Vatican City State reports $22M deficit, cites global crisis

By Francis X. Rocca, Religion News Service

VATICAN CITY — The Vatican City State reported a deficit of $22 million for 2008 as a consequence of the "global economic-financial crisis," the Vatican announced on Saturday.

The Vatican's annual profit and loss statements showed that the 108-acre sovereign territory, which includes St. Peter's Basilica and the Vatican Museums, fared much worse last year than in 2007, when it reported a profit of $10 million.

A Vatican statement attributed the shortfall to spending on telecommunications, Internet, and photovoltaic panels on the roof of the papal audience hall, as well as conservation and restoration work on the Vatican's art collections. The statement did not give a breakdown of expenses.

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On the bright side, the Holy See, the episcopal jurisdiction of the pope, reported a loss of merely $1.3 million, down from $14 million in 2007.

The news is the latest indication of straitened circumstances at the world headquarters of the Catholic Church.

In May, the Vatican announced that it would raise its staff retirement age by two years to help make ends meet.

Starting in January 2010, newly hired lay staff will retire at 67 instead of 65, while newly hired members of religious orders and priests (below the rank of bishop) will retire at 72 instead of 70.

Also in May, Vatican Radio announced that it would take paid commercials for the first time in its 78-year history.

The radio service employs 500 people, broadcasts in 47 languages, and costs more than $27 million a year to run — much of which is ordinarily subsidized by the Holy See and Vatican City State.

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