



May 8, 2020

We wish to extend our thanks to all for the cooperation, support, and gracious hospitality extended to Joe Merlino throughout the feasibility study process recently completed.

A special word of thanks goes out to Skip Hubbard and Mallory Davis for coordinating the personal interviews and the mailing of the questionnaires. Their contribution and diligence had a direct impact on the number of responses we received in the study. We also would like to thank lay and clergy leadership from the fourteen parishes who were actively engaged in cheerleading the parish communication strategy. Their collective impact in feasibility study participation was significant.

During the implementation process, we found friendly, concerned, and open communication regarding the proposed campaign and project plans. This study is our distillation of the information, opinions, and ideas gathered through the survey. It represents our combined evaluation and appraisal of major factors related to the proposed campaign.

Now important decisions must be made to continue the momentum essential to the success of a campaign. The Episcopal Church Foundation welcomes the opportunity to provide further assistance.

**Feasibility Study  
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I. Tentative Case Statement

## **Executive Summary**

### Background

For three years the Diocese of Spokane engaged in a process of discernment with lay and clergy leaders to define an actionable vision for nurturing its congregations, engaging in leadership, growing in members, and engaging its youth and young adults. It was clear that diocesan members wanted to be engaged in fulfilling a unifying diocesan vision for congregational vitality. It was also clear that parishes were seeking ways to reach more families and young people. This was based on the shared belief that a focus on youth ministry was critical to new membership and parish growth. It was also clear that Camp Cross had a significant role to play in this new diocesan vision. The “jewel of the diocese” has had a significant impact on the formation of members and non-members alike since its inception in 1926. Both youth and adults have been beneficiaries of the Camp Cross experience. To that end, it was discerned that a comprehensive diocesan formation campaign that integrated Camp Cross with parish formation initiatives in ways that served youth, families and adults was the best way to move forward.

In October of 2019 with the support of Bishop Rehberg and diocesan leadership the Diocese of Spokane moved forward with a feasibility study to test members’ support for the projects described in the tentative case statement. In February of 2020, diocesan members were surveyed using the Episcopal Church Foundation’s feasibility study process. The process was focused and prayerful, and now in May 2020 we are able to share the feasibility study results with you.

### Results

The Diocese of Spokane’s feasibility study consisted of seven capital campaign projects. The total cost of the projects was \$8,113,400. All members of the diocese were invited to participate in the study. A total of 439 households participated in the survey, representing a response rate of 34% among the 1,300 diocesan households that were contacted. 362 members responded to the online survey, 50 households responded by the mail, and 27 engaged in consultant-led interviews. Participation was augmented by a 4-week high touch parish communication strategy that involved 14 of 31 diocesan congregations.

The survey responses indicate a high level of support (96%) among respondents for conducting a capital campaign. Study results indicate that a large number (65%) of respondents are willing to contribute to a capital campaign at this time. However, the feasibility study indicates that the proposed project total cannot be raised in gifts and pledges. By using the range of estimated gifts provided by the respondents and applying a formula that takes into account unidentified gifts, as well as other relevant factors noted in the responses, ECF recommends that Diocese of Spokane conduct a capital campaign to raise a recommended goal of \$3,603,000.

Based upon the members’ responses and comments expressed in the study the following project priorities have been identified.

Project A: Current Structure Modifications received the most support from respondents. This was followed with equal support for Project E: Five New Cabins with Bathrooms, Project C: Land Purchase, Site Improvements, Parking, and Project G: Camp Cross Facilities Endowment. Moderate support was given to Project F: Camp Cross Formation Endowment, Project D: The Retreat House, and Project B: New Van.

It should be noted that though the recommended financial goal is lower than what is necessary to fund these projects in their entirety, the recommended goal of \$3,603,000 is enough to cover the maintenance and repairs, new structures and purchases described in the study; with a balance that can be distributed to one or both endowments. Leadership will need to make a decision about which projects should be included in the final plan.

It should be noted that this feasibility study does not account for variations in giving capacity based on the effects of the current pandemic.

### Summary

ECF recommends that the Diocesan leadership take time to thoroughly read the information and results in this report, prayerfully consider an appropriate path forward, and then communicate that plan to the diocesan clergy and members.

Please note that Section One: Conclusions, Recommendations, and Methodology provides background on ECF's feasibility study methodology and offers more detailed conclusions and recommendations flowing from the results of the feasibility study. Section Two: Composite Analysis and Summary of Personal, Direct Mail and Online Responses provides response analytics and comments to the survey questions. These should be read thoroughly in order to obtain a complete understanding of all views expressed in the study. This will prove helpful to leadership in prioritizing projects and making decisions about the campaign.

It has been an honor and a privilege to work with the leaders and members of the Diocese of Spokane to explore the feasibility of your campaign.

Thank you for inviting me on this journey with you!

In Faith,

Joe Merlino

Capital Campaign Consultant  
Episcopal Church Foundation

*Section One:*

**Conclusions, Recommendations, and Methodology**

## I. Introduction

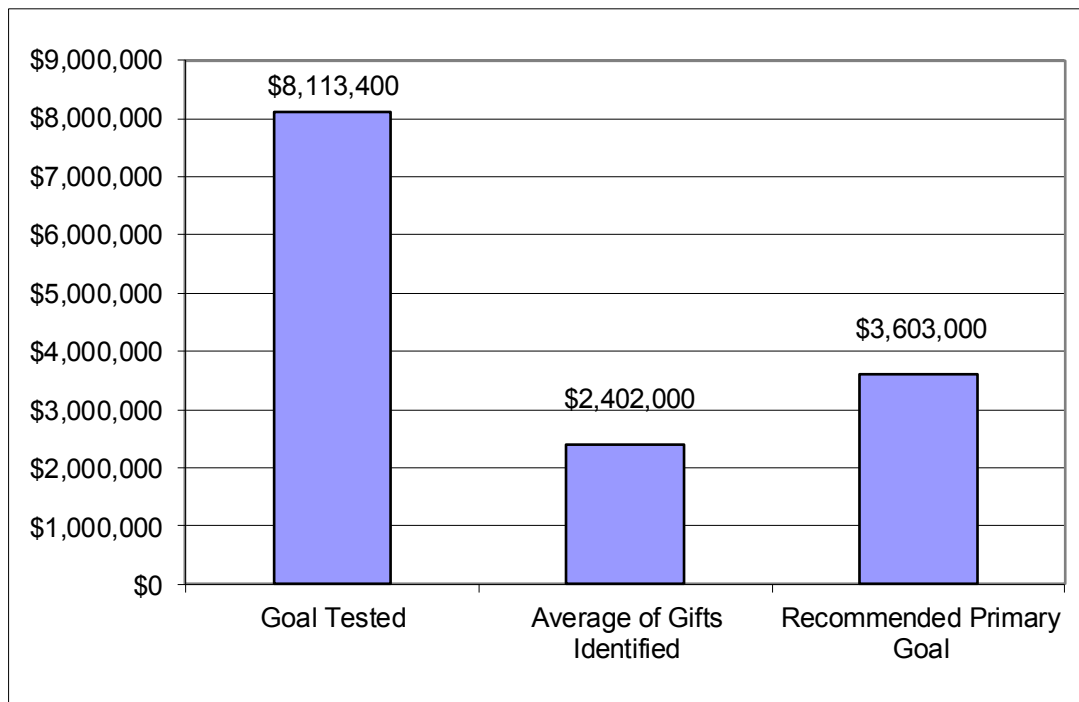
For some time, the leadership of the Episcopal Diocese of Spokane has been evaluating the diocese's programs, facilities, and resources, and assessing the capital needs. After much study and the involvement of many people, the Diocese authorized the Episcopal Church Foundation to conduct a feasibility study to explore the willingness of the community to support financially these identified needs.

The facts, findings, and recommendations of the resulting survey, now completed, provide a sound basis for leadership decisions with regard to the future of a fund drive. A complete description of the goals of the proposed plans may be found in the tentative case statement in the Appendix.

## II. Conclusions

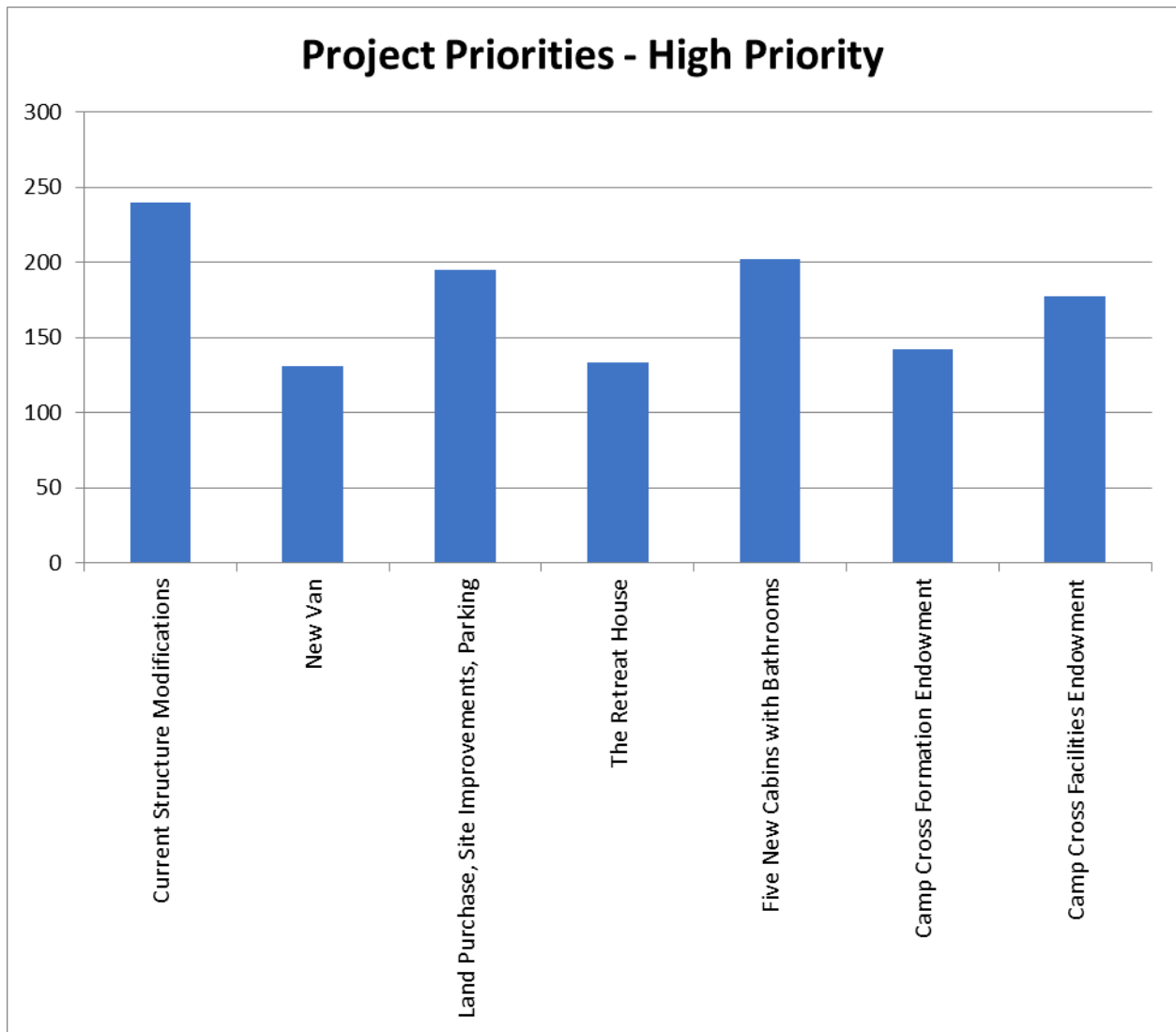
### Gift Potential

Experience tells us we can take the average between the low estimate (\$1,609,500) and the high estimate (\$3,194,500) of the pre-campaign projections revealed in the Study and then multiply the average by a factor of 1.5. The 1.5 factor is used based on percentages, responses and the comments of respondents as revealed in this study. Thus the average, \$2,402,000, when multiplied by this factor (1.5) reveals a suggested goal of \$3,603,000. This recommendation is made factoring in the reality that additional gifts, not yet identified, will be forthcoming.



## Awareness of Need

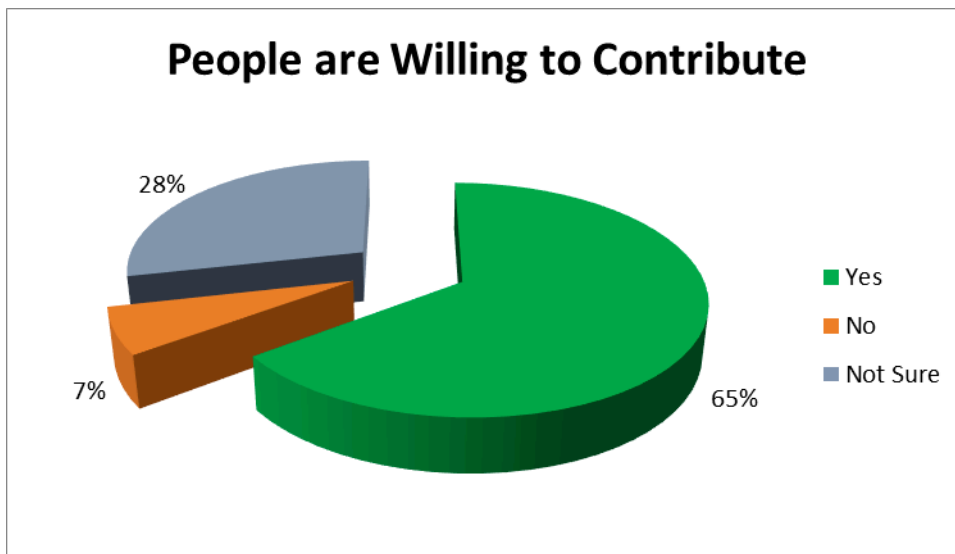
A majority of respondents (72%) were aware that the Episcopal Diocese of Spokane is considering a possible campaign, and 77% were also aware of some or all of the proposed plans. Of course, not all the items received the same degree of support. Present awareness of need is a positive; however, each project should be studied and prioritized with consideration given to the degree of support and the resources available.



## Interest in and Support for a Capital Drive

There is significant indication of support for the proposed campaign, but also signs that suggest caution. Positive signs from respondents include:

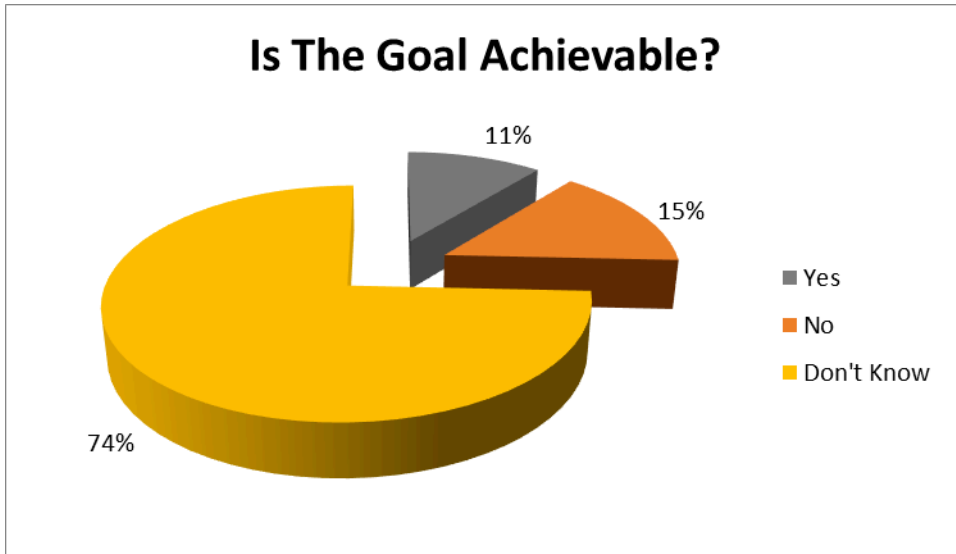
1. 96% of respondents are in favor of the campaign, although some with reservations.
2. Only 15% are opposed to the proposed campaign timing.
3. 65% of respondents would give to the campaign.
4. 14% percent are willing at this early stage to consider a volunteer position.



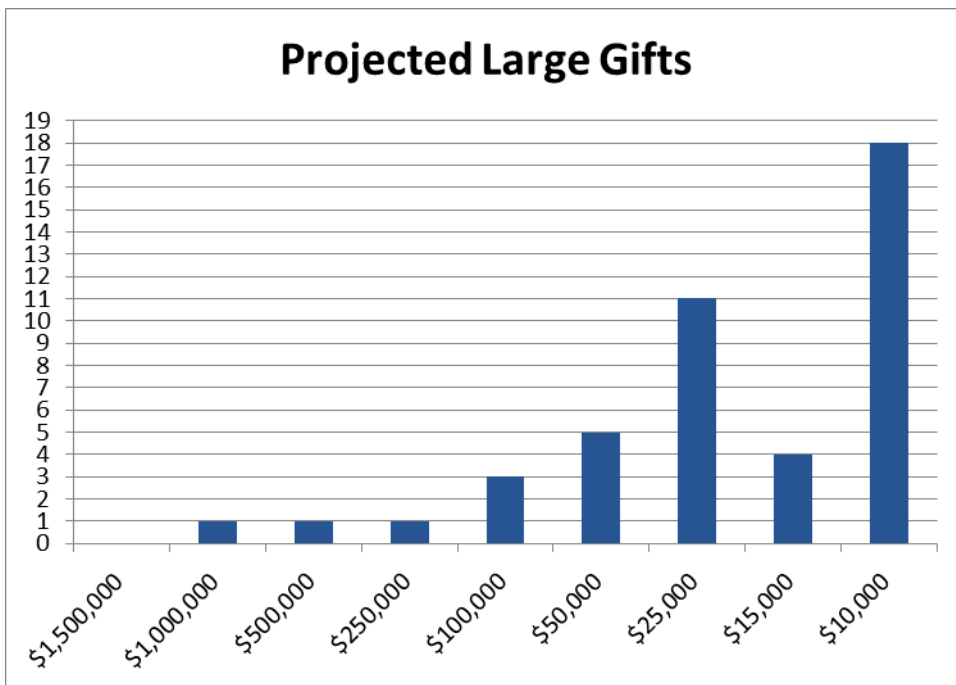


## Concerns

1. Approximately 11% of respondents feel the goal is reachable. Fifteen percent feel it is too high. The remaining 74% had no opinion on whether this goal can be achieved. This is an indication that the proposed goal is too high.



2. Too few major and larger gifts were reported at this early date to allow a goal of \$8,113,400 to be fully embraced.



## Influential Leadership

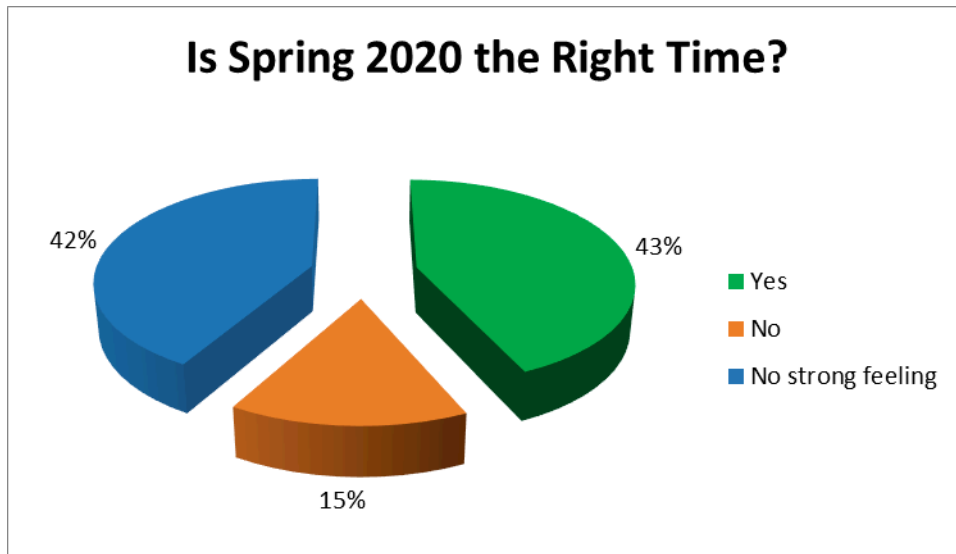
Strong leadership—both financial and volunteer—is absolutely essential for the success of any campaign. A leadership core is presently in place. It is the challenge of this leadership group to expand involvement within the diocesan community, including other individuals who may have significant giving potential. With involvement comes commitment.

## Planned Giving

A number of people requested planned giving information. Seventeen percent indicated the Diocese was already in their estate plans and four indicated Camp Cross is already in their estate plans. This is encouraging and suggests that such future gifts could be used to help build endowment or retire indebtedness.

## Campaign Timing

The respondents endorsed the proposed campaign timing. Of course, decisions on the priorities of projects must be made. It is imperative to revisit the proposed plans and make appropriate changes in the size of the effort, the proposed goal, and other sources of funding.



### **III. Recommendations**

#### **Recommendation #1**

The information revealed in this Study suggests that a capital campaign for a Primary Goal of \$3,603,000 is realistic and appropriate. This presupposes that an assertive campaign involving the entire constituency would be launched, and that the type of methodology used by the Episcopal Church Foundation would be followed.

Communicating the results of the feasibility study to clergy and lay members of the diocese will continue to be an essential part of the process and can leverage upcoming clergy conferences, diocesan communications and the existing team of parish leaders.

Recognizing that immediate needs are greater than what is revealed in the Study, leadership may wish to consider \$3,603,000 as the “primary” goal and establish a larger “challenge” goal, which would encourage the diocesan community to stretch to longer pledges—five years rather than three years, for example.

If the “challenge” was not reached, the diocesan community would still experience success by achieving the “primary” objective, but hopes would be high that the challenge, at least in part, could be accomplished.

#### **Recommendation #2**

Planned giving activities should be pursued during the campaign in an effort to encourage major gifts to underwrite the future of the Diocese. Such gifts, often deferred and received in future years, are helpful in reducing mortgages or indebtedness. The Episcopal Church Foundation is responding to individual requests for information on planned giving.

#### **Recommendation #3**

Review the Tentative Case Statement and make final decisions based on the financial feasibility revealed in the Study. Consider also the prioritization suggested by respondents.

#### **Recommendation #4**

Share as soon as possible the revised plans (FS Results) with the diocesan community and seek increased consensus. Increase significantly all publicity concerning this project.

#### **Recommendation #5 (Solicitation Phase)**

Once the leadership has had an opportunity to review the Study recommendations and revise the proposed plan, a timetable such as the following should be considered to maximize success:

Months 1-2

Determine campaign calendar and budget. Announce goal. Begin materials development (pledge cards, brochures, letterhead, etc.).  
Recruit and train campaign leadership and support committee chairs.  
Evaluate Advance Gift prospects.

- Months 2-3                      Continue to train leadership. Complete materials development. Begin Advance Gift solicitation. Contact planned giving prospects, if appropriate.
- Months 3-4                      Prepare for and launch the Diocesan Gift division. Hold kick-off event. Begin personal solicitations and monitor solicitation efforts.
- Months 4-5                      Finalize all calls. Set up pledge collection and acknowledgment systems. Hold Celebration Event to acknowledge conclusion of the campaign and recognize the leadership and volunteers.

**Recommendation #6**

Select professional management to guide and direct the campaign to ensure efficiency and the implementation of a proven, successful fundraising methodology.

## **IV. Methodology**

### **A. The Feasibility Study**

As the Diocese considers a capital campaign, it should reflect on several important questions:

- ◆ What conditions are essential to a successful campaign in the diocesan community?
- ◆ How much money realistically can be raised?
- ◆ Will the diocesan community support a drive that fulfills the goals of the proposed plans?
- ◆ When should the campaign begin, and how long should it last?
- ◆ What volunteer leadership is available to head the campaign?

Determining the answers to these and other questions was the major purpose of the Feasibility Study. Through the Study we have researched, analyzed, and evaluated fundamental factors present, or capable of development, which might influence a capital campaign.

The study was conducted in three phases: research, personal interviews, and direct mail/online.

#### **Phase I**

An examination of the proposed needs, development of a “Tentative Case Statement,” determination of optimum campaign goals and timing, and review/selection of personal interview prospects were completed during sessions with the diocesan leadership.

#### **Phase II**

A sampling of diocese members was selected for personal interviews. A total of 27 interviews were ultimately conducted by Joe Merlino of the Episcopal Church Foundation.

#### **Phase III**

A mail survey was sent to 409 households. Included in the mailing was a letter requesting participation in the survey, the questionnaire, the tentative case statement, and a self-addressed return envelope.

An online survey was sent to 864 households. Included in the mailing was a letter requesting participation in the survey, the online questionnaire, and the tentative case statement.

## STATISTICAL NOTE:

- ♦ A total of 409 direct mail questionnaires were mailed to the diocesan community.
- ♦ Of those, 50 were returned: a mail response rate of 12%.
- ♦ A total of 864 online surveys were sent to the diocesan community.
- ♦ Of those, 362 were returned: an online response rate of 42%.
- ♦ Including the 27 who were interviewed.
- ♦ 1,300 units were exposed to the study. Of those, a total of 439 units or 34% participated.
- ♦ Based on experience, this response rate is a good representative involvement from the diocesan community, lending credibility to the study findings.
- ♦ Are you:
  - 295 An Episcopalian of the Diocese of Spokane
  - 16 An Episcopalian outside the Diocese of Spokane
  - 122 An Episcopalian who has attended, or whose family member has attended a camp or program at Camp Cross
  - 8 One who has used the facilities at Camp Cross (with no Episcopal affiliation)
  - 9 A friend of Camp Cross or a friend of the camp program at Camp Cross

Are you clergy (68) or lay (318)?

If clergy are you:

- 18 A rector or vicar of a parish
- 9 An assistant or associate
- 3 A priest-in-charge
- 33 A retired clergy/deacon

## **B. Elements of a Successful Campaign**

There are certain elements which must exist in connection with every successful fundraising campaign.

1. Recognition and acceptance of the “tentative needs” as expressed.
2. The case for widespread appeal.
3. Availability of strong financial leadership.
4. The capability of existing leadership to recruit additional support.
5. Past and current support levels for other diocesan-wide capital campaigns.
6. The diocesan community’s awareness of the proposed plans.
7. The economic optimism of the diocesan community.
8. Overall response to goal attainability.
9. Indicated interest in contributing to, and projected levels of support for, the proposed campaign.
10. Projected timing of the campaign.

These elements are carefully reviewed in this report. The Conclusions and Recommendations Section of this Report addresses the elements of success as we consider the readiness of the Episcopal Diocese of Spokane to proceed with a major capital campaign.

*NOTE: Minor editing has occurred in the comments to ensure grammatical accuracy and preserve the anonymity of the feasibility study respondents.*

*Section Two:*

**Composite Analysis and Summary of  
Personal and  
Direct Mail / Online Responses**



# Results from 27 Personal Interviews, 50 Direct Mail and 362 Online Responses **Total of 439 Responses**

*Note: Not all respondents answered all questions.*

## Awareness of Need

- 1. Prior to this survey, were you aware that the Diocese of Spokane and Camp Cross were considering a capital campaign?**

310 Yes      118 No

Seventy-two percent were aware that the Episcopal Diocese of Spokane is considering a capital campaign. This is a positive indication that the diocesan leadership has prepared the ground for a major capital campaign.

- 2. Prior to this survey, were you aware of the needs as expressed in the accompanying proposed plans?**

154 Aware      98 Not Aware      175 Aware of some of the needs

Thirty-six percent of the respondents were aware of the capital needs of the Episcopal Diocese of Spokane. Another 41% were aware of some of the needs. Twenty-three percent were not aware of the needs. This is an indication that the leadership has done a fine job of communication to date but there is more to be done.

- 3. Are there additional needs that seem important to you which are not covered by the proposed plans?**

*Comments:*

*Survey respondents comments are represented in the full version of the feasibility study report.*

***Interest in and Support for a Capital Drive***

**4. Generally speaking, do you favor the Episcopal Diocese of Spokane and Camp Cross conducting a capital campaign as outlined in the proposed plans?**

278 Yes

14 No

91 Yes, but with some concerns

Seventy-three percent are in favor of the campaign, with another 24% in favor with some concerns. Only 3% are opposed to the campaign. This is a sign that the diocesan community is willing to support a campaign.

**5. Do you believe the Camp Cross program adds value to the Episcopal Diocese of Spokane? If so, how? If not, what might it do to add value?**

*Comments:*

*Survey respondents comments are represented in the full version of the feasibility study report.*

**6. Please indicate the level of priority you would attach to each of the projects outlined in the proposed plans by checking the appropriate line under each heading. At present, they are listed in no particular order.**

		PRIORITY				
		High	Medium	Low	Opposed	Lack Information
a.	Current Structure Modifications	<u>240</u>	<u>86</u>	<u>8</u>	<u>1</u>	<u>32</u>
b.	New Van	<u>131</u>	<u>142</u>	<u>39</u>	<u>2</u>	<u>42</u>
c.	Land Purchase, Site Improvements, and Parking	<u>195</u>	<u>103</u>	<u>31</u>	<u>5</u>	<u>27</u>
d.	The Retreat House	<u>133</u>	<u>141</u>	<u>44</u>	<u>3</u>	<u>39</u>
e.	Five New Cabins with Bathrooms	<u>202</u>	<u>110</u>	<u>30</u>	<u>6</u>	<u>15</u>
f.	Camp Cross Formation Endowment	<u>142</u>	<u>119</u>	<u>49</u>	<u>9</u>	<u>42</u>
g.	Camp Cross Facilities Endowment	<u>177</u>	<u>108</u>	<u>31</u>	<u>6</u>	<u>40</u>

7. **If the proposed total goal of \$2,113,400 for capital and project needs cannot be fully funded by a capital campaign, how would you feel if the Diocese were to assume prudent long-term debt to ensure completion of these proposed plans?**

134 Acceptable    206 Undesirable, but acceptable    34 Unacceptable

More than half (55%) responded that it is undesirable, but acceptable to assume long-term debt; 36% said it is acceptable. Another 9% responded that long-term debt is unacceptable.

8. **In your opinion, what major positive factors do the Diocese of Spokane and Camp Cross have in their favor for the proposed campaign?**

*Comments:*

*Survey respondents comments are represented in the full version of the feasibility study report.*

9. **What problems, if any, do you foresee for this project?**

*Comments:*

*Survey respondents comments are represented in the full version of the feasibility study report.*

10. **What added ideas or suggestions do you have which might be helpful to the leadership in making this important decision to consider moving forward with a campaign?**

### Leadership

11. **If asked, would you be willing to work on a committee in support of the proposed capital campaign?**

54 Yes    167 No    159 Not sure at this time

Fourteen percent would be willing at this early date to volunteer. Another 42% are not sure at this time and may be persuaded to participate as the campaign plans are formulated. This is a relatively good response at this stage in the process. It appears likely that an adequate number of workers would be attracted to the campaign.

**12. Among individuals you know, is there anyone, either community or church leader, whose endorsement you feel would be essential to the success of this proposed capital campaign?**

*Comments:*

*Survey respondents comments are represented in the full version of the feasibility study report.*

**13. In addition to those already involved, please offer the names of other community or church leaders that you think would make good volunteers to help with the proposed capital campaign? (Please include name and parish city & state)**

*Comments:*

*Survey respondents comments are represented in the full version of the feasibility study report.*

### **Campaign Timing**

**14. Do you know of other current or projected capital campaigns in your community or in the Episcopal Church that might impact your participation in this proposed effort?**

*Comments:*

*Survey respondents comments are represented in the full version of the feasibility study report.*

**15. Does a proposed solicitation period for pledges in the spring of 2020 seem appropriate to you?**

165 Yes      57 No      159 No strong feeling

Forty-three percent are in favor of the proposed timing. Forty-two percent expressed no strong feeling one way or another. The remaining 15% were opposed to the campaign timing. This is an endorsement that a campaign could proceed as scheduled.

**Gift Potential**

**16. How would you describe the present economic climate in your community?**

33 Excellent      182 Good      132 Fair      29 Poor

Forty-eight percent of the respondents to this question believe the present local economy is good; 35% consider it fair. Nine percent believe it to be excellent, and 8% of respondents rated it as poor.

**17. In your community is the present economic climate improving, remaining the same, or declining?**

105 Improving      185 Remaining the Same      78 Declining

Indications are that the local economy is remaining the same, with 50% rating it as such. Another 29% believe it is improving, and 21% believe it is declining. These responses express economic optimism. When people feel the economy is good, they are more apt to make gifts.

**18. To attain the proposed goal, substantial leadership gifts would be required. Do you know of any individuals, foundations, or other sources that might support these proposed plans? If you have a personal tie to any of these, would you be willing to make an introduction to them of the campaign leadership? If so, please indicate and we will be in touch once the campaign goes forward. (Please include mailing address, phone number, and email address if possible.)**

*Comments:*

A confidential listing of responses has been provided to leadership.

**19. Do you think a goal of \$8,113,400 (as outlined in the proposed plans) can be raised in gifts and pledges?**

41 Yes      56 No      280 Don't Know

Only 11% believe the goal can be attained, while the majority, 74%, have no opinion if it can be reached. Another 15% do not believe the goal can be attained. Normally, we like to see at least a majority believing the goal is feasible. Generally, when less than half are confident about the projected goal, the proposed goal is usually too ambitious.

Comments:

Survey respondents comments are represented in the full version of the feasibility study report.

**20. If convinced of the need, would you be *personally* willing to contribute to this proposed campaign? (All gifts, regardless of size, are needed and are important to the success of the proposed campaign.)**

248 Yes      25 No      109 Not sure at this time

Sixty-five percent would be willing at this early date to contribute to the campaign, while another 28% expressed that they are not sure at this time. Only 7% indicated a negative response. This is positive and an indication that the campaign can proceed.

**21. If "yes," please estimate your possible total range of giving. Please refer to the chart in the case statement to see the number of gifts needed and monthly payments over 3 years. *This is not a pledge or in any way binding.***

<u>  0</u> \$1,500,000 and above	<u>  0</u> \$1,000,000 to \$1,500,000
<u>  1</u> \$500,000 to \$1,000,000	<u>  1</u> \$250,000 to \$500,000
<u>  1</u> \$100,000 to \$250,000	<u>  3</u> \$50,000 to \$100,000
<u>  5</u> \$25,000 to \$50,000	<u> 11</u> \$15,000 to \$25,000
<u>  4</u> \$10,000 to \$15,000	<u> 18</u> \$5,000 to \$10,000
<u> 23</u> \$3,000 to \$5,000	<u> 60</u> \$1,000 to \$3,000
<u> 58</u> \$500 to \$1,000	<u> 53</u> \$500 and below

## Typical Gifts Essential to the Success of a \$8,113,400 Capital Campaign

Size of Gift	# Needed	Gifts Indicated in Study*
\$1,500,000	1	0
\$1,000,000	1	1
\$500,000	1	1
\$250,000	4	1
\$100,000	5	3
\$50,000	8	5
\$25,000	15	11
\$15,000	20	4
\$10,000	32	18
\$5,000	130	23
\$3,000	380	60
\$1,000	400	58
\$500 and below	Many	53

\*Using the high range estimate

Respondents projected donations ranging from a low of approximately \$1,564,500 to a high of \$3,104,500. While not indicated in the chart above, not all gift amounts were given within a range as presented. Some were given as singular amounts, e.g., \$5,000, instead of \$3,000 to \$5,000. The high and low estimates have been adjusted accordingly. These early estimates fall short of supporting \$8,113,400 as a primary goal.

## Planned Giving

22. 17 Please check if the Episcopal Diocese of Spokane is already in your will or estate plans.

4 Please check if Camp Cross is already in your will or estate plans.

In addition to making a gift to the proposed campaign, some parishioners may wish to explore planned or legacy gifts. Check the blank next to the item(s) of interest. Materials will be sent to you from the Episcopal Church Foundation **via e-mail**.

14 Make a gift to the Diocese or Camp Cross through a bequest in your will.

6 Create a charitable gift annuity (minimum gift of \$5,000).

Benefits of a charitable gift annuity could include:

- receive guaranteed income for life (i.e. current rates of approximately 5.1% annually at age 65, approximately 6.2% annually at age 75)
- receive an income tax deduction now for the gift portion
- receive some tax-free income from the investment until your life expectancy age
- possibly reduce applicable estate and inheritance taxes
- enjoy the satisfaction that at the death of the final income beneficiary, the remaining principal would go to an Episcopal congregation or entity you designate

0 Create a Charitable Remainder Trust with appreciated assets (minimum gift of \$100,000)

2 Create a Pooled Income Fund gift for life (minimum gift of \$2,500)

0 Donate appreciated real property such as a house, vacation home, farm or business

26 Send me the *Overview of Planned Giving* brochure which explains planned gift options further

11 Add me to the Episcopal Church Foundation e-newsletter on estate planning.

7 Set up a Donor-Advised Fund (DAF) which functions like an online ‘charitable checking account’. This is one of the fastest growing forms of philanthropy.

Seventeen individuals have already included the Diocese in their estate plans and four have already included Camp Cross. Several others have indicated they would welcome information. They will receive information confidentially from the Episcopal Church Foundation.



## **A Final Word**

The Episcopal Church Foundation thanks the leadership of the Episcopal Diocese of Spokane for the opportunity to work with the diocesan family. We enjoyed our work on your behalf and would welcome the opportunity to be of service.

Thank you, and best wishes.