

# Religious orders struggle to provide for aging membership

By Teresa A. Parsons

In her 68 years, Sister Antoinette Colarocchio, MPF, has given little thought to the prospect of retiring.

"We don't have an official retirement unless we're really sick," she explained. "You might be given a lighter assignment. The way we live, we don't really need that (retirement)."

But the other member of the Pontifical Institute of the Religious Teachers Filippini who serves at St. Mary's of the Lake Parish in Watkins Glen is 62. And Sister Antoinette conceded that "it seems like there are a lot of us around the same age."

Ever since the Second Vatican Council, members of religious orders have been drawn into the mainstream of society by leaps and bounds. Now, they are being afflicted with a crisis the rest of American society is struggling with as well — care for the elderly.

## \$2.5 billion in debt

Debt for the retirement costs of men and women religious is now estimated at \$2.5 billion nationwide, according to a report authorized by the National Conference of Catholic Bishops (NCCB), the Leadership Conference of Women Religious (LCWR) and the Conference of Major Superiors of Men. Entitled "Retirement Needs Survey of United States Religious," the report was based on a survey of the National Association of Treasurers of Religious Institutes. Communities representing 76 percent of all male and female religious in the nation responded.

The report has at least drawn the attention of the whole Church to a problem that has been brewing for years. Inadequate compensation for both male and female religious is being cited as one of the factors contributing to the crisis. Critics charge that the system of stipends and gratuitous service by religious orders that developed during the Church's early years in the United States is no longer just or practical. The minimal stipends received by retired religious, especially sisters, were simply not adequate

to build retirement funds. As late as the 1970s, some sisters were receiving as little as \$300 per year. And even though stipends have risen gradually and in some cases been replaced with salaries, they have not kept up with such other costs as health care.

## Unexpected exodus

When religious orders attracted large numbers of active members, the earnings of these active members were adequate to care for those who were too old or ill to work. Since the 1960s, however, vocations to religious life have dwindled, and the proportion of active to retired members of congregations has swung out of balance.

"One thing Vatican II never foresaw was the numbers of vowed religious leaving their congregations in the late 60s," said Sister Elizabeth Anne LeValley, superior of the Sisters of St. Joseph in Rochester. "Those people would have been in their active earning years now."

With the release of the tri-conference study on May 30 came news of sisters applying for welfare and selling off schools, motherhouses and other property. The New York Times reported that a New York City order was unable to pay the funeral costs of its members.

"Some small orders have already merged with others of the same founding tradition to more effectively use their existing assets," said Sister Helen Amos, RSM, a member of the national task force. "There is no doubt some congregations will have to take radical actions."

Dioceses, schools, parishes and hospitals, all of which have depended for decades on low-paid religious for their financial viability, will also be forced to respond.

"You have to have the local church — the people and the pastors addressing this issue. But it took a crisis to do it," said Sister Muriel, Curran, diocesan vicar for religious. "It's difficult to define what a just salary is ... but it's also an injustice to parishes not to realistically present the cost of a school or a teacher's salary."

Along with the release of the national

*'Sisters were not brought up to expect to be retired and taken care of. They expected to die with their boots on, so to speak.'*

Sister Helen Amos, RSM

study, a two-year planning project was announced to explore possible solutions to the crisis and to assist orders with immediate crises. "We as a diocese are trying to work closely with what's happening on the national scene," Sister Muriel said.

The diocese is also represented on a committee formed by the Catholic bishops of New York state to address retirement issues. Already, the dioceses of Brooklyn and Rockville Center are cooperating on a fund-raising campaign to care for retired religious.

Locally, the Women Religious Compensation Committee (WRCC), appointed by Bishop Mathew H. Clark, has been studying diocesan salaries and compensation since January, 1984. Members hope to present their recommendations to the bishop this fall. "It will be up to Bishop Clark whether to accept what we present and to set the direction for the group to go," Sister Muriel said.

## Salary system studied

Because the need for retirement planning has been widely recognized for more than a decade, many of the congregations serving the Diocese of Rochester have retirement funds and maintain homes or infirmaries at the local or provincial level.

"I am not aware at the moment of any congregations that are having serious financial problems," Sister Muriel said.

But as medical costs continue to rise, even the best funded orders question whether

those funds and homes will be adequate to care for increasing numbers of aging sisters and brothers.

Both the Sisters of Mercy and the Sisters of St. Joseph established retirement funds almost 20 years ago. In the early 1970s, major superiors of both orders began to negotiate changes in the diocesan stipend system, and the diocese began paying small retirement benefits annually to any order it employed. In 1972 religious communities across the country were offered the chance to buy into social security. The Sisters of St. Joseph did, and now add the payments they receive to their retirement fund.

Thanks to such foresight, Sister Elizabeth Anne believes the Sisters of St. Joseph are in a relatively good position. "We are blessed with a lot of funds and assets," she said.

But neither congregation's retirement fund produces enough benefits to fully cover a sick or retired sister's care.

Beginning in 1980, Sisters of St. Joseph over 70 years of age began to receive monthly payments from the congregation's fund. Even with careful management and regular increases over the years, those payments cannot cover the cost of caring for sisters in the infirmary. A hefty subsidy from the congregation's general operating fund fills the gap.

"The fund was never set to fully fund retired or infirm sisters," explained Sister Louise Weber, SSJ, the congregation's treasurer general. "We are just carefully maintaining what we have to help us project for the future."

"The only real retirement fund we have is social security," said Brother Edward O'Donnell, superior of a community of six Discalced Carmelite Friars in Elmira. "We do have a small fund to care for some needs, but it's not enough to care for individual brothers."

The friars, who are dedicated to retreat and prayer ministries, are not yet faced with a crisis. "Sometimes a large outlay of money isn't there," Brother O'Donnell said. "But we have taken care of our needs so far."

That may not be the case 10 years from now. "We don't have a large older population at present," Brother O'Donnell said. "But within the next 10 years, it will become critical."

For the past decade, the order's provincial headquarters in Washington, D.C., has been aware of the need for retirement planning. But the province only recently established a development office to focus on raising funds for retirement as well as education.

For more than 10 years, Filippini sisters have also contributed part of their monthly stipend to a congregational retirement fund. Recently, the congregation began building a retirement home at their motherhouse in Morristown, N.J.

Last February, St. Mary's of the Lake Parish began to pay its sisters' contributions to the fund, according to Father Andrew J. Kalafsky, the pastor. "That's done by all parishes in the diocese, so we had to follow suit," he said.

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## Research sought causes, not scapegoats for crisis

News of a crisis in retirement funding is hardly news to most congregations of male and female religious.

For more than a decade, such organizations as the Leadership Conference of Women Religious (LCWR) have been researching the impending financial crunch and urging orders to establish retirement funds, according to Sister Helen Amos, RSM, an LCWR representative.

Their efforts have gained new urgency from the retirement needs study released in May by a tri-conference task force of the National Conference of Catholic Bishops, the Conference of Major Superiors of Men and the LCWR.

"Over 14 years, a very limited number of people were aware of the problem," said Sister Helen, a former member of the task force.

"Fourteen years is enough research," she added. "Now it's time to look at what's being done."

Because they have not always allocated funds to care for retired members, religious congregations across the country now face an estimated \$2.5 billion deficit in retirement funds, according to the study results, compiled by Arthur Andersen and Co.

Those "past service liabilities" do not take into account the cost of funding the retirements of still-active religious. And if the value of land and buildings owned by religious congregations is not included among their assets, the total debt figure jumps to \$3.5 billion.

The study is based on a survey by the National Association of Treasurers of Religious Institutes, which sent 1,196 questionnaires to U.S. religious orders. Congregations representing 76 percent of religious women and men responded with 534 replies.

Some 78 percent of men's orders and 73 percent of women's orders already designate funds for retirement. But of the 100 orders with the greatest unfunded past liabilities, 57 stated in the survey that they were undergoing retirement crises.

In response to the study, the three agencies will sponsor a two-year project to seek solutions to the crisis. Sister Mary Oliver Haddox, SND, who has been academic dean at the College of Notre Dame in Baltimore, Md., will manage the project, searching for ways to support those who are currently retired and to establish retire-

ment benefits for those currently in active ministry; developing models of compensation for religious; and assisting communities with financial planning. The project is funded by the three conferences along with contributions from Foundations and Donors Interested in Catholic Activities (FADICA).

Sister Mary Oliver has not yet identified any specific options, but possibilities might include a national collection, new salary models, or the sale of property to create retirement funds.

The three agencies have also established an emergency fund to aid destitute religious orders.

Although the study results are being cited as evidence of injustice in the Church's system of compensating religious, Sister Helen said sisters are not seeking scapegoats.

"Our first aim is education," she said. "We are very eager for it to become known that it's no one's fault. We are not blaming anybody for the compensation situation of the past. Fault is not the point. The point is what are we going to do about it?"

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