



**Concord United Methodist Church
Knoxville, Tennessee**

FEASIBILITY REPORT



STEWARDSHIP

Horizons.net

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INTRODUCTION

Horizons Stewardship (Horizons) first conducted a Feasibility Report in 2020 to assist Concord United Methodist Church in determining the success of a Capital Campaign for a new Children’s building and renovations to the CADES program area. The Feasibility Study determined that a Capital Campaign of \$2 million or more could be achieved, however the Covid-19 Pandemic interrupted the process of finalizing the Capital Campaign.

A follow-up Feasibility Study was conducted in November and December of 2022 to determine the likelihood of successfully completing a Capital Campaign of more than \$2 million, to account for the rise in material and labor costs, for a new Children’s building and CADES renovation. Horizons is honored to present the following results from the Feasibility Study.

TOP THREE REASONS WHY PEOPLE GIVE

Top three reasons why people give to one organization over another:

1. **Belief in the Mission** – People continue to respond in survey after survey that the number one reason they chose a certain charity was the impact they perceived it had on lives. People give big gifts to big dreams that offer the promise of making a big difference in people’s lives.
2. **Respect for Leadership** – People give to people, not institutions. Gifts increase markedly when donors have a high level of confidence in the people who will control the donation. Building strong relationships between key staff and donors is vital.
3. **Fiscal Responsibility** – People give to thriving charities. They respond poorly to “save the sinking ship” appeals. Givers need to know their contributions were used well and for the purposes intended. Accountability is important, as is making sure the message is being heard by the right people.

These three values consistently surface as the reasons people choose to give to one organization over another (Panas), but we also know that people give because they learn and embrace the biblical principles of giving and generosity (these words are not synonymous). These three things must be present in order to be the recipient of people’s giving.

This study demonstrates that the Board, volunteers, and potential donors believe in the mission of Concord United Methodist Church and understand the impact you have on the community. The recommendations section will also include strategies to continue to grow personal relationships and demonstrate the fiscal responsibility of the Foundation as well.

SEVEN CHARACTERISTICS OF NONPROFIT ORGANIZATIONS THAT KNOW HOW TO THRIVE IN THE 21ST CENTURY

Lyle Schaller's seven characteristics of organizations that know how to thrive in the 21st century philanthropy marketplace:

1. They learn how to ask. They take the initiative.
2. They talk about life-change and impact rather than the budgetary needs of the organization.
3. They specifically train key staff and volunteers in how to share the mission and vision.
4. They are credible, honest, and transparent.
5. They are constant in developing and deepening relationships with donors.
6. They offer donors choices.
7. They know how to say thank you.

OVERVIEW OF PHILANTHROPY IN AMERICA

Philanthropy in America in the 21st century is highly competitive. With over 1.5 million nonprofits and churches, survival of the fittest is borne out time and time again. Today's donors are selective and very questioning of charities and churches alike in determining where their dollars should go. Today's church related organizations must not only seek to develop a giver out of a non-giver, but to become the preference for gifts from those already inclined to give. Statistics indicate nonprofits are gaining traction and the giving to local churches is declining (GivingUSA 2020 Report). Church related organizations that do both will thrive. Those that do not may find themselves increasingly cut out of the charitable giving pie.

Successful churches are clear on their God-given mission of changing lives; they know **why** they exist and **how** to communicate their vision in a way that inspires members to participate and invest in what God is doing through the church.

When the vision is present and being communicated, people must be in worship to hear it. In our experience, one of the most effective strategies to increase worship attendance is to involve people in small groups (Sunday school or life/community groups). It is also in these groups that life-changing discipleship is most observed.

When you study rapidly growing churches and related ministries today, it is rare to find one that does not excel in all of the following six areas. Even if one area is under-developed, it tends to impact growth and the church's ability to live out its mission. They are:

1. Relevant worship.
2. High levels of small group participation.
3. Excellent children's programming, especially on Sunday morning.
4. High levels of hands-on mission involvement.
5. A "market-oriented customer service" mentality.

6. Communicating to connect people to Christ more than just connecting them to the church.

In order for a church related organization to be fruitful in its mission, it is imperative that the leadership understands where God is leading the congregation and that the vision is communicated clearly and broadly.

Successful church related organizations understand and design their financial stewardship efforts with a firm knowledge of the impact that clarity of vision and life-changing ministry has on the generosity of their donors.

INTERVIEWS AND SURVEY SUMMARY

The interviews were conducted over several weeks and included members of Concord UMC volunteers and donors. Staff interviews were helpful in gaining a context for the situation and forming ultimate goals. The volunteers were generous with their time and provided valuable information for the study. In addition, a select number of volunteers and donors held personal conversations with the Pastors of Concord UMC which were vital to this process. The survey afforded a broader context to the situation, and results provided an extra layer of context for the themes and conclusions in this study.

Interviews and Surveys Completed – 162

THEMES FROM THE INTERVIEWS AND SURVEY

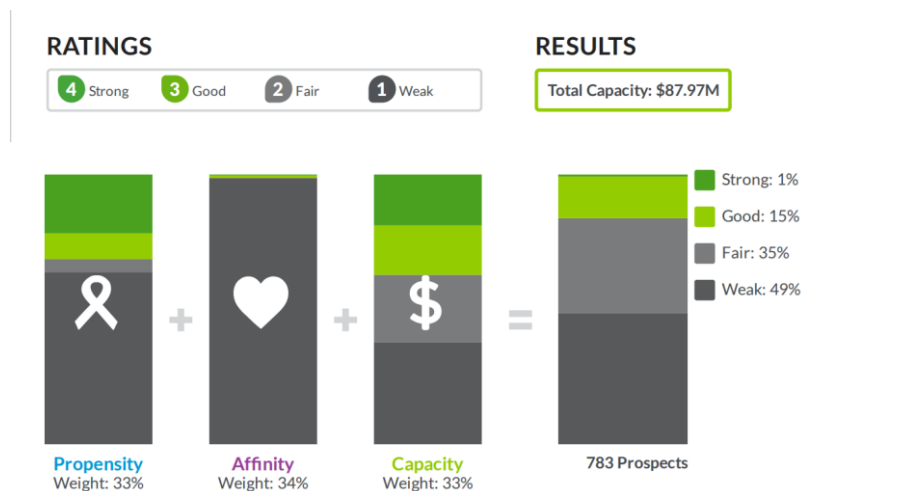
- There is a high measure of faith in the staff of Concord UMC.
- Overwhelming support exists for the projects indicated in the Case for Support document.
- A majority feel this is the right time for a Capital Campaign.
- Participants feel that Concord UMC is heading in the right direction.
- There are concerns for the ability to raise the funds required for this project in one Capital Campaign.
- Interviewees and survey respondents hold concerns over the amount of debt required for projects described in the Case for Support document. This concern was not present to the same degree in the original Feasibility Study (2020).
- Interviews and follow-up conversations with the Pastors indicated a high degree of support for the overall project from a broad section of the congregation, and especially from spiritual and financial leaders.

CAPACITY, PROPENSITY, AND INTEREST (CPI) ASSESSMENT

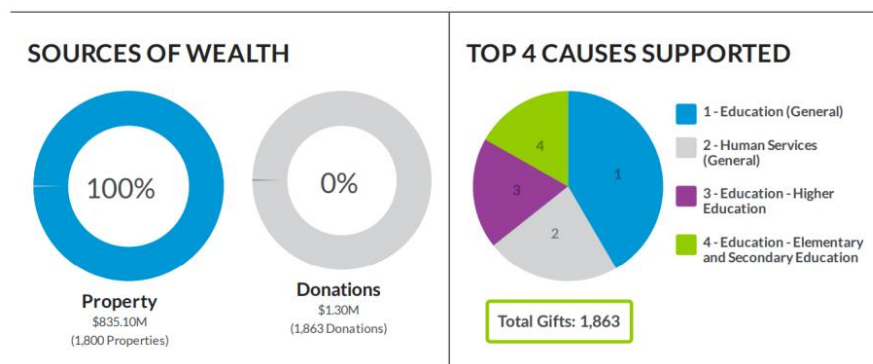
The Horizons' CPI Assessment is a significant tool for identifying the potential for gifts to a church or nonprofit. Our partner, iWave provides the latest technology to identify those families with the potential to give in three significant areas; Capital Campaigns, Annual Giving, and Planned Giving. Their sophisticated algorithm utilizes more than 160 points of public data to determine a rating and score from your database. Through this process, we identified the following.

Horizons considers the data collection process as an important element in evaluating the potential for a Capital Campaign. The CPI Assessment allows a view into the potential for fundraising and gives our study an extra layer of information that is vital to our ability to evaluate the likelihood of success.

Overall Potential for Giving



Causes Supported outside Concord UMC



High/Low Ranges from the Survey

| ANSWER CHOICES | RESPONSES | |
|---------------------|-----------|------------|
| \$1,000,000 + | 4.76% | 7 |
| \$500,000-\$999,999 | 0.00% | 0 |
| \$250,000-\$499,999 | 0.00% | 0 |
| \$100,000-\$249,999 | 1.36% | 2 |
| \$50,000-\$99,999 | 2.72% | 4 |
| \$25,000-\$49,999 | 4.08% | 6 |
| \$10,000-\$24,999 | 21.09% | 31 |
| less than \$10,000 | 65.99% | 97 |
| TOTAL | | 147 |

| | |
|-------------|-----------|
| High Range | Low Range |
| \$2,945,000 | \$957,000 |

Estimated High/Low from all Information Sources

| | |
|-------------|-------------|
| High Range | Low Range |
| \$3,900,000 | \$2,000,000 |

2023 House of God Statistics

Total Giving – \$12,721,888 (Total giving in the last 5 years)

- First 1/3 Kitchen Table \$10,030,947 79%
- Second 1/3 Living Room \$ 2,102,849 17%
- Third 1/3 Front Porch \$ 588,092 4%

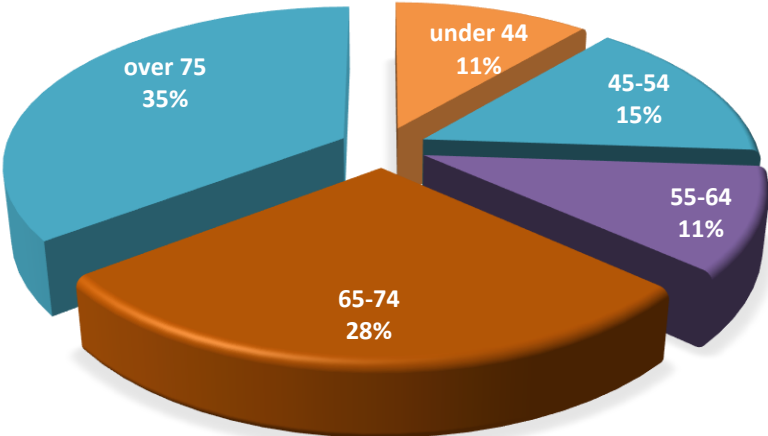
Planned Giving Capacity

| | |
|----------------------------------|--------------|
| Estimated Number of PG Prospects | 266 |
| Estimated Capacity | \$23,816,088 |

SURVEY QUESTIONNAIRE RESULTS

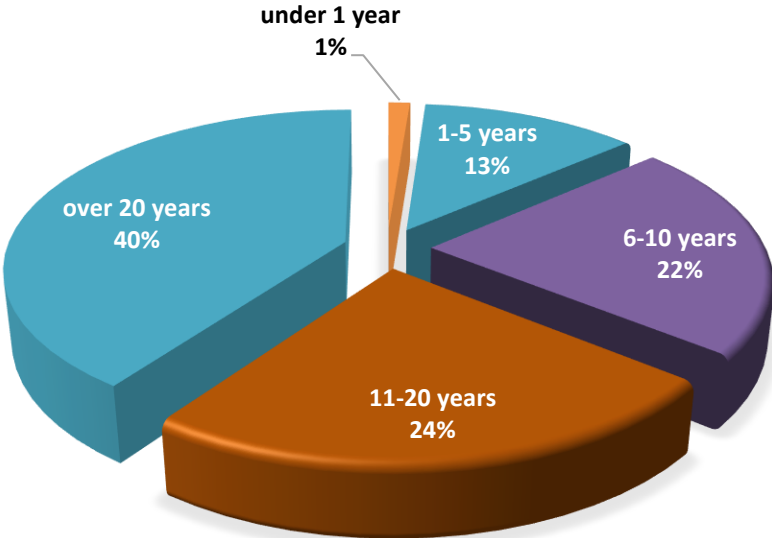
1. What is your age range?

| | |
|-------------|----|
| under 44 | 18 |
| 45-54 | 24 |
| 55-64 | 17 |
| 65-74 | 45 |
| over 75 | 57 |
| No response | 1 |



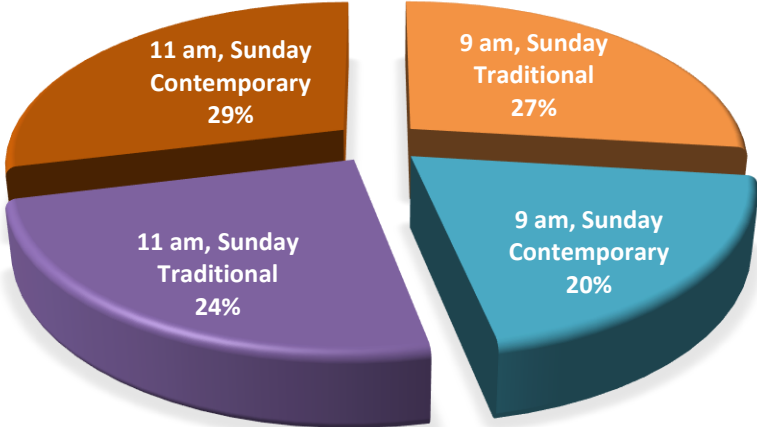
2. How long have you been attending Concord UMC?

| | |
|---------------|----|
| under 1 year | 2 |
| 1-5 years | 20 |
| 6-10 years | 36 |
| 11-20 years | 39 |
| over 20 years | 65 |
| No response | 0 |



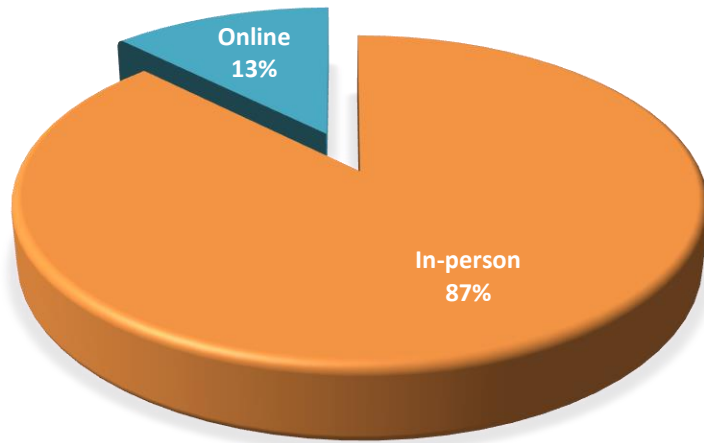
3. What worship service do you most often attend?

| | |
|----------------------------|----|
| 9 am, Sunday Traditional | 42 |
| 9 am, Sunday Contemporary | 31 |
| 11 am, Sunday Traditional | 38 |
| 11 am, Sunday Contemporary | 45 |
| No response | 6 |



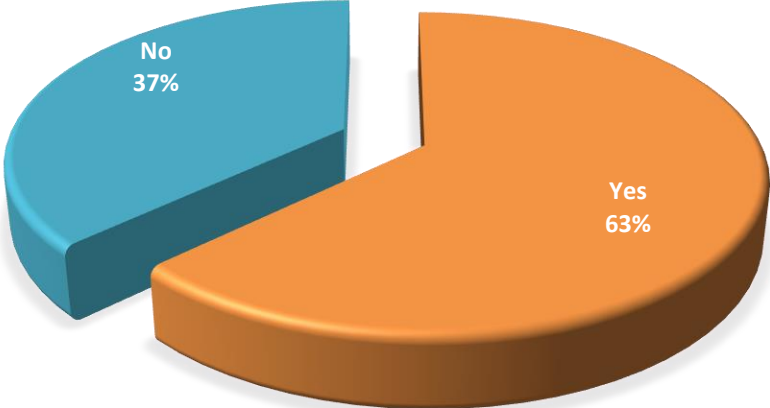
4. I primarily worship:

| | |
|-------------|-----|
| In-person | 140 |
| Online | 20 |
| No response | 2 |



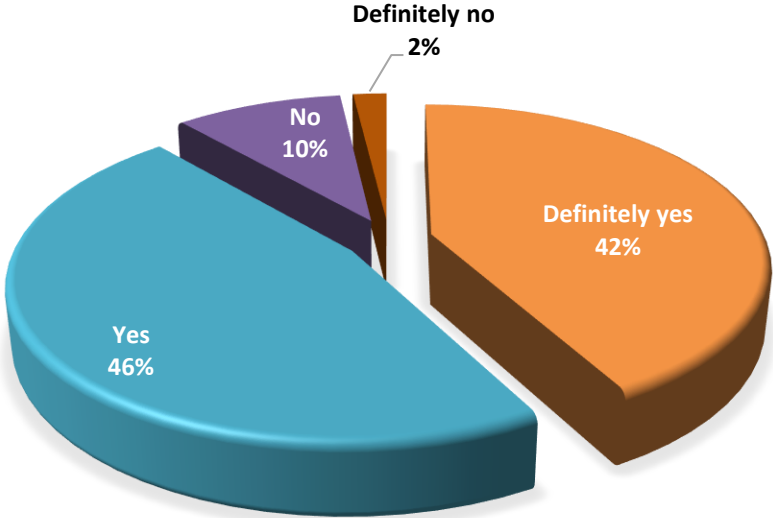
5. Do you participate in a small group or Sunday School Class?

Yes 102
No 60



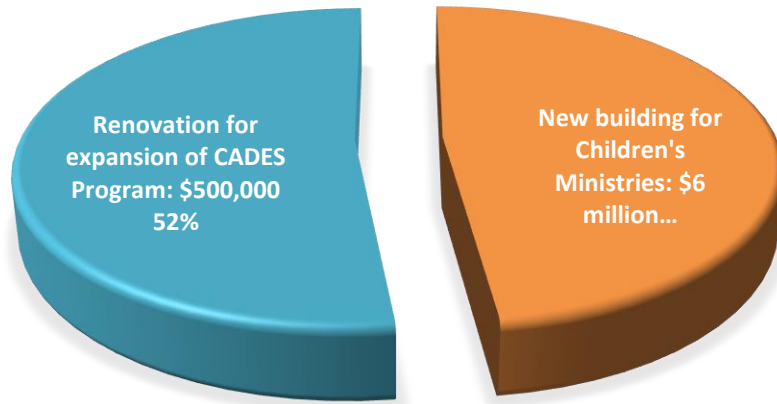
6. Do you feel that the capital campaign described in the Case for Support is the right way to grow and serve the community?

| | |
|----------------|----|
| Definitely yes | 66 |
| Yes | 73 |
| No | 15 |
| Definitely no | 3 |
| No response | 5 |



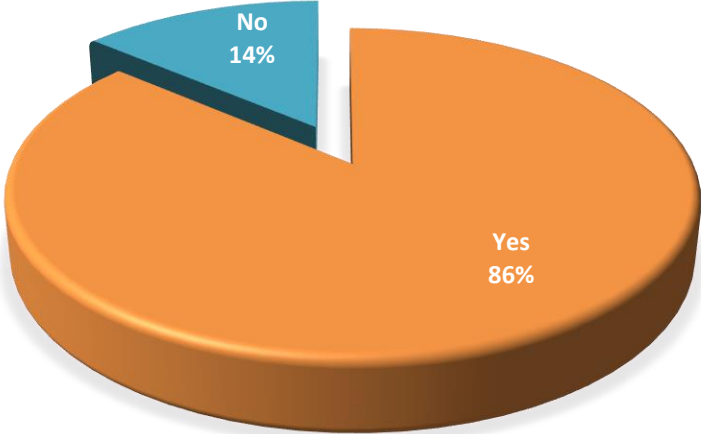
7. How supportive are you of the following proposed project components, which are more fully described in the attached Case for Support?

| | Weighted Average |
|--|------------------|
| New building for Children's Ministries: \$6 million | 3.06 |
| Renovation for expansion of CADES Program: \$500,000 | 3.31 |



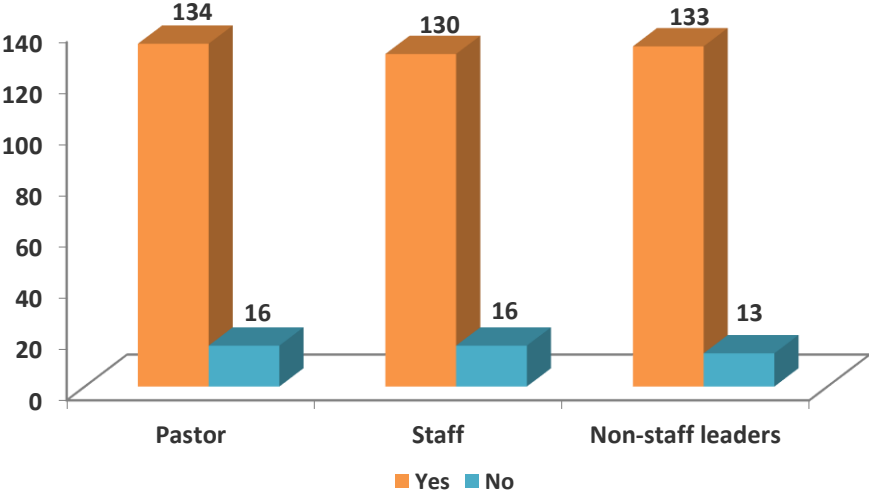
8. Do you feel that the church is providing you adequate information regarding the needs and future plans of the church?

| | |
|-------------|-----|
| Yes | 138 |
| No | 22 |
| No response | 2 |



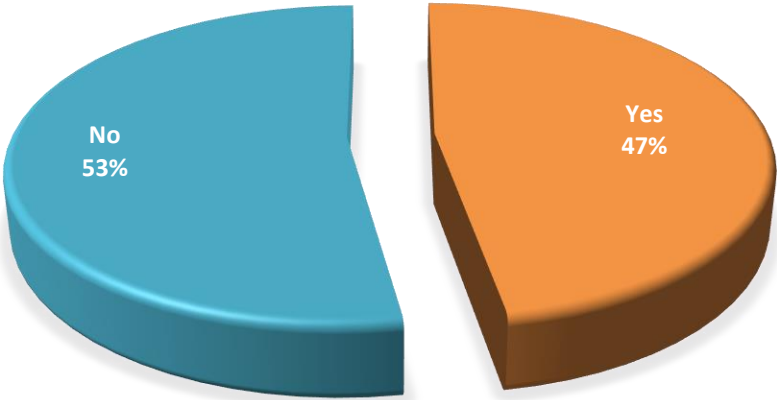
9. Do you feel the church's leadership is right for this undertaking?

| | Yes | No |
|-------------------|-----|----|
| Pastor | 134 | 16 |
| Staff | 130 | 16 |
| Non-staff leaders | 133 | 13 |
| No response | | 10 |



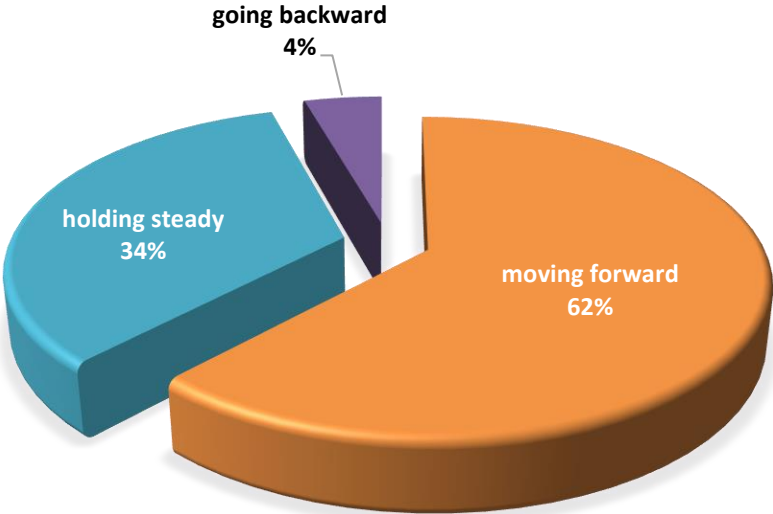
10. If invited, would you be willing to work in a well-defined and limited role in a future capital campaign, if the role did not involve directly asking persons for money?

| | |
|-------------|----|
| Yes | 73 |
| No | 81 |
| No response | 8 |



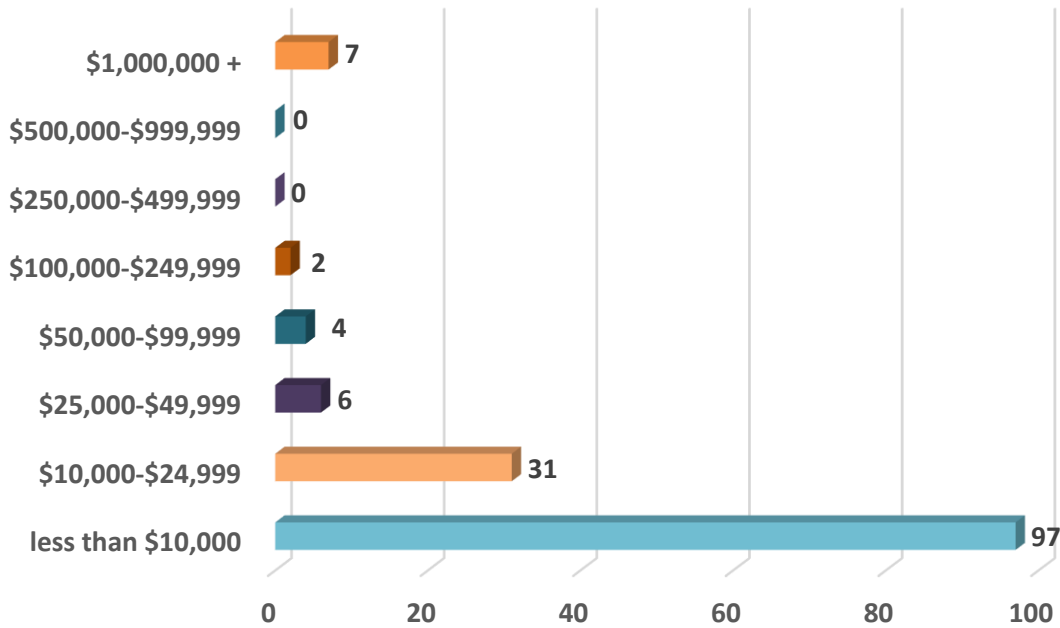
11. In your opinion, for the last 12 months, have you felt your church was...?

| | |
|----------------|----|
| moving forward | 98 |
| holding steady | 53 |
| going backward | 7 |
| No response | 4 |



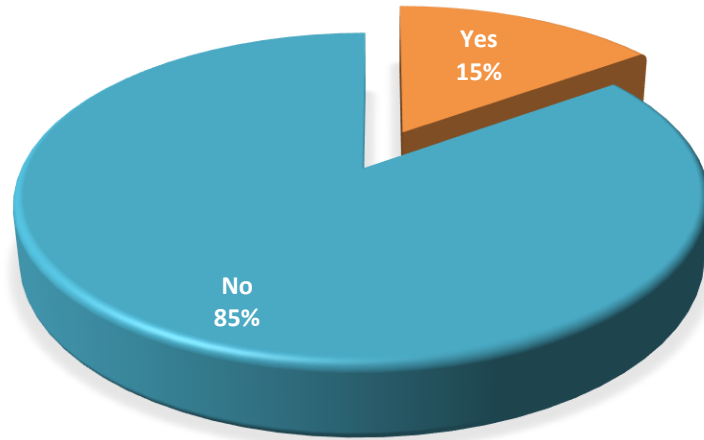
12. What range of financial commitment (above your current giving) might you consider for the projects described in the Case for Support over a three-year giving period?

| | |
|---------------------|----|
| \$1,000,000 + | 7 |
| \$500,000-\$999,999 | 0 |
| \$250,000-\$499,999 | 0 |
| \$100,000-\$249,999 | 2 |
| \$50,000-\$99,999 | 4 |
| \$25,000-\$49,999 | 6 |
| \$10,000-\$24,999 | 31 |
| less than \$10,000 | 97 |
| No response | 15 |



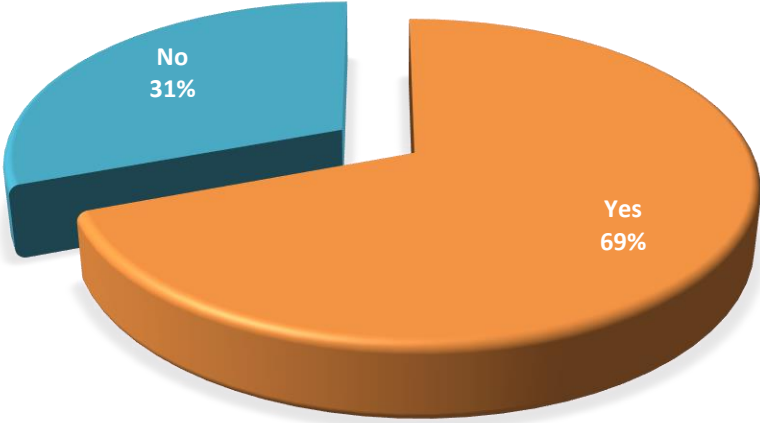
13. Might your campaign commitment include a non-cash gift such as stocks, IRA distributions, or real estate?

| | |
|-------------|-----|
| Yes | 24 |
| No | 135 |
| No response | 3 |



14. Do you feel that this is the right time to launch a capital campaign for the Children's building addition and expansion of the CADES program?

| | |
|-------------|-----|
| Yes | 106 |
| No | 47 |
| No response | 9 |



OBSERVATIONS

Horizons reviewed the results of the previous study (2020) and compared them to the current results (2023). The following are observations from this comparison:

- The results of the Horizons' Feasibility Study in 2020 demonstrated clear evidence that a goal of \$2 million or more was achievable. The statistical capacity for a Capital Campaign is roughly the same as it was in 2020, however the interviews and personal conversations with donors indicates a willingness to consider a goal of \$3 million.
- The 2020 study revealed the capacity for a Capital Campaign of at least \$2 million with approximately \$4 million in debt for the two projects under consideration (the total project was estimated to cost \$6 million in 2020). As the project cost increased in the last two years (currently estimated at \$9 million) there does not appear to be a tolerance for a high level of debt in 2023 that was apparent in 2020. Factors include higher interest rates, cost of materials/labor, changes in the UMC, and retirement of the Lead Pastor.
- Horizons' discussion with the Pastors and subsequent private conversations with spiritual and financial leaders indicates a willingness to enter into two Capital Campaigns in the next four years to minimize the potential debt for a new Children's Building and renovation to the CADES program area.

RECOMMENDATIONS

After careful evaluation of the two Feasibility Studies, Horizons recommends a series of two Capital Campaigns over the next five years to raise the funds necessary for the Children's building and CADES renovation to minimize the amount of debt in the overall project.

Horizons recommends a \$3 million Capital Campaign in 2023 and a successive \$3 million Capital Campaign in 2025 to move along the Children's building and CADES renovation. This strategy could minimize the level of debt required for the overall project and construction of the Children's building and CADES renovation could begin in 2024. It will be essential to demonstrate progress in the overall project by beginning the process of construction and renovation during the overall timeline (2023- 2027) rather than waiting until all Capital Campaign funds have been raised.

It will also be imperative to begin the planning phase for the first of the two Capital Campaigns immediately to take advantage of the remaining period before Rev. Larry Trotter's retirement in July 2023. There is great faith and support for Rev. Wil Cantrell and the church would rally around his position as Senior Pastor after the retirement of Rev. Trotter. The first of the two Capital Campaigns could continue through the fall of 2023 and ask every family to consider making a pledge to be paid in 2023 and 2024. This model would maximize the amount of funds available to begin construction and renovations in 2024.

Concord UMC would require a short-term loan to begin the construction process in 2024 and the second Capital Campaign could begin in the first quarter of 2025. This second Capital Campaign would ask the families of Concord UMC for commitments toward a \$3 million Capital Campaign with payments to be made over a three-year period.

Construction and renovation costs are currently estimated at \$9 million for the entire project. At the conclusion of the 2025 Capital Campaign, Concord UMC would be required to carry a minimal amount of debt (approximately \$3 million). This remaining debt could also be eliminated through a debt reduction Capital Campaign beyond the timeline of this proposal.

2023 CAPITAL CAMPAIGN PHASE 1 (MARCH-JUNE)

1. Refine the current Case for Support Document

A Case for Support document would outline the projects under consideration and explain in more detail how each project would benefit the ministry of Concord UMC.

2. Recruit Volunteers

A dedicated and talented set of volunteers would be critical to the process of achieving the goals of the Capital Campaign. The results of the interview and survey revealed an excellent pool of potential volunteers that are willing to assist.

3. Test the Revised Case for Support with Spiritual and Financial Leaders

The Case for Support would be taken to a sampling of families to gauge their reaction to the projects and determine their level of engagement in the Capital Campaign.

4. Prepare an Overall Initiative Plan and Timeline

As information is received from testing the Case for Support document and conversations with Spiritual and Financial leaders, an overall Initiative Plan would be developed. Included in this plan would be communications strategies, special event plans, and milestones for goal achievement.

5. Hold Impression Session Meetings to allow everyone to be involved

Impression Sessions are an excellent opportunity to allow every Concord UMC family to contribute to the discussion for the overall project and long-term vision for ministry in a new Children's building and CADES renovation.

6. Communication and Engagement Strategy for every family at Concord UMC

The most successful Capital Campaigns find a consistent message and voice to communicate excitement for the projects included in the Capital Campaign. Strategies would be developed to involve every family in praying, participating, and giving to the overall project.

7. Maximizing Initial Gifts to the Capital Campaign

Demonstrating progress in the Capital Campaign will require that a majority of the overall commitments to the first Capital Campaign be secured in Phase 1 of the Capital Campaign. By securing a large number of gifts in Phase 1, the Capital Campaign will be poised for success in Phase 2 in the fall of 2023.

2023 CAPITAL CAMPAIGN PHASE 2 (JULY-NOVEMBER)

1. Implement Strategies

The Capital Campaign will require at least five months to complete a strategy to approach every family at Concord UMC and inspire investment in the Children's building and CADES renovation. Personalized engagement strategies would be implemented to fit the culture of Concord UMC and communicate the importance of broad involvement in the overall project. This period will require a solid set of volunteers dedicated to assisting the staff of Concord UMC in engaging every family at some level.

2. Hold Church-wide and Small Events

The Capital Campaign plan and timeline will indicate the optimum moment to hold a series of events to attract, cultivate, and ultimately solicit gifts for this first Capital Campaign. Events could include small gatherings of a few families and larger invitation events to involve everyone.

3. Silent Phase Communication Strategy

Horizons encourages every Capital Campaign to engage not only the top Spiritual and Financial leaders of the church (Kitchen Table), but also those families with a history of consistent giving. Communications strategies would be developed to specifically engage Concord UMC families who are regular givers (Living Room), and those just beginning a deeper relationship with the church (Front Porch).

4. Continuation of Major Gift Development

It will be critical to continue to cultivate significant gifts at the end of the overall Capital Campaign as well. Phase 2 enables a longer time period to engage Spiritual and Financial leaders (Kitchen Table) who require more time to discern where God is leading them in their giving to Concord UMC. Spiritual and Financial Leaders might consider a larger gift than they originally contemplated after continued engagement, or those that have previously given might consider adding to their commitment.

5. Celebrating Success

Concord United Methodist Church needs to celebrate the accomplishment of the \$3 million Capital Campaign at the end of this period to recognize the accomplishment of the sacrificial giving by families within Concord UMC, and especially to thank God for inspiring the generosity required to achieve God's vision for the church. Celebration events should include large celebrations and small events to thank everyone for their part in moving the vision of the overall project to a reality in this first Capital Campaign.

2024 CONSTRUCTION BEGINS

It will be an important milestone in the ministry life of Concord UMC to begin construction of the Children's building and renovation of the CADES program area in 2024. This demonstration of progress would be an inspiring sign for every family within Concord UMC. Horizons experience is that the most successful overall projects require signs of momentum to continue to inspire generosity in the families of the church in multiple Capital Campaigns.

2025 CAPITAL CAMPAIGN PHASE 1 AND 2 (JANUARY-NOVEMBER)

- Refine the new Case for Support document and hold a series of Listening Sessions to build support for the Second Capital Campaign
- Recruit new volunteers
- Test the new Case for Support with Spiritual and Financial Leaders
- Prepare a new Capital Campaign plan and timeline
- Hold Impression Session meetings to allow everyone to be involved
- Create a new Communication and Engagement Strategy for every family at Concord United Methodist Church
- Maximize initial gifts to the second Capital Campaign
- Implement strategies for broad participation
- Hold church-wide and small events
- Continuation of major gift development
- Celebrate success

CONCLUSION

I thank you for the opportunity to present this follow-up Capital Campaign Feasibility Report, and it has been a genuine pleasure for me to serve with your team. I look forward to the opportunity to move forward with the first Capital Campaign. Please do not hesitate to contact me with questions about this report.

God bless,



Dr. Rhodes Logan
Senior Vice President
Horizons Stewardship