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Vatican budget shows major loss despite rise in donations

Carol Glatz Catholic News Service | Jul. 6, 2012

(Dreamstime)

VATICAN CITY -- The Holy See sustained its largest budget deficit of the past decade in 2011 as a result of global financial trends, the Vatican said Thursday. But Vatican City State, which includes the income-generating Vatican Museums and Vatican post office, ended 2011 with a surplus of 21.8 million euros ($27 million).

The budget of the Holy See, which includes the offices of the Roman Curia and its communications outlets such as Vatican Radio, recorded a deficit of 14.9 million euros ($18.4 million) at the end of 2011. It was the largest budget deficit recorded in the past decade and reversed the 2010 surplus of 9.8 million euros ($12 million).

Total expenditures for the Holy See in 2011 were 263.7 million euros ($326.4 million) with 248.8 million euros ($308 million) in revenues.

A brief summary of the Vatican's financial report released to the press blamed the deficit on "the negative trend of global financial markets, which made it impossible to achieve the goals laid down in the budget."

The majority of the Holy See's expenditures were related to wages and other personnel costs for some 2,832 people, it said.

The budget of the Holy See includes the Vatican Secretariat of State and its diplomatic missions around the world, Vatican congregations and pontifical councils, the Holy See's investment portfolio and properties as well as the Vatican's newspaper, radio, publishing house and television production center.

Its revenues included 49 million euros ($60.6 million) from the Vatican bank -- which donates to the pope profits from its investments -- as well as contributions from dioceses and religious orders, and returns from the Holy See's financial investments.

Last year, despite continued economic difficulty around the world, donations from the faithful and Catholic organizations were up.

Contributions from dioceses amounted to just $32 million in 2011, up from $27 million in 2010 and $31.5 million in 2009.

The Peter's Pence collection, used by the pope for charity and emergency assistance, brought in $69.7 million, up from $67.7 million in 2010, but down from $82.5 million in 2009.

The United States, Germany and Italy provide the biggest contributions every year, according to the Vatican spokesman, Jesuit Fr. Federico Lombardi.

There is a separate budget for Vatican City State, which employs nearly 1,900 people.

The bulk of its income in 2011 came from the museums, which saw 91.3 million euros ($113 million) in revenues, up nearly 10 million euros ($12.4 million) from 2010. Father Lombardi said that the increase was caused by the growing number of museum visitors as well as extended opening hours.

The figures were released after a two-day meeting of a council of cardinals in charge of reviewing the Vatican budgets. The 15 members of the council include Cardinals Francis E. George of Chicago, George Pell of Sydney and Wilfred F. Napier of Durban, South Africa.

In a statement, the council members said that their deliberations on the budgets had called for "prudence and limiting costs, though while maintaining jobs."

The budget report comes the same year media published letters sent to Pope Benedict XVI by Archbishop Carlo Maria Vigano -- who is now apostolic nuncio to the United States -- when he was the secretary general of the governor's office of Vatican City.

One of the letters, dated April 4, 2011, said that when Vigano had taken office almost two years earlier, he discovered a "disastrous situation" of "chaotic management" and overspending on contracts.

During Vigano's stint as the governor's office's second-highest official, a budget deficit of nearly $9.8 million in 2009 for Vatican City State turned into a surplus of $28 million in 2010. A similar surplus was recorded in 2011.

In January, Lombardi praised Vigano's tenure at the commission as one of "administrative rigor, savings, and rectification of a generally difficult economic situation." However, he noted that other factors, including a rise in attendance at the Vatican Museums, help to explain the improved finances during the period in question.

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