

Department of Economics
Working Paper

**A Model of Religious Investment to Explain the
Success of “Megachurches”**

By

Marc von der Ruhr

and

Joseph P. Daniels

Working Paper 2008-01

College of Business Administration



MARQUETTE
UNIVERSITY

A Model of Religious Investment to Explain the Success of “Megachurches”

Marc von der Ruhr
Department of Economics
St. Norbert Collge

Joseph P. Daniels♦
Department of Economics
Marquette University

Abstract.

Despite their non-traditional approach, megachurches have grown significantly in the United States since 1980. This paper constructs a model of religious investment to examine how “seeker”-oriented megachurches succeed in attracting and retaining new members. The model illustrates that megachurches have been able to encourage additional religious investment through group-based activities. Hence, these activities may be viewed as a subsidy for religious investment. As a result, individuals associated with megachurches increase their religious investment relative to individuals associated with non-megachurches. Data from the FACT2000 survey provide evidence that megachurches employ groups to help subsidize individuals’ religious investment, and that the resulting religious capital rises among members of megachurches relative to members of non-megachurches.

JEL Classification: Z12

Keywords: Megachurches, Religious Investment, Subsidy

May 2008

♦ Corresponding author
Email: joseph.daniels@marquette.edu

I. Introduction

The phenomenon known as “megachurches” has garnered significant attention both in the popular media [see for instance the *Financial Times*, July 19, 2005 and the *Fort Worth Star-Telegram*, September 14, 2007], and among academics [Thumma (1996), Thumma, Travis, and Bird (2005)]. These churches are characterized as having a membership of at least 2000 attendees per week, and are often located in middle class suburbs of large cities.

Studies of megachurches suggest that the churches are significantly different from more established, traditional, denominational churches in some important ways (see Thumma, 1996 and Kaczorowski, 1997). Specifically, they are welcoming to new attendees and require little or no early involvement or commitment from potential members. This means that potential members are accepted without pressure to participate, contribute money, or volunteer time. Further, these churches often take the appearance more of a mall or college campus than a traditional church. They are large, open in architecture, and often do not display crosses or other religious symbols even though they are rooted in Christianity. Group activities focused on both religious and secular activities play an important role in the church.

Though some conservative churches that maintain strict requirements for membership (e.g., Southern Baptists) are growing, many moderate or liberal churches are experiencing declines in their membership. Finke and Stark (1992) and Iannaccone (1992, 1994) suggest that religions that require sacrifice and are rooted in doctrinal content will flourish while those that do not will atrophy. Despite their non-traditional approach, megachurches have had large and significant growth in the U.S. since 1980. Thumma, Travis, and Bird (2005) document their success between 2000 and 2005, noting that megachurches have done very well in not only recruiting new members but also retaining them. The success of megachurches in this light is therefore potentially confounding and is worthy of study.

The growth and apparent success of megachurches raises many interesting questions for study to better understand their success. This paper summarizes some of the key literature on megachurches and focuses on a number of important characteristics that may explain their success in attracting and retaining members. It then provides a

model of optimal religious investment to describe how megachurches have grown and why they are successful in today's religious market. The model explains megachurches' success as a function of its willingness to subsidize members' investment in religious capital through the use of groups which increase members' participation in church activities. As a result, socially optimal investments in religious capital are made. Finally, it employs survey data on megachurches and non-megachurches to empirically examine whether the model's predictions hold.

The remainder of the paper is organized as follows. Section II provides an overview of trends in religious switching in the U.S. as well as a general overview of the characteristics of megachurches. Section III presents a model of religious investment to explain how megachurches successfully compete in the current religious market. Section IV examines the results of the Faith Communities Today 2000 (FACT2000) survey and provides empirical analysis of the model's predictions and section V concludes.

II. Megachurches and Religious Trends in the U.S.

Thumma and Travis (2007) estimate that there are 1,250 megachurches in a market of 335,000 congregations, and that approximately 100 new megachurches are established each year. Though megachurches themselves are not a new phenomenon, their recent and rapid growth is. To investigate their growth, we first acknowledge that we cannot consider megachurches as a homogenous type of church. Thumma and Travis (2007) suggest there exist four general (not necessarily exclusive, however) categories of megachurches: Old Line/ Program based (30%), Seeker (30%), Charismatic/Pastor focused (25%), and New Wave/Re-Envisioned (15%). This paper focuses on the seeker-oriented megachurch. These are often the ones that come to mind when megachurches are discussed and are exemplified by churches such as Saddleback (in California) and Willow Creek (in Illinois). They have grown rapidly in the 1980's and 1990's, are focused on evangelizing those seeking God. They work to appeal to those turned off by organized religion (Kellstedt and Green, 2003), trying to connect with people who have abandoned a traditional faith or who have remained outside of a traditional faith. They downplay denominational affiliation and traditional religious services. Instead, they rely on a modern look (e.g., a mall or college campus), have music driven by drums and

electric guitars, and frequently employ media during a service. In order to better understand their success, we consider the literature on church success, explore recent trends in U.S. religious affiliation, and characterize key features of seeker-oriented megachurches.

Market Characteristics

Churches active in the market for followers will naturally compete with one another to gain members. Iannaccone (1992, 1994) makes the case that strict churches will grow. He argues that participating in a religion is like a club good in that the utility an individual derives from participating is a function of, among other things, the degree others also participate. The public good aspect, however, of such an activity can engender free-riding. Thus, to minimize such behavior, a strict church will only attract committed members and thereby minimize the free-riding problem. Consequently, strict churches will be successful while lax churches will weaken.

Kosmin and Keysar (2006) study religious trends in the U.S. based on data gathered through their *American Religious Identification Survey*, conducted in 2001. They note that Americans are increasingly comfortable employing their rights as consumers of religion to switch between religions. In fact, they found that 33 million Americans (16% of the adult U.S. population) had changed their religious identification. Their study finds a polarization with regard to the winners and losers in our market for religion: On one end of the spectrum, groups demanding significant commitment are growing while on the other end of the spectrum many people are switching to “No Religion”, thereby leaving religion altogether. While both extremes are finding favor with U.S. adults, most low-commitment religions in the middle are not faring so well. These trends also reflect Iannaccone’s theory of the success of strict churches. He categorizes the more mainline or liberal denominations as least distinctive or strict, which include Presbyterian, United Churches of Christ, and Methodist, whereas more distinctive denominations include Born Again Fundamentalist, Pentacostal, and sects, such as Jehovah’s Witness and Seventh Day Adventist. Table 1 illustrates Kosmin and Keysar’s findings across religious groups and shows that the relatively strict denominations are among the growing while the least distinctive are in decline.

Table 1: Gains and Losses by Religious Group

Religious Group	Change (%)
Evangelical/Born Again	42
Non-Denominational	37
No Religion	23
Pentacostal	16
Buddhist	12
Christian	11
Jehovah's Witness	11
Seventh Day Adventist	11
Muslim	8
Assemblies of God	7
Episcopalian/Anglican	5
Church of God	5
Mormon	0
Baptist	-1
Lutheran	-1
Presbyterian	-2
Churches of Christ	-2
Jewish	-4
Congregational/UCC	-6
Methodist	-7
Catholic	-9
Protestant	-14

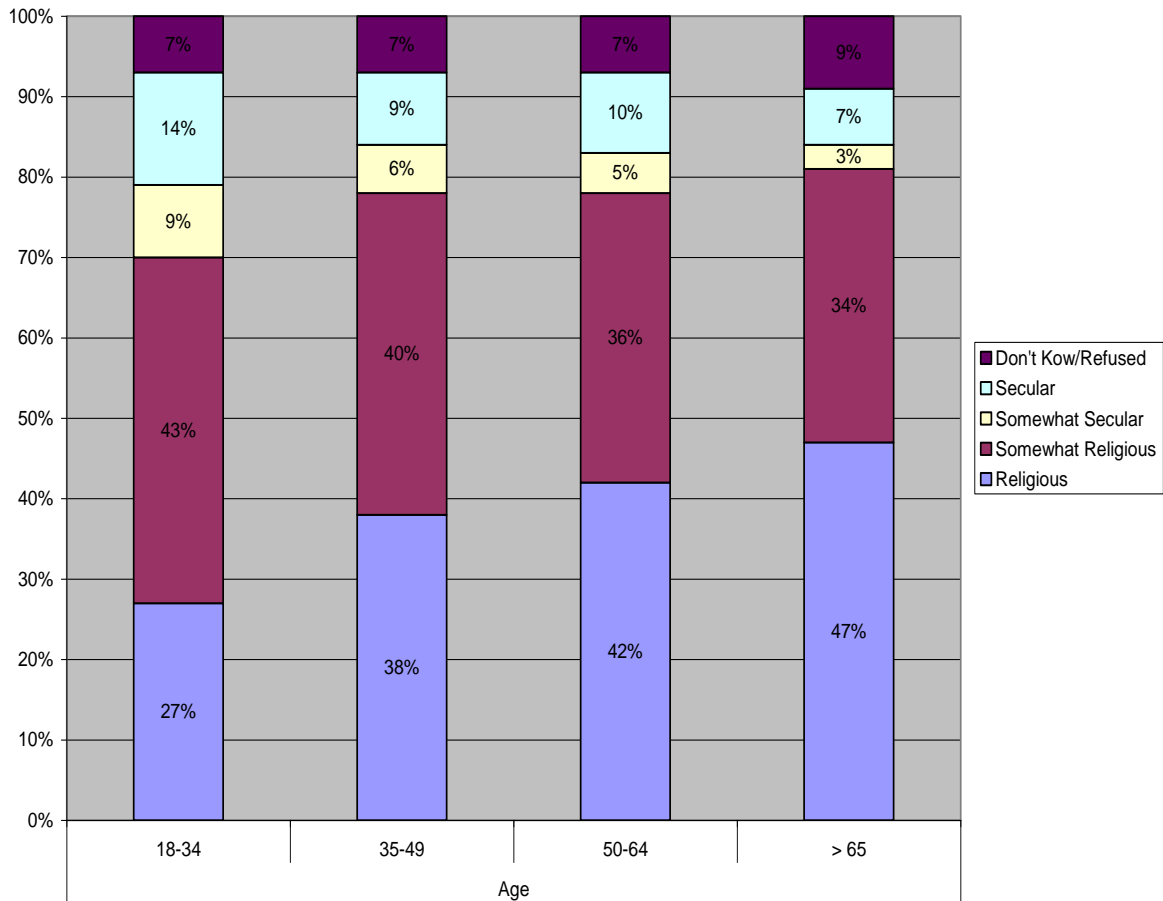
Source: Kosmin and Keysar (2006), p. 59

In the same study, Kosmin and Keysar note that there is a significant group of adults that identify with a church but do not affiliate. They find that 81 percent of American adults identify with a religious group, but just over one-half live in households where somebody is currently a member of a church. They also comment that 30 percent of those who affiliate with a religion have no tie to a congregation.

With regard to a religious market, these results suggest that a large portion of the national population that either affiliates with no religion, or has weak ties to an affiliation. Consequently, these individuals may serve as potential recruits to a new church. They have a religious background [which we refer to as religious capital, as in Iannaccone (1990)] but may be interested in a new religious affiliation or church.

The distribution of those who characterize their religiosity across different age groups further shows that churches are more likely to have access to potential members within younger age groups. Figure 1 summarizes self reported religiosity across age groups.

Figure 1: Religiosity Across Age Groups



Source: Kosmin and Keysar (2006), p. 42

Examining Figure 1, we see that there is a larger market for somewhat secular and secular individuals among 18-35 and 35-49 year olds. Karnes, et. al (2007) examine the spatial growth of megachurches and note that they not only target this age group, but that it is associated with relatively high income earnings, which contributes to megachurches' establishment.

The Megachurch Business Model

Given the increased trend of religious switching and the pool of people who are less connected to a religion, Thumma (1996) suggests that this is a particularly fertile period for seeker-oriented megachurches. As churches exist in an increasingly dynamic religious environment of empowered consumers, the megachurch is an organization that

bundles activities relevant to diverse interests and applies them to practicing religion. Megachurch leaders employ business models and poll people to better understand what potential and actual members want, ultimately allowing them to excel at intentionally instituting procedures to help newcomers become integrated in the church (Thumma and Travis, 2007). They organize a variety of activities around various interests and tie them to Christian lessons. It is worthwhile to note that though many of these interests are traditionally religious (e.g, hosting a bible study group), others are clearly rooted in secular interests (such as a running group). Both serve as a facilitator to beginning a deeper exploration of Christianity. Kosmin and Keysar note that this type of market research and directed programming is a preferred tool for “church growth” professionals. The emergence of membership management professionals illustrates the increasing competition churches face to engage individuals who can be recruited and retained.

A common misconception of megachurches is that they are a “low commitment” religion where members join with limited contributions of time or money and that their level of commitment never grows. Lower ascriptive loyalties combined with megachurches’ efforts to provide a personalized religious message has allowed them to reach out to “seekers” in order to provide a church with low entry costs that speaks to individual needs. In fact, many seeker-oriented megachurches make significant efforts to become the path by which these individuals reconnect with God, building upon the religious capital they acquired through their previous affiliation. Though no commitment is initially expected, at some point the church requires much more of them. It appears that this strategy ultimately works because members eventually become involved. According to Thumma, Travis, and Bird (2005), megachurches are among the most successful churches today in attracting and retaining members, suggesting that they foster on-going commitment in their members.

Doctrine and Denomination vs. Form and Function?

Kraczorowski (1997) notes that churches in the past were chosen first by their doctrine, and then by name and denomination. Today function and form lead the choice. Megachurches’ emphasis on practical religion invite a voluntary faith that is allowed to deepen (or not) based on the individual’s perception of the value of the experience. The

megachurch's goal, in part, is to create new religious forms or to remake traditions so they are relevant to a people disappointed by a previously practiced, traditional religion. Megachurches employ many group activities to generate social ties between members pursuing secular and religious activities to do this. The strategy of tying practical activities to a church experience is a form of encouraging members to develop increasingly stronger ties to the church. In their study of the politics of Willow Creek Association pastors, Kellstedt and Green (2003) specifically note the emphasis placed on involvement in small groups. Further, Djupe (2000) studies how religious brand loyalty affects political loyalty and identifies three channels by which an association (perhaps through loyalty) may be achieved. The three channels are through psychological ties (e.g., loyalty established by an attachment throughout one's life), through social ties (e.g., loyalty established via social networks), and through social circumstances (e.g., despite a lack of loyalty, and association is maintained for other reasons). In the case of megachurches, groups may be used to establish social ties that contribute to church loyalty. In the event that loyalty is not persistent based on a theological basis, it may be the case that the group activities offered create the social circumstances that an individual maintains an association with the megachurch.

We can cast this in economic terms by suggesting that the many activities megachurches provide, appealing to a vast amount of different personal interests and hobbies, serve to subsidize a potential member's investment in religion and the church. Thus, the churches draw people in, and as attendees join various groups they engage in religious investment and consequently deepen their religious commitment.

Thumma (1996) argues that megachurches are different than other spiritual organizations in that they demonstrate a new pattern of congregational life that changes with American society. Because they are a newer phenomenon, their approach can be seen in their institutional practices as well as physical structures: both are designed to be flexible, anticipating growth. Many megachurches are practically non-denominational, either identifying no denominational affiliation or downplaying it if they have one. Thus, unlike many other churches, they can accommodate growth and change rather than resist it because of physical or doctrinal constraints.

Their structures and approach successfully integrate religion as a part of everyday (and previously considered, secular) life. The services of megachurches are driven by practical applications and stress involvement in small groups that address everyday concerns.

The approach megachurches have taken has helped them to attract “religious refugees”. In other words, they attract members who have left other faith traditions. Given megachurches’ Christian foundation, many of these refugees find a home that allows a new attitude towards an already understood faith. This process is facilitated by the fact that ascriptive loyalties to a childhood religion have fallen. In fact, many megachurches see themselves as a “church of second chance.” (Thumma and Travis, 2007, p.110)

Thumma, Travis, and Bird (2005) document a number of changes in megachurches between 2000 and 2005. Notably, the number of megachurches has nearly doubled in the last five years. Attendance has grown while denominational affiliation has fallen. Attendants characterized their largest worship services as being “Filled with a sense of God’s presence”, “Inspirational”, and “Joyful”. The services are culturally relevant and relate biblical teachings to modern issues, often personalizing them. Members of congregations stress the personal nature of scripture study and prayer.

These evangelical efforts have been successful in that megachurches have been able to attract and retain more followers than many other churches. This may be due in part to the personalized nature of the religious services and recruitment efforts. As Thumma (1996) suggests, megachurches have directly responded to changes in our culture and in a sense catered to it with a distinct response in terms of how they are organized, initiate programs, and influence member relations.

Religious Capital

Kaczorowski (1997) claims that the post-war affluence of the baby-boomer generation has contributed to the success of a church that conforms to the needs of the members. Sargeant (1997) even refers to a “crisis” of secularization facing religious communities. Consequently, churches may compete by invoking more secular culture into their religious message in order to attract followers. It may be argued that churches are considering “pull” rather than “push” strategies. In other words, given increased

secularization and willingness of individuals to part with the religious upbringing or existing stock of religious capital, churches increasingly need to compete in a market for followers, and they do so by “pulling” people in via various groups that can personalize the spiritual quest rather than “push” via unquestioning adherence to dogma.

Kaczorowski (1997) observes that the new church is not a dictator, but rather is a servant of the people. Indeed, megachurches package messages pertinent to the lives of its members by addressing many secular topics. Thus, the church distinguishes itself from more traditional approaches by requiring little (via either spiritual or monetary commitments) of members early on in hopes that the members truly embrace the church and give freely later. Further, it responds to members’ perceived needs in order to grow.

To reiterate, megachurches require little of members early in the process of affiliation. There are “seeker” services which serve to allow new(er) members to attend without the expectation of participation. However, over time newer members are invited to smaller group meetings, organized by themes that allow interaction with more devoted members via discussion of practical issues that are relevant to the followers. These group discussions become the conduit by which non-participatory members invest in their religious capital and deepen their association with the church. Later, there are “believer” services in which greater participation is expected. This process is clearly a different approach than that taken by traditional churches seeking to minimize free riding by requiring significant commitments by members throughout their association with the church. McKinney and Roof (1987) argue that baby boomers are oriented towards a religious expression that is practical, experiential, and personal. Megachurches seek to fill this niche.

Given their practical programming and general lack of denominational affiliation, megachurches broaden their appeal to many that are in some way unfulfilled by their existing affiliation. In doing so, they allow potential members to thoughtfully commit on their own schedule and choose to affiliate with the megachurch.

III. Religious Investment and Capital

Given the above discussion, we view a megachurch as a unique religious organization whose strategy is to capitalize on the increasingly competitive market for

followers in a time of empowered religious consumers. Megachurches allow for the low-cost transfer of existing religious capital, and through their many group based activities related to various interests, both religious and secular, offer many ways to encourage additional religious investment by members of the megachurch. These characteristics of megachurches provide our basis for explaining their success via adapting a model of optimal task-specific investment (Tirole, 1995) to a model of an individual interacting with a church as the individual decides on how to invest in her/his own religious capital.

A Simple Model of Optimal Religious Investment

The individual member receives a benefit from religious membership and participation, and encounters a cost of membership, $c(I)$ that depends on the individual's level of religious investment, denoted I . When individuals make this investment in their religious capital it makes religious participation easier (cheaper), but with diminishing returns. In other words, the more one is dedicated to one's church, the easier it becomes to continually participate in church-related activities. Therefore, as the individual increases her religious investment, the cost of participating falls, but at a decreasing rate. Consequently, $c'(I) < 0$, and $c''(I) > 0$.

The church is the buyer of membership and receives a value of having a member, which we define as v . In return, the church offers something to the individual, which we call the participation in the church (or the benefit of membership). We define this as $p(I)$.

Given this framework, the church and member each receives a surplus from association. The church's surplus may be expressed as the difference between the marginal value of membership to the church, v , and the marginal benefit it offers to the individual:

$$\text{Church's surplus} = v - p(I). \tag{1}$$

Likewise, the member's surplus can be expressed as the difference between the marginal benefit of membership received and the marginal cost of participation:

$$\text{Member's surplus} = p(I) - c(I). \tag{2}$$

If the church and member share the benefit of the investment equally, we obtain the Nash bargaining solution where:

$$p(I) = [v + c(I)]/2. \quad (3)$$

The socially optimal investment from the church's perspective is determined by maximizing with respect to I , the difference between the benefit of gaining a member and the sum of the individual's level of investment and the cost associated with that investment, $I + c(I)$:

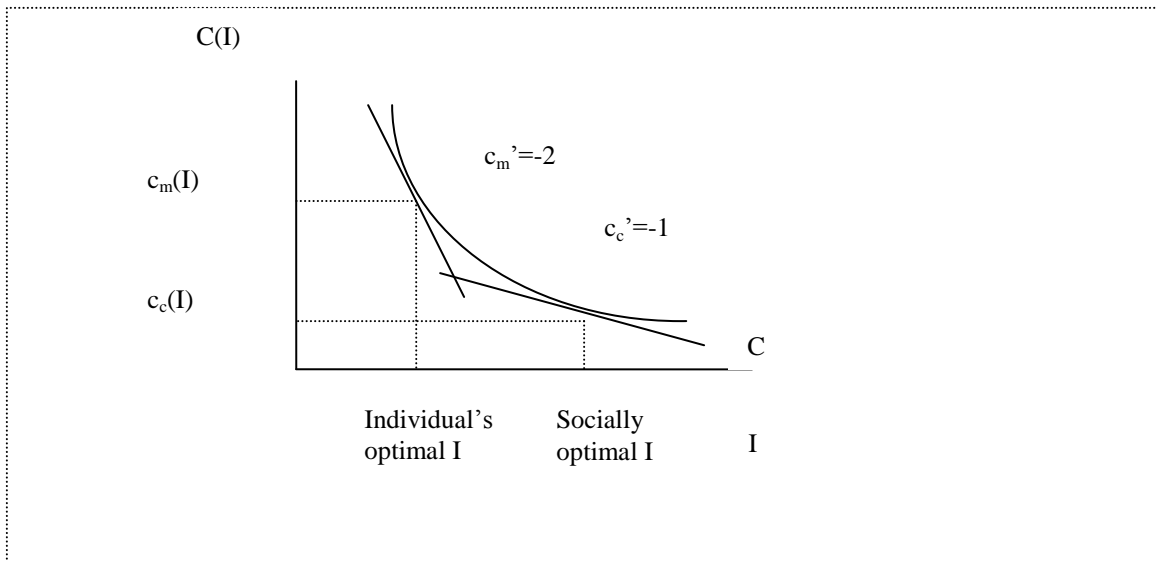
$$\max_I [v - I - c(I)]. \quad (4)$$

Solving (4) suggests that, from the church's perspective, the optimal amount of investment takes place when that the slope of the marginal cost function is equal to -1 (that is to say, $c'(I) = -1$). We contrast this with the outcome of the individual's optimization, which is determined by maximizing with respect to I the difference between the benefit of participating given in (2) above and the sum of the individual's level of investment and the cost associated with that investment.

$$\max_I [(v - c(I)/2) - I]. \quad (5)$$

As before, we maximize over I and find that, from the individual's perspective, the optimal amount of investment takes place when that the slope of the marginal cost function is equal to -2 (that is to say, $c'(I) = -2$). It can therefore be seen that the outcome under a socially optimal investment differs from what is optimal for the individual. It is the case that the outcome for the individual is suboptimal relative to the socially optimal level of investment. To illustrate this, consider the Figure 1, below:

Figure 1:



The slope of curve C in Figure 1 illustrates the declining nature of the marginal cost of participation as investment grows, while its curvature illustrates diminishing returns to investment. The fact that the socially optimal level is associated with a higher level of investment indicates that there is underinvestment by the individual. Consequently, the marginal cost of membership for the individual remains higher (at c_m) than would be the case if the socially optimal level of investment were to occur (associated with a marginal cost of c_c).

If we relate this outcome to the trends in religious switching discussed earlier, the increased switching we see may reflect individual underinvestment in religion, making it easier for individuals, having lower levels of religious capital, to leave a religion or re-affiliate. One solution to this problem has been suggested by Iannaccone's (1994) theory that strict churches are likely to succeed because if a church is strict, it can expect high religious investment among its members and underinvestment is less likely to occur than in a less strict church. On the other hand, this result may in turn indicate an alternative strategy megachurches may pursue in order to encourage the socially optimal religious investment in their church. Rather than forcing sacrifice or stigma from a member, the megachurch can subsidize the investment of the member. That is to say, the underinvestment can be overcome if both the member and the church share in making the investment. This is along the lines suggested by Miller (2002) that instead of placing strict demands on adherents as opposed to accommodating their individual preferences,

megachurches might succeed by accommodating distinct preferences, thereby fostering a higher level of commitment and investment. He suggests a strategy of differentiated religious product lines that target potential member groups.

To elaborate, suppose we divide the investment between the church and potential member by introducing the term α (where $\alpha > 0$) into the member's optimization problem to denote the distribution of the investment between the church and the individual. The member's optimization now becomes:

$$\max_I [(v-c(I))/2] - I/\alpha \tag{6}$$

Maximizing over I , the individual's optimum is $c_m'(I) = -2/\alpha$. Thus if $\alpha=2$, we return to the socially optimal level, as previously established after equation 4. In other words, if the level of investment is equally divided among the church and member, the investment reaches the socially optimal level.

Implementing an Optimal Investment Strategy

How may a megachurch implement such a strategy? If we reconsider the characteristics of megachurches discussed earlier, their individual-oriented focus via groups may serve as a share in religious investment, which in turn reduces the cost of membership, thereby increasing the devotion of the members to an optimal level. The emphasis on small groups united by a common interest (often, on its own a secular interest) is one way to accommodate distinct preferences and subsidizing that member's investment in the church. Thumma and Travis (2007) state that Americans want choices, and the act of choosing creates commitment. The options provided by different groups at the megachurch allow members to interact with the church and its members on their own terms. This allows members to increase their commitment, and religious capital, through a process whereby the megachurch shares in the investment via interest-specific groups. This then helps to reduce the cost of engaging in the religious activities for the member in the future.

Does the theoretical potential for this shared-investment strategy translate into success? The survey results from Thumma and Travis strongly suggest that the efforts of megachurches to attract and retain members through such subsidization are indeed

successful. Based on their survey, the activities resulted in over 48% of megachurches saying that feeling like a close-knit family describes them very or quite well. Further 80% of the over 6000 attendees reported that they had a strong sense of belonging, and 75% of them said they had some close friends at the church. Thus, we can expect deepened commitment and investment in their religious capital. The results of their survey also show that the congregants at megachurches enjoy the worship and ministries and are regularly involved in activities at the church. As stated in Thumma and Travis (2007, p. 160), “The megachurches excel at creating the structures and programs that help new people become incorporated into the church rather than drift away, at least at a higher rate than other churches. Additionally, these megachurches have more to offer in terms of programs and ministries, activities and fellowship groups.”

Given the findings, evidence suggests that at a time when religious switching is rising megachurches are doing a good job of attracting and retaining new members.

IV. Empirical Analysis

The model lends itself to two specific testable hypotheses. First, megachurches employ groups more than non-megachurches. Second, if indeed megachurches employ groups more than non-megachurches, then individuals invest more in their religious capital when they are members of a megachurch than a non-megachurch.

Given the fact that megachurches have only recently garnered significant attention among academics, empirical researchers have been hindered by a shortage of data. Luckily, however, work was recently done to gather high quality data on megachurches. The data employed in this study come from the Faith Communities Today 2000 (FACT2000) survey. The data were made available by the Association of Religion Data archives, www.TheArda.com, and were collected by David Roozen.

Given the importance of the FACT2000 survey, we briefly describe the survey before we evaluate the empirical results. The FACT2000 survey as the largest survey of congregations in the U.S. It is also allows for the first systematic study of megachurches. FACT(2000) allows researchers to investigate a variety of congregational characteristics including their growth patterns, programming efforts, and congregational life. It measures 280 variables, and the responses represent 41 denominations and faith groups

(approximately 90% of all U.S. congregations and faiths). Bird (2007) notes that the survey averaged over a 50% return rate, resulting in over 14,000 returned surveys.

Our data analysis consists of comparing the responses of megachurches to non-megachurches on a number of issues related to our hypotheses. To conduct the analysis, we first separate megachurches from non-megachurches. We apply the definition of megachurches being Protestant churches with weekly attendees of 2000 or more. FACT(2000) classifies denominations as belonging to one of the following categories: Liberal Protestant, Moderate Protestant, Evangelical Protestant, Historic Black, Catholic and Orthodox, or other. Our megachurch subset thus includes liberal, moderate, and evangelical Protestant congregations with 2000 or more attendees. The non-megachurch sample includes Catholic and Orthodox, Historic Black churches, and “other”.¹ Of these returns, the survey received 192 usable responses from megachurches and 14,109 usable responses from non-megachurches.

Our first hypothesis states that megachurches employ groups more than non-megachurches. We conduct a difference of means test between megachurches and non-megachurches offering a variety of different groups. We examine groups engaged in the following activities: bible study, theological study, prayer/meditation, spiritual retreats, community service, parenting or marriage enrichment, choir, performing arts, book discussion, self-help, fitness activities, sports teams, youth groups, and young adult programs. The survey responses are categorized into whether the church offers a group in that category or not. Results showing the percent that do offer a given type of group are replicated in Table 2, below.

Table 2: Megachurches Compared to Non-Megachurches for Groups

¹ While it may be argued that Historic Black churches may be treated as Protestant, and thus potentially be included in our megachurch sub-sample, we follow Coreno (2002) and Welch *et al* (2004), who argue for a separate classification for Black Protestant denominations because of the unique historical experience of black denominations.

Type of Group	Megachurch	Non-Megachurch	p-value
Bible/Scripture study	58.00%	62.00%	0.040
Theological Study	86.00%	43.00%	0.000
Prayer/Meditation	93.00%	56.00%	0.000
Spiritual Retreats	89.00%	35.00%	0.000
Community Service	89.00%	66.00%	0.000
Parenting/Marriage Enrichment	88.00%	29.00%	0.000
Choir	90.00%	58.00%	0.000
Performing arts	90.00%	45.00%	0.000
Book Discussion	71.00%	30.00%	0.000
Self-help	88.00%	30.00%	0.000
Fitness Activities	77.00%	18.00%	0.000
Sports Teams	83.00%	26.00%	0.000
Youth Groups	91.00%	68.00%	0.000
Young Adult Activities	88.00%	35.00%	0.000

The results indicate that, aside for Bible/Scripture study groups, megachurches do employ more groups than non-megachurches. In all cases, the difference is highly statistically significant and in many cases, the absolute difference is also rather striking. With regard to the Bible/Scripture study groups, we see only a four percent difference. This result may be explained by the fact that, as noted earlier, megachurches employ groups related to secular activities to bring seekers to the church. Thus, the significantly larger number of groups focused on (for example) parenting and marriage enrichment, fitness, and sports activities substitute in part for a more traditional church group.

In fact, we can arrange the groups in order of the percent difference between megachurches and non-megachurches that offer a specific type of group. Table 3 provides the results from this ordering.

Table 3: Percent Differences in Groups Between Megachurches and Non-Megachurches

Type of Group	Megachurch	Non-Megachurch	Difference
Parenting/Marriage Enrichment	88.00%	29.00%	59.00%
Fitness Activities	77.00%	18.00%	59.00%
Self-help	88.00%	30.00%	58.00%
Sports Teams	83.00%	26.00%	57.00%
Spiritual Retreats	89.00%	35.00%	54.00%
Young Adult Activities	88.00%	35.00%	53.00%
Performing arts	90.00%	45.00%	45.00%
Theological Study	86.00%	43.00%	43.00%
Book Discussion	71.00%	30.00%	41.00%
Prayer/Meditation	93.00%	56.00%	37.00%
Choir	90.00%	58.00%	32.00%
Community Service	89.00%	66.00%	23.00%
Youth Groups	91.00%	68.00%	23.00%
Bible/Scripture study	58.00%	62.00%	-4.00%

The results illustrate the dramatic difference, especially with regard to many secular activities. The top three groups reflect nearly a 60% difference, and are all related to non-directly religious activities. Further, aside from Bible/Scripture study, the proportion of megachurches that offer both religious- and secular-based groups is much larger than the proportion of non-megachurches that do.

Our next hypothesis states that individuals, in response to these groups, do invest more heavily in their religious capital when they are members of a megachurch than a non-megachurch. We may approach this hypothesis from three perspectives. First, borrowing from the results just discussed, groups would not be offered by a church if individuals did not participate. Thus, the results provided in Tables 2 and 3 illustrate not only how megachurches employ groups to attract people, but that individuals, as a result of participation in groups, increase their participation in religion and consequently increase their investment in their religious capital.

Second, the increased investment in religious capital may be reflected in how much a congregation can expect of individuals' behavior in their home and personal practices (i.e. practices outside of church services). The five variables examined are personal prayer/scripture studies/devotions/other spiritual practices, family devotions, fasting, and abstaining from pre-marital sex. The scores range from 1, associated with "Not at all," to 5, associated with "A Great deal." Table 4 illustrates our results.

Table 4: Megachurches Compared To Non-Megachurches For Emphasis on Expected Participation

<u>Practice</u>	<u>Megachurch</u>	<u>Non-Megachurch</u>	<u>p-value</u>
Personal prayer, scripture study, etc.	4.65	4.14	0.000
Family Devotions	3.96	3.44	0.000
Fasting	2.90	2.35	0.000
Abstaining from pre-marital sex	4.00	3.19	0.000

The results suggest that megachurches do have statistically significantly higher expectations of home and personal practices in each of these categories. As a result, it can be inferred that individuals are investing in their religious capital by accommodating these expectations for their church.

Finally, if we consider the outcome of increased religious investment to include an increased emotional engagement in their beliefs, there is another set of survey responses that deserves attention. The survey inquired how well a series of questions described the congregation. The questions dealt with the congregation’s spiritual vitality, its ability to help members deepen their relationship with God, whether the members are excited about the future of the congregation, whether the congregation welcomes innovation and change, and whether the congregation has a clear sense of mission and purpose. Scores range from 1, for “Not at all” to 5, for “Very well”. Table 5 summarizes the results.

Table 5: Level of Emotional Agreement For Attendees of Megachurches and Non-Megachurches

<u>Statement About Congregation</u>	<u>Megachurch</u>	<u>Non-Megachurch</u>	<u>p-value</u>
Spiritually vital	4.37	3.86	0.000
Helps members deepen relationship with God	4.31	3.89	0.000
Reflects excitement about future	4.50	3.90	0.000
Welcomes innovation and change	4.15	3.41	0.000
Clear sense of mission and purpose	4.40	3.62	0.000

Across all dimensions, the data indicate that the members of the megachurch have a statistically significantly higher emotional attachment to their church than members of non-megachurches. Again, this may indicate a higher level of religious investment.

Taken together, the FACT2000 data find evidence that megachurches employ groups to a greater degree than non-megachurches and that in turn encourages additional investment in their members' religious capital. This manifests itself in increased participation and emotional investment in the megachurch compared to the non-megachurch. The outcome may best be summarized by one last survey question. It asks whether new people are easily assimilated into the congregation. Using the same scale as for Table 5, megachurches score a 3.94 while non-megachurches score 3.76 (a difference that is statistically significant with a p-value of 0.004).

V. Conclusion

Megachurches have generated attention both in the popular media and among academics from various disciplines. Studies suggest that the churches are significantly different from more established, traditional, denominational churches. Further, their success seems to contradict a significant amount of the literature that characterizes successful religions. This paper provides an economic model of religious investment to explain the success of megachurches to attract and retain members. The model focuses on megachurches' ability to subsidize individuals' investment in religious capital by providing small groups in which individuals may participate. Individuals' participation in the church in turn rises and their religious capital also increases. Data from the FACT2000 survey suggest that the predictions of the model hold. Responses from the survey indicate that megachurches employ groups more than non-megachurches, that megachurches achieve higher participation than non-megachurches, and that the emotional commitment among megachurch members exceeds that of non-megachurch members.

Bibliography

Baker, Sandra. 2007. Fellowship Church Buys Warehouse. Fort Worth Star-Telegram. September 14, 2007.

Bird, Warren. 2007. *Megachurches as Spectator Religion: Using Social Network Theory and Free-Rider Theory to Understand the Spiritual Vitality of America's Largest-Attendance Churches*. Ph.D. Thesis, Fordham University.

Coreno, Thaddeus. 2002. Fundamentalism as a Class Culture. *Sociology of Religion* 63(3): 335-360.

Djupe, Paul A. 2000. Religious Brand Loyalty and Political Loyalties. *Journal for the Scientific Study of Religion*. 39(1): 78-89.

Finke, Roger, and Rodney Stark. 1992. *The Churching of America 1776-1990*. New Brunswick: Rutgers University Press.

Iannaccone, Laurence. 1990. Religious Practice: A Human Capital Approach. *Journal For the Scientific Study of Religion* 29(3): 297-314.

Iannaccone, Laurence. 1992. Sacrifice and Stigma: Reducing Free Riding in Cults, Communes, and Other Collectives. *The Journal of Political Economy* 100(2): 271-291.

Iannaccone, Laurence. 1994. Why Strict Churches are Strong. *American Journal of Sociology* 99(5): 1180-1211.

Kaczorowski, Laura M. 1997. *Willow Creek: Conversion without Commitment*.

(Unpublished document) Distinguished Majors Honor Thesis Paper, University of Virginia, Department of Sociology.

<http://religiousmovements.lib.virginia.edu/nrms/superch.html>

Karnes, Kimberly, Wayne McIntosh, Irwin L. Morris, and Shanna Pearson-Merkowitz. 2007. Mighty Fortress: Explaining the Spatial Distribution of American Megachurches. *Journal for the Scientific Study of Religion*. 46(2): 261-268.

Kellstedt, Lyman A. and John C. Green. 2003. The Politics of Willow Creek Association Pastors. *Journal for the Scientific Study of Religion*. 42(4): 547-561.

Kosmin, Barry A. and Ariela Keysar. 2006. *Religion in a Free Market: Religious and Non-Religious Americans -- Who, What, Why, and Where*. 2006. Ithaca, NY. Paramount Books.

McKinney, William, and Wade Clark Roof. 1987. *American Mainline Religion: its Changing Shape and Future*. New Brunswick, NJ. Rutgers University Press.

McNult, Sheila. 2005. Message of Hope Draws Thousands to Mega Church, *Financial Times*, July 19, 2005.

Miller, Kent. 2002 Competitive Strategies of Religious Organization. *Strategic Management Journal*. 23(5): 435-456.

Sargeant, K.H. 1996 *Faith and Fulfillment*, Ph.D. Dissertation, Charlottesville, NC, University of Virginia.

Tirole, Jean. 1995. *The Theory of Industrial Organization*. Hamilton Printing, USA.

Thumma, Scott, and Dave Travis. 2007. *Beyond Megachurch Myths: What Can Be Learned from America's Largest Churches*.

Thumma, Scott. 1996 *Exploring the Megachurch Phenomena: Their Characteristics and Cultural Context*. Excerpt from Ph.D. Dissertation, Emory University. 1996. Available online at http://hrr.hartsem.edu/bookshelf/thumma_article2.html

Thumma, Scott, Dave Travis, and Warren Bird. 2005. *Megachurches Today 2005*. Available online at http://hrr.hartsem.edu/org/faith_megachurches_research.html#research

Welch, Michael R., David Sikkink, Eric Sartain, and Carolyn Bond. 2004. Trust in God and Trust in Man: The Ambivalent Role of Religion in Shaping Dimensions of Social Trust. *Journal for the Scientific Study of Religion*, 43(3):317-344.