



Is this Feasible and How Can We Tell?

What is a Capital Campaign?

A capital campaign is a systematic effort to unite a congregation in financing a mission-driven need within a specified time period.

A capital campaign educates a congregation on the principles of biblical giving, creates an atmosphere of spiritual growth, and advances the church's long-range plans, through the funding of critical and essential projects necessary to maintain or advance the congregations mission.

Major steps in a capital campaign

- Identify a clear mission-driven need
- Build congregational consensus around that need
- Hire a campaign consultant
- Organize volunteer and staff leadership
- Conduct a feasibility study
- Engage professionals (such as architects, engineers) to illuminate concepts
- Finalize project details such as architectural plans and fundraising goals.
- Decide to host the Capital Campaign
- Secure financial commitments from campaign leaders
- Solicit Lead and Major donors
- Plan events and produce campaign materials
- Launch public phase of campaign
- Collect campaign pledges
- Thank donors and celebrate victory
- Implement the project

There are two critical steps, listed above, which the church must consider: Conducting a Feasibility Study and then making the decisions on whether or not a Capital Campaign is the right approach for solving your financial requirements.

Benefits of a Feasibility Study

Whether you are a social service agency, a church, a school or a medical care center, every business decision your organization makes requires data, if your decisions are to be low risk and high return.

A feasibility study provides such data, when your organization is determining if launching a capital campaign is the way to go, to meet your growing financial needs. Capital campaigns are expensive, time consuming and involve many partners in the greater community your serve and within which you reside.



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To launch such an endeavor is not a decision most organizations take lightly. Because of this, feasibility studies are essential.

The feasibility study tests the validity of the projects around which the campaign is centered. It provides you with critical information that will help to determine whether your community understands the importance of your proposed project, whether it is for capital improvements to buildings, endowment growth, or other special areas. Because the feasibility study presents the case for giving to people outside the organization, your organization must first have absolute agreement about the proposed plan and the need for a campaign to fund the plan

A properly performed feasibility study is going to tell you what key donors think of the case for giving around your project. It will provide you a measure of how “donor centered” your campaign appeal is and provides clues as to how well the project and priority match the interests and priorities of key donors whose support will be critical to your campaign’s success.

Board Members Begin Thinking of Their Own Commitments

The feasibility study brings the reason for a campaign into focus for both internal and external constituents. It allows volunteer and staff leaders to seriously evaluate their own commitment to a campaign and enables the organization to start getting its house in order from an operations perspective. Included in this phase is a careful internal evaluation of resources and staffing needs, discussion of whether or not full-time campaign counsel is needed, and an honest appraisal as to whether the organization is ready for such a major undertaking.

Cultivation Value

The cultivation value of a feasibility study is immense. Prospective donors are flattered to be interviewed for feasibility studies, and the right interviewer asking the right questions will subtly encourage the prospect to begin thinking about her or his gift. The study can be the “excuse” you need to have an opportunity to get to potential donors who otherwise might not have a reason to get involved and learn about your organization.

Donors Are Asked for Advice

The feasibility study provides you with an opportunity to seek the advice of philanthropic leaders in the community. The essence of the feasibility study is asking potential donors to provide a measurement of their acceptance of the plan for your capital project. The community should be in a position to support



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the proposed capital campaign, which includes being receptive to the idea of having a capital campaign for the projects that are proposed in the case.

Most people appreciate being valued for their views and opinions. I once heard some sage advice about soliciting donors that speaks to the importance of asking donors what they think. The saying goes: “If you want advice, first ask me for money. But, if you want my money, first ask for my advice.”

The Fundraising Acumen of Leaders and Staff Is Tested

The feasibility study process tests the fundraising acumen of senior management, board leaders, and other leadership sources. You want your feasibility study to provide an assessment of your leadership’s ability to raise funds. Your church leadership and board members must be willing to solicit gifts from major donors. The number one reason most campaigns fail is that people were not asked to give to the campaign.

The “Feasibility” of Your Campaign Goal Is Tested

How much money realistically can be raised? More than 75% of the funds raised in any campaign will come from pledges of \$25,000 or more. Individual major gifts in a capital campaign can account for as much as 90% of the dollars raised from as few as 5% of all campaign donors. Focusing on the small pool of individuals who have both the capacity and interest in the church’s mission is the only way to achieve campaign success. The feasibility study will provide important insight to confirm that you have the right sources of support lined up for your campaign.

Benefits Beyond the Dollars Raised

A successful feasibility study sets the stage for a capital campaign, which yields benefits to the organization long after the campaign has ended. Aside from helping to gather the funds necessary for time-limited “bricks and mortar” projects, successful capital campaigns can have a transformative effect on the fundraising culture of nonprofit organizations. Many nonprofits find that their first capital campaign is the force that finally brings the definition, commitment, and organization to support an ongoing major-gift program. Too often, overcoming inertia or an organization’s history of relying on the “safe,” smaller-scale approaches (e.g., special events, direct mail, annual fund) can be real obstacles to implementing a major-gift program. A capital campaign focused on major gifts provides everyone—senior management, board leadership, and loyal donors—with their own personal experience and



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firsthand proof that seeking large gifts is not only possible for your organization, but in many cases hugely exhilarating.

Deciding on a Capital Campaign

Your initial and most important step is completed – the Feasibility Study. Your consultant has reviewed with you, the results and their recommendations on how to proceed. What to expect from a Capital Campaign?

The most important element in a victorious Capital Campaign is an invitation to the church's congregation to participate and get involved in the project. Often times, peer to peer invitations are the most successful. Creating subcommittees of regular attendees, active membership, major donors and church leadership, whose specific purpose is to reach out and invite others to get involved financially and through a volunteer effort, is critical to a successful campaign.

It is important for a successful Capital Campaign effort, to have a specific plan on how to instruct, inspire, inform and properly involve key donors. Be certain the campaign counsel you hire is experienced and prepared to develop such a comprehensive plan for your organization and its volunteers to follow. Your counsel should lead the church in this effort.

Timing is an important consideration. From conception to completion, a Capital Campaign may take eighteen months to three years. Engage experts as early as practical and allow at least 12-16 weeks to solicit lead gifts and publicly launch the campaign. Pledges are generally paid over a three-year period.

A consistent message from church leaders encouraging people to become involved and to become active participants is the single most powerful motivator for involvement. In addition, many congregants may need practical and inspirational instruction and encouragement in the area of Christian Stewardship. "40 Day Spiritual Journey to a More Generous Life" is a Bible devotional which some have used with great success and which has inspired people to become more generous and to increase their giving commitments. During your Capital Campaign, your hired counsel will help to guide your pastor in developing and sharing these messages.

Successful church campaigns have material and details on the project which they share with their congregation to engage them philanthropically in the campaign effort. Solicitation of gifts will include sharing such material which includes the purpose of the campaign, the goal and the role of the congregants play in reaching the goal. You collateral will be material your counsel will help to craft.



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Summary

Capital Campaigns are important funding opportunities for many churches. All campaigns benefit from beginning with a well performed Feasibility Study, with the decision to actually launch a campaign made upon the results of the study. This important step should not be skipped, business decisions based on data have a much higher percentage of success.