Supporting Information for the 2025 Resolution for Racial Atonement

What is racial atonement?

In short, racial atonement is a commitment to action toward healing the legacy of slavery and racism. Because slavery was used to accumulate wealth using forced, unpaid labor, a financial commitment is an important part of those actions.

We encourage everyone to learn more about the work of the Episcopal Church and our diocese in this area by visiting the website: https://www.diocesewma.org/beloved-community-commission/atonement

Understanding the Timing

Widespread movement to heal the financial impact of slavery is long overdue and can never make up for centuries of enslavement and racism. And in the 21st century there has been a growing movement of awareness about the ongoing impact of racism in our country, our communities, and even our churches. Spurred in part by a wave of national movements, The Episcopal Church has made an effort to engage this work. There was specific encouragement at the general convention in 2022 for dioceses to engage this work alongside the national body.

In 2023, our diocesan convention passed a resolution first to study and then to act. It empowered the Beloved Community Commission (now merged into the Social Justice Commission) to study, develop resources, and propose actions, including commitment of financial resources.

In 2024, the Beloved Community Commission presented to diocesan convention its study of our endowment and our financial connection to slavery with the intention that next steps would move toward action.

Since then, the Beloved Community Commission merged into the Social Justice Commission and has worked together with Bishop Fisher and diocesan staff to begin work toward action. In conversation with St. Peter’s Episcopal Church in Springfield, the only surviving historically black parish in our diocese, we developed the current proposal as an initial action.

St. Peter’s has had an “interim” priest part-time for 12 years. Their priest needs to step back from the ministry. At the same time, St. Peter’s is on the cusp of new growth with new energy. They are a parish with deep roots in the community, significant service to their neighborhood, and a vibrant multicultural community together. However, they do not have the financial resources to call a priest. They need to find a way forward within a few months.

While the timing may seem unusual to be making a significant decision at the time of electing a new bishop, those connected to the resolution as well as the people of St. Peter’s are eager to work with the new bishop to shape this position as a shared endeavor between the diocese and the parish.

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Understanding the Financial Impact

The Budget and Financial Planning Committee has reviewed this resolution and recommend, should it pass at convention, the $500,000 for racial atonement be transferred from within our endowment, coming from unrestricted, board-designated funds to create a designated fund exclusively for this purpose. The funds would remain invested in our endowment, and we would draw only what's needed each year to offset program and personnel expenses to cover the Missioner for Racial Reconciliation position that, if passed, would be built into the diocesan operating budget.

What is the bigger picture?
The total value of the diocesan endowment as of September 30, 2025 is $37 million. Much of our endowment is restricted for specific purposes or designated such that the principal is not available. A large portion (88%) of our total endowment is allocated in support of our 5% spending rule distribution, generating 52% of total revenue in support of our annual operating budget. In the 2026 budget, we expect $1,468,000 from the quarterly spending rule distributions, based on the 20-quarter rolling average adopted by the Trustees.

Where will the funds come from?
The initial contribution established by this resolution would come from a grouping of board-designated funds totaling $1.6 million. This grouping includes designated funds for specific ministry areas as well as unrestricted funds that can be used to support specific projects or assist in balancing the operating budget. Drawing from this grouping of funds will not adversely impact the 5% spending rule distributions supporting our annual budget.

What is the financial impact of establishing a designated fund for this purpose?
The funds will stay invested in our endowment and will be subject to market fluctuations until fully expended. Once expended, reducing our endowment by $500,000 would result in a potential $25,000 loss of investment returns each year in perpetuity, depending on market performance. In addition, transferring these funds would reduce the balance of available board designated funds to: $1.1 million. This would likely result in the need to reorganize mission priorities in future years to assure long-term sustainability and to maintain balanced annual budgets.

Why would we reduce our regular income from invested funds in order to support this resolution?

While we may look at this as reducing our existing financial baseline, the resolution is based on our understanding of where our endowment originally came from. The money that supported the endowment first of the Diocese of Massachusetts, then of our diocese, and contributions made since then, all have roots in the slave economy and post-slavery racist policies and history. The Social Justice Commission resolution reminds us that rather than reducing what is ours, we are acknowledging that we have for years unjustly benefitted from this wealth that was not rightfully ours to use.