

The Megachurch and the Religious Marketplace

Faith Nelson

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## Introduction

The headline, “Joel Osteen Shuts Megachurch amid Flooding Crisis,” was the first time I heard about megachurches. The church was Joel Osteen’s Lakewood megachurch in Houston, Texas. Lakewood’s spokesman said that, “While the church and its arena have not suffered any flood damage yet...their property is inaccessible because of surrounding waters” (Li). There were different reports floating around, some saying that the church was not open due to flooding in the building and then this claim from the Lakewood spokesman that the church was inaccessible due to flooding in the area. It is interesting to note that a nearby convention center had been set up by the city as a shelter for those displaced by the flooding, and the spokesman went on to say that, “And it makes no sense to open church doors when the city and county are already treating thousands of flood victims at the nearby George R. Brown Convention Center” (Li). The spokesperson seems to lack compassion, especially considering Hurricane Harvey affected an estimated 100,000 homes and rendered many of them too damaged or destroyed to be habitable. As a result, there were more than 30,000 people staying in emergency shelters, and it is estimated that there were even more displaced people who were staying with friends and family (Fessler). According to a CNN report, “it was not until the city's convention center reported twice as many evacuees as its capacity, Osteen's facility was publicly welcoming displaced Houstonians” (Ellefson). It is also worth noting that people were even posting photos online that showed that the area around the church was not flooded and indeed accessible (Li). Now it is of course possible that the church was at some point flooded and inaccessible and by the time

people took these photos the water had receded. However, Osteen seems to have only opened his church after all the negative press about how the church wasn't open as a shelter, and after the convention center nearby received twice as many evacuees as they could handle.

I remember thinking that a more expected response would be to open the church to flood victims because helping those in need is such an essential Christian value. However, the lack of clear reporting as to whether the church was really flooded was also confusing. It would have made more sense if there was a clear message from the church regarding the flooding and possibly including a timeline for getting things cleaned up and if they would be able to open as a shelter. At the time of this news story, I had a lot of questions about megachurches.

Unfortunately, I was too busy at the time to investigate further. When I got the opportunity to write my senior thesis, megachurches popped back into my head. It was the perfect opportunity to answer my questions and tie together my majors in religion and economics. As I began researching megachurches, I realized how popular they are which led to me wonder why exactly that is.

It is estimated that there are at least 1650 megachurches in the United States (Hartford Seminary). In order to be designated a megachurch, a church must have a weekly attendance of at least 2,000 parishioners. Megachurches tend to be located in suburban areas of rapidly growing cities such as Los Angeles, Houston, or Atlanta. According to the Hartford Seminary, “a number of these large churches occupy prominent land tracts of 50 to 100 acres, often near major traffic thoroughfares” (Hartford Seminary). Megachurches are not only host to thousands of attendees on a weekly basis, they also tend to be set on very large lots with very large parking lots and easy access to roads and highways so as to make it as convenient as possible for people

to attend. These churches “tend to grow to their great size within a very short period of time, usually in less than ten years, and under the tenure of a single senior pastor” (Hartford Seminary). Almost all megachurches are led by a male pastor who is considered to possess a lot of charisma, “the senior minister often has an authoritative style of preaching and administration and is nearly always the singular dominant leader of the church” (Hartford Seminary). The senior pastors have teams of as few as 5 and as many as 25 associate ministers and they often have hundreds of full time staff. In comparison, one of the local churches, Towson Presbyterian Church, has eight people on their staff, only two of which are pastors- one senior and one associate. This is vastly different from a megachurch that would employ as few as five associate pastors in addition of a large amount of support staff. Megachurches are much larger than most traditional churches, but the comparison of staffing sizes is somewhat staggering.

While 1650 may not sound like that many megachurches, considering they are spread across the entire country, one must consider that almost every state in the U.S. has megachurches, and megachurches account for as many as twelve million [attendees] every week (Thumma). To compare, there were an estimated 384,000 Christian churches in the United States as of 2012 (Randall). It is especially clear when comparing the numbers that there really are not a huge number of megachurches in the United States. However, despite that megachurches account for as many as twelve million worshippers per week. Clearly something is drawing people to attend megachurches. According to the Hartford Seminary, “although some researchers argue the era of megachurch proliferation is drawing to a close, the total number has increased from 350 in 1990 to over 600 in 2000 and there are now nearly 1650 megachurches in the US” (Hartford Seminary). The number of megachurches in America has been rapidly increasing since the 1990s

and it is important to research this growing trend in order to understand why it is happening and if it is simply a fad or a lasting trend.

At a time when more and more people are dis-affiliating from religion, there are, at the same time, so many megachurches that draw huge crowds every week. According to the Pew Research Center, “One-fifth of the U.S. public – and a third of adults under 30 – are religiously unaffiliated today, the highest percentages ever in Pew Research Center polling” (“Nones on the Rise”). It is a curious phenomenon when on the one hand, more adults in the U.S. than ever are identifying as religiously unaffiliated while at the same time the number of megachurches in the U.S. is also increasing year to year. What is it about these churches that draw in these crowds? Perhaps more importantly, who are these people attending these megachurches? According to the Pew Research Center, those disaffiliating from religion, “overwhelmingly, they think that religious organizations are too concerned with money and power, too focused on rules and too involved in politics” (“Nones on the Rise”). The people who are identifying as religiously unaffiliated are also not searching for a religious organization to join because they have largely negative views of them. The PRRI study, *Exodus: Why Americans are Leaving Religion-and Why They’re Unlikely to Come Back*, categorizes the religiously unaffiliated into three categories- rejectionists, apatheists, and unattached believers. “Unattached believers, who make up only 18% of the unaffiliated, say religion is important to them personally” (Jones, et al). This provides some clarity to the situation of people disaffiliating and unaffiliating from religion. Perhaps rejectionists and apatheists are not likely to be attracted by a church of any sort, but the unattached believers might be tempted or drawn to attend megachurches.

Megachurches tend to offer not only religious services but also things like childcare, even preschool, and they also tend to emphasize the importance of small groups wherein smaller groups of people meet weekly at someone's house in order to discuss things like the Bible or Christian books but also in order to create a support system. It does not hurt that small groups promote accountability in terms of actually attending every week. Basically, "increases in organizational size increase the possibility of no one noticing when an individual fails to contribute to the group. If there is no reaction to this lapse, the non-contributing individual has no incentive to contribute. Thus, congregation size is inversely related to the average level of member commitment" (Whitehead 641-642). Many scholars and even pastors at non-megachurches are critical of the sheer size of these churches. It is quite easy to be anonymous at these massive services, just another face in the crowd. This is, in fact, what draws some people to attend megachurches. They just want to be one of many at the service without the pressure or expectation that might come from being personally known. However, this lack of accountability can lead members to do things like not tithe, or not tithe as much as they would were they more known in the community. Megachurches use small groups to create support and accountability amongst its members. This accountability keeps members attending services, tithing, and perhaps volunteering or providing other services for the church.

Megachurches also provide services that may draw people to attend. Many parents may feel drawn to these megachurches because they provide schooling opportunities for their children, as well youth ministries which may instill values that parents wish for their children to have.

Additionally, and somewhat surprisingly “as education level of the population increases, that population is much more likely to be served by one (or more) megachurches” (Karnes 266). This is a curious fact because religious disaffiliation is increasing amongst college graduates (“Nones on the Rise”) so it is almost paradoxical that while religious disaffiliation is increasing amongst college graduates, the number of megachurches in an area also increases with a higher level of education in the community.

In order to understand the origins, details, and popularity of megachurches many different fields such as religion, economics, even politics, and law must be considered. Megachurches are of interest to religious studies because they are an example of a new form of religious institution. They have a much higher weekly attendance than a traditional church and the services afford attendees anonymity as well as almost a show, with music and a charismatic pastor.

Additionally, megachurches raise concerns about whether they are not concerned enough with the social justice aspect of Christianity. Many of these churches preach a sort of prosperity gospel about how God wants you to have nice things, and how tithing to the church will help you to succeed. Many of these pastors also have expensive cars, watches, and/or clothing as if to prove that they have been blessed by God with all these nice things and you can too. This raises concerns amongst some Christians that these megachurches are ignoring dealing with tough issues and social justice in favor of lighter messages about how God wants you to succeed.

Megachurches are of economic interest for two reasons. One, these churches are obviously filling some sort of need in the religious marketplace. Megachurches were obviously created to fill some need of churchgoers that they were not receiving at traditional places of worship. These churches are providing something which with people in the U.S. really identify.



This is clear from the growing number of megachurches in the United States. Clearly these churches are doing something new and interesting that attracts many people every week. Additionally, megachurches encounter other economic concepts such as free-riding, where people attend the church but do not tithe or otherwise “pay” for the service. This is an issue with almost all churches, but the large size of the megachurch coupled with the relative anonymity also afforded by the size of these churches makes the issue more intense for megachurches.

From a law standpoint, one must consider the massive amount of untaxed funds that megachurches possess. Is it right that such massive churches have the same legal protections as the tiny churches? Should we be concerned with what these megachurches are doing with this money? There are many perspectives through which to examine the issue of megachurches.

There has been much written on the subject of megachurches. Everyone from pastors and church leaders to academics in various fields have written about them. There are even books written about the marketing of megachurches. Justin G. Wilford in his book, *Sacred Subdivisions: The Postsuburban Transformation of American Evangelism*, used the example of Saddleback Church in order to explain how megachurches thrive in fragmented, postsuburban areas. In his book, *Shopping for God: How Christianity Went From in Your Heart to in Your Face*, James B. Twitchel examines how megachurches market themselves in a world with so many things vying for our attention. Scott Thumma has done a lot of helpful research regarding the number of megachurches in the U.S. as well as some defining features of megachurches. In her book, *Blessed: A History of the American Prosperity Gospel*, Kate Bowler discusses the concept of prosperity gospel. Wade Clark Roof has some interesting ideas about the spiritual marketplace in his book, *Spiritual Marketplace: Baby Boomers and the Remaking of American*

*Religion*. Additionally, Rodney Stark's book, *What Americans Really Believe: new findings from the Baylor surveys of religion*, offers an interesting picture of survey data collected by Baylor University regarding megachurch attendance. Finally, in terms of history and revivalism, Timothy L. Smith's *Revivalism and Social Reform: American Protestantism on the Eve of the Civil War* is an excellent source.

As can be seen from the above literature review, many people have written and offered their explanations of megachurches in America. However, I still find myself left with questions because these explanations discuss various aspects of the megachurch, but do not bring them together in conversation. Why are megachurches so popular? Is this a lasting form of religious institution or simply a trend? What is it that megachurches are providing to people that is so appealing? Why attend a megachurch instead of a more traditional church?

I have conducted my research mainly through the reading of various scholarly articles and books. Additionally, I was able to visit one megachurch in Cincinnati, Ohio, Crossroads Church. Online resources such as videos or the websites of megachurches were also helpful to me in establishing if a church's online presence can play a role in its weekly attendance.

This thesis will cover the topics of the space that megachurches occupy, the activities that they provide, the demographics of who is attending these churches, and critiques of megachurches. All of this is written with the goal of answering the question: Why are megachurches so popular in the United States? I argue that megachurches are so popular because they have differentiated themselves from more traditional churches in a way that is appealing to a certain segment of the church-going population in the United States. Additionally, I argue that these megachurches are not a continuation of past traditions and are instead an example of a

differentiated religious institution that aims to draw in more people with its innovations. I then further argue that megachurches are not a trend and will remain popular so long as the ways in which they differentiate themselves remains appealing. Megachurches are a new and fast-growing form of religious institution in the United States. It is important to be able to understand their popularity, as well as to assess their potential longevity in order to better understand their appeal and the way in which they fit the religious marketplace.

I begin with a history of megachurches. The history of the megachurch is a good place to start so as to establish the groundwork for their growth, as well to explore any similar events in history. I first discuss tent revivals during the Second Great Awakening as they not only share certain characteristics but also inspired certain Protestant churches to innovate. This innovation can be related to megachurches as will be explained in that chapter through Scott Thumma's megachurch characterizations.

Following that is a chapter regarding the space and activities of megachurches. Megachurches occupy spaces that tend to look very different from a traditional church, and that space is an important part of the megachurch. I discuss the idea of sacred space and what it is that makes a space sacred. The activities offered by megachurches is also worth discussing because they most likely play a role in why someone might choose to attend a megachurch over a traditional church. Megachurches offer a variety of different activities and I will lay out what they offer and the role they play in drawing people to attend a megachurch.

The last chapter is an economic analysis. I introduce the concept of a religious marketplace in which megachurches innovate and differentiate themselves from more traditional churches. This is to explain the popularity of megachurches in the United States. I also introduce

various other economic concepts to further develop the idea of the religious marketplace and why megachurches are so popular.

Finally, the conclusion clarifies my main arguments. I discuss why megachurches are so popular in the United States, drawing together the points from my history chapter, as well as my chapters discussing the space and activities of megachurches and the economic concepts that help explain the popularity of megachurches. Additionally, I suggest other potential research questions that would be of interest.

## Megachurch History

Megachurches do not have a very long history, as the rise of the megachurch can be attributed to relatively new social phenomena. Most megachurches are located in suburban areas and many are modeled after buildings like shopping malls and office parks. According to Thumma, “the megachurch... is more than a church with a huge attendance. It is a congregation with a distinctive pattern of organization, programmatic ministries, and membership relations” (Thumma). It is important to note that it takes more than a large weekly attendance in order for a church to be classified as a megachurch. Many Catholic churches have large weekly attendances, but Catholic churches do not necessarily meet the other criterion for being considered a megachurch. It is noteworthy that “almost one half of all megachurches are independent and nondenominational. In addition, many of the remaining churches are from denominations with a congregational polity which gives considerable freedom to individual churches” (Thumma). For most megachurches, their denominational ties are not what are drawing members to the church. People tend to come to megachurches because they enjoy the services and the messages of those services or because they enjoy the offerings from the church, such as preschool for kids or small group meetings for adults. These different messages and services show how megachurches differentiate themselves from more traditional religious institutions and from each other, which helps them to be more appealing to people searching for a church. By examining the history of megachurches, it puts into perspective how quickly the institution has grown in the United States. Since there is not much of a clear history of the megachurch, due to the newness of the institution, I instead focus mainly on Scott Thumma’s excellent work categorizing the

megachurch as a way to view the megachurch's history. Additionally, by examining the related religious phenomena of tent revivals, it becomes clear the ways in which megachurches share some common threads with the revivals but are still very much a new idea.

#### Revivalism:

The megachurches of today are in many ways a product of society today. These churches have grown in popularity in recent years. Clearly, they are offering something that is most appealing to today's society. However, the practice of gathering large groups of believers as well as unbelievers, or people who are questioning their faith in some way is not an entirely new one. Tent revivals were popular during the Second Great Awakening when charismatic traveling preachers would travel around the country, setting up tents and aiming to convert unbelievers or to have those questioning their faith reaffirm their convictions. The Second Great Awakening came about in the United States at a time when many felt that Americans were becoming less involved with religion. As a result, and an attempt to get people back in touch with religion, tent revivals began springing up around the country. Timothy L. Smith's *Revivalism and Social Reform: American Protestantism on the Eve of the Civil War* is an excellent source for further reading. Additionally, John Williamson Nevin's tract, *The Anxious Bench*, is another source for further reading and a critique of the tent revivals of the time.

These revivals drew large crowds, often in a small town, almost the entirety of the town would show up for such a revival. However, this raised its own set of problems because preachers at these revivals aimed to get people to confess their sins and come to Jesus, and if one was surrounded by the citizens of their town, that leads to its own set of pressures and concerns about the actual willingness and truthfulness of people confessing and professing faith.

Similarly, to tent revivals, megachurches are springing up at a time in American history when more and more people are moving away from organized religion and claiming themselves to be spiritual but not religious. We can see a trend in the United States of declining religiosity that is then followed by the emergence of some religious phenomena that features charismatic preachers with the ability to draw in large crowds, most interestingly large crowds that consist of people who may not consider themselves religious or who are questioning if organized religion is right for them. Timothy Lawrence Smith in his book, *Revivalism and Social Reform: American Protestantism on the Eve of the Civil War*, writes that:

“those blessed with a wide social vision thought of [tent revivals] as a chief means of converting human institutions to Christian principles. Individual converts, in many cases, sought only the fulfillment of the aspiration for forgiveness and personal union with the Savior. Pastors saw church problems melt away and financial surpluses appear... The rise of tremendous individual congregations under liberal, revival clergymen was a pointed lesson to all” (Smith 61).

Tent revivals served a variety of purposes for a variety of people. Revivals were not only a great way to convert wide swaths of the country over to Christianity, or to recommit to Christian principles, it was also great for those seeking forgiveness and a closer union with God.

Additionally, revivals could bring in a fair amount of money, which for basically any institution is always a good thing. Megachurches share some similar parallels with these purposes. These churches draw in enormous crowds every week, many of whom are seeking a closer relationship with God, as well drawing in equally large sums of money for the church.

## A Continuation of Past Events?

It is possible to consider the megachurch to be a continuation of the history of evangelical Protestantism and to relate the charming and effusive pastors of today's megachurches to the commanding preachers who drew large crowds through tent revivals starting in the mid-nineteenth century. Inspired by these tent revivals, some Protestant churches of the time "put cushions on their pews, carpets on the floors, and stadium seating in their sanctuaries... These new congregations also designed buildings and stages to feature musical performances that were central to their lively services. At the same time, churches expanded their activities into more secular community events, building kitchens to help host them" (Kingsbury). In a lot of ways, this does sound like the precursor to today's megachurches. In today's megachurches, the seating is often comfortable, intending to make people feel comfortable and at home during the weekly service. Additionally, many megachurches have stadium style seating because many megachurches today are either held in retrofitted athletic stadiums, such as Joel Osteen's Lakewood Church, or they are built purposely to mimic the feel of a sports stadium. Megachurches also provide their members with any number of community events and offerings, everything from small groups that meet weekly to tax help to free childcare. The variety of opportunities that are available at megachurches are part of what draw people to attend every week.

These churches offer a unique blend wherein members can be as anonymous or well-known as they choose to be. Frequently people will join a megachurch and choose to only attend the weekly service every week, enjoying that anonymity that comes from a church



drawing in thousands to a service. Many of the members who join that way then grow comfortable and come to embrace the ways in which they can become known at the church, such as through weekly small group meetings wherein they can become acquainted with and come to count on other members of the megachurch they otherwise would not have known.

Although it would appear that the evangelist Protestants of nineteenth century were early forerunners of today's megachurches, that is too simplistic a view. I would argue that megachurches are less a continuation of a past tradition and more an example of a religious institution that has differentiated themselves in order to draw more people. These examples of which I have just spoken, the large size, more comfortable seating, updated music, et cetera are all instances of the ways in which megachurches have differentiated themselves from the more traditional, smaller church model.

#### Megachurch Size and Growth:

It is difficult to get an accurate and complete picture of America's megachurches. Most research done regarding megachurches has relied on survey responses, and in any survey not every member of the population being studied responds. Research done recently "concludes that there are at least twelve hundred churches in the United States that have more than two thousand weekly worshippers, the minimum amount to be considered a megachurch, and suggests that the number of such churches increased by nearly 50 percent between 2000 and 2005" (Williams 136). Twelve hundred churches each drawing at least two thousand people a week is a significant amount of people. Now the United States is full of churches, so perhaps this number seems insignificant. However, one must consider two things. First, the majority of megachurches were not founded until after 1955 (Thumma). This means that megachurches are still a relatively new

religious and social phenomena. Second, when we consider the fact that the number of megachurches in the United States nearly doubled in only five years, it clear that something important is changing in the world of religion in America. Something about these churches is drawing in massive numbers of worshippers and in a time where more and more people are distancing themselves from religion, that is no small feat.

One important note about measuring megachurch attendance, before we continue our journey through their history. The majority of churches estimate their numbers based off of how many people their church holds. However, this is easier to do with single seats and harder to do with pew seating. Therefore, “any reported attendance should be treated as an estimate, accurate to within several hundred” (Thumma). However, since weekly attendance is not the only criteria for being considered a megachurch, this is just something to keep in mind, and not a deal breaker for a church to be considered a megachurch.

#### Categorizing the Megachurch: Growth From History?

Many megachurches are essentially nondenominational, meaning that their denominational ties play little to no part in the church services, and many other megachurches are actually non-denominational meaning they claim no denominational ties. Megachurches can differ greatly in the message and mission of the church. However, according to Thumma, megachurches can be generally grouped into three different categories- the non-traditional, the conventional, and the composite, which blends together the non-traditional and the conventional. These categories are important to note because they are a further example of the ways in which megachurches differentiate themselves from the more traditional church model and create differentiation amongst themselves.

The non-traditional megachurch aims to attract “seekers” i.e. people who do not typically attend a church but are interested in perhaps having some form of organized religion in their lives. These non-traditional churches are clearly differentiated from a more traditional church. However, their aim to draw in seekers is similar to the goal of past tent revivals. Side note, the large size of megachurches can also serve to make these “seekers” feel more comfortable in attending services whereas at a smaller church where everyone knows everyone they might feel uncomfortable joining such a small church when they are still only testing out their faith. This type of megachurch “is probably the most prevalent form for American megachurches, and especially among churches started in the last eight to ten years. The explicit message of these congregations is ‘this is not your ordinary church’” (Thumma). Most megachurches in America are attempting to pull in the “seekers” which is interesting because this implies that there are many such people in this country. According to Thumma, not only is this the most prevalent form of megachurch in America, this type of church has also gained popularity in the last eight to ten years, which implies that not only are there many seekers in America but perhaps even that the number of such people is increasing. This could make sense given that more and more people are distancing themselves from smaller churches and more traditional forms of religion, so perhaps the large size and lack of denominational ties are drawing in more and more people who do still want organized religion in their lives but are uncomfortable with the hard lines often drawn by denominations regarding modern day issues.

These non-traditional churches tend to have buildings that are least like those of traditional churches, more like a mall or an office building than an ornate cathedral. This architecture “communicates a message - that religion is not a thing apart from daily life’

(Goldberger 1995:b1). The sermon, probably delivered from a clear plexiglass removable podium, conveys a biblical but practical, non-dogmatic, this-worldly message that also suggests religion should not be separate from daily life” (Thumma). It is unsurprising that these churches would want to communicate that life and religion are not separate ideas because if you can get people comfortable in a space similar to something they are familiar with, say a mall-like building with an auditorium-like space where the service is held, then they will be more willing to listen and consider the fact that perhaps their life and religion need not be such separate things.

A second type of megachurch is the “conventional” megachurch. This is a church that is more clearly connected to and stemming from the historical roots of the Protestant church and of tent revivals. These churches tend to be older churches that have grown in scale and still retain their Protestant Christian roots. According to Thumma, “the implication is that this larger expression is not only more successful and more exciting, but it is more authentically Christian than other churches. It is traditional Protestantism, but on a ‘mega’ scale” (Thumma). This is an interesting type of megachurch because it is the most “traditional” in that it still retains its Protestant roots, but is theoretically bigger and therefore more exciting, which if you think about it seems like a uniquely American concept. Not only is my church bigger and more exciting than your church, it is also way more Christian than those other churches you might attend. Despite their more traditional natures, the large size of these megachurches are the way in which they differentiate themselves from more traditional churches. These churches still retain many traditional church features, spires, Christian symbols, hard pews, and a traditional pulpit. According to Thumma, these churches are attempting to send the message of “this is your parents' religion, but bigger and better.” This is such a different message than the nontraditional

church, which wants to distance itself from traditional religion as much as possible. The conventional megachurch does the exact opposite, it embraces traditional religion but proclaims itself to be even bigger and better, once again this is just so stereotypically American. In these churches “the choirs are superb, the preaching is first-rate, the church school choices are overwhelming, their attendance and baptisms are climbing, and they can even be found in cyberspace” (Thumma). The conventional megachurch is everything anyone searching for a traditional church would want, but bigger. The choir is not just good, they are excellent; you do not just have one church school option, you have many; the preaching is also topnotch; and do not worry, this church can also be found online. It is everything that someone seeking a traditional church might want but times ten. This type of megachurch is most similar to a traditional church, and clearly has its roots in tent revivals since it draws in large crowds thanks to a charismatic preacher.

The final type of megachurch that Thumma identified is the composite, which attempts to combine the best of the nontraditional and conventional types. These churches may appear traditional on the outside but inside is theatre-like, with comfortable seating and multimedia accoutrements. The service “may be an equally eclectic mix of hymns, jazz, and praise choruses, combined with liturgical readings and charismatic healing sessions...Even in its theology, it overtly attempts to retain an ‘orthodox’ Christian tradition while at the same time embracing ‘new,’ ‘original,’ and ‘fresh revelations from God’” (Thumma). This church is more of a mash-up than the other types. It would seem that these churches would appeal to those searching for a more conventional church who are still appreciative of modern conveniences such as comfortable seating and “fresh revelations from God.” This is another example of how these

different types of megachurches appeal to different people in the religious marketplace. Not every megachurch is the same and thus they capture somewhat unique segments of the market.

In light of the fact that most megachurches in the United States are either non-denominational or functionally so, these three characterizations help us to understand how churches organize and market themselves. Of course, each church is different, even amongst the same category, no two megachurches are identical, but having a broad base from which to work can be helpful in understanding these megachurches and who is being drawn to them. Clearly, the people attending nontraditional megachurches are different from those attending conventional megachurches but both these groups of people are attending megachurches and by expanding our conceptions of what megachurches are like, we are better able to understand the popularity of megachurches in America. Additionally, the categorizations of megachurches helps to show how connected, or not, a church may be to its historical roots. The traditional megachurch has more clearly descended from tent revivals and how those tent revivals inspired Protestant churches to evolve. The nontraditional megachurch may seem more disconnected from history, and it is, in terms of the appearance of the church. However, these nontraditional churches aim to draw in people seeking a church home, which is similar to the goal of tent revivals to draw in people who may not be attending church currently and to inspire them to start attending regularly. As far as the composite type of the megachurch, it shares similarities with the other two types of megachurches. These types help to clarify the ways in which megachurches descend from tent revivals.

## Megachurches: Space and What They Offer

We have already been briefly introduced to megachurches in the introduction. In the first chapter, the history chapter, megachurches and their similarities to tent revivals was discussed, as well the four main types of megachurches. We now move on to the third chapter, in which the space megachurches occupy and the activities that they offer will be discussed. The space that a megachurch occupies is one of the primary factors that differentiates a church from a megachurch.

These spaces are unsurprisingly massive, with correspondingly large parking lots, and expensive audio-visual systems to ensure everyone can see and hear the service. Those who are in favor of more traditional church architecture may be turned off or confused by the architecture of megachurches. However, one should remember that “the significance of sacred space is grounded in the fact that the divine has intervened or continues to intervene in a particular way at such a place. The transcendent divine has become immanent in creation. Hence a sacred space is a symbol or revelation of divine presence and mystery” (Seasoltz 113). Traditional church architecture, with its steeples pointing up to the sky and stained-glass windows, is generally considered the physical representation of the sacredness of the space. A church is a place where one encounters the divine and as a result, the architecture is typically built to be awe-inspiring. This is to remind one that this is a sacred space where communion with the divine is expected to occur.

While many churches are built with special qualities that people may point to as markers of sacredness, for example magnificent stained-glass windows or high, soaring ceilings, these

qualities are not what make a space sacred. In his chapter of the book, *Transcending Architecture*, Kevin Seasoltz writes that:

“A space is sacred because it fulfills a religious role, not because it has special aesthetic or physical qualities...First, it is a place of communion with the divine, with the transcendent Other...Second, sacred space is a special place where divine power manifests itself...Third, a sacred place is often regarded as a mirror of what the human world should look like as it relates to the divine. It provides an orientation for human life and focuses attention on what is thought to be significant for human transformation”  
(Seasoltz 113-114).

The architecture of the space is irrelevant to its relative sacredness. Whereas a megachurch may not have the same approach to church architecture, that does not mean that they are any less sacred than a traditional church. It is the ability to provide communion with the divine and to provide an orientation for human life that marks a space as being sacred. Traditional churches may have a different idea of how a sacred space should look. Clearly, traditional churches have a different idea of that should look because otherwise all churches would have the same architecture. However, megachurches have a more ordinary feel than traditional churches. It could almost be a mall, or a sports center. This would indicate that megachurches believe that the human world can relate to the divine even in more day to day, or mundane, spaces. Encountering the divine need not take place in massive, soaring cathedrals. It can also be found in more ordinary church spaces, such as those occupied by megachurches.

Many of megachurches occupy spaces that were not originally meant to be sacred spaces. For example, Joel Osteen’s Houston megachurch, Lakewood Church, used to be a sports arena



before it was made into the megachurch. It may not be the traditional church that many would expect, but it is hardly surprising these churches are occupying such spaces. These were built to occupy massive crowds and that's exactly what megachurches want- a massive crowd. In megachurches "this 'otherness' is contrasted with the secular architecture of the contemporary mega church whereby the building appeals to the elite and the popular, with its superb imagining, music, interior design, shops, and signature eateries and coffee bars, and more often than not, the auditorium is a hi-tech state-of-the-art performance venue" (Falconer 68). Megachurches are frequently criticized for not having the same "otherness" as traditional churches, meaning that whereas when you walk into a traditional cathedral you may feel this sense that this building is "other" that it's a sacred space and has separate social rules for behavior than say, your local shopping mall. However, most megachurches lack this sense of "otherness" because many of them resemble perfectly ordinary buildings, a shopping mall, or a sports arena.

While one cannot deny the megachurches lack of separate "otherness," that may not be the criticism people intend it to be. Thousands and thousands of people are drawn to megachurches across America, clearly, they are unbothered by the ordinary appearance of the church. Perhaps this ordinariness is just what it so appealing. Traditional churches impart the feeling that one must act differently than they do day to day and perhaps even dress differently. Megachurches are the opposite, completely come as you are. It is appealing to people to be able to be themselves and not have to change anything in order to attend church. The resemblance of the megachurch to a shopping mall, sports arena, or any other ordinary building is exactly what makes it so appealing. It does not feel like a new, unfamiliar space where you must be on your

best behavior, it feels like a space you have been in any one of a hundred times. You automatically feel comfortable in the space, and if you do not, do not worry, there are greeters at every entrance waiting to welcome you and make you comfortable. A review on Lakewood's Facebook page states, "Most amazing church! It may seem big and overwhelming but you are so warmly welcomed and made to feel like home. I can't imagine going anywhere else. The amount of love you feel is second to none" (Lakewood Church Facebook). This is a key way that megachurches differentiate themselves. These churches occupy more familiar spaces, that are not the same as a typical church space, which helps people feel more comfortable in the space.

Megachurches have a large number of attendees. It would be difficult for everyone to see and hear the service without the use of technology. Almost all "megachurches display the lyrics of songs on large screens at the front of the church, so that individuals can participate without prior knowledge of the songs and without having to know how to use a hymnal" (Wellman 659). Displaying the lyrics to songs is just one of the ways that megachurches make the space accessible. This allows the congregation to easily see the lyrics and participate in the service, but it also allows for new members to feel comfortable. Another review on the Lakewood Church Facebook pages testifies that, "When service starts you are able to join in with the Praise and Worship team and choir...the message is always great...trust me you leave a totally different person" (Lakewood Church Facebook). Attending a megachurch doesn't require any special knowledge that would potentially keep someone from seeking out a church to attend.

The desire to make new members comfortable and to feel welcome extends throughout the space and service of megachurches. The "greeters will 'keep you, make you come on in and by the time you got in at least 10 people had said something to you by the time you made it to the

hospitality desk, by the time you made it to your seat they made sure you were welcome'... This helps reduce the uncertainty and uneasiness of new visitors, who initially lack important congregational cultural capital knowledge but are quickly brought up" (Wellman 659). Most megachurches have members who volunteer as "greeters." As the name implies, these members greet people as they enter the church, but they are especially there for those new members who may be uncertain that this church is right for them or who may be nervous because they don't know what to expect. Many new members may be nervous because people typically expect churches to be more highly structured and to require knowledge of the formal rituals associated with a particular denomination.

These greeters help to reassure new members that they don't need any special knowledge and that all are welcome. They also help to direct people to places like "hospitality desks" or whatever a particular church has set up to further help welcome new members. The presence of these greeters at megachurches is perhaps even more helpful than they would be at a traditional church, because it can be intimidating to see many thousands of people, all of whom seem to know exactly what to do and where to go, when you yourself are new and lack the knowledge of the more established members. Being welcomed, offered a beverage, shown where to go, etc. can all help to relax new members and encourage them to come back.

Another aspect of the megachurch service that differs from traditional churches is the lack of any sort of dress code. Megachurches don't require anything formal, not your typical "Sunday best." They simply want you to come as you are: "this atmosphere also makes congregants feel more comfortable inviting others to come to church, because they know the people they invite will be accepted and welcomed with open arms regardless of their

appearance” (Wellman 659). This is not meant to imply that all traditional churches require a strict dress code or will not welcome newcomers with open arms, but megachurches take that point and run with it. According to the website of Crossroads Church, “this is a real place for real people. Regardless of what you think about God, you are welcome here. In a nutshell, you can wear jeans, or dress up if you want. The coffee is free, so grab a cup before you sit down. The music is great and you’ll hear straight up Biblical truth that you can apply to your everyday life. The rest is up to you” (“Come as You Are”). They don’t want one’s wardrobe to be a stumbling block that keeps a person from attending a service. The word of God should be available to all regardless of their ability to dress well.

The size of the weekly attendance at a church, while not the only defining characteristic of a megachurch, is still quite important. The large size of megachurches affords them a few things that smaller churches are just unable to capture. For one thing, despite the fact that the anonymity factor of a megachurch is one of the common critiques, it can actually be a good thing: “As one writer said about Willow Creek, ‘seekers can be anonymous here. You don't have to say anything, sing anything, sign anything, or give anything’ (Chandler 1989:A28). In fact, many people want to remain anonymous. Hybels' survey found this to be one of the primary components unchurched persons wanted in a worship service (Olson 1988:192). Other members use the private space to recover from burnout or over commitment (Neff 1990). Several megachurch members echoed one woman's comment about her involvement, ‘I hung around for several years, just resting, before I got involved’” (Thumma). Many of the people who critique megachurches cite their large size as being a problem, after all the churches are too large for the pastor to know everyone personally and the anonymity that results from not being known can

keep people from participating in the church, meaning tithing, volunteer work, or other forms of service. However, that anonymity can be just what people need, especially in today's ever more interconnected world. Sometimes people just need time to sit in church and listen to a service without feeling obligated to participate. While it may seem that this lack of obligation would keep people from ever choosing to participate, in fact the opposite can frequently take effect.

Members appreciate the chance to be anonymous and free from obligation but after a while, they grow comfortable enough to take on obligations themselves, whether that means choosing to tithe or join a small group or some other form of involvement. The effects of size are unique to megachurches and should not be underestimated as it is differences such as these that keep megachurches from simply being the newest iteration of continuing evangelical Protestantism and instead place megachurches as a newly differentiated form of religious worship in the United States.

Once members decide they longer want to be anonymous at the megachurch, they can join a small group. Most, if not all, megachurches offer a variety of small groups- one for men, women, for bible study, for people in a particular stage of life, all kinds. These groups typically meet once a week, outside of church, usually in one of the member's homes. One thing that is important about these "small groups is that they sustain and build the emotional connection between attendees throughout the week (i.e., between Sundays)" (Wellman, 663). It can be difficult to get to know someone meaningfully when you only see them once a week for church. There's not a lot of room for conversation. However, small groups enable members to not only get to know each other meaningfully, but to be able to connect with people who may be interested in similar things or going through similar life events. This can help people to connect

more emotionally and to build stronger ties throughout the church community. For example, Crossroads Church offers four different types of small groups, each with its own level of commitment- online groups, onsite groups, home groups, and chaser groups that meet right after the Sunday service (“Groups”). Wellman’s survey of megachurch attendees showed that one of the main reasons people felt at home in their megachurch was due to small groups. He writes, “consistently, respondents identified that they felt at home and accepted, that they belonged in the mega church, which was in large part due to participation in small groups” (Wellman 664). It is somewhat ironic that what helps people feel at home in a megachurch is a small group, almost the complete opposite of a megachurch. However, it makes sense that people attend church because they believe but they also want to connect with people in the church community. Small groups are the best way for people to be able to meet and connect with other members. Additionally, given the massive size of megachurches, small groups allow members to meet people they would otherwise have only seen in passing, if that. Scott Thumma’s 2015 survey of megachurches confirms that, “a median of 40% of the adults in these congregation are involved in small groups. Having such groups is highly beneficial; those which are intentional about the practice are much more likely to report being spiritually vital” (5). Not only do these small groups build emotional connections between members, they can also help to improve the spiritual vitality of members. One criticism of megachurches is that they aren’t as meaningful as a traditional church, more like church lite. However, it is clear that the addition of small groups at a megachurch help members to feel a strong spiritual connection, one that they may not get at a smaller church.

The actual worship service held at the megachurch is perhaps the most important aspect of the church. “Megachurches offer on average five services a weekend, with about half the churches (45%) reporting that the style of these services varied considerably” (Thumma and Bird 2). Megachurches are less “one size fits all” than one might assume. Crossroads Church offers four different services over the course of the weekend- two on Saturday and two on Sunday, (Crossroads Church website). They tend to offer multiple services over the course of a weekend, all of which differ from each other- some offer services with more contemporary music, or that are more music heavy, some offer services in languages other than English, services for youth, and the list goes on. Joel Osteen’s Lakewood Church offers one service on Saturday and four services on Sundays- one of which is specifically held in Spanish and another of which is for young adults. The music had megachurches does tend to be different than the choir that you might expect at a traditional church. The music “tends to be upbeat, loud, contemporary, and reminiscent of a rock concert, although a few of the megachurches also offered a more traditional service” (Wellman 659). The music is intended to get people’s energy up and to help create a sense of community. If you’re all enjoying the same music, singing the same songs, vibing on the same energy if you will, then that’s going to create a sense of community, of belonging, of being excited to see what’s going to happen next.

Those feelings are exactly what megachurches want to foster. They don’t want members to feel as if church is chore, or something they must attend every week. They want people to feel like service is something they want to attend every week. It’s fun and exciting, and spiritually invigorating. Wellman found in his survey of megachurch attendees that “because the attendees experience an emotional need that the megachurch fills...many reported how awful they feel

when they miss church services” (663). These services become an important part of the member’s weeks. Missing a service may make them feel “awful,” or unbalanced for the rest of the week following. The service is more than just a service for these members, it helps them rebalance and recharge for their coming weeks.

The service itself follows a similar pattern for most megachurches. First there is music- “the music and collective singing facilitate the shared mood and intense experiences of collective effervescence. Once the emotional climate is set, the senior pastor heightens the mutual focus of attention and sustains and focuses the emotional energy. The sermons are generally accessible and...touch attendees spiritually and call them to service, which is the core moral principle of these megachurches” (Wellman 668). These services generally begin with music being played by the church band, during which the lyrics to the songs are generally displayed on screens so that everyone can easily see the words and sing along. The music and singing helps build a feeling of togetherness and engagement.

Once that is done, sometimes there will be announcements for events or other things happening in the church community, and then the pastor will start his sermon. It is interesting how touching people spiritually and calling them to service is assigned as being a main megachurch principle because while it definitely is strongly emphasized in megachurches, I’m not actually sure there are any churches out there that don’t want to touch people spiritually and encourage them to serve. I think that’s more of a general Christian sentiment than being a purely megachurch ideal.

Most megachurches also offer Sunday school, some form of childcare during the service, and/or youth oriented services that may be aimed more specifically towards older children or



teens. Another review on the Lakewood Church Facebook states that, “Regulars and visitors are warmly greeted upon crossing their doors. The praise music is wonderful and the message is inspiring. There is free childcare on Sundays” (Lakewood Church Facebook). Megachurches really aim to be able to offer everyone something. They want to encourage anyone at any stage of life to attend, from families with young children to teens to young adults without children. If you have ever even remotely considered attending church, there is a megachurch that would be happy to have you in attendance.

This chapter has been an introduction to the different space that megachurches occupy, as compared to most traditional churches. Additionally, it has provided information about the services offered and other activities provided by megachurches. This information has been further reinforced through the inclusion of reviews that were obtained from Lakewood Church’s Facebook page. This all sets the stage for the next chapter which will introduce various economic concepts that help to explain why megachurches are so popular and how what they offer people plays an important role in that popularity.

## An Economic Analysis

This paper began with a chapter about the history of megachurches. We then went on to discuss megachurches currently, the space they occupy and the activities they provide. This next chapter provides an economic analysis of the megachurch which will be helpful in distinguishing why megachurches are so popular.

The rise of megachurches can be explained through considering the idea of a religious marketplace- these churches are supplying something new and noteworthy in the marketplace. This is not a literal marketplace but one that represents the idea of supply and demand. There are any number of churches in the United States, one might assume the market was fully saturated with church options and that no more could be sustainable. However, one then has to look at the rise of megachurches. Clearly, the increase in the supply of megachurches must be linked with a demand for megachurches. This is true for a couple of reasons. One, megachurches would not open and remain open if they didn't have tithing members who attended regularly. Secondly, it would not be possible for a megachurch to be considered as such unless they had a weekly attendance of 2,000 members. There are at least 1,650 megachurches in America, so therefore it stands to reason that there is a demand for such churches. They must be filling some sort of

empty space in the proverbial religious marketplace. This discussion will provide some economic concepts to help clarify the popularity of megachurches in the religious marketplace.

#### Perfect Competition:

We must start with a discussion of competition in order to begin our economic analysis of megachurches. There is a theoretical model of market structures called perfect competition:

“A perfectly competitive industry contains many small firms, each producing a homogeneous (standardized) product with free entry into, and exit from, the market in the long run. Further, it is assumed that buyers have complete knowledge about the quality of the product and the market price. A seller can’t deceive a buyer into paying a higher than market price by claiming that his product is superior to that of his rivals—the buyer knows that claim isn’t true. No individual firm has any control over the price it receives for its product—each firm is a price taker” (Beveridge).

Though this theoretical model does not really exist in the real world, the religious marketplace does share some similarities. Buyers, those looking for a church, may not have perfect information, but they do have a lot of knowledge about churches and are free to test various churches out. Churches, the firms in this scenario, are generally able to freely enter and exit the marketplace, but there may be some barriers to entry into the marketplace.

#### Production Costs:

All churches incur production costs. Unsurprisingly, production costs are the cost to produce a service. It does take more labor to put together a Sunday service at a megachurch. However, the production costs may not be substantially higher. Much of the advertising for a megachurch comes from word of mouth- people telling their friends and neighbors about the

great church they attend and how they must try it. This means that the church itself does not need to spend more time and energy on setting up for the service or on getting bodies to fill the seats. By lowering the production costs, this increases the number of churches that are available and could be chosen by people looking for a church, which increases competition. Increased competition, of course, then increases the need for innovation and/or differentiation.

#### Transaction Costs and the Walmart Effect:

Megachurches are so much bigger than traditional churches and as such can incur lower transaction costs. Transaction costs are “the costs other than the money price that are incurred in trading goods or services” (Johnson). It is well-documented that megachurches lack the feeling of a traditional church for a number of reasons. The space of a megachurch in particular tends to be very different. Megachurches tend to occupy spaces that feel less sacred and more ordinary. I visited a Cincinnati megachurch which felt oddly like my high school and walking into the auditorium was exactly that, walking into an auditorium. It didn’t feel especially like I was walking into a church service, if anything it almost felt like walking into a movie theatre. In the lobby, there was free coffee and groups of people standing around chatting but there wasn’t a huge number of things that really differentiated the building as being a church instead of say, a high school, or some sort of community center. For me personally, it was a very disconcerting experience.

However, many people enjoy the feel of attending church in spaces that are not clearly sacred. That much was evident just from the number of people who were in attendance. Coupled with the unconventional, or perhaps more accurately very conventional every day, spaces that these churches occupy, most also have a very casual dress code. As opposed to a more traditional

church, megachurches embrace a come as you are approach to dressing for church. The casual dress code helps to lower the transaction costs of attending church. By lowering the “price” of attending church, megachurches are able to increase the quantity of people who would attend church. Personally, when I went to visit the aforementioned megachurch, I was wearing jeans and a long sleeved shirt. While there were people who were dressed more nicely than I was, I was not alone in wearing jeans to the service. This is yet another draw for megachurches. There are people who work during the week, some people in general, do not want to spend their Sundays getting dressed up for church, let alone getting their children dressed up for church. It is far easier to roll out of bed and throw jeans on so you can get to church than it is to have to get up and put on a suit or a dress. It is also much easier to not have to worry that you might be wearing the wrong thing to services. This allows people to wear whatever they feel comfortable in and to be more focused on the service than on how uncomfortable they are in their clothes. As well, it might also convince more people to attend church every week sans fancy dress code- one less excuse to keep people from attending.

The Walmart effect, as postulated by Charles Fishman in his book, *The Walmart Effect*, can be seen in that Walmart comes into a town, is able to take advantage of economies of scale, and provide goods more cheaply (Fishman). People, of course, want to save money and so they shop at Walmart, to the detriment of the other, smaller stores in town, who lack the same economies of scale to provide goods as cheaply. Megachurches do a similar thing. When a megachurch is built in a town, it must get its members from somewhere. Some of its members may be the “unchurched” who did not want to attend any of the currently available churches in town, but a good percentage of its members will come from other churches who find what the

megachurch has to offer to be more appealing. Megachurches are able to more easily provide new and appealing technologies due to the presence of more people who do more tithing.

Additionally, megachurches have the available labor, and other resources, to be able to provide more for their members- from free coffee, to free childcare, to Sunday school options for all ages from preschool to high school. Megachurches are larger and therefore more able to offer these services which draw in more members, to the detriment of already existing smaller churches in the area.

#### Barriers to Entry:

In the religious marketplace, in any marketplace that does not have perfect competition, there are barriers to enter the market. While there may not be that many barriers to entry in terms of opening a traditional church, there are more barriers for a megachurch. Barriers to entry can be natural or artificial. Artificial barriers tend to be of the legal nature and are artificial because they are imposed by society. Unlike an artificial barrier, “natural barrier to entry is one that occurs through the nature of the market itself and results in the development of a natural monopoly. The most obvious example of this type of barrier is the presence of substantial economies of scale” (Beveridge). For one thing, in order to be considered a megachurch, one must have at least 2,000 attendees every Sunday. This is a huge number of people to attract, especially for a new church that may not have the same pull as more established churches in the area. Additionally, to be considered a megachurch, one must have their own dedicated space that they meet in every week. It is not enough to rent out some already existing space, packing a movie theatre full of 2,000 people would be impressive but it would not garner one a megachurch status. That’s perhaps more of a barrier to entry than attracting 2,000 people per

week because buying or renting out a space that could occupy so many people is hardly the easiest, or cheapest, endeavor. However, it should be noted that most megachurches don't use their size as an advertising point, so despite the many barriers to entry to become a megachurch, it isn't necessarily something that churches set out to meet.

#### Differentiation:

Denominations aside, church is church. One might assume a service one place is generally comparable to a service at another place, therefore churches must compete to draw in buyers. One way to distinguish yourself from the crowd and to draw in new members is through differentiation. This "occurs when a product is distinguished from its alternatives in some positive way in the minds of consumers" (Beveridge). Megachurches display a lot of new and different features to differentiate themselves.

As was mentioned in the previous chapter, most megachurches feature updated Christian music, think alternative rock but about God, and expensive audio-visual equipment. When I visited Crossroads Church in Cincinnati, Ohio, walking into the auditorium was more like walking into a concert than anything. The bass was loud, there were lights that changed color, and multiple screens broadcasting the band so that everyone could see. These screens also featured the lyrics of the songs, but it didn't appear to me that many people were singing along. Of course, the space was so large, and I was up in the balcony, so it is possible I simply wasn't near anyone singing along and just assumed everyone was like that. Regardless, it was a much more casual atmosphere than a traditional church. It was much different than many other smaller churches simply because it felt so much more like a concert than like a church service. However, it is clear from the number of people in attendance at Crossroads and at the many other

megachurches across the country that this casual, concert-like atmosphere is a big draw. This indicates that using music to differentiate themselves is really paying off for megachurches.

The laid-back, come as you are attitude of most megachurches, coupled with the variety of activities they offer for children on Sundays almost certainly captures a large segment of those people who are ambivalent about church themselves but feel it is important to raise their children with some sort of religious experience. The lack of a dress code makes it easy for parents to bring their children without having to wrestle them into church clothes. It also makes it easier and more appealing for all involved to not have to don fancy clothes every Sunday to go to church. Additionally, most megachurches offer Sunday options for small children, tweens, and teens so that at all ages one's children could be with their peers and receiving some form of religious education.

There are two additional reasons why megachurches may be chosen by parents or other adults who are searching for a church to attend. The size of the megachurch may actually be a draw for a couple of reasons. For one thing, more ambivalent adults may be more comfortable in a larger crowd because there would be less scrutiny as to who is really into the service and who is merely sitting through it. Additionally, a concept called herd behavior may explain why some people are inclined to visit and/or continue attending a megachurch. This behavior "represents the tendency for an individual to mimic the actions of a larger group, whether those actions are rational or irrational" (Reiff). If a person sees their friends or neighbors attending a megachurch every week, they might be more inclined to visit the church, and perhaps even to keep attending every week. Megachurches are large and therefore fairly anonymous. However, those large crowds might incentivize other people to attend.



One criticism of megachurches is that their services are more surface level and don't dig in deep to the "bigger" issues. It is true that most megachurches are not providing typical services and most certainly aren't providing fire and brimstone services, as can be seen in the megachurch I attended, Crossroads Church. The sermon the day I attended was entitled "Choose Better" and discussed the ways in which society's narrative about the self, either in need of betterment or without any need to change, are both wrong. This criticism exists even within the megachurch community: "Even Leith Anderson, the pastor of a megachurch in Minnesota, has charged that most other megachurches offer sermons 'about practical biblical tips for successful living, and go light on doctrine and sin.' This, presumably, stands in contrast to the greater authenticity, commitment, and intimacy of small congregations" (Stark 45). This is a criticism that comes from both outside the megachurch community and from within. However, according to data collected by Baylor University, most megachurch attendees are more likely than small church attendees to believe that "heaven 'absolutely' exists," and that "God is angered by 'human sin,'" (Stark 47). Despite the believed lack of in-depth sermons at megachurches, people who attend these churches seem to more strongly believe in the existence of heaven, hell, and God's anger towards sin than those who attend a smaller church. This would indicate that people who attend megachurches have very strong, deeply held beliefs and that megachurches are offering these people something that a traditional church does not.

When I visited Crossroads Church I was with my boyfriend and after the service he commented that it had been more like a self-help lecture than the fire and brimstone, repent now or you're going to hell, services with which he had grown up. The sermon discussed how "Our culture is full of two lies. One says 'You should be better' and the other says, 'You're fine just

the way you are' ... Yet in the midst of this, God offers a third way. He wants to sanctify us- to truly change us to look like himself, in a sustainable, holistic way" ("Choose Better"). However, I don't think that's necessarily a bad thing, especially considering the statistics collected by Baylor University which make it clear that megachurch attendees do have strong convictions regarding heaven and hell. It's not a bad thing for a church service to focus primarily on getting through day to day problems and how certain Bible passages may contain guidance or other wisdom. The service my boyfriend and I attended, however self-help my boyfriend may have found it, did draw from Paul's Letter to the Romans. The megachurch message of focusing more on the day to day is clearly resonating with a lot of people in the United States. There is clearly a demand for religious services that are more approachable, that do have a more day to day approach to living life in a Christian way.

#### Innovation:

Megachurches are not only competing against more traditional churches for members, but to a certain extent, they are also competing against other megachurches. Competition amongst churches, amongst any firms, can lead to innovation: "Markets are devices for adapting to new possibilities and creating new resources; markets, that is, facilitate and stimulate economic and social change as well as allocating given resources... Open markets facilitate and create incentives to innovation and simultaneously transform their own internal structure" (Metcalfe 2). One has to innovate in order to further differentiate from competitors and draw in more buyers or church members. Megachurches innovate in a number of ways. Some of those ways have already been covered above, as they are both innovation and differentiation- the sheer size of megachurches, the lack of traditional architecture, the come as you are attitude, and the more

relevant to daily life sermons. There are other innovative aspects as well. The incorporation of technology into the services at megachurches is a big one. In the church itself, the use of expensive audio-visual equipment was innovative to bring the sermon and the music to all members, even those in the very back of the room, or even those not yet in the room. Many megachurches have monitors in their lobbies that broadcast the sermons for those who are, for whatever reasons, not in the auditorium. Additionally, many megachurches, and some more traditional churches now, record the Sunday services and have them available online so that people can see the service from wherever they might be- even if it's not Sunday. This can help advertise the church, as people might watch the sermons before coming to the church to see if the teachings appeal to them. Also, the services could be bundled and marketed which would help raise money for the church. Many megachurch pastors and their wives have a variety of additional items for sale that help to increase church revenue- books, inspirational CDs, even board games. This is an innovative way to get people to buy further into the messages of the church and to boost the revenue of the church.

#### Free-Riding:

Megachurches are very large and as such can be even more affected by free riding than a traditional church. Free riding occurs with public goods: “private goods such as these have a quality of “excludability” that is not present with public goods—the purchaser can exclude others from receiving any benefits from his or her purchase if she so wishes. Public goods lack this quality of excludability” (Beveridge) A church service is a public good, meaning that anyone can come in and experience it. This is generally encouraged by most churches. However, free

riding can result in a lack of tithing which churches generally don't like, since tithing is what helps the church hold these services and do any good works they might do.

Small groups are able to solve two problems- the free-riding problem and the potential lack of community in the megachurch. A criticism about megachurches is the lack of community. It seems impossible to build a community amongst 2000 or more people who mainly only together once a week for services. However, this is a problem that most megachurches solve with small groups. These small groups meet once a week, outside of the church, usually in one of the member's homes. Free-riding occurs when the people who are enjoying the use of a good or service do not pay for it. In the case of megachurches, with so many members and lack of close supervision on who is or is not tithing, this can result in members free-riding, or in other words, enjoying the service without paying for it. There is research that "provides support for the positive association between an individual's small group involvement and greater levels of commitment as measured by giving, attendance at worship services, and a sense of belonging to a congregation" (Whitehead 643). It is clear that small groups positively affect the overall church. These groups not only help build a sense of community amongst members, but that sense of community and involvement can influence members to tithe more. This is not to say that megachurches are emphasizing small group activity solely to gain more donations. The ability to create a sense of community among such a large number of members is an important one. However, as with any large group and freely provided good, there are going to be people who don't want to provide anything in return. The small groups can help people who otherwise might not tithe to realize they are part of a community and they want to help support that community and its goals.

### Peer Effects:

Peer effects may also play a role in why people choose to attend a megachurch. These effects are more than just peer pressure:

“In understanding peer effects, it is important to move beyond popular thinking about ‘peer pressure’ as stemming from power based on *coercion* (e.g., threat of punishment for noncompliance) or *rewards* (e.g., influencing behavior by controlling rewards). Peer influences can also be indirect, based on *referent* power (French and Raven 1959), affecting young people’s attitudes and behaviors simply because others admire them and want to be like them or affiliated with them. As Harris suggests, peers do not just ‘push’; they also ‘pull’” (encyclopedia.com).

This quote specifically references young adults, but the effects are the same for other ages of peer groups as well. A person may know someone who attends a megachurch and because they like and admire this person, they also give attending a megachurch a try, or perhaps a person has an admiration for those who attend a local megachurch and, in a desire, to be like them attends a megachurch. It doesn’t have to be this blatant however, it is simply that one’s peers have an influence on one’s actions, so a person might be more inclined to attend a megachurch if their peers also attend.

### Network Externalities:

Network externalities also play a role in the popularity of megachurches. This externality: “has been defined as a change in the benefit, or surplus, that an agent derives from a good when the number of other agents consuming the same kind of good changes...This allows, in principle, the value received by consumers to be separated into two distinct

parts. One component, which in our writings we have labeled the autarky value, is the value generated by the product even if there are no other users. The second component, which we have called synchronization value, is the additional value derived from being able to interact with other users of the product, and it is this latter value that is the essence of network effects” (Liebowitz and Margolis).

Church is a good enjoyed by many people across the country every Sunday, and sometimes on other days as well. Clearly, there is some inherent enjoyment or value to be gained for these people from attending church. The rising popularity of megachurches shows that there is more value to be gained as the church increases in size. This could be for a number of reasons, perhaps the more people allow better services offered by the church, or perhaps worshipping in a crowd of like-minded people provides more value than worshipping alone or in a smaller congregation. The larger size of megachurches means that people are more able to interact with one another and derive further value from the product that is the church service.

There exists a religious marketplace in the United States in which people looking for a church and churches themselves connect. There are so many churches in this country that they need to innovate and differentiate themselves from the competition. Megachurches are a prime example of how differentiation can lead to an influx of popularity. Additionally, the large size of the megachurch means that they can benefit from economies of scale to lower their production costs, thus freeing themselves up to offer more benefits and activities for their members. Also, megachurches have lowered the transaction costs of attending church by creating a more relaxed atmosphere. There is at least some percentage of people who are seeking a church who are incentivized to attend a megachurch due to their lack of dress code and more casual environment.

Peer effects and network externalities also play a role in getting people to attend megachurches which in turn drives the popularity of these churches. All of these economic theories help to prove my argument that megachurches are so popular because they are a new religious institution that uses its innovation and differentiation to draw in attendees.

## Conclusion

Megachurches are popular because they're providing something new and different from more traditional churches. Megachurches are not the first example of a new religious service gaining popularity in this country. Tent revivals used to be a new and innovative form of service that captivated people across the country. However, tent revivals were not a permanent addition to a community. They came to a town, whipped up a religious fervor, and left, leaving the newly religiously devoted people to attend the church in their town. This is unlike megachurches, which are built in a town, and may capture some percentage of members who previously attended a different church in town. Megachurches are similar to tent revivals in that they are, or were, a new and innovative form of worship. However, megachurches bear more similarity to traditional churches than tent revivals in many regards. Megachurches occupy a more permanent space in a building that they typically have either built or renovated, they are not transient in the same way as tent revivals.

Additionally, megachurches focus on building a community that gathers together every Sunday, much like a traditional church, albeit bigger and perhaps fancier. According to Baylor University data, "those who belong to megachurches display as high a level of personal commitment as do those who attend small congregations...Moreover, members of megachurches are far more given to having religious and mystical experiences—half say they have 'heard the voice of God speaking to me'" (Stark 48). Megachurches are more likely to have more committed members, as well members who have a closer, or more mystical, relationship with the divine. This is evidence that the ways in which megachurches differentiate themselves are more



conducive to such things. Although megachurches occupy more mundane looking spaces than traditional churches, as well as being larger, and perhaps having sermons that are more focused on the day to day, their members remain committed to the church and retain or create deeply religious and even mystical experiences.

The fact that megachurches bear more similarity to a traditional church than a tent revival seems more indicative of the megachurches staying power. Baylor University data also revealed that “megachurch members also greatly outdo members of the small churches by witnessing to strangers. Contrary to the widespread conviction among their critics that the megachurches grow mainly through their ability to gain publicity, their growth appears instead mainly to be the result of their members’ outreach efforts” (Stark 49). There are arguments that megachurches don’t foster the same relationships as a traditional church. However, that is actually not a concern. Megachurch growth, according to Baylor University data, is, in fact, largely fostered by the outreach efforts of their existing members. These outreach efforts can build stronger communities because people are brought into church by people they know, so they start out their relationship with the church on a positive note. People trust their friends and being brought into a church community by a friend would engender a certain amount of trust to the community as a whole. The megachurch is more apt to remain a popular form of church to attend because it is in many ways familiar to people who have attended church in the past, but the megachurch has differentiated itself in some crucial ways to draw people in and keep them coming back.

As was demonstrated in the first chapter of this thesis, megachurches share some roots with the tent revivals of the Second Great Awakening. Those tent revivals aimed to draw in large crowds through the charismatic preaching of the pastor. Megachurches also share those aims.

Most of these churches have at least two thousand attendees at their Sunday services, many of whom continue to return due to the charismatic preaching of their pastor. Many thousands of people flock to Lakewood Church every week in order to hear Joel Osteen preach. He is a large part of what makes the church so popular. Unlike tent revivals, however, megachurches are much less transient, as stated earlier.

The history chapter also delineates the four main types of megachurches. This is an example of one of the ways in which megachurches differentiate amongst themselves. Most megachurches are non-denominational, and so rely upon other ways to innovate and differentiate themselves. By understanding the different types of megachurches, one can see that megachurches not only differentiate themselves from traditional churches, but also from other megachurches, which is understandable considering in the religious marketplace, there are only so many people looking for a church and by differentiating themselves, it becomes easier to draw in a segment of the market.

The next chapter discusses the space and activities of megachurches. It discusses the non-traditional space of the megachurch, as well as the abundant variety of activities that are offered by most megachurches. These are further examples of how megachurches have chosen to innovate and differentiate themselves from a traditional church. The large size of these churches allows for a wider range of activities to be offered, which further helps the megachurch to be more desirable in the religious marketplace.

In the analysis chapter, I laid out a variety of economic terminology that helps to explain the popularity of megachurches in the United States. In a perfect competition scenario, there is no need for innovation and differentiation because anyone can enter the market, and everyone

accepts the same price for their good. In a more real-world scenario, firms, in this case churches, do need to innovate and differentiate from one another because there is a large number of churches in the United States and a more limited number of people who are looking for a church to attend. Megachurches have chosen to differentiate themselves in a number of ways- less traditional space, updated music, expensive technology, and so- all of which makes them more desirable to people in the religious marketplace. One of the ways that makes megachurches more able to accomplish these things is economy of scale- these churches are so large that it is easier for them to accomplish these ways of differentiating themselves than it would be for a smaller church. Additionally, the small groups offered by most megachurches not only help to build community but also help to eliminate free-riding, in which people enjoy a public good, in this case the religious service, without feeling the need to pay for it, in this case tithing.

There are many areas of further research regarding this subject. A more empirical analysis of the data collected regarding megachurches would be of interest. Scott Thumma, as well as Baylor University, have collected data from megachurch attendees around the country, which could lend itself to some interesting empirical analysis. As well, examining the financials of megachurches would be a point of interest. These statements would be available as megachurches are non-profit entities and an examination of how these churches spend the money they obtain could be interesting. More in-depth research focusing solely on one megachurch-attending services, interviewing attendees, and so on- could also be another area of research.

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