
The Episcopalian, Inc.

I. The Directors of The Episcopalian, Inc., wish to thank our fellow Church members for the continued support of THE EPISCOPALIAN as the basic print medium for The Episcopal Church.

We have endeavored to improve and expand this service the past triennium and we present this report to you, the members of the 66th General Convention, meeting in Denver, Colorado, as a measure of this effort.

We are now in our 20th year as a publication of the Church and just recently celebrated our 5th birthday as a tabloid newspaper. THE EPISCOPALIAN was created following action of the 1958 General Convention at Miami Beach, Florida, and first authorized by action of the 1961 General Convention in Detroit, Michigan. We became the most widely circulated magazine in the Church's history in 1967 and the most widely circulated newspaper in 1975 when our subscriptions passed the 160,000 mark. When we reported to the 1976 Convention in Minneapolis, our circulation was more than 225,000.

During the current triennium we note the following signs of progress:

1. THE EPISCOPALIAN's average circulation per year has increased from 225,797 in 1976 to 265,755 in 1977 and 281,055 in 1978. For the first quarter of 1979, it was 293,706. This represents a more than 300% increase since we changed to tabloid format in May, 1974.

2. The general acceptance of the tabloid form and the development of the Diocesan Combination Plan have continued this triennium. Eight dioceses and one parish have joined the Combination Plan partnership so far since the Convention. They are:

Diocese of Bethlehem: *Newsbeat*

Diocese of New York: *The Episcopal New Yorker*

Diocese of Oklahoma: *Oklahoma's Mission*

Diocese of Springfield: *The Illinois Churchman*

Diocese of Upper South Carolina: *The Piedmont Churchman*

Diocese of Utah: *Exalt*

Diocese of West Texas: *The Church News*

Diocese of West Virginia: *Mountain Dayspring*

St. Stephens, Sewickley: *St. Stephen's Profile* (Diocese of Pittsburgh)

In addition the Dioceses of Florida, Maine, New Jersey and Utah have increased their use of the Combination Plan, which now includes 28 different editions reaching more than 225,000 families. (See Addendum I.)

3. In keeping with our tabloid format, we have stressed the ongoing news of the Church in our editorial coverage. Our feature reports have centered on areas of ministry within the Church, with special attention given to the American Sun Belt; the small congregation; the American Indian; urban centers; family life; Appalachia; evangelism; hunger, and Venture in Mission.

In partnership with the Executive Council we also served as chief carrier for Church School Missionary Offering materials in 1977 and 1978. The special sections and reprints of the Church's ministry to the deaf and Francophone Africa were well received. The Africa materials merited a commendation from the Africa Desk of the U.S. State Department.

4. In order to adjust to our burgeoning circulation and the growing number of

APPENDICES

editions produced each month, we have made several changes in our circulation and production procedures. Chief among these is the updating of our 12-year-old circulation fulfillment system.

Today we can update our mailing lists daily and provide partner parishes and dioceses with lists arranged either alphabetically or by ZIP Code. Our production services include special layout and pasteup sheets, preparation materials, and reprint facilities.

5. The past triennium is the first full three-year period in which The Episcopalian, Inc., has operated without a subsidy from General Church Program funds. In fact, 1979 is the fifth straight year without a General Convention-authorized subsidy. The Episcopalian, Inc. did receive \$150,000 in 1974 in Convention-authorized funds through Executive Council to develop and test the church-wide information system later approved, and now in use.

We are pleased to report that we have managed to operate within the resources available to us the last three years (see financial summary.)

Advertising, circulation, and service income have reached new highs each year. Net advertising revenue for the tabloid format passed the \$100,000 mark for the first time in 1977. Circulation revenue surpassed \$400,000 for the first time in 1976, and service revenue reached \$100,000 for the first time in 1978.

Presiding Bishop John M. Allin has said on several occasions that the Church must look to new and different ways to raise funds for its ministries. With a communication service that reaches some 500,000 persons each month, we have been able to carry more and more messages from agencies and groups within the Church each year to a growing number of people.

These agencies and groups have included the Executive Council, APSO, Armed Force Office, Church in Society, Church School Missionary Offering, Development/Stewardship, Evangelism Office, Hispanic Ministries, Hunger Committee, National and World Mission, Presiding Bishop's Fund for World Relief, United Thank Offering, Venture in Mission, The Anglican Fellowship of Prayer, and The Episcopal Society for Ministry to the Aging.

In addition we have been able to offer reprint services for most of this information in amounts ranging from 1,000 to 100,000 copies. We have also begun to reprint other material from pages of THE EPISCOPALIAN.

The most important of these other reprints is *Don't You Just Adore Gothic?*, a 76-page book about the Episcocats, a popular feature in both magazine and tabloid since 1963. To date we have delivered almost 10,000 copies to cat fans around the country. We are also planning an Episcocat calendar.

We do not intend to ask the General Convention for any funding during the next triennium. But we do wish to point out that Church communication of every kind is already under heavy financial pressure and will be subjected to even more in the next decade.

6. The never-ending struggle to break even with runaway inflation in the publishing industry, staggering postal rate increases, and absence of General Convention subsidy has consumed a good bit of our time, energy and imagination this past three years.

Basically, our costs of doing business are now pushing past our present income-generating capacity. In the previous triennium the switchover to tabloid format plus seed money grants and the growing use of Diocesan Combination Plans in effect retired the General Convention subsidy.

In this triennium, however, double-digit increases primarily in postage, printing, and paper costs have now brought us to the point where the unit cost of our product is passing the unit of income needed to produce it, even with price increases for subscriptions, advertising, and other services.

Postal rates provide a disturbing example of this problem. In 1974, the first year of our changeover to newsprint, we spent \$17,002 to mail THE EPISCOPALIAN. In 1977, we spent \$57,626, a 335% increase in three years. Our circulation, of course, had doubled by that time, but the tabloid weighed only half as much as the old magazine. In 1978, we spent \$76,780 to mail THE EPISCOPALIAN; this year we expect to spend a minimum of \$98,283 for the same service.

The key rate in this problem is the per piece charge on each copy mailed. In 1974 this was \$.004, not a frightening sum by itself. The piece charge today, five years later, is \$.021 per copy, a 500% increase, and is expected to reach \$.056 per copy by or before 1987.

That schedule, plus the increasing regular charges for postage based on weight and non-editorial space, will bring the cost of mailing a church periodical to one dollar or more per year per subscription by or before 1987.

What this will mean to the nation's church press, the diocesan publications, and THE EPISCOPALIAN editions, only the Lord knows. Every religious body in the United States — national or regional — which communicates with its constituency will deal with this matter within the next six years unless the current purpose and direction of the U.S. Postal Service is reexamined.

II. In April of 1974, The Episcopalian, Inc., was in the midst of major changes and anticipated new efforts. To lead us in these endeavors, we elected as President of the Corporation Hiram W. Neuwoehner, Jr., a St. Louis advertising executive who was president of his company and an active layman in the Diocese of Missouri.

Mr. Neuwoehner moved into his new responsibilities with energy and foresight and helped guide the transition from magazine to tabloid communication system.

During the next three years, THE EPISCOPALIAN experienced its greatest period of growth and service since its creation in 1960. With these results in hand and future growth expected, Mr. Neuwoehner indicated his desire to turn over direction of the Corporation in 1977.

The Board elected James Milholland, Jr., of Cleveland, Ohio, senior vice president of Harcourt Brace Jovanovich, Inc., in charge of periodical publishing, to replace Mr. Neuwoehner in April, 1977. John W. Reinhardt of Abington, Pennsylvania, was elected a vice president of the Board. Arthur Z. Gray, Esq., of Armonk, New York, for many years secretary of the Corporation, retired from this post in 1977 and was succeeded by Richard J. Anderson of Cos Cob, Connecticut.

The Board also received the resignation of Marion Hood of Buck Hill Falls, Pennsylvania, and elected as new members George I. Chassey, Jr., of Charleston, South Carolina, Eugene A. Niednagel of Indianapolis, Indiana, and Donald R. Woodward of New York.

We record with deep regret the deaths of our colleague Polly Bond, our retired first vice president John H. Leach, our retired first advertising director, Walter H. Gemmill, Jr., and our advertising manager, Leila Seitz Cooke. We thank the Lord for their time with us and their great service to the whole Church for many years before and during their contribution to The Episcopalian, Inc.

III. *RESOLUTIONS.* As permitted by General Convention, we submit herewith two Resolutions: 1) To commend use of this communication system to Dioceses, Parishes, Vestries and individual church members; 2) To approve the Directors elected during the present triennium and receive the actions of the Board as summarized in this report.

Resolution #A-46

Resolved, the House of _____ occurring, that the General Convention

APPENDICES

recomend use of THE EPISCOPALIAN to Church agencies, Dioceses, Parishes and Vestries through the Diocesan Combination Plan, Parish Plan, Small Group Plan, and related services.

Resolution #A—47

Resolved, the House of _____ concurring, that the General Convention approve the elections of the Rev. Canon George I. Chassey, Jr., Mr. Eugene A. Niednagel, and the Rev. Canon Donald R. Woodward as Members and Directors of The Episcopalian, Inc., and they are confirmed as such Members and Directors from the dates of their respective elections; and be it further

Resolved, the House of _____ concurring, that the present Members and Directors of The Episcopalian, Inc., namely:

*John M. Allin
Richard J. Anderson
Isabel Baumgartner
George I. Chassey, Jr.
John C. Goodbody
Arthur Z. Gray
George T. Guernsey, III
Robert L. Hartford
Kennett W. Hinks
Howard Hoover
Ralph E. Hovencamp
Inez Kaiser*

*Robert E. Kenyon, Jr.
William S. Lea
Elizabeth B. Mason
Samuel W. Meek
James Milholland, Jr.
Eugene A. Niednagel
Hiram W. Neuwoehner, Jr.
Frederick L. Redpath
John W. Reinhardt
Robert A. Robinson
Dean T. Stevenson
Samuel G. Welles*

Donald R. Woodward II

be and they are hereby appointed and confirmed, to hold office until the next General Convention and until their respective successors are elected, confirmed and qualified, as provided by the by-laws of the Corporation.

Respectfully submitted,

James Milholland, Jr.
President
The Episcopalian, Inc.

PROPOSAL FOR A DIOCESAN EDITION

As the Church moves into the Venture program and toward General Convention you may wish to offer your families additional news and resources. THE EPISCOPALIAN's tabloid format offers the opportunity to reach each home every month with a periodical which combines the best of local diocesan, national and worldwide coverage at a modest price. If you've checked recently on the costs of printing, paper, postage, labeling, mailing, and list maintenance for your own diocesan communications, you will know this is a real value.

THE EPISCOPALIAN publishes monthly 16- to 28-pagers with provision for Diocesan editions. We offer this cooperative service because we know from eight years' experience that this combination does bring better readership and response plus savings in time, effort and even in money spent for communications and lay education.

Some twenty-five Dioceses in different parts of the country are now partners in this service.

The basic Diocesan service includes 12 copies per year: ten monthly Diocesan editions with 4 pages of your own material in each specially marked edition, plus regular copies of THE EPISCOPALIAN the two months you don't have pages. The Diocesan pages are prepared entirely within the Diocese: material is collected, edited and laid out locally, but printed together with national edition pages from negatives, mechanical, or other camera-ready copy your editor sends.

The price for this Combination Plan is \$2 per family per year which **includes** your costs for **paper, printing, list-keeping, address changes, second-class postage and distribution**. The cost is usually billed monthly at 16.67 cents for each copy delivered. All we need from you to start is a letter and the lists of those families you wish to receive the combined edition.

Our subscription fulfillment service includes handling and processing of all names and addresses with a weekly updating of your list. If desired, we can provide the Diocese with labels in ZIP Code order for any additional Diocesan-wide mailings you wish to make. This service also includes an **annual** printout of all diocesan families in alphabetical order by congregation so that each parish can review its subscriptions and make additions and deletions. For a service charge we can also supply special peel-off labels to aid you in a mailing for a church home or other annual appeal, or a Venture campaign.

The Dioceses using the Combination Plan find that it works. Readership of diocesan news has increased along with awareness of the whole Church. Our original partner representatives, the Rev. Canon Kermit Lloyd (Central Pennsylvania); Mr. John Rettew (Pennsylvania); the Rev. Canon George I. Chassey (South Carolina); and the Rev. Thomas Lippart (Northern Michigan) will gladly share their years of experience with you, as will the Dioceses who have joined the plan since 1974.

This is the basic. It can be further adapted to your specific needs and already has been several times. We would be happy to send someone to visit with you and answer questions for you and your colleagues.

Here are answers to the most frequent questions we have been asked:

1. What are the specifications for the format? The image area for pasteup and film is 10" x 14". We will supply layout and pasteup sheets to these specifications if you wish, without charge.

2. What kind of paper are you using? Standard newsprint, using a 100 screen for photos. Printing is web offset and mailing, by Cheshire label, 4-up.

3. What production schedule do you have? The closing date in Philadelphia for all camera-ready or negative pages, including our own, is the second Tuesday of each month prior to issue date. We deliver to subscribers around the first day of the month of issue. Delivery of diocesan film or camera-ready copy is by U.S. Express Mail service; U.S. Air Mail Special Delivery; airline package express; Federal Air Express; or Greyhound Package Express to Philadelphia, depending on city, circumstance, and distance.

4. What provisions have you made for dioceses which print papers less than 10 times a year? With the Combination Plan your Diocese can have 40 pages printed over a 12-month period as part of the regular service. Thus, you may wish to have five 8-page editions instead of ten 4-pagers, or two 8-pagers and six 4-pagers, without extra charge. Again, the system is flexible enough to serve your own specific needs. You can also add 4 more pages any given month for a nominal charge. Several Dioceses on the Plan use these extra pages to carry special reports or pre-convention materials.

APPENDICES

5. What about editions from the West Coast or Mountain States? We don't want to lose the news value of our own editions with long production and mailing delays. No one can guarantee on-time deliveries these days by the U.S. Postal Service to homes, but we have made changes in the system since 1975 to save at least 4 days in printing and distribution. We are now serving 4 Dioceses west of the Rockies with on-time delivery.

6. We can't afford to send our own paper to every home, much less the combined edition, but we like the idea. What can we do? You may wish to start with a limited edition or work out a co-pay plan with parishes like the Dioceses of Pennsylvania and Florida have done. The minimum order for the Combination Plan service is only 2,000. You may wish to start around there and expand the plan later on. Remember that the basic plan covers most of your costs except the preparation of your own diocesan section before printing, and includes continuous address list maintenance for each subscribing family. April 1979

THE EPISCOPALIAN, INC.
Summary of Financial Results Years Ended
Dec. 31, 1976, Dec. 31, 1977, and Dec. 31, 1978

	1976	1977	1978
INCOME			
Advertising - net of agency commissions and cash discounts . . .	\$ 89,476	\$100,030	\$114,174
Subscriptions - Regular	76,241	57,334	47,378
- Church Plans	91,398	72,574	64,367
- Diocesan Plans	207,251	289,392	316,382
- Seed Money Grants	7,877	4,985	1,000
- Clergy	28,000	28,000	28,000
Service and other income	58,045	71,989	103,023
Total	\$558,288	\$624,304	\$674,324
EXPENSES			
Mechanical and Distribution	\$181,804	\$243,633	\$274,188
Advertising	30,587	32,167	32,186
Editorial	89,827	90,350	90,270
Circulation	125,808	136,918	143,073
General and Administrative	121,545	126,038	133,632
Total	\$549,571	\$629,106	\$673,349
Publishing results	\$ 8,717	\$ (4,802)	\$ 975
Appropriations from General Church Program budget	—	—	—
Net from operations	\$ 8,717	\$ (4,802)	\$ 975
