



The Economic Halo Effect

of Rural United Methodist Churches in North Carolina



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James B. Duke

THE DUKE ENDOWMENT



AT THE INTERSECTION
OF HERITAGE, FAITH,
& COMMUNITY

Partners for Sacred Places



UNIVERSITY OF NORTH CAROLINA
CHARLOTTE

URBAN INSTITUTE

PREPARED FOR

The Duke Endowment

PREPARED BY

Partners for Sacred Places

UNC Charlotte Urban Institute

Partners for Sacred Places is the only national, nonsectarian, nonprofit organization dedicated to the sound stewardship and active community use of America's older religious properties. Partners builds the capability of congregational leadership for building care, shared use, capital fundraising through training programs, fundraising assistance, and organizational and facility assessments.

The UNC Charlotte Urban Institute is a nonpartisan, applied research and community outreach center at UNC Charlotte. Founded in 1969, it provides services including technical assistance and training in operations and data management; public opinion surveys; and research and analysis around economic, environmental, and social issues affecting the Charlotte region.

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Contents

- 5** **Executive Summary**
- 7** **Note on Methodism in North Carolina**
By Lacey Warner and Kenneth Spencer
- 12** **Definitions**
- 13** **How the Research was Designed & Conducted**
Earlier Research
From the Urban to Rural Study
Limitations
- 15** **Research Findings**
Profile of Congregations
Components of the Halo Effect
- 29** **The Public Value of Sacred Places:
Implications for Judicatories,
Government, and Philanthropy**
- 32** **Appendices**
Methodology
Participating Congregations

Executive Summary

All these findings add up to a larger, remarkable – but little known – reality: UMC congregations, quietly and faithfully, constitute an important part of the fabric of rural communities.

Partners for Sacred Places (Partners) has known for over a decade that the value of sacred places goes beyond just their physical structure or membership. Thanks to two rounds of previous research by Partners for Sacred Places on the Economic Halo Effect of churches and synagogues, we've been given proof of the outsized civic value of sacred places – i.e., the value they bring to the larger community.

Until now, however, that research was focused on urban sacred places. Research samples came from Chicago, San Francisco, New York, Philadelphia and other large cities. Partners has suspected that small town and rural churches had an equally important story to tell of civic value and community contribution, and now Partners for Sacred Places can affirm that story.

Partners for Sacred Places, in partnership with the Duke Endowment and UNC Charlotte Urban (Institute), conducted a study to better understand the local economic impact of rural churches, specifically examining the impact of United Methodist Church (UMC) congregations in North Carolina's small towns and rural areas. The study examined who benefits from the presence of these congregations and what contributions these churches make to the lifeblood of their communities as conveners, trusted partners, and service providers.

Partners and UNC Charlotte conducted extensive interviews with leaders of 87 rural churches and then monetized and assigned a numerical value to six areas. These areas include:

- Direct spending
- Education & childcare
- Magnet effect
- Individual impact
- Community serving programs
- Outdoor recreation space

The study found that Methodist churches are not just for Methodists alone. This is an important finding, because civic leaders – mayors, foundations, business leaders, arts organizations, community groups – need to see our churches as places that serve everyone.



Franklinton United Methodist Church, Franklinton, NC



Trinity United Methodist Church, Louisburg, NC

The research shows:

- Seventy-two percent of those benefiting from programs housed in UMC churches are not members of those congregations. In effect, rural Methodist churches are de facto community centers, just as their sister churches in cities.
- UMC congregations make great economic contributions to their towns and counties, with an average annual contribution to the local economy valued at just over \$735,000 per congregation.
- Congregations generate value because they spend locally and hire locally; they host events that bring people to the community who spend money there; they sacrificially share space in their buildings, at low cost or no cost; and they provide needed resources and services to the community.

The research findings also contradict some of the myths that surround rural churches. Too many people believe that rural America – and its churches – are in decline, but many of the congregations we studied are stable community anchors.

Another myth is that congregations are no longer as relevant to their communities as they once were, but we found that rural congregations do an excellent job of caring for the needs of community members, and are changing to reflect the assets and opportunities around them. Small churches can make a big impact because congregational size and economic impact are not always correlated. Franklinton United Methodist Church and Trinity United Methodist Church provide examples of this.

Franklinton United Methodist Church

- Has an active membership of 25 but an annual Halo impact of almost \$1.2 million annually
- Hosts an early childhood education program serving over 40 families and supports a myriad of other programs that provide food and serve the youth of the area

Trinity United Methodist Church

- Congregation composed largely of older adults and retired individuals
- Generates 742 hours of volunteer time and \$2,400 in donated goods to support a food program for low-income children
- Generates \$20,000 each year through their food program

All these findings add up to a larger, remarkable – but little known – reality: UMC congregations, quietly and faithfully, constitute an important part of the fabric of rural communities. We cannot afford to take them for granted. And when they need our support, or a helping hand, we should be more open to giving it. Because they are Methodist churches, but they are also institutions for everyone.

Note on Methodism in North Carolina

BY REV. DR. LACEYE WARNER AND KENNETH SPENCER

Methodism in North Carolina contributes significantly to local communities and has done so since the late 1700s. Methodism's persistent vitality, particularly in rural communities, builds relationships and organizations to care for neighbors. Contemporary Methodism in North Carolina reclaims early Methodist practices of advocacy and care for children and marginalized persons especially.

Methodist Beginnings

Methodism emerged as a renewal movement within the Church of England, initially led by young adults. During the 18th century while students at Oxford University, John and Charles Wesley became interested in faith formation and outreach to marginalized communities. Methodism grew steadily across the United Kingdom from London and Bristol north to Newcastle and Manchester. Methodism pursued its mission through class meetings, as well as social outreach creating accessibility to health care, micro-lending, and education (including care for vulnerable and orphaned children) among the marginalized. Methodism consists of more than isolated congregations. Methodism from its earliest days to now is characterized by a connectional congregation as well as educational and advocacy organizations. These commitments to faith formation and community development, or 'means of grace' in John Wesley's language, continue for Methodists in the twentieth-first century.

Methodism arrived in what would become the United States with Irish and English immigrants during the 1760s. Led by both men and women, and including European and African American participants, Methodism appeared initially in New York and Maryland. Early Methodists on both sides of the Atlantic shared John Wesley's commitment to anti-slavery. Methodism's grounded piety and relative accessibility to the poor, women, and youth built modest, but extensive networks of local communities across the East coast of the US including North Carolina.

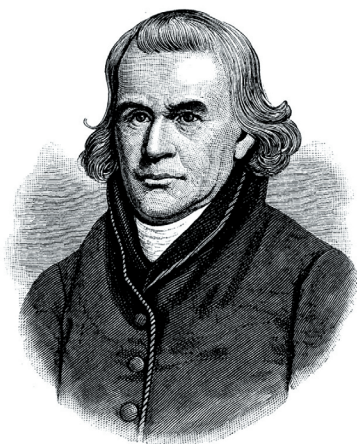


John Wesley



Methodism in North Carolina

Methodism in North Carolina dates to the 1780s, before the establishment of Methodism as a denomination in 1784¹. Frances Asbury preached throughout North Carolina and the surrounding region. Methodism in the 1700s and early 1800s consisted of networks of local communities often described as class meetings or societies. The language used today to describe congregations among Methodists would not receive wide use until the early 1900s. Societies met regularly to worship, learn, and care for one another and the community. With few preachers to serve these networks of societies, also called circuits, preachers such as Frances Asbury travelled widely across the region to bring the sacraments and encourage the local work of ministry.



Francis Asbury

Methodism across the United States and North Carolina made considerable and constructive impact on the United States and its local communities.² During the late 1800s, in celebration of its Centennial in the United States, affluent and resourceful Methodists provided philanthropy to build large church facilities, schools, universities, and hospitals. Methodist bishops counseled and eulogized United States presidents.³

Any discussion of the history of the Methodist Church in North Carolina must include a reference to the Duke family. James B. Duke was fond of saying, “If I amount to anything in this world, I owe it to my daddy and the Methodist Church.” Mr. Duke was influenced at an early age by the way circuit riding Methodist preachers were fully committed to a life of service. It is important to note that the church that Mr. Duke experienced in his youth was a rural congregation where the members shared in all aspects of life. That is to say, his faith formed him in a holistic way. This can be seen in the way that he established The Duke Endowment, which was created to support the ministries of rural Methodist congregations as well as issues related to healthcare, childcare, and higher education.

Healthcare

Methodism’s support of health care includes a wide spectrum of services from deaconesses⁴ and parish nurses visiting homes of the infirm to complicated health systems. Among their varied ministries,

¹ For brief histories of the Western and North Carolina Conferences respectively see the following links: <https://www.wncumc.org/conference-history> <https://nccumc.org/history/a-short-history-of-the-formation-of-the-north-carolina-conference/>

² In 1844, the Methodist Episcopal Church split to form the Methodist Episcopal Church, South in which most of North Carolina Methodism participated. Early practices of inclusive worshipping communities fell into segregated realities. Institutionalized racism within Methodism culminated in 1939 when the Central Jurisdiction, a national entity consisting of African American conferences and local churches, formed alongside five regional jurisdictions in the United States, including the Southeast Jurisdiction in which the North Carolina Conferences are located. In 1968 the formation of the United Methodist Church formally dissolved the Central Jurisdiction. However, the structures and their disparities remain similar to the reminders of segregation and racism in our communities.

³ Bishop Matthew Simpson accompanied President Abraham Lincoln’s body return and eulogized the deceased President at his funeral.

⁴ A retirement community originally established for Methodist deaconesses in Asheville, see the following link for information describing Brooks-Howell. <https://www.unitedmethodistwomen.org/brooks-howell>

many deaconesses completed medical training (some before women were permitted to matriculate into medical schools) to provide health care to the impoverished. John Wesley describes the role of sick visitors and deaconesses in a sermon and other writings.

The parish nurse carried this practice into the twentieth century, though it is less prevalent today. Methodist deaconesses and parish nurses often served as extensions of Methodist hospitals and congregations building bridges to care for bodies and souls. While many Methodist health care institutions exist as historic legacies of larger systems, a number still serve North Carolina including Methodist Hospitals in Charlotte, Winston Salem, and Durham (the latter through Duke University Hospitals).

Education

Methodists established hundreds of primary and secondary public schools, including education for immigrant communities who were sometimes excluded from the public school system. Methodists established dozens of undergraduate schools. The Methodist higher education accrediting body, the University Senate, is one of the oldest in the United States dating from 1892. A Historical Convocation in 1999 reported at least thirty Methodist institutions of higher learning to have existed at some point in the Western North Carolina Conference.

Similar to early commitments dating to John Wesley and specifically Mary Bosanquet (1739-1815), Methodists continue to provide care for vulnerable and orphaned children in North Carolina through a number of schools and homes, such as the Methodist Home for Children that originally operated solely through referrals from the almost 2000 Methodist churches across the state.⁵ Another Methodist affiliated school is The Crossnore School that has a long history of supporting children from difficult family settings. A resident of the school named Mitzi Ensor writes, “I came [to campus] with a paper bag that had all my belongings in it...I had never had as much as I got my first few days at Crossnore,” Mitzi says. “I thought to myself, ‘What a friendly, safe, and beautiful place,’ even though I was a scared seven-year-old.”⁶

Although their work with children’s homes continues, in recent years the involvement of the United Methodist Church with children and schools has evolved. The two annual conferences represented in North Carolina have partnered together to create the Congregations 4 Children⁷ initiative that challenged Methodist congregations across the state to engage in meaningful partnerships with their local schools. There are four focal points of the C4C program. First, is K-3 Literacy where church members serve as in-school tutors and congregations host after school reading programs. The second



Methodist Home for Children



The Crossnor School

⁵ <https://www.mhfc.org/who-we-are/>

⁶ <https://www.crossnore.org/growing-up-at-crossnore/>

⁷ <https://nccumc.org/c4c/> and <https://www.wnccumc.org/c4c/about>



“It has always been part of the Methodist practices to advocate and care for marginalized persons including the ill, impoverished, and displaced individuals and communities.”

focus is providing basic needs such as school supplies, food and clothing. Third is a focus on providing positive adult role models through service as mentors, morning greeters, and lunch buddies. The final focal point is advocacy for the public school system. The North Carolina Conference estimates that 80% of their congregations have developed partnerships with one or more of their local schools.

Advocacy

It has always been part of the Methodist practices to advocate and care for marginalized persons including the ill, impoverished, and displaced individuals and communities. John Wesley and early Methodists in Oxford participated in regular Christian practices, or means of grace, to care for others. One aspect of these regular, mostly weekly, practices was to visit local prisons. Historically the role of Methodists to support incarcerated persons was limited to the pastor visiting the incarcerated, offering worship and sharing the gospel of Jesus Christ.

Over the years Methodist involvement with incarcerated persons has evolved to support individuals as they attempt a healthy re-entry into society. Hope Restorations is a Methodist program in Kinston, North Carolina. The mission of Hope Restorations, Inc. is to:

Provide paid employment, training, and other support to adults recovering from addictions or incarceration. The work we provide involves acquiring deteriorating houses in our community and renovating them to more modern standards in order to provide safe, affordable, energy-efficient housing for lower-income families.⁸

This program operates on the principle that everyone deserves a second chance at life. Although the pairing together of home restoration with those who are attempting to re-enter society might appear to be counterintuitive, the pastor who directs the program says it is a natural fit. The pastor describes the moment when the participants make the personal connection with the restoration work that they are doing in the home. Pastor Chris Jenkins says, “As these men see an old house come back to life through their labor, they realize they can be restored, too.” To date, 115 adults recovering from incarceration and addiction have been served, 25 families are now living in affordable and energy efficient homes, and another four renovation projects are currently in progress. All of this transformation is a direct result of a local Methodist pastor and congregation that are living out callings to make a positive contribution to their community.

⁸ <http://hoporestorationsnc.org/wp-content/uploads/2019/11/Hope-Restorations-Handout-Revised.pdf>

Conclusion

Over the last one hundred years a shift occurred within Methodism to out-source many ministries previously practiced by local churches. This is helpful to build efficiencies and manage resources. However, such a shift can also erode the identity and mission of local churches. Because of its deep roots in communities and wise philanthropic investments (i.e. The Duke Endowment), Methodism in North Carolina continues to practice early Methodist commitments to faith formation and advocacy for marginalized persons in communities by creating accessibility to healthcare, education, and economic development. While local churches mourn the passing of their influence and leadership in local communities, many also discern renewed and reclaimed means to participate in God's grace through missional networks, literacy programs, local health care initiatives, and imaginative re-deployment of existing property⁹ as well as collaborating to construct sustainable multi-use facilities.¹⁰

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Photo by Rev. Sharon T. Lee, Gethsemane UMC

⁹ Wesley Community Development <https://www.wncumc.org/wesleycdc>

¹⁰ Both the WNCC and NCC offices relocated in the last decade to occupy sustainable, solar powered, multi-use facilities.



Definitions

- ▶ **Community serving programs** - Programs that serve the community, including volunteer time and space that is shared
- ▶ **Direct spending** - Operational, program, and capital (i.e. repairs, renovations) local spending
- ▶ **Economic halo effect** - Factors associated with congregations and their economic impact
- ▶ **Education & childcare**- Day care and K-12 (Kindergarten through 12th grade) educational programs
- ▶ **Individual impact** - The impact made when clergy, program staff, and professional and lay volunteers provide one-on-one counseling, make referrals to social service agencies, help individuals find jobs, etc.
- ▶ **Magnet effect** - Spending by visitors coming to the sacred place
- ▶ **Monetization** -an assignment of a monetary value to assess impact
- ▶ **Multiplier** - Derived from existing, peer reviewed studies, these are the numbers used to calculate the impact of each dollar spent, each volunteer hour worked, each visit, etc.
- ▶ **Outdoor recreation space** - Outdoor space used by the community
- ▶ **Rural** - counties with a population density of less than 500 people-per-square-mile (ppsm). Some communities are a mix of urban and rural and are classified as mixed rural or mixed urban.
- ▶ **Sacred places** - houses of worship (i.e. churches, synagogues, temples, and meetinghouses)

How the Research Was Designed and Conducted

Earlier Research

Partners for Sacred Places (Partners) has sought to understand how congregations use their physical, financial, and human assets to serve their communities since its founding in 1989. In 1996, Partners sponsored the first scientific, national study (Sacred Places at Risk) documenting how congregations serve the public.¹¹ The study, conducted in partnership with Dr. Ram Cnaan and the University of Pennsylvania’s School of Social Policy and Practice, found that urban congregations had an economic impact on their community, providing resources—volunteers, significant staff and clergy time, space, cash, and in-kind services—to support programs each year. The study also found that the majority of those benefiting from outreach were not members of those congregations. A new methodology for documenting the public value of congregations was established.

In 2010, Partners and Dr. Cnaan expanded their assessment of civic value, exploring other factors such as the value of green space and trees, building projects, visitors to the local community, support for local business and vendors, budget and taxes, and the congregation’s role as an incubator for new businesses or nonprofits, among other factors, by piloting a study with Philadelphia congregations.¹² This study allowed Partners and Dr. Cnaan to test a variety of approaches that would monetize each element of a congregation’s economic impact.

Partners conducted a larger study to build on the pilot’s findings, selecting congregations at random, from a larger sample of historic sacred places in three cities: Fort Worth, Chicago, and Philadelphia.¹³ Economic value was assessed only where there was precedent to do so, and where the tools and approaches to measure monetary value were well-tested and widely-accepted. This urban study monetized five areas of benefit: education, direct spending, magnet effect, community-serving programs, and recreation space. Community development, incubation, and individual and family impact were also examined but not assigned a dollar value due to the difficulty of monetization.

The study found that the majority of those benefiting from outreach were not members of those congregations.

¹¹ Partners for Sacred Places. (1998). Sacred Places at Risk. Retrieved from <https://sacredplaces.org/uploads/files/395429189155295863-spar.pdf>

¹² Cnaan, R. A., Forrest, R., Carlsmith, J., & Karsh, K. (2013). If you do not count it, it does not count: a pilot study of valuing urban congregations. <http://dx.doi.org/10.1080/14766086.2012.758046>

¹³ Partners for Sacred Places. (2016). The Economic Halo Effect of Historic Sacred Places. Retrieved from <https://sacredplaces.org/uploads/files/16879092466251061-economic-halo-effect-of-historic-sacred-places.pdf>



From the Urban to Rural Study

Partners for Sacred Places partnered with the Duke Endowment and UNC Charlotte Urban Institute to extend its work to value the local economic impact of rural churches, specifically United Methodist Churches (UMCs) in rural North Carolina. This work, designed to build upon Partners' previously mentioned study of urban congregations and to fill in some gaps in the organization's knowledge, focused on United Methodist churches in the state of North Carolina due to the Duke Endowment's strong partnership with rural UMCs and UMC's deep rootedness in rural North Carolina. The relationship already fostered by the Duke Endowment was essential to reaching these congregations. This approach differed from Partners' approach to the urban study, which focused on cities where the organization had a presence - making it possible to open the urban study to congregations of all faiths and all denominations.

Methodist congregations in North Carolina have deep roots in their communities, with some congregations dating back to the 1700s. The faith tradition considers social outreach and community-building to be an integral part of its mission, and has historically made contributions in the areas of education, health care, economic development, etc. Building on their mission and connection to their communities, Methodist churches, now part of the United Methodist denomination continue to practice social outreach, particularly to marginalized community members.

For the rural study, Partners and UNC Charlotte conducted extensive interviews with leaders of 87 rural churches and then monetized and assigned a numerical value to six areas -- including individual and family impact, an area not monetized in the urban study. Since the urban study, tools and approaches to measure individual and family impact have become available, which has made monetization feasible.

Limitations

As with all research, the study's methodological and analytical limitations warrant mention, particularly related to the study sample. Congregations included in the study were selected by conducting a random sampling of rural United Methodist congregations eligible for the Duke Endowment's Rural Church program. These churches were then asked to participate. The findings, therefore, speak to the congregations that chose to participate in this study and do not represent the characteristics and activities of all rural churches. Further research is needed to understand how United Methodist churches might differ from other rural churches in terms of their willingness or capacity to engage with the broader community. Additionally, several aspects of this study are specific to North Carolina, including some of the value multipliers used. Thus, generalizing these findings to rural areas outside North Carolina should be approached with some caution.

Research Findings

Partners for Sacred Places, along with the Institute, found that on average, one rural United Methodist Church in North Carolina generates \$735,800 in annual economic impact. For the 1,283 rural UMCs in North Carolina eligible for Duke Endowment's Rural Church program, the economic impact totals over \$944 million annually.

Given that any calculation can be affected by outliers at either end of the spectrum, an alternative way to determine value would be to remove churches with the lowest overall economic contributions and remove churches with highest overall economic contributions. If this approach were taken, the total sample size would be 69 congregations, the middle 80% of the original sample. And the average annual economic contribution per congregation would be \$488,598. Applying this to the wider group of 1,283 churches, this represents a total of \$626 million across North Carolina each year.

Overall, the research shows that rural Methodist churches contribute to economic life in a significant way:

- Rural United Methodist Churches support jobs and local businesses.
- Congregations are community hubs, providing a variety of flexible and affordable space that encourages neighbors to come together to solve problems, serve and be served, and build social capital.
- Congregations are important supporters of early childhood education and provide valuable childcare services in areas underserved by child-care centers.
- Congregations counsel, support, and make referrals for individuals and families struggling with a range of issues.
- UMCs are also a magnet for visitors, attracting on average, 195 visits to its town or locale each week. In fact, only half of these visits (53%) were for worship activities, while the other half were by individuals attending an event or participating in a program.

Churches support their community outright, by employing, on average, 1.4 fulltime employees, and 4 part time employees. They purchase goods and services from a network of local small businesses and individual vendors, supporting an important community economic ecosystem.

Partners for Sacred Places, along with the Institute, found that on average, one rural United Methodist Church in North Carolina generates \$735,800 in annual economic impact.



Beneficiaries of community programs; members vs. non-members



79%
Non-member beneficiaries of community programs

21%
Congregation members

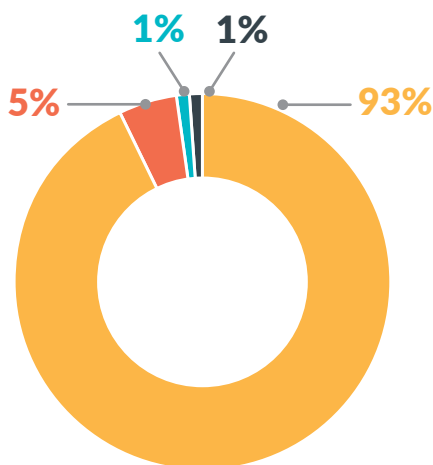
Visits to UMCs include regular worship services, life events such as weddings and funerals, outreach programs, and other activities that generate spending and boost the economy. Pickups and drop-offs for daycare or preschool generate even more visits. People spend on travel to the church, and often patronize local stores nearby.

This study affirms and builds on previous research conducted by Partners for Sacred Places, showing that congregations provide a wide range of subsidies that support community-serving programs and activities. Offerings include free or below-market space for community groups, events, social services, and education programs, as well as significant hours of volunteer time, in-kind, and cash support. The study showed that 79% of the beneficiaries of community programs and events supported by rural congregations are not members of those congregations. This shows that the impact of activities rural congregations undertake extends far beyond the walls of the church and provides valuable support to their communities.

Profile of Congregations

The research was based on a random sample of 87 churches, out of 1,283 rural United Methodist congregations that are eligible for Duke Endowment Rural Church grants. The Duke Endowment used US Census Bureau Rural-Urban Commuting Area codes to determine which churches are eligible. A complete list of participating congregations appears in Appendix B.

Racial makeup of churches in the study



Race & Ethnicity

Demographically, the sample reflects both the United Methodist Church nationally and in rural North Carolina. Of the 87 churches in the sample, 93% of the churches are predominantly White. The sample also includes 4 predominantly Black congregations, 1 Latinx congregation, and 1 Native American (Lumbee) congregation. The study sample is in line with the United Methodist Church nationally in which over 90% of congregants identify as White.¹⁴

Active Membership

Congregations vary in size, with an average active membership (attends church at least monthly) of 110. The largest church in the sample has an active membership of 350, while the smallest has a membership of 5.

Geographic Typology

Although the word ‘rural’ can certainly evoke certain images or ideas, there is no single definition of rural. Federal and state governments, institutions, and funding organizations use dozens of classifications to shape the definition. Many of these classifications use factors such as population density and commuting patterns to categorize places as urban, rural, or somewhere in-between.

¹⁴ Pew Research Center. (2014). Religious Landscape Study. Retrieved from <https://www.pewforum.org/religious-landscape-study/religious-denomination/united-methodist-church/>

For the purposes of this research, we categorize North Carolina's 100 counties using a typology developed by University of Illinois Scholar Andrew Isserman. This typology has four categories: urban, rural, mixed urban and mixed rural.¹⁵

Rural counties

- A population density of less than 500 people-per-square-mile (ppsm)
- 90% of their population in rural areas, and no urban area of 10,000 people
- 58% of churches in the sample are in counties that are considered rural

Urban counties

- A population density of at least 500 ppsm
- At least 90% of the population in urban areas, and at least 50,000 people living in the urbanized areas
- 0% of churches in the sample are in urban areas

Mixed counties are neither completely urban nor rural, and are subdivided based on a second population density threshold. There are two types of mixed counties, mixed rural and mixed urban.

Mixed rural counties

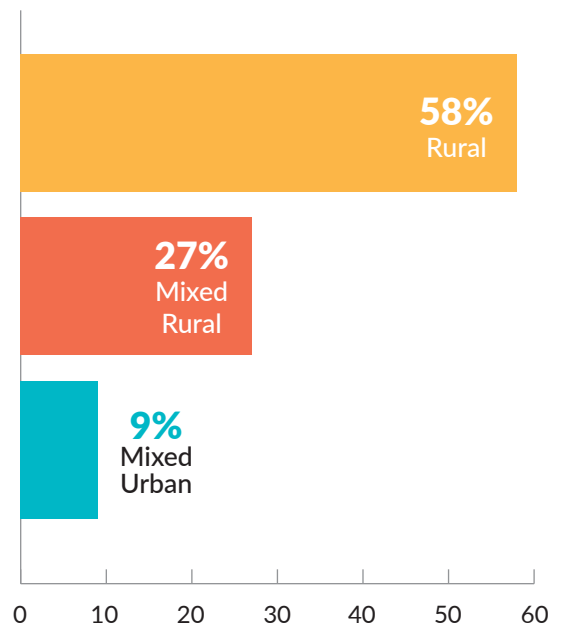
- A population density of less than 320 ppsm
- 27% of churches are in counties that are considered mixed rural
- In our sample, mixed rural counties include several tourism dependent coastal communities, which see wide fluctuations in population throughout the year

Mixed urban counties

- A population density of 320 ppsm or more
- Contain at least one large town, or are adjacent to an urban county
- 9% of churches are in counties that are considered mixed urban

The sample shows that on average, mixed rural churches have more members (141 versus 104) and larger budgets (\$217,000 versus \$157,700) than rural churches, but the differences are not statistically significant. Still, these categories are useful for thinking about how the economic impact of churches can vary among different types of communities. The rural United States, and even rural North Carolina, encompasses wider patterns of settlement than just urban or rural. Using these four categories, as opposed to a singular 'rural,' allows the research team to better identify patterns that individuals can apply to their own churches and communities.

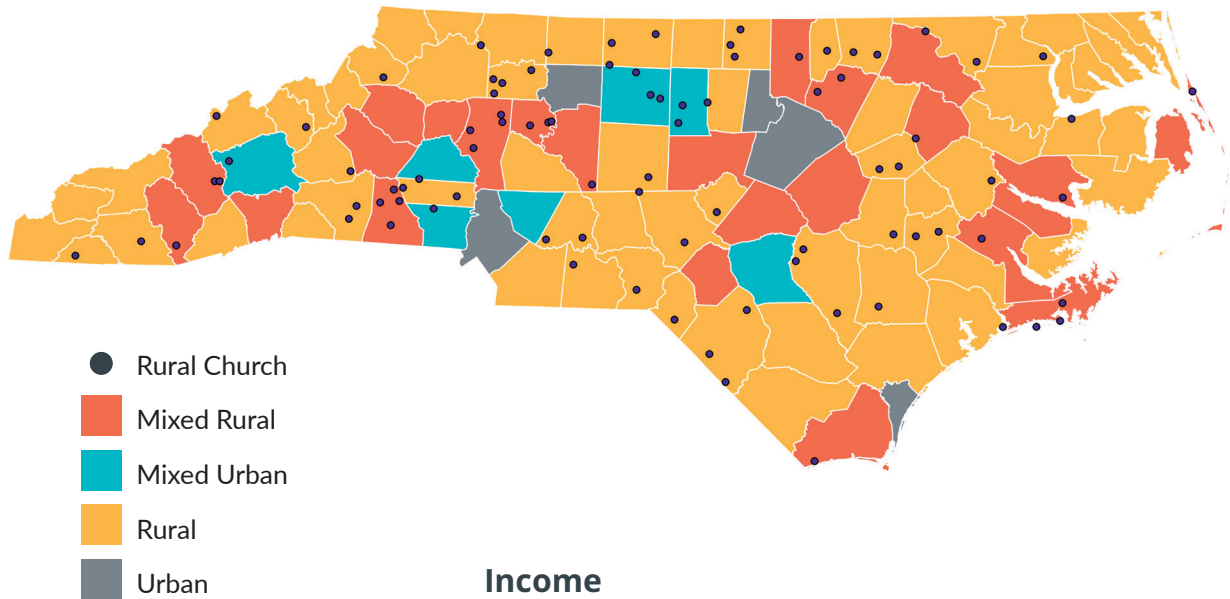
County Typology



¹⁵ Isserman, Andrew M. (2005). In the National Interest: Defining Rural and Urban Correctly in Research and Public Policy. *International Regional Science Review*, (28)4:465-499



North Carolina County Typology Breakdown



Income

Overall, the economic context of rural churches differs from that of their urban counterparts. The average rural county in North Carolina has a median household income that is considerably lower than in urban counties, \$46,360 compared to \$65,541.¹⁶

Population

While North Carolina is one of the fastest growing states in the U.S., this isn't true in all counties. Twenty of the 54 counties in the sample (37%) are losing population, despite the fact that North Carolina is growing about 1% a year. However, 13 counties in the sample are outpacing the state's overall population growth.

The churches included in this study are located in communities ranging from small hamlets to large towns. The smallest community, Grimesland, has a population of 454. The median population in towns for which we have data is 2,331.

¹⁶ U.S. Census Bureau (2019). 2015-2019 American Community Survey

Components of the Economic Halo Effect

Partners conducted in-depth interviews with congregational leaders of 87 United Methodist churches in rural North Carolina. More details on the research methodology are provided in Appendix A.

The study found that the average UMC congregation made an annual contribution to the local economy valued at \$735,800. There were no statistically significant differences (p=.08) in annual economic contribution between churches in mixed rural counties and churches in rural counties.

These calculations, however, do include the presence of outliers, i.e. churches that have either much larger or much smaller economic contributions than most of the other churches in the sample. One way to correct for these extreme values is to drop the highest and lowest decile of churches and only count the middle 80%. Calculated this way, the sample would include 69 congregations, with a mean economic value of \$488,598 annually.

Congregations benefit their communities in many different ways. These benefits were grouped in six broad categories:

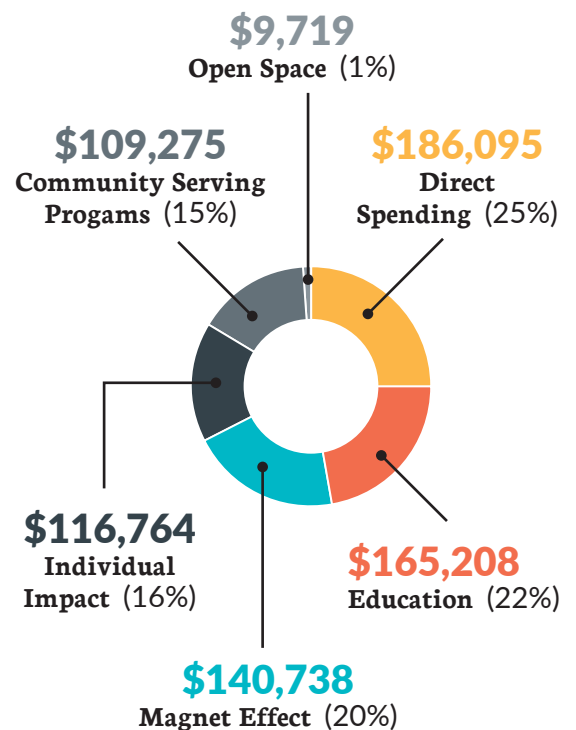
- Direct spending, operational, program and capital spending
- Education & childcare, the value of day care programs
- Magnet effect, spending by visitors coming to the individual church
- Individual impact, outreach to individuals and families that help them overcome obstacles, be cared for, or be part of a community
- Community serving programs, including the value of volunteer time for community programs and the value of space that is shared
- Outdoor recreation space used by the community

Direct spending (25% of the total) had the largest economic value, followed closely by education & childcare (22%). The magnet effect accounted for 20% of the total, followed by individual impact (16%) and community serving programs (15%). The value of recreation space accounted for a small percentage of the average congregational economic contribution (1%).

Components of Economic Halo

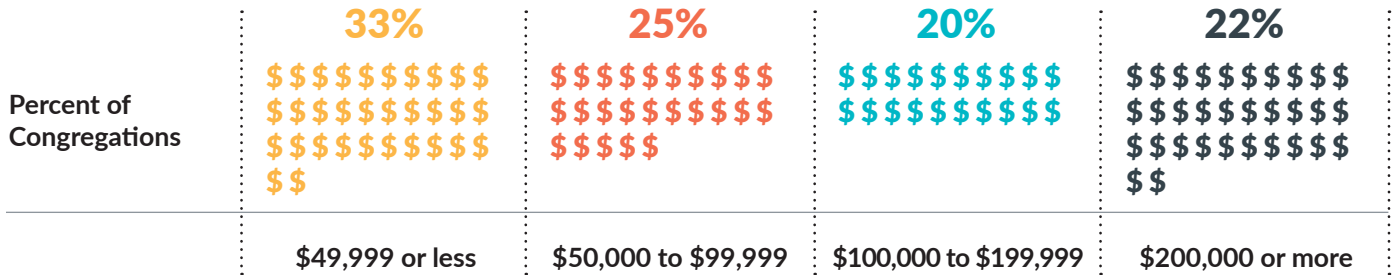
\$735,800

Average annual Economic Halo value per congregation

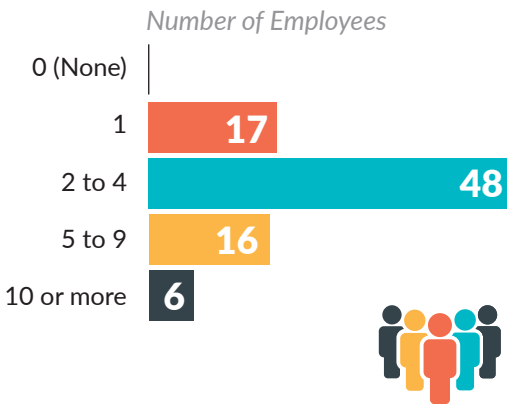




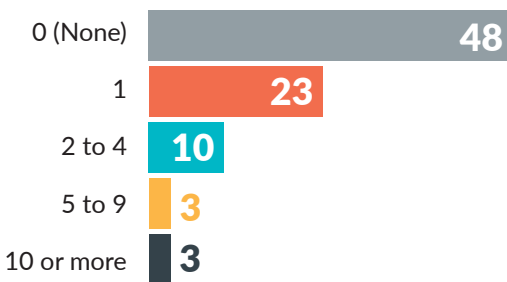
Congregations' annual operating budget



Congregations with part-time employees



Congregations with full-time employees



Direct Spending (25% of the total)

Congregations stimulate their local economies by purchasing local goods and services and employing local residents. On average, congregations contributed over \$186,000 to their communities via annual spending. Congregational budgets include spending on personnel, building repairs and routine maintenance, direct community giving, miscellaneous expenses related to church operations, and supplies needed to run programs such as daycares.

Congregational spending is closely related to the payment of employee salaries. On average, each church had between 1 and 2 full-time employees and 4 part-time employees. Churches had 5 total employees on average, with a median of 3 employees. Employees include clergy, administrators, teachers, sextons/maintenance personnel, music directors, and program staff.

Rural congregations provide employment opportunities to the community. The average unemployment rate for the 53 counties in which the churches in our sample were located was 7.6% in 2020, compared to a rate of 7.1% among North Carolina's urban counties.¹⁷

Churches that had a staff of 10 or more full or part-time employees had an average of \$819,381 in direct spending. Churches with 5 to 9 employees spent an average of \$276,845, while churches with 2 to 4 employees had an average spending of \$80,756.

Fifty-five percent of the congregations in this study are served by a part-time pastor. Churches without full time clergy had the lowest spending on average, at \$58,286.

¹⁷ Bureau of Labor Statistics (2020). *Local Area Unemployment Statistics*. Retrieved from <https://d4.nccommerce.com/?q=1SMC>

In addition to annual operating budgets, congregations also budget for special capital and building projects:

- Fifty-eight percent of congregations reported spending on buildings, ministries, or auxiliary groups.
- Spending in this category averaged \$19,786.
- Median spending was \$1,700, due to the dominance of a few large congregations and the significant percentage that spent zero.
- Eighty percent of churches held a capital campaign in the past five years.
- The average raised for building campaigns was \$130,883.
- The median value for capital campaigns was \$15,000, again because average spending was skewed by a few large congregations.

Education & Childcare (22% of the total)

Congregations that host schools and childcare centers provide a valuable resource to their communities - a local, affordable place for children to learn. No congregations in our study had private or parochial schools, although a number had childcare programs. Childcare centers represent both a place for children to learn, and a necessary resource for working parents, enabling them to hold a job. Childcare in rural areas are particularly valuable. Sixty percent of rural communities in the United States are considered childcare deserts, where children lack access to licensed childcare. About 1 in 3 children in rural North Carolina live in a childcare desert, compared to less than 1 in 10 urban children.¹⁸

Education & childcare had the second largest economic value:

- The average annual Halo contribution of a congregation in our sample for education and childcare was \$165,208.
- The average annual value among the 13 congregations that had a childcare program was \$966,000, serving an average of 51 children.
- The minimum value of this service was \$0 since not every church had a childcare program, while the maximum value of such a program was \$2,201,852.

¹⁸ Malik, R, Hamm, K, Adamu, M Morrissey, T. (2016). Child care Deserts: An Analysis of Child Care Centers by ZIP Code in 8 States. Center for American Progress. <https://www.americanprogress.org/issues/early-childhood/reports/2016/10/27/225703/child-care-deserts/>

CASE STUDY

Small Congregations, Outsized Impact

Franklinton United Methodist Church

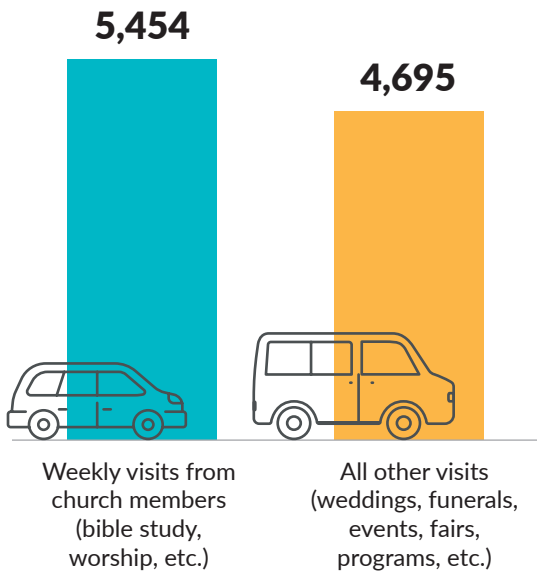
Many rural United Methodist churches are small but still manage to do a great deal of community-serving programming and have an outsized economic impact. They are proof that a congregation's value cannot always be measured by the size of its membership or its annual operating budget. Franklinton United Methodist Church is an outstanding example of this.

Franklinton United Methodist Church is located in Franklinton North Carolina, a small town with a population of just over 2,000 people and six churches. It is much smaller than it once was – with an active membership of 25 and an average Sunday attendance of 40, and its pastor divides her part-time position between two rural congregations. Despite this, Franklinton United Methodist Church has an annual economic impact of \$1,176,145. This total reflects:

- Spending locally via its annual operating budget
- Investing in the care of its historic building
- Operating an early childhood education program that serves over 40 families
- Contributing volunteer time to community-based efforts and organizations such as Habitat for Humanity
- Running a meal program, a youth group, a Vacation Bible School, and several other community-serving programs
- Providing space to groups, such as Girl Scouts, free of cost
- Attracting folks to the community for events of all kinds, including rites of passage such as weddings and funerals
- Although Franklinton United Methodist Church is exceptional, it is not unique.



Average visits annually per congregation



Magnet Effect (20% of the total)

One way rural churches benefit their communities is by attracting visitors and volunteers to the area. Visitors come from out of town to attend events such as weddings, funerals, family reunions, and cultural offerings, spending money locally on hotels, food and transportation. The average economic value of a congregation’s magnet effect was \$140,738. The minimum value was \$7,114, while the largest was \$1.3 million (for a church located in a coastal community).

The magnet effect accounted for as little as 2% and as high as 57% of a church’s economic impact. Considering the different types of rural communities, namely rural and mixed rural, the research team hypothesized that the magnet effect would be larger for churches in mixed rural counties, which include many tourist-heavy towns on North Carolina’s Outer Banks. Although the dollar amount associated with the magnet effect is higher in mixed rural communities (along with overall economic impact), the share of overall economic impact is the same between mixed rural and rural, at 24% and 25% respectively.

Collaborations with churches and organizations outside of the community make up a small component of the magnet effect (1%). The vast majority of the magnet effect comes from attracting visitors, and not just for church services.

Churches are a hub of activity throughout the week. For almost every Sunday visit, there is another visit from congregation members and nonmembers alike throughout the week. The 87 churches in our sample had:

- A total number of 474,500 visits annually for church activities such as worship and Bible study (which are not counted as part of the magnet effect)
- An additional 74,104 visits for reunions, weddings, funerals, arts and crafts events, exhibits and other events, which are all counted as part of the magnet effect
- An additional 182,827 visits to the churches related to special programs, such as a food pantry or youth group, and an additional 151,540 visits related to the use of recreational amenities on site, such as a playground, make up the rest of the annual visits
- Overall, the percent of visits to church sites for reasons other than Sunday worship is 46%

Individual Impact (16% of the total)

In addition to programs hosted or run by congregations, clergy or volunteer ministers provide additional guidance and support in one-on-one settings. They provide counseling, make referrals to social agencies, or help individual congregants better connect with their community. Much of this outreach is unseen, given the sensitive nature of the assistance offered. The Halo research documented a wide range of these types of activities, including counseling to suicidal individuals, counseling to strengthen marriages, assisting people experiencing abuse, referring people to drug or alcohol counseling, working with people at-risk of committing crimes or being incarcerated, teaching youth pro-social values such as sharing or volunteering, helping people form new friendships, enabling people to work by caring for senior family members, and in a few instances, helping refugees or others attain citizenship.

Individual and family impact was monetized using values outlined in the “If you do not count it, it does not count: A pilot study of the valuing of urban congregations.”¹⁹

At an average of \$116,764, individual and family impact accounts for 16% of rural church impact. Some churches had no impact in this area (minimum is \$0), while the maximum impact was \$740,662. The most common touchpoints in this area were working with youth, promoting social connectedness, and making referrals to service agencies.

Additional aspects of individual impact, including helping individuals obtain a new home, start a business, or take part in a workforce development program, were included as part of the research because they are important parts of rural development where churches can play a part, but they were not monetized due to lack of available data.

As mentioned above, individual impact was not monetized in Partners’ urban study. Although the multipliers associated with each of the various interventions included in this study are very conservative, scholars and practitioners have debated and discussed their inclusion in Halo studies for years. As that conversation has continued, research conducted since Partners’ urban study of individual congregations as well as cohorts of congregations have monetized individual impact. Furthermore, academics have been assessing Halo – including the monetization of individual impact – in Canada and elsewhere, indicating a greater level of comfort. Therefore, individual impact is included in the valuation of Halo in this study.

CASE STUDY

Community Conveners

Gethsemane United Methodist Church

Communities of faith often function as conveners in their towns and neighborhoods. In some communities, churches and other houses of worship can fill a need for public or town hall space. In the case of Gethsemane United Methodist Church outside Greensboro, North Carolina, the church brings together its community by hosting a weekly Saturday hot dog lunch. What started as a one-time fundraising opportunity to buy a church van in 2005 has become a place for people to gather together in community.

Friends would meet up at the church for lunch. Groups would wander through local yard sales and then come for hot dogs. First responders and others would often come to the church to pick up lunch to bring back. The Greensboro community frequently refers to Gethsemane as “the hot dog church,” and the pastor, lay leaders, and members have built relationships through this weekly lunch with many community members.

As people move through the food line, there are opportunities for conversation, community updates, and an experience of the church and the lunch being a safe space for people to gather and be themselves – either around the tables and chairs or around the bookshelves in the library corner of the fellowship hall.

Prior to the pandemic, Gethsemane’s members would often wonder, “if this meal went away, would people miss it?” The resounding answer to that question has been “yes.” Throughout 2020 and early 2021, members of the community would ask “when are you going to reopen?”

While the hot dog lunch is not yet back to pre-pandemic functioning, Gethsemane plans to bring the lunch back to full capacity once it is safe to do so. In the interim, hot dogs have been available in a to-go format, though some have chosen to sit outside to eat together.

¹⁹ Cnaan, R. A., Forrest, R., Carlsmith, J., & Karsh, K., 2013



Resources for Community Serving Programs (15% of the total)

Rural churches serve their communities in a number of ways: sharing space with local organizations; volunteering with others or hosting their own volunteer activities; providing financial and in-kind support to operate programs in areas such as food security, health, education; or providing support to secular organizations working in these areas.



Individual impact of community serving programs

Service	Total number of people served	Value per instance
Suicide prevention	44	\$53,059
Prison prevention	37	\$30,180
Secure a job	65	\$28,123
Care for elderly	84	\$20,328
Immigrant sanctuary	1	\$11,860
Prevent drug overdose	49	\$11,731
Help seeking drug/alcohol treatment	119	\$10,822
Prevent divorce	48	\$1,800
Social connection	405	\$1,248
Help to leave abusive situation	34	\$1,094
Teach pro-social values in youth	901	\$390
Make referral to social service agency	375	\$100
Refugee support	93	—
Obtain a new home	0	—
Start a business	4	—
Workforce development	14	—

For example, the majority of congregations studied served the community directly through food programs such as community gardens, food banks, food pantries, box lunches, hot meals, etc. Changes in infrastructure has exacerbated issues related to food insecurity. The diminishing number of grocery stores, creating food deserts, coupled with the lack of public transportation makes food inaccessible for many of those living in the rural South. Innovative community programs such as the ones provided by rural congregations are particularly important for rural residents who live in food deserts.²⁰

The majority of congregations also serve the community through youth programs -- offering or partnering to provide activities for the youth in their community such as youth group, afterschool programs, summer camps, and other activities. Resources such as backpacks filled with meals and supplies are also provided to food-insecure students.

Additionally, congregations offer meeting spaces to other community and non-profit organizations and assist low-income community members and

²⁰ Piontak, J.R. & Schulman, M.D. (2014). Food insecurity in rural America. *Contexts*, Vol 13(3), pp. 75-77. DOI 10.1177/1536504214545766

CASE STUDY

Creative Problem Solvers

Evolving a Closet-Sized Food Pantry and Gathering Leftover Groceries

Although they may not necessarily be familiar with Asset Based Community Development (or ABCD), rural and small-town congregations practice ABCD day in and day out. They identify resources in their respective geographies and then leverage them in order to meet needs in their communities. FaithBridge United Methodist Church in Blowing Rock and Swansboro United Methodist Church in Swansboro both exemplify this spirit.

FaithBridge United Methodist Church's food ministry, Casting Bread, began as a closet-sized food pantry that utilized no more than a single cupboard and metal shelf. The program evolved over time – as the church developed a reputation for compassionately providing for families experiencing food insecurity. This reputation directly translated to increased numbers of folks heading to FaithBridge to ask for food; in response, the church expanded the program so that it could feed every person who came through its doors.

Today, Casting Bread is a separate 501(c)(3) organization that employs three people. It includes a self-choice market with weekly distribution; a lunch program offered twice weekly; and a bakery. It is the only program of its kind in its Western North Carolina region. Other pantries distribute pre-selected food items that are packaged in a bag or box and then handed to the recipient. Casting Bread offers instead, a more dignified, personalized experience to anyone in need of food – regardless of income or residency. In addition to offering a better overall experience, this model accounts for what folks are familiar with and what



FaithBridge United Methodist Church, Blowing Rock, NC



Swansboro United Methodist Church, Swansboro, NC

they like to cook, which reduces the food waste associated with traditional pantries.

Each year, Casting Bread generates nearly \$300,000 in economic impact. In 2019, this entailed distributing over 230,000 pounds of food to 1,100 households and providing 3,200 meals via their lunch program.

Like FaithBridge, Swansboro United Methodist Church works to reduce food insecurity. However, the way that it approaches this task varies according to the resources and opportunities that are available locally. Swansboro is located in a rural community that

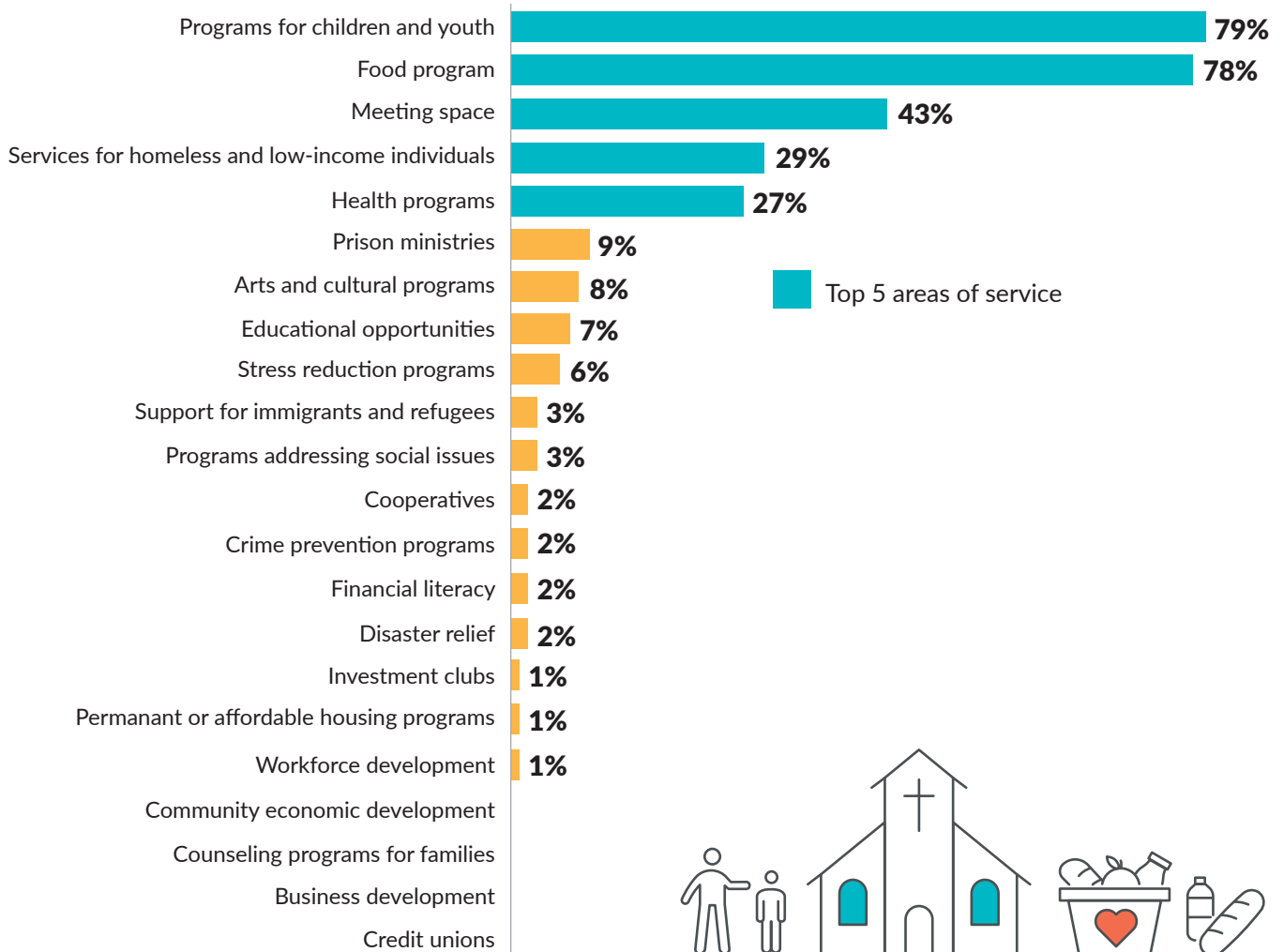
is adjacent to a popular coastal resort area with a thriving seasonal economy. Resort goers often stay for a week at a time in units that include en-suite kitchens, leaving unopened groceries behind when they leave. To prevent this food from going to waste, the volunteers from the church pick up the leftover groceries and then donate them to local food pantries. The resorts support this effort by asking guests to sign a simple agreement stating that the church will gather and donate the food. In a typical summer, Swansboro collects and distributes approximately \$50,000 worth of food that would otherwise go to waste.



those experiencing homelessness by offering resources including clothing, meals, and school supplies. They also provide health-related resources to the community, including blood pressure screenings, blood drives, and topical health discussions.

The average annual contribution of a church was \$109,275, with a minimum of \$0 and a maximum of \$828,121. The value of these community serving programs was, on average, 15% of a congregation's economic impact.

The majority or rural congregations are serving the community through youth or food programs (n=86)



Recreation Space (1% of the total)

Congregations also provide amenities such as community playgrounds or other recreation space. The overall contribution attributed to recreation space is very small, at 1% of overall economic impact. The average value of recreation space was \$9,719. Recreation spaces attracted an average of 1,741 visitors per year, with a minimum of zero and maximum of 26,000 visits per year. The median was 450 visits.

Although open space isn't lacking in most rural areas, safe places in which to recreate are. Well-maintained places, such as walking trails, athletic fields, and playgrounds are needed to allow people to comfortably gather and/or exercise away from busy streets or other hazards. For example, shared use agreements, which allow groups to use recreational facilities independently of the parent organization (such as a church or school) and access to parks and recreational facilities are an important part of plans to combat childhood obesity, which is of particular concern in rural areas.²¹



Gethsemane United Methodist Church, Guilford County, NC

²¹ National Association of Counties. (2008). Rural Obesity: Strategies to Support Rural Counties in Building Capacity. Retrieved from https://www.ca-ilg.org/sites/main/files/file-attachments/resources__Rural_Obesity_Strategies.pdf



Mount Bethel United Methodist Church, Harmony, NC

Photo by Clayton Hanson

CASE STUDY

Caring for Communities

From Backpack Buddies to Ramp Building

Throughout the state of North Carolina, United Methodist congregations – both large and small – are caring for their communities. Some do so in creative, outside-the-box ways. Others do so in more expected, conventional ways. Nevertheless, rural communities rely on churches during all seasons of life.

Almost all of the congregations we surveyed, for example, operate a food pantry or support a local food pantry by donating food and sending groups of volunteers. Other common programs include:

- Supplementary food programs for area students (typically in partnership with a nearby school)
- Free summer camps
- Construction of handicap accessibility ramps for private residences
- Benevolent giving on an as needed basis

Supplementary food programs are critical to ensure that food insecure students who receive free breakfast and lunch at school are fed when they are not in school – especially on weekends and holidays. This cause is dear to many of the congregations that were surveyed, which oftentimes operate this type of program under the name ‘Backpack Buddies.’ Trinity United Methodist Church in Louisburg is one such congregation.

Trinity United Methodist Church is an older congregation. Most of its congregants are in their late 60s and early 70s, but they have a heart for children and youth. Each year, Trinity partners with nearby Laurel Hill Elementary School to support its Backpack Buddies program. Like other programs of its kind, it ensures that low income

students receive the food they need to get through weekends and holidays as well as school supplies at the outset of the school year. Each weekend (all year long), Trinity sends volunteers, as well as donations of food and school supplies, to the program. This activity generates over \$20,000 in civic value each year. This includes 742 volunteer hours and \$2,400 in donated goods.

Handicap accessibility ramp building is another common activity. Congregations do this for older adults in their communities who are struggling with mobility and may not be able to afford to hire a contractor to do the work. For example, in an average year Bethlehem United Methodist Church in Statesville constructs two ramps. This typically involves 15-20 volunteers working 16 hours each, which is equivalent to \$28,060 worth of volunteer time. Volunteers also donate the materials – worth at least \$2,000 per ramp.

The Public Value of Sacred Places: Implications for Judicatories, Government, and Philanthropy

Rural Methodist congregations contribute to the health of their communities. These places merit the recognition, support, and investment of denominational bodies, government, and philanthropy.

Denominational Bodies and Judicatories

This study shows that rural United Methodist churches provide critical services, whether they serve a rural, mixed rural, or mixed urban community. Impact is not a function of congregation size. Both large and small UMCs contribute to the health of rural communities across North Carolina. This new understanding has implications for the ways that denomination bodies – in this case, the two United Methodist Conferences – may want to allocate funding and make decisions related to rural congregations. It also has implications for how governments engage congregations and faith-based organizations in the context of community-based initiatives and how philanthropy supports congregations and their work.

North Carolina, unlike most other states, has a robust infrastructure of United Methodist-related organizations and internal capacity-building programs. These support all aspects of the larger UMC ecosystem, from clergy serving rural congregations to organizations helping congregations address key issues and challenges in the community. We hope that all of these organizations will be informed and inspired by the study findings, which underscore the great importance of what they do.

We also hope church leaders will be better positioned to consider community impact when making decisions about the future of individual congregations. Many congregations across the nation, especially Mainline Protestant congregations, are struggling to stay afloat, and many will not survive the next decade. Rural UMCs are no exception to this challenging trend. The COVID-19 pandemic worsened circumstances for many, which we witnessed firsthand as we met with clergy and lay leadership.

This study also suggests that community impact can serve as an important factor in decision-making about closures and mergers, and reduce the number of closures that handicap communities which can ill afford the loss. Before closing any church, we hope that denominational leaders will consider the following:

- Is this church making a significant impact in its community?

Rural Methodist churches contribute to the health of their communities. These places merit the recognition, support, and investment of denominational bodies, government, and philanthropy.



- What will happen if the church is closed?
- Who will be affected?
- What programs will be displaced?
- What does the future of this community look like?



These sorts of questions are familiar to the United Methodist Church. Leading with an emphasis on service and community is part of the DNA of the denomination.

Conversely, considering congregational impact when developing new initiatives or investments in churches could ensure that congregations that typically do not have access to such opportunities are positioned to grow their impact or even spark regeneration. Congregations that are making a significant impact by participating with other non-profits and congregations are especially well positioned to thrive with the right mix of leadership and investment.



Government and Philanthropy

There are good reasons for the public sector across North Carolina to take note as well. Rural UMCs are keenly aware of the assets and needs in their communities, and are working to provide a “safety net” where government benefits do not suffice. They excel at addressing food insecurity and childcare access, in particular.

- Food programming is almost universal among rural UMCs, which operate and host food pantries; offer regular sit-down meals; and distribute food to local schoolchildren who are in need of supplementary food for nights and weekends.
- Using education wings that once housed Sunday school programs, they operate and rent to (usually at below market rates) early childhood education programs and after-school programs.



Photo by Rev. Lauren Anderson, Prospect UMC.

When developing programming related to these issues, governments and philanthropic institutions could do more to include congregations. They are trusted community-based institutions with unique insight, they are willing and able to open their doors in partnership with others, and they serve far beyond their membership.

OPPORTUNITIES FOR FUTURE ENGAGEMENT

Rural UMCs, for the most part, were built at a time when congregations were larger and Sunday school was as important, if not more important, than other activities. This means that many have more space than they need or that they can use. There is a great opportunity to repurpose and reactivate these spaces in strategic and community-minded ways. Several of the churches in the study have utilized their space to meet their community’s needs. These congregations have offered food, youth and other programs and have become incubators for creative problem solving.

Wesley Community Development, based in Huntersville, exemplifies the kind of nonprofit that works with congregations to do this. This nonprofit helps North Carolina churches develop or repurpose real estate to best meet church and community needs. This

study suggests that groups of congregations could be brought together to benefit from this kind of support- encouraging them to reflect on their relationship with their buildings and grounds; to see property as an asset for ministry rather than something to be protected and guarded; and to encourage them to talk with others in the community about the possibilities for reactivating unused and underutilized space.

There are compelling reasons for philanthropy, government and the nonprofit sector to support the initiatives described above. Strategic initiatives based on research provide a solid foundation for growing congregational impact and strengthening communities. The many organizations that fund congregations in North Carolina can be encouraged to collaborate to ensure that efforts are coordinated and have maximum impact.

Congregations

The larger story told here is compelling. However, individual congregations also have important stories to tell. All participating congregations were given the option of receiving a report containing their individual results as well as practical guidance related to putting the numbers to use. Many said yes. Economic Halo Effect data can be used by a congregation to:

- Bolster fundraising efforts - especially significant capital campaigns and annual stewardship campaigns
- Strengthen grant applications
- Raise the congregation's profile when shared with civic leaders and local press
- Improve congregational morale

We hope that the congregations will apply their results to their day-to-day work

Many congregations said that simply participating in the Halo study inspired ideas for new programmatic initiatives or partnerships. This feedback was offered spontaneously in many interviews. In part, this is because Partners' researchers walked congregations through a comprehensive list of programs a church might offer or be involved with - from prison reentry programs to food cooperatives. This exercise, which comprises a significant part of the interview process, opened the eyes of many pastors to previously unimagined possibilities and sparked thinking related to community needs and potential partners.

Partners' staff stays in touch with congregations they have worked with on projects such as this study, and the churches that participated will be no exception. Partners will follow these congregations to track their progress as they leverage the data, and to help them make the most of their buildings as assets for outreach and community service.

Future Research

All research has limitations, and this study is no exception. This study was limited to rural UMCs, which do not reflect the full breadth and diversity of rural congregations. In the future, if funding were to become available, the research team would like to expand the study to include congregations from other denominational backgrounds or other faith traditions



Photo by Rev. Amy Lambert





Appendices

Appendix A: Data Collection Process and Research Methodology

Determining Valuation Methodologies

Valuation methodologies were based on previous research conducted by Partners for Sacred Places and Dr. Ram Cnaan, University of Pennsylvania. Partners interviewed experts and reviewed relevant literature to determine the best methodology for assessing the monetary value of each economic impact. They identified the different types of economic contributions and translated them into a monetary value. Assigning these values was a difficult task. They needed to untangle congregational contributions from other factors, such as family or community. In doing so, they developed their own methodology, matching contributions with published economic valuations, and when those were unavailable, proxy measurements. Even then, not every contribution could be monetized, and they were noted and used to provide important context as the operations and benefits of active congregations and their sacred places. For a detailed explanation, see “If you do not count it, it does not count: a pilot study of valuing urban congregations” published in the *Journal of Management, Spirituality, and Religion*.²²

The research team at UNC Charlotte Urban Institute conducted a literature review to understand the rural context and to determine if there were any other economic contributions (apart from those already identified in the urban studies) rural churches make to their local community. This review gave the research team additional context as it related to the halo components that have already been identified in previous studies, such as additional context about the various community serving programs offered by rural churches, and their use of open space. Existing values used for monetization were updated where applicable to reflect the study location, North Carolina. The UNC Charlotte researchers then worked with staff at Partners for Sacred Places to update the survey instrument and revise the values in the spreadsheet used to calculate the economic value.

Selecting Congregations

Congregations were selected by utilizing a random sampling of the 1,283 rural United Methodist congregations eligible for the Duke Endowment’s Rural Church program. The Duke Endowment used rural-urban commuting codes to determine which churches are rural. Since this is the first study of rural churches of its kind, a simple random sample was taken to ensure that a variety of rural communities could be represented.

Researchers at the UNC Charlotte Urban Institute created randomized lists of congregations, and 90 churches were invited by Partners for Sacred Places to participate in the comprehensive interview. Ultimately, 87 congregations were included in the study. Three congregations were unable to complete the interview process and were dropped from the study. A sample size of 90, out of 1,283 total congregations was determined to be both logistically feasible and large enough for results to be representative with a margin of error of +/- 10%

Interview Process and Protocols

Partners’ staff served as field researchers and utilized their expertise in data collection and recording procedures. Partners’ staff has conducted a number of congregational economic assessments in the past using these same procedures.

To secure interviews, Partners’ staff worked with the United Methodist Church District Superintendents to contact the selected churches in their districts. Efforts were made to reach the congregational representative via three methods: phone calls, additional emails, and referral by the district superintendent. If a congregation could not be reached or declined, Partners’ staff reached out to the next randomly selected alternative in the same district, repeating the process described above.

Most interviews were conducted with senior clergy, and lasted about three hours. Due to travel restrictions related to

²² Cnaan, R. A., Forrest, R., Carlsmith, J., & Karsh, K., 2013



the Covid-19 pandemic, interviews were conducted via video-conferencing or telephone. Given the comprehensiveness of the data gathered most congregations could not provide everything needed on the first visit. In these cases, additional emails, phone-calls or video conferences were made to complete the data collection.



Data Gathering and Analysis

Data were gathered and centralized through Partners for Sacred Places. Partners employees reviewed the data and flagged potential errors, logical doubts, and misstatements. These cases were verified with the people who provided the data and the numbers were revised if needed. Careful review of all submitted questionnaires prevented Partners from using erroneous, inflated, or under-reported data. In one or two cases with key missing data, such as congregation size or operating budget, congregational level data from the United Methodist Church General Council on Finance and Administration reports were used.

Once data were collected and verified, the designated Partners staff entered them into a spreadsheet. Here, the raw data were translated into dollar values based on the methodology used in previous studies and the updates provided by UNC Charlotte.

Data collected were aggregated by researchers at the Institute, who then analyzed it to create an overall valuation estimate and estimates for the six key Halo categories. Data were combined and summary statistics were computed in R and Microsoft Excel.

Conservative Approach in Applying Valuation Methodology

When an interviewee could not provide a numerical response to a particular question or category, researchers assigned a value of zero, even if the real value was obviously higher. For example, if the interviewee could not provide data on the number of people who attended weddings in the past year, it was assigned a value of zero. This ensures that in cases of uncertainty, the economic impact would not be overstated.



Appendix B: Congregations in the Study

Aldersgate United Methodist Church, Shelby
Alexander United Methodist Church, Forest City
Asbury United Methodist Church, Cove City
Asbury United Methodist Church, Sanford
Ashpole Center United Methodist Church, Rowland
Bailey's Chapel United Methodist Church, Advance
Bellemont United Methodist Church, Burlington
Bethabara United Methodist Church, Autryville
Bethany United Methodist Church, Winsteadville
Bethlehem United Methodist Church, Arcola
Bethlehem United Methodist Church, Statesville
Cashiers United Methodist Church, Cashiers
Cedar Grove United Methodist Church, Norwood
Celo United Methodist Church, Burnsville
Clark's Chapel United Methodist Church, Franklin
Core Creek United Methodist Church, Newport
David's Chapel United Methodist Church, Vale
East Rockingham United Methodist Church, Rockingham
Elbaville United Methodist Church, Advance
Evansdale United Methodist Church, Wilson
Fairview United Methodist Church, Hot Springs
FaithBridge United Methodist Church, Blowing Rock
Farmer United Methodist Church, Denton
First United Methodist Church, Hayesville
First United Methodist Church, Mocksville
First United Methodist Church, Morehead City
Franklinton United Methodist Church, Franklinton
Friendship United Methodist Church, Fallston
Gethsemane United Methodist Church, Greensboro
Gideon Grove United Methodist Church, Stokesdale
Harmony United Methodist Church, Harmony
Harrellsville United Methodist Church, Harrellsville
Hebron United Methodist Church, Mebane
Hermon United Methodist Church, Henderson
Hickory Grove United Methodist Church, LeGrange
Hopewell United Methodist Church, Peachland
Jerusalem United Methodist Church, Warrenton
Kitty Hawk United Methodist Church, Kitty Hawk
Knob Creek United Methodist Church, Lawndale
Landers Chapel United Methodist Church, Lincolnton
Lea's Chapel United Methodist Church, Roxboro
Lemon Springs United Methodist Church, Lemon Springs
Longtown United Methodist Church, Yadkinville
Love's Chapel United Methodist Church, Stanfield

Lucama United Methodist Church, Lucama
Macedonia United Methodist Church, Vale
Midway United Methodist Church, Statesville
Morning Star United Methodist Church, Canton
Mountain Grove United Methodist Church, Hamptonville
Mount Bethel United Methodist Church, Turnersburg
Mt. Carmel United Methodist Church, Reidsville
Mt. Pleasant United Methodist Church, Greensboro
Mt. Zion United Methodist Church, Hurdle Mills
Oak Grove United Methodist Church, Roxboro
Olivet United Methodist Church, Marietta
Oxford United Methodist Church, Oxford
Pinehurst United Methodist Church, Pinehurst
Piney Ridge United Methodist Church, Seagrove
Pinnacle United Methodist Church, Pinnacle
Pleasant Grove United Methodist Church, Canton
Pleasant Grove United Methodist Church, Roper
Polkville United Methodist Church, Polkville
Prospect United Methodist Church, East Bend
Queen Street United Methodist Church, Kinston
Rich Square United Methodist Church, Rich Square
Rock Creek United Methodist Church, Snow Camp
Rose Hill United Methodist Church, Rose Hill
Rosemary United Methodist Church, Roanoke Rapids
Saint Pauls United Methodist Church, Saint Pauls
Salem United Methodist Church, Bostic
Salem United Methodist Church, Garland
Salter Path United Methodist Church, Salter Path
Seaside United Methodist Church, Sunset Beach
St. James United Methodist Church, Sedalia
St. Luke's United Methodist Church, Laurinburg
St. Paul's United Methodist Church, Hamptonville
St. Stephen's United Methodist Church, Madison
Swansboro United Methodist Church, Swansboro
Temperance Hall United Methodist Church, Pinetops
Trinity United Methodist Church, Nebo
Trinity United Methodist Church Heritage, Louisburg
Tucker's Grove United Methodist Church, Iron Station
United in Christ United Methodist Church, Grimesland
Walker Memorial United Methodist Church, Seven Springs
Wesley's Chapel United Methodist Church, Godwin
Western Chapel United Methodist Church, Leicester
White Rock United Methodist Church, Thurmond





The Economic Halo Effect

of Rural United Methodist Churches in North Carolina