



THE ECONOMIC HALO EFFECT OF SACRED PLACES

*First Congregational Church
Williamstown, MA*



AT THE INTERSECTION
OF HERITAGE, FAITH,
& COMMUNITY

Partners for Sacred Places

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METHODOLOGY

In 1996, with the support of Lilly Endowment, Inc. and other funders, Partners for Sacred Places conducted the first scientific study quantifying the value of space and other resources that congregations provide to outreach programs housed in their historic and older buildings. Conducted in partnership with Dr. Ram Cnaan and the University of Pennsylvania's School of Social Policy and Practice, this study, *Sacred Places at Risk*, found that an average urban congregation generates over \$140,000 per year in value by providing space and other resources to outreach programs, including volunteer time; building space rented at less than market rates; and cash and in-kind donations to support community-serving programs. The study also found that four out of five individuals who are served by programs hosted by a sacred place come from outside the congregation.

Sacred Places at Risk established a new methodology for documenting a portion of the public value of congregations and led to a new course of study, marked by Dr. Cnaan's book, *The Newer Deal: Social Work and Religion in Partnership*, and further validated with the publication of *The Invisible Caring Hand: American Congregations and the Provision of Welfare* and *The Other Philadelphia Story: How Local Congregations Support Quality of Life in Urban America*.

Though groundbreaking, *Sacred Places at Risk* and subsequent works did not attempt to quantify the full range of economic impacts that congregations have on their communities. *The Economic Halo Effect of Sacred Places* does.

In 2010, Partners was funded by the William Penn Foundation to test the concept of an expanded methodology. Partners again collaborated with Dr. Cnaan and the University of Pennsylvania's School of Social Policy and Practice to craft a comprehensive approach to quantifying the public value of congregations. The pilot, conducted in Philadelphia, sought to take into consideration factors such as: local spending and support for area businesses; building maintenance and repair costs; visitor spending; activities that promote community economic development; impact on the lives of community members; and the value of green space and recreation space.

Based on an extensive review of available, academically-vetted methodologies, the team identified nearly two dozen quantifiable measures of economic impact relevant to congregations stewarding historic and older sacred places, and assembled a singular methodology to pilot in Philadelphia. The results of this pilot were published in 2013 in the scholarly, peer-reviewed *Journal of Management, Spirituality, and Religion*.

With funding from Lilly Endowment, Inc., the McCormick Foundation, and others, Partners built upon the pilot by undertaking a larger study. This study differed from the first in that congregations were selected at random from three large cities (Chicago, Philadelphia, and Fort Worth). The results were published in November of 2016.

Partners found that that the average historic sacred place in an urban environment generates over \$1.7 million annually in economic impact. With over 700 active historic houses of worship each in Chicago and Philadelphia, and close to 350 in Fort Worth, *this translates into over \$3 billion in annual impact for the three cities combined*.

Congregations employ, on average, 5 full-time and 6 part-time staff, and purchase goods and services from a network of local small businesses and individual vendors, sustaining an important community economic ecosystem. Each sacred place is also a magnet for visitors, attracting 780 visits on average each week into its neighborhood or locale. These visits, whether for worship services, life events such as weddings and funerals, concerts and recitals, outreach programs, and other activities, generate spending that boosts the local economy. People spend on travel to and from the sacred place and often patronize local stores nearby. And most importantly, perhaps, we found that 87% of the beneficiaries of the community programs and events housed in sacred places are not members of the religious congregation. They are members of the community at large.

SUMMARY OF FINDINGS

This report provides an estimation of First Congregational Church’s annual impact on the economy of Williamstown. It is based on a series of surveys and interviews conducted in May and June of 2021 with key leadership and staff, including Susan Yates-Mulder, Lynn Chick, and Terry Clark. Due to the COVID-19 pandemic in 2020, these numbers reflect economic totals for 2019, a more average year for programs and outreach at First Congregational.

The *Economic Halo Effect of Sacred Places* considers dozens of factors, which are summarized into thematic categories below, with First Congregational’s totals in each category.

Benefit Type	Description	Calculation
Direct Spending	Spending on operations and building maintenance is funneled into the local economy.	\$525,092
Education	If, for example, a congregation operates an early childhood education program or school, it benefits the local economy by freeing parents to work and lowering the cost to each taxpayer.	N/A
Open Space	Green space and recreation space improve our environment and lower energy costs.	\$12,053
Magnet Effect	Hosting events and operating programs catalyzes visitor spending.	\$326,061
Individual Impact	Intervening in individuals' lives enables people to work and reduces governmental spending.	\$101,587
Invisible Safety Net	Operating and hosting community-oriented programs supplements the activity of the local government and social service agencies, adding value to the community.	\$370,692
TOTAL		\$1,335,485

Direct Spending

Sacred places drive their local and regional economies through purchasing goods and services and by employing area residents. In fact, studies have demonstrated that upwards of 80% of a given congregation's budget is spent in the region – often with small, locally owned businesses and vendors.



In Partners' three-city study, we found that on average, a historic sacred place spends \$549,073 in its community and employs a total of 11.76 employees. In an average year, First Congregational Church spends at least \$525,092 in the region and employs 14 people (including full-time, part-time, and contract employees).

\$525,092 in spending represents First Congregational's annual operating budget and capital spending. Capital spending will continue to be a significant portion of this mix as the church intends to begin a capital campaign to support restoration of the historic structure, including replacing the roof and addressing accessibility concerns.

Education

Sacred places support their local economies through operating affordable, high quality early childhood education and K through 12 schooling. The former enables at least one parent per participating student to work while the latter provides cost savings to the public school system.

In Partners' three-city study, Education accounted for a very significant portion of the total impact made by historic sacred places: 39.8%. Because First Congregational does not operate a school or early childhood education program, Education accounts for 0% of its total.

Please note that First Congregational's other programs may have educational value, but they are not monetized under Education because of the particular way in which Education is calculated.

Open Space

In urban neighborhoods especially, churches may maintain the only green space or recreation space. Access to green or recreation space can be monetized on a per use basis, depending on the quality and characteristics of the space. In the case of First Congregational, Open Space accounted for \$12,052 or 1% of its total impact of \$1,335,485. This is consistent with Partners' three-city findings, which determined that Open Space accounts for an important but minor portion of a congregation's total impact (on average, 0.1%).

The church's outdoor spaces are regularly trafficked throughout the year, and passersby will frequently make use of First Congregational's lawn for respite. That outdoor space attracts 365 visits per month on average during the summer months and good weather.

Magnet Effect

Urban congregations attract visitors for the purposes of worship, education, programming, and special events – and First Congregational is no exception. In addition to regular worshippers, the church draws thousands of visitors each year through events (hosted by First Congregational and hosted by others) and observation of rites of passage. These visitors – whether a tourist enjoying a tour of the building while in town on business or the families of a couple who are being married at the church – spend in the vicinity of the building; on food and drink, gasoline or public transportation (including rideshare), entertainment, and sometimes, lodging.

First Congregational opens its doors to public performance and civic events (such as concerts and a children’s theater) throughout the year. These events are well-attended and draw a significant number of visitors. In total, visitors to First Congregational spent at least \$326,061 in the region last year, which accounts for 24% of its total impact of \$1,335,485.



Small, locally owned businesses also benefit from visits by First Congregational’s members and visitors. These visitors frequent restaurants, corner stores, or cafés when they are at the church for concerts, programs, and other events that occur throughout the week.

Individual Impact

Partners recognizes that, outside of the larger programs hosted or run by congregations, clergy, and program staff, professional and lay volunteers often provide one-on-one counseling, make referrals to social service agencies, help find jobs, etc. Much of this outreach is “under the radar” because of the sensitive nature of the assistance given. This research project documented a wide array of outreach with an Individual Impact including counseling to suicidal individuals; counseling to strengthen marriages; assisting people suffering abuse; helping people obtain citizenship; referring people to drug or alcohol counseling (or providing it directly); working with people at-risk of committing crimes/going to prison; teaching youth pro-social values; helping people form new friendships; and enabling people to work by caring for senior family members.



Individual Impact was monetized in the Economic Halo Effect of Sacred Places pilot (published in the *Journal of Management, Spirituality and Religion* in 2013), but not in Partners’ more recent three-city study (self-published in November of 2016).¹ However, because it is a tremendously important part of each congregation’s narrative, it was monetized as part of this assessment of First Congregational’s economic impact.

¹ Cnaan, Ram A., Forest, Tuomi, Carlsmith, Joseph, and Karsh, Kelsey. “If you do not count it, it does not count: A pilot study of valuing urban congregations.” *Journal of Management, Spirituality and Religion* 10, no.1 (2013).

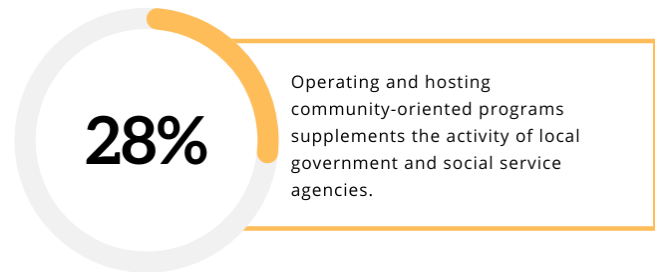
At \$101,587 Individual Impact accounts for 8% of First Congregational's total impact.

Invisible Safety Net

Congregations create a 'safety net' for those most at risk within their communities - and this is not always visible to the public at large. Congregations do this by operating and hosting community-serving programming and sharing space with others at affordable, below market rates.

Historic sacred places are uniquely able to accommodate a variety of uses and users because they typically include spaces that range in size and purpose - from sanctuaries designed to accommodate large gatherings or performances to education wings designed to accommodate robust youth programming.

In Partners' three-city study, Invisible Safety Net accounted for just 6.6% of the total impact for the average urban sacred place. In the case of First Congregational, it accounted for an impressive 28% (\$370,692) of its total impact of \$1,335,485. Volunteer time, financial and in-kind resources, and space contributed by the congregation are factored into this measure - regardless of whether the program occurs on site or elsewhere in the community (except in the case of the replacement value of space).



Notably, First Congregational hosts four sales per year, including the ABC Sale - a partnership that supports A Better Community, a small non-profit organization that raises money for community service organizations. The clothing sale that First Congregational hosts is the only active source of revenue and outreach for the organization. The ABC Sale generates \$46,350 in economic impact in the community. The TAG Sale - one of the events that First Congregational is best known for - is a collaboration between the church and Williams College. The church takes in discarded items from college students at the end of every school year and resells them to incoming students and the community at the beginning of the next school year. This sale alone generates \$111,294 in impact annually to the community of Williamstown.

During the week, First Congregational is a hub of activity - both with participants and volunteers for their own programs, and with volunteers, staff, and participants of the programs that share space with the church. Members of First Congregational donate a significant amount of their time toward church-sponsored events and community activities (e.g., Take & Eat and after school service learning). First Congregational's members contribute approximately 6,890 volunteer hours per year. The state of Massachusetts values each volunteer hour at \$34.97²; First Congregational's members' donation of time and labor accounts for \$240,943 in annual contributions toward the Invisible Safety Net.

² Independent Sector. "The Value of Volunteer Time State/Historical Data." https://independentsector.org/resource/vovt_state_2021/

HOW TO USE THIS INFORMATION

Understanding What the Data Is & Is Not

The *Economic Halo Effect* is about communicating impact in new terms – and speaking the language of economic impact, which resonates with a wide range of people (including those who aren't people of faith and those who aren't interested in older buildings). Leaders in philanthropy and government, for example, might be persuaded to support or collaborate with a church that has an important impact on the health and vitality of its community. Most people know that congregations are important community anchors that serve those who are most in need, but few know that congregations make a measurable economic impact.

Halo cannot measure everything that congregations do.³ It does measure the economic value of community-serving programming (from the volunteer time to the donated goods that fuel these programs); activities that generate economic activity in the area (such as hosting events of all kinds); and local spending. However, it does not measure the impact of a religious building's presence on adjacent property values; the value of being a unique, affordable place in the community where folks come together; or a congregation's long-term impact on the lives of members and neighbors.

Although *Halo* is not a comprehensive measure of your value to your community, it can help you think of your congregation in new ways, elevate the way that civic leaders perceive you, and aid in both internal and external fundraising efforts.

Uses for Halo

- **Share the results with your congregation.** Congregants may be encouraged to hear that their faithful giving and work has a measurable impact in the larger community. It can potentially boost morale and may even boost giving to your church. Most people need to hear a message multiple times before truly absorbing it. Consider placing this information in newsletters and in announcements. You might want to build a sermon around it. Make this information available multiple times, and in multiple ways.
- **Share the results with the 10% of folks who do 90% of the work of the congregation, and use it as an opportunity to thank them for what they do.** Almost every church is indebted to a core group of dedicated congregants who are the first to step up and serve on a leadership team or donate time to an initiative. These folks do not always see the impact of their efforts.
- **Highlight the *Halo* findings to strengthen your annual stewardship campaign or capital campaign.** Partners frequently supports congregations through capital campaigns and projects, and in order to fundraise successfully, a congregation must be able to articulate *why it matters* and *why its project matters*. *Halo* data can bolster your case for support and make for a more successful campaign – especially if your campaign will be community-

³ Each question we ask during the interview is tied to a multiplier derived from an existing, peer reviewed scholarly study. Some issues have been thoroughly studied by scholars, and others less so.

based. Community-based capital campaigns entail going beyond the congregation for support, and therefore require you to articulate your civic value.

- **Incorporate the results into grant applications.** If your church is applying for a grant, use the *Halo* data to emphasize that you are a worthy candidate that is positioned to make the most of the gift. Halo data can be persuasive to donors and foundations of all kinds - and sometimes even to funders that traditionally do not make grants to faith-based organizations.
- **Share the results with local civic leaders.** If your numbers surprised you, request a meeting with local civic leaders to share the results. *Halo* findings will likely surprise them, too. This is a good opportunity to demonstrate that your church merits a seat at the table when conversations are taking place that may affect the church or where there may be opportunity for the church to be a resource to the neighborhood or city.
- **Share the results with local media.** Raise your profile in the community at large by getting the word out via local media. Craft your message carefully and utilize any connections you may have to reach local reporters. Timing is key when it comes to publicizing the *Halo* data; it is a good way generate interest in a major event the church is planning or a capital campaign that would benefit from public support.
- **Advocate for your tax-exempt status, funding eligibility, or zoning changes.** Local governments throughout the United States are looking for new sources of income and for ways to cut costs. If you find your church needs to advocate for your longtime tax-exempt status or your eligibility for funding, or you want to update the property's zoning classification to permit new activities on site, *Halo* data may prove valuable in helping you make the case.

ABOUT PARTNERS FOR SACRED PLACES

Partners for Sacred Places, founded in 1989, is the only national, non-sectarian, nonprofit organization focused on building the capacity of congregations of historic sacred places so that they can better serve their communities as anchor institutions, nurture transformation, and shape vibrant, creative communities.

Partners for Sacred Places brings together a national network of expert professionals who understand the value of a congregation's architectural assets, its worth as a faith community, and the significance of its service to the community at large. With a national presence based in Philadelphia and Chicago, Partners fosters the active community use of historic sacred places - churches, synagogues, temples, and mosques - and builds the capability of their congregations through training programs and fundraising assistance. Partners has served thousands of congregations and related organizations over the past thirty years and represents the needs and concerns of over 100,000 older, community-serving sacred places across America.

For more information about our work, please visit us on the web at www.sacredplaces.org.