



2015-16 Renovation Project

Capital Campaign
Financial Feasibility Study

All Souls Unitarian Universalist Church
Kansas City, MO

December 2015

Introduction

The objectives of this Financial Feasibility Study (FFS) are:

- ▶ To determine the readiness of All Souls Kansas City to conduct a capital campaign to finance a major Building Renovation Project
- ▶ To estimate how much money such a campaign might raise
- ▶ To identify next steps to maximize chances of success




The FFS was conducted by Barry Finkelstein, a Unitarian Universalist *Stewardship for Us* Consultant



Background: The Opportunity

The Building Renovation Project and capital campaign is a once-in-a-generation opportunity to support All Souls' mission, which is to:

- ▶ **Build a respectful, caring community**
- ▶ **Inspire personal and spiritual growth, and**
- ▶ **Create a just and compassionate society**



The Ministers and Social Responsibility Board of All Souls Unitarian Universalist Church recall to mind the 937 passengers of the ocean liner St. Louis voyage in 1939, turned away from our shores, as well as 120,000 Japanese-Americans held in U.S. prison camps between 1942 and 1946.

We stand with all victims of terrorist violence, including the citizens of Beirut and Paris, and millions of our Syrian sisters and brothers recently driven from their homes by sectarian extremists.

We congratulate Governor Jay Nixon for his courageous hospitality in affirming the continued resettlement of Syrian refugees in Missouri, and pledge our welcome and support to these new neighbors.



www.AllSoulsKC.org



Background: The Renovation Project

- ▶ In the summer of 2014 All Souls held Vision Listening Sessions, and more than 100 people participated. There was almost unanimous support for staying in the current location and making the facility safe and accessible.
- ▶ Participants also strongly supported facility enhancements to accommodate current programming and growth in membership to as many as 500-600.
- ▶ At the May 2015 Annual Meeting, the voting members authorized taking the next steps toward a capital campaign.
- ▶ In November 2015, the architects engaged by All Souls presented a concept design for the renovations, which address maintenance and structural issues, accessibility including an elevator, a prominent and inviting new entrance, and improved functionality and aesthetics of the space
- ▶ You have established a Steering Committee and Capital Campaign Leadership Team to move the process forward
- ▶ The estimated price tag for the project is \$2.5M.



Methodology and Scope

- ▶ The Study was based largely on information collected from 63 members comprising 51 households:
 - ▶ Confidential in-person interviews with 36 people representing 28 households
 - ▶ On-line survey of 27 people including the Steering Committee, Capital Campaign Team, Board, and Minister representing 23 households
- ▶ Interviewees were selected to be generally representative of the Congregation, with an over-weighting of potential larger contributors
- ▶ The 51 households in the Study represent 28% of the 182 pledging households, and their pledges account for 48% of the total dollars pledged.
- ▶ Two households have already made large gifts to the capital campaign and their financial information is reflected in the Feasibility Study, bringing the total to 53 households representing 50% of the annual pledge dollars.



Methodology: Data Collection

- ▶ The interviews and survey covered the following:
 - ▶ Familiarity with and support for the project
 - ▶ Priority of this effort in the life of the Congregation
 - ▶ Personal connection to All Souls and vision for the future
 - ▶ Likely financial contribution to the campaign
 - ▶ Factors that might affect support for the effort and level of giving to the campaign
- ▶ The data was analyzed to assess the level of enthusiasm for the renovation plans and to estimate the amount of money that might be raised
- ▶ The findings are summarized in the balance of this PowerPoint report with additional details in Appendix A



Methodology: Analysis

- ▶ Multiple approaches and scenarios were used to estimate the amount of money that might be raised, and hence to help set an inspiring yet attainable campaign goal
 - ▶ The planned giving levels of FFS participants were used to create multiples of their annual giving, and these were then used to project beyond the study group.
 - ▶ Results were adjusted to reflect the bias of the study sample toward likely generous givers.
 - ▶ Two Essential Gifts Charts were created to indicate the number of gifts at each level needed to achieve three possible goals. The intended gifts planned by FFS participants were slotted into their levels, and the charts used to highlight additional gifts needed.



Results: Support for the Project

- ▶ The Building Renovation Project enjoys broad support. On a scale of 1 to 10, the **average importance rating was 7.93**. Of 61 respondents, only 3 rated it below 5, and 43 rated it 8 or higher
- ▶ The most important features of the project:
 - ▶ Maintenance and structural issues (23)
 - ▶ Inspirational spaces and features, notably the new entrance (14)
 - ▶ Accessibility, elevator (11)
 - ▶ Improved functionality, safety, noise, flow (8)
 - ▶ Other (5)
- ▶ There were no surprises among the concerns expressed: money, parking; not ambitious enough; items left out



Results: The Project and People's Vision

- ▶ People were eloquent about their vision for the future of All Souls, with many hoping for growth:
 - ▶ 37 people indicated a preference for growth, with many hoping for an influx of young adults and families
 - ▶ 12 People spoke of being a beacon, a hub, an urban center, a liberal religious voice and significant presence in the Kansas City community
 - ▶ Uplifting words like thriving, vibrant, life-changing, justice-seeking
- ▶ People were enthusiastic about how well the project supports their vision of the future of All Souls, with an **average rating of 7.76**, and only 5 ratings below 5.



The Process and Engagement

- ▶ The engagement process has been effective:
 - ▶ Of 61 respondents, 34 (56%) are very familiar, 20 (33%) are somewhat familiar, and only 7 (11%) are not very familiar.
 - ▶ On a scale of 1 to 10, people rated the effectiveness of the engagement process at **8.2 on average**. Only one person rated effectiveness lower, than 5 and 37 rated it 8 and above.
- ▶ The Study confirmed that people are committed to the decision to stay and renovate. Virtually everyone said something like “we have to do this”



The numbers*

- ▶ People are willing and excited to invest in this project:
 - ▶ The 53 households in the Study that indicated an intention to pledge plan on contributing a total of \$688,000, for an average pledge of almost \$13,000.
 - ▶ The amount intended for the capital campaign is 4.5 times the annual giving for the study participants
 - ▶ This represents 69% of a \$1M goal; 46% of a \$1.5M goal; and 28% of a \$2.5M goal.
 - ▶ 21 of these households are planning major gifts of \$10,000 or more, for a total of \$567,000.
 - ▶ Ten pledges are \$20,000 and up, and the top two total \$180,000
 - ▶ These lead pledges should be highly inspirational to the rest of the Congregation – likely achieving a tipping point toward success
 - ▶ Six households (12%) indicated “no commitment at this time” -- due to a combination of personal financial considerations and non-support of the project. These include two of our largest annual contributors

*Note: the numbers on this slide include the two recent large gifts of \$50K & \$30K



The opportunity and challenge

- ▶ The data indicates that All Souls can raise around \$1.1M, plus or minus 10%
- ▶ The various scenarios produced results ranging from a low of just under \$1M to a high of \$1.25M
- ▶ The \$1.1M total is 3.5 times annual giving, and \$1.25M is 4 times annual giving – multiples that might be attainable
- ▶ The Essential Gifts Charts on the following two pages indicates what is needed to reach \$1M and \$1.5M



Essential Gifts Chart - \$1M Campaign

Gift Range	Number Needed	\$\$ Needed	Number In Hand	Likely Dollar Amounts In Hand	Per Cent in Hand	Average In Hand	Number Still Needed	\$\$ Still Needed
100,000+	1	\$100,000	1	\$100,000	100%	\$100,000	0	\$0
75,000+	1	\$80,000	1	\$82,500	103%	\$82,500	0	-\$2,500
50,000+	2	\$110,000	1	\$50,000	45%	\$50,000	1	\$60,000
40,000+	2	\$85,000	0	\$0	0%	\$0	2	\$85,000
30,000+	3	\$95,000	4	\$120,000	126%	\$30,000	-1	-\$25,000
20,000+	5	\$110,000	3	\$66,000	60%	\$22,000	2	\$44,000
10,000+	10	\$110,000	11	\$148,800	135%	\$13,527	-1	-\$38,800
TOTAL MAJOR	24	\$690,000	21	\$567,300	82%	\$ 27,014	3	\$122,700
7,500+	12	\$95,000	3	\$24,750	26%	\$8,250	9	\$70,250
5,000+	20	\$100,000	11	\$61,650	62%	\$5,605	9	\$38,350
3,000+	25	\$85,000	7	\$25,600	30%	\$3,657	18	\$59,400
<3,000 (non-zero)	61	\$30,000	5	\$8,550	29%	\$1,710	56	\$21,450
TOTAL GENER.	118	\$310,000	26	\$120,550	39%	\$ 4,637	92	\$189,450
GRAND TOTAL	142	\$1,000,000	47	\$687,850	69%	\$ 14,635	95	\$312,150
Percent of Total from Major Gifts		69%		82%				



Essential Gifts Chart - \$1.5M Campaign

Updated with Intended Major and General Gifts From FFS								
Gift Range	Number Needed	\$\$ Needed	Number In Hand	Likely Dollar Amounts In Hand	Per Cent in Hand	Average In Hand	Number Still Needed	\$\$ Still Needed
100,000+	2	\$225,000	1	100000	44%	\$ 100,000	1	\$125,000
75,000+	2	\$160,000	1	82500	52%	\$ 82,500	1	\$77,500
50,000+	4	\$220,000	1	50000	23%	\$ 50,000	3	\$170,000
40,000+	4	\$160,000	0	0	0%		4	\$160,000
30,000+	6	\$190,000	4	120000	63%	\$ 30,000	2	\$70,000
20,000+	6	\$130,000	3	66000	51%	\$ 22,000	3	\$64,000
10,000+	10	\$110,000	11	148800	135%	\$ 13,527	-1	-\$38,800
TOTAL MAJOR	34	\$1,195,000	21	\$567,300	47%	\$ 27,014	13	\$627,700
7,500+	12	\$95,000	3	24750	26%	\$ 8,250	9	\$70,250
5,000+	20	\$100,000	11	61650	62%	\$ 5,605	9	\$38,350
3,000+	25	\$85,000	7	25600	30%	\$ 3,657	18	\$59,400
<3,000 (non-zero	55	\$25,000	5	8550	34%	\$ 1,710	50	\$16,450
TOTAL GENER.	112	\$305,000	26	\$120,550	40%	\$ 4,637	86	\$184,450
GRAND TOTAL	146	\$1,500,000	47	\$687,850	46%	\$ 14,635	99	\$812,150
Percent of Total from Major Gifts		80%		82%				



Questions re the \$1M Essential Gifts Charts

- ▶ To reach \$1M, we need 3 to 5 additional major gifts for \$122,000. Can we find these?
- ▶ To reach \$1.5M, we need 13 or more additional major gifts for over \$600,000. Can we find these?
- ▶ Most likely these gifts will come from the top 3 quartiles in annual giving. Of those, the following 35 are not yet included:
 - ▶ Q1: 3 households
 - ▶ Q2: 6 households
 - ▶ Q3: 25 households
- ▶ The high end of Q4 has potential as well, especially those giving \$1,000 and up for the annual budget.
- ▶ The average multiple of annual giving represented by the FFS participants is 4.5. The multiples varied across the quartiles from 1.5 to 6.8, with the lowest in Q1 which is unusual.



Notes on Annual Giving

- ▶ Annual giving data includes \$31,000 in contributions from 39 households who do not pledge but give on a regular basis. These households and their annual contributions were treated the same as pledges in the study. This may be a little soft.
- ▶ The above comprises just over 20% of households and 10% of the dollars.
- ▶ The pledge file includes 166 households with no pledge or regular giving record. It would be worth analyzing this population.



Reasons to be Optimistic

- ▶ Several people had little knowledge about capital campaigns and their own giving capacity – there is upside potential via education and communication
- ▶ Seven people indicated they might give more once they see that others are making significant gifts; the FFS results may accomplish that
- ▶ Guesses about how many contributions would be above \$10,000 indicated optimism – the average guestimate was 46, or 25% -- more than called for in the Essential gifts Chart
- ▶ Three of your top 8 annual givers were not available for the FFS, and are candidates for significant gifts



What will it take to achieve the goal?

- ▶ Continued focus and momentum building
- ▶ Continued visible and enthusiastic commitment by the Board and Minister
- ▶ Additional details to inspire the rest of the Congregation and to give confidence in the practicalities:
 - ▶ Greater clarity about the plans – text or narrative to accompany the drawings
 - ▶ A comprehensive financial plan
- ▶ An expanded Leadership Team and many helpers to plan and carry out an effective capital campaign
- ▶ A campaign to educate and communicate about the financial aspects of the campaign
- ▶ A capital campaign strategy to solidify intended gifts and line up the remaining ones: approach and strategic ask tailored to each household



Data highlights

- ▶ **Volunteering for the campaign:**
 - ▶ 23 people agreed to be visiting stewards, and 7 are not sure
 - ▶ 12 people agreed to do other tasks, and 15 are not sure

- ▶ **Planned Giving:**
 - ▶ 27 people have included All Souls in their estate planning
 - ▶ 6 people would like information about how to do that

- ▶ **Names provided separately**



Recommendations – Campaign Goal

- ▶ Set a goal you believe in, considering the following:
 - ▶ The FFS results which indicate a target somewhere between \$1.2M and \$1.3M
 - ▶ Your assessment of the Essential Gifts Charts and whether the needed gifts are likely to be attainable
 - ▶ The likelihood that people not included in the Study will contribute at higher levels
 - ▶ The possibility of increased giving levels among Study participants once they see the results
- ▶ Consider a stretch goal that would be inspiring but not deflating if not achieved, perhaps as high as \$1.5M or higher
- ▶ Shift gears in communication to focus on education about giving and finances:
 - ▶ Share stories – your own and those previously collected
 - ▶ Talk about 4 to 5 or more times annual giving
 - ▶ Share the results of the FFS – many people will be pleasantly surprised by the extent of planned major gifts
 - ▶ Explore options for recognition as a way to inspire increased generosity – some interviewees discussed this
 - ▶ Remind people that this is a one-time opportunity – many other competing options for their financial resources can be deferred



Recommendations: Campaign Process

- ▶ Plan and organize an excellent capital/combined campaign
- ▶ Expand the leadership team and ensure that all roles are covered
- ▶ Go beyond the leadership team -- and beyond the “usual suspects” -- and engage as many people as possible
- ▶ Develop detailed strategies and plans for communication, events, logistics, etc. -- sustain momentum and excitement
- ▶ Recruit as many visiting stewards as possible
- ▶ Ensure excellent support for the stewards, working with the consultant to prepare materials and logistics for the January 9 and 10 training sessions and for the campaign



Other Considerations

- ▶ In developing a project budget, consider that there will be slippage – that is, some people will not fulfill their pledges over the 3-year period. 5-10% is reasonable.
- ▶ Slippage can be offset to some extent by inviting participation from new members and from those whose financial situation improves over the 3-year period
- ▶ Borrowing should also be considered in setting the budget, but it is best to try to raise as much capital as possible in the campaign and then consider borrowing along with other potential “close the gap” measures if needed
- ▶ Close the gap measures that have been successful in UU congregations include extending the campaign to 4 or even 5 years, establishing a challenge or matching fund, and a “Miracle Sunday”



Conclusion

You can do this!!



Appendix

Appendix from Survey Monkey Attached

