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Recession brings drop in parish incomes, growth in needs

by Jerry Filteau



Noah Wheeler helps with the collection during a 2010 Mass at St. Mary Church in Geneseo, N.Y. (CNS photo/Mike Crupi, Catholic Courier)

WASHINGTON -- More than half of U.S. Catholic parishes surveyed in late 2010 said the nationwide financial crisis has sparked a growth in requests for financial assistance and pastoral counseling while parishes struggle with falling incomes caused by the recession.

Key findings from a survey of 390 Catholic parishes, reported this month by economist Charles Zech of Villanova University in Philadelphia, included:

- More than nine out of 10 parishes said they have been called to do more for parishioners because of increased unemployment in the parish.
- Eighty-five percent said they have faced increased requests for financial assistance.
- Five out of eight -- 62 percent -- said they have received more requests for emergency housing as a result of the recession.
- Nearly two-thirds -- 64.6 percent -- reported that the recession has caused an increase in requests for pastoral counseling.

Even while demands for financial aid and other services rose, most parishes were confronted with recession-related reduced finances. Most of the surveyed parishes said those pressures forced them to furlough employees or lay them off, impose staff salary freezes or reductions, or delay filling open staff positions.

Slightly more than half the parishes surveyed said they had frozen or cut staff salaries; 21.9 percent said they had to furlough some staff or lay them off; 29.2 percent said when someone on the staff left, they delayed hiring a replacement in order to save some money on a tight budget.

More than half the parishes, 55.2 percent, said the recession hurt funding for mission and charity; 52.5 percent said it had a negative impact on a building program or capital campaign; 61.8 percent said parish investment and saving income had suffered.

The Great Recession of 2007-09 was the largest financial crisis facing the United States since the Great Depression of 1929. By technical definitions of an economic recession, it began around January of 2007 and ended in June or July of 2009, but the slow economic recovery since then has extended its effects in the lives of Americans and American Catholic parishes into the present day.

The Catholic parish survey, conducted by the Center for Applied Research in the Apostolate based at Georgetown University in Washington, D.C., was part of a larger study in late 2010 by the Cooperative Congregations Studies Partnership, a multi-faith group involving researchers and faith leaders in more than 25 Christian denominations.

Zech, a professor at Villanova's School of Business and founder and director of its Center for the Study of Church Management, was chief analyst of the financial component of the Catholic part of the study.

A leading expert in parish finances for many years, Zech told *NCR* that he believed the biggest longtime loser in changing parish economics would be the focus on contributions to broader church mission and charitable activity or outreach outside the parish.

"Parishes are like family businesses," he said. When they face economic hard times they delay as long as possible layoffs, furloughs, salary cuts or other actions that directly and immediately affect staff members, he said.

As parishes affected by the economic downturn of recent years begin to recover financially, Zech said most will try to restore adequate staffing and bring salaries back to former levels before they return to previous levels of funding for broader areas of church mission and social and charitable outreach.

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Parish allocations to wider church mission and outreach programs will probably be "the last to rebound" from recent and current recession-related declines in parish income, he said.

The survey's findings largely mirror a recent report by Catholic Charities USA on the efforts of diocesan charities and social services agencies across the nation, which are also trying to do more with fewer resources to meet the needs of those forced into poverty and homelessness by unemployment and other economic factors.

In a report released just before Thanksgiving, CCUSA reported that in a snapshot survey of local Catholic

charitable and social service agencies nationwide for the third quarter of 2011:

- "The majority of agencies reported an increase in requests for help relative to the previous quarter from the working poor (80 percent), families (66 percent), homeless (60 percent) and the middle class (59 percent)."
- "More than 88 percent of local agencies report that they maintained a waiting list or had to turn people away" for one or more of their assistance programs.

The CCUSA findings represent "millions of individuals living in poverty in communities across the country," said Fr. Larry Snyder, CCUSA president. "It is not enough to help these individuals survive, we must help them thrive."

[Jerry Filteau is *NCR* Washington correspondent.]

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