

THE UNSTUCK CHURCH REPORT

BENCHMARKS + TRENDS IN U.S. CHURCHES

Sponsored by:



THE UNSTUCK GROUP[®]
— WE HELP CHURCHES GET UNSTUCK. —

Q1 2023

Introduction

FEBRUARY 2023

Every quarter, The Unstuck Group compiles all the data we've collected to monitor trends in churches in the United States and around the world. For this quarter's report, we only included churches that provided data during the four weeks between January 4 and February 1, 2023. This provides a very current snapshot of ministries of all shapes and sizes.

We received survey responses from 349 churches that ranged in size from under 100 to over 7,000 in physical attendance for worship gatherings. The average in-person attendance of these churches was 695 people.

With growing numbers of church leaders responding to the survey, we are able to continue to include in this quarter's report the summary by church size. As you'll see in that table, the data points to several areas where there is little to no difference between small and large churches. Examples include the number of churches offering online options, student ministry attendance and the staffing budget percentage. On the other hand, there are some areas where there seems to be a disparity between small and large churches, including decisions to follow Jesus, the pace of attendance growth, style of worship and the use of multisite strategy.

Unique to this quarter's report is a targeted look at some of the key differences between growing churches and churches that are plateaued or in decline. Now that we are about 12 months removed from the worst of the pandemic, one of the encouraging signs of recovery is the number of churches that are growing again—about four out of five churches that responded reported growth. There are, however, some noticeable differences between the churches that are growing and those that are not, and we'll unpack some of those differences in this report.

Read on for some key takeaways from the most recent assessment results in the categories of reach, connection, staffing and leadership, finances and overall health to gain some best practice wisdom from other church leaders.

KEY FINDINGS

CATEGORY	THIS YEAR	LAST YEAR	DIFFERENCE
In-Person Average Weekly Attendance	695	568	+22%
Online Service Views	271	304	-11%
Decisions to Follow Jesus per 100 Attendees	13.8	12.7	+9%
Adults & Students Volunteering	36%	38%	
Adults & Students in Small Groups	51%	55%	
Annual General Fund Giving	\$1,726K	\$1,638K	+5%

First, let's talk about the differences between growing and declining churches...

As we mentioned above, the good news is that the vast majority of churches are reporting attendance growth in January 2023 compared to the beginning of 2022. Some of that is to be expected, of course, because many churches were still recovering from the pandemic shutdowns back in early 2022.

There are several reasons why attendance may have been lower a year ago. Parts of our world were still dealing with the Omicron variant at that point. Depending on where churches were located, there were still either local restrictions in place or, at the very least, there were still some “cultural” limitations that may have discouraged attending large gatherings. Also, as you’ll see from the data, many people were still engaging online rather than attending physical gatherings.

Though overall attendance is up more than 20% in the churches we surveyed, that really tells only part of the story. Among all the churches that responded to the survey, about one in five of those churches is plateaued or facing an attendance decline. What stood out to me were some of the key differences between the growing churches and those that are in decline. As examples:

- Growing churches are more likely to have small groups and more people connected to those smaller groups while declining churches are more likely to have Sunday school.
- Declining churches have fewer people making decisions to follow Jesus or getting baptized.
- Declining churches have far fewer first-time connections to the church indicating that they’ve become insider-focused.
- Growing churches spend less on paid staff and have more volunteer engagement.
- Declining churches are more likely to be connected to a denomination.
- Growing churches are more likely to only offer contemporary or modern worship and no traditional worship.
- Growing churches have a higher percentage of people engaging online services.
- Declining churches are reaching far fewer young families with kids or students.
- Growing churches are seeing people give more to the mission of the church.
- Growing churches have 30% more volunteer leaders than declining churches.

What is interesting about this list is that it really hasn’t changed through my years of serving churches throughout North America. The data continues to confirm these same differences every time.

Now, let me be clear. This is not a “big church” versus “small church” conversation. In fact, many churches with fewer than a couple of hundred in attendance are experiencing growth. On the other hand, there are several very large churches—we’d classify them as megachurches—that are in decline. This is not a comparison of size; it’s a comparison of trends over time.

Secondly, these distinctions only highlight the correlations the data offers between growing and declining churches. I’m not trying to suggest that any of these attributes cause growth or decline. As an example, I’m not trying to make the case that churches are declining because they are connected to a denomination. Generally speaking, though, I think it’s fairly obvious that denominations need a new strategy for encouraging health and growth in their local churches. (By the way, my phone is on. I’m available for denominational leaders who [reach out for help](#).)

Finally, it might be tempting to look at these differences and want to immediately jump to changes in your ministry strategy to better reflect what growing churches are experiencing. I strongly discourage you from doing that. When churches start changing the way they do church before first agreeing and uniting together on why they do church, it never ends well.

With that, I hope you find the rest of this report an encouragement to you and your team. We want to help you have better information to make better decisions about the future of your ministry.



Tony Morgan
Founder & Lead Strategist of The Unstuck Group

Ministry Reach

Churches are connecting with new people.

Specifically, there was a 7% increase in the number of new people that churches started tracking in their database over the last year compared to the year before. For example, churches that are tracking 1,000 total people in their database added the names and contact information of 71 new people in the last year.

The average in-person attendance over the previous 12 months increased by 22%.

The average weekly attendance for the last 12 months increased from 568 people to 695. This is the total of all people, including children.

The percentage of people making decisions to follow Jesus over the last 12 months increased by nearly 34%.

The number of people who made decisions to follow Jesus by indicating salvation, baptism, etc., equaled 14% of this year's average in-person attendance.

Engagement with online services continues to decline.

The average number of online service views (one minute or more) per week has decreased by more than 10% from the year before. Churches reported an average of 271 service views per week compared to 304 service views per week the year before.

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"If you are looking for a benchmark for online service views, you may want to match what growing churches are experiencing. Growing churches, on average, have two online service views for every five people attending physical service gatherings. Again, don't miss this. Churches that are experiencing attendance growth at their physical service gatherings have more people watching services online. This seems to confirm that online is one of the new front doors to the church."

-- Tony

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More than one in five churches surveyed is now multisite.

On average, those churches have three locations, including the original location. This, of course, is one area where there is a disparity between large and small churches, as should be expected. More than 60% of churches that average 1,000 or more people in attendance are now multisite.

Ministry Reach, cont.

Fewer churches offer traditional worship, with 70% of churches only offering “modern/contemporary” styles of worship services.

We know from current research that declining churches are more likely to provide multiple worship service styles—think combinations of traditional, contemporary, blended, modern and so on. In other words, the more worship styles a church offers, the more likely the church is experiencing a decline in attendance.

Children’s ministry in-person attendance is at 17% of overall attendance.

This includes all children from newborn through fifth grade. The year-over-year increase in children’s ministry attendance was 25%. This suggests that the increase in overall attendance can largely be explained by more younger families with kids coming back to church.

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"This is the stat that’s most discouraging to me in this quarter’s report. When I started in ministry 25 years ago, it was not uncommon to see churches reaching many young families with kids. Because of that, this percentage would have been 20% or higher on average. Some of this trend may be explained by our aging population. Some of it probably reflects fewer births. Either way, we know that reaching young families, especially those with kids who are birth through fifth grade, is a key to healthy, thriving ministry."

-- Tony

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The average church has 11 students for every 100 people attending weekly gatherings.

Student ministry attendance for in-person gatherings increased by 31%. This includes all students in sixth through twelfth grades.

Ministry Connection

Home groups are the primary option churches offer to connect people into smaller gatherings beyond the weekend services.

In fact, 54% of churches surveyed *only* offer home groups rather than providing an option for Sunday school or other midweek group gatherings.

The percentage of group engagement has declined over the last year.

Churches are now seeing 51% of their adults and students participate in a group, which is down from 55% a year ago. So even though the total number of people participating in groups is going up, it's not keeping up with the pace of attendance growth.

Volunteer engagement has continued to stall.

Before the pandemic, The Unstuck Group would typically see 45% to 50% of all adults and students serving at least monthly on a volunteer team. Currently, churches are reporting only 36% are serving, down slightly from 38% a year ago.

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"This is one of the clearest ways I know to help a church get unstuck: You have to mobilize more people into serving. Healthy, growing churches have 15% more people volunteering than declining churches. More importantly, they have 30% more volunteer leaders. Or, another way to say it is like this, 'You can't staff your way to church health.'"

-- Tony

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Churches have a span of care of one volunteer leader for every 15 people in attendance.

Leaders include adults and students who are serving in roles where they are responsible for leading a team or a group of other people (i.e., team leaders or group leaders).

Ministry Staffing & Structure

Staffing levels remain high compared to attendance.

The average church employs one full-time equivalent (FTE) staff person for every 47 attendees. This number includes all ministry and support staff. By comparison, The Unstuck Group recommends one FTE for every 75 people in attendance.

The median church board or elder team has seven members.

The average is higher at nine, with a few very large boards impacting that average. As an example, the largest board identified in the current reporting cycle had 45 members.

Churches generally have three additional boards or committees.

Large churches have fewer boards and committees. One church in this reporting cycle reported having one board and 16 additional committees.

Staffing Insights from Darren Key (CFP), CEO of [Christian Financial Resources](#):



Benefits: When planning and budgeting for employee compensation, be sure to consider all the benefits your church is offering as a part of compensation packages, so you can know the full, true cost of staffing.

Few churches and ministries offer health insurance when employing less than 50 people. If your church is employing more than 50, CFR recommends offering employee-only plans. From my observations, employees value insurance coverage differently when compared to the organizational cost.

(Tip: Some of your employees can probably be covered under their spouse's place of work, saving your ministry thousands!)

There are options for your employees to now get their own insurance, picking the coverage that's best for them. Often people in ministry can get subsidized coverage, some prefer other coverages with higher or lower deductibles, or they can choose from several great Christian cost-sharing options.

In my opinion, **the most important benefit churches can offer their employees is a 403(b)-retirement plan.** Not everyone will have a health issue during their working career, but everyone needs to plan for the day they will be unable to work. Don't put yourself in a position where your employees are clinging to working in ministry because they opted out of Social Security, and the church never set up a retirement account for them.

Ministry Finances

Giving to churches has increased slightly in the last 12 months.

Churches reported on average that their total general fund giving was up 5.4% from the previous year.

Giving Insight from [Christian Financial Resources](#):

Churches struggling with cash flow should map out their giving over the last 5-10 years by month. This gives leadership greater confidence in what the giving is on track for as the year progresses.

Churches are investing more than half of their giving into ministry staff.

The average staff budget is 54% of the overall ministry budget. This includes the cost of all salaries and benefits. We recommend that churches try to keep staffing budgets between 45% and 55% of the overall budget. The Unstuck Group does not collect salary information for individual employees.

Churches, on average, have the equivalent of almost five months in cash reserves.

This number is well beyond the two to three months that The Unstuck Group recommends. The amount of cash reserves continues to increase and is up significantly from pre-COVID when churches indicated they had closer to three months in cash reserves.

Churches have very little debt.

On average, the current debt load is 0.8 times the church's total annual giving. The Unstuck Group encourages churches to keep total debt below 2.0 times annual giving.

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"Here's another interesting difference between growing and declining churches: growing churches, on average, have more debt than declining churches. In fact, declining churches are also more likely to be debt-free. I'm not advocating for churches to take on debt unnecessarily; however, it's clear that having a vision to be debt-free isn't enough when it comes to accomplishing the mission of the local church."

-- Tony

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Ministry Finances, cont.

More Giving Insights from [Christian Financial Resources](#):

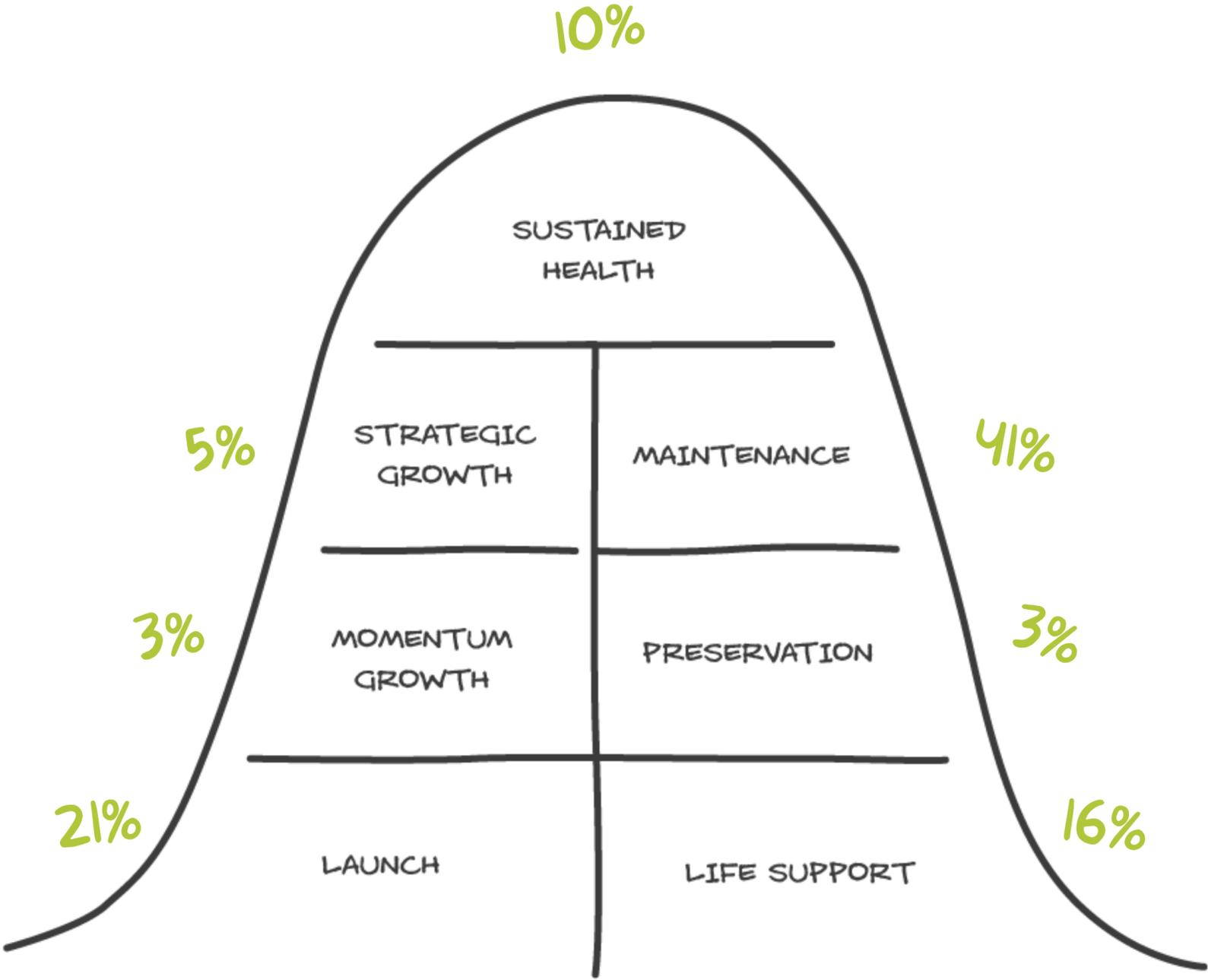
The untapped giving potential in your church is enormous. Some churches have analyzed their giving and found that if more families were generously giving or tithing, giving would increase two- or three-fold—sometimes more. Three strategies can help your church unlock these additional resources:

1. Create on-ramps to giving through generosity initiatives and capital campaigns for first-time givers. A significant percentage of your attendees probably give little or nothing.
2. At CFR, we help establish Giving Funds (donor-advised funds) for donors who can give \$10,000 or more per year. This creates tax advantages and allows families to give even more. We teach that "Friends don't let friends give cash, unless that is all they have." Many of your members probably make the tax mistake out of giving from their checking account when they need to be giving appreciated assets like stock, so they never have to pay capital gains tax.
3. Encourage legacy gifts from wills and trusts. Too many churches overlook this important stewardship step, but at CFR we have seen tens of millions of dollars in expectancies added to estate plans through our legacy seminars. Plant those seeds today, and one day you will reap a harvest of funds for Kingdom impact.

Additionally, your church can create its own Giving Fund with an organization like CFR. For example, using a Giving Fund to manage your missions giving simplifies your accounting, earns interest on your missions budget while you wait to deploy the funds, and models the use of wise stewardship to your high-capacity givers. This strategy also removes excess cash from your balance sheet (which can be helpful when members review financials), and gives you the option to grant the funds back into your church's operating budget if you ever get in a financial bind.

Church Lifecycle Data

(Last 12 Months)



Summary by Church Size

CATEGORY	<200	200-499	500-999	1000+	ALL CHURCHES
Church Demographics					
Non-Denominational	30%	33%	52%	56%	42%
Year Started	1951	1946	1974	1974	1960
Board Members	9	9	8	9	9
Committees	3	3	3	2	3
Offering Only Modern/Contemporary Style of Worship	51%	65%	83%	84%	70%
Offering Online Services	97%	98%	98%	100%	99%
Offering Only Home Groups (No Sunday School)	43%	52%	56%	67%	54%
Multisite Churches	2%	13%	21%	62%	22%
Reach					
Decisions to Follow Jesus as a Percentage of Attendance	7%	12%	10%	17%	14%
Change in Total Contacts Compared to Last Year	-3%	6%	6%	7%	7%
Total Contacts to Attendance	2.9	5.8	6.0	6.8	6.2
Attendance Increase from Last Year	20%	13%	30%	35%	22%
Kids as a Percentage of Attendance	20%	18%	19%	17%	17%
Students as a Percentage of Attendance	10%	11%	10%	12%	11%
Online Views Change from Last Year	-11%	-4%	-4%	-15%	-11%
Online Views as a Percentage of Attendance	42%	50%	37%	37%	39%
Staffing & Finances					
Attendees Per Full-Time Equivalent Staff Person	35	43	43	51	47
Staff Budget Percentage	56%	55%	54%	55%	54%
Giving Increase from Last Year	2.0%	6.3%	6.5%	6.5%	5.4%
Debt to Annual Giving Ratio	0.8	0.6	0.8	0.9	0.8
Months of Cash Reserves	6.7	6.1	4.7	4.2	4.7
Next Steps					
Volunteers as a Percentage of Attendance	43%	44%	38%	34%	36%
Group Participants as a Percentage of Attendance	45%	52%	53%	52%	51%
Attendees Per Volunteer Leader	12	15	15	15	15

ABOUT CHRISTIAN FINANCIAL RESOURCES

Since 1980, Christian Financial Resources (CFR) has financed more than 950 ministry projects for independent churches in the United States. As your church grows, CFR is equipped to support your vision and your ministry with financial services tailored to meet the needs of independent churches –including capital campaigns, stewardship services, and loans for construction, building purchase, or real estate acquisition.

When your church partners with Christian Financial Resources, you'll receive sustainable financial services that will save you money every month, helping you put more dollars into ministry.

>>> Interested in learning more? [Click here.](#)

ABOUT THE UNSTUCK GROUP

Most organizations start, grow, thrive, lose momentum, decline, and eventually end. **That doesn't have to be your church's story.**

The Unstuck Group helps pastors grow healthy churches by guiding them through experiences to align vision, strategy, team and action. Our core services include ministry health assessments, strategic planning, staffing and structure reviews and multisite and merger planning. Learn more by visiting theunstuckgroup.com.

Over the last 11 years, we've worked alongside and built relationships with the leadership teams at 600+ churches. Our goal is to help you lead a thriving church that continually reaches new people and helps them take next steps towards Christ.

>>> Interested in learning more? [Let's talk.](#)

For more information related to this survey and the summary of the learnings, contact:

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