THE RELIGIOUS ECONOMY OF TEXAS: AN HISTORICAL PERSPECTIVE

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ABSTRACT

This paper examines the changing market shares of major Texas religious groups during this century. Market shares are computed by dividing membership by Texas population. Results show that certain religious groups (firms) have performed much better in terms of market share than others. The better performers are the more conservative Protestant denominations along with the Roman Catholic Church. Groups losing market share tend to be the more liberal Protestant denominations. This finding would appear to be consistent with Niebuhr's church-sect theory which, among other things, predicts that religious groups (sects) characterized by a high degree of tension with society grow whereas groups (churches) characterized by a low degree of tension with society tend to decline.

Introduction

One of the earliest comments by an economist on what has become known as the "economics of religion" was provided by Adam Smith. Among other things, Smith offered some explanations why clergy of religious groups that are supported by public taxes, "established churches," are likely to be less energetic and productive than clergy of religious groups not so supported. Surprisingly, economists had relatively little to say about organized religion following Smith's writings until the last quarter of this century. During the past 25 years, however, economists have studied many aspects of organized religion including: income elasticity of giving to organized religion (Pickering, 1985; Lipford, 1995); determinants of religiosity (Azzi and Ehrenberg, 1975); differences in religious giving among denominations (Hoge and Yang, 1996); the optimal size of congregations (Zaleski and Zech, 1995); differences in growth rates between the more conservative sects and the more liberal and secular mainline churches (Finke and Stark, 1992); and the effect of competition among congregations located within a given geographical area on the level of financial giving (Zaleski and Zech, 1995). The most comprehensive review of this rapidly growing literature is found in a recent issue of *The Journal of Economic Literature* (Iannacone, 1998).

The religious economy, like its secular counterpart, is dynamic. U.S. history shows that denominations that were dominant during one period of time are often replaced by others. For example, the Congregational, Episcopal, and Presbyterian denominations had a combined share of the religious market of about 55 percent of all adherents at the time of the Revolutionary War. By 1850, their combined market share was less than 20 percent (Finke and Stark, 1992). Another example is the replacement of the

Methodist Episcopal Church which was the largest denomination in the first half of the 19th century by the Baptists, particularly that group of Baptist churches affiliated with the Southern Baptist Convention. These trends have not gone unnoticed by secular observers. For example, Paul Johnson (1997, p. 969), referring to trends in Protestant mainline churches, observes that "The Seven Sisters as a whole lost between a fifth and a third of their members in the years 1960-90, chiefly because they forfeited their distinguishing features, or indeed any features."

Purpose, Data, and Organization

This paper focuses on the religious economy of Texas. The purpose is to provide a picture of the changing shares of the Texas religious market held by the major denominations over the period 1890 to 1990. An effort is also made to relate these changing market shares to differences among denominations in terms of maintaining traditional positions on faith and practice. The principal data sources are various volumes titled *Religious Bodies (*Bureau of the Census, various years) and *Churches and Church Membership* which report membership by major denomination and by state. *Religious Bodies* were reports published periodically during the 19th and 20th centuries by the Bureau of the Census. These are the basis for Texas estimates for 1890, 1916, 1926, and 1936. However, the last publication of *Religious Bodies* was for 1936. Estimates for later years are from *Churches and Church Membership* (National Council of Churches of Christ) which reports church membership estimates for 1952 and *Churches and Church Membership* (Glenmary Research Center) which reports estimates for the years 1971, 1980, 1990. There have been no subsequent attempts to estimate church membership by denomination and by state on the scale achieved by either the Bureau of the Census or the Glenmary Research Center. A proxy for denominational variation along the conservatism/liberalism continuum is survey results by Glock and Stark (1965).

As the reader may suspect, there are problems with the available data. First, the Census data and the National Council of Churches data are estimates of church membership whereas the Glenmary data show the number of "adherents". Apparently the Glenmary group realized that the age at which church membership is typically attained varies among denominations particularly those that practice infant baptism as opposed to those that practice adult or believer's baptism. In an effort to avoid understating the number of persons identified with (but not members of) denominations practicing adult baptism, the Glenmary researchers used a formula to convert number of members to number of adherents.[1] Second, and perhaps a greater problem, the number of religious groups represented in the available data has not remained constant over the years. For example, the 1952 report by the National Council of Churches included 109 Christian groups whereas the 1990 report by Glenmary Research Center represented 133 Judaeo-Christian groups.

This lack of comparability has consequences for the way market share is measured. It would be desirable to compute concentrations ratios (i.e. the percent of total church

membership in Texas that is accounted for by the top four religious groups) or a Herfendahl index for comparison at several points in time over the past 100 years. These measures of market concentration, however, require that membership estimates be known for all denominations (comparable to firms in the secular economy) for each of the years for which this calculation is made. Unfortunately, membership estimates are not available for all groups including several African-American denominations. An alternative measure of market share is simply the percent of each denomination's membership by year to the membership totals for all denominations. This measure, however, is a misleading indicator of denominational relative growth or decline to the extent that the number of members of religious bodies changes from year to year because one or more denominations choose not to report. For this reason, the approach taken in this study is to express each denomination's membership as a percent of state population.

The organization of the balance of this article is quite simple. First, we obtain an idea of Texans' religiosity by looking at the overall rate of church membership in Texas and how this has changed through time in comparison with national trends. The focus then turns to changes in market share held by the leading denominations. Next is an attempt to see if those denominations that have gained or lost adherents are the same ones that Niebuhr's "church-sect" theory would predict to be winners or losers. This is followed by a brief summary and conclusion section.

Rate of Overall Church Membership

The degree to which people are religious is obviously difficult, if not impossible, to gauge. Ideally we would want to include measures of belief in and commitment to God such as frequency of church attendance, contributions of time and money, and frequency of prayer. However, in the absence of these, the number of members (adherents) is used as a rough measure of religiosity.

Table 1 shows church membership for Texas and for the nation expressed as a percent of population for eight different years during the period 1890-1990. The relatively low rate of church membership for Texas in 1890 is not surprising given that Texas was a relatively young state with many frontier characteristics, one of which was a high ratio of men to women. Table 2 shows the substantially higher ratio of men to women that existed in Texas in 1890 as compared to selected eastern states.

The reason why the gender ratio is noteworthy is that a high negative correlation has been shown to exist between the ratio of males to females and rates of religious adherence both in our nation's colonial era and in other countries (Finke and Stark, 1992, p. 32). Over most of this 100 year period, Texas has shown a somewhat higher rate of church membership as compared to the nation as a whole.

Table 1
Church Memberships as Percent of Population

	United States	Texas
1890	33%	30%
1916	38	46
1926	43	44
1936	39	38
1952	49	54
1971	50	56
1980	50	55
1990	55	64

Source: Author's calculations based on *Religious Bodies; Churches and Church Membership;* and *Statistical Abstract.*

Table 2
Population Characteristics, Selected States, 1890

	Males per 100 Females	Population per Square Mile
Texas	110	8.5
Virginia	99	41.1
New Hampshire	98	41.7
Massachusetts	95	279.5
Maryland	98	104.9
Connecticut	98	154.8

Source: Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970, Bicentennial Edition*, Part 1 (Washington, D.C.: U.S. Department of Commerce, 1975), Series A 195-209, p. 35.

Winners and Losers in the Texas Religious Economy

Table 3 shows that three religious bodies--Baptists, Catholics, and Methodists--have historically been dominant in the Texas religious economy. Lutheran bodies and Churches of Christ have also been traditionally strong in Texas occupying fourth and fifth place, respectively, in terms of number of adherents. Membership, however, is not the best measure of whether a denomination is growing or declining because a denomination can be in decline relative to other religious groups or in decline relative to population while still showing membership growth. A better indicator is membership (or number of adherents) relative to population.

Table 3
Membership of Selected Texas Denominations: 1890-1990

Denomination (A)	1890	1916	1926	1936	1952	1971	1980	1990
Assembly of God	NA	897	3,793	19,093	76,718	NA	162,232	202,082
Baptist, All	129,734[B]	—	—	—	—	—	—	—
Reg. Baptist, Southern	—	355,251	465,274	360,421	1,369,639	2,362,851	2,659,894	3,259,395
SBC								
Catholic	99,691	402,874	555,899	604,308	1,402,366	2,012,355	2,340,162	3,574,728
Christian Science	112	NA	3,296	4,972	NA	NA	NA	NA
Ch. of God (Anderson)	NA	NA	NA	NA	2,441	9,948	16,650	5,584
Ch. of God (Cleveland)	NA	NA	NA	NA	4,411	11,526	15,708	27,828
Churches of Christ	NA	71,542	98,909	84,672	NA	NA	355,396	390,948
Disciples of Christ	41,859	54,836	77,150	74,990	125,451	117,597	120,296	105,495
Episcopal	7,097	17,116	32,700	37,017	101,462	175,694	174,581	169,112
Evan United Brethren	NA	NA	NA	NA	1,294	C	C	C
Lutheran Bodies, All	14,556	37,197	78,545	83,808	142,194	141,885	260,401	289,556
Evan Luth. Augustana			3,295	3,022	3,772	D	D	D
Missouri Synod (F)	—	—	66,787	28,044	56,133	109,616	117,074	134,280
Untd Luth Ch. in Am.	—	—	5,917	6,765	11,472	D	D	D
Am. Luth. Ch. (1930)	—	—	—	43,660	70,817	D	D	D
Am. Luth. Ch. (1963)	—	—	—	—	—	32,269	106,657	E
Norw. Luth C of Am.	—	—	2,546	2,318	NA	D	D	D
ELCA (1987)	—	—	—	—	—	—	—	155,276
Methodist, All	172,336	365,817	428,264	363,047	637,858	855,733	932,488	1,004,318
Meth. Episcopal	27,453	42,003	42,959	26,986	G	G	G	G
Meth. Episcopal, So.	139,347	316,812	380,453	355,739	G	G	G	G
Methodist Protestant	5,536	7,002	4,852	322	G	G	G	G
The Methodist Church	—	—	—	—	637,858	H	H	H
United Met. Church	—	—	—	—	—	855,733	932,488	1,004,318
Nazarene Church	NA	NA	4,956	8,646	13,914	35,982	39,479	45,097
Presbyterian, All	37,623	74,908	84,679	83,203	136,253	215,972	205,996	216,787
Presby, North	2,812	—	—	—	—	—	—	—
Presby, South	10,774	—	—	—	—	—	—	—
Cumberland	24,037	6,244	5,383	3,821	5,005	8,080	8,408	10,373
Presby Church in the US	—	37,900	45,610	50,942	89,159	147,194	130,895	J
United Pres. Ch. of N.A.	—	435	368	NA	NA	K	K	K
Presby Ch. in the USA	—	30,329	33,318	28,440	42,089	H	H	H
Presby Ch. in Am (I)	—	—	—	—	—	—	1,543	5,445
United Pres. Ch. USA	—	—	—	—	—	60,698	65,150	K
Presby Ch (USA)	—	—	—	—	—	—	—	200,969
Unitarian/Universalist	514	906	589	328	1,447	5,272	4,701	5,843

Source: Author's Calculations. Notes on alpha characters follow this table.

Notes on alpha characters relevant to Table 3:

A Membership estimates omit predominately African-American bodies due to discontinuous data
B Represents congregations referred to in later editions of Religious Bodies as SBC.
C Merged with The Methodist Church in 1968 to form the United Methodist Church.
D Merged with other Lutheran bodies in 1960 to form the (new) American Luther Church.
E Merged in 1987 with the Lutheran Church in America to form ELCA.
F Prior to 1957, this body was known as "The German Evangelical Lutheran Synod of Missouri, Ohio, And Other States".
G Merged in 1939 to form the Methodist Church.
H Merged in 1968 with the Evangelical Brethren to form the United Methodist Church.
I Merged in 1958 with the United Presbyterian Church of North America to from the United presbyterian Church in the United States of America.
J Merged in 1983 with the United Presbyterian Church in the United States of America to form the Presbyterian Church (USA).
K Merged in 1983 with the Presbyterian Church in the U.S. to form the Presbyterian Church (USA).

Table 4
Market Share per 1,000 Population, 1916, 1990

Selected Religious Bodies	1916	1926	1936	1952	1971	1980	1990
Assemblies of God	.2	.7	3	10	NA	11	12
Southern Baptist	83	89	59	178	211	187	192
Catholic	94	106	99	181	180	165	210
Churches of Christ	7	9	4	NA	NA	25	22
Disciples of Christ	13	15	12	16	11	8	6
Episcopal	4	6	6	13	16	12	10
Lutheran Bodies, All	9	15	14	18	13	18	17
Methodist Bodies, All	85	82	59	83	76	66	59
Presbyterian, All	18	16	14	18	19	14	13

Source: Author's calculations.

Table 4 expresses membership for selected religious bodies as a percent of Texas' growing population. Religious bodies showing the greatest growth relative to population are Southern Baptist, Catholic, Assembly of God, and Churches of Christ. For example, between 1916 and 1990, SBC churches grew from 83 members per 1,000 population to 192. Over this same period, Catholic adherents grew from 94 per 1,000 population to 210, and Churches of Christ from 7 per 1,000 population to 22. However, the group enjoying the greatest growth is Assembly of God congregations. These have grown from fewer than 1 adherent (actually 0.2) per 1,000 population in 1916 to 12 by 1990--an astounding 60 fold increase!

The biggest losers in the Texas religious economy over the period studied are the Methodist, Disciples of Christ, Episcopal, and Presbyterian churches. Even though Methodists and Presbyterians in Texas have shown growth in absolute numbers both have suffered relative decline. Table 4 shows that for Methodist bodies as a whole, total membership was 85 per 1,000 in 1916 but by 1990 this had fallen to 59. This amounts

to a decline of about a 30 percent. In the case of Presbyterian groups, the greatest decline occurred between 1971 and 1990 when membership per 1,000 population decreased from 19 to 13, also roughly a 30 percent decline. The decline in market share is much greater for several other mainline Texas churches which actually experienced a decrease in absolute numbers. Examples are Disciples of Christ and Episcopal churches. In contrast, Lutheran bodies as a whole have shown small increases in membership which have resulted in market share remaining essentially unchanged over the past 40 years.

Economic theory suggests that a study of market shares would ideally include product differentiation as a possible explanation. Those denominations that best meet the tastes and preferences of both members and prospective members can be expected, other things equal, to gain market share. On the other hand, religious groups that fail to distinguish their agenda from that of secular groups and civic clubs, assuming that people are more concerned about issues relating to after-life or how to cope with a terminal illness, can be expected to lose market share. Unfortunately, the necessary data on which to compare denominations on the basis of product differentiation is not available. Furthermore, one could argue that product differentiation, however this might be measured (e.g. contemporary versus traditional music, differences in emphasis given to official dogma, etc.), has perhaps in recent years become greater *within* Protestant denominations than *among* them. This would seem to be the case, for example, within the Southern Baptist Convention where many individual SBC churches have in recent years affiliated with the more moderate Cooperative Baptist Fellowship even while remaining within the SBC. Moreover, product differentiation is typically seen between small rural congregations and large suburban congregations of the same denomination. For these reasons, the balance of the paper will draw on sect-church theory rather than on the theory of product differentiation as a possible explanation for market share trends.

Sect-Church Theory

According to Niebuhr's (1929) sect-church theory, sects are distinguishable from churches on the basis of the *degree of tension* that exists between the religious group and society. As noted by Benton Johnson (1963, p. 542), "A church is a religious group that accepts the social environment in which it exists. A sect is a religious group that rejects the social environment in which it exists." Tension between the religious group and society may result from the group's official statement of beliefs, from public pronouncements by church officials, or from codes of conduct involving such things as diet, dress, or social activities deemed inappropriate. Examples of tension-creating pronouncements might be positions taken by the Catholic Church and by several Protestant denominations on abortion and homosexuality. Another example might be passage by Southern Baptists of the resolution urging its membership to boycott Disney World because of its policy of hosting special events for gays and lesbians. Examples of

codes of conduct might include the Catholic Church's (until Vatican II) long-standing prohibition of meat on Friday and some Protestant groups' prohibition of card playing, dancing, and attending movies. The point is that sects create a high level of tension between themselves and society; churches do not.

Table 5
Percentage Responding Affirmatively

Doctrinal Statements	U.C.C. (151)	Meth. (415)	Episc. (416)	D. of Christ (50)	Presb. (495)	Am. Luth (208)	Am. Bapt. (141)	Mo. Luth. (116)	S. Bapt. (79)	Sects (255)	Total Prot. (2,326)	Total Cath. (545)
"I know God really exists and I have no doubts about it."	41	60	63	76	75	73	78	81	99	96	71	81
"Jesus is the Divine Son of God and I have no doubts about it."	40	54	59	74	72	74	76	93	99	97	69	86
It is completely true that "Jesus was born of a virgin."	21	34	39	62	57	66	69	92	99	96	57	81
Definitely, "Jesus will actually return to the earth some day."	13	21	24	36	43	54	57	75	94	89	44	47
It is "completely true" that "the Devil actually exists."	6	13	17	18	31	49	49	77	92	90	38	66

Source: From Stark and Glock (1965).
NOTE: The Protestant churches represented are United Church of Christ (Congregationalists) Methodists, Episcopalians, Disciples of Christ, United Presbyterian Church, Lutheran Church in American and American Lutheran Church, American Baptist Church, Missouri Synod of Lutherans, and Southern Baptist Church. The numbers in parentheses represent the number of respondents.

According to sect-church theory newly formed religious groups tend to begin as sects, but gradually evolve into churches. Finke and Stark (1992, p.45) note that "successful religious movements nearly always shift their emphasis toward this world and away from the next, moving from high tension with the environment toward increasingly lower levels of tension. As this occurs, a religious body will become increasingly less able to satisfy members who desire a high tension version of faith. As discontent grows, these people will begin to complain that the group is abandoning its original positions and practices, as indeed it has. At some point this growing conflict within the group will erupt into a split and the faction desiring to return to a higher tension will leave to found a new sect." As a result those religious groups that exhibit 'church-like' attributes tend to decline. Conversely, religious groups that do not attempt to conform to society tend to grow. In fact Finke and Stark (1992, p. 238) suggest that "religious organizations are stronger to the degree that they impose significant costs in terms of sacrifice and even stigma upon their members."

How well does the sect-church theory match up with historical trends in Texas membership data? In order to test this theory, one must first classify religious groups as being either sect or church. Of course no simple categorization is possible because the attributes that matter in distinguishing between churches and sects are best thought of in terms of locations on a continuum rather than an absolute either or (B. Johnson, p. 543). However, a study by Stark and Glock (1963), which reports the beliefs of the members of different religious groups, may serve as a proxy for such a categorization. A portion of their findings, taken from a survey of a sample of church members, is reproduced in Table 5.

In general, members of Catholic, Southern Baptist, and Lutheran (Missouri Synod) congregations hold views on fundamental faith issues that are far different from those held by members of mainline churches.[2] For example, 92 percent of those responding who identified themselves as Lutheran (Missouri Synod) respond in the affirmative to the statement "Jesus was born of a virgin" as compared to only 34 percent of Methodists, 39 percent of Episcopalians, 62 percent of Disciples of Christ members, and 57 percent of Presbyterians. Wide differences among religious groups also appear to other questions shown in Table 5.

A test (admittedly weak) of the sect-church theory is provided by comparing the market share trends shown in Table 4 with the responses shown in Table 5. It is clear that groups professing orthodox positions on questions of faith (Southern Baptist, Lutheran, Missouri Synod, and Catholic) are the ones that have gained market share[3]. In contrast mainline groups whose members have rejected (sometimes by a majority) orthodox views (Disciples of Christ, Episcopal, Methodist, and Presbyterian) are the ones that have lost market share.

Summary and Conclusions

Thinking of religious bodies as firms competing in the marketplace for adherents is useful. This paper has shown that some Texas religious bodies have been much more successful than others in attracting adherents than others. However, calculating market share in the religious economy is difficult because data is less available than in the case of traditional markets. Moreover, it has not been possible to compute traditional measures of market concentration such as the Herfindahl Index because total industry "sales" are unknown for some years due to nonreporting by several religious groups. Furthermore, lack of data has limited the extent to which product differentiation can be used in explaining why some groups have gained while others have lost market share. Nevertheless, using the available data it has been possible to show that certain religious groups (firms) have performed much better in terms of market share than others. The better performers appear to be those that have been unwilling to compromise traditional faith and practice. These include Southern Baptist, Catholic, Assembly of God, and Churches of Christ congregations which, taken as a whole, have opted for a higher degree of tension with the secular society as compared to mainline churches. These findings would appear to be consistent with sect-church theory which predicts that sects, characterized by high tension with society, first grow rapidly then evolve into churches which ultimately decline because they compromise their faith and practice in order to reduce tension between themselves and society.

Notes

1. Total adherents equals confirmed members multiplied by the ratio of total population to the difference between total population and population of children age 13 or under. For example, the number of adherents for a church with 100 confirmed members, located in a county of with a total population of 40,000 of

which 8,000 are children less than or equal to age 13 would be computed as 100 X (40,000)/40,000-8,000, or 125

2. Although Table 5 does not report views held by members of Churches of Christ it is likely that their views would be similar to those of Catholics and conservative Protestant bodies.

3. Unfortunately, Churches of Christ and Assembly of God members were not questioned in the survey, but one could reasonably expect these groups, if questioned, would respond similarly to the other conservative Protestant bodies.

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