



The Episcopal Diocese of Vermont

Capital Campaign Feasibility Study Report

for

The Episcopal Diocese of Vermont

Analysis and Recommendations

based on the preliminary case statement:

Spirit and Energy:

A fundraising campaign to equip the saints for mission
and strengthen our diocese for decades to come

(available at www.dioceseofvermont.org)

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Preface

I am grateful to the Diocese of Vermont and the Capital Campaign Discernment Committee for inviting me to work through this process with them. For almost a year we have explored the needs of the Diocese in Vermont, and attempted to translate those needs into concrete campaign components, develop a compelling Case Statement, and test the results with a small thoughtful sample of Episcopalians statewide. Much has been accomplished, and the effort to engage a broad group of thinkers is well underway.

I particularly thank Bishop Ely for his guidance, patience and deliberate thought; Angie Emerson for bringing me into the process and being a guide as I gathered information; the members of the Discernment Committee for welcoming me into their process; and the interviewees for sharing their frank, honest thoughts. I also want to acknowledge Amy G. Hill, who scheduled my interviews. It is difficult to imagine how frustrating, time-consuming and unmanageable that task is, yet she did it with grace and efficiency and left every interviewee feeling especially well cared-for.

The many wonderful people I've met in this process, the exposure to new ideas, the learning I've done along the way, make this study one of the truly special assignments in my work life. Thank you for inviting me to participate in your exploration of opportunities for the Diocese in Vermont.

Christine Graham
CPG Enterprises, Inc.
April 5, 2011



Scope of the Study

The Episcopal Church in Vermont is facing challenging times and a changing world. As one means of strengthening its congregations and its work, the Diocese is considering a major capital campaign which would help meet immediate needs, and an Endowment Phase that would provide some financial safety net for programs and properties.

The Diocesan Convention authorized a Capital Campaign Discernment Committee in 2007 to explore the feasibility of such a major campaign, including the possible components, goals, and methodology for success. Due to the recession and accompanying national financial uncertainty, the Committee postponed the study until 2009 when Discernment meetings began.

The full written report [“Feasibility Study”] focuses in great part on the findings of the external interview phase, but the process included a great deal more. In sum, the steps have been:

- Initial meetings and discussion by the Discernment Committee
- Selection of a feasibility study consultant
- Identification and refinement of the components of the campaign, including estimated goals based on five working committees exploring the component areas
- Development of the draft Case Statement
- Distribution and discussion of the Case Statement in regional meetings throughout the diocese
- Refinement of the Case based on meetings
- Compiling a list of 35 interviewees from approximately 250 suggested individuals and couples, with names suggested by the Discernment Committee, clergy and the Bishop.
- Scheduling and conducting 29 individual interviews as well as meetings of clergy to discuss the Case and potential for fundraising.

Following submission and discussion of this report, the Discernment Committee will bring recommendations to the Special Diocesan Convention in June. At that meeting, delegates will have the opportunity to discuss the report and next steps prior to voting on a campaign. While it is unusual for such a large group to participate in an open process for determining a campaign, it is the Bishop’s way of assuring the participation of hundreds of Episcopalians to question, discuss, and form opinions before a campaign is launched.

For the external study, 29 confidential interviews were conducted with 43 individuals around the

diocese. Three meetings were held with canonically resident clergy, with eleven participating in those meetings. Overall, the participants represented at least 23 parishes of the diocese.

The initial invitation to interview was sent to 35 individuals or couples, and 33 accepted. Three of those were unable to participate due to travel schedules. Two declined to participate, one because of health and another who felt he was sufficiently informed. One other person later asked to participate and was added. Those invited were sent the Preliminary Case in advance, for preparation. The yield, even with those who were unable to participate, is very high for a study like this and shows strong interest.

Each interview lasted about an hour and was conducted by Christine Graham, with the same list of questions for each interview (found in the Appendix of the “Feasibility Study,” posted at www.dioceseofvermont.org). The questions were used as discussion starters, and in many cases led to more detailed information and suggestions, which are reflected in the Summary and are more thoroughly listed in the Appendix. The goal was to learn more about the interviewee’s relationship, attitudes and commitment to the Church, the Diocese and their local parish, as well as their assessment of other members’ reactions to the plans. Questions on the interviewees’ potential involvement in the campaign, as donors and as leaders, were critical.

The overarching questions to be answered were:

1. Is a major campaign the right direction for the Diocese?
2. Are the five Immediate Need components and Endowment what is needed, and will they make significant positive impact on the Diocese of Vermont?
3. Will major donors support this adequately to launch and succeed at the campaign?
4. How should the campaign plan be improved, refined, and further designed?

The external interview component of a feasibility study is not a scientific test, and cannot yield reliable statistics or measures. It focuses on opinions: those of a particular group of individuals, highly engaged in their congregations, many involved in the Diocese, and those more able to donate significantly. It cannot be interpreted to reflect the opinions of the whole Episcopal membership in Vermont, but it is intended to reflect the opinions of those individuals who could make the first 60-85% of a capital campaign a success, through their donations, connections, and hard work.

Throughout the Summary of Findings (included in the full “Feasibility Study” document), it is likely that numbers of responses will not add up to 29 or 43: not everyone answered every question, with couples there was sometimes ‘a single voice’ and sometimes not, and some individuals made two or more pertinent, valuable comments in response to a single question. This report attempts to reflect the depth of their thinking and attitudes more than a numerical response.

The opinions of the clergy who met with the consultant were used as information and perspective, but the specific preferences expressed were not included in the rankings and

numerical priorities. The group meeting made it difficult to capture the precise personal priorities of each person, and in some cases they reflected the opinions of their congregation following participation in regional meetings. The small number of participants would have made honoring confidentiality difficult, were their opinions reported as a 'clergy perspective' in the Summary of Findings. Their recommendations did inform the direction of the report and a brief summary of their comments follows the summary of parishioner interviews.

All interviewees were assured of the confidentiality of their interviews, and therefore no names are attached to the opinions reflected in this report. A small number offered thoughts and suggestions they wanted carried back, or made requests for additional information, and those requests have been honored.

All interviewees were thanked by the Diocesan Ministry Support Team following their interviews, and each will expect some communication following Committee review and Convention actions on this report. A final thank you letter with the Executive Summary, a summary of action, or both, would be an appropriate way to complete the study aspect of the relationship with interviewees, but all should be kept closely in touch with progress from here forward. It would be important to remind the interviewees of the Special Convention in June, as they may be particularly interested in attending or reading the outcome on the website.



Analysis and Recommendations

A successful capital campaign combines a compelling Case for Support with a powerful group of influential and generous donors who will give and work to make certain the community's leaders and philanthropists understand and support the cause.

The opinions expressed in this study were deep, wide-ranging and complex. However, in asking the basic question, 'Can the Diocese launch a major capital and endowment campaign?' the answer, and the rationale, is simple.

Based on the interviews in this study, a campaign as described in the Case Statement is discouraged. The Diocese would be wise to rethink and reconfigure its plans, based on three primary concerns expressed by the majority of interviewees:

1. Vermont Episcopalians today are more committed to, and more worried about, their local churches where budgets, building needs and declining membership are threatening their future.
2. While the five components of the Immediate Needs phase are real and powerful issues in the Diocese, there is not enough agreement about priorities, not enough specificity on spending campaign funds, and not enough certainty that fulfilling these Needs could change the future of the Church.
3. Vermont Episcopalians do not feel connected enough to the Diocese to invest significant amounts of their time, money and effort in a campaign for the Diocese at this point.

The Case: While the size of the tested campaign was a realistic (or modest) amount to cover the demands of five Immediate Needs, the interviews suggest that members would be more likely to respond to a smaller campaign with a much more restricted and specific purpose. Unfortunately, there was no overwhelming top priority among the needs, but there is enough overlap and crossover among the top three areas, that a new vision for the campaign could be developed. This would include Rock Point, Spiritual Formation, and Earth Stewardship, each significantly reduced from the original Case.

A campaign blending those three areas would still suffer from members' feelings of distance or lack of attachment to the Diocese, and from their severe concerns for the local churches.

A successful plan to move forward can include solutions to these feelings of detachment and viable means for help to local churches, as well as a melded plan that could focus on spiritual development, Rock Point and plans for environmental efficiencies.

Giving: Based on interviewee assessments of their own giving, and a 4-6 times ratio between the study and the campaign, even if some of these interviewees were underestimating their own gifts (which did not seem to be the case) the highest realistic goal would be a campaign of \$1 - \$1.25 million. No gifts were suggested over \$100,000, despite the gift chart requiring thirteen gifts from \$100,000 to \$1 million. There are people on the 'suggested prospects' list with the capacity to give at that level based on their previous gifts, but there is no assurance they would give in those levels for this campaign.

Campaigns are emotional creatures, and it is certainly true that one highly visible and inspiring gift can turn around a discouraging situation. Such donations are sometimes magical surprises. It is also possible some changes in this Case could elicit new and unanticipated gifts.

Prior to the final decision about a campaign, I would strongly suggest personal meetings with some of the possible donors who were not interviewed, including solicitations for pledges. If those meetings indicate radically higher giving, the campaign goal could be reconsidered.

Currently there is not enough enthusiasm for the Case, and not enough potential giving to meet the goals. If significant surprises do not surface, I would suggest a revamp of the goal, the phases, and the components of both phases as well as some other preliminary work before launching a major campaign in order to enhance the opportunities for success with a campaign.

Recommendations

While revamping the campaign plan, the Diocese could begin work immediately to improve the receptivity of its members to a campaign, by helping them connect more deeply with the Diocese. Some of these ideas were suggested in the current Case, but could be implemented in part, at less cost, and with more engagement than originally suggested.

1. **Communication:** The website must be improved as soon as possible; every day fewer people take the time to read a print journal the length of the Mountain Echo. This is underway and will make a highly positive impact on the members; it will lead to interactive long-distance meetings, support meetings and trainings, and other experiences that will link individuals and congregations, building a stronger sense of unity.
2. **Fundraising Collaboration with congregations:** Both the local churches and the Diocese need to raise money, but as long as they compete, both lose. The creation of a shared plan for fundraising on special projects or planned giving, or both, would help raise more money and better relations at the same time. There is a start on this with Angie Emerson's work as Minister for Stewardship Development, but this suggestion is for more: for actual solicitations in partnership, with the proceeds shared between the church and the Diocese. The variations on this can be developed, but might include the church raising money for its immediate local needs while the Diocesan share goes to endowment, etc.

3. Education: Expanding church visitations by Diocesan representatives offering information on Statewide, National and International activity. These visits could be made by informed, involved laypeople; they should be tied to church services and made easy to access. Videos of the presentations could be on the website afterwards. Volunteer opportunities could be offered.
4. Reaching Youth: Developing short (weekend, overnight), very inexpensive (or free) experiences for teens at Rock Point at various times of year, combining outreach, outdoor activity, nature, spiritual education and discussions. This could include volunteer work such as trail clean-up and other Rock Point maintenance.

The purpose of these four steps would be to wake people up to the work and reach of the Diocese, demonstrate a commitment to youth, jumpstart better communication statewide, and provide tangible results-oriented fundraising help.

As much as possible, the skills and professional expertise of Vermont Episcopalian laypeople should be utilized. There are great talents in the Diocese, and people are always more engaged when they are part of the solution.

The Diocesan campaign itself could start in a year or two (dependent on progress on steps 1-4 above) and consist of two parts which would run concurrently:

- *Supporting the Church Today: Spirit and the Environment*
- *Supporting the Church for the Future: Planned Giving*

Each prospective donor would be asked to make an immediate gift and also to establish a Planned Gift (at any level) through bequest, insurance, a retirement account, or a more complex trust or annuity. The immediate gift would benefit the work of the Diocese (separate from any collaborative project-related giving that the church and Diocese might have requested) while the Planned Gift could be designated for the Diocese or as a split between the local church and the Diocese.

Supporting the Church Today: Spirit and the Environment could be a \$2 million campaign where the tangible goals will be:

1. To improve Rock Point: making basic, necessary repairs and upgrades, and energy efficiency improvements; and to underwrite reduced fees for church retreats, transportation assistance, and elimination or reduction of commercial rentals.
2. To establish more Spiritual Formation programs including those for youth, young couples, families with children of specific age groups, and specialized groups (i.e., recent retirees, adult children serving as caregivers, etc.)
3. To create a grant program for parishes in tackling their greatest needs, whether tangible or not: environmental improvements, outreach in the community, conducting retreats, program development, access, expanding the schedule of services, etc. While some of this may be happening, more financial and advisory help from the Diocese will make a big difference and will build the connection between parish and Diocese.

It is clear from the interviews that prospective donors will want real data on the amounts, costs, allocation methods, and other specifics on these three areas of work. This added information may prove useful in raising more money than originally anticipated.

Supporting the Church for the Future: Planned Giving: This would be a permanent ongoing effort, but initially a goal will make it easier to grasp. It should be a large goal and long term such as \$10 million in 10 years. The intention would be for proceeds of Planned Gifts to fund Diocesan Endowment, but donors could request a different restriction. Gifts would only be announced when realized, but a list of Legacy Commitments and acknowledged in the Mountain Echo and online (with donor permission). Great care will be required in determining the right time, respecting the plans of each congregation when approaching Planned Giving prospects.

In sum: The plan proposed is designed to make this an opportunity to move forward to increase membership, deepen spiritual life as members choose, raise necessary funds, complete critical work, and build strong churches and budgets. When these issues are in resolution, the feasibility of a major campaign would change dramatically.

Many other comments from interviewees will provide guidance in developing the new plan including comments about clarity, specificity, language, etc. Those are technical issues and easy to accommodate once the direction is determined.

The Diocese has so many devoted, serious, thoughtful members who would like to be part of a whole that serves all members well. When they begin to feel their churches are growing stronger and their membership in the Diocese is productive, financial generosity and stability will follow.



Executive Summary

After two years considering a capital campaign, a devoted committee working with Bishop Thomas Ely developed a comprehensive document outlining a two-phased campaign: \$5.625 million for immediate needs spanning Spiritual Formation, Environmental Stewardship, Communication, Rock Point, and Mission Farm; and a second phase of \$5.5 million for Endowment that would help stabilize finances and maintain properties for the long term. These goals were ambitious but not high compared to need.

However, interviewees were concerned about a range of challenges that made them reluctant to endorse the campaign as suggested. In their congregations, members are seeing budget stress, rapidly declining and aging membership, deteriorating buildings, and an uncertain world that brings into question the outreach and spirituality that would otherwise be their touchstones. Along with these concerns, many members feel disconnected from the Diocese. For some it is difficult to see, but others understand that they need a strong Diocese so their churches can get help.

The Diocese has the opportunity, based on opinions expressed in this study, to invest time first in solidifying the connection between congregations, members and the Diocese, and helping the local churches repair their sagging budgets as well as their compromised buildings. With much enhanced and modernized communication, and more outreach to youth, the foundation will be laid for a strong, though modest, capital campaign run parallel with a Planned Giving program. These efforts will be most successful when fundraising is a collaboration between the congregations and the Diocese, both in asking and in receiving.

After the preliminary efforts are underway, the Diocese will be well-positioned to conduct a three-to-five year campaign to raise \$2 million which can be devoted to a combination of property and program enhancement that joins together spiritual formation, use of Rock Point as a spiritual centerpiece for the Diocese, and enhanced assistance to congregations as they face their greatest challenges.

The Diocese has many devoted, serious, thoughtful members who would like to be part of a whole that serves all members well and reaches out to others. As they begin to feel their churches are growing stronger and their membership in the Diocese more productive, financial generosity and stability will follow.