

Report on Capital Campaign Financial Feasibility Study for St. John's Unitarian Universalist Church

I. Executive Summary

St. John's Unitarian Universalist Church of Cincinnati, Ohio engaged me, Rachel Maxwell, of Stewardship for Us, to conduct a financial feasibility study and to determine the readiness of the congregation to conduct a successful capital campaign. The focus of the campaign is to restore the sanctuary wall and renovate and improve the St. John's facilities to be more accessible, welcoming, and useful. The campaign will launch on August 28, 2022.

This study estimates how much money is likely to be raised in the capital campaign to fund the renovation and other projects as prioritized by the congregation and it also summarizes important input about the proposed project(s) and the congregation in general.

The study results are based on data collected during one-on-one confidential interviews with 51 individuals representing 30 pledging households.

Information was obtained from 22% of the 137 households who pledged for the 2022/23 year. The households in the study represent 57% of the \$259,671 in annual pledges.

The results of the financial feasibility study show:

- St. John's should be able to raise approximately \$800,000 to \$900,000. These estimates include \$45,000 in funds which have already been donated to the campaign. This is 3 to 3.5 times your annual giving.
- A stretch campaign goal would be \$1M.
- Participants indicated total contributions ranging from \$569,900 to \$603,900. This includes \$45,000 that has already been donated. This is an average of 3.8 to 4 times participants' annual giving.
- This projection assumes a three-year capital campaign beginning in 2022 and that it will be possible for donors to make gifts during four calendar years: 2022, 2023, 2024 and 2025.
- 94% of the households surveyed in the confidential interviews indicated they would make a gift.
- Many of those interviewed expressed concerns about recent events in the congregation. They talked about members having resigned membership, strife between some members and the minister, and anxiety in the congregation in general.
- Many people are feeling less connected to the congregation than they have in the past and are not participating except to attend Sunday service. This is typical of this stage of the pandemic era but still worth consideration.

II. Background and Methodology

A. Background

St. John's is a congregation with a history dating back more than 200 years. It is the oldest congregation in Cincinnati. Its distinctive mid-century building was constructed in 1960. The building has not experienced a major renovation for sixty years, since the time it was constructed. Now the main exterior wall of the sanctuary is in serious need of renovation and much of the interior needs updates including making the facility ADA compliant. This study was conducted after an extensive process to engage the congregation in determining a set of needs, desires, and priorities for updating the building.

B. Methodology

The financial feasibility study included confidential interviews of a sample of congregants representing 22% of pledging households in order to extrapolate possible capital gifts for the entire congregation. In the 2022/23 annual giving drive 137 households were recorded as pledging a total of \$259,671 in financial support.

Thirty households and 51 individuals were represented in the study. The interviews were conducted virtually via Zoom, from July 22 through August 1. Four appointments were missed and three of those were rescheduled. A large portion of the lead contributors to the annual giving drive were included, as these households are often major contributors to a capital campaign. Beyond these households, the study attempted to include a sample of the entire congregation based on age, gender, annual financial contribution, length of time in the congregation, having children and/or youth in religious education, and involvement in different program areas. Overall, the households interviewed contributed 57% of the pledges for 2022/23.

A set of interview questions was developed and used for all interviews to ensure that a standard set of data was collected. When a couple was interviewed together, the views of each person were recorded separately. The interviews covered the following topics:

- Length of association with the congregation
- Listing of top programs, activities and strengths of the congregation
- Vision for the future of the congregation
- Familiarity with and priority of the proposed campaign
- Any compliments or concerns about the proposed campaign or the congregation
- Likely financial contribution to a capital campaign
- Willingness to help out with some aspect of a capital campaign
- Planned giving and interest in including the congregation in their estate plans.

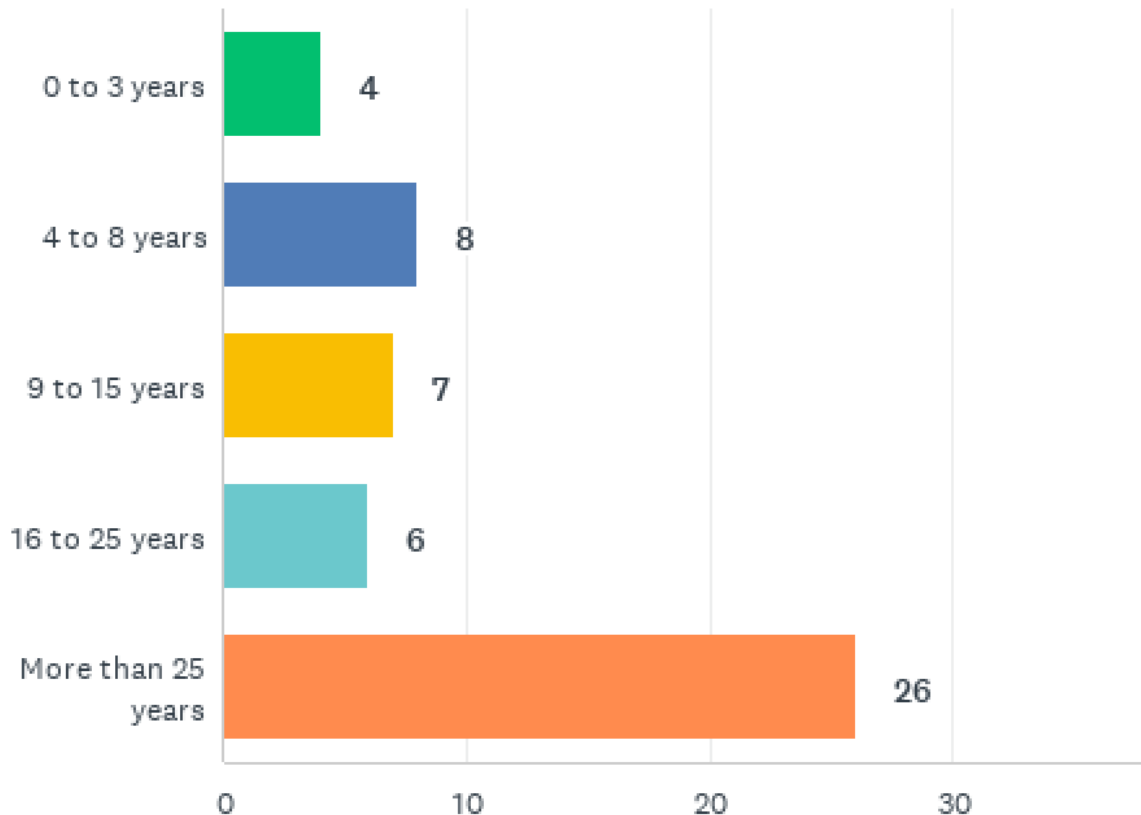
Data from the interviews was analyzed taking into account the qualitative information to determine intellectual and emotional support for the capital campaign as well as the financial data to calculate the amount of money that may be raised in the campaign.

III. Findings

The survey questions were designed to identify the characteristics of the people interviewed, their connection to the congregation, their knowledge of and engagement around the proposed project, and their capacity and willingness to support it with their time, talent and treasure.

A. Length of Time with the Congregation

Half of those interviewed have been members of the congregation for 25 years or more making the results of the study heavily weighted toward long-term members. A question I ask as a result, is the congregation as a whole weighted in such a way? Are there fewer newer members than long term members?



B. Inspiring Moments or Programs for Congregants

Participants gave a variety of answers when asked to describe a powerful or inspiring moment at St. John's. More than half of them talked about choir and music and many shared stories about their experiences with ministers and choir directors in the past as well as the present. Below is a word cloud created from their responses.

minister_{time} music congregation choir service people
experience community

C. Top Programs and Activities

People interviewed were asked to name the program or activity that is currently the most important to them other than Sunday services. The top three programs mentioned as most important to those interviewed are:

- Choir
- Social Justice
- Chalice Circles

It is worthy of note that more than 20% of those interviewed said they were not involved in any programs or activities at this time. A number of people noted that there didn't seem to be much going on at St. John's since the pandemic. This feeling is typical at this stage of the pandemic. Because things will never become just like the before times, many congregants everywhere feel a sense of loss and some confusion about how to engage now. Re-engagement effort is work all congregations have to do at this time.

D. Key Strengths of St. John's

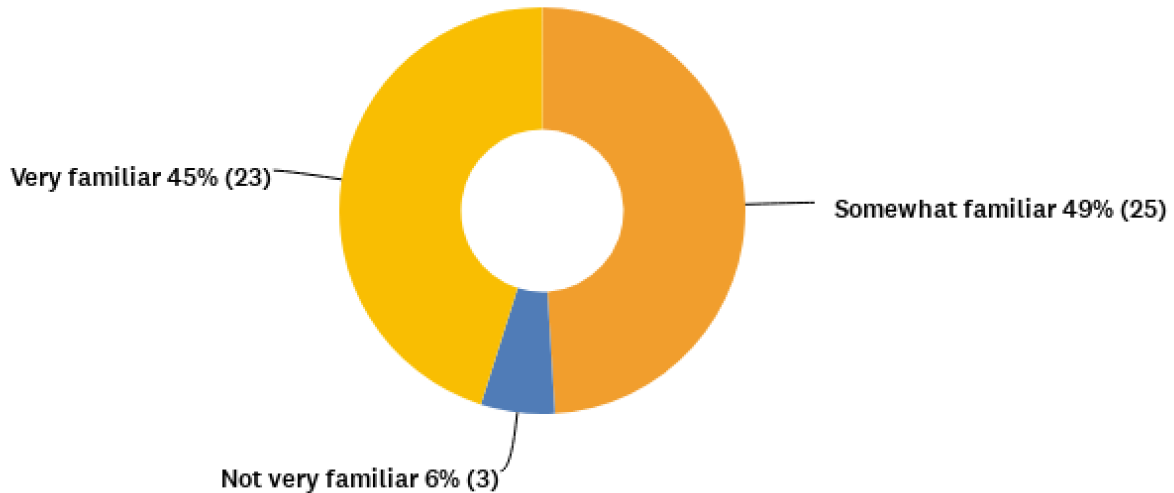
Most people took a moment to pause before answering this question. A number of people said the congregation is accepting of people of many beliefs and ways of being in the world. Some people talked about how many members remain committed to St. John's through thick and thin.

congregation_{membership} Diverse religious beliefs
RE past people_{openness} community music

E. Vision for the Future of the Congregation

When asked about their vision for St. John's in five years, the thing I heard again and again was that in five years St. John's would be a place filled with families served by a strong religious education program. And the congregation would be actively involved in doing service in the local community – not just as individual members but congregation wide efforts. Many talked about envisioning/continuing a strong music program.

F. Familiarity with the Project



Almost all of the people interviewed were familiar with the project demonstrating a strong successful effort in educating the congregation.

G. Ranking of Importance of the Proposed Campaign for the Congregation

Study participants were asked to rank the importance of the building project to the future of St. John's with 1 meaning it's not important and 10 meaning it's very important. 86% of participants ranked the project with an importance of 7 or above. 11% ranked it at 5 or below.

Many mentioned that they would have given the importance an even higher ranking (a 10) if the question was only referring to the restoration of the sanctuary wall. There was confusion about how to rank because often people would be particularly interested in a specific part of the set of proposals but very much not interested in other parts.

H. Does the Campaign Support Your 5 Year Vision for the Congregation?

When asked whether the campaign supports their personal vision for St. John's in 5 years, 56% of the participants gave the project a ranking of 7 or above. 43% of participants gave it a five or below.

This shows that the project does not appear to strongly serve the goals and visions of congregational members despite a great deal of effort to engage the congregation in the visioning process. The visions of study participants resoundingly expressed a desire to have many families and a strong Religious Education program.

I. Information received about the project.

90% of participants in the study had read about the plans and reviewed the master plan documents. However, a number of people were confused by the different choices and did not necessarily understand what was included in each of the options.

Only 84% of participants felt they had enough information. I will provide a list of those who would like to be contacted to have questions answered and gain a clearer understanding of different possibilities.

J. Estimates of How Many at St. John's Would Give a Gift of \$10,000 or More to the Campaign

There are 137 households that currently fund St. John's annual budget. With that prompt, participants were asked how many of those households would give a campaign gift of \$10,000 or more to this capital campaign. Unsurprisingly, 10 people felt they couldn't respond at all. The minimum number of households mentioned was 1 and the maximum was 50. The average guess was between 16 and 18 households and the median guess was 12 households. The sample gift chart I shared with participants showed 26 households giving \$10,000 or above for a successful \$1.1M campaign.

K. Likely Financial Contributions

Each household participating in the feasibility study was asked how much they expected to contribute to the campaign over a three-year period, in addition to their annual financial commitment to the congregation. During the in-person interviews, they were shown (via screenshare) a sample gift chart for a \$1.1M campaign and were informed the campaign would likely permit gifts in four tax years beginning in 2022. Gift ranges as high as \$150,000 or more and working down to zero, were offered in the sample gift chart.

94% of households participating in the study indicated they intend to make a gift to the campaign. Total gifts of between \$569,900 to \$603,900 was indicated by participants. 16 of 30 households indicated major gifts of \$10,000 or over.

The the Sample Gift Chart shared with Participants in the study is shown below on the next page. The second chart includes the gifts indicated in the study.

	Gift Range	Number of Gifts Needed	Totals
A	\$150,000 or higher	1	\$250,000
B	\$100,000 to \$149,999	1	\$100,000
C	\$50,000 to \$99,999	4	\$230,000
D	\$25,000 to \$49,999	8	\$220,000
E	\$10,000 to \$24,999	12	\$135,000
F	\$5,000 to \$9,999	15	\$75,000
G	\$2,000 to \$4,999	33	\$70,000
H	up to \$1,999	46	\$20,000
	TOTAL	120	\$1,100,000

	Gift Range	# of Gifts Needed	Totals	# of Gifts Indicated	Total of Gifts Indicated
A	\$150,000 or higher	1	\$250,000	1	\$150,000
B	\$100,000 to \$149,999	1	\$100,000		
C	\$50,000 to \$99,999	4	\$230,000	2	\$111,000
D	\$25,000 to \$49,999	8	\$220,000	4	\$140,000
E	\$10,000 to \$24,999	12	\$135,000	9	\$120,000
F	\$5,000 to \$9,999	15	\$75,000	5	\$30,000
G	\$2,000 to \$4,999	33	\$70,000	5	\$16,500
H	up to \$1,999	46	\$20,000	3	\$2,400
	TOTAL	120	\$1,100,000	29	\$569,900

All seven households making up the top quartile of annual giving were interviewed and eleven of the thirteen households in the second quartile were interviewed. Eight households in the third quartile were interviewed and four households in the fourth

quartile participated in the study. Multiple major gifts were indicated by households in each of the first, second and fourth quartiles.

Projecting from the study sample to the entire congregation yields an estimated total capital campaign pledge range of \$800,000 to \$900,000. A stretch goal would be \$1M. A gifts table for your campaign that could be included in a campaign brochure will be crafted once you determine a campaign goal.

This estimate assumes that the campaign will allow people to make contributions over a three-year period and provide four tax years for participation (including 2022).

About half of those participating in the study indicated they might consider a larger contribution as part of a second ask or if you are close to your goal. And a similar number thought it would be inspiring to know that others are making significant gifts. Less than 10% thought that a program to recognize gifts at different giving levels or having naming opportunities would be inspiring to them.

L. Compliments

Participants were invited to share compliments about the proposed campaign or the congregation in general and asked if there were any particular people they wanted to thank for their efforts. Many were grateful for all the work and effort that has gone into this project. Much gratitude was expressed for the efforts of Joetta Prost and Matt Cowperthwait along with Bill Luerssen, Cliff Shissler and Kathy Shell. And many others were thanked including Rev. Mitra, Tony Potochnik, Matt Peterson, Chris and Claire Wagner, Jim McDonough, David Roth, Roberto Henriquez, Nancy Greenlee, Rachel Maxwell, and Wanda Crawford. The full list of compliments will be shared with the Capital Campaign and Building teams as well as the Board.

M. Concerns

Participants were asked whether they had any concerns that they would like to share about the building project, capital campaign, or the congregation in general. As I find in most Financial Feasibility Studies, a number of people were concerned that there wouldn't be enough funds raised to do all you would like. Some were worried about the complexity of the different options.

Worthy of note is that there were many comments that mentioned concerns about "things going on in the congregation", people commented on the minister and her relationship with members and leaders and a number expressed concern about members departing. The full list of concerns will be shared with the Capital Campaign and Building teams as well as the Board.

N. Other Information Gathered

Campaign Volunteer Support

Eleven participants indicated they would volunteer to be visiting stewards and an additional seven saying they may be interested. Fourteen people said they would be willing to give a written or oral testimonial about why they support the project. A full list of those who volunteered will be shared with the Capital Campaign team.

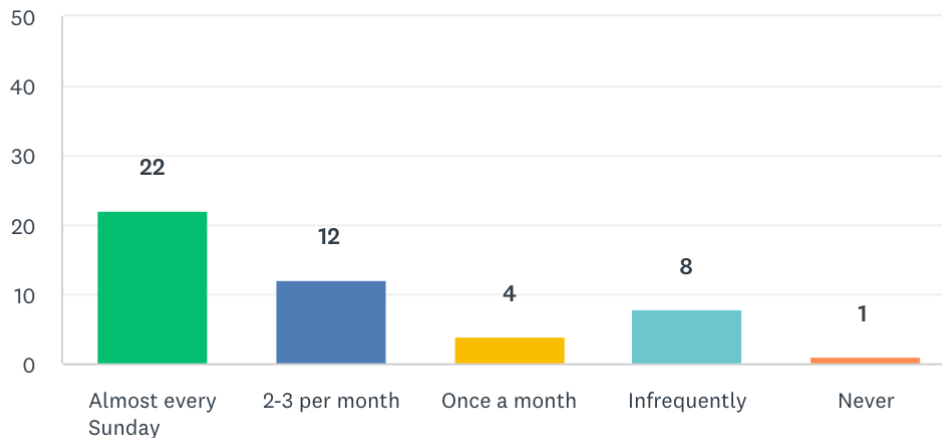
Possible Gifts from Outside the Congregation

Interview participants offered up the names of people outside the congregation who might be willing and able to contribute to the capital campaign. The suggested names will be shared with the Capital Campaign team.

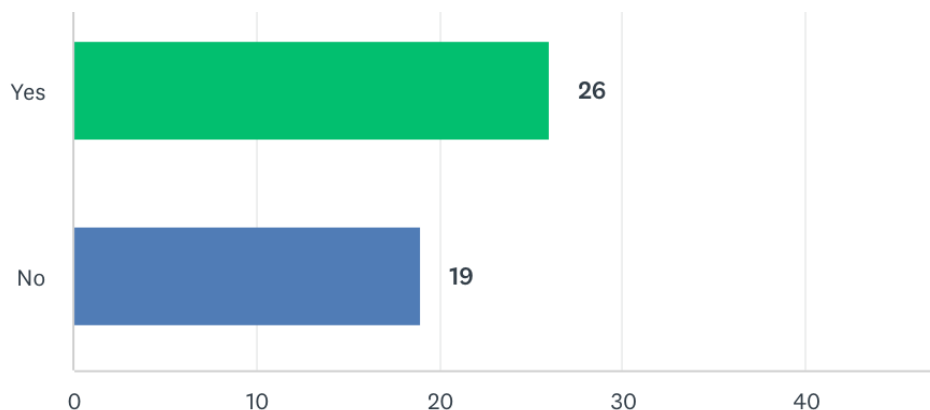
Planned Giving

Seventeen households indicated they had included St. John's in their estate planning.

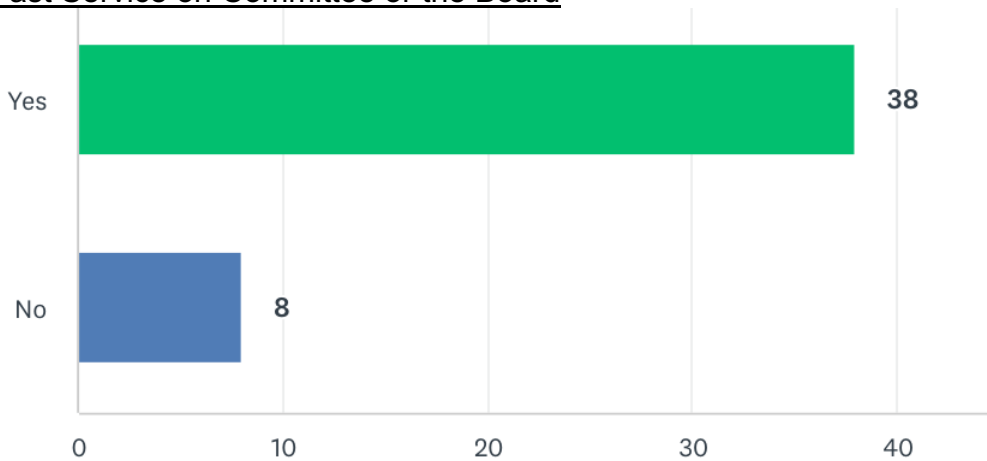
Attendance at Sunday Services



Current Service on Committee or the Board



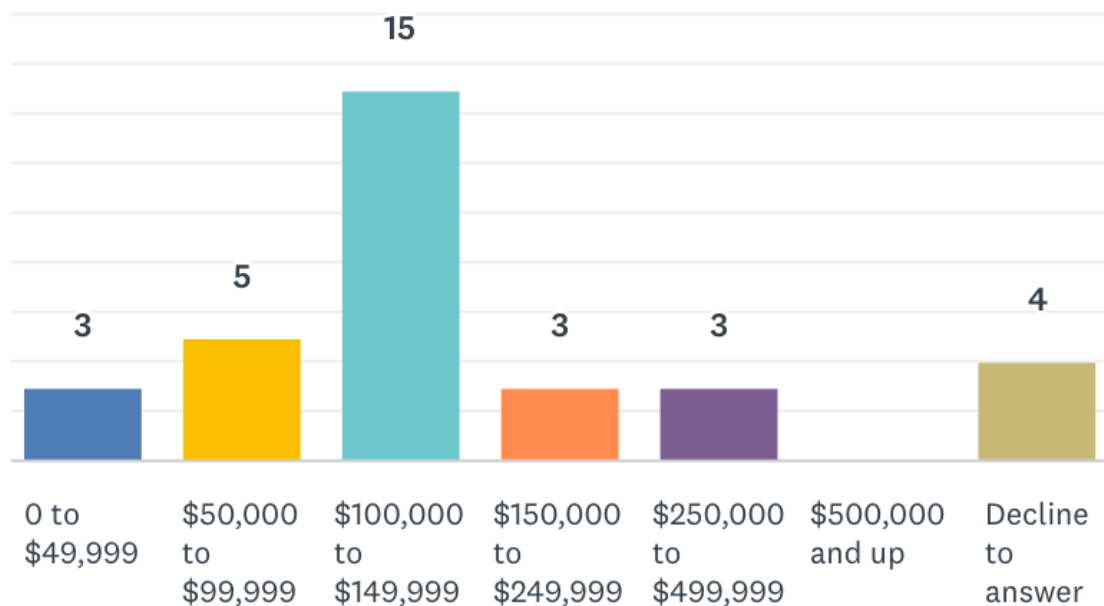
Past Service on Committee or the Board



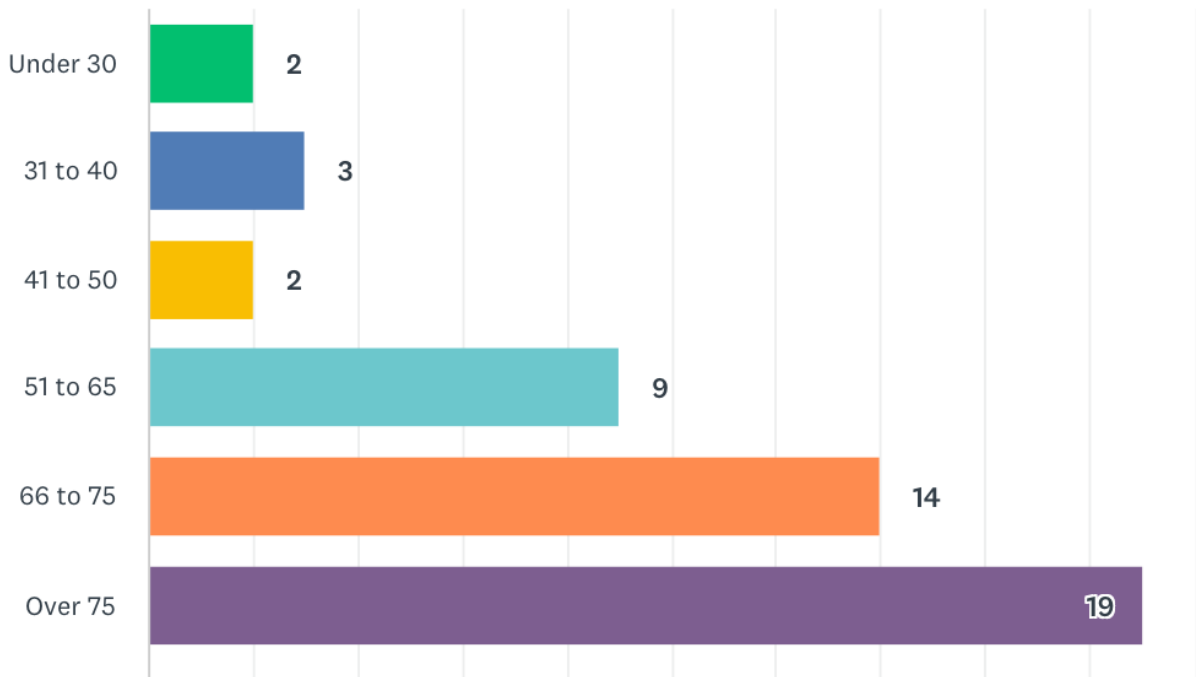
Participants were asked if they had children or grandchildren in the RE program



The Household Income of Participants



Age Range of Participants



IV. Recommendations

Based on the results of the study and analysis of the findings, I recommend that St. John’s consider their restoration and renovation work using a phased approach. The study’s findings show that, with a successful campaign effort launching this month, you should be able to raise the funds needed for the restoration of the sanctuary wall at the new estimate plus more to be used toward your next priorities.

Many of the people I spoke with are distracted, not only by two and a half years of pandemic living and the state of our world, but also distressed by what’s been happening at their spiritual home – they’re worried about St. John’s. That distress makes it harder to focus on whether one wants a new kitchen or a remodeled welcome space but creating a St. John’s with a strong welcome for new families will require updates.

The study said to me that now seems to be a time for you to focus on primary needs. You can raise the funds to renew your sanctuary and spend the time and energy needed to renew your spirits too -- so you can build that future so many described to me – a future where there are new generations finding their spiritual home at St. John’s.

Next steps:

- Present the results of the feasibility study to the congregation and provide an opportunity for discussion.
- Determine a campaign goal and a communications plan and a timeline for the campaign.
- Launch the leadership phase of your campaign. Conduct visits to those indicating major gifts and visit all other households not part of the study whom you think may make a major gift.
- The Capital Campaign Team should confirm the willingness of the study participants who agreed to be visiting stewards and ensure that each steward is assigned no more than four households to approach for a gift to the campaign. Additional visiting stewards will need to be recruited beyond those identified in the study.
- Host a training for visiting Stewards.
- Conduct the general phase of the campaign based on face-to-face stewardship visits—this is an essential method for a successful capital campaign.
- Share your own stories and ideas for how to access the funds to contribute. Some of these will be part of the stewardship training.
- Ensure that congregants know that gifts of every size are welcome. Every member of the congregation should be invested. If a financial contribution isn't possible, encourage people to participate through time and/or creativity.
- Ensure that your congregants know that they should not reduce their annual contribution in order to make a gift to the capital campaign. Continuing robust support of your programs will be essential for both the short and long-term health of the congregation.
- Note that Congress has made permanent the IRA tax provision that allows gifts from IRA's to charitable institutions to be excluded from taxable income if age 72 or older. People can gift their required minimum distributions directly to the congregation to avoid paying tax on that income and sometimes avoid being placed in a higher tax bracket due to those funds being excluded from income when they are gifted.
- For financial tracking of capital campaign pledges and income, it is recommended that there be two separate people tracking the incoming gifts as well as outgoing payments for building costs. This system is often accomplished by having a capital campaign treasurer or campaign finance chair who is separate from the church treasurer, followed by monthly or periodic verification

by a bookkeeper. A separate account for capital funds is also recommended, rather than simply keeping a spreadsheet that separates annual and capital funds; it reduces the opportunity for conflict and donors will be confident that their capital gifts are being allocated according to their intentions.

- Note that there may be slippage. Some people will not fulfill their pledges for one reason or another. We usually see 5 to 10% in slippage.

VI. Closing

I am confident that you can be successful with this campaign and will be able to restore your sanctuary wall and do more renovations. This is a vital step in continuing the long and powerful legacy of St. Johns!

Please let me know if you have any questions.

Love,



Rachel Maxwell
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