Overview

In September 2022, Bishop Paula Clark was ordained and consecrated the Thirteenth Bishop of Chicago, bringing to an end a period of nearly two years in which the diocese was without a diocesan bishop. The 2023 budget has been developed to provide Bishop Clark and the leaders of the diocese flexibility to determine sustainable staffing patterns, program priorities, and operational needs as they begin their ministry together. However, this period of budget flexibility will not last long. The 2023 budget is balanced with $1.3 million from the Bishop's Funds that are available to fund diocesan operations. Based on the current rate of draw, those funds will be depleted by 2026. The leaders of Diocesan Council, the Trustees of the Endowment, and Bishop & Trustees agree that these funds are the best way to balance the operating budget in the next three years. During that time, these leaders and Bishop Clark will discern a sustainable path forward for the diocese. That plan is expected to include the creation of an endowment-like fund generated by the sale of 65 E. Huron, which was listed for sale in June 2022.

Expenditures

Episcopacy

The episcopacy budget supports the bishop’s compensation and that of her executive assistant, expenses necessary to the office, and the Diocese of Chicago’s mandatory 15% assessment to support the budget of the Episcopal Church. In 2023, this area of the budget will decrease by nearly 8% because we will not incur expenses for an assisting bishop, an ordination and consecration, or for the Lambeth Conference. It will fund a new part-time position of bishop’s chaplain, as well as accommodating potential changes in benefit costs.
The budget for The Episcopal Church assessment will increase by nearly 25% due to higher operating income in 2021, the year on which the 2023 assessment payments are figured. Until 2022, all dioceses in the Episcopal Church were required to pay a 15% assessment on reported diocesan income for the year before last, less an exemption of $140,000. Beginning in 2023, the exemption will increase to $200,000.

**Ministries**

Director of Ministries Andrea Mysen and her staff provide congregational development programs, including the College for Congregational Development; support congregations during transitions; help to place and orient new clergy; assist in times of difficulty; and support youth and campus ministry, including Camp Chicago. In 2023, the ministries budget will increase by about 14.5% over the 2022 budget. The 2022 budget provided nine months of funding for two associate positions; one, the associate for ministries, has now been filled and is funded for all of 2023. The other, an associate for youth and campus ministries, is also funded for 12 months in the event that Bishop Clark chooses to fill it.

**Networking**

Director of Networking Crystal Plummer and her team oversee community outreach, fundraising and communications. In 2023, this budget will increase by just over 13%. The increases include 12 months of funding for a currently vacant associate for development position in the event that the Bishop Clark chooses to fill it; increases in the communications line that will provide new communications materials for the Office of Bishop; and funding for commissions and committees that are returning to in-person meetings.

**Operations**

The operations team manages accounting and finance, human resources, St. James Commons operations, property management, risk management and support for the Bishop & Trustees. In 2023, the budget for this team will increase by less than 3%. The 2023 budget assumes that the diocese will hold an in-person diocesan convention in 2023 and provides for twelve months of funding for both a director and associate of operations in the event that Bishop Clark chooses to fill those positions. The budget also anticipates that the Nicholas Center will remain mothballed.

**St. James Commons**

This portion of the expense budget reflects the cost of operating the physical plant of St. James Commons. In 2023, this area of the budget will increase by about 8.5% to accommodate rising utility, insurance, and contractual building services costs.
Income from Congregations

About half of the diocese’s operating income comes from annual common mission share pledges. Our guidelines ask each congregation to pledge between 11% and 15% of its normal operating income to support our common life. In 2023, we project that pledges will total $2,166,755: a 4.4% increase from the 2022 budget and a modest decrease from pledges received in 2021. As congregations continue emerging from the pandemic, we anticipate that common mission share pledges will stabilize.

Income from Bishop’s Funds

The Bishop’s Funds, created in 1853, and formally known as The Bishop of Chicago and His Successors in Office Funds Account, is a collection of funds to benefit the diocese, its congregations and agencies and is held separate from the Diocese’s operating endowment. In 2023, we will draw $1.3 million, or 29%, from the Bishop’s Funds available to fund operating expenses.

$130,000 of that amount is income, while $1.17 million is corpus. The Bishop’s Funds available to support operations will be depleted in 2026.

Income from the Endowment

The diocesan endowment, begun in 1898, comprises funds donated to the diocese for its ongoing support. According to its spending policy, the withdrawals from the endowment cannot exceed 4.5% of a 60-month trailing average (i.e. 4.5% of the average of the fund’s value over the past five years). The funds available to support the diocesan budget were valued at $3.35 million on September 30, 2022. For 2023, we anticipate that the fund will grant $163,622 to support the diocese’s operating budget. The Fund for the Episcopacy, which now totals $2.31 million, will contributes $113,995 of that amount to support the Office of the Bishop.
Contributions

**Income from Bishop & Trustees**

The Bishop & Trustees are an elected body that holds title to and oversees the use of the real property of the mission congregations of the diocese and also hold title to St. James Commons. They approve the diocesan budget as well as purchases, sales, and construction projects involving mortgages and real estate. The funds that the Bishop & Trustees can contribute to the diocesan operating budget fluctuate with the revenue it receives from property sales; their practice is to contribute 10% of net proceeds to the operating budget. In 2023, we do not anticipate any income in this line.

The Bishop & Trustees income listed on the budget under “Other Support and Revenue” includes $275,000 in funds from its corpus that are available for congregational vitality grants. These funds are essential to the vitality of our congregations and are restricted for this use. An additional $223,759 is reserved for capital needs and repairs at mission congregations.

**Income Programs & Other Sources**

We receive pass-through income from a variety of offerings and appeals to support our companion dioceses in Renk, South Sudan, and Southeast Mexico. We also manage funds for Province V of the Episcopal Church and the Clergy Relief Society, a fund that supports retired clergy and their spouses.

**Income from the Nicholas Center**

The Nicholas Center is currently mothballed, and we anticipate no income or expense in 2023.

**Income from Building & Administration**

The costs of operating St. James Commons and some administrative services are shared with St. James Cathedral, Episcopal Charities and Community Services, which are housed at 65 E. Huron. The diocesan operating budget subsidizes these ministries significantly as part of our common mission, but in 2023, income in this line will increase thanks to increased contributions from St. James Cathedral.

**Bishop’s Appeal**

We project that the 2023 Bishop’s Appeal will raise $100,000.

**Program and Other**

This income includes revenue from diocesan program fees and registrations as well as distributions from the Idwal Hughes Trust, a gift given to the diocese in 2018. In 2023, we anticipate receiving approximately $197,000 from the trust.