ASSESSMENT
OF
ECONOMIC JUSTICE WORKSHOP SERIES

For the

Economic Justice Implementation Committee

by

Woodstock Institute

Report prepared

by

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The Woodstock Institute

The Woodstock Institute is a not-for-profit organization based in Chicago. For the past nineteen years, the Institute has carried out applied research and developed and implemented programs which increase private sector investment in modest-income and minority communities for the benefit of those who live there. It designs programs which bridge the gap between the needs of communities and the resources of banks, savings and loan associations, foundations, and others.

The Institute provides a variety of services to community-based organizations, financial institutions, foundations, and government agencies, including applied research, policy analysis, program design, and evaluation.

PREFACE

There is always a story behind the scene, usually replete with lessons learned that are difficult or embarrassing or too sensitive to relay. Such is the case with the economic justice workshops series and this Assessment. While these little vignettes would be cumbersome to include in the body of the report, we thought it might be worth at least outlining a few of them.

For example, the planning process for the workshop series could easily have taken six months or more. Instead, the series was planned and put in motion in a few short weeks. The "fine tuning" process continued throughout the entire series time period.

The decision to hold the workshop series grew from the realization that the economic justice program needed a broad-based hearing, and that the hearing should be done quickly. The decisions surrounding the series were made within the context of reaching the largest number of people possible, in a relative short period of time. Dates and general locations were determined by Church Center staff; specific locations were made in concert with those who would participate. Cost factors were based on New York economy and did not always adhere to local economy.

In an attempt to get broad representation at the workshops, bishops were used as the initial contact. What was discovered is no surprise; bishops are very busy people. Notices of the workshops were put aside because they required special attention, and this retarded the process. By the time the notice was recognized as needing a timely response, the scheduled workshop was close. The lesson learned is not to rely solely on bishops for dissemination of information.

It was discovered that many bishops do not yet respond to the words "economic justice;" naturally they are unclear as to if and what their diocese's response to economic justice should be. "Economic justice" is new language for bishops and for others, and they have not made the translation between the terminology and programs that already exist within their dioceses. Even now -- more than a year after the economic justice series -- many people, including bishops, respond that they do not know what the economic justice initiative is within their diocese.

Couple all of this with the unexpected and untimely illness of the Staff Officer for Economic Justice, the workshop series survived and succeeded against all odds. And so will Economic Justice.

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I. INTRODUCTION

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In late 1991, Woodstock Institute was retained by the Domestic and Foreign Missionary Society of the Episcopal Church in the United States of America to complete an assessment of the 1991 Economic Justice Workshop series -- From Charity to Justice. The purpose of the assessment is to bring to conclusion the 1991 outreach efforts, as initiated by the Diocesan Outreach Sub-Committee of the Economic Justice Implementation Committee (EJIC).

The objectives of the assessment are to:

(1) Determine how participants utilized the information shared during the workshop and their opinion of the value of the experience;

(2) Determine if participating dioceses have initiated an economic justice initiative and the scope of each initiative; and

(3) Create a list of suggestions for follow-up delivery.

In undertaking the assessment, Woodstock Institute utilized a mail-survey instrument designed to determine:

(1) Lessons learned from workshop attendance and how they have been applied to work with the diocese or parish or to personal involvement in the community;

(2) Who assumed leadership from the respective dioceses, how leadership and responsibility for initiating and implementing an economic justice response has been assigned or allocated, and what has occurred since the workshop; and

(3) Suggestions for next steps.

Woodstock Institute staff also conducted a series of follow-up telephone interviews to elicit detailed information on economic justice initiatives underway in the dioceses. In conjunction with the telephone interviews, the three EJIC Bishops -- The Rt. Rev. G. P. Mellick Belshaw, The Rt. Rev. H. Irving Mayson, and The Rt. Rev. William Sanders -- agreed to also interview select Bishops whose dioceses had representatives at the workshop sessions.

This report is divided into four sections: Background, Assessment Findings, Highlight of Economic Justice Initiatives, and Recommendations for Future Outreach. The appendices include detail on workshop attendance, a copy of the survey instrument, and selected materials from the workshop series.

II. BACKGROUND

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In the eighteen months prior to the workshop series, the Economic Justice staff and EJIC were involved in the process of figuring out what the Economic Justice Resolution, passed by the General Convention in 1988, meant in application. Together, staff and EJIC developed a process, as opposed to a program, which would facilitate the beginning or the deepening of the economic justice work going on at various levels in the church. Among the challenges of their work was creating definitions for economic justice and the terms that were emerging in support of this work. To understand the mindset from which emerged the outreach efforts that include the workshop series, it is imperative that some basic working definitions, as put forth by the staff and committee, be highlighted in this report.

> Economic Justice: Equitable access to available resources resulting in a reduction of inequalities based on income, wealth, and power.
>
> Empowerment: Those actions of opportunities which allow, encourage, and develop the ability of those who are oppressed to make decisions and determine actions for themselves.
>
> Community Controlled: Any organization or venture in which the authority for decisions or actions rests with the population who will be most affected by them.
>
> Local Efforts: Refers to any project initiated in the area to be impacted and against projects initiated by those having interest but are in fact absent.
>
> Alternative Investment: Those investments, consciously made, which reflect an attempt by the investor to further a socially responsible position.

How the Workshops Came About

In 1990, the EJIC Diocesan Outreach Sub-Committee released an 82-page manual, Organizing for Economic Justice. "The purpose of the manual is to assist church communities to focus on issues of economic justice, to promote inquiry into Christian perspectives on economic justice, to encourage study of community economic problems, to participate in efforts to organize economic justice initiatives, and to acquaint people with some of the available resources for the task." This publication was seen as the first step in a process of education and encouragement for economic justice. Notice of the publication's availability was mailed to bishops of each diocese; many bishops also received ten copies for distribution.

It was determined early on, however, that distribution of the manual was not enough; the manual should become the centerpiece for a more extensive outreach from EJIC to the dioceses. The economic justice workshop series, also initiated by the Diocesan Outreach Sub-Committee, became the second step.

Organization of the Workshop Series

The original design for the workshop series called for one workshop in each of the eight provinces that are contiguous with the continental United States. In the planning process for the series, it became apparent that it was more important to be concerned with geography and issues (as discussed with regard to workshop series purposes) than staying within the provincial framework, although the provincial make-up/boundaries were not ignored. In an effort to assure strong participation, there was an attempt to structure the anticipated workshop participation so that no one person would have to travel by car more than three hours.

The purpose of the workshop series was to develop a core of activists for economic justice and to prepare dioceses for the decisions that must be made in determining the most appropriate approach for addressing the Economic Justice Resolution. (In 1988, the General Convention adopted Resolution C-030a, Economic Justice, and established the Economic Justice Implementation Committee.) The workshop format was designed to explore with participants the various ways models for economic justice can be structured, identify available resources for planning and implementation, and collaborate in next step planning. In another way, the workshop series had several purposes: providing a framework for making a decision, networking, delivering technical information, clarifying resources, and assuring individual diocesan right to decide on a specific response to the Economic Justice Resolution.

The basic agenda for the series included prayer and welcome by a representative of the diocese covering the area in which the workshop was held; purpose of the workshop series by Gloria H. Brown, the Economic Justice Staff Officer; participant introductions as a warm-up exercise; definition of terms associated with economic justice and economic development; and a speech on the theological and historical perspective for economic justice delivered by one of the EJIC bishops or a host bishop. Each series also included small group sessions focusing on barriers to economic justice and ways to overcome them, raising money for economic justice, and outreach and promotion.

Some sessions included technical information segments covering organizing or detail on one or more of the types of economic justice initiatives in the areas of capital, land, housing, jobs and public policy.

The success of the workshop series, and the appropriateness of each agenda, can be attributed to the workshop organizing process which involved a local ad hoc committee in the planning. By using local persons in the planning process, workshop organizers were able to determine if the basic workshop format needed enhancement to meet the needs of invited dioceses. By adding technical information sessions, focusing more intently on the theological perspective of economic justice, and/or by using local expertise for information sharing, each workshop was uniquely structured for the anticipated audience. The presentation of technical expertise and the accessibility of these presenters over the course of the workshop period also contributed to the success of individual workshops.

Workshop Sites and Attendance

Workshop #1:

Date: February 1 & 2, 1991.

Site: The 4-H Center in Chevy Chase, Maryland. The 4-H Center, while an economically correct site choice, was not conducive to the flexibility of time and meeting space desired.

Invited Dioceses: Washington, Central Pennsylvania, Delaware, Maryland, Virginia, Easton, Bethelem, Pennsylvania, and Southern Virginia. Although an invitation was also extended to the Province III President, he was unable to attend.

Participants: The workshop was attended by 12 persons representing the Dioceses of Washington, Central Pennsylvania, Delaware, Maryland, Virginia and Bethelem. The workshop was also attended by the Washington, D.C. based church lobbyist.

Additional comments: The Rev. Canon Cyprian Fields functioned as advisor in the planning of this workshop.

Workshop #2:

Date: February 22 & 23, 1991.

Site: Marriott Hotel, Houston, Texas. This site was suggested by the local ad hoc committee as an appropriately accessible one for those anticipated participants whether they arrived by automobile or airplane.

Invited Dioceses: Texas, Arkansas, Kansas, Oklahoma, West Texas, Western Louisiana, Dallas, Fort Worth, Northwest Texas, Rio Grande.

Participants: This workshop was attended by 16 persons representing the dioceses of Texas, Kansas, West Texas, Fort Worth, and Northwest Texas.

Additional Comments: An ad hoc committee consisting of Al Rodriguez of Austin, Texas and member of the EJIC, The Reverend Earlie Clemons of Prairie View Texas, and Clark Moore of the Diocese of Texas staff assisted in the organizing and implementation.

Workshop #3:

Date: March 1 & 2, 1991.

Site: The Diocese's conference room and The Tutwiler in Birmingham, Alabama.

Invited Dioceses: Alabama, Atlanta, Florida, Central Gulf Coast, Mississippi, Tennessee, West Tennessee, Georgia, Central Florida, Southwest Florida, Southeast Florida, Louisiana, and East Tennessee.

Participants: This workshop was attended by 16 persons representing the dioceses of Alabama, Atlanta, West Tennessee, Georgia, Southeast Florida, and East Tennessee.

Assistance in planning the workshop was provided by Mrs. Louis McQuiston and Ms. Lucia Penland of the Diocese of Alabama.

Workshop #4:

March 8 & 9, 1991 in Minneapolis, Minnesota.

Site: The Sheraton Airport Inn.

Invited Dioceses: Colorado, Western Kansas, Montana, Wyoming, North Dakota, South Dakota, Nebraska, Minnesota, Alaska, Navajoland, Eau Claire, and Fond Du Lac. The Diocese of Western Michigan requested permission to participate in this workshop as opposed to the one in St. Louis.

Participants: Eleven (11) persons participated, representing the dioceses of South Dakota, Minnesota, Eau Claire, and Western Michigan. Distance and the time of year adversely affected workshop attendance.

Assistance in planning the workshop was provided by Dr. Howard Anderson, Mr. Jack Drganc, and The Very Reverend Phillip Allen.

Workshop #5:

March 15 & 16, 1991 in St. Louis, Missouri.

Site: The Sheraton Hotel.

Invited Dioceses: Milwaukee, Iowa, Western Missouri, Missouri, Western Michigan, Quincy, Springfield, Indianapolis, Northern Indiana, Michigan, Southern Ohio, South Carolina, Chicago, and Ohio.

Participants: Representation of the dioceses was very good, with only Iowa, Western Missouri, Western Michigan (which was represented at the Minneapolis workshop), Northern Indiana, and Southern Ohio not participating. The Diocese of South Carolina was included in this workshop at their request. A total of 30 persons participated, making this the largest of the eight economic justice workshops.

This workshop was so well attended because it was organized by the Province V President, The Reverend Canon Arthur Hadley. Province V has a provincial Economic Justice Committee that was already engaged in an educational process on how to respond to the Resolution. The EJIC workshop was timely for them and served to support their organizational efforts.

Workshop #6:

April 5 & 6, 1991 in Seattle, Washington.

Site: The Micah Center.
Invited Dioceses: Olympia, Spokane, Oregon, Eastern Oregon, Idaho, Alaska, and Utah.

Participants: The workshop was attended by 13 persons from the dioceses of Olympia, Oregon, Idaho and Utah.

Workshop #7:

April 19 & 20, 1991 in Berkeley, California.

Site: The Berkeley Center.

Invited Dioceses: Northern California, California, Nevada, El Camino Real, San Joquin, Los Angeles, San Diego, Arizona, Hawaii.

Participants: This workshop was attended by 16 persons representing the dioceses of California, El Camino Real, and Los Angeles.

Workshop #8:

June 21 & 22, 1991 in Princeton, New Jersey.

Site: The Princeton Ramada Hotel

Invited Dioceses: NW Pennsylvania, New Jersey, Newark, Long Island, Rochester, Central New York, Western New York, all of Province I, and all other dioceses that had not previously been able to participate in a workshop.

Participants: Attendance was small -- only nine participants, representing the dioceses of New Jersey, Newark, Long Island, and Massachusetts.

The Rev. Robert Stuhlman and Bishop Belshaw of the Diocese of New Jersey were helpful in organizing this workshop.

Facilitators and Presenters

The workshop series was facilitated by Gloria H. Brown, Staff Officer for Economic Justice, and Ernestine Jackson, then Program Director at the Community Information Exchange in Washington, D.C. Members of the EJIC were invited to each of the workshops and on occasion were asked to assist in facilitating segments of the workshop. Those participating in this manner were The Rt. Rev. William

Sanders, The Rt. Rev. G. P. Mellick Belshaw, The Reverend Richard Roos, Ms. Joon Matsumura, Mr. Timothy Wittlinger, Esq., Ms. Anne Scheibner, Ms. Chris Weiss, Mr. Al Rodriguez, and The Rev. Harry J. Bowie.

Presenters for the various technical sessions included Lawrence Anderson on cooperative housing, Darcine Thomas on Community Development Credit Unions, Brad Caftel on credit unions, Chuck Matthei on socially responsible investing, Martin Trimble on community development loan funds, and The Rev. Patricia H. Stern on the environment as an economic development issue.

Review of Materials

In addition to the EJIC organizing manual, substantial written information was provided to participants of the workshop series. Following is a brief recap of some of these materials. See the appendix for copies of actual material.

Chuck Matthei developed a twelve page document, entitled "The Ministry of Community Investment," for his presentation at the workshop in Chevy Chase, Maryland. The memorandum and his presentation were designed to provide some options for implementing the Economic Justice Resolution, suggestions regarding process and criteria for decision-making, and to acquaint workshop participants with some resources and services. With amazing clarity, Mr. Matthei linked community economic development, community investment, and suggested paths to community investment in such a manner as to render the information timeless.

Martin Trimble provided the standard information packet of the National Association of Community Development Loan Funds. In his presentation, Mr. Trimble used the Diocese of Pennsylvania and its partnership with the Delaware Valley Community Reinvestment Fund as a prime example of how the Episcopal dioceses can support investment of community economic development opportunities in local communities. (The Diocese of Pennsylvania initiative is presented in the "Highlighted..." section of this report.)

On behalf of the National Federation of Community Development Credit Unions, Darcine Thomas provided both standard information, news clips, and case studies of credit union development in local communities. Basic information from the Federation comes in easy-to-read sheets, covering topics such as how to organize a credit union, questions and answers about the Federation, and investing in community development credit unions.

Lawrence Anderson conducted two mini-seminars on housing development during the workshop series. He, too, provided written information, specifically on the different types of housing cooperatives, and their organizational, financial, and legal structure.

The workshop held in St. Louis included a segment on the environment. Written information for the session were copies of "The Episcopal Church in Communion with Creation: Policy and Action Plan for the Environment and Sustainable Development" and "The North American Conference on Religion and Ecology...."

Also distributed during the workshop series was a fundraising document prepared by Edna Brown of EDB Consulting Group, Inc. Although fundraising was not a major segment of the series, this document was available as a handout or included in the workshop packet. The document is structured as a self-contained workshop and is designed to allow economic justice groups to independently use the document as they develop strategies for securing funding for their initiatives.

In addition to an agenda, workshop packets contained material which participants could refer to later. For example, "The Road from Charity to Justice" by The Reverend Dr. Edward W. Rodman was included in each packet. Also included were a description of community economic development and the five major goals of economic development.

III. ASSESSMENT FINDINGS

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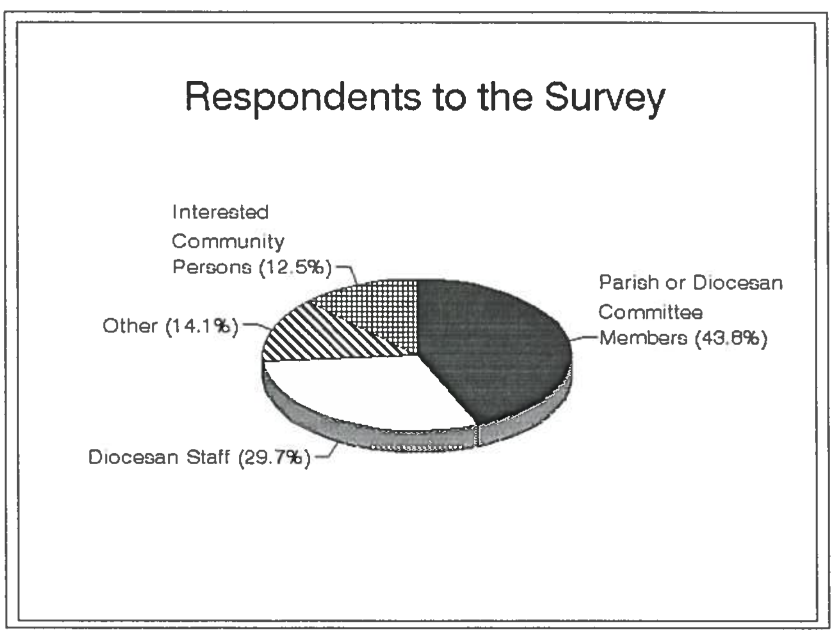
A survey instrument was designed by Woodstock Institute staff with the intent of developing a profile of workshop participants and determining whether, and to what extent, the workshop experience was of value to participants. The survey also afforded an opportunity to gather detailed information on economic justice initiatives.

It should be noted that this survey does not include participants of the 1989 workshop for APSO dioceses. That workshop was held December 7-8, 1989 and was attended by twenty people. Functioning as resource persons were Robert T. Hall and Gretchen Shaffer, writers of the Organizing for Economic Justice manual.

The survey instrument was mailed in mid-December 1991, with stamped, return-addressed envelope enclosed, to 126 persons identified as in attendance at an Economic Justice workshop. These 126 persons represent 43 dioceses.

By early January of 1992, 44 responses had been received; other responses trickled in from that point until mid-to-late March. A total of 56 responses to the survey were received. A list of the respondents and a copy of the instrument are included in the appendices.

The majority of the respondents, 28, are Parish or Diocesan Committee Members. It might have been assumed that these persons would represent an Economic Justice Committee or Commission, but this is true in only a small number of cases. Instead, these persons were representative of an Outreach Ministry or Committee, the Executive Council, Jubilee, Ministry to Human Need, Housing Committee, the Department of Social Concerns, Peace and Justice Committee, Socially Responsible Investment Committee, etc.

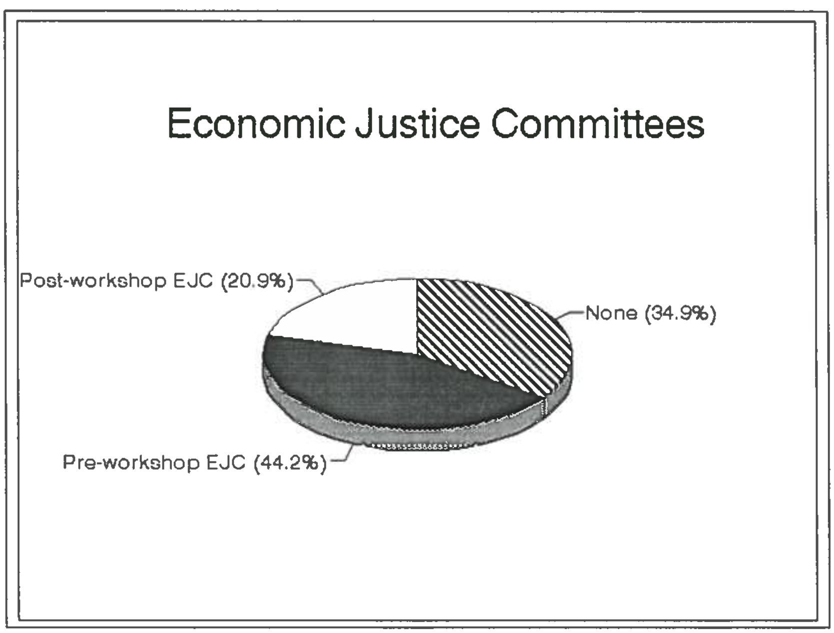


The second largest category of respondents -- 19 -- is Diocesan staff; eight (8) respondents classified themselves as "interested community persons", and nine (9) as "other." In the "other" category were persons representing financial intermediaries working with various dioceses in their response to the Economic Justice Resolution, Executive Directors, other staff persons, or Board members from community based organizations, and one person registered as Staff Attorney/Director Episcopal Legal Assistance Ministry.

Based on responses, it appears that the organizing process for the workshop series was the means by which the majority heard about the workshops. The smallest number, 12, learned of the workshop series from their Bishop; 14 persons were informed by Diocesan Staff, and 17 were informed through the Economic Justice Committee or Commission Chair.

Fifty-two of the 56 survey respondents found the workshop helpful. For those persons that represented community-based organizations, the workshop helped to clarify the Episcopal Church's direction in economic and community development. For some, the workshop either helped confirm diocesan or parish existing direction or it responded to their prior requests for information in order to clarify what they perceived as desired direction. For others, the workshop information was very basic and was seen as not offering anything of value to those dioceses with initiatives already underway. Some participants found the diversity of attendees stimulating and ultimately helpful in moving forward. The opportunity to network, share ideas, and undergo a problem solving process was also viewed as extremely helpful by most participants. One participant was very blunt in saying he had not even understood the concept of economic justice until he attended the workshop.

Of the respondents who indicated the workshop was not helpful, one wrote that the workshop was "of interest but not too helpful." This respondent commented that the information was more helpful for the large metropolitan centers. She further



questioned the expenditure of funds to conduct such workshops, believing the funds could be spent more effectively. Another respondent indicated the workshop was helpful but was frustrated by the experience, believing she was not the most appropriate person to have attended. Several respondents were unable to attend the full sessions and used this as justification for their response to this question.

Twenty-nine of the survey respondents indicated they had made a presentation or report on the workshop to their diocese or parish. Surprisingly, it seems the workshop series did not have an overwhelming impact on the creation or status of diocesan responses to the Economic Justice Resolution. Prior to the workshop, only 19 dioceses had an Economic Justice Committee, Commission or Task Force. Since the workshop series, nine (9) additional dioceses now have such a body and six of those credit the workshop series as instrumental in its creation. However, only 11 respondents indicated that the official body responding to the Resolution has a plan of action.

Bishops' Interviews

In accordance with the intent of the assessment, the Bishops of EJIC interviewed selected Bishops to determine the perspective on economic justice held by diocesan leadership and to garner more information about how EJIC might be of assistance to the various dioceses. The Bishops of the Dioceses of South Carolina, Virginia, West Texas, Alabama, Michigan, Washington, Atlanta, and Southeast Florida were interviewed.

Based on the interviews with the eight Bishops, it was difficult to gage whether there is a consistent understanding of economic justice and/or if a universal theology regarding it is developing. Half of the Bishops seemed unaware of the economic justice workshop series. Except in cases of two Bishops, one could assume that economic justice is not a priority. What does seem clear, however, is that most Bishops could benefit from more information on economic justice and community economic development issues.

The interviews were conducted as free flowing conversations with focus on attitudes regarding economic justice and personal desires to have the respective dioceses involved in a response to the Resolution. Of the Bishops interviewed, only three were both aware and enthusiastic about the economic justice program. In all three cases the Bishops were able to clearly state the efforts underway in their Diocese to either organize or implement an economic justice program. One Diocese is looking at the benefits of establishing a loan fund with some other members of the community, although the Bishop did indicate his lack of knowledge about the impact such an initiative might have. In another Diocese, a one-million-dollar fund for economic justice has been raised and Diocesan staff are very involved in the implementation of the program. In the third case, the Bishop detailed the heavy involvement of staff persons in economic justice efforts.

Two other Bishops indicated that economic justice was not high on their agenda. One Bishop described his diocese as conventional and without the funds necessary to initiate an economic justice initiative. He did feel that the congregations were free to pursue economic justice initiatives if they so desire. The other Bishop indicated that his diocese is focusing on issues surrounding immigration.

Two additional Bishops readily admitted their lack of knowledge of the economic justice workshop series, although both Dioceses were represented at a workshop. One of these Bishops did report that his staff is involved in economic justice projects and he was enthusiastic about the projects. The other Bishop, while admitting he knew nothing of the economic justice workshops, did talk about alternative investments being made for the Diocese's endowments.

The final Bishop in this series of interviews, while interested and supportive of economic justice, expressed frustration in his inability to get the appropriate representation from the National Church to meet with those representatives of the Diocese who are responsible for financial decisions. He felt the Economic Justice workshop held in his area was a good meeting and reported that his diocese is still organizing for an appropriate response to the Resolution.

IV. HIGHLIGHTED ECONOMIC JUSTICE INITIATIVES

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Diocese of Chicago

The Diocese of Chicago presently has two separate vehicles it uses to respond to economic justice. Two years ago, the Diocese established the Housing Development Corporation with a small financial gift. The Housing Development Corporation primarily provides technical assistance to churches and organizations that want to do low-income housing, rental and cooperative. There has been one multi-unit housing project completed; three or four others are in review.

A year ago the Diocese established the Chicago Employee Ownership Group which helps employee groups undertake democratic acquisitions of the companies where they are employed. The employee groups must be broadly representative of the work force. The Ownership Group has put primary emphasis on the minority work force. Since its inception, the Ownership Group has participated in three successful acquisitions.

Both the Housing Corporation and the Chicago Employee Ownership Group are administered by volunteers.

For more information, please contact:
The Rev. Victor von Schlegell, 312/751-4218

V. RECOMMENDATIONS FOR FUTURE OUTREACH

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Economic Justice, as a relatively new ministry of the Episcopal Church, continues to need nurturing. This means educating, encouraging, and supporting the Episcopal Church at the diocesan and parish levels for long term success of this involvement for economic justice. The following are suggestions to help facilitate the planning and implementation of an outreach strategy.

1. Develop a Two-Year Plan of Action of Outreach Activities

A number of educational, technical assistance, and general outreach efforts can be planned for a two year period. Even though dates may change or activities alter, by planning in advance events can be better marketed for greater participation.

One consideration in developing a plan of action is to utilize the provincial structure and/or the annual diocesan conventions. EJIC can request permission to be a formal part of these meetings during the 1993 calendar year. By starting now, sufficient time is available to establish the appropriate contacts, determine the status of economic justice within the provincial structure or by diocese and structure an EJIC presentation that serves both the goals of EJIC and the needs and/or interests of the diocese or the province.

Other considerations in developing a two year plan of action might be an annual conference on economic justice. There are great examples of how the Resolution is being addressed and there are lessons to be learned from those examples. There is always room to reintroduce the theological framework and/or to present technical information on models for economic justice. Any or all of these can comprise a conference agenda.

While the 1991 economic justice workshop series served a very useful purpose in educating and informing a number of people about investing for economic justice, it may be unwise to repeat the experience in the same manner. Instead, new ways of reaching interested individuals, in their local areas, should be considered.

2. Consider Implementing Tiered Assistance

There are probably three levels of consideration -- dioceses that are in the implementation stage, dioceses in the planning and organizing stage, and dioceses that for whatever reason have not yet seriously considered addressing the Resolution. Each group can benefit in very different ways from the support of the Economic Justice Implementation Committee. For example, several respondents to the survey felt EJIC should pull the strongest dioceses together for support of one another. These were defined as the dioceses that clearly grasp the concept of economic justice and have in fact completed at least the initial organizing steps and may have a response mechanism in place. With EJIC assistance, these dioceses would form a coalition for mutual support and possible assistance to other dioceses not yet at their level of involvement. Other respondents to the survey asked for materials and information to help them better educate interested members of the diocese about economic justice.

3. **Reconsider Publishing the Newsletter and Utilize Other Written Materials**

Publishing a quarterly newsletter was an activity under the 1991 outreach plan of action, but only one issue was released. Since newsletters are an excellent tool for staying in touch, it is recommended that publishing such a tool be reconsidered. Even if it is published only once or twice a year, a well planned and produced publication will keep the economic justice ministry in the minds of many, including those dioceses not yet active with their own programs.

There is still interest in the organizing manual but it must be marketed. The Outreach Committee may want to consider new and different ways of getting the manual into the hands of individuals at the diocesan and parish levels.

Materials generated for the workshop series offer an additional opportunity for keeping economic justice information before individuals at the diocesan and parish levels. Many of the materials, which appear in the appendix of this report, can be packaged for distribution. There are probably other materials that could be added to create a rich document of helpful, inspirational information.

4. **Continue to Clarify the Investment Concept of Economic Justice and the Theological Framework of the Resolution**

Based on comments from those persons interviewed after the survey, it seems there is a continued sense that to respond to the economic justice Resolution means establishing a program of some kind. As well, there is a continued struggle in viewing economic justice as synonymous with charity. Several respondents to the survey gave examples of projects that are charitable as the initiatives underway in response to the Resolution. For example, one respondent wrote that a parish is opening a Pocket Shelter and using empty classrooms in the Parish for feeding and sheltering the homeless. Several other respondents wrote that they were still awaiting program plans from 815 (Episcopal Church Center in New York) before initiating a response to the Resolution.

5. **Place More Emphasis on the Public Policy Aspect**

Public policy should be emphasized as a means of addressing issues of economic justice. The church is still entrusted with the responsibility of moral guidance and the opinion and participation of those who represent the church is still highly respected. Many public policy initiatives address economic justice issues but become sidetracked because there is an absence of moral guidance. For some dioceses, a response to the Resolution may best be initiated through concrete participation with advocacy groups and coalitions, at the local level, that are fighting for the establishment of policies that address economic justice.

VI. APPENDICES

WORKSHOP ATTENDANCE LIST

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Workshop #1

Ms. Helen Lewis
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The Rev. Emmett Jarrett
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Silver Spring, MD 20910

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Washington, D.C. 20020

Mr. Del Glover
22200 Delaware
Wilmington, DE 19806

Also:

Gloria H. Brown, Episcopal Church Center
Dara Jackson, Community Information Exchange
Steve Seuser, Community Information Exchange
Ernestine Jackson, Community Information Exchange
The Rt. Rev. William Sanders, Diocese of East Tennessee
Jim Vitarello, Consultant
Lloyd Forester, Lutheran Resource Commission
William B. Lane, Diocese of Delaware
Fletcher Lowe, Diocese of Delaware
Bruce Eberhardt, Diocese of Washington
Chuck Mathei, Former Director of Institute of Community Economics

Workshop #2

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Name: ____

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Are you

__ Diocesan Staff. Position ________________________

__ Parish or Diocesan Committee Member. Position ________

__ Interested Community Person

__ Other. Identify __________________________________

How did you hear about the Economic Justice workshop?

__ Bishop

__ Diocesan Staff

__ EJ Committee or Commission Chair

__ Other Specify ____________________________________

Was the Economic Justice workshop helpful?

__ Yes

__ No

Explain: ____

How did it impact your ongoing work?

____

Did you make a presentation or do a report on the workshop to your diocese or parish?

__ Yes

__ No

To whom was the presentation or report made. ____________________

Did your diocese have an Economic Justice Committee, Commission, or Task Force prior to the workshop?

__ Yes

__ No

If you answered no, is there now such a body?

__ Yes Be specific ____

__ No

If you answered yes, was it created as a result of the workshop?

__ Yes

-- No

If you answered yes, did this body have a plan of action -- a strategy -- for responding to Resolution?

__ Yes

__ No

What, if any, role are you assuming in responding to the Economic Justice Resolution?

____

Did the information garnered from the workshop help in your responsibility to the diocese?

Be Specific ____

Did the information prove to be of value in your community work?

____

What are the next steps planned for your diocese?

____

Would it be helpful if you had access to any of the following?

__ Technical Assistant. Explain ____________________________

__ Additional information ____________________________

__ A diocesan workshop ____________________________

__ Other. Explain ____________________________

MATERIALS FROM WORKSHOPS

THE MINISTRY OF COMMUNITY INVESTMENT
by Chuck Matthei

The 1988 General Convention of the Episcopal Church passed a resolution (the "Michigan Plan") which established a national "Ministry of Economic Justice and Community Investment", and called on dioceses to take similar initiatives. The purpose of this memorandum is to briefly review some of your options for implementing this resolution, to make some suggestions regarding your process and criteria for decision-making, and to acquaint you with some useful resources and services.

In urban and rural communities across the country, the needs for decent, affordable housing, employment, and basic human services are evident. American society is becoming more polarized, and the plight of the poor more desperate. Financial constraints on government threaten to make a critical situation even worse.

The crisis of poverty is a challenge to people of faith. The 1988 resolution, and the pastoral letter from the House of Bishops which preceded it ("Economic Justice and the Christian Conscience"), recognize this challenge. They also recognize that poverty is not merely a lack of resources and capacity, but a reflection of structural inequities in our economy.

Community Economic Development

One of the most commonly shared characteristics of impoverished communities is a high rate of absentee ownership--of land and housing, businesses, and financial institutions. As a result, most of the resources that flow into these communities, and most of the wealth generated by local economic activity, flow right out. Poverty is perpetuated by patterns of absentee ownership that drain resources out of low-income communities--and by the credit barriers which prevent these communities from initiating their own redevelopment.

Community economic development enables disadvantaged communities to retain and reinvest the fruits of their labors, to build equity for the future, and to achieve the dignity of self-determination. It complements programs of emergency relief and social service by striking at the roots of poverty. But community economic development requires capital.

The Church has long been a provider of services, through soup kitchens, shelters, and other programs. The Church is also a partner in community economic development. In some communities, parishes have become developers by joining with other religious and secular groups, and neighborhood residents, to establish community development organizations. In many other areas, churches have provided resources for community development: staff and volunteers, use of facilities and equipment, grants and loans.

This paper was prepared by Mr. Matthei under a 1990 contract to EJIC

Community Investment

Emergency services are typically funded by grants and contributions, from churches and other sources. Community development projects, however, have the ability to generate revenues. They may require some charitable subsidies, but they seek much greater amounts of debt financing, and sometimes equity investment. These needs offer important new opportunities for religious response. The Church, its many institutions, and its individual parishioners can become community investors.

The community investment field expanded and diversified dramatically in the 1980s, with the advent of new financial intermediaries which assemble capital from many socially-concerned investors and provide financing to a variety of community development projects. These intermediaries combine social experience and perspective with financial and technical skills--enhancing both the impact of development efforts and the security of investors. They emphasize careful evaluation and monitoring, and recognize the importance of combining access to capital and technical assistance.

To be honest, the earliest community investment initiatives by religious institutions (direct investments in local projects in the 1960s and '70s) had mixed results. Some projects were quite successful; others resulted in losses to investors. But subsequent analysis and experience has made it clear that the lesson to be learned is the value of qualified intermediaries, and the importance of combining social and technical expertise. Properly undertaken, community investment is a prudent and responsible course for institutional and individual investors. For the Christian, community investments uniquely reflect Gospel priorities--and they compare well with many conventional investment options.

Community investment programs are not a substitute for conventional financing, but they fill critical capital gaps. They support new organizations, enabling them to build the successful track record that will give them access to conventional sources; they provide "bridge loans", until conventional financing becomes available; they provide subordinated debt, to compensate for the lack of equity in many low-income communities; and more. Community investment typically leverages much greater amounts of conventional financing, and sets a challenging and instructive example for conventional institutions.

To date, the national Episcopal Church has committed $7 million from its investment portfolio to community development. Many dioceses are also responding to the call. Below you will find several forms which your diocesan commitment might take. Some require more or less time and energy, human and financial resources, than others. Some are actions of the diocese alone, while others involve its parishes, parishioners, and related institutions as well. Some are singularly Episcopal initiatives, and others may draw the diocese into collaboration with other denominations and organizations. They are offered here to stimulate your thinking and encourage exploration.

I. Paths to Community Investment

Generally speaking, one might say that there are four ways to implement your community investment commitment. Two are vehicles for investment of the institutional resources of the diocese, and two involve the diocese in a broader mobilization of capital from its members and a partnership with others in the community. These paths are not entirely distinct or mutually exclusive; there are hybrids and variations, and you may begin with a specific commitment and evolve into a broader effort. Consider the requirements and implications of each approach, and determine which one is best for your diocese at this time. The important thing is to begin.

A. Direct Investment in Projects

The diocese may choose to place one or more investments directly with community development organizations, for specific projects. These investments might take the form of loans or even equity investments. Loan terms may vary, and will be negotiated according to the requirements of the diocese and the needs of the projects. In keeping with the commitment to community ownership, such equity investments often have some limitation on potential earnings, and an option for residents or workers to repurchase investors' share.

The legal relationship in direct investments is between the diocese and the community development organization. Security will depend on the strength of that organization and, often, on the performance of the specific project. Before embarking on direct investment, it is important to:

* Develop clear social and financial criteria for project selection;

* Assemble a committee of people with social and theological perspectives, financial and technical skills, and personal experience in community development and community development finance, to evaluate applicants, negotiate terms of investment, and monitor your investments;

* Be sure that the applicant has obtained any necessary technical assistance, and that the diocese has identified technical assistance resources to utilize in the event of later difficulties.

  [Note: In some cases, the diocese might offer a loan guarantee or place a "compensating deposit" in a financial institution, to enable the community development group to obtain financing from other sources or to take advantage of the management services of the financial institution. The risk, however, is usually still borne by the diocese. Compensating deposits may be useful if the management cost for the bank's services (typically the difference between the rate paid to the depositor and the rate charged to the borrower) is modest and the bank commits additional funds to the project. If the costs are high, the risks are borne by the depositor, and the bank takes credit (under the federal Community Reinvestment Act) for its commitment without taking any risk or committing additional funds, then a direct relationship between the diocese and the project by be more appropriate.]

Many dioceses (and endowed parishes) have made direct investments. However, with the increased availability of qualified intermediaries, most religious investors have chosen to utilize their services--for equal or greater social impact, and reduced risk and management burden.

B. Investment through an Intermediary

There are several significant advantages to investment through a qualified intermediary:

* The intermediary has already assembled a staff, board, committees, and consultants with a broad mixture of social, financial and technical skills;

* The practical responsibility for negotiating, documenting, managing and monitoring the investments rests with the intermediary;

* The legal claim of the diocese as an investor is on the entire portfolio and assets of the intermediary; you may support particular projects through your investments, but your security is not dependent on their individual performance;

* By investing in an intermediary, you are supporting and participating in the development of an important community institutions, enabling it to mobilize capital from many other sources, and thus leveraging your own investment many times over.

The National Association of Community Development Loan Funds now includes forty member funds nationwide. These nonprofit organizations receive loans from a variety of investors and make loans to a variety of community development projects. They are national, regional, statewide, or metropolitan in scope of their lending activities. They have a unique ability to guarantee that every dollar of your investment is used for maximum social impact.

Most community development loan funds (CDLFs) finance community development organizations and projects; some also finance micro-enterprises. All of their lending is directed toward low-income and disadvantaged people. Like the 1988 General Convention resolution, they give priority to cooperative and community-based nonprofit ventures that strike at the roots of poverty.

CDLFs typically allow investors to set the terms of their loans to the fund. You will determine the amount of your investment, the term of commitment, the repayment schedule, and the interest rate (if any, up to a maximum established by the fund and usually approximately equivalent to prevailing money market rate). You may also indicate your preferences for the use of your capital--geographical, type of project, etc.--or even designate your funds for a particular project (subject to a credit review by the CDLF).

Investments in a CDLF are not insured or guaranteed, but you are protected by the collateral held by the fund, and by its loss reserves, net worth, and technical assistance capabilities. All investors share recourse to the total assets of the fund and, nationally, the performance of such funds has been excellent.

Community development credit unions (CDCUs) are "financial cooperatives" in low-income communities not well-served by conventional institutions. They are themselves neighborhood institutions and an important part of an integrated community development strategy--and they are financial intermediaries. There are more than 100 CDCUs across the country, supported by the National Federation of Community Development Credit Unions.

CDCUs receive deposits from neighborhood residents and provide consumer loans to their members (some of the larger CDCUs also provide mortgage loans and finance larger community development projects). Unlike other credit unions, CDCUs can also receive non-member deposits--from any individual or institutional investor--to augment the credit resources of their impoverished communities. CDCUs offer investors a range of individual account and certificate-of-deposit opportunities (though some young CDCUs may limit return on deposit). They are federally or state-chartered institutions, and deposits are insured.

There are also a handful of "community development banks" or banking programs, which have been established specifically to support residents of low- and moderate-income communities and community development projects. These include the pioneering South Shore Bank of Chicago, Elk Horn Bank and Trust of Arkansas (organized by South Shore), the new Community Capital Bank of Brooklyn, and Vermont National Bank's social banking program.

The service areas of such banks may be a neighborhood or an entire state, but the bank seeks depositors everywhere. Depositors have the normal insured savings, checking, and term-deposit options. These institutions may be considered useful intermediaries for their own service areas, and a desirable alternative for normal banking relationships.

All of these CDLFs, CDCUs, and development banks, as well as some other loan funds, and equity funds, can serve as intermediaries for diocesan community investment. In choosing one or more appropriate intermediaries for your own commitment, look at the institution's history, structure and personnel, financial strength and performance, lending criteria and social impact.

Some of these intermediaries were organized by religious institutions, or with significant religious involvement. Some include religious representatives in their governance. Many have received substantial investment from national, regional, and local church organizations, as well as from literally thousands of concerned parishioners. And many of the community development organizations which these intermediaries finance involve local church participation.

> **Example:** Soon after the 1988 General convention action, the Episcopal Diocese of Rochester, NY, adopted a policy of maintaining at least 1 percent of its unrestricted investment capital in community investments. Because there was no local intermediary available, the Diocese arranged to place $100,000 in a national intermediary, with the understanding that the funds will be made available, on a priority basis, to projects within the Diocese. The Diocese will take responsibility for publicizing the availability of the funds in its communities, but will refer loan applicants to the intermediary for review, loan negotiation, management and monitoring.

C. Broad Mobilization in Partnership with Existing Intermediary

Of course, a diocese is not only an institution with investment capital, but a community of institutions and individuals, many of whom are also investors. It is possible to use your diocesan commitment as the example, the inspiration, for a broad mobilization of investment capital from the Episcopal community. The diocese can reach out to its parishes, related institutions, and even individual parishioners, inviting their participation.

A broad mobilization maximizes the volume and social impact of Episcopal investment, and also offers an important witness to other faith communities and the public at large. It most fully realizes the potential and fulfills the dual purposes of the "Ministry of Community Investment":

* To participate in the redevelopment of disadvantaged communities, by providing affordable financing for community economic development; and

* To strengthen the community of the Church, by fostering dialogue and deepening understanding and commitment to the principles of Christian faith and the practice of Christian stewardship of economic resources.

But the effort can be undertaken most efficiently and effectively in partnership with a qualified intermediary. The diocese will take responsibility for education, outreach, and investment mobilization; the funds will be invested in the intermediary, and the intermediary will take responsibility for lending and portfolio management, along guidelines established by the diocese. In this way, there is a distinct and recognizable Episcopal investment program--a witness both within and beyond the Episcopal communities--but the diocese and its members have all of the benefits of investment through an intermediary, and are relieved of much of the practical and financial responsibility for fund management.

There are two models for such a partnership. The diocese can conduct the outreach (or "marketing") and instruct investors to place their investments with the designated intermediary, to be identified, managed and reported as part of the "Episcopal Fund". Or the diocese can actually receive the loans or investments, through one of its own legal entities, and then place the capital with one or more appropriate intermediaries. In the first instance, the diocese has no legal, accounting, or management responsibility; in the second instance, the diocese is actually a legally-responsible party, a kind of intermediary itself.

In either case, the diocese can establish criteria for the use of Episcopal investment capital (and may allow participating parishes and individual investors to express their own preferences as well). Diocesan representatives can meet regularly with representatives of the intermediary, receive detailed reports, or even reserve the right of prior approval of all investments made with Episcopal funds (though general guidelines may be more efficient than case-by-case approval). In these and many other ways, the relationship can be tailored to meet the particular social, educational, programmatic, and financial goals of the Church.

Examples: The Diocese of Pennsylvania has established the "Episcopal Community Investment Program", in partnership with the Delaware Valley Community Reinvestment Fund (DVCRF), a community development loan fund serving the eight-county area surrounding Philadelphia. Institutional and individual investors place loans with DVCRF, designated as part of the "Episcopal Community Investment Program", and DVCRF lends the funds to projects within the Diocese according to criteria established by the Diocese.

The "Episcopal Community Investment Program" was launched in October, 1990, at a public ceremony and press conference. Bishop Allen L. Bartlett announced initial commitments totaling $1 million from the Diocese and several parishes, towards a goal of mobilizing $5 million in five years. The Diocese and DVCRF expressed the hope that other denominations will establish similar programs.

The Diocese of Connecticut has approved the investment of $650,000 of Diocesan investment funds through five intermediaries serving Connecticut and New England, as partial implementation of a policy of maintaining 10 percent of unrestricted Diocesan funds in community investments. The Diocese has also established the "Social Responsibility Fund", a mutual fund for community investment by parishes and related institutions.

In a more informal initiative, the Diocese of New Hampshire has recently increased its investment in the New Hampshire Community Loan Fund (NHCLF) to $150,000. Bishop Douglas Theurner served on the Board of a Trustees of the NHCLF, and invited the Chairman of the National Association of Community Development Loan Funds to be the keynote speaker at the 1990 Diocesan Convention. A number of parishes and individuals are now placing or considering investments in NHCLF.

D. Creation of a New Community Investment Fund

If you wish to undertake a broad mobilization, but there is no appropriate intermediary to serve as a partner and investment manager for your diocesan program, you will have to consider establishing a new intermediary, with both capitalization and lending capabilities. Such an intermediary could be established by and for your diocese alone--or it could be an ecumenical initiative with other religious and secular groups.

Development of the New Mexico Community Loan Fund was initiated by the New Mexico Conference of Churches and the Roman Catholic Diocese of Las Cruces. Development of the Boston Community Loan Fund was initiated by Old South Church (UCC), with Episcopal and many other congregations participating in fund development and as investors. Religious institutions have played a very central role in the formation of most community development loan funds, and other intermediaries as well.

The development of a loan fund begins with one or more introductory meetings, to review the models, consider the needs and circumstances of that particular region, and determine the feasibility of a fund and the interest of participants. From the beginning, an effort is made to include representatives of the potential investor constituencies, representatives of the community development sector, and individuals with useful financial, legal and technical skills.

Working committees are formed: a legal committee to shape the fund's structure, draft its incorporation papers, and review applicable state laws; a "loan committee", to review community needs and capital gaps, and draft lending criteria; and a fundraising and capitalization committee, to seek development and operating funds, identify prospective investors, and formulate a capitalization strategy.

The fund development process typically lasts 12-18 months, and it is both a practical process of organizational development and a process of socialization, melding the diverse participants, experiences, perspectives, and skills into a working whole. The process of establishing a community development credit union or bank is similar in many ways, but there are also many specific requirements (including numbers of participants and/or initial net worth and capitalization) imposed by state or federal regulatory bodies.

The advantages of an ecumenical fund over a singularly Episcopal organization include efficiency, avoidance of duplication and competition, and breadth of resources and capacity. There is a critical mass of investment capital and community development activity necessary for a successful, dynamic community investment fund. In most regions, a single fund with broad participation will be stronger and more effective than multiple funds.

Because most funds begin with relatively limited capitalization, they require initial operating subsidies; because most funds combine a significant amount of technical assistance to borrowers with their lending activity (make for significant "transaction costs", even with frugal operations), many require some on-going charitable subsidy to complement net portfolio earnings. For these and other reasons, it is more efficient--where interest and possibility exist--to join with others in creating a common investment intermediary, rather than face the prospect of multiple denominational or constituency funds, with overlapping management requirements and expenses.

Remember that you can participate in an ecumenical fund development effort, and still establish your diocesan fund for capital mobilization. Your "Episcopal Fund" will work in partnership with the regional ecumenical intermediary, just as the Diocese of Pennsylvania is doing with the Delaware Valley Community Reinvestment Fund.

> **Examples:** The Diocese of Michigan, sponsor of the 1988 General Convention resolution, has established the "Bishop H. Coleman McGehee, Jr. Economic Justice Fund" (EJF), which will combine partnership with other intermediaries with its own lending program. The EJF offers two programs for socially-concerned investors: a new "Revolving Loan Fund," open to any individual or institutional investor; and the existing "Program Related Investment Fund," a mutual fund open only to parishes and religious institutions.
>
> In both cases, Diocesan entities receive funds from investors; many of the project investments, however, will be placed through other intermediaries such as the Michigan Housing Trust Fund, a community development loan fund. The EJF will also place some direct project loans, and make deposits in community development credit unions and perhaps banks.
>
> The Diocese of Delaware is currently exploring, with other religious and secular representatives, the possibility of establishing a "Delaware Community Loan Fund".

II. Choosing a Path

As you review the options described above, and perhaps others, and choose a structure for your community investment activity, there are a number of other considerations and criteria that should guide your selection. It is important that all of the decision-makers, and others affected, be involved in the deliberations. And it is important to clarify the assumptions which underlie your decision-making process.

A. Considerations

Many of the criteria for selection--the relative advantages and disadvantages of the various options--are suggested by the descriptions presented above. To summarize briefly, in selecting a path and developing your community investment program, be sure that you consider:

* **Existing efforts** - what community investment intermediaries already exist to serve the communities in your diocese; what are their strengths and limitations; how well do they reflect your perspectives and encompass your priorities; if there are no existing intermediaries, are there other institutions and individuals who might be interested in collaborating with you in the development of a fund?

* **Environment** - what is the potential capital base in your diocese, from your own members or for an ecumenical initiative; what is the current level of community development activity, the number of prospective borrowers; if community development is currently limited, what is it's potential, to what degree has lack of capital limited activity, and what other resources will be needed; is there a critical mass of potential capital and community development for a successful diocesan fund or broader effort?

* **Diocesan capabilities** - what human resources and skills (for potential service as staff, board, committee members, or consultants) could the diocese assemble to implement its program; what costs of development and operation could it cover from its own resources or raise from other sources; how much time are you willing to commit to program development; what legal and regulatory requirements exist in your state that might affect your program; what terms of investment and level of security do you require; and given that all of these are factors in the development and operation of a community investment program, which path or structure is most appropriate for your diocese at this time.

B. Participants and Process

It is important that the social and theological issues and the financial and technical issues in community investment be considered together, in an integrated decision-making process. To accomplish this, it is necessary to "bring all of the players to the table". In many dioceses and denominations, there are substantial differences of perspective, style, and function between the trustees or investment committees, on the one hand, and the social or economic justice committees, on the other. Often there are too few seasoned and trusted relationships between their members, and one hand does not know what the other is doing, so to speak.

All of their perspectives and abilities are relevant and necessary for a good community investment program. All of them should be involved in selecting a model and implementing your diocesan program--and they should be involved in the effort together.

It is also appropriate to consult or involve others with experience in the field. As you begin your deliberations, gather information on various community investment intermediaries: their structure and operations, their performance, their lending criteria and social impact, their educational efforts and public relations.

And invite experienced fund managers or representatives from the national associations to meet with your diocesan committees. Their knowledge, experience, and personal anecdotes will both inform your own decision-making and also help you overcome the hesitation of your more skeptical members.

Similarly, you can turn to the national associations for help in locating existing intermediaries that serve your diocese--and to these associations and other organizations for advice, resource materials, and technical assistance in developing your own program. There are fund development and credit manuals, sample legal documents and operating forms, descriptive materials, and skilled individuals available to assist you.

C. Assumptions and Guiding Principles

There are many objective factors which will shape your community investment commitment, but it will also be affected by the attitudes and assumptions which you (and the others involved in diocesan decision-making) bring to the process, and by your understanding of your responsibilities and mission. Some of these assumptions are conscious and openly discussed; others may not be. It is important--and interesting and productive--to clarify them.

It is not within the scope of this memorandum to fully engage these questions, but let us briefly suggest two categories of issues for investigation and discussion.

* **Questions about "alternative investment"**

  What we have referred to throughout this memorandum as "community investment" is also commonly known as "alternative investment". That phrase itself is somewhat suggestive, but to some it is a positive suggestions and to others a cause for wariness. Traditionally, many investment professionals and others have assumed that any investment in low-income communities will necessarily be low-risk and difficult to place and manage.

  Whichever term you are accustomed to or prefer, it is important to regard community investment as a serious, responsible investment option. There is, in fact, a very broad spectrum of community investment opportunities--with a variety of available terms, levels of risk, etc. Some projects require large amounts, and some very little; some projects require long-term financing, and some very short; some projects require very low-interest funds or offer very limited return on investment, while others can pay market rates; and some projects involve significant risk, while others carry very little risk or no risk at all.

  Community investments should be compared with other investments in your portfolio--not simply with the portfolio's overall performance, but with its various components. Compare your investment in a community development loan fund, or your certificate of deposit in a community development credit union or bank, to the term deposits, bonds, or perhaps money market accounts in your portfolio. Look at the respective risk, return and liquidity of these various investment options.

Community investments are certainly not the most lucrative investment available, but they can find an appropriate place in any investment portfolio. If you commit (tithe) even a modest percentage of your investment assets to community investments, you may significantly increase the volume of resources available for community economic development in your area, without any significant compromise of portfolio performance

Another consideration is that many church funds are invested in order to produce income for charitable uses. If these monies were reinvested in community development projects, they would do "double duty": both the investment of the church's resources and the use of investment earnings would reflect its Gospel values. Even if the community investments produced somewhat lower return than conventional securities, the combined impact of community development and charitable services would be far greater than that of conventionally-managed funds.

* **Questions about Christian Stewardship**

The concept of stewardship implies taking very good care of what is not really ours. This, of course, raises the questions, "Whose resources are they? From whom and for what purpose are we asked to serve as trustees?"

Investment is often regarded as a rather impersonal discipline, as is the "science" of economics. But, as the pastoral letters of recent years, from the Episcopal bishops, the Catholic bishops, and other Protestant denominations, have so clearly affirmed, economics is a moral discipline--and investments are human relationships. The questions for faithful investors are: "With whom shall I enter into this relationship? For what purpose, what product? And what shall the nature of our relationship, the terms of our economic partnership, be?" These are very practical financial questions--but they are also decisions on which Gospel principles have considerable bearing.

Risk, return, and liquidity are the traditional concerns of investors and investment managers. Their practical significance is obvious, and they deserve thoughtful consideration. But Christian faith and Christian tradition may bring unique perspectives to the practice of investment management. Risk is a serious consideration in selecting investments and negotiating their terms; but the central metaphor of the Christian faith is the story of a man coming to terms with risk, and fear, and sacrifice....the church depends on the return on its investments for operating expenses and charitable services; but Biblical tradition regards usury as a sin, and money lending at interest was forbidden in the early Church...

Again it is not possible to investigate these issues in this memorandum--only to acknowledge a few of the questions that may arise as you enter the field of community investment. But these are important discussions, and they should be encouraged. It is in these discussions of "faith and finance" that we will begin to fulfill the second purpose of the "Ministry of Community Investment": to foster dialogue and strengthen the faith community of the Church. By giving theological direction to our business activity, and practical direction to our theology, both will be strengthened, and the two hands joined.

III. Resources to Assist You

For both program development and implementation, there are a number of useful resources available to you. You will find information and technical materials, technical assistance and training, and perhaps investment funds to augment your own capitalization efforts. You can, of course, contact Gloria Brown and the Economic Justice Implementation Committee at the Episcopal Church Center, 815 Second Avenue, New York, NY 10017, telephone (800) 334-7626, ext. 5218, for information on the "Ministry of Economic Justice and Community Investment", information on other diocesan initiatives, and other useful references.