
Optimism Outweighs Uncertainty

COVID-19 Financial Impact Report
for Churches and Other Nonprofits

June 2020

By Warren Bird, Ph.D.



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or ecfa.church/surveys (for churches)



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Remember January? As we entered 2020, the overall economy had finished another strong year. The general public had not heard the term COVID-19, and ministry leaders would have laughed in disbelief if ECFA had surveyed them about an upcoming global pandemic.

We conducted our annual [Quick Poll](#)¹ of ECFA members in January 2020, asking how 2019 ended. The poll also asked about our members' outlook toward 2020. ECFA ran the survey from January 19 to February 17, 2020. I analyzed and released the findings on March 3 and we presented them in a well-attended webinar on March 4.

The title of that report and webinar? “Optimism Grows as 2020 Begins.” Remember that at this point, COVID-19 was nowhere close to making the daily news in the United States.

The very next week, the nation began rapidly shifting toward a lockdown. The shelter-in-place crisis lasted far longer than most initially anticipated, triggering churches and other nonprofits to make major pivots in how they do ministry—and how they fund their mission.

Fast forward to the present. ECFA ran a new survey, launching May 12 and closing May 27, focusing on the financial implications: what changed in the three months of 2020 between January and April? How are ministry leaders looking ahead toward the next three months? Our survey drew 1,341 valid responses.² The survey targeted leaders of evangelical churches and of other Christ-centered nonprofits.

To our surprise, the optimism documented in January is already beginning to return. Rough and uncertain waters are still ahead for some, particularly summer camps, schools, short-term missions, and other ministries involving near-term travel and large in-person gatherings. Yet the responses in this report indicate the impact of the pandemic to date is reasonably manageable.

The charts that follow depict our top findings. We welcome your comments, questions and other thoughts to research@ecfa.org.

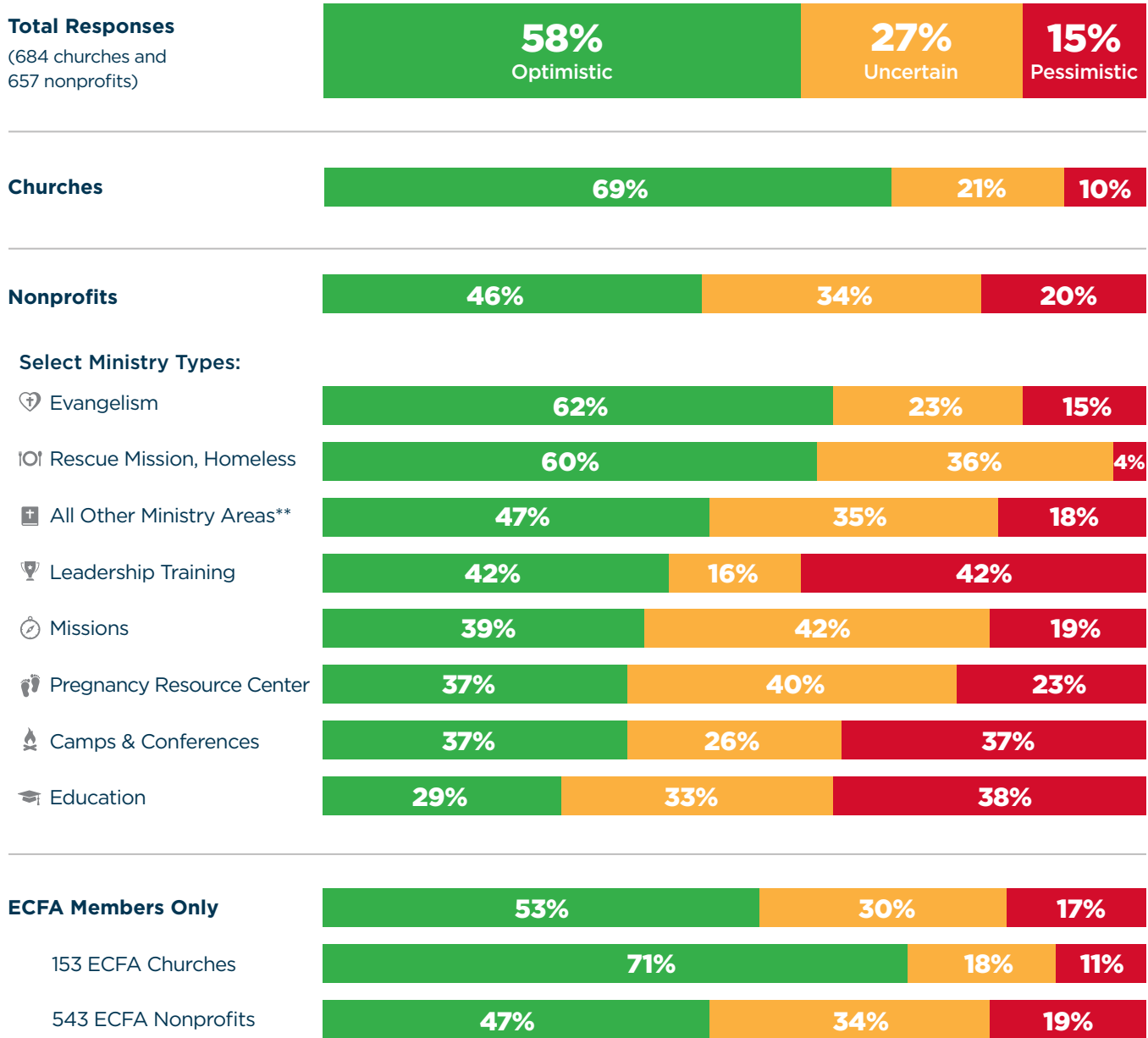
 **Evangelism is MOST**
Optimistic about
62% future cash
donations

 **Education is LEAST**
Optimistic about
29% future cash
donations

Note: Endnotes are on page 13.

Despite Financial Challenges, Evangelical Churches and Nonprofits Remain Optimistic about Cash Donations

What is your outlook about total cash gifts/donations* to your church or ministry, excluding one-time extraordinary gifts, over the next 3 months (May-July)?



Response options: very optimistic, somewhat optimistic, uncertain, somewhat pessimistic, very pessimistic (condensed above into three options)

*Cash gifts/donations includes actual cash, checks, online giving, and other monetary contributions.

**The label "All Other Nonprofit Ministry Areas" includes ministry types that received less than 20 responses. ECFA categorizes its members into 70 different primary classifications.

Optimism Levels Are Similar Across Most Budget Sizes, But Lower for Smaller Nonprofits

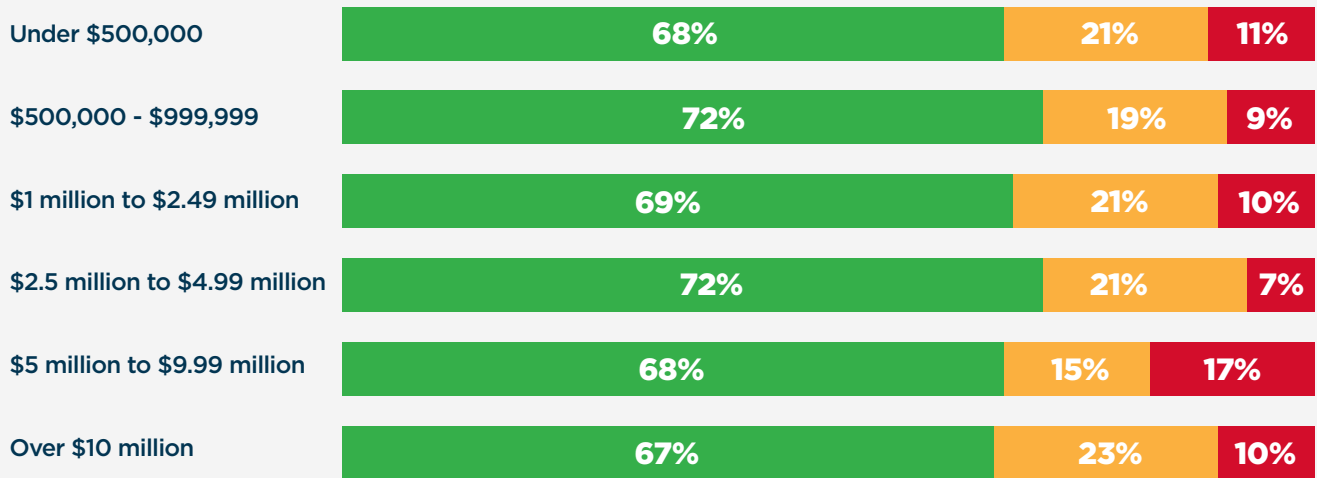
What was your church's/ministry's annual revenue/income in 2019?

What is your outlook about total cash donations to your ministry, excluding one-time extraordinary gifts, over the next 3 months (May-July)?



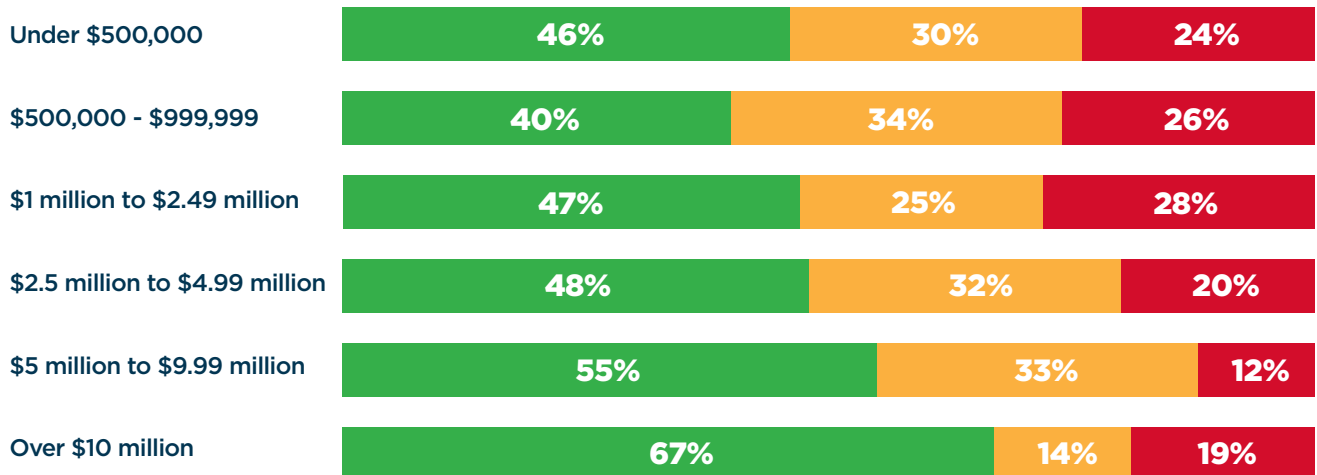
CHURCHES

Budget Size:



NONPROFITS

Budget Size:



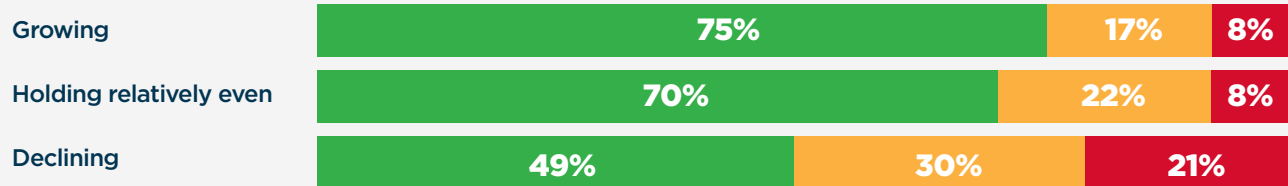
Optimism Is Highest Among Those Whose Income Grew in Recent Years

What is your outlook about total cash donations to your church or ministry, excluding one-time extraordinary gifts, over the next 3 months (May-July) – based on your church’s/ministry’s overall revenue/income growth over the last 3 years?



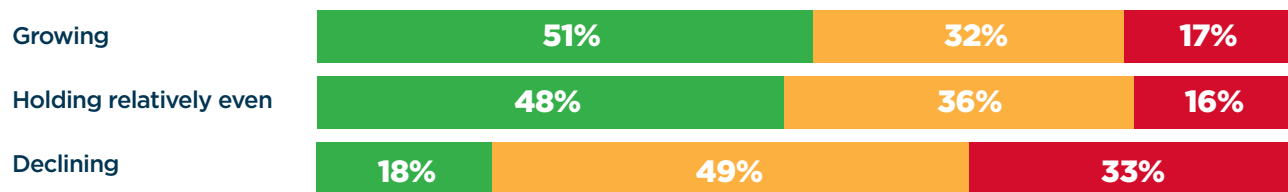
CHURCHES

Income Growth



NONPROFITS

Income Growth

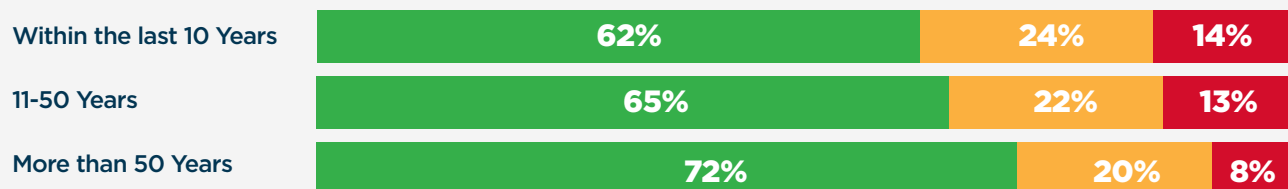


Older Churches and Nonprofits Show Slightly More Optimism

What is your outlook about total cash donations to your church or ministry, excluding one-time extraordinary gifts, over the next 3 months (May-July) – based on how long ago your church/ministry was founded?

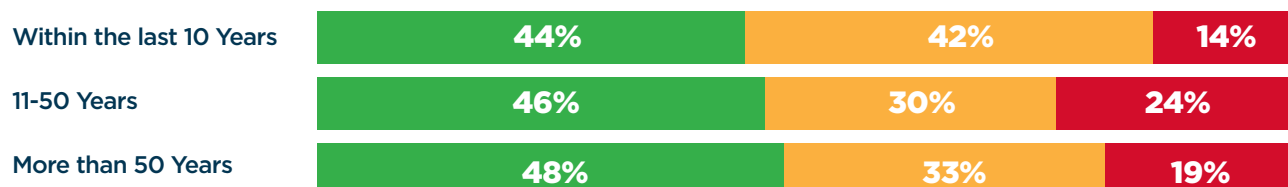
CHURCHES

Age of Ministry



NONPROFITS

Age of Ministry



The Role of Online Giving Increased for Churches, But Remained Largely Unchanged for Other Nonprofits

What percentage of your total cash donations were received from online gifts — in January 2020 and in April 2020?

Changes in online giving between January 2020 and April 2020	Churches	Nonprofits
Decreased 30% or more	1%	1%
Decreased 20-29%	1%	3%
Decreased 10-19%	0%	2%
No Change	34%	63%
Increased 10-19%	14%	13%
Increased 20-29%	21%	12%
Increased 30% or more	29%	6%

Note: This table was created by comparing each church's or nonprofit's response to two different questions: the percentage of online cash donations in April 2020 and the percentage of online cash donations in January 2020.

Response options for each question: Less than 30%, 30-39%, 40-49%, 50-59%, 60-69%, 70-79%, 80-89%, 90-100%, I don't know.

In order to make statistical comparisons, "I don't know" responses were ignored, and the response "less than 30%" was coded as "10-19%."

The Most Growth in Online Giving Comes from Midsize Churches

What percentage of your total cash donations were received from online gifts — in January 2020 and in April 2020?

Budget Size	Churches	Nonprofits
\$500,000	No Change	No Change
\$500,000-\$999,999	Increased 20-29%	No Change
\$1 million to \$2.49 million	Increased 30% or more	No Change
\$2.5 million to \$4.99 million	Increased 30% or more	No Change
\$5 million to \$9.99 million	Increased 10-19%	No Change
Over \$10 million	Increased 20-29%	No Change

April Year-to-Year Cash Giving Was the Same or Higher

How did total cash donations, excluding one-time extraordinary gifts, change between April 2020 and April 2019 (one year ago)?

	Churches	Nonprofits
April 2020 was higher than April 2019	47%	36%
April 2020 was the same as April 2019	19%	23%
April 2020 experienced up to a 20% decrease from April 2019	20%	19%
April 2020 experienced a 20% to 40% decrease from April 2019	9%	10%
April 2020 experienced more than a 40% decrease from April 2019	5%	12%

Recent Cash Giving Was the Same or Higher—Comparing April 2020 to January 2020

How did total cash donations, excluding one-time extraordinary gifts, change between April 2020 and January 2020 (pre-pandemic)?

	Churches	Nonprofits
April was higher than January	47%	38%
April was the same as January	25%	23%
April experienced up to a 20% decrease from January	15%	18%
April experienced a 20% to 40% decrease from January	10%	11%
April experienced more than a 40% decrease from January	3%	10%

 **72%** CHURCHES
report April 2020 cash giving was
the same or higher as January 2020

 **61%** NONPROFITS
report April 2020 cash giving was
the same or higher as January 2020

Other Income Stayed the Same or Decreased from January 2020 to April 2020

How did other revenue, excluding one-time extraordinary income items, change between April 2020 and January 2020 (pre-pandemic)? Examples of "other revenue": income from facility rentals, registrations, program fees, tuition, etc.

	Churches	Nonprofits
April was higher than January	7%	10%
April was the same as January	44%	36%
April experienced up to a 20% decrease from January	18%	16%
April experienced a 20% to 40% decrease from January	10%	12%
April experienced more than a 40% decrease from January	21%	26%

Most Surveyed Churches and Ministries Have Applied for the Paycheck Protection Program (PPP)

What is your organization's status for a loan/grant under the Paycheck Protection Program (PPP)?

	Churches	Nonprofits
We already applied	59%	80%
We plan to apply in the future	1%	1%
We do NOT plan to apply at this point	40%	19%

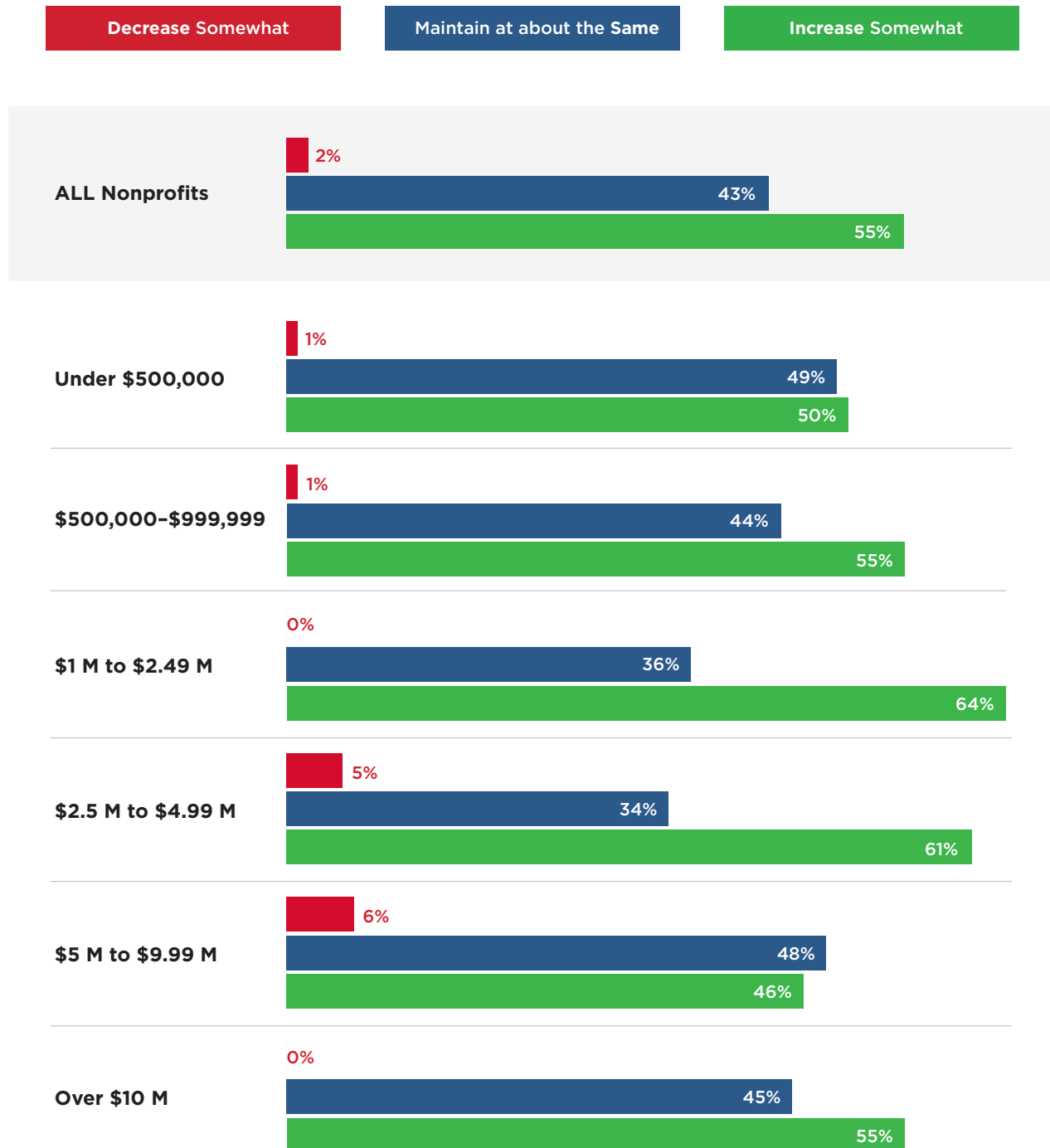
The Largest Churches and Nonprofits Were the Least Likely to Have Applied for the Paycheck Protection Program (PPP)

Size of annual budget among those who said "we already applied"

	Churches	Nonprofits
Under \$500,000	33%	14%
\$500,000-\$999,999	15%	18%
\$1 million to \$2.49 million	21%	26%
\$2.5 million to \$4.99 million	12%	19%
\$5 million to \$9.99 million	11%	11%
Over \$10 million	8%	12%

Just Over Half of Nonprofits* Surveyed Plan to Increase Their Email/Internet-Based Fundraising

What are your email/internet-based fundraising plans over the next three months (May-July) compared to January (i.e., pre-COVID19 level)?



*This question was asked only of nonprofits.

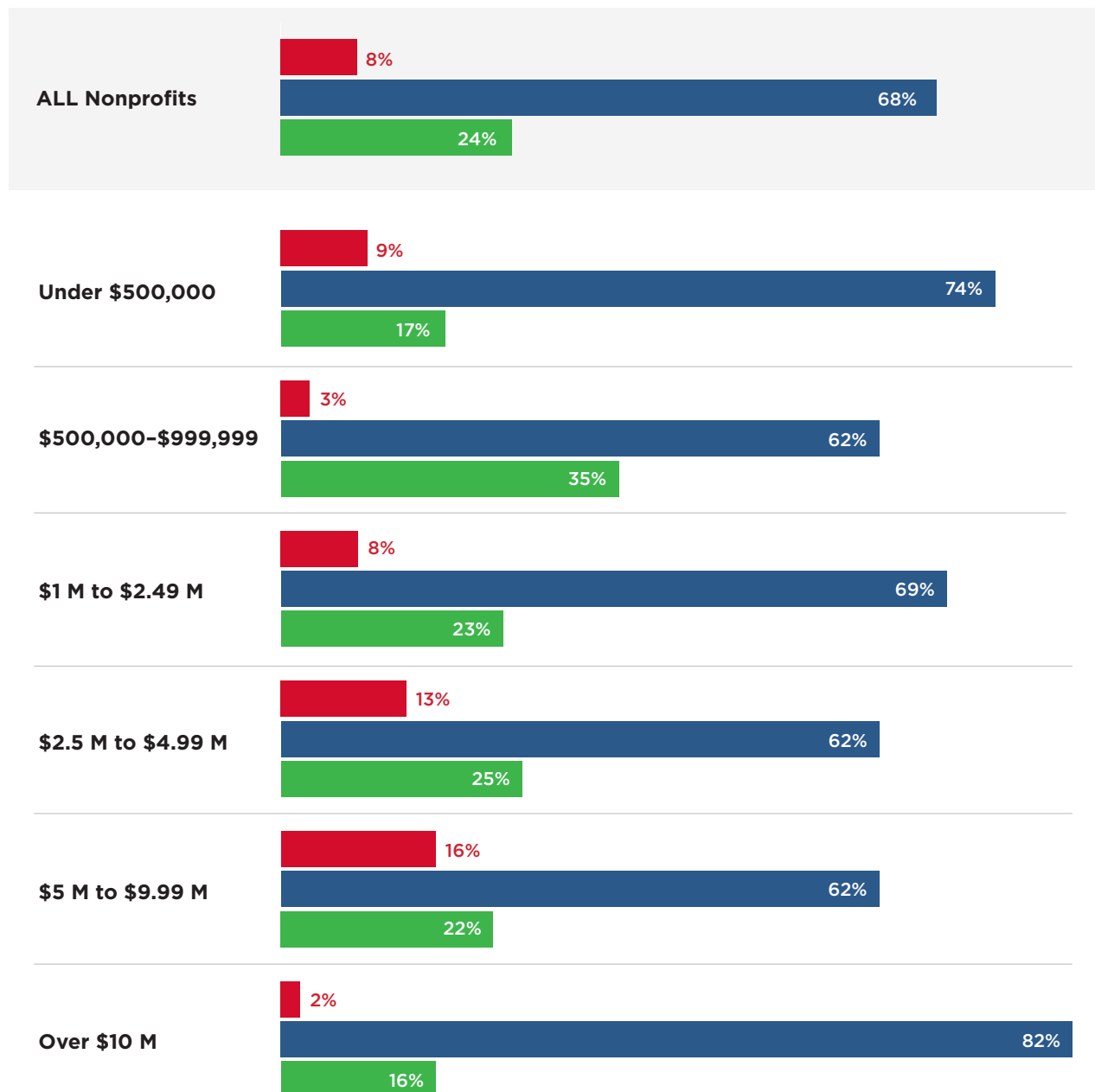
Direct Mail Fundraising Will Stay at the Same Level for Most Nonprofits* Surveyed

What are your direct mail fundraising plans over the next three months (May-July) compared to January (i.e., pre-COVID19 level)?

Decrease Somewhat

Maintain at about the Same

Increase Somewhat



*This question was asked only of nonprofits.

Most Have No Plans to Change Staffing Levels Over the Next Three Months

Which of these staffing scenarios happened in the last 3 months (Feb-April) and which do you anticipate over the next 3 months (May-July)? (Select all that apply)

	Church			Nonprofit		
	Actual (Feb-April 2020)	Anticipated (May-July 2020)	Difference	Actual (Feb-April 2020)	Anticipated (May-July 2020)	Difference
Increase staff levels	7%	10%	↗	6%	14%	↗
Keep staffing about the same	81%	71%	↘	79%	67%	↘
Establish a hiring freeze for nonessential roles	18%	16%	↔	20%	19%	↔
Invite voluntary furloughs (time off without pay)	4%	4%	↔	5%	6%	↔
Require furloughs (time off without pay)	4%	4%	↔	7%	7%	↔
Reduce the number or hours of part-time staff	11%	11%	↔	14%	12%	↔
Reduce the number or hours of full-time staff	3%	4%	↔	7%	8%	↔
Reduce pay levels (i.e., X% pay cuts for some or all staff)	3%	6%	↗	6%	11%	↗

Most Plan to Keep Fringe Benefits about the Same for the Next Three Months

In terms of fringe benefit expenses for staff (such as medical insurance or retirement contributions), which happened in the last 3 months (Feb-April) and which do you anticipate over the next 3 months (May-July)? (Select all that apply)

	Church			Nonprofit		
	Actual (Feb-April 2020)	Anticipated (May-July 2020)	Difference	Actual (Feb-April 2020)	Anticipated (May-July 2020)	Difference
Maintain current levels	92%	85%	↘	87%	82%	↘
Reduce the cost of fringe benefits by up to 20%	3%	2%	↔	2%	2%	↔
Reduce the cost of fringe benefits by more than 20%	3%	3%	↔	1%	2%	↔

Many Are Looking to Trim Non-Staffing Expenses for the Next Three Months

In terms of non-staffing expenses (facilities, programming, etc.) which happened in the last 3 months (Feb-April) and which do you anticipate over the next 3 months (May-July)? (Select all that apply)

	Church			Nonprofit		
	Actual (Feb-April 2020)	Anticipated (May-July 2020)	Difference	Actual (Feb-April 2020)	Anticipated (May-July 2020)	Difference
Postpone budgeted expenses (such as expanding a program or facility)	36%	30%	↘	33%	37%	↗
Maintain current expense levels	43%	40%	↔	49%	40%	↘
Reduce non-staffing expenses by up to 20%	26%	32%	↗	21%	25%	↗
Reduce non-staffing expenses by more than 20%	13%	10%	↘	14%	17%	↗

Most Are Cultivating Additional Giving, While More are Tapping Cash Reserves

Which of these scenarios happened in the last 3 months (Feb-April) and which do you anticipate over the next 3 months (May-July)? (Select all that apply)

	Church			Nonprofit		
	Actual (Feb-April 2020)	Anticipated (May-July 2020)	Difference	Actual (Feb-April 2020)	Anticipated (May-July 2020)	Difference
Mention our ministry's financial needs more often to regular givers/donors	53%	50%	↔	45%	54%	↗
Cultivate new or additional givers/donors	34%	41%	↗	42%	61%	↑
Not touch our cash reserves	48%	39%	↘	43%	32%	↘
Use some cash reserves	20%	27%	↗	22%	38%	↑
Use up all cash reserves	1%	2%	↔	4%	5%	↔
Exercise our line of credit or otherwise borrowing funds (excluding PPP if you applied for it)	2%	3%	↔	4%	9%	↑

NOTES:

¹ The Quick Poll series is available for free download at ecfa.org/surveys or ecfa.church/surveys. Other survey findings are on that webpage as well. All downloads on that page are free.

² The survey targeted leaders of evangelical churches and of other Christ-centered nonprofits, with responses from 684 churches and 657 nonprofits. It was fielded by direct email invitation to ECFA members: 281 accredited churches and 2,124 accredited nonprofits. It was also announced via the ECFA [Church Pulse](#) email to 9,733 subscribers and [Nonprofit Pulse](#) to 13,078 subscribers. Additionally, it was promoted on social media during the May 12-27 survey run. Of the 1,341 valid responses, 695 are known ECFA members and 646 are non-members. Tallies for each question exclude survey participants who didn't respond to that question, as well as those who selected "I don't know" or "does not apply."

About the Author



Dr. Warren Bird, ECFA Vice President of Research and Equipping, is a nationally recognized researcher and an award-winning author/coauthor of 32 books for ministry leaders. This survey and report have been an ECFA team effort including major editorial contributions by Katie Peyton and data visualization by Travis Huntsman.

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