based on the settings of congregations:

5,992 ELCA congregations are in areas with low family incomes, very low density (rural and small town) with slow population growth. (58% of all ELCA congregations accounting for 41% of the members and **33%** of total giving.)

1,132 congregations are in areas with high family incomes, moderate density (suburban) and very high population growth. (11% of all ELCA congregations accounting for 16% of the members and **21%** of total giving.)

914 congregations are in areas with moderate family incomes, moderate density (urban/suburban) and slow population growth. (9% of all ELCA congregations accounting for 20% of the members and **17%** of total giving.)

2,043 congregations are in areas with moderate family incomes, high density (urban) and slow population growth. (20% of all ELCA congregations accounting for 12% of the members and **16%** of total giving.)

172 congregations are in areas with high family incomes, moderate density (urban/suburban) and moderate population growth. (2% of all ELCA congregations accounting for 9% of the members and **9%** of total giving.)

95 congregations are in areas with moderate family incomes, high density (urban) and moderate population growth. (1% of all ELCA congregations accounting for 2% of the members and **2%** of total giving.)

15 congregations are in areas with high family incomes, moderate density (urban/suburban) and very high population growth. (<1% of all ELCA congregations accounting for 2% of the members and **2%** of total giving.)

Number of congregations by income area:

High - 1,319 (32% of total giving)

Moderate - 3,052 (35% of total giving)

Low - 5,992 (33% of total giving)

## WHO GIVES AND WHY?

### 13. Basic Theories.

Economic - demand side (strictness), supply side (rational choice).

Economic theories stress the ability of a religious group to make high demands on people as a major factor in producing high rates of giving. Primary examples include members of the Church of the Latter Day Saints (Mormons) and conservative evangelical and fundamentalist groups.

Most argue that high demands produce diminished returns when **too** high—meaning that demand has a limit—but that most religious groups in the United States (particularly the moderate and more liberal religious groups) never approach that limit.

Also, the ability to place high demands often means the need to provide a high return. Rational choice theorists argue that people are rational in their religious (giving) behavior so that groups that provide a lot (whatever that means) can demand a lot and vice versa. Competition between religious groups strengthens religion overall because it forces religious groups to attend to the relationship of supply to demand. Rational choice theorists point to the northern European situation as evidence of the perils of not paying attention to the “supply side” and the “strength” of religion in America as the counterpoint.

Cultural - values and belief.

Cultural theorists point to the nexus of values and beliefs in religious behavior and giving behavior in particular. Those who give more are well integrated into the culture of the church. There are high levels of involvement and high levels of belief. In short, the church and religious life matters. It is believed that involvement in small groups, religious instruction and other techniques for fostering integration into the religious community lead to higher rates of giving. The way to increase giving is to maximize in-group contacts and minimize out-group contacts.

Sociological - social class and status.

The sociological theorists argue that the primary factors in giving are related to income and status. Those who give more, have more. Those who give more are well educated which is highly correlated with income.

Other factors include age (highest giving levels between ages 45 and 65. After 65 giving decreases in dollars but increases as a percent) and perceptions.

Techniques, in the face of the powerful sociological factors play only a secondary role.

### 14. Lutheran specific influences:

High family income.

High level of involvement with the church.

Planning by the year.

Spouse attends same church.

Dean R. Hoge (Dean R. Hoge, Charles Zech, Patrick McNamara and Michael J. Donahue, *Money Matters: Personal Giving in American Churches*, Louisville: Westminster John Knox, 1996) reports that Lutherans give 3.7% of income to their congregations. These are active members. *Profiles of Lutherans in the U.S.A.* (Carl F. Reuss, Minneapolis: Augsburg, 1982) reported that Lutherans gave 2.6% of income to the church. *Lutherans Say...2* (1990) reported 2.6% of income given.

15. High levels of giving can be developed.

Meaningful involvement.

Evangelical theology—aiding the needy, seeking a more meaningful life in Jesus Christ and evangelism.

Planning by the year.

16. Independent Sector (*Virginia Hodgkinson and Murray Weitzman*)

Decline in contributing from households from 73% in 1993 to 69% in 1995.

Persons reporting religious affiliation gave a higher percent of their average household income than those without a religious affiliation (2.3% to 1.1%).

Factors with young people—Belonging/participating with others (Active in church, student government).