

# Questions to Consider About Capital Campaigns

Should We Have a Capital Stewardship Campaign?

- If your church is planning to buy land, build new facilities, renovate existing facilities, retire debt, or fund a special project, you should consider a capital stewardship campaign. A capital stewardship campaign is an organized effort to raise funds over and above regular operating income during a specific time period for a specific need. It is based on an established theological approach which has been followed by many churches over a long period of time to meet extraordinary needs. One way to considering whether or not to have a capital stewardship campaign is to consider the alternatives.

Do we have cash reserves that can be used for the need?

Do we have an individual or a few families that will fund this need?

Can we afford to borrow the funds and absorb the debt payments in the operational budget without adversely effecting ministries, programs and apportionments?

Is there a specific reason to not have a capital stewardship campaign?

When is the best time for a Capital Stewardship Campaign?

- **Calendar Time:** Campaigns have been concluded successfully during every season of the year. No one season is inherently better than another. Most campaigns will be conducted within one of the following time frames:

May / June / July / September / October / November

July / August / September / October / November / December 15

November / December / February / March / April

January / February / April / May / June

- **Campaign Time:** A church should enter a campaign for a building project soon after the church has committed itself to build. Almost all that is required at this point is a conceptual elevation drawing of the proposed building, provided by the church's architect.
- **Cash-Flow Time:** This is an important factor related to timing, which is often overlooked. If a church has a choice between a campaign ending November / December of the current year or April / May of the following year, the earlier campaign will gain six months cash flow in the front end of the project.

- **Length of Time:** The size of the congregation and the magnitude of the project are major factors in determining the length of the campaign. The minimum amount of time, from beginning to end, is 12 to 14 weeks. Most campaigns will need from four to five months.
- **Priority Time:** The basic activities of the church must continue during a campaign. The consultant will plan the campaign calendar around those activities. However, during the final eight weeks of the campaign, the church calendar should be free of other major special events.
- **Necessary Time:** Sometimes, circumstances demand an immediate campaign. Balloon notes, increases in operating expenses or natural disasters may necessitate quick action. Successful campaigns have been conducted under pressure.
- **The Right Time:** Seldom will a church find a perfect time to have a capital stewardship campaign. The best time is when people are excited about what is happening in the church, see the needs, want the needs to be met and are committed to the project.
- **Sequential Campaign Time:** How soon after a first campaign can a church have a successful second effort? Many churches have had successful subsequent campaigns, with little or no break between giving periods. Second campaigns can even begin before the pledge period of the first campaign has been completed.

Many times a church has grown considerably during the three-year giving period, and there are new people in the congregation. Also, many who made commitments in the first campaign will have paid them in full before the end of the three year giving period.

How much can your church raise in a Consultant-led Capital Campaign?

- The first question many people ask is How much can your church raise over and above regular giving over a three-year period? Major church fundraising companies generally have the same answer: Most churches will raise 1.5-3.0 times their previous year's budget. It is our observation that 1-2, times is more accurate with 85-90% receipt of commitments. While accurate, that answer is not enough for some churches. These churches ask Can we expect to double last year's budget? Or triple it? Might we be the exceptional church with the potential of raising four, or five, even six times our budget? By answering the following questions, each church, with the help of the consultant, should be able to determine the realistic potential for its campaign. All projections, however, should be conservative.

### **Congregational Demographics**

1. How many resident family units are in the church with heads of households 21 years of age and older?

2. How many single heads of households do you have?
3. What is the median age of your adults?
4. What is the average Sunday School attendance? By departments?
5. What is the average Sunday morning worship attendance?
6. Is your church an inner-city church? Suburban? Upper, middle, or lower income?

### **Resource Potential**

1. What was the total income of the church last year? What were the giving patterns?
2. Are there people in the congregation who may have the potential of giving \$1,000,000, \$500,000, \$100,000, over three years?
3. Do you have high-income business and professional people in the congregation who are faithful givers? People who have the potential of giving stocks, and land or other real assets?

### **History of Giving: Attitudes Toward Giving**

1. What is the per-capita giving of the church?
2. What is given through special offerings?
3. What has been given in previous campaigns?

4. Is stewardship a major emphasis in the church?

Churches with a high per capita record of giving will often raise more than churches with a low per capita record of giving. In other words, people with an established pattern of giving will often contribute more than those who do not.

### **Leadership Commitment**

1. Is the leadership unified in support of the project?
2. What percentage of leadership voted against the project?
3. Are dissenters influential within the congregation? Are they large contributors?
4. Are the pastor and staff committed to the project?

It is essential that leaders be willing to participate in the campaign. The senior pastor/minister and other staff must give verbal support, and by their own involvement by an encouragement to the congregation. Absence of such support will negatively affect the campaign.

### **Project Support**

1. Has the congregation voted on the project?
2. What percentage voted in favor?
3. Does the project have a high level of emotional support?

Some congregationally governed churches have had very successful campaigns despite 40% of the members voting against the project. However, a more positive vote may positively affect the results of a campaign.

### **The Spirit Within**

1. Is the congregation unified?

2. Are people positive and enthusiastic about the church's program and ministry?

Answers to these questions will help both the congregation and a professional consultant understand the capital giving potential of a church.

Should we consider hiring an outside Consultant?

- Most knowledgeable pastors and church growth authorities recommend using an outside consultant when a church needs to raise large sums of money. Using a consultant to raise funds has become an accepted and recommended practice for several reasons:

Most churches do not have people, (including staff), with the time and expertise to design and direct an effective campaign.

The consultant can positively influence the financial potential of the church. Usually a church can realize at least 50% more in commitments using a consultant than in a self-led campaign.

A comprehensive, well organized, and proven plan of action can be provided by an experienced consultant.

A professional consultant can create a positive infrastructure of accountability about the timely completion of assignments in the campaign.

The consultant only needs to raise the cost of his/her fee more than the church could raise on its own to be worthwhile. An experienced consultant can help bring the right spiritual focus to a capital stewardship campaign.

Who is the right Consultant for your campaign?

- One of the most important and difficult decisions a church must make is the selection of an outside consultant. The process has become more difficult because of the proliferation of companies and people who have entered the field of church fundraising. Churches can choose a large, well-known corporation, a smaller company or an individual.
- A large company, at first glance, appears to have major advantages: a long history of churches served, many consultants and a packaged program, which assures the same degree of professionalism in every campaign. A large company may offer a sense of security to some. However, to maintain large telemarketing and management staffs, companies must do a large volume of work. Therefore, their consultants may work six or seven campaigns simultaneously. Also, because these companies are constantly

employing new consultants, many of their campaigns must be directed by persons with limited experience.

- The results of a campaign will not be determined by the size of the company. It is a myth that an experienced consultant must have the backing of a large company in order to lead a large church through a successful campaign.

When you start the process of determining who you will hear presentations from, ask if you will hear from a salesman or the primary on site consultant. Some consulting firms will send a salesman who will claim that he/she will work the program when they actually mean they will supervise the consultant they assign. This deceptive practice is common in some companies. As you seek a consultant for your church, consider the following:

### **Consultant's Experience**

1. How long has the consultant been in the work and how many campaigns has he/she directed?
2. Has the consultant had a wide diversity of experience?
3. If the consultant has limited experience, who will supervise him/her?
4. How many times will the supervising consultant be on the field and in training classes?

### **Consultant's References**

1. Are references provided for the individual consultant who will serve your church? A company may have conducted hundreds of campaigns, but those campaigns may have been directed by consultants no longer with the company.
2. What campaigns has the consultant directed within the last 36 months?
3. Do you know these churches? Are any of them comparable to yours?
4. Does the consultant have references from churches where he/she directed several campaigns in sequence?

5. Are there unusual or particularly significant personal references?

### **Consultant's Aptitude and Ability**

1. Will the consultant simply direct a prepackaged campaign, or will he/she be qualified to counsel and advise the church?
2. Is he/she willing to listen to concerns of the church leadership?

### **Consultant's Flexibility and Personalization**

1. Can the consultant consider alternate ways of doing things, or does he/she have to follow a set program?
2. Is he/she willing to listen to concerns of the church leadership?

### **Consultant's Spiritual Sensitivity**

1. How important is the consultant's personal faith to your church?
2. Will he/she conduct a campaign based on theological principles that are compatible to your church?

### **Track Record of Subsequent Campaigns**

1. Does the consultant have a track record of being invited back by the same church for second and their campaigns?

### **Consultant's Availability**

1. How many campaigns has the consultant directed in each of the past three years?
2. How many other campaigns will the consultant be directing while serving your church?