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ON EDUCATION

Now, Catholic Educators Must Also Be Fund-Raisers

By SAMUEL G. FREEDMAN

LOOKING back now, analyzing the past with harsh hindsight, Jean O'Shea remembers the radio advertising campaign that nobody ever heard. As the chief fund-raiser for Roman Catholic schools in the Brooklyn Diocese, she had the brainstorm two years ago of buying time on some all-news and light-music stations, putting out an appeal for donations. "Calling all alumni," went her slogan.

It was problem enough that she was counting on radio at all. She should have been able to draw on a list of the hundreds of thousands of living graduates of the diocese's elementary and middle schools. Except that no such list existed. And then, as it turned out, the diocese could not afford the \$35,000 the ads would have cost.

Last month, Ms. O'Shea's grimmest fears came to pass. The diocese said it planned to close 22 schools in Brooklyn and Queens, all for a cumulative deficit of just \$6 million, lunch money in major philanthropic terms. Another two dozen schools, Ms. O'Shea believes, are at risk of being shut down or merged in the next academic year, all for a lack of perhaps \$4 million.

This is not some problem peculiar to Brooklyn. The Chicago archdiocese announced last week that it would close 23 schools, the third such contraction there since 1990. Nationally, Catholic-school enrollment has dropped by half from its high point of 5.6 million pupils 50 years ago, with schools in poor urban centers losing the most.

The recent Catholic-school closings have generally been covered as either a sob story or a sort of natural disaster, the inevitable outcome of demographics. It is indeed worth crying about the demise of Catholic schools, especially those that offer a lifeline for black and Hispanic children in poor neighborhoods.

But those tears change nothing. And there need not have been anything inevitable about the closings. In Brooklyn, for instance, the Catholic population has actually been growing over the past 40 years, and nationally the number of pupils in Catholic schools has been rising since hitting bottom at 2.5 million in 1991.

Rather, as Jean O'Shea's ad campaign suggests, Catholic schools have suffered in part because of the slowness of leaders and laity alike to grasp enormous economic changes, especially for elementary schools tied to their parishes. Too many institutions and too many individuals have not acted on the new reality: Catholic schools will have to become expert fund-raisers to survive.

"I don't know why we've been so complacent and so unprepared," Ms. O'Shea said. "There's a tremendous ignorance out there about what we do. And we haven't done a good enough job of telling

our story."

So unaccustomed are many Catholic educators to intensive, professional fund-raising that the National Catholic Education Association's major research report, "Catholic Schools Still Make a Difference," devotes exactly 5 of its 269 pages to "finance and development."

"As far as fund-raising, I hardly know of anyone who does it well," said Charles Zech, an economics professor at Villanova University outside Philadelphia, who is an expert on Catholic Church finances. "There's never been a history or a need for it. So even though there's a reservoir of good will toward parochial schools, we aren't good at tapping it."

Two generations ago, a parish school typically charged \$100 or less for annual tuition. Nuns, priests and members of religious orders worked for virtually nothing. The Sunday collection in church yielded roughly two-thirds of operating expenses for the school.

Not a single one of those traits holds true any more. Lay teachers, unionized in some cases, must be paid a living wage. Urban parishes composed of working-class Irish, Italians and Poles have become home to working-poor Hispanics and African-Americans. Tuition has risen, in Brooklyn's case to about \$3,200, which is \$700 short of actual per pupil costs.

At the same time, Catholic schools have taken on a mission that is as socially valuable as ever. They have become increasingly the schools of choice of nonwhite families, whose children now constitute one-quarter of Catholic enrollment nationally and almost two-thirds of Brooklyn enrollment. These families struggle so greatly to pay tuition that it is common in the Brooklyn Diocese for a parent to simply sign over an income-tax refund check, or even a weekly paycheck, to the school.

The result is a vicious cycle. The more tuition increases, the more families pull out their children. The more children leave, the more tuition must increase to sustain the school. And once a parish school dips below 250 pupils, generally considered the critical mass for financial and educational viability, closure looms. To put it another way, nobody should be surprised.

Indeed, a study of the Brooklyn Diocese's parish schools in 1993 urged the development of a \$100 million endowment. Instead, the diocese was able to put aside only \$10 million for its schools from a fund-raising campaign. A separate philanthropic program called Futures in Education, founded in the early 1990's specifically to help parish schools, was raising only about \$300,000 a year at the time Ms. O'Shea arrived in 1997. Since then, the annual intake has grown to about \$2.8 million, enough to provide tuition assistance for 500 individual students but far short of what is necessary to balance the books every year.

Without alumni records for the diocese as a whole, Futures in Education maintains a list of 2,600 prospective donors, of whom only 800 have ever given money. Others may have made donations to a scholarship fund for the New York Archdiocese on the incorrect assumption that it assists children in Brooklyn and Queens. And one can only speculate about whether the prospect of tuition vouchers, a cause championed by former Mayor Rudolph W. Giuliani, contributed to a lassitude in Catholic education circles, a belief that soon enough tax dollars would bail schools out.

"The tsunami was in sight for a long time," said Charles McQuade, a retired executive who is chairman of the board of Futures in Education. "Why haven't people stepped up? It's really an indictment of us," he said.

SOME positive examples do exist. The Cristo Rey and Nativity schools (the subject of this column on Nov. 23, 2004) raise virtually their entire budgets from individuals, corporations and foundations. In Chicago, the archdiocese's Big Shoulders Fund has collected \$132 million in its 18 years of operation, though it has spent much of the principal, leaving an endowment of only \$28 million.

The most successful model of all may well be in Memphis. Under Bishop J. Terry Steib and the diocese's school superintendent, Mary McDonald, the parochial system there has actually opened 12 schools in the past seven years. Donations of \$10 million paid for rehabilitating buildings, and another \$20 million went into an endowment.

In a diocese that covers half of Tennessee and has only 60,000 Catholics, Dr. McDonald appealed extensively to non-Catholics, too, arguing that creating and sustaining Catholic schools in Memphis slums offered the best prospect of stabilizing neighborhoods and training a skilled labor force. The newly opened schools offer literacy training and job placement, among other services, to adults in the community.

"You know how people say to think outside the box?" Dr. McDonald said of her method. "That's not good enough. You can't think there even is a box."

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