



Feasibility Study Report

for

St. Michael's Episcopal Church & Preschool Mandeville, Louisiana

December 2022



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December 12, 2022

Fr. Robert Beazley
St. Michael's Episcopal Church & Preschool
4499 Sharp Road
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Fr. Robert,

Serving St. Michael's through this Feasibility Study has been a privilege. Twenty-three (**23**) households participated in personal interviews (**18** church interviews and **5** Preschool interviews). Forty-seven (**47**) households completed the online or paper church survey; ninety-nine households (**99**) completed the online or paper Preschool survey. A total of **169** households participated in the study. This represents **60%** of the combined Preschool and church households which is an excellent level of participation (based on **198** total Preschool households and **82** total church households.) The industry norm for participation is **10%**.

We learned a great deal about the church and Preschool in the study. Most encouraging is that a high percentage of parishioners feel their spiritual and social needs are being met and a high level of (grand) parents feel the Preschool is meeting their (grand) child's educational and spiritual needs and that the education will equip the child with lifelong skills. Based on the data we received from the study, the church will financially support a three-year capital campaign to fund the facility issues.

Given the information provided by parishioners, Preschool households, and our work with 100 similar parishes, we project that St. Michael's could raise between **\$800,000** and **\$1,200,000** through a well-conducted, three-year capital campaign based on church and Preschool (grand) parent engagement, clear communication, stewardship education, and prayerful discernment.

Enclosed is a complete review of the information and data we gathered through the Feasibility Study. We also have provided concerns, recommendations, and a proposed calendar for a capital campaign. All of this is provided to assist the parish leadership in better understanding the parishioners / (grand) parents and the direction God is moving the parish and Preschool. If you have questions, please feel free to contact us at any time.

Thank you for allowing Church Development to spend time with your parishioners, Preschool (grand) parents and learn more about the great things St. Michael's is doing in our Lord's name.

Respectfully,

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St. Michael's Feasibility Study

EXECUTIVE SUMMARY

In October, November, and December 2022, a total of **169** households participated in the Feasibility Study, representing **65** households from the church and **104** households from the Preschool. This is a **60%** level of participation. This is an excellent level of participation. The industry norm is **10%** level of participation.

Executive Summary - Church

1. Ninety-three percent (**93%**) of respondents in the study agreed or strongly agreed that St. Michael's is effectively meeting their spiritual needs.
2. Eighty-five percent (**85%**) of the respondents agreed or strongly agreed that St. Michael's is effective in providing opportunities for fellowship within the parish.
3. Eighty-nine percent (**89%**) in the study agreed or strongly agreed that there are many opportunities for community outreach offered by the parish.
4. Ninety percent (**90%**) of the respondents have a high level of confidence in the leadership of the church to make wise decisions for the future of the parish.
5. The following is how respondents rated the facility issues as stated in the Case Statement.

Project	Positive	Neutral	Negative
Create a dedicated space for youth ministry.	88%	10%	2%
Hire additional church & Preschool employees and raise salaries for all.	82%	15%	3%
Build new worship and ministry spaces	76%	17%	7%
Create new traffic flow with new drop-off, additional parking, and a covered pavilion.	71%	21%	8%
Reconfigure worship space into classrooms	60%	26%	14%

6. Eighty-three percent (**83%**) of respondents agree or strongly agree that now is the time to move forward with a capital campaign to address our facility issues. (**8%** were neutral and **9%** responded no.)
7. When asked if there were any barriers that would prevent the parish from having a successful capital campaign, the most frequent answers were **1)** inflation / economy and its effect on individual financial situations, **(2)** possible lack of parishioners / parishioners not contributing, and **(3)** members not wanting to support the building of new worship space.
8. Seventy-seven percent (**46 church households**) in the study said they would be willing to support a capital campaign at some level financially; twelve percent **12%** (**7 church households**) need more information and twelve percent **12%** (**7 church households**) said no. The readiness to give is an indicator of potential success.
9. Thirty-six (**36**) church households in the study said if a capital campaign were held tomorrow, they would consider committing **\$207,431** over the next three years (the average gift is **\$5,762**). This would be over and above their regular giving to the church.
10. Forty-four percent (**44%**) in the study (**24 households**) said they would be willing to remember St. Michael's in their estate plans. (**2%**, representing 1 household, have already done this, and **24%**, representing 13 households, need more information.) The total, therefore, is **68%** of survey participants would consider remembering the parish in their estate plans. The industry norm is **3%**.
11. Thirty-one (**31**) individuals expressed interest in serving on the campaign teams (Prayer, Events, Thanks, Youth, Ambassadors, and Communications Teams).

Executive Summary - Preschool

1. Ninety-eight percent (**98%**) of respondents in the study agreed or strongly agreed that St. Michael's is effectively meeting their (grand) child's educational needs.
2. Eighty-seven percent (**87%**) of the respondents agreed or strongly agreed that St. Michael's is effectively meeting their (grand) child's spiritual needs.
3. Ninety-eight percent (**98%**) in the study agreed or strongly agreed that St. Michael's is effectively providing their (grand) child with lifelong skills.
4. Eighty-eight percent (**88%**) of the respondents have a high level of confidence in the rector, head of Preschool, and faculty, to make wise decisions regarding the future of St. Michael's Preschool.

5. The following is how respondents rated the facility issues as stated in the Case Statement.

Project	Positive	Neutral	Negative
Hire additional church & Preschool employees and raise salaries for all.	79%	19%	2%
Build new worship and ministry spaces	59%	30%	11%
Reconfigure worship space into classrooms	57%	33%	10%
Create new traffic flow with new drop-off, additional parking, and a covered pavilion.	55%	34%	11%

6. Sixty-two percent (**62%**) of respondents agree or strongly agree that now is the time to move forward with a capital campaign to address our facility issues. (**28%** were neutral and **10%** responded no.)
7. Thirty-four percent (**21 Preschool households**) in the study said they would be willing at this time to support a capital campaign financially at some level; twenty-one percent (**13 Preschool households**) need more information.
8. Thirty-one (**31**) households in the study said if a capital campaign were held tomorrow, they would consider committing **\$55,165** over the next three years (the average gift is **\$1,780**). This would be over and above their yearly tuition to the Preschool.
9. Sixteen percent (**16%**) in the study (**8 households**) said they would be willing to remember St. Michael's in their estate plans. **2%**, representing 1 household, have already done this, and **14%**, representing 7 households, need more information. The total, therefore, is **30%** of survey participants who would consider remembering the parish in their estate plans. The industry norm is **3%**.
10. Fourteen (**14**) individuals expressed interest in serving on the campaign teams (Prayer, Events, Thanks, Youth, Ambassadors, and Communications Teams).

Concerns (combined Church & Preschool)

1. Concern was expressed that there is no need for a new worship space as the current space is underutilized. Instead, we should build more classrooms.
2. Concerns were voiced that we need to do more for our church youth, including the hiring of a youth minister, we also need a dedicated youth space.

3. There is a desire for more frequent and better church-wide communication.

Financial Forecast

Based on the church's annual unrestricted giving of **\$228,300** and the results of the Feasibility Study, Church Development forecasts the following for St. Michael's.

- **90% probability of raising \$800,000**
- **70% probability of raising \$1,000,000**
- **50% probability of raising \$1,200,000**

This financial forecast is based on a professionally-run, three-year capital campaign that includes parishioner and Preschool engagement, clear communication, stewardship education, and prayerful discernment.

Summary of Recommendations

1. Begin a capital campaign immediately with a Commitment Sunday in late spring 2023.
2. Focus the campaign on prayer.
3. Engage all parishioners and Preschool parents in serving short-term on a capital campaign team.
4. Involve all parishioners and Preschool parents in the dialogue about the vision of the parish.
5. Commit to a high level of information sharing each week of the campaign.
6. Encourage gifts of appreciated assets throughout the campaign (e.g., property, stocks, IRAs, and mutual funds).
7. Approach potential major givers during the campaign.
8. Emphasize the sacrifices that have been made in the past by parishioners.

FOREWORD AND THE ASSIGNMENT

Church Development's purpose is to serve churches through planning and capital campaign management. Church Development is based on two concepts:

A) Stewardship is a gateway virtue to living a Christian life. Once individuals discover the experience of acting as a conduit to God's will, they are forever changed. A prayerful approach to seeking God's will is at the center of all our activities. Proverbs 29:18 states, "Where there is no vision, the people perish." This Biblical text could be a modern management bestseller. When a church has a powerful vision in which all are involved in creating, God will bless and use their efforts.

B) Building the strength of each church we serve is more important than money. If we can successfully increase the connections between people seeking to do God's will, the church will grow in very measurable terms. After our capital campaign is completed, churches often experience increases in attendance, annual giving, volunteerism, and evangelism.

The Assignment:

In June 2022, Church Development was engaged to conduct a Church and Preschool Feasibility Study to determine the readiness of the parish for a capital campaign.

In October, November, and December 2022, Church Development conducted **23** total interviews, representing **18** church households, and **5** Preschool-related households. An online and paper survey was available for all other parishioners to complete.

A total of **169** church families and Preschool-related families participated in the study.

SUMMARY OF INTERNAL ASSESSMENT

2022 Annual Unrestricted Giving

Out of **82** total church households and **198** Preschool households, **280** households financially supported the 2022 church and Preschool operating budgets. The church's annual unrestricted giving which includes the offering plate and collection totals **\$228,300**.

St. Michael's Episcopal Church & Preschool Case Statement

The Challenge

We are facing a good problem here at St. Michael's. As both our church and our Preschool grow, our physical spaces are not meeting our needs, as outlined below.

- We have been in a transitional worship space for 30 years. At the same time, our worship attendance has steadily grown over the last 3 years.
- Our Preschool is too large to gather together in any one space on campus. Graduation requires multiple services held in the gym-like Parish Life Center.
- We have limited capacity for administration and ministry at the church and Preschool.
- For years, we have had a waiting list at our Preschool, which is consistently full.
- We are running out of space for classrooms at the Preschool and our administrative offices are cramped. Additionally, our teachers need a communal space for meetings, professional development, and lunch.
- Our 12-acre campus needs maintenance and property is not good for traffic flow.

The Vision

St. Michael's has an important role in our community as a church and as a Preschool. By updating our campus, St. Michael's will better serve those who worship and learn here; and we will make a bigger impact on the needs of our community through our outreach ministries. We envision:

- Building a new worship space, large enough for the entire Preschool community, as well as new ministry spaces for the church.
- Reconfiguring the current worship space into classrooms.
- Creating more administrative and office space, along with a dedicated youth space.
- Developing a new plan for traffic flow that includes new Preschool drop-off, additional parking spaces, and a new outdoor pavilion.
- Hiring additional church and Preschool employees, while raising salaries for all.
- Establishing an endowment to further the ministry of St. Michael's for generations to come.

The Plan

Our vision is ambitious and we have a thorough plan to ensure that we are able to see it through. We will ask each of you to be a part of our future with a financial commitment to St. Michael's.

- We ask that you prayerfully consider making a 3-year commitment of 3% of your household income to St. Michael's.
- Your commitment would allow us to build a new sanctuary, renovate the current worship space into classrooms, and fulfill the goals of the vision.

The Urgency

St. Michael's was founded in 1986, and in 2026 we will celebrate our 40th Anniversary. Our Preschool was established in 1996 and has graduated a quarter century of students. Our impact in the community as a church and a Preschool is undeniable. In looking at our momentum and considering the factors below, we know that now is the time to act.

- St. Michael's is located in the second fastest-growing parish in the state and we want to ensure we continue to serve the growing needs of our area.
- For years, we have had a waiting list for Preschool.
 - We believe that we provide the best educational *and* spiritual foundation for our community's children. We are located in an area with strong public Preschools, so our Preschool is the place for households to form a spiritual foundation for their children before they go to elementary Preschool.
- Worship attendance is up and we must get ahead of the growth curve.

DETAILED RECOMMENDATIONS

Based on the feedback received in the study, Church Development recommends the following actions for St. Michael's.

1. St. Michael's should begin immediately a three-year capital campaign with a Commitment Sunday in late spring 2023.
2. The campaign should focus on prayer and stewardship, and be a discerning implementation of God's will.
3. Pay off the **\$344,000** debt in three years and four months with funds received from the capital campaign and save approximately \$140,000 annually to be used for ministry and/or the Preschool.
4. Encourage estate planning gifts during the capital campaign. It is projected that an additional **\$1.2M** could be raised in estate gifts.
5. Concerns that arose during the Feasibility Study should be addressed thoroughly during the campaign communication and included in opportunities for dialogue.
6. Engage all parishioners and Preschool parents in serving short-term on a capital campaign team.
7. A high level of parishioner and Preschool parent involvement should guide the process. All should be encouraged to serve on a campaign team (Prayer, Events, Thanks, Youth, Ambassadors, and Communications), each team meeting 2-3 times during the campaign.
8. A high level of information sharing should be available to parishioners and Preschool parents weekly through e-Newsletters, videos, newsletters, bulletins, text messages, websites, poster boards, e-mails, social media, and verbal announcements.
9. The donation of appreciated assets (e.g., property, stocks, IRAs, and mutual funds) should be part of the campaign effort.
10. Potential top donors should be approached during the campaign.
11. Emphasize the sacrifices that have been made in the past by parishioners.
12. In order to meet the needs of the parish, the campaign should follow the proposed calendar in this report.
13. Years 2023 to 2026: Fulfilling pledges, tracking pledges, and inviting new parishioners and Preschool parents to participate. Church Development assists with the Annual Stewardship Campaign and Planned Giving effort during the three years of follow-up.

PROPOSED CAPITAL CAMPAIGN CALENDAR
ST. MICHAEL'S EPISCOPAL CHURCH & PRESCHOOL

DEC

- Send out eNewsletter #1 - publicize Vestry's decision regarding the capital campaign; summary of the Feasibility Study report; save-the-date for the Volunteer Organizational Meeting (VOM)

JAN 2023

- Begin massive information flow with communication on every aspect of the capital campaign; include postings on Facebook and Twitter.
- Recruit additional lay leaders to serve on the Management Team
- Recruit PETYAC Team leaders, considering names suggested from the Feasibility Study report.
- Set up Zoom training meetings with all team leaders
- Host parish-wide VOM Meeting - all interested campaign volunteers attend; Fr. Robert presents the vision; introduce the overall campaign Co-chairs; teams form and begin their tasks
- Send out eNewsletter #2 - a recap of the VOM, including what each team accomplished; list all teams and their members; encourage others to serve on teams
- Advisory Committee Meeting #1 - campaign prayer and Campaign logo/slogan approved.

FEBRUARY

- Send out campaign event schedule; encourage every family to attend one event
- PETYAC Teams continue meeting individually to accomplish their tasks.
- Begin hosting campaign events, mid-February - mid-April. These are working events designed to engage all parishioners and (grand) parents in a dialogue about the facility concerns.
- Send out eNewsletter #3 - highlight what teams have accomplished to date; encourage PETYAC Team and event participation; begin publishing campaign FAQs.
- Begin emphasizing gifts of assets
- Advisory Committee Meeting #2

MARCH

- Lay speakers in all services
- Continue hosting campaign events
- Advisory Committee Meeting #3
- Ambassadors review church roster in preparation for parish-wide phone calls to answer questions.
- Send out eNewsletter #4 - recap what has been learned through the campaign events; Highlight upcoming prayer and youth activities; announce the upcoming Prayer and Discernment process and the importance of making a prayerful decision on Commitment Sunday
- Finalize all commitment packet pieces including the 8-page color brochure and pledge card.

APRIL

- **No campaign activities or events on Palm Sunday, Holy Week, and Easter, April 2-9**
- Mail commitment packet to every parish family and Preschool-related family
- Lay speakers in all services
- Send out eNewsletter #5 - reminders about Prayer and Discernment, upcoming ambassador phone calls, youth and prayer activities, and Commitment Weekend
- Prayer and Discernment begins and continues through Commitment Sunday

- Ambassadors begin making phone calls and answering questions
- Youth activity hosted by Youth Team
- Prayer activity hosted by Prayer Team
- Stewardship homily from Fr. Robert
- Send out Fr. Robert’s video, “Making a Prayerful Decision.”

MAY

- **Host Commitment Sunday**

- Celebrate early success
- Encourage others to make a pledge/gift
- Send out eNewsletter #6 - include initial pledges received; celebrate early success; encourage others to participate; include photos from Commitment Sunday
- Mail follow-up letter to households who have not yet submitted a pledge card
- Ambassadors make a second round of phone calls encouraging campaign participation
- Send out eNewsletter #7 - announce the number of pledges received to date; highlight the next steps with the campaign; introduce the follow-up team.

Years 2023 to 2026: Fulfilling pledges, tracking pledges, and inviting new households to participate in the capital campaign. Church Development assists with the Annual Church Stewardship Campaign and Planned Giving effort during the three years of follow-up.