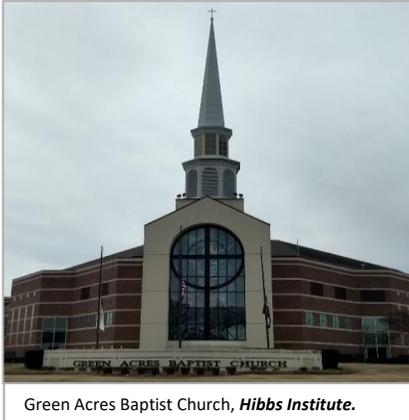


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Importance of Religious Organizations in the Tyler (MSA)

Rod Mabry, Ph.D.

Manuel Reyes, D.E.D.



Green Acres Baptist Church, *Hibbs Institute*.

Merry Christmas and Happy Holidays from the **Hibbs Institute!** This is the season for celebrating our religious traditions, being thankful for our blessings and sharing with others. Your authors often wonder, in the course of working on economic development in East Texas, what makes the United States of America so successful, and why some countries remain poor over the decades, even centuries.

There are many reasons for the USA's success, among them a strong belief in property rights and the rule of law, in individual freedom and responsibility, as well as personal integrity and hard work.

Whatever your beliefs today, let's give thanks for the religious foundations of this country that defined, promoted—even required and enforced (in the early days)—the traits just noted.

The Tyler Metropolitan Statistical Area (MSA) is thriving in every way. Driving around Tyler and other communities in Smith County, one cannot help but notice the number of churches, synagogues, mosques and other congregations compared to other places of similar size. The Association of Religion Data Archives (ARDA)¹ identifies nearly 400 different congregations in the Tyler MSA. They estimate that more than 70% of the county population, numbering 230,618², are congregational followers in some 50 religious categories or groups. The largest religious category in the Tyler MSA is Evangelical Protestant with around 100,000 people distributed across nearly 250 congregations. The Catholic Church is next with about 30,000.



Marvin United Methodist Church, *Hibbs*

Besides their importance in the spiritual life of the Tyler area, religious organizations are materially relevant to the MSA's economy. In 2017, religious organizations in the Tyler MSA together employed more than 2,000 individuals.³ To put this number in perspective, that is 80% more than the national average.⁴ The *Religious Organizations* category produces some \$69 million in output, or about 1% of the Tyler MSA's total economy or GDP.⁵



Rose Heights Church, *Hibbs Institute*.

Is this output significant? You betcha, as one of our dads used to say. While this is a nonprofit, donations-based industry (in this context), output in the *Religious Organizations* category for the Tyler MSA exceeds total output of the *Accommodations* category and also the *Amusement and Recreation* category, typically very important industries in any area.

The **Hibbs Institute** estimated the basic economic impact of church organizations in Smith County using an Economic Contribution Analysis.⁶ The resulting economic benefits are substantial. The total employment generated by churches, including direct, indirect and induced multiplier effects, is 2,218 jobs, and total annual output effects (direct, indirect and induced) exceed \$100 million.⁷



Cathedral of the Immaculate Conception, Hibbs

The figures estimated above do not include voluntary/unpaid work, or additional contributions to the city's economy through nonmarket transactions occurring during local fairs, festivals, or Christmas celebrations. We understand that the actual numbers should exceed our estimates. Finally, we would like to give an important mention to the intangible impact that these organizations generate in our hearts. God bless them all.

The **Hibbs Institute** wishes our readers a very nice and peaceful holidays. Merry Christmas and Happy New Year.

Note: We would like to thank Dr. Rod Mabry for his collaboration. He is retiring and leaving his posts as co-author in the Institute's missives, unless invited as a guest. The **Hibbs Institute** wishes him well.

¹ The Association of Religion Data Archives (ARDA) strives to democratize access to the best data on religion. Founded as the American Religion Data Archive in 1997, the initial archive was targeted at researchers interested in American religion. Data included in the ARDA are submitted by the foremost religion scholars and research centers in the world.

² Population projections estimate 230,618 inhabitants in Smith County by 2017; JobsEQ.

³ *Religious organizations* are listed in the North American Industry Classification System (NAICS) under the *Other Services* section (code 8131). The number of employees working under the code 8131 is 2,000 in 2017; JobsEQ.

⁴ The "location quotient" for the Religious Organizations industry in Tyler is 1.8, or 80% larger than the national average. The location quotient is a measure of the relative size of the selected region's industry employment compared to the national average. A number greater than 1 means that the industry employment for the region exceeds the industry's national average, and a number less than 1 means that it falls short of the industry's national average.

⁵ Estimations indicate that *Religious organizations* (code 8131) generated an output of \$68,626,000 in Tyler MSA during 2017; JobsEQ.

⁶ The Economic Contribution Analysis is a type of study, which allows an analyst to examine the gross changes in a region's existing economy that can be attributed to a given industry.

⁷ The direct effect refers to the initial change in demand resulting from new or current expenditures or employment. I-O multipliers are then used to generate changes in other regional economic sectors. Indirect effects represent all changes in a regional industry activity, such as an increase in production and employment that result from the direct effect. Finally, the induced effect measures the impact of household spending within a region due to changes in labor income or compensation received by workers and business proprietors for both the directly and indirectly impacted regional industries. The sum of these three effects represents the total impact.