A Financial History of The Institutes

1963-2020

An Overview by
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In late February 2020, the President of the combined board of the Institutes called a special meeting of board, staff, and stakeholders to envision a 10-month plan for stabilizing the financial situation of the organizations. Some of the people involved in these conversations had decades of experience with the Institutes, others were relatively new to these programs and financial operations. This paper is designed to provide a common framework for both groups of people to learn from the past and to build for the future.

Any organization, from a financial perspective, must account for the costs of its properties, its staff, and the general costs of conducting the day-to-day activities for which it is designed. The Ecumenical Institute (EI) and the Institute of Cultural Affairs (ICA), collectively referred to here as “The Institutes”, have creatively managed these three dynamics in a variety of ways over the span of more than six decades. The following pages provide one perspective on this adventure.

In 1962, when Joseph Wesley Mathews accepted the position of the Director of the Institute for Ecumenical Studies and Affairs, then a division of the Church Federation of Greater Chicago, he did so with the proviso that several other families could come along with him from Austin, TX. The entire group moved into a common living facility in Evanston, Illinois. This group understood themselves in terms of a covenanted order of families, called the Order: Ecumenical (O:E). As such, they shared a common economic life, participated in common spiritual practices and worked toward common mission. Their common mission involved serving as the staff of the Institute of Ecumenical Studies and Affairs in order to revitalize the historical church in service to the world.

Some members of each of the families in the group took jobs outside of the Institute itself, some were paid through the program budget of the Institute. By pooling all their incomes, the group provided everyone with a common stipend and covered the basic expenses of maintaining the house in which they lived and procuring the necessities of food and utilities. Many of the initial programs were held in the area around their facility in Evanston. This suburb was one of the more affluent parts of the greater Chicago area and several of the families that participated in the early programs were able to provide financial support for expanding the Institute’s mission beyond the Chicago metropolitan area. Several of these early contacts were maintained for decades to come.

Within a couple of years, as the programs expanded and the number of people who were interested in participating in the corporate living situation that the staff had adopted began to grow, the Evanston facility no longer had adequate space for living and working. Furthermore, the need to have an external mission to serve the suffering parts of society beckoned the group to look beyond suburban Evanston. These needs were compounded by pressures from some of their neighbors who were uncomfortable with a “community” living in a large house in their up-scale neighborhood. Working with the Church

Federation of Greater Chicago, the group was able to acquire the recently vacated seminary campus of the Church of the Brethren on West Congress Parkway. This property had several multi-story buildings and a campus which covered nearly an entire block adjacent to the expressway and L-train blue line. It was surrounded by a community of houses and shops that were occupied almost entirely by African Americans. Within months of this move, the Fifth City Human Development Project began to take shape on Chicago's West Side.

For the next several years, nearly all the staff of the Ecumenical Institute lived in the facilities on the West Side. The model of some people having outside employment and raising donations for specific programs provided the financial resources to conduct diverse programs, sustain the staff and maintain the facilities. During this time, also, several international trips along with weekend seminars around the US began to expand the scope of work beyond the Chicago neighborhood. Nonetheless, all the financial accounting was held in Chicago in the name of the Ecumenical Institute, a registered non-profit, with an account for the staff expenses in the name of the Order: Ecumenical, an informal association of individuals and families.

The West Side campus also provided ample space for holding week-end seminars, 8-week Academies and summer programs for college students and adults with families. The summer programs often included community celebrations which were open to residents of the surrounding neighborhood. During the summer program of 1968, the decision was made to further expand staff presence of EI beyond the Fifth City neighborhood. Drawing on contacts that had grown out of the extensive array of national and international courses, Religious Houses were established in Atlanta, Boston, San Francisco, and Chicago. The Chicago House divided itself into three parts, one on the North Shore near the original Evanston facility, one on the south side in Woodlawn and one in Rockford – west of Chicago. About the same time Religious Houses were established in Sydney, Australia, Bombay, India and Kuala Lumpur, Malaysia.

Throughout this period, the depository accounts were held in Chicago. Income from Religious House members' salaries was, generally speaking, sent to Chicago where it was deposited and returned to the Houses in the form of stipends for the families and operational income for maintaining the House and conducting the local programming. Each Religious House (and each family within the House) was expected to be self-sufficient. At regular annual national gatherings, budget negotiations were designed to ensure the overall liquidity of the entire system.

Each month, the financial manager of each Religious House completed a detailed form showing its current status and annual projection. In addition to covering the direct expenses of the individuals and the programs being conducted by the House, funds were set aside in Order Funds to handle long term considerations like education for children and retirement as well as health emergencies.

The number of Religious Houses expanded both within the US and around the globe during the decade of the 1970's. The Institute of Cultural Affairs was incorporated in 1973 and provided the organizational structure for conducting programs in non-Christian countries and with secular organizations. The program initiatives during this timeframe are well documented in a variety of sources including the ICA's Social Research Center (www.icaglobalarchives.org) and Beret Griffith's *A Chronological History of the Ecumenical Institute and the Institute of Cultural Affairs 1952-1988*.

In 1972, the Kemper Insurance Company gave the Ecumenical Institute its 8-story office building on the corner of Lawrence Ave. and Sheridan Rd. in the Uptown Area of Chicago. Along with the building, the

Ecumenical Institute receive a substantial parking lot across the street. This facility became the locus of large-scale academies and summer programs in the coming years. Eventually, when the Chicago-based staff moved out of the West Side campus, they were all housed in this facility. In addition to providing a space for residential accommodation, administrative offices and programming activities, this facility provided as asset upon which loans for expanding international programs could be secured.

In order to handle the expanded international scope of the combined work of the Institutes, a set of four Centrum Bands was envisioned in the early 1980's. These were designated for Operations, Research, Management and Development tasks. Some of the Order members in Singapore, Hong Kong, Brussels, and Chicago coordinated these functions for the entire global organization in ways designed to maximize efficiency and minimize physical transfers of personnel and funds. Nonetheless, the official financial records of the entire organization were maintained and reported through the offices in Chicago.

Throughout this period, a variety of local entities were created to handle specific needs of particular locations. This included groups to purchase or lease property and bank accounts to manage and receive grants where required by donors or local ordinances. One example would be the training center which was constructed in Chikhale Village beginning in 1981. Construction of this training center was funded by numerous international grants and funds raised from Indian sources. It was originally managed under the name of the Chikhale Cluster Human Development Project. By 2019, the paperwork for the greatly expanded facility had officially been transferred to ICA: India who was using the building to conduct a residential school for 700 tribal children.

In many cases, especially in the human development projects, grants were received from major funding agencies to conduct these comprehensive community upliftment activities. In order to meet the expectations of the funding agencies, line-item salaries for executive staff and administrative expenses were included in the grants. When this money was aggregated into the O:E financial system, a larger number of individuals and families could be supported on the mutually negotiated stipend system.

During this same period, ICA staff members and others associated with the work of the Institutes realized that the methods and processes that were being used within the Religious Houses, and especially in the Human Development Projects, were beneficial to major corporations and other kinds of organizations. In the early 1970's, beginning with the LENS (Living Effectively in the New Society or Leadership Effectiveness and New Strategies) program, staff members of the Institute conducted programs within major international organizations and were paid competitive consulting fees. In many cases, these consultations were able to support numerous local staff working in villages. After several years of successful programming, some of these consultants started businesses of their own outside the structures of the Institute.

By 1988, several factors converged to render this complex global financial, personnel and management structure untenable. Expectations, particularly relative to health care and international travel, of extra-nationals working in developing countries often differed widely from staff coming from tribal villages and smaller towns. As the initial staff of the Institutes grew older, and their children's needs for higher education became imminent, the capacity of the Order Funds to meet these needs became increasingly problematic. Furthermore, loans made from the Order Funds to the Institutes for program expansion, primarily into the third world, were becoming increasingly non-recoverable. During the 1988 Order Council in Oaxtepec Mexico, the group officially decided to dissolve the international structures which had evolved over the two decades since the first Religious Houses were sent out from the West Side in 1968.

Disbursements from the remaining Order Funds were made to individuals and families on an agreed upon schedule. Each of the national ICA units became autonomous entities and were encouraged to develop financially viable operational plans for program development and staff expenses. Within the US, the groups in Los Angeles, Seattle, Denver, Chicago and along the East Coast from Troy, NY to Colquitt, GA made arrangements to manage their properties and programs while maintaining the legal entities of the Institutes from the registered office in Chicago. Outside the US, the ICA International office which was located in the Brussels Religious House in Belgium provided a public face for the collection of national ICAs. People there created residential staff development programs and coordinated some fundraising efforts from agencies in Europe.

In 2004, at the ICA's Quadrennial Conference in Guatemala, delegates from the various national ICAs, decided to hire a full-time Secretary General. For several reasons, including changing regulations by the Belgian government, the decision was made to move the registered office of ICA International to Canada. This occurred in 2005 and with a grant from Montreal International a small staff was hired. This group created manuals and handbooks for operating an international organization and regularized many of the membership practices. Maintaining this infrastructure became more costly than could be managed from national member dues and specific grants. Thus, at a council meeting of representatives of national ICAs held and ICA India's Environmental Education Center in Talegaon, the group decided to become a network of peers without formal administrative staff. Since the legal headquarters had been moved to Canada, ICA Canada offered to manage the accounting functions of ICA International under the direction of a duly elected ICA International Board. These functions were, therefore, moved to Toronto.

Within the United States, the ICA staff in Phoenix concentrated on polishing the participatory methods developed in the human development projects and tested in the LENS programs into a nationally marketable program under the branding of *Technology of Participation (ToP)®.* Most of the energies of the staff in Chicago focused on turning the Kemper Building into a financially viable demonstration of sustainable building use as well as providing leadership within the Uptown Community. As much of the building was rented out to other organizations, the staff that were still living in the building consolidated themselves into a demonstration urban community on the 7th floor of the building. The Institute offices were concentrated on the 1st and 6th floors and the 8th floor was used as a conference center. The clusters of ICA staff on the East Coast developed neighborhood development programs including the community-based performance company, *Swamp Gravy*. As these diverse efforts unfolded, all the final financial accountability was maintained in Chicago. Arrangements were made to allow for local creativity while covering the national overhead within a balanced system.

In 2006, the Board of the Institutes determined that this national structure had become untenable. Only personnel residing in Chicago were to remain as staff of the Institutes and only programs conducted by this staff were to be accounted through the financial mechanisms of the Institutes. Arrangements were made with the ToP trainers across the country to pay seat fees and to purchase manuals through ICA-USA systems. A separate network of ToP practitioners and trainers developed across the US and maintained dialogue with other ToP trainers in nations around the globe. Each of these trainers established their own local structures for financial accounting and management of consulting fees from clients generated by the ToP course participants. In 2013, ICA-USA installed a centralized ToP course registration system. This was upgraded again in 2019.

As a way to enhance the long-term viability of the Uptown property, the Institutes' board launched the Greenrise Restoration Project (GRRP). This multi-million-dollar project was envisioned as a way to upgrade the building, provide improved space for tenants and guarantee an asset to the Institutes for the decades ahead. The financial package for this project is moving toward completion in 2020.

People familiar with the diverse program background of the Institutes began a Global Archives project at the turn of the Century. This has come to fruition with the launch of the Social Research Center website in 2020. Ways are being explored to make this a financially viable system.

The ToP Trainers Network in the US has grown to over 100 active trainers with courses being conducted both virtually and face-to-face. A separate organization, The ToP Network (www.top-network.org), provides interchange among ToP practitioners. Those practitioners committed to training additional facilitators work with ICA-USA through a coordinating committee, the ToP Trainers Leadership Forum (TTLF).

Integrating the income streams and financial responsibilities for these diverse aspects of the Institutes' work has become the challenge facing the organizations as they move into 2021.

This *Financial History of the Institutes* is the third paper in a series by F. Nelson Stover designed to provide perspectives on the story of the Institutes and the people who gave them life. *Maliwada's Grandchildren* tells the story from the perspective of the Human Development Projects including their long-term impact and the diversity of people who worked to make them possible. *Navigating Corners* focuses on the turning points the organizations have encountered and how the organizations managed the changes required. Each of the three papers remains a work in progress; the current versions of each document are maintained at www.EmergingEcology.org/history. As with all documents on the Emerging Ecology website, the updated date is given in the page footers.

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