

NEWS

The financial crisis and archdiocesan charities

The pain caused by the financial crisis and recession is being felt in Singapore and globally. What is the implication for Catholic charities in Singapore and for their beneficiaries? For the answers, CatholicNews turned to Catholic Welfare Services and Caritas Singapore

Catholic Welfare Services: No visible effects yet

JAMES CHEW, THE Executive Director of Catholic Welfare Services (CWS), told CatholicNews that there has been no significant change in donations received as their regular donors continue to contribute. With regard to the number of unemployed seeking financial assistance, Mr Chew said that there has been "no visible difference". He added that it is still too early to tell whether the number of unemployed approaching CWS will rise, "but we expect them to come in about three months or so".

"In the last recession, we did get an influx of people who had lost their jobs, and we helped them for three months, sometimes more, to get back on their feet. We expect the same will happen

in this recession," he said. The CWS Board of Governors will be discussing policies, such as additional funds for social assistance, which can be put into effect to meet the expected influx of people seeking financial aid. This issue will be on the table for discussion at their next budget meeting in April.

However, Mr Chew also noted that there has been an increase (of about 80 percent from the same period last year) in cases of people needing one-time financial assistance. Some were helped with \$30 to fill their immediate needs while CWS sought long-term solutions (such as helping them seek employment) to allow them to be self-sufficient. Mr Chew hesitates to attribute it all to the recession as sometimes an increase in publicity or referrals from churches and other organisations can result in more people approaching CWS. CWS sometimes place such people in simple jobs where they can earn the amounts that they seek.

Caritas Singapore: Wages frozen, cost cutting measures

WITH A GROWING NUMBER of jobless and the new poor, Catholic charities will face greater challenges in responding to the greater and sometimes new needs, said Caritas Singapore in reply to a CatholicNews query on the effects of the financial crisis.

"We hope that Catholics will continue to be generous especially during these difficult times as the needs are greater," it said.

The positive news is that donors can now enjoy a higher tax deduction for their donations to approved charities which equals to 250 percent, from the current 200 percent, Caritas Singapore said.

"Whilst we hope that this added incentive will spur people to give generously, ultimately it is our faith that should lead more people to want to share their resources with the less fortunate in the community," it added.

Charities Week donations support the work of Caritas Singapore and its member organisations. These include organisations such as Catholic Welfare Services, Archdiocesan Commission for the Pastoral Care of Migrants and Itinerant People, Catholic AIDS Response Effort, Morning Star Community Services, Marine Parade Family Service Centre, Roman Catholic Prison Ministry and Family Life Society.

Charities and Catholic charities in particular have always been prudent in their spending, Caritas Singapore stressed. "In these hard times, cost management remains critical. Caritas Singapore and many of the church organisations have frozen wages and headcount, and implemented other cost-cutting measures."

In the case of a financial

shortfall, Caritas Singapore and its member organisations will have to dip into their reserves, Caritas Singapore explained.

Caritas Singapore has recommended a reserves policy of one year of reserves for its member organisations. Caritas Singapore funds its member organisations at the beginning of the year while it collects its money in the second half of the year, and this means that it also operates a

one-year reserves policy.

With their current reserves, for the coming year, Caritas Singapore and its member organisations will be able to adequately manage with the situation, Caritas Singapore said. "However, if funding is insufficient to meet the increased needs, the organisations will need to adjust their scope of operations for the year following," it added. □

U.S. church's investment losses mirror rest of nation, financier says

WASHINGTON – The losses incurred by Catholic institutions in the stock market since last year are roughly the same as the hits taken by other investors, according to a financier who estimates he gives investment advice to more U.S. dioceses than any other firm.

Losses of about 25 percent in an investment portfolio "would certainly have been in the ballpark" for "Catholic foundations, endowments and pension plans, but also corporate and public endowment plans" across the country, said Steve Schott, a managing principal at CapTrust in Miami.

Mr Schott, by his estimation, "oversee several billion (dollars) in Catholic money".

Mr Schott said following church guidelines on socially responsible investing has not hurt the bottom line of anyone's portfolio.

The U.S. Catholic bishops' guidelines for socially responsible investing is to help Catholic entities avoid investments in companies and organisations that engage in activities contrary to Catholic teaching.

The bishops' guidelines cover embryonic stem-cell research, human cloning, land-mine production, biotechnical research, labour sweatshops, human rights, predatory lending, pornography and other areas.

"We have found that the results of the restricted list versus the unrestricted benchmark, for example in the S&P, actually in the last five years has had a slight positive effect," he added.

He, however, believes that over time the disparity will even out and probably be negligible in terms of the return difference between the restricted and the unrestricted lists. □ CNS