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# Organizational Consolidation in American Protestant Denominations, 1890–1990

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*The religious sector in the United States is distinctive for the degree to which institutional change occurs not through the birth and death of organizations, but through mergers and schisms occurring among preexisting denominations. In this article we analyze mergers among mainstream Protestant denominations, as a means both to deepen our understanding of the dynamics of denominationalism and to broaden the field of discussion about organizational merger. We argue that patterns of merger in any sector are institutionally embedded: in the religious sector, the interaction of ingrained tradition and historical contingency influences the range of possible merger partners, the perceived advantages to merger, and the power of actors that may encourage or discourage merger. We pursue this argument using event-history data from denominations in four Protestant families between 1890 and 1990 to test hypotheses about the determinants of merger. The analysis shows that merger is influenced by denominational identity (family, racial makeup), organizational characteristics (size, centralization, and membership concentration), and the diffuse influence of the ecumenical movement; many of these effects are time dependent, a result of long-term shifts in the roles of denominational elites.*

## INTRODUCTION

Organized American religion has undergone substantial change over the previous 100 years. Some aspects of that change—the impact of westward expansion, racial segregation, and immigration; recurrent schisms; and the rise of new religious movements—are well studied. But one major form of organizational change in religion remains almost completely unanalyzed by sociologists: mergers. Although there is no shortage of potential explanations of denominational merger activity, extant empirical studies are limited in several ways. Most are single case descriptions that do not attempt sociological or comparative analysis (e.g., Gunnemann 1977; Trexler 1991). Of the more sociological work, most studies focus on merger behavior within only one religious tradition (Currie 1968) or among very few denominations (Black 1988, 1990; Campbell 1985). Others include more denominations, but do not systematically compare denominations that merge with denominations that do not merge (Berger 1963; Campbell 1993; Lee 1960).

This lack of systematic analysis is regrettable for two reasons. First, denominations are important features of the organizational landscape. Americans belong to churches more than any other kind of voluntary group, church membership is higher in the United States than in any other Western nation (Curtis, Grabb, and Baer 1992), and most congregations are attached to national denominations. Second, the rise and fall of denominations occurs through a distinctive set of population dynamics. American denominations are unlike many other organizational populations in that independent foundings are rare, and outright dissolutions are almost nonexistent. Early denominations were mostly imported by immigrants; subsequent “births” occur mainly when mergers and schisms produce new organizational entities, and “deaths” occur almost exclusively

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when denominations are absorbed in mergers. Studies of the characteristic population dynamics of denominations are crucial to an understanding of the development of religious pluralism in the United States. Liebman, Sutton, and Wuthnow (1988) laid the foundation for the systematic analysis of denominationalism in their study of Protestant schisms. Here we use an expanded version of their data set, and extend their ecological framework, to study mergers.

The organizational literature on merger focuses almost exclusively on firms, and argues that mergers are driven either by maximizing behavior on the part of stockholders and managers (Burt 1980; Davis and Stout 1992; Palmer et al. 1995; Pfeffer 1972; Pfeffer and Salancik 1978) or by pressures emanating from regulatory environments and social networks (Fligstein and Brantley 1992; Fligstein 1987, 1991; Haunschild 1993; Stearns and Allan 1996). Neither of these arguments is particularly useful for understanding the religious sector because of crucial institutional differences between denominations and firms. We emphasize three such differences. First, while interorganizational relations among firms are, since the late-19th century, heavily regulated by the state, denominations are entirely unregulated as a matter of constitutional principle. Denominations can and do form cartels and joint ventures—under the flag of “ecumenicity” or “comity”—to pool resources, divide up foreign and domestic mission fields, and lobby lawmakers (Berger 1963:87–88). This implies that, since alternative forms of interorganizational cooperation are readily available, *incentives* for merger are lower for denominations than firms. Second, while firms must manage a complex set of horizontal and vertical interdependencies with competitors, suppliers, and buyers, interdependencies for denominations are much simpler: to some degree they compete with each other for members and other resources, but vertical interdependencies are relatively absent. Denominations merge only with competitors in the same “industry,” that is, other denominations; there are no opportunities for either vertical or conglomerate mergers.<sup>1</sup> This suggests that denominations have fewer *opportunities* for merger than firms. Third, firms face few cultural constraints on merger, and can use market logic to justify merger even with an entirely different sort of business; among denominations, by contrast, cultural constraints are strong and market logic is weak. In fact, denominations are wholly defined by their cultural attributes—the particular doctrines, rituals, governance rules, moral standards, and membership characteristics that provide points of attachment and identification for individuals, families, and, sometimes, communities and ethnic groups. Moreover, in the religion field these attributes form a relatively coherent ideological system through which different denominations can understand their relations to each other in relatively stable ways. Much more than corporations, then, denominations must merge, if at all, with other denominations that are culturally similar.

These three institutional differences between the religious and corporate fields—the absence of state regulation of interdenominational ties, the limited range of interdependencies faced by denominations, and the importance of cultural affinity as a criterion for denominational merger—all lead to the expectation that rates of merger should be lower among denominations than among firms, and in fact this is the case. Prominent studies of large industrial firms in the United States show merger rates of about 1 percent per year between 1895 and 1955 (Nelson 1959) and about 1.4 percent per year in the 1960s (Palmer et al. 1995). The annual rate among denominations is much lower, about one-fifth of 1 percent per year, according to our data.

There is evidence, also, to support our argument about the salience of cultural affinities for denominations. American firms choose their merger partners opportunistically, and aggregate merger patterns have changed in response to shifts in the regulatory environment: when intra-industry mergers became legally problematic after the passage of the Celler-Kefauver Act in 1950, the result was a new wave of conglomerate mergers (Brozen 1982:10; Fligstein 1991:321); later, changes in laws regarding the availability of capital for takeovers led to more merger via hostile takeover (Stearns and Allan 1996). In the religion field, because of the enduring importance of historically rooted cultural attributes, choice of merger partners is categorically limited by strong rules of endogamy. Among mainstream Protestants, the boundaries of denominational families—those that distinguish among Baptists, Lutherans, Methodists, Pentecostals, Presbyterians, and so

on—operate as broad markers of cultural affinity. These markers are so universally recognized that over the last 200 years virtually all mergers have occurred between denominations in the same family.<sup>2</sup> There have been attempts to effect interfamily mergers, most conspicuously the Consultation on Church Union (COCU), founded in 1962 “to seek a united church ‘truly catholic, truly evangelical, and truly reformed’” (Ecumenical Chronicle 1966:379). The movement drew in nine major denominations, but stalled in the 1970s due to adverse reactions by constituent churches. Their responses suggested broad agreement about “faith, worship, and the basic nature of the ministry,” but also showed “a general unreadiness to accept the organizational structures proposed for a united church” (Crow 1974:236–37). By the late 1980s, COCU had “abandoned any thought of structural union among its member churches” (Best 1989:284).<sup>3</sup>

In the following section we generate a series of hypotheses about denominational merger. Building on the seminal argument of Neibuhr (1929), we explore the influence of nation building and assimilation on denominational trends, but also explore other kinds of interactions between denominational structure and the environments in which they operate. Drawing on both the religion literature and general organizational sociology, we focus on four kinds of potential determinants of merger: the influence of the ecumenical movement, the increasing emphasis on administrative rationality among denominational leaders, political structure, and ethnic and regional identities.

### EXPLAINING VARIATION IN DENOMINATIONAL MERGER RATES

#### Theoretical Expectations

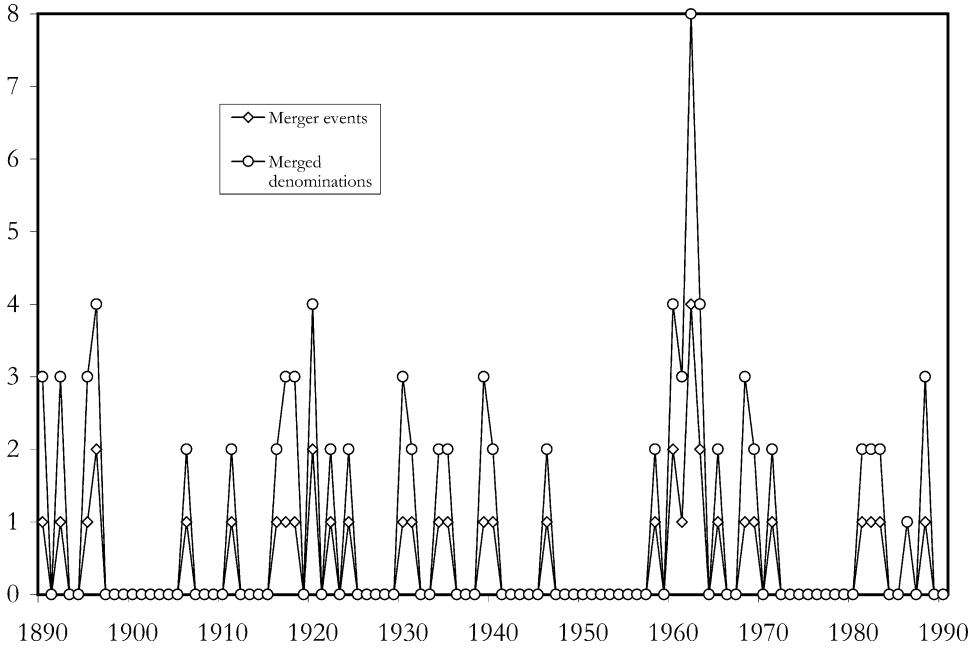
Why do some denominations merge while others do not? The literature on denominational and corporate merger, read in the light of the foregoing population-level analysis, leads us to examine four different sources of variation in answering this question: environmental pressure, pragmatic issues of organizational efficiency, issues of intra-denominational politics, and cultural issues of organizational identity.

#### *Environmental Pressure*

Although denominational merger activity in the United States is not sensitive to state regulatory action, there is good reason to expect that it is sensitive to other broadly environmental pressures, especially the presence of a strong ecumenical movement. Although some leaders have called for organizational consolidation among Christian denominations since the Reformation, there was no organized, transdenominational movement to encourage unity until the beginning of the 20th century. The 1910 Edinburgh Missionary Conference is usually cited as the beginning of the worldwide ecumenical movement (Latourette 1967:355–62; Marty 1986:273). This movement took organizational expression in the United States with the 1908 founding of the Federal Council of Churches (FCC), and it was an active presence in American Protestantism into the 1960s, when informed observers saw “a marked tendency for denominations to merge” (Berger 1963:77) and considered the movement toward church unity as “a potent force of contemporary Protestantism” (Lee 1960:15). This movement created a normative environment in which interdenominational cooperation in general, and merger in particular, were seen not only as legitimate, but as desirable. The movement lost considerable force in the United States after 1970; the failure of the Consultation on Church Union, which we have already described, is perhaps the most conspicuous evidence of this loss of energy.

This suggests three hypotheses. In the aggregate, we expect denominational mergers to occur at a higher rate during the years that the ecumenical movement was strong. At the aggregate level, we expect denominational membership in the FCC and its successor organization, the National Council of Churches (NCC), to be positively associated with merger activity. These two interdenominational agencies represent the most important institutional expression of the ecumenical

**FIGURE 1**  
**NUMBER OF MERGER EVENTS AND NUMBER OF DENOMINATIONS INVOLVED**  
**IN MERGERS PER YEAR, 1890–1990**



movement within the United States. Also, alternative interdenominational organizations, such as the National Association of Evangelicals (NAE) and the American Council of Christian Churches (ACCC), were organized largely in reaction to the ecumenical agenda of the FCC/NCC. Both the NAE and the ACCC discourage member denominations from affiliating with the National Council of Churches or the World Council of Churches. Hence, the likelihood of merger is likely to be lower for denominations associated with these two interdenominational but anti-ecumenical organizations.

Figure 1, which plots the number of denominational mergers and the number of denominations involved in mergers over time, offers preliminary evidence that the ecumenical movement encouraged merger. Some might discern two waves of denominational mergers in this period, one from the 1910s through the 1930s and another from the late 1950s through the 1960s. However, we prefer to interpret this pattern as reflecting one major merger wave extending from the 1910s through the 1960s, interrupted by World War II. On either a one-wave or a two-wave interpretation, it is clear that, during the height of the ecumenical movement, mergers occurred at a higher rate than either before the rise of this movement or after its decline. Before 1910 and after 1970, mergers occurred at a rate of 0.28 per year. Between 1910 and 1970, denominational mergers occurred at a rate of 0.47 mergers per year, nearly twice the merger rate for nonmovement years. This pattern also is evident in the multivariate event-history results presented below.<sup>4</sup>

***The Pursuit of Efficiency***

Concern for economic efficiency exerts a powerful influence on corporate mergers, even when network ties and institutional factors are taken into account (Palmer et al. 1995). Although we emphasize the role of institutional factors in denominational mergers, we also attend to efficiency because denominational officials themselves have often cited efficiency as a major justification for merger. By far the most commonly stated efficiency argument is that merger will result in

substantial administrative savings through the consolidation of national denominational organizations. One leader in the effort to merge the Congregational Christian Churches and the Evangelical and Reformed Church into the United Church of Christ (culminated in 1961) noted that “the most obvious advantage of the union” lies in the organizational efficiencies that come with merger.

It costs relatively little more, for instance, to publish and circulate a magazine for 500,000 subscribers than for a tenth of that number. Ministers’ pension schemes will be actuarially more sound when they serve larger numbers. In the United Church of Christ there will be over 2,100,000 members and about 8,500 ministers. These will provide market opportunities and financial advantages which no business would deny. (quoted in Lee 1960:120)

Cost-effectiveness was also a prominent theme in the merger discussions leading up to the creation of the Evangelical Lutheran Church in America (Trexler 1991:147–48, 157–58).

As with corporate mergers, it is unclear whether denominational mergers actually achieve increased efficiencies. The Evangelical Lutheran Church in America, for example, experienced *increased* financial strain relative to its predecessor bodies (Trexler 1991:253). But we are concerned more with *expectations* of increased efficiency than with the actual results of merger. We expect higher merger rates among denominations that, according to the conventional logic used by merger advocates, would be most likely to benefit from administrative cost savings. More specifically, we expect large denominations and denominations experiencing membership loss to have higher merger rates—large denominations because they might reasonably expect the largest administrative savings via consolidation, and shrinking denominations because they are likely to face resource constraints that make administrative savings more urgent.

Three additional theoretical predictions follow from this. First, we expect that the propensity of large denominations to merge will grow over time. This prediction is motivated both by structural and cultural considerations. Structurally, national-level organizational structures in denominations have, during the 20th century, grown and become more elaborate relative to the number of congregations and members in denominations (Chaves 1993b). At the same time, denominational officials, sometimes with the encouragement of corporate consulting firms, have increasingly come to understand their organizations as similar to secular corporations—to see denominations less as distinctively spiritual collectivities and more as mundane organizations that must face mundane issues of costs and efficiency (McKenna 1996; Primer 1979; Wright 1984). As Fligstein (1991) has shown with respect to corporations, such a change in the cultural understanding of what denominations *are* should produce a change in the criteria used by denominational officials to evaluate major organizational decisions, including decisions about merger. Because the logic of efficiency applies mainly to these national structures, the combination of growing national structures and increased use of “business models” for understanding religious organization leads us to expect that denominational size will interact positively with historical time in influencing a denomination’s likelihood of merger.

Second, there is one major exception to the general rule that, today, larger denominations have larger national agency structures: African-American denominations tend to have much less elaborate and bureaucratized national structures than do white denominations, even when the denominations themselves are quite large (Lincoln and Mamiya 1990:13–14). For this reason, we expect African-American denominations to merge at lower rates than white denominations. Note that this expectation is based on an organizational, not a cultural, difference between predominantly African-American and predominantly white denominations. African-American denominations have less elaborate national structures, and they therefore have less reason to merge, if merger is largely driven, as we argue, by efficiency concerns facing these national agencies.

A third prediction concerns the concentration of assets and resources within denominational families. If the increasing salience of efficiency concerns makes merger among large denominations more likely, it follows that, at the aggregate level, mergers are more frequent in families that are dominated by a relatively small number of large denominations. In other words, we hypothesize

that the relationship between concentration and rates of merger is positive. This highlights a fundamental difference in the ways denominations and firms are related to their environments. Among firms, the relationship between concentration and intra-industry merger activity is curvilinear (Pfeffer and Salancik 1978:123–26): mergers occur most frequently at intermediate levels of concentration where they yield the greatest returns in uncertainty reduction. We doubt that uncertainty is a significant motivation for merger among denominations or other forms of voluntary associations. This expectation is based not just on the discourse of merger advocates, but on the structural features of the religion field. Although it is fair to say that denominations compete for members and contributions in the “religious market” (Finke and Stark 1992; Warner 1993), they do so in extraordinarily predictable terms. Core religious “technologies”—doctrines, rituals, and governance structures—are highly institutionalized and indelibly public. Some uncertainty may result from the emergence of new sectarian groups at the margins of the religious field, but since denominations (unlike firms) merge only with partners that are highly similar, merger is not a useful way to manage uncertainty from this source. We have argued instead that denominations have pursued mergers in part to achieve administrative cost savings through economies of scale. If this is correct, then mergers should be more attractive when potential merger partners are relatively large—in fact, the larger the better. Thus we expect the association between concentration and rates of merger to be linear.

### *Political Authority*

Denominational merger movements have always been movements of elites, never grassroots affairs (Campbell 1988; Gunnemann 1977; Trexler 1991). But historians of the ecumenical movement agree that the social location of these elites has shifted over time. As Lee (1960:191–92) puts it: “The early leadership of the ecumenical movement came from outside rather than from within the ranks of official denominational leadership; today the leadership responsibility has been transferred into the hands of denominational officers and official appointees.” Early ecumenists, such as John R. Mott and J. H. Oldham, emerged not from official denominational leadership but from the nondenominational missions movement. Denominational elites often opposed the ecumenical vision of organic union among denominations because it threatened their institutional autonomy. This situation changed during the 20th century. By the 1950s and 1960s, the ecumenical movement had become a movement of denominations and denominational leaders rather than a movement of lay individuals based outside denominations. Because of this shift, denominational merger shifted from a movement agenda largely resisted by denominations to an organizational agenda promoted by denominational officials themselves (cf. Berger 1963:85). To cite just one example, the merger effort that produced the United Church of Christ in 1961 was begun via communication between the top officers of the two denominations that eventually merged. Both of these men had been involved in the ecumenical conferences leading to the formation of the World Council of Churches in 1948 (Gunnemann 1977:20–21).

Merger is often contested within denominations, and we expect that the likelihood of merger will be influenced by the relative intra-organizational power of merger advocates and merger opponents. We treat administrative centralization as an indicator of the extent to which national officials can influence denominational events, and we explore the effects of centralization in two organizationally distinct domains. Following Chaves (1993a, 1993b), we distinguish between centralization in the religious authority structure, which governs matters concerned with doctrine and membership, and in the agency structure, which governs ancillary functions such as publishing, social services, ministerial pensions, and—most importantly—external relations. In standard organizational terms, these are the core and peripheral sectors of denominations, respectively; and they may have independent effects on the propensity to merge.

We also expect the effects of political centralization to be time dependent. Early in the 20th century, when denominational officials largely opposed the organizational consolidation

advocated by ecumenists, centralization within denominations probably inhibited merger. Later in the century, when denominational officials took over the reins of the ecumenical movement, organizational centralization probably made merger more likely. The basic idea is that organizational centralization makes it easier for denominational officials to realize their own agenda, regardless of whether that agenda is continued denominational autonomy or merger.

### *Denominations and Collective Identities*

The fourth factor we explore is the role of American denominations as representations of a wider set of collective identities. This argument was first advanced by Niebuhr (1929) to explain the proliferation of religious sects and denominations in the United States. American religious divisions, he suggested, are expressions of social divisions based on ethnicity, race, and region. Lee (1960:103) has offered a useful corollary to Niebuhr's argument. If religious divisions represent social divisions, then declining social divisions should increase denominational merger activity. Following this logic, merger rates for white ethnic and regional denominations should be time dependent; more specifically, they should be related to denominational lifecycles. White ethnic churches were founded by immigrants, and many regional churches were founded in the southern states through schisms induced by conflict over slavery and the Civil War. In both cases, support for exclusivity waned in successive generations, leading to events such as the 1920 merger of the Slovak Evangelical Zion Synod into the United Lutheran Church in America and the 1939 reuniting of the northern and southern branches of the Methodist Episcopal Church. Put more formally, merger rates among white ethnic and regional denominations should increase with denominational age.

Given the continuing salience of racial boundaries in the United States, we do not expect merger rates for African-American denominations to increase with denominational age. We also do not expect direct effects on merger rates of ethnic or regional identity among white denominations. The logic of waning collective identities suggests an interaction between the presence of those identities at a denomination's founding and denominational age; it does not imply, and we see no reason to expect, a main effect.

### **Data and Methods**

The data for this analysis comprise the life histories of 178 American Protestant denominations. To compile this data set we have built on data collected by Liebman, Sutton, and Wuthnow (1988) by lengthening the time frame of the study by 10 years (to 1990) and adding several more sensitive indicators. The present sample includes all denominations that (1) existed in the United States at any time between 1890 and 1990; (2) were listed as members of either the Baptist, Lutheran, Methodist, or Presbyterian/Reformed families in the sources described below; and (3) had at least 1,000 members at any time in their history. We have excluded small denominations because their life histories are poorly recorded in available reference works. The sample also excludes several important religious groups, including Catholic, Episcopalian, Pentecostal, Jewish, and Mormon denominations. These exclusions obviously limit the generalizability of our results, but the mainstream Protestant denominations included here represent an important subset of the denominational world, and our ability to sample virtually the entire population of such denominations justifies some sacrifice of breadth.

The major sources used to identify denominations and collect data are standard references on American religious bodies: Melton's *Encyclopedia of American Religions* (1978), Piepkorn's *Profiles in Belief* (1978), and, especially, the National Council of the Churches of Christ *Yearbooks* (NCCC/FCC 1916–1991). We supplemented these sources and cross-checked the validity of our data with other reference works, including Mead's (1980) *Handbook of Denominations in the United States* (1980), Geisendorfer's *Religion in America* (1983), and various reports on religious



**TABLE 1**  
**VARIABLE DEFINITIONS AND HYPOTHESIZED EFFECTS ON RATES**  
**OF MERGER**

Variable	Hypothesis	Definition
<i>Main Effects</i>		
Lutheran	+	Coded 1 if Lutheran family, 0 otherwise, for all $t$
Methodist	0	Coded 1 if Methodist family, 0 otherwise, for all $t$
Presbyterian	0	Coded 1 if Presbyterian family, 0 otherwise, for all $t$
Strong ecumenical movement	+	Coded 1 for years 1910–1970, 0 otherwise, for all $i$
FCC/NCC member	+	Coded 1 for all denominations that belonged to FCC or NCC in year $t-1$ , 0 otherwise
NEA/ACCC member	–	Coded 1 for denominations that belonged to NEA or ACCC in year $t-1$ , 0 otherwise
Size	+	Coded 1 if denominations contained more than 1,000 congregations in year $t-1$ , 0 otherwise
Declining congregations	+	Coded 1 if membership declined between $t-5$ and $t$ , 0 otherwise
Number of agency offices	+	Number of distinct offices in agency structure of each denomination at year $t-1$
Concentration ratio	+	Proportion of members belonging to four largest denominations in each family at year $t-1$
Religious authority centralization	+	Coded 1 if denomination had episcopal or presbyterial authority structure, 0 if congregational, for all $t$
Agency structure centralization	+	Proportion of agency offices located in headquarters city in year $t-1$ , coded 0 if no agency offices
White ethnic	0	Coded 1 if denominational name denoted white immigrant identity, 0 otherwise, for all $t$
African American	–	Coded 1 if denomination identified as African American, 0 otherwise, for all $t$
Regional	0	Coded 1 if denominational name denoted U.S. regional identity, 0 otherwise, for all $t$
Year	0	Calendar year at $t$ (1890–1990)
Age	0	Log years since denominational founding
<i>Interaction Effects with Year</i>		
Size	+	
Agency offices	+	
Religious authority centralization	+	
Agency structure centralization	+	
<i>Interaction Effects with Age</i>		
White ethnic	+	
African American	0	
Regional	+	

*Note:* In Hypothesis column, + signifies an expected positive effect, – a negative effect, and 0 no prediction.

bodies by the U.S. Bureau of the Census (1890–1936). Our event-history data set has 9,361 denomination-year observations. Mergers occur in 89 of these records.

We summarize measures used for specific variables and their expected effects on rates of merger in Table 1. All models include controls for denominational families, with Baptist denominations making up the omitted category. Because ethnically defined denominations were

much more common among Lutherans than among Methodists, Presbyterians, or Baptists, and because many Lutheran mergers involved these ethnic denominations, we expect a positive bivariate Lutheran effect on merger likelihood, and we expect that effect to be attenuated when ethnic identity is controlled.

The presence of a strong ecumenical movement is indicated with a dummy variable that equals 1 for the years 1910–1970. Membership in interdenominational organizations is coded as a time-varying dummy variable that is 1 in years that a denomination is a member of the relevant organization.

Preliminary analysis (not shown) indicated that denominational size, measured as the number of congregations, has no effect on merger likelihood until denominations become large. Hence, we operationalize denominational size with a dummy variable that is 1 for denominations with more than 1,000 congregations. We also measure another aspect of denominational size: the number of distinct offices in a denomination's agency structure. Data for both these size measures were gathered from archival sources, mainly various editions of the *Yearbook of American and Canadian Churches*. Both are time varying, although the data reflect changes at somewhat irregular intervals due to uneven reporting practices in the *Yearbook*.

Membership decline serves as a measure of organizational weakness. Because of irregularities in the *Yearbook*, it was impossible to measure decline precisely and continuously. Instead, we use a dummy variable that equals 1 in years for which a denomination's number of congregations is lower than the number of congregations five years earlier. We chose this five-year lag in order to smooth out the irregularities in the reported data. As a check on our procedures, we also estimated models in which the decline variable is based on one-year lags (which undoubtedly understate the extent of decline) and 10-year lags (which probably overstate it). These alternative approaches do not change the results we report below.

Our measures of size and decline have missing data, both because the manner of constructing it implies missing data for the first observation for each denomination<sup>5</sup> and because the number of congregations is missing for some denominations in some years. Rather than exclude cases with missing data, we construct dummy variables, one indicating missing data on the size variable and the other indicating missing data on the decline variable. We include these variables in our models rather than exclude cases with missing data. Results from these variables are omitted from the models below for the sake of readability. Since denominational mergers in the United States have occurred almost exclusively within religious families, we measure organizational concentration as the ratio of membership in the four largest denominations to the total membership of all denominations in the family. This is, by analogy, the standard intra-industry "four-firm" concentration ratio.

We measure two aspects of denominational centralization. The centralization of religious authority is measured in the usual way, with a dummy variable coded as 1 for denominations that have other than congregational polities. Congregational polities are the most decentralized because they vest authority in local congregations rather than regional synods (presbyterial polities) or national denominational councils (episcopal polities). Centralization of agency structures is measured by a three-point index in which one point is scored for a positive response to each of the following items: (1) the denomination has a national headquarters; (2) all agency offices are located in the same city; and (3) a distinct board exists with some responsibility for coordinating the work of the agencies.

The regional and white ethnic identifications of denominations are measured from the content of official denominational names. Names that include explicit reference to a regional identity (e.g., the Southern Baptist Convention) or to an ethnic identity (e.g., the Danish Evangelical Lutheran Church in North America) are taken to indicate the salience of those identities. For both our region and white ethnic dummy variables, then, denominations are coded 1 if they began their organizational life with, respectively, regional or ethnic markers in their names.<sup>6</sup> The predominant racial composition of a denomination was discerned from descriptions in various

**TABLE 2**  
**ML ESTIMATES OF THE EFFECTS OF SELECTED VARIABLES ON RATES OF MERGER (METRIC COEFFICIENTS; STANDARD ERRORS IN PARENTHESES)**

	1	2	3	4
Lutheran	1.944*** (0.338)	2.389*** (0.368)	2.420*** (0.370)	2.363*** (0.392)
Methodist	0.305 (0.431)	0.453 (0.448)	-0.131 (0.601)	0.274 (0.609)
Presbyterian	1.093** (0.375)	1.675*** (0.407)	1.037* (0.598)	0.979 (0.609)
Strong ecumenical movement (1910–1970)	0.395* (0.238)	0.562* (0.246)	0.562* (0.248)	0.544* (0.249)
FCC/NCC member	0.756** (0.268)	0.032 (0.312)	-0.019 (0.316)	0.162 (0.324)
NEA/ACCC member	-0.630 (0.732)	-0.710 (0.733)	-0.586 (0.734)	-0.630 (0.742)
Size: over 1,000 congregations		1.239*** (0.274)	1.270*** (0.276)	1.103*** (0.289)
Declining size		0.079 (0.244)	0.079 (0.245)	0.066 (0.245)
Number of agency offices		0.004 (0.006)	0.007 (0.006)	0.005 (0.006)
Concentration ratio		3.310* (1.617)	3.598* (1.675)	3.735* (1.681)
Religious authority centralization			0.816 (0.508)	0.768 (0.523)
Agency structure centralization			-0.102 (0.224)	-0.124 (0.224)
White ethnic				0.076 (0.314)
African American				-2.218* (1.024)
Regional				0.423 (0.266)
Constant	-6.038*** (0.346)	-9.833*** (1.554)	-10.116*** (1.598)	-10.192*** (1.611)
$\Delta$ Chi-square	63.210***	32.725***	3.129	12.491**
$\Delta$ <i>df</i>	6	6	2	3

\* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

reference sources. A dummy variable is 1 if the predominant race of the denomination is African American. All these variables are time constant.

## RESULTS

Results from the event-history analysis are displayed in Table 2. Model 1 is a base model that includes dummy variables for religious tradition and indicators of the influence of the ecumenical movement. This model shows that Lutheran denominations are the most likely to merge, followed

by Presbyterian denominations; Methodists are no more likely to merge than the (omitted) Baptists. As expected, adoption rates were higher between 1910 and 1970, when the ecumenical movement was strong. Membership in the pro-ecumenical Federal or National Council of Churches increases rates of merger significantly. Membership in conservative federations—the National Association of Evangelicals or the American Council of Christian Churches—lowers rates of merger on average, but the effect is not significant.

Model 2 adds variables that represent efficiency hypotheses. Overall these variables significantly improve the fit of the model, but only two of the four coefficients are significant. One of these is denominational size: larger denominations (those over 1,000 congregations) are substantially more likely than others to merge. The coefficient for declining denominations is not significant, suggesting that denominational weakness is not an incentive for merger. The sheer size of denominational agency structures also has no apparent effect. But levels of intra-family concentration are related to merger in the expected way: the greater the concentration, the greater the propensity to merge.<sup>7</sup> Note, finally, that the effect of membership in the FCC/NCC disappears in this model. Supplementary analyses show that this is entirely the result of including the size variable—large denominations are more likely to belong to the FCC/NCC and more likely to merge; the apparent effect of affiliation itself is spurious. This does not entirely invalidate the effects of ideological pressure, however, since in Model 2 the coefficient for the ecumenical period grows about 40 percent larger, and remains statistically significant.

Centralization variables appear in Model 3. The likelihood ratio test shows that they make no statistical contribution to the model. The coefficient for centralization of the religious authority structure is positive, showing that on average denominations with episcopal or presbyterial polities have higher rates of merger than congregational denominations; but the effect is not significant. Agency structure centralization has no discernible main effect.

Finally, Model 4 incorporates identity variables. Rates of merger for white ethnic or regional denominations are, as expected, no higher than average, and African-American denominations, also as expected, merge at a significantly lower rate than do other denominations. As we described above, we interpret this as an effect of organizational differences between African-American and white denominations. Contrary to expectation, however, the Lutheran effect is not diminished when the white ethnic variable enters the model.

Models in Table 2 show effects that are linear and for the most part independent of time. Historical contingencies are represented only in limited ways, through the period dummy that stands for the influence of the ecumenical movement and various time-changing independent variables. Much of our argument, however, hinges on the changing effects of variables over time, and Tables 3 and 4 explore time dependence more directly with tests of interactions between time and several substantive independent variables. In Table 3, size and centralization variables are treated as contingent on historical time, measured in calendar years. The coefficients shown in the table are the main effects of year, the main effects of independent variables, the interactions between the two, and the change in chi-square resulting from inclusion of the interaction terms.<sup>8</sup> The expectation here is that larger and more centralized denominations became more inclined to merge as national structures grow and the “business model” of denominational governance became more salient, so all interaction terms are hypothesized to be positive. Results yield rather consistent support for this scenario. All four coefficients for the main effects of historical time are negative and significant, showing that merger rates declined among smaller and relatively decentralized denominations. Main effects of independent variables are significant in three cases—size, centralization of religious authority structures, and centralization of agency structures. These coefficients are negative, indicating, as we hypothesized, that leaders of the largest and most centralized denominations tended to resist ecumenical pressure early in the century. Interactions between these three variables and time are, as expected, positive and significant, showing that rates of merger rose over time among the largest and most centralized denominations.

**TABLE 3**  
**INTERACTIONS OF SIZE AND CENTRALIZATION MEASURES WITH YEAR**  
**(METRIC COEFFICIENTS; STANDARD ERRORS IN PARENTHESES)**

Variable	<i>b</i> (YEAR)	<i>b</i> (X)	<i>b</i> (X*YEAR)	Chi-Square
Denominations over 1,000 members	-0.020** (0.007)	-46.310** (17.078)	0.024** (0.009)	8.270**
Number of agency offices	-0.013* (0.006)	-0.778 (0.830)	0.399 (0.421)	0.959
Religious authority centralization	-0.018** (0.006)	-49.213** (18.931)	0.026** (0.010)	7.511**
Agency structure centralization	-0.014* (0.006)	-60.131* (31.658)	0.030* (0.016)	4.203*

\* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

The interaction between time and the number of agency offices is not significant, and this is contrary to our expectations. However, we suspect that this nonresult may be due to measurement error. Many denominations list national offices in the *Yearbook* even if those "offices" represent only a volunteer or part-time secretary with a very small budget. It is sometimes difficult to distinguish in these sources between this sort of office and a fully staffed, complex, bureaucratized office. We think it is likely that our simple count of the number of offices listed in *Yearbooks* may not be a sensitive enough measure of the theoretically important variable: the size and elaboration of formal organizational structure at the national level.

How important are these shifts in substantive terms? Are some effects more powerful than others? Did merger rates among leading denominations eventually exceed those of other denominations, as we argued, or did they simply converge with the average for the population? To address these questions, we first estimated a model that included the three significant interactions simultaneously and then used the coefficients from this model to calculate the estimated effects of size, religious authority centralization, and agency centralization in each year from 1890 to 1990. In the combined model (not shown here), all main effects and interaction effects are significant (at  $p < 0.05$ ). The effect of size is always positive, rising from  $b = 0.239$  in 1890 to  $b = 2.449$  in 1990. Substantively this means that in 1890 merger rates for large denominations were about 73 percent higher than for smaller denominations ( $e^{2.39} = 1.734$ ); by the end of the century the difference had grown many times ( $e^{2.449} = 281.190$ ). The effect of polity centralization started out negative (more centralized denominations had merger rates about 30 percent lower than that for congregationally structured denominations in 1890), approached zero around the turn of the

**TABLE 4**  
**INTERACTIONS OF IDENTITY MEASURES WITH AGE**

Variable	<i>b</i> (AGE)	<i>b</i> (X)	<i>b</i> (X*AGE)	Chi-Square
White ethnic denomination	0.148 (0.117)	-0.388 (1.141)	0.118 (0.323)	0.138
African-American denomination	0.161 (0.110)	-3.356 (7.349)	0.252 (1.638)	0.026
Regional denomination	0.121 (0.130)	0.463 (1.289)	-0.036 (0.305)	1.335

\* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

century, and was substantially positive by 1990. The effect of agency centralization was negative for most of the century, turning positive only around 1970. In 1890, a one-point increase in the three-point centralization scale corresponded to nearly a 100 percent decline in rates of merger; and by 1990 it corresponded to a 300 percent *increase* in merger rates. Given the imprecision of our measures, we do not put much store in exact estimates of these effects. It is more important to note, first, that the effects of polity and agency centralization are independent of each other, and of the effects of size; and second, that these effects shift over time, showing increasingly strong positive effects by the late-20th century. The time dependence of these political effects offers strong support to our argument about the changing social location of merger advocates. Overall, we take these results as strong support for the idea that denominational merger is driven, in part, by the efficiency and other organizational concerns that arise with more elaborate national organizational structures.

Table 4 offers no support at all to hypotheses that merger rates are influenced by declines in ethnic and regional exclusivity. This table is organized in the same way as Table 3, but in these models the effects of exogenous variables are contingent on (log) age rather than calendar year. Neither age nor the identity variables show significant main effects, and coefficients for the interaction terms are insignificant as well. Although we find no direct evidence that waning ethnic or regional identities have generated denominational merger, there is an indirect suggestion of this dynamic. We speculate that the persistently positive Lutheran effect reflects the fact that much of the merger activity among identifiably white ethnic denominations has been among Lutherans. Sixty-eight percent of the denominations we code as white ethnic in origin are Lutheran. Although the absence of a significant interaction between denominational age and white ethnic origins is notable, the persistently positive Lutheran effect suggests that the hypothesis about waning ethnic identities should not be discarded too quickly.

## CONCLUSION

The objective of this article has been to broaden the theoretical and empirical foundations of research on mergers among denominations in the United States. We have argued that denominational mergers are institutionally embedded: unlike in the corporate field, where mergers are primarily a strategy to control market uncertainty, denominational mergers are cultural events. To pursue this argument we motivated a series of hypotheses about the structural and ecological determinants of merger, and tested them using event-history data on a sample of Protestant denominations in the United States.

This analysis explored four broad factors that are likely to have affected rates of merger in the religious field: the influence of the ecumenical movement, efficiency concerns, political structure, and ethnic and regional identity. Since Niebuhr (1929:20), literature on American religion has conventionally explained mergers with an account that links religious change to nation building: separate denominations exist because of historical differences among immigrant ethnic groups and regional cultures, and as these differences erode—encouraged by the spirit of ecumenism—denominational consolidation will become more common. We found almost no support for this account. Merger rates were on average higher during the peak years of ecumenical activity, but it turns out not to matter whether particular denominations are directly linked to the movement (or, for that matter, to the organized counter-ecumenical movement). This suggests that movement influence is diffuse, important more for establishing an ideological climate favorable to merger than for mobilizing networks of influential actors within denominations. Neither white ethnics nor regional denominations, in general, are significantly more likely than others to pursue a more universalistic form of religious attachment as those identities fade. Mergers, it seems, cannot be explained as a general byproduct of a common acculturation process, although acculturation might remain the correct explanation of particularly high merger rates among Lutherans.

Denominational merger activity responds only in very limited ways to social movement pressure or broad shifts in the cultural landscape. Findings suggest instead that mergers have been influenced mainly by organizational dynamics internal to the religious field itself. Although we did not find, perhaps because of measurement error, that the complexity of agency structures affected merger rates, the positive main effects of denominational size and intra-family concentration suggest, as expected, that denominations merge in order to achieve economies of scale. But clearly this is not a historically invariant pattern. Tests of interaction effects showed that the influence of denominational size grows markedly over time, suggesting that efficiency concerns became more salient as denominational officials increasingly became professional managers of large and complex national organizations, and also increasingly came to understand themselves as modern managers. This interpretation derives added support from findings concerning centralization variables. Early in the century, when ecumenism was primarily a movement of lay activists, mergers occurred more frequently among relatively decentralized denominations. Later in the century, as denominational officials began to view merger as a legitimate management strategy, the locus of merger activity shifted to the larger, more centralized and bureaucratized denominations. The general point is that denominational merger appears to be driven mainly by the interests and concerns that arise with elaborated formal organization at the national level. Further support for this claim comes from the fact that African-American denominations—a subset of denominations known to have much less elaborate national structures than other denominations of comparable size—are significantly less likely to merge than are other denominations.

Our analysis has emphasized the distinctiveness of denominations, as compared to firms, but we do not think denominations are unique; rather, they exemplify one side of a spectrum that includes organizations of all sorts. We hope that this analysis will encourage discussion of merger at a higher theoretical level, one that is more sensitive to institutional context. To that end we would return to the three factors highlighted in our introduction, which, based on the present research, seem to be related to variation across fields in patterns of merger activity: (1) constraints imposed by the state, which affect the possibility of mergers and other forms of cooperative activity; (2) the complexity of interdependency relations, which affects incentives to merge and the availability of likely merger partners; and (3) the salience of culturally defined attributes of organizational identity, which places powerful limits on the kinds of mergers that are perceived as appropriate. These three factors may help to explain merger patterns across organizational populations other than corporations and denominations. For-profit and nonprofit firms, social movement organizations, voluntary associations, labor unions, professions, and denominations all could be assessed in terms of the extent to which cooperation activity is regulated by the state, the number of culturally legitimate potential merger partners, and the constraints organizational identities place (or do not place) on merger activity. We think this could be a fruitful start to broader theorizing about organizational consolidation.

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#### NOTES

1. Denominations are in a sense vertically dependent on their congregations, but this is an intra-organizational dependency—as when firms are dependent on their divisions or regional branches. A denomination may be said to engage in a “conglomerate” merger when it incorporates a preexisting publishing company, seminary, or mission

- society into the denominational structure. This kind of organizational activity, however, is never understood by participants or analysts as “merger.” This illustrates one of the basic points of this article: what sorts of organizational activity are defined as “merger” varies across institutional fields.
2. Of the 53 national mergers we have identified in the last 200 years, only one crossed family lines: the 1961 merger of the Congregational and Christian Churches with the Evangelical and Reformed Church to create the United Church of Christ.
  3. Interfamily mergers have occurred on a large scale in Australia and Canada. Evidence indicates that the success of church union in these countries was due in no small part to their strong English colonial heritage, particularly the tradition of a centralized and nationalized church (Campbell 1985, 1988)—which points once again to the importance of state-church arrangements as an important part of the institutional framework of merger.
  4. Interestingly, Campbell’s (Campbell 1993:39) graph of 81 worldwide denominational mergers shows a pattern very similar to our Figure 1. The rise and fall of the worldwide ecumenical movement—at least with respect to its emphasis on organizational consolidation—apparently parallels the rise and fall of the movement in the United States.
  5. For denominations that had been in existence for less than five years, we lagged the decline variable to the earliest observation with valid data.
  6. An analysis using the 1906 census of religious bodies, which included the number of congregations in each denomination holding services in a language other than English, shows that this operationalization indeed indicates an active ethnic identity. In denominations with an ethnic marker in their names, 90 percent of the congregations hold services in a language other than English, compared to only 20 percent in denominations without such content in their names.
  7. As a check on our argument, we also estimated a model containing a curvilinear specification for concentration (concentration and concentration squared). There were no significant effects.
  8. These estimates were generated from models similar to Model 4 in Table 3, omitting variables that showed no significant effects. Main effects for other variables were substantively unchanged, and are omitted for clarity of presentation.

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