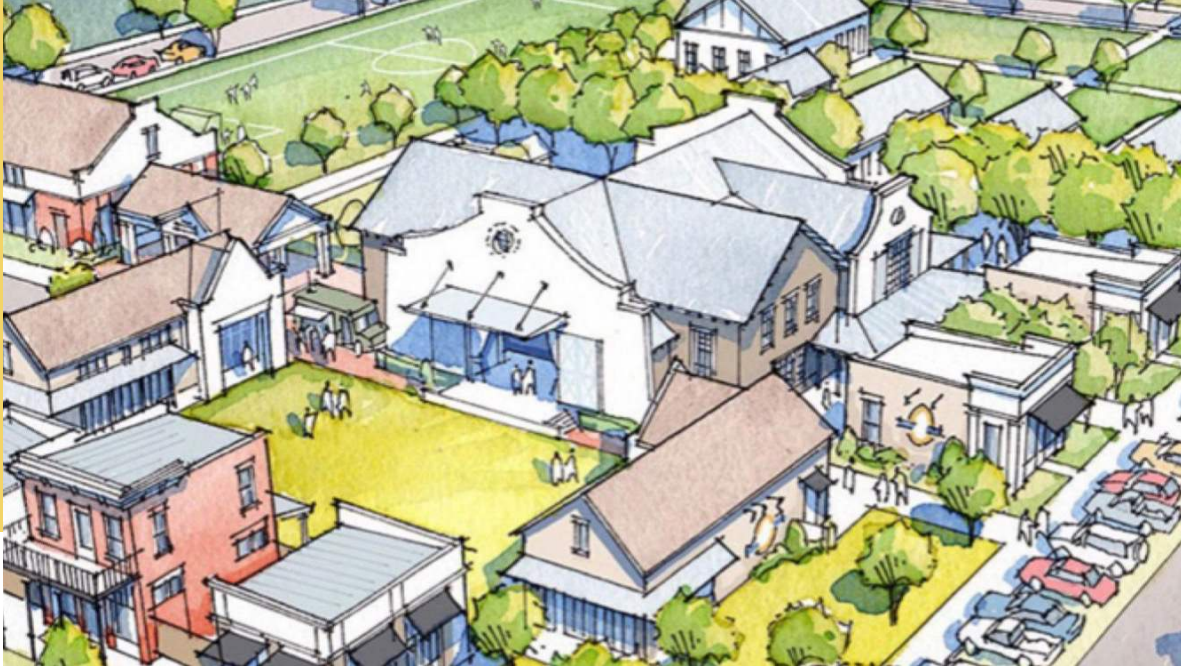




ANNUAL REPORT 2022

The FaithX Project

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The FaithX Project, Inc.¹

Annual Report 2023

A Year of Expansion and Collaboration

Overview

Two major themes that ran throughout the year were expansion and collaboration. We applied for and received an \$800,000, three-year grant that pushed our income over \$200,000 for the first time. That grant helped us launch a three-year program focused on increasing vitality and sustainability in small congregations for five jurisdictions and 35-50 small congregations, nearly doubling our active client base in a single year. The same grant also allowed us to begin development of a first-ever vitality and sustainability assessment for jurisdictions. We began to identify potential adjunct consultants to take up the slack and signed agreements with two organizations: one to provide administrative services and the other to do our bookkeeping. At the same time we continued to develop our pool of partner organizations, more than doubling their number by the end of 2022.

All-in-all it was a good year! And we see positive indicators for continued growth in 2023 and beyond.

"Helping congregations survive and thrive in challenging times"
- FaithX Vision Statement

Client Base Highlights

In 2022, FaithX continued to grow its client base. As Covid began to recede and people were able to get out more, webinars, which had become a major source of self-referrals in 2020, began to fade in popularity in 2021 and eventually dried up completely by the end of the year, though self-referrals continued to increase, but at a slower pace. By the start of 2022 time we had pivoted once again to a new strategy consistent with our vision, mission, charism, and strengths as an organization. A major focus of this pivot was developing partnerships with organizations that could either assist us with funding for new ventures, use our services for the benefit of their clients, or provide our clients services at a discount.

One of these was our partnership with Trinity Wall Street Philanthropies, which helped us reach smaller congregations, who needed our services and resources the most but could afford them the least, with a \$300,000 grant to help us launch a pilot project called the Vitality Improvement Program for Small Congregations (the VIP Project). Within two weeks of announcing a competitive application process to select program participants, 29 of the 100 Episcopal dioceses across the United States had submitted

¹ FaithX is a 501(c)3 nonprofit organization with a religious and educational purpose, providing resources, research, and consulting. The Rev. Ken Howard directs FaithX under an Extension of Ministry from the Episcopal Bishop of Washington.

letters of interest, from which we ultimately accepted 5 dioceses, with up to 10 congregations per diocese anticipated by early 2023.

Other partnerships came online in 2022 as well. Our recently concluded partnership with the Presbyterian Foundation has resulted in several new congregational clients and good prospects of work with various presbyteries in 2023. In addition, a match-making effort by one of our existing judicatory clients (the Episcopal Diocese of Maryland) resulting in a blossoming partnership with Stewardship Realty, an organization that helps judicatories and their congregations better leverage their properties and buildings for the sake of their mission and the neighborhoods they serve. We are now helping them base their services on a strong foundation of missional assessment and data-grounded discernment and have had the privilege of providing such services to more than a dozen congregations in just the last two months of the year alone, with another 12 congregational assessments requested in the first month of 2023, including congregations from 2 new denominations.

Financial Highlights

Financially, FaithX did about as well as expected in 2021, considering the continued uncertainty in our external environment. Gross revenues were 80% of budget at \$135,166, but we held Gross Expenses to 82% of budget at \$123,728, leaving a -\$31,694 variance in Net Revenue. Part of this variance was due to an adverse (and we believe wrongful) lender forgiveness ruling on our 2020 PPP loan. Had that not occurred we would have increased our Net Revenue to \$23,737.²

Description	Budget	Actual	Variance	% Budget
Gross Revenue	\$ 169,900	\$135,166	-\$34,733	80%
Expenses	\$ 150,900	\$123,729	-\$31,694	82%
Net Revenue	\$150,640	\$ 34,287	-\$26,910	59%
Net Plus PPP	\$ 0	\$23,737	\$4,777	123%

Notable Achievements

Trinity Wall Street Grant: A very significant achievement in 2022 was securing a three-year, \$800,000 leadership grant to help fund a Vitality Improvement Program for Small Congregations that we have dreamed of for years. And working with the Trinity Wall Street Philanthropies team was a joy.

Congregational Vitality Assessment (CVA) and CVA-Judicatory Platform (CVA-JP). We continued and expanded our partnership with the Episcopal Church Foundation. The CVA has become the go-to congregational vitality diagnostic tool, with more than 2,000 congregations having utilized the tool in 2022. Meanwhile, in collaboration with the Episcopal Church Foundation and Membership Vision, we launched a CVA Judicatory platform that allows dioceses, synods, districts, and other judicatories to administer the CVA directly to their congregations, add judicatory-specific questions, receive reports on their vitality and sustainability, and measure changes in their vitality and sustainability over time. By the end of 2022, more than a dozen judicatories in three denominations (Episcopal, Lutheran, and Presbyterian) were either using or exploring the use of the CVA Judicatory Platform.

Judicatory Vitality Assessment. As part of our VIP grant from Trinity Wall Street, in the latter half of 2022, we began the research necessary to develop a vitality and sustainability diagnostic tool for judicatories, which we anticipate coming online in by late summer 2023.

² Complete financials available on request

Neighborhood Insights Report (NIR). In 2022, we released NIR 1.0, the successor to what was formerly called the Neighborhood Missional Intelligence Report. NIR 1.0 includes enhancements in design, ease-of-use, and available data (over 80 data-points). It also included a new analytic infographic, *Religiously Unaffiliated*: provides an estimate of the percentage of individuals who do not attend formal worship in any denomination or faith tradition or only very infrequently. Clients can purchase just a NIR, a NIR plus a one-hour interpretive mini-consult, or a NIR with consult plus a one-page summary report of neighborhood opportunities and challenges, along with recommendations for potential strategies.

Parochial School Vitality and Sustainability Assessment. Developed by FaithX in collaboration with the Catholic Archdiocese of Washington, this analytic is now available for adaptation and use by other judicatories with parochial schools.

New Episcopal-Lutheran Church (multi-year). Our work with the Episcopal Diocese of Maryland to start a new Episcopal congregation in the growing city of Urbana has taken an exciting new turn in becoming a “Lutherpalian” mission project, jointly sponsored by the Diocese of Maryland and the ELCA Delaware-Maryland Synod. This effort is now in the discernment phase, with FaithX assisting the two judicatories in data-grounded discernment in preparation for new grant funding from The Episcopal Church. As part of this work, the Diocese of Maryland requested assistance from FaithX in supporting the originally-planned mother church through a congregation-wide crisis.

Awards and Honors. In 2022, FaithX received two honors from Esri, a multinational data aggregating company:

- **The Esri High Impact Award:** For our work in mapping and mitigating systemic racism.
- **Inclusion in the Esri MapBook Annual** for 2022.

Significant Challenges

Episcopal Pulse. Having inherited the Episcopal Pulse proof-of-concept experiment conducted for TryTank, we had hoped to relaunch in the first quarter of 2023 as a joint effort with Episcopal Church Foundation and Membership Vision. However, the latter was bought by Learning Forte, which complicated our negotiations and pushed back the projected launch date to second quarter.

Mapping and Mitigating Systemic Racism. Despite a large investment in marketing our Mapping and Mitigating Systemic Racism program, we have not yet achieved the traction hoped for. We still believe it is a valuable program, and we will be re-examining our approach in 2023.

Staffing. We originally planned to hire one person to handle both our administration and bookkeeping. However, finding both skill sets in a single person proved difficult. Instead, we obtained administrative and bookkeeping services from virtual administration and bookkeeping agencies.

Partners and Affiliates

In addition to our ongoing affiliation with Datastory, FaithX has further expanded its collaborative relationships into new organizations and denominations. Our partnerships and affiliations now include:

- **[Datastory](#).** This GIS firm provides us with the [MapDash for Faith Communities](#) demographic/analytic platform and our Neighborhood Insights Reports, which undergird much of our data-grounded discernment work. FaithX is currently collaborating with Datastory in the development of a Homelessness Vulnerability Index. Our executive director serves as Datastory’s Subject Matter Expert (SME) on faith community resource development.
- **[Episcopal Church Foundation \(ECF\)](#).** We are exploring significantly expanded collaboration in a new Memorandum of Understanding projected for completion in the first quarter of 2023, including

continuing partner with ECF on a number of initiatives, including: the Congregational Vitality Assessment (CVA), the CVA-Judicatory Platform, the forthcoming Judicatory Vitality Assessment, FaithX's Vitality Improvement Program for Small Congregations, and ECF's Diocesan Vitality Initiative and Leadership Initiative, with more to come.

- **[The Episcopal Church](#)**. We continued to be a preferred contractor for consulting and coaching in church planting and congregational redevelopment (known as Genesis 1 and Genesis 2, respectively).
- **[Gathering of Leaders \(GOL\)](#)** is a network focused on helping clergy develop practical and implementable leadership strategies while experiencing rest and renewal. FaithX's executive director recently spoke on the theology of bi-vocationalism at GOL's summer gathering for bi-vocational clergy.
- **[Learning Forte](#)** provides faith-leaders with digital and hybrid learning resources adapted for their specific context at an affordable price. FaithX has agreed to serve as the fiscal sponsor for Learning Forte's new leadership training venture and is collaborating with Learning Forte to develop a broader partnership. (see TryTank bullet point below)
- **[Presbyterian Foundation](#)**. FaithX and the Presbyterian Foundation signed a partnership in mid-2022 to provide FaithX services and resources at a discount to the Presbyterian Church USA at the congregational, presbytery, and denominational level. The Presbyterian Foundation is a subsidiary of the New Covenant Trust Company.
- **[Socio-Historical Examination of Religion and Ministry \(SHERM Journal\)](#)** is a free, nonprofit, peer-reviewed academic journal that publishes the latest social-scientific, historiographic, and ecclesiastic research on religious institutions and ministerial practices across cultural boundaries. SHERM is sponsored by FaithX but is editorially independent.
- **[Stewardship Realty](#)** works with dioceses and congregations to help them use their real properties more strategically. FaithX provides Stewardship Realty with Neighborhood Insights Reports (NIRs), along with Summary Reports and Recommendations, which helps them ground their recommendations in demographic and analytic data.
- **[Trinity Wall Street Philanthropies \(TWSP\)](#)** is a subsidiary of Trinity Wall Street Episcopal Church. In mid-2022 FaithX launched our for a Vitality Improvement Program for Small Congregations (VIP), supported by a grant from TWSP.
- **[TryTank](#)** is a nonprofit incubator of experimental faith-based programs, co-sponsored by [Virginia Theological](#) and [General Theological](#) seminaries.
- **[Worship Times](#)** designs websites for congregations, judicatories, denominations, and other faith-based programs. We recommend them to our clients who have discerned a need for a more strategic and missional approach to their website. FaithX's [website](#) was designed by Worship Times.

Potential Partnerships

- **[Lilly Endowment](#)**. FaithX is currently preparing to seek a grant from the Lilly Endowment's [Thriving Congregations Initiative](#) in order to launch a second iteration of the Vitality Improvement Program for Small Congregations, this time with an interdenominational cohort.
- **Other potential partnership relationships** we are currently exploring include the College for Congregational Development, GSB, Partners for Renewal, Partners for Sacred Places, and others.

Looking Ahead

Now that the Coronavirus has faded from pandemic to endemic, faith leaders and their congregations have returned to their houses of worship, hoping that they could “go back to normal” but finding that there is no normal for them to go back to. After the initial “rush” that wasn’t, people are still trickling in, but it has become clear that not everyone wants to be back in church. Some leaders say that people have become lazy. But the truth is that Covid broke the habit of gathering for worship in a physical space dedicated to that purpose, and many have decided that their home can be a house of worship, too. When people realize they *have a choice whether to worship in the church building or at home*, faith communities and their leaders must give them a reason to come. Which means that faith leaders need to meet prospective worshippers where they are, both figuratively and literally, and learning to love the communities they serve (and themselves) all over again.

That’s where FaithX comes in. We provide faith-leaders and their congregations the resources and services they need to be able learn the story of their community and discern what place in that story God is calling them to be present.

Programmatic Plans for 2023:

Vitality Improvement Program for Small Congregations (VIP) will be FaithX’s primary focus for 2023 (and beyond), working with five dioceses and 7-10 of their small congregations (between 30-70, with a preference for the lower end of the range). We will be spending the first half of 2023 first supporting the diocesan vitality improvement teams in recruiting parishes that wish to participate and helping those parishes recruit parish vitality improvement teams, and in the second half we will assist the diocesan teams in working with the selected congregations.

Leveraging Congregational Property to Bring Resources to Under-resourced Communities. Another emerging focus for 2023 will be working with Stewardship Realty to help congregations better leverage their property and building for the sake of their neighborhoods and their own vision and mission.

Mapping and Mitigating Structural Racism. We are increasing our focus and efforts on this important area and have developed consultative offerings for both judicatories and congregations.

Expanding and Diversifying Consulting Staff. If Trinity Wall Street approves our proposal to add a second cohort of dioceses and congregations as part of our Small Congregation Vitality Improvement Project, we will need to be ready to scale up to meet the additional workload.

In Summary

2022 was a good year for FaithX, though not without its challenges. We continued to help our clients lean into post-Covid opportunities, as we ourselves did. We found unexpected grace in undergoing the Covid crises. One grace is that it made us and our clients cognizant of the reality that “going **back** to normal” was simply not an option because Covid broke “normal” for everyone, and we are now in a liminal space between the paradigms that have died and the new paradigms that are rising from the dust of the old paradigms to take their place. We and our clients are continually learning that there are many missional opportunities waiting to be discovered by those who respond with clear vision, data-grounded discernment, a readiness to experiment, and willingness to fail quickly and harvest the learnings. And those are things FaithX is well-positioned to assist our clients to do.

The Rev. Ken Howard
Executive Director
April 30, 2023

