

Annual Financial Update

Big Picture

It's so wonderful to see so many new families in the parish. While we hear that young people have turned away from the Church, you wouldn't know it by attending Mass at Christ King.

We want to sustain the parish's strength, so I am writing **with a sense of urgency**. Despite parish growth, revenue is not nearly meeting the cost of executing the parish's mission.

Over the last few years, I have said little about parish finances out of sensitivity to the pandemic's impact on your money worries. I confess to having been too quiet about this. We must immediately step up, making the Church the primary place we return the financial resources God has loaned us in life.

Financial Overview

- From July 1, 2021-June 30, 2022 we experienced an operating deficit, albeit smaller than budgeted. We reported a cash surplus because of pandemic assistance.
- The July 1, 2022-June 30, 2023 budget *relies on meaningfully increased financial stewardship* to meet our costs. We cannot sustain another year at the current revenue level.
- As in your homes, every expense is higher. And like most parishes, our financial stewardship dropped after the pandemic. It is recovering here, but costs increased more.
- Our parish staff is exceptionally efficient in using your gifts. Their internal stewardship speaks to their outstanding professionalism, commitment to the parish's core mission, and respect for your sacrifices. We have been postponing replacing several parish staff positions to save money. This cannot continue any longer for the current level of service to continue.
- There is tremendous positive energy in the parish, especially at Sunday Masses. We added hundreds of new parishioners over the last three years. Countless new faces weekly come upon our Masses and intentionally choose our parish as central to their relationship with God.

Attention to Our Parish School

Over the last four decades, Catholic elementary schools have rarely been without major financial struggles. Three coalescing reasons critically exacerbate this for us right now.

1. Our immediate area has *far* too many Catholic schools for our child population. They all struggle or will soon. Communities far more populous than Wauwatosa (Waukesha, Fond Du Lac) offer two Catholic classrooms per grade. In contrast, the Wauwatosa area has at least *six*.
2. Elementary schools stand at the edge of a demographic cliff. Starting in 2008, America's *already* long-declining birth rate dropped sharply. This means children born after 2008 (younger than 14) have far fewer peers. The national birth rate is even more depressed in urban areas, precisely where we are located.
3. Our school families must better meet their responsibilities to the parish school. Almost every family asks the parish for a reduced active parishioner tuition rate, which is approximately *one-quarter* of the cost of educating a student. The remaining cost is subsidized by parish stewardship. The family's request is granted with the agreement (and signature) that they will attend Sunday Mass, regularly give in financial stewardship, and contribute in other ways to create a healthy parish. They are minimal expectations, and I never evaluated how families fulfilled their agreement. Instead, I trusted that our school families make good-faith efforts to comply.

I now regretfully concede that our trust was misplaced. Most past and current families have not fulfilled their promised agreement for years. Most sadly, we see this in habitually neglecting Sunday Mass. And as we staff our excellent school with the best teachers, we were surprised to discover that financial stewardship from most school families has been nonexistent.

Our School Advisory Committee has asked to invite self-correction to this problem. They want to build a healthy culture of stewardship and challenge families to reexamine their level of sacrifice for Catholic education and prioritize their obligations to the Church. I am inspired by their passion to support those parishioners and school families who choose to sacrifice.

The Plan

My next steps include three pillars. First, we must increase enrollment, which is occurring. This should be a Catholic school "moment," as more people are discovering how well Catholic schools prioritize the interests of children. However, demographic facts tell us there are not enough children to fill our area schools while still trying to operate an infrastructure designed for the nation's long-passed baby boom. A lack of children and an excess of buildings is a reality we share with area public schools.

The second pillar is rightsizing school expenditures proportionate to enrollment and reflecting parents' stewardship choices. We must adjust our staffing footprint, and I take responsibility for this being an overdue decision.

The third pillar is your significantly increasing financial stewardship to make this a moment of new vibrancy as an expanding parish.

What Will Success Look Like?

What happens next entirely depends on you as parishioners. And it significantly depends on parish school families deciding to participate in weekend liturgical obligations and financial generosity.

If all of us do not step forward with immediate increased financial stewardship, we will see abrupt changes in the 2022-2023 budget. *Alternatively*, if we step forward (which I know we will), we can plan gradual solutions that will create a moment of new health and vitality.

Call to Action

Our economic issues are related not to lack of growth - of which much is occurring - but rather to our need to redirect our attention to financial generosity. We have more new parishioners than ever, with more enthusiasm than I've seen in my time at the parish. Now we must match that enthusiasm by choosing the Church as our primary place of giving. What we do in our Catholic parish, looking to matters of eternity, is more important than anything else in the world.

I am so very blessed to serve here and love doing so. Thank you for your support and example of living your Catholic faith in the world. Thank you for your sacrifices. I regularly pray for you who are experiencing anxiety and worries about money. Please commit now to prayer as to how you will respond. And watch for the stewardship commitment forms later this year, ready to make faithful and courageous choices when you complete them.

See you at Mass,

Fr. Phillip