

IN PERPETUUM

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA

APRIL 2018 ❖ SPECIAL EDITION
St. Joseph the Worker

*"Give thanks to the Lord
for He is good. His love
endures forever."*

PSALM 136.1



A MESSAGE FROM MONSIGNOR

Endowments support our parish ... forever

Dear Parishioners,

I hope you take a moment to read this special edition of the newsletter *In Perpetuum* from the Catholic Foundation of Eastern Pennsylvania. It explains the history and background of the Foundation, and more importantly – as the newsletter's name suggests – it shows how our parish will forever benefit from our endowments managed by the Foundation.

When the Catholic Foundation started five years ago, I saw it as an opportunity to ensure the financial future of our parish. After careful study and with the consideration of our parish finance council, we started a general parish endowment fund in 2014 to provide a source of present and future income to support parish programs and activities.

We are fortunate that we had very generous donors who also saw the importance of investing money in an endowment to guarantee that their initial donation would grow and provide income into perpetuity. With an endowment, the principal is held intact and can grow with prudent investing, while still providing disbursements quarterly or annually.

Like me, these donors also saw the benefits of putting money with the Catholic Foundation: morally responsible investment management, lower fees, independence, and the assurance that their initial intent will be honored.

The value of our endowments has grown with a better than average return and also because of additional donations made to the principal, through bequests, gifts, and proceeds from some of our fundraising efforts like the annual motorcycle ride.

If you would like to learn more about our parish and school endowments, please contact me. I will be happy to share why investing in or adding to St. Joe's endowments with the Catholic Foundation is a wise decision.

Sincerely,
Monsignor Robert Wargo



Catholic Foundation provides 'best-in-class' strategy to assist Catholic causes in generating future income

Five years ago a group of Catholic community leaders gathered together to discuss "a big idea" that would provide Catholic institutions in our region needed funding so they could remain sustainable over the long run. From the big idea, the Catholic Foundation of Eastern Pennsylvania was born.

The Catholic Foundation is a charitable organization independent from the Diocese of Allentown. It is designed to manage assets through endowment and donor designated funds that generate perpetual income and provide financial stability for Catholic parishes, educational institutions, Catholic cemeteries and non-profit organizations in the five-county footprint of the Diocese.

"We have built an independent, low-cost investment strategy that focuses on consistent returns while incorporating Catholic values," Paul Huck, chairperson of the board for the Catholic Foundation and retired CFO of Air Products, said. "We stand ready to help Catholic institutions with their long-term investment strategy that will generate future income to fulfill their missions and respect donor intent."

Currently, the Catholic Foundation manages \$5 million in assets in 21 separate endowment funds. At the end of Q4 2017, the foundation saw a return of 16.34% YTD.

Continued on page 2



Endowments ensure the future of Catholic Education



More than 75 percent of the endowments managed by the Catholic Foundation of Eastern Pennsylvania are education related. Many of the funds were started with a focus on preserving access to a Catholic school education. Individual donors and parishes knew that the best way to ensure future funding for scholarships and education programs was to invest in an endowment.

“Education endowment funds generate future income for our schools and provide the children in our parishes access to a premier Catholic education and a chance to succeed,” Pete Waldron, Executive Director of the Catholic Foundation, said. “Scholarships, teacher excellence efforts and STREAM (science, technology, religion, engineering, arts and math) educational programs are top funding needs and the Catholic Foundation will work with parishes, schools and their individual donors to create endowments that will fund these educational priorities.”

The Catholic Foundation has helped individual donors, educational institutions, organizations, and parishes to recognize endowments as a means to support their causes, not only today, but for future generations. A school or scholarship endowment means that income will be available year after year, and often bridges the gap between tuition revenue and other contributed revenue such as special events and annual fund.

Since its inception, the Catholic Foundation has paid out an estimated \$172,000 in annual distributions to schools or institutions designated from each educational endowment. It expects to pay out an estimated \$160,000 this year.

“Catholic schools have a stabilizing influence for families as well as the communities where they are located,” Waldron said. “Keeping our schools strong today and ensuring their future are two of the main reasons individuals and parishes have made the decision to invest in an endowment fund with the Catholic Foundation.”

Allentown Central Catholic’s Green & Gold (G&G) Fund recently transferred its assets to the Catholic Foundation and Bob Buck, G&G Treasurer and CPA with Buckno Lisicky & Company saw the value immediately.

“It made sense to move the Green & Gold Fund into the Catholic Foundation,” Buck said. “With access to a broader investment portfolio, our fund will earn a better rate of return, grow faster and work harder to support educational programs at Allentown Central Catholic High School.”

There are 16 education endowment funds managed by the Catholic Foundation. In addition to diocesan parish and regional elementary schools, endowments also support special learning centers and Catholic high schools.

Education endowment funds at the Catholic Foundation include:

- ACCHS Green & Gold Education Endowment Fund
- Assumption BVM School Endowment Fund
- Reverend Joseph A. Barnes Scholarship Endowment Fund
- Berks County Catholic School Scholarship Endowment Fund
- Bishop Thompson Scholarship Endowment Fund
- Catholic School Scholarship Endowment Fund
- Rev. Stephen J. Halabura Seminary Endowment Fund
- Hispanic Scholarship Endowment Fund
- John Paul II Center for Special Learning Endowment Fund
- Albert J. Neupauper Education Endowment Fund
- St. Anne’s (Bethlehem) Education Endowment Fund
- St. Jane De Chantal Education Endowment Fund
- St. Joseph the Worker Angel Scholarship Endowment Fund
- St. Theresa School Endowment Fund
- Scalici Family Endowment Fund
- Charles A. Wagner Scholarship Endowment Fund

Catholic Foundation *Continued from page 1*

The Foundation is governed by an all-volunteer independent Board of Directors currently comprised of professionals with legal, financial, foundation, and investment management experience. The Board is self-sustaining, electing new and replacing Board members as needed. Pete Waldron is the Catholic Foundation’s first executive director.

The Catholic Foundation of Eastern Pennsylvania is the new kid on the block among a network of 140 similar Catholic foundations across the United States. While there are commonalities among them, each operates individually and is tailored to meet the needs of the Catholic communities they serve.



St. Joe's Endowment Funds honor donor intent by providing ongoing funding for parish activities

Monsignor Robert Wargo, pastor of St. Joseph the Worker Parish in Orefield, knows all too well the time and energy needed to raise funds for key parish programs. In the 46 years since his ordination as a priest, Monsignor Wargo has helped to raise millions of dollars in the half a dozen parishes where he has been stationed. He recalls organizing a successful \$125,000 fundraising effort for a parish cemetery only to learn years after his re-assignment that the funds set aside were used for another purpose.



Years later, Monsignor realized that if he had put the money into an endowment fund with clear stipulations on spending, that small parish cemetery would not have become a burden for its parishioners.

"A pastor's job is to work with parish lay leaders to make sure the parish is in a good financial state," Wargo said. "It's important to have income for the future so we may carry on the mission of Christ."

It's for this reason Monsignor Wargo has created four endowment funds managed by the Catholic Foundation of Eastern Pennsylvania to provide future income for various parish and school programs at St. Joseph the Worker Parish. With clear guidelines on spending, the endowment funds honor the intent of the original donors as well as the future donors whose contributions will help each of the funds grow. The four funds include:

- ❖ St. Joseph the Worker Parish Endowment Fund
- ❖ Frances and Michael Huszar College Scholarship Endowment Fund
- ❖ St. Joseph the Worker Angel Scholarship Endowment Fund
- ❖ St. Vincent de Paul Society of St. Joseph the Worker Parish Endowment

Each of these funds was started with an agreement that includes specific guidelines based on a donor's intent on how the fund shall be used.

"Honoring a donor's intent is one of the most important parts of good stewardship," Monsignor Wargo said. "Putting money into an endowment fund with the Catholic Foundation ensures that a donor's wishes will be followed – forever."

"Funds donated or raised for a specific or general purpose must be used for that purpose."

The **St. Joseph the Worker Parish Fund** was started in 2014 with a \$100,000 gift to establish a source of present and future income for use in parish activities. Between the investment earnings and other donations added to the principal, the fund is now valued at more than \$241,000. With a parish of its size, it would be important for St. Joseph the Worker to grow its general endowment fund to a minimum size between \$3 and \$5 million.

"A pastor's job is to work with parish lay leaders to make sure the parish is in a good financial state. It's important to have income for the future so we may carry on the mission of Christ."

— MSGR. WARGO —

In 2016, the **Frances and Michael Huszar College Scholarship Endowment Fund** was started with a gift of \$106,000. This scholarship fund offers financial aid for a college-bound or college-attending student or students from the parish. Annually 8 to 12 students are receiving assistance through the Huszar Scholarship Endowment Fund.

The **St. Joseph the Worker Angel Scholarship Endowment Fund** was transferred to the Catholic Foundation in 2017. Its purpose is to benefit children in economic need who want to attend St. Joseph the Worker School. Having this source of funding is very important to the future enrollment at the school.

A gift of \$25,000 from Betsy and Frank Fleming was one of the first donations to start this fund. Every year, the annual Motorcycle Ride added additional dollars to the endowment's principal, which is worth more than \$400,000.

"Thanks to the annual generosity of our parishioners, we have been able to grow this fund and help provide a Catholic education to many children in our parish," Lisa Geosits, Development Director at St. Joseph's the Worker School, said.

The **St. Vincent de Paul Society of St. Joseph the Worker Parish Endowment** was established in 2016 with a gift from Mr. & Mrs. Philip Delvecchio. This fund supports the Society's important mission of helping the needy of the parish. Requests for monetary assistance are reviewed and generally covered with gifts cards for grocery stores, gas cards, etc. The fund is now at almost \$36,000 with a goal of growing the endowment to \$100,000.

It's easy to support St. Joe's with the Catholic Foundation

There are two ways St. Joe's parishioners may support the future of the parish and school through the Catholic Foundation:

- ❖ Start an endowment fund.
- ❖ Contribute to an existing endowment fund.

There are a variety of financial vehicles used to accomplish this goal. Bequests, trusts, and out-right cash donations are the most common. Donors have also made gifts of appreciated securities, IRA distributions (especially if age 70.5 and older), or by naming the parish as an insurance or IRA beneficiary.

It is important that donors consult with their investment advisers on what is the best investment vehicle for them.



ENDOWMENT FUND: The Gift That Keeps On Giving



LONG-TERM
INVESTMENT
GOAL:
8%
RETURN

Perpetual
Income 



**FINANCIAL
STABILITY**



**INDEPENDENT
from Diocese**

**Written
Guidelines**




VISION
Good Stewardship 

OPPORTUNITY FOR GIVING
CASH • SECURITIES • BEQUESTS
INSURANCE OR INVESTMENT BENEFICIARIES



401K / IRA TRANSFERS

5%
DISTRIBUTION 



Bridges
Funding Gap

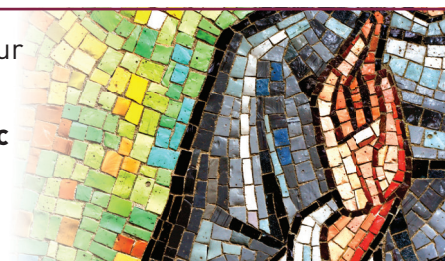


As Endowment Grows -
Distribution Grows


PEACE
Parish or
cause has
\$\$\$ forever



To start, contribute or remember a fund in your will/trust for your favorite Catholic parish, school, learning center or non-profit, please contact **Pete Waldron, Executive Director of the Catholic Foundation of Eastern Pennsylvania** at **610-439-7681** or **petewaldron@catholicfoundationep.org**



IN PERPETUUM

The Latin word meaning forever.

CFEP is an independent, charitable organization designed to manage assets, generate perpetual income and provide financial stability for Catholic parishes, educational institutions and non-profits.

BOARD OF DIRECTORS

Paul E. Huck, Air Products and Chemicals (ret.)
Thomas J. Scalici, Cornerstone Advisors
Asset Management, Inc.
Beth A. Dobis Beers, Attorney at Law
Edward F. Meehan, The Rider Pool Foundation

James A. Ritter, Gross McGinley, LLP
Janet E. Roth, Harry C. Trexler Trust
Rev. Msgr. Daniel J. Yenushosky,
Holy Trinity Parish



Catholic Foundation
OF EASTERN PENNSYLVANIA