

God's BUSINESS

Oct, 23 2005

City is home to dozens of ministries that bring in big bucks

By PAUL ASAY, THE GAZETTE

When Focus on the Family laid off 79 employees last month, its leaders framed the move as both a cost-cutting measure and a refocusing of resources. Most businesses describe cost-cutting moves with similar language. But Focus is no ordinary business; it's a charity that doles out loads of books, radio programs and family advice from its Colorado Springs headquarters — much of it available at little or no cost. The layoffs underlined the fact that, for faith-based nonprofits such as Focus, Christian charity is balanced by the bottom line.

Religion is big business in Colorado Springs, and business is booming. More than 80 national Christian nonprofit organizations with combined revenue of nearly \$1 billion make their headquarters in El Paso County. Most have gone through a run of long-term growth; Focus, despite its layoffs, expects to grow to \$151.5 million in revenue by 2006.

Other, even bigger organizations located here, such as Compassion International, rarely have seen even temporary downturns in revenue in the past 20 years. The Gazette used 2003-2004 figures for this story, the most recent available for all ministries considered, but Compassion's nearly \$217 million in revenue for its most recent fiscal year (which ended June 30) make it by far Colorado Springs' largest Christian ministry.

These organizations sometimes have more in common with a Fortune 500 company than the corner church, but experts say they're typically more stable employers than private businesses and have steadier income streams than secular charities.

Businesses from coffee shops to computer dealers depend on them.

"There's a lot of talk about the Olympic federations leaving town, but I can guarantee that all of them combined aren't even close to a billion dollars," said Larry Yonker, head of the consulting firm The Elevation Group, which specializes in working with faith-based ministries. "Sports are more visible than religious causes are, and maybe citizens would view them as being more positive.

"I think the economic impact is greater than many people want to talk about."

THE BIG PICTURE

Other cities — including Chicago, Dallas and Atlanta — have more Christian nonprofits than Colorado Springs. But this city is unusual because of its smaller population, and because of the size, profile and influence of some of the ministries located here.

These ministries are more than big fish swimming in a midsized pond: They're leviathans.

Of the more than 80 Christian nonprofit headquarters in the region, four (Compassion International, Young Life, Focus on the Family and The Navigators) have revenues of \$100 million or more.

Their influence is far-reaching.

Compassion feeds, clothes and teaches 700,000 children worldwide.
Young Life evangelizes to 1 million youth annually through its camps and clubs.
Focus' radio programs daily attract 200 million listeners worldwide.

The Navigators produces books, devotionals and curricula used by thousands as well as nationwide conferences.

Fourteen Springs-based ministries each have revenue above \$10 million; 32 earn more than \$1 million. All the 80-some groups The Gazette studied have a national or worldwide focus, and many are household names — at least in evangelical households.

"In my book, I would put it (Colorado Springs) as the (nation's) most influential Christian city," said Rusty Leonard, founder of the charity watchdog MinistryWatch, based in Charlotte, N.C.

A few notable ministries, including Young Life, took in slightly less money in the fiscal years ending in 2004 than they did in 2003.

But despite the dip, most ministries are healthy and growing overall, particularly when viewed over the past decade. In 1995, their total revenue was \$608 million; by 2004, it had grown to about \$970 million. That's a growth rate of around 6 percent a year.

More than 70 percent of these charities finished their most recent fiscal year in the black, and many did significantly better. Compassion has grown at a 20 percent annual rate for several years. Since 1995, the organization's revenue has more than tripled.

"If I had stock options, I'd be a rich man," joked David Dahleen, Compassion International's chief operating officer.

The same cannot be said for secular charities. Local nonprofits are struggling, according to Lynne Telford, who heads the Center for Nonprofit Excellence.

"I think demand is going up, and I think giving has been fairly flat," she said.

There are far more organizations competing for the donor dollar, too: She estimates there are about 1,300 active nonprofits in El Paso County alone — 80 percent more than there were 10 years ago.

Nonprofits are hurting nationwide. According to Charity Navigator, a national nonprofit evaluator, the country's 4,400 biggest charities grew at an average 4.5 percent clip in the fiscal year that ended in 2004. Spokeswoman Sandra Miniutti says nonprofits must grow at least 5 percent annually to hold pace with inflation and other expenses.

She says a multiyear economic downturn has hampered nonprofits' growth, which makes most Colorado Springs religious groups — Focus notwithstanding — an anomaly.

"Religious organizations tend to weather the storm better," Miniutti said. Religious-minded donors give to their churches or favorite charities more reliably in bad economic times, she said.

That's helped insulate Colorado Springs religious ministries to some extent. Occasional natural disasters help bring in money, too.

When tragedy strikes, such as when tsunamis rocked southeast Asia in December, people write checks to help. Those checks often go to relief organizations such as Compassion. Sometimes they go to mission-oriented groups such as locally based HCJB Radio or OC International.

"I think that's why they've been so strong for the economy, honestly," Yonker said. "They've grown at times when nobody else was growing."

BUT WHAT DOES THAT MEAN TO COLORADO SPRINGS?

Very little of that nearly \$1 billion finds its way into the local economy.

"These are global organizations," said Leonard from MinistryWatch. "Most of the money that comes from these donors is funneled out of your community."

Take Compassion, for instance — an organization that brags that 80 percent of its revenue goes directly to help children overseas. That accounts for \$140 million in revenue that doesn't directly benefit Colorado Springs at all.

But Compassion does make an immediate impression through its 456 employees and \$16 million payroll.

In this arena, Focus on the Family's impact is huge.

Even with the layoffs, Focus is far and away the biggest Christian nonprofit employer here. More than 1,200 people pull a paycheck from the organization, accounting for a total payroll of nearly \$50 million.

If Focus had been included in The Gazette's list of top 25 private employers last month (it was excluded because it was a nonprofit), the ministry would've been No. 13 — in the ranks of defense contractor Northrop Grumman.

Other groups contribute mightily. The Navigators employs 757 with a total payroll of nearly \$19 million. Cook Communications Ministries, the city's fifth-largest Christian nonprofit in terms of revenue, employs 290 for \$12 million. Young Life has 190 local employees who earn \$6.7 million.

All told, Colorado Springs' Christian ministries employ about 3,800 people. That's a drop in the bucket compared with some of the city's other major sectors — Fort Carson employs nearly five times that many — but it's still a significant part of the economy.

"They're certainly a contributor to the local economy in a major way," said Richard Skorman, a Colorado Springs city councilman. "They provide a lot of jobs, and (these people) spend money in Colorado Springs and buy houses and cars."

These employees help in other ways, too.

Research by The Barna Group, an evangelical research organization in California, indicates that the most zealous Christians — those most likely to work for Christian ministries — are slightly more likely to volunteer than Americans as a whole.

"People who are going to populate these types of ministries, they're not going to walk out of their (workplace) with their eyes closed," Leonard said. "This is something they live and breathe every day."

But all that activism has its negative side. Many residents bemoan Colorado Springs' evangelical reputation.

"We're so known as a community that's dominated by a certain socially conservative philosophy," Skorman said. Those who don't share that philosophy, he added, feel unwelcome. A few companies have shied away from locating here because of its evangelical presence.

That evangelical unease extends to more secular charities, too, who believe that many of the city's Christian organizations only support like-minded charities.

"I think there's a lot of backlash against the cause of Christ because Christians don't seem to care about anything but proselytization or evangelism," said Yonker, of Elevation Group.

These Christian nonprofits often like to do business with Christian-oriented companies, too.

The Fort Collins-based company Red Letter Publishing produces a 156-page Christian Business Directory, filled with ads and listings for Christian businesses — or at least businesses hoping to grab a piece of the Christian pie.

Red Letter publishes similar directories for other cities, but co-owner Cindy Hultgren says Colorado Springs' directory is "one of the biggest — and it's probably because there are so many Christian ministries down there."

Businesses from Realtors to duct cleaners advertise in the book, and many display crosses or fishes along with their store hours and Web sites. One flooring restoration company says it's "anchored to the rock of our salvation — the blessed hope." A dentist's tagline reads "Let the Joy of the Lord radiate through your smile!"

But secular businesses do benefit.

Nonprofit employees frequent supermarkets, malls and restaurants as often as secular employees, and most nonprofit organizations do extensive work with secular vendors.

These ministries contract with local companies to print their pamphlets, remodel their offices and cater their events.

Compassion spent \$3 million with local vendors last year.

According to the U.S. Bureau of Economic Analysis, every 10 jobs created by a Christian ministry probably generate another four jobs outside that ministry. Christian nonprofits employ around 3,800 people, but could be responsible for another 1,300 jobs outside their walls.

Their influence is hard to quantify. Many companies do business with Christian nonprofit employees but don't know it. Those that have a better handle on their clientele typically can't say how much money these folks bring in.

Marigold Cafe and Bakery caters to a clientele that includes bigwigs from Focus and The Navigators. James Dobson's been known to eat there occasionally, and groups sometimes host Bible studies in its banquet room.

Marigold owner Elaine Chavanon says these organizations are important to her business, but not all-important.

"I don't think they dominate the restaurant," she said. "I know they eat here, and I know they're good customers."

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COMPASSION INTERNATIONAL

Founded:

1952

In Colorado Springs since:

1980

Revenue and rank for fiscal year that ended in 2004:

\$174,982,121 (1st)

Revenue and rank for fiscal year that ended in 1996:

\$60,652,159 (5th)

Growth:

\$114,329,962 Compassion International is a child-relief organization that relies on sponsors to feed, clothe, educate and evangelize children in more than 20 developing countries. Nearly 700,000 children benefit from Compassion's growing ministry. The organization's revenue has nearly tripled during the past 10 years, and Compassion is expanding its headquarters in anticipation of future growth.

Web site:

www.compassion.com

YOUNG LIFE

Founded:

1941

In Colorado Springs since:

1947

Revenue and rank for fiscal year that ended in 2004:

\$169,147,946 (2nd)

Revenue and rank for fiscal year that ended in 1996:

\$69,350,721 (4th)

Growth:

\$105,624,636 Young Life specializes in relational evangelism and ministry targeting teens in middle school and high school. The organization is perhaps best known for its camps, and it reaches about 90,000 children through its 23 youth camps nationwide. It also sponsors youth clubs and events; all told, Young Life says it reaches about 1 million young people annually in 45 countries and all 50 states.

Web site:

www.younglife.org

FOCUS ON THE FAMILY

Founded:

1977

In Colorado

Springs since:

1991

Revenue and rank for fiscal year that ended in 2004:

\$146,569,000 (3rd)

Revenue and rank for fiscal year that ended in 1996:

\$103,108,745 (2nd)

Growth:

\$43,460,255

Focus on the Family produces books, magazines, radio programs and events for evangelical Christian families with children. Its flagship radio program, "Focus on the Family," daily reaches 1.5 million in the United States, the organization says, and all its radio shows combined daily reach 200 million worldwide. Focus is increasingly involved with public-policy issues, most of which are funneled through its nonprofit lobbying arm, Focus on the Family Action.

Web site:

www.family.org

THE NAVIGATORS

Founded:

1933

In Colorado Springs since:

1953

Revenue and rank for fiscal year that ended in 2004:

\$112,532,000 (4th)

Revenue and rank for fiscal year that ended in 1996:

\$83,600,000 (4th)

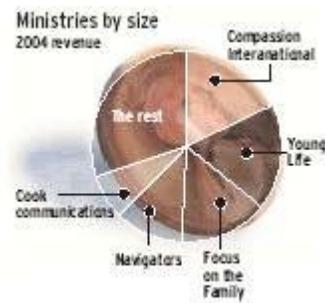
Growth:

\$28,932,000

The Navigators concentrates on giving Christians the resources to help them live more productive, faithful lives, and trains them to be effective evangelists. The international ministry encompasses the NavPress publishing company, the Glen Eyrie Group (which organizes on-site conferences) and a host of niche-specific evangelical and educational efforts.

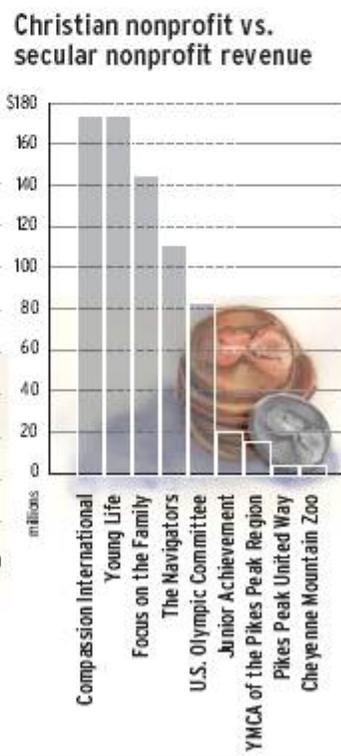
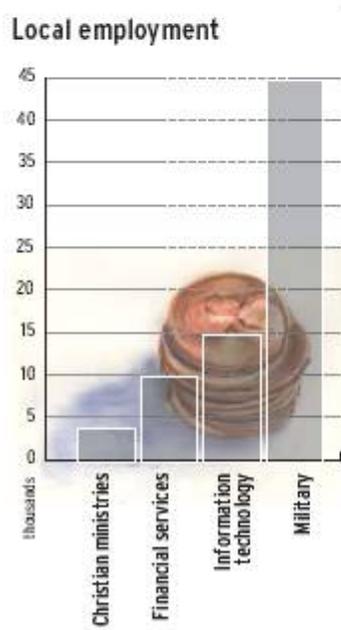
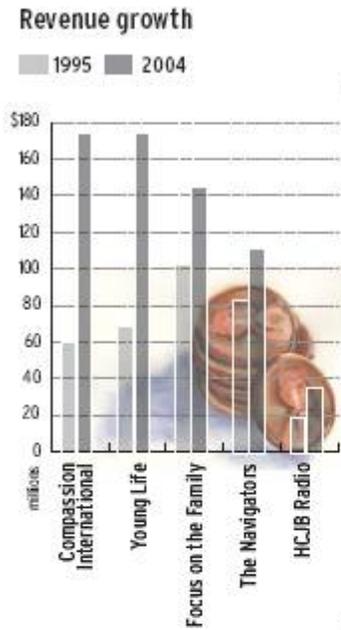
Web site:

www.navigators.org



SOURCES: ministries, guidestar.org, charitynavigator.org





NICHOLE MONTAÑEZ, THE GAZETTE SOURCES: Gazette research, guidestar.org, charitynavigator.org, Southern Colorado Economic Forum, ministries

Largest Christian ministries

Organization	Revenue	Local employment	Total employment	Founded	In Colo. Spgs. since
1. Compassion International	\$174,982,121	456	1,240	1952	1980
2. Young Life	\$169,147,946	190	3,033	1941	1947
3. Focus on the Family	\$146,569,000	1,216	1,216	1977	1991
4. The Navigators	\$112,532,000	757	4,092	1933	1953
5. Cook Communications Ministries	\$73,850,179	290	392	1875	1996
6. Christian and Missionary Alliance	\$43,466,019	166	3,600	1887	1989
7. HCJB Radio	\$36,444,084	74	386	1931	1992
8. Christian Community Foundation	\$28,000,000	11	11	1980	1999
9. Association of Christian Schools	\$25,808,928	98	234	1978	1994
10. International Bible Society	\$25,790,591	128	NA	1809	1989
11. Greater Europe Mission	\$17,520,000	40	40	1952	1994
12. Mission of Mercy	\$12,955,189	27	31	1954	1990
13. OC International	\$12,667,183	48	427	1951	1991
14. Every Home for Christ	\$11,361,240	NA	NA	1946	1991
15. Andrew Womack Ministries	\$9,136,173	90	105	1978	1980
16. Christian Booksellers Association	\$7,982,894	39	39	1950	1970
17. International Students Inc.	\$7,519,409	NA	174	1953	1973
18. Global Action	\$6,674,595	21	123	1998	1998
19. Nazarene Bible College	\$5,140,000	55	55	1967	1967
20. Military Community Youth Ministries	\$4,014,973	6	65	1981	1993
21. Engineering Ministries International	\$3,200,000	25	60	1982	1982
22. BEE International	\$3,040,230	18	55	1979	1999
23. Bibles for the World	\$2,910,645	20	20	1959	1996
24. Summit Ministries	\$2,776,522	16	16	1962	1962
25. Global Harvest	\$2,548,351	NA	NA	1991	1991

Revenue is from each organization's fiscal year that ended in 2004. Financial information was obtained through www.guidestar.org, www.charitynavigator.org, www.irs.gov. Ministries listed have a national or international focus.