

*Our Lady Queen of Peace  
2015 Stewardship Report  
Increased Offertory Campaign*



*November, 2015  
The Stewardship Committee*

## *Preparing a Parish Budget*

Everyone is familiar with the concept of a budget. It is a tool that allows us to live within our means. A family budget totals all wages and income, then lists all known expenses, subtracts expenses from income and comes up with a number that the family can use for savings, unexpected repairs or medical needs, entertainment and the like. If we want to make it in this world, we can't spend more than we make. With a family budget regular income and regular expenses are assumed.

With organizations such as *Home and School*, *Knights of Columbus* or the *St. Vincent de Paul Society*, things are a little different. In general, organizations hold fundraisers, total up what they have earned, and then decide how to distribute the funds. From year to year, what these organizations can spend varies depending on what they have earned. In this case, regular income is not assumed and what can be spent is determined by what is earned. Families need to make basic living expenses so what a family needs to spend is dictated by what their basic needs are. Organizations can only spend what they make and can drop of project if they can't fund it. A family can't choose not to pay rent or utilities.

A parish budget is, in reality, a kind of combination of these two types of budgets. A parish relies on donations to pay its bills, so, like an organization, it cannot assume a fixed income. However, like a family, a parish has fixed expenses – salaries, utilities, upkeep. In putting together a parish budget, all known expenses are listed and a goal is set to raise the money to meet these expenses. The ability of a parish to meet its expenses depends on its ability to collect the funds it needs. So the budget sets goals for the weekly Offertory Collection and for additional fundraisers such as the picnic, parish dinners, raffles and the like. If those goals aren't met, the parish is in trouble.

It is the role of the Stewardship Committee, working with the Finance Council and the Fundraising Committee to gather information on pledges and estimate what additional fundraising activities need to earn to allow the parish to meet its financial obligations. While the Stewardship Committee can project an estimate of income based on pledges and projections from previous years and the Fundraising Committee can estimate possible earnings from fundraising activities, what is actually earned is dependent on a number of factors over which these committees have no control – changes in the general economic status of parishioners and the willingness of parishioners to support and participate in additional fundraising activities as well as making regular contributions to the church.

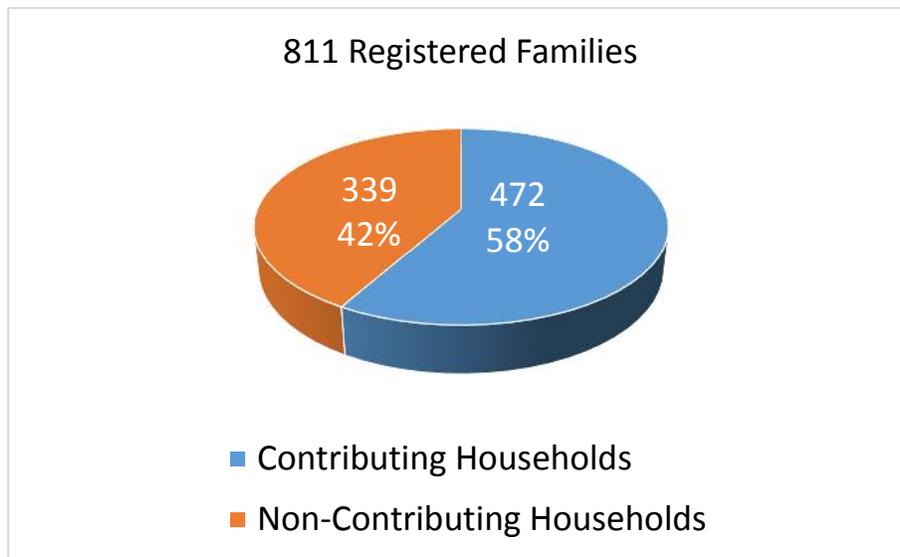
Unfortunately, for the last several years, despite concerted efforts to reduce parish expenses, parish income has not met expenses. While we have received help from the Archdiocese, this is not something that we can count on every year. Further, falling short of meeting expenses has delayed the ability of the parish to move forward with building a parish center and making improvements to the school that is the hope of so many parishioners. To meet this challenge, the 2015 Stewardship campaign has employed an Increased Offertory Program. This report is intended to outline the financial status of the parish and summarize the results of the Increased Offertory Program.

## July 1, 2014 – June 30, 2015

In the 2014-2015 fiscal year, the total offertory collection for the parish was \$653,553.00. The offertory collection was supplemented with additional fundraising efforts totaling \$88,710.00. With grants and additional income, the parish still fell short of meeting its expenses by \$21,533.00.

Ideally, a parish would like to meet its financial obligations through the regular offertory collection. That would allow additional fundraising money to be used for capital improvements and expanding programs to benefit parishioners. Since the goal of this year's Stewardship Campaign was to increase the general offertory collection, this report will focus solely on that aspect of parish funding.

At Our Lady Queen of Peace, offertory contributions fall into two categories: 1) documented contributions – contributions made using offertory envelopes assigned to a family, by check so that the donor is known, or contributions made by means of the online giving system, and 2) cash donations added anonymously to the collection basket. In fiscal year 2014-2015, 472 households made documented contributions totaling \$587,260.44. Donations totaling \$66,292.56 were made anonymously in cash.



While receiving some form of annual contribution from 58% of the registered families in the parish initially looks very encouraging, these yearly contributions ranged from \$2.00 to \$18,825.00. The average annual contribution per family was \$1,244.20, indicating an average contribution of approximately \$100.00 per month. However, the median contribution was \$695.00, meaning that half of the yearly contributions fell below \$695.00 and half the yearly contributions were higher than this number. That means that well over half of the families making a documented contribution, contributed less than \$100.00 a month. In fact, 319 families, or 67.6% (two thirds) of the families making documented contributions, donated less than \$100.00 a month.

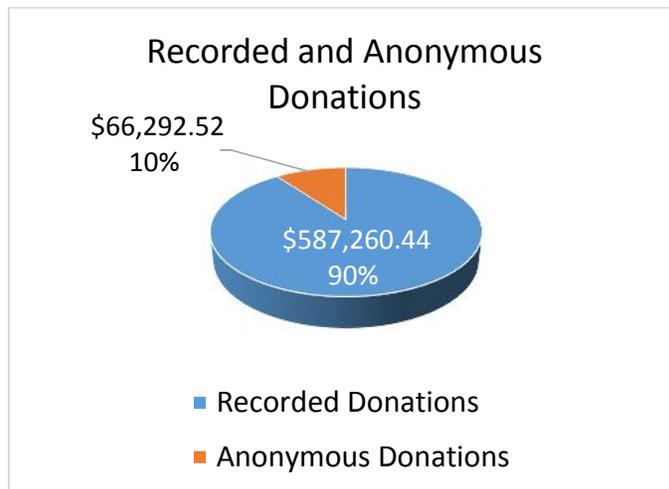
If the list of actual contributions for the 2014-2015 fiscal year is sorted from smallest to largest, and the range of contributions is divided into segments representing 10% of all donors, the following distribution of contributions is obtained:

### Annual Donor Contributions by Percentile



This chart indicates that the top 10% of donor families contributed 43% of the entire, documented offertory collection for fiscal year 2014-2015. The top 30% contributed 74% of the documented offertory collection. This indicates that 70% of the documented contributions accounted for only about a quarter of the recorded donations. Roughly, that means that 141 families, 30%, out of 811 registered households are carrying the bulk of the burden to support the parish. The 141 families at the low end of the contribution scale, the bottom 30%, contributed only 2% to the overall offertory collection.

It is to be noted that there were additional, anonymous cash donations made to the annual offertory collection, but these accounted for only 10% of the annual offertory total.



Obviously, some if not the majority of the donations included in the anonymous contributions represent regular donations from parishioners. There is, however, no way of determining this from the collection itself. This is why parishioner pledges are so important in making projections for an annual parish budget.

The list of recorded donations for fiscal year 2014-2015 revealed two additional pieces of pertinent information. First of all, contributions totaling \$7,615 were recorded for eight families who, in the course of the year, left the parish. All things being equal, it can reasonably be expected that the total offertory collection for this fiscal year will drop by this amount. We hope things won't be equal and that the Increased Offertory Program will lead to greater revenues, but we still know that we have lost the regular contributions of 8 families.

Secondly, contributions have been recorded for twenty two families who do not have an active status as registered members of the parish. It appears that most of these families did not renew their membership during the Parish Census conducted in 2012, yet they have remained active in the parish. As such, they are not part of parish mailings and can miss out on other parish programs and information. We need to reach out to these families, thank them for being with us and supporting the parish, and return them to an active status or register them as parish members if they have never registered. These twenty two families have a recorded total offertory contribution for fiscal year 2014-2015 of \$4,555.00.

Now, in the projected budget for fiscal year 2015-2016, the amount needed to be earned in the offertory collection is \$692,122.00. This is an increase of \$38,569.00 over what was actually contributed in fiscal year 2014-2015. This suggests that we will need to take in about \$40,000 more during this fiscal year just to break even. That would translate into a \$5.00 increase per year from all 811 registered families, or an increase of \$10.00 from the better than 400 families who contributed to the parish last year. Again, this would get us to the break-even point, but would not move us ahead in capital improvement plans and enhancing programs for parishioners. It was the goal of the Increased Offertory Program to help us not only break even, but to move ahead.



## *2015 Stewardship Campaign Increased Offertory Program*

The 2015 Increased Offertory Program was conducted as an attempt to offset and reverse declining revenues. Though attempts have been made to supplement offertory revenues with fundraising efforts and grants over the past few years, fundraising events such as the picnic, Big Ticket Raffle, and Football Boosters have been returning less each year and the grant money available to the parish for this fiscal is projected to be about half of what we were able to receive last year. The same decline in Offertory Commitment Pledge cards can be noted. Since 2012, when the new Stewardship Committee was empaneled, there has been a steady decline in commitment cards from registered families on which an actual pledge is made:

2012: 92  
2013: 74  
2014: 60

Using *Our Sunday Visitor's* Increased Offertory Program, letters were mailed to all registered families as part of the 2015 Stewardship Campaign. These letters were tailored to three different groups within the parish population on the basis of how regularly families contributed to the offertory collection – regularly, occasionally, and minimally or not at all. These three categories were determined by the actual, recorded donations from families during the 2014-2015 fiscal year, donations that accounted for 90% of the offertory collection for the year. A primary goal of the program was to increase and stabilize regular giving among the occasional and minimal donors.

In the course of this year's campaign, 287 commitment cards were returned – about half during Mass on Commitment Sunday, but additional submissions were mailed to the parish or deposited in the collection basket over the next few weeks. Of these 287 cards, 269 actually had recorded pledges. Three recorded pledges were submitted by families without an active registration in the parish, families who had not renewed their registrations during the parish census of 2012.

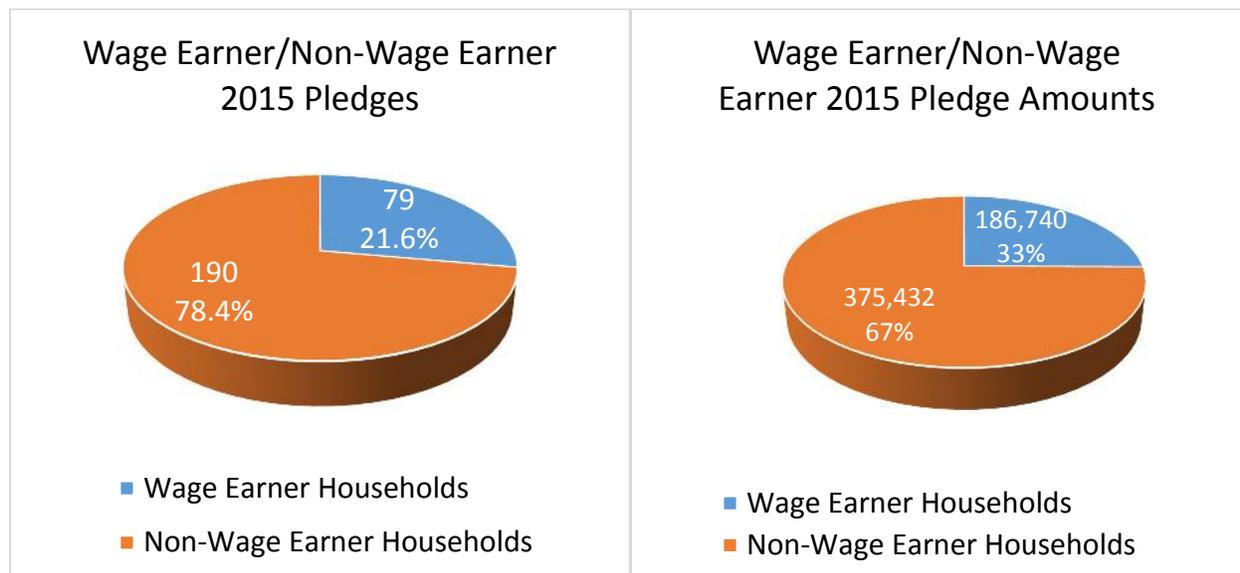
The distribution of pledges is shown in the following table:

<b>Basic Parish Information</b>						
Total Registered Households:	811					
Total Households with Wage Earners:	366	45.02%	of total			
Total Households with Dependents:	412	50.68%	of total			
Total Households with Children School Children:	55	6.77%	of total			
Total Households with PSR Children:	71	8.73%	of total			
<b>Family Pledge Information</b>						
	<i>Percent of Households*</i>	<i>Percent of Pledges</i>	<i>Pledge Amount</i>	<i>Actual 2014-2015</i>	<i>Percent Change</i>	
Total Household Pledges:	269	33.09%	100%	\$562,172	\$418,647	34.28%
Households with Wage Earners Pledges:	79	21.58%	29.37%	\$186,740	\$125,173	49.19%
Households with Dependents Pledges:	88	21.36%	32.71%	\$203,358	\$143,276	41.93%
Households with School Children Pledges:	26	47.29%	9.67%	\$67,180	\$43,806	53.36%
Households with PSR Children Pledges:	20	28.17%	7.43%	\$38,216	\$22,183	72.28%

\*Percent of Households means the percent of the total number of households in the specific category.

An initial examination of the table of pledges compared to actual donations for fiscal year 2014-2015 is encouraging. For the 269 families making pledges, the amount pledged is 34.28 % higher than the actual donations made last year by these families. It is also encouraging to see that, when the parish population is considered under diverse demographic categories – families with wage earners, families with dependents, families with children enrolled in the parish school, families with children enrolled in the PSR program – for each of these demographic categories an increased level of giving is indicated. Some remarks about these demographic categories are in order.

In looking to the future the table does indicate one area of critical concern. While families with wage earners account for nearly 45% of the families registered in the parish, only 79 of the 366 wage earner families, 21.58%, made pledges for this year. This accounted for 29.37% of all pledges made and 33% of the total amount pledged. That means that 55% of parish families, those families with no wage earner, account for 78.42% of the pledges and 67% of the total amount pledged. The average age of heads of households in the parish is over 55 years and the bulk of the non-wage earner families are comprised of retirees. This indicates that the majority of pledges to the parish are coming from people on fixed incomes and who are growing older.



Of the 442 registered households making recorded donations during fiscal year 2014-2015, 64 of these were households with wage earners. While families with wage earners account for 33% of all the pledges made in this year’s Increased Offertory Program, households with wage earners accounted for only 14.47% of the households that actually contributed to the Offertory Collection during the last fiscal year. On a positive note, the total contributions to the parish from the 442 registered families totaled \$363,120 and the total amount contributed by the 64 wage earner families was \$112,248. This again represents approximately 30% of all contributions made. Moreover, it is to be noted that the 269 families making pledges this year represent about 61% of the families who actually contributed last year. That is, over half of the families contributing to the parish responded to the request to fill out a commitment card and actually made a pledge

The demographic category “dependents” can be confusing. Usually, dependents are considered to be minor children, and this category includes high school age children. However, in terms of the parish census, dependents includes all members of a household who are not considered to be the household head(s). This includes adult children who have not yet moved out and older adults living with their

children. The following table shows the distribution of dependents in the parish.

Age Range	Number of Families with Dependents in this Range	Number of Dependents in this Range	% of Families with Dependents
Below 5	76	88	18.58%
Between 5 and 14	196	346	47.92%
Between 15 and 18	136	164	40.1%
Between 19 and 25	114	153	37.41%
Above 25	67	74	18.1%
(Above 50)	10	10	2%

There are 55 families with children enrolled in the school and 71 families with children enrolled in the PSR program. These 126 families make up 64.28% of all the families with school age children, and 30.58% of all families with dependents. There were 46 pledges from families with school age children (School and PSR combined). These represent 17.1% of all pledges and 52.3% of all pledges from families with dependents. The 196 families with school age children make up 47.9% of the total number of families with dependents and the 126 families with children enrolled in either School of PSR make up the bulk of the contributions from families with school age dependents.

Now, in looking at the pledges themselves, it has been noted that 287 families submitted commitment cards during this year's Stewardship campaign. 269 of the cards submitted recorded actual pledges. On the cards, families were asked to indicate what their current offering was, what increase it might be possible for them to make, and what their contribution would be for the current year. What follows shows a summary of pledges measured against the actual, recorded donations for fiscal year 2014-2015.

*Registered Parishioners with Previous Year Recorded Donation*

	Number of Pledges	Pledge Amount	2014-2015 Actual	Percent Change
Increase	195	\$420,426	\$305,902	37.43%
Decrease	28	\$70,334	\$93,278	-24.59%
No Change	13	\$26,320	\$26,320	0%
<b>Total</b>	<b>236</b>	<b>\$517,080</b>	<b>\$425,500</b>	<b>21.52%</b>

*Registered Parishioners with No Previous Year Recorded Donation*

	Number of Pledges	Pledge Amount	2014-2015 Actual	Percent Change
<b>Total</b>	<b>30</b>	<b>\$40,612</b>	<b>\$0</b>	<b>N/A</b>

*Unregistered Parishioners with No Previous Year Recorded Donation*

	Number of Pledges	Pledge Amount	2014-2015 Actual	Percent Change
<b>Total</b>	<b>3</b>	<b>\$4,480</b>	<b>\$0</b>	<b>N/A</b>

*Campaign Total*

	Number of Pledges	Pledge Amount	2014-2015 Actual	Percent Change
<b>Total</b>	<b>269</b>	<b>\$562,172</b>	<b>\$425,500</b>	<b>32.12%</b>

There were 30 pledges from registered families with no matching recorded contribution from the previous

fiscal year. On the assumption that these families donated anonymously with cash, their stated previous amount would make up part of the total amount donated anonymously. For these 30 families, the amount stated on the commitment cards for donations during the previous fiscal year for 24 families was \$34,032. The pledged amount for all 30 families totaled \$40,612, a stated increase of 19.3%. For the 6 with no indication of a previous year pledge, there is no way of knowing if they are increasing their pledge, continuing at a previous donation level, or pledging for the first time.

Likewise, 3 pledges were made by families who did not renew their membership during the Parish Census of 2012. Two of these pledges indicated that there would be no change in the families' level of giving, and the third had no present level of giving stated. These pledges totaled \$4,480.

Remaining conservative in our accounting, we assume that the \$34,032 stated as the previous level of contributing by 24 registered families, the \$6,580 pledged by the 6 additional registered families and the \$4,480 pledged by the families who have not renewed their registrations made up \$45,092 of the \$66,292 contributed anonymously in cash.

Including the pledges from parishioners with no recorded actual donation for the 2014-2015 fiscal year and the pledges from non-registered parishioners who likewise have no record of actual donations for that time period increases the total pledge amount to \$562,172, a 32.12% increase over the recorded donations for the entire group of people making pledges. What is not known is whether and how much the 33 people with no recorded actual donation from the previous year may have actually given, that is, how inflated the increased percentage may be. That is, the actual percent change is unknown and unknowable. We can say, with confidence, that what people have pledged this year is 32.12% more than what was known to have been donated by these same people last year.

Based on this year's pledges and assuming that contributions from parishioners not making pledges will remain relatively stable, it is possible to project an estimated offertory total for fiscal year 2015-2016 as \$724,161.

	Pledged Amount	\$562,172
	Contributions from Families with no Pledge	\$153,789
	Contributions from Families who have left the Parish	-\$13,000
	Anonymous Cash Donations	\$66,292
	Less the assumed anonymous donations	<u>-\$45,092</u>
	<b>Estimated Total:</b>	<b>\$724,161</b>

This projected offertory collection is \$32,039 above the budgeted Offertory Collection goal for the 2015-2016 fiscal year.

## *Summary, Conclusions, and Recommendations*

Since the new Stewardship Committee was empaneled in 2012, offertory pledges have steadily decreased.

2012:	92	\$170,370
2013:	74	\$159,400
2014:	60	\$143,268

The Increased Offertory Campaign of 2015 significantly increased the number of pledges and the amount pledged. The 279 pledges made this year represent a 465% increase over the number of pledges made last year and an increase of 392% in the amount pledged. When the total amount pledged is compared with the actual amounts given during the last fiscal year by those making pledges, a 32.12% increase in this year's annual offertory collection from these donors is to be expected. Assuming that anonymous cash donations and contributions from parishioners who did not make a pledge remains relatively stable, and adjusting the cash donations to reflect what was likely to have been donated last year by parishioners making pledges this year, it is possible to project an annual offertory that is \$70,608 greater than the actual offertory collection for the last fiscal year, and which is \$32,039 above the budget goal for fiscal year 2015-2016. When the \$10,000 fee is paid to OSV, the increase becomes \$22,039. Assuming that the goal of \$98,452 for fundraising revenues is met – which is unlikely – and that other sources of revenue in the present budget – gifts, sacramental offerings, grants – meet budget goals, we can expect to end this fiscal year about \$32,000 over budget.

At face value, then, it appears that the projected offertory collection for fiscal year 2015-2016 will, in reality, increase 9% over last year's actual offertory amount.

In the end, we are left with a number of intangibles:

- Will the 279 families making pledges be able to fulfill them?
- Pledges were made between 3 and 4 months after the start of the fiscal year. If the pledges are honored from this point on, how much will the 3 to 4 month lag decrease the overall collection for the year and impact the yearly budget?
- Will the anonymous cash donations and recorded donations of parishioners not making a pledge remain stable?
- Are further economic troubles on the horizon that will impact the donations parishioner families will be able to make?
- Will the parish population remain stable? Will new, younger families move into the area and join the parish? If so, will they contribute?
- Is there a way to bridge the gap between donations made by families with wage earners and those without – those without wage earners seeming to assume the lion's share of supporting the parish?
- Will additional fundraising activities reach the budgeted goal of \$98,452?

In the end, it appears that we have made some definite gains this year and we want to capitalize on those gains and what we have learned in the process. As such, the following recommendations can be made:

- In future Stewardship campaigns, utilize a process similar to the one used this year. Provide commitment cards and have the opportunity for families to complete them and turn them in during Mass on Commitment Sunday.
- Continue separate campaigns for financial support of the parish and commitments to committees and organizations. Streamline this process so that renewals can be handled on the committee level rather than requiring individual responses to keep people active in organizations.
- In the Stewardship Database, record actual yearly donations from the previous fiscal year and record pledges as annual donations (weekly donations multiplied by 52 and monthly donations multiplied by 12) to increase the accuracy of projections.
- Address the situation of an aging population and the fact that the majority of pledges and contributions come from households on fixed incomes.
- Reach out to those with recorded contributions who are not registered in the parish to include them more fully in parish life and communications.
- Conduct ongoing evaluations of Stewardship campaigns to make them as effective as possible and as palatable to parishioners as possible.
- Pour a stiff drink and start on next year's campaign.



# Stewardship

*a way of life*