



FINANCIAL FEASIBILITY STUDY



July 2014



Williamsburg Unitarian Universalists (WUU)
Financial Feasibility Study

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Executive Summary

Williamsburg Unitarian Universalists has set out upon an ambitious program to expand and modernize its campus to better serve its members, to facilitate growth, and to enable the membership and the staff to better fulfill its mission and vision. This Financial Feasibility Study (FFS) was conducted to support these same goals.

The recommendations and assessments in this report are based on data analysis, extensive interviews, online surveys, and experience of other UU congregations with similar projects. The process of evaluation is one of objective data analysis and subjective judgment as to how ready and capable the congregation is to move forward.

The congregation as a whole and the leadership in particular are to be commended for the efforts to date. This has been a model effort in terms of thoroughness, inclusiveness, and clarity. It is not possible to make everyone happy in a project of this size, and indeed some will be most unhappy at any given time, and often for good reason, but I have been struck by how consistently almost all of those who took part in the FFS felt fully consulted, not just informed, and felt they had access to all the information possible as the process developed.

A capital project has significant potential for a congregation in many ways.

First, it calls on us to remember we are building something for all of us and for posterity. This is not just about “my favorite areas,” but also about what the congregation needs as a whole to be its best.

Second, it reminds us of the need to have “bifocal vision,” to keep an eye on the current environment, including our annual support of the congregation, as well as thinking out a generation ahead and ensuring we pass on something worthy to those that follow us.

Third, it reminds us that we come from the Congregationalist tradition: when major decisions are to be made, we make them in community, with the greater good in mind and with the expectation all are doing what they feel is best for the congregation.

It's a rare day indeed when a congregation finds it can raise 100% of the money it wants for the program it desires. I have judged WUU to come closer to that goal than one might have expected (a challenge to the membership now to rise to the occasion), but as is usually the case, there is a delta between what I anticipate you can raise and what is envisioned in Phase I of your project. The

details are in the report. Now the work must be done to see what the balance is between your generosity, the institutional capacity to borrow, and the elements that make up Phase I. Connecting these three components is doable for WUU. Just remember – this is a once in every generation or two project and it's your decision as a congregation to make as to how best to proceed.

If you ever intend to make a statement for the long term about your values and the role of WUU in fulfilling them, now is the time to step forward. The more of us who answer that call, the more of Phase I becomes a reality without major financial impediments for the future. You can do this. It really is up to WUU.

I encourage the membership to review this report and use it to further your journey of congregational self-discovery and commitment in community. There is no reason WUU cannot accomplish the goals it has set for itself, as long as you stay in community and recognize there is no “they” – if this is to happen it will be because every member took up the challenge to do what they can to support the present and future WUU. Are some significant, leadership level gifts needed? Yes, indeed. Is it equally important that every member contribute as they can, at levels they can rise to sustain? Absolutely. It will take gifts of all sizes to bring this to fruition. What each of you bring to the table counts.

I know WUU has the capacity to accomplish much. I look forward to seeing you do so. Good luck and best wishes to all. I look forward to your ribbon cutting.

William R. Clontz

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UUA Congregational Stewardship Network Consultant

July 18, 2014

INTRODUCTION

WUU is fortunate to have facilities and space to grow, and a congregational profile that is ready for additional capacity and capabilities. Following a long study and consultative process that looked at a range of options, including no changes at this time, buying adjacent property, relocating, or adding to and improving the current facilities, recommendations were developed to improve and expand the current location.

This Financial Feasibility Study (FFS) study was conducted at the request of the Williamsburg Unitarian Universalists. The study is designed to determine the level of interest in, commitment to, and financial support for the congregation's proposed Capital Campaign to make possible major improvements and expansion of your church home.

Continued development of the proposal and of this study was strongly endorsed by a congregational vote on November 17, 2013. This came following extensive information sharing and visioning, going back to June of 2013, a process that continues today in various forums.

A total of forty-four (44) households participated in this study, constituting sixty-one (61) individuals. The interviews were conducted in person by UUA Stewardship Consultant, Bill Clontz at WUU for 24 households (34 individuals), while 20 households (27 individuals) took part in the online survey.

The interview pool was chosen from a process carefully designed to ensure that a representative sample (representing a broad array of factors) of the congregation was interviewed in the financial feasibility study. The goal was to interview at least 20% of the congregation, a range exceeded in this FFS.

The consultant worked with a leadership team knowledgeable about the WUU community to put together the group of households to participate in the FFS. After the selection of potential participants, this leadership group invited candidate households to participate in the study.

A large portion of the leadership of the congregation has already expressed their commitment to this project, providing a starting point to ensure that the consultant has first hand knowledge of their level of support for the project. This provided background information and assurances of active leadership, but was not factored into FFS financial calculations. Estimates of capacity were made solely on the basis of interviews and resulting projections.

Beyond the leadership, one looks to include ranges of long term and short term members, older and younger people, higher and lower donor units, very involved and not so involved people, RE parents, single focus members (e.g. social justice, other programs), and various degrees of support or nonsupport that have been

expressed concerning this project, including some who consider themselves undecided or not in support of the project.

The Williamsburg Unitarian Universalists Financial Feasibility Study sought to answer the following specific questions concerning a potential capital campaign:

- What is the level of awareness in the congregation of the congregational votes to proceed with this specific project to improve and expand facilities?
- What is most important to people about having these new and improved facilities?
- What questions, if any, do people still have which need to be answered about the project?
- Do people believe that this plan should be a high priority for the Congregation at this time, and if not, what do they think does deserve attention?
- What is a feasible financial goal to be raised over a three-year period to support such an effort?

Many of these questions will sound familiar to members of this congregation, especially those who took part in visioning circles and congregational meetings. This is by design. The FFS provides an opportunity to revalidate the level of interest and support expressed some months ago, while the program was still in a more formative stage and well before members and friends began to think about specific financial commitments to make the plans a reality.

THE INTERVIEWS

The interviews were conducted during the period July 10-12, 2014. The consultant used a standard set of questions for each interview. When a couple was interviewed, the views of each were recorded separately.

The same baseline questions were asked in the online interviews, which were conducted during the period July 6-14, 2014.

The data from all of these interviews form the basis for this report. At the start of each in-person interview, the UUA Consultant introduced himself as the person hired by the congregation to determine the financial feasibility of the possible improvement and expansion of existing facilities.

Each interviewee was assured that, with any noted exceptions that would be clearly identified, all responses would be confidential. On line surveys were also designed to assure anonymity.

BACKGROUND INFORMATION FOR INTERVIEWS

1. How long have you been associated with the WUU? ____ years.

**Table 1
Length of Association**

Number	Length of Association
10 (16%)	One to five years
18 (30%)	Six to ten years
17 (28%)	Eleven to twenty years
16 (26%)	Over twenty years
[5]	[Founding Members]
TOTAL	61

This provided a good range of experience and levels of engagement and commitment to WUU. It was important that the distribution of experience reflect the entire congregation.

2. Are you a member?

**Table 2
Membership**

Number	Response
59 (97%)	Yes
2 (3%)	No

3. Have you been a member of another UU congregation?

**Table 3
Other Congregations**

Number	Response
44 (72%)	Yes
17 (28%)	No

This was an important element, as it demonstrates that for many members, this is not their first congregation, nor their first capital improvements project.

4. Gender

Table 4
Gender of Interviewees

Number	Gender
25 (41%)	Male
35 (58%)	Female
1 (1%)	N/A

5. AGE

Table 5
Age of Individual Interviewees

Number	Age
0	18-30
8 (13%)	30 to 50
14 (23%)	50 to 65
39 (64%)	66+
TOTAL	61

We had a reasonably good distribution in the FFS group. The fact that the single largest group was among seniors reflects the make up of WUU's membership to a large degree.

ENGAGEMENT

We asked a number of questions to help gage the level and type of engagement in WUU experienced by survey participants. Their responses are as follows:

- a) How often do you usually attend Sunday services?

Table 6
Sunday Attendance

Number	Frequency
30 (49%)	About every Sunday
21 (34%)	2-3 Sundays a month
7 (12%)	About once a month
3 (5%)	Rarely
TOTAL	61

b) Do you have children enrolled in the religious education program?

Table 7
RE Attendance

Number	Frequency
10 (16%)	Yes
10 (16%)	Previously
41 (68%)	No
TOTAL	61

This was a significant data point. While a large majority of the membership do not have children in RE, there was very wide spread support for the substantial commitment to RE evidenced by the proposed building program. This was an excellent demonstration of members thinking about what was best for all, not just for themselves.

c) Do you currently (or previously) serve on in WUU leadership position, including committees?

Table 8
Leadership and Major Activities- Numbers

Number	Frequency
43 (71%)	Yes
11 (18%)	Previously
7 (11%)	No
TOTAL	61

FFS participants brought to this conversation a wide and deep range of commitment and investment of time and talent in WUU. One or more survey participant indicated essentially every activity at WUU. Many people had served in multiple capacities in multiple activities. The following activities were cited most frequently:

Table 9
Leadership and Major Activities

WUU Board	Social Justice Activities
Covenant Groups	Stewardship
Finance	Yard Sale/Auctions
Membership	Worship Team

Also mentioned often were the following activities:

Building/Grounds/Green Sanctuary	Music/Choir
Caring Ministry	Personnel
Circle Dinners	RE/OWL/ARE/YRUU
Leadership Dev./Nominating	Right Relations

d) Household Income

The median income was in the \$50,000 to \$75,000 range; that was also the most frequent response (the mode).

Table 10
Household Income

Number	Income Range
2 (5%)	Under \$25,000
8 (18%)	\$25,000 to \$50,000
15 (34%)	\$50,000 to \$75,000
10 (23%)	\$75,000 to \$100,000
6 (13%)	\$100,000 to \$150,000
3 (7%)	\$150,000 to \$250,000
0	\$250,000 to \$500,000
0	Over \$500,000
TOTAL	44 households

This data is informative in several regards. It confirms that WUU is fortunate to have a largely middle class, economically secure population. Not reflected, of course, are the obligations that any given member or family may be addressing.

It should also be noted that a large percentage of the membership is retired and on fixed income. Often these are also the members with the longest time and the deepest commitment to WUU. A number of the conversations held in the FFS were moving, and a number of expressed intentions to support this program in a major way were inspiring.

CONGREGATIONAL LIFE

A number of questions were asked to establish or reconfirm how participants feel about the overall health of the congregation today.

1. What first attracted you to this congregation?

As one would anticipate, responses to this question were as wide and varied as the congregation itself. By far, the most frequent responses addressed the desire to find a liberal religious community, to find a place for moral and ethical education of children, and to enjoy meaningful Sunday services.

2. WUU offers a number of programs and activities for its members and friends including but not limited to Sunday worship, religious education for children and youth, adult education, social justice activities, and social gatherings. What three programs or activities are most important to you today?

Sunday services in all their components (sermons, music, RE, etc.) topped the list for the vast majority of respondents. Many of the covenant and service groups, as well as social justice activities in the community were often cited. The Minister and the Music Director clearly have a LOT of fans. People also clearly enjoy those traditional join-in projects, like the Yard Sale, hosted breakfasts, auctions, etc. Many people noted they felt the building plans supported these activities specifically.

3. What are the strengths of this congregation; what is going well?

By far, the sense of community was the leading factor here. This is often true in UU congregations, but the sense of genuinely caring for each other, of helping without being asked, of being family was exceptionally strong among almost everyone who interviewed. People clearly cherish the openness and diversity of beliefs, the balance of spirituality and intellectual growth at WUU. In the words of one respondent "This is the best congregation I have ever known"

4. What areas of congregational life, if any, need attention?

Any congregation of this size and activity level will have some issues that people would like to work on. At WUU, three things came up most often, none universally (and some feel the opposite on any of these, no doubt), but often enough to note. In paraphrase:

- Sometimes I feel as though we try to do too much. It feels like we are on a treadmill, with one activity or one appeal after another. We could use a bit more predictability and maybe should do a few less things and commit to doing what we choose really well.
 - It seems as though the same 10% do 60% of the work. It would be helpful if we were better at training, mentoring, and recruiting, to spread the load and help others participate more fully for their own enrichment.
 - On a future note, I really am excited about our construction plans, but I worry about the costs and whether we can afford it. The people putting all this together have done a magnificent job of laying out the plans and seeking input. Now we need to do the same on finances so we do are doing the right thing.
5. From your perspective, what is the most pressing need of this congregation today? Sample, representative responses include:

Leading responses here included more volunteers, more and more appropriate space/facilities (especially RE, general purpose classrooms, and the Narthex), more community engagement and visibility for WUU, and more money from pledges,

6. What do you wish were different at WUU, if anything?

Most responses reiterated the responses in questions 4 and 5, above. A strikingly large percentage indicated that nothing significant came to mind, that they felt that while there were always areas to fine tune, they felt things over all were running quite well and they felt fortunate to be a part of WUU.

EVALUATING THE POTENTIAL PROJECT

LEVEL OF AWARENESS – How well do you feel you know the capital project being proposed?

Table 7
Level of Awareness

Number	Familiarity
37 (61%)	Very Familiar
16 (26%)	Familiar
7 (12%)	Aware of Them
1 (1%)	Unfamiliar
TOTAL	

Of the participants in the survey, 61% indicated they were very familiar with the proposed plans and believe they have been well informed of its progress. Another 26% indicate they are familiar with the plans, have been consulted, and know where to find additional information if needed. In summary, an impressive 87% of the congregation feels well informed about this project.

These responses are among the strongest seen by the consultant and are a testament to the hard work done by the leadership to educate and dialogue with people in a variety of ways. It was particularly significant to have relatively inactive people answer yes to the question of whether they felt engaged and informed.

BEST FEATURES OF THE PLAN

The consultant asked the interviewees what was best in their view about the expansion and improvement plans. There was strong agreement on the part of almost all that the project team had done an exceptional job of bringing members into the process all along. Some felt they were almost overwhelmed with all the information, and a few thought it had lost a bit of focus with so many inputs, but for the most part people like what they see and the processes used.

Several respondents mentioned they would have preferred to see a range of options rather than one completed set of options, but recognize that the process is not complete yet and variations may yet come about. Following are selected, representative comments that most represent the opinions of multiple interviewees as to what they like the most.

- The expanded Narthex/ Gathering Space area

- Greatly enhanced RE and classrooms/meeting rooms
- Getting more functions under one roof
- The safety aspects of bringing RE into the main building complex
- Enhanced technology in the main building
- “This looks more like a serious, professional campus, where what we do is important”
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CONCERNS

The consultant then asked what concerns, if any, interviewees have with the current plans. The following were mentioned with some frequency:

- The Social Hall and expanded Sanctuary (generally in that order) are great ideas, but I am disappointed they are in Phase III, not Phase I.
- Some mentioned they liked the Chapel, but more indicated it seemed less than essential, given concerns over costs.
- Some wondered if the costs of moving offices into new spaces was the right priority for limited funds, at least to be in Phase I.
- Several people mentioned they did not have much information about parking and landscaping plans. Related to that, a number mentioned they were concerned that the memorial garden not get lost in the plans, and felt it was a bit neglected already.
- As note earlier, some general concerns over affordability of Phase I as it stands, and concerns over increased operating and maintenance costs.

WHAT IS MISSING?

The consultant then asked specifically of any elements respondents felt were missing from the current plans.

Almost no one felt anything important was missing, although as noted above, there are some concerns about what elements are in which phases.

The desirability of a meditation garden or similar space was mentioned more than once.

Many people said they genuinely trusted the leadership and the process, and were not inclined to second-guess good work done on their behalf.

HOW IMPORTANT IS THIS PROJECT?

The consultant asked whether this project and the accompanying capital campaign should be a high priority or not for this congregation today, ranking it from one (lowest) to five (highest).

The potential project is strongly supported. The rating of 4 or 5 out of a possible 5 by almost 80% of the congregation is in the range found in other studies that led to a successful capital campaigns.

Table 8
Level of Importance

Number	Familiarity
3 (6%)	1- Not Important
4 (8%)	2- Marginally Important
4 (8%)	3- Moderately Important
28 (59%)	4- Very Important
9 (19%)	5- Critical, Major Importance
TOTAL	48 <i>(not all participants responded to this question)</i>

These numbers are very strong and the consultant believes that they clearly show that the congregation is ready to move forward on the merits of the program.

However, do not ignore those who still have some questions or concerns, or those for whom the proposal is not their priority. It is very important that the congregation work together as a community as much as possible as you proceed in the months ahead.

The leadership and the membership should continue to both inform and seek input from ALL PARTS of the congregation with the steps you will be suggesting to take in the future. It's impossible to make everyone happy or completely knowledgeable about the project, but it should not be for lack of effort on the part of the leadership.

A sampling of comments for each of these ranges of response includes:

Yes, Very Important or Critical

- We have been talking about some of this for more years than I can remember. Let's get on with it.
- We need the facilities now, and they could help facilitate growth.
- We are at a tipping point as a congregation. We are ready to do this, the needs are real, and the energy is invested.

- It would be a real set back for us not to move ahead now.

Marginal or Moderate Importance

- This would all be good, but it's not as important as our programs and activities.
- We should not become over committed financially to something like this.

No, Not Important

- These plans seem to have the wrong priorities to me.
- Buildings per se are not that important

HOW MUCH LARGE SCALE SUPPORT SHOULD WE EXPECT?

The consultant asked respondents to estimate how many of the approximately 180 households currently supporting WUU by pledges might make commitments in excess of \$10,000, payable over three years.

Individual members would not, of course, have first hand information of this type, but the range of responses serve to underline both general commitment and confidence that the congregation is ready to support this project.

Estimates from participants ranged all the way from 2 to 120 members. The average number, based on all estimates, would be 27 households, yielding a minimum of \$270,000 in gifts. This is likely a high estimate, but it would be welcome if proven to be the case. In part, high estimates are another way of expressing confidence in the plans and in the likelihood that members will support the campaign.

VOLUNTEER SUPPORT (THESE RESPONSES WERE NOTED BY NAME)

A lot of volunteers are needed to run a capital campaign.

Respondents were asked if they would be willing to participate as Visiting Stewards, meeting with fellow members of the congregation about their commitments to the capital campaign, if they were offered training on how best to perform this service. An encouraging number of individuals indicated they likely would consider performing this valuable service.

Other Volunteer Opportunities: in the general support category (Office work, help with social events, telephoning, writing and editing campaign materials, etc.) were also raised and again, a significant number of respondents indicated a willingness to pitch in.

Per agreement with in-person interviewees, list of those willing to consider participating in these efforts is being provided to the leadership, with appreciation from your consultant for this willingness to serve.

WHO ELSE SHOULD BE ASKED?

The consultant asked if there was anyone outside this congregation that we should approach for a capital campaign contribution? A former member, for example? A few such names were recalled and this list is being passed to the leadership, along with a recommendation that the membership be asked widely to suggest the names of others who are no longer at WUU but would appreciate knowing about these plans and may be inclined to offer support.

WILLS AND ESTATE PLANS

Finally, each in-person interviewee was asked if WUU was included in their will or estate plan and if not, would they be interested in being contacted about how to do so (In this case, specific names of those replying they would like to discuss this matter were forwarded to the leadership.). Responses were as follows:

Table 9
Wills and Estate Plans

Number of Respondents	Response
2 (9%)	No, I/We do not have a will or estate plan in place
22 (91%)	Yes, I/We have a will or estate plan in place
7 (32% of wills)	Yes, WUU is included in my/our Will/Estate Plan
15 (68% of wills)	No, WUU is not included in my/our Will/Estate Plan
5 *	If No above, I/We would like to talk about inclusion.
10	If No above, I/We do not wish to talk about inclusion.

* THESE RESPONSES WERE NOTED BY NAME TO THE LEADERSHIP.

INDICATED PLEDGE AMOUNTS

Each household was asked what they expected to contribute towards the plan if the congregation approved it. They were reminded that capital campaign pledges could be paid over a three-year period. Thirty-six of the forty-four respondent households (xx%) plan to make a gift to the proposed capital campaign and five more are likely but are unsure at this time for personal reasons. Three of the forty-four households do not intend to contribute. The pledge indications ranged potentially from up to \$100,000 to under \$1,000. Four households indicated pledges of \$10,000 or more.

If you were asked to invest in the capital program today, payable over the next three years, in which of the following categories would your gift likely fall? This is not a commitment, but your honest answer will help us make an informed estimate of the congregation's capacity to support the proposed purchase.

Table 9
Indicated Pledge Amounts

# of Donor Units	Pledge Levels
0	\$100,000 or higher
1	\$50,000 to \$99,000
0	\$30,000 to \$49,999
1	\$20,000 to \$29,999
0	\$20,001 to \$30,000
0	\$15,000 to \$19,999
2	\$10,000 to \$14,999
0	\$7,500 to \$9,999
4	\$5,000 to \$7,499
7	\$3,000 to \$4,999
13	\$1,000 to \$2,999
7	Under \$1,000
5	Unsure
3	Nothing
TOTAL	44 households

Several of the interviewees, when probed if their ultimate gift level might go higher and if so, under what circumstances, responded that, yes, they might well consider a larger gift. The particular circumstances in such cases were related to personal finances more than to any aspect of the proposal or factors at WUU.

CRITICAL ELEMENTS OF YOUR FINANCIAL COMMITMENT DECISION

When asked what were the most important considerations for you in deciding their response to the question as to what their gift may be, Representative responses almost always cited a combination of commitment to WUU and support for the plan on the one hand, and personal financial concerns on the other.

Those who indicated ambivalence or unwillingness to support the plans indicated for the most part either that a building program was not a priority for them or they did not favor the plans that have been developed.

Financial Projections

There are many ways to estimate the amount that a congregation might raise in a capital campaign. No single approach will assure the most accurate estimate, while in combination a high level of confidence can be attained. The following tools were utilized for this analysis:

1. A ratio of operating pledges to indicated capital campaign pledges
2. A quartile analysis
3. A ratio of major gifts to total gifts
4. A multiple of total operating pledges based on experience of other UU congregations
5. A multiple of the likely lead gift.

Ratio of Indicated Pledges to Operating Pledges: The first estimating technique is based on (a) the capital pledges indicated and (b) the percentage of the total pledges to the annual budget drive represented by those households. The assumption is that the pledges of those households to the capital campaign will represent a similar percentage of the total amount raised in the campaign. The 44 households in the feasibility study indicated that they would give a total of \$133,000 to \$271,000 with a mid range at \$202,000. The 44 units have pledges to the 2014-15 annual budget representing 23% of the total. If the same ratio holds for the capital campaign, then the projected amount to be raised ranges from \$575,000 to \$1,100,000 with a mid range at \$837,000.

Quartile Analysis: A second technique is a refinement of the one used in the previous estimate. It involves a more focused ratio by quartile rather than in total. The annual commitment is weighted in each quartile against the amounts that the households indicated they were planning to give to the capital fund drive. By totaling the amount that the households give to the operating budget and dividing it into the amount that they plan to give to the capital campaign, a separate multiplier is determined for each quartile. The projections for each quartile are added together to determine the basic range of potential giving to the capital fund drive.

In this feasibility study, the dollar amount for each quartile was approximately \$79,000. This technique produces a low estimate of \$703,500 and a high estimate of \$1,119,810 with a median of \$912,000.

Ratio of Major Gifts to Total Gifts: The third method is based on (a) the number of major gifts, (b) the size of the average major gift, and (c) the ratio of funds raised from major gifts to total funds raised in other capital campaigns. As noted earlier, four of the households interviewed indicated that they would make a gift of \$10,000 or more. The total for these gifts is \$90,000 to \$160,000 with an average for individual gifts between \$12,500 and \$75,000. This consultant estimates that 12 more major gifts could occur in this capital campaign and that those gifts will average the same as the ones developed in this study.

The major gifts estimates are calculated by separately adding the 12 additional major gifts to the indicated four pledges for a total of 16. That produces a low estimate from major gifts of \$240,000 and a high estimate of \$1,060,000. The median estimate is \$820,000. Major gifts have constituted up to 50% of the total amount raised in many successful campaigns. If that were to hold true for WUU, then the capital campaign would raise between \$480,000 and \$2,120,000 with a median of \$1,640,000.

Comparison with Other Congregation: In capital fund drives over recent years, most congregations assisted by UUA Congregational Stewardship Consultants have reported raising 2.0 to 4.5 times their current operating pledges. When the project involves a new facility or a major addition to an existing facility, the ratio tends to be in the higher range. When the purpose is primarily for deferred maintenance and/or debt reduction, the ratio tends to be at the lower end.

Congregations have exceeded these ratios, on occasion at the 5 times level and rarely even higher, but to do so requires a sizable portion of the congregation to contribute at the 5-6 times annual giving range and/or additional significant gifts (those above \$10,000 over three years).

The congregation's 2014-15 operating pledges total approximately \$316,000. This project is addressing the congregation's strong desire to improve its home with a plan that has broad support. Therefore, this consultant has used ratios of 3.5, 4.0, and 4.5 times the current operating pledges to make these estimates: \$1,106,000, \$1,264,000, and \$1,422,000 respectively.

Lead Gift Analysis. Normally in a capital fund drive, the largest gift will represent 10% of the total that will be raised. It is also often the case that the top three gifts together will provide 15% to 20% of the total raised. This feasibility study identified one gift in the \$50,000 to \$100,000 range, one in the \$20,000 to \$30,000 range, and two in the \$10,000 to \$15,000 range. Taken together the three lead gifts will produce \$90,000 to \$160,000. If those numbers represented 15% of the total raised, then the results would be between \$499,000 and \$1,065,000. If those three gifts represented 20% of the total raised, then the capital campaign would likely raise between \$450,000 and

\$800,000. A mid point between the high number on the 15% basis and the low point on the 20% basis is at \$700,000. This method suggests the most likely figures are \$599,000 to \$800,000 range, with a stretch range of \$1,100,000. However, it is important that additional gifts in at least the \$20,000 to \$30,000 range be made to secure that goal.

Summary of Estimates of Capital Campaign Results

<u>Method</u>	<u>Low</u>	<u>Middle</u>	<u>High</u>
Pledge Ratio	\$575,000	\$837,000	\$1,100,000
Quartile Analysis	\$703,000	\$912,000	\$1,119,800
Major Gifts	\$480,000	\$1,640,000	\$2,120,000
Other Cong.	\$1,106,000	\$1,264,000	\$1,422,000
Lead Gift	\$599,000	\$800,000	\$1,100,000

Financial Capacity Estimates. Overall, the estimates range from a low \$480,000 to a high of \$2,120,000. This is a higher spread than is normally encountered. The primary factor for this range of variance is the small number of lead gifts in the survey sample, making projections in this category less reliable than would otherwise be the case. The pledge ratio numbers are lower than one would hope for and expect, given the wide range of congregational support for the overall project and the level of information confidence expressed throughout the interviews. As members become more aware of the level of personal commitment a project of this scope calls for across the membership, these ratios are likely to improve.

As a result of these factors, and based on the interviews, the four highest and the four lowest numbers were discarded as outliers. The remaining estimates between \$800,000 to \$1,106,000 provide the most likely limits at both ends.

The capital campaign results would most likely be in the range of \$950,000 to \$1,100,000, with a low side estimate of \$850,000 and a stretch goal of \$1,250,000.

The most important variables that will determine the outcome are (1) A significant percentage of the membership committing to at least three times their annual giving, with many committing up to six times that level; (2) at least 9-10% of the membership providing major gifts (i.e. \$10,000 or more spread over a three year period, and (3) the arrival of at least 1-2 more gifts in the lead gift range of \$50,000 - \$100,000 level.

To date, a major donor that would provide 10%+ of the total project cost has not come forward. Should a donor or donor family step forward, this project would be greatly more assured of success at the full implementation level

OVERALL STATUS OF THE CONGREGATION

This congregation is essentially healthy and the membership seems generally pleased with both the process and the outcomes to date, except as noted above, and with the leadership that has developed around this project.

The congregation is naturally at the point wherein more attention will move from plans to finances. As noted later in this report, WUU has significant capacity, but two trends are worrisome and should be the subject of candid conversation and thoughtful reflection among the members who care so much about WUU.

First, the ratios of capital campaign contributions to annual pledges is low, and could put the project at some risk. As a general rule, members should be thinking of committing three to six times their annual pledges to the capital effort, paid out over a three-year period. Not everyone can do so, and fortunately some can and will do more. But if the majority of the membership comes in well under this range, the project is less likely to succeed. The starting mindset for a winning campaign goes something like this:

“This is a once in a generation project, I want it to succeed, and I want to be part of the solution. I’m not made of money, but if I tried to commit six times my annual pledge over three years, what would that look like? What options could I exercise to do that?”

Starting from that frame of reference, rather than from the bottom up, is an empowering approach that can make a difference for each member.

Second, it was a bit surprising to learn how many members have a will or an estate plan (that’s the good news) but do not include WUU in it in any way. Members should give this serious thought – a simple addition to a will or estate plan indicating a percentage of available resources going to WUU enables one to make a gift for the ages, without worrying about specific amounts or affecting other priorities in estate plans or wills.

This is YOUR congregation. No one else is going to step up if you don’t.

RECOMMENDATIONS

1. ***Share Information*** Immediately distribute this report in its entirety to all members and active friends of the congregation. A good way to save postage is to distribute it on the next available Sunday with a check off list as to who picked one up and then mail to the rest of the congregation on thereafter to those expressing an interest. Print several extra copies that can be used for newcomers in the coming months and make it available online.

With the report include a cover letter from the Board outlining ongoing and planned discussions about the report and stating agreement with the recommendations to the congregation in the Financial Feasibility Report. Encourage the congregation to thoroughly read the report. Indicate that a discussion session will take place at least on one Sunday soon after the service; look for another date for a discussion during a subsequent week. Further, the letter should reiterate what is expected to transpire at the planned congregational meeting to take action on the plan and the report.

As you approach the congregational meeting, consider making available absentee ballots, or at the least a “straw vote” document for people who can’t attend the meeting. The goal is to have as high a percentage of the congregation as possible to indicate where they stand on the votes to be taken.

2. ***Financial Planning*** Continue developing a detailed financial plan for the project, including provision of the next stage of drawings, construction cost estimates, and operational costs and other costs should be developed and shared throughout the congregation. Assess how your financial capacity, potential to borrow as needed, and the initial project plans match up; be prepared to adjust phasing elements of the project as needed. This plan should include contingencies and risk management steps, as well as highlighting any future points at which a congregational vote will be required.
3. ***Capital Campaign*** Subsequent to development of the financial plan outlined above, hold a congregational meeting to vote on plan and whether to authorize a capital campaign for that purpose, as you are already planning.
4. ***Conflict Resolution*** Ensure there is a congregational covenant of right relations including a conflict resolution process in place as you begin this exciting but sometimes stressful series of events. Expect some tensions and disagreements and be ready to address them forthrightly and in community.
5. ***Staying Financially Stable*** Review the existing stewardship structure and plans with the highest priority goal of strengthening the annual budget drive and ensuring the congregation does not become “house poor,” affecting ongoing

operations and commitments as a result of the project. Do not allow an atmosphere of competition between annual giving and capital campaign donations.

6. *Build the Endowment:* The Endowment Committee should be contacting members and offering sample language for inclusion in wills or estate plans to include WUU in such plans, either in support of the building programs or the general endowment.
7. *Planning for Changes* It's a rare capital improvements project that comes in exactly on time and on budget. Factors beyond your control will likely occur as the project goes forward. Expect this, take all reasonable steps to minimize such events, but understand some will likely occur in any case. When they do, it is not necessarily an indication of poor planning or failure to anticipate, but a result of the vagaries of large-scale projects. Deal with them as best you can when and if they occur – and keep your eye on the prize.
8. *Expand Opportunities* Consider other opportunities to impact your giving to a Capital Campaign include the following:
 - a. Ensure people understand that while the giving period for the proposed Capital Campaign would over 3 calendar/tax years, some might consider making at least a portion of their gift in early. Funds are needed for upfront campaign related expenses and this provides another tax year over which to spread tax benefits of giving. Donors might also think about a gift at the very start of the calendar year after the campaign to complete their giving, thus making it possible to spread total giving over 5 tax years.
 - b. As the project moves further along, consider including “naming opportunities” as an integral part of the campaign. This is an excellent way to attract higher level giving. We have held some discussions on this matter. Recognize that this is a sensitive area for some on both sides of the question, but new facilities provide opportunities to thank major donors and others whose contributions of service to WUU can be commemorated.
 - c. It is most important that you work with new members as they join to gain an immediate annual financial commitment for the rest of church year in which they so that you expand the number of potential donor units (members and friends) once you begin a capital campaign. Increasing the number of donor units is an excellent way to demonstrate that growth is already occurring in the congregation.
 - d. There are many former members or friends of the Congregation, both within the area and now in other parts of the country who may well be

open to considering a gift for the capital campaign, even though they are no longer contributing to the annual operating budget. Beyond this group there may be other individuals or organizations in your immediate area that utilize your facilities or are in sympathy with the work you do and will want to help support your moving to a new church home. Approach all that are appropriate to be contacted. Efforts with "alumni" and other "friends" can prove quite successful and strong efforts need to be placed with them. Ask the congregation to help develop a list of such individuals.

- e. Undertake efforts to investigate any potential local grant and gift opportunities that you might qualify for. Take your story to all of them, as appropriate.
- f. WUU has a large population of retired persons among its membership. Many are at an age wherein they are required to accept withdrawals from their IRAs (MRD or minimum required distribution). These members should be encouraged to consider translating their MRD if possible to a recurring gift to the capital campaign, thus making a major gift to WUU and gaining a tax advantage for themselves.
- g. Funds raised by the capital campaign do not represent the total funds that could be gathered for this project.
 - 1) UUA Resources - Additional UUA sources potentially available to the congregation include the UUA Building Loan Guarantee Program and the UUA Building Loan Fund. The UUA is prepared to support a congregation which raises **at least three times** its annual operating budget support and is financially sound. Learn more at <http://www.uua.org/finance/buildings/index.shtml> or contact Dr. Wayne Clark, at congstewardship@uua.org or (207) 829-4550.
 - 2) District/Region Chalice Lighter Program – The Chalice Lighter Program may well make an award to projects like yours and it should be investigated for eligibility. Don't delay in working this process which I understand you are already investigating.
 - 3) Mortgage – A mortgage may be utilized to extend the level of the project and the UUA's Guarantee Program may be helpful in achieving more favorable terms on it with local banking sources. Should this be necessary, remember that the UUA's upper limit on debt service as a percentage of the operating budget is 25%, which is a high percentage to manage.

9. Should the decision be made to proceed with a capital campaign, decide if you wish to have a stewardship consultant as part of your team and if so, make the necessary contractual arrangements as soon as possible.

TWO FINAL OBSERVATIONS

- 1) It is essential that the annual budget not be seen as in competition with the capital campaign. After a successful capital campaign, you cannot afford to have poor results with the next Annual Budget Drive – you need to continue to have a solid operating budget as you prepare to make facilities improvements. Failure to emphasize this at all times will risk harm for years to come.

The consultant strongly suggests that the Board formally name a Chair for the next annual budget drive (ABD) who will then NOT have a role of major significance in the capital campaign. The ABD Chair and the Capital Campaign Chair should be seen together often, speaking with one voice and encouraging the congregation to think responsibility and to think for the long term.

Because of the risk of volunteer fatigue, the leadership may wish to consider a Cottage Meeting or similar process for that ABD. If consultant assistance and advice for that ABD is desired, it can be done largely via e-mail and/or as a part of a closing meeting weekend for the capital campaign.

- 2) Work hard and conscientiously to keep an open process for communication. When in doubt, more communication than less should be the norm. This is particularly true for the leadership. *Finally, keep a good sense of humor and be forgiving of each other. It will serve you well!*

CONCLUSION

There is a very strong base of support for building and growing your congregational home from almost all of the respondents in the study. Where support is not as strong or even somewhat negative at the moment, there is a clear opportunity to encourage and reassure these people in the coming months.

WUU has outlined an ambitious project, with a very large Phase I. Assuming a process of discernment by the leaders with the congregation, solid financial planning for a campaign and a good understanding of your financial options beyond what you may expect to raise in the campaign, much of what you seek can be within reach.

Based on the totality of the study and the aforementioned recommendations, especially financial, the consultant recommends that you conduct a stand-alone capital campaign along the general timelines you have planned. You have strong momentum that should be built upon. Take the time needed to do it right, but do not let energy and momentum dissipate needlessly.

WUU can do this, if you so choose.

Financial Feasibility Study Participants

Our sincere thanks and deep appreciation to these members of the WUU community who made this study possible by participating, either in person or via online survey. You have helped WUU in an important way and your consultant thoroughly enjoyed working with you one and all.

Roger and Beverly Baldwin

Mary Buchanan

Greg and Priscilla Caldwell

Faith Casey

Gwen and Richard Costello

Emily Dabney and James Gerald

Mary Delara

Rachel Delbos

Peter Dewey

Lee and Susan Dexter

Martha and Raga Elim

Jane Ferguson

Susan Geary

Ellen Graham & Don Moffitt

Vicki Hall

David Hamilton and Linda Lane-
Hamilton

Trotter Hardy

John Hochella

Phyllis Jay

Glenn and Cindy Johnson

Sara Lewis

Kathi Mestayer

Anne and Paul Luchsinger

Peter and Kerry Mellete

Glen and Melinda Morgan

Wayne Moyer

John and Jane Nichols

Ben Puckett

Jane Reilly

Nancy Sheheen

Hanni Sherman

Dave and Donna Stanford

Sandra Stepmen

Anne Stevens

Kathy Suslik

Bob Turvene

Dave and Donna Stanford

Charles and Trena Tankersley

Kelly Varney

Robert Vinson

Dave and Christine Wilcox

Rebecca Wheeler

Kurt Williamson

Pat Winter

Bob and Jacque Winther