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NOTE

Whither the Wall? Measuring Church–State Separation During COVID-19

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Abstract

Many scholars now contend that the wall separating church and state has been effectively dismantled. One of the strongest pieces of evidence used to make this argument is the transfer of over five million taxpayer dollars to churches during Covid-19. But who exactly received this money? When the wall separating church and state came crashing down, as some assert, was there an ambush of religious actors seeking to collect federal funds? Or did we see many religious actors maintain their distance? What distinguishes one group from the other? This research note examines the behavior of religious congregations during Covid-19 with regard to the Paycheck Protection Program (PPP). We compare a sample of 2020 and 2021 PPP congregation recipients with the 2020 US Religious Census to note which denominations are over- and under-represented and then test the hypotheses suggested by the existing literature on faith-based organizations and government funding.

Keywords: church-state relations; Covid-19; religion

Introduction

Although the idea of the separation of church and state is often perceived as foundational to American government, the wall separating the two may no longer be as "high and impregnable" as once assumed. Instead, the actions of the executive and legislative branches and the rulings of the Supreme Court over the past two decades have led some to argue that the wall now resembles "a chain link fence" (Russo and Thro 2022). Others suggest there may be no barrier at all, but instead a "well-worn path," or

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even an "expressway" between the two (McGinnis 2011, 27). Some consider the transfer of $7.3 billion in public funds to religious entities in response to Covid-19 evidence in support of this conclusion (Fearnow 2020). However, even if American jurisprudence toward religion has changed and the executive and Congress are more willing to cooperate with and subsidize religious actors, the question remains whether all religious actors are equally willing to cross this threshold. If there is, in fact, an "expressway" now between church and state, with the transfer of funds more commonplace, do different religious groups equally avail themselves of available funding?

The Paycheck Protection Program (PPP) presents researchers with an unparalleled opportunity to examine this question. Congress established the PPP as a vital component of the Coronavirus Aid, Relief, and Economic Security (CARES) Act early in the 2020 pandemic. The program sought to combat the deleterious economic effects of the Covid-19 pandemic on America's small businesses by allowing them to apply for forgivable loans to maintain their workforce.[1] One of the most unique and controversial features of the program was its inclusion of America's religious institutions. In particular, the program made permissible what had once been strictly prohibited—direct federal payments to America's priests, ministers, rabbis and imams.[2] This article explores this unique phenomenon by examining the variance among the program's religious recipients. At a time when religious groups were relatively similarly situated in anticipating economic duress, did we see differences in their behavior with regard to applying for federal funds? If so, what organizational attributes help explain the difference?

This research matters for several reasons. First, most of the religious institutions across America were not given explicit guidance by their religious authorities to apply or not to apply for PPP loans. As a result, many churches felt as though they made the decision in a vacuum. A quantitative analysis of funding trends broken down by religious denomination will thus allow church leaders and others to see, for the first time, the extent to which churches of the same denomination responded similarly to the government's invitation to apply for PPP loans. Second, in addition to intradenominational differences in behavior, this article examines interdenominational differences, which is also worthwhile, because it counters the common public treatment of the American "church" as a monolith, especially as it relates to conversations regarding "church–state relations." By disaggregating the "church" in America and acknowledging that separate denominations may respond to the state differently, we provide a more nuanced assessment of how America's religious institutions relate to the government. Lastly, a better understanding of how various denominations reacted to available federal funding during Covid may help us to better understand other federal funding scenarios, such as security enhancements offered by the Department of Homeland Security or repair and relief grants offered after natural disasters by the Federal Emergency Management Agency, both of which continue today.

Literature Review

Despite the proverbial wall separating church and state, there has always been, and will likely continue to be, a plethora of points where the two intersect. Each of these areas has attracted its own scholarship, from prayer in public schools, to religious

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displays in government buildings, to laws limiting the work week and alcohol sales, to others. However, this article focuses specifically on funding.

During the latter half of the 20th century, the doctrine of the separation of church and state was viewed to generally prohibit public funds from going to private religious entities. This position was first articulated by the Supreme Court in *Everson v. Board of Education,* when Justice Hugo Black explained that the wall separating church and state meant, at minimum, that "No tax in any amount, large or small should . . . be levied to support any religious activities or institutions."

Strict separatism was the doctrine du jour for the next three decades, leading the Court to strike down a multitude of laws subsidizing student tuition, teacher salaries, remedial instruction and instructional material at sectarian schools. Things shifted slightly in the mid-1980s, when the Court ruled that the Establishment Clause did not bar the government from providing grants to individuals, who, in turn, could spend the funds at a religious institution.[3] It also ruled that *directly* funding religious entities could be sustained under the Establishment Clause as long as the funded entities were not "pervasively sectarian" institutions like parochial schools.[4]

Another shift came when Congress passed the Charitable Choice provision of the 1996 Welfare Reform Bill, which allowed the privatization of previously state-run welfare programs and included religious groups among the service providers eligible to receive government grants.[5] Rather than excluding specific organizations from funding based on their religious nature, the program extended eligibility to all "social service organizations" and prohibited the use of aid for "inherently religious" activities. This position was effectively affirmed by the Court in 2000.[6] It also set the stage for the 2001 Faith-Based Initiative, a federal program implemented by President George W. Bush that provided greater legal clearance for religious entities to apply for *federal* grants.

Since both the Charitable Choice Provision and the Faith-Based Initiative represented substantive shifts away from strict separatism in church–state relations, both programs became hotbeds of academic inquiry. However, the vast amount of literature on the pecuniary boundaries between church and state to date has been normative. Legal scholars, for instance, have asked whether the US government should fund religious entities in light of the stipulations surrounding church–state relations in the US Constitution. Theologians, on the other hand, have asked whether religious leaders or organizations should accept government largesse in light of the order of human authority described in scripture. Apart from these two streams of scholarship are studies which approach the issue empirically.

One of the questions most germane to the Charitable Choice Provision was whether religious entities would choose to apply for state government funds once they were eligible. A National Survey conducted by Mark Chaves shortly after Congress passed the Charitable Choice Provision revealed that only 36% of US congregations anticipated applying for such funds to support their secular services. According to Chaves (1999), the primary difference between the congregations that expressed a willingness to apply for funds and those that were opposed was theological orientation.[7] Congregations from more liberal religious traditions, such as moderate protestants and Catholics, were more willing to engage the state, while conservative and evangelical protestants were less willing to do so. Stephen Monsma investigated

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organizations that actually applied for and received aid and found a similar trend among religious child service providers (1996, 73).

Chaves and Monsma's earlier research on religious organizations and Charitable Choice was later supplemented with research on religious organizations and federal funding under the Faith-Based Initiative. The findings were largely the same. Scholars Ebaugh, Chafetz, and Pipes (2006), for instance, suggest that the more evangelical or conservative an organization, the less likely it is to apply for federal funds. The work of Scheitle (2009) and Altamuro et al. (2022) also supports this conclusion, though they framed their analyses in terms of overt religiosity, making the case that organizations more likely to be explicit in their religious identity are the ones less likely to receive government funds. Haynes' interviews of faith-based humanitarian organizations provide additional evidence in this direction (2024).

Another group of scholars finds less evidence that conservative organizations eschew public funds. Hackworth (2012) notes that while conservative religious institutions have been historically hesitant to accept governmental funding, these organizations have increasingly accepted and utilized public funds as a religious alternative to state-based welfare services. Hackworh argues that these conservative religious groups have justified their acceptance of funding as a morally superior alternative, and a private-sector solution, to traditional forms of governmental welfare. This sort of "religious neoliberalism" has also shown up in religious organizations' acceptance of funds in prison reform programs (Sullivan 2009) and school voucher programs (Green 2012).

Taken together, the available evidence seems equivocal on which type of religious organizations is most likely to participate in federal funding programs. However, one could make the case that the extant literature on FBOs and public funding is altogether ill-suited to explain the behavior of congregations during Covid. One of the immediate limitations of the existing literature is the general exclusion of congregations from analysis. Previously, US congregations were only eligible for federal funds if they used the funds for secular purposes and kept funded activities separate in time and space from their religious activities. This meant very few congregations (<10%) accepted government funds (Chaves 2021). Loans provided under PPP were categorically different. They were intended to directly fund the salaries of religious leaders and staff. Another reason previous research may not fit well with the PPP is due to the unique nature of the program.

One of the contributing factors some researchers cite for why Evangelical organizations are more likely to eschew government funding is a fear of church–state entanglement and loss of autonomy. The assumption is that accepting government funding once is a springboard for additional funding and can be the genesis of a prolonged relationship, where the religious entity increasingly caters to the will of its patron. A similar worry could keep some congregations from applying for PPP loans, *but* the temporary and ad hoc nature of the program could also serve to mitigate this fear. Unlike other discretionary grant programs, the PPP was designed to be transactional and not relational. Due to these differences, rather than general studies relating to religious organizations and public funding, one could argue that the more appropriate analog to study congregations and PPPs might be the allocation of postdisaster recovery funds.

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Weather, like disease, can be indiscriminate, unexpected, and cause deleterious consequences. It can also leave religious organizations in immediate need of assistance. In such circumstances, research shows that more congregations are willing to apply for government aid. Jaime Hilton surveyed 62 congregations in New Orleans following Hurricane Katrina, and the vast majority (83.9 %) indicated they were willing to accept government funds to rebuild their institutions (2008, 27). Only 9.7% answered they would not accept government funds, despite nearly a third of Hilton's sample being Baptist (2008, 23). Further evidence that congregations may view disaster relief differently comes from the lobbying efforts of disparate denominations for changed regulations for the Federal Emergency Management Agency (FEMA).

When Hurricane Katrina hit, houses of worship were technically prohibited from accepting public funds. This changed in 2018 as a result of the lobbying efforts of a broad-based coalition of religious actors, including the US Conference of Catholic Bishops, several Orthodox and Conservative Jewish groups, the Council of Churches of the City of New York and the National Association of Evangelicals. Marc Stern, general counsel of the American Jewish Committee, explained why his clients viewed FEMA funds differently than other government grants. With FEMA, he explained, you have funds in response to an emergency. In other situations, if a synagogue relies on the government, it risks displacing and devaluing the parishioner (Silk 2018). If Stern's words reflect the reasoning of other denominations, then it is possible that there is less of a divide on theological grounds as to who seeks government funds in emergency circumstances.

It is unclear whether the case of congregations and the PPP is likely to follow the general trend of religious social service organizations and public funding and include fewer conservative congregations or whether the congregations accepting PPP loans are more representative of the congregational population and look more like what one might expect after a natural disaster. One could also argue that the PPP is *sui generis*, in which case we might find entirely different funding trends.

Several factors distinguish the PPP program from others. First, unlike other government grant programs, in the case of PPP, the government framed the funds as a *loan* rather than a grant, specifying that while organizations could apply for forgiveness within 2 years under certain conditions, they could also accept the money with the intent to pay it back with interest. This means that some congregations who might have been adverse to government "handouts" before might have seen the PPP loan differently and justified their application as a necessary "stopgap" measure.[8] Another reason congregations could have justified applying for a PPP loan was that the circumstances for their economic stress, while ultimately caused by Covid, were often compounded by government regulations. During 2020, especially, most of the US was subject to state or local "stay at home" orders and many congregations were also subject to restrictions on large in-person gatherings. Since the vast majority of congregations (78%) receive their donations during their in-person worship services, the effect of this, for a plurality of congregations (41%), was a decline in individual giving (Lake Institute, 2020). At the beginning of the pandemic, in particular, congregations faced significant financial uncertainty, with the US government arguably playing a contributory role. It could be conceivable, then, that congregations operating in this environment might be more willing to accept government aid.

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To our knowledge, no study has investigated congregational participation in the PPP. This article seeks to fill this gap by first describing the denominational delineations and variance of the PPP's congregational recipients and then testing existing hypotheses for reasons of variance.

Methodology

This study relies upon secondary data collected from three sources: the 2020 and 2021 PPP recipient list released by the Small Business Administration (SBA), survey data from the 2020 US Religions Census conducted by the Association of Statisticians of American Religious Bodies (Grammich et. al 2023), and survey data from the 2018–2019 National Congregation Study (Chaves 2021)[9] According to the SBA, a total of 122,779 "religious organizations" received PPP loans in 2020 and 2021. We selected a random sample of 1,000 organizations from the 2020 recipient list and 1,000 organizations from the 2021 recipient list for a total sample of 2,000 organizations.

In order to further analyze the data, student researchers coded all PPP recipients based on their religious type, assigning each organization a code of 1 through 70 (DENOM1), corresponding to those used by the National Congregation Study. These codes were then aggregated into six larger denominational affiliations (DENOM2), including Jewish, Catholic, Mainline Protestant, Black Protestant, Evangelical Protestant, and Other. Mormon, Muslim, Christian Non-denominational, Other Protestant, Other Christian, and Other Non-Christian were also included in the original aggregate coding scheme (DENOM2) before focusing on the previously mentioned six faith traditions. This aggregated code was based on the religious tradition classification scheme first articulated by Steensland et al. (2000), which is now widely used in the academic literature (Stetzer and Burge 2016).

In order to determine whether the proportion of PPP loan recipients matched the hypothesized proportion of congregations in the population, a series of one-sample proportional z-tests were conducted for the 2020 data, the 2021 data, and the combined 2020 and 2021 data. We did the same when testing for variance in theological orientation and denomination centralization.

To preliminarily test our first hypothesis, we also conducted a limited number of interviews with leaders of American houses of worship to discuss their experience with and perception of PPP funds. We reached out to approximately 350 institutions across 20 different denominations/faiths and secured 23 interviews. Of our 23 respondents, nine represented Evangelical congregations, five Mainline Protestant, two Catholic, three Unitarian Universalists, two Orthodox, one Black Protestant, and one Muslim. These interviews were recorded, transcribed, and thematically coded.

Analysis

Unlike prior public grant programs, one of the PPP's primary beneficiaries were religious congregations. Our sample shows that approximately 88%–90% of the recipients
the SBA classified as "religious" likely fit this description at 95% confidence. The remaining 10–12% are service-providing nonprofits with a religious mission or

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Table 1. Test Results for 2020 and 2021 PPP Recipients by Denomination[a]

Combined Results for 2020 and 2021				
Denomination	p-value	z-score	PPP Sample Proportion	US Population Proportion
Jewish	0.000***	15.751	3.48%	0.6%
Catholic	0.000***	13.8301	12.80%	5.4%
Mainline Protestant	0.000***	13.5892	31.56%	18.95%
Black Protestant	0.0039***	−2.8846	2.08%	3.3%
Evangelical	0.000***	−15.9143	30.73%	49.59%
Other	0.000***	−15.3982	1.46%	14.2%
Unclassified	0.012***	2.511	17.87%	15.7%

[a]P-values for all tables: * = $p < 0.1$, ** = $p < 0.05$, *** = $p < 0.01$***

affiliation. Since our analysis compares the PPP recipient sample against the National Congregation data, we excluded all noncongregations from our analysis, leaving 1,782 congregations.

When conducting a one-sample proportion test, we found that the discrepancy between our PPP sample and the larger population of US congregations aligns with the previous literature on FBOs and public funding. Namely, the proportion of Jewish, Catholic, and Mainline Protestant congregations that received PPP funds was significantly higher than one would expect given the proportion of such congregations in the population. We found that our combined 2020 and 2021 PPP recipient sample contained 3.48% Jewish congregations ($z = 15.751$, $p < 0.000$), 12.8% Catholic congregations ($z = 13.8301$, $p < 0.000$), and 31.56% mainline protestant congregations ($z = 13.5892$, $p < 0.000$). Conversely, the proportion of PPP recipients that was coded as Evangelical and Black Protestant congregations was significantly less than one would expect given the proportion of such congregations in the US, with Evangelical congregations at 30.73% ($z = -15.9143$, $p < 0.000$) and Black Protestant organizations at 2.08% ($z = -2.8846$, $p = 0.0039$).

These findings hold even when one disaggregates the data by year. However, you do see a significant difference between the proportion of Evangelical congregations in 2020 and 2021, with 36.81% in 2020 compared to just 24.57% in 2021, $p < 0.000$ for both years. This finding might suggest that the exigent circumstances presented by Covid-19 and the unique nature of the PPP convinced some conservative organizations to apply for funds in 2020 that otherwise would not have done so. Table 1 shows this data in more detail.

Findings and Discussion

What accounts for significantly fewer Evangelical and Black Protestants receiving PPP funds compared to other denominations? The literature on FBOs suggests aversion to state entanglement might provide a partial explanation, at least with regard to evangelicals. Apart from this ideological or attitudinal variable, we also test more descriptive variables to measure possible differences in the financial situation of

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different congregations. The specific variables we examine are average congregation size, socio-economic status, and technology adoption.

Our first hypothesis comes from the research on religious social service organizations. Scholars examining Charitable Choice and Bush's Faith-Based Initiative consistently found that Evangelical organizations were less likely than other types of organizations to apply for government funds. Ebaugh, Chafetz, and Pipes suggest that this is due to the belief among Evangelicals that accepting government funds would lead to an organization compromising its religious beliefs (1999, 390). More recent research supports this conclusion, showing that Evangelicals are significantly less likely than other denominations to trust the federal government (Hsiung and Djupe 2019, 617).

Since the quantitative data does not measure this variable, we conducted preliminary interviews to assess if there was a clear and immediate difference among leaders of different denominations on this point. Notably, all 23 respondents framed their acceptance or rejection of PPP funds in terms of financial necessity, and no one admitted to needing financial assistance and eschewing the government's offer to help. Moreover, while expressions of distrust were prevalent among Evangelical leaders, it was equally evident among mainline protestants. For example, one mainline protestant respondent explained that his church "wrestled long and hard" about whether or not to take PPP funds, and although they ultimately took the loan, they also felt as though they were effectively signing "a deal with the devil" when they did so.[10] Others were only slightly more sanguine, expressing the belief that government funds often come with "strings attached."[11] These were comparable to the statements provided by Evangelical respondents, which mentioned their denomination had "a natural distrust or a natural dislike" for the government," and they were worried the loans may provide the government with an opportunity to "work their tentacles into influencing what [the church] can and can't say."[12] Only Catholic respondents seemed to think otherwise, and generally framed the program in a positive light, without discussing potential repercussions.

Our interviews, though limited, do not support the idea that Evangelicals and Black Protestants are underrepresented among PPP recipients because they were more wary of government influence. Instead, it seems many churches from across denominations and faith traditions harbored such beliefs. Why, then, did we see differences among denominations in the acceptance of PPP funds? It is possible that the difference is *not* one of theology but of necessity? This would follow the primary account we heard in our interviews. When asked whether or not their congregation applied for PPP funds, *every* respondent explained their decision was made based on the church's poor or uncertain financial situation at the time the loans were made available. Is it possible, then, that the *need* for PPP loans differed across denominations and thus the pattern we see is less reflective of the FBO literature and more in line with studies on FEMA funding? We tested several hypotheses related to this idea.

One of the notable differences among our interview respondents concerned the size of the congregation. This brought us to our second hypothesis. If certain denominations had, on average, larger congregations, this could contribute to greater giving and less need for outside funds. Conversely, if a denomination averaged significantly smaller congregations, they would likely receive less congregational

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giving and also be less likely to have paid staff, therefore making them less likely to apply for funds. If a church was especially small, it might not even have one full-time employee, and therefore it wouldn't be eligible for PPP funds, which required at least one paid staff member. (Several of our interview respondents explained being in this situation.)

In order to test this variable, we utilized data from the 2018–2019 National Congregations Study, using the number of people who associate with the congregation in any way and the number of full-time staff to account for congregation size. A Chi-Square test reveals a significant difference among denominations on this variable, but not in a way that explains the denominational variation in PPP recipients.[13] Evangelical and Black Protestant congregations were much smaller in overall size, given the number of people who associate with the congregation in any way as well as the number of full-time paid staff than both Catholic and Mainline congregations. In fact, according to the NCS data, around 90% of white conservative congregations had fewer than 500 members, while 95% of Black Protestant congregations also had fewer than 500 members, compared to only 40% of Catholic congregations. Again, while one might expect larger congregations with more adherents to contribute more funds and in turn have less need for PPP loans, we observe denominations with fewer congregants receiving PPP loans at a lower rate than larger denominations.

Our third hypothesis looks directly at congregational giving as a measure for a denomination's socio-economic status. Evangelicals and Black Protestants might be underrepresented among PPP recipients because they had higher levels of member giving than other denominations and thus were in less need of financial assistance. Like our second hypothesis, this hypothesis was also tested using data from the 2018–2019 National Congregations Study. A Chi-Square test revealed there *was* a significant difference among denominations with regard to giving, but not in a way that supports our hypothesis. Instead, the data showed that Black Protestants and white conservative congregations had far *lower* rates of individual contributions than Catholics or mainline congregations, a sign that giving levels of denominations may not be fully explanatory.

Our final hypothesis had less to do with congregational attributes and more to do with the operational practices of a given church; namely, a church's use of technology immediately prior to Covid. Our interviews indicated that more "high-tech" churches likely adapted more quickly to the pandemic and experienced less financial loss, whereas churches with little online presence or experience had a harder time and were more likely to see a disruption in congregational giving when in-person meetings were prohibited. We chose to test this empirically again with data from the National Congregations Study.

The 2018–2019 NCS Survey asked churches if they streamed their main service to accommodate those who could not attend. The survey revealed that, at that time, Catholics were the least likely to adopt this practice, with only 3.9% of Catholic congregations confirming that they streamed their main service.[14] This number went up to 7.9% for non-Christian congregations and 13.6% for Mainline Protestants, compared to 34.2% of Black Protestants and 21.5% of Evangelicals. Here, we see a significant difference that aligns with the pattern we see in PPP funding. Denominations who were already streaming their services in 2018–2019

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were likely more prepared for social isolation rules and would have had less trouble pivoting to online services. This, in turn, might have kept congregants engaged and connected to the life of the church and contributed to a steady stream of congregant giving. Churches that did not already stream services, by contrast, may have had more difficulty adapting quickly to the online environment or perhaps chose another way to satisfy state and city regulations that significantly affected attendance. This might have led to decreased giving and an increased need for outside assistance.[15] Importantly, the presence of an online giving option alone does not follow the same pattern. This suggests that the primary distinction is likely the perceived connectedness of the congregation. This introduces the possibility, not testable with the NCS data, that the disparate behavior of Evangelicals and Black Protestant churches with regard to PPP funding might also be related to whether congregations in these denominations were less likely than others to ever have fully remote services or whether this period was shorter for these congregations than others. More research would need to be done to test this specific hypothesis, and one would likely need to also know more about *how* a congregation conducted its in-person services, since our interviews suggest a wide variance in this regard and also indicate that the continuation of in-person services does not automatically equate with sustained or increased levels of giving.

One of our Catholic respondents described such a scenario: "We were prohibited from worshiping indoors for probably two years, so we move[d] our services outdoors, not without some chaos," they said. They further explained that this decision led to the parish offering two masses instead of five, and that the parish consequently suffered a 60% drop in attendance. They also mentioned the impact this decision had on giving. "We just we've lost a lot of what we call 'the plate.' The people who come and simply, you know, throw some money in the basket, so that pretty much dried up . . . there was no doubt we probably dropped at least a third in terms of our donations." This same respondent explained that they were "grateful" for the PPP loans for "keeping [the] lights on."[16]

Conclusion

In July 2020, Micah Schwartzman, a professor at the University of Virginia School of Law, told Reuters that the PPP was evidence that "The notion of separation of church and state is dead." Unlike other government grant programs, PPP loans allowed taxpayer dollars to go directly to institutions of religious worship and instruction—and slightly more than one-third of all US churches took advantage of the opportunity (Belz 2023). The flow of cash from the government to church coffers made big headlines, and alarmism seemed the tone de jour.

However, three points are worth emphasizing: First, it is uncertain at this juncture—only 2 years after the federal government stopped providing relief funding—if Covid-19 represents a true and lasting change in government behavior or whether its actions were temporary and fitting for extreme circumstances. Will we see the government in the future step forward and collaborate more with the church or retreat back to its previous position? At this point, the answer remains unclear. It is also true that a comprehensive assessment of church–state relations should include

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more than a history of pecuniary transactions. If one is to claim that the wall between church and state is crumbling, they will need to cite more than the PPP as evidence. They will need to also evaluate the degree to which local, state, and federal governments are willing to exempt religious actors from general policies or write accommodating policies, the extent to which the government is seen as endorsing religion or a particular type of religion by allowing or promoting specific religious imagery in government spaces, and whether or how the government allows religion to be included in the public school curriculum, to name a few. Lastly, an accurate assessment of modern church–state relations in the US will not only examine government action and perceptions on each of these fronts, but will also look at how those within American churches perceive these issues. Even if the government continues to lower the wall between church and state, it does not necessarily follow that all religious actors will stretch out their hand across the divide.

Contrary to the conventional wisdom that theological conservatives are always eager to ally themselves with the state and use its machinery to their benefit, our research suggests that Black Protestant and Evangelical congregations were the *least* likely to avail themselves of PPP funds. Instead, Mainline Protestants and Catholics comprised the bulk of the PPP's congregational recipients. This tracks with the existing literature on faith-based organizations and public funding, yet the reasons we suggest for these differences go against this literature. Our findings suggest that *need* was likely the primary factor influencing denominational differences in applying for PPP funds, with government distrust being a possible secondary factor. Evangelical and Black Protestant denominations, while exhibiting a general wariness of government funds, were also, in general, better able than other denominations to respond to Covid and government shutdowns by switching their services to a fully online format and thus might have been advantaged in keeping their congregations engaged and giving. Mainline protestants, meanwhile, while potentially still desiring to maintain distance from the state, likely experienced a greater need for assistance during Covid due to not having the technological infrastructure in place at the start of Covid to ensure a smooth and efficient transition to online services. Catholic parishes may have been more amenable to government assistance from the outset and also in greater need of assistance due to many having to figure out, for the first time, how to change from in-person, indoor services.

Several questions remain. First, it is unclear to what extent other federal funding programs are likely to see the differences among denominations that we see with the PPP loans. Are we likely to see *more* Evangelicals and Black Protestants apply for government funding in emergency situations like after a natural disaster if the *need* for such funds is higher among such congregations? Or is there anything to the fact that PPP funds were framed as forgivable loans as opposed to outright grants? Does the desire for church–state separation among these and other denominations lead to a significant difference in who repaid the loans after the pandemic? These questions are unanswered by the present research but present interesting areas for future analysis. In particular, while this research note narrows its analysis to largely examine the quantitative data associated with congregations' acceptance of loans under the PPP, additional qualitative data in the form of surveys or additional interviews could further elucidate the subject.

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Notes

1. Under PPP, organizations with fewer than 500 employees could apply to receive a loan for 2.5 times their average monthly payroll, with a cap of $10 million per loan. For the loan to be forgiven, organizations needed to demonstrate financial uncertainty of the loan's distribution and allocate at least 75% of the loan to direct payroll costs
2. In addition to directly funding religious entities, some argue PPP provided religious organizations with special treatment, since religious bodies associated with a governing body were treated as separate, smaller entities and made eligible for the program, while similarly situated secular businesses were ineligible.
3. See *Witters v. Wash. Department of Services for the Blind*, 474 US 481(1986)
4. See *Bowen v. Kendrick, 487 US 589 (1988)*
5. The bill was officially entitled "The Personal Responsibility and Work Opportunity Reconciliation Act." (PL 104–193) HR 3734]) [Welfare Reform Act].
6. *Mitchell v. Helms*, 530 US 793 (2000)
7. Chaves notes that one could just as easily identify the distinction as one pre-millenialist and postmillenialist congregations or fundamentalist and modernist congregations as one could say it is between conservative and liberal congregations (130, 1999).
8. This reasoning was provided by Russell Moore, president of the Ethics and Religious Liberty Commission for the Southern Baptist Convention.
9. The PPP data is available from multiple government sources, but our list was obtained through the government site pandemicoversight.gov, since it allows one to apply filters and download bulk national data.
10. Interview #18 conducted on Zoom by Austin Pearson on October 17, 2024.
11. Interview #20 conducted on Zoom by Jane Podlesney on October 16, 2024.
12. Interview #12 conducted on Zoom by Mia Grace McKinney on October 25, 2024; Interview #8 conducted by Jay Hawkins on November 13, 2024.
13. We used the National Congregation Study's "religious tradition - collapsed" variable for denomination in these tests, which places congregations into broad religious traditions, similar to our previously utilized RELTRAD variable. This variable, "TRAD3," has categories for Roman Catholic, White conservative, evangelical, or fundamentalism, Black Protestant, White liberal or moderate (Mainline), and Non-Christian.
14. A possible reason for fewer Catholics streaming their services online is because, as one respondent put it, Catholic and like traditions are a very "tactile" faith. They explained that you don't just hear a sermon; you engage your other senses. The mentioned the candles and weekly communion as examples. Interview #16. Conducted on Zoom by Morgan Parker on October 15, 2024.
15. It is worth noting, that the 2018-2019 NCS Survey also revealed a significant difference among denominations in the availability of electronic giving and that one could find this variable to correlate with streaming services. However, here, significantly more Catholics and non-Christians were represented, with 57.1% of Catholics and 68.2% of non-Christian denominations confirming that they offer electronic giving and only 45% of White Protestant, Black Protestant, and Evangelicals doing so. Thus, unlike the streaming of church services, the availability of online giving is not a sufficient explanation for why we see fewer Evangelical and Black Protestant congregations among PPP recipients.
16. Interview #9 conducted on Zoom by Kendall Kenintz on November 20, 2024.

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