

News Flash!

CHURCHES HOLD STEADY AMID RECESSION, THOUGH CONDITIONS ARE WORSENING

SPECIAL POINTS OF INTEREST:

AFN&W is committed to informing our clients of interesting, thought-provoking, and relevant news in and around our region.

Recently, an article appeared in the Dallas Morning News focusing on an area of interest, that we believe should be brought to your attention.

We are available to assist you with questions or concerns.

When the economy catches pneumonia, churches tend to come down with a bad cold.

And they appear to be relatively well off – so far – in the deep recession that's under way.

"Churches are doing better than the general economy," said Phill Martin, deputy CEO for the Richardson-based National Association of Church Business Administration (NACBA).

But he added that churches in North Texas and elsewhere have plenty to worry about, including increased demands for help from members and others as the recession continues.

The church business administration group just completed a national survey of its members, who run the business side of churches.

The survey found less-than-dire but worsening conditions.

Only about a third of more than 800 respondents said their church was having an especially hard time financially because of the economy. More than 60 percent reported that in 2008, giving to their church held steady or improved over the year before.

But more respondents acknowledged financial woes than when the church business administration last surveyed, in August.

Then, only 18 percent said their church had frozen or cut

employee benefits. In the new survey, 47 percent reported such actions. There was a climb, too, in those acknowledging staff layoffs or postponement of a capital project.

Martin said North Texas churches "seem to be holding pretty well" compared with those in areas struggling even more with unemployment and foreclosures.

But there's plenty of evidence of local congregations feeling squeezed.

Prince of Peace Catholic Community in Plano reported in a recent newsletter that contributions were down about \$112,000 over a year ago. Belt-tightening at the church has included a reduction of maintenance staff and adjusting the thermostat.

At First Presbyterian Church of Dallas, staff salaries have been frozen after pledges for giving in 2009 came in at 4.5 percent below last year. But the church also recently completed a highly successful capital campaign – with \$9 million in pledges.

Giving to The Stewpot, the church's nationally known homeless ministry, has remained steady. Meanwhile, demand for services there has climbed 25 percent.

"In the midst of these economic conditions, those needs don't decline, they increase," said the Rev. Joe Clifford, senior pastor at First Presbyterian Dallas.

The executive director of the Dallas Baptist Association, the Rev. Bob Dean, is in local Baptist churches every Sunday. He's getting used to hearing bad news.

"There are many churches that are running probably 10 to 15 percent behind last year" in giving, he said.

North Texas religious congregations of all types are at least modestly feeling the recession's effects.



"There has been a slow increase in the number of people who have come forward to let us know they would not be able to give at the level they have been," said Rabbi Andrew Paley, who leads Temple Shalom in North Dallas.

Experts say an advantage for places of worship is that attendance tends to remain high in hard times, with some people coming for consolation and answers.

And if people in the pews are able to put some money in the offering plate, they generally do.

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"Churches have a little more insulation than other philanthropies and not-for-profit organizations," said Doug Turner, president of Resource Services Inc., a Dallas-based church fundraising firm. "People are going to give to their church first."

North Texas is headquarters to many other kinds of religious organizations, such as ministries and seminaries, and they are having their own scramble because of shrinking endowments and concern that giving could see a major drop.

For example, Southwestern Baptist Theological Seminary in Fort Worth has closed a campus preschool, suspended most study abroad, and enacted other measures to try to save about \$3.5 million.

Dallas Theological Seminary has seen layoffs, and Perkins School of Theology at Dallas' Southern Methodist University has had to increase fundraising to place its students as interns in churches.

Typically, Perkins has to find money to cover the stipend for interns assigned to small rural or inner-city churches.

"This year, it's suburban churches and all sorts of places" that need help paying for an intern, said the Rev. William J. Bryan III, who directs Perkins' intern program.

For all religious organizations, especially churches, Pat Graham is advising clarity of mission and an emphasis on helping others – whether it's operating a food pantry or offering personal finance classes to those trying to curb credit card debt.

People will give generously to a church they believe is boldly meeting needs in hard times, said Graham, who leads the church division of Fort Worth-based fundraising firm Cargill Associates.

"The 'woe is me' crowd isn't doing squat," he said.

Survey findings

The Richardson-based National Association of Church Business Administration conducted a national survey of its members, who handle the business side of their churches. More than 800 responded to questions about how their churches are faring in the recession.

Highlights:

- Thirty-two percent said their church was definitely having economy-related financial difficulties, up from 14 percent in an August survey.
- Sixty-three percent said their church saw giving stay the same or climb in 2008 over the previous year.
- Only 24 percent said their church had curtailed mission activities because of the economy. But that's up from 10 percent in the August survey.
- Forty-seven percent said their church had frozen or reduced staff benefits, up from 18 percent in August.
- Twenty percent said they had had staff layoffs, and 26 percent reported postponing a major capital project. Those were up from August as well.

SOURCE: NACBA Economic Survey of Congregations

