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# Religious Facilities Market Analysis

**4th  
Quarter  
2023**



# At a Glance

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## Revenue

Revenue is tracked by the amount of donations. Over the last five years, revenue has grown to \$157.2 billion at a rate of 1% CAGR, with an increase of .5% Over the next five years, revenue is expected to increase to \$167.1 billion as the economy continues to recover.



## Profit

Profit has held at \$20 billion over the last five years as donations during COVID-19 continued, and more are able to donate post-pandemic. Profit is expected to increase to \$21 billion over the next five years.



## Profit Margin

Profit margin has reached 12.7% as of 2023, which has been the range it's been at for the last several years. It's projected to reach 12.8% over the next five years as the economy improves and more people donate.



## Attendance

Attendance is tied with donations, as the more in attendance the more donations received. The increased number of households will help increase attendance, increasing donations. It's projected that the number of households will increase over the next several years, including 2023.



# U.S Overview

**Religious organizations comprise establishments that provide religious worship or promote religious activities, such as houses of worship, convents, monasteries, and religiously affiliated community centers.**

This industry doesn't include schools and hospitals operated by religious organizations. Over the past five years, revenue, measured in total donations to religious organizations, grew at a CAGR of 1.0% to \$157.2 billion, including a 0.5% increase in 2023. Profit has remained stable, reaching 12.7% of revenue in 2023. Still, economic recovery in late 2020 and inflated per capita disposable income thanks to government aid meant increased donations to religious organizations. Higher-income individuals could support the increased donations to religious organizations.

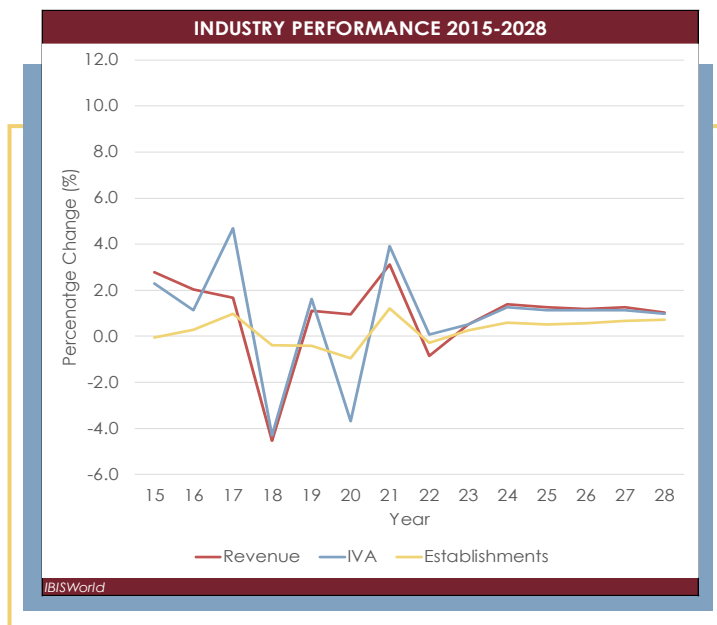
Rising per capita disposable income will support revenue. Tax reform may affect charitable contributions over the next five years and will impact revenue for religious organizations. Increased tax rates may encourage individuals to make more charitable contributions, reducing their overall taxable income. Revenue will grow at a CAGR of 1.2% to \$167.1 billion over the next five years but will stifle as individuals continue to trend away from religious organizations. Consumer spending, more formally personal consumption expenditure, measures the total amount Americans spend on services, new goods and net purchases of used goods, domestically and abroad. In 2023, consumer spending will increase, representing a potential opportunity for organizations.



# Industry Performance

## Current Performance

Amid COVID-19, believers turned to online platforms to stay connected to their faiths, resulting in a long-term shift in religious organizations. Adapting to online platforms has become vital for religious organizations to stay connected with believers and secure donations. Additionally, the embracement of technology aids in attendance and augmenting its membership base, which is vital in combatting the declining demand. The pandemic has had rippling effects throughout religious organizations

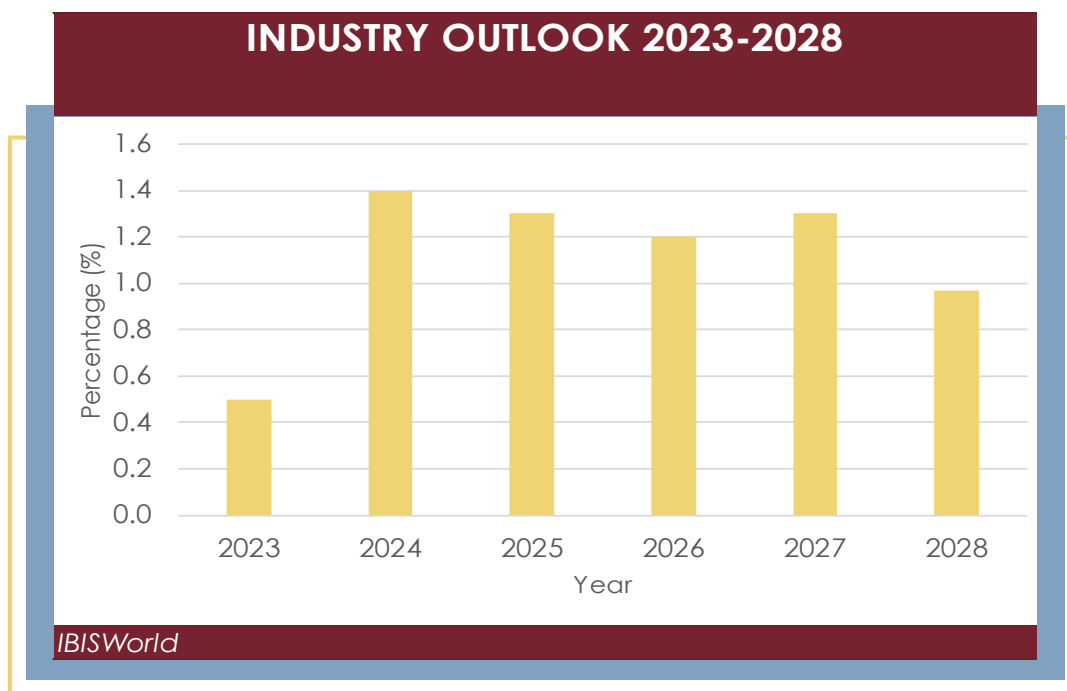


Although the Coronavirus Aid, Relief and Economic Security (CARES) Act stimulated businesses and individuals, boosting revenue growth in 2020, it also brought inflation.

| Year | Revenue (\$m) | IVA (\$m) | Establishments (Units) | Enterprises (Units) | Employment (Units) | Exports (\$m) | Imports (\$m) | Wages (\$m) | Domestic Demand (\$m) |
|------|---------------|-----------|------------------------|---------------------|--------------------|---------------|---------------|-------------|-----------------------|
| 2014 | 147,141       | 74,783    | 184,291                | 183,961             | 1,684,958          | N/A           | N/A           | 44,325      | N/A                   |
| 2015 | 151,257       | 76,491    | 184,205                | 183,862             | 1,679,616          | N/A           | N/A           | 45,181      | N/A                   |
| 2016 | 154,328       | 77,361    | 184,740                | 184,083             | 1,686,959          | N/A           | N/A           | 45,878      | N/A                   |
| 2017 | 156,912       | 80,995    | 186,548                | 185,845             | 1,690,378          | N/A           | N/A           | 46,318      | N/A                   |
| 2018 | 149,798       | 77,497    | 185,820                | 185,008             | 1,693,661          | N/A           | N/A           | 46,189      | N/A                   |
| 2019 | 151,470       | 78,756    | 185,071                | 184,259             | 1,682,903          | N/A           | N/A           | 46,493      | N/A                   |
| 2020 | 152,930       | 75,864    | 183,327                | 182,713             | 1,649,362          | N/A           | N/A           | 45,002      | N/A                   |
| 2021 | 157,709       | 78,837    | 185,551                | 184,692             | 1,683,287          | N/A           | N/A           | 46,024      | N/A                   |
| 2022 | 156,368       | 78,905    | 185,031                | 184,238             | 1,673,729          | N/A           | N/A           | 45,736      | N/A                   |
| 2023 | 157,196       | 79,321    | 185,496                | 184,661             | 1,679,741          | N/A           | N/A           | 45,916      | N/A                   |

Consequently, the effects of poor economic conditions negatively impacted growth in critical areas of the industry, like establishments and employment. Wages fell as religious organizations attempted to cut costs. Furthermore, the number of industry establishments fell because of a high level of market saturation and unfavorable economic conditions.

# Industry Outlook



## Attracting Young Members

Religious organizations seeking to increase new and retained existing membership must focus on attracting younger adults. The quality of sermons, feeling welcomed by leaders and the style of worship services are noted as the top factors they consider when seeking a new house of worship, according to a Pew survey. Increasing the sense of community and paying particular attention to the style and quality of worship services and sermons will be critical to industry organizations' success in the future.

## Religious Organizations Embrace The Tech Revolution

Donations will continue to surge through online platforms, with the growing adoption of cloud-based accounting systems, payment services like PayPal and fundraising platforms like GoFundMe. While tech advancements will impact various aspects of religious organizations, traditional worship services will likely remain prevalent, led by religious leaders in in-person gatherings.

# Conclusion

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Religious Facilities have been a resilient industry. They pivoted to virtual sermons during the pandemic, and received enough donations to sustain the ebbs and flows of the economy during that period. Now that the economy is in recovery, donations are tied to disposable income. As taxes and interest remain in flux, religious facilities are relying on higher-income individuals with more disposable income to donate and help keep religious facilities running. Tax reforms in the future have the potential to affect how religious facilities receive donations, but an increase in the number of households could help offset any potential decline in donations. As more religious facilities offer a better virtual service, they'll be utilizing money apps and fundraising websites such as Venmo, Paypal, GoFundMe, etc. to enable viewers from home to donate from the comfort of their own home. As long as religious facilities keep up with the growing technology and wants of their attendees, religious facilities will have increased donations despite economic events. This sentiment is reflected in the projection that religious facilities will increase revenue by 1.2% over the next five years.

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