Committee on Congregational Stewardship & Diocesan Support
December 18, 2024, Report to Diocesan Convention

I. Introduction

The Committee on Congregational Stewardship & Diocesan Support has been facilitating a dialog among congregations and others about how to support our Diocese financially, with a goal of recommending to Diocesan Council one or more resolutions and/or other actions for consideration at the 2026 Diocesan Convention.

At this point we have more questions than answers. It seems clear, however, that (1) the current system is not working if the hope is that congregational contributions (plus other income) comfortably fund the Diocesan budget and (2) any solution will include greater understanding and buy-in from congregations about the work of our Diocese so congregations begin to regard funding our Diocese's work as they regard funding their people and buildings.

We will facilitate discussion in the coming year, focusing on:

- Should we have a workable giving standard and, if so, on what measure(s) should it be based?
- If so, should we establish an accountability mechanism, such as incentives or sanctions, to encourage congregations to meet the standard?

II. Process

In December 2023, Diocesan Council established the Committee to (1) review the history of congregational giving to the mission and ministry of our Diocese and (2) through engagement with leaders from around our Diocese, recommend concrete steps to arrive at a consensus around appropriate levels of congregational giving to support our Diocese's work.

The Committee consists of Jessica Hitchcock (Rector, St Luke's Bethesda), Chair, and members Mary Frances Bruce (Treasurer, St. George's Glenn Dale), Caron Gwynn (Supply Priest, Church of The Holy Communion), Kate Heichler (Rector, Christ Church La Plata/Wayside & Regional Dean, Southern MD), Timothy Cole (Rector, Christ Church, Georgetown),

Katherine Krile (Vestry member, St. John's Norwood, Chevy Chase), Randy Marks (Vestry Clerk, St Mark's, DC), Thom Sinclair (Deacon, St Mark's, DC), Robert E. Smith (Vestry member & Lead Usher, Episcopal Church of the Atonement), Margaret Stamper (former Vestryperson, Resurrection Parish), and Francisco Valle (Rector, Church of Our Saviour, Hillandale).

The Committee has met nine times since April 2024. We have gathered information about the history of financial support to our Diocese, the views of congregation leaders, how other dioceses handle assessments, and Diocesan finances.

III. Key Findings So Far

A. Financial Considerations

The 2024 Diocesan Budget is approximately $4.8 million.

- Our main income sources are congregational giving ($2.25 million) and Soper Trust income (about $1.6 million).
- Our Bishop providing Canonically-required services costs about $2.6 million (almost covering the congregational giving), while supporting congregations in need costs about $222,000 and supporting The Episcopal Church and Anglican Communion costs about $540,000.

EDOW Canons *Section 5103, Annual Financial Commitment To The Diocese,* says:

> *(a) IN GENERAL.— The vestry of each parish shall make an annual financial commitment to support the mission and ministry of the Diocese.*
> *(b) TITHE.— The normative standard of the annual financial commitment of a parish under subsection (a) shall be a tithe of the annual operating income of that parish.*

Overall, congregations gave 3.6% of total income to our Diocese in 2023. Only four congregations met this "normative standard" by giving more than 10% of their income:

- 35 congregations gave less than 3% of income.
- 31 congregations gave 3-6% of income.
- 18 congregations gave more than 6% of income.

Congregation Size (excludes Cathedral)	2023 EDOW Giving % of Income	2023 Outreach Spend % of Income
All	3.6%	16.4%
Small (under $500,000 income)	4.8%	10.8%
Medium ($500,000-$900.000 income)	3.8%	21.9%
Large (over $900,000 income)	3.3%	16.5%

B. Survey Results

Based on 234 responses, from approximately 74 congregations, we found:

- Over half of responders had good knowledge about our Diocese and/or had participated in Diocesan activities.
- They believed our Diocese's purpose is to support congregations (especially congregational revitalization), provide spiritual leadership, and support Bishop Mariann's canonical role.
- Although congregations try to give generously, many respondents said that the Diocesian pledge is one of the first expenses cut when confronted by a tight budget or other major financial need.
- Over half of responders were satisfied with their congregation's level of giving to our Diocese.
- Responders identified support to persons in need, supporting struggling congregations, and Bishop Mariann's ministry as factors that would be considered in decisions about their congregation's Diocesan giving.
- Most responders favor giving based on a percentage of income, with some favoring a sliding scale to address resource disparities.
- Over two-thirds of responders seem to be comfortable with how our Diocese is spending its resources. A significant minority of congregations, however, may be limiting their financial support because they disapprove of some Diocesan activities.

C. Information from Other Dioceses

Based on data from approximately half of U.S. dioceses, we found:

- Unlike our Diocese's voluntary system, 70% of reporting dioceses, and 55% of Province III dioceses, mandate contributions from their congregations. Like our Diocese, most U.S. dioceses base their giving requests on NOI (or variations thereof); however, some Province III dioceses base their requests on Pledge and Plate, with some adjustments.
- Revenue from congregations as a percentage of diocesan budgets ranges from 18%-100%, with an average of 70%, far higher than our 47%, which is the third lowest of reporting dioceses. (Province III proportions range from 45%-85% of diocesan budgets, with an average of 62%.)
- We do not see a strong correlation between the percentage of diocesan income covered by congregational assessments and whether assessments are mandatory or voluntary.
- Like our Diocese, 60% of reporting U.S. dioceses (33% in Province III) have fixed percentages of NOI requests; 40% (67% in Province III) have sliding scales based on NOI.
- Few dioceses (17% for reporting dioceses) have "consequences" for churches that fail to give the assessment percentage; however, many of these dioceses offer assistance to those churches, rather than imposing consequences.

IV. Analysis

Over the next year, will focus our Diocese's dialog on:

- **Inspiration:**
    - How can we make congregations more aware of the work of our Diocese and inspire them to prioritize Diocesan support as they prioritize staff salaries and building upkeep?
    - How might we address division over our Diocese's direction that leads some congregations to limit their support?
    - How might a theology of giving influence congregational support of our Diocese?
- **Standard:**
    - Do we need a workable giving standard based on financial vitality and EDOW needs? We say "workable" because few congregations are complying with the requested tithe.
    - Should the ask of each congregation be based on income, pledging members, other, or a combination?

    - Should we adopt a sliding scale in which wealthy congregations pay more than less well off congregations?
    - We note that we are *not*:
        - Considering the size of our DIocese's budget, although we believe that is a worthy topic of discussion.
        - Seeking to change the amount congregations provide to our Diocese.
- **Accountability:**
    - Do we need an accountability mechanism to induce Parishes to meet the giving standard or can the current system work with greater education, a giving standard, and/or other changes?
    - If we need an accountability mechanism, should it be mandatory, *i.e.,* should it include consequences for not meeting the standard? Or can it work with consultations between EDOW and Parish leaders? (Some of our sister dioceses have a process that focuses on dialog rather than sanctions.)

V. Process

To move forward over the next year, we envision:

- Continuing to seek information on other dioceses' practices, especially what explains them, including availability of investment income (like we receive via the Soper Trust).
- Convening listening sessions for the following groups:
    - Clergy by Region.
    - Wardens and Delegates by Region.
    - Possibly one or more Zoom town halls open to all interested.
- Engaging Council as follows:
    - Submitting next spring/early summer tentative conclusions and recommendations to obtain Council's wisdom and direction.
    - Submitting next fall a draft final report with one or more proposed resolutions.
    - Finalizing the draft report to reflect Council's views and any proposed resolution(s) that it chooses to submit.
- Facilitating discussion at the 2025 Regional Assemblies regarding our final report and any resolutions that Council submits.
- Reporting at the 2026 Diocesan Convention and presenting any resolution(s) that Council submits.