
Charles Zech
Villanova University Center for Church Management and Business Ethics

The Church is not a business. But it does have a stewardship responsibility to use the scarce resources that are available to it as effectively as possible to carry out God’s work on earth. Frequently this requires the utilization of sound business management techniques, both in managing brick and mortar and in managing people, whether they are paid or volunteers, lay or clergy.

The world in which the Church carries out its ministry is changing rapidly. This requires Church leadership structures to evolve to keep up with the times, just as business management structures need to evolve to ensure the business’ survival. This White Paper is intended to address the issues and propose some solutions in building the parish business model for the 21st century.

An Overview of Trends Requiring a New Parish Business Model

There are five major trends that are impacting the US Catholic Church that require the rethinking of the parish business model. These trends are related and also affect one another. They include:

1) The decline of vocations to both the ordained and non-ordained religious life.
2) The migration of Catholic population from the inner city to the suburbs, and from the North and Midwest to the South and West.
3) An increasingly ethnically diverse Catholic population.
4) Low giving by Catholic parishioners, who contribute far less to their church than do their Protestant counter-parts.
5) Declining participation, most notably Mass attendance, among parishioners in general but especially among younger cohorts.

Here is a brief discussion of each of these trends, including a description of their impact on parish organizational structure.

Trend 1: Declining Vocations to Both Ordained and Non-ordained Religious Life

Since its peak in the 1960’s, the number of ordained clergy (both diocesan and religious order) and the number of non-ordained religious (sisters and brothers) has decreased dramatically. According to the Official Catholic Directory, the United States had 58,632 priests in 1965. By 2013 that number had been decreased to a total of 39,600 priests, a decrease of 32 percent. The number of diocesan priests had decreased by 26 percent and religious order priests had decreased by nearly 46 percent.

During that same period the decrease among non-ordained religious was even more dramatic. The number of religious sisters fell by 72 percent, from 179,954 to 51,247 and the number of religious brothers decreased by 64 percent, from 12,271 to 4407.
As disappointing as these figures are, they mask another trend, the aging of active clergy and vowed religious. Not only are there fewer of them, but they are much older.

In fact, the only group that is growing is the ministry of permanent deacon, which was re-established after Vatican II. The permanent diaconate didn’t exist in 1965. By 2013 it had grown to 17,325 ordained permanent deacons.

What This Trend Means
So, what are the implications of fewer ordained and vowed religious serving the church in the United States? There are three primary issues:

- First, in the case of priests, fewer of them in the face of an increasing Catholic population means that more is expected from each priest. In 1965 the ratio of Catholics to priest was 778 Catholics per priest. By 2013 that figure had risen to 1687 Catholics per priest. Keep in mind that the priesthood is aging, and that not all priests serve in parishes. As a result parishes are getting larger. At the same time the church’s expectation that priests serve both as the spiritual leader of the parish and as its temporal leader (Canon 532) places a huge burden on these men.

- Second, the non-ordained vowed religious have always been an important, while inexpensive, pool of labor for parishes. They’ve traditionally been a critical source for parochial school teachers and other vital parish ministries. Those positions still must be filled. More and more frequently they are now filled by professionally trained lay people, who deserve compensation from the parish in accord with their professional credentials. This places a burden on parish budgets.

- Third, in those areas where there is a relative shortage of priests some dioceses have resorted to closing or merging parishes, resulting in larger parishes. Others have adopted innovative parish organizational structures that are permitted by canon law. These include multiple parishes pastored by a team of priests (Canon 517.1); a parish administered by someone other than a priest, such as a deacon, vowed religious, or lay person (Canon 517.2); and a single priest pastoring multiple parishes (Canon 526.1). According to the Center for Applied Research in the Apostolate at Georgetown University the number of US parishes without a resident pastor has grown from 549 in 1965 to 3554 in 2013. These alternative parish structures require inventive approaches to parish management.

Trend 2: The migration of Catholic population from the inner city to the suburbs, and from the North and Midwest to the South and West
The graph below, downloaded from the Association of Statisticians of American Religious Bodies website illustrates the varying growth of the Catholic population in different regions of the country. A similar pattern holds for the migration of Catholics from urban centers (where they had settled as immigrants) to suburban areas as their socioeconomic status improved in the period following World War II. For example, during the period 2000-2010, the urbanized Philadelphia County lost 23% of its Catholic population while suburban Chester County’s Catholic population grew by 50.9%. Likewise, in the Chicago Archdiocese, urban Cook County lost 9.3% of its Catholic population while in suburban DeKalb County it rose by 13.9%. The same pattern held even in growing areas like the Southwest. In Texas, urbanized Dallas County
lost 7% of its Catholic population while suburban Collin County saw its Catholic population increase by 23.7%.

**What This Trend Means**

As a result of these dual migrations, there exists a serious mismatch between the location of Catholic facilities (primarily churches and schools) and the US Catholic population. As a generalization, the facilities tend to be located in urban areas in the Northeast and Midwest, while the Catholic population is increasingly located elsewhere. Large urban dioceses are faced with the need to close poorly-attended inner city parishes and schools while building facilities in the suburbs. Meanwhile, dioceses in the South and West are building facilities as they try to cope with the explosive Catholic population growth. One consequence is that the new parishes that are being established are larger than has historically been the case, placing a burden on parish management. This pattern also places a tremendous financial strain on all of the dioceses and parishes involved.

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**Trend 3: An Increasingly Ethnically Diverse Catholic Population**
Immigration has led to an increasingly diverse US Catholic parish population. A 2012 survey of US Catholic parishes conducted by the Emerging Models in Pastoral Leadership Project found that from 2005 to 2010 the average proportion of Caucasians in parishes decreased by nearly 3 percent while the number of Asian and Hispanic parishioners increased by 17 percent. According to the 2010 CCSP-FACT random survey of Catholic parishes, a quarter of US Catholic parishes celebrate their weekend masses in more than one language.

What This Trend Means
At one time Catholic parishes in this country were relatively homogeneous, reflecting the propensity for recent immigrants to settle in conclaves with others of similar ethnic backgrounds. This was compounded by the emergence of ethnic parishes and strictly enforced parish boundaries. These patterns are not as prevalent today. Parishioners can no longer be viewed as a homogeneous group with similar needs for programs and religious services from the parish. Each parish needs to make a greater effort to reach out to its parishioners and learn what their needs are and the extent to which the parish is meeting those needs. There needs to be more attention paid to individual parishioner needs.

Trend 4: Low giving by Catholic parishioners, who contribute far less to their church than do their Protestant counterparts.
This is not so much a trend as it is an on-going problem. Since the pattern was first discovered in the 1970’s, Catholic households have contributed to their church at about half the rate as their Protestant friends. During the last four decades the typical Catholic household has reliably contributed 1.1 to 1.2 percent of its income to the parish. During the same time period, the typical Protestant household has reliably contributed 2.2 to 2.5 percent of its income to its congregation.

What This Trend Means
Median Catholic household income in the US is about the same as median Protestant household. If U.S. Catholic households simply gave at the same rate as their Protestant friends (not necessarily tithing, but 2.2 to 2.5% of their income) US Catholic parishes would realize another $8 billion in revenue each year. Looked at another way, each U.S. Catholic parish would see its annual collection revenues double. Parish management structures need to be established that will enable each parish to take advantage of the opportunity to dramatically increase parish revenues.

Trend 5: Declining participation, most notably Mass attendance, among parishioners in general but especially among younger cohorts
A 2012 survey found that weekly Mass attendance ranged from 54 percent for those 70 years of age or older (about 10 percentage points less than it had been in 1999) to 23 percent for parishioners younger than 25. Other measures of participation have also been decreasing, and are typically much lower for younger Catholics than for older Catholics.

While it has always been true that there has been a life cycle effect in religion -- youth tend to be less religiously involved than their parents and grandparents – the current pattern of declining participation among cohorts is a relatively recent phenomenon.

What This Trend Means
The youth are the future of the Church. To the extent that young parishioners choose to not participate in parish activities at the same rate as their parents and grandparents marginalizes religion and puts the survival of parishes at risk. Parish management structures need to be instituted that will enable the parish to address the participation issue.

Components of the Parish Business Model of the 21st Century
Clearly, in the face of these and other trends (e.g., increased use of technology) the parish business model of the 21st century must be adapted. This is true whether the parish is organized as a traditional parish with a resident pastor or as an “emerging model” parish without a resident pastor. In either case, the following components need to be incorporated.

Component 1: An Elliptical Parish Organizational Reporting Chart
Fr. Thomas Sweetser SJ, the highly regarded parish consultant, has long argued for a revision of the parish reporting chart. The chart in most parishes, Fr. Sweetser has observed, can be illustrated by a circle, with the pastor as the circle’s focus. The entire staff reports directly to the pastor and all decisions flow through him. A better system, he argues, would be represented by an ellipse. An ellipse is unique in that it doesn’t have one focus, it has two focal points, or foci. In his system, these would represent a pastor and a parish administrator. They would work closely together, while each maintains their own areas of responsibilities. The pastor would have primary responsibility for the pastoral tasks of the parish, while the parish administrator would be responsible for the temporal or business side of running a parish. This type of relationship is observed frequently in our society, such as a husband and wife in a marriage; or a Chief Executive Officer and a Chief Operating Officer in a corporation.

A recent survey by the Center for Applied Research in the Apostolate at Georgetown revealed that 90.5 percent of paid parish staff who are involved in ministry (such as the director of religious education or music minister) report to the pastor, 2.8 percent report to a parish manager, and 2.2% report to a combination of the two. But 71 percent of the paid non-ministry staff (such as custodians, secretaries, etc.) report to the pastor while only 24.4 percent report to a parish manager and 2.4 percent report to a combination. While one could make the case for ministry staff reporting to the pastor, there is very little justification for the pastor being responsible for having non-ministry staff report to him.

The successful implementation of this system requires two critical elements
1. The two need to agree on which aspects of parish life must be overseen by the pastor. Which tasks require ordination, and which do not. Those that do not could be placed under the administrative responsibilities of the parish administrator. These would include all of the financial, personnel, and facilities matters.
2. The parish needs to find a professionally qualified parish administrator. In many parishes the closest thing to a parish administrator is the parish business manager. Many business managers are retired from business, and are not experienced in issues facing faith-based organizations such as dealing with volunteers or relying on contributions as the primary source of revenue. Many prefer to only work part-time. Other parishes employ business managers who have limited business background and whose primary qualification is that they are daily Mass attenders. In order for the elliptical model to be effective, it is
imperative that the parish administrator is as professionally qualified to manage the temporal side of the parish as the pastor is to conduct the pastoral sphere.

A related issue is the need to educate parishioners and staff, who are accustomed to approaching the pastor on all parish matters, on the necessity of recognizing the parish administrator’s authority over temporal matters.

The elliptical model has the obvious benefit of helping to alleviate the clergy shortage by reducing the burden on priests as parishes get larger as some are merged and others are closed. This parish organizational structure would be particularly beneficial in situations where one priest is pastoring multiple parishes.

Another benefit of this model is that it relieves the pastor of many tasks which, frankly many lack the inclination or skill set to perform, and in which most have not received any prior education or training.

A downside is that it would be costly for a parish to pay the compensation required to attract and retain professionally qualified parish administrators. This would be especially burdensome on some smaller parishes. For those parishes it would make sense for them to arrange to share a parish administrator.

Component 2: Professionalize Performance Management in Parishes

The most valuable parish resource is its people: clergy, paid staff, and volunteers. However, just as many dioceses and parishes have resisted calls for more accountability in their finances, so too have they resisted calls for more accountability among their personnel. The church at all levels, but especially at parish levels, does a poor job in managing the performance of its personnel.

Performance management has many components, including hiring, providing job descriptions, setting performance criteria, conducting performance appraisal, offering formation opportunities, and developing termination procedures.

Parishes struggle with performance management for a variety of reasons
- Pastors lack training in performance management techniques
- There often exists a close personal relationship among the pastor and parish staff
- Many parish outcomes, such as “a change in minds and hearts” are either unobservable or un-measureable
- The perception that honest performance management (which might include negative comments) is unchristian

Nevertheless, we owe it to our parishioners to ensure that our parish personnel (both paid and volunteer) provide the best parish services possible. To ensure that outcome occurs, we need performance management to be taken seriously at each of the following stages:

1. **Hiring.** David DeLambo conducted a landmark study of parish ministry\(^3\). Among his findings was that two-thirds of those in paid parish ministry positions were hired through what he termed “informal networks” such as being solicited by the pastor or parish staff
or by responding to a parish bulletin advertisement. Only about one-fifth were hired through traditional formal networks such as the diocesan personnel office or postings placed in diocesan or secular newspapers. Parishioners deserve the best staff possible. Limiting the search to parishioners, as often appears to be the case, may not discover the best candidates.

2. **Job descriptions.** The Emerging Models of Pastoral Leadership Study found that only 71 percent of parish lay ecclesial ministers have job descriptions. The fact that such a large number lack job descriptions, it makes one wonder how performance criteria are set, how it can be determined if they are performing as expected, and how it can be ascertained where performance improvements could be made.

3. **Performance Appraisal.** Every parish staff member (and arguably every volunteer parish ministry leader) deserves performance appraisals. At least one appraisal should be “summative” in nature. A summative evaluation addresses questions such as how well the person doing? Is he/she advancing the church’s overall mission? A summative evaluation leads to a conclusion about how well-suited a person is to the ministry needs of a particular parish. It is preferable. In contrast “formative” evaluations are for the purpose of helping the staff member achieve his/her fullest potential. They may be held more frequently than annually – perhaps even quarterly.

A recent survey by the Center for Applied Research in the Apostolate at Georgetown found that fewer than half, 48 percent, of paid ministry staff received regular formal performance appraisals. Of these, only 44 percent have their compensation affected by their appraisals. In 84 percent of the cases the performance appraisal is conducted by the pastor and in another 6 percent of the parishes the appraisal is conducted by a combination of the pastor and parish manager.

4. **Termination Procedures.** A parish should not wait until there is a need to terminate an employee to decide how to do it. Termination policies and procedures should be in place and understood by every employee when he/she accepts a position with the parish. Policies and processes should never allow a person to be terminated without advance warning. The steps in the disciplinary and termination process should follow a pattern of progressive discipline, with complete documentation occurring at every step.

As is the case with revising the parish organizational chart, effective parish human resource policies, by building a stronger staff and volunteer base, can alleviate much of the burden faced by pastors and help to ease the strain caused by the shortage of priests. This is important in all parish situations, but it is especially significant larger parishes and in those parishes that don’t have a resident pastor.

**Component 3: The Role of Performance Metrics and Analytics in Parishes**

Tell me about the overall quality of your parish. Would you describe it as above average? Average? Below average?

No matter how you respond, I have a second question for you: How do you know?
Most of what we think we know about our parishes is based on fleeting impressions or anecdotal evidence. Very little is based on sound empirical evidence. In fact, the only data that most parishes collect are measures of financial giving and attendance (“bucks and butts”) along with some of the sacraments administered.

Impressions and anecdotes are helpful in establishing hypotheses, but these hypotheses require data to be tested. Because of advances in technology, data is more available today than ever before. Strategies for enriching parish life have changed from managing tangible assets to developing knowledge-based means of building and deploying a church’s intangible assets, including staff and volunteer capabilities and parishioner relationships. In order to take advantage of these strategies, parishes need measures of performance (metrics) and a willingness to analyze the data to make improvements (analytics).

We need data to answer questions such as
- How will we know when we are accomplishing our mission?
- How will we know that we have impacted our parishioners?
- How will we know how effective the church staff is?
- How will we know if our programs are effective?
- How will we know how to allocate our financial resources?

This is not to imply that the task of establishing useful parish performance metrics is an easy one. It is impossible to measure the transformation of a heart or to count spirituality. Parishes need to settle for metrics that are easier to obtain, but less direct. These include inputs, such as the quality of the staff; or proxy output measures, like attendance, that correspond to their goals.

There are generally three sources for the data used in parish performance metrics. They include tracking key activities; surveys; and financial measures.

Tracking activities involves maintaining records like attendance at functions or the number of members actively engaged in a ministry. Surveys can be administered periodically to parishioners in order to quantify factors that are subjective or personal, such as opinions on the parish’s priorities or the quality of its religious education program. Financial analysis could be used to ensure that the parish budget reflects the parish’s priorities.

A parish’s performance metrics can’t be viewed in a vacuum. They need to be associated with the goals set forth in the parish pastoral plan. Presumably these goals lead to objectives that are measureable. Every element of the plan should have one or more metrics.

Unfortunately many parish leaders have neither the temperament nor the training to know how to measure what matters. Frankly, not everyone in the parish wants accountability. Often parish databases and other information systems are not designed to provide needed information. Church leaders need to help parishes learn to use analytics effectively by working with them and modeling analytics at the diocesan level.

The most compelling justification for parishes to take performance metrics and analytics seriously is that they are simply good stewardship. As long as parishes have limited resources
with which to carry out God’s work on earth, they have a responsibility to utilize every tool at their disposal. This message should be impressed on every pastor and staff member. It is a well-accepted maxim that you get what you reward, and you reward what you measure. That process starts with parish metrics and analytics.

**Component 4: Minimize the Use of “Volunteers”**

Churches (in fact most non-profits) have always relied on the efforts of unpaid labor. However, parishes are different in that typically the unpaid labor has been baptized, and therefore has both a right and a responsibility to serve the parish. They are engaged in the priesthood of the laity.

As such, they are not mere volunteers. Rather, they are involved in a ministry. That involves a different mindset than that of a mere volunteer. The connotation of a volunteer is an outlook that says, “If I show up on time or not, it doesn’t matter – I’m only a volunteer”. Or, “If I do a good job or not, it doesn’t matter – I’m only a volunteer”. But someone engaged in a ministry approaches their tasks differently. Their attitude is, “It’s important that I show up on time – the parish is depending on me”. Or, “It’s important that I do a good job – the parish is depending on me”.

Some parishes have functions each year intended to thank their volunteers. But the parish is in no position to thank those engaged in a ministry, since they are carrying out their baptismal promise. Rather than being thanked, they should be affirmed in their ministry.

Frankly, most involved parishioners view their roles as volunteers. The parish leadership’s task is to convert them from a volunteer mindset to a ministry mindset. If they want parishioners to take their ministry seriously, they must train them for their ministry; support them in their ministry; and yes, hold them accountable for their ministry. Volunteers have minimal; expectations for the training and support they receive, and they certainly don’t expect to be held accountable.

Parishioners taking on such important roles as lector, music minister, religious education teacher, extraordinary minister of the Eucharist, etc. must be transformed from a volunteer mindset to a ministry mindset.

**Co-responsibility**

A corollary to this component is the need to develop a sense of co-responsibility for the parish among all parishioners, not just those engaged in ministries.

The model of parish leadership back in the pre-Vatican II church was very simple – it was the pastor. In those days, the pastor was the pope of the parish. Parishioners were told to pray, pay, and obey.

Vatican II changed all that. The message from Vatican II was that there was to be a collaborative relationship between the clergy and the laity. That’s fine, except true collaboration requires the pastor to be actively involved in every aspect of parish life. With larger parishes and the shortage of priests, that’s simply not feasible.
The model changed under the leadership of Pope Emeritus Benedict. He spoke at every opportunity about the co-responsibility between the clergy and the laity. For example, in a 2009 address at the Basilica of Saint John Lateran, speaking on the topic of Church Membership and Pastoral Co-Responsibility, he said

“It is necessary to improve pastoral structures in such a way that the co-responsibility of all the members of the People of God in their entirety is gradually promoted... This demands a change in mindset, particularly concerning lay people. They must no longer be viewed as ‘collaborators’ of the clergy but truly recognized as ‘co-responsible’ for the Church's being and action, thereby fostering the consolidation of a mature and committed laity. “

Along with their individual ministries, all parishioners are asked to be co-responsible with the pastor. For a parish to be a truly great, the pastor can’t do it by himself. He needs the laity, in a mature and committed way, to be more than mere collaborators with him but rather to take the initiative to step up and become co-responsible with him for the life of the parish.

Clearly a parish where parishioners consider themselves to be co-responsible with the pastor for the life of the parish, and where members view themselves as engaged in a ministry, not merely serving as volunteers, will mitigate the impact of the shortage of priests, whether the parish has a resident pastor or where a priest is pastoring multiple parishes.

**Component 5: Introduce Parishioner Relationship Management**

Proprietary firms have learned how to use technology to increase their ability to personalize their interaction with their customers, under the rubric of “Customer Relationship Management” (CRM). Parishes can adapt some of what these companies have learned and apply them as “Parishioner Relationship Management” (PRM).

The use of technology allows parishes to integrate internal processes to build better relationships with their parishioners than had previously been possible. By combining the abilities to respond directly to parishioner requests and to provide them with a highly interactive, customized experience, parishes have a greater ability to establish, nurture, and sustain long term parishioner relationships than ever before. These capabilities complement (but do not replace) personal interactions provided through the clergy and parish staff.

PRM can operate on a number of levels. At a **strategic** level it is focused upon the development of a parishioner-centric culture. In such a culture, one would expect to find that resources are allocated where they best enhance parishioner value; reward systems promote staff behaviors that enhance parishioner satisfaction and retention; and parishioner information is collected, shared, and applied across the parish.

On an **operational** level PRM automates and improves parishioner-facing and parishioner-supporting processes. Communication automation allows the use of parishioner data to develop, execute, and evaluate targeted communications.
On an analytical level PRM is concerned with capturing, storing, extracting, integrating, processing, interpreting, and using parishioner data to enhance the parishioner’s experience. Analytical PRM is an essential part of PRM implementation. Operational PRM struggles to reach full effectiveness without analytical information about parishioners. From the parishioner’s point of view analytical PRM can deliver timely, customized information, thereby enhancing parishioner satisfaction. From the parishes point of view analytical PRM offers the prospect of more effective parishioner retention and evangelization programs.

Finally, PRM operates on a collaborative level. Collaborative PRM aligns the strategic and tactical aspects of normally separate parish programs for the more effective retention of parishioners. Collaborative PRM uses technology to share information across parish administrative boundaries, allowing these separate ministries to align their efforts to service parishioners more effectively.

Implementing PRM involves the following steps:

- Identify who the parishioners are. Build a deep understanding of them by constructing a database of parishioners. Included in the database is a parishioner’s demographic characteristics, history of parish activities, and responsiveness to past parish communications.
- Analyze the data to differentiate parishioners with the intent of identifying parishioner segments.
- Interact with parishioners to ensure that the parish staff understands their expectations and their relationships with other community options.
- Customize programs and communicate them individually (e.g., email) if possible to ensure that parishioner expectations are met.
- Increased emphasis placed on developing measures that are parishioner-centric and give parish staff a better idea of how their PRM policies and programs are working.

Parishioner Relationship Management in effect combines many of the mechanisms of Component 2 (professionalize performance management), Component 3 (utilize performance metrics and analytics) and Component 6 (technology).

Individual PRM approaches might be needed for evangelizing potential parishioners as opposed to retaining current ones.

Component 6: Use of Technology
Just as the business model for proprietary firms had to be redesigned to account for technology, so too parishes need to make the appropriate adjustments. As described above technology is a key element of PRM. But its benefits extend beyond PRM.

Technology impacts parishes in the following ways.

Website
By some estimates more than half of the people moving into an area will check out a church’s website before visiting the church. If they aren’t impressed by the website, they might
never give the church a chance. A parish has only one chance to make a first impression, and frequently that first impression is through the parish’s website. Just as in business, the church website serves as a “front page” for the church, providing important factual information, such as schedules and directions. But it can be much more than that. The website can serve as a window into the heart of a church.

When done well, a church website can serve as an extension of the church’s office. An effective website can facilitate communication, collaboration, and delegation. It can offer on-line services such as event promotion and registration, prayer request submissions, targeted email distribution, and much more.

One issue that parishes must address in creating websites is the recognition that the website needs to serve multiple audiences. The website can be an important tool for facilitating communication with current members. It also needs to be an evangelization tool and be regarded as inviting by potential members. At the same time, it should be relevant to the various demographics and ethnicities that comprise the church’s current and potential membership.

Parishes typically don’t have the resources to create complicated websites that use e-commerce features. The parish business model of the 21st century needs to address that issue.

Social Media
A parish must have a presence on the various forms of social media in order to be relevant to its younger parishioners. Social networking tools have become an integral part of most people’s daily lives and relationships. If parishes want to connect with their parishioners and community in meaningful ways, then they need to establish a strategy for actively engaging in the social media conversation.

Parishes utilize social media like Facebook and Twitter to share news about events, strengthen community and spread the Catholic message. Social media shouldn't replace attending services and spending time with people, but it can be a way to enhance connections. Rather it is an extension of what is happening on the parish campus. It keeps the conversation going during the week.

Quoting Pope Emeritus Benedict XVI

“New horizons are now open that were until recently unimaginable; they stir our wonder at the possibilities offered by these new media and, at the same time, urgently demand a serious reflection on the significance of communication in the digital age. This is particularly evident when we are confronted with the extraordinary potential of the internet and the complexity of its uses. As with every other fruit of human ingenuity, the new communications technologies must be placed at the service of the integral good of the individual and of the whole of humanity. If used wisely, they can contribute to the satisfaction of the desire for meaning, truth and unity which remain the most profound aspirations of each human being.

I would like then to invite Christians, confidently and with an informed and responsible creativity, to join the network of relationships which the digital era has made possible. This is
not simply to satisfy the desire to be present, but because this network is an integral part of human life. The web is contributing to the development of new and more complex intellectual and spiritual horizons, new forms of shared awareness. In this field too we are called to proclaim our faith that Christ is God, the Savior of humanity and of history, the one in whom all things find their fulfillment.”

Message of His Holiness Pope Benedict XVI for the 45th World Communications Day
June 5, 2011

In other words, we want to connect with people and get them excited about the faith. To do so, we need to meet them. The church is composed of real flesh-and-blood people. Sometimes we meet them in person in our churches; sometimes we don’t. But they do often gather on the web and we can meet them there. Social media serves as an entry point. Unless we meet them there, we can expect participation in our parishes to continue to decline.5

E-Giving
Our studies show that 37 percent of regular Mass-attending Catholics base their contributions on how much is in their checkbook that week. If there is more in their checkbook, they contribute more. If there is less (like near the end of the month) they give less. If they are not attending Mass on a particular Sunday (illness, vacation, etc.) they won’t make up their lost contribution.

To counter this pattern it is important that parishes convince their parishioners of the importance of making a financial commitment to the parish. The easiest way to accomplish this is through e-giving.

There are a number of advantages of e-giving. First, funds are typically transferred to the parish’s account at the beginning of the month, so parishioners are giving of their “first fruits”, an important stewardship concept. Second, parishioners are making a commitment to the parish, which is important to them and to the parish for its planning purposes. And third, since the funds are transferred each month, whether the parishioner attends Mass or not and whether the checkbook is flush at the end of the month or not, contributions tend to be larger. Our studies show that once a household starts giving electronically, their contributions to their parish increase by 38 percent.

In summary, while never replacing face to face contact, technology is an increasingly important tool in maintain contact between parish and parishioner.

How the Components of the Parish Business Model Address the Trends Faced by Catholic Parishes

Five trends facing Catholic parishes were identified in the opening of this white paper. Six components of a Parish Business Model for the 21st Century were identified. How do these components address each of the trends?

Trend 1: Declining Vocations to Both Ordained and Non-ordained Religious Life
This trend has resulted in an overworked clergy while opening the possibilities for more lay involvement, both paid and volunteer. Assuming that a turnaround in vocations to the religious life is not imminent, a variety of the components of the proposed parish business model can mitigate this trend, keeping in mind that there are some tasks in the parish that must be performed by the clergy:

- Component 1: Introduce an elliptical parish organizational reporting chart to reduce the clergy’s burden of managing temporal parish issues. This is important regardless of the parish’s canonical organizational structure. Clergy can then focus their efforts on the pastoral issues for which they were trained.
- Component 2: Professionalize performance management in parishes in order to ensure that for both paid staff and volunteers the right people are hired, they are aware of their job descriptions and performance criteria, and that they receive helpful feedback on their performance. As a result both lay staff and volunteers will be more effective, reducing the burden on the clergy.
- Component 3: Take advantage of performance metrics and analytics in parishes so that the staff can answer questions such as “How will we know when we are accomplishing our mission?”; “How will we know that we have impacted our parishioners?”; and “How will we know how to allocate our financial resources?” As with professionalizing performance management for volunteers and staff, utilizing metrics and analytics will increase the effectiveness of both staff and volunteers.
- Component 4: Minimizing the volunteer mentality and developing a sense of co-responsibility among the laity. The more tasks that parishioners are willing to assume, the greater will be the decline in the burden placed on clergy. Assuring that parishioners take on these tasks with a ministry, rather than a volunteer, mentality and that they take their co-responsibility for the parish seriously will insure high quality parish services.

**Trend 2: The migration of Catholic population from the inner city to the suburbs, and from the North and Midwest to the South and West**

During the period of adjustment from underutilized parishes in the inner city in the North and Midwest along with overpopulated parishes in the West, Southwest and suburban North and Midwest, dioceses will need to insure that parish resources are utilized as efficiently as possible. This could mean closing parishes in some areas and constructing mega-parishes in others. An alternative to closing parishes is for dioceses to employ parish organizational structures permitted by canon law other than the traditional one of a resident pastor in each parish.

However dioceses choose to proceed, they will be faced with similar issues as described in Trend 1 and similar solutions requiring reliance on a qualified lay labor force. That includes an elliptical model of the parish management structure, professionalizing performance management, employing performance metrics to evaluate parish performance, and greater reliance on unpaid labor by instilling in them a ministry focus and a sense of co-responsibility. In addition, a greater use of PRM can enhance the productivity of all parish resources.

**Trend 3: An Increasingly Ethnically Diverse Catholic Population**

A one-size fits all approach will not be successful in most Catholic parishes as we move through the 21st century. Parish Relationship Management, with its focus on targeting and meeting the
needs of individual segments of the parish, will become critical. To meet the needs of a diverse parish population parishes are going to have to work on responding directly to parishioner requests and providing them with a highly interactive, customized experience, without replacing personal contact. If they don’t they can be assured that other churches will.

**Trend 4: Low giving by Catholic parishioners, who contribute far less to their church than do their Protestant counterparts.**
The most direct approach to increasing parishioner giving is to take advantage of e-giving, so that the parish’s weekly collection isn’t dependent on who is in attendance that week or how much is in their checkbooks. But at the end of the day contributing to the parish is a participation issue. Increasing parishioners’ participation in other parish activities is typically reflected in enhanced financial support for the parish. Studies have shown that parishioners who volunteer their time to the parish contribute more, but those parishioners who assume a ministry mentality (as opposed to a volunteer mentality) typically double their weekly contributions. Likewise utilizing PRM to make a large, impersonal parish seem more personal should also be effective.

**Trend 5: Declining participation, most notably Mass attendance, among parishioners in general but especially among younger cohorts.**
As with Trend 4, the ability of PRM to create a more personal parish experience can moderate the long-term decline in participation, notably Mass participation.

**Conclusion**

It should be clear that the old model of operating a Catholic parish won’t work in the 21st century. The decline in the number of priests, the misallocation between the siting of churches and the location of parishioners combined with the influx of a variety of cultural groups (primarily but not exclusively Hispanic), low Catholic giving and a decrease in church participation by the young have all coalesced to render the old model ineffective. While it is uncharacteristic for an organization that prides itself on stability (after all, it is 2000 years old) to make changes some thinking outside of the box is required. This does not necessitate a watering down of church teachings, just a recognition that some business management practices can be applied to a faith-based organization while allowing it to remain committed to its core values.

As with all such changes, someone (an innovative diocese) is going to have to be the first mover. Presumably this will occur in a situation where the Catholic Church faces heavy competition from other faith traditions or where the trends facing parishes become too overwhelming.

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