



The Episcopal Diocese
of Pennsylvania

2023 Budget Proposal

Fulfilling our Promise





2023 BUDGET PROPOSAL

Innovation continues to be a hallmark of our leadership, and the proposed 2023 budget will allow the diocese to continue to move forward as a center of social, economic, and spiritual growth through a modest increase of 5% in total expenditures. For the first time, we are organizing our 2023 budget around our Bishop's stated priorities in three general areas: ▶

BISHOP'S STATED PRIORITIES

1

STABILIZATION AND GROWTH

Encompasses the diocese benefit structure and plans, finance and technical support, property management and programming grants for congregations.

THE TOTAL AMOUNT BUDGETED FOR THIS AREA IS \$2,090,500.

2

EMPOWERING CHURCHES

Refers to the resources our churches need to continue to serve their members, to be prepared and capable of controlling their risk and to be better stewards of their assets.

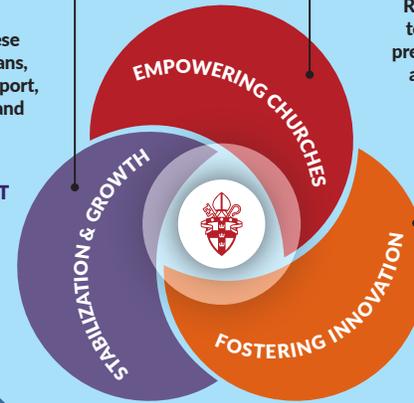
THE TOTAL AMOUNT BUDGET FOR THIS AREA IS \$1,127,300.

3

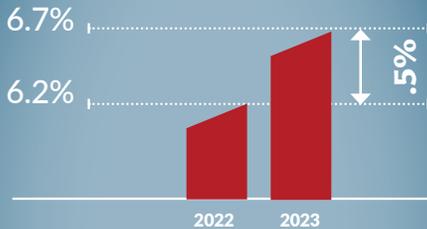
FOSTERING INNOVATION

Supports creative approaches to strengthening our missions and ministry, such as the Casting Nets program and the Serviam Institute.

THE TOTAL AMOUNT BUDGETED FOR THIS AREA IS \$852,500.

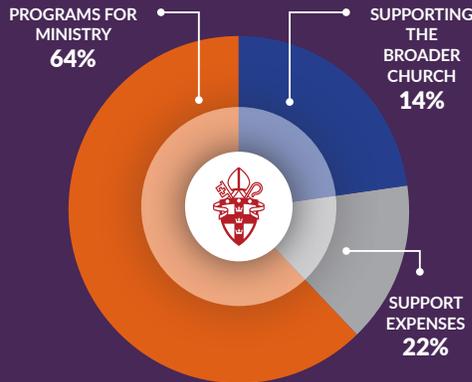


WE ARE ASKING FOR A MINIMAL INCREASE IN GIVING

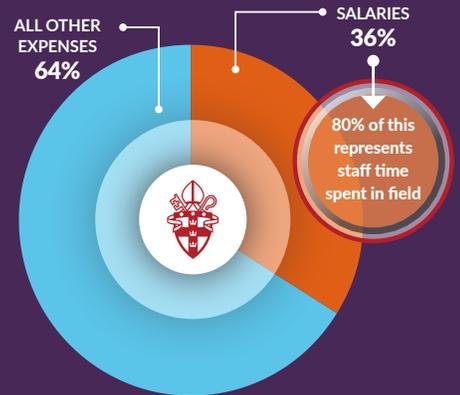


BUDGET 2023 EXPENSES

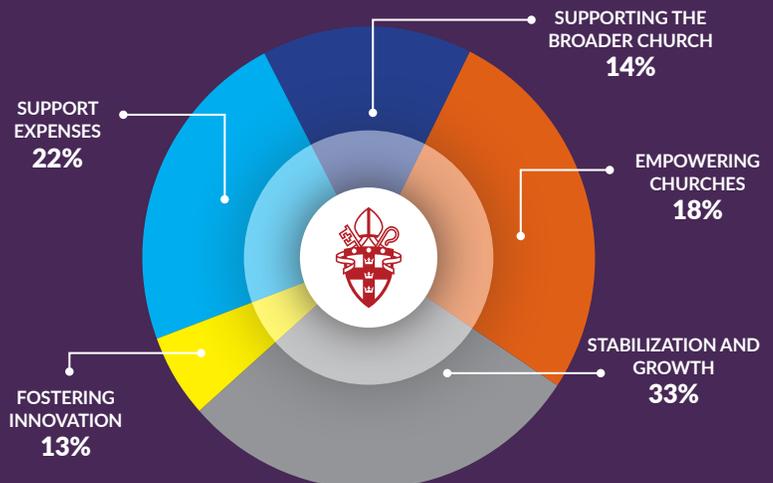
2023 EXPENSE ALLOCATIONS



2023 SALARY & OTHER EXPENSES



2023 EXPENSES



Comfort and Guidance Through the Tenets of our Faith

Dear Siblings in Christ,

**For the past six years,
our guiding principle has been**

***“Know Jesus.
Change the World.”***

**We embarked on this journey
together and pledged our
mutual commitment to
this mission.**

Throughout the unprecedented challenges of the past couple of years, our faith and our church community have never been more important. Not only do we find comfort and guidance through the tenets of our faith, we find opportunity. When the pandemic prevented us from gathering in-person, we found new ways to connect through technology. When the needs of many of our churches increased, we were able to provide nearly \$1.5 million in aid. Working together we reopened three churches in five years and found additional ways to strengthen our outreach and mission to address the pain and poverty of the world.

Our community, and the resources we bring to bear to face these challenges, have made a real, tangible and measurable difference here in our diocese, and across the world. The choices we make on allocating those resources are the very definition, the physical embodiment, of our shared values.

As part of our commitment to transparency, the narrative that follows offers insight and explanation of the 2023 budget and celebrates the role of your generosity in making it possible. We thank you for both your trust in supporting our mutual mission and for the positive impact you have made in the lives of so many. We hope that this report offers a deeper understanding of how we achieve this, and of the ways that, together, we can continue to meet the challenges ahead and change the world in the name of Christ.

With gratitude,

Al Dandridge, *Member of the Diocesan Board of Trustees,
Chair of the Diocesan Board of Trustees Finance Committee*

James Pope, *Member of the Diocesan Board of Trustees, Diocesan Treasurer*

Members of the Finance Committee 2022

- The Rev. Frank Allen
- Philip Anspach
- Albert Dandridge
- Kirk Muller
- James Pope
- Eric Rabe
- Patricia Smith





Innovating, Empowering and Stabilizing

When Bishop Gutierrez was elected in 2016, he found a diocese that is very different from what it is today. Visiting churches, he heard a desire for a message of hope, a sense of connectedness through a shared mission, and for clear direction of the way forward. Out of concern for struggling churches, he acted to freeze church assessments for three years. Then, when the pandemic hit, he both continued to freeze giving at 2017 levels for two years and made additional assistance available as churches sought to adjust to our new reality.

Our diocese
is stronger
and on a
more focused
trajectory than
it was in 2016.



As a result, we adjusted the budgeting, making cuts to staff but not to direct services to our churches. Despite these restrictions and challenges, we accomplished more than many would have thought possible. Our diocese is stronger and on a more focused trajectory than it was in 2016.



Through innovative practices and programming, we are stabilizing and empowering churches to be the spiritual, social and economic centers in their communities. The diocese has established wellness centers in churches for those that need free or low-cost care, is providing housing for unsheltered college students, provides summer camp for children, offers a youth-specific mental health series and launched mental health programming, has created the first group for female veterans living with moral injury, and has organized COVID and flu vaccine clinics for clergy and laity.



Last year, we provided emergency aid to allow churches the breathing room they needed to adjust. We designed and distributed grants to 84 churches to provide the tools they needed to live-stream their services and become centers of “digital evangelism.”



We reached more than 3 million viewers through television programming, and launched our own Media Center to provide training, equipment and loans to aid churches in meeting the shifting digital landscape. Our bishop convened Loving Presence which identified 10 recommendations and action steps for addressing issues related to racism both within and beyond our diocese.



We introduced the Casting Nets initiative, which offers a revolutionary way of reimagining church and connecting with the community, and, in partnership with Villanova University, launched Serviam, providing learning resources that will equip and empower both our laity and clergy.



Finally, at a time when other dioceses are closing churches, we have reopened three in the last five years.

It should be noted that this progress was accomplished while also devoting 80 percent of diocesan staff time to the needs of our churches – some that are without priests or administrators.

What churches
give, comes back
to them.

The sacred gifts of churches are reinvested as direct service and support to sibling churches and fellow parishioners. What churches give, comes back to them. Innovation continues to be a hallmark of our leadership, and the proposed 2023 budget will allow the diocese's churches to continue to move forward as a center of social, economic, and spiritual growth through a modest increase of 5% in total expenditures. The decision to increase the total average giving from parishes from 6.2 to 6.7 percent, which was confirmed by the Board of Trustees, directs additional funding and support to diocesan ministries, grants to congregations and other congregational support. For the first time, we are organizing our 2023 budget around the diocesan vision in three priorities:

1



Empowering Churches (\$1,127,300)

Refers to the resources our churches need to continue to serve their members.

This includes:

- **Adjunct staff.** 80% of senior staff's (canon's) time is in the field to lead worship services, vestry meetings and retreats; review and provide assistance on budgeting; and provide consults and training on site.
- **Youth programming,** which includes the expansion of City Camp in underserved areas of the diocese, pilgrimission trips, safe church training and more.
- **Creation of ministries** that support our churches and their communities. This includes cultural ministries, revivals, outreach and anti-poverty grants, and grants for new and creative parish ministry.
- **Demographic software and tools.** Datastory provides a detailed statistical look into our neighborhoods.

2



Stabilization and Growth (\$2,090,500)

Supports current churches and clergy and the creation of new churches and new people. This includes:

- **Restarting churches and re-envisioning what church can be.** Building on our past success, we will continue to establish churches in the diocese. This work will be supported by Casting Nets, Serviam, and consultation from your diocesan staff.
- **Church Plants, in traditional and non-traditional models.** These new ministries may be in storefronts or homes; but we will continue to spread the Gospel in our neighborhoods.
- **Acts 2 Churches, which continue to reach and serve our underserved siblings in Christ.** These outposts are able to have full time clergy support, because of our collective commitment to their ministries.
- **Expansion of evangelists.** Continuing on our work to train people in the diocese to spread the Gospel of Jesus Christ, we will continue with these trainings with the goal of training 100 leaders.
- **Cultivate and recruit new deacons,** continuing with our goal of ordaining 60 deacons in six years.
- **Diocesan Council Program Grants** for churches that support bilingual ministry, music workshops, feeding and clothing ministries, discipleship and Christian education, and summer programs.
- **Medical Assistance** for retired clergy.
- **Financial Assistance** for clergy, providing help for emergency medical needs, unexpected hardships, and crisis relief.



3



Fostering Innovation (\$852,500)

Supports creative approaches to strengthening our missions and ministry.

- **Serviam, the online portal for formation**, education and resources that was created through a partnership with Villanova University. We expect to have 500 new learners by 2023.
- **Media Center**, which provides equipment loans, space for production, courses in editing and more.
- **Technology grants**, that allow for the purchase of equipment to enable reaching more people online, supporting digital evangelism.
- **Technology and communications assistance** to spread the Gospel. This includes development of church web sites; onsite assistance with livestreaming.
- **Onsite Wellness Centers**, in our churches which provide free healthcare to the communities around our churches.
- **Growth and Development Grants**. The only program of its kind to provide \$30k grants to individual churches in order to complete small capital improvement projects in order to further their ability to do ministry.



Supporting the Broader Church (\$916,500)

- **TEC Assessment**. Our gift to The Episcopal Church supports ministries around the world that are focused on evangelism and committed to racial reconciliation and creation care. Ministries that reach youth, military, missionaries and refugees. This also supports church pension and insurance. TEC gives millions of dollars in grants to support growing the church through new plants.
- **Global Partnerships**. This diocese extends its footprint where there is need. This includes partnerships and covenantal relationships through the Anglican communion including the Episcopal Church in Navajoland, Jerusalem, Llandaff, and Kenya.

As always, our fundamental fiscal stability rests on the contributions of the members of our diocese and through the sound investment of our resources through the Church Foundation.

We have drawn on these resources with diligence and with great care for our broader mission. In 2023, two thirds of our budget is dedicated to spreading the Good News of Jesus Christ through mission. These priorities are funded, in part, by our growing endowment that allows us to continue to meet the critical needs of our churches.

Spreading the Good News of Jesus Christ through mission

Over the past five years, these assets have allowed the diocese to close the gap between parochial giving and expenditures. Since 2013 – when our endowments were valued at \$60 million – we have drawn a cumulative amount of \$34 million, and we still had endowment assets of \$79 million as of March 31, 2022. Our 2023 budget is balanced by setting a spending rate on the endowment draw by 6.55%. Yet, we cannot continue to depend on our endowment alone.

AT A GLANCE

SINCE 2013

Endowments: **\$60 million**

Cumulative amount: **\$34 million**

Endowment assets: **\$79 million**
(as of March 31, 2022)

Balanced budget in 2023

Set a spending rate on the endowment draw by **6.55%**.

Connected by Faith

This diocese is part of The Episcopal Church, a group of 109 dioceses and regional areas in 17 nations. In turn, the Episcopal Church is part of The Anglican Communion, which serves more than 80 million members in 106 countries worldwide. Our Baptismal Covenant calls on us to “seek and serve Christ in all persons.”

In 2021, the diocese continued its work in Jerusalem and began a companion relationship with the Episcopal Diocese of Navajoland. In part, because of the bishop’s advocacy, the Princess Basma Center in Jerusalem raised nearly a quarter of million dollars to support children with disabilities. Educational opportunities were available through a partnership with St. George’s College in Jerusalem. And, our new relationship in Navajoland will create opportunities for our youth to understand the Dine, one of the largest Native American Indian tribes in the United States.

Our diocese has been recognized by the Archbishop of Canterbury, and other dioceses are coming to see what we are doing. Across the Church, leaders are being sent to learn about our diocese and discover how they might model their ministries.

109 dioceses
and regional areas in
17 nations

The Anglican Communion,
which serves more than
80 million
members in
106 countries

Princess Basma Center in
Jerusalem raised nearly
\$250,000
to support children
with disabilities

One Ask, Bigger Impact

Of course, none of this can happen without your support. When it comes to supporting mission and ministry your church has choices. By giving to the diocese, you are guaranteed that your money will have an impact. Working together we can accomplish more. Everything we do is grounded in Jesus Christ and is constantly measured and evaluated to ensure it has impact.

As you may know, we are continuing to move from a two-tiered parish ask to a “Single Ask” format. If approved by Diocesan Convention, this change will allow us to continue our creative efforts to expand ministry capacity for each church, remove obstacles and invest in growth.

Over the course of the last year, we’ve held numerous listening sessions to get your input and we appreciate the candid discussions that revealed a shared sense of purpose and mission. It was clear from our dialogue that we agree that we have more power together than we have apart, and that an approach that mitigates disparities in resources is very much in line with our beliefs and values as Episcopalians.

Moreover, a streamlined process is simply more efficient. It brings our diocese into compliance and standard practice with the vast majority of dioceses in the Episcopal Church, and it greatly aids in our planning process. Administrative logistics aside, perhaps the most important factor is that this process helps us establish a firm financial foundation, that will allow us to continue to offer a safety net for our churches and be more agile in responding to unexpected challenges, such as we have

**We agree that we
have more power
together than we
have apart.**

seen over the past two years.

When considering our budget for 2020, for example, we could not have predicted a pandemic, unprecedented levels of economic distress for so many, and events such as the murder of George Floyd acting as a catalyst for our broad diocesan plan for dismantling entrenched racial structures. These and other challenges continue to present us with

opportunities to evaluate and improve the ways in which we strengthen outreach and mission, address societal ills, and meet the ongoing needs of our communities.

As we continue to discern how God is calling us to “Know Jesus and Change the World,” we ask you to carefully review this budget and bring your questions, your concerns and your suggestions.

As you might imagine, the process of compiling this budget requires considerable diligence, particularly during a time of shifting economic circumstances. We would also like to recognize the expertise and efforts of those on staff and the finance committee.

We arrive at this point in our shared, multi-year journey in a position of strength. Our course was set at the outset of our journey, and we have weathered the storms that forced us to creatively adapt and innovate, without losing sight of a mission to do God’s work in the world. We would not be here without your support and your unwavering commitment to spread the love of Jesus Christ.



The Episcopal Diocese of Pennsylvania Proposed Budget

Revenues

Sacred Gifts	\$2,943,600
Less-Allowance for Non-Payment	(117,700)
Net Sacred Gifts	\$2,825,900

Endowment Distribution	\$3,132,500
Allocated Endowment Distribution	43,000
Total Endowment Distribution	\$3,175,500

Other Revenue

Endowment Transfers	\$ -
Dedicated Mission Revenue	330,800
Other Revenue - Special	94,400
Total Other Revenue	\$425,200
Total Revenues	\$6,426,600

Expenses

Supporting the Broader Church	
Pledge to The Episcopal Church (TEC)	\$896,500
Anglican Ministries	20,000
Total Supporting the Broader Church	\$916,500

Empowering Churches

Diocesan Bishop's Office	\$112,000
Canons for Growth & Support and Mission	391,300
Youth Ministries	117,000
Software Support for Churches	20,000
Diocesan Center Facilities	220,000
Diocesan Convention & Events	70,000
Diocesan Ministries	197,000
Total Empowering Churches	\$1,127,300

Stabilization and Growth

Diocesan Bishop's Office	\$112,000
Finance & IT	198,100
Property	162,800
Chaplains to the Retired Clergy	18,000
Acts 2 Churches - Vicars	590,700
New Ministries - Vicars & Plants	200,500
Clergy Financial Assistance & Sabbatical Leave	110,000
Program Grants to Congregations	150,000
Retired Clergy Medical Assistance	300,000
Transition Office	248,400
Total Stabilization and Growth	\$2,090,500

Fostering Innovation

Diocesan Bishop's Office	\$112,000
Communications	304,500
Feeding Ministries & Wellness Centers	30,000
Growth Development Fund Grants	300,000
Support for Congregations	50,000
Serviam Institute	36,000
Support for Innovation & Creativity	20,000
Total Fostering Innovation	\$852,500

Total Programs for Ministry \$4,070,300

Support Expenses

Diocesan Bishop's Office	\$83,800
Canon to the Ordinary's Office & Admin. Support	480,300
Finance & IT	198,100
Property	40,600
Legal, Professional & Audit	155,000
Operations	305,000
Closed Church Property	175,000
Total Support Expenses	\$1,437,800

Total Expenses \$6,424,600

Net Surplus (Deficit) \$2,000