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Other RCRI publications include: *News In Brief*, a quarterly update on legal and financial issues of interest to religious institutes and their professional associates and the *Taxes* notebook, a practical “how-to” summary of income tax law prepared specifically for religious institutes. Each year RCRI’s national conference provides ongoing education on relevant financial issues and civil and canon law. Staff is regularly available by phone and via email for information and consultation on specific concerns.

The Resource Center for Religious Institutes is primarily sustained by subscription/service fees that cover subscriptions for publications, discounted national conference rates, access to RCRI’s password-protected website, and RCRI professional consultation services.

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Editor's Note

This edition of The RCRI Bulletin is being published in conjunction with the DVD packet "Planning for the Future: Covenant Relationships." The DVD packet is a project of RCRI designed to assist members of religious institutes in decision-making and planning as they look to the future and perhaps the completion of the institute's life journey. The packet consists of two DVDs that include printable study and discussion guides. Disk One, "Three Perspectives," focuses on financial aspects of planning, legal options for mission completion, and an example of how a finance office can be involved in a covenant relationship. Disk Two, "Three Case Studies," presents the stories of three "completing" religious institutes and their "accompanying" religious institutes which have chosen to enter into covenant relationships.

Hopefully, this edition of the RCRI Bulletin provides additional background on Covenant Relationships. It is recommended that this RCRI Bulletin be shared with the members of the religious institute as part of the educational program provided in the DVD packet.

The DVD packet will be available from RCRI at a cost of \$150. A religious institute should not need more than one packet. For information on how to order the DVD packet, please visit our website at www.trcri.org.

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COVENANT RELATIONSHIP

By Daniel J. Ward, OSB¹

INTRODUCTION

A religious institute is called into being by the Spirit at a given time, within a given cultural context, for a particular mission. The mission may be education, health care, missionary work or simply to be a place of spiritual reflection and peace. The mission may be a mixture of various needs, based on the time and the culture.

Just as the Spirit calls the institute into being, the Spirit also may call a religious institute to its completion. Completion can happen because of a number of realities about mission. For example, the mission may have been successfully completed or passed onto others, or it may need to combine with the mission of other religious institutes. Completion is not a failure, but the end of a particular journey of faith that moves aside now because the Spirit is calling in a new way for the new time and the new cultural context.

Most likely, the call comes gradually. It may come through the realization that new members are not being called to the institute for the mission, or it may come financially, because the institute cannot continue to support its members and its mission. The

members of the institute are called in prayerful discernment to recognize the realities facing them. Rather than hide from them or hope—sometimes beyond hope—that things will change, the members are called to face the realities and to move into the future with confidence that the Spirit is still calling them, but this time the call is to completion.

When we look at the history of religious life, we recognize that religious life has been part of the church from almost the beginning. There were the widows and virgins living alone or in groups, usually in towns or cities. Besides prayer, they served the charitable needs of people. There were the monastics that left the cities and towns to live alone or in communities. There were clerics living in community and serving at cathedrals and other churches.

The rise of modern canonical religious life likely happened in the 18th and 19th centuries, when the needs of society called many persons to embrace a life of prayer and apostolic life. These new communities were called “congregations” and served not only in the places of their origin but also to bring the same mission elsewhere. Many of the religious institutes in the United States find their origins in the history of the immigrant church. For women, their life was a new and developing form of religious life, one that was both canonical and non-cloistered.

¹ Daniel J. Ward, a Benedictine monk, is Executive Director of the Resource Center for Religious. He has been instrumental in crafting the concept of covenant relationships as one possible means for a religious institute to complete its mission.

All of this points to the fact that the canonical form of religious life we are accustomed to in the United States is a form that with a short history within the scope of religious life. It is a way of living the gospel that is still developing and changing. This is not unusual. Other forms of religious life did the same. The monastic movement started with individual living of an ascetical lifestyle away from society, but it gradually took on a community form of life. It moved from the deserts to the cities and countryside. Eventually, it evolved into communities of hospitality, pastoral service and missionary work. Change and development has been with all forms of religious life.

One way of responding is for a religious institute to become part of another institute in a merger. Another way of responding is for a number of religious institutes to join together to form a new religious institute in a union. However, the realities of the times suggest that mergers and unions are not possible in most cases, since they serve only to postpone the final outcome of the completion. The NRRO statistics published in this edition of the RCRI Bulletin demonstrate that the median age of many institutes is too high to make merger or union viable. The finances of many institutes also suggest that they cannot afford the high cost of creating a merger or a union.

Therefore, in realizing that some apostolic religious institutes are coming to the completion of their journeys, it is good to see that they may be part of a transition to new forms of the apostolic religious life tradition. The Spirit calls and we are to listen so that the future may become.

*The Spirit may call us
to discern and
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Therefore, a new model called “Covenant Relationship” may provide a way for a religious institute to complete its journey.

A covenant relationship is a commitment between two religious institutes to face the future together. One of the religious institutes is discerning and planning for its completion of the journey, while the other institute is willing in various ways to assist the other in its completion. The former is the “completing institute” and the other is the “accompanying institute.” The completing institute desires to remain its own community, with its unique identity, community membership and culture. Canonically, the completing institute desires to remain autonomous. The accompanying institute responds to this desire by agreeing to respect this autonomy and to assist the completing institute to remain autonomous, yet complete its journey. There is no plan for a merger in the future.

It is in this context that we examine how we can respond to the call of the Spirit to discern and complete the journey of a religious institute.

A COVENANT RELATIONSHIP

The Spirit may call us to discern and complete the journey, but while the Spirit gives us wisdom, the Spirit also leaves the details to us. We discern and find ways of responding to the call.

The covenant is not a legal agreement but a commitment to work together and to develop various agreements and memorandums of understanding as may be required over the years to implement the relationship. The goals are to work together to ensure that there is care for all of the members of the completing institute and perhaps to provide for a legacy.

The covenant relationship can be divided into three parts: management, governance and legacy. Depending upon the circumstances at the time of the covenant, none, one or all of these parts may happen at once or may happen at different times in the future.

MANAGEMENT

The management part is not a canonical relationship but an arrangement that may result in civil law agreements or memorandums of understanding. The accompanying institute may gradually assist or even take over the financial and other business operations of the completing institute. The business office of the completing institute may be reduced in size or closed. The accompanying institute's business office may provide for overseeing investments, banking, payroll, payment of expenses, overseeing building facilities and employees and any other management aspect that can no longer be done cost effectively by the completing institute. All management operations may be done at the site of the accompanying institute, or the accompanying institute may employ supervise a few employees at site of the completing institute.

If the management arrangement provides that the accompanying institute is providing actual management or oversight, then a civil law agreement is executed to specify the

details of the arrangement. Topics to be addressed may include the following:

- arranging for or providing skilled nursing care, assisted living care, and memory care for the members;
- oversight of personnel, including hiring, evaluation and termination, and maintenance of files;
- maintenance and sale of real estate;
- oversight of all case receipts, disbursements, and bank statements;
- preparation of budget, reduction of expenses, and oversight of investments;
- maintaining nonprofit status and updating corporate articles and bylaws;
- the fee paid to the accompanying institute; and/or
- the notice requirements for termination of the agreement.

The agreement may be amended as the accompanying institute provides for more services.

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The completing institute may maintain its own business office. However, the leadership may not have the ability to do effective oversight. Therefore, the accompanying institute may form the finance and audit committees of the completing institute. These committees of the civil corporation are charged with assisting in the financial oversight to ensure

the financial stability of the completing institute. The completing institute continues to govern itself canonically and civilly but needs this additional expertise. In such a case, there is no need for a civil agreement but perhaps an exchange of letters or a memorandum of understanding (MOU) will be beneficial.

The management agreement may be easier in those cases where a completing institute moves onto the campus of the accompanying institute, renting space for its members to live. In such a case, the accompanying institute ordinarily would provide all management services.

Canonically, a religious institute requires a major superior, a council and a general chapter.

In making the management arrangement, a few things should be kept in mind. First, the arrangement will differ depending upon the needs of the completing institute and the abilities of the accompanying institute. Second, it will be an arrangement that develops over time. Third, the arrangement is to help ensure the wise use of the financial assets of the completing institute, so there are sufficient assets to care for all members until the end. Fourth, the accompanying institute may need to ensure or provide itself for the care of the members of the completing institute.

GOVERNANCE

A religious institute is both a canonical entity (public juridic person) and a civil entity (usually a corporation). Each entity is different and is not governed by all of the same terms. Therefore, in looking at

assistance in the area of governance, the two different entities have to be dealt with separately.

The civil corporation is a nonprofit corporation organized under the laws of a state by filing Articles of Incorporation. It is also a 501(c)(3) tax-exempt organization under Federal law. It is governed by a board of directors (trustees), who are usually the leadership (superior and council) of the canonical entity. The manner of governance by the board and the officers is contained in the bylaws, which are an internal governance document of the corporation. The corporation may own assets, such as real property and investments.

At some point in time, the completing institute may no longer have sufficient members to provide for an effective board of directors and officers of its corporation. In this case, the accompanying institute agrees to provide the membership for the board of directors by having the leadership or some of the leadership of the accompanying institute become the board of directors of the corporation of the completing institute. Some members of the accompanying institute may become the officers of the corporation. This arrangement provides effective governance of the civil affairs of the religious institute. By having the members of the accompanying institute serve as the board of directors, they can wind down the corporation and ensure the distribution of the remaining assets in accord with the wishes expressed by the completing institute. The time at which the accompanying institute provides for the board of directors may be earlier than when canonical leadership may pass to the accompanying institute.

Canonically, a religious institute requires a major superior, a council and a general

chapter. At some point, the completing institute may not be able to fulfill all three of aspects of governance. If this occurs, the matter must be referred to the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life at the Apostolic See. The practice of the Congregation is to suspend the requirements for canonical leadership and to appoint a person from outside the religious institute to be the administrator or major superior. Usually, the appointment states that this person should appoint two or more advisors to assist in leadership.

Ideally, the completing institute can propose someone to be the administrator or major superior. This may be the major superior of the accompanying institute, a member of the council or another member of the institute.

In the normal course of events, the provisions on canonical leadership should not be done until all of the other aspects of the covenant relationship have been put in place, particularly relative to management and civil governance. The identity and autonomy of the completing institute is respected by being able to govern itself canonically.

LEGACY

A legacy is how the members of the completing institute wish to be remembered and wish to have their remaining assets distributed. The completing institute chooses how this is done, rather than letting others decide this after the institute is canonically suppressed and its corporation civilly dissolved.

A legacy can provide for many things, including the funding of ministries, assisting persons the members have served and providing for the continuation of a group of

associates. Legacy planning involves looking at all of the possibilities and making a determination as to what the institute wishes to leave for the future.

An accompanying institute may or may not be involved in assisting with the legacy planning and with carrying out the legacy plan. If it were to be involved, it might be provide the trustees of a legacy trust or the directors for a foundation. As the board of directors of the completing institute, the leadership of the accompanying institute may be required to distribute the remaining assets in accord with the plan of dissolution drafted by the completing institute.

A REMINDER

A covenant relationship and its accompanying parts should be entered into while there is no crisis. It takes time to develop the relationship and to create the various agreements. Discerning and entering into a covenant relationship is not the sign that the journey is complete. Rather, it is providing for the future so that the members of the completing institute can live life to the fullest now because they have assured that the future is in place.

CONCLUSION

The way in which a covenant relationship has been described in this article may change over time. There may not be enough religious institutes to become accompanying institutes for all of those who are completing their journeys, and the process may require that lay persons provide for the leadership and management of completing institutes. Hopefully, the description of the covenant relationship between two religious institutes will offer a blueprint if this becomes the reality.

EXPLORATIONS ON THE “COMPLETION” OF RELIGIOUS INSTITUTES

By Cees van Dam csa, Theo Sponselee csa and Ad Leys¹

INTRODUCTION

Looking at the current state of religious life in Europe, we see that the numbers of religious have been declining for decades, while their average age continues to rise. For example, the Congregation of the Brothers of Saint Aloysius Gonzaga, a congregation of pontifical right, has 29 members with an average age of 82. In its heyday, in 1961, the brothers numbered 427 and worked on four continents. By human standards, the end of the congregation's existence is in sight, and the same applies to a large number of religious institutes in The Netherlands, both of diocesan and of pontifical right. In addition, a large number of religious institutes with a province in The Netherlands will see their presence in this country end at some point.

¹ Brother Cees Van Dam is General Superior of the Congregation of the Brothers of Saint Aloysius Gonzaga (csa) and President of the Conference of Religious in The Netherlands (KNR); Br. Van Dam succeeded (from 1993 to 1999 and in 2005) Br. Sponselee as General Superior of the Congregation (1981 – 1993 and 1999 – 2005); Dr. Ad Leys was General Secretary of the KNR from 1999 to 2009 and currently holds the position of Staff Executive in the area of 'Future Governance of Religious Institutes' with the KNR. The first part of this article was largely conceived by Br. Van Dam and Br. Sponselee, whereas the second part was largely written by Dr. Leys.

Some 20 years ago, these developments started to attract attention in The Netherlands, and the Conference of Religious in The Netherlands (KNR)² considers it one of its duties to assist religious institutes³ with preparing for the last phase in their existence and their eventual dissolution or, as it is frequently called these days, 'completion.'

I. ASPECTS OF THE *ARS MORIENDI* IN INSTITUTES OF CONSECRATED LIFE

For centuries, Christian believers have been encouraged to prepare for death by practising the *ars moriendi*, the art of dying. The aim of this was the individual salvation of a Christian; institutional or legal aspects fell outside this scope. However, the German theologian Johann Baptist Metz elaborated upon the *ars moriendi* concept in a new and gripping manner in his book *Zeit der Orden?*⁴, in which he devoted several pages to the decline and possible end of religious institutes. He argued that religious institutes

² Since 2004, there has been one conference of Major Superiors in The Netherlands, the KNR (*see* <http://www.knr.nl/documenten/MS%20KNR%20Eindtekst%20Engels.doc>). The KNR has over 200 members and represents a number of institutes, each with a membership ranging from 1 to 650 religious. Only a few Major Superiors are not members.

³ This contribution equally concerns the Societies of Apostolic Life and, in some cases, Secular Institutes.

⁴ J.B. Metz, *Zeit der Orden?*, 1977, p 18 - 22.

need to realise that the Holy Spirit called them into existence, but that this existence need not necessarily last for all eternity. The three evangelical counsels urge the religious to detachment as their guiding attitude to life, which carries with it the need to accept that the specific calling of an order or congregation may at some point end. Metz called this attitude the “charismatic art of dying” and distinguished four aspects, which we will summarise briefly and then elaborate.

I.I

Winding up an institution or organisation, including a religious institute, is almost always painful. It has a serious impact on members of a congregation to be told that the institute they have identified with in many ways will not have a long-term future. Therefore, Metz identifies the first characteristic of this *ars moriendi* as *acceptance*, i.e., admitting and agreeing that the institute is on the wane, at least in terms of numbers. Elisabeth Kübler-Ross distinguished four stages in an individual’s coming to terms with his/her death⁵. These stages can, *mutatis mutandis*, also be applied to collective death. They are denial, anger, negotiation, and depression. For a long time, congregations can hold on to the conviction that the situation will change for the better. Congregations can feel wronged by the situation, social and cultural circumstances, or even policies. Members can move towards the end apathetically. It is to be hoped that these attitudes will pass with time and culminate in acceptance, the last stage in Kübler-Ross’s description of the process.

Given that, in The Netherlands, the end of a religious institute’s (or a province’s) existence is now often referred to as “completion,” we may assume that the level of acceptance is growing: this acceptance is

accompanied by looking back with gratitude and pride on what the religious institute has meant and the work that has been done.

I.II

The end of a religious institute comes in sight most obviously when, for a prolonged period of time, no new people have expressed the wish to join. This development may be experienced as a negative judgment on the institute and its members – there is a “you missed the boat” element to it. This is painful. Yet Metz advises, as the second aspect of the *ars moriendi*, not to avoid the confrontation with such judgments but to spend time reflecting: which turning points presented themselves and how did we react at the time? Those who wish to die as full human beings must face up to their history and responsibilities, including what the American poet Robert Frost calls “the road not taken”⁶. Rather than blame earlier generations or each other, this process should aim to eliminate old grievances and, as a result, to enable the members to live more freely in the present. In The Netherlands, this has led to the interesting development that the elderly are encouraged to write, alone or with help, a ‘book of life’, an honest retrospective of their way through life.

I.III

The next characteristic of Metz’s *ars moriendi* is a practical one: the settling of affairs. When the end of the institute is in sight, the institute as a whole needs to make arrangements for privatising institutions founded by the congregation, such as hospitals, schools and boarding schools. In The Netherlands, this was largely completed by the end of the 1960’s and 1970’s, due to the steady decrease in the number of religious and the steady increase in

⁵ E. Kübler-Ross, *On Death and Dying*, 1969.

⁶ R. Frost, ‘The Road Not Taken’, in *Mountain Interval*, 1916.

professional requirements, which made it irresponsible for religious who were unable to meet these requirements to hold on to leading positions.

When it comes to settling affairs, an area that deserves special attention is the historically, culturally and at times also financially significant objects that the institute has obtained in the course of the years that deserve an appropriate destination. By handing these over, the institute demonstrates its active engagement with the world around it, while at liberating itself from any concerns that could become a burden at a later stage. The same applies to the decisions as to what needs to be done with the archives and the congregation's own cemetery.

I.IV

When the above three points have been dealt with, it creates room and freedom. Metz uses the term "being open." This response is by no means self-evident, for being eye to eye with the end can easily result in tunnel vision or cynicism. It is important to acknowledge this risk and seek ways to overcome it. Each and every member of a religious institute should be aware of the fact that s/he is greater than the circumstances: an individual who has a sound awareness of his or her worth is able to survive the collapse of structures that were precious to them, not in embittered isolation, but in mature stability. This is an attitude, the art of life (*ars vivendi*) which is at the same time the art of love (*ars amandi*): to make room for others and rejoice wholeheartedly about new developments, even though they take place elsewhere. Those who accept change as a challenge to keep growing and open their hearts to biblical visions of peace and justice to all humanity will not become rigid or paralysed by the chill of death.

The above is a general outline of Johann Baptist Metz's views on the *ars moriendi* in religious institutes, as articulated in his book *Zeit der Orden?* The book was written over thirty years ago, with the purpose of offering members of religious institutes new perspectives and renewing their enthusiasm. Metz's comments on the *ars moriendi* were an aside, not the focus of the work. Moreover, at the time, the fate of a considerable number of religious institutes in the next twenty years had not become as manifest as it is now: extinction. It is therefore understandable that Metz did not develop many ideas on the *ars moriendi* as it applies to religious institutes. For this reason, we would like to elaborate upon three of the points Metz makes in greater detail.

I.V

Metz simply and rightly states that religious institutes are not by definition meant for all eternity. This may be true, yet such a statement might raise eyebrows when it is applied to a particular institute. Thinking like this about our own institute could be viewed as a form of betrayal to our charism or as a reprehensible symptom of hopelessness. For this reason, we should think carefully about when and under which conditions we would be well advised - obliged, even - to discuss the end of our own institute. At an institutional level, we should consider how many mentally and physically capable staff members are still available; whether new members could be offered appropriate formation; to what extent the institute is still actively involved in society and cultural life; whether the institute is willing and able to adapt its apostolate in the light of the original charism to new needs in Church and society; and whether there are sufficient financial means to engage in new initiatives. Such realism may be branded unevangelical by some, but, if it is presented with prudence, it may free the institute from

false dreams and, as Metz himself stated, this realism fits very well in the broader perspective of engagement with the world and the Church.

Moreover, we should not forget that, historically, the creation of a religious institute was always a response to a particular situation in Church or society. A new charism does not arise in a cultural vacuum. Here, too, it is a matter of *gratia supponit naturam*. When social circumstances change and other parties take over the work of religious in the areas of education and healthcare, this inevitably has consequences for religious institutes. When this happens, the religious may well say to themselves that their congregation has done good and important work at a particular place in a particular period of history, and this work has now been taken over by others. In this sense, mission accomplished!⁷ When we take this perspective, we can speak about it in positive terms: with pride, because we played a significant part in history – and with a hint of nostalgia.

I.VI

Major Superiors of religious institutes who see the end coming are faced with an awkward task. Whereas their membership is declining, and with it the potential for energetic and understanding leadership, the care requirements of the members are increasing. Much of this can in principle be met by handing over duties and property to non-members, but part of the responsibilities

⁷ Cf. A. Hereford, “Alternatives for aging institutes: issues and options,” *RCRI Bulletin* No. 6 (Fall 2011), p 14: “It may be helpful to think of this stage as completion and reaching the goal, rather than as failure and dying. This is a time to celebrate the whole life story of the institutes (...) This is a time for celebrating the accomplishments and achievements, and for culmination and integration. It is also a time to face forthrightly the challenges of the last stages of this journey.”

for an institute remain an inherent part of the duties of a Board, or, as the case may be, a General or Provincial Superior. The question may arise to what extent it is actually still possible to take initiatives of a stimulating spiritual nature in the face of a much reduced and rapidly aging membership. Living and carrying responsibility in an institute that is in the grasp of *taedium vitae* demands social-psychological insight and wisdom. It is vital to communicate about this with the members of the institute in an understanding manner.

I.VII

Metz’s book was written with a theological purpose. It is therefore not surprising that he does not give explicit organisational recommendations or instructions apart from those concerning handing over responsibilities. In the meantime, it has become clear that the envisaged end of a religious institute requires thorough consideration on points of law. Canon law gives very few pointers in this area, although in the course of the centuries numerous institutes have come to an end (as Hostie demonstrates⁸). The issues were probably resolved on an ad hoc basis, or they were not resolved, or time solved them. This is no longer an option. Taking appropriate measures that ensure full transparency in management and governance, in particular with regard to the duty of care for the members and sound financial arrangements, is something that is an important aspect of

⁸ Raymond Hostie's historical survey *Vie et mort des ordres religieux* (Paris 1972), which ranges from the first forms of organized religious life in the 3rd century all the way to Vatican II, strongly supports this thesis. One of Hostie's conclusions is that most religious institutes exist for some 300 years: “le cycle de vie complet d’un groupement religieux est bouclé en quelque trois cent ans” (p 313). It is worth noting that the scope of this survey is limited to institutes of male religious.

bringing the *ars moriendi* into practice in religious institutes.

II. GOVERNANCE AS AN ASPECT OF THE 'ARS MORIENDI'

At the start of the nineties, the item of 'future governance' was first put on the agenda in The Netherlands. In particular, women religious had seen the writing on the wall when they increasingly experienced difficulties with finding suitable candidates for the post of 'House Superior'. The sisters reflected on how to deal with this issue. In addition, at a treasurers' meeting, an appeal was made for a dignified end to religious institutes. After all, religious institutes had been cultivated and nurtured into growth with care and wisdom, so their retreat from Dutch society should not be sloppy either. It was a call to good planning and appropriate action.

II.I ATTENTION TO DECLINING GOVERNANCE CAPACITY

In November 1997, a delegation of the three conferences⁹ that existed in The Netherlands at the time brought the issue to the attention of the Congregation for the Institutes of Consecrated Life and Societies of Apostolic Life, using statistical data published in a social-scientific report, a KASKI memorandum.¹⁰ The number of religious was calculated to be 19,500 in 1996, and this number was expected to drop to just over 6100 by 2011 (in fact, on 1 October 2011 there were approximately 6820). In 1996, 50% of these were over 75 years of age, and

⁹ These consisted of the conferences of brothers, those of active/apostolic women religious, and those of religious priests.

¹⁰ L. Spruit, J. Sanders, *Members of religious institutes in The Netherlands. Data and prognoses*. KASKI-Memorandum 303, October 1997.

it was predicted that by 2011 this would be 73%.¹¹

According to this report, the increase in average age of religious and the decrease in numbers would cause problems in two main areas. Socially and spiritually, there would be an increased attitude of isolation, with the overburdening of some members and a fading spiritual life. Financially and economically, the religious houses themselves were too large and costly to maintain without the hiring of additional personnel.¹²

These observations gave rise to the three questions:

1. How do we create the prerequisites for a good religious and social life for current members?
2. How do we creatively address the problem of an increasing lack of good leadership?
3. How do we deal with the issue of fading attraction to religious life as a vocation?

On the basis of the KASKI report, the delegation put an open question to the

¹¹ As the actual higher number is caused mainly by the unforeseen increase in life expectancy, the average age will currently also be higher. No exact figures are available as yet.

¹² In fact, it is stated even more clearly: "Religious institutes that are in a prosperous economic condition can allow themselves to postpone the necessary attention to the problems of decrease and aging for a long time. Thus, economic prosperity may function as a restraint on innovation," p. 9. One of the causes is that religious, like all Dutch citizens, receive a basic state pension once they have reached the age of 65 and that the state or health insurers cover the additional costs for the care of elderly religious.

Congregation: ‘What should the KNR¹³ do in response to the problems that have been identified?’ The Congregation responded with three answers in the meeting:

- For a number of institutes, a “holy death” will be unavoidable (a foreshadowing of the term ‘completion’). Those institutes will receive pastoral care just like a dying person.

- On the one hand, the KNR needs to respect the autonomy of religious institutes; on the other hand, they should not, like Pontius Pilate, wash their hands of a religious institute and stay aloof when they see it is in trouble. By the time competent leaders are no longer available and the administration has become too cumbersome, a conference needs to help. The Congregation cannot impose any rules in this matter, but the matter needs to be solved in keeping with the mentality of the relevant country and depending on the situation at hand.

- A merger of religious institutes does not constitute a real solution – it is only cosmetic.

Furthermore, the Congregation explicitly said it would follow the developments in The Netherlands in this area with great interest, as these might be of future benefit for other countries

In 2000, the Board of the KNR published a policy document (*Beleidsnota*), in which it put forward the conclusion that “caring for elderly religious is being replaced by caring for elderly religious institutes.” The description of the situation and the

¹³ At the time, the KNR was still the association of the above said three conferences and the union of convents of contemplative sisters.

considerations set out in the document relied heavily on the KASKI report.

The *Beleidsnota* furthermore stated that the KNR planned to concentrate on future governance, which could be considered “the main focus of attention for the KNR in the coming years.” The issues to be dealt with were defined as follows: “The dignity of an institute and the quality of life will take centre stage in this process and carelessness in the decision-making processes must be avoided. The areas that deserve our attention include: management and governance structures and responsibilities; the preservation of the religious climate; individual care for members; plans that have been made; any requirements as regards assistance from third parties; measures that need to be taken so that the religious institute can enter its last phase in a responsible and dignified manner.”

To assist with this task, the KNR did seek expert assistance outside itself, but it soon discovered that there is no specific academic knowledge about shrinking organisations. Nonetheless, we did learn from our meetings with academics and other organisation experts was that it is of the utmost importance for a religious institute to take decisions about its completion at a time when it still can do so independently (i.e., because it is still able to hold a chapter meeting in conformity with the requirements laid down in the Constitutions).

This signifies the importance of starting to think about the theme of future governance in a timely way. To find out to what extent religious institutes were already grappling with the issue, to map out areas in which the KNR should become involved, and to encourage religious institutes to start thinking about future governance or to increase their momentum, KNR staff embarked on a programme whereby they

visited almost all Major Superiors, often with their Councillors, from 2000 to 2003. The interviews were conducted via a questionnaire, which was supplemented and improved after each round (there were five rounds in total)¹⁴. The survey yielded some striking conclusions:

- ✓ The majority of religious institutes conceded that their purpose had gradually altered into caring for elderly members, with the striking exception of the contemplative monasteries. Most institutes still exercise their original apostolate primarily by the voluntary work of individual members and their involvement in earlier works by means of prayer, financial support to projects or parts and/or works of the institute elsewhere.
- ✓ Housing is a permanent concern for many institutes, and at the time of the survey, approximately 50% of the institutes had plans to close and sell houses.
- ✓ In the majority of institutes, vacancies on the council of the institute can still be filled, but apart from those members who are on the council already, there are virtually no persons left who are suitable to take up office. At some 10% of the institutes, it was felt that, apart from the incumbent Major Superior there were no other members who could take up this office. It has also become increasingly difficult to find members for the position of House Superior.

- ✓ The majority of the institutes employ lay staffs who hold central advisory, policy-preparing and executive positions at financial and economic levels. In addition, the number of lay people who advise councils in other areas is on the increase, and most institutes can no longer function without the assistance of lay people in executive areas.

The conclusion of the survey is that in the coming years the KNR may expect to be needed in particular by the institutes of diocesan right and those of pontifical right that are based only in The Netherlands, and by a number of convents of contemplative sisters. The KNR acknowledges the specific responsibility of the bishops in this area, but at the same time has to conclude that they hardly have sufficient staff or means to fulfill this responsibility appropriately.

II.II SOME SPECIFIC ISSUES IN PRACTICE

In the above we explained how the KNR has become increasingly engaged in the issue of future governance. As it happens, the members of the conference very much supported the direction taken. It was discussed at General Assemblies and at national meetings of treasurers and economic advisors. The religious institutes submitted questions in this area to committees and staff members of the KNR and made grateful use of their advice. It resulted in clear advice or unequivocal stances on a number of issues. We will now give several examples of such issues.

1. House Superior

The result of the five rounds of interviews on the impossibility of finding members for the post of House Superior was no surprise. In response to this situation, institutes for

¹⁴ For the definitive version of the questionnaire, see the appendix to this article.

women religious in particular had already taken the step to charge female lay staff with leadership tasks in their communities. These lay women are called ‘coordinators’. It was considered sufficiently responsible to entrust the coordinators with (some/many/important) duties of a Superior on the principle that “what must be done, must be done; if it can’t be done the way it should, it should be done the way it can.” Of course, canon law describes the requirements a Superior has to meet, and, apart from canonical, there are also general human, psychological and religious criteria¹⁵; but if a superwoman like this cannot be found, one has to settle for less. The sisters took the practical approach: what should be effectuated in this position in the current situation and which competences are needed to achieve it?

Nevertheless, religious institutes kept asking questions about this issue and the position of these coordinators. In response, the KNR committee on canonical matters concerning the religious (*Kerkrechtelijke Aangelegenheden Religieuzen, KAR*) defined the position of lay leaders in detail in 2004 in the document on religious authority and community leadership (*Religieuze overheid en communiteitsleiding*). The KAR found that the pivotal question remained: “How can we best serve and improve the quality of religious life in our communities as a whole as well as that of their individual members?” The KAR takes the view that decisions on legal and organisational aspects should depend on the answer to this question.

¹⁵ J. Scheepers, “Toekomstige bestuurbaarheid”, *Toekomstplanning (2) een drietal verkenningen KNR Publication 29* (November 2003), p 1-11, lists the following canons: 618, 619, 623, 624, 625, 627, 629, 630, 636. The criteria would comprise sufficient physical and mental health, wisdom, a sense of fairness, excellent communicative skills, and a mature religious attitude to life.

The tasks a canonical Superior cannot delegate and which can therefore be considered his/her core task is:

- a. The Superior was elected by the members of the institute or appointed to be the one who speaks with the religious
 - about living in accordance with the vows, and
 - about the content and quality of the religious life of the religious and the community.
- b. After such a consultation, the Superior can pronounce on matters with binding authority, and the binding element may concern both the institute and individual religious (see Can. 618).

On the other hand, the duties involved in leading a community are more comprehensive than this core task, so in any local community there should be someone who :

- pays attention to and takes responsibility for the personal wellbeing of each individual religious, physically, psychologically and religiously;
- pays attention to and promotes the community’s functioning as a religious community.

This should be elaborated in more detail for each religious institute and community, depending on its circumstances and needs.

Thus, the position of Superior and that of leader of the community have in effect been separated, which means that those holding these offices must cooperate closely, and that the position of each of them is clearly defined, both within the institute and to the outside world, and also clearly laid down in writing.

Mutatis mutandis, the distinction between the position of Superior and that of leader of the community can also be functional at provincial and general level, if the need arises. Elaborating this in greater detail will be a challenge for the coming years.

2. Chapter, Major Superiors and Their Councils

In a number of religious institutes, there are really no members left who could carry the responsibilities of Major Superior, and no members who have the physical and mental competencies to undertake administration and governance responsibly, although competent and trustworthy advisors are available. If the members of a religious institute are no longer able to perform the duties of their office, it would be highly irresponsible to invest them with this office, as it could lead to undesirable situations. Also, it should be taken into account that it would no longer be possible to hold chapters as prescribed by the constitutions.

If those conditions occur, how can we ensure proper future governance for these religious institutes of diocesan right and the religious institutes of pontifical right that are only based in The Netherlands?

Under those conditions three questions can be asked:

- Who should be the one to assume administrative responsibility?
- In what way could we do justice to the *iusta autonomia*?
- How do we preserve the dignity of the religious institute in this phase?

Our experiences so far and the thought process concerning this issue has resulted in seven options¹⁶:

- a. Dissolution;
- b. Personal union: sharing board members with another institute;
- c. Merger of institutes;
- d. Merger of provinces;
- e. Separation of immaterial and material interests by establishing an ecclesiastical juridic person;
- f. Change of status;
- g. Charging non-members with administrative responsibility.

Option a:

The thesis has been advanced that a religious institute may as well be dissolved (as defined in canon 584) once it can no longer put forward suitable candidates for the offices of General Superior and member of the General Council, as it is then no longer able to provide people for core positions. Yet a number of members are still there, and there is community life. These members have the desire and, one may say, also the right to end their lives as members of the institute. To dissolve the institute at this stage would cause much distress and disappointment and would not do justice to the members' personal situation and history. In addition, it may give rise to all kinds of legal and tax-related complications.

¹⁶ This list displays some options that differ from those mentioned by A. Hereford (in "Alternatives for aging Institutes: Issues and Options," (see footnote 7), p 6-7). Her option "Remain as one is" is not listed here, as it does not seem reasonable in a situation whereby in the short term there will be no members at all left to fill leadership positions.

Options b and c:

As stated in 1997 in the meeting with the Congregation, these options can only be considered unrealistic, for any institutes which might qualify as partners in this solution are faced with the same problem. On the other hand, the option of a personal union may constitute a temporary solution, providing leadership for two provinces of one religious institute.

Option d:

This has often been the preferred solution, because it allows for an increase in potential members to fill management positions. However, it is often no more than an administrative manoeuvre, a solution only "on paper", that provides some solace in the short term. The parts in the various countries¹⁷ keep having a significant degree of independence. The superior of this international province will have to cope with very different situations on her/his own, often also in several different languages.¹⁸

Option e:

In The Netherlands, an ecclesiastical juridic person (for instance a religious institute, a province or a house) automatically also possesses juridic personality under civil law. This is exceptional when compared to other countries, which often observe a stricter separation between ecclesiastical and civil juridic persons. In The Netherlands, it is possible to establish a public canonical juridic person, to which the material interests of the religious institute are transferred as well as the human resources management (because more personnel means more worries). Such a public canonical juridic person is recognized under Dutch civil law. The Board of this juridic person would at first consist of members and non-members

¹⁷ The solution is assessed here on the basis of the situation in Europe.

¹⁸ See too: A. Hereford, o.c., p 18.

of the institute. Within this construction, the Major Superior and her/his Council would only have to undertake responsibility for the personal interests of the members (i.e., in relation to the vows, community life and psychological, pastoral and spiritual aspects).¹⁹

A separation of material and immaterial interests may be seen as a solution that relieves the Major Superior and her/his Council. It is a solution of a temporary nature and in the existing cases provisions have therefore been made that the Board of the new juridic person (likely to consist entirely of non-members) would in the final stages of the religious institute undertake full responsibility for the last members.

The question may be raised whether it is in fact possible to distinguish so clearly between personal and material interests. In cases in which this solution was chosen in The Netherlands, it has proven to be effective for the present.

Option f:

If there are no members left who can carry the responsibilities of Major Superior or councilors, it is an option to change the status of the part of the congregation in The Netherlands: a province can become a 'region' or 'house', which renders the task of managing it much lighter. This 'house' then comes under direct responsibility of the General Council or a province.

The above seems a good solution for provinces with a limited membership and an uncomplicated material state (for instance little or no ownership of immovable property

¹⁹ This is the central responsibility of the Superior: see the *Instruction The service of authority and obedience Faciem tuam (May 11, 2008)* of the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life.

any longer) and after having laid down the 'testament' in consultation with the General Board.

A house superior (member of the institute) and a coordinator (non-member) can fulfill the day-to-day leadership tasks of the community. In addition, a member of the General Council will be given the task of 'special supervision' on the 'house' in The Netherlands and this member-councilor will then come to The Netherlands with some regularity to support the 'house' and its leadership, as well as to maintain and foster the bonds with the institute as a whole.

Option g:

As it looks now, the option of delegating administrative responsibility to non-members is the likely choice of most religious institutes in the relevant situation.

Institutes of diocesan right are, from a canonical point of view, faced in particular with the question: how do Canon 586 and Canons 594 and 595 compare? These canons emphasise on the one hand the *iusta autonomia* of the religious institute, but on the other hand also the special duty of care of the bishop and his responsibility "to take matters of greater importance in hand, which concern the institute as a whole and which surpass the powers of the internal authority".

In some cases, the bishop assumes responsibility whilst the *iusta autonomia* of the religious institute is preserved by the fact that it keeps its own Board, consisting of one or more persons (depending on the size of the institute and the demands of the post²⁰)

²⁰ There is rather a difference between taking management responsibility for a community of 4 persons who live in a care/nursing home as a community, without any significant *bona temporalia*, and responsibility for a congregation of 70 members with a large own building, personnel and a significant volume of *bona temporalia*.

who are not members of the institute. In such cases, the bishop appoints persons who undertake administrative responsibilities (preferably on recommendation of the institute), who in turn have to render account to the bishop once a year.²¹ The actual task will predominantly consist of promoting the wellbeing of the members of the religious institute and implementing the wishes of the last Chapter. It does not seem a good idea for a delegate (or vicar) from the bishop to take over the actual management responsibility, as this really does no justice to the *iusta autonomia*.

For institutes of pontifical right, too, the time when it will no longer be possible to elect General Superiors or Councillors from within the institute is rapidly approaching.

For them, too, dissolution and the formation of a personal union or merger do not constitute realistic solutions. For some of them in particular it is at times suggested that the boards of religious institutes in the South, which in the past became independent from the religious institute in The Netherlands²², could become involved in the institute in The Netherlands again by means of a personal union or a merger. However, the very reason why the relevant religious institute in the South was made independent was its very different circumstances, and in the meantime the differences will only have

²¹ Contrary to canon 637 ("The local Ordinary also has the right to be informed about the financial affairs of a religious house of diocesan right")! This choice was made due to the absence of any remaining internal controlling body in the religious institute, in view of canon 594 and because such an institute usually has just one house left.

²² Many religious institutes in The Netherlands used to have a presence in the former Dutch colony of Indonesia, which gave rise to a number of new independent religious institutes in the archipelago: in most cases these institutes still maintain friendly and spiritual relations.

increased. This does therefore not seem a feasible option.

In their situation, too, establishing a canonical juridic person to separate material and immaterial matters can be a clear, though temporary, solution of the problem.²³

The next step would be for the Congregation to give non-members administrative responsibility for these religious institutes. The problem here is the distance, in all meanings of the word, between the relevant religious institutes and the Congregation. The religious institutes will fear that complete strangers will be put in charge, or that such persons will not respect the institute's particular religious nature. Here too, the institute's dignity and *iusta autonomia* must be preserved. Internal agreements, for instance on a *consilium a rebus oeconomicis* (Canon 1280) which sometimes has a more extensive advisory task in The Netherlands, must be respected. In short, the interests of the religious institute concerned, its members' wellbeing, preserving the *iusta autonomia* and dignity will take center stage for the *Congregation* when appointing a "commissary". It will therefore be vital to prepare this phase carefully and it seems that the KNR will be able to play a pivotal part as mediator and advisor, for instance by assisting with the preceding apostolic visitation and by looking for suitable persons. It will not be easy to find suitable persons if we assume that possible candidates will have to speak Dutch. After all, it may be expected that the members of these religious institutes can communicate directly with the persons who are given these responsibilities.

²³ There is a purely theoretical possibility to turn those institutes of pontifical right back into institutes of diocesan right. However, this remains a purely theoretical possibility, for it is not described in the Codex and as far as known it has never occurred either.

3. Financial aspects

Religious institutes also soon came up with questions about the financial aspects of future governance and completion. First and foremost, it should be said that the main purpose of the financial means of religious institutes is the maintenance of its members²⁴. If religious institutes are approaching the end of their existence, it is possible to calculate how much money will be needed for maintenance in future years, but if it is envisaged that there will be a surplus, what should be done with these funds? Who is going to take decisions about them?

The same question presents itself to religious institutes whose Dutch province is approaching the end of its existence. Legally, the surplus will revert to their institute as a whole, in effect to its General Board. But is this all there is to say about it?

These questions gave the KNR Board cause to urge religious institutes to draw up a 'testament'. In July 2008 the Board sent out a letter stating that:

- ✓ 'temporal goods' (*bona temporalia*) of religious institutes are not governed by liberal principles on property (free right of use and disposal on the part of the owner, who can dispose of them at his/her own discretion), but the capital must be preserved, managed and deployed in accordance with the purpose;
- ✓ the 'temporary goods' of religious institutes are, as stated before, first and foremost meant for living costs for the members; once these have been covered

²⁴ The term 'maintenance' should be understood in a broad sense in this context and also includes for instance salaries of staff members and the upkeep of or rent for living accommodation.

the remainder can be used for apostolate and, more generally, *caritas*.

This letter was mainly addressed to religious institutes “that are faced with the imminent end of their existence”. With this letter, the KNR Board wishes to draw attention to the importance, in view of a number of provisions under canon law, of thinking carefully, when preparing for the last phase of the religious institute, about the destination of the temporal goods that will remain when there will be no members left (or when the institute is dissolved or the last house is closed).

This destination should preferably be laid down in chapter resolutions, or otherwise in the constitutions. Temporal goods include financial means (including immovable property), art treasures and historical objects, liturgical objects and clothing, the institute’s own cemetery or the part it occupies in a larger cemetery.

If the institute wishes to lay down decisions on this matter in the constitutions, these decisions should not be too detailed or soon be outdated, for it must still be possible to execute them a number of years later. This applies to a lesser extent to chapter decisions, as these may be amended after some years. However, if the institute expects that a particular chapter may be the last ‘real’ chapter, i.e. held in conformity with the traditional rules concerning the number of participants and their election, this rule applies again: preferably not too detailed or prone to becoming outdated.

Obviously, the destinations should, wherever possible, be chosen with the object of the relevant religious institute in mind. If it is clear that such decisions should be taken by a chapter, it should also be clear that a religious institute can only take such decisions as long as a full chapter can still be

held. The letter also mentioned the old wisdom that it is better to make donations during life than after!

The letter states that some four canons imply that a religious institute would do good drawing up a ‘testament’, although the Code of Canon Law does not *expressis verbis* mention this as a possibility or obligation in the part that deals with Institutes of Consecrated Life and Societies of Apostolic Life. However, Canon 616 § 4 does specify this as an obligation for a number of convents for contemplative sisters.

Canons 584 and 616 § 2 stipulate that both the dissolution of a religious institute and closing the only house of an institute pertain to the Holy See, which will subsequently decide on its temporal goods.²⁵ It is significant that Canon 123 assumes that a public juridic person (which religious institutes are) will have included some clause about the “destination of its property and proprietary rights . . . and obligations” in its statutes.

A common misunderstanding that needs to be dispelled is that the temporal goods that remain at the time of dissolution will automatically ‘go to Rome’ or that ‘Rome’ will automatically allocate them to the diocese. In fact, Canon 584 says no more than that the Congregation for the Institutes of Consecrated Life and Societies of Apostolic Life will decide about these goods. If there is a ‘testament’, this will make the Congregation’s task easier.

Once the funds needed for future living costs have been determined and set aside, the testamentary dispositions on finances should be governed by the principle that the ‘disposable capital’ should be used for

²⁵ The word “temporary” does occur in c. 584, but not in 616, § 2. This is remarkable to say the least.

apostolate and *caritas* in line with the *charism* of the institute. This *charism* is a gift from the Holy Spirit (Can. 605) to the Church. Funds that have once been earmarked to bring the *charism* into practice will remain tied to this purpose and it is up to those who express this *charism* in their lives (for they are the ‘embodiment’ of this *charism*, the *charism* becomes tangible in and through them) to decide which purposes their religious institute wishes to support with funds it no longer needs to sustain itself. It requires a careful decision making process to determine this: which current needs in church and society correspond to the *charism*?²⁶

In connection with the above, something could be said *mutatis mutandis* about provinces, regions, or houses in The Netherlands of large, international religious institutes. When preparing for the end of their existence in The Netherlands, those institutes could ask themselves questions including: 'Which obligation do we feel towards The Netherlands?' and 'What do we wish to help preserve for the future in The Netherlands?' After all, the capital, the ‘temporary goods’, have been accumulated in The Netherlands, in part by donations, pensions and the disposal of immovable property. This may be a reason to decide that the ‘inheritance’ in the broadest sense of the word, both spiritually and materially, should wholly or partly benefit causes in The Netherlands.

²⁶ M. Wijlens, *Auflösung von Religioseninstituten. Die vermögensrechtlichen Aspekte aus kirchenrechtlicher Sicht*”, *Ordenskorrespondenz* (2005), p 196 – 214, in particular 198 – 200.

CONCLUSION

On the whole, the religious in The Netherlands are not frustrated about the upcoming end of their religious institute. Looking back, they are able to say, ‘our *charism* has proved fruitful in The Netherlands, in the work we did, and in the attraction we had on new members.’ Their prevalent feeling will be one of pride for the great work the institute has done through the efforts of its members in the course of many years, at times under difficult circumstances, both in The Netherlands and elsewhere. However, today, virtually all the work has been taken over by the state or organisations for social work in The Netherlands. Religious are no longer needed in these areas of work, and in a number of cases they have made themselves redundant by leaving professional institutions and educational institutes behind. Elsewhere the same happened or other religious have followed in their footsteps. In the stage of “completion,” the *iusta autonomia* and the dignity of religious institutes remain too important to be careless about them: the KNR stands for this interest. In that situation it is important that one or more persons are available at all times and that they are competent and authorized to promote the interests of the institute and its members.

What the future of religious life in The Netherlands will look like is as yet still unclear. A number of religious institutes will remain and we hope that there will be sufficient to ensure the further existence of our great spiritual tradition in The Netherlands. In addition, we are witnessing the rise of communities of associates; and in view of the idealism of a number of young people, we may expect that new forms of religious life will be created.

Questionnaire to Assist Religious Institutes With Obtaining an Overview of Their Present Situation and Making Arrangements for the Future

This questionnaire was developed by the Secretariat of the Conference of Religious in the Netherlands (KNR) in 2002 and is used for consultations with religious institutes. The aim of the questionnaire is to help institutes outline their current situation and take initiatives for defining the future of the institute.

1. Purpose

- What is the purpose of your institute as a religious community?
- Are you able to achieve this purpose to a satisfactory extent?

2. Spirituality

- How do you ensure a vibrant spiritual life among your members?

3 Pastoral care

- Is sufficient pastoral care available, also in the long term?
- Do you have a priest specifically assigned to your community/communities, or a pastoral worker or someone like a hospital chaplain?
- Do you celebrate the Eucharist on a daily basis? What happens if this is not possible due to, for example, a lack of priests?

4 Management and governance

- Do you have a sufficient number of members who are suitable and able to fulfill the administrative and managerial positions? For how long will these people remain able to do so?
- How old will these people be in eight or twelve years (another two terms of office)?
- Do you have several people within your institute who are suitable and able to hold the position of Superior or Major Superior?

- Is your institute governed from the United States? Does your institute carry responsibility for houses abroad whilst not having a higher level of leadership abroad? What arrangements have been made for those houses in the future?

5 International financial relations

- Do you manage funds from parts of your institute abroad, for example the generalate or other provinces? Do you look after the interests of parts of your institute in mission areas? If so, who is responsible?
- Do you expect any changes to this situation in the near future? If so, have you been sufficiently informed about the options and/or possible problems?

6 Novices

- Have you had any new entrants in the past ten years (i.e. persons who were interested in the religious life and at least embarked on the novitiate)? How many people took perpetual vows and are these people still with your institute? What does this mean for the future of your institute?
- Do you cooperate with other communities for the purpose of education and formation of your novices?

7 Apostolate

- Does your institute have its own 'works' (for example spirituality center, social service ministry, school, healthcare ministry, infirmary, etc.)?
- Does your institute carry the responsibility for the management and governance of these apostolic works?
- Do you have plans to pass on the management and governance responsibility? If so, what do the plans comprise?

8 Accommodation and care

- Is the future care and accommodation of your members a topic of debate in your religious institute?
- Have you made arrangements for the accommodation of your members, for instance in a religious care home (including specialized care in case of members with for instance dementia)? Do you have any such agreement in writing and is it regularly updated?

- Do you expect to have to close or sell houses/buildings in the future? Who would you ask for advice in case you wish to sell property? Do you know estate agents specialised in selling monasteries?
- Do you intend to keep ownership of your own house for as long as possible, or are you considering renting accommodation?
- Are any of your buildings listed on the historical register or would any be eligible for this status? Which consequences does this have for you?

9 Finance

- Do you carry direct responsibility for the financial administration, or have you 'outsourced' this to for instance the finance office of another, perhaps bigger religious institute?
- Do you use a budget? Do you feel that a budget is a useful administrative instrument?
- Does the Board find the financial reports user-friendly and clear, or should they be more transparent?
- Do you deploy an external accountant to audit the annual statement of accounts?

10 Investments

- Has part of your capital been invested?
- Which objectives¹/profile have you defined for your investments and have you concluded an agreement² concerning risks etc. with a bank?
- Did you lay down in writing the general conditions for the investment portfolio?
- Who is your investment adviser? Why do you use just one person? Is this person subject to assessment/supervision/control?

¹ The options are to aim for large profits or rather for a secure old age.

² This agreement provides for matters including the level of risk the bank is allowed to take and the preferred minimal return.

11 Reserves

- *Which amounts have been set aside in the annual accounts for reserves? These may include:*
 - *reserves for living costs;*
 - *reserves for additional personnel in the future (for instance caretakers, gardeners, secretaries for the leadership, bookkeepers etc.);*
 - *reserves for maintenance of buildings.*
- *Have these reserves been laid down in writing as decisions from the Board and do you check regularly whether the provisions are still sufficient or whether adaptations are needed?*

12 Archives, art, cemetery

- What is the situation regarding your archives? Have you developed plans for the archives? To whom should they go when your institute no longer exists? Have you considered moving them to a central archive?
- Does your institute possess works of art? Do you have an inventory of the art works and do you know their historical and/or financial value?
- Do you own your own cemetery? What will happen to your cemetery in the future, for example when the adjacent house has to be sold? Who will take care of it when all members of the order have passed away?

13 External support

- Do you have plans for a future 'merger' (or other form of close collaboration) with one or more neighboring provinces? On which grounds was the decision taken not (yet) to do this?
- Do you expect support from your General Board or other provinces when the time has come that you will no longer be able to carry management and governance responsibility?
- Do you expect spiritual or management support from your 'religious family' (for example the Franciscan, Carmelite or Benedictine family)? Are these persons / institutes aware of the fact that you are expecting such support?
- Do you hope to receive some form of external support, but do you not yet know from where or from whom? Have you made plans to, for example, set up a management foundation, outsource part of the work, or delegate managerial powers?

14 Relations with the diocese

- Does the diocese carry formal responsibility for your institute?
- Does the diocese show an active interest in your institute? Do you maintain contact with the person who is responsible for religious orders? Do you submit your annual accounts to the diocese?

15 Position of laity

- Do you deploy lay persons as advisors to the leadership of your institute, or are you considering this option?
- Do lay persons carry out 'managerial tasks' in your community/communities?
- How do you view your position as an 'employer' of lay persons, in particular of those in 'core positions' such as coordinator and pastoral worker? Do you foresee that fulfilling this duty may become difficult for you in the near future?

16 Important documents

- Does your institute have some form of document that outlines your wishes concerning what should happen with the assets after the suppression of your institute (for instance the generalate, the diocese, an associated institute, or a particular project)? For example, it may be the purpose that part of the assets should be donated to a religious institute in an African or Asian country, yet should be managed in your country (for example for reasons of inflation): if so, have you made arrangements for this?
- Are you prepared in due course to place copies of the Constitutions, the Regulations on Proprietary Rights, bylaws of companies and other documents that may be of importance in the final stage of an institute with the Conference of Religious/ of Major Superiors for safekeeping?³

17 General

Do you expect that you may need support in a particular area shortly? How can the Conference of Religious / of Major Superiors be of help to you?

Den Bosch, January 2003

³ There has been a case in the Netherlands where the last members of a religious institute did not know where these documents were kept.

STATISTICS ON AGES AND NUMBERS OF MEMBERS OF U.S. RELIGIOUS INSTITUTES

Introduction by Donna Miller, Associate Director for Civil Law, RCRI
Charts and Explanations prepared by National Religious Retirement Office (NRRO)

Introduction

For a number of decades, the National Religious Retirement Office (NRRO)⁴ has served religious institutes in the United States in a variety of ways. According to its webpage on the USCCB website, NRRO coordinates the annual national appeal for the Retirement Fund for Religious⁵ and distributes financial assistance for retirement needs to eligible religious institutes. Both NRRO and the Retirement Fund for Religious are sponsored by the Conference of Major Superiors of Men, Council of Major Superiors of Women Religious, Leadership Conference of Women Religious, and United States Conference of Catholic Bishops. NRRO strives to support, educate and assist religious institutes in the United States to care for their elderly and frail members now and in the future. NRRO aims to:

1. raise funds for retired religious;
2. help religious institutes realistically assess their current retirement needs and implement planning;
3. educate religious institutes to allocate assets realistically;
4. develop educational tools, programs, services and resource materials that enable religious institutes to address retirement wisely.⁶

The most visible service that NRRO provides is the annual collection in parishes throughout the country for the Retirement Fund for Religious, to help religious institutes provide for the retirement needs of their aging members.

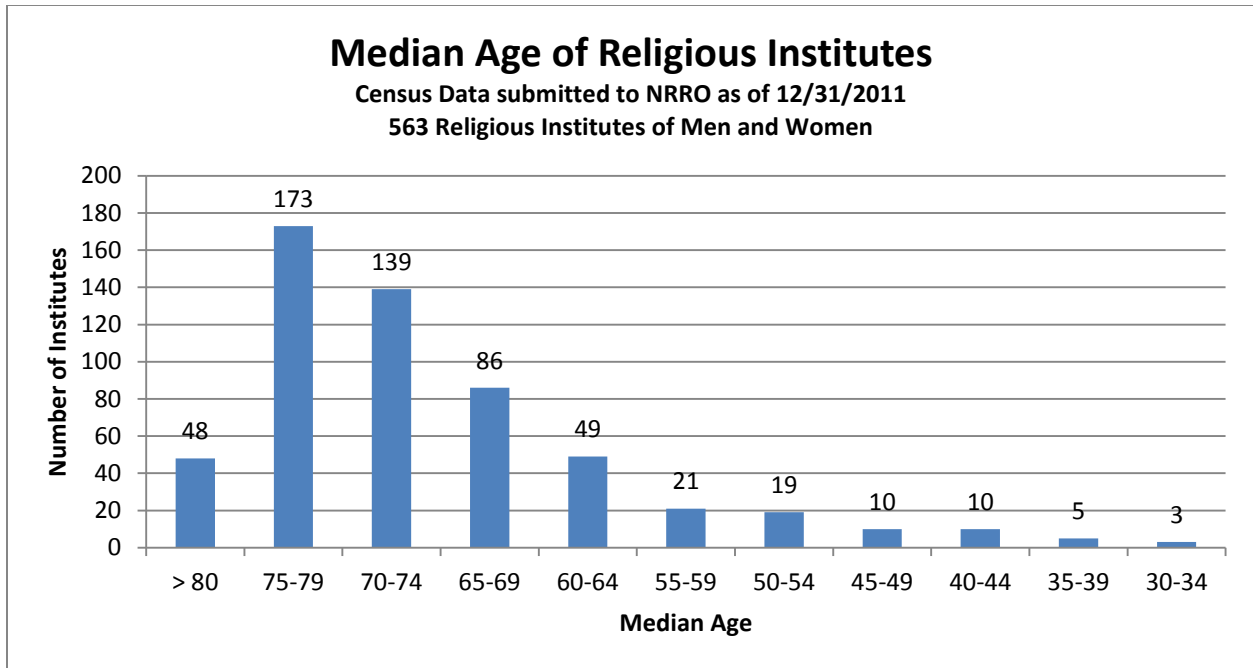
In order to assess the needs of the various religious institutes in the United States, the small staff of NRRO visits many of the organizations and interviews the leadership and business personnel. No single organization has its “fingers on the pulse” of religious retirement more than NRRO.

Each year NRRO publishes a summary of the statistics it gathers from religious institutes throughout the United States. On the following two pages are four charts depicting the statistics related to size and age of the members of U.S. religious institutes at the end of 2011.

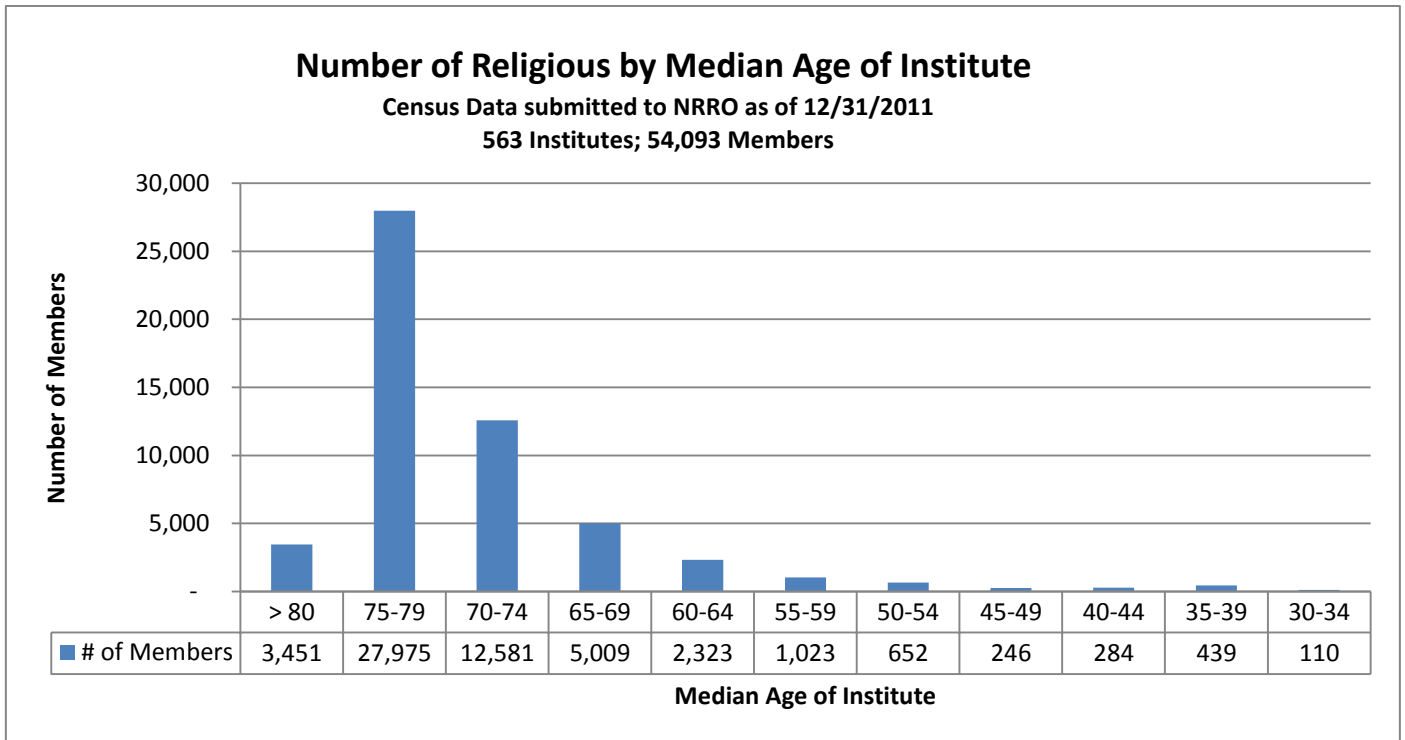
⁴ See <http://www.usccb.org/about/national-religious-retirement-office/> (September 18, 2012).

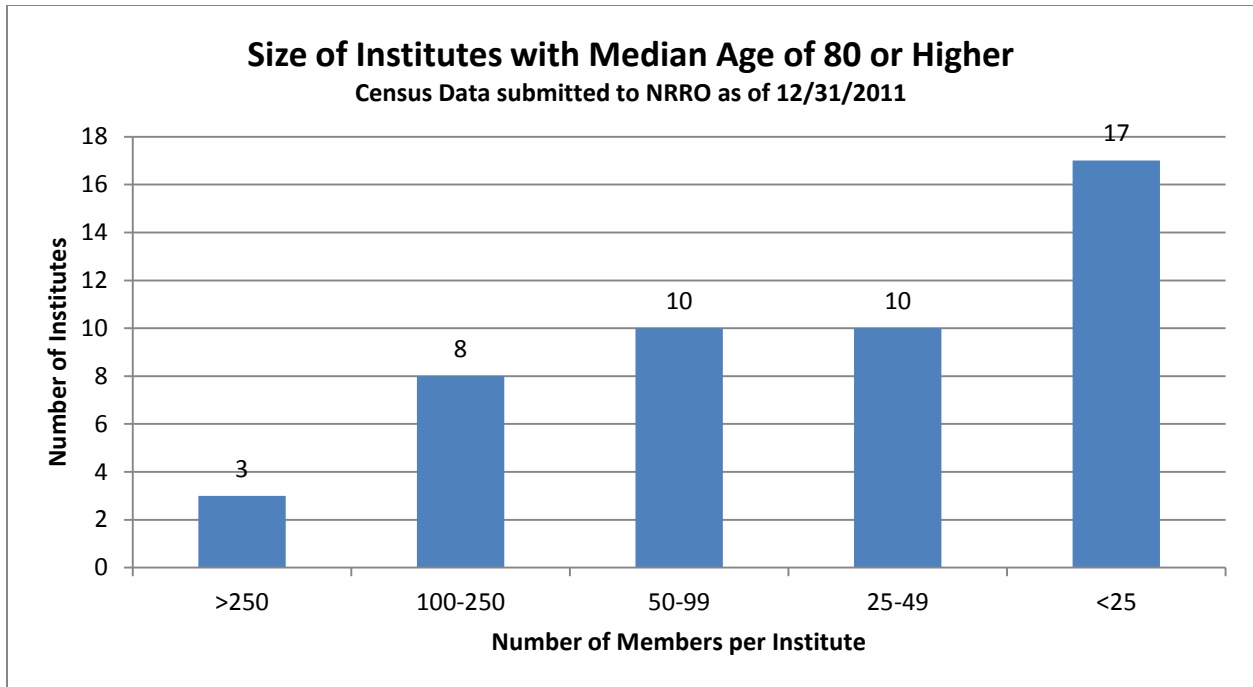
⁵ “Share in the Care: Retirement Fund for Religious,” <http://www.retiredreligious.org/resources/> (September 18, 2012).

⁶ National Religious Retirement Office, <http://www.usccb.org/about/national-religious-retirement-office/> (September 18, 2012).

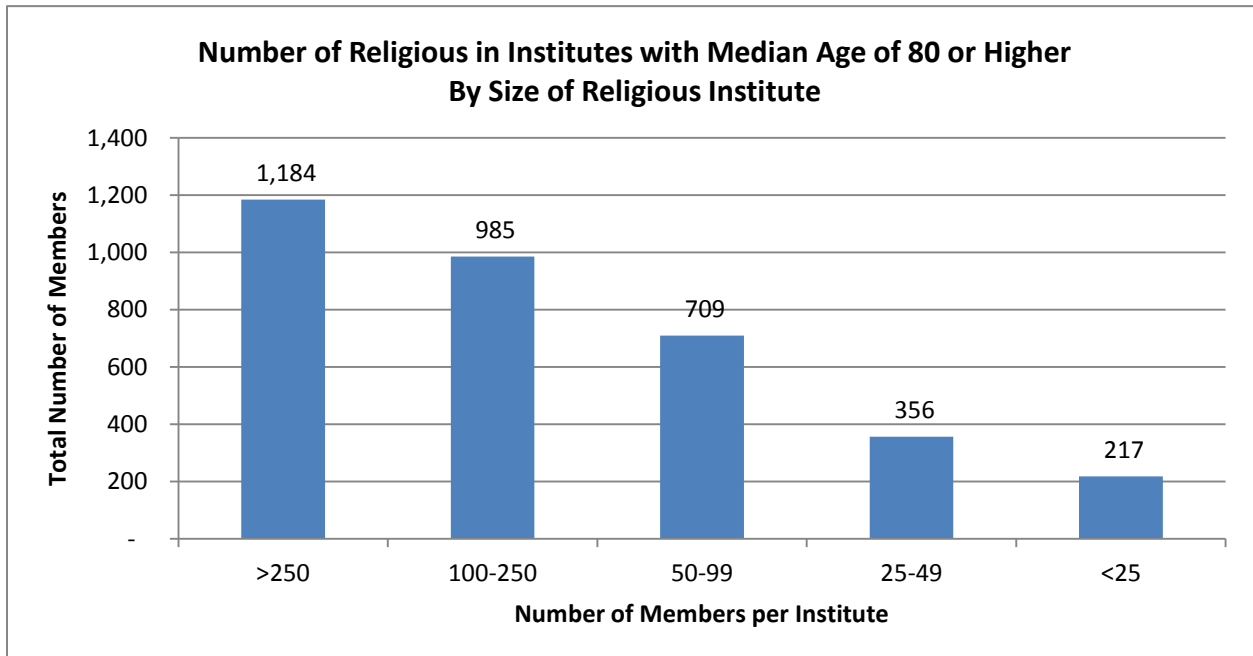


The rising median age of religious institutes is of great concern. Of the 563 religious institutes (with 54,093 total members) that submitted data to the National Religious Retirement Office (NRRO) in 2012, 48 institutes reported a median age of 80 or higher with one institute reporting a median age of 89. An additional 24 institutes reported a median age of 79. The chart above shows the number of religious institutes by median age. The chart below shows the number of members in those institutes.





The chart above shows the sizes of the 48 religious institutes with a median age of 80 or higher. While the greatest number of institutes has fewer than 25 members, this concern is not unique to small institutes. Nearly 63% of the religious who are members of institutes with a median age of 80 or higher belong to institutes with 100 or more members, as shown in the chart below.



Additional NRRO Resources

The National Religious Retirement Office offers a number of resources to assist religious institutes with assessing the present status of the organization and its membership and planning for the future. In addition to those listed here, see also <http://www.usccb.org/about/national-religious-retirement-office/resources/>.

“Actuarial Projections for the National Religious Retirement Office,” October 29, 2004, Mercer Human Resources Consulting report commissioned by NRRO, projecting that by 2023 religious orders may face more than \$20 billion in unfunded retirement liabilities.

<http://www.usccb.org/about/national-religious-retirement-office/upload/MercerActuarialStudy.pdf>

Projected Population of Religious by Age Group 2003–2023

http://old.usccb.org/nrro/annual_report_pdf/rfr07_page8_graph.pdf

NRRO Statistical Report showing charts and graphs for:

- Direct Care Assistance
- Other Assistance (2002-2012)
- NRRO Planning & Implementation Assistance (2009-2012)
- The Impact of the Retirement Fund for Religious
- Participation in Public Programs
- Age Distribution of Religious
- Population of Religious (Wage-Earners to Retired Ratio)
- Projected Census of Religious (2012-2022)
- Retirement Funding Status and Membership of 559 Participating Institutes
- Average Annual Social Security Benefit and Fair Market Value of Religious
- Weighted Average Annual Cost of Care
- Average and Median Cost of Care for US Men and Women Religious by Living Situation
- Retirement Fund for Religious – Basic Facts

<http://www.usccb.org/about/national-religious-retirement-office/upload/Statistical-Report.pdf>