



The Episcopal Diocese
of Pennsylvania

Awe came upon everyone, because many wonders and signs were being done by the apostles. All who believed were together and had all things in common; they would sell their possessions and goods and distribute the proceeds to all, as any had need. Day by day, as they spent much time together in the temple, they broke bread at home and ate their food with glad and generous hearts, praising God and having the goodwill of all the people. And day by day the Lord added to their number those who were being saved. – Acts 2:43-47

OUR JOURNEY TOGETHER

In 5 years, we have come together in a way few thought possible. In 2016, we embarked on a journey and the message from our churches was clear. Churches felt isolated and disconnected from the bishop. As he visited them, he heard the same burning question, “are you going to close our church?”

Now in the sixth year of our journey, the diocese is a very different place. We have joined together to ensure all voices are heard and have made a mutual commitment to mission, supporting our churches, and addressing poverty. On 56 occasions, we have gathered together in meetings like this to discuss the budget, share our experiences, dream about the future and discern how to live generously into our theology of abundance. To ensure transparency and accountability, we made the budget and supporting financial information readily available on our website. We have made the budget fully inclusive of all expenses, bringing the expenses for Retired Clergy Medical Assistance and Clergy Financial Assistance onto the budget. In order to bring clarity, the Gifts for Mission (Pledges) and Gifts for Support (Episcopate Assessment, RCMA, and CFA) appear together on the budget, and we have begun to frame giving from churches in a “Single Ask.”

Yet even as we increased our commitment to serving our churches, we did not increase the ask for our churches. With the exception of a \$100,000 increase in the 2020 budget, our diocese has not had an increase in requested giving. Our mutual commitment has been to creatively build ministry capacity for each church, to remove obstacles, and to invest in growth. By inverting the pyramid and creating a financial safety net for our churches, we have greatly reduced the collective anxiety that once existed around requests for supporting the budget that were perceived by many as opaque or even capricious. The resulting sense of stability and interconnectedness has allowed us to move forward as one people, one diocese.

We did all of this by putting your diocesan staff to work for you. The bishop and the staff of the Offices of the diocese spend 80% of their time with our churches, consulting, leading vestry retreats, recruiting new clergy, developing leadership, providing administrative support, helping train lay leaders, designing continuing education and providing support in both joyful and difficult circumstances. Everyone on your diocesan staff is answering a call to ministry and is committed to timely and responsive service.

We did all of this by recasting our priorities in the budget. We reduced expenses in operations and the carrying costs of property by selling real estate that lacked potential for reuse and moving our offices to diocesan center. We were creative in exploring new models for diocesan vicars, while strengthening the churches they serve. This reorganization allowed us to increase support for all our churches and their ministries and to meet our obligation to The Episcopal Church, something we had been significantly underpaying for nearly two decades.

We did all of this without reducing the principle of the endowment, which, thanks to the prudent management of Church Foundation, has grown. Since 2016, though we were wisely investing \$24.6M in our churches and their ministries from out of the endowment, the endowment's principal has grown \$24.4M, with endowment assets totaling \$88,669,680 at the end of the 2nd quarter in 2021.

We did all of this while reopening three churches, starting new ministries, making use of new tools such as demographic and statistical research, funding capital improvement grants, restoring relationships with TEC, developing covenant relationships with dioceses around the world, providing technology grants, providing emergency aid grants, and ensuring stability for all churches by creating a backstop fund to cover the sacred giving of any that are unable to meet their goal.

NAVIGATING THE STORM

The COVID-19 global pandemic is a once-in-a century public health crisis of almost unthinkable proportions. In spite of that, the diocese held the expense lines in our 2021 budget to 2020 levels and did not increase the sacred gift asking in order to minimize financial pressure on our churches.

Proactively, we reduced the 2020 budget, anticipating that needs would change throughout the coming year. The bishop, your diocesan staff and board of trustees worked together to provide \$1.2M for grants for emergency aid so that no church would be forced to lay off critical staff; issued guidance on participating in the Paycheck Protection Program with monthly training sessions, and then determined that our churches would not have to claim those grants as normal operating income on parochial reports; provided \$250,000 in technology grants so that churches were able to upgrade access to internet, livestreaming equipment, and audio/visual equipment; we created a diocesan media center to train our churches in using their new equipment, and

provide the expertise for churches to develop their own emerging media ministries; finally, we provided a financial backstop of \$800k for the stability of our churches for 2021. Any church that is unable to give at their proposed level, because of the pandemic, is covered.

As a diocese, we made a crucial pivot as we kept each other safe, making the shift to virtual environments for worship, formation, fellowship and pastoral care. The bishop provided weekly Eucharists broadcast online and on CBS in order to help our churches and clergy make the transition. Through our efforts, and the creation of the One Love Channel, we provided extensive communication reaching tens of thousands of people. The bishop gathered with clergy weekly, creating 6 teams of clergy to develop creative ideas and make recommendations.

In the midst of the COVID-19 pandemic, our nation also faced an opportunity to address its racist history and oppressive systems when George Floyd was murdered by police. In response, our bishop formed Loving Presence, a group of fifteen clergy who developed a broad plan to dismantle racist structures in the Episcopal Diocese of Pennsylvania. The group met throughout the summer and completed a report identifying ten major recommendations, with accompanying elaborations and action steps. The Loving Presence Report was presented to, and unanimously approved by, Diocesan Council, the Standing Committee and the Board of Trustees. The prayerful endorsement of diocesan leadership affirmed our need to respond to the systems of racism both within and outside of our diocese, and to commit ourselves to implement their recommendations.

As the virus has surged, we maintained weekly contact with health officials, elected officials, faith leaders from many traditions on federal, state and local levels, and made extensive increases to our communication on all levels. We successfully petitioned government authorities to recognize clergy as essential workers and provided vaccinations for all of our clergy and essential staff at churches, and then opened 4 vaccine sites around the diocese. We did not stop our outreach to the community: we developed services for veterans, youth, suicide prevention, mental health resources for clergy, youth and laity, and provided addiction and recovery resources. Using the best information at our disposal, we developed a 29-page protocol followed by regular updates that guided our churches through online worship during restrictions, and then safely back to in-person worship.

The pandemic was an unprecedented challenge. But even though this was completely unfamiliar territory, we were proactive rather than reactive. We published our new annual report, increased our communication and connection with each other, and found the way to meet needs while strengthening outreach and mission. By providing stability, support and clear and constant communication, we came through it stronger. We came through it closer to one another. We came through it with a deeper faith in Jesus. We refused to settle for a maintenance mindset and cannot do so as we move forward.

EMPOWERING OUR CHURCHES TO DO GOD’S WORK IN THE WORLD

We are still looking forward, innovating, and leading and the 2022 budget is a seminal budget in the life of the diocese. We have done the hard work together over the last 5 years, and we are growing stronger.

Our diocese has been recognized by the Archbishop of Canterbury, and other dioceses are coming to see what we are doing. Around the Church, leaders are being sent to learn about our diocese and discover how they might model their ministries. Together, we will not stop there. Remembering what we learned during the pandemic, we have developed guidance for reopening, using strategic methods, approaching the opportunity like a startup, innovating in order to envision what it is to be the Church. This budget looks toward the future, and anticipates where we can grow. After years of cutting, we must continue to invest in growth and mission. There is additional proposed spending of \$209,800 that directly impacts our churches. Stepping out into the light, we are empowering our churches to do God’s work in the world when the world needs us the most. Our mission of proclaiming the Gospel of Jesus Christ, the support of our churches, and commitment to address poverty in all its forms inspire how this budget empowers our diocese.

- Along with the diocesan media center and technology grants, the 2022 budget proposes technology funding that will provide free resources to help our churches with technology, livestreaming and training up new digital ministries.
- This budget identifies that ministry to the largest growing (demographic) segment in our region should be funded further through Hispanic ministries.
- There is funding to ensure the ongoing work of the Loving Presence Report in our diocese is supported.
- There is funding for a new Diocesan Council grant program for outreach and poverty initiatives, where we will see more Feeding Ministries and Wellness Centers in the diocese.
- There is new funding to provide grants to churches for innovation and creativity.
- There is new funding for church planting.
- We are investing further in veteran’s ministry, partnerships around the Anglican Communion and program grants to our churches,

Finally, there is funding to support Serviam, an online education and resource platform a full learning management system, that serves every person in the diocese, which will launch fully in 2022.

Like the 2020 budget, this budget offers clarity in giving through a “Single Ask,” and reminds us of what can be accomplished as we strive together to meet our giving goals. For this year, the single ask remains conceptual. This is important because our diocesan canons have not changed, nor has the process of determining projected revenue from investments, assessments, and pledges. When we speak of a Single Ask, what we have done is combine the churches’ assessments and pledge into a single number that represents a percentage of the churches’ normal operating income.

Like the 2021 budget, the proposed 2022 budget makes no request for an increase. Additionally, the proposed 2022 budget, like the 2021 budget, asks churches to prayerful support our mutual ministry by giving at the same rate they did in 2021. This means that the budget is balanced by setting the spend rate on our endowment draw to 6.35%

We are able to go out into the world outside by strengthening inward. This budget provides for the resources to help our churches do God’s work in the world. We will make sure they have the tools so that they can go out and make a difference in the world.