



# Financial Feasibility Study Report

## May 18, 2022

Barry Finkelstein



**Stewardship FOR US**  
*Building Cultures of Generosity and Commitment*

---

# Contents

- Introduction and Background
- Study Methodology and Scope
- Results
- Observations and Discussion
- Conclusions and Recommendations
- Capital Campaign Messaging
- Appendices



---

# Introduction

- The objectives of this Financial Feasibility Study (FFS) are:
  - To determine the readiness of the Unitarian Universalist Church of the North Hills (UUCNH) to conduct a capital campaign to finance mission-driven facility expansion and enhancement
  - 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



## Context: UUCNH Mission



By building a loving religious community that  
nourishes the spirit,  
celebrates life, and  
cherishes the connectedness of all things  
We will transform ourselves and our world.

*Within – As Individuals*

*Among – As a Church Community*

*Beyond – In the Wider World*

# Background: The Project and Capital Campaign

You have done an impressive amount of work to develop the project so far:

- Established an excellent Capital Campaign Team, made up of respected and committed leaders
- Developed three plan options and cost estimates over several years, building on a Site Master Plan and a Strategic Plan
- Conducted a successful annual stewardship drive despite the challenges
- Engaged a consultant to assist in exploring options and cost estimates; obtained recent costs updates
- Provided numerous opportunities for congregational input and engagement through meetings, a campaign web site, and other opportunities
- Considered the plan options at an April 24, 2022 Town Hall Meeting and selected the Enhanced Plan for this study and next steps

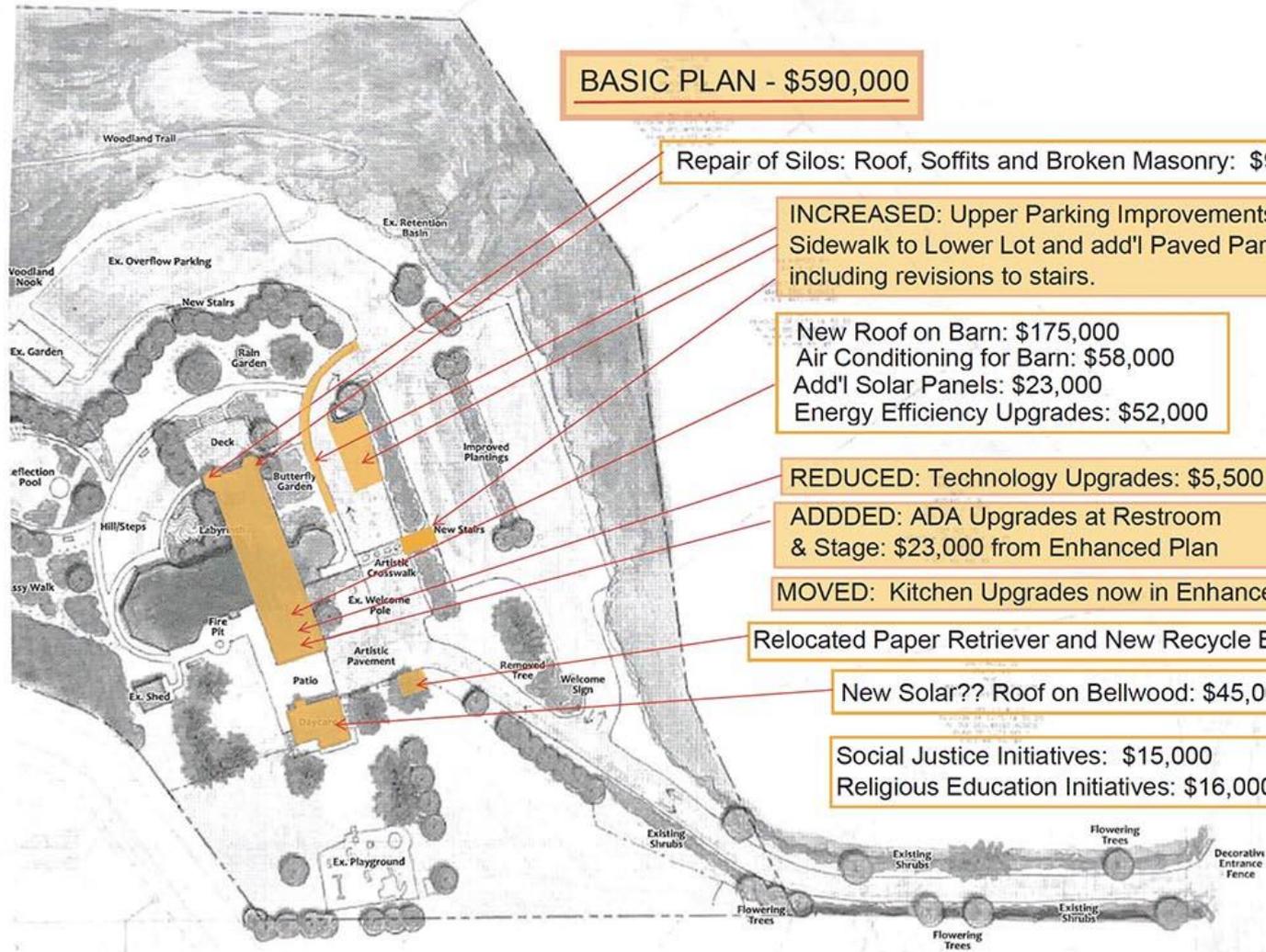


# The Project: Why are we doing this?

- The Enhanced Plan, at \$850,000 includes critical facility enhancements and maintenance encompassing the items shown on the two following slides.
- Key benefits of the Plan are:
  - Address critical needs in roofing, parking and driveway improvements
  - Increase accessibility
  - Invest in technology
  - Expand energy and green resources such as solar panels
  - Improve and air condition indoor spaces including classrooms and meeting rooms
  - Enhance the Memorial Garden
  - Provide an outdoor gathering space and other exterior upgrades



# The Project: Basic Plus Enhanced Plan



## BASIC PLAN - \$590,000

Repair of Silos: Roof, Soffits and Broken Masonry: \$92,000

INCREASED: Upper Parking Improvements: \$82,000  
Sidewalk to Lower Lot and add'l Paved Parking including revisions to stairs.

New Roof on Barn: \$175,000  
Air Conditioning for Barn: \$58,000  
Add'l Solar Panels: \$23,000  
Energy Efficiency Upgrades: \$52,000

REDUCED: Technology Upgrades: \$5,500

ADDED: ADA Upgrades at Restroom & Stage: \$23,000 from Enhanced Plan

MOVED: Kitchen Upgrades now in Enhanced Plan

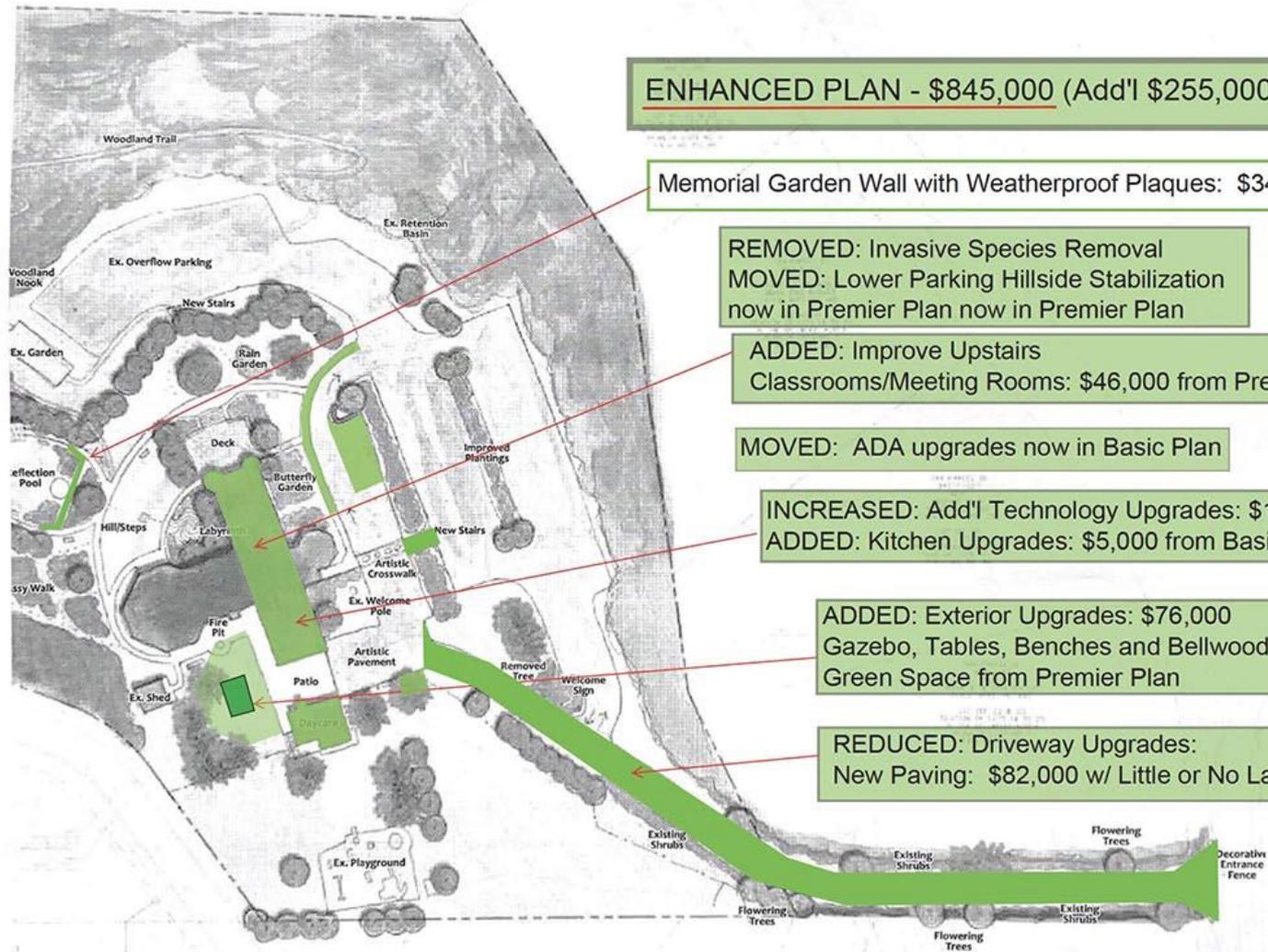
Relocated Paper Retriever and New Recycle Bin: \$3,500

New Solar?? Roof on Bellwood: \$45,000

Social Justice Initiatives: \$15,000  
Religious Education Initiatives: \$16,000



# The Project: Basic Plus Enhanced Plan



**ENHANCED PLAN - \$845,000 (Add'l \$255,000)**

Memorial Garden Wall with Weatherproof Plaques: \$34,000

REMOVED: Invasive Species Removal  
MOVED: Lower Parking Hillside Stabilization  
now in Premier Plan now in Premier Plan

ADDED: Improve Upstairs  
Classrooms/Meeting Rooms: \$46,000 from Premier Plan

MOVED: ADA upgrades now in Basic Plan

INCREASED: Add'l Technology Upgrades: \$12,000  
ADDED: Kitchen Upgrades: \$5,000 from Basic Plan

ADDED: Exterior Upgrades: \$76,000  
Gazebo, Tables, Benches and Bellwood  
Green Space from Premier Plan

REDUCED: Driveway Upgrades:  
New Paving: \$82,000 w/ Little or No Landscaping



# Methodology and Scope

- The Study was based largely on information collected from 45 members or friends comprising 29 households:
  - Confidential personal interviews with 35 people representing 22 households
  - On-line survey of 10 people representing 7 households
- Interviewees were selected to be generally representative of the Congregation, with an over-weighting of potential larger contributors
- The 29 households in the Study represent 30% of the 98 pledging households, and their pledges account for 55% of the total dollars pledged



# Methodology: Data Collection

- The interviews and survey covered the following:
  - Familiarity with and support for the project
  - Importance of this effort in the life of the Congregation
  - Personal connection to UUCNH 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 plans and to estimate the amount of money that might be raised
- The findings are summarized in this PowerPoint report with additional details in Appendices A & B



# Methodology: Analysis

Multiple approaches and scenarios were used to estimate the amount of money that might be raised, and 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.
- Several scenarios were run to provide a range of likely outcomes.
- An Essential Gifts Chart was created to show the likely number of gifts at each level needed to achieve \$850,000 goal. The intended gifts planned by FFS participants were slotted into their levels, and the chart used to highlight additional gifts needed.



# Results: Support for the Project

- The project enjoys strong support. On a scale of 0 to 10, the ***average rating for importance was 8.52***. Only one person rated it below 5, and 33 people (78% of respondents) rated it 8 or above
- The most important features of the project:
  - The roofing work
  - Classroom improvements
  - Outdoor gathering space (gazebo/pavilion)
- The main concerns revolve around money
  - Can we raise enough
  - Energy level – not back to “normal” yet
  - Potential cost increases



# Results: The Project and People's Vision

People's visions for UUCNH emphasize:

- Growth
- Young families
- Return to “normal”
- Engagement in the community
- Social justice
- Energy, vibrancy, activity



# Results: The Project and People's Vision

- People rated the project medium-high in terms of support for their vision, generally consistent with a maintenance-heavy project.
- The **average rating was 7.65**, 3 responses were below 5, and 26 (65%) rated it 8 or above.
- Key themes:
  - These are enabling improvements
  - Growth requires this project
  - Healthy congregation requires a healthy, safe building
  - Accessibility and functionality
  - Capitalize on our outdoor spaces
  - Taking care of and pride in our facilities
  - Modernization and greening
  - Inviting to visitors and the community



# Engagement

- People rated the process of engaging the congregation **medium-high**:
  - Of 45 respondents, 25 (56%) are very familiar, 18 (40%) are somewhat familiar, and 2 (4%) are not very familiar.
  - On a scale of 0 to 10, the average rating for **effectiveness of the engagement process was 7.65.**
  - All but four people participated in at least one of the listed opportunities.
  - These results indicate a very effective engagement process.
  - People were impressed with and grateful for the work of the committee.
  - A frequent comment was disappointment that more people did not attend the sessions despite the many opportunities



# The Numbers

- Summary:
  - The planned contributions of the study participants is just over \$630,000, which is 3.4 times their annual giving
  - Possible upside potential from this group is \$700,000 or 3.8 times annual
- The good news:
  - Intended giving among study participants is high, considering top gifts and multiples
  - 12 households indicated a desire to give more, based on a range of circumstances, mostly related to personal finances, learning what other people are giving, and a possible fourth year
  - More people may be inspired to give more based on the FFS results
- Guesses of number of pledges \$10K and up indicate a reasonable level of confidence:
  - Range: 2 to 80; Five below 10, and Four of 50 and above
  - Average: 25
  - Median: 20
  - Mode: 20



# The Opportunity and Challenge

- The current data indicates that UUCNH can raise between \$900,000 and \$975,000
- This represents 2.7 to 2.9 times annual giving
- The various scenarios produced results ranging from a low of \$875,000 to a high of just over \$1M
- Two households (7%) indicated no commitment at this time but both indicated a potential to pledge
- The Essential Gifts Chart on the following page shows a path to reach \$850,000
- There is more than the usual level of uncertainty



# Essential Gifts Chart \$850,000

Gift Range	# Needed	\$\$ Needed	# in hand	\$\$ in hand	% in hand	Avg in hand	# needed	\$\$ needed
100,000+	0		0	0	0%	\$0	-	\$0
75,000-99,999	3	\$225,000	3	225000	100%	\$75,000	-	\$0
50,000-74,999	2	\$110,000	1	60000	55%	\$60,000	1	\$50,000
40,000-49,999	2	\$80,000	2	85000	106%	\$42,500	-	-\$5,000
30,000-39,999	2	\$70,000	1	30000	43%	\$30,000	1	\$40,000
20,000-29,999	2	\$50,000	4	95000	190%	\$23,750	-	-\$45,000
15,000-19,999	4	\$60,000	3	45000	75%	\$15,000	1	\$15,000
10,000-14,999	6	\$65,000	4	45000	69%	\$11,250	2	\$20,000
<b>TOTAL MAJOR GIFTS</b>	<b>21</b>	<b>\$660,000</b>	<b>18</b>	<b>\$585,000</b>	<b>89%</b>	<b>\$32,500</b>	<b>5</b>	<b>\$75,000</b>
7,500-9,999	6	\$50,000	2	17600	35%	\$8,800	4	\$32,400
5,000-7,499	8	\$50,000	2	12500	25%	\$6,250	6	\$37,500
3,000-4,999	15	\$60,000	5	18120	30%	\$3,624	10	\$41,880
1-2,999	34	\$30,000	0	0	0%	\$0	34	\$30,000
<b>TOTAL GENERAL GIFTS</b>	<b>63</b>	<b>\$190,000</b>	<b>9</b>	<b>\$48,220</b>	<b>25%</b>	<b>\$5,358</b>	<b>54</b>	<b>\$141,780</b>
<b>GRAND TOTAL</b>	<b>84</b>	<b>\$850,000</b>	<b>27</b>	<b>\$633,220</b>	<b>74%</b>	<b>\$23,453</b>	<b>57</b>	<b>\$216,780</b>
% Total frm Major Gifts		78%		92%				



# How Might We Reach \$850,000 or More

- Can we encourage \$75,000 more in major gifts?
- How much will we raise from the higher annual givers not included in the FFS:
  - 16 giving \$3,000 and up
  - 11 giving between \$2,000 and \$3,000
  - The annual giving of these 27 is \$100,000+; 3X their annual = \$300K. Might they give that much or more?
  - Might there be a significant giver or several among them?
- Can we encourage people to reach or exceed 3X annual? Half the FFS participants are below 3X.
- The annual pledge dollars from households not included in the study total \$137,000. If these people give on average 2 times their annual, this will raise \$275,000, enough to reach \$850,000; 3 times annual would raise over \$400,000, yielding a total of over \$1M.



# Reasons for Optimism

- Intended large gifts including three \$75,000 gifts and 18 gifts of \$10,000 or more
- 12 families indicated motivation to increase their intended gifts
- People learning of 18 \$10K+ gifts and the magnitude of the largest gifts
- Responses about important features of the project and concerns
- Potential major givers not included in the study
- People willing to volunteer (see next slide)
- This is an important time and opportunity for Unitarian Universalism and UUCNH
- Several former members are potential supporters



---

# Challenges to Date

## Cautions and uncertainties:

- Low energy coming out of the pandemic
- Low turnout for informational meetings
- Limited opportunities for the informal exchanges that are so helpful
- Difficult to generate community spirit and hoopla so far
- Limited common vision to rally around and provide inspiration for the project



# Data Highlights

- Volunteering for the campaign:
  - 14 people agreed to be visiting stewards and 7 more said maybe; 10 declined
  - 23 people agreed to do other tasks:
    - Event/party: 10
    - Publications or graphics: 3
    - Publicity and Communications: 4
    - Web site or social media: 1 – include Instagram and Snapchat and similar
    - Database and tracking: 2
    - Whatever you need: 12
  - Get these people involved early!
- Planned Giving:
  - 5 people have included UUCNH in their estate planning and 8 others will consider doing so
  - 21 people would like information about how to do that or would like to be included in any planned giving events
- Names provided in Appendix B



# Recommendations: Go Forward!

- Be bold and confident, and plan an inspired capital campaign for this Fall
- Publicize the positive FFS results
- Develop inspiring material to describe the plan and its linkage to UUCNH's mission and vision
- Use the next few months to generate excitement and hoopla
- Ramp up the engagement process (consider: tours, videos, focused meetings, larger gatherings, displays, materials, social media, link to vision, ad hoc multigenerational communication team)
- Talk formally and informally one-on-one to see if the FFS results will inspire higher giving
- Consider the Essential Gifts Chart and whether the needed gifts are likely to be attainable
- Determine a campaign goal, consider a stretch goal that is inspiring but not deflating if not achieved
- Additional recommendations and notes will be in Appendix B



# Messaging on Giving to a Capital Campaign

- UUs in other congregations have found money to make significant capital campaign gifts
- One key is deferring or taking a sabbatical from other giving or discretionary spending
- Recognize that this is a unique opportunity to come together and do something great – the time is now
- Consider giving from assets and/or income
- Share your own giving stories along with those from other congregations
- Leaders have to lead by visible example



---

# Giving Stories and Ideas

- Required Minimum Distribution (RMD/QCD)
- Appreciated assets
- Defer personal capital projects
- Sabbatical from giving to non-UU causes
- Defer expensive vacations
- Keep your car a few more years
- Advance on inheritance or legacy giving
- Reduce or eliminate discretionary expenses
- Ask family to help you support the campaign



---

# Other Considerations

- Consider that there will be slippage – that is, some people will not fulfill their pledges over the 3-year period. 5-10% is reasonable.
- Be sure to invite participation from new members and from those whose financial situation improves over the 3-year period. Keep asking.
- Develop and carry out a plan for approaching alumni.
- Be sensitive to the energy level as more members return in person, and adjust as necessary



---

# Materials to be Provided

- Appendix A with data tables and charts
- Appendix B: Confidential lists
  - People intending gifts of \$10,000 and up
  - Campaign volunteers
  - Interest in planned giving
  - Suggestions for people to approach for major gifts



# Summary

- **Findings:**
  - The results are very positive
  - Study participants recognize the importance of the project and are prepared to contribute generously
  - All indications are that UUCNH can raise enough money to fund the Enhanced Plan
- **Recommendations:**
  - Publicize and build on the positive FFS results
  - Seek congregational approval to go forward with the capital campaign this Fall
  - Ramp up engagement and communication
  - Recognize uncertainties



---

# Conclusion

You can do this!

