

Archdiocese suffers \$34.3 million deficit

Pounded by the worst economy in decades, the Archdiocese of Baltimore suffered a \$34.3 million deficit for the fiscal year ending June 30, 2009. The figure was released in an archdiocesan financial report provided to The Catholic Review and available on pages 12-13 of the March 18 issue.

John Matera, controller for the archdiocese, said more than \$32.4 million of the deficit can be “tracked directly” to market losses.

“We’ve been hurt by the downturn in the economy – not by our operations,” Matera said.

The controller said the archdiocese has “done a good job” enacting belt-tightening measures that have resulted in \$800,000 in savings. Approximately 180 archdiocesan employees who work at the Catholic Center in Baltimore were furloughed for five days between April and June of 2009 – saving approximately \$200,000.

Yet archdiocesan officials said more belt-tightening measures will be needed.

“We’re studying all the options at this point,” he said.

Matera said the archdiocese is also looking at its retirement programs for priests and lay employees.

“We’re seeing if we can make some savings in that area,” he said. “On the priest side, we’re looking at the types of medical care that we are currently reimbursing, and benchmarking that to other dioceses – making sure that it’s in line with how others are doing it. Same on the lay side.”

Matera noted that for the first time in a decade, offertory collections across the archdiocese were down by 2 percent. Yet, donations to the Archbishop’s Annual Appeal were up 45 percent.

"The Annual Appeal was one of the highlights," Matera said. "We had more than \$8.5 million that was raised in pledges and gifts, and close to half of that went back to the parishes and schools."

Matera said another highlight in a bleak year was the archdiocese's ability to maintain its covenant agreements with financial institutions.

"There are a lot of organizations that missed their covenants - and we did not," he said. "That was one of our goals for why we belt tightened and drove \$800,000 to \$1 million out of our budget. By maintaining those covenants, that allows all the parishes and schools to finance jobs at very competitive interest rates."

Monsignor Richard Woy, vicar general and chief operating officer of the Catholic Center, said the difficult financial year shows that the church is "not immune to the effects of the global recession that have impacted all of us - companies, nonprofit organizations and churches."

"We are blessed with truly committed donors and benefactors who support the archdiocese, parishes and schools," Monsignor Woy said. "They are feeling the pinch. We are feeling the pinch, and we have to make sure what they give to us, we use well."

Monsignor Woy commended archdiocesan employees for managing expenses well last year. Archdiocesan leaders are working with lay advisory groups to "craft an overall plan to make some good decisions that will get us on sure financial footing," he said.

Asked if he is optimistic that the economy is starting to turn around, Monsignor Woy said: "We are an organization that's invested in hope."