

Episcopal Diocese of Rochester
**Summary of Vision, Mission, Priorities & Structural Changes
Implemented (2008-2021)**

VISION: *Joy in Christ, a way of life.*

MISSION: *Grow and develop congregations spiritually, numerically and in missional leadership.*

KEY AREAS OF FOCUS FOR INDIVIDUALS AND CONGREGATIONS:

Relationship, Leadership & Stewardship

Bishop's Priorities for formation as curious followers of Jesus:

- **Relational Welcome:** *to nurture and grow joyfully as beloved communities that foster an environment where difference is honored by creating safe spaces to speak and listen with mutual respect, loving-kindness, and a spirit of reconciliation.*
- **Servant Leadership:** *to empower lay and clergy leaders who learn to function in collaborative teams that share best practices and lead with humility.*
- **Spiritual Stewardship:** *to steward the spiritual and material resources among us with a vision for sustainability, generosity, and mutual invitation.*

Over the past decade, as stewards of the Episcopal Diocese of Rochester, we have substantially altered our future trajectory through a series of decisions addressing systemic decline. Of course, the transformation is by no means complete—this type of institutional change rarely reaches a finish line. But we are now far enough down the path to look back and see what we changed with God's help and learn from the impact of these changes.

Any meaningful change, whether personal or institutional, begins by taking a step back to assess *Where we are? What are we up to? Why are we doing it?* And then review how it is working with our vision and mission. The bishop and elected leaders have taken the time to redefine the mission & vision of the Diocese every few years and see where we should focus our efforts. This approach is essential for corporate strategic planning. However, it's not easy to invest time discerning, listening, and building leadership buy-in, especially during stressful times. Our instinct is to immediately address the symptoms rather than the root causes of some of our often-normalized cultural maladies. Unfortunately, discerned action does not readily satisfy this instinct. Yet, it is essential to embrace a common goal that will focus, equip and energize leaders to address challenging issues, make difficult decisions, re-assess, adjust and create sustainable change with a long view. Doing this work consistently is the real evidence of healthy and collaborative leadership.

Coming out of the Great Recession, the Diocese faced several financial and spiritual challenges:

- Declining membership, pledges, and attendance. For a decade before the Great Recession, the annual decline averaged 4% per year.
- Some small congregations had shrunk to the point of spiritual exhaustion.
- Many congregations felt squeezed by the inevitable financial pressure of shrinking membership and growing costs, including apportionment and diminished endowments.
- Most significantly – there was little sense of Parish empowerment. There was more of a sense that “*The Diocese will solve it – they have all the resources.*”

The Diocese tried to alleviate these financial pressures through various grants and services – forgiving some loans, reducing interest rates on others, and temporarily reducing apportionment.

- These efforts drove our Diocesan draw on investments to an unsustainable level—averaging 9% from 2008-2012.
- Draws needed to help support struggling churches.
- Draws used to fund a disproportional Diocesan structure: A large staff, extensive health insurance benefits, loan services, a retail bookstore, nine real properties, including our office space in a beautiful, old mansion.

Using our Mission Statement as a guidepost, each elected governance body weighed difficult investment decisions by asking two fundamental questions: *Why are we investing in this area? How does this investment help us grow congregations – spiritually, numerically, and in missional leadership?*

This common focus allowed the bishop, staff, Standing Committee, Commission on Ministry, Council & Trustees to streamline our Diocesan structure. Over a period of about five years, cash expenditures were reduced more than 20% from \$2.6 M. to 2.0 M. This reduction, on its surface, is not remarkable. What is notable is that:

- The cost reductions came entirely from *Administration*. Costs for staff, governance, and office expense came down nearly 40%.
- Meanwhile, our investment in *program/ministry* increased modestly, shifting focus towards Missional, *Congregational & Leadership Development*.
- The diocese has since maintained its administrative expenditures at about \$ 1.1 M. for the last five years and maintained total spending at \$2.0 M.
- These actions allowed us to bring down our current draw from investments to under 5%.

Reducing administrative costs and keeping them down required a variety of process and program changes:

- We shifted our post-retirement health benefits from upgraded Medicare Supplemental coverage to Health Reimbursement Accounts (HRA), which increased benefits at less than half the cost.
- We closed our retail bookstore operation to adapt to a changing marketplace.
- We reviewed all the professional and administrative services: Investment/Trust management, telecom, IT services, printing, payroll, auditing, etc.
- We outsourced the administration of parish endowment funds.
- We transitioned from a 2-day Diocesan convention at a luxury hotel to a 1-day convention. In 2020, our convention was a four-hour zoom session.
- We sold our Diocesan House property and rented space from one of our churches.
- We sold our Bishop's House and Diocesan-owned vehicle.
- We sold or transferred four closed church properties and two chapels.
- We reorganized staff roles by minimizing backfills due to resignations and retirements, and in 2019, flattened our organization further by experimenting with Diocesan Deans for specific areas of ministry.
- We discontinued our self-insured dental plan and flexible savings accounts.
- We reduced the number of health insurance plans that we offered.

Streamlining our Diocesan structure allowed the bishop's office to focus on those areas that most impact congregational growth. We also took steps that would improve the long term financial and spiritual health of our congregations:

- Moved our Parish Apportionment towards a 10% Tithe—while continuing to move our draw from investments towards 4%—leaving more resources in the parish for missional growth in their community
- Launched an Annual Bishop's Appeal to provide future growth of the most critical Leadership Development initiatives without increasing Apportionment. The Bishop's Appeal is focused on investments for:
 - College for Congregational Development
 - Formation of Children, Youth, and Young Adults
 - Campus ministries
 - Deaf ministry
 - Seminarian scholarships
- Adjusted our loan policies:
 - Amortized principal on all loans that had been “interest-only.”
 - Capped new loans at \$50,000 each, shortened terms—from 20 years to 5 to 10 years—and gradually increased interest rates on new loans to market rate.
 - Stopped offering “operating” loans—while increasing grants—and offered “early payment” discounts for churches that already had accumulated this

type of debt. All nine congregations impacted by this reality have now eliminated this debt and are moving from under the spiritual cloud of indebtedness.

- Engaged vestries to consider the model of Pastoral Leaders, giving laypeople in the ordination process opportunities to lead and address liturgical sacramental support with retired clergy.
- Trained Circles of Support—made up of lay and clergy leaders—for new clergy/pastoral leaders. We adopted four training sessions with Roy Whitten, an international Trainer, who also trains our peer coaches for the College for Bishops in the Living our Vows program.
- The Diocesan racial reconciliation, healing, and justice circle accompany us with honest resources to help us become a beloved community as followers of Jesus. Our governance leadership is increasingly more diverse.

So, what is the numeric impact on our parishes:

- While pledges and average Sunday attendance are still declining – the rate of annual decline has slowed from 4% to about 2%
- Membership increased—albeit fractionally—in 2017, 2018, and 2019. Last year, membership declined 1.5%, as the pandemic impacted new membership.
- Total parish operating revenue—*excluding draws from investments*—increased 10%, from 2010-2019, before dropping by 4% in 2020.
- Total parish operating deficits have fallen about 20%.
- Total parish debt has been reduced by 60%
- The average Apportionment rate has gone from 14% to 12%, and Council is committed to moving more of our churches to 10% each year.

In 2015, we started exploring ways to support Diocesan Council and Convention's investment in Congregational Development Partnership Grants over the previous five years. We decided to invest in education to support these grants through a College for Congregational Development. The college has helped nurture clergy and lay leaders to work together as teams and build learning communities where leaders speak a shared language. We launched the college in 2016, and it has grown and become a gift we share with leaders in the Diocese and neighboring dioceses, even throughout the pandemic. In 2018, the Church Pension Group moved our Diocese up from the fourth to the third Quintile based on the increased number of full-time clergy leaders, the total clergy compensation, the number of congregations, and the sum of total congregational revenues.

Overall, we have created a culture of leadership development by instilling practices of term limits to all our appointments. All our District Deans receive a small stipend and work with staggered terms. In October of 2019, after considerable thought and collaboration, we decided to flatten our organizational structure by replacing a full-time Canon to the Ordinary position with four part-time Diocesan Deans focusing on Discernment, Formation/Liturgy, Small Church, and Transitions. Each Diocesan Dean is a Rector of a parish with a

passion for the area of their leadership. This restructuring has been positive. It has provided us yet another way to build up leaders by giving them opportunities to practice their leadership according to their gifts. This model will further enhance our Diocesan capacity to attract, retain, build up and send new and healthy leaders for the church. It also enables the bishop to be nimble in changing leadership as needed since these appointments operate with term limits.

The key purpose of priests, deacons, and bishops is to empower our laity to become more fully engaged as the Baptized in society and church. In the Diocese of Rochester, among the active clergy with full-time or part-time cures, twenty-two of our priests are women, and twenty-four are men. Thirteen of our priests identify as gay or lesbian. We also have priests with blended vocations who work professionally in institutions and serve the church from time to time, apart from retired clergy. We have been blessed to invest in retaining younger clergy over the past few years. In addition, we have had the privilege to prepare and send some of our gifted clergy to the larger church over the years. We are humbled that this apostolic sending includes three Bishops, Bishop Mark Lattime, Diocesan of Alaska, Bishop Steve Lane, Retired Diocesan of Maine, and Bishop Gayle Harris, Bishop Suffragan of Massachusetts. Our growing edge is calling clergy of color.

We have stayed together as a Diocese throughout this pandemic with the mutual support of prayer, insight, and direction from the mundane to the sublime. In May 2020, I commissioned a Thriving in a COVID world Task Force made up of twenty lay and clergy leaders with three areas of focus:

- Re-gathering
- Liturgy and Formation
- Re-imagining the church through and beyond the pandemic

Leadership from this group of experts, including medical professionals, civil servants, church administrators/workers, theologians, etc., has been crucial to how we have traveled together through this pandemic. On a practical level, we have met for zoom check-ins regularly to share and exchange information, COVID-related resources, prayers, inspiration, and other forms of support right from the first days of the lockdown in March 2020. In addition, we supported congregations with PPP loan/forgiveness processes, engaged each other on issues such as Eucharist of one kind, pastoral care, and conducted our first online Diocesan Convention in 2020. We plan to conduct our 90th Diocesan Convention online in October 2021. Our Diocesan budget for 2022 is being engaged, and all the indicators suggest that we are in a healthy fiscal place thanks to the generosity of the faithful and the reduced building and infrastructure costs.

It isn't easy to quantify the impacts on spiritual growth and missional leadership. But there are clear examples of more and more congregations boldly experimenting to find a relevant role for the Church in their local communities. The evidence is in the number of responsive spiritual formation initiatives that extend to communicate care for neighbors, such as Community Gardens, which are a part of most of our congregations, food pantries, community meals, baby and sundry closets, winter clothes closets, outreach with Episcopal SeniorLife Communities and other not for profits, etc. We have fewer congregations hunkering down and resigning to an inevitable decline. The foundation of trust across the diocese is stronger, and more focus is shifting towards the external communities we serve. These are all signs of progress on the path to grow and thrive as Episcopal followers of Jesus who practice joy in Christ as a way of life. Would you please visit our [Diocesan website](#) for more information?