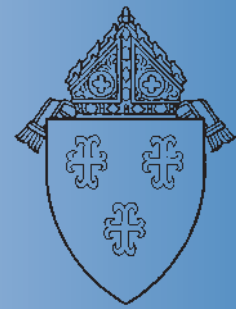


Legacy



A Newsletter From the Office of Stewardship & Development

Diocese of Providence

Catholic Foundation of Rhode Island • Catholic Charity Fund Appeal • Anchor of Hope Scholarship Fund • Stewardship

Fall 2006

September 2006

Dear Friends,

Welcome to the fall issue of *Legacy*! I hope you will find this issue very informative. Among the various topics we are highlighting, I want to call your attention to our report on trends in the Catholic Charity Fund Appeal and, of course, two very important upcoming programs—the Anchor of Hope Fund and the Seminary Second Collection.

The Catholic Charity Fund is the single largest financial resource for the Diocese of Providence to support its ongoing ministry. As you will see from our report, the Catholic Charity Fund has gone through many changes—some positive and some that require our collective attention. As you read this report, please know that any thoughts, comments or suggestions you may have about the appeal and how it is conducted are welcomed. The many gifts and talents that reside in our community among you, our donors and friends, can only help us to improve our efforts.

The education and formation of the future priests of our diocese is a program of major importance to the future of the Church. As you will read, the efforts of our diocese in the area of vocations have been quite successful. The annual Second Collection for our Seminarians is one of the most important fundraisers each year and is a major source of funding for this program. As you learn more, I hope it will help you to be as

generous as possible in helping our Bishop provide the best education and formation possible for these young men.

Finally, as you read about our Anchor of Hope Fund, please keep in mind that Catholic education is more than just a good quality education. Catholic schools provide our Church with a

profound opportunity to evangelize our faith to our own children and to others who attend our schools. Catholic schools bring life and vitality to the entire Catholic community. So, whether your parish has a school, or whether or not you or your children attended a Catholic school, we as Catholics all have a responsibility to help keep our schools a vibrant part of the life of our Church. Part of this is to keep our schools available to children of all means and backgrounds. Your help with our efforts to make this possible will make a huge difference in the lives of these children, our Church, and the community at large.

I hope you find this issue informative and helpful. Please accept my sincere thanks for all you do on behalf of our Church!



*Anthony T. Gwiazdowski, Director,
Office of Stewardship & Development*

Your support ensures that critical programs remain a positive force in our community.

Statistical Analysis of the Catholic Charity Fund Appeal (2002–2006)

The two charts shown *below* provide a capsule look at the past five years of the Catholic Charity Fund Appeal. While these have been the five most successful appeals in terms of dollars raised, of concern to appeal leaders is the continued loss of donors over this period. In fact, if viewed over a 10-year period, the trend is even more alarming. The five-year trend shows a 13 percent increase in giving by donors to the appeal, but a 15 percent decrease in the total number of donors over the same period. Our planning continues to look at ways to keep our giving trends moving forward so that our agencies can keep up with the growing demands for services and, at the same

time, increase the number of donors to the appeal.

Clearly, a significant portion of the growth in the Catholic Charity Fund has been through the Bishop’s Partnership in Charity. This segment of the appeal contributes nearly a third of the total amount raised in the appeal—from less than 5 percent of the total donors. This number has grown dramatically since 2002. It indicates an important trend in the appeal: Fewer donors are giving more money and to some extent are demonstrating that the appeal is a significant philanthropic priority for their giving.

Five-Year Catholic Charity Fund History

Year	# of Donors	Average Gift Per Donor	# of Gifts	Average Gift Per Number of Gifts	Total Given	Goal	Over (Under) Goal	% of Goal
2002	52,538	\$123.98	54,567	\$119.37	\$6,295,028	\$6,500,000	(\$204,971)	96.85%
2003	49,031	\$133.18	50,912	\$128.25	\$6,351,424	\$6,500,000	(\$148,575)	97.71%
2004	48,888	\$140.20	50,782	\$134.20	\$6,854,171	\$6,500,000	\$354,171	105.44%
2005	47,472	\$147.72	49,593	\$141.43	\$7,014,079	\$7,000,000	\$14,079	100.20%
2006	44,912	\$158.09	47,235	\$150.30	\$7,100,302	\$7,200,000	(\$99,680)	98.70%

Bishop’s Partnership in Charity Donor History Report

(Solicitation of gifts of \$1,000 or greater)

Year	# of Gifts	Total Amount Raised	Total Average Gift	Gifts Over \$1,000	Total Raised Over \$1,000	Average Gift Over \$1,000	% of Total Appeal Raised
2002	1,625	\$1,753,190	\$1,078	942	\$1,476,992	\$1,567	27.8%
2003	1,987	\$2,023,350	\$1,018	1,054	\$1,553,431	\$1,473	31.8%
2004	2,308	\$2,308,376	\$1,000	1,128	\$1,786,726	\$1,583	33.6%
2005	2,090	\$2,235,140	\$1,069	1,118	\$1,636,631	\$1,463	31.8%
2006	2,174	\$2,283,202	\$1,050	1,106	\$1,766,950	\$1,597	32.1%

Let Your Annual Gift to The Catholic Charity Fund Appeal Continue Forever

Annual giving is the lifeblood of most charitable organizations. Being able to count on money that is raised each year allows the Diocese to continue to support our ministries and programs. Yet when a person dies, so does his or her annual gift, and the source of this long-established flow of money stops. If we can't replace the gift with one from someone else, we'll lose valuable income and our programs may suffer.

A Smart Solution

Recently the Catholic Foundation of Rhode Island has begun a promotion to have donors "endow" their annual gift to the Catholic Charity Fund. This involves establishing a bequest—leaving a gift in your will—to establish an endowed fund whose investments can create a gift for current use each year, forever.

Actually, this is how endowments work: the Catholic Foundation places your bequest money in investments that provide income to supplement annual operating revenues and annual gifts. This is why endowments and the income generated by endowments are extremely important to the future welfare of our Church.

An Example

Take, for instance, an annual gift of \$1,000. How much would it take to endow that gift so that the agencies, schools or parishes in the Diocese of Providence would be certain to receive that income forever?

It depends on a charitable organization's policy for spending endowment income, but the spending policy of the Catholic Foundation of Rhode Island is 4.5 percent of a three-year rolling average of the market value of the fund. For ease of illustration however, let's use a 5 percent spending policy from an endowment fund each year. (This does not mean that the

fund earns a total return of only 5 percent, only that it spends that amount; it will reinvest the difference to offset inflation.) To calculate the needed number to endow, divide the annual gift amount, \$1,000, by the amount called for in the spending policy, 5 percent, and you get \$20,000. So, contributing just \$20,000 can continue the \$1,000 annual gift indefinitely!

And remember, the spending policy allows the asset value and thus the annual income to grow to help offset inflation. Because of this increase, many people can actually increase their gifts to the Catholic Charity Fund over the years. For example, with a total return of 10 percent in one year and with only 5 percent spent, the other 5 percent is reinvested. By the second year, the value of the fund is 5 percent higher, or \$21,000, and the "gift" from the fund is \$1,050.

Learn More

We would be glad to discuss ways you can establish a legacy of giving to the Catholic Charity Fund. It's probably easier than you realize! Just call Sandra Sebring, Associate Director, Office of Stewardship and Development, at (401) 277-2121 or e-mail Ssebring@dioceseofprovidence.org for more information.

If your annual gift is:	Perpetuate it by giving:
\$500	\$10,000
\$1,000	\$20,000
\$2,500	\$50,000
\$5,000	\$100,000

At a 5 percent endowment spending level, 20 times an annual gift amount equals a perpetual gift endowment.

The income generated by endowments are extremely important to the future of the Catholic Charity Fund. You can help make a difference.

Sacrifice, Service and Sacraments

Our Lady of Providence Seminary Education and Formation

Supporting the Future of the Priesthood in Rhode Island



The Most Reverend Robert E. Mulvee Seminary Education and Formation Endowment Fund and the Second Collection for the Seminary (Sept. 30–Oct. 1, 2006)

Through the work of an innovative vocations program and a great deal of prayer, vocations to the priesthood in our diocese have risen over the past few years. Our seminary now boasts one of the highest rates of attendance in the United States. The Diocese of Providence is presently training and supporting 22 men at various stages of the journey to the priesthood. These seminarians will be the priests and pastors of tomorrow. As this hopeful trend continues, however, we also are faced with many new challenges.

Rising costs are quickly exceeding revenue sources for the seminary. Annually, the Diocese of Providence budgets more than \$1.2 million to cover the costs related to seminary education and formation. These funds come from various sources, including approximately \$150,000 from the Second Collection for the Seminary and \$75,000 from the Diocesan General Fund. Thanks to the generosity of donors to the Catholic Charity Fund Appeal, the Diocese is able to provide the seminary with an annual allocation of \$215,000. These funds have been supplemented by a nonendowed education fund, which today is nearly depleted because of the rising costs of college tuitions. Additionally, the Catholic Foundation of Rhode Island holds more than \$2.5 million in endowed funds to support the seminary, which supply an annual distribution of approximately \$112,500 toward the seminary budget.

Obviously, the present sources of income are not enough to cover the rising expenses the diocese faces in supporting the spiritual needs of tomorrow.

One of the major challenges facing seminarians today is the cost of a college

education. As we all know, the cost of a college education is in the tens (if not hundreds) of thousands of dollars. Since most of our new seminarians come to us with significant college debt, and with the prospect of a very modest priestly salary it is imperative that assistance be available to help these future priests with debts that are virtually impossible to pay after ordination. To this end, the Diocese of Providence assumes all but \$12,000 of this undergraduate college debt for all our seminarians who have dedicated themselves to a life of sacrifice and service. Today the cost of a pre-theology seminary student is \$38,075 per year, and the cost for a major seminary student is \$32,772 per year. Where once \$25,000 could support eight to 10 major seminarians' tuitions, today these funds barely reflect the cost for just one student at any of the major seminaries around the world.

Based on the number of seminarians, the present cost of major seminary education and the likelihood of needed funds to defray collegiate debt for newly ordained priests, an additional \$300,000 of revenue is needed each year to maintain our present level of support. One solution and initiative to meet this challenge is to increase our endowment funds for Seminary Education and Formation by a minimum of \$2.5 million to generate some of the needed resources. A second initiative is to increase the level of support garnered from the annual Second Collection to the Seminary.

During the weekend of Sept. 30–Oct. 1, your generous offering to the Seminary Second Collection will help the diocese to meet these present needs. Additionally, gifts to *The Most Reverend Robert E. Mulvee Seminary Education and Formation Endowment Fund* or the establishment of your own endowment fund to support the Seminary will help to provide priests for this diocese forever. You will share in the blessings of all the lives they touch, because you helped make it possible. For more information on supporting our Seminarians, contact Sandra Sebring in the Office of Stewardship and Development at (401) 277-2121.



Sixth Anchor of Hope Fund Campaign and Event

Article by Jennifer Perrault, Office of Stewardship and Development

One of the greatest strengths of Catholic education in Rhode Island is the commitment to enrich the lives of students from a broad spectrum of society. Steeped in Christian values—faith in God, respect for self and others, compassion, responsibility, dignity, integrity, peace, and justice—Rhode Island Catholic schools traditionally have been a first option for families of all faiths and socioeconomic backgrounds. Our schools have taken this diverse student body and nurtured creative, energetic and disciplined students who become tomorrow's leaders.

Today's challenge is to keep Catholic education accessible to all students regardless of financial means. The average tuition for elementary schools is more than \$3,200; for secondary schools it is \$8,000. Unfortunately, tuition increases often outpace a family's ability to pay, forcing many with limited means to forgo the dream of a Catholic education. This has a profoundly negative impact on the rich student diversity of the Catholic schools.

The Anchor of Hope Fund was established in 2001 under the name of The Rhode Island Inner-City Scholarship Fund to provide financial aid to families with the greatest need for assistance. Following in the footsteps of several other dioceses across the country, the Diocese of Providence felt that the dramatically increasing cost of a Catholic education, and its effect on families of limited means, needed to be brought to the attention of the local corporate community.

Catholic schools have a proven track record of helping disadvantaged students achieve higher levels of learning. Education is an investment in the future of our community and business community. Providing these students with the opportunity to learn within the Catholic school environment will in turn provide our community with compassionate, dignified and responsible corporate citizens.

Through the generosity of corporations, foundations and individuals, the Anchor of Hope Fund has raised and distributed more than \$1 million in the past five years. Continued success of

future campaigns is vital to expanding the dollar amount and the number of scholarships being awarded each year. Anchor of Hope Fund scholarships are given in the amounts of \$1,800 for elementary students and \$3,500 for secondary students. Families apply for financial aid on a yearly basis through the FACTS tuition management system. FACTS, in turn, reports its findings to the Catholic school office, which then distributes aid to families based solely on financial need.

It is important to note that the Anchor of Hope Fund is one of several sources of financial aid distributed from the Diocesan Catholic School Office. In addition to the Francis Ward Fund for elementary students and the Catholic Charity Fund Grants for secondary school students, there are number of diocesan- and

Please Join Us

The 2006 Anchor of Hope Fund Award

Dinner and Auction will be held

**Sept. 22 at the Westin Hotel with a
cocktail reception, silent auction and music.**

Call (401) 277-2121 for tickets and information.

parish-endowed scholarship funds held with the Catholic Foundation of Rhode Island. All of these sources of financial aid represent approximately \$1.25 million distributed annually.

Unfortunately, the assessed need of the more than 4,000 families applying for financial aid is in the ballpark of \$12.5 million! We are only able to provide for 10 percent of the need, and this represents help for only half of all of the families who take the initiative to apply for financial aid.

The Office of Stewardship and Development conducts the annual Anchor of Hope Fund Campaign, targeting primarily corporations and foundations. The 2006 Anchor of Hope Campaign, chaired by Glenn and Mary Jane Creamer and co-chaired by Frank and Anne McMahon, has raised almost

Continued on Page 6



Sixth Anchor of Hope Fund Campaign and Event

Article by Jennifer Perrault, Office of Stewardship and Development

Continued from Page 5

\$215,000 to date, including a generous donation of \$25,000 to the Anchor of Hope Endowment Fund. We celebrate our Annual Campaign's success with a dinner and auction each fall. This special event helps to raise additional funds through our silent and live auction, as well as to provide a unique opportunity to honor our corporate good citizens for their dedication of time, talent and treasure to Catholic education in Rhode Island.

The 2006 Anchor of Hope Fund Award Dinner and Auction will be held on Sept. 22 at the Westin Hotel beginning at 6 p.m. with a cocktail reception, silent auction and the musical talents of the La Salle Academy Jazz ensemble. As always, our auction is full of sports memorabilia, entertainment packages, beautiful local artwork and much more.

The success of the Anchor of Hope Fund is measured not only in the dollars raised, but also in the faces of the many children supported through these efforts. These are our parish, community and business leaders of the future. Among their numbers are future clergy and religious mothers and fathers who will lead the next generation of hope for our Church and community. The support of the entire Catholic community is most welcomed at our dinner and throughout the year in our campaign efforts.

For more information on the Anchor of Hope Fund or the Award Dinner, please contact Jennifer Perrault, Assistant Director of Stewardship and Development, Catholic Education, at (401) 277-2121 or jperrault@dioceseofprovidence.org.

The Saint Katharine Drexel Legacy Society

honors individuals who have shared their gifts or made gift intentions known to the Catholic Foundation of Rhode Island. Gifts of the past have helped perpetuate our ministry and service to those in need. Your gift is a reflection of your faith and values, and brings the presence of Jesus Christ and the light of the Gospel into all areas of human life. Stewardship of your estate assets is diverse with gifts through wills, trusts, retirement plans, life insurance, life income or outright gifts, and other means. Help us secure our financial future with your thoughtful gift. Please let us know so we may include you in our special circle of friends in the Saint Katharine Drexel Legacy Society.



Sandra Sebring, Associate Director

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SAVE THE DATE

Catholic Foundation of Rhode Island's Annual Appreciation and Accountability Meeting for Contributors and Investors

With Special Recognition for Saint Katharine Drexel Legacy Society Members

Thursday, Oct. 12

Noon to 2 p.m.

Luncheon

Aldrich Mansion, Warwick, R.I.



Back row (*from left*): Derek Wesley, Assistant Director, Special Gifts, and Jennifer Perrault, Assistant Director, Catholic Education
 Front row (*from left*): Sandra Sebring, Associate Director; Anthony Gwiazdowski, Director; and Robert Spirito, Assistant Director, Parish Services