

# Economic Halo Effect

## Trinity United Methodist Church

### Asheville, North Carolina

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#### Background and Context

This report provides an estimation of Trinity United Methodist Church's annual impact on the regional economy. It is based on a series of surveys conducted in April of 2018 with key leadership, including the Rev. Nancy Dixon Walton, Senior Pastor, and Darryl Dayson, Associate Pastor.

In 1996, with the support of the Lilly Endowment and other funders, Partners for Sacred Places conducted the first scientific study in which the contributions of congregations housed in historic and older buildings were quantified. 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 creates over \$140,000 per year in value through the contribution of volunteer time; space at below market rates; and cash and in-kind donations to community-serving programs. The study also found that four of five individuals who visit a given sacred place are beneficiaries of the sacred place's programming rather than members of the congregation.

*Sacred Places at Risk* established a new methodology for documenting the public value of congregations and led to a new course of study, which was inaugurated 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*.

## National Study on the Halo Effect of Urban Sacred Places

Though groundbreaking, *Sacred Places at Risk* and subsequent works did not attempt to quantify *all* of the ways that congregations impact their communities.

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 area spending and support for local businesses; building maintenance costs; visitor spending; activities that promote community economic development; the impact on individuals' lives; and values inherent to religious properties (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 the Lilly Endowment and the McCormick Foundation, Partners built upon the pilot by undertaking a larger study. This study differed from the first in that it included a greater number of congregations (ninety), and congregations were selected at random from three large cities (Chicago, Philadelphia, and Ft. Worth). The results were published in November of 2016.

Through this study, we learned:

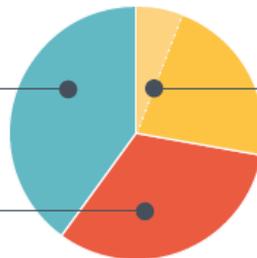
- The average historic sacred place in an urban environment generates over \$1.7 million annually in economic impact
- Congregations employ, on average, 5 full-time and 6 part-time staff
- Each sacred place is a magnet for visitors, attracting 780 visits each week with only 11% of visits for worship and 89% of visits for other purposes
- 87% of the beneficiaries of the community programs and events housed in sacred places are not members of the religious congregation

### Average Annual Economic Halo Value per Congregation

**\$ 1,707,249**

**\$679,511**  
education (40%)

**\$549,073**  
direct spending (32%)



**\$478,665**  
catalytic (28%)

**\$100,296**  
invisible safety net (6%)

**\$375,944**  
magnet effect (22%)

Note: Invisible safety net: 5.9%, recreation space: 0.1% (\$2,425)

The Economic Halo Effect of Sacred Places (Chicago, Philadelphia, Fort Worth), 2016

<b>Benefit Type</b>	<b>Description</b>	<b>National Average</b>
Direct Spending	Most spending, including budgeted and non-budgeted spending, remains local.	\$549,073
Education	Operating an early childhood education program or school benefits the local economy by freeing parents to work and lowering the cost to each taxpayer.	\$679,511
Open Space	Green space and recreation space improve our environment and lower energy costs.	\$2,425
Magnet Effect	Hosting events and programming catalyzes visitor spending.	\$375,944
Individual Impact	Directly intervening in the lives of individuals and families	Not monetized
Invisible Safety Net	Operating community-oriented programs supplements the activity of the local government and social service agencies, adding value to the community.	\$100,296
<b>TOTAL</b>		<b>\$1,707,249</b>

## Findings on the Halo Effect of 9 UMC Churches in North Carolina

The following chart reflects the averages for 9 congregations in two UMC Districts in or near Asheville and Raleigh, most of them in small town or rural settings. Please note that these averages are not scientific – in order to be scientific, many additional congregations would have to be surveyed. The averages are provided here for your congregation’s reference.

<b>Benefit Type</b>	<b>Description</b>	<b>North Carolina UMC Average</b>
Direct Spending	Most spending, including budgeted and non-budgeted spending, remains local.	\$190,000
Education	Operating an early childhood education program or school benefits the local economy by freeing parents to work and lowering the cost to each taxpayer.	Not Applicable
Open Space	Green space and recreation space improve our environment and lower energy costs.	\$34,127
Magnet Effect	Hosting events and programming catalyzes visitor spending.	\$137,709
Individual Impact	Directly intervening in the lives of individuals and families	\$344,559
Invisible Safety Net	Operating community-oriented programs supplements the activity of the local government and social service agencies, adding value to the community.	\$231,047
<b>TOTAL</b>		<b>\$937,442</b>

Overall observations from the Halo survey in North Carolina:

- Clergy vary a great deal in terms of culture, style, and programmatic emphasis.
- In some cases, creative and entrepreneurial clergy are working with congregations that don’t know how to fully tap his or her energy or capacity.
- Clergy and lay leaders understand the needs of their respective communities, and have many good ideas for new and expanded ministry.
- Many congregations are positioned to develop new programming or partnerships.
- Every congregation has underutilized space, and most congregations are willing to share it with others.

- Stable and consistent leadership is key to the success of congregations in making the most of their building assets.
- The two UMC Conferences in North Carolina have done an outstanding job of supporting new congregations and ministries. We would encourage further investment in existing and older congregations that are more traditional in style, yet vital to their communities.

## Findings on the Halo Effect of Your Church

The *Economic Halo Effect of Sacred Places* takes into account dozens of factors. These factors are summarized into thematic categories below, with totals in each category.

<b>Benefit Type</b>	<b>Description</b>	<b>Trinity UMC</b>
Direct Spending	Most spending, including budgeted and non-budgeted spending, remains local.	\$512,400
Education	Operating an early childhood education program or school benefits the local economy by freeing parents to work and lowering the cost to each taxpayer.	\$0
Open Space	Green space and recreation space improve our environment and lower energy costs.	\$8,258
Magnet Effect	Hosting events and programming catalyzes visitor spending.	\$183,892
Individual Impact	Directly intervening in the lives of individuals and families	\$218,896
Invisible Safety Net	Operating community-oriented programs supplements the activity of the local government and social service agencies, adding value to the community.	\$114,942
<b>TOTAL</b>		<b>\$1,052,500</b>

Based on our survey findings, Partners has a number of observations and suggestions to share:

- Trinity UMC is located on Haywood Road in West Asheville, which is gentrifying at a rapid pace. The neighborhood, primarily residential with a central commercial corridor (Haywood Road) is described as “a mecca for originality,” “funky,” and “bohemian.”
- Trinity’s total is impressive, but could be higher – especially under Magnet Effect and Invisible Safety Net given its urban location with potential to draw people in.
- Trinity should seek to to become known (to the City of Asheville) for something / find a niche that it can fill.
- The 1927 building is underutilized, especially given its location, and is key to moving the congregation forward in the years to come.
- Their fellowship hall would be ideal as a venue for independent musicians. There are very few underage venues in Asheville, so Trinity could fill this gap. In addition, clergy is interested in sharing underutilized classroom space with visual artists.

- Trinity's membership is engaged in the community on a personal basis, but not necessarily on behalf of the church. If Trinity were able to claim these hours, the church's Invisible Safety Net would quadruple to approximately \$460,000 annually in addition to raising the church's profile.

Partners is available to help you make the most of this data in the coming years by helping you to incorporate it into your congregation's materials and shared narrative. It can be used to/for:

- Annual reporting, to tell the story of your community service and outreach
- Bolster your annual stewardship appeals
- Strengthen your case for support as you gear up for a capital campaign
- Inform decision-making around the efficacy of your programs, and inform your strategic planning efforts