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Vatican starts hiring freeze, forbids overtime in effort to cut costs

by Carol Glatz by Catholic News Service

Vatican City — The Vatican announced an immediate end to new hires, wage increases and overtime in an effort to cut costs and offset budget shortfalls.

Pope Francis, with input from the Vatican's central accounting office, also determined that volunteers could be used to help provide the labor needed to make up for the hiring freeze and eventual attrition.

Cardinal-designate Pietro Parolin, Vatican secretary of state, sent a letter dated Feb. 13 to the heads of all Vatican offices, institutions and agencies.

He said the budget forecast for 2014 "necessitated the immediate adoption of some measures needed to contain" personnel costs. In its last published report, the Vatican said it had a slight budget surplus of \$2.7 million in 2012 after experiencing one of its largest budget deficits of the past decade in 2011.

The secretary of state's letter said the budget forecast expected a cash shortfall for 2014, prompting the pope to approve several measures that would apply to all Vatican dicasteries, offices, institutions and bodies; the measures were to start immediately and stay in effect until further notice.

The new measures included:

- Banning new hires, both on temporary and permanent contracts, including a freeze on filling current and future vacant posts.
- Temporary contracts, including third-party contracts, will not be renewed when their terms are up, unless there is a "specified" and "documented" need.
- There will be no more raises, promotions or new appointments for existing employees even where

posts are available.

- Overtime is to be considered an "exception" and the frequent or "habitual recurrence" of workers clocking overtime "is forbidden."
- Departments are encouraged to help fill vacancies by notifying the secretary of state of existing personnel who could be transferred to another office.

The letter asked that employees "generously take on" the workload and duties left when their colleagues leave or retire.

It also said that volunteers would be "a useful way" to cover "temporary and specific work needs."

The majority of the Holy See's annual expenditures are related to wages and other personnel costs for about 2,800 people. Its revenues come from contributions from dioceses and religious orders, returns from the Holy See's financial investments and profits from the Vatican bank's investments.

There is a separate budget for Vatican City State, which employs nearly 1,900 people, and receives substantial revenues and profits from the Vatican Museums and Vatican post office.

Base starting salaries for most workers in 2009 ranged from about \$1,600 to \$2,600 a month and are tax-free.

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