

MEASURING THE CONTRIBUTION OF FAITH COMMUNITIES TO CIVIL SOCIETY IN WALES

John M. Evans, Research Director, Gweini: The Council of the Christian Voluntary Sector in Wales¹

1 Introduction

Over recent years, a number of studies in the United Kingdom have tried to measure the contribution of faith communities to civil society. There are a number of reasons for undertaking work of this kind, and they appear to be growing in importance.

Faith communities have become aware of the importance of demonstrating to government, at all levels and to the general public, that their work has economic value – in other words, that it can be seen as useful in the terms generally used in public debate. In addition, inventories of the community work of faith communities have been helpful as a means of encouraging these communities. Typically, it is found that much more work is being undertaken than generally realised. This helps faith communities to believe in their own importance, to network with others interested in the same areas of community service and to expand their engagement with their local communities.

On the side of the government, there has been increased interest in voluntary community work to supply services. Faith communities may provide many important services which governments have great difficulty in offering, as the cost of providing “face time” continues to increase. Relatively low level, but continuous support by faith communities may enable a number of people to participate in society, promoting social inclusion.² The ethos of faith communities encourages them to reach out to those on the margins of society, including many who have been on the receiving end of the “negative impacts of social and economic change in the twentieth century”.³ They can promote sustainability because they are present in communities for the long-term.⁴ Such considerations have led governments to consider working more closely

¹ Gweini is the Council of the Christian Voluntary Sector in Wales – see www.gweini.org.uk. Author’s contact details are johnmartinevans@gweini.org.uk, Tel. +44 7973 287406. The author wishes to acknowledge helpful comments made by participants at the July 2008 Study Group Meeting of the Association of Christian Economists at Sidney Sussex College, Cambridge.

² For one of thousands of examples, see *Faithful Cities*, Church of England Archbishops’ Council (2006, p.79), describing how a telephone help line for the elderly, set up by a church in the town of Bilston, has been extended to the whole of the large city of Wolverhampton.

³ To quote from the important policy statement of the Welsh Assembly Government, its strategic plan and forward work programme for 2003-2007, *Wales: A Better Country*, September 2003, p.3.

⁴ Faith communities can prove to be more resilient than sometimes expected. For example, while church attendance had been falling steadily for several decades, the results of the 2005 English Churches Survey are relatively encouraging (Brierley, 2006).

with faith communities – although this has not always stopped them from insisting that these communities follow an increasingly onerous range of government regulations, from hygiene rules to equality legislation.

At the same time, the United Kingdom government is moving to restrict charitable status to organisations considered to offer “public benefit”, in the terms of rules to be administered by the United Kingdom Charities Commission.⁵ In the past, charitable status has been readily available for vast bulk of faith communities in the United Kingdom. This has given them favourable tax treatment in a number of large number of areas, including income tax, capital gains tax, corporation tax, inheritance tax, stamp duty and tax on donations. In addition, they have been relieved from paying the local Council Tax at a business rate. In order for a faith community to continue to benefit from charitable status, it will be necessary for the Charity Commissioners to agree that it is of “public benefit”: there must be “an identifiable benefit or benefits”, and this benefit “must be to the public, or a section of the public”.⁶ This has naturally increased interest in the benefit that faith communities may be said to bring to wider society.

1.1 Existing studies in the United Kingdom

A seminal study was undertaken by Mrs Elisabeth Simon of the London Churches Group for Social Action in 2002. By 2006, at least partial reports had been prepared for all of the nine English regions. Perhaps the best-developed were the two reports produced by the Northwest Development Agency, NWDA (2003, 2005).

One of the most recent studies is that for Wales, *Faith in Wales: Counting for Communities*, Evans (2008), referred to below as “*Faith in Wales*”. This drew on the earlier studies, particularly those mentioned above, and may well be the most comprehensive currently available for any United Kingdom region. The rest of this paper will draw extensively on it, though it will also go beyond it in mentioning a number of elements of the contribution of faith communities to civil society which were not included.

The definition of faith communities used in these studies varies. Some of them are for Christian churches only. Often, they cover a wider range of faiths, on the basis of the list of faiths participating in the UK Inter Faith Network: Bahá'í, Buddhist, Christian, Hindu, Jain, Jewish, Muslim, Sikh and Zoroastrian.⁷ With the exception of the Jain and Zoroastrian faiths, which have no centres in Wales, these are the faiths represented on the Wales Faith Communities Forum and therefore covered in *Faith in Wales*. Quite large faith groups are thus excluded – the Jehovah's Witnesses and Mormons are two examples.

1.2 Faith communities in Wales

As a brief background on Wales, it may be noted that the population of Wales is around 5% of the United Kingdom total. Wales is a relatively poor area, with an average earnings level around 20% lower than average for the United Kingdom. It is

⁵ See <http://www.charity-commission.gov.uk/publicbenefit/publicbenefit.asp>.

⁶ See the Charity Commissioners web-site, page cited above.

⁷ See <http://www.interfaith.org.uk>.

distinguished by the number of faith communities. As shown in *Faith in Wales*, there are at least 4,400 faith communities in Wales, representing one for every 670 people in the population – twice the density of England. These faith communities are spread out all over Wales, including the rural areas where population density is very low. For example in the rural county of Powys, in the middle of Wales, there is one faith community for every 350 people. The proportion of people attending a religious service is roughly 7% per week. However, this underestimates the proportion of people who attend over a year. Looking at the single largest service over a year raises this figure to 15%, and to 26% in the case of Powys. Christian churches and chapels represent over 98% of religious congregations in Wales, and around 94% of worshippers during a week. The other faiths are less strongly represented in Wales than in England.

As this paper has been prepared primarily for an audience of economists, it does not include a detailed discussion of the survey procedure providing the basic information for *Faith in Wales*. However, in brief, the sample frame was built up by approaching leading representatives of all of the seven faiths represented on the Wales Faith Communities Forum, and in addition, for the Christian faith, 33 individual denominations and affiliations. The survey questionnaire was administered by post, around the middle of the year 2007, in both the English and the Welsh languages, and was also made available electronically using a commercial delivery system. The full questionnaire can be seen as Appendix 2 of the report.⁸ Extracts particularly relevant for the economic analysis are provided below. The gross response rate was remarkably high for this type of survey, at 49%. Grossing up, as explained in Appendix 5, was carried out by denomination/affiliation, by congregation size (supplied, in the bulk of cases, from faith leaders) and, for the regional analyses, by the 22 unitary authorities into which Wales is divided.

1.3 Structure of the paper

The structure of the remainder of the paper is as follows. The next section discusses a number of elements that would need to be included in any comprehensive treatment of the issue and explains how some of them were measured. The following section discusses the methods that might be used to quantify the impact of the remainder of the elements. The concluding remarks point to the effects of publishing even partial estimates.

It must be noted that this paper does not deal with any of the possible negative effects of faith on social cohesion. For the United Kingdom, these have been included in the discussion by Furbey et al. (2006) of the net contribution of faith communities to social capital, though their work makes no attempt to quantify them.

2 Elements of the contribution of faith communities to civil society

It is assumed, at the outset, that the issue is the benefit of faith communities to wider society of which they are a part. Thus it is assumed that the benefits individuals within congregations receive through their religious activities are excluded (even though it could be argued that they may have second-order benefits for society in

⁸ See http://www.gweini.org.uk/download/English%2003_03%20comp%20smaller.pdf for the full report.

general). In addition, it is assumed that the benefit of the prayers of faith communities for society at large cannot be quantified.

Bearing this in mind, the contribution of faith communities includes at least the following elements which were measured in *Faith in Wales*:

- Voluntary work organised by faith communities
- Paid staff organising services for the wider community
- Premises made available to the community
- Tourism generated by faith communities
- Value of free admission to listed faith community buildings;

In addition, there are a number of other elements, which were not measured in *Faith in Wales*, including:

- Voluntary work carried out by individuals or groups within religious congregations, inspired by the ethos of their faith, but not organised by the congregation
- Contribution of faith-based charities
- Projects begun by faith congregations but now run independently from them
- Economic impact of faith communities on their local areas
- Co-operation with and advice to Government
- Second-order effects of community work – e.g. beneficial effects of marriage preparation courses on marriages, debt counselling on personal finance, and employment training on employment levels and prospects in the local area.

It is not anticipated that this list is exhaustive, and it is acknowledged that there is some overlap between the components.

The next sub-sections will discuss the various elements in the first list in turn. Figures in boxes are sub-totals showing the estimated value of the various components. Several of the elements were estimated by inputs, rather than outputs.

2.1 *Voluntary work organised by faith communities*

As noted above, the intention is to capture only the voluntary hours of work that are organised by congregations and input into activities which serve the wider community directly. This was explained to respondents by means of the following question:

Q14. Please indicate whether, over the past year, your church or chapel has organised, run or managed any projects or activities serving the wider community in the areas listed below. *(Please do not include religious activities such as a prayer group, activities run exclusively for your congregation, or any independent organisations operating from your premises.)*

This question was accompanied by a list of 34 possible activities (together with an “other” option). These can be found in Evans (2008, Table 4).

It must be admitted, of course, that there are difficulties of interpretation here, and different respondents are likely to have replied in different ways. One example would be activities which are strongly supported by the congregation leadership but entrusted, for their organisation, to an individual within the congregation. Some

respondents will probably have included such activities, other may have excluded them.

The key question on volunteer hours input was:

- Q20 Over an average week, what is the total number of person hours your volunteers put in to activities which serve the wider community?

This is, of course, a difficult question to answer, as faith congregations are not used to totalling up their volunteer hours. However, it was answered by enough of those who said they were involved in one or other of the activities in the above-mentioned list to allow for imputation of the number of hours of voluntary activity for the remainder.

The next issue is the valuing of the number of volunteer hours. In *Faith in Wales*, the procedure was to adopt the standard method of Wales Council for Voluntary Action (WCVA), partly in order to increase the credibility of the findings with the Welsh Assembly Government, who fund WCVA. This is simply to apply the average hourly wage rate in Wales.

The annual value of this voluntary activity was thus estimated as the sum of:

- R20 (meaning response to Q20, etc.) X average hourly wage rate X 48.

The average hourly wage rate figure for Wales for 2007, supplied by WCVA from ONS sources, was £11.57, so the resulting figure was:

Hours of voluntary work times 48 times £11.57..... = £43.8M
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It is acknowledged that more sophisticated methods are possible. For example, the study for the Northwest of England, NWDA (2005, p.11), discusses the merits of using separate wage rates for different occupational categories intended to correspond to the activities carried out by faith congregations: professional, personal service, and administrative and secretarial occupations. However, owing to inadequate information on the occupations that corresponded to the voluntary work done by the different congregations, the authors of that study were obliged to apply an average of the hourly wage rate for these occupations to all volunteer hours.⁹

2.2 *Paid staff organising services for the wider community*

The relevant question is:

- Q23 Over an average week, what is the total number of person hours put in by your staff to serve the wider community? (Full-time and part-time separately)

⁹ It is interesting to note that figures from the British Household Panel, supplied by Professor Andrew Henley, indicate that “religiously active” people earn significantly more than the average for all economically active (roughly 13% more, according to 1995 data for the whole of the United Kingdom). On this basis, it could be argued that the use of the figures above represents a conservative evaluation of the value of volunteer hours provided by faith communities. Of course, this would assume that the basic principle of evaluation was accepted.

Again, the hourly wage rate used was £11.57. This could certainly be improved, but would need information on the occupational characteristics of the paid staff.

A multiplier was used to allow for other spending by the organisation consequent upon this paid employment. On the basis of what Professor Andrew Henley, of the *Faith in Wales* Advisory Group, suggested to be the most relevant literature, namely that relating to the regional impact of tourism expenditure, a factor of 1.5 was introduced to allow for this. This draws on Armstrong and Taylor (2000), who suggest a figure lying between 1.54 and 1.72, and Baaijens and Van Montfort (1998) who give the wider range of 1.35 to 2.

The final annual estimate of the value of this paid work is thus the sum of:

- R23 X Estimated average hourly wage rate X 52 X 1.5.

Hours of paid work times 52 times £11.57 times 1.5 = £20.8M
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2.3 Premises made available to the community

The relevant questions for calculating the value of this accommodation are:

- Q11 If you rent out rooms, what is the average hourly rent you charge for your largest room?
- Q12 If you provide rooms free of charge to independent organisations, how many hours does this add up to per week, on average?
- Q25 Over an average week, what is the total number of room-hours provided for activities serving the wider community?

The annual value of renting out of rooms free of charge to independent organisations is estimated as the sum of:

- R12 (meaning response entered to Q12, etc.) X average of R11 X 48

Room-hours free to independent organisations times £11.29..... = £2.3M

Q11 refers to the rent of the largest room, not the average room (where there are variations, it would have been impossible to ask for full details). This will produce some overestimation in the results where there is more than one room and they are of different sizes. However, counter-balancing this, it is thought highly likely that many faith communities will charge below market rents, resulting in an underestimate of the market value offered. A year is assumed to be 48 weeks, excluding holidays. This is probably a conservative estimate as many faith communities are particularly active in the main festival periods, and may also organise activities over the summer.

The annual value of rooms provided as part of activities serving the wider community is estimated as the sum of:

- R25 X average of R11 X 48

Room-hours supplied weekly with services times 48 times £11.29..... = £17.1M

The caveats noted above apply.

2.4 *Tourism generated by faith communities*

The relevant question is:

- Q13 If you welcome tourists, roughly how many do you receive each year?

The annual value of such tourists to the local economy is calculated as the sum of:

- R13 X proportion of tourists coming to the area in order to visit the faith community's building X average expenditure of tourists within the area

Total number of tourists received <i>times</i> 0.4 <i>times</i> £11.73 = £12.1M
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This can only be a rough calculation, heavily dependent upon assumptions. In the case of NWDA (2005), the authors assumed that the probability of a visitor to a faith community coming into the area on account of the faith community building was 40%, for all areas except Liverpool and Chester, where the particularly attractive faith buildings justified a figure of 50%. In this study, in the absence of any data for Wales, the figure of 40% has been used throughout.

According to the Welsh tourist agency, VisitWales, the average expenditure of a day visitor in Wales, derived from the 2005 Expenditure Survey, was a little over £11. Converting this figure to a 2007 level, using the average earnings index for the United Kingdom, gives £11.73 per visitor, and this is the figure used in this study. By comparison, the figure used in NWDA (2005) was £12.10.

2.5 *Value of admission to listed faith community buildings*

Faith buildings in Wales are not thought to charge admission (many do ask for a donation, but it is thought that not much money is received). However, it is possible to make a purely hypothetical calculation of the total admissions tourists would pay to faith communities if they continued to visit in their present numbers, but paid £1, £2 and £3 for admission to buildings of Grades II, II* and I, respectively. These are designed to be conservative figures.

The number of tourists to each grade of building is given by Q13, as noted above.

The notional admission charge is then the sum, for the different grades of building of:

- R13 X notional admission charge

Tourists received by listed buildings <i>times</i> charges forgone = £6.3M

It may, of course, be objected that part of this figure is already included in the estimates for the numbers of tourists attracted to local areas by faith communities. After all, if charges were made, presumably fewer tourists would come.

However, the intention here is mainly to make some acknowledgement of the economic benefit that faith buildings bring to their local communities through their purchase of goods and services and their employment of staff in running their buildings. In these terms, the figure above is likely to be a considerable underestimate. A study carried out for English cathedrals has suggested that the impact of

their own economic activity on local areas far exceeds their contribution through tourism (ECOTEC, 2004).

This is one area where the figures could clearly be improved, through more detailed analysis both of the impact of listed buildings, as well as other religious sites which have a particular importance in the history of Wales. For example, each year, around 200 Korean Christians visit Hanover Church in Llanover, near Abergavenny, to honour the life of Robert Jermain Thomas, a Protestant Christian missionary serving with the London Missionary Society, who was martyred in their country in 1866. Many others visit the Moriah chapel in Loughor to commemorate the 1904 Welsh Revival.

Total of all the elements above..... = £102.5M

3 Elements not covered

In addition, as noted above, there are a number of other elements which were not measured, including:

- Voluntary work carried out by individuals or groups within religious congregations, inspired by the ethos of their faith, but not organised by the congregation
- Contribution of faith-based charities
- Projects begun by faith congregations but now run independently from them
- Economic impact of faith communities on their local areas
- Co-operation with and advice to Government
- Second-order effects of community work – e.g. beneficial effects of marriage preparation courses on marriages, debt counselling on personal finance, and employment training on employment levels and prospects in the local area.

The list has been ordered in what is suggested to be a very rough gradation of difficulty of measurement. The following sub-sections offer tentative suggestions as to how the work might be undertaken.

3.1 *Voluntary work carried out by individuals or groups within religious congregations, inspired by the ethos of their faith, but not organised by the congregation*

Information of this kind is not likely to be available immediately from the leaders of congregations. It requires either a set of detailed surveys of congregations, with the assistance of the leadership, or a large scale population survey, with questions both about attendance at worshipping congregations and about their volunteering activity.

It is suggested that a population survey might be the most practicable.

3.2 *Contribution of faith-based charities*

In the case of Wales, or indeed any other area, it may well be possible to develop a list of faith-based charities operating in the area and to ask them for information on the

scale of their activities within the area. There are, of course, difficulties of definition – some charities that were originally set up by faith communities may now have moved some way from their founding principles. Others may be run by people who have little connection with faith communities.

However, in principle, this task could be undertaken, and indeed it is under active consideration for Wales.

3.3 *Projects begun by faith congregations but now run independently from them*

Faith communities often find significant advantages in “spinning off” larger projects they have begun under their own auspices. To take one of a huge number of examples, many years ago the Jewish community in Cardiff began an Retirement Home for the community. This has now been running independently for many years. An open-ended question included in *Faith in Wales* revealed over a hundred such projects (and it is likely that there are many more in reality). Detailed investigation of these projects might add significantly to the estimates of the contribution of faith communities to civil society – though this would, of course, be a major undertaking and would require careful decisions over boundaries.

3.4 *Economic impact of faith communities on their local areas*

This area was mentioned briefly above – ideally studies would combine the effects through tourism and local procurement into an overall estimate, which would greatly improve upon the methods used in *Faith in Wales*.

It may be noted that faith communities are estimated to maintain around 1,600 listed buildings in Wales. In addition, many unlisted buildings may be important focal points for the landscape of towns and villages. Faith community buildings may be used for educational visits, which add to “bridging” social capital.

All this may call for the use of a variety of estimation techniques, including contingent value and hedonic pricing approaches.

3.5 *Co-operation with and advice to Government*

Faith communities are important actors within civil society. There are probably no other institutions which can claim such a high percentage of the population as active participants. Faith communities may be involved with government in a number of ways. For example, *Faith in Wales* estimated that around 300 faith communities in Wales participate in Government regeneration initiatives, and 500 consider they are “strongly involved” in local Community Strategies (local government initiatives to enable local authorities to work with local businesses and local community and voluntary organisations, as they prepare their community plan).

At the same time, faith communities receive grants from government – though only 27% of the respondents to the survey said that they had received any money.

Estimation of the net benefit to civil society of faith communities’ involvement with government is clearly a considerable challenge

3.6 *Second-order effects of community work*

In *Faith in Wales*, the estimates of the value of services to the community are estimated by the inputs. Ideally, of course, this should be through outputs, and should take into account the second-order effects of the programmes. There is considerable anecdotal evidence that such second-order effects can be considerable. For example, it was found that, following the introduction of an innovative youth employment training programme by a Christian community in a deprived area in the Welsh town of Swansea, crime rates by young people in the area fell markedly.¹⁰

4 **Concluding remarks**

Despite the limitations of the estimation techniques, the figures set out above were well received in Wales. The launch of *Faith in Wales* was accompanied by an address from the Welsh Assembly Minister for Local Government and Social Justice, was reported in local and United Kingdom national media, and has served as the basis for a debate in the Assembly. It is also clear that the results have provided encouragement for faith communities in local areas, through the reports which were drawn up for all of the 22 unitary authorities in Wales.

The interest of government in work of this kind can be seen in the fact that funding was obtained entirely from sources other than religious communities, namely from the Welsh Assembly Government, the Lloyds TSB Foundation (Corporate Social Responsibility fund) and the Home Office Faith Communities Capacities Building Fund. This last fund was set up partly to enhance the capacity of faith communities to serve the wider community and partly to improve inter-faith relations.

The challenge for the economics community is not only to extend and improve the estimates, but to ensure that they are understood and correctly used in a climate which remains sceptical about the value of faith communities to civil society, and is sometimes inclined to believe that they are divisive.

¹⁰ For a description of this project, the Gap project at Cornerstone Church, Swansea, see <http://www.gweini.org.uk/success/index.htm#Cornerstone>.

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