



# WALSH & ASSOCIATES

Church Fundraising Specialists®

## **Fundraising Planning Study Report**

*Presented To*

**St. Michael's Catholic School**

**Mahnomen, Minnesota**

*Helping churches and church members reach new heights<sup>SM</sup>*

# **Fundraising Planning Study Report**

*Presented To*

**St. Michael's Catholic School  
Mahnomen, Minnesota**



**Walsh & Associates**  
Church Capital Campaign Specialists®

**Confidential**

July 28, 2021

Fr. David Super, Pastor  
Mrs. Sarah Chalich, Principal  
St. Michael's Catholic School  
501 1st St SW  
Mahnomen, Minnesota 56557

Dear Fr. Super / Mrs. Sarah Chalich:

I am pleased to submit this report of our fundraising feasibility and planning analysis for St. Michael's Catholic School.

The study indicates the potential to raise a minimum of \$1,000,000 to \$1,500,000 in a professionally run campaign over a five-year period for your proposed fundraising campaign.

The study results, together with our conclusions and recommendations, are found on the following pages.

This report would not be complete without a word of thanks to you and your church and school leadership for inviting our firm to conduct this study, which we believe is an important, if not critical, first step to a successful capital campaign. Our special thanks to Tina Penner and Mark Jirik for providing helpful background information and coordinating our interviews.

We look forward to working with you as you implement a successful campaign.

Respectfully submitted,

Michael A. Walsh  
President

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*"Helping Churches Reach New Heights in Their Capital Campaigns"*

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**SECTION A**  
**STUDY PURPOSES & PROCESS**

## STUDY PURPOSES & PROCESS

The primary purposes of the fundraising planning study were to determine:

1. The **climate for fundraising** in and beyond the local community, which involved assessing satisfaction with the school, awareness of and acceptance for your proposed project and campaign, and the competitive environment for philanthropic funds at this time;
2. Your **volunteer and volunteer leadership potential** and the names of prospective key leaders;
3. Your **financial potential** and the names and estimated gift potential of prospective key donors;
4. The **best way** to prepare for and/or proceed with, package and promote your project and campaign effort in order to achieve optimal results and ultimate success.

The study process involved four phases or steps:

1. **Preparation.** During this initial phase of the study process, an overall study strategy and schedule was developed; relevant information about your project and campaign was gathered; a preliminary case statement outlining your needs and plans was prepared; survey questionnaires were developed; candidates for confidential interviews were selected; a phone script to be used to invite them to participate in the study was outlined; and interviews were scheduled.
2. **Individual Interviews.** We sought to interview up to 45 of some of your most active and generous school parents and staff, alumni and alumni parents, local parishioners and others who have an affiliation with, or actual or potential interest in, or are supporters of your school. These are the most important people to hear from and listen to because they have the greatest influence on any church campaign's success. During this phase of the study, a total of 39 confidential interviews involving 51 individuals were actually conducted. The primary purpose of the interview discussion was to inform people about the proposed project and campaign, to assess their awareness and acceptance of it as well as their willingness to support it, and to record their feelings about how others might react and respond.

3. **Data Compilation, Analysis and Report Preparation.** During this phase of the study, all of the information gathered was compiled and analyzed, and a written report of the study results and our recommendations was prepared.
  
4. **Presentation of the Report.** The final phase of the study process involves presenting our findings and recommendations to the person(s) who authorized the study, answering any questions that might arise and deciding how to best proceed with a campaign effort that will ultimately meet your needs.

The conclusions reached and recommendations made in this report are based on our analysis of all of the information gathered, responses to our interview questions, and our firm's experience in conducting similar fundraising campaigns.

**SECTION B**  
**SURVEY RESPONDENTS**

## INTERVIEW RESPONDENTS

Megan Askelson	John Kuhn
Jeff Bisek	Carol Liebl
Jill Bisek	Chuck McNamee
Jim Bisek	Dan & Deb McNamee
Al & Rose Colligan	Monica McNamee
Peggy & Jon Darco	Sr. Mardelle Mohs
Dave & Beth Eynck	Alice Muckenhirn
Roger & Peggy Francis	John & Paulie Neisen
Mark Goldsmith	Urban Neisen
Jennifer Helbling	Pat & Gina Noll
Al Houdek	Sharon Schoenborn
Allen Houdek	Beth Slette
Kathy Janisch	Doug & Darlene Spaeth
Mark Jirik	Helen Spaeth
Mike Jirik	Tom Spaeth
Kathy Johnston	Fr. Dave Super
Kelly Klinkhammer	Dave & Pam Vipond
Marlene Klinkhammer	Dave & Juanita Zimmerman
Ray & Sandy Klinkhammer	Steve Zimmerman
Paul & Betty Knowles	

**SECTION C**  
**SUMMARY OF RESPONSES**

## SUMMARY OF RESPONSES

A total of 39 individual interviews were conducted, involving 51 individuals. When couples (e.g., husbands and wives) were interviewed or completed surveys together, individual responses were encouraged and many times received. Sometimes too, two answers were given by an individual to a single question. For example, some may have responded that they felt acceptance for a campaign would be "fair" to "good." In this and similar instances, two answers were recorded. In addition, there were times when a person was not able to answer or, if not appropriate or applicable, was not asked certain questions. This explains why the total number of responses does not always equal the total number of individuals interviewed or responses received. In addition, percentages may not add up to 100% due to minor differences in rounding.

1. How satisfied are you with St. Michael's Catholic School and the programs and services the school provides?

	<u>No.</u>	<u>Percent</u>
Very Satisfied	31	61%
Satisfied	20	39%
Somewhat Dissatisfied	0	0%
Dissatisfied	0	0%

2. How well informed would you say that you've been about the school's needs and plans to increase our Endowment Fund to provide more just and competitive compensation for school staff, increased financial assistance for parents of deserving students, increased funding for curricular and co-curricular programs and activities, and other increased operating needs?

	<u>No.</u>	<u>Percent</u>
Well Informed	18	35%
Have General Knowledge	24	47%
Know Very Little	6	12%
Uninformed	3	6%

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3. Overall, how important do you think it is to address this need and the various needs the increased endowment fund is designed to address?

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	<u>No.</u>	<u>Percent</u>
Very Important	24	45%
Important	20	38%
Nice to Do	6	11%
Not Needed	3	6%

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4. Individually, how would you rate addressing each of these needs as it relates to the need for increasing our endowment fund in terms of importance?

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Need	Very Important	Important	Nice to Have/Do	Not Important
1. More just and competitive compensation for school staff	23 / 45%	27 / 53%	1 / 2%	0 / 0%
2. Increased financial assistance for parents of deserving students	10 / 20%	27 / 53%	12 / 24%	2 / 4%
3. Increased funding for curricular and co-curricular programs and activities	15 / 30%	33 / 66%	2 / 4%	0 / 0%
4. Increased funding for other increased operating needs at the school	18 / 35%	27 / 53%	6 / 12%	0 / 0%

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5. Were you aware that the school was considering a major fundraising campaign to address these needs?

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	<u>No.</u>	<u>Percent</u>
Yes	37	77%
No	11	23%

- 
6. In your opinion, what would be the acceptance level among members for a fundraising campaign that would address these needs?
- 

	<u>No.</u>	<u>Percent</u>
Excellent	12	22%
Good	31	57%
Fair	9	17%
Poor	2	4%

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7. The cost of the project is estimated to be in the \$3,000,000 range. How much money do you think can realistically be raised from all members and select others in pledges payable over a minimum of five years?
- 

	<u>No.</u>	<u>Percent</u>
\$3,000,000 or More	10	20%
\$2,500,000 - 2,999,999	5	10%
\$2,000,000 - 2,499,999	10	20%
\$1,500,000 - 1,999,999	8	16%
\$1,000,000 - 1,499,999	13	26%
Less than \$1,000,000	4	8%

- 
8. In your opinion, who would be the best people to lead a fundraising campaign for St. Michael's Catholic School if we could get them?
- 

(Names provided under separate cover.)

- 
9. In your opinion, who are the members who might be capable of making the largest gifts if they were so inclined?
- 

(Names provided under separate cover.)

- 
10. In your opinion, what individuals and institutions outside of the school community (e.g., businesses and organizations, etc.) might have the potential and willingness to make significant gifts?
- 

(Names provided under separate cover.)

- 
11. If a campaign is conducted, do you think you might consider or accept a campaign leadership position if asked?
- 

	<u>No.</u>	<u>Percent</u>
Yes	6	12%
Maybe	13	25%
No	32	63%

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12. If not a leadership position, would you work on the campaign in some other capacity?

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	<u>No.</u>	<u>Percent</u>
Yes	15	29%
Maybe	21	41%
No	15	29%

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13. If a campaign is conducted, do you think you might make a gift?

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	<u>No.</u>	<u>Percent</u>
Yes	27	75%
Maybe	6	17%
No	3	8%

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14. If you were to make a gift, what range gift do you think you might consider over a five-year time period?

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Of the 33 individuals or couples who said they would make or would consider making gifts, 30 mentioned specific amounts or a gift range they might consider. The highest gift or range gift that any one individual, couple, or institution said they would make or consider was in the \$100,000 range. 3 individuals or couples said they would make or consider such a gift. The total of specified gifts that people said they would or might consider ranged from a low total of \$625,000 to a high total of \$909,000.

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15. Are you aware of any other campaigns that are in progress or being planned that might conflict with a campaign for St. Michael's Catholic School?

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	<u>No.</u>	<u>Percent</u>
Yes	3	8%
No	35	92%

Potential conflicts mentioned more than once included planned, actual or potential campaigns for the Diocese of Crookston.

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16. Do you have any other comments or suggestions that you think might be important or helpful to this study or in planning a campaign?

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#### SCHOOL SATISFACTION

1. The school offers a lot of one-to-one teaching. The various cultural topics that are taught in school are valuable. They have many learning activities, such as public speaking. Students are taught to be kind and caring to others.
2. While I was there, I was satisfied. We had faith formation throughout the day. I am thankful for St. Michael's grounding me in my faith.
3. The school produces community contributors and instills positive community outreach.
4. When I went to school, it was 20 kids in class. I liked the small class size. We were well prepared in presentations and world events, more so than the public-school students.
5. What we are aware of is that St. Michael's has continuously produced excellent students. The Catholic Church is well thought of in Mahanomen.
6. Statistically, academic excellence is higher in students coming from St. Michael's compared to public school. There is a huge personal investment from the faculty.
7. I am very satisfied because of the quality of education that comes from St. Michael's. It leaves the students very prepared not only in their education but also in their faith.
8. We have seen the benefits of St. Michael's School education. Graduates are at the top of the class in public school. Beyond the education that they receive, it is a positive environment where faith is discussed and worshiped. It is where the seed of the faith in God blooms.

9. We have great teachers, and our students are top of the class when they get to public school.
10. I feel that St. Michael's prepared and continues to prepare students very well. Not only intellectually but spiritually as well.
11. I loved St. Michael's while I was there.
12. The small class size provides the student a one-on-one education, and the student is treated as a person and not a number. We feel that it is our school and it is a family thing.
13. We have a great school staff and overall great environment.
14. We are very satisfied because of the small classroom size, the moral and faith education that is given, and how well the students are prepared.
15. The people were great. What we learned was very specific and relevant. The discipline was amazing. We were far ahead of others in public school.
16. I enjoyed the small classroom one-on-one environment. It gave me a strong foundation for who and what I am today.
17. I am satisfied because I feel I left there well prepared.
18. It is an excellent education system. The children come out disciplined.
19. I have seen many success stories come out of St. Michael's kids who would have fallen through the cracks. Students who have come into St. Michael's without a faith background leave with a strong faith and confidence. The school gives the children a sense of family.
20. The graduation rate is always very high, and students go on to do very well and carry on with their faith and moral values.
21. The school is run very well. We have good teachers. And the environment is also very good for special needs. However, young teachers come and stay for a year or so and go on to the public schools.
22. The teachers are outstanding.
23. It is great preparation for kids, and they are better developed going into public school.
24. The school has prepared its students to excel not only academically but socially and morally as well.
25. The teachers are great and dedicated and provide a well-rounded education with solid Catholic moral values.
26. I had positive teachers and a smaller class size than in public school.
27. We need more technology in classrooms to be more competitive with public schools. We need tech support to keep up with and implement a technology-driven curriculum. And we need to recruit more students.

28. I see how teachers work in providing faith education to students. The environment is like family.
29. Children are prayerful, peaceful, and joyful.
30. I have nothing but good things to say about the school and what it has done for my family and me.
31. The school provided the emotional and intellectual skills needed to succeed and how to work well with others. In addition, it provides a values-based education.

#### PROJECT AWARENESS & ACCEPTANCE

32. I just found out recently about this project through the process of being called and the information that was sent.
33. I have kept up via Facebook and direct mailings.
34. I have general knowledge from relatives.
35. I'm not so well informed. I now have general knowledge from the materials sent for the interview.
36. I was uninformed until recently.
37. I have general knowledge from visiting with staff and parishioners.
38. What we know comes from Mark Jirik.
39. Until recently, I had very little knowledge.
40. I am informed by the information coming from Fr. Dave and the bulletin.
41. It's very important to keep the school going.
42. I am undecided as to the overall importance.
43. It is important to be proactive and not reactive. I am concerned about student enrollment. What will be the point when there are not enough students to keep the school open?
44. Without the funds, all the great things the school provides and comes out from there may be lost. The school sets children up with a solid foundation.
45. It is very important because without that revenue stream, I am afraid that the school will close.
46. The endowment is critical to ensure that the school survives.
47. It is necessary to attract and keep good teachers to be and stay competitive with the public school.

48. It is very important to have income available for the school's viability, remain competitive, and attract and keep qualified teachers.
49. It is important to keep the school running, the staff paid adequately, and to assure that the school has all the materials it needs to keep up and maintain the building.
50. It is very important to have the funds needed to support the school to continue the Catholic education values. It is very important to give it the foundation to carry on for generations to come. It is very important because it will make the community and parish richer.
51. We can continue as we have been doing.
52. It is needed to sustain and keep the school going.
53. There are not enough students to continue. I have information that the cost is \$10,000 a student. So I question whether it should continue because of the cost and low enrollment.
54. The problem is that there are not enough students attending. So until numbers pick up, I would just assume to keep going with fundraising as we have been doing.
55. It is precious to have this school in a rural community. There are many examples of current and past students doing well for themselves and their communities as well.
56. St. Michael's School is the cornerstone of the community and energizes the community. If St. Michael's were no longer part of the community, I believe that the community will feel a not-so-positive ripple effect.
57. It is well overdue; the school can not continue otherwise.
58. It is very important and good to know what to expect coming into the year and know how to plan. It is needed to be competitive with the public school.
59. Parents need to have a choice.
60. We have gone through some rough years with financial struggles and continually depending on fundraising. Therefore, it is important to have a plan that gives consistent structure.
61. It is important to raise the money to keep it going.
62. It is important to pay it forward and to take care of the community. Besides, it is needed to guarantee the school's viability. Simply put, it is a good school that provides value to the students and, ultimately, to the community.
63. The endowment is needed to fund and keep the school open.
64. It is important to have interest income generated to supplement what we have now, or the school will have to close.
65. It is good to have the financial backing to ensure that the school goes on into the future.

66. The numbers do not justify the need. The enrollment needs to increase. However, I question if enrollment will bounce back.
67. Families who are doing most of the work at fundraisers are those who do not receive adopt-a-student funds. Tuition should be earned, not just given for nothing in return.
68. If parents want their children to attend a private school, they should expect to pay for it as in the past.
69. I can not see or support providing free private education. Very few now, if any, pay for tuition. If parents want the benefit of Catholic private education, they should pay for and get involved in raising money. There is a lot to be done with the church that cannot be done because so much goes to the school already.
70. I believe it is very important to keep up with curricular training for staff.

#### CAMPAIGN AWARENESS & ACCEPTANCE

71. I was not aware of a campaign until I received the invitation and information for the interview.
72. Until I received the information for the interview, I did not know about a campaign.
73. Until recently, we were not aware of a possible campaign.
74. I was not aware of a possible campaign until I received the mailing for the interview
75. Fr. Dave has been very informative, and it has been in the bulletin.
76. It is good because we feel the people are already in support of the school.
77. There is a need for a parochial school, and we would like to keep it going. Young families are migrating from the big city, the trend of working from home is catching on, and these families need a place to send their children.
78. Acceptance will be good because those in support realize that it can reduce the workload of so many fundraisers.
79. Many parishioners are worried about the economy. Acceptance for a campaign would be beyond good to excellent, but the hesitancy comes from the large sum respective to the community and the small enrollment.
80. People that I know are very open to the idea of funding the school for the future.
81. It would seem like a lot of money in a few years, and having a capital campaign and multiple asks from fundraisers would have people concerned. However, there has always been support for the school and parish.

82. People will be hesitant to give because of issues with the church, such as the sex abuse scandals and claiming bankruptcy not to pay. The Indian school scandal where graves are being found. The press is telling about the church receiving PPP loans and not paying taxes.
83. Parents have kept the school alive by the sweat of their brow and would like to see the tradition, quality of education, and, more importantly, that faith education continue.
84. There is a sense of lukewarm support due to the question of low enrollment.
85. I believe that the acceptance will be good because of past support from parishioners and alumni. In our mission statement, it says, "Serve Faithfully."
86. For those invested in Catholic Education, the acceptance level is excellent. However, they are a minority. For most parents, it is just easier to go to public school and have no volunteer requirement and for less money.
87. We believe that it will be excellent because of the strong Catholic faith of the community, which has been supportive over the years.
88. We believe that the acceptance will be good because many who are affiliated with the school see the value, would like to see it continue but realize the financial struggle.
89. I believe the acceptance will be good based on who has participated in the past.
90. Those who appreciate going to St. Michael's and the pride of where you came will be accepting.
91. We do not have many students now, and I ask myself, are people willing to do it?
92. I believe that the acceptance level will be good because there has always been a positive and supportive attitude for St. Michael's School.
93. There are mixed feelings as to who should support what and by how much.
94. I am concerned that it will be older contributors who will be asked to carry the load.
95. The support should be good because it is good and important for the community.
96. The elders are moving or dying, and there are not young families to replace them.
97. I believe the school and parish community cares for and values the school's contribution and wants to keep it open for generations to come.
98. I think it should be good for parents who have or had been in the school. Most who have gone through St. Michael's have been satisfied and happy.
99. We believe that the acceptance will be good if people (supporters) are made aware that it will become less necessary to continually come to them for ongoing fundraisers by supporting the effort. The community does see how important it is to have a Catholic school and have a choice as to where to send their children.

100. I believe that the acceptance will be good. Of all alumni, 50 to 60% are still engaged. However, those who are outside of the community now have commitments elsewhere.
101. It should be good from past successes and support.
102. I believe that acceptance will be good with the scope of people who have been impacted and that there will be goodwill.
103. People are very supportive of the school.
104. People have had a good experience there and would like to help, but Mahnomen is a dying town. I believe it will be difficult to get behind it fully.

#### COMPETITION FOR FUNDS

105. I have no way of knowing. I have been away from the community.
106. Since I do not live there, it is hard to say.
107. It is difficult for me to say since I no longer live in the community.
108. It is hard for me to know as I am not as connected to the community as if I lived there.

#### VOLUNTEER & VOLUNTEER LEADERSHIP POTENTIAL

109. My schedule will not allow me to help.
110. I am out of the area, but I will do whatever I can to help.
111. I live a long distance away - maybe I can provide some satellite help.

#### FINANCIAL POTENTIAL

112. I do not believe that the money exists here to raise that amount of money.
113. How was the \$3 million determined? Could we not do just as well with \$1 million. It could be more, but the paying enrollment would have to increase.
114. This is not a wealthy community. So I do not see how it will be possible to raise that kind of money.
115. I have no way of knowing. I have been away from the community.
116. We have tried this in the past with little response. Letters have been sent out, and we have received few responses. This is a poor community and not equipped for such a lofty goal.
117. It might be more if we can get support from outside the community, say the past alumni.

118. I think it will be difficult to raise that kind of money due to the small population in Mahanomen. Also, reaching those that have moved away will be difficult.
119. Since I have been gone from the community, I cannot speculate about what can be raised.
120. I say \$1.5 to \$2 million because those who have moved may not be engaged.
121. It is difficult for me to say since I longer live in the community.
122. It is hard for me to know as I am not as connected to the community as if I lived there.
123. Since I do not live there, it is hard to say.
124. I have no way of knowing I have been away from the community.
125. It is difficult for me to say since I longer live in the community.
126. It is hard for me to know as I am not as connected to the community.
127. I have no way of knowing I have been away from the community.
128. Since I do not live there, it is hard to say.
129. Look to businesses for sponsorship.
130. We need to get a hold of alumni.
131. Look into what the Diocese can contribute; they do have a lot of money.

#### OTHER

132. This is a very lofty campaign, worthwhile and optimistic.
133. We should build up our needs from the positive.
134. We are concerned about the low enrollment.
135. The values and morality taught by the school should be stressed.
136. There should be a recruitment process to recruit children.
137. Have investigations into other source funding been made? What foundations have been researched? Are there any school improvement foundations?
138. Clarification would need to be made that people would not be approached multiple times.
139. I can see where some families cannot afford tuition, but it seems that this is being taken advantage of. I find that not all parents help. It would be wonderful if we could enroll more paying students.

140. Everyone should pay for tuition, and fundraisers should continue as they have been.
141. There should be at least one person from each class to endorse an outreach letter. The personal connection of a classmate would get more attention.
142. Parents have to commit to the school if they are receiving aid. More students are needed.
143. Alumni have never been tapped. It is important to reach out to them. Many alums are tied to their home. The roots run deep here. There is strong loyalty to the community.
144. Is an endowment the right way to put money to use?
145. There should be a Red Mission Envelope for St. Michael's School as well.
146. We would like to know if there is a minimum of students in the school before determining that the school will need to close.
147. We must be careful; if Fr. Dave leaves, the replacement should be an equivalent leader and supporter.
148. I would ask, is it fair that St. Michael's school provides free education on the back of others?
149. Develop a plan to have an alumni chain of contact.
150. Are there enough students to continue with the expense of running a school?
151. Contact alumni with clear and concise information.
152. We disagree with the endowment concept. It takes away from the community effort in working for what is needed at the time of the needs.
153. Reach out to the community to help.
154. We do not believe in stockpiling money - We believe that God will provide as needed.
155. Enrollment needs to be increased. Some families are not capable of paying full tuition.

**SECTION D**  
**CONCLUSIONS**

## CONCLUSIONS

### A. SATISFACTION WITH THE SCHOOL

The level of satisfaction with St. Michael's Catholic School is exceptionally high at the present time. In fact, 100% of survey respondents said that they were either satisfied or very satisfied with the school and the programs and services that it currently provides. This is obviously conducive to a successful campaign.

People were especially appreciative of St. Michael's School's staff, your small class sizes, your family-like feel, your emphasis on excellence in academics, discipline and the morals and values-based Christian education that students receive. Most also feel and expressed that St. Michael's School prepares students very well, much better than the public schools, for their future educational pursuits and life, saying that St. Michael's has a strong track record of producing not only exemplary future students, but also, positively contributing future citizens as well. In short, St. Michael's School is both highly regarded and respected not only within the local Catholic community, but also, the local community and beyond, with many saying that the people and community of Mahanomen and elsewhere are blessed and better because of St. Michael's School.

The only sources of concern as it pertains to St. Michael's is its' low enrollment, the number of students currently that require and receive financial aid and cannot afford tuition and, as a result, it's future viability and survivability, which ironically this proposed capital campaign is designed to positively address.

So all in all, the overwhelmingly strong supportiveness of the school and even the sources of concern should bode well for the support of your planned campaign.

## **B. PROJECT AWARENESS & ACCEPTANCE**

Eighty-two percent (82%) of survey respondents felt that they were either well informed or had a general knowledge of your needs and plans. However, many cited that they only became aware or more aware of the schools' needs and plans because of this feasibility study and the information that they received as part of being invited to be interviewed. Consequently, we believe that most people don't know a great deal about the schools needs' and endowment expansion plans, which isn't necessarily bad, but is just simply a fact.

Despite this though, 83% of survey respondents felt that addressing your needs as expressed was either important or very important. And this is a rather high level of acceptance for the proposed project overall, which is obviously conducive to a successful campaign. There were some though, although clearly a minority, that do not agree with an endowment as a concept, or as some called it, "stockpiling money." Many more though questioned the current and future viability of the school and cited its' high cost, the fact that it is benefitting and being fully paid for by too few, with some implying that this project and campaign would be just throwing good money after bad because, as they see it, the school will eventually need to be closed anyway which is an argument that we're sure has been made and are sure you've heard many times before, which could become a self-fulfilling prophecy if nothing is done in this regard.

During the conduct of our study, we also assessed acceptance for all of the proposed uses of the proceeds from the expanded endowment fund and found that all received majority acceptance among survey participants.

Rated the highest priority among survey respondents was your expressed needs and proposed plans for more just and competitive compensation for school staff. Ninety-eight percent (98%) of survey respondents rated this as important or very important.

Your proposed plans for increased funding for curricular and co-curricular programs and activities were rated as your second highest priority with 96% of survey respondents indicating this was important or very important to address.

Rated the third highest priority among survey respondents was your expressed needs and proposed plans for increased funding for the general operating needs at the school with eighty-eight percent (88%) of survey respondents rating this as an important or very important component.

And using proceeds from the endowment fund to provide increased financial assistance for parents of deserving students was rated the fourth highest priority among those we heard from with 73% of survey respondents saying they felt this was an important or very important use of proceeds from the expanded endowment fund. Funding for providing additional financial assistance for students was a bit more controversial though, since many know that most students and their parents are on some sort of financial aid already. Many of the people who feel this way, also feel that more parents should pay more in the way of tuition, that there should be a higher tuition overall or some combination of the two, in addition to requiring people on financial aid to do more in the way of helping out with various school activities. Many also feel that more effort in terms of time and money needs to be put into student recruitment.

So, in summary, your overall plan was well received and supported for the most part, and people clearly do understand the importance of the various components. The positive perception of your proposed project and how funds generated will be used should prove to be quite conducive in the success of your planned campaign.

## **B. CAMPAIGN AWARENESS & ACCEPTANCE**

Awareness of a fundraising effort designed to address your expressed needs is high at the present time, with 77% of survey participants saying that they knew a campaign was being considered or planned. But again, most of the people we talked to said they only became aware of the possibility of a campaign because of this feasibility study and the information that they received as part of being invited to be interviewed.

Nevertheless, acceptance for such an effort is also viewed to be high at the present time, with 79% of survey respondents saying that they felt that acceptance for such an effort would be “good” or “excellent.” However, a small minority feel that investing in the school would be wasteful since it has too small of an enrollment to be viable in the long-term, since too many student families are on financial aid now and, as a result, they feel that the school will need to be eventually closed, which again, could be a self-fulfilling prophecy if nothing is done in this regard.

On the other hand, it was really encouraging to note that 92% of survey respondents said they would either make or consider making a gift to the campaign. This demonstrates that a high level of supportiveness for your school, project and campaign already exists, underscoring the importance of moving forward relatively immediately to address what is most clearly seen as essential.

#### **D. COMPETITION FOR FUNDS**

Competition for philanthropic funds does not seem to be a major issue for you at the present time. In fact, 92% of survey respondents said that they did not know of any potentially conflicting projects or campaigns that were in progress or planned that might adversely affect your campaign plans.

In fact, the only potentially conflicting campaign that was mentioned multiple times was a planned campaign for the Diocese of Crookston, which we believe actually could have an adverse effect on the proposed campaign for St. Michael's School, especially if their campaign was to proceed or to be done at the same time as yours or ultimately has an overlapping pledge period.

#### **E. VOLUNTEER & VOLUNTEER LEADERSHIP POTENTIAL**

Campaigns of this nature are not only volunteer intensive; they're volunteer dependent. Consequently, it is essential to have ample, able, and willingly available volunteers and volunteer leadership for a successful campaign.

Ideally, you should have at least one volunteer for every five prospects for major gifts which would be minimally comprised of your schools' and local parish most generous annual contributors (of \$1,000 or more) which signifies both their strong supportiveness of St. Michael's School and/or your local parishes, who will also benefit from this campaign in various ways. This strong annual support also demonstrates this group's propensity to give and the potential they might have for more

generous gifts. In all, there are currently 108 donors of \$1,000 or more annually to the school and/or your local Catholic churches, which would translate into a need for at least 20 volunteers minimally.

At least 40% of these, or eight people and ideally couples, would be needed to serve in key leadership roles enlisting, soliciting, and supervising other volunteers and volunteer leaders. And as a general rule of thumb, you should have at least two candidates for every volunteer leadership position that needs to be filled. For your school campaign, this means you should have a pool of at least 16 key leadership candidates to ensure that these critical positions are filled. And during the course of our interviews, 42 different individuals or couples were named among the best possible leaders for your proposed campaign. Again, this is far greater than the ideal pool of quality candidates that we would need, indicating that you should have no problem in attaining the quality and quantity of volunteers and volunteer leaders that we would ideally need and like to see for your campaign.

Willingness to work on the campaign, especially in a leadership role, is also critical to your success and something that we also assessed. And the study shows that 37% of those interviewed (who are presumably some of the most active and generous people to your school or in your local parish communities now) indicated a willingness to consider leadership positions in the campaign if offered or asked. This is slightly higher than the typical one-out-of-three willingness-to-lead response that we ideally like to see, which again indicates that you should have no problem attracting the quantity of leaders you would need for an optimally successful campaign.

On an even more positive note, is the fact that willingness to get involved in key leadership roles actually increased among those recommended most as the best possible leaders for your campaign. In fact, of the 13 individuals or couples recommended to us multiple times as being

among the most capable leaders for your campaign effort, we interviewed 5 of them, and 3 of the 5, or 60% indicated a willingness to get involved in a leadership role if offered or asked. Furthermore, of the 8 individuals or couples that were recommended to us three or more times as being the most capable to lead your campaign, we interviewed 4 of them, and 3 of the 4 or 75%, said they would or might accept campaign leadership positions if asked. Finally, of the 4 individuals or couples that were suggested five or more times as being the best to lead your campaign, we interviewed 2 of them, and both of them said that they would or might accept a leadership role in your campaign if it were offered to them. This increased willingness to get involved as key leaders among those mentioned most as the best to lead your campaign is significant in that campaigns of this nature tend to have somewhat of a bandwagon effect with most people waiting to get involved until those they know and respect most already have.

It was also additionally encouraging to note that 70% of survey respondents overall said that they would or might work on the campaign in some capacity if asked, which is far higher than the one-out-of-two willingness to work response that we typically and ideally like to see.

So, in summary, your prospects for getting both the quality and quantity of volunteers and volunteer leaders that you would need for a successful campaign looks to be pretty promising, at the present time.

## **F. FINANCIAL POTENTIAL**

A number of considerations are used to determine financial potential. All of the previously discussed criteria – satisfaction with the school, acceptance of the proposed project and campaign, competition for funds, and leadership potential – are all major considerations.

Another important criterion in estimating financial potential is the opinion of the school members themselves, since experience, for the most part, shows that people tend to perform at the level they think they are capable of, and rarely above. And, the study shows that a majority of those interviewed (or 66%) believe that at least \$1,500,000 can realistically be raised over a five-year pledge period for your proposed campaign.

We also look at prospects for leadership and pacesetting gifts in evaluating any entity's fundraising potential. In fact, to reach your capability in a fundraising effort of any significance, you would normally need and ideally receive at least one gift equal to 10% or more of your goal. Furthermore, you should have at least three prospective contributors rated as capable of making the top gift that you need in order to better assure yourselves of receiving this top needed gift. And, in your case, the top three rated prospects for gifts were consistently rated as capable of contributing an average of \$100,000 if they were so inclined. This would indicate a potential for raising at least \$1,000,000 under this financial formula.

We also looked at the top gifts that your people expressed a willingness to consider or make in evaluating your financial potential. And during the course of our study, the top gift(s) that any one person said they would be willing to consider or make was \$100,000. This would indicate a potential to raise \$1,000,000 under this financial formula.

Finally, one of the best barometers of financial potential is current annual giving. Normally, a school should be able to raise at least one and a half times the annual contributions it receives in a capital campaign for the school for a project of this type. Furthermore, the local sponsoring parishes have the potential to also raise and contribute at least one and a half times their annual offerings in a campaign for the school if they are asked to and actually do fully participate in the campaign for the school. So with annual contributions to the school totaling approximately \$185,715 normally and annual offerings for your two local parishes totaling \$422,000 approximately, this would indicate a potential to raise at least \$911,572 under this financial formula.

The average of the aforementioned indicators amounts to \$1,102,893. Consequently, we believe that you have the potential to raise a minimum of \$1,000,000 to \$1,500,000 over a five-year period in your planned, professionally run campaign, which includes monies that have already been committed or are in hand, but excluding the \$500,000 trust gift that you can eventually expect to get but will not necessarily be realized within the planned five-year pledge period.

**SECTION E**  
**RECOMMENDATIONS**

## **RECOMMENDATIONS**

1. That you consider completing the enhanced funding of your endowment fund in up to two to three phases, if needed, with phase one focused on raising one third to one half of the \$3 million you seek over the next five years, phase two, if needed, focused on raising another one third to one half of the endowment monies needed over the successive five years, and the final phase, if needed, focused on raising the remaining funds you need over the ensuing five years.
  
2. That you begin the planning and organizational work for (the first phase of) your capital campaign as soon as possible, ideally right away and, in any event, by no later than early October so that your campaign can be completed by as early as the beginning of the next calendar years or, at the very latest, by or before the end of the next school year. This will enable you to take advantage of the high levels of satisfaction with the school, the high level of awareness of and acceptance for the proposed project and its most accepted components, the high level of awareness of and acceptance for the proposed capital campaign, and the low level of competition for philanthropic funds that currently exists before the start of the anticipated diocesan capital campaign. Finally, it will also allow you to capitalize on the momentum gained for the project and campaign through the conduct of this study before enthusiasm starts to wane.
  
3. That you establish a minimum goal of up to \$1,000,000 for this initial phase of the campaign, which is in line with what we believe you can realistically expect to minimally raise in a professionally run campaign. We also suggest that you set a challenge goal of up to \$1,500,000 and an ultimate goal of up to \$3,000,000, which will enable you to more

immediately or ultimately fund all of the expanded endowment funding you say that you need and are currently seeking. This tier type of goal-setting strategy with a reaching but reachable minimum goal will all but assure your progress and success and the satisfaction and continued motivation that will accompany it. Yet, it will also showcase to people the higher and ultimate goals of your project and your ultimate vision and, as such, will keep people reaching and from becoming complacent once the minimum goal is met. This can have a profoundly positive effect on your project, your campaign and your school in various respects.

4. That you ask your local parishes to seek to defer their participation in the purportedly planned diocesan capital campaign until its last scheduled block or phase. This will give the school time to complete its' active campaign before the diocesan campaign begins, which will not only enable you to raise more money for the school but will also enable your local parishes to become more fully engaged in the school campaign which you will need them to be for optimal results. Their participation and the success of this campaign will also provide many benefits to the parishes themselves because, among other things, it will help to assure that the school stays open and strong, which will help attract younger families to their churches together with the increased vibrancy, volunteerism, and funding these families will bring to the parishes they are part of both short and long term. It also will help to assure that parish subsidies will remain rather constant and low and that these subsidies will become less needed over the years to ensure the continuity and success of the school.
5. That you consider dropping or deferring providing additional funding for general operations and financial aid, at least in this initial phase of the campaign, and focus on endowment to assure more just and competitive wages for school staff and enhancing curricular and

co-curricular offerings as well as perhaps adding an endowment component for expanding your schools' development efforts. This latter recommendation might include the vision of expanding your existing part-time development position to a full-time position. This will enable you to provide more focus on student recruitment; important foundational development steps like expanding and solidifying your alumni and alumni parent contact list; starting more regular recurring communications with, and cultivation activities for, the alumni and parents of alumni of your school (e.g., a quarterly newsletter, an annual report, regular class and all-school reunions, and an annual alumni hall of fame and service award banquet); and streamlining your fundraising efforts to fewer, easier and more effective activities (e.g., an "annual fund appeal" in the early fall directly reaching out to parents and grandparents of current students, local parishioners, alumni and alumni parents asking them to make gifts to support the general operating needs of the school and to help make-up the difference between the actual cost of educating each student and parish subsidies and tuition; an "annual scholarship appeal" reaching out to these same groups in the early winter to ask for scholarship/sponsor a student support; and a single, proven to be sustainably successful "special event" like a silent and live dinner auction in the spring of each year). As part of this vision, we further suggest that you plan to eventually expand these efforts even further to include personnel and other resources devoted exclusively to student recruitment and/or major and planned gift development.

6. That you work on quantifying the expanded annual expenses you will have in addressing each of the areas that your expanded endowment fund will impact. For example, if in reviewing your financial budget forecast for the next five years, you find that in order to achieve your goal of providing more just and competitive wages for school staff will require an additional \$50,000 a year, your endowment need for this purpose is \$1,000,000 if you are

expecting a conservative 5% return on your investment. Similarly, if you plan on increasing your annual expenses by \$25,000 within the next five years to always have funds available to make annual curriculum enhancements, an endowment of \$500,000 would be required for this purpose if you are expecting a 5% return on your investment. This will help to justify and prove the need in each of these areas (to yourselves and others) versus being perceived as simply pulling numbers out of the air.

7. That you consider investing your endowment funds in a total (stock) market ETF index fund, which can ultimately provide you with a higher rate of return at a lower cost, diversification and lower risk, and will lower your principal needs in the fund required to meet your individual and overall fund objectives. For example, investing in an index fund that covers the S & P 500 historically has produced an average return of 7% a year.
8. That you begin to develop responses to some of the other most commonly raised questions, concerns and suggestions that surfaced as a part of this study, which will then need to be incorporated into the final case statement and various other communication mediums that will be used throughout the campaign.
9. That you develop with our assistance 'giving opportunities' that give people an idea of what their gifts at various levels will enable the church to do. Such opportunities inspire people's generosity and will help you to stimulate substantially larger gifts than you otherwise might get without them.

10. That you recognize all donors to your campaign in some special and significant way such as a donor book or wall to be dedicated and placed in a very visible part of your school facilities.
11. That you educate people about and promote planned or creative gifts to the campaign and your school with our assistance. Such gifts may enable your members to make better and more beneficial gifts to the campaign and your church which will be helpful to both you and to them.
12. That as part of the preparation process for your campaign, you have us help organize and conduct a parent and parish member 'member census' to gather more extensive contact and other information, where needed, for parents of current students and your local parish's parishioners. There is no additional fee to have us coordinate this census, and it would have as its purpose gathering multiple phone numbers, email and mail addresses for your members to make communicating with them more efficient and effective. This special census could easily be taken as part of back-to-school parent orientation meetings and scheduled Masses at your various parishes over successive weekends by having cards available at these activities that you will ask people to complete and you will then collect.