

# **Fundraising Planning Study Report**

*Presented To*

**St. Katharine Drexel Parish**

**Beaver Dam, Wisconsin**

**By: Walsh & Associates, Church Fundraising Specialists**

## STUDY PURPOSES & PROCESS

The primary purposes of the fundraising planning study were to determine:

1. The **climate for fundraising** in the church and local community, which involved assessing satisfaction with the church, awareness of, and acceptance for, your planned project and campaign, and the competitive environment for philanthropic funds at this time;
2. Your **volunteer and volunteer leadership potential** and the names of prospective key leaders;
3. Your **financial potential** and estimated gift potential of prospective key donors;
4. The **best way** to prepare for and/or proceed with, package and promote your project and campaign effort in order to achieve optimal results and ultimate success.

The study process involved five phases or steps:

1. **Preparation.** During this initial phase of the study process, an overall study strategy and schedule was developed; relevant information about your project and campaign was gathered; a preliminary case statement outlining your needs and plans was prepared; survey questionnaires were developed; a selection of interview candidates was made from a list of the most active and generous parish members; a phone script to be used to invite them to participate in the study was outlined; and interviews were scheduled.
2. **Informational Meeting.** Prior to commencing with member surveys, members were invited to a church-wide informational meeting to learn more about your project and campaign. We suggested an agenda for this meeting, and key comments, questions and suggestions were noted and included in our analysis and report.
3. **Individual Interviews.** We (Walsh & Associates) sought to interview up to 45 of some of your most active members, who are important people to listen to and hear from because they have the greatest influence on any church campaign's success. During this phase of the study, a total of 38 confidential interviews involving 63 individuals were actually conducted. The primary purpose of the interview discussion was to inform people about the proposed project and campaign, to assess their awareness and acceptance of it, as well as their willingness to support it, and to record their feelings about how others might react and respond.
4. **Data Compilation, Analysis and Report Preparation.** During this phase of the study, all of the information gathered was compiled and analyzed, and a written report of the study results and our recommendations was prepared.
5. **Presentation of the Report.** The final phase of the study process involves presenting our findings and recommendations to the person(s) who authorized the study, answering any questions that might arise, and deciding how to best proceed with a campaign effort that will ultimately meet the needs of parish members. The conclusions reached and recommendations made in this report are based on our analysis of all of the information gathered, responses to our interview questions, and our firm's experience in conducting similar fundraising campaigns

## SUMMARY OF RESPONSES

A total of 38 individual interviews were conducted, involving 63 individuals. When couples (e.g., husbands and wives) were interviewed or completed surveys together, individual responses were encouraged and many times received. Sometimes too, two answers were given by an individual to a single question. For example, some may have responded that they felt acceptance for a campaign would be "fair" to "good." In this and similar instances, two answers were recorded. In addition, there were times when a person was not able to answer or, if not appropriate or applicable, was not asked certain questions. This explains why the total number of responses does not always equal the total number of individuals interviewed or responses received. In addition, percentages may not add up to 100% due to minor differences in rounding.

### 1. How satisfied are you with St. Katharine Drexel Parish and the programs and services the church provides?

	<u>No.</u>	<u>Percent</u>
Very Satisfied	26	40%
Satisfied	35	54%
Somewhat Dissatisfied	3	4%
Dissatisfied	1	2%

### 2. How well informed would you say that you've been about the church's needs and plans to Renovate Our Worship Space, Improve Accessibility and Expand Our Facilities?

	<u>No.</u>	<u>Percent</u>
Well Informed	22	35%
Have General Knowledge	25	40%
Know Very Little	13	21%
Uninformed	3	4%

### 3. Overall, how important do you think it is to address these needs?

	<u>No.</u>	<u>Percent</u>
Very Important	39	58%
Important	18	27%
Nice to Do	8	12%
Not Needed	2	3%

4. Individually, how would you rate addressing each of these needs and the proposed project's major parts in terms of importance?

<u>Need</u>	<u>Very Important</u>	<u>Important</u>	<u>Nice to Have/Do</u>	<u>Not Important</u>
<b>Build an addition with Eucharistic Chapel, a Narthex, Gathering Space, Kitchenette and Storage</b>	29 / 48%	14 / 23%	14 / 23%	4 / 6%
<b>Reconfigure Entryways</b>	20 / 33%	23 / 38%	15 / 25%	3 / 4%
<b>Worship Space Enhancements</b>	51 / 84%	8 / 13%	2 / 3%	0/0%
<b>Improve Accessibility</b>	43 / 70%	15 / 25%	2 / 3%	1 / 2%
<b>Exterior Wood Repair and Tuckpointing</b>	51 / 84%	10 / 16%	0 / 0%	0 / 0%

5. Were you aware that the church was considering a major fundraising campaign to address these needs?

	<u>No.</u>	<u>Percent</u>
Yes	58	95%
No	3	5%

6. In your opinion, what would be the acceptance level among members for a fundraising campaign that would address these needs?

	<u>No.</u>	<u>Percent</u>
Excellent	3	4%
Good	36	50%
Fair	28	38%
Poor	6	8%

**7. If the cost of the project is estimated to be in the \$3,700,000 range, how much money do you think can realistically be raised from all members and select others in pledges payable over a minimum of three years?**

	<u>No.</u>	<u>Percent</u>
\$3,700,000 - or more	2	4%
\$3,000,000 - \$3,699,999	2	4%
\$2,500,000 - \$2,999,999	3	6%
\$2,000,000 - \$2,499,999	11	22%
\$1,500,000 - \$1,999,999	13	27%
\$1,000,000 - \$1,499,999	15	31%
\$500,000-\$999,999	3	6%
Less than \$500,000	0	0%

**8. If a campaign is conducted, do you think you might consider or accept a campaign leadership position if asked?**

	<u>No.</u>	<u>Percent</u>
Yes	5	8%
Maybe	15	24%
No	42	68%

**9. If not a leadership position, would you work on the campaign in some other capacity?**

	<u>No.</u>	<u>Percent</u>
Yes	32	52%
Maybe	16	26%
No	14	22%

**10. If a campaign is conducted, do you think you might make a gift?**

	<u>No.</u>	<u>Percent</u>
Yes	38	100%
Maybe	0	0%
No	0	0%

**11. If you were to make a gift, what range gift do you think you might consider over a three-year time period?**

Of the 38 individuals or couples who said they would make or would consider making gifts, 30 mentioned specific amounts or a gift range they might consider. The highest gift or range gift that any one individual, couple or institution said they would make or consider was in the \$200,000 range. One individual or couple said they would make or consider such a gift. The combined total of specified gifts that those interviewed said they would, or might consider ranged from a low total of \$583,000 to a high total of \$677,500.

**12. Are you aware of any other campaigns that are in progress or being planned that might conflict with a campaign for St. Katharine Drexel Parish?**

	<u>No.</u>	<u>Percent</u>
Yes	15	41%
No	22	59%

Potential conflicts mentioned more than once included planned, actual or potential campaigns for Beaver Dam Community Theatre and the YMCA.

## **CONCLUSIONS**

### **A. SATISFACTION WITH THE CHURCH**

The level of satisfaction with St. Katharine Drexel Parish is very high at the present time. In fact, 94% of survey respondents said that they were either satisfied or very satisfied with the church and the programs and services that you currently provide. This is obviously conducive to a successful campaign.

People are especially appreciative of Father Mike, his leadership, his positive push for various parish improvements together and the fact that he gets things done. People are also appreciative of the variety of ministries that are offered and available to parishioners. Sources of discontent were minimal yet included thoughts that overall parish communications together with programming for religious education, youth and young adults could be improved, the latter of which might also help with your decline in membership and enrollment at your school which were also causes for concern for some. Our sense though, is that your decline in membership, in particular, may be more due to issues with past priests and your past merger because most people's comments led us to believe that under Father Mike's leadership the parish is on a bit of an upswing which should help to enhance membership together with the physical improvements that you are planning to make through this project and campaign.

So all in all, this high level of satisfaction with the church overall combined with the overall encouragement we sense for recent improvements made, should prove helpful for your campaign.

### **B. PROJECT AWARENESS AND ACCEPTANCE**

Seventy-five percent (75%) of survey respondents felt that they were either well informed or had a general knowledge of your needs and plans. Consequently, we view the level of awareness for your project to be fairly high at the present time even though many said that their primary knowledge of what is being proposed came through communications related to this feasibility study. In addition, 85% of survey respondents felt that addressing your needs as expressed was either important or very important. This is a high level of acceptance for the proposed project overall, which is obviously conducive to a successful campaign.

During the conduct of our study, we also assessed acceptance for all of the proposed project's major parts and found that all received majority acceptance among survey participants. Rated the highest priority among survey respondents was your expressed needs and proposed plans for addressing your

exterior maintenance needs including tuckpointing and wood repairs. Of survey respondents, 100% rated this as important or very important to do and commented that “it needs to be done to protect the interior assets of the church.”

Your proposed plans for your various worship space and environment enhancements were rated as your second highest priority with 97% of survey respondents indicating this was important or very important to address. Improvement of your sound system and replacement of your pews were particularly well received. A stronger case needs to be made however for replacing your organ, which was less well received.

Rated the third highest priority among survey respondents was your expressed needs and proposed plans for improved accessibility. From new and improved restrooms and ramps, 95% of survey respondents rated this component of your plans as important or very important to address. Reconfiguring your entryways and funneling people into a new main entryway was rated the fourth highest priority among those we heard from with 70% of survey respondents saying they felt this component was important or very important to address.

Your expressed needs and proposed plans for building a new multi-use addition to provide an expanded gathering space with warming kitchen, additional meeting and storage space, new restrooms and a chapel was rated as the fifth highest priority with 70% of survey respondents rating this element as important or very important to do. Some felt that building this addition was unnecessary however, because the spaces within it would replicate spaces that some feel are already available, such as the chapel. So while a clear majority favor such an addition, it’s also clear that an expanded and more compelling case needs to be made for the needs for the uses and benefits of these spaces within the proposed new addition and how they will either replace or enhance the spaces you already have which some see as already adequate.

Overall too, people want to see visuals (like site and floor plans and renderings) of what is proposed. Apparently, many haven’t seen these yet even though some rough sketches do exist. They also want to know how these improvements fit into the bigger vision for your parish including how they will help to enhance ministry and/or attract more people into your parish community.

Addressing these questions and needs will undoubtedly only further enhance acceptance for your proposed project and its various components which, for the most part, are already well received.

### **C. CAMPAIGN AWARENESS AND ACCEPTANCE**

Awareness of a fundraising effort designed to address your expressed needs is very high at the present time with 95% of survey participants saying that they knew a campaign was being considered or planned.

Acceptance for such an effort is also viewed to be fairly high at the present time with a majority of survey respondents saying that they felt that acceptance for such an effort would be “good” or “excellent.”

Finally, it was also especially encouraging to note that 100% of survey respondents said that they would either make or consider making a gift to the campaign. This further demonstrates that a high level of supportiveness for your proposed project and campaign effort already exists, which

underscores the importance of moving forward relatively immediately to address what most clearly see as important to critically important needs.

#### **D. COMPETITION FOR FUNDS**

Competition for philanthropic funds should not be a major issue for you at the present time. In fact, 59% of survey respondents said that they did not know of any potentially conflicting projects or campaigns that were in progress or planned that might adversely affect your campaign plans.

In fact, the only effort that was mentioned multiple times as a potential conflict for your planned campaign is the campaign for the Beaver Dam Community Theatre. In our experience, though, community wide efforts such as these will have no significant or widespread detrimental effect on a parish campaign's success which makes now an ideal time to launch and run a campaign from a competitive perspective.

#### **E. VOLUNTEER AND VOLUNTEER LEADERSHIP POTENTIAL**

Campaigns of this nature are not only volunteer intensive, they're volunteer dependent. Consequently, it is essential to have ample, able and willingly available volunteers and volunteer leadership for a successful campaign.

Ideally, you should have one volunteer for every five or six households that contributes something at least annually to your church. In your case, with roughly 916 contributing households, this translates into having up to 153 people actively involved in the campaign as volunteers. At least 30% of these, or 46 people and ideally couples, would be needed to serve in key leadership capacities enlisting, soliciting and supervising other volunteers and volunteer leaders. And, as a general rule of thumb, you should have at least two candidates for every volunteer leadership position that needs to be filled. For your church, this means you should have a pool of at least 92 key leadership candidates to assure that these critical positions are filled. During the course of our interviews, 49 different individuals or couples were named among the best possible leaders for a campaign. This is less than the ideal pool of quality candidates that we would need, which indicates that you could have some problem attaining the quality and quantity of volunteers and volunteer leaders that we would ideally need and like to see for your campaign.

Willingness to work on the campaign, especially in a leadership role, is also critical to your success and something that we also assessed. And the study shows that 32% of those interviewed (who are presumably some of the most active and generous people to your church now) indicated a willingness to consider leadership positions in the campaign if offered or asked. This approximates the typical one-out-of-three willingness-to-lead response that we ideally like to see which indicates that you should not have a significant problem attracting the quantity of leaders you would need for an optimally successful campaign.

On an even more positive note the fact that willingness to get involved in key leadership roles actually increased among those recommended most to us as the best possible leaders for your campaign. In fact, of the 24 individuals or couples recommended to us multiple times as being among the most capable leaders for your campaign, we interviewed 11 of them, and 8 of the 11, or 73% indicated a willingness to get involved in a leadership role if offered or asked. Furthermore, of the 18 individuals or couples that were recommended to us three or more times as being the most capable to lead your campaign, we interviewed 9 of them, and 7 of the 9 or 78%, said they would or

might accept campaign leadership positions if asked. Finally, of the 5 individuals or couples that were suggested five or more times as being the best to lead your campaign, we interviewed 4 of them, and 4 of the 4, or 100% said that they would or might accept a leadership role in your campaign if it were offered to them. This willingness to get involved as key leaders among those mentioned most as the best to lead your campaign is significant in that campaigns of this nature tend to have somewhat of a bandwagon effect with most people waiting to get involved until those they know and respect most already have.

Additionally, it was encouraging to note that 78% of survey respondents said that they would or might work on the campaign in some capacity if asked, which is far higher than the one out-of-two willingness to work response that we typically and ideally like to see.

So, in summary, your prospects for getting both the quality and quantity of volunteers and volunteer leaders that you would need for a successful campaign looks to be promising at the present time.

## **F. FINANCIAL POTENTIAL**

A number of considerations are used to determine financial potential. All of the previously discussed criteria – satisfaction with the church, acceptance of the proposed project and campaign, competition for funds, and leadership potential – are all major considerations.

Another important criterion in estimating financial potential is the opinion of the church members themselves, since experience, for the most part, shows that people tend to perform at the level they think they are capable of, and rarely above. And, the study shows that a majority of those interviewed (63%) believe that at least \$1,500,000 can realistically be raised over a three-year pledge period for your proposed campaign.

We also look at prospects for pacesetter gifts in evaluating a church's financial potential. To reach your capability in a fundraising effort of any significance, you would normally need and ideally receive at least one gift equal to 10% or more of your goal. Furthermore, you should have at least three prospective contributors rated as capable of making the top gift that you need. In your case, the top three rated prospects for gifts were consistently rated as capable of contributing an average of \$70,000 if they were so inclined. This would indicate a potential for raising at least \$700,000 under this financial formula. It should be noted however that very few evaluations of gift potential for others (despite our best efforts to get them) were received.

We also looked at the top gifts that your people expressed a willingness to consider or make in evaluating your financial potential. And during the course of our study, the top gift(s) that any one person said they would be willing to consider or make was \$200,000. This would indicate a potential to raise \$2,000,000 under this financial formula.

Finally, one of the best barometers of financial potential is current giving. Normally, a church should be able to raise at least three times its annual offerings in a well-run and received campaign for a project of this type. And according to information provided to us, approximately \$1,031,742 in such income was received over the past 12 months. This would indicate a potential for raising at least \$3,095,226 in your campaign.

The average of the aforementioned indicators amounts to \$1,823,807. Consequently, we believe that you have the potential to raise a minimum of \$2,000,000 to \$3,000,000 over a three-year period in your planned campaign in addition to other funds that you may already or eventually have available for this project and campaign.

## **RECOMMENDATIONS**

1. That you consider completing the project and/or the fundraising for it in multiple phases, if needed, based on what people want, will support and to what extent, as well as what seems to make the most practical sense. What seems to make the most practical sense to us is that you complete the entire project all at once since you can feasibly expect to raise more than half of the proposed project's total cost, which meets Archdiocesan funding/financing requirements, construction costs and interest rates are still competitive and low, what you have proposed is all well received, and the fact that a majority of the project's cost is the addition itself which does not lend itself well to physically phasing without substantial additional cost. We then suggest that you do a second successive campaign to retire whatever (hopefully nominal) debt remains.
2. That you begin the planning and organizational work for your capital campaign as soon as possible, ideally right away and, in any event, by no later than the first week of August so that your campaign can be completed by or before the end of the year. This will enable you to take advantage of the high levels of satisfaction with the church, the high level of awareness and acceptance for the proposed project and its components, the high level of awareness and acceptance for the proposed capital campaign, and the low level of competition for philanthropic funds that currently exists. Finally, it will also allow you to capitalize on the momentum gained for the project and campaign through the conduct of this study before enthusiasm starts to wane.
3. That you establish a "minimum goal" of \$2,000,000 for the initial phase of the campaign effort, which is in line with what we believe you can realistically expect to minimally raise. We also suggest that an additional, higher "challenge goal" equal to the proposed project's' total cost be set, which will enable you to complete the project without debt, eliminate the need for a second, successive campaign, and keep people from becoming complacent once the minimum goal is met.
4. That you secure or begin to finalize plans and secure concrete cost estimates for the proposed project.
5. That you begin to develop responses to some of the other most commonly raised questions, concerns and suggestions that surfaced as a part of this study, which will then need to be incorporated into the final case statement and various other communication mediums that will be used throughout the campaign.
6. That you develop with our assistance 'giving opportunities' that give people an idea of what their gifts at various levels will enable the church to do. Such opportunities inspire people's generosity and will help you to stimulate substantially larger gifts than you otherwise might get without them.
7. That you recognize all donors to your campaign in some special and significant way such as a donor book or wall to be dedicated and placed in a very visible part of your facilities.
8. That you educate people about and promote planned or creative gifts to the campaign and your church with our assistance. Such gifts may enable your members to make better and more beneficial gifts to the campaign and your church which will be helpful to both you and to them.

9. That as part of the preparation process for your campaign, you have us help organize and conduct a no fee 'member census' to gather more extensive contact and other information, where needed, for your members which will help you not only during, but after your campaign as well. This census would have as its purpose gathering multiple phone numbers, mail and email addresses for your members to make communicating with them more efficient and effective. It can also be used to identify those who can only read and speak in a certain language (other than English). This special census can easily be taken as part of your scheduled services over successive weekends by having cards available in people's seats or pews that they can complete and you could then collect. You can also do an all or select member follow-up mailing to those who haven't responded, if desired.

10. That you initiate and implement, within three to nine months after the campaign ends, a more formal, holistic and professionally run stewardship program at your church. Such a program should have at its core a strong initial and ongoing educational component emphasizing what it means to be a Christian steward in every sense; it should be led by a sound and well-rounded, standing stewardship committee that will assure that the program is ongoing and holistic in nature; it should have a strong volunteer stewardship component that seeks to get more deeply involved in the life of your church; and it should have a strong financial stewardship component that seeks not only to expand regular weekly giving, but also special and substantial short and long-term gifts to your church. This may help you to support any interim, short-term debt and increased operating expenses that you may incur as a result of this project and/or may enable you to finish your proposed project sooner than might otherwise be possible without it.