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Finances within the Catholic church

Pat Perriello | Sep. 10, 2012 NCR Today

In an Aug. 18 article in The Economist [1], a detailed review of the finances within the Catholic church in the United States is provided. This excellent article is required reading for anyone interested in getting a sense of how our church conducts its business.

Some of the highlights point out the mismanagement of church finances. Much of that could be due to the fact that no one chooses to become a priest to run a business. Yet in addition to a lack of knowledge and ability, there are also some questionable dealings. For example, money is frequently diverted from its intended uses. The church tends to comingle funds when it suits its purpose and insist all accounts are totally separate when it is to its advantage. Many dioceses have raided priest pension funds to make settlements in the sexual abuse crisis.

A lack of openness pervades church business dealings. In fact, it is only the sexual abuse crisis that has enabled us to know as much as we do of their finances. Bankruptcy proceedings in several dioceses have shone a light on some of these somewhat disturbing practices.

It is also interesting that the church, which complains that its religious liberties are being abridged, is actually benefiting from significant health care subsidies from the federal government. Also, churches have been avoiding collecting money from the faithful and are instead issuing municipal bonds to pay for expansion and renovation projects. In one case, the bishop used the money to buy chancery offices. The bonds are, of course, tax-free to investors so the church gains a subsidy that normally goes to local governments and public sector projects. Thus, American taxpayers are indirectly helping the church deal with the financial settlements in the sex abuse cases.

You might want to read how the church has closed parishes to free up money to use in financial settlements. They have also devalued their assets to reduce the total size of their holdings. Ken Brown of a California law firm says some of these tactics are not only immoral but illegal.

One good sign is that many parishes are now hiring business managers to run the affairs of the parish. It is time to open the books and shed some light on this area of Catholic life. This openness should not be limited to individual parishes, but should be extended to the diocesan level and even to Rome.

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Links:
[1] http://www.economist.com/node/21560536