

Current Reality Report Findings and Insights



ARCHDIOCESE OF CINCINNATI





Key Steps on the Road from Maintenance to Mission

TIMELINE

Fall 2020: Archbishop Schnurr announces Beacons of Light. Data gathering begins.

February/March 2021: Analyze data, develop principles and vision points, and begin parameters consultation.

April 2021: Begin process design.

May/July 2021: Deans and priests consultation on draft current reality report. Recommend parameters to Archbishop Schnurr.

Summer 2021: Begin Families of Parishes modeling, continue process design, and develop facilitator preparation.

Fall 2021: Propose Families of Parishes models to Archbishop Schnurr. Begin pilot processes.

Spring 2022: Second pilot processes and pastor and facilitator preparation commence.

Summer 2022: Begin Families of Parishes rollout.





Serving the
Catholic
Church with
compassion,
experience,
gratitude,
and hope

A WHOLLY OWNED SUBSIDIARY OF



PartnersEdge, LLC Introduction

- A wholly owned subsidiary of Catholic Finance Corporation
- Long term partnership with TeamWorks International, Inc.
- Founded in 2015 expanded to a national basis by integrating our diverse knowledge, staff, and services
- In the past five years, we have served 9 dioceses and several other Catholic institutions





PartnersEdge, LLC - Strategic Roadmap

From What Is to What Ought To Be

PURPOSE Why Do We Exist?

We **engage** and **equip** Catholic organizations to realize mission success at local, regional, and national levels.

VALUES What is our approach?

Grounded in trust, competence, and humility Partnership:

Performance: Employ performance clarity, accountability, and transparency

Abundance: Building on the strengths and assets which exist, and the practical hope

of what is possible

SERVICES What do we provide?

Catholic Analytics & Insight: Providing clarity of the current reality of systemic conditions,

strengths, weaknesses, and influences

Modeling & Strategic

Decision-Making:

achievable, measurable, and accountable

Co-developing options for "what ought to be" that are realistic,

Guiding organizational planning through strategies, structure, action, Leadership, Coaching, & Design:

processes, and practices

SUCCESS How do we measure?

Our Engagement Difference: Highly Relational & Systemic Approach

Broad and deep array of experiences and tools **Equipping Clients:**

Based upon our clients' success and satisfaction **Defined:**





Our Clients



- Archdiocese of Baltimore
- Archdiocese of Hartford
- Archdiocese of Saint Paul and Minneapolis
- Archdiocese of Cincinnati
- Diocese of Winona
- Diocese of Sioux Falls
- Diocese of Sioux City
- Diocese of Cheyenne
- Diocese of Lafayette in Indiana

- Diocese of Corpus Christi
- Diocese of San Jose
- Sisters of Hawthorne of New York
- Dominican Friars Province of St. Martin De Porres
- National Conference for Catechetical Leadership (NCCL)
- National Federation of Catholic Youth Ministers (NFCYM)





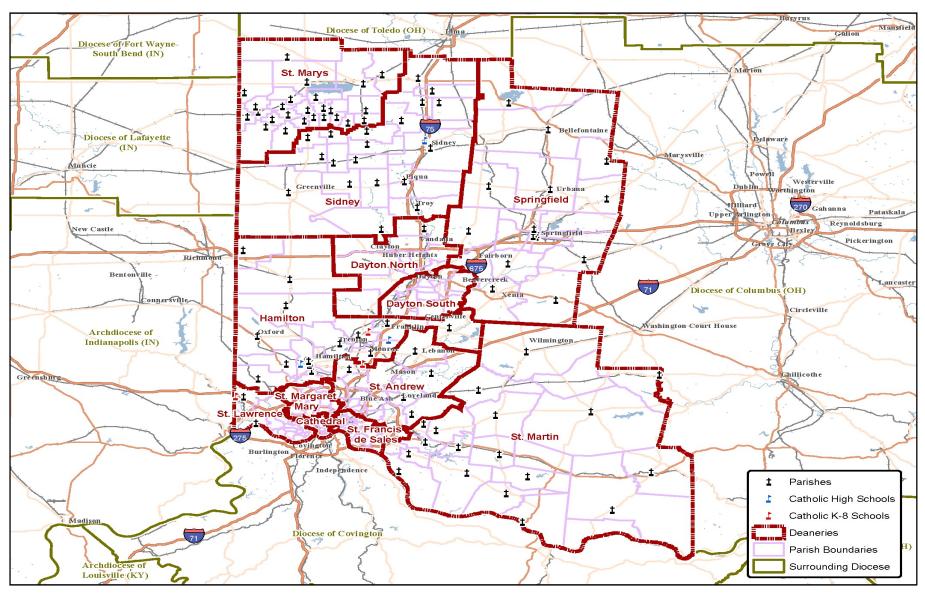
^{*}current client

Archdiocese of Cincinnati

- 212 Parishes & 12 Deaneries
- ~160k Registered Catholic Households & ~400k
 Registered Individuals
- 111 Catholic Schools Grades K-12
- 24 Catholic High Schools
- 87 K-8 Catholic Schools
 - 67 Parish Schools, 10 Consolidated Schools,
 2 Archdiocesan Schools, 7 Privately Owned Schools,
 1 Board Owned School
- 160 Active Priests serving Parishes in the Archdiocese:
 - 4 Externs/R-1 Visa Priests
 - 29 Religious Order Priests
 - 127 Active, Archdiocesan Priests serving Parishes

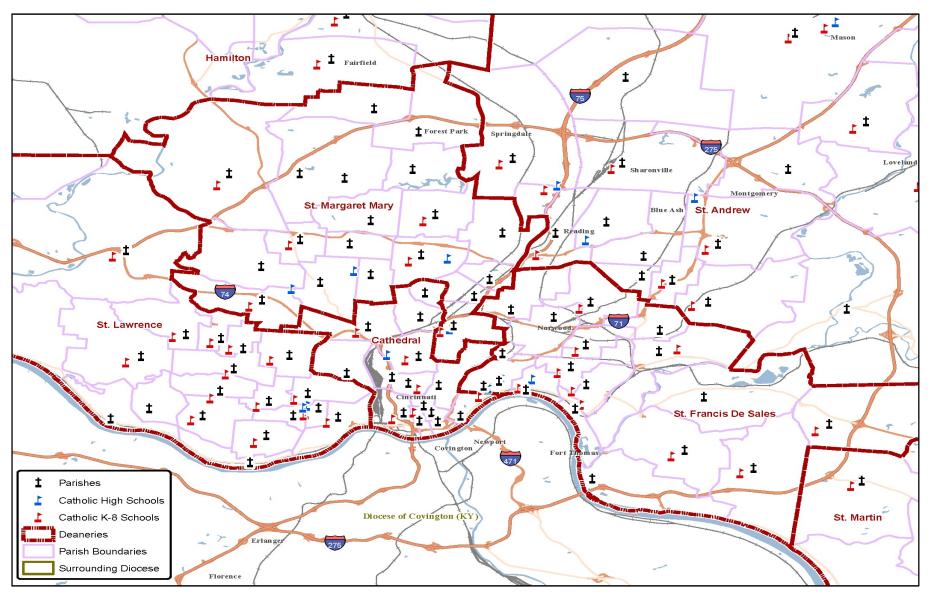


Archdiocese of Cincinnati



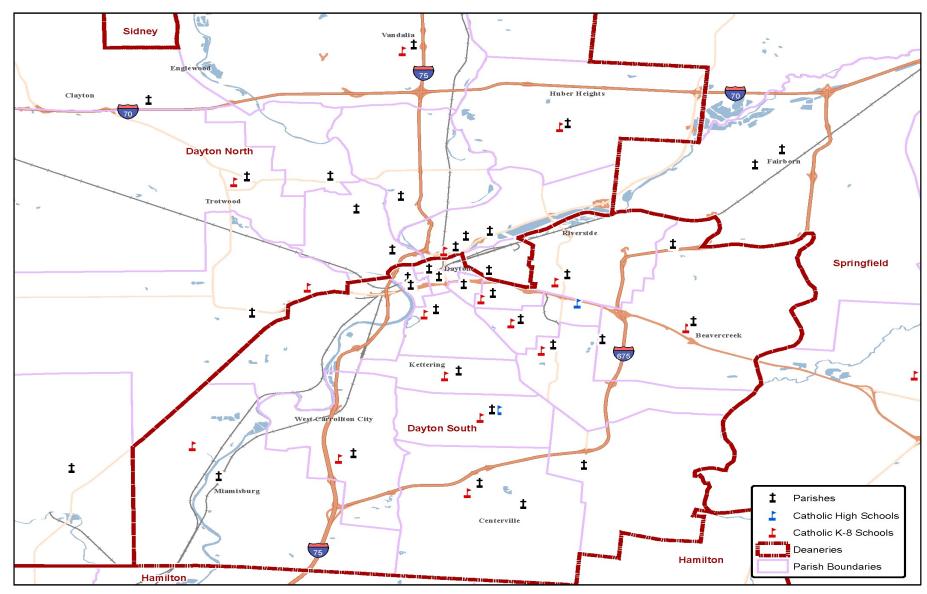


Archdiocese of Cincinnati, OH - Cincinnati Focus





Archdiocese of Cincinnati, OH - Dayton Focus







Community Demographics



2010 & 2020 Overall Population Demographics



- Total population grew 3.1% from 2,994,520 to 3,085,880
- White population declined 0.8% from 2,426,046 to 2,406,921
- Persons of Color population grew 15.8% from 499,657 to 578,556
- Hispanic population grew 45.9% from 68,817 to 100,393
- In 2020 across the Archdiocese of the total population:
 - White population comprised 78.0%
 - Persons of Color population comprised 18.7%
 - Hispanic population comprised 3.3%



Projected 2025 Overall Population Demographics

- 5-Year Population Projections (2025) across the Archdiocese:
 - Total population will grow 1.3% to 3,126,971
 - White population will decline 1.1% to 2,379,921
 - Persons of Color population will grow 8.0% to 624,790
 - Hispanic population will grow 21.8% to 122,260
- 5-Year Density Projections (2025) across the Archdiocese:
 - White population will comprise 76.1% of the total
 - Persons of Color population will comprise 20.0% of the total
 - Hispanic population will comprise 3.9% of the total



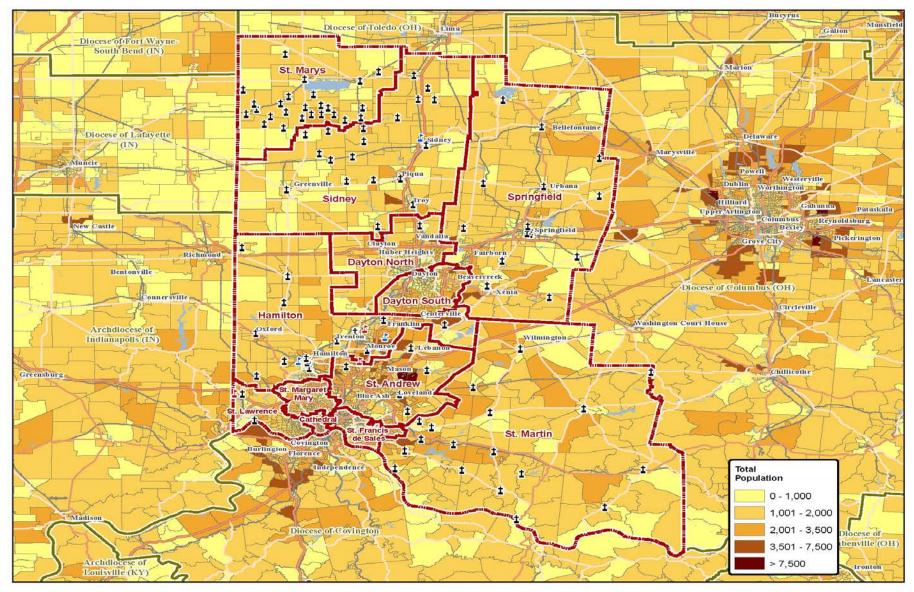
2010 2020 2025 Overall Population Demographics

POPULATION & RACE DEMOGRAPHICS BY ARCHDIOCESE							
	2010		2020		2025		2020-2025
Race	Number	%	Number	%	Number	%	% Change
White	2,426,046	81.0%	2,406,921	78.0%	2,379,921	76.1%	-1.1%
Black	382,079	12.8%	408,940	13.3%	421,879	13.5%	3.2%
Am. Indian	5,387	0.2%	5,932	0.2%	6,130	0.2%	3.3%
Asian	54,209	1.8%	85,808	2.8%	105,865	3.4%	23.4%
Hispanic	68,817	2.3%	100,393	3.3%	122,260	3.9%	21.8%
Other	57,982	1.9%	77,886	2.5%	90,916	2.9%	16.7%
Totals	2,994,520	100%	3,085,880	100%	3,126,971	100%	1.3%

^{*}Persons of Color are defined here as all races and ethnicities other than Hispanic and white. Other races are those persons who identify as a race other than those listed, two or more races, or as Hawaiian/Pacific Islanders

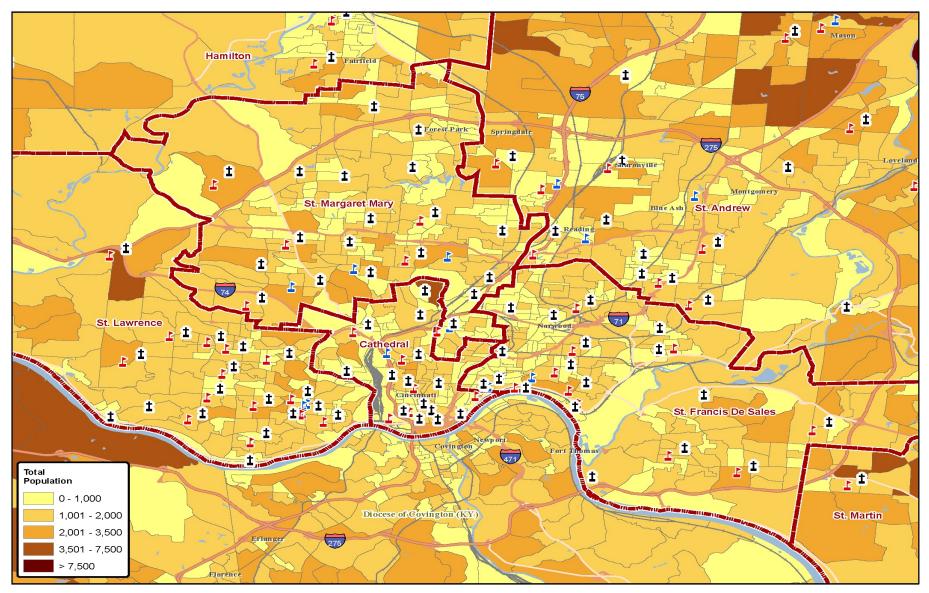


2020 Total Population



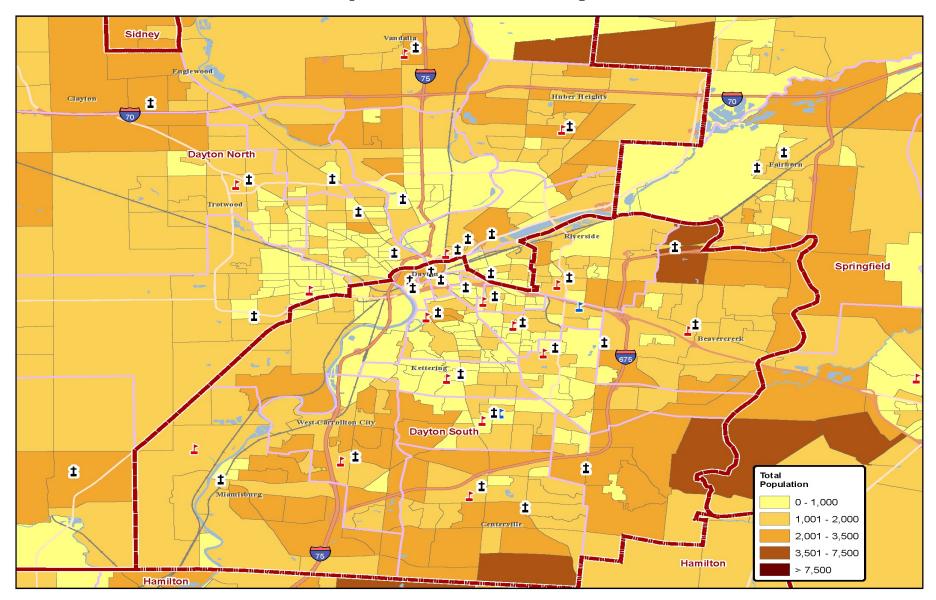


2020 Total Population – Cincinnati Focus



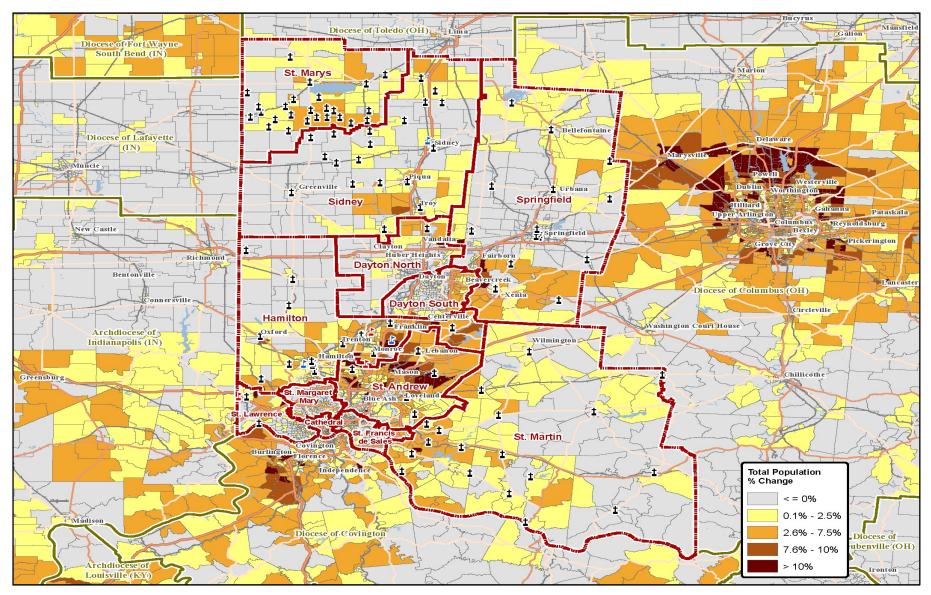


2020 Total Population - Dayton Focus



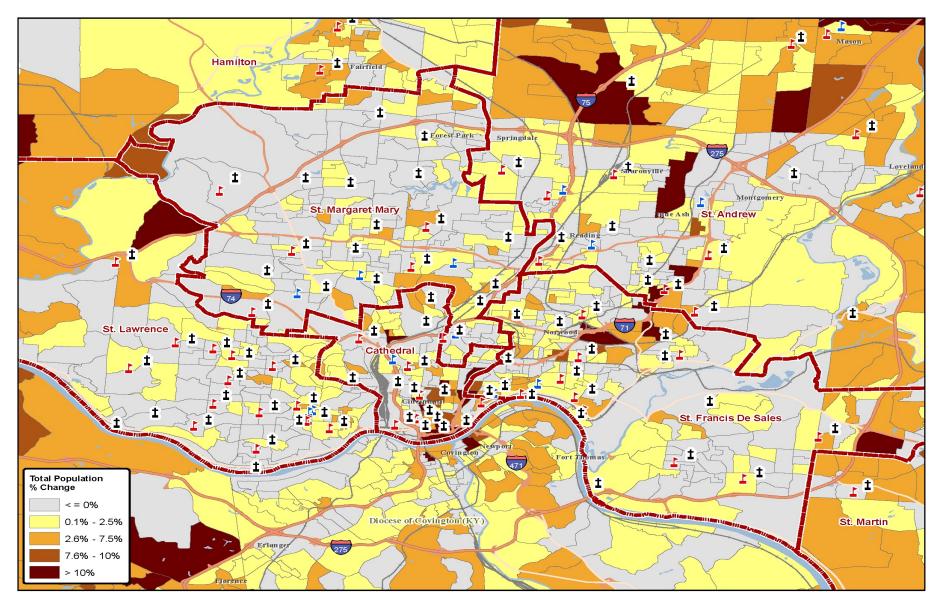


2020-2025 Total Population Percent Change



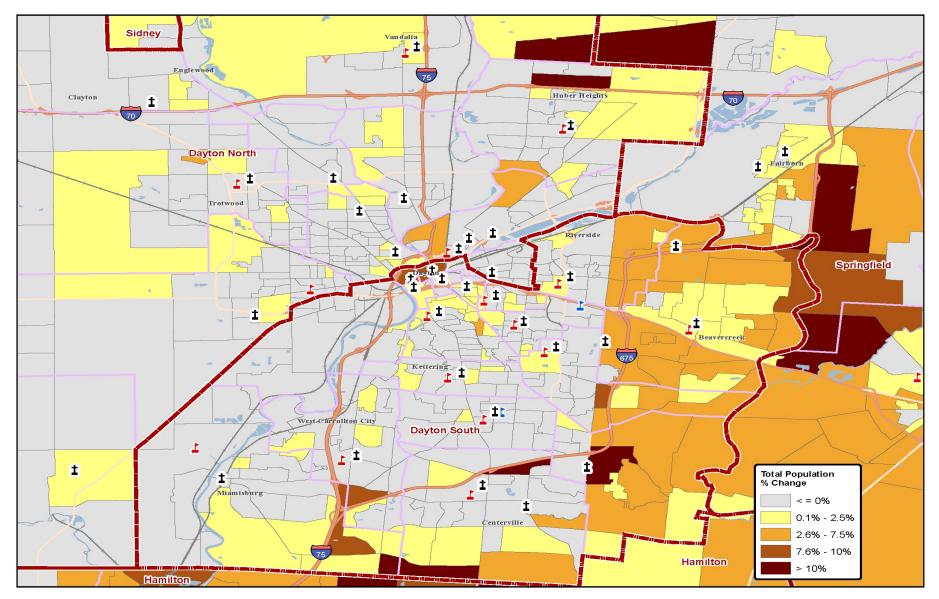


2020-2025 Total Population Percent Change - Cincinnati Focus



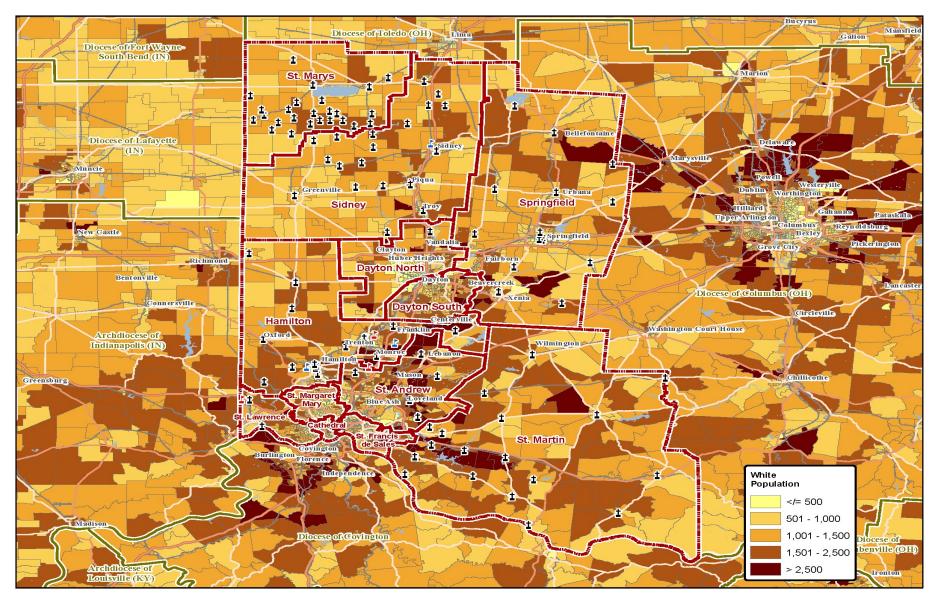


2020-2025 Total Population Percent Change - Dayton Focus



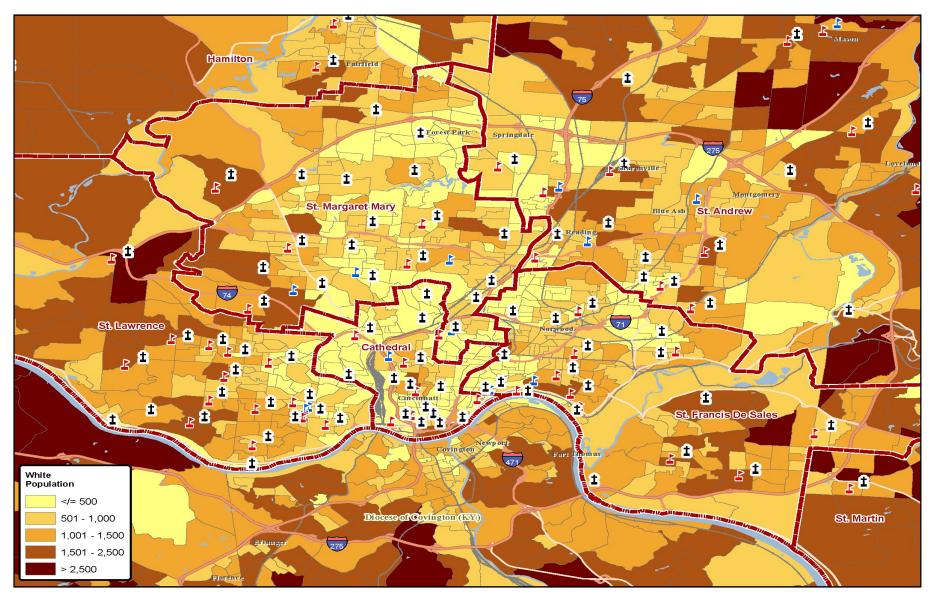


2020 White Population



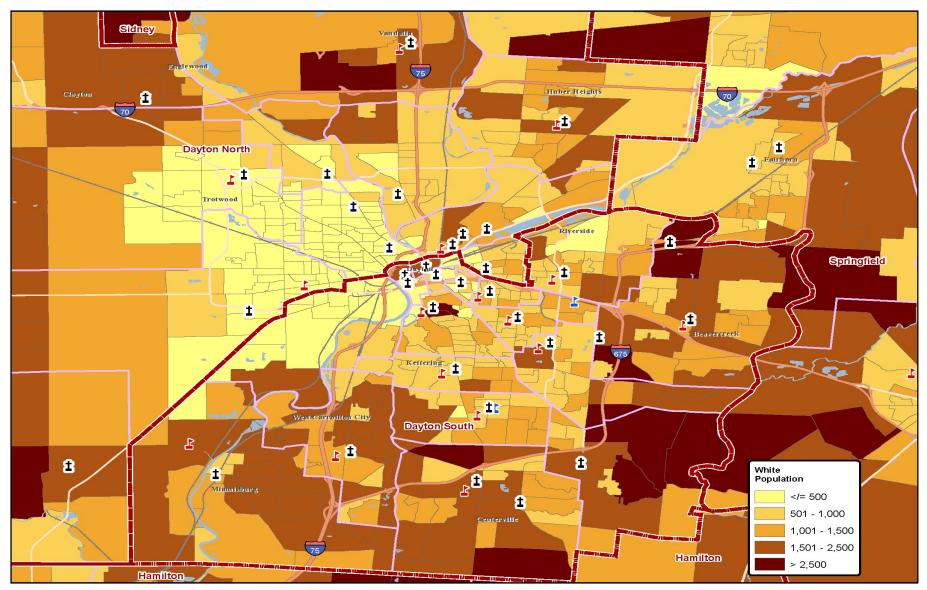


2020 White Population - Cincinnati Focus



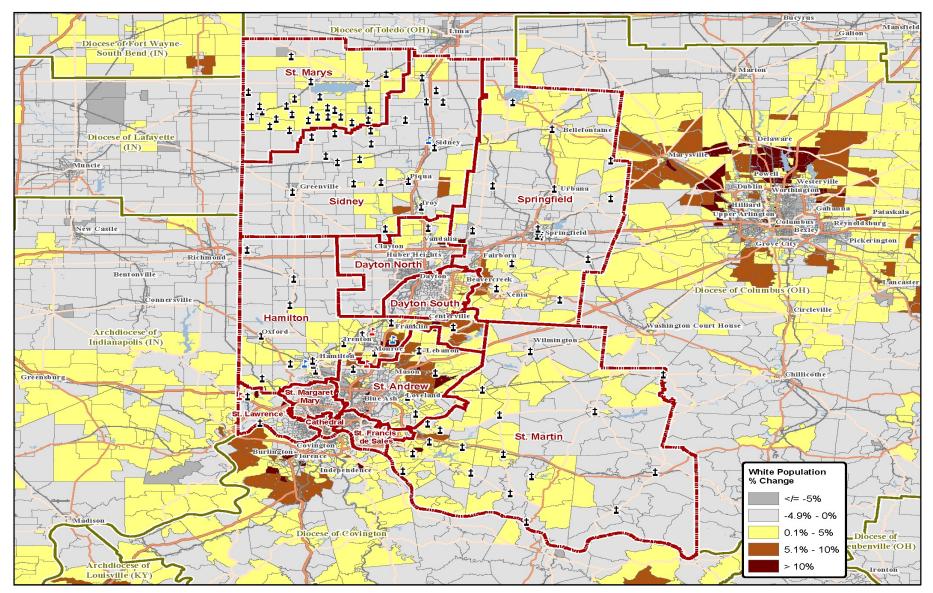


2020 White Population - Dayton Focus



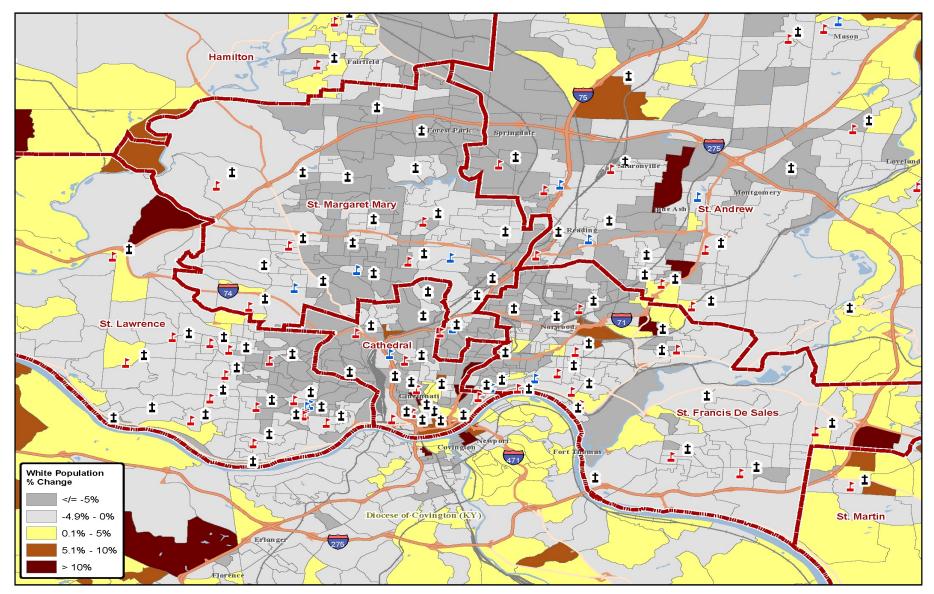


2020-2025 White Population Percent Change



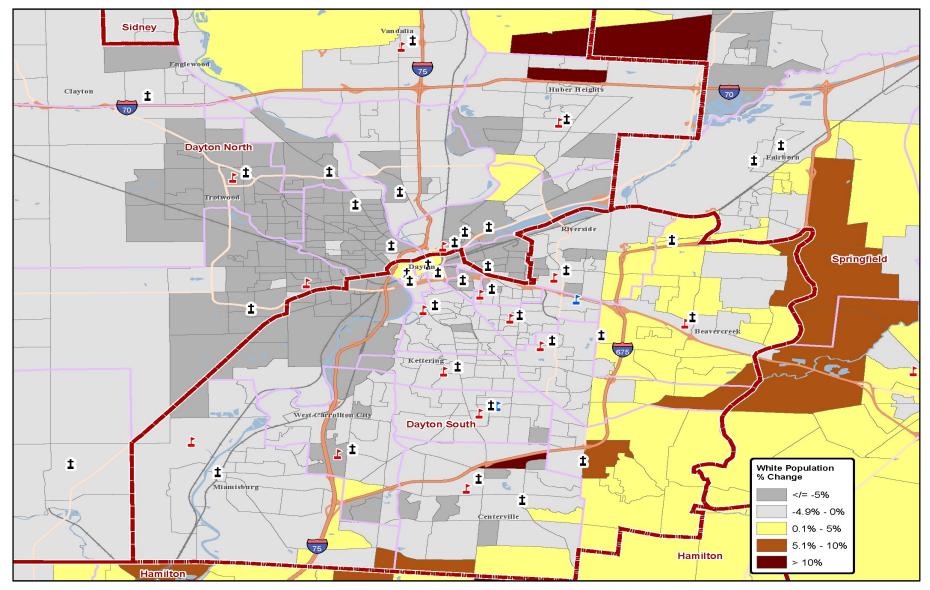


2020-2025 White Population Percent Change - Cincinnati Focus



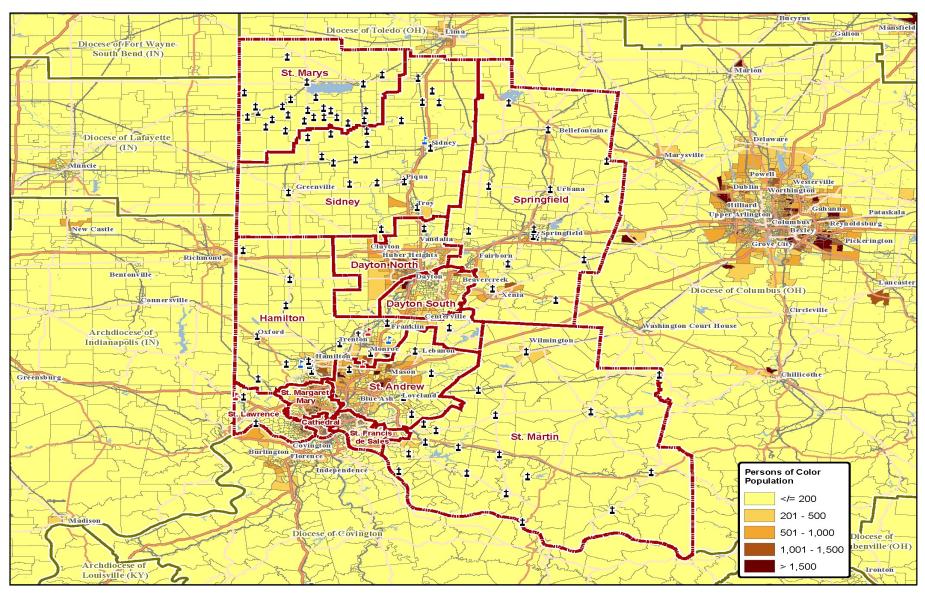


2020-2025 White Population Percent Change - Dayton Focus



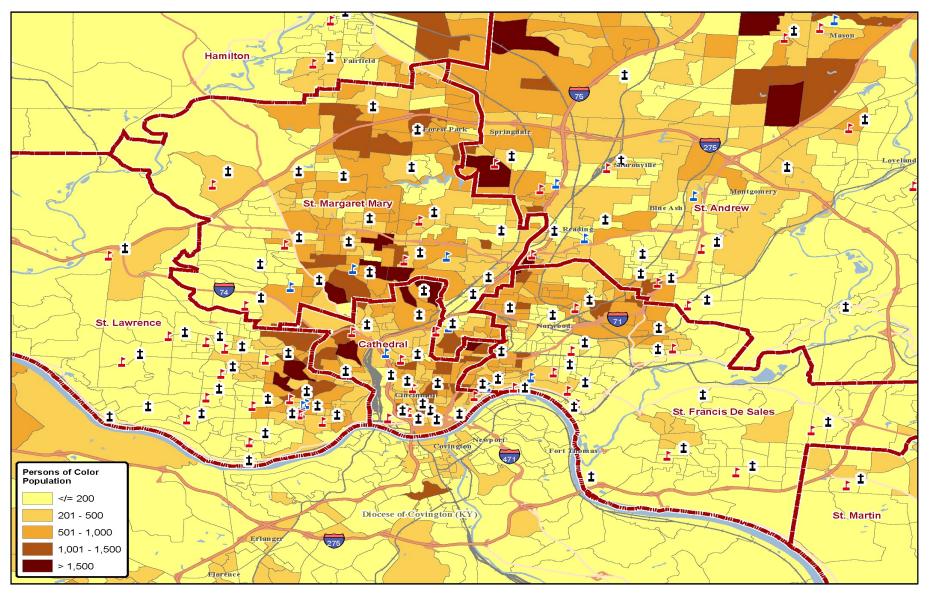


2020 Persons of Color Population



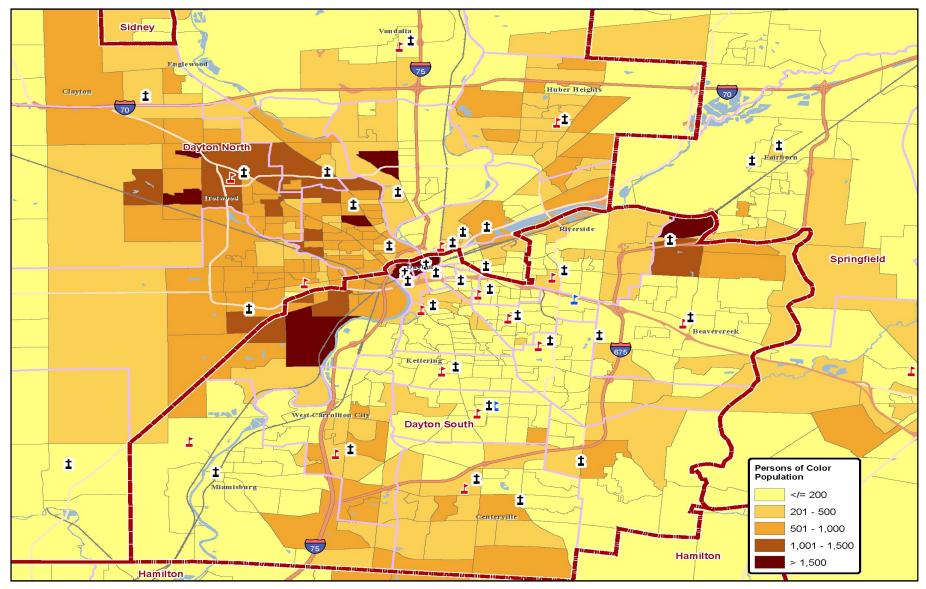


2020 Persons of Color Population - Cincinnati Focus



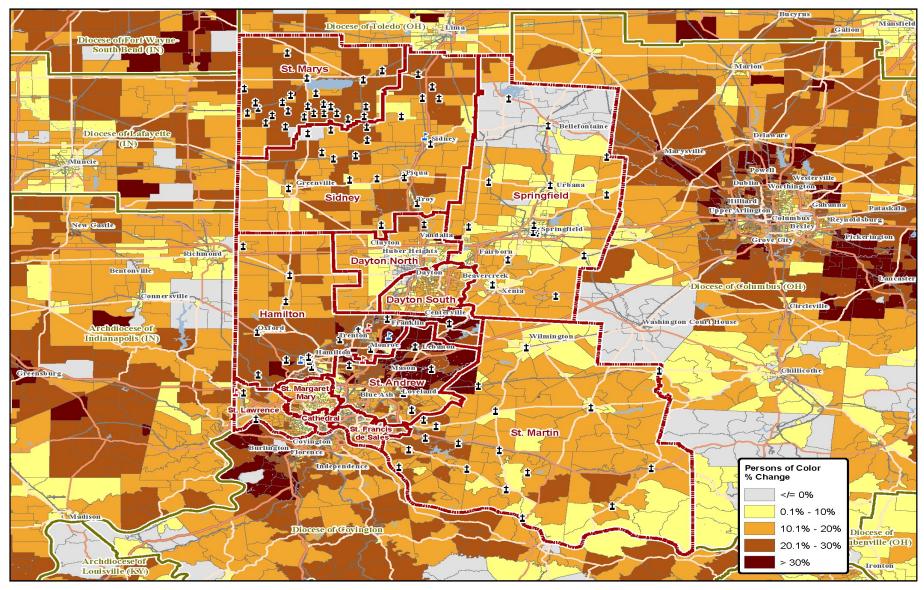


2020 Persons of Color Population - Dayton Focus



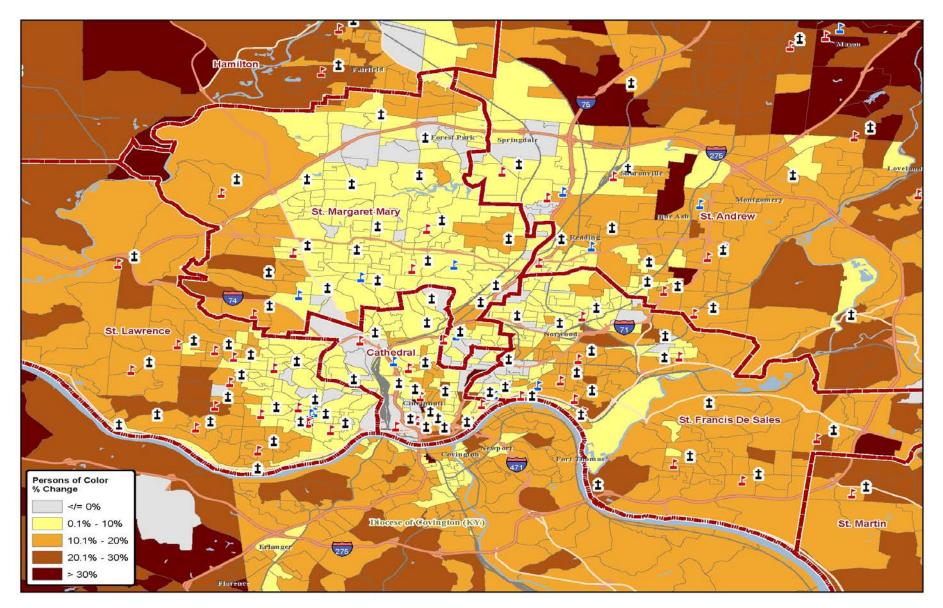


2020-2025 Persons of Color Population Percent Change



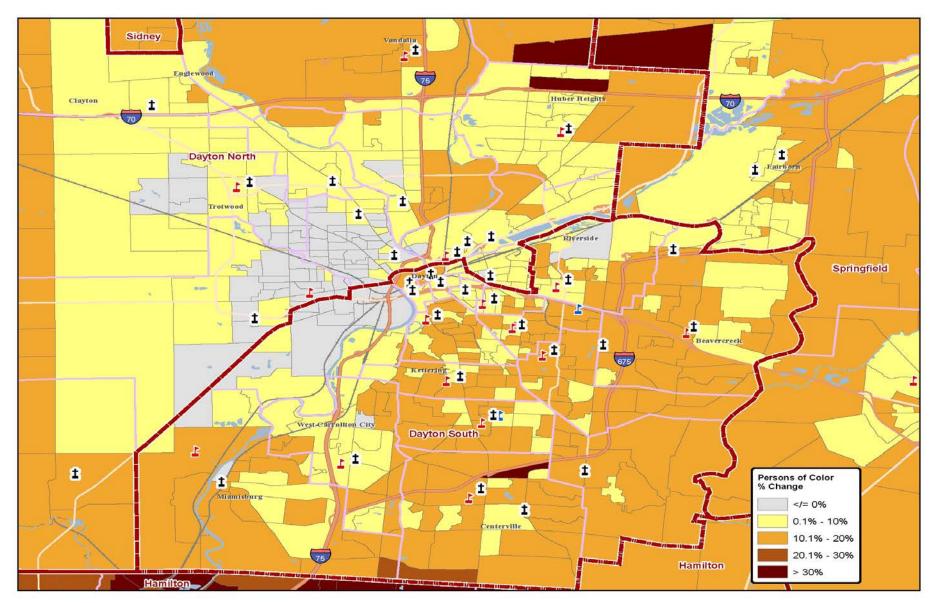


2020-2025 Persons of Color Population Percent Change – Cincinnati Focus



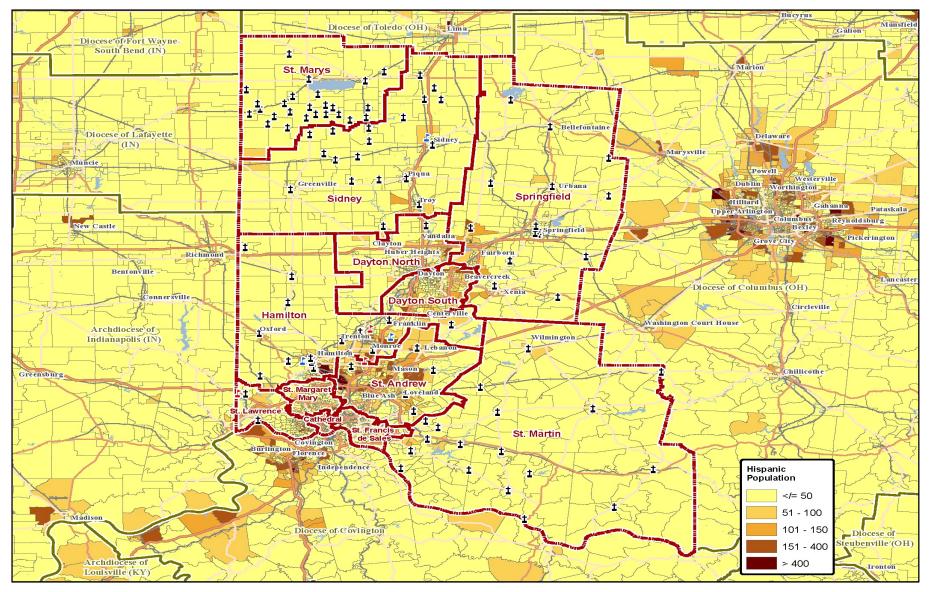


2020-2025 Persons of Color Population Percent Change - Dayton Focus



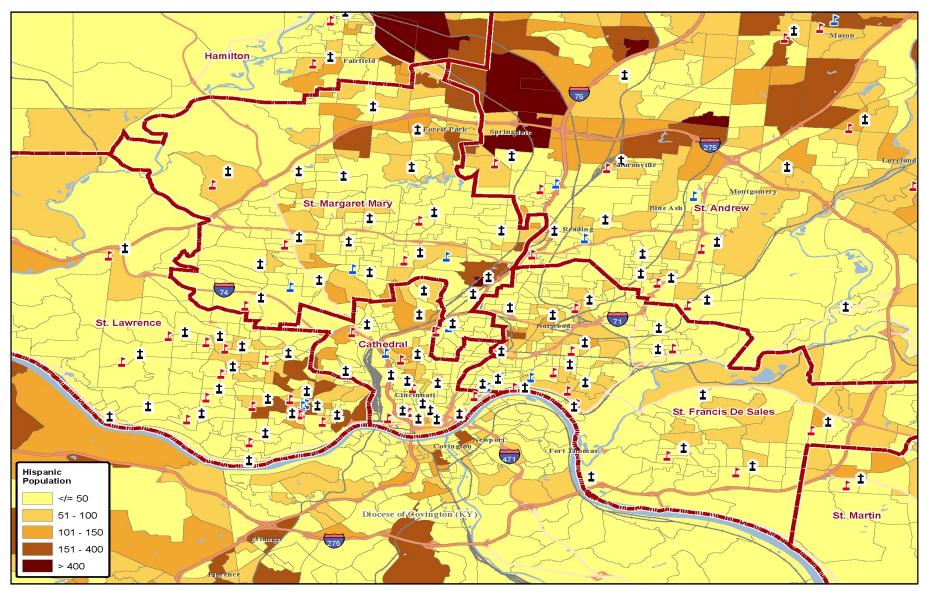


2020 Hispanic Population



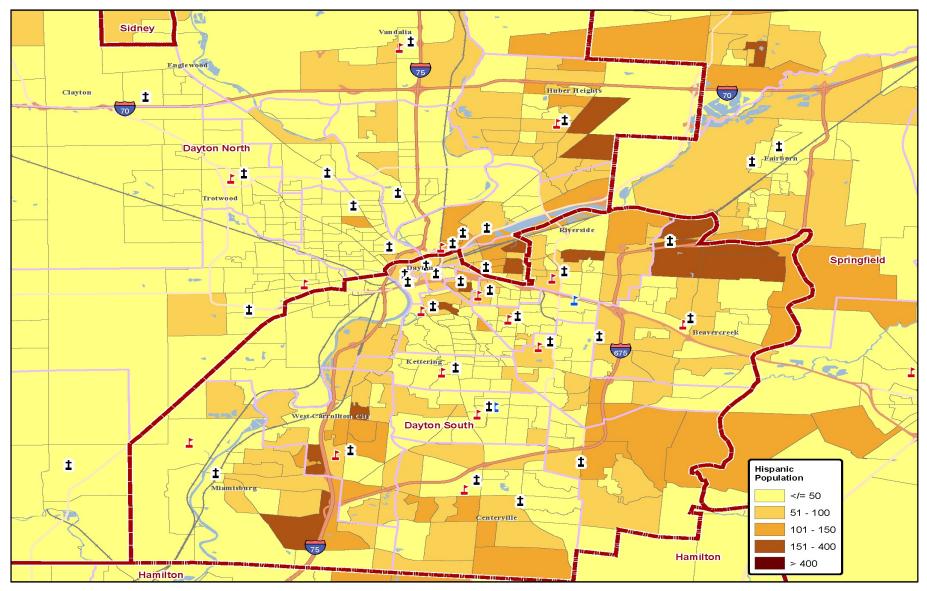


2020 Hispanic Population – Cincinnati Focus



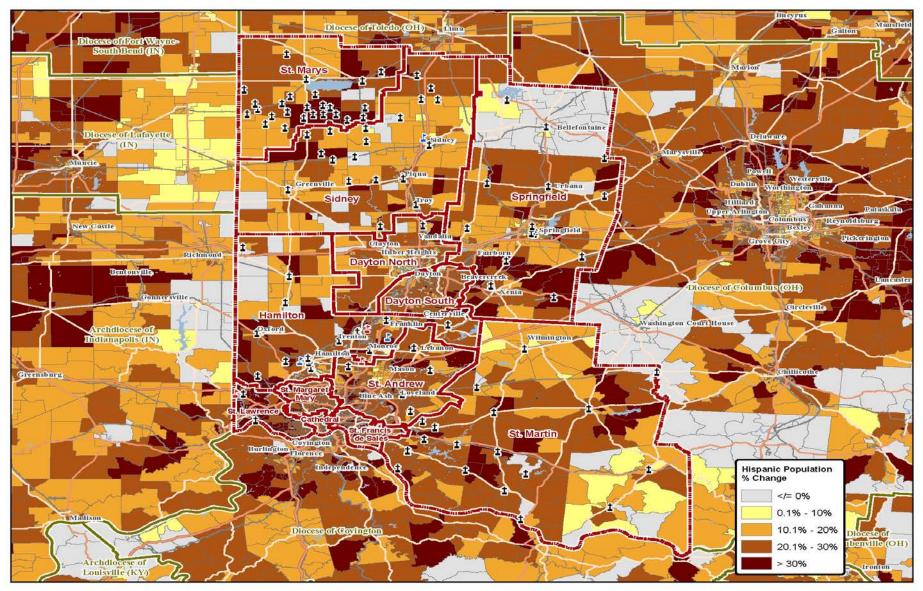


2020 Hispanic Population - Dayton Focus



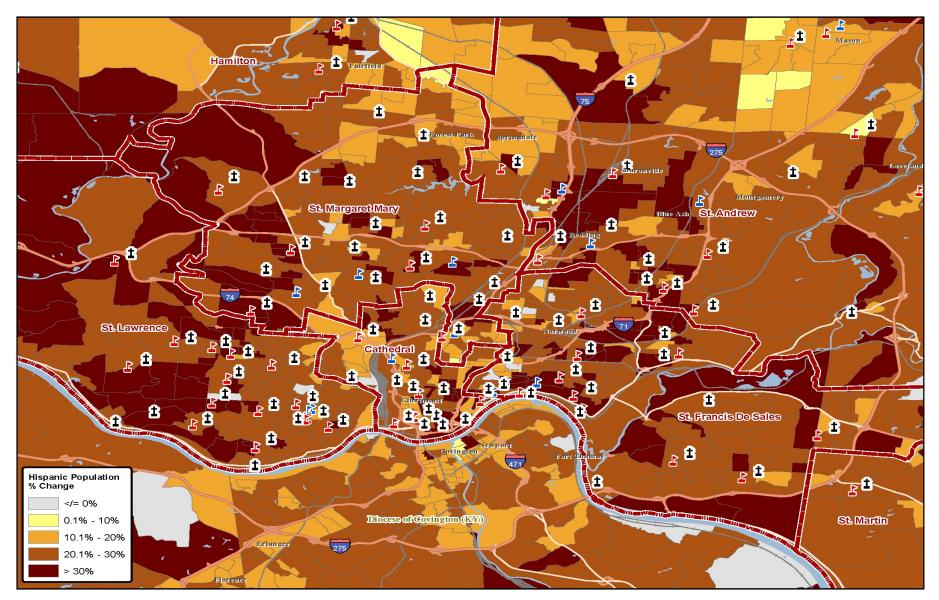


2020-2025 Hispanic Population Percent Change



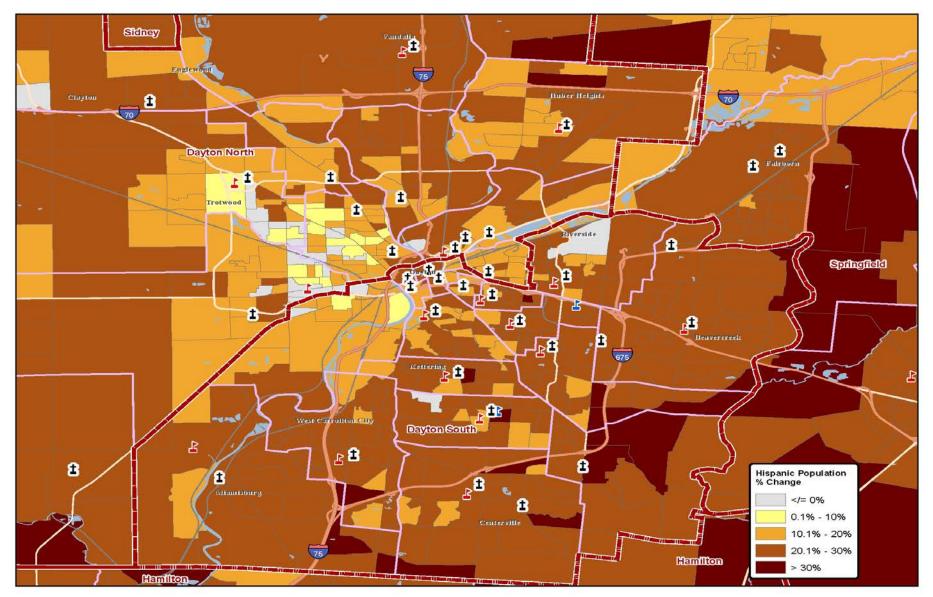


2020-2025 Hispanic Population Percent Change - Cincinnati Focus





2020-2025 Hispanic Population Percent Change - Dayton Focus





2010 2020 2025 Age Demographics

- Between 2010 & 2020 across the Archdiocese:
- The 65 and older population was the fastest growing age cohort, growing 32.3% from 407,322 to 538,743
- In 2020, Millennials comprised the largest generational cohort (708,328 or 23.0% of the total population)
- 5-Year Projections (2025) across the Archdiocese:
- The 65 and older population will grow 14.9% to 619,000
- Millennials will comprise the largest generational cohort (712,274 or 22.8% of the total population)



2010 2020 2025 Age Demographics

POPULATION & /	AGE DEMOGRAPHICS	BY ARCHDIOCESE
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	2010		2020		2025		2020-2025
Age Range	Number	Percent	Number	Percent	Number	Percent	% Change
0 - 4	195,234	6.5%	182,065	5.9%	183,799	5.9%	1.0%
5 - 9	201,265	6.7%	188,100	6.1%	186,849	6.0%	-0.7%
10 - 14	204,529	6.8%	193,904	6.3%	193,908	6.2%	0.0%
15 - 19	214,390	7.2%	198,406	6.4%	199,876	6.4%	0.7%
20 - 24	199,848	6.7%	204,912	6.6%	194,966	6.2%	-4.9%
25 - 34	367,782	12.3%	398,721	12.9%	393,046	12.6%	-1.4%
35 - 44	382,931	12.8%	373,263	12.1%	392,667	12.6%	5.2%
45 - 54	451,737	15.1%	385,321	12.5%	366,738	11.7%	-4.8%
55 - 64	369,482	12.3%	422,445	13.7%	396,122	12.7%	-6.2%
65 - 74	215,402	7.2%	314,118	10.2%	351,655	11.2%	11.9%
75 - 84	135,998	4.5%	155,878	5.1%	195,534	6.3%	25.4%
85+	55,922	1.9%	68,747	2.2%	71,811	2.3%	4.5%
Median Age	38.1		39.6		40.3		1.8%
Totals	2,994,520	100.0%	3,085,880	100.0%	3,126,971	100.0%	1.3%



Generational Age Demographics

POPULATION & GENERATIONAL AGE DEMOGRAPHICS BY ARCHDIOCESE

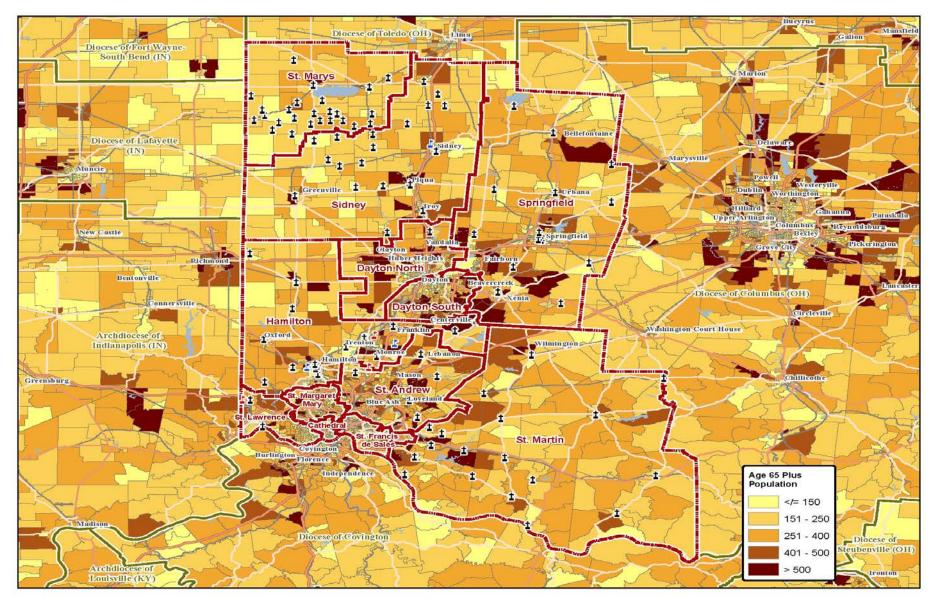
Totals	3,085,880	100.0%	3,126,971	100.0%	1.3%
Silent Generation	224,625	7.3%	146,351	4.7%	-34.8%
Baby Boomers	694,391	22.5%	637,225	20.4%	-8.2%
Generation X	607,714	19.7%	598,284	19.1%	-1.6%
Millennials	708,328	23.0%	712,274	22.8%	0.6%
Generation Z	705,606	22.9%	700,388	22.4%	-0.7%
Generation Alpha	145,216	4.7%	332,449	10.6%	128.9%
Generation Name	Number	Percent	Number	Percent	% Change
	202	2020		25	2020-2025

2017-Present: Generation Alpha 1999-2016: Generation Z 1981-1998: Millennials 1965-1980: Generation X 1946-1964: Baby Boomers

1945 or Earlier: Silent & Greatest Generations

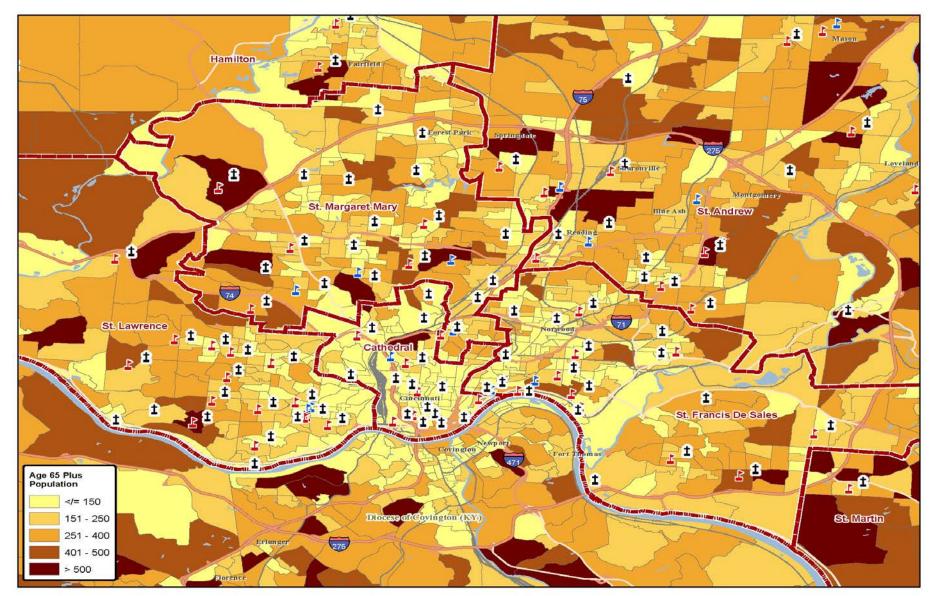


2020 Ages 65 & Over Population



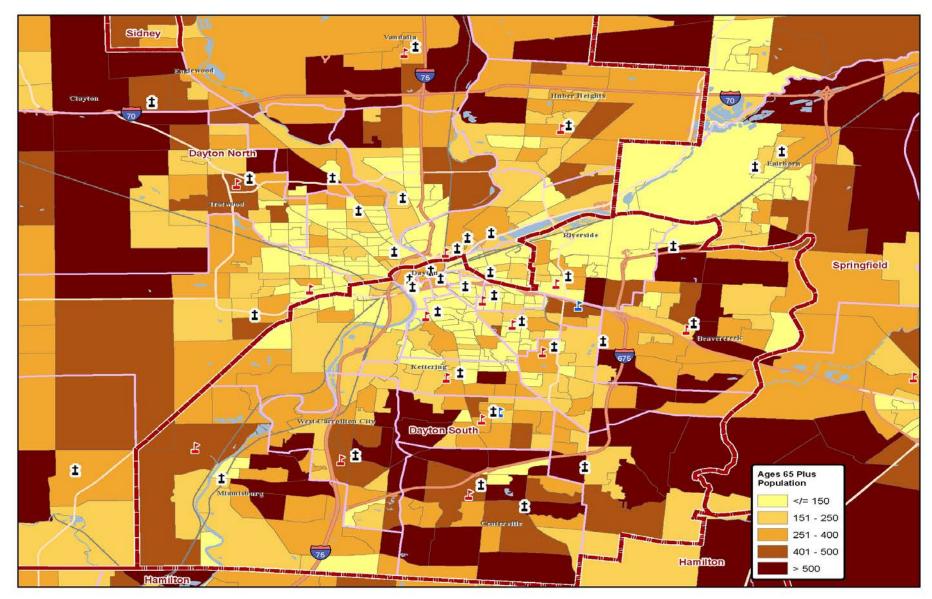


2020 Ages 65 & Over Population - Cincinnati Focus



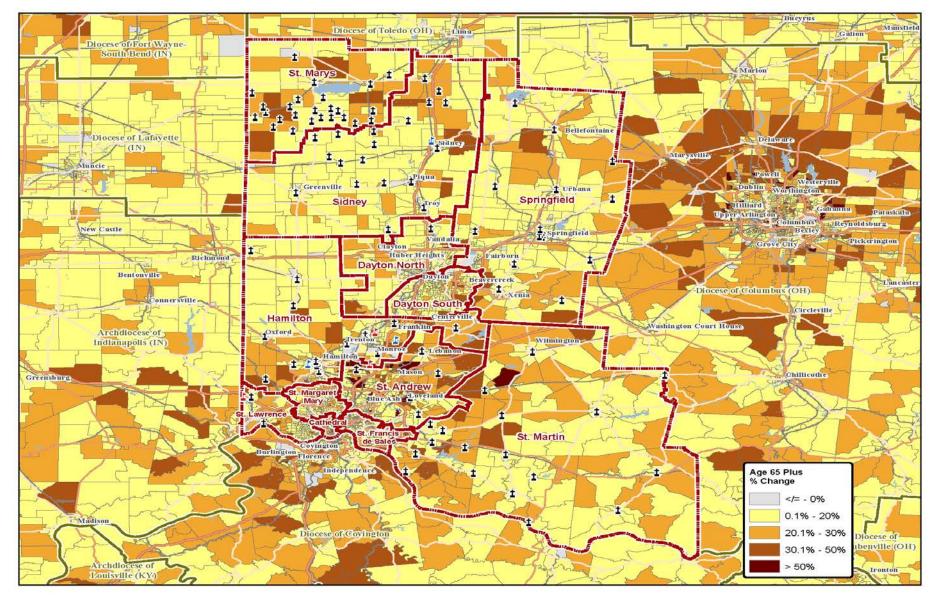


2020 Ages 65 & Over Population - Dayton Focus



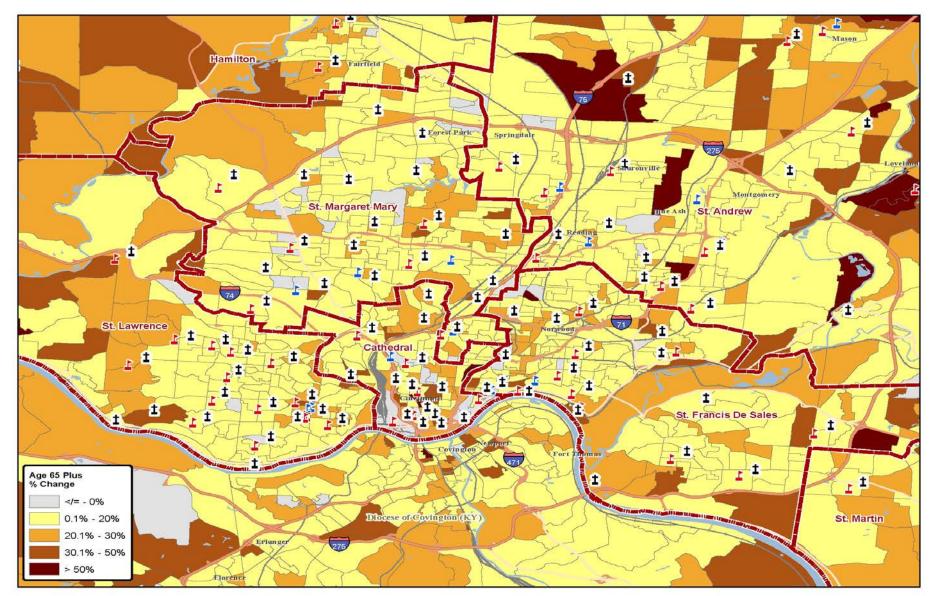


2020-2025 Ages 65 & Over Population Percent Change



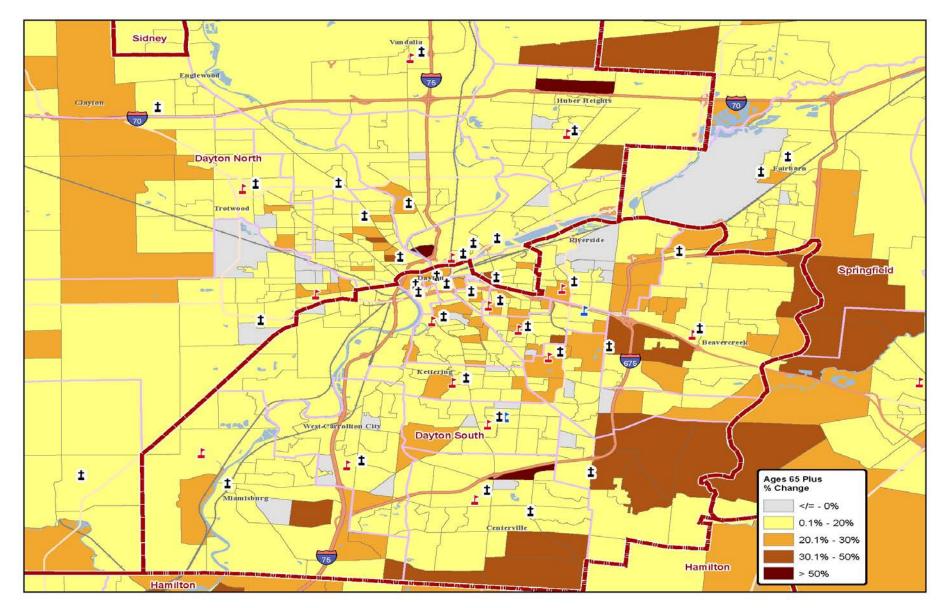


2020-2025 Ages 65 & Over Population Percent Change – Cincinnati Focus



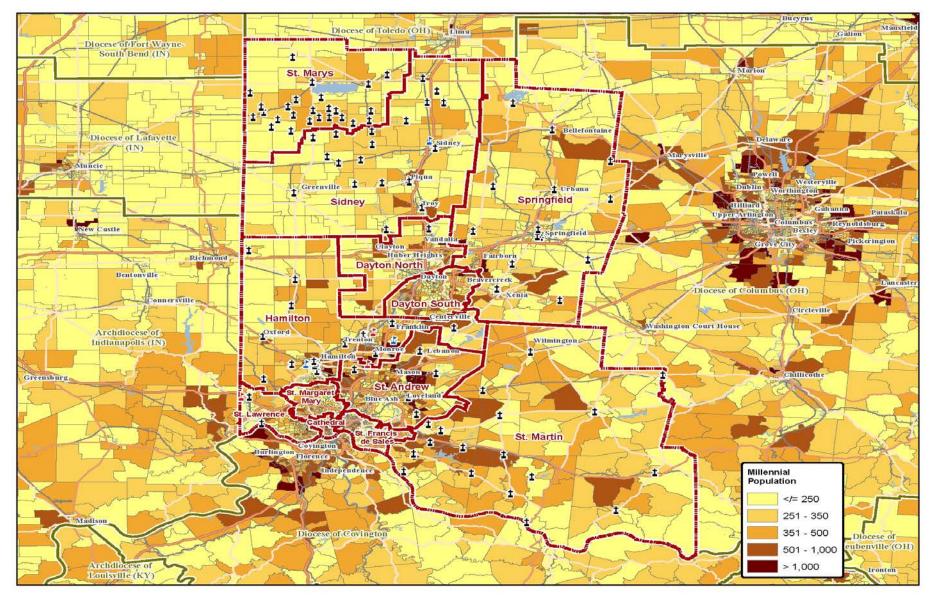


2020-2025 Ages 65 & Over Population Percent Change - Dayton Focus



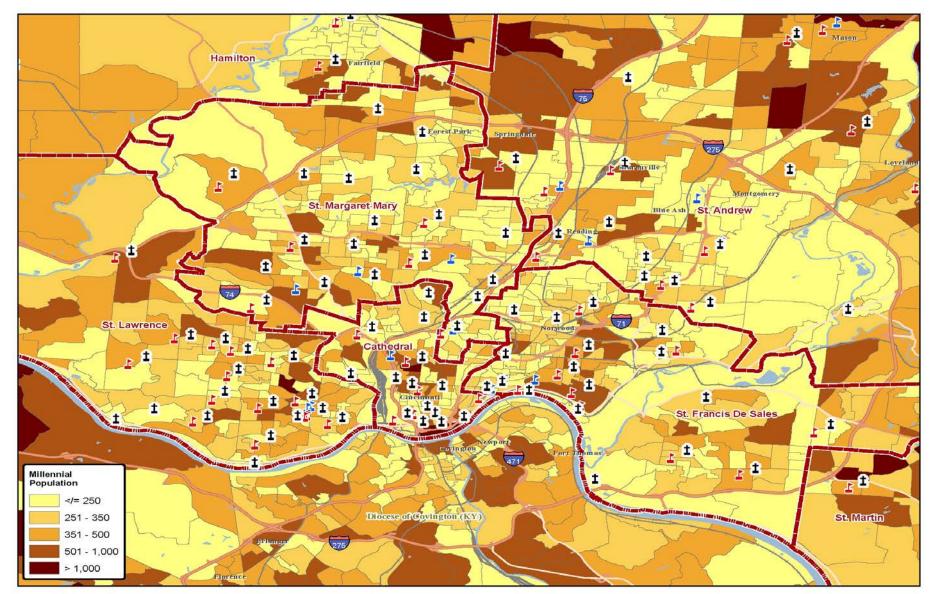


2020 Millennial Population



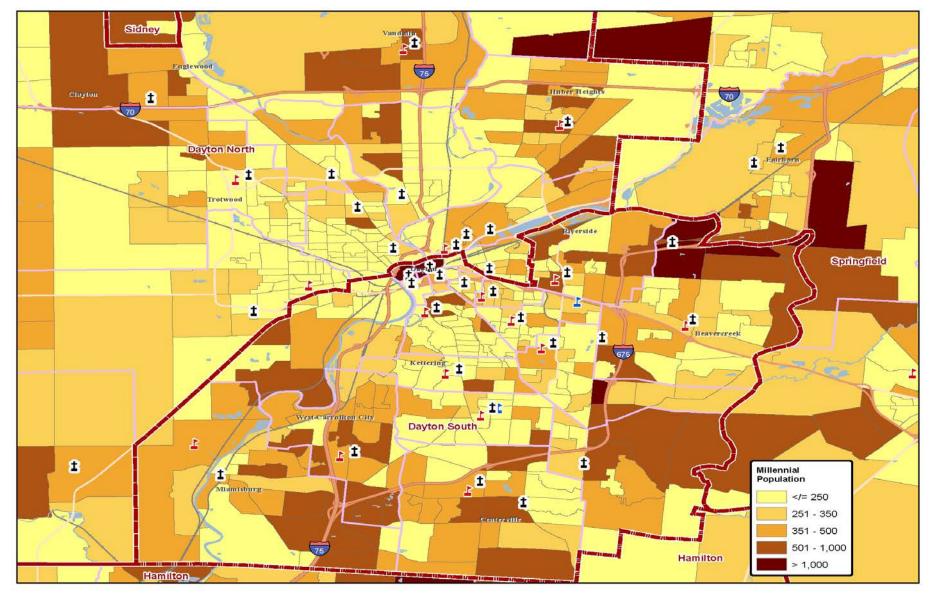


2020 Millennial Population - Cincinnati Focus



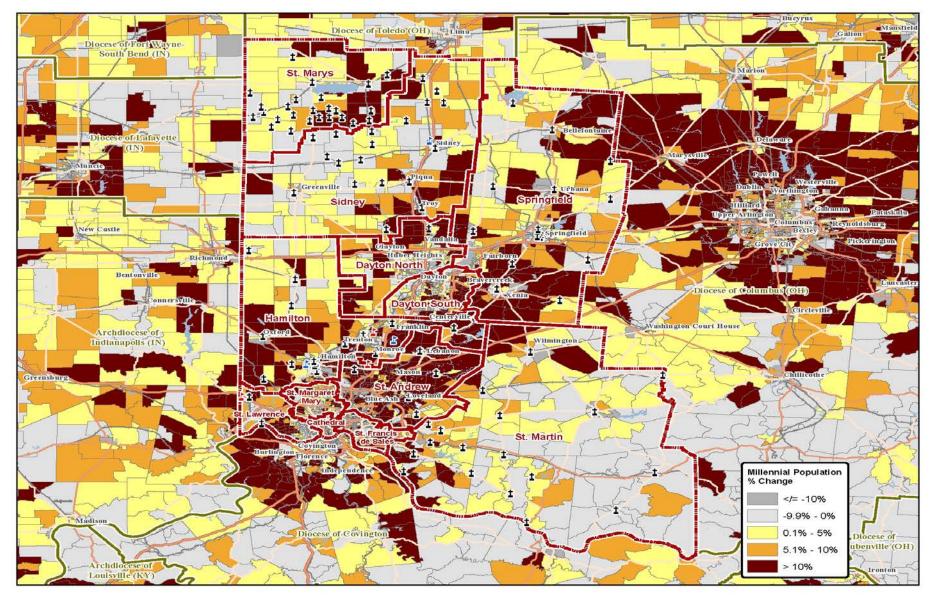


2020 Millennial Population - Dayton Focus



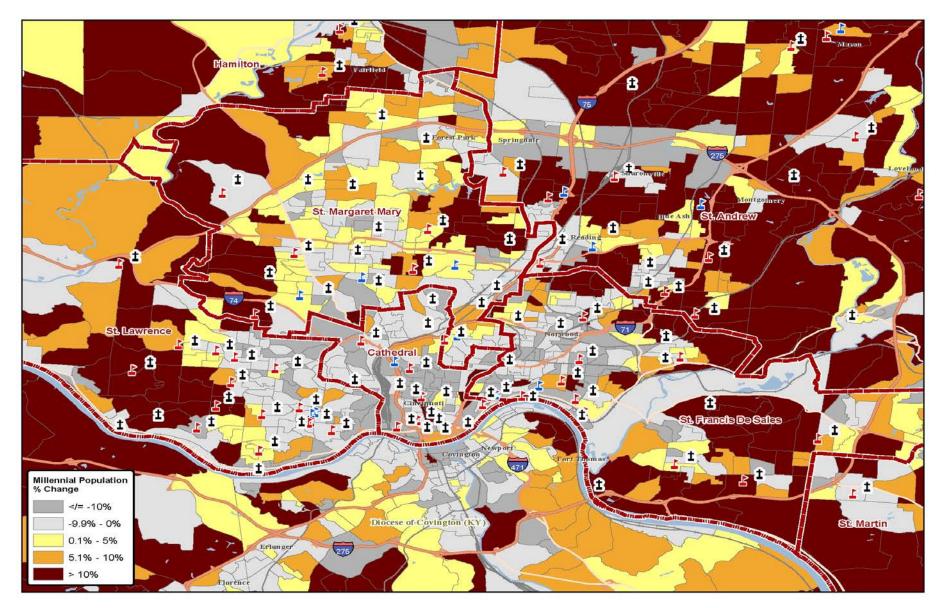


2020-2025 Millennial Population Percent Change



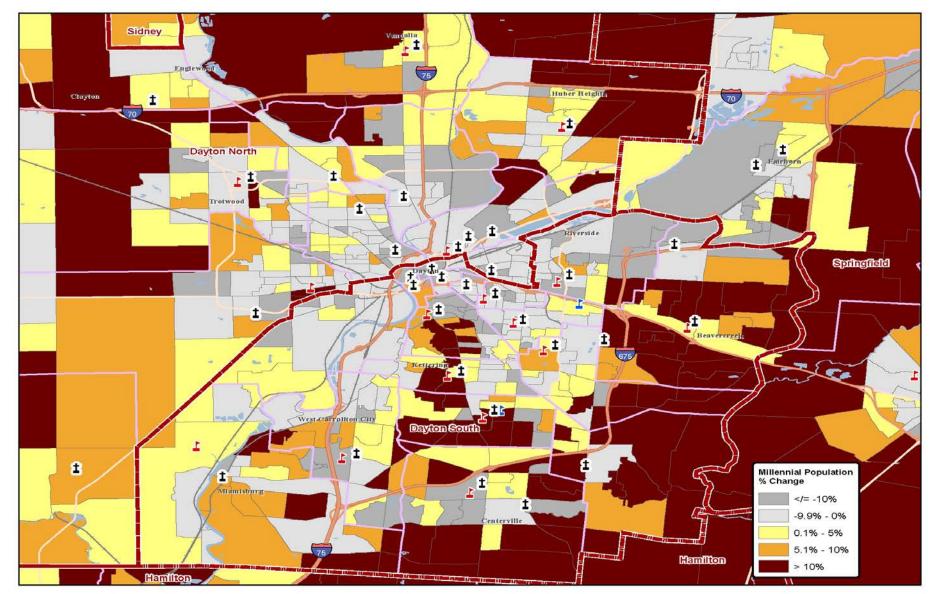


2020-2025 Millennial Population Percent Change - Cincinnati Focus





2020-2025 Millennial Population Percent Change - Dayton Focus





2020 & 2025 Median Income Demographics

- In 2020 across the Archdiocese:
 - The total number of households was 1,231,211
 - The median household income was \$58,573
- 5-Year Projections (2025) across the Archdiocese:
 - The total number of households will grow 1.5% to 1,250,179
 - The median household income will grow 6.9% to \$62,641



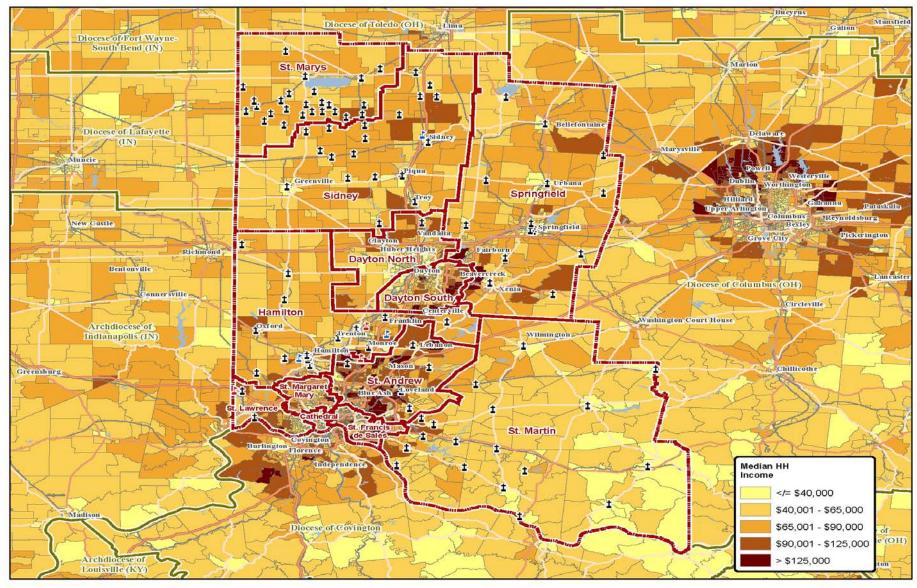
2020 & 2025 Income Demographics

INCOME DEMOGRAPHICS BY ARCHDIOCESE						
	2020		202	2020-2025		
Households by Income	Number	%	Number	%	% Change	
<\$15,000	134,088	10.9%	124,750	10.0%	-7.0%	
\$15,000 - \$24,999	108,495	8.8%	100,505	8.0%	-7.4%	
\$25,000 - \$34,999	115,132	9.4%	109,585	8.8%	-4.8%	
\$35,000 - \$49,999	159,858	13.0%	155,525	12.4%	-2.7%	
\$50,000 - \$74,999	224,929	18.3%	224,969	18.0%	0.0%	
\$75,000 - \$99,999	160,421	13.0%	167,436	13.4%	4.4%	
\$100,000 - \$149,999	185,328	15.1%	203,576	16.3%	9.8%	
\$150,000 - \$199,999	72,724	5.9%	83,588	6.7%	14.9%	
\$200,000+	70,236	5.7%	80,245	6.4%	14.3%	
Totals	1,231,211	100%	1,250,179	100%	1.5%	
Median Household Income	\$58,573		\$62,641		6.9%	

*The U.S. census defines a household as all people who occupy a housing unit regardless of relationship. Thus, a household may consist of a person living alone or multiple unrelated individuals or families living together, whereas a family is defined as two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.

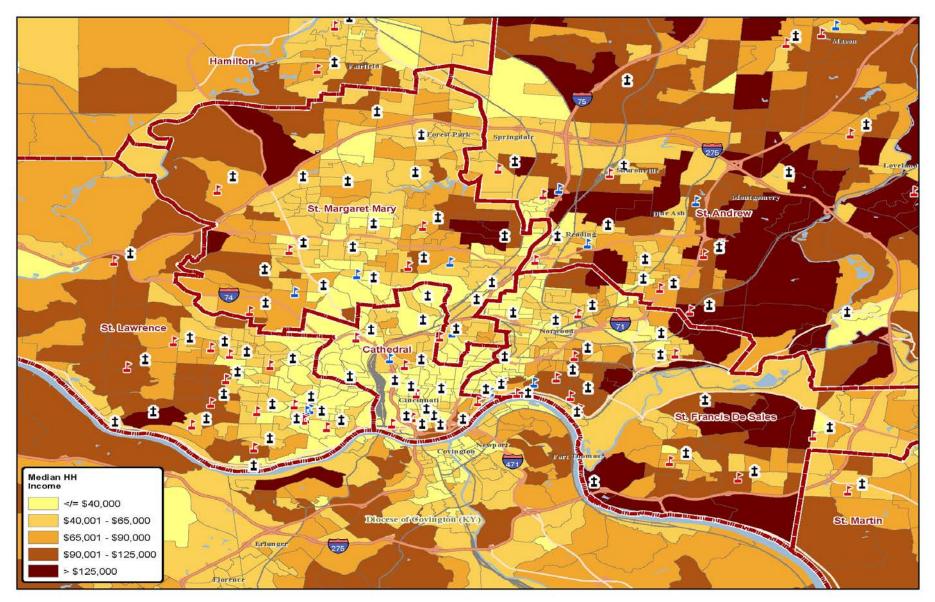


2020 Median Household Income



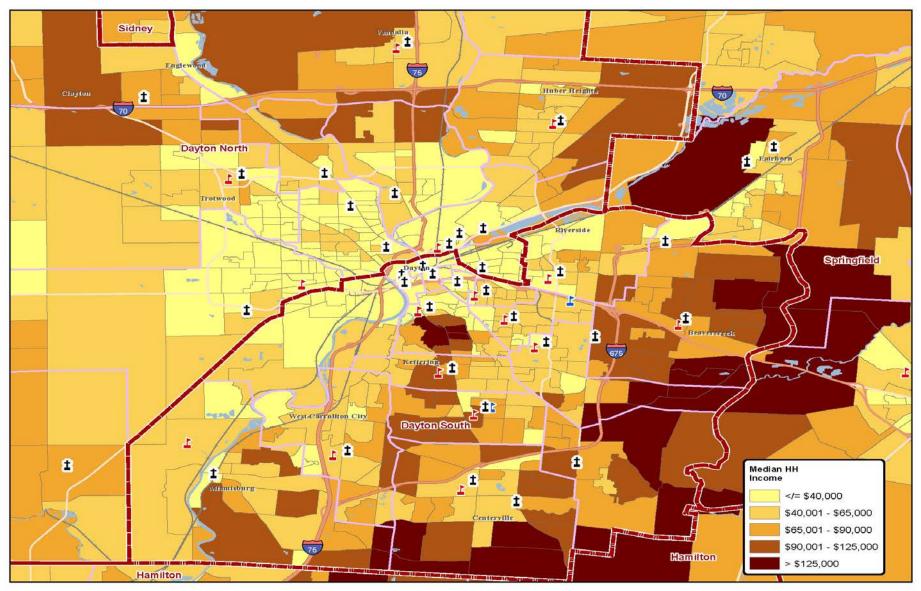


2020 Median Household Income-Cincinnati Focus



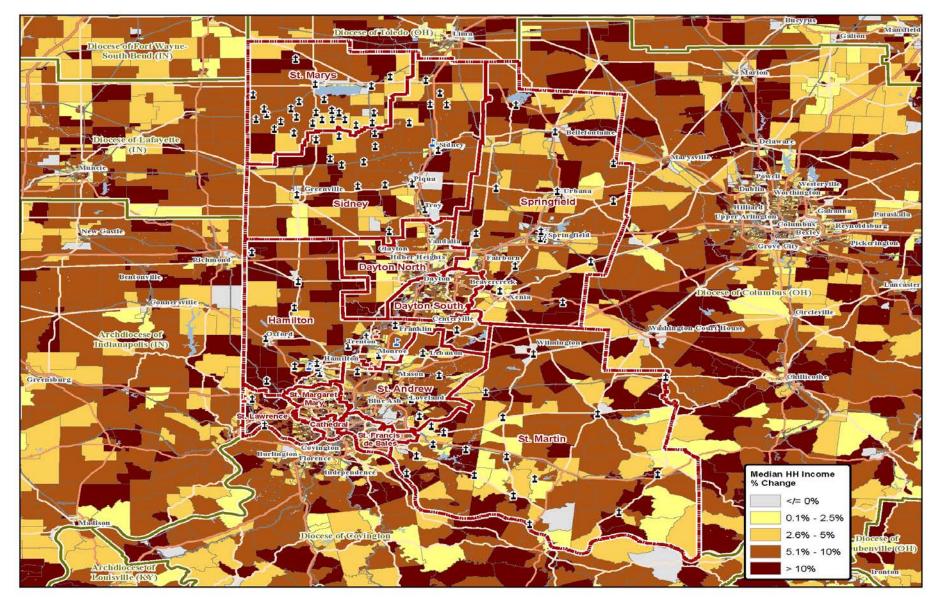


2020 Median Household Income - Dayton Focus





2020-2025 Median Household Income Percent Change





2020-2025 Median Household Income Percent Change-Cincinnati Focus





2020-2025 Median Household Income Percent Change-Dayton Focus





Community Demographic Insights

- In demographics, distribution is never equal across a geographical area, and understanding patterns is useful
- Income difference is less than depicted due to effect of government transfer payments and taxes not included
- Overall, 76% White, 20% Persons of Color, 4% Hispanic
- Three key demographics with impact on planning:
 - 0 6 Years; flat to declining birth rates for a decade will impact the Archdiocese and society for next 25 years
 - Retiring Boomers; Giving and liturgy attendance are a source of stability and will diminish; however, are the healthiest, most educated, and wealthiest group of retirees seen at parish level
 - Millennials; Parishes opportunity to welcome, integrate, and engage young families and adults moving into their 40s as a matter of vitality and sustainability





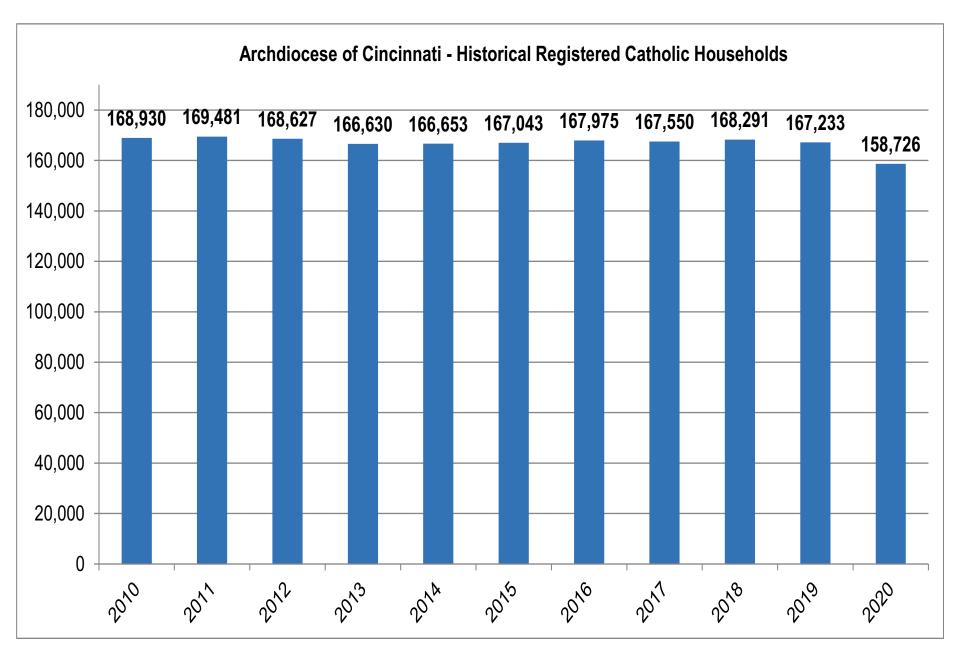
Catholic Demographics



Registered Catholic Households

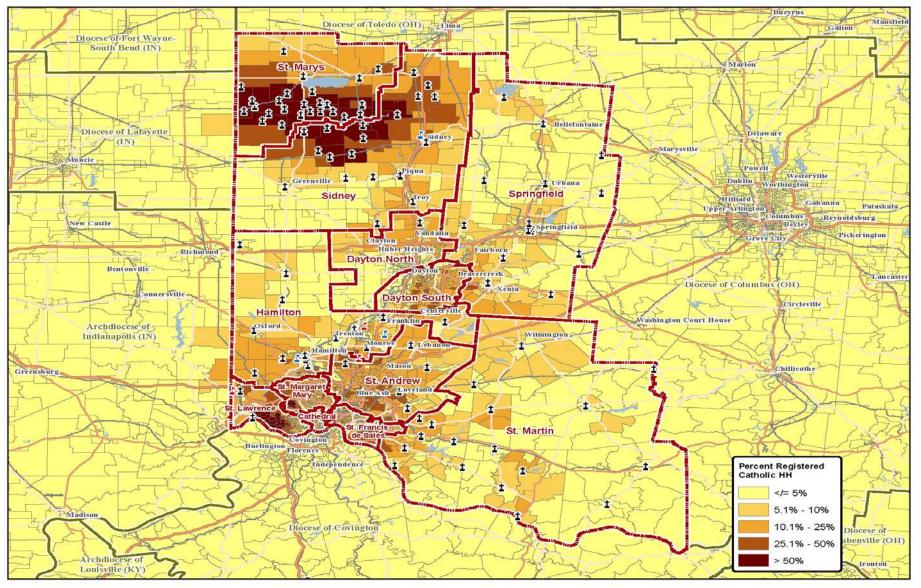
- Between 2010 & 2020 total registered
 Catholic households declined 6.0% from 168,654 to 158,726
- Between 2019 & 2020 total registered Catholic households declined 5.1% from 167,233 to 158,726 of 1.2 MM total households in geographic area
- Since 2010 the percentage of Catholics vs. overall population in the Archdiocese declined from 14.2% to 11.9%





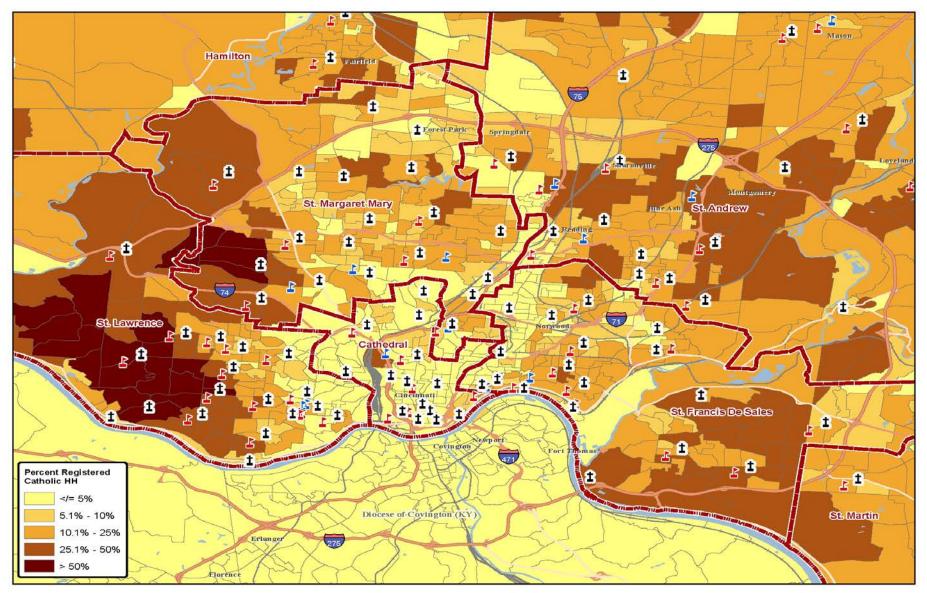


2020 - Percent Registered Catholic Households



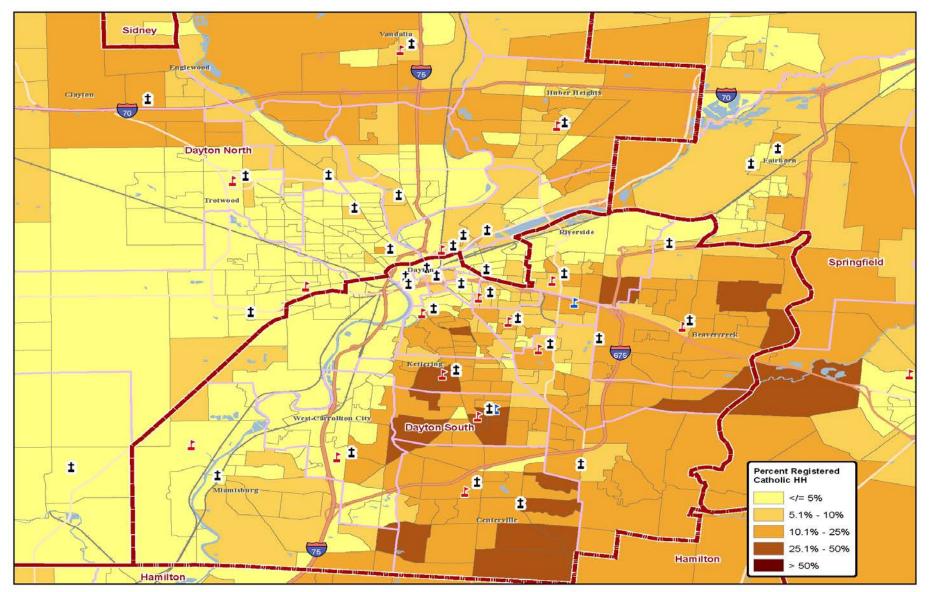


2020 - Percent Registered Catholic Households - Cincinnati Focus





2020 - Percent Registered Catholic Households - Dayton Focus



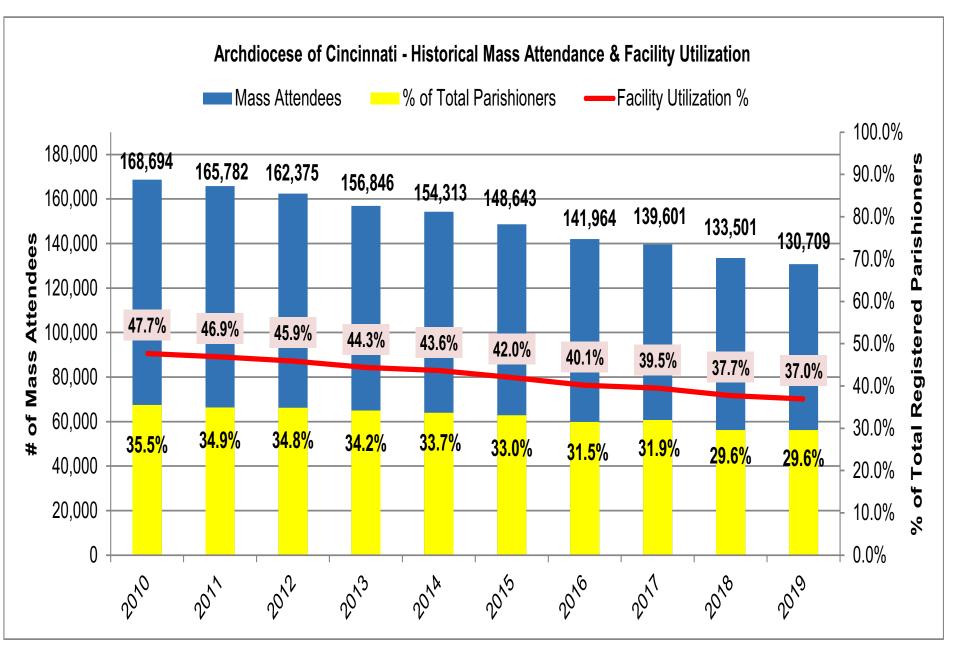


Historical & Current Mass Attendance

- Between 2010 & 2019
 - Mass attendance declined 22.5% from 168,694 to 130,709
 - Mass attendance as a percentage of total registered parishioners declined from 35.5% to 29.6%
 - Church Facility Utilization declined from 47.7% to 37.0%
- Online Mass Attendance March–November 2020
 - Parishes asked to report monthly online mass (where applicable) 'hits' between March and November 2020

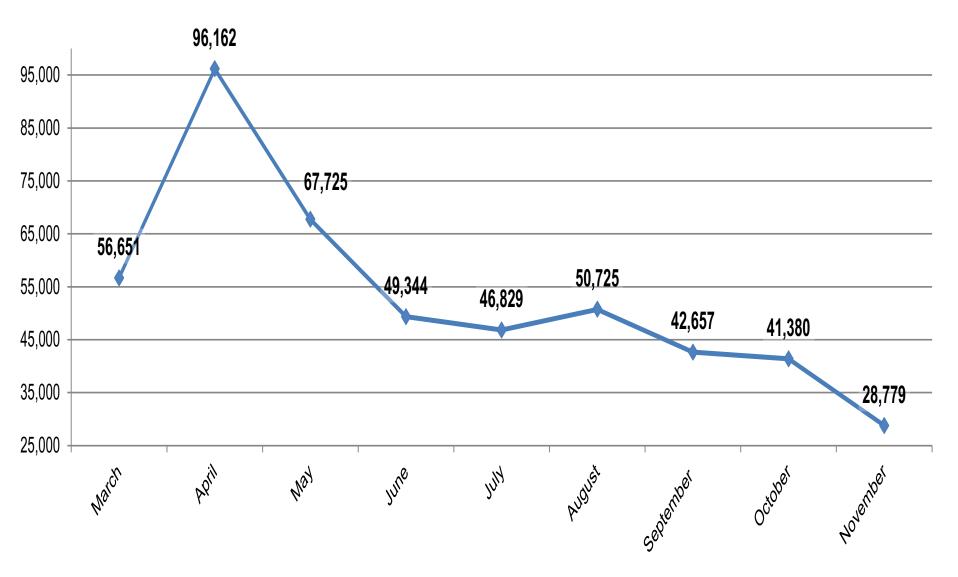
 - Online mass hits ranged from 28,779 to 96,162







Archdiocese of Cincinnati - Historical Online Mass 'Hits' March-November 2020





Giving Analysis

- 58.4% of all registered households gave to the parish and/or Archdiocese in 2019
 - The average amount given was \$1,253 and the median income was \$82,890
 - Combined, they contributed approximately 1.5% of their income to giving
- 19.4% of all registered households accounted for approximately 80% of all giving in 2019
 - The average amount given was \$3,019 and the median income was \$84,942
 - Combined, they contributed approximately 3.6% of their income to giving
 - Reside in neighborhoods where Catholicity averages 25.2% versus remaining registered households who reside in neighborhoods where average Catholicity is 24.6%



ARCHDIOCESE OF CINCINNATI - PARISH GIVING ANALYSIS (BASED ON 2019 GIVING YEAR) All Givers Givers who Accounted for ~80% of All Giving Dollars Total Median Household % of Total % of % of Total % of Total Avg. Median Avg. Amount Total Avg. Median Avg. Amount Registered Givers Givers **Income Range** Households Given Income Households Given Income Income Income Households < /= \$50,000 18,725 10,156 54.2% \$39,636 \$1,143 2.9% 3,062 16.4% \$39,962 \$2,986 7.5% \$50,001 - \$100,000 86,567 58.9% \$1,202 1.6% 19.2% \$2,913 3.8% 50,964 \$73,427 16,625 \$75,894 \$100,001 - \$125,000 26,901 16,164 60.1% \$108,737 \$1,350 1.2% 5,609 20.9% \$108,799 \$3,148 2.9% \$125,001 - \$150,000 8,384 4,950 59.0% \$134,181 \$1,491 1.1% 1,864 22.2% \$134,285 \$3,310 2.5% > \$150,000 2,931 55.8% \$1,602 1.0% 1,129 21.5% \$3,548 2.1% 5,257 \$168,142 \$169,645 1.5% Totals 145,834 85,165 58.4% \$82,890 \$1,253 28,289 19.4% \$84,942 \$3,019 3.6%



Historical Sacraments

- Between 2010 & 2019 Sacraments declined
 -19.4% from 25,920 to 20,890
 - Baptisms declined -19.0% from 5,922 to 4,795
 - First Communions declined -23.8% from 6,921 to 5,275
 - Confirmations declined -21.5% from 7,126 to 5,595
 - Weddings declined -27.9% from 1,954 to 1,409
 - Funerals declined -4.5% from 3,997 to 3,816



Archdiocese of Cincinnati - Historical Sacraments 2010-2019

→ Baptisms → First Communions → Confirmations → Weddings -×-Funerals 7,126 7,007 6,783 7,000 6,445 6,536 6,980 6,921 6,176 6,046 6,637 5,805 6,000 5,628 5,595 6,150 6,158 6,042 6,011 5,922 5,597 5,586 5,746 5,690 5,707 5,575 5,561 5,515 5,000 5,275 5,223 5,125 4,795 4.000 4,137 4,066 4,026 4,044 4,005 3,997 4,003 3,993 3,895 3,816 3,000 1,954 1,912 1,912 1,783 1,706 1.655 2,000 1,644 1,629 1,616 1,409 1,000 2010 2012 2013 2014 2015 2016 2017 2018 2019 2011



Catholic Demographics Insights

- Catholicity has declined in HH (-5%), Sunday Mass attendance (-22.5%), and Sacraments (-19.4%) from 2010 to 2019
- Catholicity varies greatly across Archdiocese, from less than 5% to greater than 50%
- Stewardship HH Median income (\$82,890) is 43% higher than Archdiocesan median income(\$58k)
- 19.4% of stewardship HH account for 80% of stewardship
- High number of churches located in areas of lower
 Catholicity, typical of older cities in the United States





Parish Financial Analysis



Parish Financial Assumptions

Accounting Disclaimer: While the majority of the financials received were from the Archdiocesan centralized accounting system (ParishSoft), there remains a difference in financial results between locations due to variances in accounting practices and implementation. The numbers reflected are reasonable and reflect approximate financial results of parishes and schools.

The Archdiocesan chart of accounts was used as a guide in the following methodology in the compilation of the financials along with discussions with Archdiocesan staff.

We have excluded data pertaining to the following operations from our analysis: Food Pantry, Neumann Center, Nature Preserve, Retirement Village, Retreat Center, Scouts and AHG, Rosary Altar Society, Seniors, as well as data categorized under Other and Restricted Other unless those operations were related to fundraising or capital activities.



Parish Financial Assumptions

- Sundays and Holy days Collection Revenues as specified
- Parish other operating revenue includes all other revenue including gifts, donations, bequests less than \$5,000, net fundraising, fees
- Salaries and benefits expenses as categorized
- Administrative-Program Expenses all other expenses
- Facility Expenses as categorized less any extraordinary expenses
- Parish Investment to Schools (Payments to Schools) It is assumed any deficits at parish schools are funded by their respective parish. To determine how much support parishes provide to schools, allocations have been made showing the school deficit amount as an expense on the parish side and a corresponding amount allocated to school revenues
- Extraordinary Revenue includes bequests above \$5,000, capital activities revenue and capital campaign collections, insurance settlements, sale of property, and one-time revenues
- Extraordinary Expenses includes capital activities and capital campaign expenses and other one-time expenses

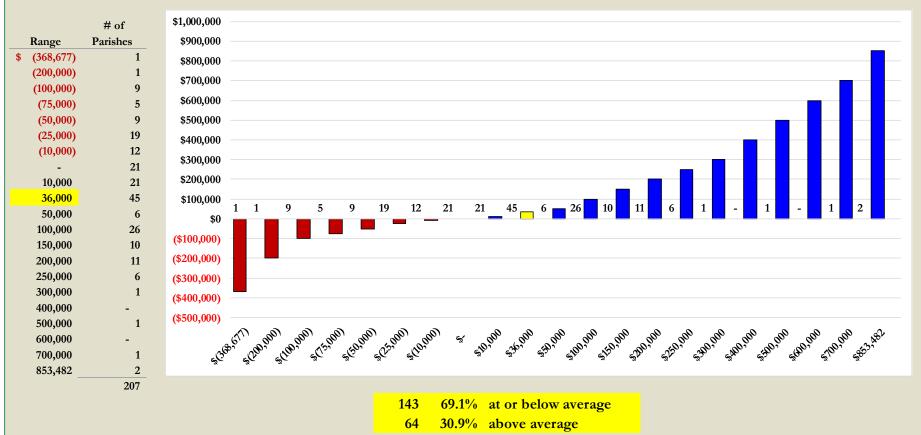


Parish Financial Analysis between 2015 & 2019

- On average, parishes had an <u>annual net surplus</u> of approximately \$30,000 after considering extraordinary activity
- Parishes had an <u>annual operating surplus</u> of approximately \$116,000 before parish investment to Catholic schools
- After parish investment to Catholic schools, parishes had a <u>net operating surplus</u> of approximately \$36,000



Parish Net Operating Surplus/(Deficit) after School Investment (2015-2019 Annual Average \$36,000)





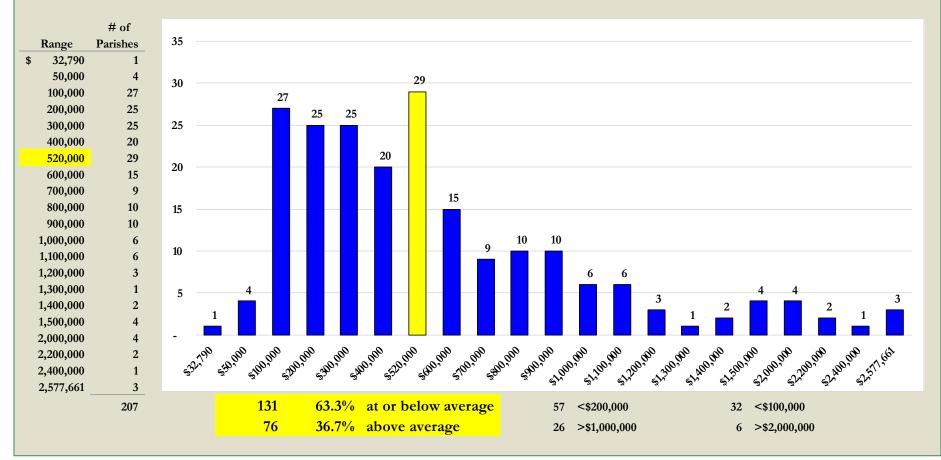
Between 2015 and 2019

Total operating revenue increased 2.6% and averaged approximately \$637,000 per year

- Sundays and Holy days collection revenue declined 1.2%, averaged approximately \$520,000 per year and accounted for 81.6% of total operating revenue
 - 131 parishes (63.3%) had collections revenue at or below the Archdiocesan average
 - 57 parishes had average collections revenue of less than \$200,000
 - 32 of those 57 parishes had collections revenue of less than \$100,000 per year
 - 26 parishes had average collections revenue above \$1,000,000
 - 6 of those 26 parishes had average collections revenue above \$2,000,000 per year
- Parish other operating revenue increased 22.1%, averaged approximately \$117,000 per year and accounted for 18.4% of total operating revenue









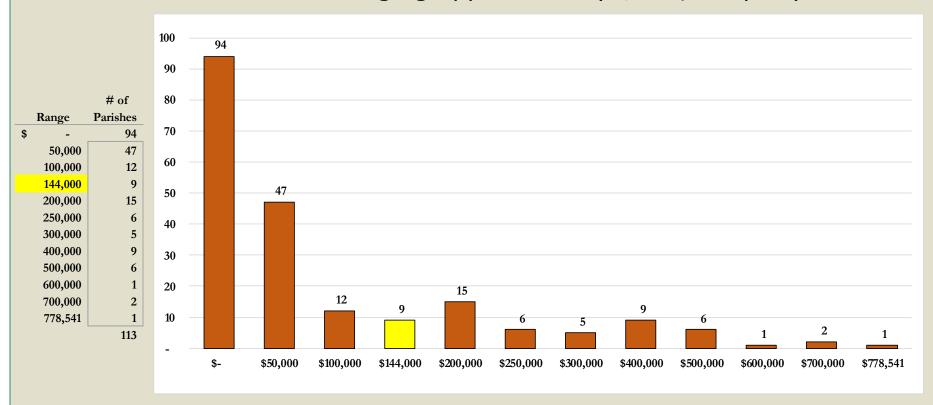
Between 2015 and 2019

Total operating expenses increased 3.2% and averaged approximately \$601,000 per year

- Salaries and benefits increased 6.0%, averaged approximately \$281,000 per year and accounted for 46.8% of total operating expenses
- Administrative-program expenses increased 5.1%, averaged approximately \$90,000 per year and accounted for 15.0% of total operating expenses
- Parish facility expenses have remained relatively flat, averaged approximately \$89,000 per year and accounted for 14.8% of total operating expenses
- Parish investment to Catholic schools when averaged across the 207 parishes for which data was received, averaged approximately \$80,000 per year and accounted 13.8% of total operating expenses
 - However, only 113 parishes provided investment revenue to schools.
 Parish investment among the 113 parishes averaged approximately \$144,000 per year and increased 1.5%



Approximately 113 parishes provided Parish Investment Revenue to Catholic Schools averaging approximately \$144,000 per year



2015-2019 Average Range and Number of Parishes Providing Parish Investment Revenue to Catholic Schools

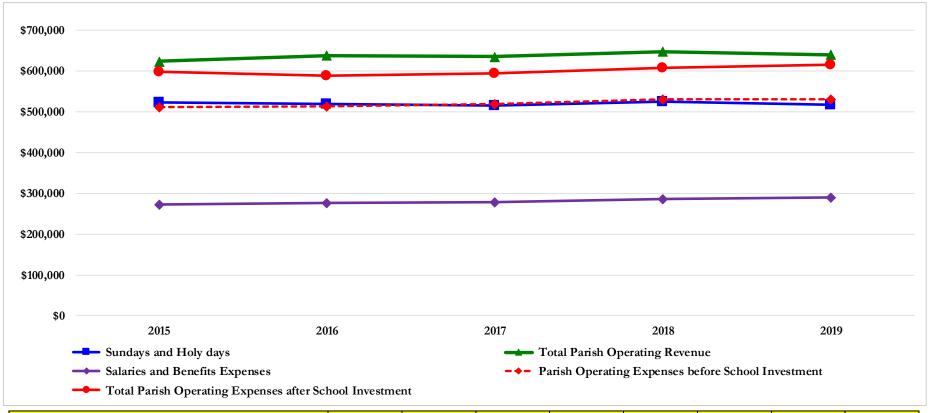


Between 2015 and 2019

- Parishes had approximately \$83,000 in extraordinary revenues and \$89,000 in extraordinary expenses with an annual net deficit of approximately \$6,000
- Cash & Investments averaged approximately \$829,000 per year
- Parish long-term liabilities when averaged across the 207 parishes for which data was received, averaged approximately \$101,000 per year
 - However, long-term liabilities is only applicable to approximately 28 parishes
 - As of FYE 2019 26 parishes had outstanding long-term liabilities with a total of approximately \$15,600,000
 - In FYE 2015, 28 parishes had outstanding long-term liabilities with a total of approximately \$26,300,000
 - A decrease of approximately \$10,700,000 or 40.6%



Average Trend of Sundays and Holy days Collection Revenue, Total Operating Revenue, Salaries & Benefits, Total Operating Expenses

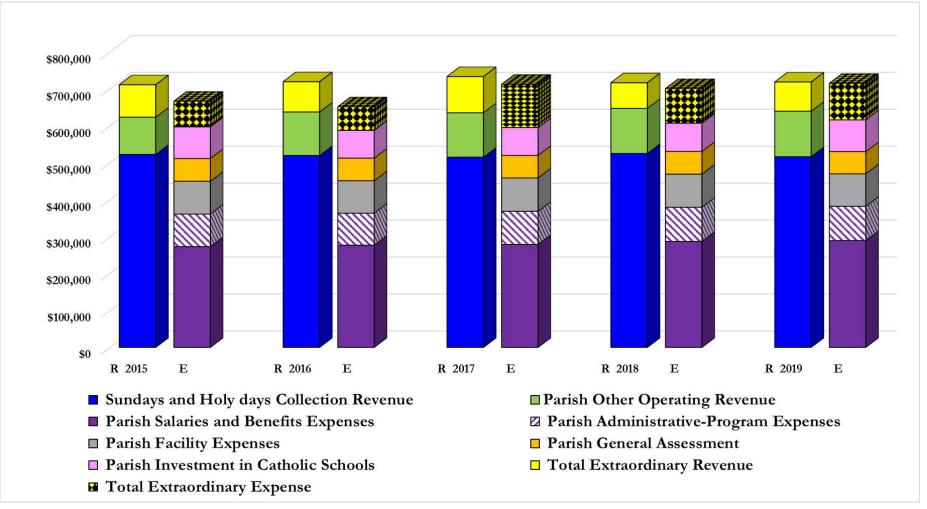


Fiscal Year	2015		2016		2017		2018		2019		Average (2015-2019)		2015-2019 % Change	Avg Annual Change
Sundays and Holy days	\$	522,442	\$	519,632	\$	514,979	\$	525,100	\$	516,254	\$	519,681	(1.2%)	(0.3%)
Total Parish Operating Revenue	\$	623,438	\$	637,492	\$	635,393	\$	647,317	\$	639,527	\$	636,634	2.6%	0.6%
Salaries and Benefits Expenses	\$	272,842	\$	276,758	\$	278,892	\$	286,890	\$	289,178	\$	280,912	6.0%	1.5%
Parish Operating Expenses before School Investment	\$	511,436	\$	512,415	\$	519,755	\$	530,635	\$	529,981	\$	520,844	3.6%	0.9%
Total Parish Operating Expenses after School Investment	\$	597,161	\$	587,623	\$	595,040	\$	606,994	\$	616,042	\$	600,572	3.2%	0.8%



Please note: Analysis does not include depreciation, unrealized gain/(loss) on investments or other noncash items

Archdiocese of Cincinnati 2015-2019 Average Operating Revenue & Expense Categories + Extraordinary Revenue & Expenses



Please note: Analysis does not include depreciation, unrealized gain/(loss) on investments or other noncash items



Parish Financial Condition Insights

- Wide difference in parish and parish region/family; size, financial scale, and assets
- Financial condition across all parishes appears fairly stable, with evidence of fiscal and debt management
- Large number (94) of parishes are not actively engaged in Catholic schools, individually or regionally
- School and parish facilities capacity, condition, and needed maintenance for the modeling process is unknown to PE LLC
- Patterns and levels of giving may represent mid term risk; 1) if the 20% (high givers) are ages 55 and older (-40% potential budget impact), and 2) if the 80% (typical givers) are ages 28 54 and not matching giving with annual income increases





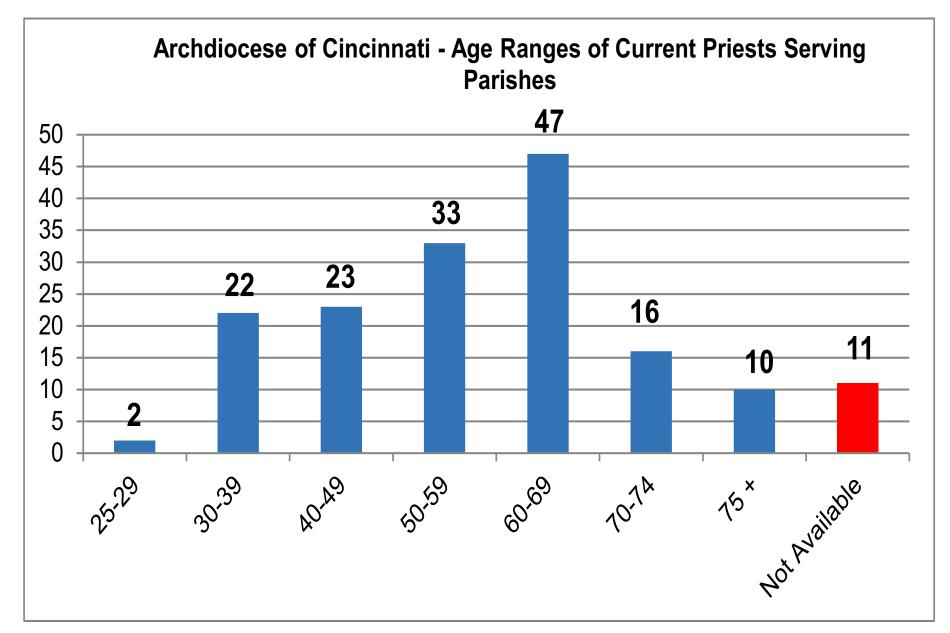
Pastoral Resources Analysis



Current Priest Statistics

- There are 164 priests serving parishes in the Archdiocese:
 - 4 Externs/R-1 Visa Priests
 - 29 Religious Order Priests
 - 4 Non-active priests assigned to parishes
 - 127 Active Priests Archdiocesan Priests serving parishes
- The age range of current priests is from 29 to 82 and the median age is 58
- Currently 26 of 164 (15.9%) priests eligible to retire
- Currently 10 of 164 (6.1%) priests mandatory to retire
- *Priest ages are projected through 2021
- *Assume Age 70 eligible & Age 75 mandatory to retire





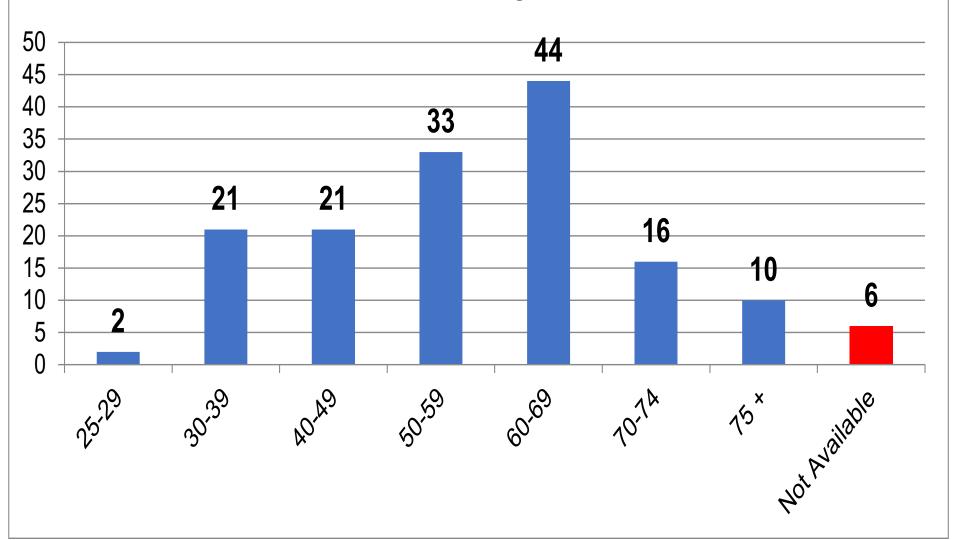


Current Applicable Priest Statistics

- Remove non-active priests, personal parish priests (Vietnamese, Korean), Maronite Parishes, Campus ministry
- 153 priests covering 154 Full Time Equivalents (FTE's)
- The age range of applicable priests is from 29 to 82 and the median age is 58
- Currently 26 of 154 (16.9%) applicable priests eligible (16) or mandatory (10) to retire



Archdiocese of Cincinnnati - Age Ranges of Current Applicable Priests Serving Parishes





10-Year Applicable Priest Estimates

Priest Resources for Archdiocesan leadership, ministries, parishes, and schools are declining

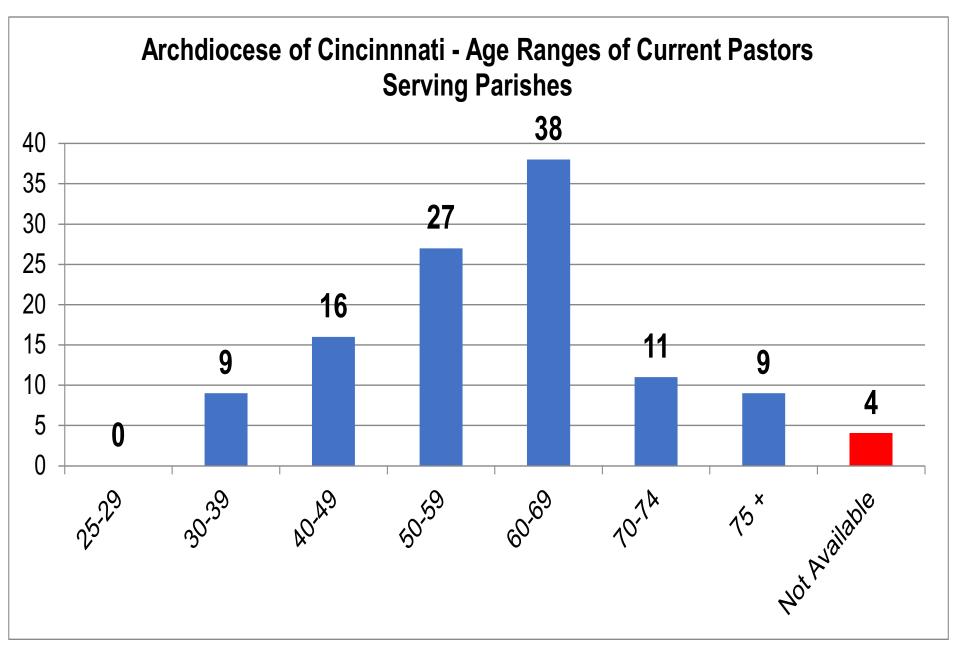
Priests	2021	2031 Estimates (75+ Mandatory Retirement)	2031 Estimates (70- 74 Eligible Retirement)			
Total Priests	153	125	113			
Archdiocesan Priests	125	70	63			
Religious Orders	24	12	7			
Extern/R-1 Visa	4	3	3			
Est. Ordinations	NA	40	40			
	153 priests assigned to 154 FTE's (~1.0 ratio)	125 priests assigned to 154 FTE's (0.81 ratio)	113 priests assigned to 154 FTE's (0.73 ratio)			



Current Pastor Statistics

- Remove non-active pastors, personal parishes (Vietnamese, Korean), Maronite Parishes, Campus ministry
- 114 pastors covering 120 parish regions/families (single & cluster parishes, collaborative arrangements, shared priests, etc...)
- The age range of pastors is from 32 to 82 and the median age is 60
- Currently 20 of 114 (17.5%) pastors eligible (11) or mandatory (9) to retire







10-Year Pastor Estimates - Current

Pastor Resources for Archdiocesan leadership, ministries, parishes, and schools are declining

Priests	2021	2031 Estimates (75+ Mandatory Retirement)	2031 Estimates (70-74 Eligible Retirement)
Total Pastors	114	113	102
Archdiocesan Pastors	99	69	62
Religious Orders	15	14	10
Extern/R-1 Visa	0	0	0
Est. Ordinations	NA	30	30
	114 pastors assigned to 120 parish families (0.95 ratio)	113 pastors assigned to 120 parish families (0.94 ratio)	102 pastors assigned to 120 parish families (0.85 ratio)



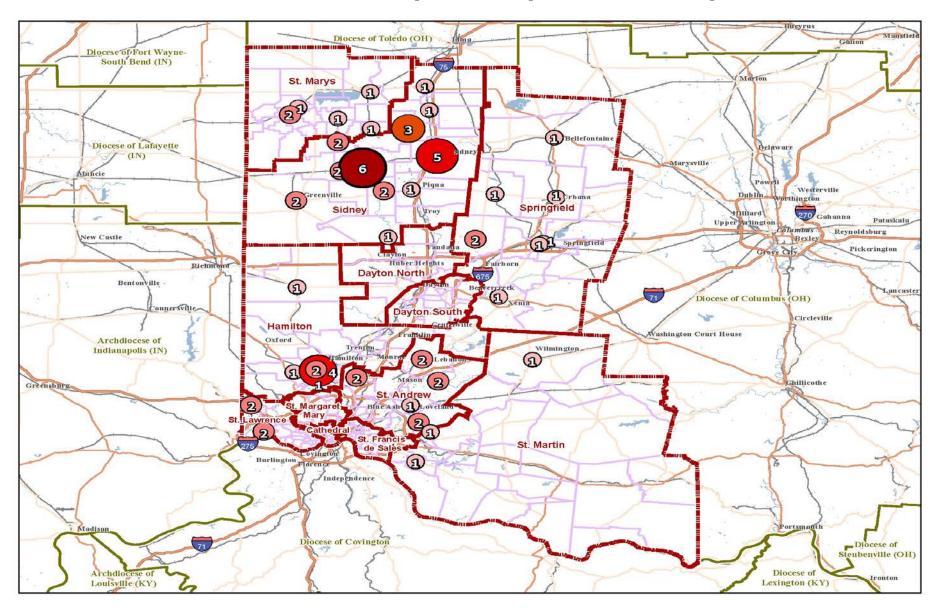
10-Year Pastor Estimates - Modeling

Pastor Resources for Assignment at Parish Regions/Families in 2022

Priests	2021	2031 Estimates (Including eligible retirements)	Modeling and Adjustments (including insurance)			
Total Pastors	114	102	60-65			
Archdiocesan Pastors	99	62	50-55			
Religious Orders	15	10	5			
Extern/R-1 Visa	0	0	0			
Est. Ordinations	NA	30	5			
	114 pastors assigned to 120 parish families (0.95 ratio)	102 pastors assigned to 120 parish families (0.85 ratio)	60-65 pastors assigned to 60-65 parish families (1.0 ratio)			

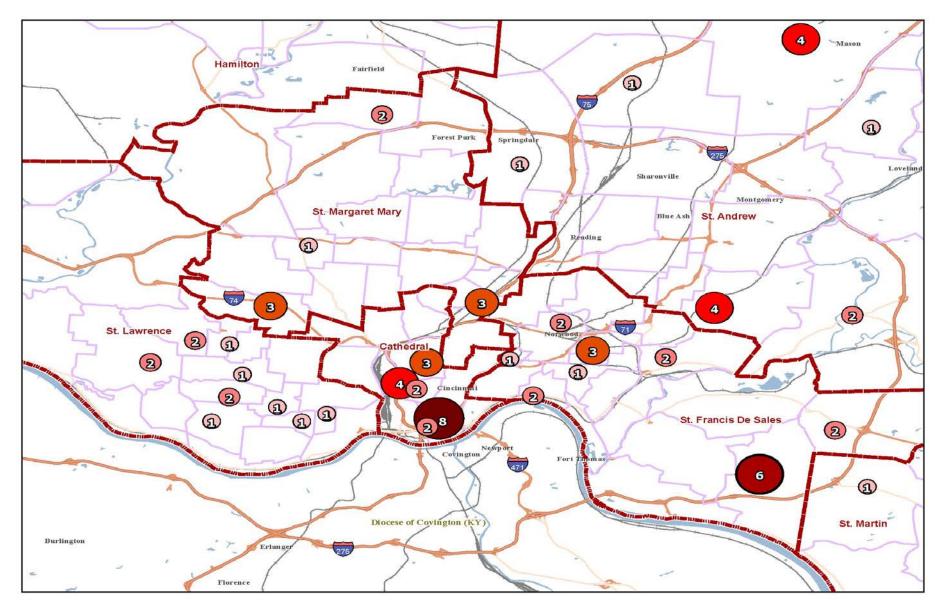


Seminarians by Parish (Last 10 Years)



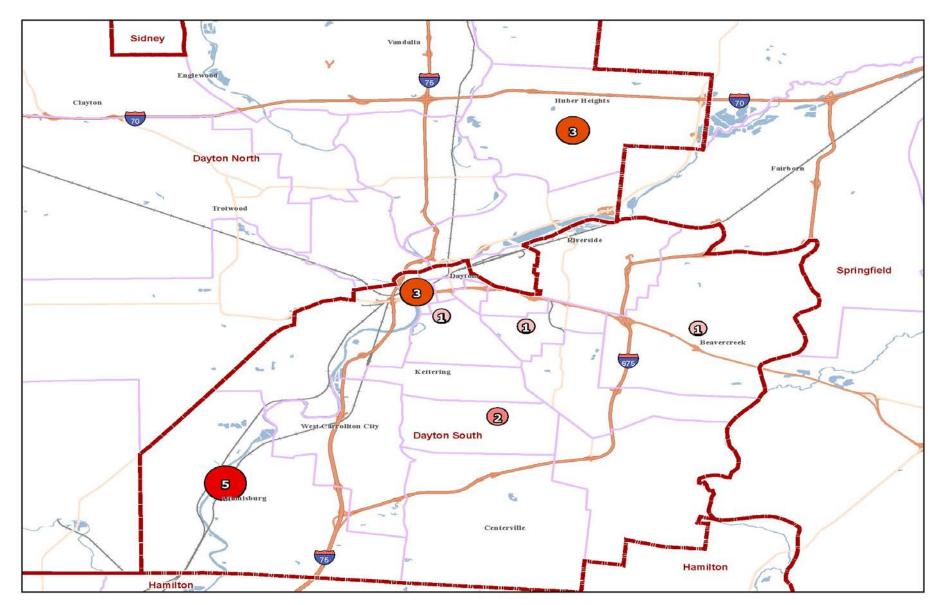


Seminarians by Parish (Last 10 Years) – Cincinnati Focus





Seminarians by Parish (Last 10 Years) - Dayton Focus





Pastoral Resources Insights

- Strong impact of retirements on pastoral resources in next decade
- Religious Order presence and scale for next 10 years needs to be solidified,
 and until then, not to be assumed in modeling beyond the 5 noted in chart
- Parish lay leaders typically prefer structural stability across 10 years over constant incremental change (tear the band aid off now)
- Archdiocese does not appear to operate with an "insurance" design of pastors, (unforeseen deaths, leaves, limitations) and that all priests cannot or want to be pastors
- Archdiocese may not be able to support more than 60-65 pastor assignments to a parish region/family over the next 10 years; pastor of a single parish will be an anomaly
- A stable parish region/family structure that is 60% of the number of today from 2022 - 2031 will allow for:
 - Initial presence and then decline of liturgies through retirement and loss
 - Growth of retired priest ministry to support priest vacation and development
 - Parishioner consultation on maintaining and/or changing church status
 - Development of vocations as a parish region/family ministry





Current Reality Schools & School-Age Children Initial Report



Historical, Current & Projected School-Age Children Demographics

- Between 2010 & 2020 across the Archdiocese:
- Total population of children ages 0-14 declined 6.1% from 601,028 to 564,069
 - Ages 0-4: declined 6.7% from 195,234 to 182,065
 - Ages 5-9: declined 6.5% from 201,265 to 188,100
 - Ages 10-14: declined 5.2% from 204,529 to 193,904
 - Resident Births: declined 6.0% 37,444 to 35,195
- 5-Year Projections (2025) across the Archdiocese:
- Total population of children ages 0-14 projected growth of 0.1% from 564,069 to 564,556
 - Ages 0-4: projected growth of 1.0% from 182,065 to 183,799
 - Ages 5-9: projected decline of 0.7% from 188,100 to 186,849
 - Ages 10-14: projected flat from 193,904 to 193,908



HISTORICAL RESIDENT BIRTHS BY COUNTY

County	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2010-2020 % Change
Adams	378	354	339	335	322	322	345	334	364	333	346	-8.5%
Auglaize	556	540	517	534	542	563	573	591	558	528	531	-4.5%
Brown	534	518	503	510	476	501	492	480	504	489	470	-12.0%
Butler	4,580	4,568	4,640	4,463	4,457	4,604	4,478	4,471	4,516	4,470	4,367	-4.7%
Champaign	409	413	430	390	375	417	387	427	424	383	412	0.7%
Clark	1,680	1,620	1,587	1,561	1,594	1,630	1,539	1,619	1,560	1,574	1,493	-11.1%
Clermont	2,468	2,320	2,380	2,282	2,311	2,321	2,324	2,321	2,323	2,247	2,181	-11.6%
Clinton	509	508	507	506	525	517	484	502	452	465	470	-7.7%
Darke	593	626	607	626	667	578	631	647	633	612	600	1.2%
Greene	1,720	1,776	1,783	1,780	1,824	1,891	1,806	1,728	1,730	1,718	1,691	-1.7%
Hamilton	10,876	11,108	11,020	10,796	11,050	10,890	10,747	10,780	10,744	10,608	10,307	-5.2%
Highland	541	540	500	564	530	563	567	525	569	530	479	-11.5%
Logan	559	536	537	570	532	581	501	533	566	535	484	-13.4%
Mercer	536	532	509	590	553	599	588	643	660	606	622	16.0%
Miami	1,160	1,128	1,111	1,183	1,224	1,186	1,231	1,160	1,180	1,239	1,149	-0.9%
Montgomery	6,753	6,600	6,756	6,752	6,592	6,653	6,653	6,754	6,470	6,409	6,181	-8.5%
Preble	437	432	448	454	434	434	424	455	445	427	413	-5.5%
Shelby	630	629	615	614	621	611	592	634	609	620	592	-6.0%
Warren	2,525	2,457	2,425	2,363	2,397	2,354	2,436	2,295	2,361	2,456	2,407	-4.7%
Totals	37,444	37,205	37,214	36,873	37,026	37,215	36,798	36,899	36,668	36,249	35,195	-6.0%

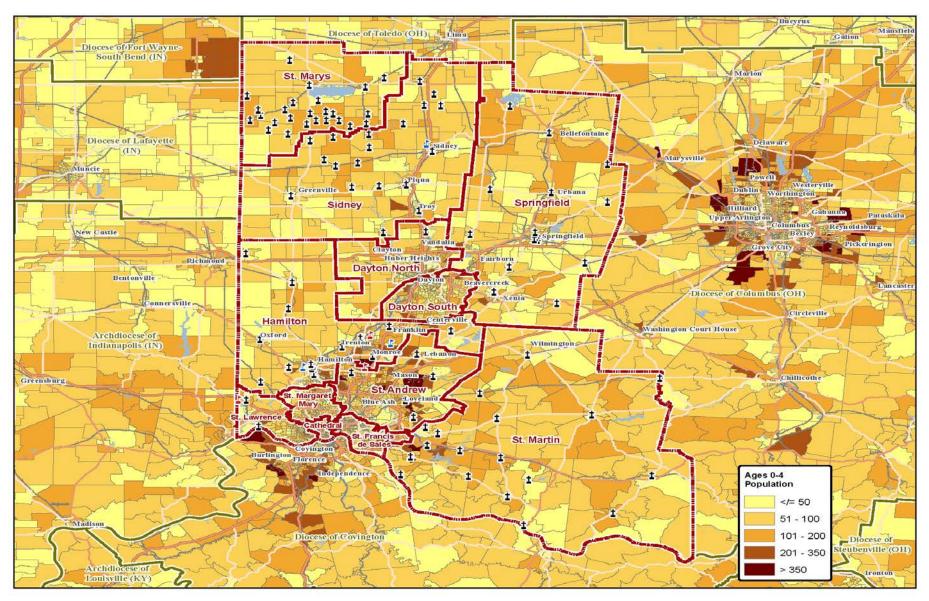
^{*}Data obtained from the Ohio Department of Health Bureau of Vital Statistics



SCHOOL-AGE CHILDREN DEMOGRAPHICS BY ARCHDIOCESE 2010 2020 2025 2020-2025 Age Percent Percent Number Number Percent Number % Change Range 0 - 4195,234 6.5% 182,065 5.9% 183,799 5.9% 1.0% 5 - 9 201,265 188,100 6.7% 6.1% 186,849 6.0% -0.7% 10 - 14 204,529 6.8% 193,904 6.3% 193,908 6.2% 0.0% 0.1% 601,028 20.1% 18.3% 18.1% **Totals** 564,069 564,556 Total Pop. 2,994,520 3,085,880 3,126,971 1.3%

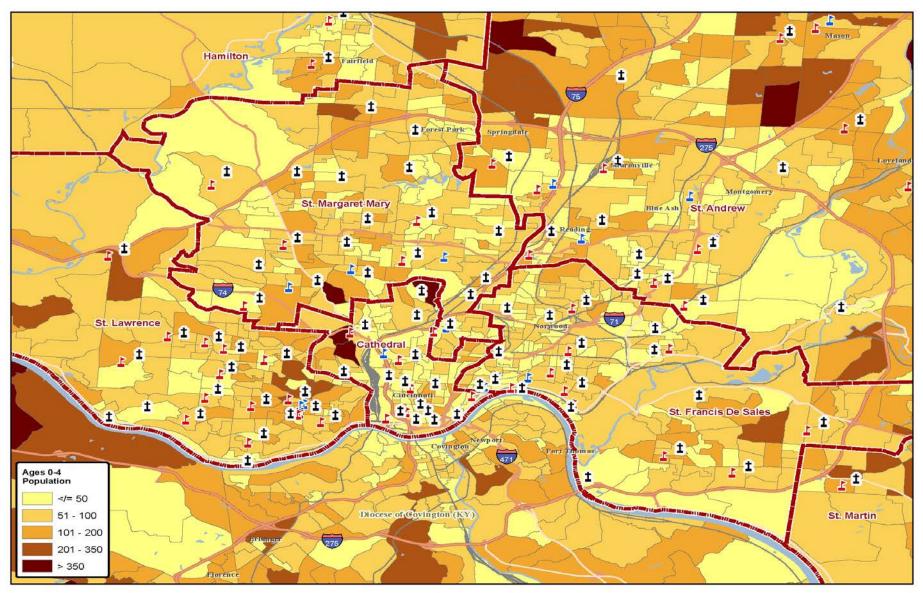


2020 Ages 0 - 4 Population



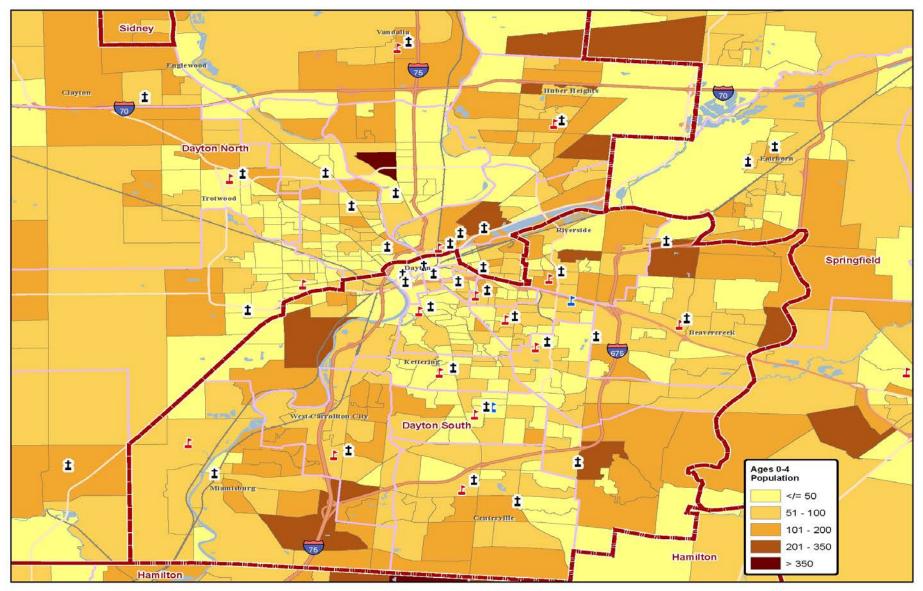


2020 Ages 0 - 4 Population - Cincinnati Focus



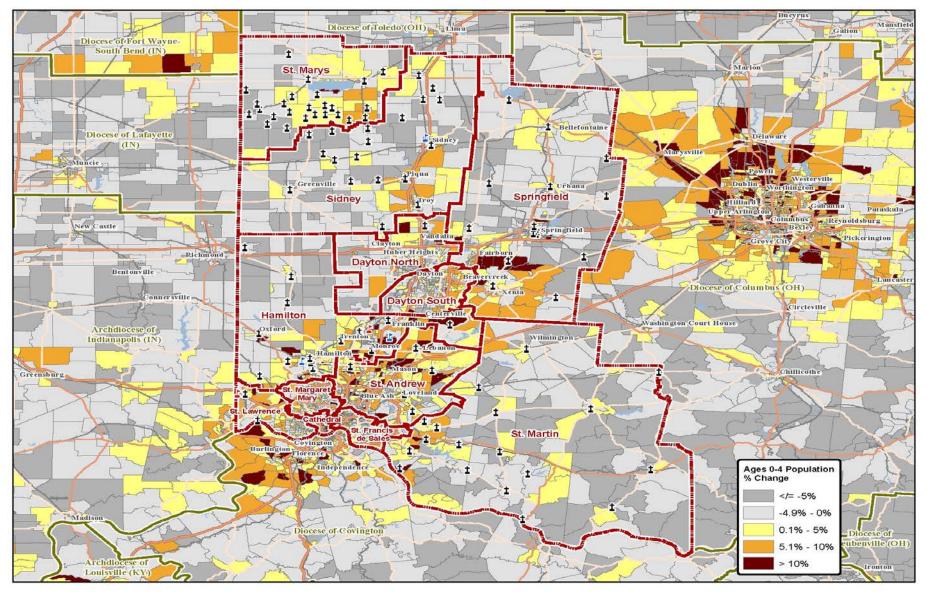


2020 Ages 0 - 4 Population - Dayton Focus



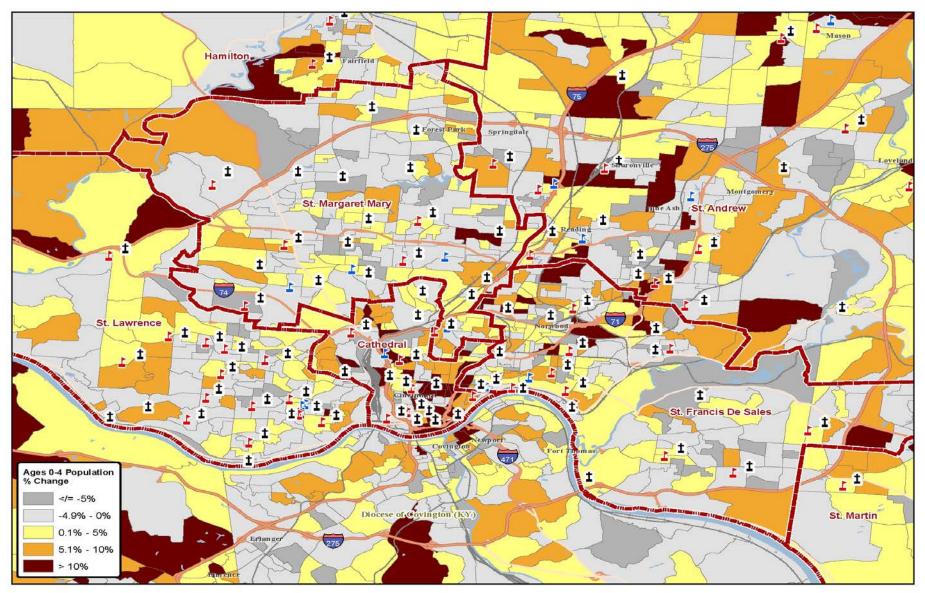


2020-2025 Ages 0 - 4 Population Percent Change



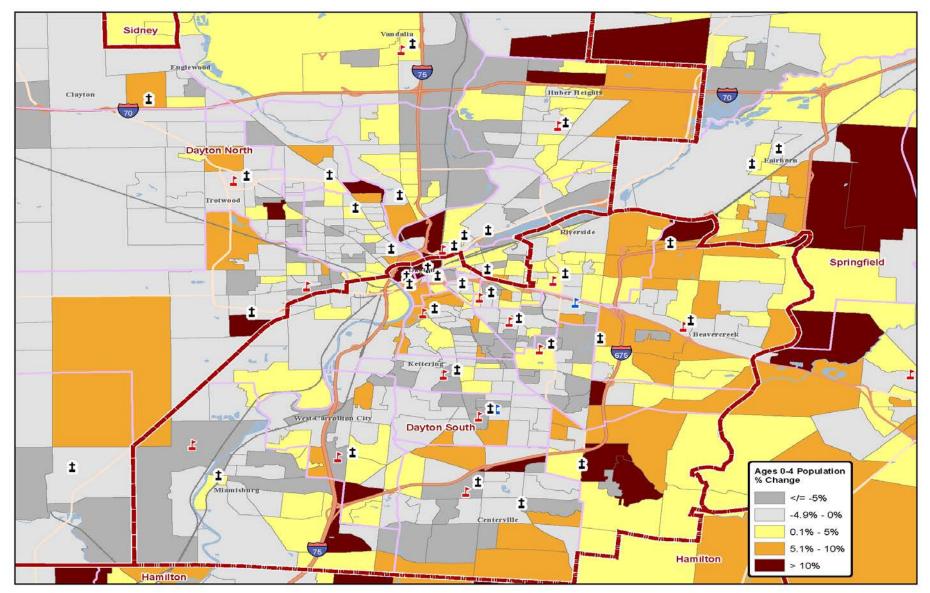


2020-2025 Ages 0 - 4 Population Percent Change - Cincinnati Focus



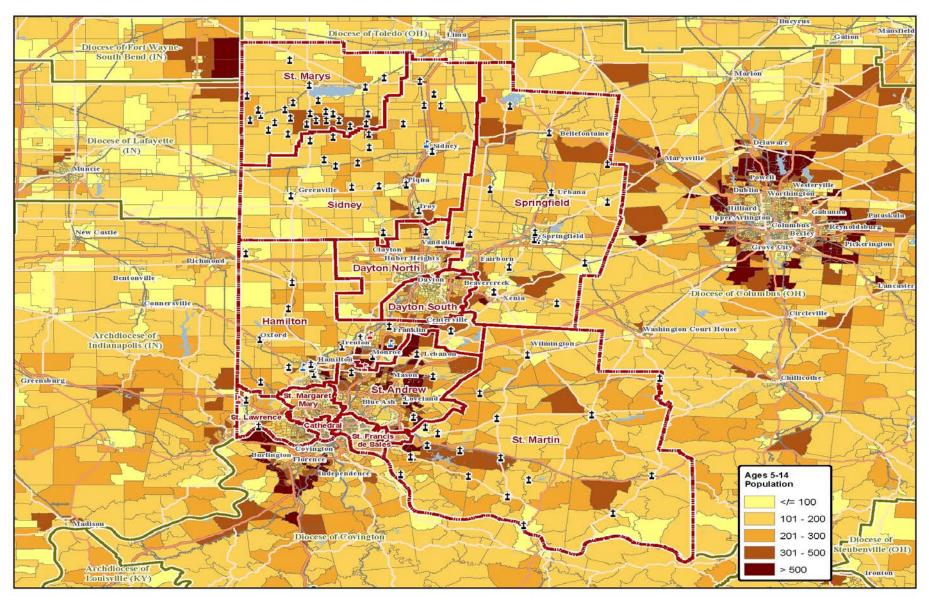


2020-2025 Ages 0 - 4 Population Percent Change - Dayton Focus



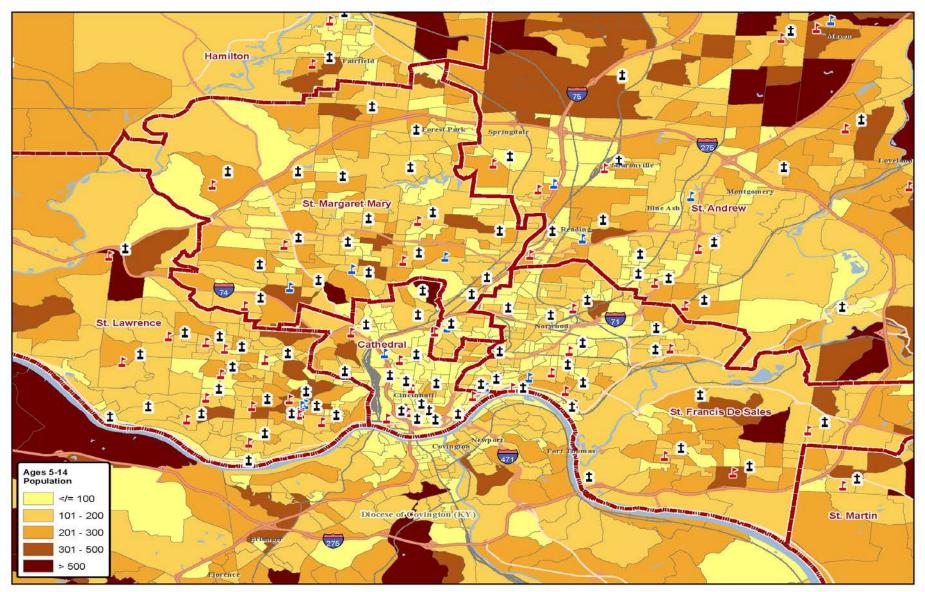


2020 Ages 5 - 14 Population



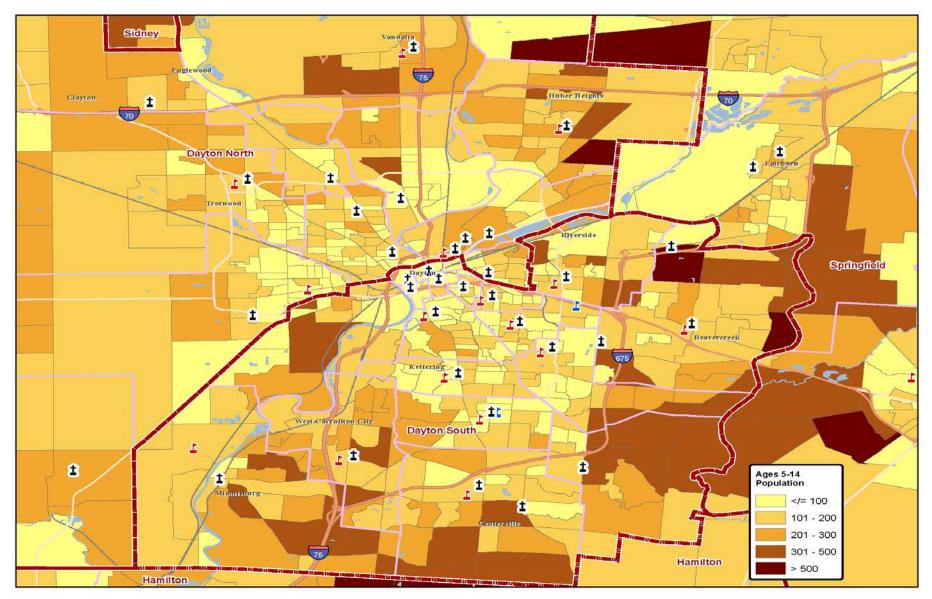


2020 Ages 5 - 14 Population - Cincinnati Focus



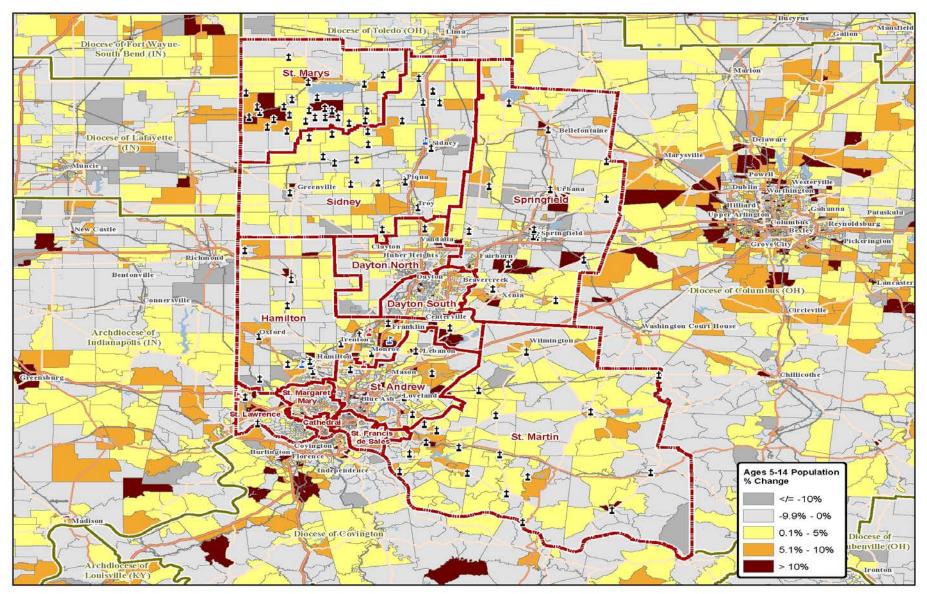


2020 Ages 5 - 14 Population - Dayton Focus



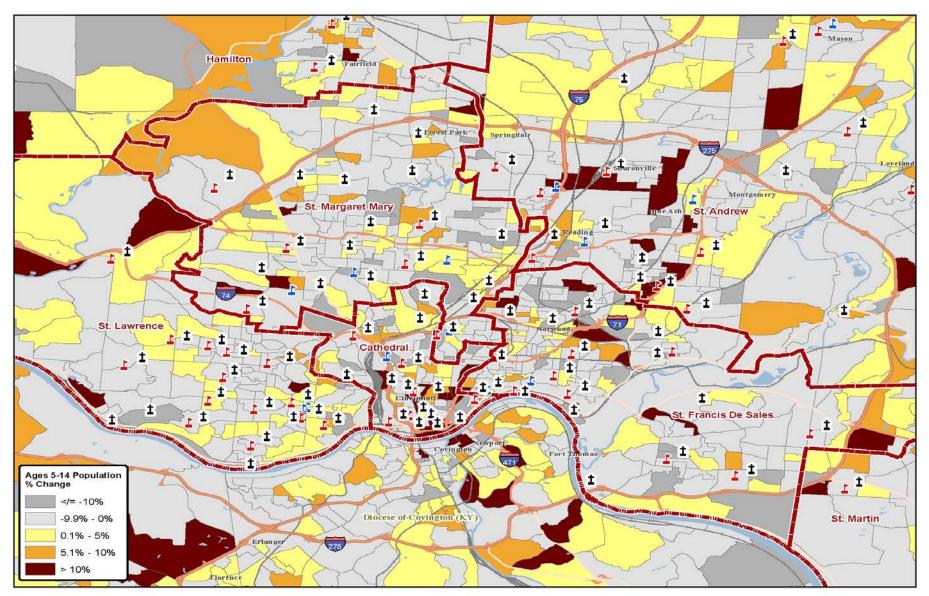


2020-2025 Ages 5 - 14 Population Percent Change



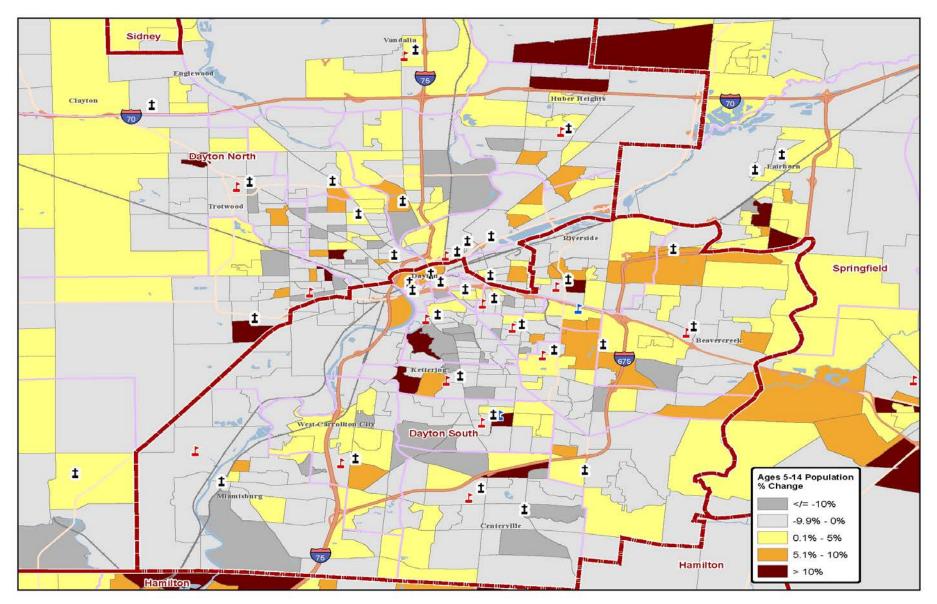


2020-2025 Ages 5 - 14 Population Percent Change - Cincinnati Focus





2020-2025 Ages 5 - 14 Population Percent Change - Dayton Focus



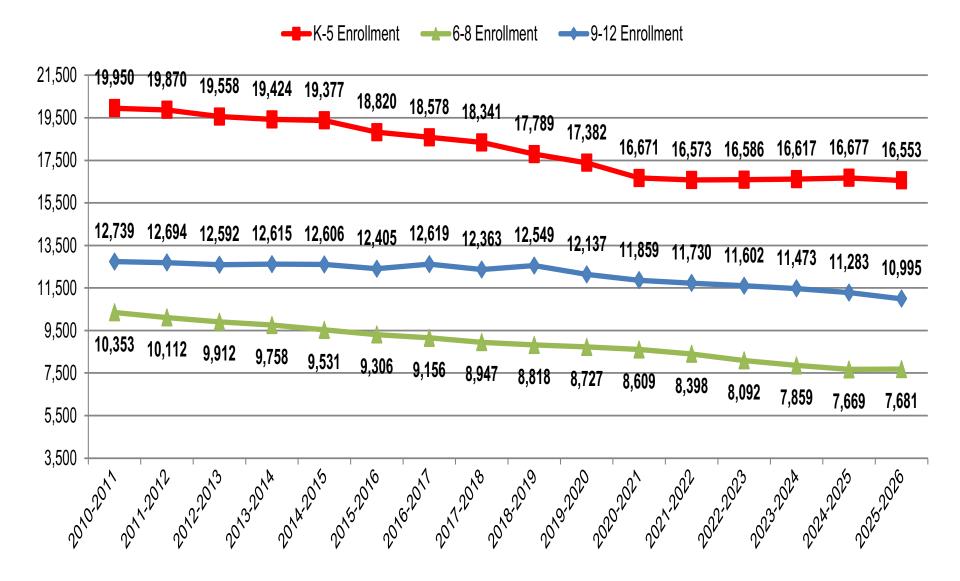


Historical Catholic School Enrollment Trends

- Since school-year 2010/2011:
 - K-12 enrollment declined -13.7% from 43,042 to 37,139
 - Grades K-5 enrollment declined -16.4% from 19,950 to 16,671
 - Grades 6-8 enrollment declined -16.8% from 10,353 to 8,609
 - Grades 9-12 enrollment declined -6.9% from 12,739 to 11,859
- By school-year 2025/2026:
 - K-12 enrollment is projected to decline -5.1% from 37,179 to 35,228
 - Grades K-5 enrollment projected to decline -0.7% from 16,671 to 16,553
 - Grades 6-8 enrollment projected to decline -10.8% from 8,609 to 7,681
 - Grades 9-12 enrollment projected to decline -7.3% from 11,859 to 10,995

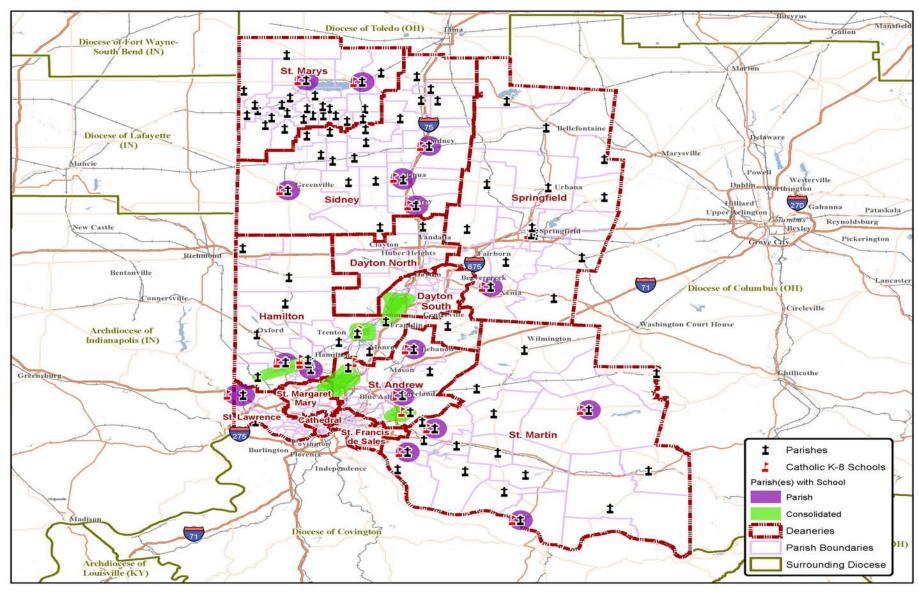


Archdiocese of Cincinnati Historical & Projected Student Enrollment



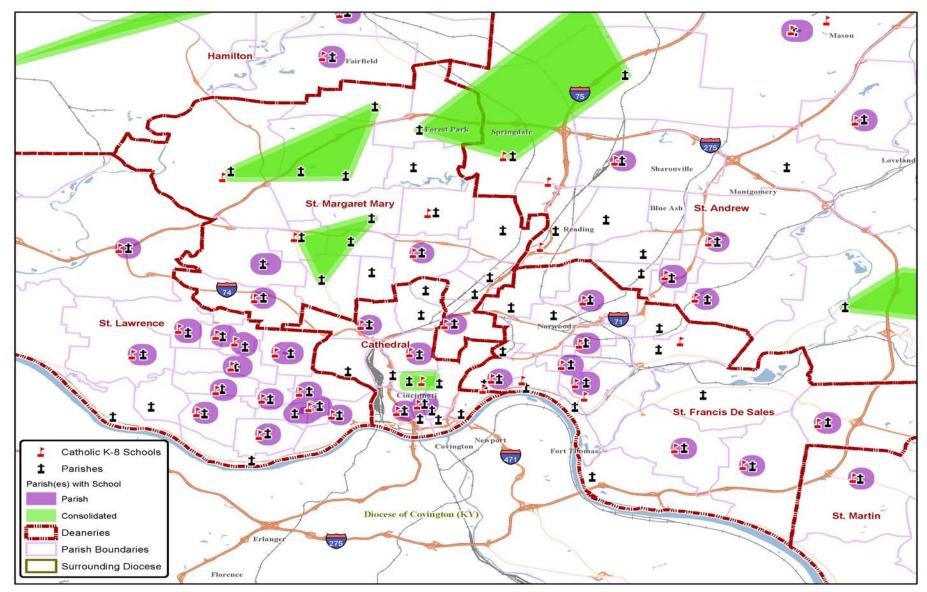


2020 Parish(es) with K-8 Schools



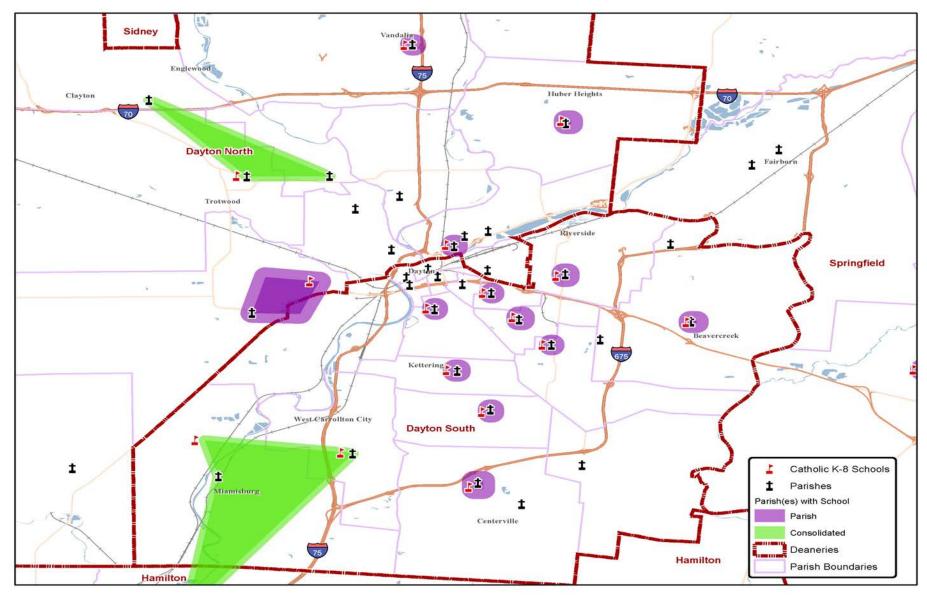


2020 Parish(es) with K-8 Schools-Cincinnati Focus





2020 Parish(es) with K-8 Schools-Dayton Focus





K-8 Catholic Student Socioeconomics

In school-year 2020-2021:

- K-8 Catholic student racial/ethnic makeup:
 - White 75.0%
 - Black 11.3%
 - Hispanic 6.2%
 - Asian 1.5%
 - Native American 0.1%
 - Mixed 5.3%
 - Unknown 0.6%
- 74.3% are Catholic
- 29.0% qualify for free/reduced lunch
- 7.4% are special education students



Faith Formation & Catholic School Enrollment Trends

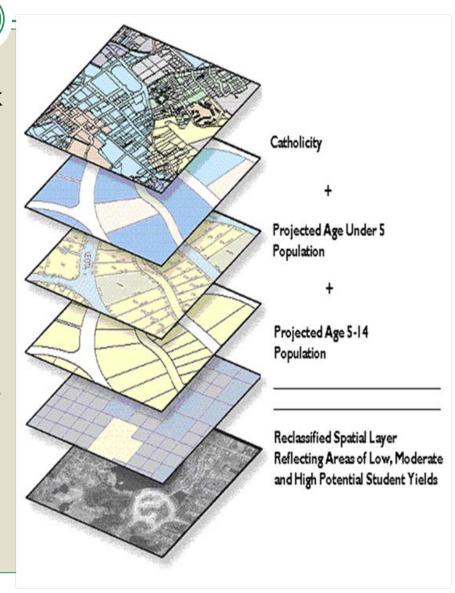
It is estimated that 48,162 (9.8%) of all K-12th graders across the Archdiocese are enrolled in Faith Formation classes and/or Catholic School

- Grades K-8: 34,243 or 9.9% of all K-8th students
- Grades 9-12: 13,919 or 9.3% of all 9-12th students



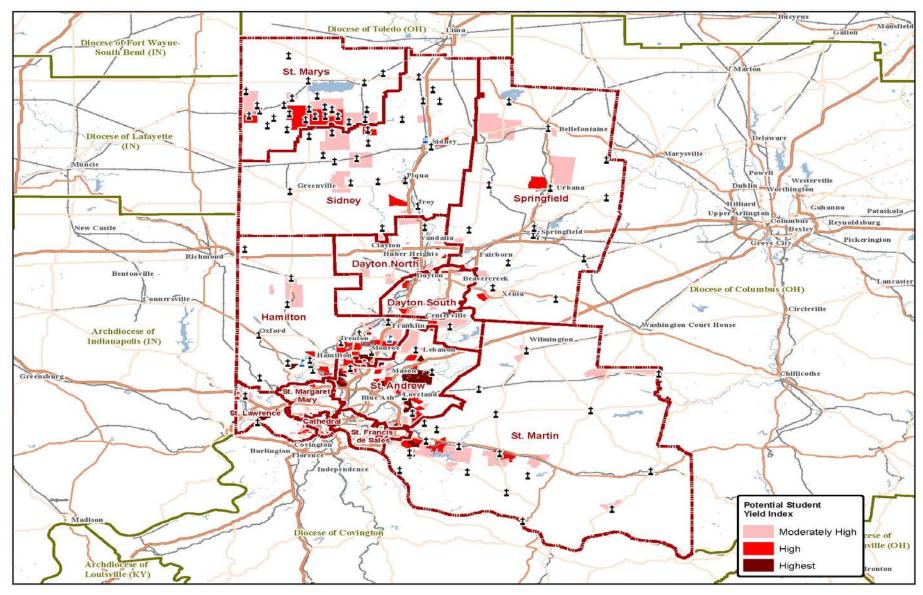
Potential Student Yield Index Analysis NO CHANGE

- By appending demographic census data and catholicity data at the block group level, a potential student yield index layer was created
- Index is useful to analyze, identify and target future geographic areas that will most likely produce high student yields
- First index included layers for projected populations and densities of children Ages 0-4 & Ages 5-14
- Second index added Catholicity layer
- Those areas in beige will most likely produce moderate student yields, while those areas in light blue and blue will most likely result in lower student yields



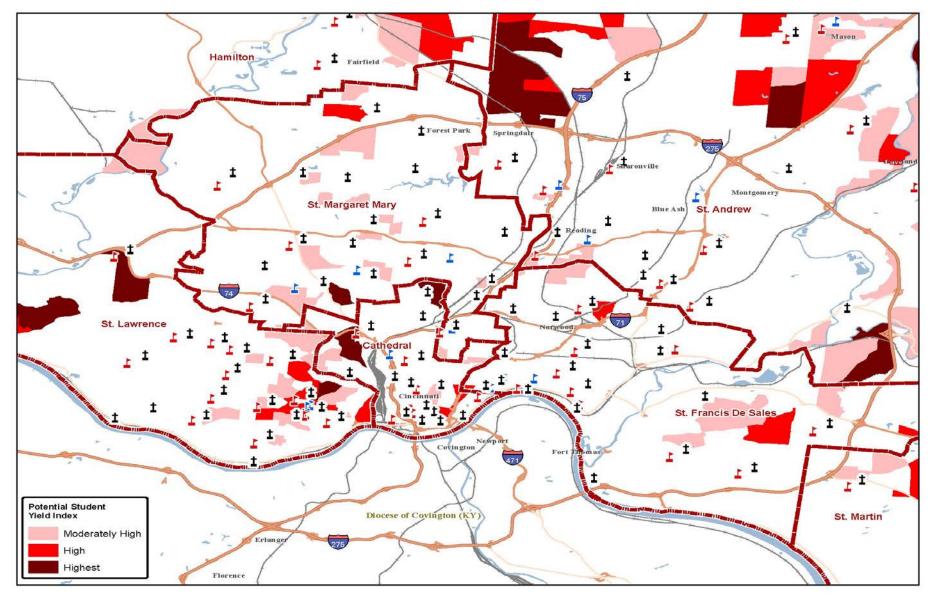


Potential Student Yield Index #1



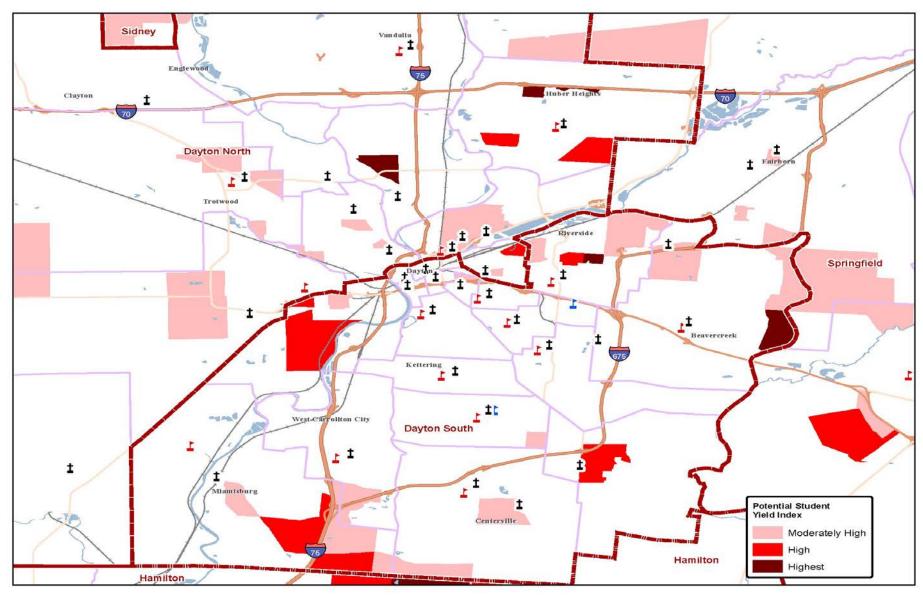


Potential Student Yield Index #1 - Cincinnati Focus



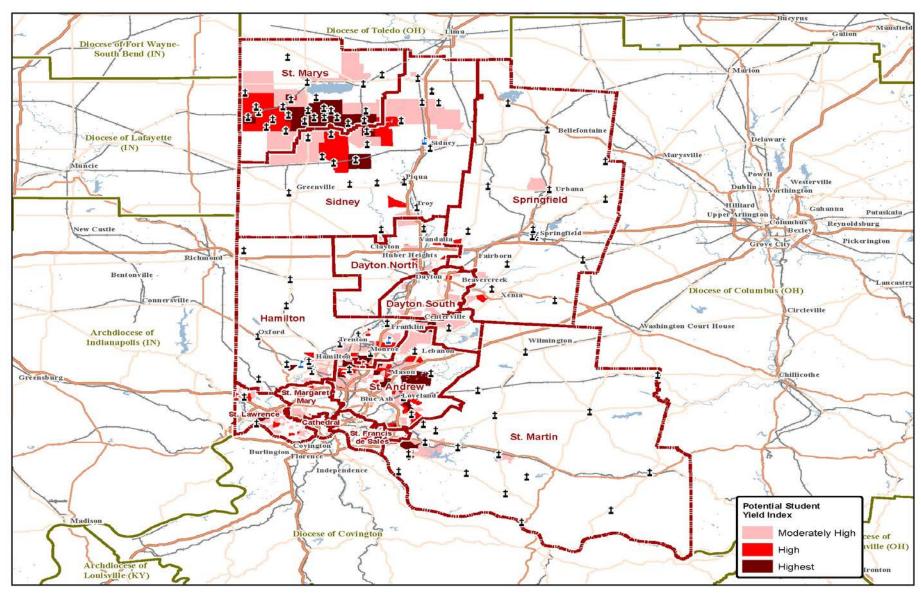


Potential Student Yield Index #1 - Dayton Focus



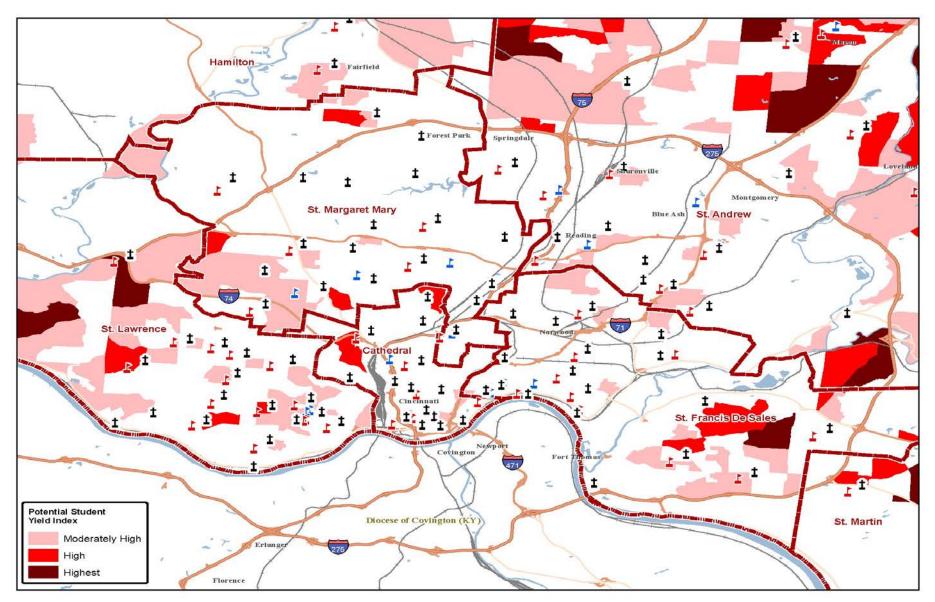


Potential Student Yield Index #2



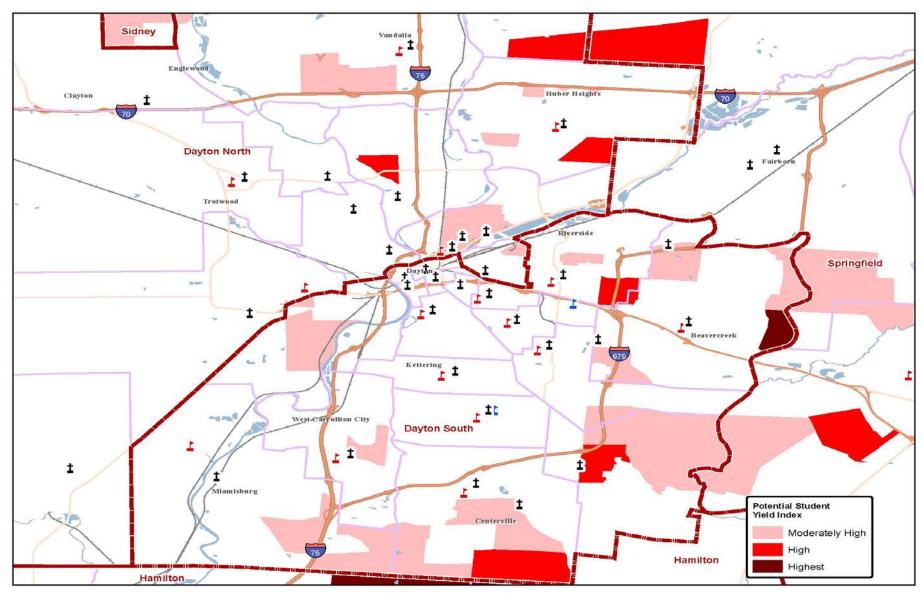


Potential Student Yield Index #2 - Cincinnati Focus





Potential Student Yield Index #2 - Dayton Focus





K-8 Tuition & Scholarship Analysis

- Median Income among student families is \$75,453
- Student families paid an average of \$2,787 in tuition which represents 3.7% of median income
- 48.5% of all student families received an average of \$3,451 in tuition assistance
- 31.1% (7,885 total kids) of all current K-8 Catholic students qualify for EdChoice or EdChoice Expansion
- In 30 Archdiocesan schools, over 50% of students currently enrolled are eligible for EdChoice or EdChoice Expansion



ARCHDIOCESE OF CINCINNATI - GRADES K-8 STUDENT TUITION & SCHOLARSHIP/SUBSIDY ANALYSIS **Average** Avg. Median Scholarship / % Scholarship / Median Household % of Total Average Tuition Tuition As % of Scholarship / Household **Total Students** Subsidy Subsidy **Students** Paid per Pupil \$ **Income Ranges** Income Subsidy per Recipients **Recipients** Income Pupil\$ 82.7% </= \$45,000 \$32,519 4,546 22.1% \$1,081 3.3% \$4,545 3,760 \$45,001 - \$75,000 \$59,051 6,213 30.3% \$2,596 4.4% \$3,453 3,357 54.0% \$75,001 - \$100,000 \$86,507 4,297 20.9% \$3,518 4.1% \$2,296 1,442 33.6% \$109,454 3,768 18.4% \$3,744 3.4% \$1,797 963 25.6% \$100,001 - \$125,000

\$4,073

\$2,787

2.8%

3.7%

\$1,500

\$3,455

422

9,944



> \$125,000

Totals

\$146,905

\$75,453

1,700

20,524

8.3%

100.0%

24.8%

48.5%

Catholic School Demographics Insights

- Live birth and student populations have declined and projected flat
- Student enrollment declining (-14%) in past 10 years and projected to continue (-5 %) yet moderate in next 5 years
- (30) Catholic schools are heavily dependent on Ed Choice vouchers
- Median Income among student families is \$75,453
- Student families paid an average of \$4,459 in tuition which represents
 5.9% of median income
- 48.5% of all student families received an average of \$3,451 in tuition assistance
- Student scholarship/subsidy aligns with median HH income levels
- Cost to Educate (CTE) varies widely and is linked to size of school
- 94 parishes do not actively support Catholic Schools as part of budget
- Parish family structure needs to be aligned with Catholic School structure





Catholic Schools Financial Analysis



Catholic Schools Financial Assumptions

Accounting Disclaimer: While the majority of the financials received were from the Archdiocesan centralized accounting system (ParishSoft), there remains a difference in financial results between locations due to variances in accounting practices and implementation. The numbers reflected are reasonable and reflect approximate financial results of parishes and schools.

The Archdiocesan chart of accounts was used as a guide in the following methodology in the compilation of the financials along with discussions with Archdiocesan staff.



Catholic Schools Financial Assumptions

- Tuition Revenue PK 8 as categorized (variances in accounting practices did not allow for a separate analysis between PK and K to 8 tuition)
- Financial Aid Diocesan as categorized
- Financial Aid Non-Diocesan as categorized
- Administrative Cost Reimbursement as categorized
- School Other Operating Revenue includes all other revenue including but not limited to, gifts, donations, bequests, fees, net fundraising, net student auxiliary programs
 - Due to varying accounting practices, parish investment revenue on the school financials was indeterminable. For the purposes of this analysis, the average investment expense amount from the 113 parishes who provided investment revenue to the schools were used as the estimated revenue on the school side and reallocated from operating other revenue



Catholic Schools Financial Assumptions

- Extraordinary Revenue includes bequests above \$5,000, capital activities revenue and capital campaign collections, insurance settlements, sale of property, and one-time revenues
- Salaries and benefits expenses as categorized
- Administrative-Program Expenses includes all other expenses, administrative and instructional
- Facility Expenses as categorized less any extraordinary expenses
- Extraordinary Expenses includes capital activities and capital campaign expenses and other one-time expenses



The following analysis is based on 77 schools (66 parish schools, 11 consolidated)
Between 2015 and 2019

- PK 8 Catholic school enrollment declined 5.6% from 25,272 in 2015 to 23,856 in 2019
- K 8 Catholic school enrollment declined 7.5% from 24,107 in 2015 to 22,287 in 2019
- PK-8 Enrollment per school building averaged approximately 325
- PK 8 Collected tuition revenue per student averaged approximately \$3,562 per year and increased 13.1% from \$3,216 in 2015 to \$3,637 in 2019
- PK 8 Cost to educate per student averaged approximately \$5,176 per year and increased 16.2% from \$4,681 in 2015 to \$5,438 in 2019



Between 2015 and 2019

- On average, schools operated with a net surplus of \$36,000 after considering parish school investment revenue and extraordinary activity
- Before considering parish investment revenue, schools operated with an average operating net deficit of approximately \$101,000 per year and a net surplus \$43,000 after considering parish investment revenue
- Parish school investment revenue average approximately \$144,000 annually



Between 2015 and 2019

Overall, total operating revenue including parish school investment revenue increased 8.6%

- Tuition revenue increased 6.8%, averaged approximately \$1,156,000 per year and accounted for 67.1% of total operating revenue
- Diocesan financial aid increased 4.6%, averaged \$48,000 per year and accounted for 2.8% of total operating revenue
- Non-Diocesan financial aid decreased 0.7%, averaged \$50,000 per year and accounted for 2.9% of total operating revenue
- Administrative cost reimbursement from the state increased 4.6%, averaged approximately \$134,000 per year and accounted for 7.8% of total operating revenue



Between 2015 and 2019

- Other school operating revenue increased 33.9% averaged approximately \$191,000 per year and accounted for 11.1% of total operating revenue
- Parish Investment Revenue: Due to varying accounting practices, calculation of parish investment revenue on the school financials was indeterminable. For the purposes of this analysis, the average investment expense amount from the 113 parishes who provided investment revenue to the schools were used as the estimated revenue on the school side
 - Parish investment revenue increased 1.5%, averaged \$144,000 per year and accounted for 8.4% of total operating revenue



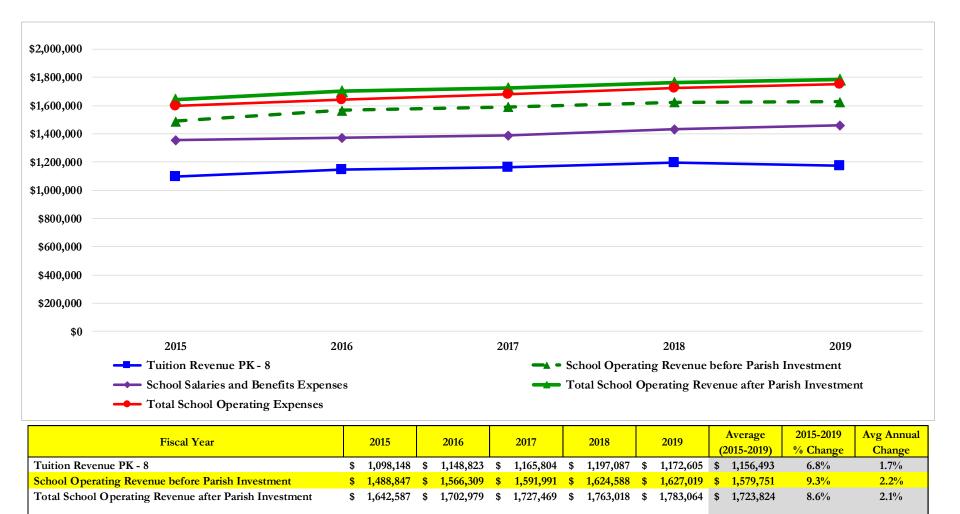
Between 2015 and 2019

Overall, total operating expenses increased 9.7%

- School salaries and benefits expenses increased 7.8%, averaged \$1,403,000 per year and accounted for 83.5% total operating expenses
- Administrative-program expenses increased 34.1%, averaged approximately \$148,000 per year and accounted for 8.8% of total operating expenses
- School facility expenses increased 7.6%, averaged approximately \$130,000 per year and accounted for 7.8% of total operating expenses
- Schools in the Archdiocese averaged approximately \$6,000 in extraordinary revenue and \$14,000 in extraordinary expenses



Average Trend of Tuition Revenue, Total Operating Revenue, Salaries & Benefits, Total Operating Expenses



Please note: Analysis does not include depreciation, unrealized gain/(loss) on investments or other noncash items

\$ 1,354,469 \$ 1,374,770 \$ 1,391,402 \$ 1,432,778 \$ 1,459,739 \$ 1,402,632

\$ 1,598,456 \$ 1,643,020 \$ 1,682,452 \$ 1,725,418 \$ 1,753,062 \$ 1,680,481



School Salaries and Benefits Expenses

Total School Operating Expenses

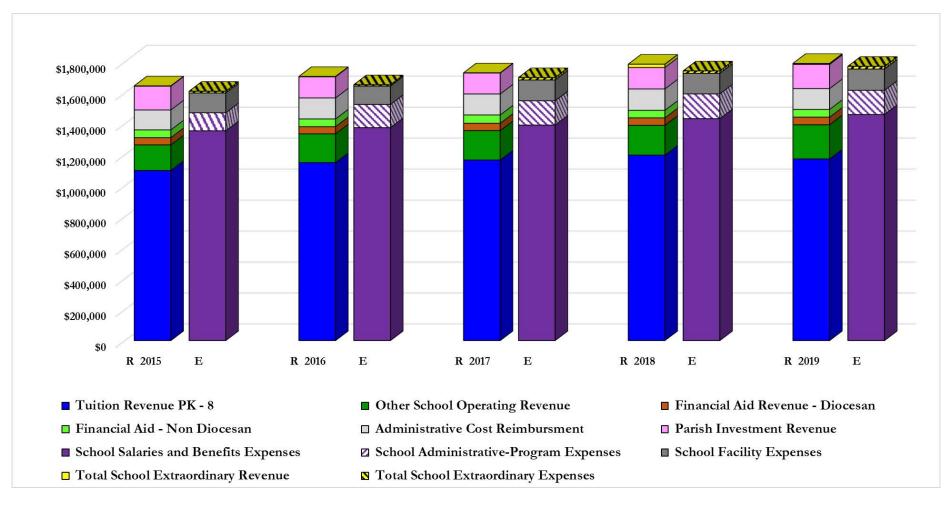
1.9%

2.3%

7.8%

9.7%

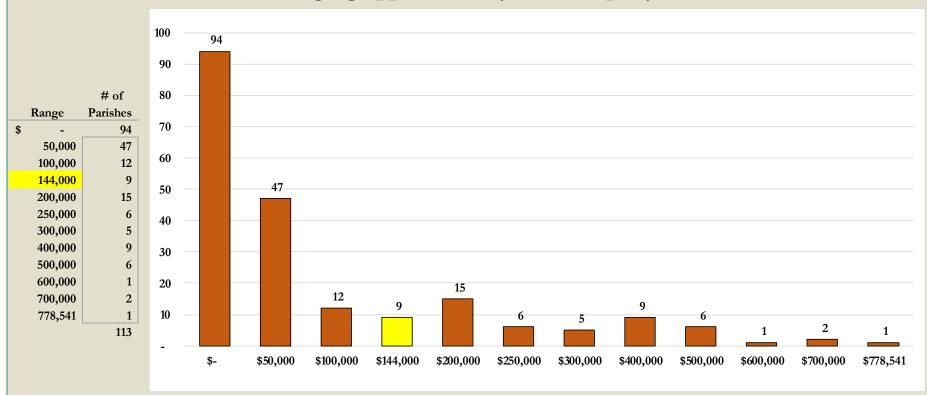
Archdiocese of Cincinnati – Catholic Schools 2015-2019 Average Operating Revenue & Expense Categories + Extraordinary Revenue & Expenses



Please note: Analysis does not include depreciation, unrealized gain/(loss) on investments or other noncash items



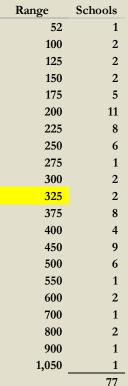
Approximately 113 parishes provided Parish Investment Revenue to Catholic Schools averaging approximately \$144,000 per year

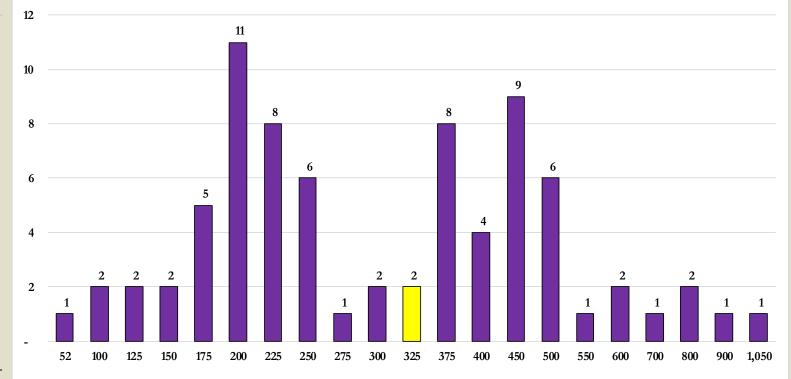


2015-2019 Average Range and Number of Parishes Providing Parish Investment Revenue to Catholic Schools

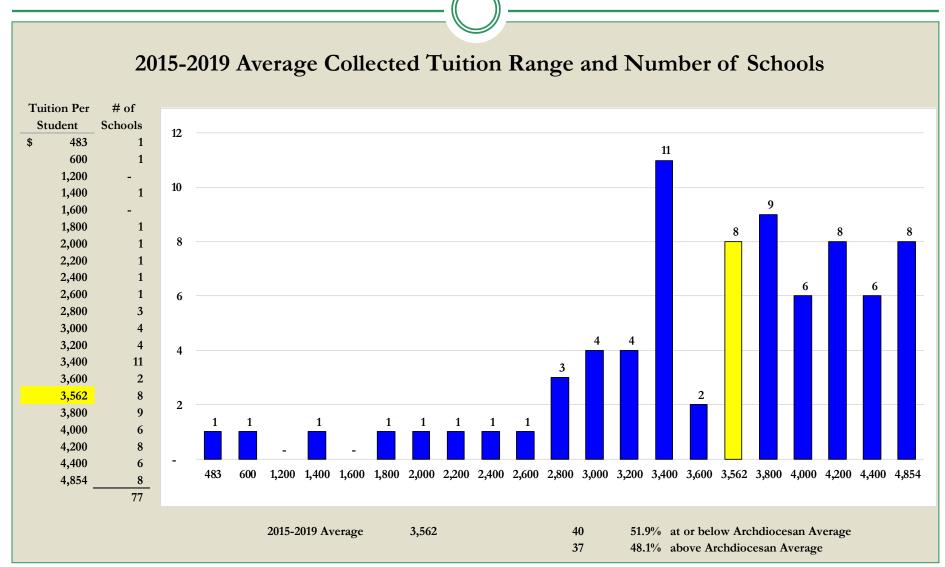


Enrollment # of Range Schools 52 1 100 2

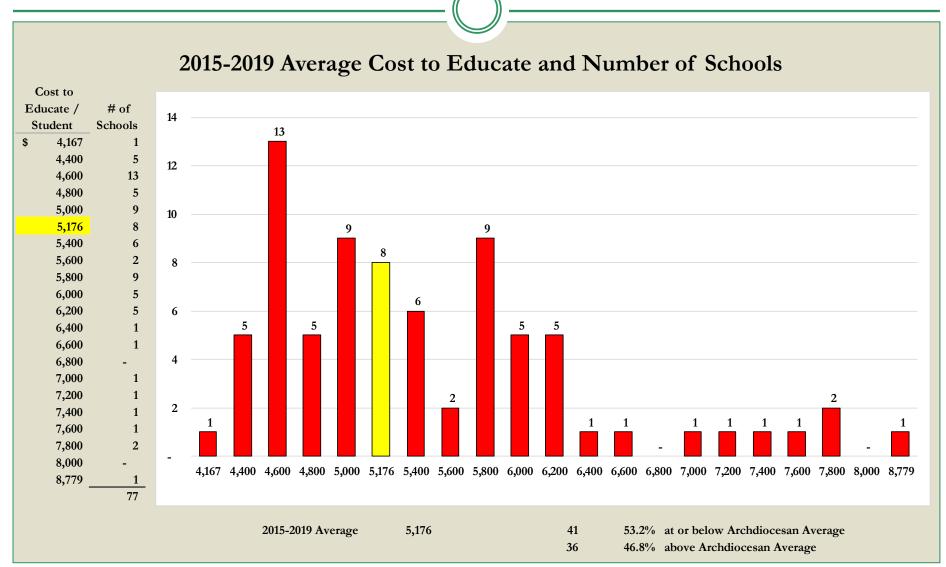














Catholic School Financial Insights

- In many respects, Catholic Schools appear to be in a stable financial condition, without obvious crisis points.
- Catholic School financials and stability appears to be heavily dependent on Ed Choice (\$16 MM annually) and its administrative assistance for many schools
- There does not appear to be a robust fundraising or advancement element or structure across the Catholic Schools
- Median income of school families appears to be 50% higher than overall median income, and about 25% less than the 20% higher givers median income
- School-age children demographics are flat to declining, so increase in enrollment is dependent on an increase in local market share
- Schools largely are not located close to areas of high potential in the Sweet Spot Analysis
- School structure will be impacted by parish structural changes





