

# Churches slowly rebound from recession

by [Nicole Neroulis](#) in the [May 17, 2011](#) issue

The recession was a double-barrel blow to American congregations: directly hurting their budgets while increasing the demands for counseling, emergency housing and other social services.

But the worst seems to be over, according to a report that says one in ten congregations has begun to recover from the loss and more than 40 percent are now stable or improving financially.

The "holy toll" report, based on the 2010 Faith Communities Today national survey of more than 20 religious groups, found that more than half (57 percent) of U.S. congregations reported that their income had declined due to the recession.

Sociologist David A. Roozen, director of the Hartford Institute for Religion Research, said larger congregations seem to be recovering more easily. They have endowments and investment income that have rebounded, and they have more members to help erase deficits.

His theory echoes the State of the Plate report in March by the Evangelical Council for Financial Accountability and Christianity Today International's church management team, which found that smaller churches suffered a disproportionate drop in giving last year.

Roozen's survey, based on data from more than 11,000 congregations and released April 21, found that the recession had hurt congregations across the theological spectrum, surprising researchers who "almost always find

differences" between evangelical and mainline Protestant churches.

Nine

percent of congregations said the recession had prompted layoffs or furloughs, and just over a quarter of congregations reported salary freezes or reductions.

With about 350,000 congregations in the U.S. employing about 1.5 million clergy and other staff, that translates to more than 500,000 people who lost jobs or had their salaries reduced and about 50,000 prospective employees who weren't hired, according to the report.

At the same time, congregations had to ramp up outreach services due to the recession's toll on local communities. Nearly half of all congregations experienced an increase in requests for cash assistance, and nearly one in four received moderate to major increases in requests for emergency housing.

In the congregations whose finances were hit the hardest, "a lot of their members were unemployed, so you had members who were financially stressed [and] you had communities who were financially stressed, on top of the fact that the congregations' own financial resources as measured by income [were] down," Roozen said.

Even congregations that have recovered from the recession are still struggling with a general economic downturn for America's religious organizations. From 2000 to 2008—before the recession's toll—congregations reporting "excellent financial health" had dropped from 31 percent to 19 percent; the number is now about 14 percent.

Meanwhile, the number of congregations reporting financial difficulty more than doubled, to nearly 20 percent, in the past decade.

"That the worst is over doesn't necessarily mean that things are getting better," Roozen explained, estimating that at least 5 percent of congregations won't be able to rebound. "These are

challenging times. Most congregations aren't feeling devastated by the recession [anymore], but it's exacerbating those downward trends. . . . It's not something that congregations move easily out of." —RNS