



Covid Parish Impact Study Summary of Findings, November 2020

by

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Introduction

The impact of COVID-19 on parish collections this year could be devastating, but it does not have to be. Parishes still have time to pivot to a new model of being church before the economic impact is irreversible.

To assess the financial impact of COVID-19 on Catholic parishes, we analyzed annual offertory collection trends from 169 Catholic parishes from FY2017 to FY2020. These parishes are from the dioceses of Fall River, MA, Camden, NJ, and Raleigh, NC. Specifically, we wanted to test the following hypotheses:

1. Parishes that livestreamed their Masses/services during the pandemic saw minimal (<5%) or no drop in collections
2. Parishes that used online giving before the pandemic had less of a drop in collections than parishes that did not offer this option.
3. Parishes that did not use online giving or livestream Masses will struggle financially to survive this pandemic after the PPP money runs out.

The more essential hypothesis is that parishes response to the pandemic was directly proportional to how strong of a missionary impulse drives their decisions. Ones with a strong missionary impulse were better able to adapt to the challenges of the pandemic and survive. Paradoxically, ones that focused on waiting this out and surviving the pandemic are more likely to struggle and possibly close before it is over.

Key Findings

- The **overall average drop in collections was 7% in FY20** after three years of relatively consistent collections.
- The FY20 drop in collections occurred in the last 15 weeks of the year after the pandemic shutdown. If you annualize that rate of decline through FY21, **collections will decline 24%** this year.
- On the positive side, **1 in 6 (28) parishes saw collections increase in FY20** by an average of \$41,073. Only 12 of those 28 parishes had an increase in collections the prior year, so something changed in 2020.
- On the negative side, **1 in almost 5 (36) parishes will see collections drop 50% or more in FY21** if they do not change. These parishes saw collections decrease in FY20 by an average of \$89,637,

which was a decline of 14% or more. That rate projects to an annualized decline in FY21 collections of 50% or more, which would be devastating for those parishes.

- 80% of the parishes in this study received **Payroll Protection Plan (PPP) loans** from the government in Q4 which may have masked the impact of the decline from the people in the pews. While collections are not the only source of revenue for a parish, 91 parishes who do not also have a school received PPP loans totaling \$6.381 million. The combined drop in collections for those parishes was only \$3.631 million in FY20, leaving a surplus of \$2.768 million to replace lost collections through October 2020. When that money runs out, parishes will have some very difficult decisions to make.
- **Online Mass matters** - 72% (121) of parishes offered Mass online – either recorded or livestreamed. While the ones who offered Mass online had an average drop in collections of 5%, parishes who did not offer Mass online had an average drop of 12%. If you annualize that over 12 months, it's a statistically significant 20-point difference in collections (annual average decline of 19% with online Mass compared to 39% without online Mass).
- **Online giving does not matter** - 91% (153) of parishes offer online giving. To our surprise, it had no statistically significant impact on collections. At this point, offering online giving is a must-have for parishes, but alone is not sufficient to survive the pandemic.
- **Parish type does not matter** - while there were slight differences in the change in collections between rural, urban, suburban, and seasonal parishes, those differences were not statistically significant.
- **Parish size does not matter** – using parish collections as a proxy for parish size (<\$250k, \$250k-\$500k, \$500k - \$750k, \$750k - \$1,250k, \$1,250k+), while there were differences, those differences were not statistically significant. Surprisingly, many smaller parishes outperformed mid-size and larger parishes.
- **Geography does not matter** – there was no statistically significant difference in change in collections from parishes in the Dioceses of Fall River, MA, Camden, NJ or Raleigh, NC.

In addition to the physical and emotional losses suffered by so many during this pandemic, the economic impact of COVID-19 cannot be overstated. The 169 parishes in this study, while not a representative sample of parishes in the United States, do have representation of large and small parishes, and parishes in rural, urban, suburban, and vacation or seasonal settings. Collectively, they serve just under a million Catholics and had annual collections totaling just under \$103 million in FY20.

For a sense of the potential economic impact of COVID-19 on the Catholic Church, if we assume these 169 parishes were representative of the 65 million Catholics in the United States, then the total annual collections of \$6.6 billion is in line with other estimates for total Catholic parish giving.

If the projected 24% decline in collections for FY21 occurs, the Catholic Church will have \$1.6 billion less to fulfill its mission. Unless more parishes turn things around and move to online Masses and other means of ministering and being in relationship with their people, there will likely be significant layoffs, reduction in parish services, more diocesan bankruptcies and parish closures in the year ahead.