



**TO:** Capital Campaign Committee  
St. Thomas' Episcopal Church

**FROM:** Evergreen Philanthropic Solutions

**DATE:** October 4, 2023

**SUBJECT:** Capital campaign feasibility study: executive summary

On May 11, 2023, St. Thomas's Episcopal Church (St. Thomas) engaged Evergreen Philanthropic Solutions (Evergreen) to assess the feasibility of conducting a capital campaign to raise \$1 million to address necessary repairs to the Church. Evergreen delivered its report on July 19, 2023, asserting that St. Thomas was not configured at the time to successfully complete the proposed campaign. At the request of St. Thomas' Vestry, an executive summary of Evergreen's findings and recommendations follows below.

### **Methodology**

As part of the feasibility study process, Evergreen:

- Conducted three in-take interviews with key Church leaders to orient ourselves to the organization
- Held 17 conversations with 20 key parishioners and external parties
- Reviewed the results of the 2019 and 2021 Church surveys
- Watched the Camden Historic Resources Committee meeting of April 18, 2023
- Researched other church capital campaigns, including the First Congregational Church in Camden, Christ Church on the Common in Gardiner, and St. John's Episcopal in Bangor
- Evaluated donor records from 2015-2022
- Assessed data from the Episcopal Diocese of Maine, including the Parochial Reports of St. Thomas and four Episcopalian churches in Maine from 2015-2022
- Participated in Sunday worship and engaged informally with parishioners during coffee hours

## **Context**

There were three significant factors that compelled St. Thomas to investigate the possibility of conducting a capital campaign:

- The tower has inherent structural problems that have posed challenges to the Church for decades.
- The Tyvek-type wrap has exceeded its three-year shelf-life.
- A contractor had been engaged and planned to start work in Fall 2023

## **Framework**

Evergreen's assessment centered on four pillars: (1) a case for support; (2) the organization's leadership; (3) prospective donors; and (4) systems. Our findings are organized on these four pillars that drive fundraising success and also include a data analysis grounded on the Church's "Parochial Report" submissions to the Episcopal Diocese of Maine.

### **1. Case for support**

Based on what we heard in the interviews, centering messaging on the need to fix the tower does not inspire donors to invest in the project and had the potential to cause friction between those parishioners who felt the tower was in urgent need of remediation and those who did not.

Upon coming to this conclusion, we also discovered that the centennial anniversary for when the church began operating at its current location was 2024. A centennial is typically an effective means of resetting an organization, reintroducing it to stakeholders, and galvanizing support for a capital campaign. We recommended, and the fundraising committee agreed, that we shift the focus of the feasibility study away from the tower toward a centennial theme where the tower would be only one of several beneficiary projects.

### **2. Leadership**

The Rector and Warden of St. Thomas were not involved in the feasibility study or planning for the capital campaign and, in the current context, would not likely be effective advocates to donors. Additionally, the existing Capital Campaign Committee was too small to successfully execute any type of campaign strategy.

### **3. Donors**

We received a tepid response to the request for interviews (58.8%), significantly less than the typical 80% we see for organizations considering a campaign of this nature. This type of anomaly is typically a 'red flag' for us, suggesting that there is a challenge to support for the intended goal or division or apathy within the group of stakeholders. During the interviews we were able to conduct, we heard the following themes:

- The Church was divided in its opinion of the Rector.
- There are pro-tower and anti-tower camps in the Church.
- The Church has multiple fractures which could be exacerbated by a capital campaign.

In analyzing donations to the church, we discovered that there was insufficient capacity among St. Thomas’ parishioners to reach a \$1 million goal. In looking at potential funding resources outside the Church, we learned that there is more outside funding available for historic restoration projects than for reconstruction.

**4. Systems**

Beyond QuickBooks (which is used for financial management purposes), there is no central repository of Church records, making the process of tracking down information about prospective donors and maintaining complete records of their engagement cumbersome and at risk of falling into the wrong hands. Specifically, a Customer Relationship Management (CRM) database was not being used.

**5. Data from “Parochial Report” submissions to the Episcopal Diocese of Maine.**

Each year, the Rector completes a “Parochial Report” to the Episcopal Diocese of Maine, detailing key metrics including church membership, service attendance, recipients of sacraments, number of families making pledges, etc. Evergreen analyzed the Parochial Reports that St. Thomas filed each year starting with 2018<sup>1</sup> and found that there has been a significant decrease in many of the key indicators, as noted below:

	2018	2019	2020	2021	2022	% change, 2018 – 2022
<b>Active members</b>	246	246	225	218	193	<b>-22%</b>
<b>Avg. Sunday attendance</b>	102	96	91	64	67	<b>-34%</b>
<b># making pledges</b>	81	66	61	45	48	<b>-41%</b>
<b>Total pledges</b>	\$164,988	\$150,016	\$145,520	\$110,078	\$95,780	<b>-42%</b>

While many can blame the pandemic for this decline in engagement, it is important to consider the work that the Church is doing to retain and steward its members in this post-pandemic environment. Membership retention is a critical factor for any fundraising venture; if an organization is experiencing a decline in any of these factors,

<sup>1</sup> Evergreen intentionally sought to review data going back to 2018 to ensure our analysis was not skewed by changes that occurred during the COVID-19 pandemic.

the people who remain may feel uncomfortably pressured to compensate for those who are no longer part of the organization.

In addition to the data gleaned from the Parochial Reports, we reviewed donation analyses provided by the treasurer. The chart below depicts donations to the church between 2015 and 2022, which declined a total of **32.8%** during that period:

Year	Donation amount	% change from prior year
2015	\$243,393	--
2016	\$221,824	<b>-8.9%</b>
2017	\$217,343	<b>-2.0%</b>
2018	\$214,804	<b>-1.2%</b>
2019	\$189,637	<b>-11.7%</b>
2020	\$176,705	<b>-6.8%</b>
2021	\$162,087	<b>-8.3%</b>
2022	\$163,487	<b>+0.9%</b>

However, declines in key church metrics were not consistent for all Episcopal churches in Maine during the pandemic. The table below contrasts St. Thomas with churches that experienced increases in this period:<sup>2</sup>

Church	2015 members	2021 members	% change	2015 plate & pledge	2021 plate & pledge	% change
St. Thomas' (Camden)	228	222	<b>-2.6%</b>	\$248,445	\$149,530	<b>-39.8%</b>
Christ Church (Gardiner)	134	193	<b>+44.0%</b>	\$64,323	\$111,431	<b>+73.2%</b>
St. David's (Kennebunk)	247	309	<b>+25.1%</b>	\$188,192	\$280,040	<b>+48.8%</b>
St. Mark's (Augusta)	57	66 <sup>3</sup>	<b>+15.8%</b>	\$41,583	\$65,969 <sup>4</sup>	<b>+58.6%</b>
St. Peter's (Rockland)	314	346	<b>+10.2%</b>	\$160,487	\$185,420	<b>+15.5%</b>

An analysis of St. Thomas' pledges and givers of record for the years 2016 through 2022 revealed that in 2016, there were four donors who made gifts of at least \$10,000. By 2022, the number of donors dropped to three. Gifts from these top donors represent approximately one quarter of the total gifts received.

<sup>2</sup> This table was generated using data from each church's Parochial Reports that are publicly available on the General Convention of the Episcopal Church website, <https://www.generalconvention.org/explore-parochial-report-trends>.

<sup>3</sup> The last report available for St. Mark's (Augusta) is 2020.

<sup>4</sup> The last report available for St. Mark's (Augusta) is 2020.

### Scenarios for moving forward

Given all the factors described above and the imperative to fix the tower and roof so that they do not place additional financial burdens on the congregation, Evergreen offered three possible scenarios for moving forward – each with varying degrees of associated risk:

- **Option:** “Muscle through” and raise as much as you can.
  - We cautioned that this could result in a failure to achieve the announced fundraising goals, which could lead to public questions about what is wrong at the church. We also noted that this approach could be viewed as ‘tone-deaf’ by a portion of the congregants and lead to further fractures within the congregation.
- **Option:** Hold off on launching a fundraising campaign until the Church works to heal its fractures and decline.
  - While presenting all three options, we recommended this one. Essentially, the church would shift its focus from fundraising to addressing the fractures within the congregation. This would include an effort to understand various perspectives, enhance transparency over decision-making concerning the tower, and work to help the congregation focus on a shared mission. As this approach makes progress, it would create opportunities to deal with the tower and the larger centennial from a position of unity and strength.
- **Option:** Buy time to restore the Church’s unity by paying to re-wrap the tower and delaying construction.
  - Depending on the cost of re-wrapping the tower and postponing/cancelling the planned contractor work, this option would allow the church to make decisions and raise money so it could fully execute the tower remediation, but it would not necessarily address fractures in the congregation and/or other issues that could be funded via a capital campaign focused on the centennial.