

# A New Financial Reality

## Introduction

Marble’s current financial situation has fundamentally changed because of a significant reduction in financial assistance from the Collegiate Corporation. However, even with the loss of that source of annual funding, Marble’s long-term financial condition remains strong. Although the near-term challenges we face to align expenses and revenues are real, Marble Church, with the help of the congregation, has a well-established foundation of resources and vibrant ministries to ensure a bright future.

## Background

As one of the four congregations of The Collegiate Churches of New York, Marble received financial support in the form of an annual “appropriation” and “subsidies” for capital expenditure and certain operating expenses, including security, major maintenance, and Senior Minister salaries. The appropriation was reflected in Marble’s budget while subsidies were covered by Collegiate.

Collegiate entered the 29th Street Real Estate Project to enhance the Collegiate endowment for ongoing ministries. That project failed in December of 2020 as a result of the pandemic and the overextension of the development partner. The impact of that failure and excessive draws on the Collegiate endowment over many years for both appropriations and major renovations of the sacred properties of all four churches combined to create an immediate financial crisis.

To address its financial crisis, the overall Collegiate Consistory voted this year to:

- Eliminate the annual appropriation to each church, and
- Substantially reduce the level of subsidies to each church

The combination of zero appropriation and a significant reduction of Collegiate subsidies created an immediate financial challenge for Marble.

Annual Appropriations to Marble	
FY 2023 (Current Year)	\$0
FY 2022 (Last Year)	\$713,000
FY 2021	\$2,757,000

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## Looking Ahead

Over the next several years, Marble’s financial challenges will be met using the strengths we have built over time: our endowment, careful management of our expenses, and our generous congregation.

Marble has been blessed with a strong endowment resulting from gifts of all kinds over many years. As of June 30, 2022, Marble’s endowment was valued at \$30 million. To reduce the impact of drastic program reductions, the Board agreed to temporarily increase the annual draw on Marble’s endowment returning to a 5.5% draw by Fiscal Year 2025 and 5% thereafter.

### Planned Draw on Marble Endowment

FY 2022 Plan	8.5%
FY 2022 Actual	6.2%
FY 2023	7.5%
FY 2024	6.5%
FY 2025	5.5%

The temporary increase in the endowment draw provides time to transition to a lower expense structure more smoothly. Over the past few years, we have already reduced our regular operating expenses by \$590,356 from FY 2020 to FY 2021 and have built in an additional decrease of \$612,660 in the FY 2023 budget compared to the FY 2022 budget.

### Congregational Giving

FY 2023 Budget	\$1,633,510*
FY 2022 Budget	\$1,548,510
FY 2021 Actual	\$1,528,237
FY 2020 Actual	\$1,548,510

In addition to temporary changes in the endowment draw and continued expense management, we anticipate continued generosity of the congregation’s annual giving. Despite the limitations imposed by the pandemic, congregational generosity continues to be strong.

*\*The FY23 Congregational Giving budget number is based on forecasted actuals for FY22.*

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## The New Financial Reality

Marble's new financial reality is plain: for the next several years, we must prayerfully and prudently manage our budget using a combination of increased revenue and decreased expenses to balance our budget and grow our ministries.

The Senior and Executive Ministers and the Board of Deacons and Elders assume that:

- Collegiate Corporation's appropriation will **not** be restored.
- Collegiate Corporation's subsidy will continue to decrease and may be eliminated.
- Marble will become self-sustaining by:
  - Prudently managing expenses,
  - Increasing congregational giving,
  - Launching a capital campaign to strengthen our financial foundation and invest in our strategic initiatives, and
  - Reducing the annual endowment draw to no more than five percent.

With God's help, congregational dialogue, and strong leadership, Marble's solid financial condition will be the foundation for improving our financial situation and providing a bright future for God's work through our beloved Marble Collegiate Church.