



UUA Congregational Stewardship Services

**UNITARIAN UNIVERSALIST CHURCH IN EUGENE
EUGENE, OREGON
www.uueugene.org**

**FINANCIAL FEASIBILITY STUDY FINAL REPORT
SEPTEMBER 23, 2009**

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*Unitarian Universalist Association
Congregational Stewardship Services*

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**CAPITAL CAMPAIGN FINANCIAL FEASIBILITY STUDY REPORT
UNITARIAN UNIVERSALIST CHURCH IN EUGENE (UUCE)
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EXECUTIVE SUMMARY

Overview and Background

Chartered in 1909, the UU Church in Eugene is starting its second century with plans to move from its home at 477 East 40th Avenue into a larger building with room to accommodate growth. The congregation currently has approximately 336 voting members plus 100-150 additional friends and has experienced consistent growth and attendance at Sunday worship services over the past decade. The congregation voted in May 2007 to “rigorously pursue finding and obtaining a new location for our physical church in accord with our principles.” The Building Project Oversight Committee (BPOC) was appointed to facilitate this research. During the two-year search for a new location, the congregation selected and settled a new minister, Rev. Stephen Ames, and worked to strengthen and grow its programs. After a thorough search, at the recommendation of the BPOC, the Board of Trustees made an offer in July 2009 to purchase the building and property at 1685 W. 13th Avenue in Eugene. The offer has been accepted by the seller, and the congregation is currently in a 60-day due diligence period, to determine if it will move forward with this proposed site, and is scheduled to vote in early November.

Study Methodology

The purpose of the financial feasibility study was to determine the level of interest in and potential financial support for the proposed capital campaign. The study tested the congregation’s capacity and interest in donating through outright gifts and pledges (to be paid by June 2013) a total of \$1.25 million. UUA Congregational Stewardship Consultant Aggie Sweeney led the study and was joined by Mary F. Gleason. From September 11-17, 2009, they met in person or by phone with 60 individuals representing approximately 20% of the UUCE’s 247 donors (pledging units/households). The interview pool was chosen from a process designed to insure that a representative sample of the congregation is interviewed in a financial feasibility study. The study sample was designed to have approximately one-fourth of its interviewees from each of the four giving quartiles. Those donors making the largest financial commitments to the congregation were, by design, over represented in the study.

For the current year, UUCE’s members and pledging friends have committed a total of \$343,964 to support the operating budget. Overall, the average financial commitment is \$1,392.57 per donor unit (household) and the median is \$700.00. This is a typical range for UU congregations, with many falling above or below this level. For capital campaigns, it is typical to see total giving at three times annual giving, if not greater.

Study Findings, Analysis, and Conclusion

Moving forward with the proposed capital project is a high priority for the congregation, ranked as 8.2 on a scale of 10, providing a strong mandate for deciding to purchase the new site provided due diligence is completed to the congregation’s satisfaction. While most support moving forward, 10-15% are reluctant and another one out of five remains cautious. Many congregants have questions about the specific financial and building renovation plans and would appreciate answers before voting in early



November and before pledging financial support (this fall or in the spring).

Donors participating in the study indicated a high interest in making a financial gift or pledge (payable in the next few months to cover the down payment or over the next 3-4 years). Based upon the generous gifts indicated through the confidential interviews, and applying conservative formulas to project giving by the whole congregation, the projection for the total capital campaign is \$1.1 million. The ten largest gifts needed to reach this goal have all been indicated (and some already paid). The congregation's success in raising \$1.1 million or more depends upon good participation in giving and generous pledges by those donors able to increase their financial support for the congregation.

Recommendations

1. Move ahead, following the congregation's vote and approval, with a two-phase capital campaign to raise \$1.1 million. The early gifts campaign, the first phase, is to secure gifts to be paid within the next few months to cover the down payment and demonstrate the congregation has the financial capacity to make future mortgage payments. The second phase, conducted in conjunction with the annual budget drive (stewardship drive) in the early spring is to secure pledges payable over the next 3-4 years (by June 2013).
2. Give all congregants the opportunity to make a gift in the early phase, yet recognize many will not be able to "write their checks" until later.
3. Develop a comprehensive growth and financial plan.
4. Further define the capital budget and renovation plan for the new building and site.
5. Recruit additional campaign leaders, including 60 visiting stewards, to carry out the early spring campaign to secure financial commitments for the annual budget for the year starting in July 2010 and 3-year commitments for the capital plans.
6. Implement the "dual ask" campaign in the early spring (starting as early as February), with personal visits of all congregants
7. Explore potential opportunities for additional revenue to complete the capital plans

The complete 20-page report is available for review and posted on the church's website at www.uueugene.org.

For more information contact Capital Campaign Co-Chairs Kay Crider or John Wagner, or direct questions to Aggie Sweeney, CFRE, UUA Congregational Stewardship Consultant, aggies@collinsgroup.com or aggie@uua.org



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OVERVIEW AND BACKGROUND

Chartered in 1909, the UU Church in Eugene is starting its second century with plans to move from its home at 477 East 40th Avenue into a larger building with room to accommodate growth. The congregation currently has approximately 336 voting members plus 100-150 additional friends and has experienced consistent growth and attendance at Sunday worship services over the past decade. It is typical on Sunday mornings to have “standing room only” during services, even with the fellowship area converted into more seating during some services. For several years congregational leaders have been concerned that newcomers are discouraged from attending due to the overcrowding, and the lack of a fellowship space large enough to accommodate most of the congregation limits opportunities for programs and building community.

Planning efforts were launched several years ago to set the course for long term building options to accommodate the congregation’s current and planned growth. Even though the current site with its hardwood forest and “tree house sanctuary” with windows on every side is beloved, it was determined that to shore up and expand the current facility to accommodate growth and retain the natural aesthetics of the property would not be possible. The larger building footprint and additional required parking spaces would greatly limit the expanse of remaining trees. After thorough planning that explored shared values and many options, the congregation voted in May 2007 to “rigorously pursue finding and obtaining a new location for our physical church in accord with our principles.” The Building Project Oversight Committee (BPOC) was appointed to facilitate this research.

During the two-year search for a new location, the congregation selected and settled a new minister, Rev. Stephen Ames, and worked to strengthen and grow its programs. The planning work has been grounded in the belief that the church is much more than the physical building the congregation calls home. In this process, transparency, accountability, and maximum participation have been stressed.

After a thorough search, at the recommendation of the BPOC, the Board of Trustees made an offer in July 2009 to purchase the building and property at 1685 W. 13th Avenue in Eugene. The offer has been accepted by the seller, and the congregation is currently in a 60-day due diligence period, to determine if it will move forward with this proposed site, and is scheduled to vote in early November.

STUDY PURPOSE AND METHODOLOGY

The purpose of the financial feasibility study was to determine the level of interest in and potential financial support for the proposed capital campaign to acquire and renovate the building and property at 1685 W. 13th Avenue. The study tested the congregation’s capacity and interest in donating through outright gifts and pledges (to be paid by June 2013) a total of \$1.25 million.

Congregational leaders from the BPOC and Capital Campaign Committee first sought advice from Aggie Sweeney, UUA Stewardship Consultant, in late 2007 to lay the groundwork for how to best proceed with planning. In May 2008, Aggie met on-site with Rev. Ames, representatives of the Stewardship



Committee, and also the full BPOC and Capital Campaign Committees. In consultation with Capital Campaign Co-Chairs, Kay Crider and John Wagner, it was decided to wait until a purchase and sale agreement was finalized prior to moving into the interview phase of the financial feasibility study. In the intervening period, the congregation accepted early gifts from congregants with assets set aside for this project.

The timeline for completing the financial feasibility study was set in July 2009 when the Board of Trustees offered to purchase the property on 13th Avenue and the offer was accepted by the seller. The study interviews were scheduled for the week of September 11-17, with two UUA Stewardship Consultants on-site to conduct interviews over the weekend. With the study conclusions and recommendations delivered on September 22, the congregation received results early in the 60-day due diligence period.

UUCE's Giving for the Annual Budget Drive

For the current year, UUCE's members and pledging friends have committed a total of \$343,964 to support the operating budget. To reach this level of support, a small group of members extended a challenge to others, and a total of 20 donors increased their original pledges to help ensure programs could be sustained.

This table is an overview of the number of donors and sizes of financial commitments to support the annual budget. This distribution is fairly typical among UU congregations.

Overall, the average financial commitment is \$1,392.57 per donor unit (household) and the median is \$700.00. This is a typical range for UU congregations, with many falling above or below this level.

Selection of Study Participants

The interview pool was chosen from a process designed to insure that a representative sample of the congregation is interviewed in a financial feasibility study. Approximately 20% of the congregation was selected through a representative sampling of the overall membership and invited to participate in an

Quartile	# Pledge Units	% of Total Pledge Units	Pledge Range	\$ Pledge	% of Total Giving
I	11	4.5%	\$5,000 - \$25,000	\$104,950	30.5%
II	23	9.3%	\$2,400 - \$4,999	\$76,990	22.4%
III	61	24.7%	\$1,040 - \$2,399	\$95,270	27.7%
IV	152	61.5%	\$10 - \$1,000	\$66,754	19.4%
No Pledge - Not Known					
TOTAL	247	100.0%		\$343,964	100.0%

interview. The study sample was designed to have approximately one-fourth of its interviewees from each of the four giving quartiles listed above. The study for UUCE was designed to gather input from 46 donor units. The consultant worked

with a small group of knowledgeable people to put together a sample group of 62 pledging units, knowing that personal decisions or scheduling conflicts never allow for everyone to be interviewed. A large portion of the leadership of a congregation is always included as a starting point to insure that the



consultant has first hand knowledge of their level of support for the project. Beyond them, one looks to include long term and short term members, older and younger people, higher and lower pledging units, very involved and not so involved, Religious Education (RE) parents, single focus members (e.g. social action, other program), and at least 1-2 units viewed as maybe not being very supportive of the project. One UUCE alumni member was included in the study.

Who Participated in Study

The study findings and conclusions are based upon input from 44 families, including a total of 60 individuals. Both Rev. Ames and DRE Candee Cole participated in interviews, and are included in this number. However, their responses to the study questions are not incorporated into the findings below.

The response to the invitation to interview was good, with 72% of those congregants invited participating. Only one of the scheduled 45 interviews was not completed due to a “no show.”

The input was gathered through 38 confidential interviews (most from 45-60 minutes long) conducted in person by the consultants at the church in Eugene between September 11-13 and an additional six completed by phone September 12-17. A list of study participants is included at the end of this report. In addition, the consultants talked informally with some congregants not selected for an interview.

As indicated in the table below, the study participants represented each of the four giving quartiles. Those donors making the largest financial commitments to the congregation were, by design, over represented in the study. While it is typical to have the largest number of invitees declining interviews to be from Quadrant III and IV, the limited participation in the study from donors making mid-sized and lower annual financial commitments makes it challenging to project how many donors may be interested in and have the financial capacity to support the capital campaign.

Many donors give to annual budget drives from current income and to capital campaigns from assets (savings, investments, inheritance). When a donor is giving to a capital campaign from assets, the size of the gift or pledge is often much larger as a multiplier of their commitment to the annual budget drive than if it is given from current income. If a donor is giving to the capital campaign from current income, it is more likely that the size of the gift or pledge as a multiplier of their annual commitment is smaller. Many donors that do not have assets are not able to give to a capital campaign because of limited financial capacity, despite their support for the proposed project.

Quartile	# Households Invited to Participate in Study	# of Interviews Completed	% of Total Households in Quadrant Completing Interviews
I	11	10	90.9%
II	18	14	77.8%
III	16	9	56.3%
IV	15	7	46.7%
No Pledge - Not Known	2	2	
TOTAL	62	42	



Specific Questions Addressed

The UUCE Capital Campaign Financial Feasibility Study sought to answer the following specific questions concerning a potential capital campaign:

- How knowledgeable are you about the proposed project?
- On a scale of 1 (lowest) to 10 (highest), what priority do you assign to the proposed project? What items rank higher in your mind? What questions do you want to have answered before you vote on whether or not to move forward with the purchase?
- What is your vision for the future of this congregation? How does the proposed project support your vision?
- If the congregation votes to move forward with the purchase of the proposed property, are you likely to make a gift or financial pledge during the capital campaign? If so, please indicate the level of potential financial support and the timing of your gift/pledge payments. When would you be able to begin your capital campaign contribution?
- When the congregation decides to move forward with a capital campaign, what volunteer roles are you willing to play? For example: managing the receipt and recording of financial contributions, creating written documents, planning a fellowship event, providing clerical support, telephoning, or other roles. Are you willing to take a leadership role?
- Are you willing to become a visiting steward, and have stewardship conversations with a maximum of four donors?
- What compliments or concerns would you like to share about the proposed project or the church in general?
- Do you have any other questions?

An individual's commitment to a capital campaign is based upon their commitment to the congregation overall. Specific questions concerning the congregation were:

- How long have you been involved with this congregation? What first attracted you?
- Please tell me about a meaningful moment that you have experienced while a part of this congregation. Please begin with "I remember the time when . . ."
- What three programs or activities are currently of most interest/importance to you?
- What are key strengths of the congregation?

How the Recommended Campaign Goal is Calculated

The range for the campaign goal is arrived at by utilizing a quartile analysis of the pledging units of the congregation based on their annual financial commitments to the operating budget. Then the level of support which the respondents indicate for the proposed project is compared to their annual financial commitment levels, first by quartile and then adding them all together. A projection is then made for what the congregation as a whole might achieve. This procedure is commonly used in campaigns that UUA Congregational Stewardship Consultants conduct, and has proven to be accurate for projecting conservative campaign goals.

The Eugene and Springfield region that UUCE draws its members from has been impacted by the national recession that started by early 2008 and many congregants expressed concern regarding the financial vitality of the region in the years ahead, and the impact of job layoffs, unemployment and decrease in the value of investments. Concerns regarding the timing of the economic recovery have figured into the projections for how much the congregation can raise in outright gifts and pledges during



the capital campaign.

STUDY FINDINGS AND ANALYSIS

The following study findings and related analysis provide the basis for the conclusions and recommendations.

Length of involvement with UUCE

The length of membership or involvement with a congregation can be a good indicator of whether or not a member sees themselves as committed to future involvement. The study interviewees were predominately long-term members, with significant experience with UUCE and the congregation's evolutions and decision making process.

Years of Involvement	#	%
Less than 2	0	0.0%
2 - 4	7	16.7%
5 - 9	12	28.6%
10 - 19	13	31.0%
20 - 39	10	23.8%
Not Known	0	0.0%
Total	42	100.0%
<i>When members of a couple interviewed were different, the longer engagement was recorded.</i>		

The study sample under-represented UUCE's newer members, those households with less than five years of engagement. While this was not done intentionally, it may be a result of some newer members not yet being on the list of those donors making a financial commitment (pledge) to the congregation or giving at lower levels. Because the study sample was so heavily weighted to members with ten or more years of commitment, the rate of participating in giving to the capital campaign is expected to be lower than what was indicated by the study participants.

The congregation should feel proud of its long history and appreciate the tenure of many of its elders and its leaders.

Programs and Activities of Most Interest/Importance

Interviewees were asked to list the programs or activities that they and members of their families are currently most interested in, or find to be the most important to them. For the most part, interviewees listed a variety and number of programs and activities, indicating that most engaged congregants are not "single-activity" focused, but value the breath of programs offered.

Frequently named were:

- Attending Sunday worship services
- Choir and music
- Religious education (adult, youth, children, nursery)
- Supporting worship services, including ushering, sound, etc.



- Small group ministry
- Men's and women's groups
- Fellowship / social activities
- Social justice activities
- Interweave
- Committee and board involvement

Strengths of the Congregation

When asked to name the three core strengths of the congregation, most study participants were able to easily identify many. While different strengths were identified, the ones that stood out most were:

- Music
- Core group of committed, highly skilled volunteers in leadership roles
- Caring congregation—caring for its own members, for the church itself, and engagement and caring in the community and greater world
- Strong sense of community, embracing change with trust and appreciation of each other
- Rev. Ames and worship services
- Positive community with common values
- RE program
- Green Sanctuary program

The confidence in lay leadership and congregation's capacity to make decisions together stood out as very positive indicators for success in moving forward with plans to purchase and move to a new facility, the first such move in over five decades for this congregation.

Level of Knowledge About Proposed Capital Plans

Study participants were asked about their level of familiarity with plans to acquire the site on 13th avenue as the congregation's new home. Interviewees were consistently either somewhat or very knowledgeable about the proposed facility plans, and most had already toured the proposed new site and/or attended one of the recent informational "town hall meetings" led by the BPOC.

Moving Forward is a High Priority

Study participants were asked to rank on a scale of 1 to 10, with 10 being high, the priority for the congregation to move forward with the purchase and renovation of the proposed site, provided due diligence (including financial projections) concerns were addressed satisfactorily. Most study participants indicated moving forward is a high priority, yet 10-15% are reluctant and another one out of five remains cautious.



Priority Level	#	%
10	11	26.2%
9	10	23.8%
8	8	19.0%
6 - 7	8	19.0%
5	2	4.8%
2 - 4	3	7.1%
0 - 1	0	0.0%
Total	42	100.0%
<i>When members of a couple provided different responses, their answers were averaged together.</i>		

The overall average for the priority level is 8.2, and provides a strong mandate for moving forward provided due diligence is completed to the congregation’s satisfaction. In preparing the congregation for the vote (expected to be in early November) and capital campaign in the next few months, it will be helpful to ensure all congregants have a medium to high level of knowledge about the project and the opportunity to ask their questions and hear the responses.

Several congregants supportive of moving away from the current site on 40th Avenue are not convinced that the proposed site on 13th Avenue is the right one. The reasons cited most frequently include concerns about the lack of natural light, windows, natural aesthetics, and outdoor playground for the children. Whether or not the acoustics will be good for voice, choral, and musical instruments is still not answered. Many congregants can already visualize the possibilities at the new site, and see it as a “blank canvas” of a building closed off from the community that can be opened up and renewed. Others see it as it is today, and struggle to see the space as sacred for worship or welcoming for building community.

Project Questions to Be Addressed

Many congregants, including those that feel moving forward is a high priority, have questions about the plans and would appreciate answers before voting in early November and before pledging financial support (this fall or in the spring). Some confident congregants have the attitude of, “Let’s just get in the building, and then we will sort out over time how to live in it,” but others would appreciate a vision and conceptual plan for renovations before they vote their dollars. Clearly, for a successful capital campaign, the church wants congregants to be excited and to look forward with great enthusiasm to being in the new facility for worship services, classes, programs, meetings, etc.

The following questions are key ones to answer:

- If we move forward, will we have the annual operating budget to sustain current programs, adequately maintain a much larger facility, and cover a mortgage?
- What will it cost to complete the building renovations that are required (i.e., accessibility in the bathrooms) and desired (aesthetics) prior to starting services there? Are the cost estimates high enough to ensure we get what we really need?
- Our minister and staff are already stretched too thin and we are planning for growth. Will we be able to expand our staff, with at least a part-time Associate Minister, part-time Volunteer Coordinator, and more support for facilities maintenance and operation?
- How will we renovate the new facility to ensure quality space for worship, RE, fellowship, and offices, along with safety and accessibility?
- How can we bring natural light into the building and develop aesthetically pleasing views



(interior or external) within the sanctuary?

- What will it really cost to complete the renovations we need to be enthusiastic about being in the new building? Can we afford it?
- What’s the timeline?
- The new building is 50 years old and major systems, like the furnace or air conditioning, could fail soon. Will we have an adequate maintenance reserve?
- Will we be able to offer fair compensation to our minister and staff while doing everything else?
- Are we adequately projecting for a loss of members that will not move with us to the new building?

Compliments and Concerns About Congregation Overall

Interviewees were asked if they had any compliments or concerns to share. The open ended question, designed not to lead the interviewees into any specific issues or topics, generated a variety of diverse responses. Commonly repeated compliments and concerns have been shared with members of the Board of Trustees, BPOC, Capital Campaign Committee, and Stewardship Committee. None of the concerns expressed deter the congregation from moving forward with the proposed capital project and capital campaign.

Indications of Financial Support for the Capital Campaign

Interviewees were asked whether or not they thought they would make a gift or pledge for the capital campaign, and if so, at what level. The results for the 42 donor units interviewed are summarized below, based upon giving quartile.

Quartile	# of Interviewees Planning to Give	% of Interviewees Planning to Give
I	10	100.0%
II	12	85.7%
III	8	88.9%
IV	4	57.1%
No Pledge - Not Known	2	100.0%
TOTAL	36	85.7%

Six of the households interviewed indicated they will likely not make a gift for the capital campaign:

- Three donor units (7% of the study total) indicated they do not believe moving forward should be a priority, and they do not think it is the right thing for the congregation
- One donor indicated that he/she will likely not be continuing as a member of the congregation, for reasons not related to the proposed project
- Two donors indicated they support the project plans, but do not have the financial capacity to make a capital gift in addition to their support for annual operations



The 42 donor units included in the study interviews collectively pledged \$148,030 to the current year’s annual budget drive, 48% of the total. Two of the interviewees have not made a pledge for the annual budget this year, and both indicated a willingness to support the capital campaign. One of the two is an alumni of the congregation (a former member interested in seeing the proposed project move forward) and the other is more recently engaged and does not yet have a financial commitment (aka pledge) recorded.

The 86% of the study participants, 36 donor units, indicating they will likely support the capital campaign with a gift or pledge payable by June 2013 gave serious consideration of their support prior to the interviews. Collectively they indicated a plan to give a total of \$826,000 - \$922,000 to the capital campaign, with \$94,000 of it already paid (in 2007, 2008 or to-date in 2009), \$365,000 additional to be paid by the end of 2009 or in early January 2010, and \$378,000 to be pledged over the next three to four years. It is possible that some of these donors will give more, but are not certain yet. Withstanding a major change in the value of investments, unanticipated events impacting financial capacity to give, or other disruptive factors, the congregation can plan on this level of likely support from these donors.

Based upon the study findings, the following schedule suggests the expectation for the capital campaign giving, both for the likelihood of receiving a gift and for the level of financial support. The projection for the percent of households in the giving quartile that will give and the size of their capital pledge compared to their annual budget drive commitment is derived from the study sample, and conservative levels for both participation and size of gifts were applied. No standard multiplier was applied for households in giving quartile I, but instead the amount specifically stated is used as the projection. Most donors in giving quadrants II, III, and IV are expected to give partially or completely from income rather than assets, and the multiplier relates to their current support for annual operations.

Quartile	Projection for % of All Households Able and Willing to Give	Multiplier for Households Giving
I	100.0%	Ranges - Amount Stated
II	65.0%	4.0
III	50.0%	3.0
IV	35.0%	1.3

Gifts from UUCE alumni, particularly former members that have moved away yet maintained some ties to the congregation, may be a source of additional gifts. The one alum participating in the study indicated an interest in making a challenge gift that would help motivate current members to make their gifts early.

Applying the formulas above to the congregation’s distribution of donors for the current year, the projection for the total capital campaign is \$1.1 million.



Quartile	Projection for % of All Households Able and Willing to Give	Multiplier for Households Giving	Conservative Projection for Giving by Quadrant
I	100.0%	Ranges - Amount Stated	\$600,000
II	65.0%	4.0	\$190,000
III	50.0%	3.0	\$230,000
IV	35.0%	1.3	\$40,000
Other	<i>Includes donors not currently pledging for operations</i>		\$40,000
TOTAL			\$1,100,000

Willingness to Participate in Leading the Capital and Annual Budget Drives

Campaign leaders (capital and annual stewardship) are preparing to implement a visiting steward approach to the combined campaign effort, and encourage all congregants to participate in personal meetings as they consider their financial support for both the next year of church operations and the capital campaign. Key leaders for the capital and annual efforts are already recruited. To be successful, the effort will need to orient and engage 50-60 visiting stewards. Each visiting steward will be asked to schedule and complete four personal visits with other members of the congregation. The focus of the visits is on deepening relationships between members and considering the meaning and value of the church community in each person’s life. While the visiting steward will ask the congregant to consider making a personally significant financial investment, there is no need to discuss the specific amount, retaining anonymity and dignity for both. The list of study participants expressing a willingness to serve as a visiting steward will be shared with the campaign leaders under separate cover. For a successful campaign, it will be important to significantly expand the number of willing visiting stewards.

Demographic Information

Three final questions were asked of most study participants, each a type of demographic information.

Planned giving for UUCE. Study participants were asked: *Do you have a will, and if so, is UUCE included in your estate plans, and, if not, is this something you would consider?* (Because of time limitations, not all participants were asked this question.)



# of Responses	Do you have a will or trust?	Is UUCE included in your estate plans?	If not, would you be willing to consider UUCE in your estate plans?
37	25 indicated yes	8 indicated yes	14 indicated yes or maybe

Age of Interview Participants. Adult congregants of all ages participated in the study, as summarized in the table below.

Age	#	%
31-40	2	4.8%
41-50	7	16.7%
51-60	13	31.0%
61-70	7	16.7%
71+	12	28.6%
Not Known	1	2.4%
Total	42	100.0%

When members of a couple were different ages, the younger spouse's age is indicated above.

Household annual income. Interviewees were asked to identify the range of their annual household income, and responses varied from “Under \$25, 000,” to “Over \$300,000” and all levels in between. The consultant found that there was a high correlation between household income and the level of potential capital campaign gift indicated.

Household Income (gross)	#	%
Less than \$25,000	4	9.5%
\$26,000 - \$50,000	7	16.7%
\$51,000 - \$75,000	5	11.9%
\$76,000 - \$100,000	8	19.0%
\$101,000 - \$150,000	8	19.0%
\$151,000 - \$200,000	1	2.4%
\$201,000 - \$250,000	2	4.8%
\$251,000 - \$300,000	0	0.0%
More than \$300,000	2	4.8%
Not Known	5	11.9%
Total	42	100.0%

About half of study participants reported annual household incomes between \$51,00 and \$151,000. A quarter of study participants have annual incomes below \$50,000.

STUDY CONCLUSION

Moving ahead with the proposed capital project is a priority for the congregation, and BPOC, Board, and Capital Campaign and Stewardship Drive leaders have the “green light” to move forward with final activities to complete due diligence and prepare for an affirmative vote during the November 1 congregational meeting and a successful capital campaign. Concerns expressed concerning the proposed



capital project and congregation as a whole are important to address, but none are perceived as potentially derailing the congregation from moving forward with the capital project as planned.

Applying the projection for the number of households able and willing to give and the multiplier for giving suggested above, the total giving projected for the capital campaign is \$1.1 million or more. Securing more than the \$1.1 million will be possible if a larger proportion of donors give a pledge for the capital campaign and if gifts are given and pledged at levels higher than projected. Well developed answers to the remaining project questions will help congregants stretch to their maximum giving potential when considering their gifts and pledges for the capital campaign.

RECOMMENDATIONS

1. Capital Campaign Goal: Based upon the study findings, the fundraising goal recommended is \$1,100,000 for a two-phase capital campaign to secure financial commitments (gifts and pledges) to be paid either within the next few months, by year-end or in early January 2010, or over the next 3-4 years (by June 2013).

Essential Gifts Chart to Reach \$1.1 Million Fundraising Goal for Capital Campaign

The following chart is suggested by the consultant for the number and size of pledges/gifts to reach the recommended goal. All but one of the top 13 gifts was indicated in the study.

Unitarian Universalist Church in Eugene Capital Campaign \$1.1 Million Essential Gifts Chart				
Gift Range			# gifts	Total
	From	To		
A	\$150,000	- \$150,000	1	\$150,000
B	\$100,000	- \$149,999	2	\$200,000
C	\$75,000	- \$99,999	1	\$75,000
D	\$50,000	- \$74,999	2	\$100,000
E	\$30,000	- \$49,999	3	\$90,000
F	\$15,000	- \$29,999	4	\$90,000
G	\$10,000	- \$14,999	13	\$157,000
H	\$6,000	- \$9,999	15	\$112,500
I	\$3,000	- \$5,999	25	\$87,500
J	\$1,000	- \$2,999	25	\$25,000
K	\$100	- \$999	20	\$13,000
Total			111	\$1,100,000

Pledges Can Be Paid Over 3 or 4 Years



2. Early Phase Capital Gifts. To meet the terms of the purchase and sale agreement, UUCE is required to pay a bit over \$400,000 to the sellers and demonstrate it has the resources on hand to make monthly mortgage payments for a period of time. Provided the congregation votes to move forward with the purchase of the property, UUCE's capital campaign leaders should ask those congregants that have indicated the capacity and willingness to make early gifts to step forward. The entire congregation should be given the opportunity to make an early gift, but the asks for those that were not identified early can be a general appeal as opposed to a personal ask, with an opportunity to give during or following the congregational meeting. The capital campaign leaders have been notified of one potential challenge gift from a UUCE alumni and additional outreach to other alumni may result in gifts also.

3. Comprehensive Growth and Financial Plan. To demonstrate that UUCE has the financial capacity to take on the new building, complete necessary and desired renovations, and maintain strong annual operations, it will be important to develop a comprehensive growth and financial plan. The plan will cover both capital and operating plans. The UUA consultant has shared a template for this with campaign leaders, and is available to provide input on projections as they are developed. The information to be assembled is similar to what a bank would require if the congregation approached it for a loan. A well thought through comprehensive plan will demonstrate to many congregants that you can take this on financially, without compromising your programs, and will help everyone be confident when voting whether or not to purchase the proposed site. To accommodate planned growth, consideration should be given to adding additional resources to the operating budget for building operations, and possibly adding an associate minister and/or volunteer coordinator (part-time or full-time) to the staff. Some congregations include maintenance reserves and new initiatives within their capital campaign vision, and the UUCE Board can determine if it wants to do this.

4. Capital Budget and Renovation Plan for New Building and Site. Congregants have many questions concerning the capital budget, and it will be helpful to provide more information as soon as it is available. To help all congregants look forward to worship, programs, and activities in the new facility, it is important to develop as soon as possible a tiered list of building renovations that will be completed as soon as possible, including those that will be done prior to when Sunday services start at the new site, those that will be completed within the next 1-2 years, and future projects that will likely not be completed for a period of time.

5. Campaign Leadership. A strong cadre of capital campaign leaders has been in place for some time and has effectively developed interest by many congregants, especially those with the capacity to make gifts of \$10,000 and more for the capital campaign, to be considering their gifts and preparing to write checks or transfer securities to meet the required down payment. For the early phase of the capital campaign (now – early January 2010), the overall capital campaign co-chairs are in place, lead gift co-chairs are recruited, along with the communications manager. The next steps with this limited group of lead donors are to inform them regarding the results of this study, provide more information about capital project plans and budgets, and ask them to prepare to pay their early gifts in time to close on the property purchase soon after the congregational meeting.

To prepare for the dual ask campaign to be carried out in the early spring with all congregants, it will be necessary to expand the campaign committee. In addition to co-chairs for the dual campaign, it will be important to recruit 50-60 visiting stewards that will go through a 3-hour orientation session and then meet in-person with up to four members of the congregation.



The consultant has provided information to help the leaders understand their roles and the roles of others still to be recruited, and is available to help the committee set a work plan to prepare for and launch the campaign this fall. Beyond Fundraising: A Complete Guide to Congregational Stewardship by Dr. Wayne B. Clark is available for purchase through the UUA Bookstore. It is a very helpful resource for the campaign planners and volunteers.

6. Dual Ask Campaign Utilizing Visiting Stewards. To ensure a strong annual budget drive and thoughtful decisions, a dual ask campaign in early spring 2010 is recommended for the approach to most UUCE congregants. To ensure that every member fully understands the project plans and ways to make a multi-year pledge, it is recommended to the Campaign Chairs and Committee that a Visiting Steward meets with each member/family and has a personal conversation concerning the importance of the project to UUCE and various ways to build a gift. The UUA Congregational Stewardship Consultant is available to provide resources to prepare committee members and Visiting Stewards for their roles, and is available to lead an orientation session for the volunteer Stewards.

When asking members to consider a financial commitment, it is recommended that the Visiting Steward points out that there are two asks:

- First, consider continuing your financial commitment for the annual budget drive
- Second, consider if you can double your giving to the church for the next 3 or 4 years, with the increase going to support the capital campaign. The capital commitment is over and above support for the annual operating budget, which has to come first.

While many would not have the financial capacity to step up their giving to this extent, others with assets to gift may be able to do much more. It is important to recognize that a handful of members are expected to give the majority of the goal.

In 2010, more than ever before, it is very important to have an annual budget drive effort that engages all of UUCE's congregants.

7. Potential Opportunities for Additional Revenue to Complete Capital Plans. Of course, the funds raised by the capital campaign do not represent the total funds that can be pulled together for this project if the membership so chooses. Additional sources potentially available to the congregation include:

- **District Chalice Lighter Program.** The District's Chalice Lighter Program may well make an award to your project and it should be checked into for your own eligibility. The program requires that at least 20% of your members participate in giving annually to the program, and your level of participation will need to increase prior to submitting a proposal. Once your capital project is defined and budget set, don't delay in starting the process.
- **Loans, generally from local banks, with the UUA as a potential guarantor.** See info posted on the UUA website for more information.
- **Grants from foundations with an interest in UUCE.** Occasionally congregants serve on a family or corporate foundation board or have close relationships with foundation decision makers and are able to steer support to the capital project. It is helpful to ask congregants if they can help to open the door to any funds.

IMMEDIATE NEXT STEPS

Distribution of Financial Feasibility Study Report: To honor the tens of hours committed by members



to the study process, please distribute this Executive Summary to all members and make the full report available to the Minister and staff, BPOC, Capital Campaign and Stewardship Committees, Board of Trustees, and all interested members. It can be helpful to have a cover memo from the Board and other leaders stating the upcoming process and timeline to reach a decision on the building process, plan for renovations, and mention when gifts and pledges will be requested.

CLOSING

I have appreciated working with the members of UUCE on the Financial Feasibility Study and previous planning projects and have found each and every one of you to be generous of spirit, committed to your congregation and each other, and full of a “can do” attitude. I wish you much success as you wrestle with competing building expansion needs and desires and the reality of available financial resources, while you keep in mind future program expansion priorities as your congregation attracts more families with children and adults of all ages. I look forward to working with your Combined Campaign Committee in implementation of the early phase of the campaign this fall, and the dual ask in the spring, provided you approve moving forward with it. Please do not hesitate to contact me if I can clarify any questions and add additional perspective.

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Dr. Wayne B. Clark, Director of Congregational Fundraising Services, 207.829.4550, wclark@uua.org
Janine Larsen, Pacific Northwest District Executive, jlarsen@uua.org
Team of UUA Congregational Stewardship Consultants



REPORT APPENDIX 1: STUDY PARTICIPANTS

The following members and friends of UUCE participated in an interview during the Capital Campaign Financial Feasibility Study. Please accept the consultant's apologies if any of the names are misspelled.

Rev. Stephen (Landale) Ames
Julie Aspinwall-Lamberts and Jim Ellison
Doug and Caryn Barab
Barb and Ric Berry
Betty Boyce
George Carroll
Dorothy Clark
Katie and John Clay
Candee Cole
Kay Crider and Patrick Phillips
David and Sally DeCou
Jason Dedrick
Erik Fisher
Karen Gaffney
Barbara Greenley
Judie and Ed Hansen
Anne Marie Hayes
Patricia Hendricks
Sarah Hendrickson and Gretchen Miller
Marilyn and Nisco Junkins
Margaret and Robert Kaeser
Sally LeBaron
Brian Lewis
Martin Lewis
Dick Loescher
Sandi Mann
Michael Mattick
Elliot and Marina McIntire
Jeanne-Marie Moore
Marilyn and Royal Murdock
Mary Otten
Edgar and Phyllis Peara
Angie and David Pebworth
Peter Powers
Ken and Ruth Ross
Judy Sawyer
Vicky Scheuerell
Fred and Linda Schultz
George Struble
Olga Turner
Jeanette Ruel and Douglas Turvey
Jane and John Wagner
Jean and Richard Weick
Leora White



APPENDIX 2: OVERVIEW OF CAPITAL EXPANSION AND CAMPAIGN PLANS SHARED DURING THE FINANCIAL FEASIBILITY STUDY

The following information was shared with study participants. Please note that the early projections for the sources of revenue to complete the Building Expansion “tested” a capital campaign of \$1.25million and the study found close to this level of potential support.

Unitarian Universalist Church in Eugene

*Our Mission:
We are a compassionate, welcoming community that promotes spiritual growth, ethical living, and social justice in our church and in the world.*



Capital Campaign Financial Feasibility Study September 2009

UUCE is at an exciting point in its history. This year as we mark the 100th anniversary of the congregation, we are celebrating all that we have been for this community and we are looking forward to shaping all that we can become for the future. During the last 10 years we’ve experienced a tremendous growth in membership, and have outgrown our beloved building of almost 50 years. After a thorough study, in May of 2007 the congregation voted to “rigorously pursue finding and obtaining a new location for our physical church in accord with our principles.” The Building Project Oversight Committee was appointed to facilitate this search.

During the two-year search for a new location, we have selected and settled a new minister, Rev. Stephen Landale, and worked to strengthen and grow our programs. As a congregation we worked together to discern our values in selecting a new property. This work has all been grounded in the belief that the church is so much more than the physical building we call home. In this process, we’ve stressed transparency, accountability, and maximum participation.

After a thorough search, at the recommendation of the BPOC, the Board of Trustees made an offer to purchase the building and property at 1685 W. 13th Ave, Eugene. Highlights of the project include:

- The building consists of 17,630 square feet, including a commercial kitchen, a large lodge room, offices, and large flexible spaces. This is more than twice our current building size.
- The building is located on a visible corner at 13th and Chambers with access to bus lines and bike paths. The location offers the opportunity for expanded on and off-site social justice work, and for expanding our presence in the community. During the congregation’s listening groups, this was referred to as being a “conspicuous beacon,” and a church for the larger community.
- Some minor remodeling and updating will be necessary to occupy the space, including creating some rooms for religious education from some of the currently open space, and creating accessible restrooms. Due diligence is currently underway to determine other immediate needs.

The purchase price for the building and property is \$1,350,000. Our goal is to be able to pay the total cost of the building within five years from the proceeds of the capital campaign and eventual sale of our current property. Retiring the debt will allow us to avoid paying the bulk of an additional \$2,160,000 in interest and mortgage payments that would accrue over the life of a 30-year mortgage. The pledges for the capital campaign are payable over three to five years, and during that interim we will be responsible for the down payment of \$360,000 and monthly mortgage payments of about \$6,000.

The BPOC and finance leaders estimate that the total building purchase and the necessary remodeling to occupy the property, could cost as much as \$1,600,000. This includes the purchase price, expenses for due diligence, an architect to assist with creating RE space and accessible bathrooms, construction costs, and a minimum of five years



of mortgage payments, minus the proceeds from the sale of our current property. The amount raised by the sale of the current property will depend on the real estate market at the time.

Down the road, we may look to a second capital campaign after retiring the debt for the purchase of this property. That second campaign would raise money for major renovations to the property, which can be designed by the congregation during the next several years.

The Capital Campaign Financial Feasibility Study will test the level of potential support from members and friends of UUCE, the results of which will be available to the congregation prior to a final vote on whether to purchase.

Additional information about this project, including photos and an updated Question and Answer page is available at www.uueugene.org/building-prog/Progress.html. If you have questions that aren't answered on the website or church bulletin board, please forward them to NewHome@uueugene.org so that the BPOC can add your question and a response to the official Q&A.