



INSTITUTE OF SCHOOL & PARISH DEVELOPMENT

*Bringing People, Process, and Ministry Together to Build the*

*Kingdom of God.*

**February 2010**

**Institute of School and Parish Development (ISPD)**  
**February 2010 Newsletter**

***Part I:***  
***Creating New Sources of Revenue for Catholic Parishes and Schools***

*by*  
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The age-old model of trying to fund Catholic schools with tuition, subsidy, and fund-raisers is obsolete, ineffective and will cease to sustain our schools in the future. We must change the formula; it simply does not work. And, if Catholic leaders throughout the country do not address this head on, then more and more Catholic schools will fall by the wayside. When that happens, we will only be left with schools for the financially elite and those with powerful financial backing.

In addition, the ancient model of funding our parishes through Sunday collections (often given the title of “stewardship”), fairs and festivals, and pithy fund-raisers will continue to close parishes across the country. Hundreds have already put the padlock on the front doors, never to be opened again. And, these were Catholic churches that served generations of families who now worship in foreign pews.

Thousands of Catholic parishes and schools are trying to survive with business plans and a financial infrastructure that has not really worked well since the late 1960’s. Is it possible that we are seeing the need for real, deep change? Is it possible that we are ready for a major transformation?

We are told that the first step for any plan of recovery is to admit that something is wrong and to take responsibility for past actions. We pray we are able to do that. Why do we question? Because many continue to look to old solutions to answer the same old questions: we raise tuition; we increase the number of fund-raisers; we put more demands on Development/Advancement/Stewardship directors; we send out more letters asking for offertory increases; we build larger churches that put us further into debt; we drain the

parish coffers; we charge hundreds of extra dollars in fees because we don't want to call it tuition; we 'nickel and dime' our parents to death; and, we call ourselves a "Total Stewardship" parish because we have a sign on our front lawn proclaiming that fact when our "Stewardship Corner" in our Sunday bulletin shows only the amount of money collected during the previous weekend.

Cynical? Pessimistic? Perhaps. But hopefully we are getting your attention. And, if we are honest with ourselves, a lot of what we state above is true all across America. This needs our immediate attention. Here at ISPD we are committed to devoting key resources as we take this challenge across the country.

In this month's newsletter, let's talk first about Catholic schools.

Are there people out there leading the charges? Yes! We only need to look at the Diocese of Fort Wayne/South Bend and what Bishop John M. D'Arcy did in establishing an endowment for Catholic schools. ISPD just finished an 18 month study and planning process in the Diocese of Madison, WI, and the recommendations that are on the table will challenge the entire diocese to look at funding in an entirely different light. We can also study the commitment to Catholic education in the Archdiocese of Chicago and also look at the Archdiocese of Baltimore and the planning done there. Look at what has been going on in the Diocese of Wichita for years.

And yet, it is alarming that approximately 1200 Catholic schools have closed since 2000. It is time we face reality: we have a serious problem. One quote always comes to mind that we state quite often in ISPD workshops, "We can assure you that the solutions that you used to get you to where you are today will not be the same solutions you will need to use to get you to where you want to be tomorrow."

The ultimate question then is, "What is the answer?" Unfortunately, there is no silver bullet. But there are answers; there are solutions. At least here at ISPD we believe so. But, it will demand that we change how we operate.

In his address to the John Carroll Society in January of this year, Reverend Joseph M. McShane, S.J., President of Fordham University said the following. (Selected comments in italics)

*A. First Thesis: The challenges that Catholic education has faced and overcome in the past fifty years will pale in comparison to the challenges that it will face in the next fifty years. Reason: the cost of maintaining the system will become more burdensome as the last of the post-World War II generation of religious personnel retires. This will tax the will of the Catholic community as it has never been taxed before.*

*B. Second Thesis: The Catholic school system will survive and thrive only if the American Church displays the wisdom that it showed in the 19th and early 20th centuries. This thesis has several sub-theses:*

- 1. First Corollary: The American Catholic School System will survive and thrive only if the Church is clear about and stresses the values that the system offers to its people.*
- 2. Second Corollary: The American Catholic School System will thrive only if the Church recognizes that it is a community of communities--and that the needs of the various communities that it is called to serve are different.*
- 3. Third Corollary: Building on the insight contained in the second corollary, we can say that the American Catholic School System will thrive only if it is responsive to the diverse cultural backgrounds and needs of the Church's people--as it was in the 19th and early 20th centuries.*

*C. Third Thesis: The American Catholic School System will survive and thrive only if it is able to believe in, nurture and build community-based schools in which ownership is shared by the parish community, the school faculty and the parents.*

*D. Fourth Thesis: We have to recognize, celebrate and capitalize on the fact that Grace builds on nature. It is only if we recognize this that we will regain a foothold or retain the foothold that we already have in the hearts, minds and lives of middle-class and upper--middle-class and upper-class Catholics. What do I mean? Simply this. In the pluralistic and competitive environment in which Catholics live, successful Catholics have a dazzling array of choices for their children. Therefore, Catholic schools--from pre-K to colleges--have to be remarkably successful in the work that they do. If they are, they will be magnets for families who are looking for the brand that will make it possible for their children to be successful in life. And there, my friends, is where the schools can become instruments of evangelization.*

*E. Fifth Thesis: The American Catholic School System will thrive only if it is seen as such a great, transcendent and transforming instrument of both grace and personal enrichment (and hence a real value) that the Church's people will invest in it.*

For so long, Catholic schools have depended upon the same sources of revenue -- mainly tuition, parish subsidy, and fund-raising events. In the 1980's, Catholic School Development came into the picture and Development offices were opened all across the country -- mainly on the high school level. Catholic schools then saw additional revenue from Annual Funds and more sophisticated fund-raising events. A few even moved into Planned Giving, Major Gift work, and some focused on building an Endowment. Capital Campaigns were launched, but some were not planned well and ended up stepping on the toes of the other revenue efforts and sought financial support only from those who were already giving in other areas.

We must stop the downward spiral of raising tuition when the budget does not balance, or telling the Development office to increase the Annual Fund with no strategies on how to make that happen, or adding more fund-raisers, or freezing teacher salaries, or cutting out needed programs because they will throw off the budget. How? Well, let's use this newsletter to offer ISPD Suggestions on what we will call Level One Focus.

- **Suggestion 1:** Bishops and Catholic school leaders need to make a decision: Fully support Catholic schools with every available resource (financial, community, personnel, and parish) and make the system work in their diocese. Or, make the decision that Catholic schools are simply another ministry in the diocese and only the strong will survive. If the first stance is taken then we believe that we must make Catholic education available and affordable to all children of any parish family who desires it. And, parish schools and regional schools and merged schools must be led by laity and pastors who strongly believe in the value of Catholic education and will only accept prevailing and not just surviving.
- **Suggestion 2:** Although there are many excellent discussions, documents, and initiatives on the national level with NCEA and the U.S. Conference of Catholic Bishops, we believe that it is imperative that Bishops convene congresses, convocations, think-tanks, or whatever we wish to call them and bring the Catholic leaders from their diocese together to create solutions to the challenges that they face in their particular diocese. (In the March newsletter, we will suggest what we will call Level Two Focus which will be a menu of solutions from which to study and hopefully implement). Just like the early U.S. Catholic school system began with strong ownership and engagement of all of its stakeholders, these decisions and priorities in 2010 and beyond must be the same. We need grass roots input. We need to build stronger ownership of our Catholic schools.
- **Suggestion 3:** Catholic school leaders must do everything humanly possible to make sure that their schools are outstanding in the following areas:
  - Strong Catholic identity
  - Commitment from Leadership: Pastors and Principals
  - Clear Mission, Vision, and Values
  - Excellent curriculum and programs
  - Long-Range planning
  - Very best faculty and staff
  - Effective Community Partnerships
- **Suggestion 4:** Catholic school leaders must do everything they can to build a Faith Community by inviting, involving and engaging people every step of the way. This Faith Community is not just the faculty, staff, parents and students. This Faith Community is the network of the hundreds of people who touch and are touched by the mission of that Catholic school – the alumni, the parishioners, the past parents, the broader community, the feeder sources, the friends, and others.
- **Suggestion 5:** Catholic school leaders must engage every single Catholic family by giving them the individual time and attention and by meeting personally with them on the front end of the relationship and throughout the span of that family's involvement with that Catholic school. Catholic school leaders must come to fully understand what that family's needs are, what gifts they are capable of sharing, and what they are able to do to help finance their child(ren)'s education.
- **Suggestion 6:** With the above five suggestions as the focus, Finance Councils must have the courage to explore new frontiers and have persistence in creating new funding models.

- **Suggestion 7:** ALL parishioners must be invited to see the true value of a Catholic education and come to understand how Catholic schools are the greatest evangelizers of the Catholic faith to young people on a daily basis.

Now is the time for real, deep change. We are faced with a set of complex issues that have been brought on by many factors -- among them the loss of religious in our schools; demographic and population shifts; marketplace competition from public, private, charter, and home-school options; rising costs of technology personnel and facilities; and the present economy in which we live.

Through this and future ISPD newsletters, workshops, consults, webinars, blogs, and presentations, ISPD will illustrate some real solutions. We encourage you to embrace these challenges for Catholic schools as we move into the second decade of the 21<sup>st</sup> century. We must stand up and not be afraid of change; we must face the future with boldness, conviction, patience and prayer. The heartbeat of Catholic schools depends upon us all.

*March 2010 ISPD Newsletter:  
Specific Funding Strategies Guaranteed to Change the Age Old Model*