

The Church and Its Money

Participant Handout Packet - September 2007



Prepared by



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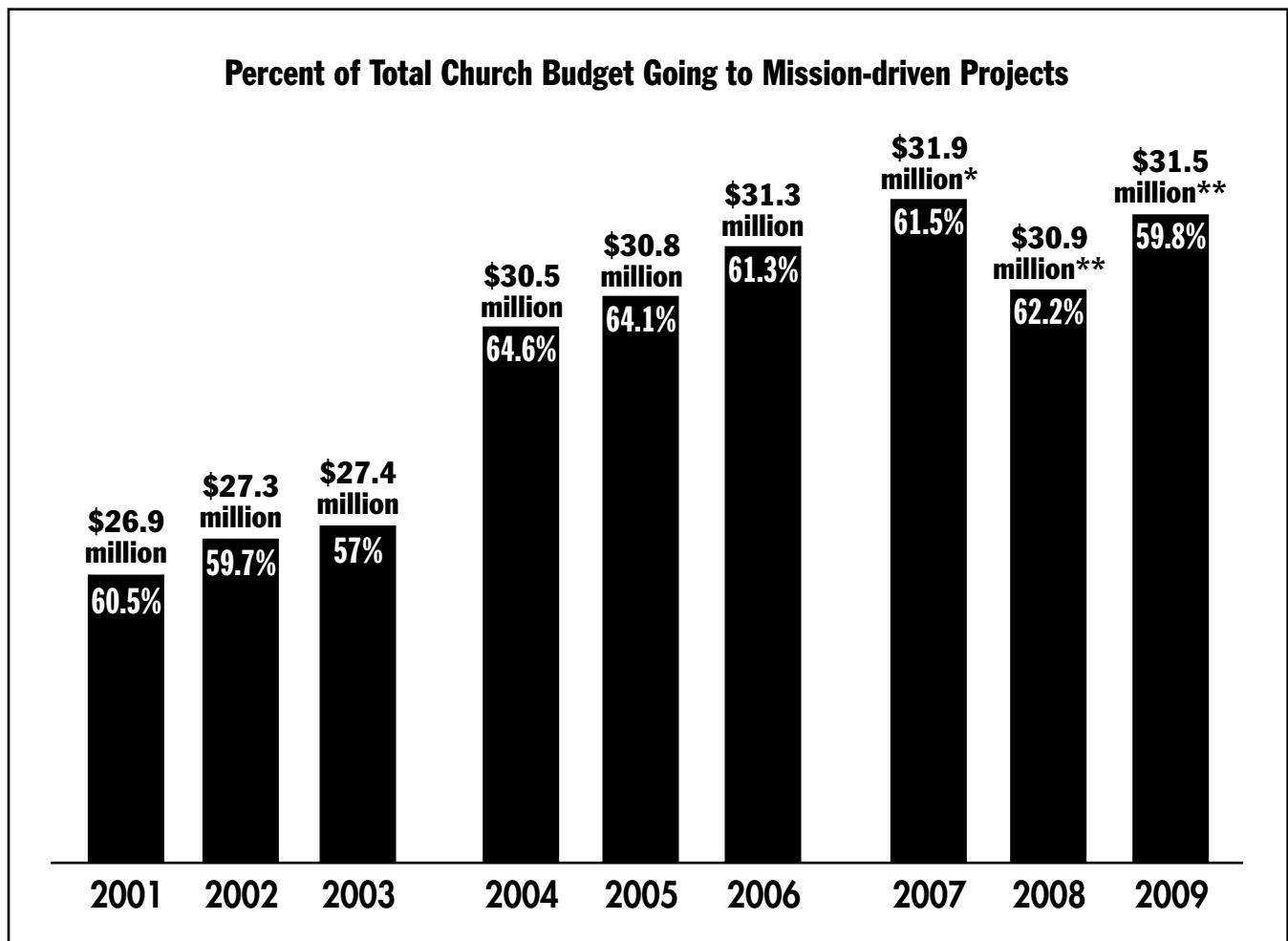
Agenda

1. Introduction & Agenda Review
2. The Budget of The Episcopal Church
3. Values of the Church & the Values of the Marketplace
4. The Wealth of the Church
5. The Investments of the Church
6. The Church Invests in the Community
7. Bringing it Home
8. Questions and Next Steps

The Budget of the National Church

“It is precisely in times such as these that we must set our faith in God’s abundance and in our commitment to use that abundance for the good of all God’s children.”

— Dean George Warner, President, House of Deputies
June 2003



* Amount for 2007: approved by Executive Council in September 2006.

** Amounts for 2008 and 2009: approved by 2006 General Convention.

Values Worksheet

Church Values

Market Values

The Values of the Budget

Five Stated Funding Priorities

1. Justice & Peace (supporting 8 Millennium Development Goals)
2. Young Adults, Youth & Children
3. Reconciliation & Evangelism
4. Congregational Transformation
5. Partnerships

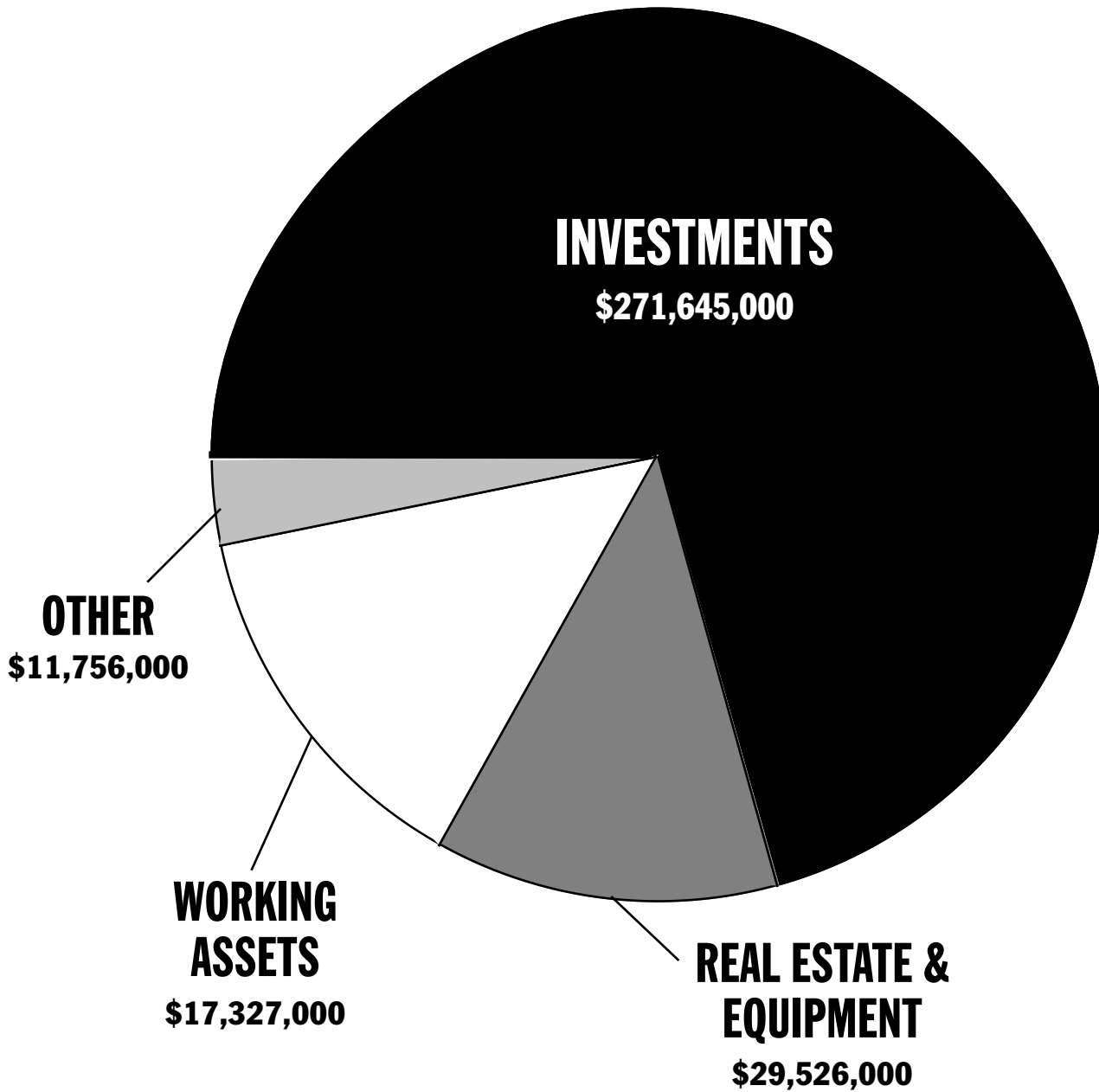
“We have been able to take these five priorities and use them as a lens through which we look at our budget.”



— Bonnie Anderson,
President of the House of Deputies
Former Chair of the Joint Standing
Committee on Program, Budget & Finance

Assets of The Episcopal Church

2005



The Intersection of Investments & Church Mission

- ★ **The Episcopal Church uses its position as shareholder to press for social change:**
 - Active proxy voting
 - Sponsorship of shareholder proposals
 - Engaged dialog with corporate leaders

- ★ **The Episcopal Church will not invest in:**
 - Tobacco manufacturers
 - Firms doing business in the Sudan
 - Top 5 defense contractors, if more than 50% of revenue comes from military contracts

- ★ **The Episcopal Church encourages dioceses and parishes to adopt socially responsible investment practices**

Socially Responsible Programmatic Investment

- ★ Executive Council designated \$7 Million from trust funds for fixed income community investments in November 1989

The \$7 million is invested approximately as follows:

- \$1.2 M in community development credit unions
 - \$3.1 M community development loan funds
 - \$2.8 M community development banks
- ★ Interest from these investments is returned to the trust funds
 - ★ Targeted community investment represents approximately 2.5% of current trust funds

Bringing it Home

The Church as Employer

Questions to consider in the various economic roles of the parish:



- ★ Does the parish pay all employees a living wage?
- ★ Do parish benefits include employee health & retirement security?
- ★ Does the parish have a policy on equal opportunity employment?

Bringing it Home

The Church as Consumer

Questions to consider in the various economic roles of the parish:



- ★ Does the parish investigate employment/compensation policies when contracting with outside businesses (e.g., construction, janitorial services, school transportation?)
- ★ Does the parish consider social responsibility criteria in making purchases (e.g., coffee, office supplies, cleaning supplies)?

Bringing it Home

The Church as Investor

Questions to consider in the various economic roles of the parish:



- ★ How do investment criteria concerning endowments advance the Gospel mission of the church?

- ★ Targeted Community Investment:
 - Has the parish asked local community groups, who care about such issues as fair housing and community development, their opinion about the financial institution that maintains the parish's bank accounts?
 - Has the parish asked local banks about their community lending practices, including reviewing reports required by the Community Reinvestment Act?
 - Has the parish invested in community loan funds, community development banks or credit unions that support housing and economic development in lower income communities?

Bringing it Home

The Church as Neighbor

Questions to consider in the various economic roles of the parish:



- ★ What's the parish's attitude about its wealth, such as church buildings and land?
- ★ Are options such as "no cost" for use of church property and "sliding scale rental fees" used to support community groups with fewer resources?

The Episcopal Church Budget

Where does the money come from?

61% comes from the dioceses

- Each diocese is asked to commit 21% of its revenue, less a \$100,000 exemption, to TEC
- In 2006, six dioceses gave more than 21%
- Approximately 39% of all dioceses give less than 21%

21% comes from investment income

18% comes from other income

(including government grants to Episcopal Migration Ministries; program income from Episcopal Parish Services, and publishing income)

Source: Episcopal USD Budget, 2004-2006

The National Church Budget

Where does the money go?

Canonical **\$8.6 million in 2005**

- expenses of General Convention
- stipend of Presiding Bishop & office expenses
- expenses of President of House of Deputies & Church Pension Fund necessities

Corporate **\$8.6 million in 2005**

- administrative support of TEC offices

Mission **\$30.8 million in 2005**

- program-related work of the church, including outreach to young adults & youth, reconciliation & evangelism, congregational transformation, justice & peace, and partnerships within the Anglican community

Additional Resources

- ❖ **Episcopal Network for Economic Justice (ENEJ)** - ENEJ has the following resources available at <www.enej.org/resources>:
 - *Economic Justice How-to Action Manual* - This is a guide to help congregations understand and establish economic justice ministries. Also available in hard copy or CD.
 - *Educational Modules*:
 1. A Christian Response to Economic Inequality
 2. The Real Threat to Family Values
 3. Why the Economy Isn't Working for Workers
 4. The Global Economy
 5. Making Sense of the Recession
 6. The Church and Its Money
 - *Community Investing: An Alternative for Religious Congregations Seeking a Social as well as a Financial Return*

- ❖ **Interfaith Center on Corporate Responsibility** – For over thirty years the ICCR has been a leader of the corporate social responsibility movement. ICCR's membership is an association of 275 faith-based institutional investors, including national denominations, religious communities, pension funds, endowments, hospital corporations, economic development funds and publishing companies. ICCR and its members press companies to be socially and environmentally responsible. Each year ICCR-member religious institutional investors sponsor over 100 shareholder resolutions on major social and environmental issues. <www.iccr.org>

- ❖ **Opportunity Finance Network**, formerly the National Community Capital Association, is a network of more than 170 private-sector CDFIs that provides financing, training, consulting, and advocacy for CDFIs. <www.communitycapital.org>

- ❖ **National Federation of Community Development Credit Unions** has a mission to strengthen the credit unions that serve low-income, urban and rural communities (CDCUs) by advocating for and providing financial, technical, and human resources to CDCUs.<www.natfed.org>

- ❖ **Social Investment Forum** – A website that offers comprehensive information, contacts & resources on socially responsible investing. <www.socialinvest.org>.

(more resources on next page)

- ❖ **Calvert Foundation** – The Calvert Social Investment Foundation was established to help end poverty through investment. It serves as a facility for individuals and institutions, seeking to place capital on softer terms to finance affordable homes, fund small and micro businesses and to make available essential community services. Calvert Foundation works to provide investment capital to local partner non-profits that use common sense and compassion to help people in disadvantaged communities to work themselves out of poverty. <www.calvertfoundation.org>

- ❖ **Domini Social Investments** is an investment firm specializing exclusively in socially responsible investing. They manage more than \$1.8 billion in assets for individual and institutional investors who wish to integrate social and environmental criteria into their investment decisions. <www.domini.com/Institutional-Services>

Workshop Evaluation Form

Date: _____ Workshop Leader(s): _____

Title of Workshop: _____

1) How would you rate this workshop overall? Please circle one (10 = outstanding):

1 2 3 4 5 6 7 8 9 10

2) How would you describe the clarity of the materials and presentation?

3) What did you find most useful in the workshop?

4) What suggestions might you make for improving the workshop?

5) How did the workshop inspire and empower you to take action?

6) What else would you like to share?

THANK YOU!