

FAITH Shaping the Future



2005 Annual Report

FOUNDATIONS AND DONORS INTERESTED IN CATHOLIC ACTIVITIES, INC

Dear FADICA Members;

It is a pleasure to present FADICA's annual report for 2005 which we have entitled, "Faith Shaping the Future".

On the eve of our thirtieth year, we take pride in the many ways that our collaboration has influenced the life and ministry of Catholic institutions during this era of great change.

Over this past year, FADICA played an instrumental role in developing new resources and networks to help Catholic dioceses and parishes with the new financial and human resource challenges that future church growth presents.

As we enter an important anniversary year in 2006, we can celebrate together the many specific accomplishments described in these pages and marvel at the power of faith-inspired philanthropy. Most certainly we will be building upon this great legacy in 2006 by increasing our capacity to serve and by taking our pioneering leadership to a whole new level in the time ahead.



Francis J. Butler
President



FAITH Shaping the Future



FADICA

A catalyst for initiatives furthering the welfare of the entire Catholic community.

D R A W I N G O N O U R P A S T

In the early 1970s, a handful of pioneering foundation leaders began meeting to discuss the rapid, momentous changes impacting the church in the United States in the wake of Vatican II. These men and women were determined to become more personally involved in the renewal of Catholicism. These early encounters led to the foundation of FADICA, whose mandate was to conduct vital research and develop strategies to enable private philanthropy to play a more targeted and supportive role in helping Catholic institutions and leaders map their future. The new organization would be a catalyst for initiatives furthering the welfare of the entire Catholic community. This new alliance of Catholic foundations and donors across the country would allow philanthropists to meet regularly, compare notes, and build alliances.

Since the exciting days of our founding in 1976, FADICA has presided over an outstanding series of conferences tackling the major problems facing the church in our time. To date, no fewer than 70 conferences and a considerable body of research funded in their wake have sparked dynamic and highly effective cooperative action among the membership. We can proudly claim notable progress in key areas of church life, including the identification and analysis of major trends affecting the Catholic community at large. What's more, FADICA has brought about vital dialogue and collaboration between the foundation community and the Catholic institutional leadership—all in the service of our mutual abilities to help the church accomplish its mission.

"We have learned so much through our participation in FADICA's conferences. Much of our philanthropy today takes its origin in these exchanges."

FADICA Symposium –
Women of Faith: A Conference on
Participation and Leadership

FAITH Shaping the Future



FADICA has presided over conferences tackling the major problems facing the church in our time.

FADICA'S ACHIEVEMENTS:

- | Conducted original research and ran a highly successful national church campaign to help 100,000 elderly priests and religious meet their retirement needs
- | Created the first extensive training program for diocesan and religious vocation directors
- | Developed and incorporated national standards that govern curricula on effective preaching in all Catholic seminaries
- | Launched a multi-million dollar campaign to help rebuild the church in Eastern and Central Europe, which was left devastated after decades of life under communist rule
- | Conducted the first-ever independent management study of the Holy See, which resulted in substantial operating savings and increased worldwide donations to the Vatican
- | Created and funded a graduate business school curriculum for the professional formation of financial managers working for and in the church
- | Set up a six-year program to help Catholic schoolteachers deepen their understanding of the spiritual life of inner-city school children
- | Inaugurated a lay-led organization to improve the financial operations and overall management of Catholic parishes and dioceses

"Catholic philanthropy is every bit a vocation and must be spiritually and intellectually nourished in community."

FADICA Twentieth Anniversary Celebration, Jerusalem



FAITH Shaping the Future

Initiating vital dialogue and collaboration between the foundation community and Catholic institutional leadership

D R A W I N G O N O U R P A S T

The accomplishments of the past 30 years are certainly a cause for celebration. But the church in 2006 faces a set of challenges radically different than those confronting the institution in FADICA's inaugural year. There are far fewer clergy and religious, while the Catholic population has grown enormously; a significant and growing number of urban parishes and parochial schools are struggling to remain solvent. And, overall, there is the pressing need for the recruitment and formation of a new generation of lay leadership to guide Catholic institutions, such as schools, universities, and hospitals, into the 21st Century. The changing environment in which the church carries on her mission requires that Catholic philanthropists, more than ever, continue to cultivate the spirit of cooperation that boosts each member's ability to be of greater service.

In this context, 2005 was a year of reflection for FADICA. We looked back on our achievements and considered the urgency of adapting our approach to new challenges. FADICA must address an ever larger number of areas of need as well as improve its ability to serve the specific, individual needs of our family of foundations and donors. Throughout the past year, a team of FADICA board members has been putting in place the elements of a five-year plan to do precisely that. In 2006, the 30th anniversary initiative will make it possible for FADICA to take its pioneering leadership role to a whole new level.



FAITH Shaping the Future

"FADICA has effectively represented the lay philanthropic perspective ... it has proved its worth as an astute judge of the lay philanthropic spirit."

"The Catholic Philanthropic Tradition in America"

Who will carry forward their legacy of institutional leadership and selfless service?

PREPARING FOR OUR FUTURE

On the eve of FADICA's 30th year, the organization's discussions and planning focused in particular on the ongoing, enormous challenge of recruiting a new generation to carry on the task of the ever larger number of clergy and religious who have entered retirement, particularly during the past decade. Who will carry forward their legacy of institutional leadership and selfless service?

Who directs adult faith formation, oversees sacramental preparation, conducts wedding rehearsals, provides spiritual counseling in the parish, leads the youth ministry, or staffs the parish school? Increasingly, the answer is: the laity. At present, 30,632 laypeople occupy salaried positions of at least 20 hours a week in parishes. Thousands more work for dioceses, supervising schools, staffing tribunals, and directing church planning. Two thirds of these new leaders are women.

FADICA began the year by listening to the stories of women who are pioneers in their field—chancellors, seminary faculty, canon lawyers, academics and other professionals. The conference, *Women of Faith*, featured such outstanding women as Sister Sharon Euart, RSM, president of the Canon Law Society of America; Carol Ann Mooney, president of St. Mary's College in South Bend, IN; author Elizabeth Dreyer; Charmaine Williams, chief planner for the Diocese of Forth Worth, TX; Prof. Deborah Organ of St. Paul Seminary, St. Paul, MN; Carol Fowler, human resource director for the Archdiocese of Chicago; and Kerry Robinson, trustee of the Raskob Foundation.

The conference concluded that compensation for many parish ministers is substandard, even as opportunities for women's service are expanding rapidly. There was a strong call for church-wide reflection on the economics of service and ministry. Participants also expressed the sense that the laity is often considered as a temporary labor resource in the face of the vocations draught—rather than as a permanent and vital work force.

At a time of unprecedented change in church and society, FADICA's work is needed more than ever.

PREPARING FOR OUR FUTURE

Women of Faith particularly paid tribute to the vital role of women in the church's work of spiritual formation. The conference called for more opportunities for women to contribute to the theology of spirituality—especially in light of lay ministers' strong demand for more formation resources that reflect women's faith experiences.

A number of FADICA members will be working closely with Fairfield University, in Fairfield, CT, to help launch a pilot initiative designed to allow more women to enter the field of spiritual theology.

FADICA has also put in motion preparations for a major conference on the Catholic priesthood. The Catholic church in the U.S., has long taken pride in its spiritual vitality. For decades, American Catholics could boast that 10 percent of the world's priests served in U.S. parishes. That is no longer the case. Four decades ago, the yearly total of

ordinations in the U.S. stood at close to 1000. In 2005, only 454 priests were ordained. With the median age of today's priest standing at 60, a growing number of dioceses across the country are grappling with the fall-out of an unprecedented number of parish closings and consolidations.

To shed more light on the profound impact of the clergy shortage on the lives of priests and, in fact, all aspects of Catholic life and leadership, FADICA will organize a conference entitled: *The Priesthood in a Time of Change and Challenge*. It will have the mandate to discuss the overall state of the priesthood; the plight of those communities most affected today by the vocation crunch; and the urgency of developing and implementing a strategy to engage all Catholics—but especially foundations and donors—to become more vigorously involved in tackling one of the thorniest issues the church faces today.

FAITH Shaping the Future



“You in FADICA meet each other a few times a year. You know each other and you share. Somehow together you become a source of healing for the world.”

Henri J.M. Nouwen (1932-1996)



FAITH Shaping the Future



"It seems to be that as we mature as a philanthropic organization, as we continue to uncover the problems and solutions in Catholic life, and as we deepen our spiritual bonds in this service to the church, we will naturally move more and more toward the challenge of turning our ideas into action ..."

John M. Bruderman, FADICA Founding Chairman
(1913-2002)

Opening Young Minds and Hearts

CATHOLIC EDUCATION

The economic model utilized by today's Catholic schools continues to be a huge burden for many parishes and families. Rising operating costs associated with lay salaries, competition with charter schools, the high cost of urban settings, plus the overall declining numbers of students, have forced hundreds of school closings and consolidations across the country. Average tuition costs have risen nearly 40 percent in just five years, putting the possibility of attending a parochial school out of reach for a growing number of middle and low-income families.

In the midst of these dire circumstances has come what many consider a near miracle: the development of the Cristo Rey schools, a network of work-study college preparatory schools exclusively serving low-income, inner-city students. With FADICA playing a key role, last year saw the number of schools in operation climb to 12. Community-based feasibility studies to open another dozen schools are well underway.

The network of schools has expanded under the leadership of FADICA board member B.J. Cassin, and a professional staff led by Rev. John P. Foley, SJ, founder of the first Cristo Rey high school, in Chicago. Increasingly, members of FADICA are joining Cristo Rey

donors as strategic planning consultants and funding partners in various parts of the country. Cristo Rey remains committed to opening new schools in those communities where affordable Catholic education is currently unavailable, and where the Cristo Rey work-study program—which relies on support from local business—can thrive.

The education of Catholic young people continued to command a major part of FADICA's agenda in 2005. The organization again hosted its Future Foundation Leadership Institute at Georgetown University. To put the spotlight on the need to develop the philanthropic skills of FADICA's younger members, the Institute invited 21 outstanding young men and women. Among others, they represented the Loyola, O'Shaughnessy, W. O'Neil, and Raskob Foundations—all FADICA members—as well as the Henry Luce Foundation, the Lilly Endowment, and the White House Office for Faith Based and Community Initiatives. Washington's Cardinal Theodore McCarrick, a trustee of the Loyola Foundation, was the marquee speaker. The combination of classroom-style lectures, teamwork, and field visits to national church agencies and the Washington Jesuit Academy, made for a rich and compelling first-hand experience of how philanthropic decision-making impacts Catholic life on the ground.



FAITH Shaping the Future

"You have put your own resources at the service of the church, and more than that, you have done so in responsible and careful ways by continually educating yourself ... all of what you do gives me heart and energy to continue my work for the church..."

Tackling the every-day financial, personnel and management challenges facing dioceses and local faith communities alike.

HELPING TO MANAGE THE CHURCH IN CHANGING TIMES

FADICA played an instrumental role last year developing new resources for church leaders on best management practices in the religious sector.

In March 2005, the National Leadership Roundtable on Church Management was established, bringing together 200 leaders from the church as well as the worlds of business, philanthropy and education. Their deliberations resulted in a firm commitment to put in place a strategy to tackle the every-day financial, personnel and management challenges facing dioceses and local faith communities alike.

With start-up grant support from several of FADICA's member foundations, the Roundtable will research best practices and standards in the overall running of the institution; serve as a clearinghouse for strategies and solutions; and field teams of experts to assist in dealing with practical problems. The Roundtable will also host an annual working conference, which will examine and discuss case studies, as well as recognize excellence in church management.

As the Roundtable got underway, so did Villanova University's Center for Church Management. Begun with encouragement as well as funding from FADICA members,

the first-of-its kind Center is part of Villanova's School of Commerce. The university will offer the first Master's Degree in Church Management, as well as a summer training institute in key areas of the management of church-related institutions. The institute will be especially geared toward the needs of pastors and parish administrators.

A major part of FADICA's mission to provide new resources for the church came in the form of last year's fourth annual national parish donor survey. The survey was developed in collaboration with Villanova University's Dr. Charles Zech and engaged the Zogby polling organization to do the field work.

The study of 1000 regular Mass-going Catholics registered a very strong opinion that the church must become more accountable when it comes to the management of its finances. More than two-thirds of parishioners surveyed endorsed this position; and 50 percent of this group went further in expressing dismay over not having adequate information about how their financial contributions are put to use. The survey also showed, for the first time, that those Catholics contributing \$5000 or more per year to the church expressed far greater dissatisfaction with the institution's financial reporting policies than other parishioners.

"...the most delightful aspect of FADICA has been the palpable sense of fellowship among its members, a state of mind and heart that deepens the longer you belong to the organization."

Peter S. Robinson, FADICA Founding President



FAITH Shaping the Future

Benefiting and relying on a well-established network of committed lay leaders who are inspired and sustained by the work of FADICA.

FAITH SHAPING THE FUTURE

With the church, nationally and internationally, confronting great challenges as well as opportunities, it will surely continue to benefit from—and need to rely on—a well-established network of committed lay leaders who are inspired and sustained by the work of FADICA. Our organization's collaborative model has profoundly helped shape the thinking and actions of an amazing group of well-informed movers and shakers, each one of them deeply committed to serving their fellow Catholics. Our members, working closely together, have joyfully discovered and embraced their ability to be influential agents for the common good of the church and society in ways that go far beyond the capacity of individual foundations.

Today, FADICA is called to take advantage of its huge potential, build upon its past work, and ever more powerfully promote standards of excellence in Catholic philanthropy.

As FADICA approaches its 30th anniversary, it is quietly exploring among its members plans to put in place the elements of a five-year growth plan designed to expand FADICA membership and strengthen its capacity for service.

At a time of unprecedented change in church and society, FADICA's work is needed more than ever. Its proud history and founding vision keeps it rooted in a faith that calls all its members to take responsibility for shaping the church's future.

BOARD OF DIRECTORS

Denise M. Hattler
Chair
Philip D. Lewis
Immediate Past Chair
Francis J. Butler
President
Michael G. Rauenhurst
Vice President
Timothy J. O'Shaughnessy
Treasurer

Joseph C. Amaturio
Anthony B. Brenninkmeyer
Geoffrey T. Boisi
B. J. Cassin
Thomas J. Donnelly
George E. Doty, Sr.
Thomas J. Healey
Forrest N. Jenkins
Erica P. John
Maureen M. O'Leary
Patrick D. Powers
William F. Raskob, III
Richard J. Reuscher
Kerry A. Robinson

INDIVIDUAL MEMBERS

Betsy Bliss (2006)
San Francisco, California

Anthony B. Brenninkmeyer
Germany

George and Marie Doty
Rye, New York

John Herklotz
Laguna Hills, California

Elizabeth B. Meers
Washington, DC

FOUNDATION MEMBERS

AMS Fund
Milwaukee, Wisconsin

Amaturio Family Foundation
Fort Lauderdale, Florida

Assisi Foundation
Memphis, Tennessee

Better Way Foundation
Minneapolis, MN

Boisi Family Foundation
New York, New York

Robert Brunner Foundation
Palm City, Florida

Burkitt Foundation
Houston, Texas

Cassin Educational Initiative Foundation
Boston, Massachusetts

Connelly Foundation
West Conshohocken, Pennsylvania

Carrie Estelle Doheny Foundation
Los Angeles, California

Donahue Family Foundation
Pittsburgh, Pennsylvania

Mary J. Donnelly Foundation
Pittsburgh, Pennsylvania

Mary K. & James D. Farley Fund
Hobe Sound, Florida

Fidel Götz Foundation
Furstentum, Liechtenstein

William H. Hannon Foundation
Santa Monica, California

William R. & Virginia Hayden Foundation
San Gabriel, California

Healey Family Foundation
New York, New York

Conrad N. Hilton Foundation
Reno, Nevada

The Humanitas Foundation
New York, New York

Thomas & Dorothy Leavey Foundation
Los Angeles, California

Leonardt Foundation
Westlake, California

Frank J. Lewis Foundation
Riviera Beach, Florida

Loyola Foundation
Washington, DC

MGR Foundation (2006)
Bronxville, New York

Mathile Family Foundation
Dayton, Ohio

William G. McGowan Charitable Fund
Washington, DC

William M. & Miriam F. Meehan Foundation
New York, New York

Morey Charitable Trust
Tiburon, California

W. O'Neil Foundation
Chevy Chase, Maryland

I.A. O'Shaughnessy Foundation
St. Paul, Minnesota

Peter Family Trust
Santa Monica, California

Warren P. Powers Charitable Trust
Jacksonville, Florida

Raskob Foundation for Catholic Activities
Wilmington, Delaware

SC Ministry Foundation
Cincinnati, Ohio

Scanlan Foundation
Houston, Texas

Arthur J. Schmitt Foundation
Wilmette, Illinois

Semper Charitable Foundation
St. Helena, California

Serving Hands International Foundation
San Diego, California

St. Marys Catholic Foundation
St. Marys, Pennsylvania

Stichting Porticus
Amsterdam, The Netherlands

Strake Foundation
Houston, Texas

Trust Funds, Inc.
San Francisco, California

Photo Credits:
Cover: CNS; Youth—Getty Images.
Inside Cover: CNS
Page 2: Getty Images
Page 4: CNS
Page 6: CNS
Page 12: CNS
Page 14: Getty Images

Financial Highlights

ASSETS	2005	2004
CURRENT ASSETS		
Cash and cash equivalents	\$432,346	\$322,548
Investments, at market	1,411,219	1,295,755
Accounts receivable	-	15,000
Prepaid expenses	5,750	6,083
Contributions receivable	-	34,555
Total Current Assets	1,849,315	1,673,941
PROPERTY AND EQUIPMENT		
Furniture, fixtures and equipment	106,339	104,443
Less accumulated depreciation	(61,621)	(62,430)
Total Property and Equipment	44,718	42,013
OTHER ASSETS		
Rent deposits	1,907	1,907
Total Other Assets	1,907	1,907
TOTAL ASSETS	\$1,895,940	\$1,717,861
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$1,699	\$5,261
Accrued expenses	425	422
Pass-through grants payable	40,000	-
Total Current Liabilities	42,124	5,683
TOTAL ASSETS	42,124	5,683
NET ASSETS		
Unrestricted	603,594	519,956
Temporarily restricted	1,250,222	1,192,222
Total Net Assets	1,853,816	1,712,178
TOTAL LIABILITIES AND NET ASSETS	\$ 1,895,940	\$ 1,717,861

CASH FLOW FROM OPERATING ACTIVITIES	2005	2004
CHANGE IN NET ASSETS	\$141,638	\$211,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,644	6,821
Unrealized (gain) loss on investments	19,956	(44,367)
Realized (gain) loss on sale of investments	(24,365)	(3,336)
Realized (gain) loss on sale of property and equipment	245	145
(Increase) decrease in operating assets		
Accounts receivable	15,000	(7,500)
Contributions receivable	34,555	36,325
Prepaid expenses	333	(3,512)
Increase (decrease) in operating liabilities		
Accounts payable	(3,562)	3,953
Accrued expenses	3	(1,078)
Pass-through grant payable	40,000	-
Deferred revenue	-	(15,000)
Net Cash Provided By Operating Activities	233,448	184,354
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment purchases	(12,594)	(40,928)
Proceeds from sale of investments	293,860	109,000
Purchases of investments	(404,915)	(280,000)
Net Cash Used in Investing Activities	(123,649)	(211,928)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS - Beginning of year	322,548	350,122
CASH AND CASH EQUIVALENTS - End of year	\$432,346	\$322,548



FADICA

FOUNDATIONS AND DONORS
INTERESTED IN CATHOLIC ACTIVITIES, INC

1350 Connecticut Avenue, NW, Suite 825
Washington, DC 20036
www.fadica.org