



# Beyond *the* Offering



Energizing Congregational Giving

Alexander Haas  
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

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from the Carolina office of  
*Jerry W. Henry* | Managing Partner for Faith-Based  
& Human Services

## It's Stewardship Season

It's that time of year again for many of your congregations: the annual stewardship season.

Congregation leaders with whom Alexander Haas works are already well into implementing their fall stewardship plans. But almost all of them are asking,

*"What are you seeing in other congregations? Are they doing anything differently to be successful and to meet their goals?"*

Most are anxious about the challenges of raising funds for their budgets given the on-going specter of inflation, the reality of shifting generational demographics in the pews, and the continuing malaise related to declining giving to religion in general.

These anxieties were only heightened earlier this summer with the release of data from *Giving USA 2024*. In the report, total charitable giving in the US in 2023 was estimated to be \$557 billion. That is wonderful news.

The less-than-wonderful news is that the share of dollars contributed to religious organizations continues to decline - and at what should be an alarming rate of decline. According to Giving USA, giving to religious organizations has declined steadily over the past four decades: from 63% of all giving in 1983 to an historic low of just 24% in 2023.

A variety of studies are showing that most church attendees don't view giving to their faith congregation as their top philanthropic priority. Instead, over and over again, for most regular attendees, their local congregation is merely one of multiple giving options they have for their disposable income.

What about the effect of inflation? While overall charitable giving in the US was up according to the Giving USA report, the "drag" of inflation was felt in every nonprofit subsector. When inflation is factored into the giving to religion equation, your congregations face even greater headwinds with a typical congregation's ministry power decreasing by over 4% in the past

three years.

As if those factors aren't challenging enough, we're seeing a shift in demographics related to giving. Most ministry support in terms of giving is coming from an increasingly shrinking number of donors. It is not unusual to find that as much as 10% or more of a congregation's households provide two thirds of all ministry funding. And the dependence upon major donor gifts is having a greater impact on a congregation's ability to achieve its budget goals.

So, what is a stewardship leader to do?

Here are two strategic thoughts based on my experiences "in the field" for how you should approach this year's annual stewardship season.

1. Be more transparent in sharing your data and information. Explore opportunities for making your budget planning and giving data available in a variety of formats for your members. Some members are line-item focused, and others want to hear more about specific ministry impact numbers. Congregation leaders need to prepare information and share it in a variety of ways. Remember, one size doesn't fit all when communicating with your members today.
2. Be realistic in your budgeting and in your planning. Don't ignore the reality of what your members are facing, how their giving patterns may be shifting, and how your congregation's demographic is changing.

Look at your numbers in a different way. For example, many congregations normally track ASA (average Sunday/Sabbath attendance).

The types of statistics most congregations with whom I work are moving beyond a focus only on ASA into these categories:

- Age demographics: Historically, most donors - especially major donors - have been older. Demographics are shifting and you should plan now for when those major donors will eventually age out. Show giving levels by age categories for a reality check.
- Household giving: What is the percentage of households giving?
- Frequency and recency of giving: Interestingly, frequency of giving tends to show greater engagement (not just participation) in your ministries.
- Impact of top donor percentage on overall giving: What is the number of households representing the top giving percentage of your congregation?

Your focus on transparency and reality will help you strategically navigate the headwinds your congregation faces which don't appear to be going away!

### **We Are Here to Help!**

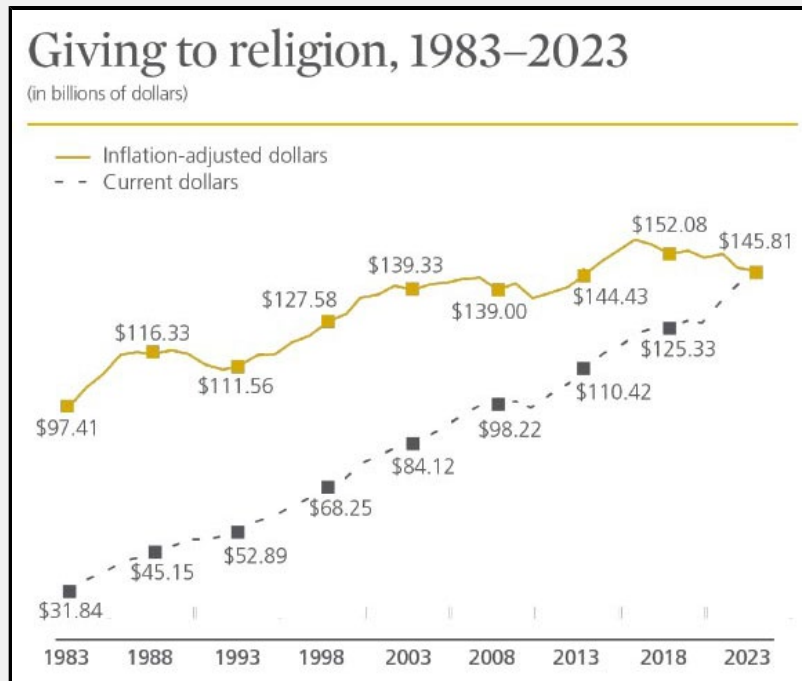
Do you need help with planning for next year? Our church consultants are here to guide you.

Alexander Haas is dedicated to helping churches/congregations build strong fundraising programs to meet both immediate and long-term objectives for mission and ministry.

Simply send us some basic information [using this link](#) and we will reach out to get the ball rolling.

Our Team

## Giving to Religion from Giving USA: Just the Facts



Religious organizations received the largest share of charitable dollars in 2023, at 24% of total giving, receiving an estimated \$145.91 billion.

In current dollars, giving to religion grew by 4.6% between 2021 and 2022, and increased 3.1% between 2022 and 2023. Cumulatively, current-dollar giving to religion increased 7.8% between 2021 and 2023.

Adjusted for inflation, giving to religion declined 3.1% between 2021 and 2022, and declined by 1.0% between 2022 and 2023. Cumulatively, giving to religion declined slightly by 4.1% in inflation-adjusted dollars between 2021 and 2023.

Giving to all types of charitable organizations in the years 2019-2023 rose above giving in the years 2014-2018 except for giving to religion, which declined from 2019-2023 compared to 2014-2018, decreasing 2.4%.

In the five-year period beginning in 2018, giving to public-society benefit organizations, foundations, environment and animal organizations, and human services saw the highest rates of growth. Giving to religion realized the slowest rate of growth during the same period.

Despite its slow rate of growth in the five-year period beginning in 2019, giving to religion

received by far the highest total donations over the same five-year period compared to any other subsector.

According to research from Givelify and the Lake Institute on Faith & Giving, 43% of surveyed faith leaders reported an increase in giving, 36% reported that giving stayed consistent, and roughly 20% reported a decline in giving to their place of worship in 2023.

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## 7 Things to Know About Religion's Decline and Charitable Giving

The Giving USA data shows it: philanthropic giving to Religion is, and has been, on a steady decline. Also, experts have found that some 40 million people—16% of the country's adult population—have left Christianity in the past 25 years alone. “This is not a gradual shift; it is a jolting one,” the researchers declare in the recent book *The Great Dechurching*. This societal change obviously touches on charitable giving, though not always in expected ways. Here are a few answers to the question: What happens to giving when religion fades?

- 1. Religion plays a much less important role than it once did.** In the early to mid-1980s, contributions to congregations and religious organizations made up 58 percent of all donations, yet in the five years ending in 2022, that share had dropped to 29%.
- 2. The number of donors to churches is eroding quickly.** Roughly one out of six Catholic and Protestant donors stopped giving to church since the pandemic began. Worst-case scenario projections show the Catholic church alone could lose as much as 47% of its donors from 2012 to 2032.
- 3. “We are not losing money at anywhere near the rate that we are losing people,”** said a top official in the Episcopal church. Experts explain **those who remain in the church are the most committed and are most likely to increase their gifts** to help the institution navigate any trouble.
- 4. Philanthropy has grown wary about giving to groups with ties to religion.** As private foundations professionalized over the 20th century, they turned to faith-based groups less frequently, according to philanthropy historians. America's increasing secularization in the 21st century has added even more distance to that relationship.
- 5. Religiosity's decline has implications for secular nonprofits.** Participation in organized religion is a key predictor of charitable giving of all kinds, according to research
- 6. The William Penn Foundation, a Philadelphia-based regional grant maker, doesn't have a religion portfolio, but it has come to see churches as neighborhood mainstays similar to the parks, libraries, and recreation centers it funds.**
- 7. Now more than two-thirds of churches report using online giving—more than double the number from 2015, according to the *Hartford Institute for Religious Research*.** Per capita annual giving in churches that lean heavily on online giving is almost \$2,400, about \$600 more than at churches that haven't adopted digital donations.

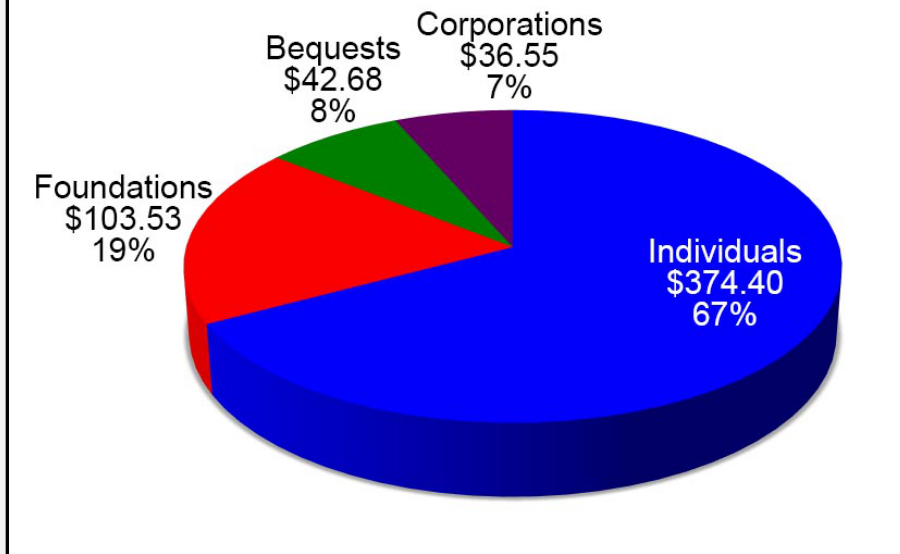
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**Giving USA Results for 2023**

## Giving by Source

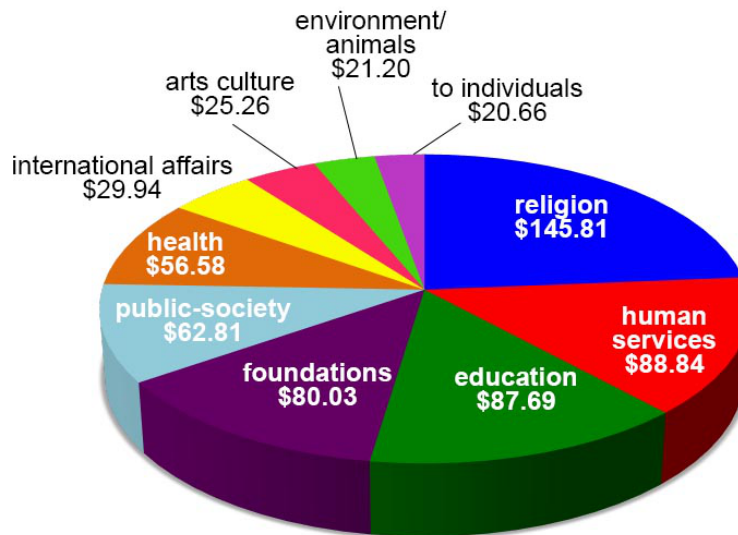
\$557.16 billion



- Giving by individuals totaled an estimated \$374.40 billion, growing 1.6% in 2023 but declining 2.4%, adjusted for inflation, between 2022 and 2023. Inflation-adjusted giving by individuals declined by 12.6% between 2021 and 2022. The cumulative change in inflation-adjusted giving by individuals between 2021 and 2023 is -14.7%.
- Giving by foundations grew 1.7% to an estimated \$103.53 billion in 2023 but suffered a decline of 2.3%, adjusted for inflation. Adjusted for inflation, grantmaking by independent, community and operating foundations grew 6.0% between 2021 and 2022. The cumulative change in inflation-adjusted giving by foundations between 2021 and 2023 is 3.6%.
- Giving by bequest totaled an estimated \$42.68 billion in 2023, growing by 4.8% over 2022, however remaining relatively flat at 0.6% growth when adjusted for inflation. Giving by bequests declined by 8.6% in inflation-adjusted dollars between 2021 and 2022. The cumulative change in giving by bequest between 2021 and 2023 is -8.0% in inflation-adjusted dollars.
- Giving by corporations is estimated to have increased by 3.0% in 2023, totaling \$36.55 billion, which is a decline of 1.1%, adjusted for inflation. Corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations. Inflation-adjusted giving by corporations grew 3.3% between 2021 and 2022. The cumulative change in inflation-adjusted giving by corporations between 2021 and 2023 is 2.1%.

# Giving by Recipient

\$557.16 billion



- Religious organizations received the largest share of charitable dollars in 2023, at 24% of total giving. In current dollars, giving to religion increased by 3.1% between 2022 and 2023. Adjusted for inflation giving declined by 1.0% between 2022 and 2023.
- Human services organizations comprised the second-largest portion of total gifts received, at 14% of the total in 2023. In current dollars, giving to this sector increased by 5.8% between 2022 and 2023. Adjusted for inflation, giving increased by 1.7%.
- The education subsector ranked third in total gifts received, at 14% of charitable dollars in 2023. Between 2022 and 2023, inflation-adjusted giving to education increased by 6.7%, and in current dollars, it increased by 11.1%.
- Gifts to grantmaking foundations comprised the fourth-largest share of charitable dollars in 2023, amounting to 13% of total giving. Between 2022 and 2023, inflation-adjusted giving to foundations grew 10.8%, and in current dollars, it increased 15.4%.
- The public-society benefit subsector ranked fifth in total gifts received at 10% of charitable dollars in 2023. In current dollars giving to this sector increased by 11.6% between 2022 and 2023, and in inflation-adjusted increased by 7.2%.
- Comprising the sixth-largest portion of charitable dollars in 2023, the health subsector received 9% of total giving. Adjusted for inflation, giving to this sector grew by 4.4% between 2022 and 2023 and in current dollars grew by 8.7%.
- The international affairs subsector ranked seventh in total gifts received, amounting to 5% of charitable dollars in 2023. Giving to this sector declined by 1.6% in inflation-adjusted dollars and grew by 2.5% in current dollars.
- Arts, culture, and humanities organizations received the eighth-largest portion of charitable dollars in 2023, at 4% of total giving. In current dollars, giving to this sector increased 11.0% between 2022 and 2023 and adjusted for inflation, increased by 6.6%.
- Comprising the ninth-largest share of charitable dollars in 2023, the environment/animals subsector received 3% of total gifts. Adjusted for inflation, giving to this sector grew by 3.9% between 2022 and 2023 and in current dollars, increased by 8.2%.

Welcome New Client Partner



North America Committee for Saint George's College Jerusalem

### We Know Faith-Based Organizations

For more than 35 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with both large and small faith-based organizations, helping sow the seeds of compassion, hope and charity. Take a look at our list of religious congregation clients, past and present.

[Our Clients](#)

### A Fresh Approach to Fundraising

Raising the funds to meet the mission and ministry needs of churches is becoming increasingly challenging. At Alexander Haas, we understand the challenges that congregations face in raising the funds to support their mission. More importantly, we understand how to overcome those challenges. We offer a variety of stewardship services for the unique needs of faith-based organizations.

[Our Services](#)



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