



**Unitarian Universalist Association of Congregations**  
**Office of Congregational Stewardship Services**  
Report on Financial Feasibility Study for OUUC  
April 2011

**SUMMARY Report on Capital Campaign Financial Feasibility Study**  
**For the Olympia Unitarian Universalist Congregation**

**For a copy of the full report, please contact Darlene Sarkela in the church office or Melanie Ransom at [melransom@comcast.net](mailto:melransom@comcast.net) or (360) 459-7177.**

### **I. Summary**

The Olympia Unitarian Universalist Congregation (OUUC) engaged the Unitarian Universalist Association (UUA) to conduct a financial feasibility study and to determine the readiness of the congregation to conduct a successful capital campaign for Phase IA of their building project. The study estimates how much money might be raised in such a campaign. The study was conducted by Kay Crider, a congregational stewardship consultant working through the UUA.

The study results are based largely on data collected during one-on-one confidential interviews with 65 members of the congregation, representing 42 pledging households or 20% of the 206 households who pledged for the 2011 church year and 25% of OUUC members.

The results of the financial feasibility study are generally positive. Most of the households that participated in the study were supportive of the project. The study results indicate that the congregation should be able to raise between \$750,000 and \$850,000.

### **II. Likely Financial Contributions**

Each household participating in the feasibility study was asked how much they expected to contribute to the building project over a three-year period, in addition to their annual financial commitment to the congregation. Gift ranges, starting with \$100,000 or more and working down to zero, were offered by the consultant. Thirty-nine of the 42 households indicated their intent to make a gift. The distribution of gifts planned by participants is as follows:

Gift Range	Number of Gifts	Indicated Amount (total within range)
\$100,000 or more	0	\$0
\$50,000 to \$99,999	1	\$60,000
\$30,000 to \$49,999	1	\$40,000
\$20,000 to \$29,999	1	\$25,000
\$15,000 to \$19,999	7	\$107,500
\$10,000 to \$14,999	9	\$97,000
\$7,500 to \$9,999	0	\$0
\$5,000 to \$7,499	4	\$23,000
\$3,000 to \$4,999	6	\$20,100
\$1,000 to \$2,999	9	\$16,500
Up to \$1,000	1	\$100
Unsure/nothing at this time	3	\$0
<b>TOTAL</b>	<b>42</b>	<b>\$389,200</b>

The projection shows that you should be able to raise at least two times your annual operating pledges. Given that you concluded a three-year campaign in June 2010 in which you were able to raise at least three times your 2007 annual operating pledges, the current projection shows that there is still substantial support to fund Phase IA. Some donor fatigue and some reduced financial circumstances were identified, however. Many study participants indicated they would not be able to give the same level of financial commitment as the previous campaign for one or more of the following reasons: asset reduction due to previous gift; asset reduction due to economy; income reduction due to increase in financial commitment to annual budget; income reduction due to economy; income reduction due to recent or impending retirement; increased medical expenses; and expenses for needed items that they delayed purchasing during the previous campaign.

### **III. Recommendations**

Based on the results of the study and analysis of the findings, I recommend that OUUC further develop cost estimates and detailed plans for Phase IA of your building project, followed by additional congregational input and education. Allocating some resources to fund architectural plans will be important to help the congregation determine the affordability of each component of the Phase IA and the ultimate scope of the project.

- Loan Considerations
  - The congregation currently has a debt service of approximately 15% of its annual budget. The UUA recommends that a congregation's debt service not exceed 25% of its annual budget, while keeping in mind that to fulfill your mission and vision, some debt is often healthy and necessary.
  - The UUA has many building loan requirements, one of which is to raise three times your annual pledges to qualify for a UUA loan. Based on the results of this financial feasibility study, you should be able to raise two times your annual financial commitments, and therefore you would not meet this requirement. Non-UUA lenders do not have such a requirement, should the congregation decide to increase its annual debt service to fund the building project.

In UU spirit,



Kay Crider

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