

UPON *this* ROCK



Supporting Our Priests ♦ Strengthening Our Church

DIOCESE OF DAVENPORT FREQUENTLY ASKED QUESTIONS

CAMPAIGN BASICS

1. What is a capital campaign?

A capital campaign is an effort to raise money in a fairly short period of time to pay for a significant project or build up a large fund for future use. For a Catholic diocese or parish, this refers to gifts and pledges over and above parishioners' regular giving to the Sunday collection. Parishioners who make pledges to the Diocese of Davenport's campaign will have three years to fulfill their commitment.

2. Who will be asked to give?

Over the course of the campaign, every household in every parish in the diocese will be asked to make a sacrificial gift.

3. When will the campaign take place?

Preparations for the campaign began in September 2021, and the active campaign will take place in three waves, the last of which will conclude in mid-2023.

4. Why do the campaign in waves instead of all at once?

With more than 70 parishes in the diocese, it will be more effective to break up the campaign into smaller pieces over time, to give each parish as much support and direction as possible from the diocese and the parishes' consultant, the Steier Group.

5. What are the campaign goals? How will the funds that are raised be split up?

Sixty percent of the funds raised will go toward the health care and retirement costs of priests, 20 percent toward the funding of seminarians' education, and 20 percent returned to the parish for projects of its choosing. If a parish reaches its goal, 80 percent of any additional funds raised will be returned to the parish.

6. How are the campaign's costs being covered?

As its gift to the campaign, the Catholic Foundation for the Diocese of Davenport is paying all the campaign costs. That means that 100 percent of a donor's gift goes toward the campaign projects. Parishes will not be responsible for any campaign expenses such as postage, printing or diocesan events held at the parish. If a parish decides to go "above and beyond" in promoting the campaign to its parishioners, the parish may bear those incidental costs.

7. What are the parishes' responsibilities?

Each pastor will appoint key volunteers who will work with the diocese and the Steier Group to form a campaign team. The parish team will help with campaign events and make personal visits to other parishioners

to follow up on requests for gifts. Priests also will be asked to help with solicitations of some prospective donors. Every parish will determine the projects to which the parish share of funds raised will be directed.

8. Where will donors send their gifts, and where will the money be kept?

Donors' gifts and pledges will be handled by the Catholic Foundation for the Diocese of Davenport, which manages funding for seminarians' education. The foundation will disburse funds to the Priests' Aid Society for priests' retirement and health care costs and to the parishes for their share. The campaign's Priests Committee has worked with the diocese to outline when the "parish share" funds will be distributed to the parishes.

9. Why can't I just support my parish directly?

Frankly, we hope you continue to support your parish directly through your regular Sunday giving. This campaign is not intended to divert funds that go toward normal operating needs. The campaign is a special effort to meet needs that go beyond the routine and that can help strengthen parishes and the diocese for years to come.

10. Will these funds be at risk from any future lawsuits against the diocese?

No. The funds will not go to the Diocese of Davenport. Any donations will go to the "Upon This Rock Campaign" and will be under the management of the Catholic Foundation for the Diocese of Davenport, which is a separate legal entity from the diocese.

THE DIOCESE AND ITS FINANCES

11. What is the Diocese of Davenport?

The diocese encompasses 74 parishes in 22 counties of southeast Iowa. The diocesan offices assist the bishop in fulfilling his role as chief shepherd to sanctify, to teach and to govern the Diocese of Davenport.

12. Why does the diocese need a campaign?

The diocese is on solid footing, but the future will bring significant financial challenges as the diocese seeks to fund priests' retirement and health care costs and the cost of education for seminarians. With a 20 percent parish share, the campaign also has the potential to strengthen parishes across the diocese.

13. What is the state of diocesan finances? Is this a desperate situation?

The diocesan financial picture is strong; the amount of assets has grown in recent years and investments are doing well. The Annual Diocesan Appeal has remained steady in recent years. This is not an emergency situation. The diocese is looking at future needs for retired priests and at the need to remove any obstacles it can for seminarians, those now in formation and those to come.

14. What kind of financial transparency can we expect during the campaign and beyond?

Transparency is a top priority for the diocese. Diocesan financial reports from 2011 through 2021 are on the diocesan website, and the diocese's financial office is available to answer questions. Regular updates of campaign goals, projects and fundraising will be communicated during the campaign through a number of avenues – the website, emails, social media, to name a few.

DIOCESAN GOALS

15. How many retired priests are there? How many more are nearing retirement?

As of late 2021, there were 98 diocesan priests, 39 of them retired. An additional 33 were age 60 or above, which is expected to put great pressure on the retirement system operated by the Priests' Aid Society as

these priests retire over the next 10 to 15 years. (Retirement age is 70, though some stay active beyond that age.) Put another way: In 2021, 73% of the diocese's priests either were retired or within a decade of retirement age.

16. What's the basic financial situation for retired priests?

During active ministry, priests are provided housing. They are responsible for their own housing costs in retirement, and situations vary widely for retired priests. They live on a mix of personal savings, Social Security and a monthly stipend of about \$2,000 from the Priests' Aid Society.

17. How does the funding strategy for priests work?

For decades the Priests' Aid Society – an organization separate from the Diocese of Davenport and governed by its own board – has been instrumental in helping diocesan priests cover the costs of health care and retirement. The organization relies on two main income sources: the investment income of its fund and an annual assessment of parishes.

18. Why is more money needed?

With so many retirements on the horizon and health care costs rising significantly in recent years, the Priests' Aid Society's current income structure will not be able to keep up without additional funding.

19. Has the retirement situation been studied?

The Priests' Aid Society had about \$15 million in its fund for the health care and retirement costs for priests as of late 2021. To gain an understanding of how much would be needed to ensure that the Priests' Aid Society could keep up with its growing costs, the Diocese of Davenport engaged the services of the firm Gabriel, Roeder, Smith and Co. (GRS), a national actuarial and benefits consulting firm that specializes in such questions for U.S. dioceses. In its report, GRS forecast that the Priests' Aid Society would need an additional \$24 million to fund completely the health care and retirement needs of all diocesan priests while also eliminating the Priests' Aid annual assessment of parishes. The *Upon This Rock* Campaign's \$28 million goal includes more than \$16 million for priests' retirement and health care costs, a major step toward fortifying the fund for decades to come.

20. Will the Priests' Aid Society assessments of parishes go down?

The campaign plan would reduce the assessments by 25 percent for at least five years, freeing up money in parishes' budgets for other uses. (This assessment is separate from the Annual Diocesan Appeal, which funds a variety of programs and ministries.)

21. Doesn't the Annual Diocesan Appeal pay for retired priests' costs?

A small percentage of the ADA goes to the Priests' Aid Society as the diocese's payment for priests who are assigned to diocesan duties outside of parishes. In other words, the diocese is assessed just as parishes are.

22. Do the health costs apply only to retired priests?

No. Health insurance for priests, retired and active, is covered through the Priests' Aid Society.

23. Doesn't Medicare cover retired priests' costs?

Yes, retired priests are eligible for Medicare. The Priests' Aid Society covers the costs for supplemental health coverage.

24. How does funding for seminarians work, and why is more money needed?

A fund managed by the Catholic Foundation for the Diocese of Davenport has in recent years covered the costs of seminary education and formation. That fund was bolstered by an effort in 2015-16 that generated about \$500,000 from donors. That money, as well as several large additional gifts in recent years, has allowed the foundation to continue to cover the quickly rising education costs of seminarians; the total runs about

\$55,000 per year per seminarian. However, about \$100,000 per year is being pulled out of the fund to cover the costs that go beyond investment income and the amount raised during the Annual Diocesan Appeal. That means that at that rate and without additional money, the fund for seminarians will be exhausted as soon as 2024.

25. I thought the Annual Diocesan Appeal paid for seminarians' costs. It doesn't?

The ADA does pay a small portion of seminarians' costs, but the amounts raised through the ADA, other donations and investments haven't kept up with the dramatic increases in education costs.

26. Why don't the families of seminarians pay the costs of their education?

Seminarians are discerning whether to give their life to the priesthood, whether the Holy Spirit is calling them to give a lifetime in service to the Lord and to the faithful. The diocese wants to allow this discernment to occur without money being a determining factor for the seminarian or his family. Moreover, given the modest salary of priests, it would be a significant burden to have to repay the large loans that most seminarians would have to take out in order to pay for their seminary education.

27. How many seminarians are in formation, and how does the future look?

There has been a decline in the number of diocesan seminarians. In the 2021-22 class, there are eight. Until recently, a typical year would see a total of 11-14 seminarians in the discernment process. We are hopeful for and praying for more, of course, and the diocese's Vocations Office is always at work trying to plant seeds that may grow into vocations in future years. A beautiful video spotlighting our 2021-22 seminarians is one good example of how the diocese is trying to inspire young men to consider answering the Holy Spirit's call. It is important that all of us pray for vocations and invite particular young men to consider a vocation to the priesthood.

28. I thought the last campaign (around 2009) was used for retired priests and seminarians. Why do we need more money?

Only about \$3.7 million, or 17%, of the money raised in that \$22 million campaign was for vocations and retired priests. That portion has worked as it was supposed to, helping the Priests' Aid Society and the Catholic Foundation for the Diocese of Davenport fund those needs until now. (The foundation handles the seminarians' education costs, operating distinctly from the diocese.) Over that time, the needs have grown dramatically as more priests have retired, health care costs have risen and the cost of educating seminarians has exploded.

29. Will we face another campaign for this purpose in a few years?

There is no plan for another campaign. Our research indicates that with a successful campaign now, these needs for retired priests and seminarians will be satisfied for the foreseeable future.

THE PARISHES

30. How will the parishes benefit from the campaign?

The campaign goals include a 20 percent "parish share." That means each parish will receive 20 percent of the funds it raises for projects of its choosing. Once a parish goal is reached, the parish will receive 80 percent of any additional funds raised.

31. What types of projects could the parishes choose for the use of campaign funds?

Overall, the parish projects should aim to bring vitality to the parish, promote participation in parish life, and evangelize and serve the faithful and the surrounding community. Some obvious options include building projects, renovations of existing buildings, overdue maintenance needs, debt reduction or the building up of a contingency fund. Other options might take more of a direct ministry approach, such as providing seed money to add an employee to develop a new ministry or providing materials for an existing ministry.

32. What if we don't need a campaign at our parish?

Although some parishes may not have a glaring "need" to be dealt with, they're encouraged to dream and plan for how they could assist more people on their faith journey. Parishes that may not have needs now will almost certainly face needs in the future. The COVID-19 pandemic is a good example of an unexpected situation that creates a need where one previously wouldn't even have been imagined. Also, a parish with fewer needs would be welcome to direct some of its funds to other diocesan parishes in greater need.

33. Who will actually conduct the campaign at each parish?

The diocese, with the help of the Steier Group, will manage the overall campaign effort, including the preparation of materials. At each parish, the pastor will identify campaign leaders who will work with the Steier Group. Those parish leaders will help recruit other volunteers to form a campaign team that will conduct the personal visits and manage the other elements that are the key to the success of the campaign.

34. How much help with the campaign can our parish expect to get from the diocese and the consulting firm?

The diocese's Stewardship and Development Office, along with Steier Group campaign managers, will guide the parishes through the campaign process. The parish will be responsible for forming a team of volunteers that implements the necessary elements of the process.

35. How long will this take?

On a diocesan level, the entire campaign will run through early fall 2023. On a parish level, there will be three campaign "waves." A parish's particular wave will run for six to seven months. That includes preparation, active fundraising and follow-up phases. The active fundraising period will last three to four months.

36. What happens if our parish doesn't hit its financial goal?

The parish's goal is just that, a goal. It's not an assessment, so there is no penalty for not reaching it. What is asked is that a good-faith effort be made by every parish to reach its goal.

CAMPAIGN NUTS AND BOLTS

37. Will we get reminders about our pledges during the three years of the campaign?

Yes, regular giving updates and reminders will be sent through the diocese.

38. Can I give online?

Yes! Stay tuned for specifics on how to make your gift or pledge online as the campaign reaches your parish.

39. Are cash pledges the only kind of gifts?

No. Trust, estate and other planned gifts are welcomed. Donors considering a planned gift should contact the diocesan development director, Michael Hoffman, at 563-888-4252 to discuss the options available.

40. Does a campaign commitment result in tax benefits?

There are potential tax advantages to a charitable gift. However, you should consult your attorney or financial adviser for answers to specific questions about your tax situation.

41. Why do you emphasize making a pledge?

Pledges allow donors to consider giving more than might be possible through one-time gifts. Parishioners often are able to be more generous to their parishes' campaign and the diocese through incremental giving. Also, pledging is not as big a strain on household budgets. This is important in a campaign of this magnitude.

42. How can I make a gift or pledge to the campaign?

There will be a number of ways to make a gift or make payments on your pledge to the campaign, including:

- Setting up a pre-authorized gift (automatic withdrawal) from a checking account
- Setting up a recurring credit card payment
- Paying by cash or with a check through the mail
- Making a stock or securities transfer

43. How do you determine the pledge amounts that families are asked to consider?

Request amounts are based on a number of factors: planning study results, families' history of parish support, input from church leadership, and the understanding that for this to be successful it will require sacrificial gifts. In other words, if the amount you are asked for is more than you anticipated, it generally means that you have been a generous supporter of your parish and/or the diocese, and it is an indication of the challenge we face in reaching our goal. Through this campaign, we are asking everyone to consider supporting their parish and the diocese in a meaningful and sacrificial way and in a manner that works well for each family. It is not our intention to offend or embarrass anyone. The amount requested is NOT an expectation. It is an invitation to participate in this project at whatever level that is sacrificial and meaningful to you and your family. We will be grateful for any support you offer.

COVID-19

44. How can we ask for money from people who lost their job or are otherwise hurting financially because of the virus?

We certainly are sensitive to the struggles parishioners are facing, whether related to the virus or not. That's why we work with pastors and leaders at parishes to set and review request amounts. The process is not foolproof, though. Pastors do not know every parishioner's situation. But there is never an intention to be insensitive to a parishioner's suffering. Meanwhile, some parishioners are in a position to give now and want to help. The campaign gives them that opportunity and the confidence of knowing how the money will be used. Be assured that only those who are able to give are expected to do so, and ultimately the decision is between the donor and the Lord.

45. Won't giving now make it harder for a lot of parishioners?

The campaign is founded on stewardship, our belief that we give back in gratitude a portion of what we've been given by God. Stewardship isn't just for the good times in life, when we can give easily; it's for all times, including the difficult. We may adjust how much we give, or to whom we give, but we continue to give – in gratitude for and in proportion to what we've been given. A truly sacrificial gift demonstrates our trust that God will provide what we need, though not necessarily what we want. Stewardship isn't what KEEPS us from getting through the tough parts of life; it's what HELPS us get through them.

46. Given the concerns about safety, can we do the campaign all by phone or mail?

To promote safety, there is flexibility built into the campaign processes that will give pastors and parish leaders options for adjustments in the structure of their campaigns. To be clear, any personal contact will be undertaken only with parishioners' consent. Having said that, know that the campaign is not just about money. There is a significant, positive impact from the "personal" aspect of any parish project, including a campaign. We want the campaign's goals to be effectively communicated, parishioners to have every opportunity to ask questions, volunteers to have a chance to express their support and, frankly, for parishioners to have the chance to simply talk with and get to know one another – in person, if possible.