



Study of COVID-19 Impact on U.S. Catholic Parish Giving

Prepared for ACS Technologies
February 1, 2023

by Professor Matthew F. Manion, MSCM
Faculty Director for the Center for Church Management in the Villanova School of Business

Background

The financial impact on churches was immediate and significant when the world shut down in response to the COVID-19 pandemic in March 2020. Religions that relied heavily on member giving which occurred during the Sunday liturgy were hit especially hard, including the Catholic Church.

While the world will never be the same as it was before the pandemic, restrictions on activity caused by COVID-19 have been lifted in most instances. People are back to work, children are back to school, and parishioners can worship in person again.

The purpose of this study is to understand the impact of COVID-19 on U.S. Catholic parish giving. The study was designed to test the following hypotheses:

1. The decrease in church attendance since the pandemic started has led to a decrease in parish collections.
2. Larger parishes with more financial resources were able to weather the storm of the pandemic better than smaller parishes.

Both hypotheses proved false. After an initial drop, total parish giving in this sample of parishes increased in year two over pre-pandemic levels and the difference in size of the parish was not statistically significant.

Key Findings

1. There was a 9% drop in collections in the first six months of the pandemic (April – September 2020) followed by a return to pre-pandemic levels in the second six months.
2. Surprisingly, total collections for the 989 parishes in this study actually increased in the second year of the pandemic over pre-pandemic levels from \$871 million to \$891 million.
3. The number of donors dropped 26% (673,667 to 497,644) in the first six months of the pandemic. The number of donors rebounded slightly since 2020 but remain 16% below pre-pandemic levels. This poses a risk to the long-term sustainability of many parishes.



4. Encouragingly, annual per person giving increased 24% in the first year of the pandemic (\$1,295 to \$1,603). This is likely a combination of increased generosity in response to the need, larger gifts from the biggest donors, increased giving capacity for those who received stimulus funds, and the benefit of the shift to recurring online giving.
5. An almost equal number of parishes in this study saw collections increase (471, 48%) and decrease (465, 47%), with 6% (58) flat. The distribution followed a typical bell curve as 26% (259) had collections drop over 10% and 28% (273) had collections increase over 10%.
6. Total overall giving increased for parishes in the Southeast (5%), Southwest (3%) and West (3%) compared to pre-pandemic levels. Total overall giving decreased for parishes in the Northeast (-2%) and Midwest (-3%) compared to pre-pandemic levels.
7. Parish size had no statistically significant impact on the change in collections. There were an equal of small, mid-size, and large parishes that did well and did not.
8. Despite the overall increase in giving to \$891 million, when you adjust for inflation that number becomes \$766 million in 2019 dollars, so parishes today have 11% less spending power. This is what economists call the “money illusion.”

Methodology

[ACS Technologies](#) (ACST) is a leading comprehensive provider of operational, relational and educational ministry software and service solutions to nearly 50,000 churches, schools, dioceses, and denominational offices.

The Center for Church Management in the Villanova School of Business partnered with ACST to study the ongoing effects of the COVID-19 pandemic on church giving.

ACST has data for more than one-third of the 16,579 Catholic parishes (CARA) in the United States. Villanova requested and received five years of giving data for an anonymized random sampling of 989 parishes. The data did not include any identifier other than the city and state in which the church was located.

Church closures occurred in the middle of March 2020 and the impact on collections was most significant beginning in April 2020. For analysis purposes, parish collections were organized in six-month segments from April to September, which included Easter each year, and from October to March, which included Christmas each year. ACST also provided the total number of donors who contributed in those same six-month buckets.

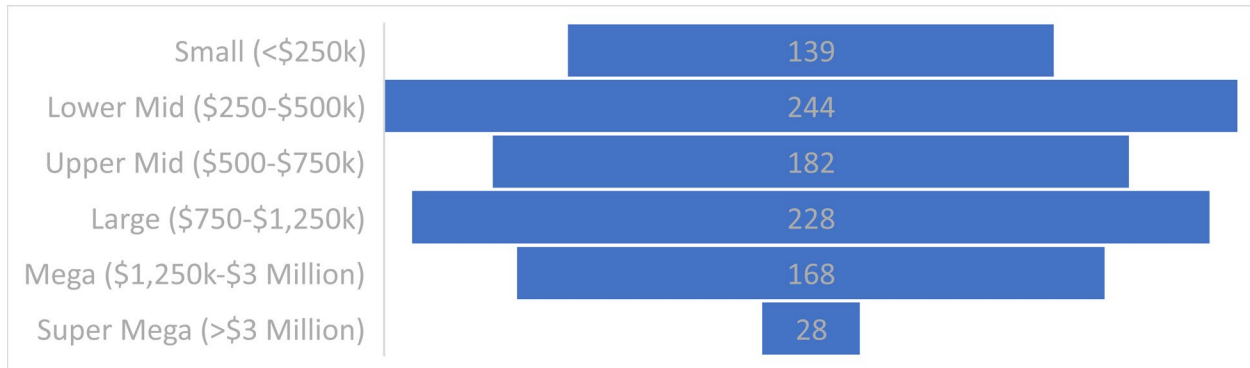
The five-year period from October 2017 through September 2022 was analyzed.

The data set includes parishes from 43 states. The distribution is over-represented relative to the Catholic population in the Midwest and underrepresented for the Catholic population in the West. Given the large sample size of 989 parishes, we believe the findings for this sample are still instructive for church leaders looking to understand macro trends.

	2014 Pew ¹ Catholic Population	2017 CARA ² Catholic Population	ACST Data Set # Donors	ACST Data Set # Parishes
Northeast	26%	24%	25%	28%
Midwest	21%	19%	28%	29%
South	27%	32%	32%	30%
West	26%	26%	11%	13%

Total overall giving increased for parishes in the Southeast (+5%), Southwest (+3%) and West (+3%) compared to pre-pandemic levels. Total overall giving decreased for parishes in the Northeast by 2% and Midwest by 3% compared to pre-pandemic levels. The differences between the Southeast and the Northeast and between the Southeast and Midwest were statistically significant.

The distribution of parish sizes in this data set, based on the size of pre-pandemic annual collections, is consistent with a similar study conducted by Villanova in 2020.



Notably, no significant differences are seen between parish size and the change in collections during the pandemic.

The appendix includes the rest of the data analysis and charts in presentation form.

¹ 2014 U.S. Religious Landscape Study. *Pew Research Center's Religion & Public Life Project*.
<https://www.pewresearch.org/religion/religious-landscape-study/>

² *The American Parish, By the Numbers | Commonwealth Magazine*. (March 25, 2020).
<https://www.commonwealmagazine.org/american-parish-numbers>



Recommendations

The rebound from the COVID-19 drop in 2020 and the subsequent increase in giving over pre-pandemic levels is good news and should be celebrated. There are many negative trends in the church today and this rebound is a sign of hope for the future.

The 24% increase in the average per person giving from \$1,295 per year to \$1,603 per year is dramatic. Parishes should look at this metric for their community and should ensure proper stewardship and appreciation for this increase in generosity so that it continues.

The decrease in the number of people supporting the church is concerning. These may be people who attended and gave infrequently pre-pandemic, and the COVID-19 closures led them to stop altogether. A shrinking base of supporters who are more generous can sustain things in the short-term, but a smaller group of donors will be unable to support the current ministries and infrastructure in the long-run. Without a change in this trend, more parish mergers and closures will be inevitable. There is also the risk that a smaller number of more significant donors could have an outsized influence on the direction of the local church, which could lead to unfavorable outcomes on several levels.

Church leaders should consider a personalized and individual outreach to lapsed donors seeking to re-establish a relationship with the parish community. Over time, this could lead to a rekindling of their faith, and as a by-product, support for the mission again. Personalized individual outreach is time-consuming and labor intensive, yet it is also the fundamental evangelizing work of missionary discipleship to which we are all called.

The impact of inflation on the spending power of churches must also be considered and watched closely. It is correct to celebrate the fact that total giving has increased over pre-pandemic levels. However, given the decreased value of a dollar due to inflation, if you adjust present day dollars for inflation, the \$891million from April 2021 to March 2022 is reduced to \$766 million. That means parishes have 11% less spending power today than they did pre-pandemic. This is what economists refer to as the "money illusion." It is likely that increases in parish salaries, similar to most sectors of society, have not kept up with the cost of living. Many church workers already sacrifice earning potential for the sake of the mission, but the reality of inflation could cause an even greater strain today. This is a potential risk to the talent pool currently employed by churches and should be monitored.

Next Steps

The Center for Church Management in the Villanova School of Business is excited to continue to partner with ACS Technologies to unleash the power of data and analysis for the benefit of church leaders. Additional studies of the impact of COVID-19 on other traditions will be completed in Spring 2023.

Villanova Center for Church Management

Study of COVID-19 Impact on U.S. Catholic Parish Giving

Prepared for ACS Technologies

by

Matthew F. Manion, MSCM

Professor of Practice, Management and Operations

February 1, 2023



**VILLANOVA
UNIVERSITY**

Villanova School of Business



Introduction



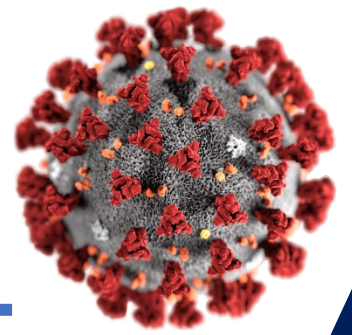
- To study the impact of COVID-19 on Catholic giving, we analyzed collection data for a sampling of **989 Catholic parishes** that use ACS Technologies software.
- The Covid pandemic caused the closure of churches and the world in March 2020. The impact on collections was most significant beginning in April 2020.
- For analysis purposes, parish collections data was organized in six-month buckets from April-September and October-March.

Hypotheses

The study was designed to test the following hypotheses:

1. The decrease in church attendance since the pandemic started has led to a decrease in parish collections.
2. Larger parishes with more financial resources were able to weather the storm of the pandemic better than smaller parishes.

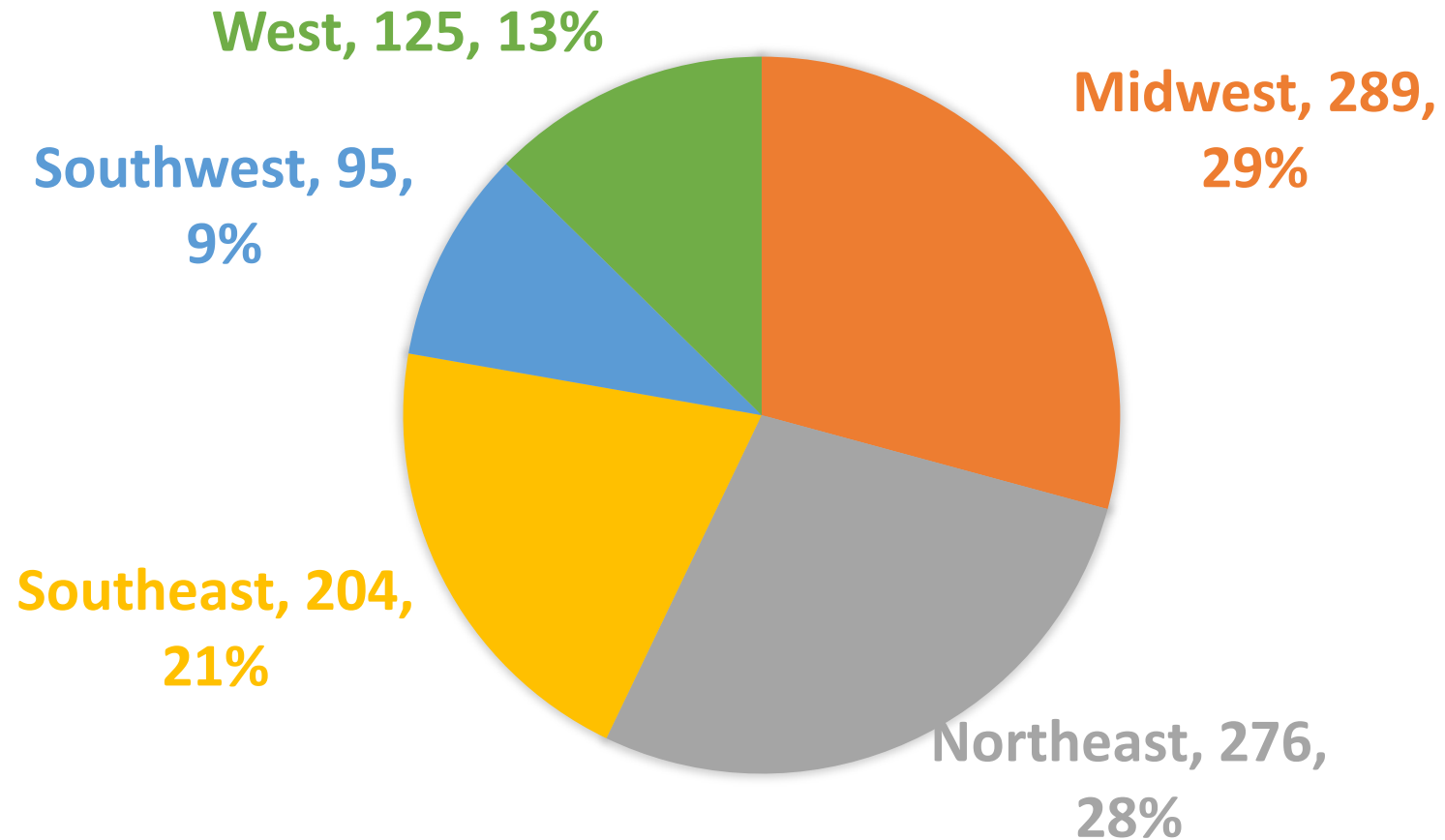
Key Findings



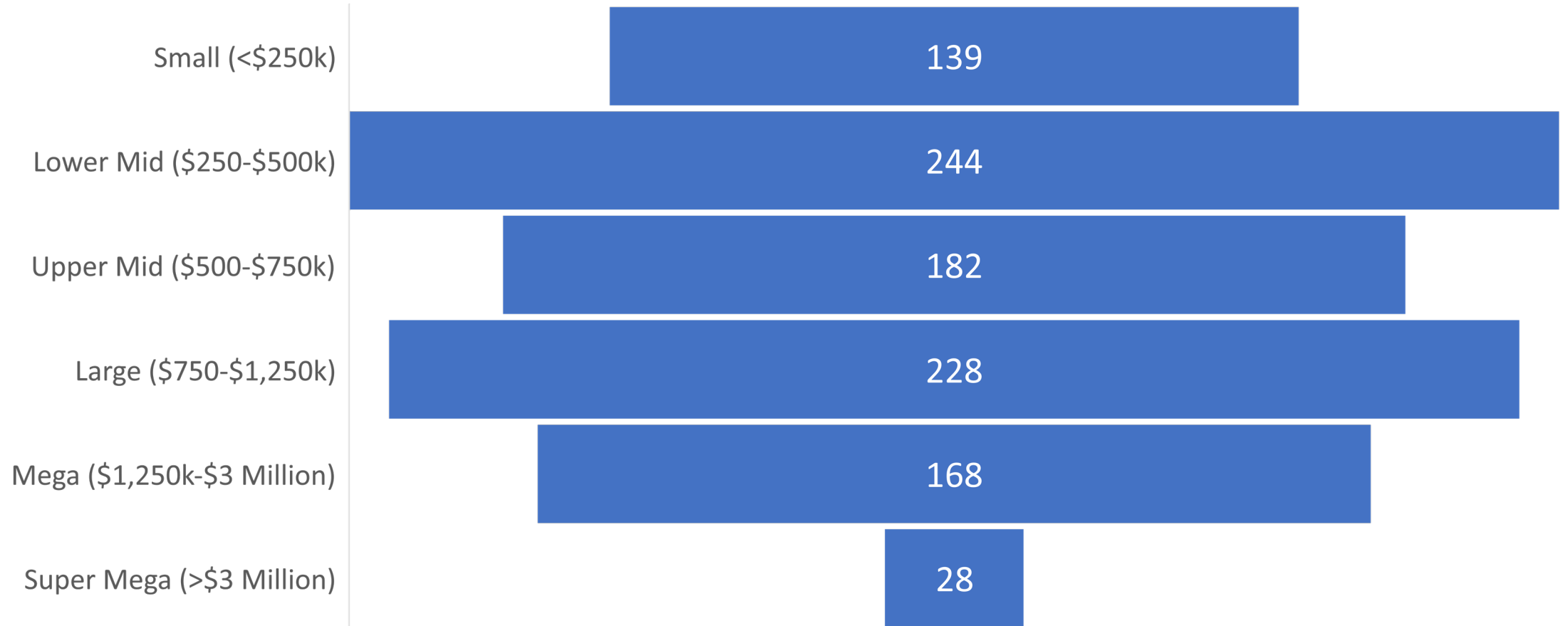
- After an initial drop, **total donations increased** over pre-pandemic levels.
- 48% of parishes experienced an increase in giving since March 2020 and 47% experienced a decline.
- The **number of donors decreased** by 26% initially and is still over 16% below pre-pandemic numbers.
- **Fewer donors are contributing more** to fund parish life. This is good news from a generosity perspective and ominous news from a sustainability perspective.
- Parishes in the **South and West fared better** than parishes in the Northeast and Midwest.
- Despite the increase in absolute dollars, when adjusted for inflation, parishes have **11% less to spend today** than they did pre-pandemic

989 Parishes from 43 States

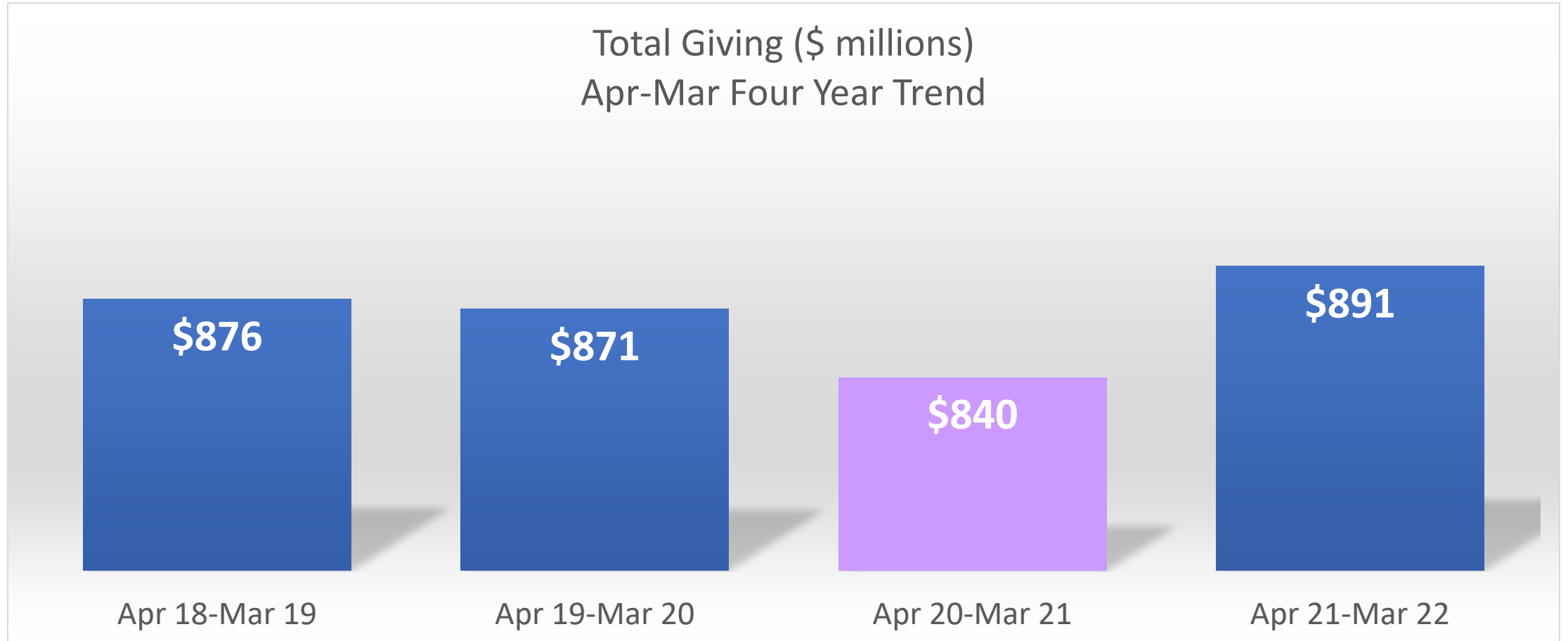
Note: There are more parishes/capita in the Northeast and Midwest



Good Mix of Parishes based on Size of Pre-Pandemic Annual Collections

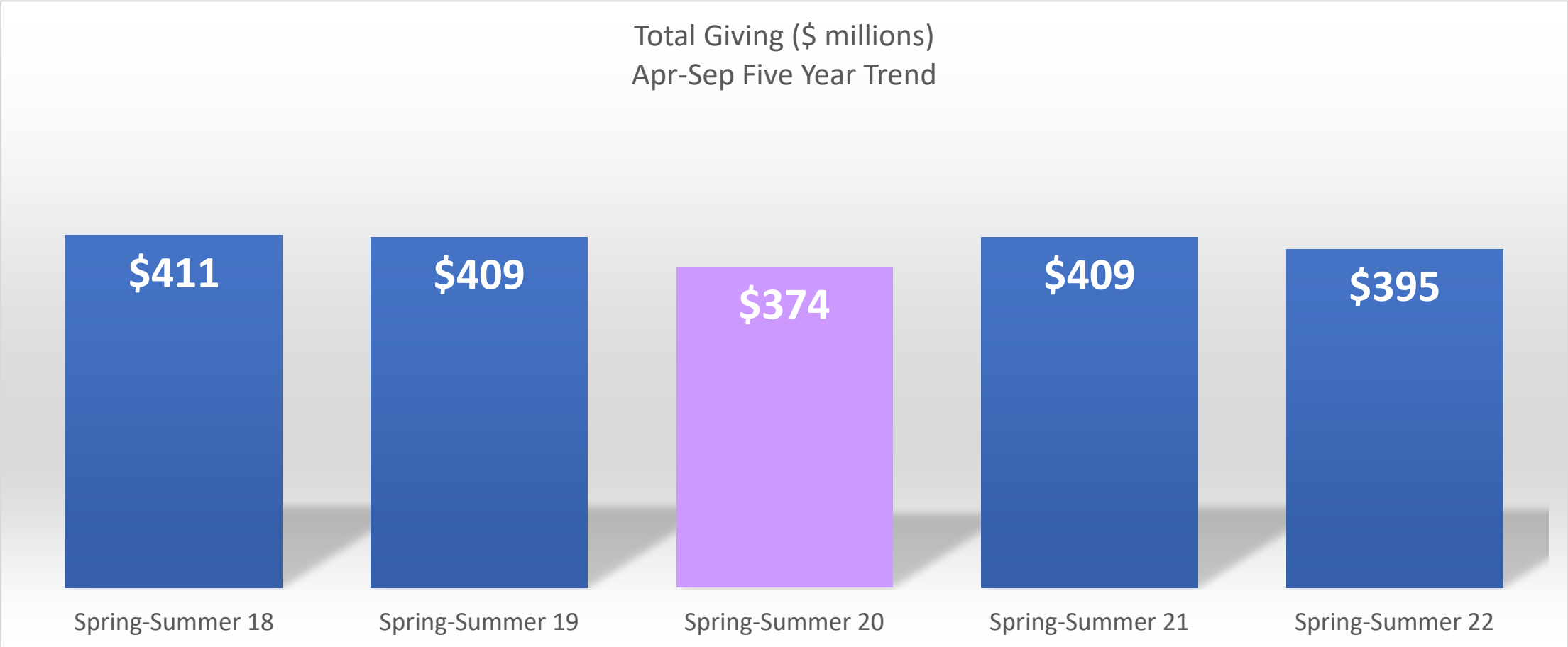


Drop in Collections Limited to 1st 12 months of Covid



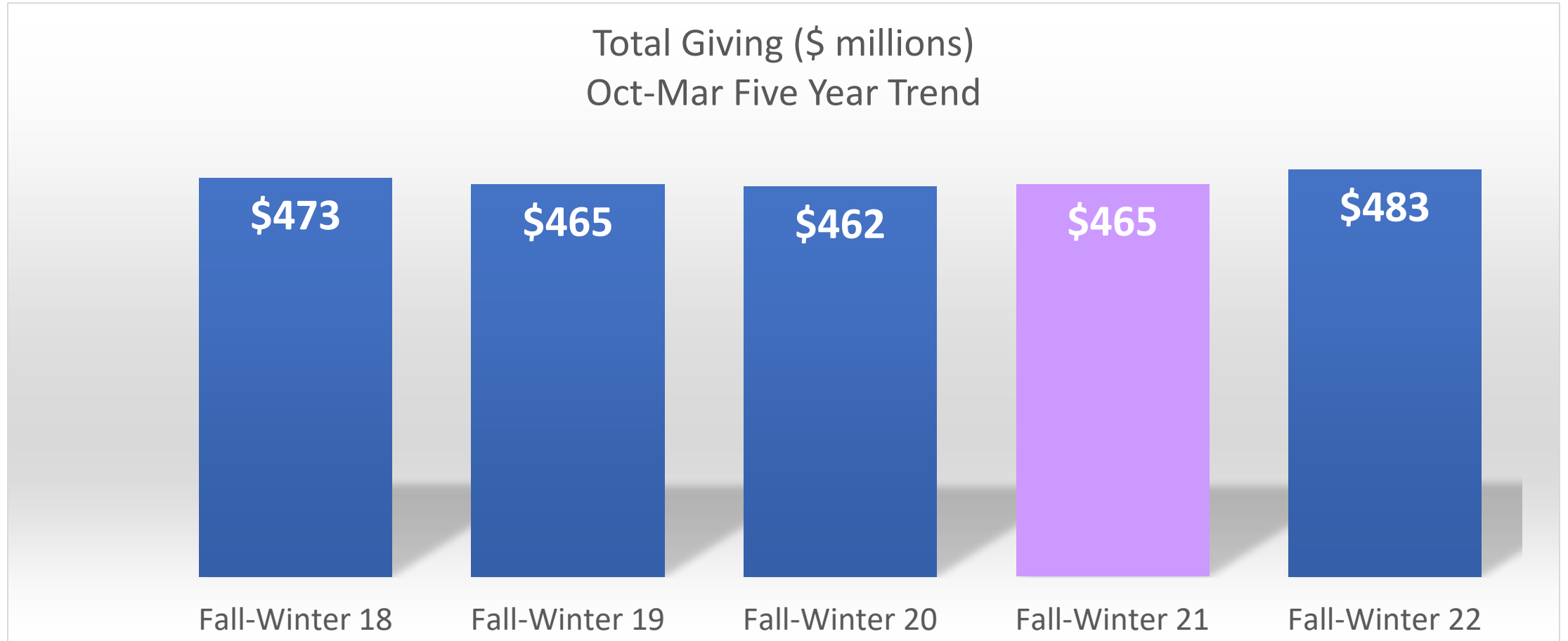
9% Drop in Collections in 1st Six Months of Covid

April – September 2020 vs Prior Year



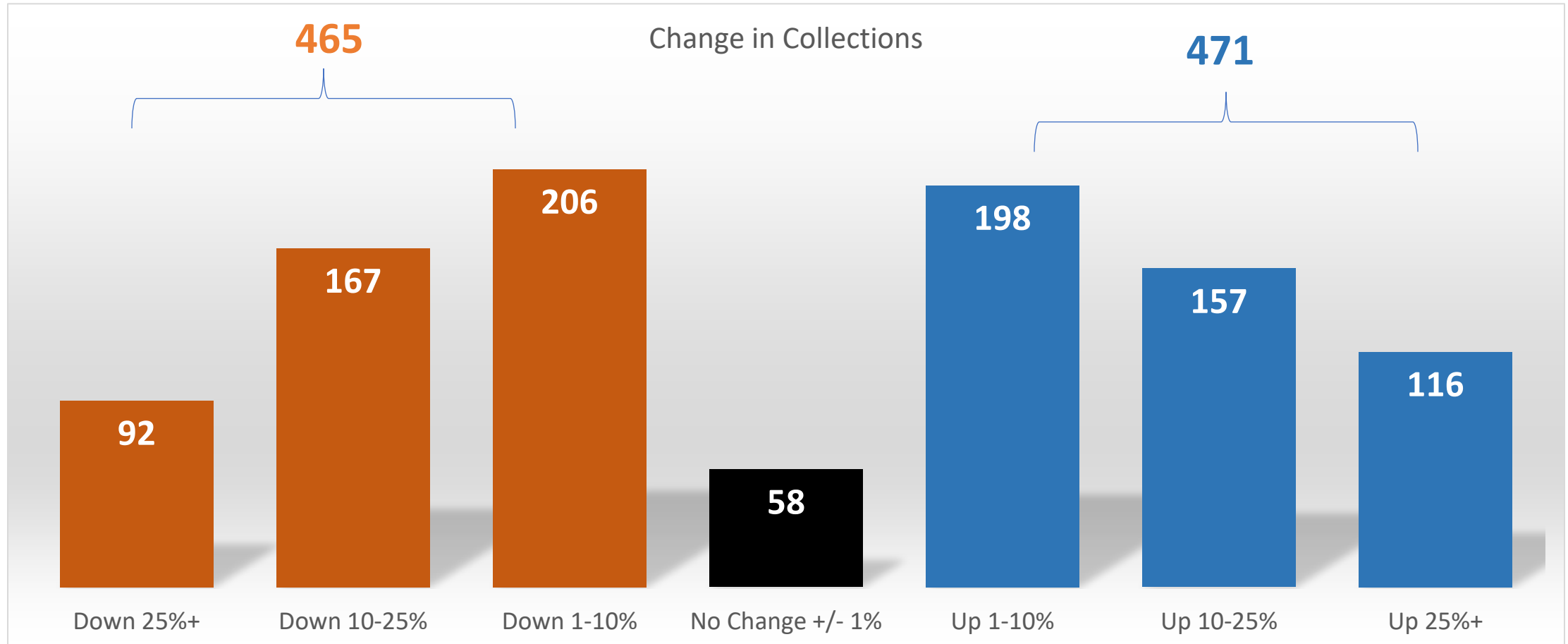
Slight Increase in Collections in 2nd Six Months

October 2020 – March 2021 vs Prior Year

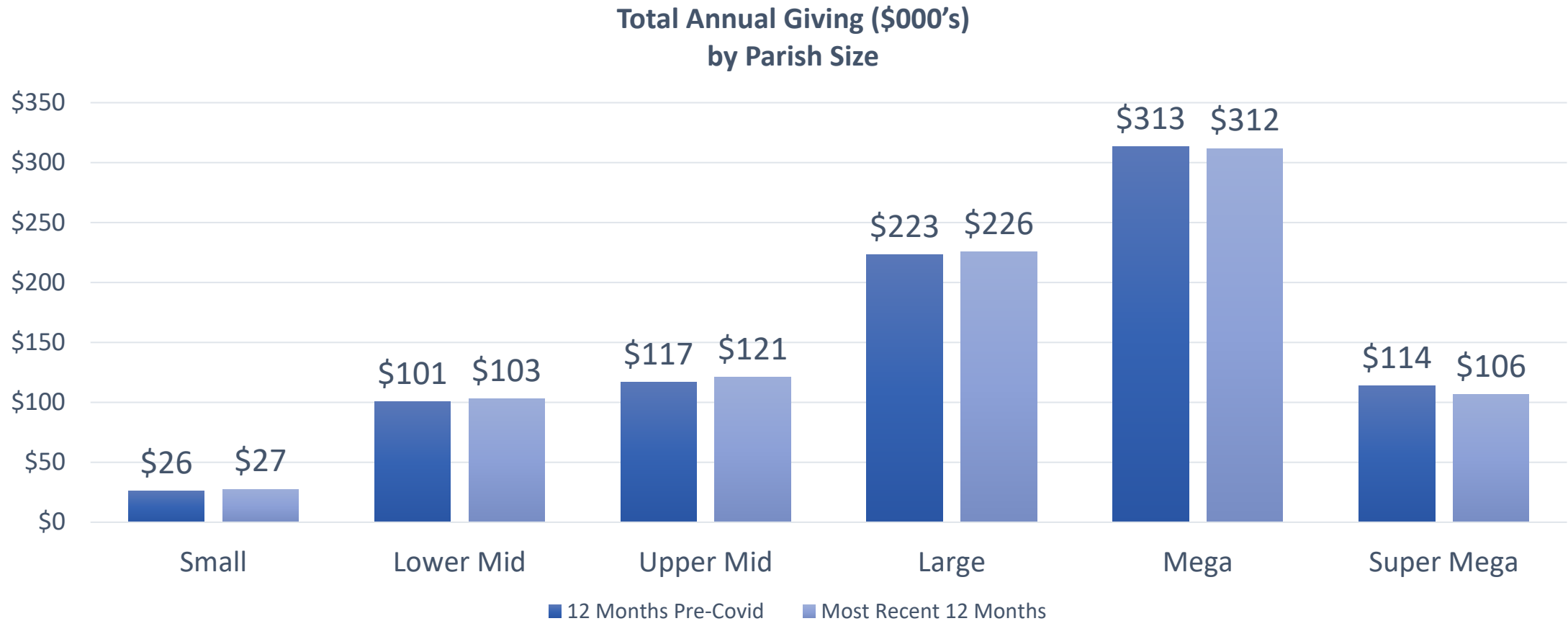


Almost Equal # of Parishes Increased and Declined

Most Recent 12 Months vs 12 Months Pre-Covid

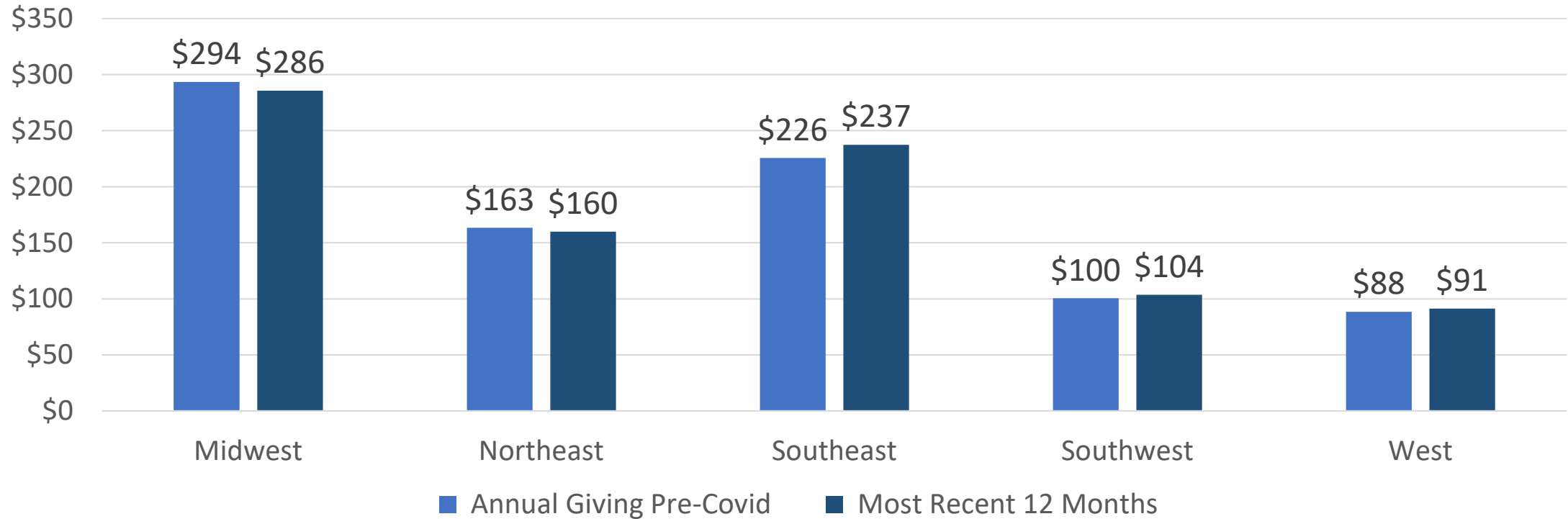


Change in Giving Not Correlated with Parish Size

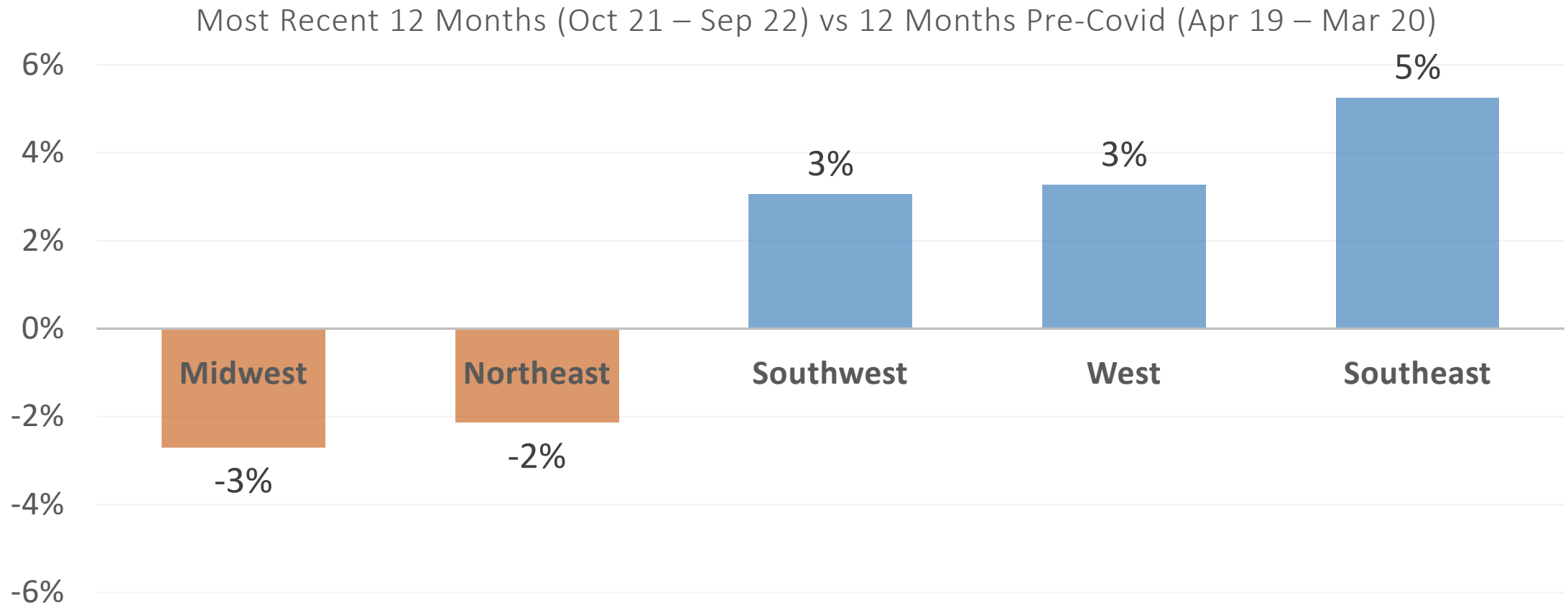


Giving Increased in South and West and Declined in Northeast and Midwest

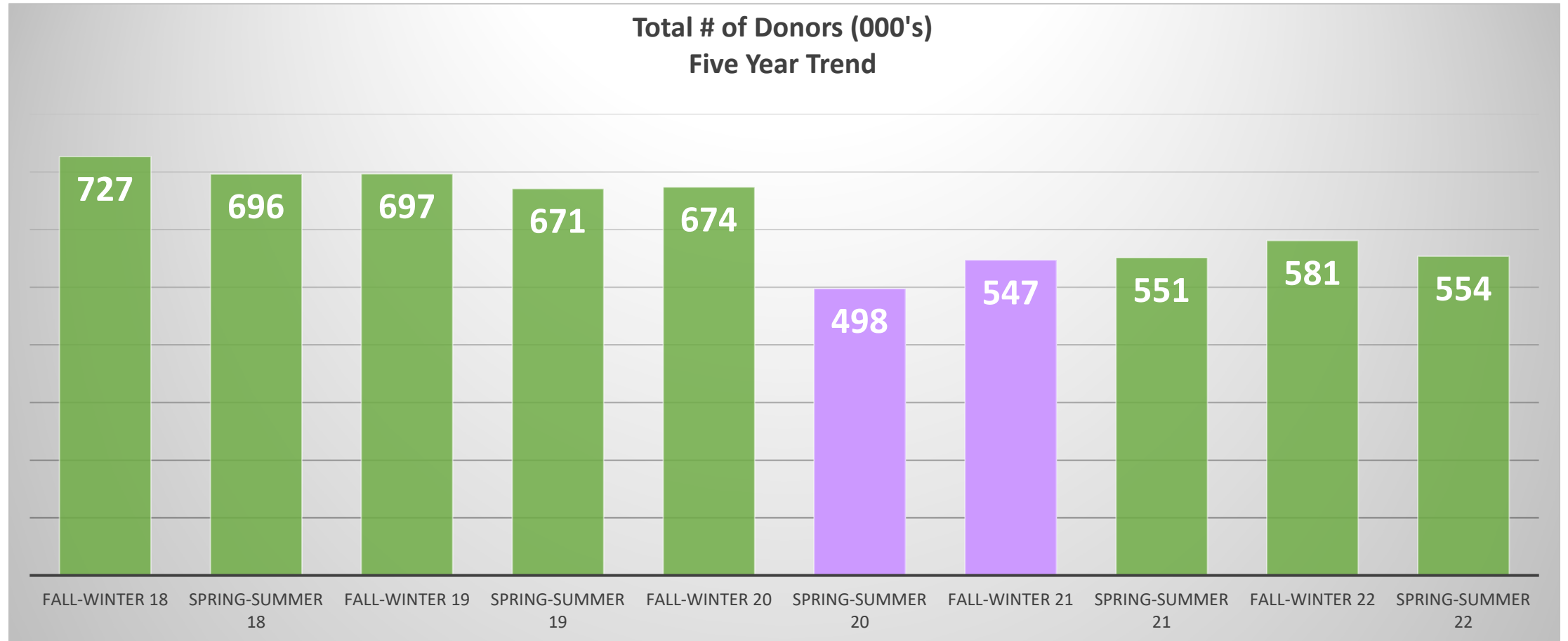
Total Annual Giving
(\$ Millions)



Collections in the South and West Increased Over Pre-Pandemic Levels

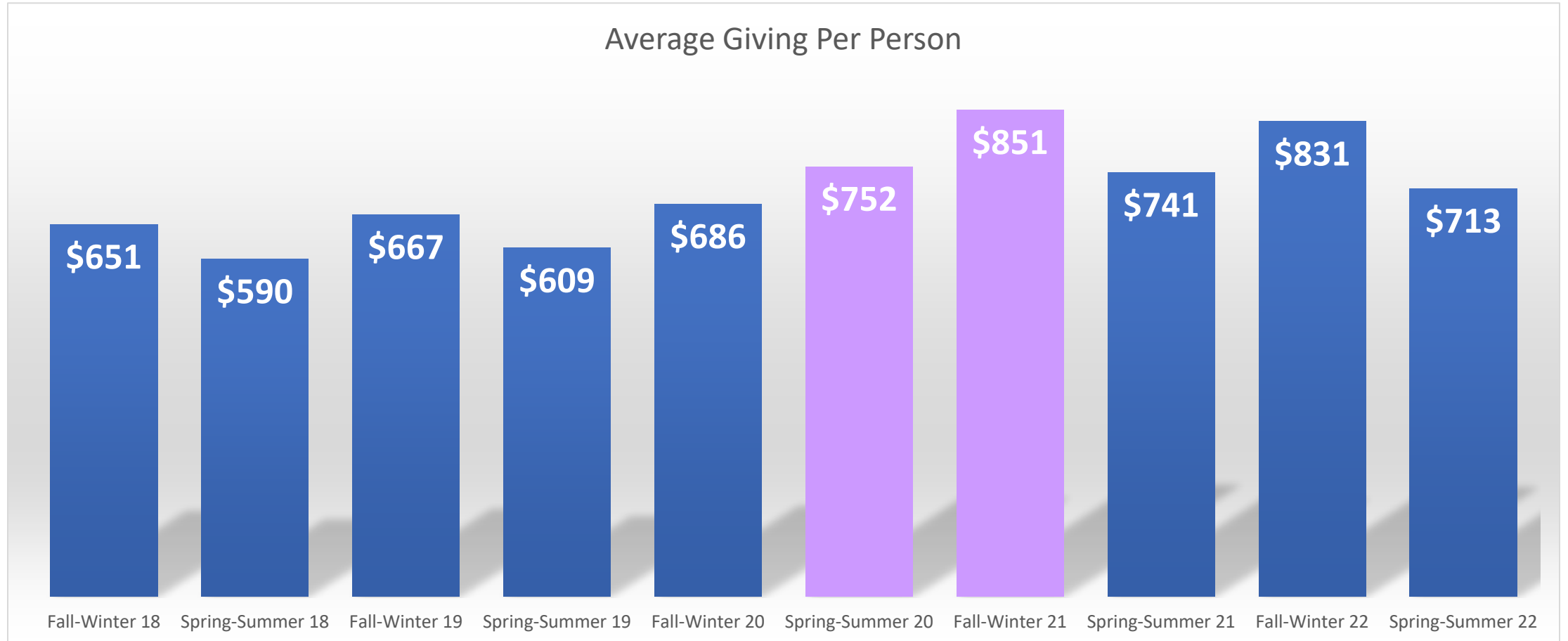


Number of Donors Dropped 26% and Remains Down 16% vs Pre-Covid Levels



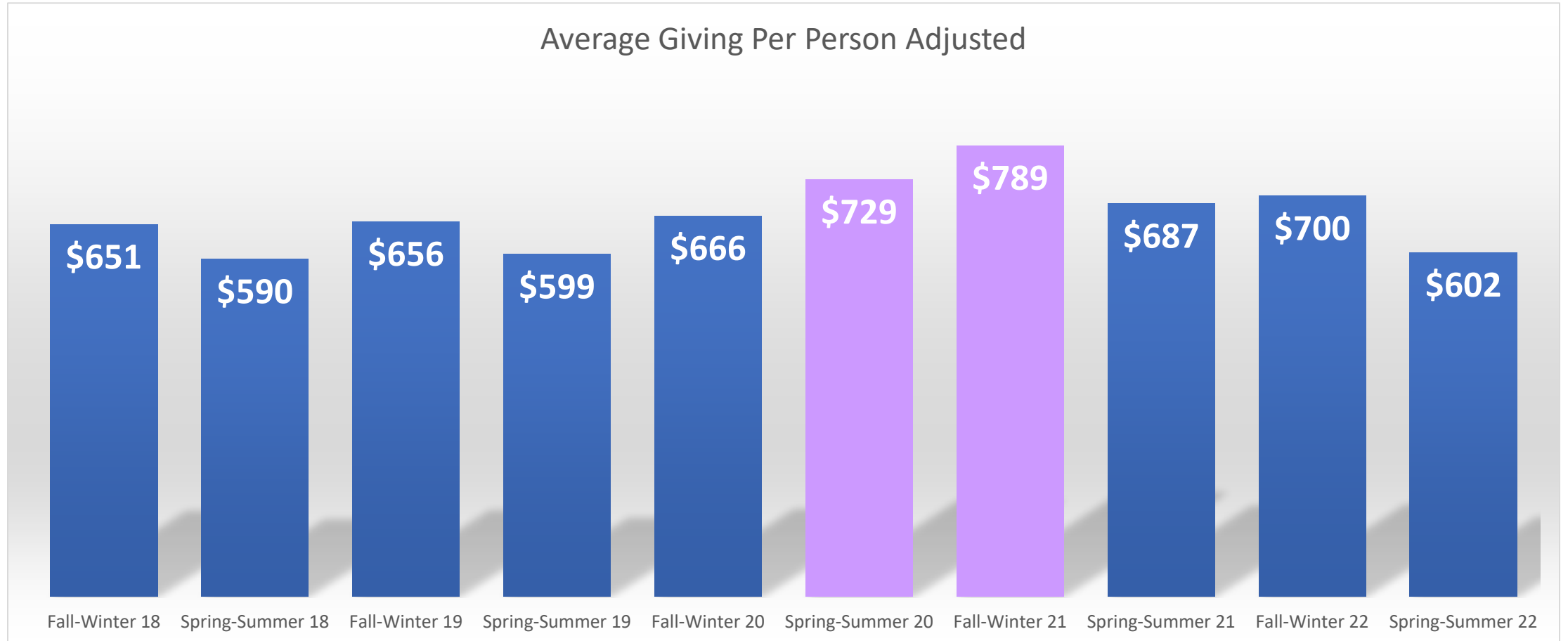
Fewer People are Giving More

Per Person Giving Increased 24% in 1st 12 Months of Covid

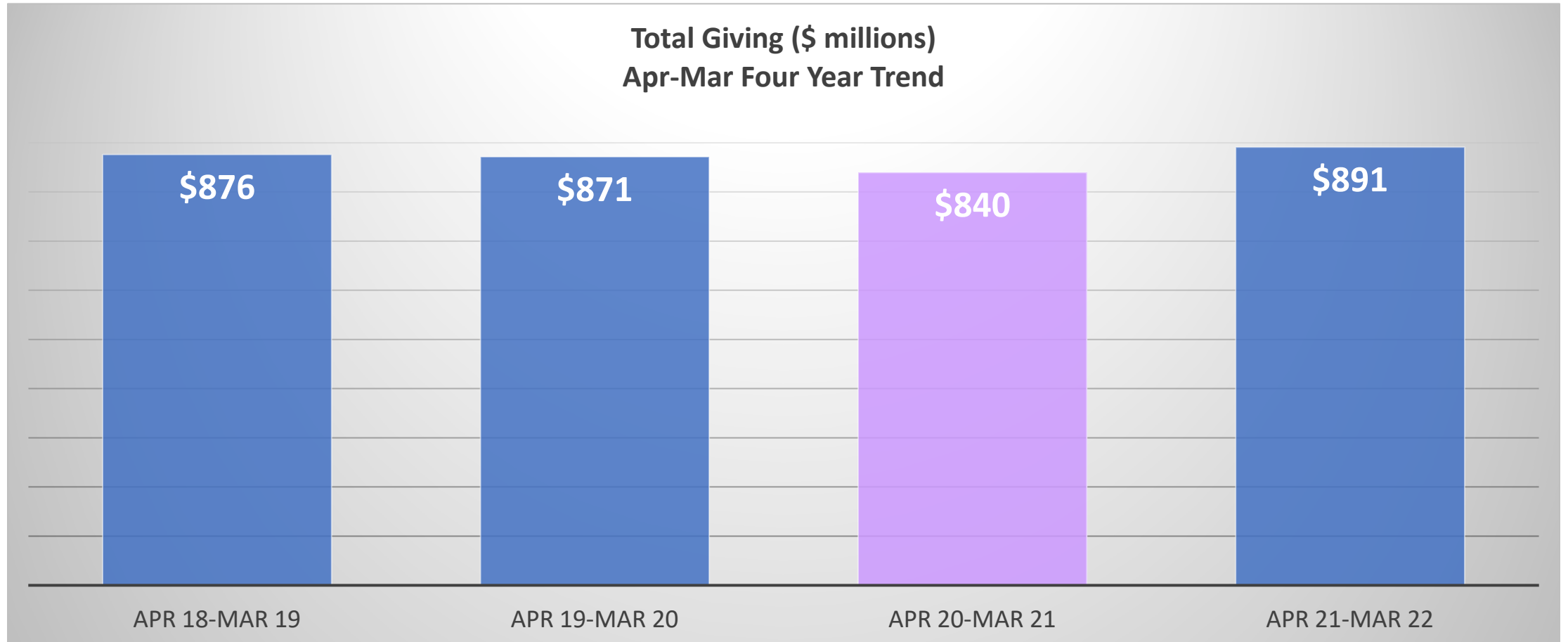


Adjusted for Inflation

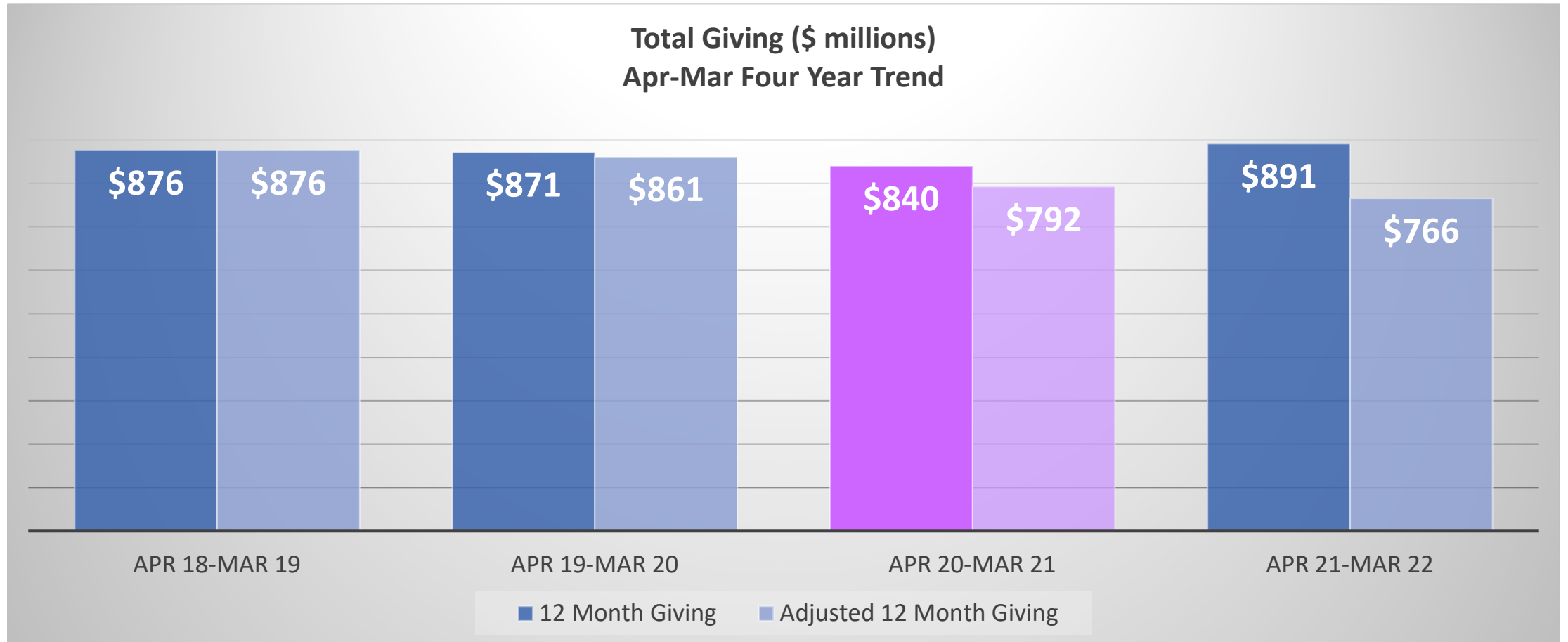
Per Person Giving is Returning to 2018 Levels



Good News: The Increase in Collections Over Pre-Pandemic Levels



The “Money Illusion” – Adjusted for Inflation Parishes Have 11% Less Spending Power Today



Project Background



The Center for Church Management in the Villanova School of Business has partnered with ACS Technologies (ACST) to study the ongoing effects of the COVID-19 pandemic on church giving. This study is the first in a series that will be done in the US with multi-denominational data representing tens of thousands of churches.

Villanova and ACST are working together with the like-minded goal of helping church leaders strengthen their ministry. The two-fold approach incorporates ACST's MissionInsite strategic mission planning software in the Villanova Master of Science in Church Management curriculum, along with Villanova's data analysis utilizing ACST's over 40 years of unique and extensive data expertise in church practices and behavior.

Special thanks to Steve Cumbia of ACST and Alicia Strandburg, PhD, from the Villanova School of Business for their contributions to this project.

About the Partners

Founded in 2004, the [Center for Church Management](#) in the Villanova School of Business provides education and scholarship in the Augustinian Catholic tradition on strategic, management, and financial matters in service to leaders of churches and other Christian faith-based ministries.

Founded in 1978, [ACS Technologies](#) is the leading, most comprehensive provider of operational, relational and educational ministry software and service solutions to nearly 50,000 churches, schools, dioceses, and denominational offices. With the mission to enable everyone in the Church with a personalized ministry environment, they stand apart by providing a whole church approach bringing unique value to each role within each ministry goal. Their most popular offerings include: [Realm](#), [MinistryPlatform](#), [MissionInsite](#), [PDS](#), [ACS](#), [MinistrySmart](#), [Growth Method](#), [Go Method](#) and [Higher Ground Managed IT](#).

Curious to learn more?

1. Visit www.VillanovaChurchManagement.com to read the study.
2. [Read Chuck Zech's research in his book, Why Catholics Don't Give..And What Can Be Done About It](#)
3. Read Zech, et al, [Catholic Parishes of the 21st Century](#)
4. [Read the Lake Institute at Indiana University COVID-19 Congregational Study](#)
5. Check out the Hartford Institute for Religion Research resources on [Exploring the Pandemic Impact on Congregations](#)

