MEGACHURCHES AND ECONOMIC DEVELOPMENT: A THEORETICAL UNDERSTANDING OF CHURCH INVOLVEMENT AT THE LOCAL LEVEL

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Dissertation Prepared for the Degree of
DOCTOR OF PHILOSOPHY

UNIVERSITY OF NORTH TEXAS
December 2015

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English, Ashley E. *Megachurches and Economic Development: A Theoretical Understanding of Church Involvement at the Local Level*. Doctor of Philosophy (Public Administration and Management), December 2015, 144 pp., 14 tables, 9 figures, references, 84 titles.

Why do megachurches participate in economic development, and who benefits from their participation? Frumkin's framework for understanding nonprofit and voluntary action and extra-role behavior are theories tested to answer these questions. My research employs a mixed-methods research design conducted in two phases. In phase one, I analyze 42 responses to an online survey to provide data about the prevalence and nature of economic development activities offered by megachurches in the Dallas-Fort Worth and Houston-Sugar Land-Baytown Metropolitan Statistical Areas. Phase two involved 23 semi-structured telephone interviews with megachurch leadership to provide data that explains the rationale for why megachurches offer economic development activities and who benefits. Evidence from this research demonstrates that megachurches are participating in economic development for reasons consistent with both demand-side and supply-side arguments. Findings also show that megachurches take on extra-role behaviors for in response to community expectations and the values of members and staff. Implications for understanding partnership decisions and collaborations between faith-based organizations and local governments are discussed.

ACKNOWLEDGEMENTS

All credit and praise for this dissertation belongs to my Lord and Savior, Jesus Christ, who gave me the desire to pursue a doctoral degree and sustained me through this journey to the academy and in life. I also thank God for connecting me to Dr. Lisa A. Dicke. You were not just my chair, but you were my coach and mentor. I am forever indebted to you. Special thanks to my committee members, Dr. Robert Bland and Dr. Hee Soun Jang. You affirmed the importance of my research from the start, and you have encouraged me with your energy and intellectual insight. Thank you, and I am blessed to have connected with each of you!

This dissertation in many ways is a community degree. To my parents, Mr. and Mrs. Guss W. Hyder, Jr., what could I really say to articulate the respect, love and admiration I have for you? I love you and appreciate your investment in me financially, emotionally, and spiritually. To my siblings and first friends, Theresa and Markus, thank you for encouraging me, teasing me and challenging me to be great. To Omani, I am blessed to be your auntie. Special thanks and love to my parents-in-love, Patricia English, Reginald English and Sherry English! To my cohort (Amina, Michael, Kyujin, Rejina, and Wei-Ning), thank you for everything! To my Fall 04 line sisters from the Zeta Eta Chapter of Delta Sigma Theta Sorority, Inc. thank you for everything! To DeShonda, you have looked out for me since we were 15, I love you!

Finally and importantly, to my husband Dr. Brian L. English! My God, I was so blessed when I met you in the library of North Dallas High School. I never knew I could love someone at this level, with this much joy and with this much passion. You are the love of my life, and pursuing doctoral degrees together was an amazing journey. To my sweet boys Joseph and Joshua, mommy loves you! There is no requirement for you to pursue a Ph.D. The only requirement, and hope, is that you would pursue God and the path He has for your life.

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CHAPTER 1 – INTRODUCTION

For decades, local governments have turned to congregations as partners in meeting community needs by contracting with them for services such as meals, counseling, and the like (Chaves & Tsitsos, 2001; Cnaan & Curtis 2013). The primary role of congregations, however, is to meet the spiritual needs of members. Congregations also take on social and ancillary activities in their local communities such as welcoming newcomers including immigrants and refugees (Ammerman, 2001). These fellowship activities, however, are closely aligned with the primary role of the church and serve to help draw people into their faith.

The emphasis on social and ancillary activities evolved in the 1990s when the federal government introduced legislation to solicit the involvement of congregations and other faith-based organizations (FBOs) in the delivery of public services. Through the passage of the Welfare Reform Act in 1996 under the leadership of the Clinton Administration, the Charitable Choice provision was created to give FBOs an opportunity to apply for government funding without requiring such organizations to modify their religious perspectives in social service delivery (Clerkin & Gronjberg, 2007).

A primary goal of the Charitable Choice provision was to fund programs that imparted the notion of personal responsibility to welfare recipients who had grown accustomed to relying on government programs and funding assistance (McGinnis, 2010). Legislative efforts continued in 2001 when President George W. Bush created the Office of Faith-Based and Community Partnerships by executive order, which has since served as a special method of engagement between government and faith-based institutions (Chaves & Tsitsos, 2001). This initiative has been supported during the Obama Administration as well.

While the impacts of this legislative effort are not completely known, one assumption is clear, government believed faith-based organizations (FBOs) had the potential to help improve the financial condition of Americans in local communities. Essentially, the assumption is that FBOs can play a role in the economic development of communities through their proximity to communities in need, and their possession of the human and social capital needed to impact and improve opportunities available to those struggling economically.

Significance of the Study

Existing research has devoted significant attention to defining FBOs (Sider & Unruh, 2004; Clerkin & Gronjberg, 2007; McGinnis, 2010; Bielefeld & Cleveland, 2013), understanding their services (Ammerman, 2001; Chaves & Tsitsos, 2001; Clerkin & Gronjberg, 2007; Littlefield 2010, Cnaan & Curtis 2013), determining whether or not legislative efforts changed partnerships between FBOs and government (Alexander, 1999; Clerkin & Gronjberg, 2007; Chaves & Wineburg, 2010), assessing the impact of faith on client outcomes (Ferguson et al., 2007; Amirkhanyan, Kim & Lambright, 2009), and balancing issues between discrimination and religious freedom (Frumkin, 2002). However, there is much more to be learned about FBOs.

I highlight three areas where my research extends our understanding of FBOs. First, my research tests theoretical assumptions to understand religious organizations and some of their community-related actions. Second, my research seeks to understand an uncommon function of FBOs that intersects with a salient issue in public administration: economic development. Finally, I examine a growing segment of FBOs, megachurches, as a new unit of analysis and consider their potential as collaborators with local government organizations.

As is evident by legislative efforts to engage this population of nonprofit organizations, FBOs may hold tremendous potential to foster a sense of community and meet pressing social needs in unique ways. Research on FBOs has seen a recent resurgence in nonprofit research. In 2013, the entire 42nd volume of the *Nonprofit and Voluntary Sector Quarterly* (NVSQ) was devoted to research that updated perspective on the study of these organizations. The NVSQ journal editors called attention to the need to continue the academic study faith-based organizations. Similarly Cnaan & Curtis (2013) conducted a review of literature to understand the actions, composition and impact of congregations in the U.S. and globally.

Investigating why megachurches participate in activities, like economic development, has potential implications for understanding partnership decisions and collaborations. As Frumkin (2002) notes, "the role of religion cannot be overlooked or underestimated" (p. 116). However, in the field of public administration it has been. More attention is needed in the field of public administration to assess the propensity of these entities to contribute beyond spiritual or religious development so that useful collaborations might be created. Congregations in the United States are evolving in new ways, and it behooves public administration scholars to determine how these changes are impacting local communities.

Purpose of the Study and Central Research Question

Economic development is a salient issue in public administration as city leadership grapples with managing growth in communities in a way that provides economic opportunity across diverse populations. While the intention of the federal government was clear regarding the inclusion of FBOs in economic development activities per the Charitable Choice provision in 1996, a crucial question has yet to be addressed at the local level. Why are FBOs, specifically congregations, participating in this area? What motivates FBOs to deliver non-traditional, economic development related services?

This dissertation focuses on a subset of FBOs known commonly as megachurches. These are congregations, typically Protestant Christian entities, with 2,000 or more members who attend on a weekly basis. Megachurches have grown rapidly over the last 30 years, yet very little is known about their activities. Research on megachurches is important because in the area of economic development, they have the capacity to make significant contributions. These congregations typically engage highly-educated and wealthy members in comparison to traditional churches. They also have a greater capacity to offer economic development activities based on their large budgets, ease of mobilizing volunteers, and the large quantity of social capital their congregational leaders have and influence on members that span across the many communities in which they reside.

Research has shown economic development to be a rare activity among traditional congregations, yet preliminary research conducted in 2012 indicates high participation in economic development activities in a sample of megachurches in Texas. The primary research question in this study is *why do megachurches participate in economic development, and who benefits from their participation?* This research question is also concerned with theory building. Federal legislation, like Charitable Choice, alludes to the importance of the involvement of FBOs in economic-related issues based on resource dependency theories, but little attention has been devoted to understanding why a congregation would participate in this type of activity at all. Even less attention is devoted to megachurches whose economic development activities are unlikely to be explained by resource dependency theory.

Previous research points to two possible explanations for congregational involvement in economic development, and my dissertation tests two theoretical perspectives. The first set of theoretical explanations is found in the framework for nonprofit and voluntary action by Peter

Frumkin (2002) who argues that nonprofit action can be explained by demand-side reasoning (e.g. nonprofits act in order to fulfill unmet needs) or based on supply-side reasoning (e.g. nonprofits act because of the values and beliefs of those fueling their actions). My research tests whether megachurches are participating in economic development activities based on demand-side or supply-side reasoning.

A second explanation for megachurch participation in economic development could be linked to a subset of organizational citizenship behavior theory that explains extra-role behavior. Here decisions of individuals to perform outside of formal job roles in ways that benefit an organization are assumed to exist based on individuals acting out of self-interest (Bateman & Organ, 1983; Schaubroek & Ganster, 1991; Ferris et al., 1995; Bolino, 1999), or a sense of obligation or responsibility (Deckop et al., 2003). This theoretical perspective is typically used to understand the actions of individual actors or employees within an organization; however, there is evidence to show this perspective could have explanatory power when the organization, and not the individual, is the unit of analysis. Thus, theoretically I am interested in knowing whether assumptions of extra-role behavior can explain the phenomenon of megachurch participation in economic development. Do these organizations participate in non-traditional activities out of self-interest or a sense of obligation?

Goals of the Study

The goals of this dissertation are two-fold. First of all, I am interested in contributing to theory-building by adding to our understanding of organizational behavior. As the lines of demarcation between public, private and nonprofit organizations blur, it is important to understand factors that contribute to a nonprofit organization's decision to participate in activities not typically associated with their primary mission. Considering that nonprofit organizations, especially, are mission-driven entities, the decision to participate in non-mission related activities has significant implications for the role these organizations play in the communities they serve. Discovering whether these organizations take on new responsibilities as a result of external conditions (demand) or internal expectations (supply) is an important discovery, as it could help predict how organizations make decisions and have implications for practice such as partnering with governments for the delivery of certain types of services.

Secondly, I am interested in expanding knowledge about FBOs specifically. It has long been noted in the field of public administration that faith-based organizations help cultivate democratic values such as voting, volunteering, and giving financially to support both religious and public programming (Wuthnow, 1999), provide a wealth of social capital essential to developing sustainable and supportive communities (Putnam, 2000, Trader-Leigh, 2008), and serve as essential mediating structures that government relies upon to make connections to broader community goals (Berger & Neuhaus, 1977). The current conversation regarding the role of congregations in local communities has been limited in the field of public administration. This study helps update our understanding about a growing segment of FBOs, megachurches, and the way these organizations function in economic development. There are spillover effects from megachurches that may impact local communities in positive or negative ways. Learning how they participate in a public arena, like economic development, could result in new partnerships or collaborations among these religious institutions and local governments. And these partnerships may not be for the purpose of proselytization, or the conversion of others to Christianity or other faiths, but also for the purpose of delivering needed social services. Such resources can expand economic opportunities for community residents in ways that local governments may not be able to achieve in the absence of collaboration with these organizations.

The primary research questions for this dissertation are tested using a mixed-methods approach due to the diversity of the theoretical perspectives being examined. To test demand-side assumptions, a quantitative research approach using correlation testing is employed to understand factors that impact the number of economic development activities offered by megachurches. Data come from an original survey instrument distributed to megachurches in the Dallas-Fort Worth and Houston-Sugar Land-Baytown Metropolitan Statistical Areas. The data assesses the congregational and pastoral characteristics of megachurches along with details regarding the types of economic development activities the congregations have participated in over the years.

To test supply-side assumptions, megachurch leadership within the same surveyed sample of megachurches in the state of Texas was invited to participate in follow-up interviews to understand how the expectations of contributors to megachurches (e.g. members and staff) influenced their megachurch's decision to offer economic development activities. This qualitative method is appropriate to use to better understand megachurch behavior in economic development. More understanding is needed regarding this phenomenon before inferential statistics can be explored. Finally, qualitative methods were used to test assumptions of extra-role behavior. Here, in-depth interviews with senior leadership were employed to determine whether megachurches are acting out of self-interest or if a sense of obligation or responsibility to community were important explanations for participating in economic development activities.

Role of the Researcher

The identification of potential biases and how those concerns are addressed impact the reliability and credibility of all research (Maxwell, 2013). Thus, it is important to note that I am a believer in the Christian faith and grew up in a congregation that became a megachurch over my lifetime. I also presently attend a megachurch and responses from this church are included in my sample. Thus, there was potential for me to have identified with stories and accounts shared by participants in the interview process and interpretations of explanations offered on surveys in interviews.

To address potential biases, I took several steps to ensure that my viewpoints and perspectives were not reflected in my approach with participants. First, all congregations surveyed were asked to participate in follow-up interviews and there was no bias in the selection of denominations or types of megachurch congregations selected for the sample or interviewed. All participants were asked the same interview questions and each was offered an opportunity to share additional comments at the conclusion of the conversations without input from me regarding what any additional comments should entail. At no time prior to the end of the interviews were participants made aware of my religious background or affiliations with a megachurch. In fact, participants only learned of my religious background at the conclusion of the interview if they asked directly. This way, my relationship with the church did not influence the way respondents answered questions or their perception about the study. In addition, care was taken to ensure that survey and interview questions were asked that addressed only the theoretical questions asked in the study. In other words, questions were crafted in order to answer theory rather than to discuss faith-related ideas or theology. Although each of these steps were taken were done to reduce potential biases, there always remains biases in question ordering and wording. Care was taken to avoid leading questions or creating responses that skewed the analysis of findings in my research. No study is without these biases, however.

Organization of the Study

To systematically explore the research question of interest, this dissertation is divided into eight chapters. This first chapter has provided an overview of the study and its significance to the field of public administration. Chapter two reviews prior academic research on congregations and their involvement in faith-based economic development and it highlights the potential of megachurches to act with influence in this area.

Chapter three outlines the theoretical contribution of my research to the academic literature on nonprofit organizations and local economic development initiatives in communities. The assumptions associated with the two theoretical perspectives of interest in this study – the framework for nonprofit and voluntary action as outlined by Frumkin (2002) and extra-role behavior – are discussed in detail. Additionally, my research hypotheses will are clearly articulated and explained, along with the definition of the key concepts used in this study.

Chapter four outlines the mixed-methods approach of scientific inquiry used to provide insight into explanations for activities of megachurches and their role in economic development. This chapter includes an explanation of the sampled organizations, interview participants, along with discussion about chosen quantitative and qualitative approaches.

In chapter five, findings and discussion from the quantitative section of my research is provided. A presentation of descriptive statistics, correlations and limited multivariate regression analysis outlines the relationship of demand-side assumptions and megachurch involvement in economic development. A discussion of how these results align with the theoretical expectations is provided for in the hypotheses that are presented at the end of the chapter.

In chapter six, key themes emerging from participant interviews and summary information regarding megachurch participation is provided. The findings in this section examine whether megachurch participation in economic development activities are explained by the assumptions in the theory of extra-role behavior. A discussion of findings is provided in chapter seven.

Chapter eight provides a comprehensive discussion about future research as it relates to megachurches specifically and faith-based organizations broadly. Finally, a conclusion is offered to summarize the findings of my dissertation research and the implications of these for future theoretical and practical importance.

CHAPTER 2 – LITERATURE REVIEW

The issue of economic development is a salient one at all levels of government, especially the local level. Through a strong emphasis on economic development, municipalities have the ability to offer incentives for business development or relocation while simultaneously offering a unique basket of goods and services to attract or retain citizens (Tiebout, 1956). However, the economic development efforts to impact a locality or a region are not limited to the involvement of municipal or government leadership alone. In some instances, the nature of problems facing communities are multifaceted or described as “wicked” problems, which require a collaborative approach to crafting viable and sustainable solutions (Weber & Khademian, 2008). This means that local governments, alone, cannot sufficiently tackle issues facing the community, like economic development. Prior research demonstrates the ability of faith-based organizations (FBOs) to play a role in fostering economic development, yet this topic has received limited attention in the field of public administration.

Only within the last twenty-years have scholars viewed congregations as potential sources for economic development activities in urban communities (Choi 2010; Hackworth & Stein, 2012; Littlefield 2010; Reese 2000, 2004; Reese & Shields, 2000). A discussion of a few of these studies will show how research has developed and their implications for understanding the design of my own research.

Faith-Based Economic Development Defined

Reese and Shields (2000) conducted an investigation of congregations in the city of Detroit to test hypotheses regarding the characteristics of congregations that would make them more likely to participate in economic development activities. Using face-to-face interviews with pastors from 15 different places of worship located in distressed neighborhoods. Data collected from these interviews provided nine categories for faith-based economic development activities: 1) business operation; 2) training/job search; 3) day care/latch key; 4) generalized provision of social services, including training; 5) housing; 6) cultural development; 7) participation in community development corporations; 8) financial activities; and, 9) citizen support/relocation. The findings indicate that larger congregations with highly educated pastors located in areas with low-educational attainment were more likely to be involved with economic development activities.

Building upon research conducted by Reese and Shields (2000), Reese (2004) sought to address whether or not FBOs have a sufficient track records in economic development to serve as viable alternatives to government efforts. Moreover, she was interested in identifying characteristics of congregations that were more actively involved in economic development activities. Her research used data derived from telephone interviews with 183 congregations in Detroit through the Center for Urban Studies at Wayne State University. Rather than limiting the identification of economic development based on the categories outlined by previous research (Reese & Shields, 2000), Reese (2004) developed 12 categories for economic development using a method derived from the 1998 National Congregation Study. The National Congregations Study allowed respondents to identify activities they perceived as economic development, which allowed for a greater consideration of activities that researchers might not have otherwise considered as economic development. The 12 categories developed in Reese's (2004) study included : 1) adult education, 2) business development, 3) child care, 4) charitable activities, 5) health care provision, 6) housing, 7) investment activity, 8) job training, 9) joint activities with neighborhood groups, 10) financial services, 11) schools, and 12) youth activities. While a description of all 12 activities was provided, Reese subsequently identified six activities that were seen as clearly connected to economic activity. These include: 1) business development, 2) housing, 3) investment, 4) job training, 5) joint development, and 6) financial services. It is through this list of activities and services that Reese conceptualized her subset of activities that constituted faith-based economic development.

When assessing the activities of the congregations in her sample, congregations with the following characteristics were most likely to engage in economic development activities: larger organizations with high membership, those with higher weekly attendance, and pledging units; larger clerical and lay staff members; congregations whose members come primarily from the immediate neighborhood surrounding the church; and congregations that receive a greater amount of government grants to administer economic development activities. Overall, denomination was not a predictor of faith-based economic development activities, as very few of the congregations actually engaged in these economic development activities. This research begs the question of whether faith-based organizations are even likely to be significant partners with the government in generating economic development.

As these studies have shown, the concept of faith-based economic development has not been comprehensively defined. Rather, researchers have identified specific activities undertaken by congregations that are seen to be related to activities connected to economic development. These categories have been as established by researchers and from activities identified by congregational leadership in the samples selected.

Racial Elements of Faith-Based Economic Development

A prevalent theme in research regarding congregations and their participation in economic development activities includes analyses of the racial composition of the congregation. Findings from various scholars indicate that predominately African-American congregations have been more active than congregations who are led by or whose membership composition is from other racial categories. Moreover, African-American congregations were more likely to participate in certain types of economic development activities more so than other congregations whose membership were not predominately African-American.

For example, in studying the impact of FBOs on service to low-income communities in Marion County, Littlefield (2010) found that race played a significant role in the types of services offered. The primary research question in her study was: What is the role and impact of FBOs in community empowerment? Here the author specifically examined economic activities offered by FBOs to consider the representation of community empowerment. She found that African-American organizations are more likely to offer economic activities such as employment services, job training, business development and assistance, credit repair, financial classes, and counseling than were white organizations.

Littlefield (Ibid) argues that understanding the role of FBOs and their participation in economic activities has been overlooked in academic research: “This is a category that has been neglected in studies describing congregational activities and is a gap in the literature describing these specific activities” (p. 1022). Rather than grouping all congregational social services into one broad category, the author categorized the type of activities into health, education and economic activities. Littlefield called for more research focusing on the economic activities of congregations, especially those offered by African-American congregations to better identify ways for lower-income and dis-empowered groups of citizens to facilitate upward mobility.

In the case of African-American congregations, there has been a noted history of their involvement in economic and community development activities (Lincoln & Mamiya, 1990; Moore, 2011). African-American congregations have largely been viewed as safe-havens for blacks seeking to insulate themselves from the racial oppression and systemic discrimination that has impacted this racial group throughout much of American history. From the devastating impact of slavery to mobilization efforts to champion civil rights in the 1960s, predominately African-American congregations have been seen as significant players in reducing barriers to education and employment to assist their members in overcoming historical practices that have perpetuated disparities. Such efforts are still needed to address present-day challenges.

However, African-Americans are not the only racial/ethnic group interested in using faith-based organizations to improve economic conditions. Choi (2010) was interested in understanding the relationship between religious institutions and ethnic entrepreneurship in inner-city ethnic communities in a study of the Koreatown area of Los Angeles, a city in which 7,000 businesses are Korean-owned.

The author found that religious institutions were playing an important role in encouraging ethnic entrepreneurship, which is important to the economic stability and the development of a community. The author found that Korean churches played important roles for networking and information sharing that facilitated business development. Policy implications that were drawn from the study included the proposition that developing partnerships with religions organizations could be a more effective means of encouraging small business development. Whether the same results are present in other ethnic communities or are better explained by variations in the Korean culture, or among the cultures of other minority groups will require additional research.

Thus far, research regarding economic development associated with faith-based organizations has demonstrated that the racial composition of the congregation has implications for the level of involvement in economic development and the types of activities congregations engage in.

Local Government Encouragement of Faith-Based Economic Development

Limited research attention has been directed at how local governments actually rely on and/or encourage FBO participation in economic development. Hackworth & Stein (2012) sought to understand the prevalence of places of worship in areas reserved as employment districts which typically discouraged placement of religious institutions. Their research showed that the number of places of worship has grown by more than 300% in the last 20 years in inner-suburban employment districts located in Toronto (p. 38). The authors argue that classical secularization theory, which indicates an incompatibility between economic growth and religiosity, simplifies a complex reality. In understanding this reality, religion was shown to be influential in the development of local communities, and in fact, governments have relied on communities of faith for economic development. The City of Toronto has specific provisions to protect employment districts to maximize business development opportunities and increase the local tax base. Special approval must be given to change employment districts into use for non-employment areas. In the 1990s, regulations began to be relaxed for non-employment uses of land in employment areas, prompting the growth of places of worship.

These scholars also found that the location of religious places of worship is often the result of a political and economic acts. Locating places of worship requires persistence on the part of the religious organizations. Secondly, they found that the most recently founded places of worship in Toronto were being led by new immigrant populations. These were sometimes viewed as a possible “threat” to economic development in their potential locations. For example, rather than using land for new employers who could add to the tax based and increase employment options, land would be used by places of worship receiving tax exemptions. Additionally, however, a concern raised in this study was that beneath the surface were questions surrounding which places of worship were being denied the opportunity to locate in employment districts. Case studies demonstrated that the decision to deny location could be attributed to racism or uncertainty about immigrant populations that could challenge existing political coalitions based on their location in these employment districts. Political dynamics, equality among religious traditions in a multicultural community and the impact of local economic development policy are legitimate concerns considering the intersection between economic development and the populations served by faith-based organizations. Thus, similar issues could arise in large cities growing in cultural diversity in the United States as well.

A Comprehensive Picture of Faith-Based Organizations and Economic Development

From existing studies we find a few key themes. First, a uniform definition of faith-based economic development has not been agreed upon in the literature. However, scholars have identified subsets of activities to conceptualize faith-based economic development. These subsets are shown below (Figure 2.1):

- Adult Education (Reese, 2004)
- Business Operation/Development (Reese &Shields, 2000; Reese, 2004)**
- Charitable Activities (Reese, 2004)
- Citizen Support/Relocation (Reese &Shields, 2000)
- Cultural Development (Reese &Shields, 2000)
- Day Care/Latch Key (Reese &Shields, 2000; Reese, 2004)
- Financial Services (Reese &Shields, 2000; Reese, 2004)**
- Generalized Provision of Social Services, including training (Reese &Shields, 2000)
- Health Care Provision (Reese, 2004)
- Housing (Reese &Shields, 2000; Reese, 2004)**
- Investment Activities (Reese, 2004)**
- Joint Activities with Neighborhood Groups (Reese, 2004)**
- Participation in Community Development Corporations (Reese &Shields, 2000)
- Schools (Reese, 2004)
- Training/Job Search (Reese &Shields, 2000; Reese, 2004)**
- Youth Activities (Reese, 2004)

Figure 2.1 – Faith-Based Economic Development Activities
*** Activities as are identified as economic development in multiple research projects.*

Secondly, it is observed that organizational capacity has had some bearing on the ability of congregations to participate in economic development activities. Key organizational variables that increased the likelihood of a congregation participating in economic development activities include: larger organizations with high membership, those with higher weekly attendance and pledging units; larger clerical and lay staff members; congregations whose members come primarily from the immediate neighborhood surrounding the church; and congregations that receive a greater amount of government grants to administer economic development activities. Similarly, Hackworth & Stein (2012) also note a congregation's ability to navigate local government politics in a strategic manner as a needed capacity. My research considers the impact of each of these organizational capacities as a contributor to understanding a congregation's participation in economic development activities.

Finally, scholars have studied race and participation in economic development. Littlefield (2010) found that African-American congregations were more likely to participate in economic-related activities than predominately white congregations. Choi (2010) found that the social capital of congregations in Korean communities was a strong influence on the creation of small businesses. Hackworth & Stein (2012) provided warnings that the racial or ethnic composition of a congregation could influence the zoning policy decisions of local governments in relation to the allocation of worship space for congregations. Their study highlighted how zoning policies adversely affected religions of immigrant populations that were perceived as a threat to the religious landscape or existing political climate. In a testimony given before the Senate Judiciary Committee from a representative from the American Jewish Committee, concerns that government tends to prefer mainstream religious organizations over those considered to be a threat or those engaging a smaller subset of the faith-community was likewise found (Kennedy &

Bielefeld, 2002, p. 7). My research includes a consideration of the racial demographics of congregations to understand if the racial composition of the congregation and clergy is associated with the level of commitment a congregation has to participate in economic development activities.

What is a megachurch?

A megachurch is defined as a congregation with 2,000 or more people in attendance on a weekly basis. It is a segment of FBOs that has grown exponentially over the last 30 years (Thumma & Bird, 2009). The number of megachurches in the U.S. doubled from 2000 to 2005. In 2005, there were 1,310 megachurches in the United States comprising membership of more than 4.5 million Americans (Warf & Winsberg, 2010). As of 2011, there were 1,611 megachurches in the United States engaging nearly 6 million members or attendees (Thumma & Bird, 2011)

Karnes et al. (2007) highlight the possibility of megachurches to "alter the social, economic and political circumstances of the communities in which they reside" (p. 261). In a study of 437 megachurches, these researchers found that megachurches are located in, or near, highly populated areas with highly-educated and relatively wealthy citizens. Additionally, they tend to attract a relatively young population with a high level of professional skills.

While the study of Karnes et al. (2007) provided insight on the geographical locations of megachurches, Thumma and Bird (2008) sought to understand the demographics, religious backgrounds, level of involvement, and motivations for attending or joining megachurches of 29,000 megachurch attendees from twelve megachurches across the United States. Their national study of megachurch attendees revealed that members are typically more affluent, more educated and younger than attendees at smaller, more traditional congregations. A major difference between megachurches attendees and members in traditional churches can be found in marital status and age. Thirty-one percent (31%) of megachurch members are single, unmarried people, compared to just ten percent (10%) of members in traditional congregations (Thumma & Bird, 2008). Additionally, 18-44 year-olds, who are largely absent from the traditional congregations' membership rolls account for more than sixty-percent (60%) of the population in megachurches.

Implications of congregation size and community involvement

Larger FBOs are proven to provide a wider array of social services and have a greater capacity for collaborations with government and other secular organizations (Chaves and Tsitsos 2001). Owens and Smith (2005) indicate that "congregation income is the strongest predictor of congregations providing social services, especially across a range of program areas" (p. 332). These studies considered churches of all sizes in their samples and this previous research seems to support the idea that megachurches would be attractive partners for government to offer more social service programs. Also as partners they could provide positive outcomes in economic development.

Additionally, staff in smaller congregational organizations have cited various barriers to participating in government supported initiatives. For example, the lack of staff to oversee programs and an inability to handle administrative and reporting requirements that come along with government funding are reasons why. These finding were reported in the study of FBOs in the Houston area that collaboratively worked with other faith-based organizations to achieve social service delivery that was supported by government funding (Pipes & Ebaugh, 2002). If size matters, these barriers should be reduced and partnerships could be more manageable for megachurches, due to their larger staff sizes and the more professionally educated personnel within them (Warf & Winsberg, 2010).

Many FBOs view the complexities of funding processes to be a deterrent to participating in federally-funded faith-based initiatives (Clerkin & Gronjberg, 2007; Pipes & Ebaugh, 2002; Smith & Sosin, 2001). However, larger FBOs are likely to be able to rely less on government funding since they receive revenue from within their institutions. They also have the ability to be less threatened about losing their religious freedom due to a lack of reliance on government funding. Although megachurches likely have more capacity and ability to collaborate with government due to their financial independence, theories of resource dependency would suggest that megachurches as larger, more self-reliant organizations have little incentive to so do. To the extent that this demotivates, governments as a whole may be missing out on securing important partners in economic development and community development.

The rise of the megachurch is not only viewed in positive terms, but has also been controversial. There has been considerable discussion about the loss of valuable land that could be used for development and revenue that could be generated from tax dollars due to the geographical locations of religious organizations, which are deemed tax-exempt organizations. Some argue that religious organizations of all sizes should not be exempt from paying property taxes. In *Walz v. Tax Commission of the City of New York (1970)*, for example, the U.S. Supreme court heard the argument that because churches were exempt from paying property taxes, it shifted the burden to taxpayers. This, it was argued, constituted a violation of the Establishment Clause of the First Amendment—in essence, forcing taxpayers to subsidize religion. The Supreme Court ruled that religious tax exemptions did not constitute an establishment of religion and based part of their argument on the rationale that religious and public welfare activities are interconnected and there are public benefits extended to society that contribute to American pluralism (Daly & Walz, 1983, p. 50).

Another core issue in property tax exemptions has to do with the purposes for which church property is used. Although the ruling in *Walz* demonstrated the reluctance of the U.S. Supreme Court to impose tax obligations on church activities, the case of *Diffenderfer v. Central Baptist Church - 404 U.S. 412 (1972)*, shows that religious tax exemptions do not include blanket exemptions. In this case, even though the Court found that the church's parking lots were used for religious purposes, they ruled that this property could be lawfully taxed since parking for unrelated activities constituted the primary use of the lots.

Although these cases show that the U.S. Supreme Court has been clear in upholding separation of church and state, the sheer size of megachurches and the scope of their activities raise concerns about revenue and the transparency of church activities. To address mounting concerns regarding transparency of religious organizations and their financial activities, the Evangelical Council for Financial Accountability (ECFA) exists as an accrediting body to help Christian ministries earn the public's trust through adherence to Seven Standards of Responsible Stewardship™ (ECFA website, 2012). These standards include a focus on board governance, financial transparency, integrity in fundraising, and the proper use of charity resources. These efforts to self-police are timely for all congregations as an overall trend is for government to be more proactive in its oversight of the nonprofit sector. The media and the public are more sensitive to tax exemptions and the implications of shifting tax burdens. Large universities and hospitals are also being asked to demonstrate their charitable contributions due to their large budgets, complex operations and high salaries for executive leadership (Kearns, 2013: pp. 265-68). Payments in lieu of taxes (PILOTS) are popular in some areas (Kenyon & Langley, 2010; LeReoux, 2012). Although at present, only a few states have implemented PILOTS but the trend is moving upward. States and localities may differ in their approaches, but it is clear that governments at all levels are paying closer attention to the implications of their property tax exemptions.

Megachurches, as religious entities, are unlikely to face a loss of their tax exempt status or become the primary target for government oversight. Nonetheless, trends suggest that more questions will be asked of nonprofits of all types rather than fewer. Accountability and transparency are the watchwords as activities of all types come under scrutiny. Distinctions between charitable purposes, entrepreneurial ventures, and unrelated business activities will all need to be carefully explained. Large entities, in particular, are likely to be asked to account for, and to quantitatively demonstrate their charitable community contributions. These trends are of present and future importance for megachurches and for local governments as they seek to balance budgets, encourage economic growth, and also respect religious freedoms and activities.

Considering the rise of megachurches, more research is needed to understand their activities and more specifically the motivation behind their decisions to act in certain arenas. If megachurches are indeed active in the area of economic development, their participation could yield improvements in the economic condition of segments of the population in need of support. Such efforts will need to expand beyond their typically affluent membership, however. This may be especially promising given the historical involvement of the black church in economic and community development activities (Lincoln & Mamiya 1990; Moore 2011), and involvement of the church in advocacy for African-American citizens who have experienced discrimination and a lack of opportunities in the inner-city (Porter 1997). African-American congregations have provided job training, served as a unifying point for political participation and are viewed as reliable community partners through the social capital created in communities after decades of involvement (Harris, 2001). If predominately African-American megachurches are motivated to act, they could be important players in serving economically disadvantaged groups due to their greater capacities and the influence associated with such sizable institutions.

Religious organizations have historically provided services during difficult economic times and dramatic social changes, as demonstrated in the rise of services provided after the reduction of federal services during Reagan era (Wineburg, 1992). Considering the current global financial crises and economic uncertainty in the United States, the importance of understanding the roles of FBOs in their communities and beyond is of growing concern. Moreover, as government targets FBOs through legislative efforts, understanding how megachurches are involved in economic development activities could provide guidance for public policymakers to engage the organizations that have a higher probability of achieving policy objectives. To the extent that such local ordinances have the impact of encouraging or discouraging participation by denomination or racial/ethnic characteristics, however, raises reason for concern.

CHAPTER 3 – THEORETICAL FRAMEWORK AND HYPOTHESES

In 2012 and 2013, I conducted a preliminary study with Dr. Lisa Dicke to learn more about the actions of megachurches in economic development activities. After surveying megachurches in the Dallas-Fort Worth and Houston-Sugarland-Baytown Metropolitan Statistical Areas, results demonstrated that 88% of the responding congregations (N=18), offered at least one service or activity of the type identified as economic development using a list created by Reese (2004). But why do megachurches offer these services and who benefits when they do? Understanding the answers to these questions requires a consideration of theory that could serve to explain these organizational decisions.

Resource Dependency, an Explanations for Organizational Decisions

One explanation for nonprofit or faith-based organizations to make decisions to act in collaboration with government for the provision of local services include resource dependency theories. Resource dependency theories argue that in order to sustain operations or expand influence, organizations focus on acquiring resources from the external environment to bolster their ability to remain viable (Pfeffer & Salancik, 1978). Thus, an organization will partner as a means of sustaining operations and to gain access to resources available through other organizations. This argument would suggest that megachurches would choose to participate in economic development activities as a means of remaining viable in order to gain resources.

The deficiency of relying on this perspective in understanding the actions of megachurches, however, is that they are typically not resource dependent. The capital (human, social and financial) possessed by megachurches is significant. According to a 2011 assessment of megachurches in the United States, these congregations average 3,597 people in attendance with an average growth of 8% per year since 2006 (Bird & Thumma, 2011). Based on the same report, only 6% indicated that their congregation was experiencing financial stress, and 46% of responding congregations are able to hold services in multiple locations. These organizations have access to the material and social resources that enable them to sustain operations without a dire need to look outside of the organization to acquire the resources needed for their viability.

Investigating Theoretical Understanding for Megachurch Activities in Economic Development

This study considers two alternative theoretical perspectives for understanding megachurch participation in economic development activities. In the sections that follow, I will outline the assumptions of each of these perspectives, followed by an explanation for why they are considered in my research.

Supply and Demand

One set of theoretical explanations is illustrated by Frumkin's (2002) framework for understanding the nature of the variety of organizations in the nonprofit and voluntary sector. Scholars have discussed the nonprofit sector as "something" different that can be compared to public or for-profit organizations, or as a sector that exists to supplement the deficiencies (failures) of public and for-profit organizations (Weisbrod, 1977; Douglas, 1983; Salamon, 1987; and Young, 1991). These failure theory perspectives are rooted in economic and political explanations that offer a limited view of the nonprofit sector. In 2002, Frumkin provided a broad framework for understanding the organizations in nonprofit sector that draws together a variety of perspectives taken from existing theories. Frumkin's work highlights the tensions that exists within nonprofit research by synthesizing major strands of theory.

To understand the nature of the nonprofit sector, Frumkin identifies four functions for understanding nonprofit and voluntary action. The functions include supply, demand, and instrumental and expressive rationales (Figure 3.1).

	Demand-side Orientation	*Supply-side Orientation*
Instrumental Rationale	Service Delivery	Social Entrepreneurship
Expressive Rationale	Civic and Political Participation	Values and Faith

Figure 3.1: Frumkin (2002) Four Functions of Nonprofit and Voluntary Action (p. 25)

The instrumental rationale for nonprofit action explains the sector as one that is based on its ability to facilitate action including service or the desires of entrepreneurs. The expressive rationale explains the existence of nonprofits to enable the expression of public values such democracy, advocacy, charity and philanthropy. The demand-side orientation argues that nonprofits exist to meet community demands. This orientation has both a descriptive and a normative element. The descriptive element explains the formation and growth of the sector responds to meet the need of the communities in which they are located, and the normative element suggests that nonprofits *should* meet the needs of the most vulnerable. This includes the poor, marginalized groups and those vulnerable populations who may not otherwise have a vehicle for expression. The supply-side orientation explains the existence of the nonprofit sector based on the energy and resources that flow into it via donors, staff and volunteers. The descriptive element here seeks to explain the actions and formation of nonprofits. Supply-side motivations provide a vehicle for social entrepreneurs with a passion to perform and those who give time and money to support their interest through organizations in the nonprofit sector. The normative element indicates the importance of play, vision, freedom to act and freedom of expression. The nonprofit expressive side emphasizes that nonprofit action need not fill a gap in service delivery alone (demand), but that these organizations allow the expression of the values and belief systems that motivate the actors in the sector to make an impact through nonprofit sector. The ability to incorporate the values and beliefs of actors in the purpose of the values and faith function of the nonprofit sector. This is where faith-based organizations, like congregations, are housed and understood. This emphasizes that the means (the method used to meet needs) are just as important as the ends (meeting needs). Thus, religious organizations enable individuals to express values while also addressing needs.

The use of the terms “demand”-side and “supply”-side in Frumkin’s framework are not to be confused with the usage of the terms in economics, economic growth or macroeconomics. Frumkin’s demand-side orientation focuses on exogenous, or external, factors that motivate a nonprofit organization to form or to provide a service. For example, social indicators such as poverty rates, education levels, or employment data represent unmet needs and tend to motivate nonprofits to offer services to those with the greatest needs. Thus, action is facilitated by an assessment or recognition of the needs of the surrounding community. The supply-side orientation focuses on endogenous, or internal, factors that would motivate a nonprofit to form or to act. Thus, the supply-side argument suggests that nonprofits act because of the passion, priorities and preferences of those who would form or be affiliated with a nonprofit. This may include the desires and preferences of founders, volunteers, clients, donors, or the staff members running the organization.

Within these four elements, the basic functions of the sector can be explained. The instrumental/demand function of the sector is service delivery and it helps to explain the growth of the sector and government’s interest and reliance on nonprofit organizations for the provision of social services. The instrumental/supply function of the sector is social entrepreneurialism. This reflects the importance of having an outlet for individuals who have a desire to express their values by creating innovative solutions to demands for service. This can be seen in nonprofit action that is self-sustaining financially. Civic and political participation is the expressive/demand function of the sector, which happens as a result of donors, volunteers or staff having a passion about solving a particular social problem. Thus, the advocacy role serves as a means of drawing attention to important issues and facilitating action toward meeting needs within that issue group. Finally, faith and values is represents the expressive/supply function of the nonprofit sector which enables donors, staff and volunteers to express their values. The expressive/supply function allows those in congregations and religious organizations to express their faith values and congregate with like-minded followers. These organizations receive the largest gifts of volunteer time and donations from individuals over any other category of nonprofit and voluntary action (citation).

The illumination of these four functions consolidates some of the existing research and offers new ways of exploration. These will be discussed shortly as they relate to the design of my study.

Extra-Role Behavior

A second perspective that can be tested to understand why megachurches participate in economic development activities come from theories of organizational citizenship. The concept of extra-role behavior (ERB) can be traced back to the seminal work of Katz & Kahn (1966) in The Social Psychology of Organizations. In this book, ERB is defined as those tasks performed by employees that exceed formal job requirements (p. 337). Their argument included that such behavior was beneficial to organizations and should be encouraged. Extra-role behavior has also been defined as *"behavior that attempts to benefit the organization and goes beyond existing role expectations"* (Organ et al., 2006, p. 33). By voluntarily taking on extra roles, individual employees derive personal and professional benefits. The idea behind ERB, is that employee behavior yields important consequences in the workplace that contributes to greater organizational effectiveness.

Fundamental to understanding the significance of ERB is distinguishing between in-role and extra-role behaviors. In-role behaviors are expected behaviors and actions identified in formal job requirements. These behaviors are typically measured through performance evaluations and result in sanctions or rewards based on the employee's performance. Extra-role behavior, conversely, is voluntary in nature and not subject to the sanctions or rewards that are connected to formal job requirements (Dyne & LePine 1998). There are two competing explanations offered for why individuals exhibit extra-role behavior: 1) a sense of obligation or responsibility, and 2) self-interest. The assumptions of both of these explanations are discussed in the following sections.

Sense of obligation or responsibility

Two of the primary explanations for adopting ERB are related to reciprocity or altruistic motives and ethical concerns. According to these explanations, individuals adopt ERB on the basis of reciprocity, or as a desire to improve the welfare of others.

Reciprocity references an individual's desire to help another person because he or she has been assisted in a similar fashion by someone else. Reciprocity is a norm that is cultivated in groups over time that seeks to benefit the collective by transcending individualistic orientations. In a study of 152 employee-supervisor dyad work groups, for example, Deckop et al., (2003), found that reciprocity was positively associated with helping behaviors of employees. Helping behaviors, which are a subset of ERBs, are associated with promoting interpersonal unity among coworkers and assisting with problem-solving. While this is beneficial for the individual and the organization, Deckop et al. (2003) also discovered a dark-side to reciprocity in that it can discourage helping others who have not been helpful in the past. This could be harmful to organizational productivity in the long-run or promote unintended organizational politics that could be barriers to promoting a healthy organizational culture.

Second, when performing ERB because of a sense of obligation or responsibility, an individual may do so altruistically to improve the welfare of others. This is unique, somewhat, from the issue of reciprocity in that the individual is not expecting anything in return for performing helping behaviors. Essential to the concept of prosocial organizational behavior, which informs ERB from this perspective, is the sincere interest in the welfare of others (Brief & Motowidlo, 1986). Thus, a desire to improve the welfare of another through assistance with problem-solving, task management and assimilating one into the organizational culture are important. In participating in extra-roles under this assumption, organizations reap the benefits of a more productive workforce while also cultivating trust among employees.

Self-Interest

In contrast to altruism is the argument that ERB is motivated by self-interest. Based on this line of research, scholars argue that individuals adopting extra-role behaviors out of self-interest do so for three reasons: 1) to gain advantage or competitive edge; 2) to conform to behaviors expected by management; or 3) to maintain resources.

In reference to gaining an advantage or competitive edge, Schaubroek and Ganster (1991) indicated that ERB could be explained by studying whether or not competition was an antecedent. Their study sought to identify factors that influenced ERB of members in voluntary organizations by analyzing 21 college students' decisions to participate in a telethon on behalf of their student organizations. The scholars concluded that, "Consciously or otherwise, workers may compete with their co-workers to be greater contributors to organizational success" (p. 581).

Rather than pursuing ERB out of altruism, demonstrating ERB allows an employee to stand out among peers. Ferris et al. (1995) also found that employees engage in ERB as an impression management technique largely motivated by organizational politics and competition.

Similarly, when individuals think or perceive ERB to be a managerial expectation, they are likely to adopt extra-roles. This is closely aligned with competition because one of the motivations for gaining a competitive advantage is being noticed by one's supervisor. This underscores the importance of the informal nature of organizations, because by definition ERB is not rewarded or sanctioned by management. However, scholars have noted that participation in ERBs is associated with higher ratings on employee performance evaluations by supervisors (Bateman & Organ, 1983) and provides a favorable view to management of an employee's contributions to an organization (Bolino, 1999). Impression management, again, is a tool or motivation for participation in ERB.

Finally, the desire to maintain resources is another assumption of self-interested behavior. This is demonstrated by a desire to maintain a level of compensation, position within the organization or simply to maintain employment. By engaging in ERB, individuals can maintain financial resources and status within an organization.

In summary, the literature demonstrates that ERB is adopted for two competing reasons: 1) a sense of obligation or responsibility or 2) self-interest. If ERB is motivated by a sense of obligation or responsibility, the behavior is adopted based on the norm of reciprocity or to improve the welfare of another person. Conversely, if ERB is motivated by self-interest, the behavior can be used as a means of gaining competitive advantage over co-workers. Additionally, ERB can be adopted because it is expected by one's supervisor, and is then used as a means to maintain resources such a compensation, position or employment

Connecting the Framework Offered by Frumkin and ERB for New Theoretical Insight

Frumkin's framework is helpful in the field of nonprofit management as a parsimonious way of understanding the nonprofit sector. However, the purpose of the framework was to consolidate various theoretical perspectives to articulate the purpose and function of the voluntary organizations in the nonprofit sector. My research will test the assumptions embedded in Frumkin's framework to help explain the activities of megachurches in economic development.

Existing scholarship on congregational behavior focuses significantly on demand-side motivations, indicating that congregations act in response to needs in the community. My research systematically studies megachurches to determine if these congregations are participating in economic development based on both demand-side and supply-side explanations. The inclusion of the supply-side orientation is new and seeks to understand the "experience of those funding and delivering these services," in addition to making an assessment based on client needs (Frumkin, 2002, p. 26). My research seeks to understand one aspect of nonprofit action (the economic development activities of megachurches) from the perspective of those offering the services, as well as considering needs and those benefitting from their services. Supply-side motivation for congregations involved in economic development activities would theorize the following assertions: 1) congregations are involved with economic development because members or staff value the offering of economic development activities, and 2) congregations are involved with economic development to encourage continued support to the church by members or staff who value economic development programs.

Thus, my research will contribute to understanding the influence of demand-side and supply-side indicators to understand nonprofit action, in this case the motivation for megachurches to act in economic development. However, this use of Frumkin's framework

(2002) alone is insufficient. Embedded in the demand and supply-side assumptions of Frumkin's model are also community expectations.

The demand-side orientation suggests that nonprofits act in response to needs in the community, but who determines need in the community? Is need based on social indicators alone or does the community itself have expectations that nonprofits, in this case a megachurch, should engage in meeting the needs of those surrounding or nearby to the locations of the organization? Frumkin's model does not explicitly consider any particular community expectations, but it is implied because the normative demand-side orientation in the framework indicates that nonprofits should (or are expected to) meet the needs of the most vulnerable and destitute members of the community. The normative statement of "should" implies expectations. Thus, my research investigates whether community expectations could have influence on a megachurch's decision to participate in economic development.

Similarly, the supply-side orientation of Frumkin's framework implies the fulfillment of contributor (members and staff) expectations as a means of sustaining the organization, and encouraging the continuation of the input of the financial and human resources needed to fuel organizational action. However, Frumkin's model does not directly test these expectations nor the impact of them on a nonprofit's decision to act.

In this research, I investigate whether the expectations of the community (demand-side) or contributors (supply-side) are identified as having an impact on a congregation's decision to offer a service not traditionally offered by congregations.

As noted earlier, ERB explains the decision of individuals to perform actions that are outside of those identified in formal job descriptions. These also benefit an organization. The main assumptions of extra-role behavior rest on the notions that an individual either acts out of a sense of obligation or responsibility or out of self-interest. My research expands the theoretical contribution of ERB by translating it from the individual as the unit of analysis, to looking at the organization as the unit of analysis.

Figure 3.2 provides a summary of how assumptions of ERB can be translated from the individual level of analysis to the organizational level. For individual employees, extra-role behaviors is identified by assessing their participation in tasks that transcend formal job descriptions. For organizations, extra-role behavior is identified when the organization participates in activities outside of the organizational mission, written constitution, by-laws, or the public's expectations. These activities may be viewed positively or negatively by others but the actions performed go beyond the general expectations or duties typically expected of the organization.

Obligation/Sense of Responsibility		**Self-Interest**	
Individual	**Organization**	**Individual**	**Organization**
Reciprocity *(Deckop et al., 2003)*	Reciprocity	Gain advantage/competitive edge *(Schaubroeck & Ganster, 1991)*	Appearance, prestige
Improve welfare of another person *(Brief & Motowildo, 1986)*	Improve welfare of community	Expected by management	Expected by community
		Maintain resources	Maintain resources

Figure 3.2: Theoretical Linkage for Adopting Extra-Role Behaviors at the Individual and Organizational Levels

Importance of using extra-role behavior to understand organizational decision-making

By using extra-role behavior as a means of understanding organizational behavior, the academic contribution of my research serves two purposes: 1) to gain insight on organizational decisions to act in ways that extend beyond the primarily role of the organization, and 2) to intentionally consider how expectations influence action in one type of large nonprofit organization.

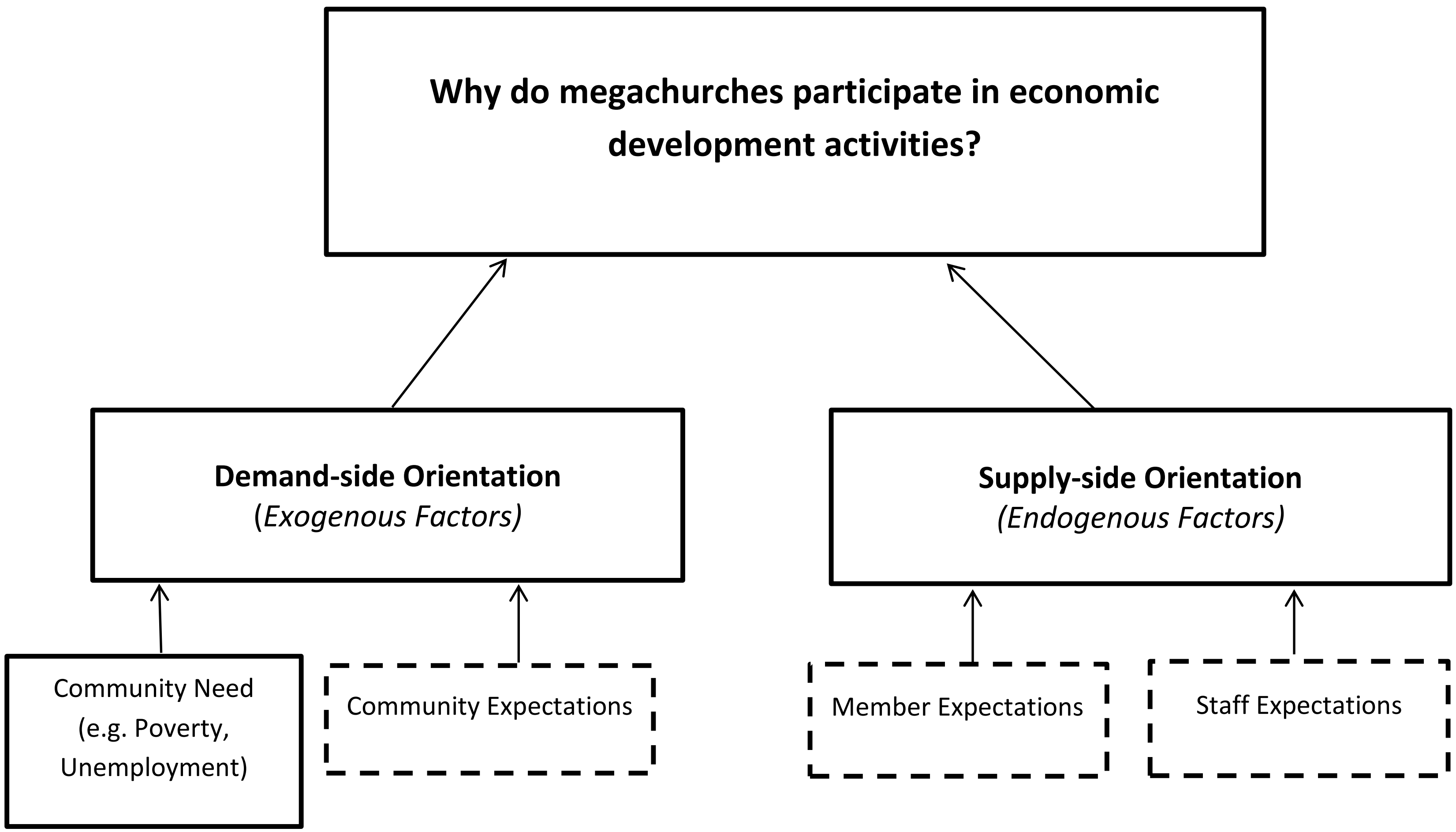
First, by moving ERB from the individual level of analysis to the organizational level, we can gain insight about why organizations act in non-mission related activities. This is important as nonprofit organizations are widely-known to operate based on mission. A benefit of nonprofit organizations is their ability to focus on a singular issue or have a targeted focus. This idea of philanthropic particularism (Salamon, 1987), references the nonprofit organizations ability to be mission-focused in contrast to government which is focused on programs and initiatives that impact the majority of citizens. It is important, then, to consider perspectives that explain why an organization would operate outside of their primary mission. If the primary mission justifies the existence of these types of organizations, it is important to consider factors that would explain their decisions to act differently as this action could yield potential consequences regarding how these entities are regulated by the government. Change in activities, could result in a change of mission, taxation on non-mission related activities or even a nonprofit losing tax-exemption status or suffering from a public perception crises if ancillary activities crowd out the work the organization has stated as their primary mission.

Second, by using assumptions of ERB in understanding organizational decision-making, we are able to consider the impact of expectations on nonprofit action. Nonprofits are socially-constructed institutions that are impacted by public perception. From criticisms of high executive pay for nonprofit leaders, to concerns about spending on advertising and marketing materials, to criticism of wealthy nonprofits receiving tax-deductions, there are numerous examples of public expectations toward nonprofit action. If nonprofits perceive expectations from supporters internally or externally as having bearing on the credibility of their organizations, they may choose to accommodate those expectations in order sustain themselves and secure resources needed to operate. For example, society expects congregations to be open to newcomers and comforting to those in need. This image then creates conditions under which the congregation takes a risk if it does not behave accordingly. Although society cannot compel the congregation to be open and comforting, the perception of the organization by the public is likely to be negative if it does not conform to these expectations. The inclusion of ERB assumptions allows for the testing of these expectations to see if they have an impact of a nonprofit's decision to act in ways that are outside of or go beyond its primary mission.

Do assumptions of extra-role behavior explain the phenomenon of megachurch participation in economic development? Do megachurches participate in economic development activities out of self-interest or a sense of obligation? Connections can be seen between the supply-side orientation of Frumkin's model and the assumption of self-interest in ERB. If a congregation meets the expectations of members, then the congregation can continue to count on support from contributors for these programs.

Conversely, connections between the demand-side orientation of Frumkin's model and the assumptions of obligation/responsibility in ERB can be observed as well. A congregation may offer economic development to improve the condition of the poor/financially destitute because this type of action is expected by the community. Figure 3.4 provides a visual demonstration of the theoretical assumptions tested in my research.

Figure 3.4 – Theoretical Assumptions Tested in My Research



The solid lines indicate theory embedded in Frumkin's framework (2002) and the dotted lines demonstrates the assumptions of extra-role behavior that expand the perspective provided in Frumkin's framework.

Propositions/Hypotheses

To test demand-side and supply-side arguments from Frumkin's framework (2002) and explanations from extra-role behavior, three propositions are offered in this study with two testable hypotheses. Each of these propositions and hypotheses are explained in this section.

Proposition 1: Megachurches participate in economic development activities because of demand-side explanations.

The demand-side orientation of Frumkin's framework (2002) is based on assumptions that argue that megachurches would be motivated to act in the area of economic development in response to unmet needs in the surrounding community. To test this proposition, the following hypotheses are offered:

Hypothesis 1: A higher poverty rate is positively associated with megachurches offering economic development activities.

Hypothesis 2: A higher unemployment rate is positively associated with megachurches offering economic development activities.

The rationale here is that areas with high poverty and high unemployment indicate a demand for economic development services like financial management, credit/debt repair, etc. Additionally, the poverty rate in of the area surrounding the megachurch serves as an indicator requiring the church's commitment to help the most vulnerable and destitute members of the community. Including poverty and unemployment rates can test the congregation's commitment to helping those marginalized due to socioeconomic status. The severity of poverty and unemployment in the surrounding community should increase a megachurch's commitment to helping marginalized groups improve their economic condition if demand-side assumptions explain their economic development activities.

Proposition 2: Megachurches participate in economic development because they are obligated or feel a sense of responsibility to do so by the community.

This proposition aligns with Frumkin's framework (2002) demand-side argument that nonprofits act to meet community needs because of community pressure. It also combines with the assumption of extra-role behavior that organizations offer economic development activities based on a sense of obligation. This proposition is explored using qualitative methods to provide answers to the following questions:

1) Do staff perceptions about community needs influence a megachurch to offer economic development activities/programs?
2) What role do community expectations play in motivating a megachurch to offer economic development activities/programs?

If a megachurch senses pressure from the community to offer economic development activities, or feels a sense of responsibility to meet external needs, they are acting ways consistent with demand-side explanations. Fundamental to this hypothesis is the perception of external rather than internal pressure to meet a need.

Proposition 3: Megachurches participate in economic development because of supply-side explanations.

The supply-side orientation of Frumkin's framework (2002) supply-side orientation indicates that megachurches offer economic development in response to the values and goals of its contributors (members and staff). This perspective also intersects with assumptions of extra-role behavior, which would argue that organizations take on extra-roles due to self-interest. This explanation suggests that it would be in the best interest of megachurches to offer programs that contributors are passionate about as a means of retaining their support and participation. This proposition is explored using qualitative methods to provide answers to the following questions:

1) What role do staff expectations play in motivating a megachurch to offer economic development activities/programs?
2) What role do member expectations play in motivating a megachurch to offer economic development activities/programs?

The next chapter outlines the research design of my study.

CHAPTER 4 – RESEARCH DESIGN

The research design for this study uses a mixed-method approach based on online survey and telephone interview data collected from megachurches in two metropolitan statistical areas (MSAs) in the state of Texas. This includes two phases of research conducted in two waves. In phase one, quantitative methods are used to analysis data gathered through an online survey distributed to megachurch leaders. Phase two employs qualitative research methods to analysis data gathered through telephone interviews with megachurch leaders who participated in phase one of the study. The two waves of research reference online survey and telephone interviews conducted in 2012-2013 (wave one) and in 2014-2015 (wave two).

The purpose of the online survey is to first show whether or not megachurches are involved in economic development activities, what activities they are offering, and who they are assisting. The survey is also used to gauge the level of commitment to programming in the area of economic development. Data collected through online surveys are analyzed using quantitative methods and survey participants were also contacted for follow-up telephone interviews. Second, semi-structured telephone interviews are conducted with megachurch leadership to analyze their motivations for participating in economic development.

Sample

The sample was drawn from a pre-existing database of megachurches created by Scott Thumma (Hartford Institute for Religious Research, n.d.). This database contains the most comprehensive listing of megachurches in the United States and is periodically updated by scholars who research megachurches (Ibid). Congregations selected for this study were based on megachurches identified in the Thumma database in October 2012. Thus, megachurches added to the database after the aforementioned time period were not considered this study. Likewise, congregations that may have dropped below the 2,000 member threshold during the observation period from 2012 – 2015, were still included in the study.

Zip-codes and geographical limitations associated with the aforementioned MSAs were identified first using information from the U.S. Census. Table 1 identifies counties within the geographical boundaries of the Dallas-Fort Worth-Arlington MSA and the Houston-Sugar Land-Baytown MSA.

Table 4.1 – Counties within the Dallas and Houston Metropolitan Statistical Areas in the State of Texas

Dallas Fort-Worth MSA Counties (12)	Houston-Sugar Land-Baytown MSA Counties (10)
• Collin	• Austin
• Dallas	• Brazoria
• Delta	• Chambers
• Denton	• Fort Bend
• Ellis	• Galveston
• Hunt	• Harris
• Kaufman	• Liberty
• Rockwall	• Montgomery
• Johnson	• San Jacinto
• Parker	• Waller
• Tarrant	
• Wise	

The selected metropolitan areas are appropriate for this line of inquiry due to the concentration of megachurches in these regions and the level of economic growth occurring within these communities. In 2010, a survey from LifeWay Research indicated that 17 of the nation’s largest 100 churches were located in Texas, with nearly half of those congregations being in the Dallas-Fort Worth area (Hodges, 2010). Houston is home to the largest congregation in the nation, Lakewood Church under the leadership of Joel Osteen with membership exceeding

40,000 members. The Houston Chronicle even developed a slideshow presentation highlighting the larger megachurches in the state of Texas, emphasizing that Texas is second only to California regarding the number of megachurches in the state (Levin, 2015). According to an article in the online edition of *The Washington Post*, with city of Houston has the highest concentration of megachurches in a city (38) in the United States, and the city of Dallas is second with 19 (Noack & Gamio, 2015).

In addition, in 2011, the Dallas/Fort Worth Metropolitan Statistical Area (DFW-MSA) was the fastest growing area in the nation followed by Houston (Thomas, 2012). According to the Bureau of Labor Statistics in April 2012, the DFW-MSA and Houston-MSA accounted for most of the job growth among the nation's 12 largest metropolitan areas. With this information in mind, sampling congregations from this region in the state of Texas provides an opportunity to capture variation in activities related to economic development activities due to likelihood of participating in such activities. Rural communities may also engage in or lead certain economic development activities, but the purpose of this study is better served through assessing congregations in more densely populated areas.

[1]In October 2012, 136 congregations from the Dallas-Fort Worth Metropolitan Statistical Area and the Houston-Sugarland-Baytown Metropolitan Statistical Area were selected to receive an online survey to learn about their engagement in economic development activities. Table 2 outline the denominational characteristics of the megachurches in these areas.

1 – This number was originally 136 but was reduced to 134 because two of the megachurches in the sample closed prior to or during the observation period of this study (2012-2015).

Table 4.2 - Denomination Distribution for Megachurches in the DFW and Houston MSAs			
Abbreviation	Description	Number Sample	Percentage of Total
ABC	American Baptist	1	0.75%
AG	Assemblies of God	5	3.73%
ANGLICAN	Anglican	1	0.75%
BAPT	Baptist (unspecified)	11	8.21%
CHRISTIAN	Independent Christian Churches or unspecified	1	0.75%
COC	Church of Christ	2	1.49%
EPIS	Episcopal	1	0.75%
LCMS	Lutheran Church, Missouri Synod	1	0.75%
MISSBAPT	Missionary Baptist	1	0.75%
NBC	National Baptist Convention	3	2.24%
NONDENOM	Independent, Nondenominational	30	22.39%
PCA	Presbyterian Church of America	2	1.49%
PCUSA	Presbyterian Church, U.S.A.	2	1.49%
SBC	Southern Baptist Convention	40	29.85%
UCC	United Church of Christ	1	0.75%
UMC	United Methodist Church	21	15.67%
UNK	Unknown (unspecified)	11	8.21%
Total Megachurches in Sample		134	

Within the selected sample of 134 megachurches, 59 (44%) of the sample is from the Houston area and 75 congregations (56%) are from the Dallas/Fort Worth area. The sizes of the congregations range from 1,800 members to 43,500 members, with an average size of 5,298 members who attend on a weekly basis. While the conventional definition of a megachurch has evolved overtime to be 2,000 members or more, earlier research on megachurches included a threshold hold of only 1,800 members (Thumma, Travis & Bird, 2005, p. 2). Although the phenomenon of megachurches has been noted to start in the 1970s, 29% of the congregations in this sample (39 congregations) were founded prior to 1970 with the oldest, First Presbyterian Church in Houston, being founded in 1839. This indicates a presence of megachurches in these two MSAs prior to the observed trend in academic literature. However, this sample does correlate with the growth of megachurches across the United States in that, of the congregations where founding years were available, 60 were founded in 1970 or later. Indicating a majority of the congregations were founded during the growth phase of megachurches overall.

Phase I – Quantitative Study

Survey Instrument and Procedures

In 2012, an online survey was created that asked questions about what economic development activities the church was involved in, if any. The eight choices included: 1) Stewardship/Financial Management, 2) Homeownership classes/program, 3) Entrepreneurship classes/program, 4) Job/Career/Employment Services, 5) Credit Repair/Debt Reduction Services, 6) Financial Literacy Classes for Adults and/or Youth, 7) Housing Program (Transitional/Low-Income), and 8) Short-Term Loans/Emergency Assistance. The survey also asked respondents to indicate whether the economic development activities offered by their congregations were restricted on the basis of membership or offered to the larger community. The eight categories of economic development activities asked about was developed using list of faith-based economic development provided by Reese (2004).

The survey also asked respondents about any enterprises or commercial activities offered by their congregations. This included whether or not megachurches participated in any of the following activities or offered certain services that are perceived as revenue generating: 1) credit union, 2) day care, 3) school, 4) lease/rent facility space, 5) operate a bookstore, and 6) operates a coffee shop.

Prior to distributing the online survey, a pilot was created and distributed to megachurches in the San Antonio and Austin areas in 2012. Feedback was incorporated to refine and clarify the survey instrument. On October 15, 2012, a list of Senior Pastors/Clergy, Executive Pastors or the Directors of Administration/Ministries was used to target participants in the Dallas-Fort Worth and Houston MSAs. Each megachurch was sent a save-the-date notification on October 15, 2012 that contained information about the survey, and the date the survey would be distributed. On October 22, participants received a link to the survey for completion (Appendix A, p. 132). All 134 known megachurches in the Dallas and Houston MSAs were sent a link to participate in the survey. Of the 134 sent surveys sent during a “first wave” of this project (sent in October 2012), 25 surveys were started with 18 surveys completed and used for analysis (just 13%) in 2013. This was disappointing, but low response rates are common in studies of congregations (Reese, 2000).

To increase the response rate for the survey, a “second wave” of contact was made on December 19, 2014. Between the first and second waves of research, there were no significant legislative changes regarding faith-based organizations and government partnerships, nor were there significant economic events that would impact megachurches and their decisions to offer or discontinue economic development activities. Thus, the time delay should not have affected the second wave of responses in unique ways that were not present during the first wave of data collection.

In the second wave of data collection, the survey was redistributed to the original list of congregations who were included in the first wave of this study. A detailed log was maintained regarding follow-up calls made to congregations who began surveys but did not complete them. Each congregation was contacted three times to help encourage participation. A reminder message was sent via e-mail on January 8, 2015, to encourage participation. This was done in case pastors and leaders were consumed with preparations for the Christmas holiday in

December. Sending a reminder message after the first of the year was deemed to be a better time to make contact with church leadership.

To further assist with increasing the survey response rate, the senior pastor of one of the congregations distributed the survey link to colleagues at other megachurches in the area to along with a letter of support to assist with increasing the response rate. This pastor is the senior pastor at the church that I attend, but that senior pastor did not complete the survey for his church which is included as a participant in this study: a different staff member of my church with whom I am unfamiliar completed the survey on behalf of the church. Thus, there were no conflicts of interest in relation to the data obtained. Additionally, the supporting pastor only sent his letter of support to congregations within the list of 134 megachurches who received the original invitation to participate in this study. Thus, the inclusion of a letter of support from the senior pastor reinforced participation from existing survey participants rather than introducing a snowball surveying technique that would have made the response rate difficult to calculate.

The second wave of data collection for the online survey closed on February 15, 2015, and the total number of completed surveys is 42. While a uniformly acceptable response rate for online survey research has not been determined, the response rate for my survey research of 31% is on par with other online surveys done in education (Nulty, 2008, p. 303).

Prior to completing the surveys online, all respondents had to consent to participation in study. Participants were made aware of the purpose of the study and were assured that their individual identities would remain confidential. A copy of the consent form is in Appendix B, pp. 133-134). Participants were assigned a participant identification number that is only known by the principal investigator and myself. The documentation connecting the respondents and the congregations was electronically saved, and the encrypted files are password protected.

Respondents are referenced by their identification numbers and no reference to the name and location of any identifiable megachurch has been used in this study.

Data Analysis

Testing Assumptions of Demand-Side Motivators

Frumkin's (2002) framework suggests one means for understanding a rise in nonprofit and voluntary action is demand (the level of unmet needs) in a community. To test this concept, I used the unemployment and poverty rates for the zip-codes of the megachurches as indicators of demand. If members of the surrounding community are unemployed or having difficulty maintaining a decent standard of living, a demand-side argument would argue that a church should be responding to unmet needs to help the most vulnerable in the local community. Since there were 42 respondents for the online survey, the incorporation of robust inferential statistics for data analysis was not possible (at least 100 respondents would be needed) (Tabachnick & Fidell, 2007, p. 123).

Thus, correlation testing was used to measure the relationship between the dependent variable and key independent variables. Correlation testing is appropriate when measuring the relationship between interval, ratio, ordinal variables (McTavish & Loether, 2002). A full description of the dependent, independent and control variables used for testing demand-side assumptions are provided in Table 3.

Dependent variable: Number of Economic Development Activities

The dependent variable is defined by the number of economic development activities offered by a megachurch. This not only represents a megachurch's participation in economic development activities, but provided information about the range of activities offered. The number of activities offered can serve as a representation of the wide variety of services offered related to economic development. Data for this measure of the dependent variable is obtained from the online survey distributed to megachurches.

Table 4.3: Definitions of variables used in correlation analysis to test demand-side motivators

Dependent variable:	***Description of measurement***
Number of economic development activities offered[1]	Does your congregation currently offer the following programs or services? (8 choices) Stewardship/Financial Management, Homeownership classes/program, Entrepreneurship classes/program, Job/Career/Employment Services, Credit Repair/Debt Reduction Services, Financial Literacy Classes for Adults and/or Youth, Housing Program (Transitional/Low-Income), and Short-Term Loans/Emergency Assistance
Independent variables	
Poverty rate	% of individuals in the megachurch zip code below the poverty line
Unemployment rate	% of individuals in the megachurch zip code who are unemployed
Control Variables	
Organizational budget	Total budget in dollars
Congregation size	Number of members for the congregation
Staff size	Number of paid staff (full or part-time) – 5 choices (1 = 1 -25, 2 = 26 – 50, 3 = 51 – 75, 4 = 76 – 100, 5 = More than 100)
White members	Percentage of congregation that is white (Less than 10% = 1, 10-25% = 2, 26-50% = 3, More than 50% = 4)
Black members	Percentage of congregation that is African-American (Less than 10% = 1, 10-25% = 2, 26-50% = 3, More than 50% = 4)

1 - The research design for this study identified other measures for economic development activities outside of the number of activities offered. However, respondents were largely unaware or unsure of the other chosen measurements (length of time service has been offered, budget for economic development activities).

The independent variables of interest operationalize the concept of community needs. These include poverty rate and unemployment rate for the zip code where the megachurch is located. These concepts serve as proxies for the idea of demand, or unmet needs. Correlation testing does not enable researchers to account for the effect of other variables on the dependent variable, yet it is important to conduct correlation tests with known influencers on the dependent variable to see if findings in this study align with outcomes of previous research. Thus, variables that have been proven to influence congregational participation in economic development from previous research are included (Reese & Shields, 2000; Reese 2004; Owens & Smith, 2005). Many of these variables are related to the concept of organizational capacity. Thus, the organizational budget, congregation size and staff size are serving as proxies for organizational capacity. The larger the budget and/or staff size, the greater the ability for a congregation to offer these activities. Additionally, it is has been well-established in the literature that predominately African-American congregations are more likely to participate in economic development activities (Lincoln & Mamiya, 1990; Littlefield, 2010; Moore, 2011). Thus, the racial composition of the congregation is included in this study as well.

Limitations for the Quantitative Phase

There are some limitations to this study based on the research design selected. One of the primary issues with the online survey instrument is the reliance on respondents to voluntarily participate (Folz, 1996, pp. 54-55). Congregations that are more likely to participate in economic development activities may have had a greater interest in participating in the survey than did congregations who are not involved in economic development activities. To try to minimize selection bias, all known megachurches in the targeted MSAs were invited to participate and were contacted on multiple occasions to encourage greater response rates.

Phase II – Qualitative Study

To test supply-side arguments regarding the motivation for megachurches to offer economic development activities, semi-structured telephone interviews were conducted with leadership from congregations who participated in the online survey. The supply-side orientation postulates that megachurches offer economic development activities in response to staff or member desires. Thus, church leadership, the senior pastor, executive pastor or director of administration/ministries, were asked why their congregation was involved in economic development activities. Nine questions were asked on the interview schedule (see Figure 5).

Qualitative research for this study is suitable for three reasons. First, qualitative research is ideal when there is participant knowledge that needs to be explored. This includes situations when "variables cannot be easily identified, theories are not available to explain behavior of participants or their population of study, and theories need to be developed" (Creswell, 2003, p. 17). Since so little information is available about megachurch participation in economic development activities or partnerships with government, it is important to collect data from them. Second, qualitative approaches are beneficial to present an understanding from the participant's perspective that are not based on the assumptions of the researcher. Here, qualitative research provides an opportunity "to emphasize the researcher's role as an active learner who can tell the story from the participants' view rather than as an 'expert' who passes judgement on participants, (Ibid). Finally, the choice of using semi-structured telephone interviews enables the researcher to control the interview by asking questions uniformly while still providing an opportunity for participants to expound upon their experiences. Telephone interviews are also helpful when a researcher is unable to observe interviewees in their natural environment (Creswell, 2003, p. 186).

1. Do you believe that your members expect your church to offer economic development programs?

2. Do you view participation in economic development activities as a way to increase giving to your church by members?

3. Do you offer economic development programs as one means to help retain members? Do you believe that economic development activities offered by your church is a viable means for attracting new members to the church?

4. Do you think the image of your church or the community perception of your congregation may be enhanced by offering economic development programs/services in the community?

5. Do you feel that the community has supported the efforts of your congregation? (i.e. participation in events, financial support, inclusion in decision-making).

6. If so, does has that support motivated you to offer economic development programs or services?

7. Do you feel obligated to offer economic development programs to community residents who are struggling in their finances?

8. Are you partnering with other organizations to offer economic development services based on support these organizations may have given to you in the past?

9. Do you think it is the responsibility of congregations to offer economic development programs?

Figure 4.1 – Telephone Interview Questions for Megachurch Respondents

Telephone Interview Procedures

Recruitment Strategies

All survey respondents were invited to participate in follow-up telephone interviews to expound upon their responses to the online survey. Each respondent received an e-mail invitation to participate in a phone interview lasting approximately 20-minutes (see Appendix C, p.135). Respondents were given several choices for interview times based on the availability of the interviewer. All respondents were contacted at least three times to participate in the telephone interviews. In addition to e-mail reminders, respondents were left voice messages or messages were left with administrative assistants when necessary. All congregation leaders who completed the online survey were extended an opportunity to participate in the telephone interviews. This decision helped to reduce any selection bias that could have existed if respondents were chosen based on other criteria. The aforementioned process involved multiple points of contact and a consistently worded reiteration of the purpose of the study; each of these actions has been proven as a way to increase response rates among participants in qualitative research (Sheehan, 2001).

A summary of the 23 participants taking part in the telephone interviews is provided in Table 4. Of the 42 congregation leaders who completed the online survey, fifty-six percent (56%) of the church leaders (23 respondents) completed telephone interviews. The average weekly attendance of congregations for those taking part in interviews was 4,461 members. Six of the interview respondents were from the United Methodist Church (26%), eight were from the Southern Baptist Convention (35%), seven megachurches were classified as Nondenominational (30%), one congregation was Lutheran (4%), and one congregation was Church of Christ (4%). Seventeen of the 23 (74%) congregations participating in telephone interviews have had the same senior pastor for 10 years or more. Fifteen of the responding congregations (65%) were located in suburban communities, and eight were located in the inner city (35%). Responding congregations offer 3.7 economic development programs, on average. Just one megachurch offered all eight economic development activities, and two congregations offered one activity. Of the six megachurches offering five or more economic development activities, half of those congregations are predominately African-American congregations. Additionally, of the six offering five or more economic development activities, four (67%) are located in the city versus suburban areas. Thirteen of the congregations were from the Houston MSA and 10 were from the

Dallas MSA. Interviews with each of the 23 participants lasted an average of 21 minutes, with the shortest interview lasting 15 minutes and the longest 32 minutes. Eighteen of the interviews were conducted between April to May of 2013 and five were conducted in February of 2015. Regardless of the time period of the telephone interviews, participants were asked the same set of questions.

Table 4.4 – Overview of Phone Interview Participants

Respondent ID	Congregation Size	Denomination	Tenure of Senior Pastor	Economic Development Services Offered	Location (City or Suburban Area)
1	2900	United Methodist Church	Ten years or more	Stewardship/Financial Management Classes Credit/Debit Repair Entrepreneurship Short-term Loan/Emergency Assistance	City
2	2000	United Methodist Church	2-5 years	Stewardship/Financial Management Classes Credit/Debt Repair Job/Career Development Short-term Loan/Emergency Assistance	Suburban
3	2200	Southern Baptist Convention	Ten years or more	Stewardship/Financial Management Housing Program Assistance Short-term loans emergency assistance	Suburban
4	5000	Nondenominational	Ten years or more	Stewardship/Financial Management Classes Jobs/Career Development Short-term loans/emergency assistance	Suburban
5	11000	Southern Baptist Convention	Ten years or more	Stewardship/Financial Management Classes Credit/Debt Repair Jobs/Career Development Program Entrepreneurship Classes Financial Literacy Classes Housing Repair/Development Program Emergency Assistance/Short-term Loans	City
6	1800	Southern Baptist Convention	Ten years or more	Stewardship/Financial Management Short-term loans emergency assistance	Suburban
7	2000	Southern Baptist Convention	6 – 10 years	Stewardship/Financial Management Classes Housing Development/Repair Program	Suburban
8	1900	United Methodist Church	Ten years or more	Stewardship/Financial Management Classes Job/Career Development	Suburban

				Housing Development/Repair Short-term Loan/Emergency Assistance	
9	2200	Nondenominational	Ten years or more	Stewardship Classes Short-term Loans/Emergency Assistance	Suburban
10	2200	Southern Baptist Convention	Ten years or more	Stewardship Classes Short-term Loans/Emergency Assistance	Suburban
11	8000	United Methodist Church	Ten years or more	Stewardship/Financial Management Classes Job/Career Development Housing Development/Repair Short-term Loan/Emergency Assistance	City
12	1800	Lutheran	Less than 2 years	Stewardship/Financial Management Classes Jobs/Career Development Financial Literacy counseling Short-term Loan/Emergency Assistance	City
13	4000	Nondenominational	Ten years or more	Stewardship/Financial Management Classes	Suburban
14	5000	Southern Baptist Convention	6 – 10 years	Stewardship Classes Credit/Debt Repair Services Jobs/Career Development Entrepreneurship Classes Financial Literacy Housing/Transitional Living Program Short-Term Loans/Emergency Assistance	City
15	8500	Nondenominational	Ten years or more	Stewardship Classes Credit/Debt Repair Services Jobs/Career Ministries Financial Literacy Short-term loans/emergency assistance	City
16	9765	Nondenominational	Ten years or more	Stewardship Classes Jobs/Career Development Financial Literacy	Suburban
17	2000	Nondenominational	Ten years or more	Stewardship Classes Financial Literacy	Suburban

18	1800	Southern Baptist Convention	2 – 5 years	Stewardship Classes Credit/Debt Repair Services Entrepreneurship Classes Financial Literacy	Suburban
19	3128	Southern Baptist Convention	Ten years or more	Housing/Transitional Living Program	City
20	3500	United Methodist Church	Less than 2 years	Stewardship Classes Credit/Debt Repair Jobs/Career Development	Suburban
21	3911	Church of Christ	Ten years or more	Stewardship Classes Credit/Debt Repair Services Jobs/Career Development Financial Literacy Housing/Transitional Living Program	Suburban
22	2000	Nondenominational	Ten years or more	Stewardship Classes Credit/Debt Repair Services Jobs/Career Ministries Financial Literacy Short-term loans/emergency assistance	Suburban
23	16000	United Methodist Church	Ten years or more	Stewardship Classes Home Ownership Classes Debt/Credit Repair Jobs/Career Development Entrepreneurship Classes Financial Literacy Housing/Transitional Living Program Short-term loans/Emergency Assistance	City

Process for Interviews

I conducted all telephone interviews for this project. Prior to conducting the interviews, each respondent was reminded about the purpose of the research project, and the array of economic development activities that they had identified on the online survey instrument. Respondents were given an opportunity to identify additional services or provide clarifications about responses that may have been made in error on the online survey. This reminder was provided since there was a gap in time between when the online surveys were completed and telephone interviews were conducted. For one megachurch, the individual completing the survey was someone other than the representative who completed the online survey. Still, the same process was followed to ensure that the representative knew the purpose of the study and was aware of activities identified on the online survey instrument.

During the interviews, each respondent was asked nine questions (Figure 5) to which they offered a response. There were some instances where a response was not applicable for each respondent. For example, one telephone interview question asked was "Are you partnering with other organizations to offer economic development services based on support these organizations may have given to you in the past?" In some cases, on the online survey, the megachurches were actually not involved in any partnerships, so this question was not explored during interviews due to lack of relevancy.

Once all of the pre-determined interview questions were exhausted, participants were given an opportunity for final commentary. This allowed participants to add additional insight to the research topic and an opportunity to ask questions. A common question among participants related to my research intentions and the motivation for this line of research. These discussions were reserved to the end of the interviews to prevent influencing the respondents' answers or explaining responses to earlier questions. Respondents were thanked for their time and offered an opportunity to receive a summary of the overall findings, if they were interested in receiving this information.

During interviews, short-hand notes were taken by the interviewer. All interviews were transcribed and summarized immediately following the conclusion of the interviews to prevent tampering of data or loss of information.

Process of Analyzing Data

Creswell (2003, p. 191) outlined six-steps for analyzing qualitative data to ensure a systematic, scientific assessment of qualitative data. These steps include:

- Step 1: Organize and prepare the data
- Step 2: Read through all the data
- Step 3: Begin detailed analysis with coding process
- Step 4: Use the coding process to generate description of the setting or people as well as categories or themes of analysis
- Step 5: Decide how descriptions and themes will be represented or presented in your study (chart, graph, narrative passage, etc.)
- Step 6: Interpret meaning of the data.

This framework served as the guide for the analysis of telephone interview data. All interviews were conducted via telephone and notes were taken using short-hand techniques. As a journalism major by training, the ability to take accurate notes during interviews has been developed overtime and proven as a reporter for the local university daily publication where I received an award as outstanding sophomore reporter of the year in a competitive program. Immediately following the interviews, which lasted approximately 21 minutes in length per congregation on average, notes were transcribed electronically in a word document. In each interview conducted, at least 30-minutes was dedicated to entering participant responses to make sure information was not lost or compromised due to delayed documentation.

Transcribed interviews were then scanned for typographical errors. Grammatical adjustments were not made, only edits based on errors in data entry. As I read through transcriptions of each interview, I took notes and made memos regarding observations from respondents highlighting places of emphasis or documenting unique feedback or reactions from participants. After completing this process for each respondent, I then reviewed the responses for each of the nine questions to observe overarching themes that were similar or divergent among all respondents.

Limitations for the Qualitative Phase

There are some limitations to this study based on the research design. First, telephone interviews can be limited by the respondent's ability to verbally communicate (Creswell, 2003, p. 186). Therefore, some respondents may not be equally articulate or reflective about their experience. Thus, some respondents are more eloquent than others and communication skills can impact how a respondent answers interview questions and the amount of detail they provide. To overcome these challenges, respondents were asked "yes" or "no" questions, and then they were asked to elaborate on their answers. This gave respondents an opportunity to provide more commentary that helped to explain their answers more fully.

Another limitation of telephone interviews is the inability to discern the social cues of the respondent (Opdenakker, 2006). While some respondent fluctuated their voices or provided laughter, it was impossible to fully discern their mood and reactions to questions that could have influenced the interpretation of their responses. Several respondents paused for a significant among of time (one minute or more) before responding to questions. Observing their body language could have been helpful to provide context for their responses. To address this limitation, I made notes of questions respondents had difficulty in addressing questions and posed probing questions to try to understand their perspective with more completion. These questions sought clarification or explanations for their verbal reactions.

Advantages and Limitation of a Mixed-Methods Research Design

The mixed-methods research design for this study is appropriate based on the nature of the research questions and the population being studied. As Creswell & Plano (2011) indicate (p. 8):

> *Research problems suited for mixed methods are those in which one data source may be insufficient, results need to be explained, exploratory findings need to be generalized, a second method is needed to enhance a primary method, a theoretical stance needs to be employed, and an overall research objective can be best addressed with multiple phases, or projects*

Existing research has shown the impact of demand variables on a nonprofit organizations decision to act. I used quantitative methods in this research to confirm whether those explanations held true in the case of megachurches participating in economic development. Additionally, the online survey instrument allowed for ease in the collection of data on a topic that is understudied.

The qualitative phase allowed for more in-depth understanding about the motivations of megachurches to be involved in economic development activities. Knowing just the types and numbers of activities offered was insufficient for understanding of church involvement.

The use of both methods allows for greater understanding to lead to the identification of variables that would allow us to generalize across the population of megachurches now or in future studies. Thus, a mixed-methods design was appropriate for this line of research.

Research Permissions and Ethical Considerations

This research was reviewed by the Institutional Review Board at the University of North Texas in 2012 and in 2014 and both waves of the research process were approved by the governing body. All survey participants consented to participating in the research through an approved consent form. Recruitment materials affirmed that respondent information would remain confidential in all publications of results from the research. All 42 congregations provided also were presented with an informed consent statement prior to completing surveys.

CHAPTER 5 – FINDINGS – QUANTITIATVE RESULTS

Frumkin's (2002) framework offers several explanations for why nonprofit organization act and one is based on demand, or unmet needs, which is discussed in this section. Demand-side theories posit that nonprofits act or come into existence when there is unmet need in the community. Thus, I used quantitative analysis techniques to test the following proposition: *Megachurches participate in economic development activities because of demand-side explanations.* I operationalized economic indicators by using unemployment rates and poverty rates in the zip codes where megachurches reside. By using zip code level data rather than county or city level data, a closer relationship of the geographical location of megachurches and community need are explored. In eight instances, there are multiple megachurches within the same city, however, there was only one instance among responding organizations where two megachurches were located in the same zip code.

This chapter present key findings in the testing of the above proposition. Additional findings are shared related to supply-side explanations for nonprofit action as well.

Description of the sample

Descriptive statistics

The composition of the congregations responding to the online survey and how it compares with the sample contacted for this research is as shown in Table 5.1. Overall, congregations that responded to the survey are representative of megachurches in the population. Churches affiliated with the United Methodist Church and churches identifying as Nondenominational have slightly higher representation among respondents than in the sample. Since all known megachurches in the Houston and Dallas-Fort Worth MSAs was included in this study, the selection of megachurches is unbiased which increases the level of confidence the statistical inferences made using responses to the online survey than if a sampling technique was needed (Folz, 1996, pp. 42-43).

Table 5.1 - Denomination Count for Megachurch Population and Megachurch Respondents

Abbreviation	Description	Megachurches Sampled	Percentage of Total	Megachurch Survey Respondents	Percentage of Total
ABC	American Baptist	1	1%	0	0%
AG	Assemblies of God	5	4%	0	0%
ANGLICAN	Anglican	1	1%	0	0%
BAPT	Baptist (unspecified)	11	8%	4	10%
CHRISTIAN	Independent Christian Churches or unspecified	1	1%	0	0%
COC	Church of Christ	2	1%	1	2%
EPIS	Episcopal	1	1%	1	2%
LCMS	Lutheran Church, Missouri Synod	1	1%	1	2%
MISSBAPT	Missionary Baptist	1	1%	1	2%
NBC	National Baptist Convention	3	2%	0	0%
NONDENOM	Independent, Nondenominational	30	22%	12	29%
PCA	Presbyterian Church of America	2	1%	0	0%
PCUSA	Presbyterian Church, U.S.A.	2	1%	0	0%
SBC	Southern Baptist Convention	40	30%	13	31%
UCC	United Church of Christ	1	1%	0	0%
UMC	United Methodist Church	21	16%	9	21%
UNK	Unknown (unspecified)	11	8%	0	0%
Total Megachurches		134		42	

Organizational Characteristics

Of the responding congregations, 55% are in the Houston-Baytown-Sugarland MSA and 45% are in the Dallas Fort-Worth MSA. The average size of weekly church attendance at the megachurches is 4,583 members, with the largest church engaging 18,000 members on a weekly basis, and the smallest at 1,800.

Table 5.2 - Organizational Characteristics of Megachurches				
Congregational Details	***N***	***Mean***	***Median***	***Range***
Congregational Size	42	4,583	3,014	1,800 to 18,000
Annual Operating Budget	27	$8,505,460	$7,000,000	$2 million to $25 million
Staff Size (n=42)				***%***
			1-25	10
			26-50	31
			51-75	26
			76-100	14
			More than 100	19

The average operating budget for responding congregations is $8.5 million dollars, with the one congregation managing $25 million annually. Of megachurches responding to the online survey, 59% have staff sizes of 51 employees or more, and 20% employ more than 100 people, which includes full-time and part-time staff.

Pastoral Characteristics

The characteristics and community involvement levels of senior pastors/clergy of megachurches were captured through survey responses. First, 100% of megachurch leadership in this study are male. Seventy-nine percent of senior pastors/clergy are White and the remaining 21% are Black. Consistent with previous research regarding the attributes and characteristics of megachurch leadership, 85% of senior pastors/clergy have a graduate level education, with 48% percent of whom have earned doctoral degrees. More than half of the leaders of these congregations have been in place for at least 10 years, demonstrating stability at the highest level of the congregation.

Table 5.3 – Megachurch Pastoral Characteristics and Community Involvement		
Education Level of Senior Pastor (n=42)		%
	Some college/technical school	7%
	College Bachelor's Degree	7%
	Master's Degree	37%
	Doctoral Degree	48%
Tenure of Senior Pastor (n=42)		
	Less than 2 years	5%
	2 – 5 years	10%
	6-10 years	19%
	10 years	10%
	More than 10 years	57.1%
Senior Pastors who served on government or community board (n=40)		19%
Race of the Senior Pastor (n= 42)		
	White	79%
	Black	21%

In addition to responsibilities within the congregation, 19% of megachurch leadership serve on government or community boards. Board membership includes the following:

- Chamber of Commerce
- Job/Workforce Development
- Community Development Corporation
- Planning and Zoning
- Hospital Board
- Home Health Care Board
- Inner-City Network Coalition
- Housing Board

- United Way
- Healthcare-Related Nonprofit Organization

This list demonstrates a commitment to economic development activities among megachurch leadership that goes beyond the walls of the church. These boards (Chamber of Commerce, Job/Workforce Development, Planning and Zoning, and Community Development Corporations) are specifically interested in cultivating economic opportunity at the local level.

Economic Development Activities

One-hundred percent of responding congregations offer at least one of the eight economic development activities identified. Forty-one out of 42 congregations offer Stewardship/Financial Management classes, and 60% of congregations offer programming related to employment services. Additionally, 60% of congregation offer emergency assistance. Membership is required in 20% of these congregations in order to receive emergency assistance or short-term loans. Programming dedicated to homeownership and entrepreneurship classes are offered the least among responding megachurches in the sample.

Table 5.4 – Economic Development Activities of Megachurches

Economic Development Activities	***%***
Stewardship/Financial Management Classes	98%
Jobs/Career Development Ministry	60%
Credit or Debt Repair Services	52%
Financial Literacy Classes	60%
Homeownership Classes	17%
Entrepreneurship Classes	19%
Transitional Living/Housing Program	29%
Short-Term Loans/Emergency Assistance	60%

Megachurches have provided emergency assistance/short-term loans for the longest amount of time, averaging about 15 years among respondents. This is followed by financial literacy classes (five and a half years) and programming related to employment (almost five years).

Table 5.5 – History of Megachurch Economic Development Activities and Numbers Served

Length of Time Services Offered (months)	***N***	***Mean***	***Minimum***	***Maximum***
Stewardship/Financial Management Classes	16	57	9	120
Jobs/Career Development Ministry	9	58.5	9	120
Credit or Debt Repair Services	9	54	9	120
Financial Literacy Classes	8	68	9	120
Homeownership Classes	2	48	24	120
Entrepreneurship Classes	3	20	1	36
Transitional Living/Housing Program	2	44	12	120
Short-Term Loans/Emergency Assistance	8	181	12	624
Number of People Served (within the last 12 months)	***N***	***Mean***	***Minimum***	***Maximum***
Stewardship/Financial Management Classes	31	120	25	500
Jobs/Career Development Ministry	16	140	12	700
Credit or Debt Repair Services	15	137	25	500
Financial Literacy Classes	20	129	25	500
Homeownership Classes	5	177	35	500
Entrepreneurship Classes	6	196	25	500
Transitional Living/Housing Program	6	176	10	500
Short-Term Loans/Emergency Assistance	20	411	12	4000

Megachurches served on average, 120 to 411 people across all services within the past 12 months. Compared to the average weekly church attendance, the average number of people served across all economic development activities is very low ranging from just 3% to 9% of the congregation membership served. These programs do not engage a large number of individuals in relationship to the overall number of weekly attendees.

Administration of Economic Development Activities

Megachurch operations with regard to economic development activities are largely volunteer driven. In fact, 100% of responding congregations use volunteers to offer these services.

Table 5.6 - Administration of Economic Development Activities			
Paid staff led activities	27		62%
Volunteers are used to offer services	27		100%
Number of volunteers used to offer services			***%***
		Less than 10	51%
		11 – 25	7%
		26 – 50	7%
		More than 50	33%

However, many of the congregations have dedicated paid-staff to lead programming, with 62% of megachurches indicating that paid staff leads at least one service. While volunteers are heavily involved in the implementation of these economic development activities, 51% use 10 volunteers or less. Conversely, 33% of megachurches use more than 50 volunteers to carry out these activities.

Partnership in Economic Development Activities

Rather than offering economic development programs in isolation, 71% of megachurches are involved in partnerships or collaborations to offer activities.

Table 5.7 – Megachurch Collaborations in Economic Development	
Collaborative Partnerships	***%***
Church collaborates to offer economic development programming	71%
Church collaborates with a nonprofit organization	84%
Church collaborates with another congregation	65%
Church collaborates with an educational institution	38%
Church collaborates with government	35%

The most common partner is a nonprofit organization followed by another religious organization. The least common partner is government. However, 35% of megachurches indicate some partnership with government. This information provides some evidence that megachurches are open to partnership on economic development activities.

Community Characteristics

Indicators of the economic health of the community surrounding megachurch locations included unemployment rate and poverty rates. This data was obtained using the 2009 – 2013 American Community Survey 5-Year Estimates from the U.S. Census Bureau. These data reflect the unemployment rates within the zip code of the megachurch for individuals 16 years of age and older (Table 5.8).

Table 5.8 - Demand-side Indicators: Unemployment and Poverty				
Congregational Details	***N***	***Mean***	***Median***	***Range***
Unemployment Rate (population 16 and over)	42	8%	7%	2 to 16%
Poverty Rate (percent below poverty level)	42	15%	13%	2 to 54%

Poverty rates reference the percentage of individuals below the poverty level within the zip code of the megachurch. This information shows the varying level of economic health surrounding megachurches. Poverty levels were as low as 2% in a suburban area of Houston up to 54% in an area near College Station. The highest poverty level of a megachurch zip code was more than three times the national average, and more than 25 times the rate of the megachurch zip code with the lowest percentage of the population below poverty level. On average, however, the poverty rate was around 15%, close to the national average according to reports from the U.S. Census Bureau website ("Income and Poverty in the United States: 2013").

Similarly, there was a wide range of unemployment rates, with the largest being 15.5% in the city of Houston. The average unemployment rate for zip codes where megachurches are located was 8%, which was slightly higher than the national average of 7.3% in 2013 ("Databases, Tables and Calculators by Subject"). Differences between the unemployment rate of megachurch zip codes and the national average were not as drastic as was the poverty rate. The highest unemployment rate of a megachurch zip code was less than twice the national unemployment rate.

Correlation Analysis with Key Independent Variables

The purpose for quantitative analysis is to determine is demand-side assumptions explain megachurch participation in economic development activities. Correlation analysis is done to determine three things: 1) if there is a relationship between two quantitative variable, 2) the direction of that relationship, whether positive or negative, and 3) the strength of the relationship between two quantitative variables.

The dependent variable in this study is the number of economic development activities. In their original form, congregations indicated a "yes" or "no" response to whether or not they offered said services. The result was a nominal variable. To enable the use of correlation analysis the eight economic development activities identified in this study were compiled into an index. The other measures for economic development activities did not have enough information to warrant use in statistical analysis. Respondents were largely unaware or unsure of the length of time services have been offered and budget allocated to economic development activities. This this data was used only for descriptive purposes.

Correlations between the economic development index and key variables are provide in Table 5.9.

Table 5.9 - Correlations between Economic Development Index and Key Variables

Key Variables	Economic Development Index
Unemployment Rate	.328*
Poverty Rate	.051
Organizational Budget	.231
Congregation Size	.452**
White members	-.336*
Black members	.338*
Collaboration to offer activities	.389*
Collaboration with government	.505**
Number of volunteers assisting with programming	.620**
Percentage of members who live more than 30 minutes away	.557**

Indicators of Demand: Unemployment Rate and Poverty Rate

The primary independent variables of interest were unemployment rates and poverty rates and their relationship to the number of economic development activities offered by megachurches. The relationship between economic development activities and poverty rate was not statistically significant. However, number of economic development activities and unemployment rates is statistically significant.

There is a weak positive linear relationship between the number of economic development activities offered the megachurches in my sample and the unemployment rates of adults ages 16 and older in the zip code of the megachurch. That is, the number of economic development activities offered by a megachurches is associated with an increase in the unemployment rate of the surrounding community. ($p < .05$) This means that support for hypothesis two is found. This means there is a relationship between the number of economic development activities offered by megachurches and the unemployment rate.

When the unemployment rate was regressed on the economic development index, it yielded an adjusted R^2 of .108. Thus, 11% of the variation in the number of economic development activities offered by a megachurch in Texas is explained by the rate of unemployment of adults ages 16 and older in the zip code of the megachurch ($p < .05$)

The fact that the unemployment rate is statistically significant while poverty rate is not, there are some logical explanations that can be offered. Megachurches are largely participating in activities related to improving financial management and increasing opportunities for participants to secure employment. For example, offering programming related to resume writing, interviewing techniques or learning how to live on a budget. Thus, the participants of these programs could consist of the underemployed or unemployed rather than the chronically impoverished populations who are difficult to employ or are in severe financial distress due to a combination of disabling conditions and repeated bouts of homelessness. Megachurches, for example, may not have the type of personnel in place to effectively assist the chronically homeless who experience higher levels of emotional or mental instability or addictions ("Characteristics of People Experiencing Chronic Homelessness" website). However, they could be assisting the working poor, those who are temporarily out of work or who may be transitioning between jobs at this stage of their careers. For example, skills such as how to function in a work environment and knowledgeability about strengths and weaknesses are already in place, and could potentially make connecting with employment leads and opportunities easier than someone who does not have those skills.

My findings demonstrates support for the explanation that nonprofits act to meet unmet needs. In this instance, the number of economic development activities offered is associated with the level of unemployment in the surrounding community. Thus, megachurches may see that members of the surrounding community are having challenges maintaining a decent standard of living due to either poor financial management or difficulty securing employment. This finding offers support for the argument that nonprofits act to meet unmet needs.

Control Variables

My study considered a number of control variables, including: congregation size, racial composition of the congregation, annual budget, and education levels of the clergy and congregants.

Organizational capacity: Congregation Size and Budget

As previous research alluded to, there is a statistically significant correlation between the index of economic development activities and the size of the congregation ($p < .01$). As shown in table 15, there is a moderately positive linear relationship between the number of economic development activities offered by a megachurch in my sample and the size of the congregation.

When regressed on the economic development index, about 21% of the variation in the number of economic development activities offered by megachurches in my sample is explained by its linear relationship to the size of the congregation ($p<.01$). Either demand or organizational capacity can account for this finding. The larger the congregation, the larger the demand could be for economic development activities. Additionally the larger the congregation, the more resources the congregation has to participate in this level of programming. Either way, congregational size is associated with a greater number of economic development activities being provided.

Conversely, the annual operating budget is not associated with the number of economic development activities at a statistically significant level. This is somewhat surprising considering that budgetary resources influence the capacity of organizations to delivery services. The relationship between the economic development index and the annual operating budget could have been impacted by the number of responses. Only 62% of megachurch respondents indicating their operating budget on the survey. Having more responses could impact the level of statistical significance in this relationship.

Racial Composition of the Congregation

Significant attention is devoted in the literature to understanding how racial composition of the congregation impacts outreach activities of congregations, especially how it relates to predominately African-American congregations. The results from this study confirm this trend in the literature.

My finding demonstrate that there is a weak, negative linear relationship between the number of economic development activities offered by a megachurch in Texas and the percentage of white members who attend megachurches in my sample. That is, congregations with predominately white members is associated with fewer economic development activities ($p < .05$).

When regressed on the economic development index, about 11% of the variation in the number of economic development activities offered by a megachurch in Texas is explained by its linear relationship to the percentage of white members in the congregation ($p < .05$). This could reflect a disinterest or perceived lack of demand on the part of megachurch leaders or members with predominately white congregations. Meaning, megachurches with a higher percentage of white members may not see economic development activities as being needed in their communities.

Conversely, there is a weak, positive linear relationship between the number of economic development activities offered by a megachurch in my sample and the percentage of black members who attend. That is, there is a statistically significant relationships between the percentage of black members in the congregation and the number of economic development activities offered ($p < .05$).

About 11% of the variation in the number of economic development activities offered by a megachurch in Texas is explained by its linear relationship to the percentage of black members in the congregation ($p < .05$). These findings support prior research that consistently demonstrates a greater commitment among predominantly African-American congregations to focus on economic development.

There were no statistically significant relationships between other racial/ethnic categories in this study. This could be present for two reasons. One, the racial breakdown of the congregation was based on the respondent's awareness of this distribution. Some of the respondents may have been unsure of the racial composition of their congregations, thereby affecting the analysis. Secondly, the megachurches in this study are largely white and black congregations. Most of these other racial/ethnic categories make up less than 10% of the overall membership.

Education Levels of Clergy and Congregants

There was no statistically significant relationship between the education level of the pastor or members with the number of economic development activities. Even though the relationship was not statistically significant, the direction of the relationship was somewhat surprising. The analysis would imply that megachurches with more educated senior pastors or clergy are associated with fewer economic development activities. Rather than interpreting this as megachurches offering fewer economic development activities, it could mean congregations with more educated clergy are offering service in a more strategic manner, focusing on quality verses quantity. But it is difficult to discern this from the correlation analysis.

Findings for supply-side explanations

While the primary goal of the quantitative phase of this study was to determine how demand-side indicators were related or associated with economic development activities, there were some interesting findings that could be related to supply-side explanations for nonprofit action. As a reminder, supply-side explanations for nonprofit action argue that the passion and interest of those fueling nonprofits (staff, volunteers) drive nonprofit action. In this study, that could indicate passion and actions of clergy, staff and volunteers.

Member Characteristics of Congregants

One of the resources available to help megachurches impact communities are the members themselves. Interesting findings exist regarding the proximity of members to their congregation and the number of economic development opportunities offered.

There is a moderate, positive linear relationship between the number of economic development activities offered by a megachurch in Texas and percentage of members who live more than 30-minutes away from the church. That is, the number of economic development activities offered by a megachurch in Texas tends to be associated with an increase in percentage of members who live more than 30-minutes away from the church. ($p <.001$.)

About 31% of the variation in the number of economic development activities offered by a megachurch in Texas is explained by its linear relationship to the percentage of members who live more than 30-minutes away from the congregation. ($p<.001$) This is not uncommon. Reese and Shields (2000) also found that congregations participating in economic development-related activities largely have members who were located in suburban communities and were commuting in for worship service. This could indicate that while megachurches may be position in urban settings, the membership are coming from wealthier suburban communities. Those members may be more interested in supporting programming that attempts to improve financial management among those who are struggling in their finances.

Megachurches with members who live within a 10-minute walk or drive of the congregation were not associated with the economic development index at a level that was statistically significant. However, the direction of the relationship between those within a 10-minute walk/drive is negative. Potentially demonstrating that when a megachurch is comprised of members who live closer to the congregation, they offer few economic development activities. This could mean congregation in suburban areas with mostly suburban members do not see a need for these services. Alternatively, megachurches in urban settings with mostly urban members may not see the need to offer as many economic development activities because members are unsure of how to solve their own problems.

Impact of collaborations

Megachurches were asked about partnerships or collaborations they had with other entities in the community in offering economic development activities. In general the presence of a collaboration was associated with the number of economic development activities offered. There is a weak positive linear relationship between the number of economic development activities offered by a megachurch in Texas and the number of collaborations the megachurch is involved with to offer said services. That is, the number of economic development activities offered by megachurches my sample is associated with the number of collaborative partnerships for economic development activities ($p < .05$).

When regressed on the economic development index, about 15% of the variation in the number of economic development activities offered by a megachurch in Texas is explained by its linear relationship to the number of collaborations the megachurch is involved with to offer said services. ($p<.05$) This indicates that developing partnerships enables a megachurch to have a stronger commitment to economic development activities. It also demonstrates that megachurches are willing to partner with other entities to offer this service and are not interesting in acting in isolation.

Additionally, the impact of government partnerships is especially poignant in the number of economic development offered. There is a moderately positive linear relationship between the number of economic development activities offered by a megachurch in Texas and partnership with government on economic development activities. That is, the number of economic development activities offered by a megachurch in Texas tends to be associated with collaboration with government partners ($p <.01$.)

Seventy-one percent of megachurches in this study partner with another entity to offer economic development activities ($n=30$). Most commonly, megachurches are partnering with nonprofit organizations, followed by other congregations, higher education and government.

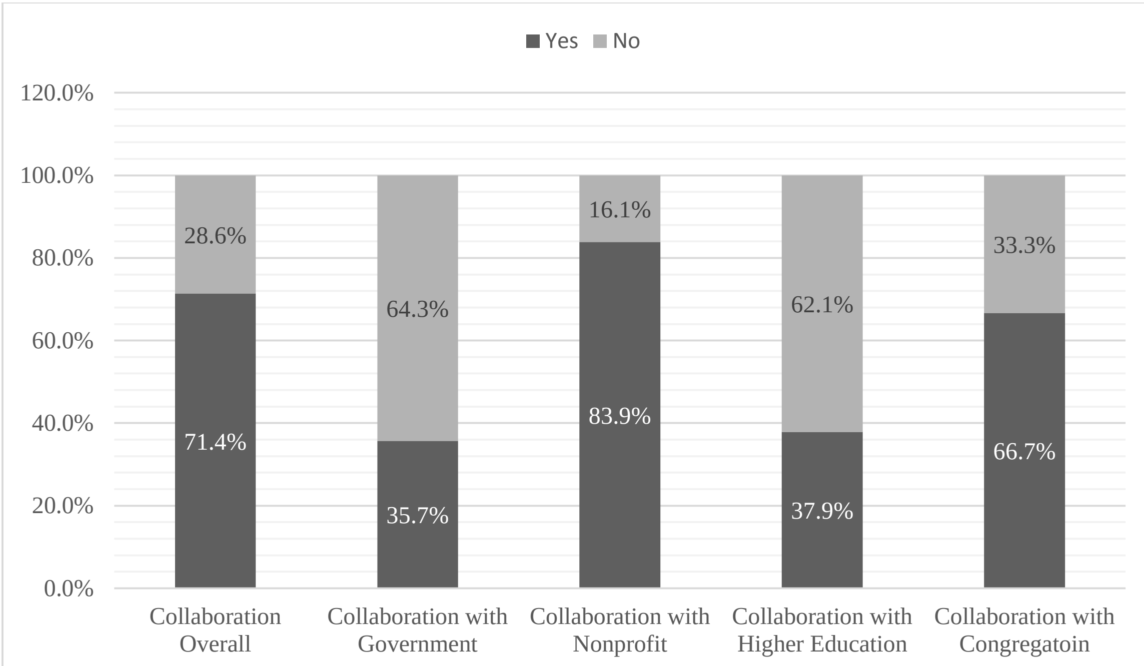


Figure 5.1 – Collaborative Relationships for Megachurches Offering Economic Development Activities

Volunteers in Economic Development

Finally, there is a strong relationship between the number of volunteers assisting with economic development activities and the number of activities offered. There is a strong, positive linear relationship between the number of economic development activities offered by a megachurch in Texas and the number of volunteers involved with economic development activities. That is, the number of economic development activities offered by a megachurch in Texas tends to be associated with an increase in the number of volunteers available to assist with economic development activities. ($p <.001$.) Thus, megachurches acting in this area are fueled by those who choose to freely give of their time to help in this area. While the finding is helpful, it is worth noting that 58.3% of organization who shared information about the number of volunteering assisting with economic development programs use 10 volunteers or less. Conversely, 33% of the megachurches use more than 50 volunteers to run these programs.

Interestingly, the number of economic development activities is not correlated with whether or not the program is led by paid staff. This could further emphasize that this activity is largely undertaken by megachurches who have members that are passionate about improving the financial management of fellow congregants or community members who are experiencing challenges financially.

Limitations

While the findings in this phase of my research were interesting, there are some limitations to the information derived from this study. Three of those will be discussed here: selection bias, measurement of independent variables and alternative measures of the dependent variable.

Selection bias. Potential that congregations more likely to engage in economic development activities were the ones to respond. Similar to how people who volunteer are more likely to respond to surveys about volunteerism (Wilson, 2012, p. 178). This is limitation is mediated by the fact that all congregations were contacted on multiple occasions to participate and additional contacts (administrative assistants) were identified to help increase the rate of participation. Additionally, when the first wave of the study was conducted in 2012, all known megachurches in the Dallas and Houston MSAs were invited to participate in this study. This means rather than having a sample, the entire known population was extended an opportunity to participate. Thus, the internal validity of my research is not compromised.

Measurement of independent variables. Rather than taking ranges for variables, I should have allowed respondents to input the actual number to allow for better statistical analysis and more variation. For example, staff size may have been correlated with the economic development index, but there was limited variation based on how it was operationalized. This true for other measures regarding percentages of members who fall into certain categories. While this could have been improved, this is not a fatal flaw to the usability of information derived in this research study. There was still enough variation with the measure presented to allow for analysis of association between the independent and dependent variables.

Discussion

Through correlation testing in this study, important findings emerged from the analysis. First of all, support was found for the idea that nonprofits act in response to unmet needs, however, not all hypothesis were confirmed.

> H^1: A higher poverty rate is positively associated with megachurches offering economic development activities. – This hypothesis was not supported in the study of megachurches in Texas.
>
> H^2: A higher unemployment rate is positively associated with megachurches offering economic development activities ($p < .05$). Thus, we can see evidence that the need of the surrounding area provides some level of motivation as to the level or amount services offered in the area of economic development.

Secondly, control variables found to influence a congregation's ability to offer economic development activities had mixed results in this study. For example, the size of the congregation did have a statistically significant relationship to the number of economic development activities offered, which is consistent with Reese (2000) and Reese and Shields (2004). Owens and Smith (2005) found that congregational income was the strongest predictor of church involvement in this type of programming, however, the budget for megachurches in this study did not have a strong association with economic development activities. Reese (2000) found that staff size influenced economic development activities, but that finding was not seen here. The reason could be than rather than participating because megachurches have the resources to participate, they could be participating for reasons more aligned with relationship building and catering to the needs of members. This concept is explored in more detail in phase two of this research project.

The impact of race was consistent with previous research. Megachurches with a higher percentage of African-American members are associated with offering a larger number of economic development activities. This was demonstrated by both the racial composition of the members and the races of the senior pastor/clergy. There is relative homogeneity in the megachurches in the Dallas and Houston MSAs in my sample. A majority of the responding congregations were predominately white (57.5%) and five congregations (roughly 12%) are predominately African-American. Thus, almost 70% of responding congregations have mostly white and black memberships. Additional research in other geographical regions is needed to determine if the focus on economic development activities is prevalent in other communities in the nation that reflect more diversity in their congregations. It is also useful to determine if activities are common in congregations that are predominantly Hispanic or Asian, since these populations are growing and may also be subject to high unemployment or poverty rates. Choi (2010) provided evidence that churches encourage ethnic entrepreneurship among those in the Korean community in Los Angeles. Would the same results be seen among megachurches with mostly Korean members?

The results of my findings demonstrate a strong commitment to partnerships among megachurches that are engaged in economic development activities. This somewhat supports the findings of scholars who argue that larger organizations have greater collaborative capacity, which is defined as “the level of activity or degree of change a collaborative relationship is able to sustain without any partner losing a sense of security in the relationship” (Hudson et al., 1999, p 245). Megachurches have an abundance of human, social and financial capital to engage in partnerships without succumbing to the priorities of other organizations. This could make them a viable partner to work with government without losing their identities. Common concerns center on partnerships with government that end up becoming overwhelming and time-consuming for smaller organizations with limited collaborative capacity (Pipes & Ebaugh, 2002; Suarez, 2005). The fact that these congregation are heavily involved in partnerships to offer these programs means they could be potential partners with government to operate in economic development activities.

CHAPTER 6 – FINDINGS – QUALITATIVE RESULTS

This phase of the research project tested propositions 2 and 3 related to assumptions associated with extra-role behavior. Nine questions were asked of all 23 respondents who participated in the telephone interviews, and these questions were developed based on assumptions of extra-role behavior theories. Careful observation was given to determine if assumptions of extra-role behavior could explain megachurch decisions to offer economic development activities. To better facilitate that process, a simple analysis was conducted to determine whether or not respondents agreed (yes) or disagreed (no) with the stated question. This simple analysis is captured in Table 6.1.

Table 6.1 - Why Do Megachurches Engage in Extra-Role Behaviors?

Interview Question	Participant Response (%)		
	Yes	No	Unsure
Do you believe that your members expect your church to offer economic development programs? (n = 23)	70%	23%	4%
Do you view participation in economic development activities as a way to increase giving to your church by members? (n = 23)	48%	48%	4%
Do you offer economic development programs as one means to help retain members? Do you believe that economic development activities offered by your church is a viable means for attracting new members to the church? (n = 23)	26%	65%	4%
Do you think the image of your church or the community perception of your congregation may be enhanced by offering economic development programs/services in the community? (n = 23)	87%	9%	4%
Do you feel that the community has supported the efforts of your congregation? (i.e. participation in events, financial support, inclusion in decision-making). (n = 23)	96%	-	4%
If so, does has that support motivated you to offer economic development programs or services? (n = 21)	33%	67%	
Do you feel obligated to offer economic development programs to community residents who are struggling in their finances? (n=23)	74%	17%	9%
Are you partnering with other organizations to offer economic development services based on support these organizations may have given to you in the past? (n = 18)	61%	28%	11%

Do you think it is the responsibility of congregations to offer economic development programs? (n=22)	64%	36%	-

Figure 6.1 provides a summary of the themes identified in the telephone interviews related to Proposition 2 and Proposition 3. As shown, there is evidence that megachurches do offer economic development activities based on assumptions of ERB.

Proposition 2 of this study states*: Megachurches participate in economic development because they are obligated or feel a sense of responsibility to do so by the community.* Based on the framework for this research, I asked questions to determine if existing theories provided explanations for megachurch participation in economic development activities. One such explanation is that that megachurches participate in economic development based on exogenous factors operationalized as community need and community expectations. This explanation is rooted in the idea that megachurches act in the area of economic development based on a sense of obligation or responsibility to meet those community needs and expectations. This section features responses based on the themes of community needs and community expectations.

Figure 6.1 – Key Factors Influencing Megachurch Participation in Economic Development Activities

<table>
<tr><td colspan="2">Proposition 2: Megachurches participate in economic development because they are obligated or feel a sense of responsibility to do so by the community.</td></tr>
<tr><td>Theoretical Arguments</td><td>Themes from Interviews (English, 2015)</td></tr>
<tr><td>Community Need</td><td>- Programming helps set people free from burden of debt; improve the human condition
- Hierarchy of need determines level of church involvement
- Context of need in the surrounding community determines church priorities</td></tr>
<tr><td>Community expectations</td><td>- Congregation is seen as a leader in the community and intentionally pursued by the public for leadership on meeting community needs
- Practical instruction keeps the church relevant
- Reciprocity from community</td></tr>
<tr><td colspan="2">Proposition 3: Megachurches participate in economic development because of supply-side explanations.</td></tr>
<tr><td>Theoretical Arguments</td><td>Themes from Interviews (English, 2015)</td></tr>
<tr><td>Entrepreneurial Staff and Members</td><td>- Members expect community participation broadly, not economic development specifically
- Members expect participation because they have driven the creation of partnerships and programs
- Leaders see these programs as a competitive edge in the religious economy, product differentiation to retain and attract</td></tr>
<tr><td>Expression of Values and Faith</td><td>- Leader expectations fueled by theology/Biblical mandate
- Magnitude of resources compels action
- Historical Element – Evolving Nature of Member Expectations
- Leaders expect changes in behavior because of training</td></tr>
</table>

Community Need

Telephone interview data does support the explanation that megachurches offer economic development activities to meet needs. The origin of that responsibility appeared to be based on three factors: 1) freeing participants from the burden of debt while elevating communities; 2) differing perspectives on responding to needs of members versus the community; and 3) understanding the context of the church.

Factor #1 – Programs help participants experience freedom from burden of debt and elevates the quality of life for individuals and communities.

The first idea was that responsibility to act was rooted in a desire to help program participants be freed from the burden of debt. Five out of 23 of the respondents (22%) aligned with this explanations. The motivation to offer economic development activities was connected to an observation of entanglement with debt and the consequences of poor financial management. Leaders were aware that members in their congregations or in the community at-large were unable to take care of basic necessities due to a lack of understanding about financial management.

> *Respondent #11 – "We have offered these services out of the necessity of financial literacy. We have about 50 funerals a year, and one-third to a quarter of the families have no idea how they are going to bury their loved ones. We realized that people didn't understand principle of stewardship and financial management. So we started offering classes about 15 years ago to help people improve in this area. The goal was not to increase giving to the church; rather the goal was to increase financial literacy."*
>
> *Respondent #17 – "Our primary purpose for offering these services is to provide a new skill set for the congregation to help them avoid the pain of debt and financial crisis associated with poorly managing resources. We want people to experience the freedom associated with good stewardship and help participants do a lot of others things with their finances that contribute to a better quality of living and also helps them further develop in their spiritual life.*

Being unaware of ways to curve spending, increase savings and pay down debt had detrimental consequences to the able to experience peace and stability. Thus, by offering these services respondents viewed economic development programs as meeting important needs in the community, and largely helping respondents improve their quality of living by reducing debt. This quality of life improvement is not only related to the individual but translates to the community level as well.

> *Respondent #5 – "Oh yes, it is our responsibility to elevate the people around us. When we do so, in actually enhances the value for the entire community. Unfortunately, too many churches today are more concerned with trying to impress than to impact. We have to be impactful, and if we are not, what is the point in doing it. What we do should make a real difference in the lives of those around us."*

Factor #2 – Obligation to participate in these programs varies on the bases of content and membership

Congregational leaders interpret obligation differently based on membership status in the church and based on subject matter. For example, seventeen out of 23 respondents accepted that congregations should offer programs to help the poor (74%). The religious concept of this is known as benevolence. However, respondents had less consensus on financial management training and stewardship classes. Thirteen percent of respondents (13%) felt obligated to help those within the faith or the members of the church in these areas, but did not sense the same level of responsibility for non-members. While many of these programs are rarely restricted based on membership, the level of obligation varies based on whether one is a member of the congregation or not.

> *"Respondent #9 – "Yes, I believe the church has a responsibility to disciple its congregation and take care of the poor in the congregation. However, I do not think the church is responsible to the entire community in that regard. I hold this opinion especially in reference to the training of the community, like in the care of the stewardship classes. I feel more responsible to take care of the poor; I feel less*

> *responsible to train those in the community about their finances. Now I would like to be clear that participation in our classes are not restricted on the basis of membership. However, we do not spend marketing dollars to make people aware that these services are offered in the community. But if a person hears about it and is interested in participating, they definitely can do so."*

Using economic development activities as a response to unmet needs is tempered by the association of the participants to the congregation itself. Rather than a broadly felt responsibility to the community as a whole, some megachurches are responding to needs of their members as they provide programming targeting to improving economic conditions. Whereas phase one of this study did present an association between economic development activities and unemployment rates, this phase provides a different perception of need and the responsibility to respond to that need.

Factor #3 - Obligation to participate depends on context of need

Rather than viewing all congregations as uniformly required to participate in economic development activities, leaders emphasize the reality of need as a motivation for action. As mentioned previous, 74% of the respondents agree that churches are responsible for teaching stewardship and they have an obligation to help those who are the least and lost in their communities. But that does not necessarily mean helping in the area of economic development. The obligation is to help, but the type of help rendered depends on needs.

One the key observations is that ten of out 22 respondents (45%) view participation in this type of programming as being contextual based on the geographic area and leadership priorities of the church. The church should respond to the specific needs of their communities. This perspective indicates that, at some level, megachurches must be aware of the needs of the surrounding community and make an effort to respond to those needs. Because the needs are not congruent in every community, the response to those needs should vary as well. Thus, economic development may not be a priority for every congregation.

> *Respondent #12 – "…I don't think every church has to tackle economic development issues. It depends on the context of the church. If you are a country club church, and we are sitting on the campus of [university in the North Texas area] in a wealthy neighborhood, then maybe you can focus you attention on local or world missions. Our church is contextually in a position where we should tackle these issues, but that is not the case for everything."*

> *Respondent #13 – "What we see is there are a lot of people around us who are struggling in their finances, so that has motivated our congregation to offer stewardship classes. But that may not be a need in other communities or congregations may choose to prioritize something else that is more pressing."*

In addition to participation in economic development being based on the needs of the community surrounding the church, there was also the perspective that the action of the church is also guided by the spiritual vision of church leadership. Thus, if the senior leader of the congregation has a passion for topics and ministry related to economic development because of a special directive from God, then that is justification for offering programming. Thus, participation in economic development is not solely a response to community needs, but it is also a function of the values of leadership. This is directly aligned with supply-side assumptions for nonprofit action.

> *Respondent #22 – "The church has a responsibility to God to do what God leads them to do…We may not all be called to do the exact same thing in the same way.*

However, 12 out of 22 respondents (55%) felt that it was the responsibility of congregations to offer economic development programs. Of those responding in the affirmative, 50% (6 respondents) based that responsibility on a biblical mandate or requirement of the Gospel. This perspective of a "biblical mandate" will be discussed later in this analysis as it connects with the supply-side orientation associated with expectations from staff.

Summary of Findings for Proposition 2: Community Needs

In summary, this study finds support for the idea that megachurches are providing economic development activities due to a felt responsibility or sense of obligation to the community consistent with assumptions of extra-role behavior. The origin of this sense of responsibility is based on three factors. First, megachurches feel a sense of responsibility to free participants from the burden of debt and other negative consequences associated with poor financial management. Additionally, they feel the responsibility to elevate the community around them. That megachurches should be involved in programming that assists both the individual and the community was a consistent theme and reasoning for offering economic development activities. Second, megachurch leadership viewed responsibility differently for members versus the community at-large. Where megachurches viewed the responsibility to help the poor uniformly, the responsibility to train participants on financial management was not understood as consistently. Financial training and management classes was felt more for members than the community. Third, the responsibility to participate in economic development was largely viewed as a contextual activity. Thus, if the needs of the surrounding community necessitated the offering of financial programming, then megachurches are compelled to act. However, if financial training is not a pressing need, then the church is not responsible for acting in this area. Responsibility to meeting needs was uniformly expressed, responsibility to economic development was not interpreted consistently across congregations.

Community Expectations

A contribution of this research is linking expectations to organizational decisions to act in untraditional ways, which is referred to as extra-role behavior. Linkages to assumptions of extra-role behavior were observed in this study and the relationship between expectations and action was notable. One assumption of ERB offers that organizations could act in uncommon ways as a means of responding to community expectations. Thus, it was found that megachurches are influenced by meeting community expectations in offering economic development activities. Decisions to act in this untraditional way were motivated by three factors: 1) the reputation of the congregation as a leader in meeting needs; 2) the desire to offer practical instruction to maintain relevancy; and 3) the use of community support as an indicator of meeting needs.

Factor#1 - Congregation is seen as a leader in the community and intentionally pursued for leadership on meeting community needs

These respondents seem to be very aware of the factors that contribute to a positive perception of the congregation in the community and repeatedly assert an awareness of community perceptions. Eleven of 23 respondents (48%) comments about their reputation in the community. Common phrases included:

- *Respondent #1 - "people in the community know our congregation,"*
- *Respondent #8 - "we are very integrated in the city"*
- *Respondent #12 – "we have a reputation in the community"*
- *Respondent #15 – "what we do gives us a favorable impression not only with the members of our church but also in the community"*
- *Respondent #16 – "We have reputation in the church as a generous congregation"*

The image of being known as a church of or for the community seems to provide pressure or motivation to continue looking for practical ways to impact the local area. It appears that respondents participate in the strategy of "managing by getting around," which results in them having frequent interactions with the public at-large. This management strategy could result in a greater awareness of community perceptions about the congregation and motivate the organization to look for ways to impact the broader community as a means of maintaining the brand or reputation of the congregation

Additionally, megachurch telephone interview participants see themselves as leaders in their respective communities. Eight out of 23 respondents (35%) emphasize that their congregations are sought after by public and community-based organizations because of their leadership, resources and historical involvement in solving community challenges. Thus, the reputation for leadership may be encouraging megachurches to participate in uncommon activities as a means of staying on the cutting-edge of meeting community needs. There is evidence that expectations are driving action.

> *Respondent #5 – "Additionally, our church has a history of involvement in economic issues and we have developed a reputation for taking on social justice issues in the community. In a way, that reputation has increased expectations that we would offer the types of programs you listed."*

An example of the reputation of a megachurch leading in community relationship and connections with local officials demonstrates how responding to expectations consistent with that reputation has yielded tangible benefits for the community surrounding the congregation.

> *Respondent #21 – "The city government comes to us and asks for our help to meet the needs of those in the community. We have a great partnership with the local police department. We have a program called [ministry name], and this is where we encourage our small groups to make an impact in the community. We want to use the small groups to help someone in need. So the process is, small groups can request up to $2,000 per group to help someone they know in need. For example, a widow may need some yard work done so a small group can request funds to mow the yard and even do patchwork on the roof or help replace the roof if needed. The small group can request up to $2,000, based on certain criteria we have pre-identified, and we will give the $2,000 if the group agrees to match the $2,000 with money. So this is like a matching grant. The police department will often contact us if they know someone in the community is about to have their home demolished for code violations. They will call us because they know we have a heart for the community, so we get a lot of names for our program because the police supply that information to us. So we are plugged into the city with the goal that we are trying to help raise people up in the community."*

It is important to note, however, not all congregations are responding to community expectations or pressure. Nine out of 23 respondents (34%) either did not view participation in economic development activities as a means of improving the community perception of their congregations, or did not feel qualified to make an accurate assessment of that claim. In fact one congregation mentioned the involvement in economic development activities could actually be detrimental to the reputation of the congregation.

> *Respondent 11 – "Financial management classes are not a factor in our community perception…I think people repel church discussions around money, and if anything a focus on financial issues can be a deterrent and not an attraction for the community."*

While the experience of some congregations has not aligned with the assumption that megachurches participate in economic development activities in response to community expectations, this area found the most support of all assumptions of ERB. Thus fulfillment of community expectations seems to have a strong influence on the actions of these congregations.

Factor #2 - Practical instruction keeps the church relevant

In addition to awareness of the role megachurches have in leading in the area of meeting needs, telephone interview participants also seemed to be very aware of the necessity of the church remaining relevant in society. This could indicate a motivation to meet community expectations by ensuring that the faith remains practical. Leaders emphasized the fact that the church should have a spiritual focus that connects people to tenants of the faith: prayer, worship, evangelism, connecting with God. However, they were adamant that the connection to practical matters of everyday life, such as financial management, starting a business, or seeking employment should not be avoided by the church. Six of the 23 respondents (26%) mentioned that instruction on practical matters keeps the church relevant, thereby connecting with the community.

> *Respondent #2 – "What I have observed is that people born after 1982 are interested making a difference and they are drawn to organizations and causes that enable them to do so. More and more the church has to put legs to what is being preached on a weekly basis. People, specifically the millennial generation, want to see action."*

> *Respondent #18 - There are folks who are looking for ways to get out of debt. And who are looking for ways to move their cheese job wise. And there is no reason the church couldn't be used as a means for teaching those practical lessons to those seeking this type of instruction and guidance.*

Thus, one means of responding to community expectations is to offer instruction on matters related to financial management, career development and starting a business. While the end goal of pursuing this type of programming could be for evangelical purpose, the respondents provide insight that the incorporation of these types of economic development activities provides a means of helping the church stay relevant in modern times. A growing desire to assist in these financial matters is a way of responding to community expectations.

Factor #3 - Reciprocity from community

One way congregations determine the relevance of their programming is whether or not the community supports the efforts of the church. This connects with the assumption of ERB that posits individuals will take on unrequired responsibilities as a means of reciprocating assistance given by co-workers. When testing this assumption with megachurches and their participation in economic development activities, 14 out of 21 respondents (67%) indicated that the community support for programming did was not their motivation for offering services. It would appear that the assumption of reciprocity is not a valid means of explaining megachurch involvement in economic development activities. However, when looking at the issue in more detail, a slightly different perspective emerges. While some congregations indicated they would offer economic development activities whether the community supported these programs or not, four of the 23 respondents (17%) view the support of the community as an indicator for meeting community needs. So without community support, some leaders would question if the services being offered were really needed by those intended to benefit from the activities.

> *Respondent #12 – "Obviously, if you start offering a service and there is little community support it may be a sign that you are barking up the wrong tree. So yes, it is helpful to have a positive community response to what you do."*

> *Respondent #15 – "I would not say that has motivated us. What it does do is it tells us that we are doing the right things because the community is being supportive."*

> *Respondent #18 – "I don't know that that is what motivated us initially when we first started offering programs five years ago. But within the last two years that we started offering business start-up programs and other programs related to being an entrepreneur and encouraging entrepreneurship, I would definitely say those efforts have been motivated by the community."*

Despite the concept of reciprocity serving as an indicator that a megachurch is doing the right things or offering programming that is resonating with the community, the majority of respondents did not view reciprocity as a motivator for participating in economic development activities.

Summary of Explanations for Proposition 2: Community Expectations

In summary, one explanation from ERB for an organization to act in uncommon ways is in response to community expectations. Support was found for this explanation when assessing megachurch motivations for offering economic development activities. Decisions to act in this untraditional way were motivated by three factors. First of all, megachurches appeared to be keenly aware of their reputations of being known as congregations who meet needs in the lives of their respective communities. The preservation of this reputation or in response to community expectations associated with that reputation, seem to influence congregational action in the area of economic development. Secondly, megachurches were interested in offering practical instruction to maintain relevancy in the community. If the community is interested in learning better financial management, megachurches are interested in offering those services as a means of building bridges with the community. Respondents commented on the need for the church to balance spiritual instruction with the development of practical life skills as a means of remaining relevant. Other respondents viewed participation in this area as a way to build bridges with the community and invite the community into the church. Finally, the presence of community support serves as an indicator of meeting needs. The concept of reciprocity associated with ERB did not find strong support in this study. Megachurches were not offering programs to the community as repayment or a means of reciprocating support given to the church by the community. In fact congregations indicated they would offer the services in the absence of community support because "it is the right thing to do." However, the presence of community support did serve an indicator to respondents that the programming they were offering was valued. An absence of any community support could serve as a red flag to megachurches that the services they offer may need to be altered or reevaluated due to a lack of community response.

In the previous section, proposition 2 was tested using telephone interview data to determine how community needs and community expectations aligned with explanations for megachurches to offer economic development activities. Explanations for community needs are associated with the demand-side orientation of Frumkin (2002), and explanations for community expectations are associated with ERB that is motivated out of a sense of obligation or responsibility.

Proposition 3: Megachurches participate in economic development because of supply-side explanations

An alternative explanation for a megachurch participating in economic development activity could be within supply-side arguments. This explanation can be tested by determining if megachurches are responding to expectations of members and staff as a means of retaining the services they provide to fuel the action of the congregation. Thus, by accommodating expectations of members and staff, megachurches are able to accomplish goals that could not be achieved in the absence of members and personnel. Without these internal actors, congregations would cease to exist. Thus, the motivation to meet member and staff expectations as a means of retaining or attracting members is one of importance. Proposition three of this study states: *Megachurches participate in economic development because supply-side explanations.* There are two themes built into this assumption: entrepreneurial staff and members and expression of values and faith. Each theme has factors to explain their relevance in determining why megachurches would participate in uncommon activities, like economic development.

Entrepreneurial Staff and Members

Supply-side explanations identify the ability of nonprofit actors, in this case staff and members of megachurches, to use their passion and energy as catalysts for innovation in addressing community problems. Findings from telephone interviews provide varying levels of support based on three factors: 1) members involvement in economic development activities, 2) the perspective of members regarding community vs. economic development outreach; and 3) leaders see programming as a way to differentiate the congregation from other congregations.

While congregations were broadly in disagreement that accommodating member expectations were the primary motivation for offering economic development, it was clear that member expectations did play some role in why congregations offered these activities. The influence of member expectations varied, and three factors contribute to fulfilling member expectations: 1) the tenure of members with the church; 2) the perspective of members regarding community vs. economic development outreach; 3) member involvement in economic development activities.

Factor #1 - Members expect participation because they have driven the creation of partnerships and programs

Four out of 23 respondents (17%) directly credited members with the establishment of partnerships and programs in activities related to economic development. In these cases, members expect the church to participate in economic development activities because members served as the catalyst for partnerships or the creation of said programs. This aligns directly with the supply-side rationale from Frumkin (2002), which states that nonprofits act because of the interests, passions and values of those fueling their activities. Members would expect megachurches to participate in economic development activities because they were the ones who created the programming initially.

> *Respondent #17 – "Our primary partner is Crown Ministries or Crown International. And how that relationship got started was we had a member who was already qualified to teach the curriculum and had done so at their previous church before becoming a member of our church. So this member was the one who approached us about offering these classes and subsequently we always had two or three members who were trained and able to teach the classes for us. So that is how the relationship was started; through a member who brought the program to us."*

> *Respondent #23 – "We partner with organizations because of the employment connections of our members more than anything. For example, we have members who work with the [federal government department] and because they work in that system, they have a desire to help other members and people in the community learn how to navigate those systems in a way that will be beneficial for others. Because of their knowledge and connections, they drive partnerships."*

It is interesting to note the role of members in creating partnerships as a means of sustaining economic development programs. As was discovered in phase one of this study, the number of economic development volunteers was positively associated with the number of economic development programs. Thus, the energy and motivation of members was seen in both phases of this project as a means of explaining the decision of megachurches to offer economic development activities.

Factor #2 - Members expect community participation broadly, not economic development specifically

Conversely, for those members who are unaffiliated with programs and activities related to economic development, it appears that the expectation for megachurch action in this area is lessened. Six of the 23 respondents (26%) note the expectations of members to intentionally participate in economic development, seven respondents (30%) think that members simply expect community involvement in general. From their perspective, the emphasis is not on the particular ministry effort aimed at impacting local communities. Rather, the expectation from members is that the congregation would be involved in work meets the needs of others.

> *Respondent #19 – "I think the members have a very general understanding of what we do. I think they do expect us to have a relationship with the community and contribute to those in need. But the specifics about how we do that is really left up to us. That is saying that this is not the end all and be all of what we do and how we engage the community. So I think that just expect us to participate period."*

Moreover, while expectations are fundamental to assumptions in ERB, many respondents felt the usage of "expectation" explicitly did not accurately reflect the reality of how members perceived economic development activities. Respondent felt the term expect may have been too strong to use to describe member interest in these activities. They preferred to use words such as "appreciate," "support," or "understand." It appears that use of these less direct terms is a result of the idea that some members are actually unaware of the nature of programming related to economic development activities.

Respondents highlighted the fact that they did very little external marketing of these programs and even some internal audiences were unfamiliar with these services. Thus, a lack of awareness of the programs or details regarding the programming might have contributed to a lack of expectations upon church members to see action in this area. In fact, one congregation thought members did have an expectation for their church to participate in economic development programming targeting the poor and the homeless, only to discover a lack of commitment to these efforts when a key funding source failed to renew a program that the congregation offered for 22 years.

> *Respondent #11 – "We told the congregation what happened and we explained that we no longer had the support of the government grant to offer these services, and to my surprise I received only one e-mail from a member asking what could be done to continue providing services. Then it dawned on me; people have the assumption that we should be involved in helping the homeless, but they didn't really have the expectation that we should do it."*

Respondents do sense the members expect the church to participate in community-focused work, however, that expectation is not broadly felt in the area of economic development specifically.

Factor #3 - Leaders see these programs as a competitive edge in the religious economy, product differentiation to retain and attract.

Leaders are keenly aware that members have a number of options to choose from regarding congregation attendance. Considering that Dallas and Houston have the largest concentrations of megachurches in the nation, this observation is logical. Seven out of 23 respondents (30%) view offering unique programming like financial management, entrepreneurship programs and other economic development activities allows them to differentiate themselves from other congregations. Leaders acknowledge that this types of programming could be attractive to members and non-members. Some respondents go even further to connect the unique offering of ministry services and programming to the concept of branding. Meaning, megachurch leadership view the meeting of needs in practical ways, like through economic development activities, as a part of the brand of their church. It is this branding that helps individuals decide to support or connect with the congregation.

> *Respondent #2 – "In fact I would say that our brand is the more recognized in the area than any other brand. The only one more recognizable would be [the local school district]. And we are recognized because of the work we do in the community.*
> *Respondent #11 – "Branding of a congregation is important, and branding consists of communicating about your organization in a way that sets you apart; it communicates your value. And people make attendance decisions based on that brand."*
>
> *Respondent #16 – "We are aware that if other congregations are offering this type of programming, we want to make sure that people are not leaving our congregation but can find similar programming here. People want to avail themselves to this type of information."*

Thus, there is awareness among megachurch leadership that members have options to choose from regarding where they will affiliate and who they will support with their attendance. As means of remaining competitive and retaining resources for the benefit of the church, programs like economic development enable congregation to stand out among other congregations. This aligns with explanations for ERB in that these programs offer a competitive advantage for megachurches operating in this uncommon space. Thus, innovative programming helps sustain member interest, retain members in some cases and ultimately provide a ways for these congregations to stand out among other congregations.

Summary of Proposition 3 Explanations: Entrepreneurial Staff and Members

In summary, evidence was provided that megachurch participation in economic development activities did align with supply-side and ERB assumptions. Meaning that congregations are responding at some level to the expectations of staff and members when activing in economic development. First of all, members who are involved with economic development activities expect congregations to put forth the resources needed to support these programs. Members are credited for bringing these programs to the church or encouraging the development of partnerships and collaborations to offer these services. Thus, they expect megachurches to support these programs. However, this finding was also influenced by the proximity of members to these types of programs. While those who participate and are passionate about these programs have expectations for support, respondents indicate that member largely expect the church to act in the community without the specific expectation of programming in economic development. Respondents seem to perceive that members expect the megachurch to be involved in the community due to the vision of the church, understanding of resource possessed by the church, or based on understanding that the church should be involved in meeting critical needs in the community. The specification of expectations around economic development were largely absent. Finally, leaders view economic development programs as a way to differentiate their congregations from other congregations in the area. It is not lost on megachurch leaders that they are in some ways in competition for members, and offering these programs provides a competitive edge for their congregation. This is closely connected with brand awareness. Respondents mentioned how the offering of practical, life-skill programming reflects the brand of their congregations, and it is that brand that attracts and retains members for their churches.

Expression of Values and Faith

Finally, participation in economic development activities provide a way for staff and members to express their values and faith, which is consistent with the supply-side, instrumental function of the nonprofit sector. Rather than offering this type of programming based on community needs and expectations, findings from telephone interviews support the argument that this programming allows staff and members the opportunity to express their faith and values and this is based on four factors: 1) leaders are motivated by theology/Biblical mandate to offer economic development activities, 2) leaders feel the magnitude of resources compels the church to act, 3) member expectations shift based on tenure with the church, and 4) leaders expect to cultivate more generosity due to this programming.

Factor #1 - Leaders are motivated by theology/Biblical mandate to offer economic development activities

Overall, eleven out of 23 respondents (49%) expressed that the motivation for participation in economic development was a “biblical mandate” or that the church is “called” to do so based on their interpretation of biblical text. Leaders view participation in this arena as being outlined in scripture and thereby providing the motivation for their respective congregations to act. In fact, many congregations emphasized that community pressure was not the driving motivation for action in this area.

> *Respondent #2 – “Yes, but we are motivated by the call of Christ. As the spiritual leader of this congregation, I try to be clear that the call of Christ is our primary mission and focus. Other service organizations can be motivated by the community, but we are motivated by Christ. That is our mission and vision that is what we are all about.”*

> *Respondent #4 – “Typically with individuals who receive the benefits of these programs have very little ability to give to the church financially as members. Offering these programs provides us with the opportunity to share the Gospel of Jesus Christ and it is a biblical mandate to do so.”*

Thus, leaders would expect their congregations to be involved in economic development programs because God expresses an expectation of participation as interpreted by scripture. Leaders see this type of programming as a way to express God's love for His people and to teach faith-based principles of financial management.

Factor#2 – Leaders feel the magnitude of resources compels the church to act

Another reason for megachurch involvement in economic development activities is an awareness of the level of organizational resources. Three out of 23 respondents (17%) directly mentioned that they sensed a greater level of responsibility to reach out to the community in response to the amount of resources possessed by the congregation. The concept of "to whom much is given, much is required" drives the decision of staff to get involved in these activities.

> *Respondent #1 – "We have a number of sayings here at [congregation], one of which is that we are blessed to be a blessing based on Genesis 12. We are blessed with resources because we are supposed to share that with others."*

> *Respondent #6 – "I feel like it is not the responsibility of every church to offer these programs. But at least one church should offer these services and allow smaller congregations to partner to deliver these services to their members. Smaller churches are not able to offer these programs because of cost. They are struggling to pay their own bills and cannot take on the responsibilities of these programs. So the larger churches in the community should provide an opportunity for collaboration."*

It is important to note these expectations among megachurch leaders, as this expectation could be uniquely experienced among the community's larger congregations. This expectation aligns with present discussions regarding tax exemption and other concerns relating to the true community impact of extremely large nonprofit organizations. As outlined in chapter two of this study, more attention is being devoted to large tax-exempt entities as government revenue shortfalls occur. The question is increasingly being raised about the public benefit and impact of larger nonprofit organizations. Congregation leaders and staff may also feel this pressure to demonstrate impact because they know they have the resources to effect change in the area of economic development.

Factor #3 – Member expectations shift based on tenure with the church

One explanation for megachurches acting in uncommon ways could be in response to member expectations. Sixteen of 23 respondents (70%) do think members expect their congregations to participate in economic development activities, but note that this expectation is not uniformly experienced across all members. Members who have been affiliated with the congregation for a longer period of time and know the historical role of the church in their respective communities have a greater level of expectancy than those who are new to the congregation or new to faith. Thus, expectations of members are not static; rather, there appears to be an evolutionary nature to member expectations in the area of economic development activities.

> *Respondent #11 – "It depends on the church history of the person you're asking. If someone has been a member of [congregation] for 10 or 20 years, they would expect us to offer these services because they have history with our church. They know that is a part of the church culture to be active in the community and they would expect that involvement. A person new to the church might actually be surprised that we offer the services. They may say, "I just came for a song and a message, and you want to help me with my finances?" They may be shocked to know we do those things. So to answer your question, I think the tenure the person has with the church matters. After they've been here a while, they just come to expect it."*

Thus, a members learn more about the historical level of involvement of the church in the community and as they learn more about biblical principles of financial management, their expectations of seeing their congregation contribute to economic development activities increases. Members are able to see how these programs teach certain values and faith, and their support for these programs and expectation to see them offered is augmented.

Factor#4 - Leaders expect changes in participant behavior

Overall, there appears to be an expectation that these economic development activities lead to an increase in giving to the church. Fourteen out of 23 respondents (61%) expect that as they teach principles of stewardship and biblical financial management, members will have a greater desire to give more. Leaders did not hesitate in clarifying that increases in giving was not the motivation or sole purpose for their economic development activities, however. Four respondents viewed this increase a "by-product" of offering economic development activities, specifically those programs geared toward financial management. Two congregations noted an increase in giving a "natural output" or "natural consequence" of offering these programs. Thus, megachurch leaders are willing to acknowledge that a benefit accrues to them when members learn how to give and set financial priorities.

> *Respondents #14 – "The more we help others get their finances in order, get their relationship with Christ in order then a result of that would be to see the fruit of giving in their lives. So I definitely think there is correlation there, but that is not our motivation."*

While respondents did acknowledge a "correlation" to increases in giving, on the whole leaders were not using economic development programs for the expressed purpose of increasing giving. Fifteen out of 23 respondents (65%) do not view these programs as a viable means for attracting or retaining members. Rather the purpose of the programming is to help members experience freedom from learning financial management principles and teaching biblical principles of generosity.

There was frequent mention of how debt and poor money management clouds the ability of people to be generous. By removing the barriers of financial challenges, members and program participants have a greater ability to be generous. The term generosity was used by five out of 23 respondents (22%), and the cultivation of generosity is the goal of this programming. Generosity appears to have a great connection to concepts of spirituality and is viewed as an outcome associated with spiritual growth. This concept also connects with historical explanations for the foundation of faith as an impetus for the creation of growth of nonprofit organizations in the American context (Shafritz et al., 2012). Religious organizations and philanthropists motivated by religious ideals, have used giving as an expression of faith and as a means of using wealth to contribute to improving the welfare of those who are less fortunate.

> *Respondent #18 – People who are generous find great joy in being generous to others. And there are some in the church who just have not been taught how to be generous and to give to others with generosity. I believe generosity is a choice, and having large amounts of debt clouds the ability to be a giving person. As we help people learn to give in generous ways and to think about giving biblically with a focus on giving to the King, Jesus and to give to the community we expect to see them do just that.*

> *Respondent #21 – "We operate under the idea that as a Christian is a generous person. So if you see a need, you should give to meet it. We'd applaud all people who give to a 501(c)(3) organization just as much as we would if they had given to the church. If we promote generosity that is what matters."*

Summary of Proposition 3 Explanations: The Expression of Values and Faith

In summary, staff and members of megachurches view economic development activities as a means of expressing values and faith to those who are impacted by these services. First, staff members largely expect to see these types of activities because the Bible mandates helping the poor and equipping the saints for lives void of the burden of debt. Thus, theology is the driving force for expectation. Second, megachurch leaders attribute the size and magnitude of resources associated with their congregation as fueling their expectations to see programming related to economic development. These leaders recognize their congregations have a different level of responsibility to meeting needs in this unique area because they have human and financial resources the warrant their participation, and that burden is higher than if they were associated with smaller congregations. Third, the length of time a member has been connected to the congregation seems to alter their expectation of church involvement in economic development activities. The longer a member is connected with the church, the more his or she is aware of the church's organizational culture and its historical nature of involvement in the community. This level of awareness changes the expectations of members to one where member eventually expect the megachurch to be involved in these activities. This is largely due to an increased understanding about the values connected with the teaching these services provide. Third, 3) member expectations shift based on tenure with the church, and 4) leaders expect to cultivate more generosity due to this programming Finally, leaders expect to see changes in participants in ways that connect back to megachurches and the community. Respondents overwhelmingly indicate that a by-product or natural consequence of offering economic development activities should be the cultivation of generosity. They are expecting to see changes in the level and frequency of giving because of biblical instruction on financial management and the concepts of stewardship and tithing.

Other Findings

The primary purpose of this phase two of this study was to see if megachurches aligned with assumptions of ERB in explaining their decisions to act in untraditional ways. Some support was found for the ideas that community expectation, member expectations and staff expectations had an influence on megachurch participation in economic development activities. These findings were the discussed in the previous sections.

In addition to explanations found in ERB, other observations were made regarding factors that influence megachurches to act that were not explicitly related to assumptions of

ERB. Among those factors were three key issues: 1) megachurches are seeking strategic partnerships versus reciprocal partnerships; 2) African-American congregations continue to have unique motivations for offering economic development programming; 3) the self-interested focus of members has an impact on commitment to community action. Each of these observations will be discussed briefly.

Strategic versus reciprocal partnerships

Rather than offering programs through partnerships based on reciprocity as assumptions of ERB would argue, congregations are more often partnering with specific organizations based on a concept of strategic outreach. Congregational leaders align with assumptions for collaboration based on partners having greater resources, greater connections with clients or being able to work more intentionally with organizations who have already proven to be effective in this area (O'Leary & Bingham, 2009). The congregations noted that they have limitations, either materially or from a human resource perspective, and partnering with others to deliver services made for a greater impact. Some relationships were cultivated on past support, while others were birthed out of a desire to be more intentional with those who are already effective in doing work in the area of finances. Ten out of 23 respondents (43%) of megachurches mention strategic partnership as a motivation of how they collaborate with partners on economic development programming.

> *Respondent #1 – "In the past, our relationships were built primarily through members of our church who served on boards for these organizations who had connections. Now, however, we operate very much so from a more strategic partnership perspective."*

> *Respondent #8 – "But our partners are able to offer more insight and information about those who are in need in our community. We are then able to structure better programming to meet those needs because of the relationships we have developed. Also, I am of the belief that we simply cannot do everything. If the city or the chamber does*

really well at offering a certain service, then we should not do it. We should partner with them for a better outcome."

Respondent #15 – "We what we have done in the [financial ministry] is A) Recognize that financial literacy is a very broad space, and we have to decide what we want to own in that space. While financial literacy is broad and has a lot of moving pieces, we cannot do everything. So we have to decide what we are going to own in that space and do what we can based on what we have decided to focus on and then partner with others those areas we cannot cover to at least have something to offer so that we don't have holes. That's how we pick our partners. We partner based on those who can fill in the gap and who have been doing that well in areas that we do not specialize in. We offer what we can in-house and we partner on the rest."

The presence of strategic partnerships could be an important broker for churches balancing their primary mission with participation in these untraditional activities. By partnering, megachurches are able to use their resources to put towards economic development activities while enabling partners to use their expertise to effectively program. This delineation between the spiritual instruction of congregations and practical instruction of ministry activities is expressed in organizational arrangements as well. For example, three megachurches have established separate 501(c)(3) organizations to focus more on community programming, coordinate benevolence gifts and to work strategically and efficiently at providing life-skill instruction. While this work is occurring in the community, the congregation focused more on the spiritual growth and development of members and reaching the unchurched.

Respondent #21 – "The [community-based nonprofit] takes care of the community by supplying funds to those in need to using volunteers to serve the community. We're heavily invested in the work of the [community-based nonprofit], because as I mentioned we started that organization as a separate arm. So we are invested in these activities, but we have divided up responsibilities so that our church takes care of the members and [community-based nonprofit] focuses on the community. They are equipped to handle those needs, we are not.

Regardless of how the arrangement is structured, decisions to partner to deliver economic development activities is one based on strategic management of resources rather than solely on the assumption of reciprocity that is associated with extra-role behavior.

Unique experiences of African-American congregations

The literature consistently highlights the idea predominately African-American congregations have a unique interest in economic development activities as a means of improving social justice. Those observations were present in this study as well. It is not just about improving financial management for African-American congregations. There is a broader concern about equal distribution of power and providing a level playing field for members of the African-American community or other minorities as well. Respondents from predominately African-American congregations were the only congregations to specifically use the terms "marginalized", "disenfranchised", "social justice", and "socioeconomic." It was clear from these respondents that their congregations were taking a proactive role in reducing gaps between the wealthy and the poor, especially in communities of color. By giving special attention to those populations who are chronically underrepresented in financial structures, these megachurches believe they are connecting with the heart of the Gospel.

> *Respondent #5 – "Jesus, as we seek to imitate Him, dealt with the lost and the least in His time. Also, it is in line with efforts of creating social justices and influencing that…It is an obligation that we should fulfill that helps not only the up and in but the down and out."*

> *Respondent #22 - "It is really our desire to have money turn over more times in our community because of these economic development services. We are more concerned that the disenfranchised in our community get the economic power they need to improve their situation. And I don't want to say that that is limited to black people; it is our desire to strengthen the entire community. Around the church, for example, we have a large number of Hispanic members in our community as well. But originally, our primary purpose for developing these programs was to help African-Americans to grow stronger*

> *in their socioeconomic status and to increase economic power and knowledge in that community for the betterment of the entire community."*

Despite the length of time that has transpired since the seminal work for Lincoln and Mamiya (1990) in understanding motivations of the black church, these motivations are still driving forces for even the larger predominately African-American congregations.

Self-interest of congregation limits external expectations

While respondents are participating in economic development activities in response to external expectations from the community and internal expectations from members and staff, not all congregations perceive members to have committed expectation to church involvement with the community. One respondent commented at length about how the priorities of members is impacted the expectations for congregational involvement in the community. Specifically, the leader mentioned the rising nature of self-interest among congregants that affects their attention to broader community concerns. The idea that helping others is good in theory but not paid attention to in reality.

> *Respondent #11 – "It has always been the case in and around the faith communities that are church based. Throughout the years, we have surveyed our members to learn why they are members of [the congregation]. The survey provides 15 options and members can write-in experiences outside of that 15 as well. The number one reason over the years that people come to the church has been for the love and unconditional acceptance they receive from the church. It ultimately boils down to; I like how you treat me. It has not been about how the church treats the person with no food and no shoes; that could be a by-product. But the primary motivation is self-motivation."*

And in one case, megachurch leaders are working to teach members to have expectations for the congregation to support programming that changes the community in ways that are strategic and have a greater impact on the community over time. Leaders in the congregation are working to educate members on how to look for impact to change mental models associated with how churches support communities. It is in this education process that leaders hope to influence expectations for transformation in communities and not just offering activities. Removing individual expectations for church action to consider broader impacts is a goal of the congregation.

> *Respondent #22 – "We want to educate our members that outreach is more about impact than activities. Right now our membership is more concerned with asking questions about how many homeless people we served last year. Where we are trying to get them to ask questions like, did we clear out the need for a soup kitchen in the community because people actually have jobs. I think our members expect us to be involved in activities, but we are trying to educate them on impact."*

In summary, megachurches have been influenced by other factors outside of assumptions of ERB to explain their participation in economic development activities. First, congregations are participating in partnerships to offer these services based on strategy not reciprocity. The prevalence of engagement in economic development could be associated with the prevalence of partnerships. Acting in these uncommon areas might not negatively impact the primary mission of spiritual development because megachurches are partnering with organization who can focus more intentionally on life-skill instruction and programming associated with economic development. Congregations often provide the human resources (volunteers) and financial resources (money for programming) and allow partners with expertise in the area of program management to execute these programs in communities.

Second, African-American congregations have a unique relationship to economic development programming. Rather than offering these services as a means of teaching generosity or other biblical characteristics, predominately African-American congregations are engaged in economic development activities as a means of representing marginalized and disenfranchised groups to promote a concept of social justice. Inequities between communities of color and the broader community are more intentionally discussed with black megachurches, and the alleviation of those gaps and inconsistencies is a goal of these congregations. This proactive representation is not seen among predominately white congregation, or is not expressed in these terms directly.

Third, megachurches expressed that the limited attention or self-directed focus of members can in some ways hinder the level of community impact in the area of economic development. In one instance, members pay homage or respect to the idea of helping the poor, but in reality members are more concerned with feeling connected to the church and loved by the leadership. The steadfast commitment to the church providing community outreach in the form of economic development is appreciated but not fully enforced, as seen when only one member expressed concern when a government-funded outreach was discontinued after 22 years of service to the community. Additionally, there was an instance where a megachurch is trying to actually raise the expectations of members regarding the church's involvement in the community. This congregation is located in a wealthy community and has the ability to give more, but congregational leadership are interested in helping members consider how to give more strategically. The leadership wants to focus on outcomes (reducing the need for services that serve the homeless), whereas members are concerned with outputs (number of people served by food kitchen). In this case, member expectations are limiting the ability of the church to service and meet needs in new ways.

CHAPTER 7 – DISCUSSION OF QUALITATIVE FINDINGS

The previous chapter identified key themes and subthemes related to the theoretical framework for this study. A summary of those concepts are repeated again in Figure 7.1. Based on these findings, three areas of discussion emerge.

Figure 7.1 – Key Factors Influencing Megachurch Participation in Economic Development Activities

Proposition 2: *Megachurches participate in economic development because they are obligated or feel a sense of responsibility to do so by the community.*	
Theoretical Arguments	Themes from Interviews (English, 2015)
Community Need	- Programming helps set people free from burden of debt; improve the human condition - Hierarchy of need determines level of church involvement - Context of need in the surrounding community determines church priorities
Community expectations	- Congregation is seen as a leader in the community and intentionally pursued by the public for leadership on meeting community needs - Practical instruction keeps the church relevant - Reciprocity from community
Proposition 3: Megachurches participate in economic development because of supply-side explanations.	
Theoretical Arguments	Themes from Interviews (English, 2015)
Entrepreneurial Staff and Members	- Members expect community participation broadly, not economic development specifically - Members expect participation because they have driven the creation of partnerships and programs - Leaders see these programs as a competitive edge in the religious economy, product differentiation to retain and attract
Expression of Values and Faith	- Leader expectations fueled by theology/Biblical mandate - Magnitude of resources compels action - Historical Element – Evolving Nature of Member Expectations - Leaders expect changes in behavior because of training

Extra-role behaviors may exist on a continuum for megachurches engaged in economic development

My research considers extra-role behaviors as they relate to explanations that go beyond the assumptions behind theories in Frumkin's (2002) framework for nonprofit and voluntary action. For an action to be deemed an extra-role, it has to exceed formal job requirements. In the context of megachurches, for an activity to be classified as an extra-role it has to exceed the mission or primary purposes for the organization. The fact that some congregations see participation in economic development as contextual to community conditions or optional provides evidence that this type of programming is not universally understood as a primary role of the church. Most of the respondents agree that churches are responsible for teaching stewardship and they have an obligation to help those who are the least and lost in their communities, but that does not necessarily mean helping in the area of economic development. The obligation is to help, but the type of help rendered depends on congregational leaders' interpretation and prioritization of needs in the surrounding community and within their congregations. One the key observations is that respondents view participation in this type of programming as contextual. The church should respond to the specific needs of their communities. This was a popular view among respondents.

There actually seems to be different ways congregations categorize activities as being primary roles of congregations as related to economic development. This is reflected in Figure 7.2.

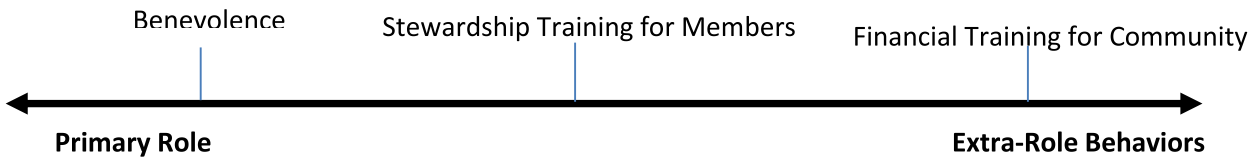


Figure 7.2 – Role Continuum for Megachurches in Economic Development

assistance as a primary responsibility of the church to offer. Taking care of the poor was repeatedly referred to as a biblical mandate that Jesus[2] required. So this falls near the far, left-end of the spectrum, closely connected with the primary role of a congregation. However, congregations had some variation in interpretations of training opportunities available to members regarding stewardship and financial management. Many agreed that it was important, but may not agree that specific programs need to be created to teach these skills. Periodic teaching via sermons from the pulpit on a Sunday morning might be sufficient for some congregations. Thus the creation of financial management programming moves further along the continuum being equidistant between primary and extra-roles. When it came to understanding the role of the congregations in providing financial management training for the community at-large, consensus was limited. Several congregations did not see a specific connection to scripture as indicating that this was expected of the church. Thus, training on financial matters that largely target and benefit the community outside of the church can be identified as an extra-role behavior.

This continuum can be used to classify economic development activities of this study to demonstrate where they fall in relation to extra-role behaviors. For example, stewardship classes are common among these congregations, while virtually absent from smaller congregations.

2. All congregations were Christian organizations in this study.

So in comparison to smaller congregations, these are extra-role behaviors. However, within megachurches, stewardship has evolved into an expected ministry offering. Just as role theory has suggested. Roles evolve over time as those roles are carried out, they become expected. However, entrepreneurship classes, homeownership courses, career development seem to be treated different and are viewed as extra, non-essential ministry activities that some choose to adopt. Thus, extra-roles are determined by where the activities fit on a continuum, potentially. Congregations may view spiritual activities as primary roles and practical activities related to community life as extra-roles.

The implications of this are important for partnerships with government entities that might view these large congregations as viable partners for work in economic development. If megachurches are largely engaging the community for benevolence and members for stewardship training, they may be less impactful on the community at-large. Thus, if relatively few megachurches are participating entrepreneurship classes or homeownership programs, the government may need to temper expectations for sweeping changes in these areas. It is important for government leaders to understand the nature of involvement on this continuum and that very few congregations may be actively engaged in the types of economic development activities that could move the needle on quality of life at the local level. For example, if it was found that megachurches were helping start-ups launch new businesses on a regular bases or helping increase the number of homeowners in a community, those development would have significant impact on the tax rolls for local governments. However, if most of the programming of megachurches is dedicated to improving personal goal of members, there could definitely be spillover effects but other entities are needed to rely on for the deeper, more traditional, impacts on local governments.

Impression management and the perception of community expectations are important drivers of action

This study showed that the degree to which congregations are aware of community expectations in their decisions to offer economic development activities matters. Megachurch leaders in this study were aware of their reputation in the community. Words such as "reputation", "brand", "leader", "leadership", "involved" and "involvement" were prevalent. In fact the word "community" was mentioned 292 times in the interviews. Megachurches are concerned with maintaining their reputations in the community for being a leader, being connected to the pulse of the community and being known for meeting needs.

Much of the expectations regarding nonprofit action is constrained not just by formal rules and regulations, but by social expectations. Whether or not nonprofit organization actions are acceptable are based on social construction. We collectively give meaning to the term nonprofit organization and what we collectively deem as acceptable becomes the rule. The same is true for congregations as well. Some of the nonprofit respondents are well aware that there are negative connotations associated with being called a megachurch. The presence of megachurches introduces polarized views. Growth in the number of members and the number of megachurch congregations suggests that people love them and view them as valuable community partners, while others view these entities as excessive, profit-driven and sources for isolation of the wealthy from the poor (citation). Thus, megachurches participating in economic development activities might view these activities as a way to soften then image of the church and maintain the reputation of being connected to the people and solving pressing community issues. This could be done to create good will among local communities and aid these congregations in spread the idea that they are good community citizens.

In some of the literature regarding extra-role behavior, scholars view self-interest as a negative trait. Original research of extra-roles viewed them as largely being motivated by a sense of responsibility and obligation to help that had positive impacts on the overall work environment and achievement of organizational objectives. ERB undertaken for reasons of self-interest were not seen as helpful, but rather self-serving. But I think it is important to note that pursuing extra-roles in light of what could benefit the organization engaging in these activities could simply serve as additional motivation to make an impact in new ways.

Megachurches view knowledge as a solution for community need

Another important observation is that megachurches largely view these economic development programs as filling a knowledge gap in the community. Church leaders emphasized that many people desire to be generous but they are unable to determine a path to deal with their own personal debt so they can be free to give. Additionally, leaders noted that many are tangled, trapped or burdened down by the weight of debt and a lack of financial management. Thus, these activities help provide participants the knowledge tools needed to change their situation. The fact that most Americans are living paycheck-to-paycheck with very little saved to weather times of uncertainty or financial emergencies means that these leaders could be correct (Fottrell, "Most Americans are one paycheck away from the street").

If most American's do not have the knowledge base to effectively manage their financial resources, it is important that an organization fills this gap. I believe this was the rationale behind the decision of policy makers decisions include faith-based organizations as a part of Welfare Reform in the 1990s. The idea that these organizations can connect with citizens at levels that government cannot. And this may be where the value lies for megachurches. As mentioned previously, megachurches may not be engaging an abundance of individuals to encourage them to purchase homes or start businesses. However, they are providing financial education that is helping people pay down debt and increase their personal quality of living. This could have positive community impacts such as encouraging saving, reducing stress, and increasing financial opportunities by increase employability.

CHAPTER 8 – CONCLUSION AND FUTURE RESEARCH

Overall, what was found?

Quantitative analysis yielded support for demand-side explanations. The number of economic development activities was associated with unemployment rate. Megachurches are largely participating in activities related to improving financial management and increasing opportunities for participants to secure employment. Thus, the participants of these programs could consist of the underemployed or unemployed rather than the chronically impoverished populations who are difficult to employ or are in severe financial distress. Megachurches could be engaged in the untraditional activity of economic development because they are responding to the needs of the surrounding community.

While megachurches are thought to be more racially and ethnically diverse than smaller congregations, this study revealed homogeneity among most megachurches. This could be due to the location of megachurches in the South, where the prevalence of segregation is still a reality though no longer legally allowed. It would be interesting to learn whether or not economic development activities are more racially motivated or geographically motivated in relation to the demand-side explanation. As more and more American's concentrate in metropolitan areas, it seems that diversity trends should follow. Does the prevalence of diversity in an area drive the awareness of unmet needs? Are congregations that are led by individuals other than white or black leadership perceive community needs and expectations differently?

Qualitative analysis provided insight to the impact of expectations on the decision of megachurches to participate in economic development activities. Megachurches are influenced by either a sense of obligations/responsibility and self-interest, as outlined in the theoretical explanations for extra-role behavior. Congregations are influenced by community perceptions that their congregations are in the community and meeting practical community needs. But congregations are also largely acting in this area because the Bible mandates assisting the poor. When determining whether or not these economic development activities were indeed an extra-role, I found that economic development is positioned on a continuum between primary and extra-roles. Certain activities like benevolence programs are view more as primary roles and activities more geared toward training the community financially are viewed as extra-roles.

The expectations of members and staff are motivational for megachurch involvement in economic development activities. The expectations of members can vary based on how long they have been affiliated with the congregation. Additionally, it appears that member expect community engagement broadly but not economic development specifically. And members largely expect participation in economic development when they have developed the programming or relationships to start offering the service.

Staff expectations are rooted in the Bible, arguing that Jesus compels them to assist in the area of financial management. Staff also think that because megachurches have such vast resource (human, financial, and social), they should participate in economic development activities. Additionally, leaders see participation in economic development as a unique program addition to attract or retain members, thereby increasing the capacity of the congregation overall. Finally, leaders expected to see increases in giving because they were teaching concepts of good stewardship. This was not necessarily the motivating factor for offering service, but it was definitely seen as a beneficial by-product.

Future Research

To carry research forward in this areas, there a number of potential areas of exploration. I will highlight five areas of future research: 1) Determine if supply-side or demand-side factors are driving congregation responses in economic development, 2) Research attitudes and expectations of congregants; 3) Conduct in-depth analysis on program participants of economic development activities offered by megachurches; 4) Investigate the threshold for determine when there is too much ERB; and 5) Understand the nature of collaborations and partnership of megachurches engaged in economic development activities. Each area for future research will be discussed briefly.

First of all, more attention is needed to determine whether congregations are largely responding demand-side expectation from outside the organization or if they are responding to expectations and needs within the congregation (supply-side). As this study presented, megachurches are offering programs that are not restricted on the basis of membership. While these services may be open to non-members, are non-members largely participating in these types of programs? If so this may demonstrate a commitment to more demand-side programming. However, this study only begin to shed light on the demand-side and supply-side explanations as influencers for a congregation to act in nontraditional ways. A definitive answer to this questions has not be discovered.

Secondly, in light of the previous recommendation for future research, more in-depth analysis is needed to discern the attitudes and expectations of congregants. My research relied significantly on the knowledge of leaders in megachurches to understand their congregations. Future research would do well to study megachurch members through ethnographic research to learn more about their expectations and attitudes regarding economic development activities. Do they really expect their congregations to participate in these activities? Did they based membership decisions on the fact that these types of programs were offered? Have these types of programs served as a good means of keeping them connected to the congregation? Do they see these programs as important to fulfilling the mission of the church? The perceptions, expectations and attitudes of members are fundamental important understanding if congregations are acting to meet these expectations. Future research can explore these questions.

Thirdly, more in-depth analysis is needed to understand the composition of program participants. Are these participants largely just members of the congregation? More details are needed to understand the background of these participants, why they chose these congregations for financial guidance, support and instruction. Additionally, it would be helpful to know if these participants are considered the working poor, temporary unemployed or underemployed, or people just seeking to have more stability. This is important to know because government programs were soliciting partnership with congregations under the assumptions that they were connecting with the least and the lost. Thus, it needs to be determined if that is indeed the audience for these economic development activities or is a different segment of the population being reached with these activities.

Moreover, additional research is needed to understand the consequences of megachurches operating outside of their primary, spiritual mission. This study offers that congregations take on uncommon activities in response to unmet needs or based on the passion and interest of those who fuel their action. But the questions becomes, how far is too far? Scholars in ERB have noted at the individual level of analysis that ERB can becoming harmful or counterproductive at certain points. Employees can become overwhelmed, stressed or ineffective in their original roles if too much time is spent on activities outside of the purpose for which they have been hired (Vigoda-Gadot, 2007; Berber & Rofcanin, 2012). It would be interesting to investigate the impact of organizations operating at length outside of their primary purpose. Do megachurches reach a point where it is no longer beneficial to engage in extra-role behaviors? What is the tipping point? At what point do community or stakeholder expectations need to be adjusted to remember the primary purpose for an organization?

These questions are especially salient as societal expectation for large nonprofit organizations begin to change. There are rising questions of whether tax exemptions and relief are needed for extremely large organizations that could theoretically shoulder the tax burden due to the enormity of their resources (LeRoux, 2011). Part of the justification of tax exemption for even large organizations is that they are contributing to the public good. If megachurches constant go beyond their primary mission in an attempt to meet an insatiable demand for more and more public impact from external and internal audiences, the focus on spiritual instruction and emphasis on specific belief systems could be compromised.

Finally, more research is needed regarding the nature of partnerships and collaborations of megachurches to offer these programs. Megachurches are partnering with other congregations, nonprofits, governmental entities and even institutions of higher learning to offer economic development activities. What is the nature of these partnership? And more importantly, what are the outcomes of these partnerships? How is the community better and who is being reached as a result of these arrangements? The fact that these congregations are so heavily involved with partnership to offer these programs is a good sign to government entities that they may be more posed to partner going forward. One of the limitations of smaller entities partnering with government is a lack organizational capacity. Suarez (2010) notes that the professionalization of government contractors is threatening existing of partnerships with nonprofits that are still connected to the community. Meaning nonprofit organizations that have historically been in close proximity to communities and have established community trust, may be unable to partner with government due to lacking the organizational resources and capacity to partner effectively.

Megachurches could potentially partner with government in more informal ways that do not require the exchange of money since these entities are largely self-sufficient. Thus, their partnerships could have more autonomy and yield better outcomes for partners and clients.

Concluding Comments

The goals of this dissertation were two-fold. First of all, I sought to contribute to theory-building by adding to our understanding of organizational behavior. This goal was achieved. I found support for an existing framework to understand nonprofit and voluntary action as outlined by Frumkin (2002). Moreover, I extended Frumkin's framework by taking into account the role of expectation through use of theories to explain extra-role behavior. Megachurches acted not only because of demand-side (exogenous) and supply-side (endogenous) reasons, they also acted in response to expectations of those externally and internally related to the organization.

Secondly, my aim was to expand our knowledge about faith-based organizations by specifically understanding megachurches and their participation in economic development activities. This study offered new insight regarding the level of participation of megachurches in these activities, who is benefitting from these service and factors contributing to their action.

APPENDIX A RECRUITMENT E-MAIL TO MEGACHURCH LEADERSHIP

Dear ________ (name of the respondent)

Dr. Lisa Dicke, Associate Professor, and Ph. D. student Ashley E. English in the Department of Public Administration at the University of North Texas (UNT) are conducting a research project to learn more about the economic development activities of megachurches in the state of Texas. To do so, we are surveying congregational leadership to better understand the scope of economic development activities of megachurches, and how these may impact local communities. We hope that the findings of the study can be used to help improve the economic viability of communities in Texas and those residing here.

Below you will find a link to a short survey that will ask about your churches' programs or services related to economic development. **The survey has been pretested and it should take no longer than 20 minutes to complete.**

The confidentiality of your individual information will be maintained in any academic or professional publications or presentations. Numbers will be assigned for individual participants and organizations. No personal identification or organization names will be used in any published materials or shared with others.

(link here)

We hope that you will participate in this study and we are happy to provide you with a summary of the findings when it is complete. The results could provide key information for your church leadership in reference to megachurch trends related to economic development activities. Megachurches are the fastest growing subset of religious institutions in the U.S. and we believe that their activities may be related to building stronger communities.

If you have any questions about the study, please contact Dr. Lisa Dicke at (940) 891-6793 or via e-mail at lisa.dicke@unt.edu, or Ashley Hyder at Ashley.english@unt.edu, or 940-565-2165. Both Ashley and I are happy to answer any questions you may have.

Thank you for your help and again, we hope that you will choose to participate in this short survey. Your remarks are important to us.

Sincerely,

Lisa A. Dicke, Professor
Ashley E. English, Ph.D. Candidate
University of North Texas, Department of Public Administration

APPENDIX B INFORMED CONSENT NOTICE

University of North Texas Institutional Review Board

Informed Consent Notice

Before agreeing to participate in this research study, it is important that you read and understand the following explanation of the purpose, benefits and risks of the study and how it will be conducted.

Title of Study: Megachurches and Economic Development: A Theoretical Understanding of Church Involvement at the Local Level

Co-Investigators: Ashley E. English, Ph.D. Candidate, and Lisa A. Dicke, Professor, University of North Texas (UNT), Department of Public Administration

Purpose of the Study: This study will seek to understand the economic development activities of megachurches in Texas, and how these may impact local communities.

Study Procedures: Participants will be asked to complete an online survey that asks questions about the kinds of economic development initiatives megachurches are involved in. The survey will take approximately 15-20 minutes to complete. Follow-up telephone interviews will be conducted by the co-investigators with survey participants expressing interest in taking part in these interviews. Telephone interviews will take approximately 15 minutes. Survey and telephone participants may terminate their participation at any time during the administration of these instruments.

Foreseeable Risks: There are no foreseeable risks in involved in this study.

Benefits to the Subjects or Others: The study will identify the activities of Texas-based megachurches and their economic development activities. The results will provide information useful to local governments, nonprofit organizations and megachurch officials for creating viable economic development initiatives to better serve those in their communities.

Compensation for Participants: None

Procedures for Maintaining Confidentiality of Research Records: The confidentiality of individual participants and megachurch organizations will be maintained through the use of a numbering scheme such as megachurch #1, and/or administrator #3. No identifiable information will be used in any academic or professional publications or presentations. As noted, each participant and organization will receive a randomly assigned identification number, and only the principal investigators will be aware of the original respondents. This information will be kept in separate electronic files and password protected for security.

Questions about the Study: If you have any questions about the study, you may contact *Lisa A. Dicke* at *(940) 891-6793 or ldicke@unt.edu.*

Review for the Protection of Participants: This research study has been reviewed and approved by the UNT Institutional Review Board (IRB). The UNT IRB can be contacted at (940) 565-3940 with any questions regarding the rights of research subjects.

Research Participants' Rights:

Your participation in the survey confirms that you have read all of the above and that you agree to all of the following:

- The Co-investigators have explained the study to you and you have had an opportunity to contact him/her with any questions about the study. You have been informed of the possible benefits and the potential risks of the study.
- You understand that you do not have to take part in this study, and your refusal to participate or your decision to withdraw will involve no penalty or loss of rights or benefits. The study personnel may choose to stop your participation at any time.
- You understand why the study is being conducted and how it will be performed.
- You understand your rights as a research participant and you voluntarily consent to participate in this study.
- You understand you may print a copy of this form for your records.

APPENDIX C RECRUITMENT E-MAILS TO MEGACHURCH LEADERSHIP FOR TELEPHONE INTERVIEWS

Pastor

Good afternoon!

Thank you for recently completing our online survey about your congregation's participation in economic development activities in [date]. As a reminder, Dr. Lisa A. Dicke and I are currently researching the community contributions of megachurches in the state of Texas with a current emphasis on economic development.

I would like to conduct a follow-up interview with you to discuss some of your responses in detail. The entire interview should last no longer than 20-minutes. Below are segments of time available for our discussion:

- Option 1
- Option 2
- Option 3

If the following times are not convenient for you, please let me know an alternative time that works for your schedule.

As a reminder, all responses to the survey and follow-up questions will not be connected or identifiable to your congregation in any way.

Thank you, in advance, for your consideration and cooperation!

I look forward to hearing from you!

____

ASHLEY E. ENGLISH, MPA

PhD Candidate/Research Assistant

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REFERENCE LIST

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