

Financial Consequences of Diocesan Bankruptcies

As of 12/1/2020

DETERMINING FINANCIAL IMPACT TO CHURCHES

- 📄 Tax exempt organizations with gross receipts >\$50,000 must file a Form 990 to the IRS.
- 💰 Religious institutions are exempt from disclosing any financial information to the public so we can't 'see' directly into the finances of the Catholic Church.
- ✝ Catholic Charities
 - Considered the primary charitable arm of the Catholic Church, operating as 501c3 organizations
 - Operated under the management of the diocese(s) in which they are located
 - They receive funds from public, private and philanthropic donations
 - Therefore these organizations must file IRS Form 990

Catholic Charities financial status can serve as a proxy to the financial status of the diocese.

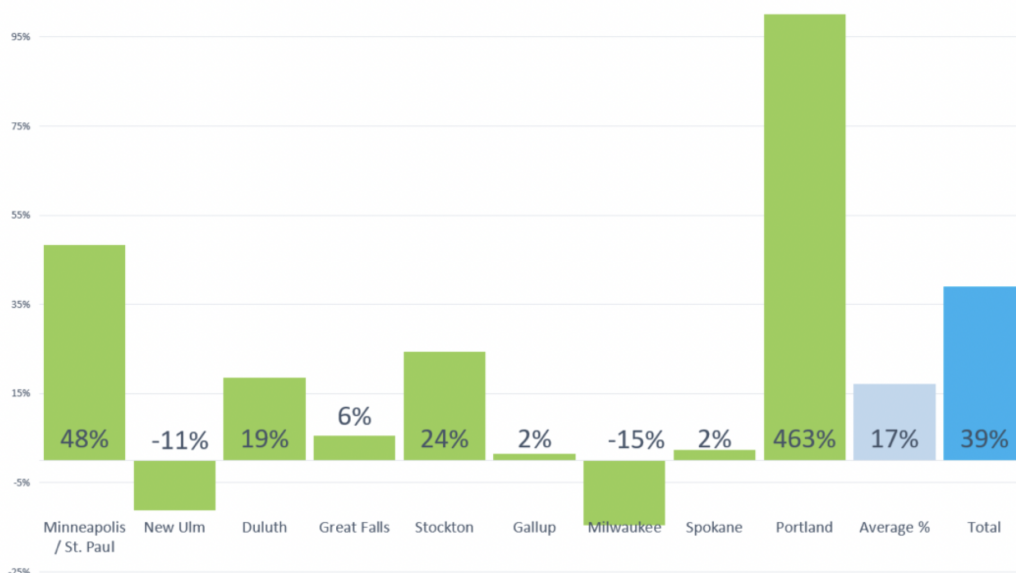
DIOCESE THAT HAVE DECLARED BANKRUPTCY

- 📄 There are 10 (9) dioceses that have declared bankruptcy in the last 10 years.
 - Stockton, CA; Helena, MT & Great Falls Billings, MT; Saint Paul/Minneapolis, MN; Duluth MN; New Ulm MN, Gallup NM, Milwaukee WI, Spokane WA, and Portland OR
 - Helena and Great Falls were grouped together because together they operate the statewide Catholic Charities organization. These 2 diocese did NOT declare bankruptcy at the same time.
- 📄 Reviewed the 990 forms for all of these diocese to discern financial status of Catholic Charities and thereby some visibility into the financial status of the diocese.

SUMMARIZING THE DATA

Chart below shows the percentage income change for the 2 years prior to bankruptcy and the 2 years following bankruptcy for Catholic Charities Inc.

Financial gain/loss when Bankruptcy declared



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- On average, when a diocese declares bankruptcy, the associated Catholic Charities has a net increase in contributions of **39%**.
- Bankruptcy actually appears to have a significant positive influence on the charitable arm of the Catholic Church.

TABULAR DATA

Shows donations to charitable arms of the Catholic dioceses for 2 years just prior to bankruptcy filing and 2 years following bankruptcy filing.

DIOCESE	2 YEARS PRIOR	2 YEARS AFTER	% CHANGE
Minneapolis / St. Paul	\$20,816,637.00	\$30,883,568.50	48%
New Ulm	\$2,771,750.00	\$2,463,443.00	-11%
Duluth	\$13,627.00	\$16,154.00	19%
Great Falls	\$350,733.00	\$370,151.50	6%
Stockton	\$2,983,580.50	\$3,710,849.00	24%
Gallup	\$562,111.50	\$570,919.00	2%
Milwaukee	\$5,354,155.50	\$4,577,721.00	-15%
Spokane	\$5,442,108.50	\$5,569,832.50	2%
Portland	\$114,311.00	\$643,484.50	463%
Average %			17%
Total	\$26,936,327.50	\$37,444,166.00	39%

- Significant disparity between income for large and small dioceses
- Only 2 dioceses show loss
- **50%** of the Catholic Charities associated with each diocese show significant increase in income within 2 years of their respective diocese declaring bankruptcy

CAVEAT

Data from bankruptcies less than 2 years ago simply hasn't been filed yet.

For additional information, please contact the State Council for Childhood Abuse and Neglect (SCCAN):

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