

Catholic agencies cautiously prepare for economic future

WASHINGTON - Officials at Catholic aid agencies said it is too early to tell how the shaky economy will affect their donations and investments and noted they are cautiously preparing for the future.

John F. Galbraith, president and chief executive officer of the New York-based Catholic Medical Mission Board, said nonprofit organizations tend to react more slowly to market punches than other sectors of the economy.

Although "it is premature to look at our results (of donation revenue) in the past two months," he told Catholic News Service Sept. 30, the board has "to be prudent at this point in time."

"The psychology of the stock market is just as important as the reality of the stock market; if people think they have less money we have to prepare for it - that they will give less money," Mr. Galbraith said. "If they are on a fixed income, they will be much more diligent. We're not going to lose them (as donors), but they will be more careful of how they allocate that portion of money they can afford to be charitable with."

The Catholic Medical Mission Board sends medical supplies and volunteers to poor missionary countries. Like many U.S.-based aid agencies, it uses its donations to fund programs abroad.

CMMB officials "always project conservatively (and) evaluate on a close basis weekly and monthly," Mr. Galbraith said. The small revenue the agency earns from dividends will not be included in the next fiscal year budget, which begins Oct. 1, said Mr. Galbraith, adding that any money earned from stocks will be a bonus.

Just in case of revenue loss, the board will have "contingency plans as far as programs in the works" and will "delay future programs if need be," he said.

"When programs are up and running, the last thing you want to do is shut them

because of lack of money,” he said.

Regardless of what might happen with the stock market and the economy, the need to fund programs at home and abroad has not waned.

Patricia Hvidston, senior director of development for Catholic Charities USA, said the agency is intensifying its focus to garner donations “because the need is there and increasing exponentially.”

She cited an increase in need for mental health counseling since the cost of living has increased. More and more of the working poor need assistance; “they just can’t stretch the dollar far enough,” Ms. Hvidston told CNS.

Jack Jackson, senior vice president for finance and administration for Catholic Charities USA, said Catholic Charities has taken “a moderate-sized hit” in reaction to the shaky economy and is looking to reduce expenses and potentially dip into its reserves and move funds.

“We are prepared to ride through the market ups and downs,” he said.

Although investment revenues are down for Catholic Relief Services, the U.S. bishops’ international relief and development agency has seen growth in donor contributions over the last fiscal year, which ended Sept. 30, said Michael Wiest, executive vice president of charitable giving for CRS.

Wiest said he credits people’s faith for the continued donations from both major and direct-mail givers. More than 90 percent of CRS donors are Catholic, he noted.

“It is part of their faith identity” to participate in charitable giving, he told CNS Oct. 1. “I see it as being similar to going to Mass. It is a little less optional for them” whether or not to give, he said.