Benchmark Report
The news related to the benchmarks and statistics for the churches of Southwest Florida

Endowments

Invested assets have grown 77% over the last five years - not only due to positive returns in the market, but also $19.6M of contributions. Since 2014, 30 churches have started endowments in the DEMP. Their combined value is now over $5.5M.

Endowment Policy
An important governing document which outlines the process and people involved in receiving legacy gifts, monitoring investment performance, and managing distributions.

What’s DEMP?
30 of our churches participate in the Diocesan Endowment Management Program (DEMP). “Piggy back” along with the diocesan endowment management function to learn, save on fees and gain confidence in your endowment.

Laws Related to Fiduciary Responsibility

Florida Statute 617.2104 Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) adopted in 2012

Investment Management Firms Serving Us

<table>
<thead>
<tr>
<th>Firm</th>
<th># churches</th>
<th>$ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECF/State Street (DEMP)</td>
<td>30</td>
<td>$5.5</td>
</tr>
<tr>
<td>ECF/State Street (direct)</td>
<td>13</td>
<td>$3.2</td>
</tr>
<tr>
<td>Northern Trust</td>
<td>6</td>
<td>$22.1</td>
</tr>
<tr>
<td>RBC Wealth Management</td>
<td>2</td>
<td>$2.0</td>
</tr>
<tr>
<td>Bank of Tampa</td>
<td>2</td>
<td>$0.8</td>
</tr>
<tr>
<td>Regions/WF</td>
<td>1</td>
<td>$3.9</td>
</tr>
<tr>
<td>SEI</td>
<td>1</td>
<td>$3.8</td>
</tr>
<tr>
<td>Provise</td>
<td>1</td>
<td>$1.7</td>
</tr>
<tr>
<td>SunTrust</td>
<td>1</td>
<td>$1.1</td>
</tr>
<tr>
<td>Local Bank/Broker</td>
<td>10</td>
<td>$2.6</td>
</tr>
</tbody>
</table>

The Final 7

Churches to Start Endowments:
Good Shepherd-Labelle
Nativity
St. Anselm
St. Bede
St. Francis
St. Mary Magdalene
St. Matthew
This decade has seen a steady reduction of debt. Our churches have worked to reduce their debt burden with capital campaigns and ongoing mortgage payments from their operating budgets. Four new loans in 2019 ranged in size from $40,000 to $286,000 – each was carefully considered in the context of sustainability.

### Diocesan Revolving Loan Fund (RLF) Facts

- 28 loans totaling $3,987,701
- Available Funds $1,944,862
- $95,606 of annual interest income grows the fund for the future

Contact Diocesan House for details about the Revolving Loan Fund.

### Other Lenders

Bank of Tampa, Charlotte State Bank, Iberia Bank, Regions Bank, Seaside Bank, Thrivent Bank, USAmberBank, Whitney Bank

*And 28 SBA Lenders for Paycheck Protection Program Loans in 2020

### The “1/3 Principal” for Debt

The “1/3 Principal” is a primary factor used by the diocesan Finance Committee in the approval of loan proposals. According to this principal, the amount of debt incurred should not exceed 1/3 of the total cost of the project. At least 1/3 of the project’s total cost should be held by the congregation/institution as cash in the bank before the project begins. Another 1/3 of the project’s total cost may be pledged amounts.
**Property Usage**

By Type, (# churches, annual income to church budget)

- **Preschool/After School Care** (13, $0-57k)
- **K-8/12 School** (9, $0-151k)
- **Thrift Shop** (14, $0-138k)
- **Rental Houses/Rectory** (26, $0-17k)
- **Parking Lots** (4, $1-41k)
- **Cell Towers** (2, $19-20k)
- **Group Meetings** (51, $0-26k)
- **Community Garden/Farmers Market** (2, $2-48k)
- **Hosting Other Worshipping Community** (3, $10-54k)

These are the many ways in which congregations can utilize their church buildings for ministry and to enhance operating income and outreach funds. Call Diocesan House for best practices examples.

**Canon Law for Property**

*TEC Canon I.7.4:*

All real and personal property held by any congregation is held in trust for this Church and the Diocese thereof.

*Dioecesan Canon V.10 and IV.6.2:*

The prior written consent and approval of the Bishop and Diocesan Council are required prior to the conveyance, transfer or encumbrance, in whole or in part, of any interest in any real property.

*Standing Committee approval is required prior to the conveyance, transfer or encumbrance of real property designed for worship*

See **Diocesan Lease Guidelines** for details and best practices regarding leases and facility use agreements.

**Rectories**

15 of our congregations utilize rectories to house their clergy; 2 church-owned homes are used for sexton housing.

**Schools “Under the Authority” of TEC**

- **Preschools (8):** Ascension, Good Shepherd Preschool, Lamb of God, St. Alban, St. Clement, St. Mark-Venice, St. Wilfred, St. Mark-Marco Island
- **Schools (6):** Berkeley Prep, Canterbury, St. John-Tampa, St. Mary-Tampa, St. Paul’s School-Clearwater, St. Stephen’s-Bradenton

St. Wilfred Preschool
Capital Budgets and Campaigns

Capital projects and campaigns have increased dramatically in the last three years. Projects range from $30,000 to over $10M. Many are phased master plans and others are specific projects for ongoing maintenance of roofs and AC. Most congregations are meeting capital needs with some organized effort, as 57 of 76 congregations (75%) raised capital funds in 2019.

Disruptions to Momentum, or Call to Mission

Hurricane Irma travelled straight through our diocesan boundaries in 2017 cancelling Sunday services at every congregation. Three years later, the COVID-19 pandemic in 2020 has cancelled gatherings for months. These disruptions have not stopped the capital projects, rather strengthened our resolve to improve and enhance our capacity and abilities to be a center in the life of our community.

Dedications

St John Divine, Sun City Ctr: May 2019
Redeemer, Sarasota: Dec 2019

Recent Capital Income Raised (2018-2019)

<table>
<thead>
<tr>
<th>Congregation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trinity by the Cove, Naples</td>
<td>$4.6M</td>
</tr>
<tr>
<td>Redeemer, Sarasota</td>
<td>$3.8M</td>
</tr>
<tr>
<td>St. John Divine, Sun City Ctr</td>
<td>$792k</td>
</tr>
<tr>
<td>Grace, Tampa</td>
<td>$650k</td>
</tr>
<tr>
<td>St. Mark, Venice</td>
<td>$361k</td>
</tr>
</tbody>
</table>

ECF Consultants

Our partners at the Episcopal Church Foundation facilitate the capital campaign process with their Discern-Study-Ask methodology. Ask us how.
Operating Budgets

In reviewing the annual budgets, the diocesan staff look for deficits as well as situations where a budget deficit is funded with reserves. A sustainable budget is based on operating income that can continue for the long term – from plate & pledge, appropriate distributions from endowments/designated funds, income from building use or fundraisers. Plugging a deficit with reserves is an indicator of distress. When the reserves/cash are gone, options are limited and consequences are extreme. This is a situation where the diocesan staff takes care to intervene, so that the leaders can have time and necessary expertise to plan and act well in advance of a crisis.

Canon Law for Budgets

Diocesan Canon VII.5.b:
It shall be the duty of the congregational council to …prepare a budget providing for the necessary requirements and expenditures of the Congregation.

Diocesan Canon VII.1:
Annual Meeting. A Congregation shall hold an annual meeting every year….shall be within 120 days before or on the 28th of February.

New GAAP Audit Standards for Liquidity

FASB Accounting Standards Update 2016-14:
Required disclosures about liquidity and availability of resources should describe how a not-for-profit entity “manages its liquid resources available to meet cash needs for general expenditures within one year”

Church Budget Expense Category Check

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Avg</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>9%</td>
<td>56%</td>
<td>86%</td>
</tr>
<tr>
<td>Building &amp; Grounds</td>
<td>5%</td>
<td>22%</td>
<td>55%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>0%</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>Budgeted Outreach</td>
<td>0%</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
<td>22%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Mind the Gap

When the diocesan staff reviews the submitted budgets, we separate out any so-called plugs to reveal the true budget status. ‘Faith budget’, ‘additional gifts’, loans from reserves, and non-specific fundraising are just a few examples that should not be included in an approved budget. A seemingly balanced budget using such plugs can be misleading to the general congregation.
Compensation involves more than a salary figure, as legal and canonical requirements make every compensation package unique. Diocesan staff are involved in clergy transitions from the initial search committee discussions about budget to the final details of the letter of agreements signed. Each congregation is an individual employer facing a constantly changing human resources environment. Compliance to government and canonical laws is one of the most important oversight roles of the Office of the Bishop. Compensation benchmarks and illustrations of alternative models for clergy and lay staffing are ready and available for vestries at the time of transition.

Full time vs. Part time Priest in Charge*

*includes the one rector, vicar, priest-in-charge depending on canonical status)

Part Time Retired,
15, 20%

Part Time Shared Active,
2, 2%

Part Time Active,
3, 4%

Supply, 2, 3%

Full Time Active,
54, 71%

Working While Pensioned

Of our 76 churches, 12 PIC and 3 interim positions (20%) are served by a retired clergy receiving pension benefits from the Church Pension Fund. The maximum amount a retired cleric can earn is $40,000.

Deacons Serving SWFL

49 active deacons serve the 77 churches in our diocese. Most serve in feeding and homelessness ministries. The needs of our communities are great and leadership is always needed. If you are interested in exploring ordination to the diaconate, please call Archdeacon Kathleen Moore.

Canon Law for Church Staff: Clergy and Lay Pension and Health Plan

**TEC Canon I.8.Sec. 1-3:**

The Church Pension Fund is authorized to establish and administer the clergy pension system... and also the lay employee pension system and denominational health plan of the Church.

**Gen Convention Resolution A177:**
All clergy and lay employees who work minimum of 1500 hours annually (30 hr/wk) are required to participate in the Episcopal Church Denominational Health Plan (DHP).

**Gen Convention Resolution A138:**
All lay employees who work 1000 hours annually (20 hr/wk) shall be provided a pension benefit.

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**Staff and Compensation**

Total 2020 Cost of Compensation for Rector/Vicar/Priest-in-Charge By Church Size (NOI)
(Includes Health Benefits and 18% Pension Assessment where applicable)

<table>
<thead>
<tr>
<th>Range</th>
<th>Count</th>
<th>Min</th>
<th>Max</th>
<th>Avg</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-100k</td>
<td>4</td>
<td>$7,200</td>
<td>$82,960</td>
<td>$42,960</td>
<td>$25,300</td>
<td>$141,729</td>
</tr>
<tr>
<td>$101k-150k</td>
<td>10</td>
<td>$24,000</td>
<td>$86,460</td>
<td>$59,103</td>
<td>$34,158</td>
<td>$195,431</td>
</tr>
<tr>
<td>$151k-200k</td>
<td>6</td>
<td>$39,000</td>
<td>$116,455</td>
<td>$86,460</td>
<td>$59,103</td>
<td>$195,431</td>
</tr>
<tr>
<td>$201k-250k</td>
<td>7</td>
<td>$40,500</td>
<td>$131,846</td>
<td>$83,426</td>
<td>$55,929</td>
<td>$195,431</td>
</tr>
<tr>
<td>$251k-300k</td>
<td>10</td>
<td>$82,908</td>
<td>$151,400</td>
<td>$116,455</td>
<td>$71,133</td>
<td>$195,431</td>
</tr>
<tr>
<td>$301k-350k</td>
<td>6</td>
<td>$101,985</td>
<td>$167,738</td>
<td>$116,455</td>
<td>$71,133</td>
<td>$195,431</td>
</tr>
<tr>
<td>$351k-500k</td>
<td>7</td>
<td>$58,792</td>
<td>$167,738</td>
<td>$116,455</td>
<td>$71,133</td>
<td>$195,431</td>
</tr>
<tr>
<td>$501k-600k</td>
<td>6</td>
<td>$122,795</td>
<td>$206,951</td>
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<tr>
<td>$601k-999k</td>
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<td>$141,729</td>
<td>$248,953</td>
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<td>$1000k-</td>
<td>6</td>
<td>$141,729</td>
<td>$248,953</td>
<td>$116,455</td>
<td>$71,133</td>
<td>$195,431</td>
</tr>
</tbody>
</table>

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The Episcopal Diocese of Southwest Florida

2020 Diocesan Vestry Retreat
**Trends Over Time**

![Bar Chart: Change in Operating Income 2018-2019](image)

Normal Operating Income (NOI) defines the size of the church operating budget and is therefore a measure of church size and financial capacity. From 2018-19, the total Operating Income of our churches increased by 3.7% overall - 39% of our churches decreased and 61% increased year over year.

Other important measures tell a story as well – such as average Sunday attendance, plate and pledge (stewardship), and the number of people served in community outreach programs.

The Diocesan Office can provide individual Financial Health Snapshots for your congregation to study these metrics over time.

**Audits**

Audits come in many forms. The annual financial audit required by canons can be performed by an independent licensed CPA firm, however due to the high cost of this annual report, there is another option.

The Audit Committee Program is a step-by-step questionnaire for non-accountants to easily perform this important task. The Diocesan Office offers a workshop in January for new Audit Committee members. Once complete, this document also serves as a procedure manual and valuable reference for transitioning vestry roles.

In addition, the Risk Management Visitation and Report is an onsite visitation to assess the most common risks and educate local leaders about insurance coverage. Congregations receive a written report summarizing the recommended improvements for safety.

**Canon Law for Parochial Reporting**

**TEC Title I Canon 6.1: Of the Mode of Securing an Accurate View of the State of This Church**

A report shall be prepared annually in the form authorized by Executive Council,… shall be filed not later than March 1 with the Bishop of the Diocese.

**Diocesan Canon VIII.3.a-h:**

No later than March 1 of each year, the Congregation shall file an annual report, including the parochial report, vestry and delegate listings, and other information requested by Diocesan Council.

**Canon Law for Audits**

**Diocesan Canon XIII.2.a-b:**

a. The fiscal records of every congregation and related organization shall be audited annually by a CPA or audit committee. The audit committee shall be formed in compliance with guidelines established by the Diocesan Council.

b. Annual audit report shall be filed with the Office of the Bishop not later than September 1 of each year.
The COVID-19 worldwide pandemic is an unprecedented challenge. The relationships of our Church and community have never been more evident, and appreciated. Our congregations are equipped with a variety of relief levers, including grants, hardship grace periods, waivers, and forgivable loans through a government Payroll Protection Program.

The dedication of our congregation leaders, working with Diocese, CPG, TEC, our government, community banks and local charitable foundations through this crisis prove that perhaps the most important resources are the relationships that connect us.

### Relationships

![Relationships Diagram]

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### Online Engagement

The year 2020 will mark an extraordinary trend of innovation, evidenced by the steep adoption rate of online worship, meeting and giving options.

<table>
<thead>
<tr>
<th></th>
<th>Jan 2020</th>
<th>Apr 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online worship</td>
<td>10</td>
<td>72</td>
</tr>
<tr>
<td>Zoom videoconferencing</td>
<td>1</td>
<td>77</td>
</tr>
<tr>
<td>Online giving</td>
<td>10</td>
<td>52</td>
</tr>
</tbody>
</table>

### Our Neighborhoods

We study the characteristics and trends of our neighborhoods using available public research via MissionInsite, a demographic tool that incorporates census and other psychological data to define a geographic area or collection of addresses (using your congregation’s membership database). Our congregations have access to this resource through a diocesan license: [www.episcopalswfl.org/Congregations/missioninsite.html](http://www.episcopalswfl.org/Congregations/missioninsite.html)

### Trends in Church Size

![Church Size Graph]

**Church Size (ASA)**

- **1 Family (<75)**
- **2 Pastoral (76-150)**
- **3 Transitional (151-250)**
- **4 Program (251-450)**
- **5 Resource (450+)**

**The Episcopal Diocese of Southwest Florida**

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