

VESTRY PAPERS

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CHURCH FOUNDATION
empowering congregations

To inspire, affirm and inform Episcopal leaders in their work

Capital campaigns, faith & hard times

by Brian C. Taylor and Paul Vosburgh

St. Michael and All Angels is not a wealthy congregation. The bell curve of our giving is very broad and relatively low. We have no financial “angels.” We have many teachers, realtors (God help them these days), and single parents. Members contribute what they can, and in the end, somehow, it all adds up to be enough. This has been our history.

However, the story over the past couple of years has been quite remarkable. In the middle of the most severe economic crisis since the Great Depression, we managed to raise \$1.4 million to fund a parish construction project. How did this happen?

Four years ago we began an intentional effort to develop and broaden ministry and lay leadership. We searched for and hired a new associate rector whose gifts are in this area. With his leadership we generated several new programs and events. People flocked to them.

Suddenly we had dozens of lay pastors, a discernment guild, education commissions, and more. The problem then was that we had nowhere for them to meet. Scheduling the use of space became a nightmare.

We decided to do a thorough campus needs assessment with the congregation. The result was that a ministry complex — meeting rooms and offices — emerged as our most pressing need. The next step was to hire a fundraising consultant who started with a feasibility study. She determined that we could raise \$1.8 million. This was when the economy was going great guns, and so we confidently bumped the goal up to \$2 million.

We started the pledge process and soon after, the financial free-fall of 2008 began. Agonizing over whether we should postpone the pledge campaign, we decided to continue

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*This Issue:
Capital Campaigns*

In the last two years, many congregations have delayed capital campaigns, as have many nonprofits. Now that the economy appears to be gaining strength, some congregations — as well as schools, arts groups and hospitals — are putting the pieces in place to move forward. This issue examines how parishes might best understand capital campaigns so that they are ready to strike out when the time is right.

Inside: Rejoice & beware





Limited funds, limited time, yet success

by Jennifer Baskerville-Burrows and Sabrina Coleman

Many small parishes never undertake capital campaigns because of the difficulties and limitations that come with having few resources. This is often the case even when their circumstances suggest that they would benefit from conducting a campaign. Those that do attempt a campaign or capital drive may seek to save money by not enlisting professional assistance — however, that often results in not reaching the stated

(built in 1876) has gone from worshipping in a sanctuary adorned with caution tape and falling plaster to a sanctuary that has been fully renovated.

A huge undertaking

This was a huge undertaking for this small parish. When Jennifer was called to serve Grace Church as rector in 2004, it was clear that a capital campaign was needed. With

When raising funds, begin with asking, "What is God calling our ministry to accomplish?" As well as raising money, a capital campaign will often raise up new leaders.



Ira Berkowitz

Grace Episcopal Church, Syracuse, New York

financial goal. This kind of demoralizing experience can persuade a congregation that capital campaigns are not worth the effort. This had been Grace Church's experience.

But not anymore.

"We did it!" exclaimed Sabrina Coleman as she gave her report at our recent annual meeting. "I wasn't sure how we were going to do it when we began, but we did it!" Sabrina is currently in her second year as warden, and several years ago she served on the discernment team as Grace Church began to explore the possibility of a capital campaign. That was in the spring of 2006. Now, four years later, having completed our "Renewing the Spirit of Grace" campaign, our parish

limited resources, the parish had already replaced its failing roof with a beautiful and long-lasting slate roof. It was time to tend to the damaged interior.

The work consisted of patching, replastering and sheet-rocking the damaged plaster ceiling; repainting walls, extensive cleaning of woodwork, sanding and refinishing floors, moving the marble font (several times!), restenciling the walls of the apse, installing new carpets, putting in new lighting and electrical systems, and repairing historic tiles. All work was done with painstaking detail and attention to the architectural integrity of our National Register-listed

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*On the cover:
St. Michael and All
Angels Episcopal Church
Albuquerque, New Mexico*

Capital campaigns, faith & hard times

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moving forward. We knew that the need for ministry space was so acute that we would somehow succeed. We changed the pledge term from three years to four, thinking that four years would certainly go beyond the financial crisis.

A step in faith

The parish responded with commitment. While we raised less than our target, we did raise a very healthy \$1.4 million. After designs were completed, we committed to a construction budget of \$2 million.

We are convinced that by the time all the current pledges run their course that we will have attracted more funding to make up the difference. In addition, when a small piece of land that lies between two parts of our campus became available, parishioners quickly came forward with \$120,000.

Another lesson is still being revealed. We've all heard the term "land poor." It seems that we may be somewhat "special funds poor." There is money available for capital funds; however, we are seeing our operating fund fall short. When asked to contribute for special programs — Haiti, our preschool, etc. — members contribute generously. The operating fund pledges, on the other hand, do not come in without a great deal of effort.

Why is this? We are still discerning the answer and we are beginning a more serious year-round stewardship education program that is more oriented towards the spirituality of giving. Our experience with the construction project is that when parishioners are informed and become passionately committed, they will give generously. We intend to bring this same passionate commitment into the operating fund campaign.

“We knew that the need for ministry space was so acute that we would somehow succeed

When this article is published, we will be half way through construction. Pledges are well ahead of schedule as we start the second year of the four year collection period.

We have learned that when people are committed to their faith community and they know through their own experience that there is a concrete need, they give generously. We have learned just how committed we are at St. Michael's. All of us have been stretched by the economic crisis and we have responded with passionate generosity.

Churches need not be timid

We have found that churches should not be timid about fundraising in the face of hard economic times if a strong, emotional connection and an obvious need are present. Even — and perhaps especially — in the worst of times, committed parishioners want to support something that brings great value to their lives.

Setting hearts on higher things

More important than whether we fall short on our operating budget during lean times is this unmistakable fact: people want to support the communities that provide them with meaning, joy, love, and hope.

While we need to keep our eye on our finances, our hearts must always be set on higher things. Our main concern is about strengthening the qualities of vitality, devotion, faith, and compassion in our community. When that is done, we truly understand what Jesus said:

“Strive first for the kingdom of God and his righteousness, and all these things will be given to you as well.”

Matthew 6:33

The Rev. Brian C. Taylor and Paul Vosburgh serve as rector and senior warden, respectively, for St. Michael and All Angels Episcopal Church in Albuquerque, New Mexico.



Suppose someone wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it?

Luke 14:28

Without a vision, the people perish.

Proverbs 29:18



Limited funds, limited time, yet success

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building. Raising the funds — a modest \$130,000 by some standards but huge for us — was equally daunting.

The big question that arose from our community, given our limited financial resources was, “Can we afford it?” Our consultants guided us through all phases of the capital campaign process — discernment, feasibility study, development of solicitation materials, tracking software, and celebrations at the beginning and end of the active phase of the campaign. They taught us the skills we needed to tailor these steps to the particular needs and dynamics of our parish and encouraged us all along the way.

was that all the explaining in the world could not keep people from being confused about the two-sided pledge card (one for annual parish pledge and the other side for the capital campaign). We will be re-thinking this element in future campaigns.

Fears that the campaign would distract from mission

One of the “gifts” of conducting a capital campaign was the renewed conversation on the mission of the parish. The campaign provided a helpful context for discussing the relationship between our parish worship, programs, outreach and the buildings that house them. Understanding how the

Conversation about capital needs helped bring focus to the ongoing mission funding needs of the parish



This is not to say that we didn’t have challenges. We did meet with difficulties (every capital campaign does) but we took these as opportunities to get creative. The result was not only a beautifully renovated worship space but also lessons learned that will serve us well when we conduct our next campaign.

Capital campaigns require extra staff

We found this to be the biggest hurdle. Capital campaigns require extra meetings, extra tasks and extra staff time. All the staff work part-time at Grace Church and funds didn’t allow for the hiring of additional help to manage the daily details of a campaign. We met this challenge by adding a few hours each week to the schedule of our eight-hour per week parish secretary for the length of the planning and active phase of the campaign.

Fears that the campaign would lessen stewardship

As our consultant promised, the capital campaign did not distract from regular parish giving — if anything, conversation about capital needs helped bring focus to the ongoing mission funding needs of the parish. One of the lessons we did learn, however,

buildings ought to serve the mission as opposed to the mission being held hostage by the buildings strengthened our resolve to tend to both buildings and mission on a regular basis.

Limited time

Like most parishes, we tend to be as short on time as we are on money. In developing the campaign we tried to piggyback onto existing programs to take best advantage of limited time and other resources. For instance, our end of the campaign celebration took place on a Sunday morning as a festive brunch following our worship. Because many members of the capital campaign leadership also served on vestry, we often made our vestry meetings into mini-campaign work sessions.

The Rev. Jennifer Baskerville-Burrows is rector of Grace Church in Syracuse, New York, and Sabrina Coleman serves as warden. Both Grace Church and St. Michael and All Angels used the consulting services of the Episcopal Church Foundation to undertake and complete their capital campaigns.

A professionally conducted feasibility study measures support for a campaign and provides information to help leadership to help leaders make decisions.

Rejoice & beware: Practical issues

by Maurice J. Seaton

A capital campaign is an opportunity for building community, yet it can be fraught with obstacles. An important issue to consider: *Money for what purpose?*

Capital campaigns raise money for a combination of extraordinary needs that cannot be funded from the annual budget:

- Construction of new facilities
- Maintenance, expansion or renewal of existing structures
- Purchase or maintenance of equipment, e.g. HVAC or a new organ

An excellent definition of stewardship is the witness of a church that allows all of its buildings to be used constantly for mission and ministry. By constructing or renewing facilities, a church is better equipped to spread the Gospel through outreach to the community, especially if a soup kitchen or homeless shelter is involved.

Worship space changes can be emotional for some. Moving the altar or replacing pews with chairs can divide a congregation unless there is a great deal of prayerful discussion. Consensus building activities must happen well ahead of decisions being taken.



Jason Smith

St. James Episcopal Church, Upper Montclair, New Jersey

- Program or outreach needs, e.g. seed money for a new ministry
- Building or creation of an endowment
- Debt retirement

Buildings vs. outreach? Some may want outreach to be part of a campaign; others may feel it should be an ongoing part of parish ministry, funded from the annual budget alone. Yet others may not agree with the designated outreach ministries to be funded in the capital drive. If outreach is part of a campaign, insure that a check-off box on the pledge card allows a donor to designate a portion of their gift for outreach.

Organs can divide a congregation. Approximately one-third of worshipers cannot conceive of worship without a significant organ. Another third has no passion either way, and the other third think spending huge sums on music is misdirected and such monies should be spent elsewhere, say on outreach.

Therefore, education about how an organ works is critical. Guided tours of the organ can increase understanding of the issues. Produce detailed drawings of how an organ works and the needed changes. Stress that money invested in maintaining an organ is usually cheaper than purchasing a new one.

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Fundraising is not a response to a crisis. It is, first and foremost, a form of ministry. It is a way of announcing our vision and inviting other people into our mission...and an invitation to people to find a new way of relating to their resources.

Henri Nouwen

Capital Campaigns: Telling the



In a capital campaign, eighty percent of the money will normally come from twenty percent of your donors. Your congregation can expect to raise three to five times the amount generated from the annual stewardship drive.



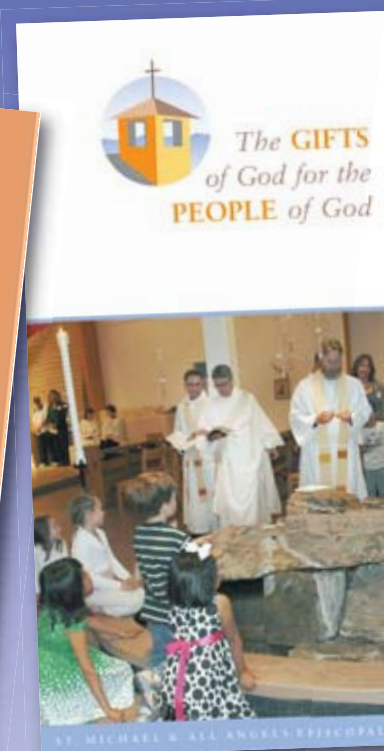
Trinity Church Day School, Glen Arm, MD

- Campaign date: 2008
- Campaign goal: \$350,000
- Campaign theme: Grow a bright tomorrow
- Purposes: Renovation and expansion of the day school
- Results: Goal achieved



The Bishop's Ranch Conference Center, CA

- Campaign date: 2007
- Campaign goal: \$1.7 million (last part of \$4 million larger campaign)
- Campaign theme: A new day
- Purposes: Completion of interior of pavilion and ministries space
- Results: Goal achieved



St. Michael & All Angels, Albuquerque, NM

- Campaign date: 2008
- Campaign goal: \$2 million
- Campaign theme: The gifts of God for the people of God
- Purposes: Build new ministry complex, pay off mortgage, redesign parking
- Results: In progress, \$1.4 million raised to date

Rejoice & beware: Practical issues

If the organ has had its day, and a new one must be purchased, stress that the investment will last for generations. Spreading the costs over decades often reduces angst.

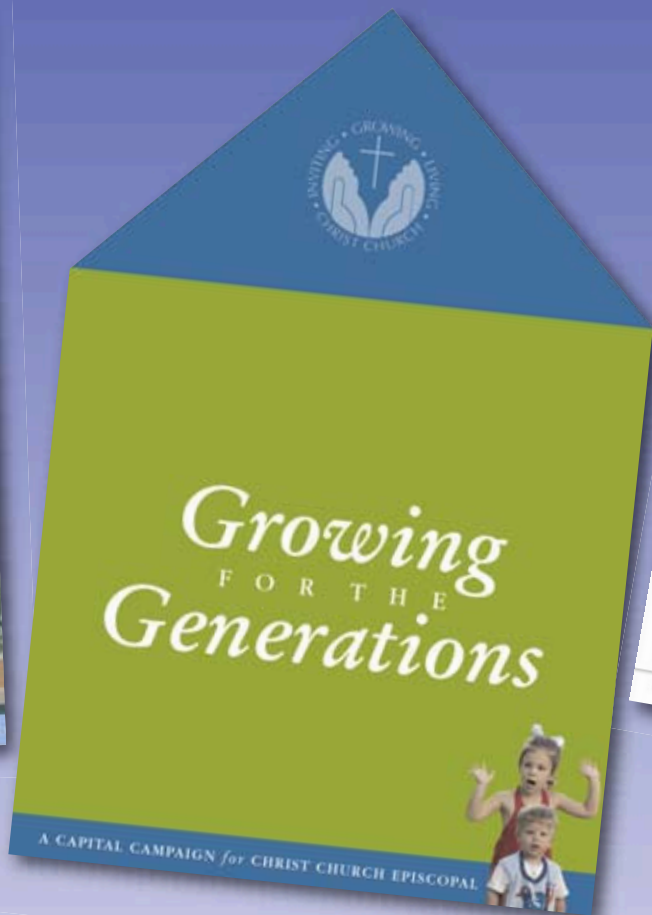
Endowment policies should be reviewed when a capital campaign is being considered to ensure that donors are aware of options for designated gifts.

Bequests/planned gifts should be encouraged for the long term growth of endowment or particular purposes. They are not usually counted in a campaign, as we do not know when they will be received and there are few guarantees on the value of a planned gift. Educating members about planned giving options can easily be integrated into a capital campaign.

Annual vs. Capital Pledge? A capital campaign can be conducted in concert with the annual pledge campaign. With good information and a clearly differentiated message about the purpose of each campaign, annual giving increases and the capital campaign goal is achieved.

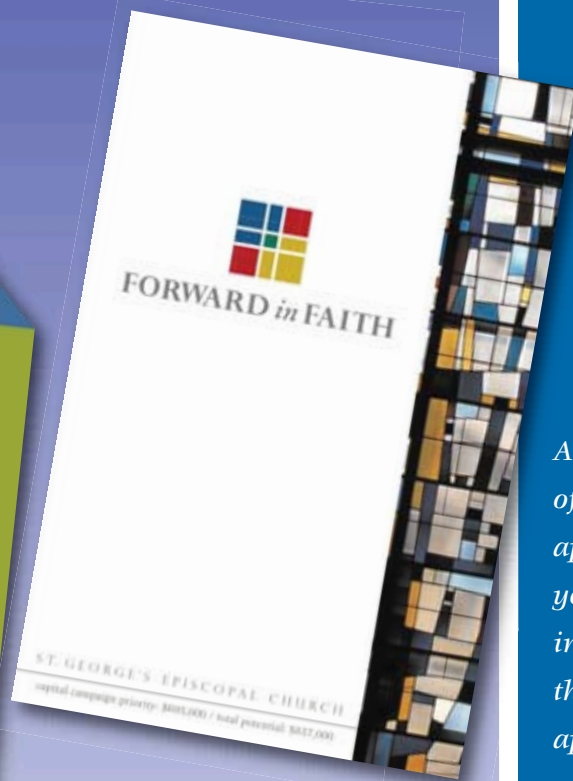
Discernment enables every member of a congregation to claim some ownership of the vision for a capital campaign from the beginning. Building and visioning together, praying together, and informing and involving everyone is critical to the success of a capital campaign. Without a strong sense of ownership and commitment by members to the campaign, gifts will be smaller and money will be left on the table.

story, reaching new heights



Christ Church, Glen Allen, VA

- Campaign date: 2008
- Campaign goal: \$1.9 million
- Campaign theme: Growing for the Generations
- Purposes: Expansion of sanctuary, create music space and parish life center
- Results: Goal achieved



St. George's, Durham, NH

- Campaign date: 2008
- Campaign goal: \$695,000
- Revised Goal: \$500,000
- Campaign theme: Forward in faith
- Purposes: Interior building renovations, accessibility, outreach and greening of the church
- Results: In progress, \$362,000 raised to date

Avoid consultants who offer a cookie cutter approach and ignore your congregation's individuality. Make sure that the consultant's approach matches your culture. Parishioners, not a consultant, should make the "asks," thereby strengthening relationships with members.

Thanksgiving to God for the blessings of your efforts should be an ongoing part of a spiritually-centered campaign. When fundraising is seen through the lens of

Developing new leaders and strengthening relationships are some of the unexpected blessings God makes possible in a capital campaign.

Developing new leaders and strengthening relationships are some of the unexpected blessings God makes possible in a capital campaign

ministry, all resources are valued and celebrated: *time, talent and treasure*. Don't forget to make room for surprises and the mysterious work of the Spirit in the community.

Maurice J. Seaton is Senior Program Director, Capital Campaign Services, for the Episcopal Church Foundation.



ECF's Mission

To strengthen the leadership and financial capabilities of Episcopal congregations, dioceses and related organizations to pursue their mission and ministry.



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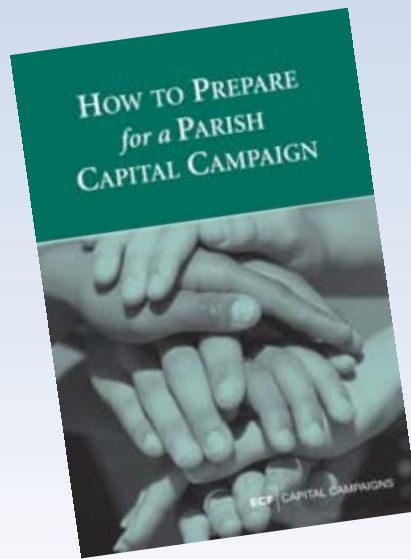
Reader's Corner

Remember the Future

Financial Leadership and Asset Management for Congregations

In this classic book, Jerry Keucher, from the Diocese of New York, offers clear, step-by-step methods and advice for both managing and increasing the assets of Episcopal congregations. Developed as a result of hands-on work with struggling parishes, Keucher uses a positive, concise tone to help readers imagine and work toward financial growth. Easy reading; inspiring.

Church Publishing
www.churchpublishing.org



How to Prepare for a Parish Capital Campaign

What are some things to think about before starting a capital campaign? What kinds of efforts have worked for other congregations? What is a reasonable timeframe in which to plan and execute a campaign? What are the resources available through the Episcopal Church Foundation? These questions and more are explored in *How to Prepare for a Parish Capital Campaign*. Go to www.episcopalchurch.org and click on "Growing Financial Capacity" then "Capital Campaigns." In the sidebar on the right is the link to the brochure. Call 1-800-697-2858 for more information.

The Episcopal Church Foundation and Capital Campaigns...

Embarking upon a successful capital campaign requires prayer, a clear vision, and the support and involvement of parishioners. A capital campaign is an opportunity to identify new leaders and create opportunities for mission and service. The Episcopal Church Foundation provides a flexible approach to capital campaign consultation, offering a sliding fee scale built on highly competitive rates.

ECF believes that fundraising is a ministry and that holistic stewardship services add value; therefore, capital campaign services include planned giving and annual stewardship direction at no additional cost. For more information, contact Maurice Seaton, Senior Program

Director, Capital Campaign Services, Episcopal Church Foundation, 800-697-2858 or Maurice@episcopalchurch.org

