

# NOTES ON THE ECONOMY AND CHARITABLE GIVING

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*As soon as people feel confident that this economy is strong and will last,  
giving will pick up.<sup>1</sup>*

*Perceptions about financial stability can influence the amount of money people contribute...in  
most age and income groups, people most worried about money gave  
a significantly lower percentage (nearly 40%) of the household income to  
charity than those who did not worry.*

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## **Beliefs, Attitudes, and Behaviors that Impact Charitable Giving**

Research clearly shows that the decisions of consumers, voters and investors are primarily controlled by beliefs. “Scarcity theology” is one of the beliefs at work in many religious organizations. Those in leadership roles in religious organizations can benefit from understanding the motivations at work in their congregations that affect giving and inspire generosity.

Three modes in which humans live: Taking, Getting, and Giving.

- **TAKING**--To take something from another. The nature of this relationship is one-sided gain. (Gain – Lose)
- **GETTING**--To sell, trade, exchange or barter for mutual gain. To work for compensation. The nature of this relationship is conditional and transactional. (Gain – Gain)
- **GIVING**—Giving is reciprocal, involving giving and receiving which becomes a single beneficial act that transcends notions of gain and loss. The nature of this relationship is co-creative and transformational to both giver and receiver.

**Generosity** is an outward expression of understanding the blessing of abundance and, in turn, being a blessing to others through giving behavior. Stewardship is the practice of using all we have been blessed with wisely and with care.

**Generous behavior** is an expression of love and compassion. For many faith traditions, true generosity is a reflection of the generosity of God and the abundance of all creation.

*Every gift breaks the barrier between the mundane and the extraordinary.  
Melancholy springs from neglecting this fulfilling principle of a life well lived.<sup>2</sup>*

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<sup>1</sup> Gary Moore, presentation, April 2006.

<sup>2</sup> Notes from “Trends & Strategies” presentation by H. King McGlaughon, Jr, April 2006.

## What We're Learning from Past Experience and Current Research<sup>3</sup>

Giving potential is present in people even during an economic downturn and despite taxation strategies. Typically, among congregations....

5% give 25% of the budget  
10% give 25% of the budget  
25% give 25% of the budget  
65% give 25% of the budget

These figures parallel the distribution of wealth in the United States. Most of the 5% group are as capable of increasing their giving levels as those in the 65% group. Of the Americans attending worship services regularly...

35% do not give a regular amount  
20% give round dollar amounts (\$10, \$20, etc)  
6% give a percentage of income less than 10%  
26% give 10% of their income

People who put their financial commitment in writing give, on average, two times as much as those who do not pledge in writing. People who make commitments based on a percentage of their income give three times as much as those who base their giving decisions on dollar amounts.

Statistics on giving during the seven economic recessions since the Great Depression indicate that what happens in the economy has less of a negative influence in giving than one would think. The factor that carries more influence is how effectively congregations ask their people to give.

Giving to religious organizations has steadily risen since 1996, nearly doubling the average contributions in inflation-adjusted dollars, from \$44.93 to \$96.82.<sup>4</sup> During the years 1998 through 2002 there were sharp increases in philanthropic giving despite a downturn in the stock market in 2001, with \$1.1 trillion donated. Wealthy people become highly anxious because of concerns about protecting assets.

According to Herb Miller, congregational consultant and author, spending data of congregations, there are indications that economic stressors seen in the 1978-1982 era of high energy costs, health insurance costs for clergy, and travel expenses for clergy are being repeated, and more intense. This is resulting in fewer smaller congregations (with fewer than 125 attending weekly) being able to support full-time ministries and sustaining financial viability. Instead, large multi-site congregations are becoming more and more prevalent. Of the "mega-churches" reporting, at least 75% provided funding to a variety of social ministry programs in their community, including programs for teen youth, families and individuals (cash or vouchers), counseling services and support groups, hospitals and nursing care facilities, thrift stores, temporary or permanent housing/shelter, senior citizen programs, substance abuse and 12-step programs.<sup>5</sup>

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<sup>3</sup> Miller, Herb, New Consecration Sunday Stewardship Program, 2007; Herb Miller's Nuggets , Vol. 5

<sup>4</sup> Lake Institute on Faith & Giving/Center on Philanthropy, based on statistics noted in Giving USA: The Annual Report on Philanthropy for the Year 2006.

<sup>5</sup> Lake Institute on Faith & Giving/Center on Philanthropy,

