



NATIONAL LEADERSHIP ROUNDTABLE  
ON CHURCH MANAGEMENT

CONFERENCE  
AT THE WHARTON SCHOOL

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PHILADELPHIA, PENNSYLVANIA

## PANEL DISCUSSION

### Current Needs and Future Goals: Stewardship and the Church

*Betsy Bliss (Moderator)*

*James Kelley*

*B.J. Cassin*

*Peter Flynn*

#### James Kelley

As Charles Zech states in his book *Why Catholics Don't Give and What Can Be Done About It*, the best thing the Church could do if it is serious about increasing giving among Catholics is to instill a sense of stewardship among its members.

That's been my experience, too, in over 20 years of working with the Church and more than 70 dioceses across the United States. The focus in stewardship is more on the individual's need to give thanks than on the Church's need to receive. People give of their time, talent, and treasure out of gratitude for all the blessings in their lives. And because the focus is on spirituality and conversion, stewardship-driven parishes have a much higher



James Kelley, Peter Flynn, and Kerry Robinson (left to right)

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weekly income and more lay involvement than parishes that don't concentrate on stewardship. In fact, most of our strong stewardship dioceses average over \$600 in annual parish offertory per household, with some averaging as high as \$1,500 per household. Those without a strong stewardship focus average \$200 to \$400 per household.

Unfortunately, only a few of the Church's largest dioceses are considered leaders in development and stewardship and in getting effective results. One of those diocesan leaders is Detroit, which raises \$28 million in annual funds from 320,000 households; another diocese three times Detroit's size raises only \$21 million. Stewardship parishes have their parishioners much more involved in parish and community activities, in spiritual practices, and in the workings of their parish. It is not uncommon for a stewardship parish to average one volunteer for every two households.

Because stewardship parishes have much greater lay involvement, the need for donor relations is even more vital. We need to communicate more often with these parishes about their mission and activities through face-to-face meetings and through written materials such as annual reports. For example, our diocese [in Charlotte, NC] publishes a 20-page annual report in our diocesan newspaper that goes to each registered Catholic household. We also try to involve the parishes more in the strategic planning process by seeking their input on what we need to do, and how we can do it better. We offer assistance and direction to our parishes' planning efforts through our diocesan planning office, as a number of other dioceses do. The only reason my office and offices like mine exist is to serve the parishes and their people.

We need, too, to focus more at the diocesan level on planned giving through people's estates. Some planned gifts will be given as cash to our Catholic entities, though most will go to parish, school, agency, and diocesan endowments. According to one university in Boston, more than \$41 trillion will be transferred from parents to children over the next 20 years. Although the Church in general is not geared to benefit from that transfer, some dioceses are.

The International Catholic Stewardship Council (ICSC) reports that 60 of the country's 195 dioceses have a regular planned giving/foundation e-mail exchange program to share ideas and serve as a resource for each other. We know, for example, that a person most likely to leave an estate gift to the Church is not a major donor, but a consistent donor of any amount over 10 or more years. So, in developing mailing programs, we should focus first on the consistent giver.

I'd like to conclude with this point: our diocesan stewardship and development offices are seriously understaffed compared with our Catholic college and university colleagues. My office, serving 55,000 households, for instance, has just six staff members. Dioceses need to expand their development offices if they are to significantly increase both giving and involvement by parishes and parishioners.

### **B.J. Cassin**

The focus of my talk is how secular world experiences can strengthen church budgeting, auditing, and the stewardship process. And the context will be my experience over the last five years working with some wonderful mission-driven religious and lay partners determined to expand and bring Catholic education to economically disadvantaged people.

This has been accomplished through two basic models. For high schools, the Corporate Work Study Program is the key to the financial sustainability and long-term success of the rapidly growing Cristo Rey school network. The Work Study Program enables students to earn up to 70 percent of

their tuition costs by working in job-sharing teams, Monday through Friday, 40 hours a week, for local companies.

At the middle school level, the model is the Nativity/Miguel schools' 11-month learning program, which also features a summer camp. School runs from 7:30 in the morning until 5 p.m., and provides students with two meals daily and intensive study time.

In 2001, there was one Cristo Rey high school in the entire country. Today there are 11, with 6 more scheduled to open in 2006 and 2007. In 2001, there were 21 Nativity/Miguel middle schools. Today there are 59.

Against that backdrop, I'd like to discuss what business practices and approaches I've found to be successful in building the infrastructures that allow for the sustainability of these schools. These include planning, feasibility studies, partnerships, and training.

In the area of planning, each school in these two models is required to do a feasibility study. In the Cristo Rey network, a grant is made for a full-time local coordinator. A committee is then formed that includes religious and lay representatives from any religious order that may be interested in serving as sponsor, and people from the business community. We require members to go to local businesses and secure at least 25 letters of intent for entry level jobs for students. These jobs may be with law firms, accounting firms, hospitals, government agencies, and more.

We then require that the committee do the appropriate financial analysis, including expense budgeting for five years and capital planning. And, not insignificantly, they are required to identify a facility and location where the feasibility study shows a school is urgently needed. Fortunately, the Catholic Church has a lot of real estate that is either closed or being used for other purposes. Before a school can open, we require sponsorship by either a diocese or a religious order. The feasibility study then becomes the business plan for launching the new school.

In addition to planning, partnerships are critical to the success of the model schools. In the case of the Cristo Rey schools, 425 professional businesses employ our students. And the job retention

rate is 92 percent across all the schools. Foundations are also very important partners from a financial standpoint. The Bill and Melinda Gates Foundation, for example, was intrigued by a school we opened in Denver, and

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awarded a grant of \$9.8 million to help start up 16 additional Cristo Rey schools.

The last subject is training, training, training. I said it three times because that's how important it is. Training starts with 15-year-old freshmen entering high school. They attend a three-week "boot camp" where they learn to look people in the eye, shake a hand firmly, and acquire the confidence to be able to say, "I understand this," or "I need help with that."

The training includes not just students, but school principals and development directors. Indeed, when we open a new school, we take the three development directors and give them intense training. Moreover, all the development directors for the Cristo Rey schools get on a conference call every month to share ideas with one another. This “best practices” approach is an important part of Cristo Rey’s formula for success.

### Peter Flynn

I’d like to tackle a subject that I’ve grown particularly close to in my job as CFO for the Diocese of Fort Worth [Texas]: accountability.

The bishops once issued a pastoral letter called *Stewardship: A Disciple’s Response*. It defined a Christian steward as one who receives God’s gifts gracefully, cherishes and tends them in a responsible and accountable manner, shares them with justice and love for all, and returns them with increase to the Lord.

There are a lot of important words there. But probably the most important is that they tend them with *responsibility* and are *accountable* for those gifts. The Church—through its parishes, schools, and diocesan agencies—needs to be a good steward of the gifts that people entrust to it.

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I term this *corporate stewardship*. Not the pastor, but the entire parish leadership is responsible for accountability and for reporting gifts gratefully received from members. They are responsible

for telling members what happened to those gifts, in accord with the aforementioned bishop’s pastoral letter, which said that the “pastor and parish staff must be open, consultative, collegial, and accountable in all their affairs.”

Our late Bishop Delaney once said to me, “Openness, honesty, and transparency are the keys to sharing ownership with the members of our Church.” There is indeed no better definition of corporate stewardship.

What, then, is *accountability*? Webster’s defines it as “an obligation or a willingness to accept responsibility for one’s action.” In the case of stewardship, it means being regular, systematic, and complete in how we report to people about what we did with their gifts to the Church.

Some dioceses exercise that accountability by publishing an annual report. Others say, “We can’t afford to do that—it costs \$16,000 to print the report and send it out to every household.” My answer is, “That’s money well spent.”

There are, of course, many styles of reports. There is the written report, or you can simply report to people verbally. And, today, we need to be looking at new reporting techniques, such as the Internet.

Regardless of style, there are several prerequisites for any annual report. Such reports need to be open, honest, clear, and comprehensive so that, as Bishop Delaney once said, “people can understand what you’re saying and internalize it.” And when that happens, people will continue to invest in you. The annual report, on the diocesan level, must also contain an audit and must account for every penny the diocese receives, invests, and spends. Moreover, it must come from the top. In other words, the bishop has to be the one who calls for—and signs off on—the annual report.

Distribution of the annual report must be as widespread as possible. It can be published annually through the diocesan newspaper, as we do, and should also be available through your website. We send ours to all the bishops in Texas, and are available to answer any questions.

Creativity can be a valuable asset. We have a school, for example, that does an annual report on the back of a poster. Kids take it home to proudly show mom and dad. We also have a parish that does its annual report in the form of a PowerPoint presentation that is available for viewing before and after mass.

In any type of financial reporting, it’s important to remember that you have to talk about the good as well as the bad. Successes have to be heralded. For example, we had the largest single Sunday collection in the history of our diocese—over \$1 million—the week after Hurricane Katrina struck. People need to hear that message, and we’ve begun using the Internet to disseminate it. We post weekly reports on the status of the Katrina relief effort both inside and outside the diocese.