

Questions and Answers for the Annual Giving Campaign

1-26-2018

1) What is the Annual Giving campaign?

- The Annual Giving campaign is the period when UUCA volunteers ask Members, Friends, and other supporters to predict what financial support they will be able to give to the church in the approaching fiscal year. The Annual Giving campaign is just one of the aspects of our overall stewardship for UUCA—all the ways we care for our congregation.
- Religious communities in general rely upon their congregants to fund their operations. There are many different traditions and customs for raising revenue among religious denominations. Some congregations charge specific membership dues, others conduct continuous appeals, and a very few get the bulk of their funding from other sources, such as a parent denomination or an endowment.
- **Financial support for the church is a requirement of membership in UUCA.** Additionally, we rely upon the generosity of friends and supporters, particularly those who regularly attend and use our facilities, to supplement membership income. Unlike governmental entities that have taxing authority and access to data such as income and real estate values upon which to base income generation, UUCA relies upon individuals each year to make a considered decision as to what donation is appropriate for personal circumstances known only to them.
- At UUCA, we conduct a limited duration annual appeal campaign to gather “pledges” of financial support from the congregants for the coming year with the expectation that congregants will fulfill those pledges over the course of a fiscal year. During this period, we ask congregants to take the time to carefully consider their individual pledge commitment. **We derive approximately 85% of our annual income from pledges.** In keeping with our denominational commitment to democratic practices, our annual budget is essentially determined by the covenant of the congregation’s pledged income, so we gather the pledges first before establishing a budget for each fiscal year by congregational vote.
- We do not ask or require that pledged funds be provided during the annual campaign period; rather, the expectation is that congregants fulfill their pledges in installments during the course of the fiscal year for which the pledge is made.

2) What is the timing for the Annual Giving campaign and What is Celebration Sunday?

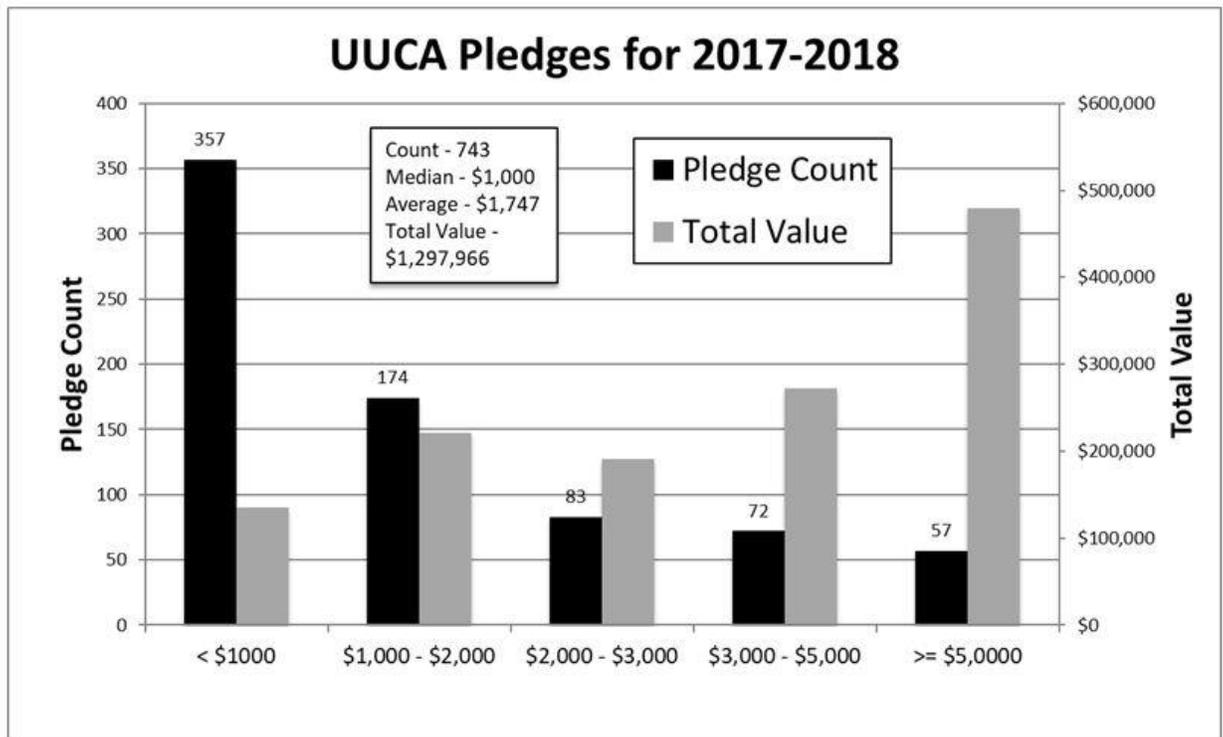
- This year we kick off the campaign with a special Celebration Sunday on February 4 acknowledging the 70th anniversary of UUCA. All Members and most Friends should receive a letter just before then, with a pledge card asking for your intentions. We encourage everyone to attend some or all of the day long planned events on Celebration Sunday and to bring their pledge card to honor our church’s legacy.
- Remember, the pledge is your prediction of what you will give between July 2018 and June 2019; no one expects you to pay when you submit the card. If you aren’t ready to make your pledge on Celebration Sunday, the Annual Giving campaign officially ends on Sunday, February 25. By mid-March, after contacting those we have not heard from to confirm their intentions, the Annual Giving Team will announce the final results. The UUCA Chief Administrative Officer, recognizing the anticipated pledge income, will then proceed to formulate a budget for congregational review at spring budget forums and a congregational vote at the Annual Congregational Meeting in June 2018.

3) What is the right amount for me and my family to pledge?

- As much as you can, of course! See the accompanying chart of giving levels for the current pledge year for an idea of what others give if that is helpful for you.

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The Unitarian Universalist Association publishes a “Suggested Fair Share Contribution Guide” http://www.uua.org/sites/live-new.uua.org/files/fair_share_contribution_guide.pdf for your reference.

- Even though we live in one of the most prosperous areas in the United States, we seek to be inclusive in our congregation and do not impose an income test or verification for membership or participation. We do ask that you consider your own circumstances. Consider the relative importance of UUCA in your life. Consider what relationship you wish to have with this religious community. Then decide.
- Please remember that “generosity” implies “*generous for your circumstances.*” For some people, that means a pledge of more than a thousand dollars a month. For some, it’s ten dollars a month, or fifty. For most of us, it’s somewhere in the middle. A few people truly cannot afford to pledge at all. With a mean average pledge of about one hundred fifty dollars a month (eighteen hundred annually) and a median of \$1,000 for the current year, we were able to establish a tight budget.
- Reflect on what UUCA has made possible in your life and in our community this year. Think about where your circumstances place you, and consider your aspirations and your ability: what will “generosity” mean for you? Our congregation is diverse, and a pledge decision is a very individual one based upon personal circumstances and judgments as well as what is in each of our hearts about the community we love.
- The goal of the Annual Giving team and the staff is to be as transparent as we can be about the needs, what it costs to operate our church, and other information that you need to make your individual decision an informed one. An estimate of the projected budget is posted below at Question #10. While we cannot tell you what the right pledge amount is for you, please let us know how we might be able to help to get you the information that you need to make that decision for yourself. You can send questions to pledge@uucava.org or drop by our table in fellowship hall each Sunday in February.

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4) What's the big deal about pledging in advance?

- If stewardship is about all of the ways we take care of one another in our congregation—and it is—why do we need to talk about financial pledging? Every February the Annual Giving team asks us all to make a generous pledge for the coming fiscal year, which is still months away. What's the big deal? Why not just give when we get around to it? Why not just hope that others will give enough?
- The broad answer is that if we—the Members and Friends of UUCA—if *we* don't support our church, no one else will. We are the church. A narrower answer is that giving is good, but pledging is better; think of your yearly pledge as a plan or a prediction. The most specific answer is that the practice of pledging is essential for the church and good for us as individuals.
- For the church, our pledges let staff plan a budget to bring to the congregation as part of our covenant with one another. When our collective pledges are generous, then the church can make happy choices and do the big things the congregation expects. When our collective pledges are insufficient even to meet our basic needs, then the church must cut back; those choices are far less pleasant and are sometimes irreversible, even if funds come in later.
- For us individually, pledging is a reminder and a spiritual practice. If there comes a time when we are disappointed with something at church, our pledge recalls us to our covenant of goodwill and generosity. It's analogous to unconditional love: Just as we love our family members even when they are being difficult, so too we support UUCA through our pledges even when things are not perfect.

5) My income is variable, and I don't really know right now what I can commit for next year. Can't I just do it later?

- Certainly, you may make or increase a pledge to UUCA at any time and your generosity will be gratefully received; however, from a church budget perspective, your pledge received after about the first week of March will not be able to be used by the church as income it can rely upon to devise a budget.
- Life intervenes, and circumstances change. UUCA frequently receives new pledges and pledge updates throughout the year. All new Members are asked to make a pledge, including those who become Members after the period of the Annual Giving campaign. The budget team does project a certain amount for later pledges, but this income is simply not as reliable as a pledge in hand and can present constraints in the budget process.
- Your pledge is your covenant to the UUCA community of the amount you feel you can contribute to be a full participant in the congregation. Even if you only know a baseline amount that you can comfortably project, please consider a pledge of that amount. You can always increase it later if your circumstances improve.

6) I put cash in the collection plate every Sunday I'm at service, doesn't that help the church?

UUCA's current policy is that 70 percent of the undesignated donations in the collection (essentially all the cash and checks that are not marked otherwise) is donated to a list of charitable partners outside of UUCA. Our generous donations to charities support the spiritual and social justice mission of UUCA while building recognition outside the walls of the church. The remaining 30 percent of the collection plate goes to help support the day to day operations of the church such as paying staff, paying our mortgage, and keeping the lights on.

- Cash in the plate is not able to be recognized in the statements UUCA provides to pledging members to use for tax purposes. If you want a record of your generosity, especially if you may

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rely upon a tax deduction for your donations to UUCA to go further, wouldn't it be better to formalize your commitment and have a supporting statement?

7) Can I just write a single annual check and be done with it?

- The frequency of installments for payment of a pledge is completely up to you. Because a pledge amount can represent a significant proportion of a household's income, most people space out the payment over the year reflecting the frequency of income (salary, social security, investment distributions, etc.) coming into their household.
- If a single annual payment works best for your household, certainly it's appropriate to fulfill a pledge that way. We prefer that the payment be made during the fiscal year for which the pledge is made and that the check be marked "pledge" in the memo section so that it can be properly allocated to the correct year.
- Designating a required minimum distribution (RMD) from a retirement account may be a one time payment technique that provides significant personal tax benefits depending upon your individual tax circumstances.

8) Why can't I just give to the things I support rather than a general-purpose pledge?

- UUCA practices "stewardship of the whole." We are a very diverse congregation of people and interests. We have strong social justice, religious education, music, theatre, horticulture, humanist, Buddhist, and cultural circles of interest--just to name a few. These are wonderful dynamics that make our UUCA experience richer for everyone. How many of us have been introduced to new spiritual growth through an experience introduced to us at UUCA? The problem with narrowly directed financial giving, however, is that it diverts from our need as a church to support the church mission of the whole. Funds directed to these very attractive interests would be funds diverted from the more mundane, and perhaps less popular, requirements of a staff and the facility where the expression of all these interests takes place and is supported. Your overall pledge is what creates the conditions for all these interest circles to thrive. Directed giving, while not an inherently bad instinct, would substitute the priorities of the individual for the priorities of the whole of UUCA in covenant with one another. We remain vigilant to the longer term deleterious effects of this potential imbalance in a covenant community, and so we will not be recognizing directed pledges during the Annual Giving campaign.

9) What's the relationship between our pledges and the annual budget?

- The budget will be created by staff, advised by finance leaders and congregants, with our pledges as its income basis. It will not be a deficit budget; that is, what we give is pretty much what we get. If we pledge enthusiastically, the budget for the next fiscal year will allow UUCA to sustain the growth we have declared that we want; if we aren't able to realistically commit to our vision, then painful adjustments become necessary.

10) How big is our budget for next year, and what is our budget for this Annual Giving campaign?

- The UUCA Chief Administrative Officer, working with the Treasurer and the finance committee, have devised and annually update a forward-looking 5-year budget projection together with the proposal for this year's budget. The result of their work was included with the materials all

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members received before last year's annual meeting. It is important to note that the 5-year budget did not project significant program changes for 2018-2019 from our current fiscal year. Essentially the budget projects the continuation of our current operations with inflation adjustments. Our current 2017-18 fiscal year budget is \$1.677 million. It is expected that the budget will rise at least by an inflation factor for next year.

- At that, the cost of operating UUCA is projected to be about \$4,800 a day.
- As projected, pledge income will need to rise from approximately \$1.3 million this year to approximately \$1.5 million next year.

11) How can I affect budget decisions?

- First, pledge as generously as you can; urge your friends to do the same. Second, attend one or more of the open budget meetings as the budget is drafted and refined during the winter and spring of 2018. They will probably start in February or March and end in May; dates will be announced in *Connections* and through other communications.
- Participate as a member of the congregation in the annual meeting in June.

12) Besides my pledge, what are UUCA's other sources of income?

- **Pledges are about 85 percent of the income.** Other sources include rental income (which has increased this year and represents more than half of "other income"), occasional special gifts, the Annual Services Auction, and other streams—all of which add up to only 15 percent. Pledges are by far the most important income source.

13) Can't we get more money from facility rentals?

- Yes, rental income has increased, and it may increase further. Staff is actively pursuing opportunities. There continues to be confidence that increased income from facility rentals could be an element contributing to our financial sustainability.
- At the same time, it is important to balance income and mission needs. Fulfilling our mission requires that we have space available for our activities and for hosting community events that expose people to us. That helps us attract new members and furthers our mission.

14) What happens to the Share the Plate funds? Couldn't they be used to fill a budget shortfall?

- In recent prior years, UUCA donated 100% of the plate to outside charities. This year UUCA is implementing a new plan, developed by a working group of congregants, for sharing the plate. Seventy percent of the undesignated funds in each Sunday's collection is donated to a list of charitable partners outside of UUCA, while 30 percent is directed to UUCA operating costs.
- UUCA donations allow us as a congregation to support charities and causes that specialize in particular needs and social justice work and that can perform particular tasks far more efficiently than UUCA can alone. Charities receiving our support are chosen on the basis of our UU values and how their work can supplement our own active ministry. For example, we have typically donated cash to the Arlington Food Assistance Center at the same time that UUCA has a very active ministry in food collection and distribution. We have supported the organized Dreamer movement at the same time as we have participated in social action for that cause. These are generally not donations to substitute for our works but to supplement them in a targeted way. Many of these charities are organizations that individual members would and do support with their own direct individual donations. Our Share the Plate support through UUCA increases the

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church's visibility in the community and multiplies the impact of individual donations to organizations that rely upon us.

- It has generally been true that more funds are collected in the Sunday plate when that collection has included a significant commitment to support the charities outside of UUCA that we support.

15) We seem to be getting a lot of new members---won't they take up some of the slack?

- Over the past three years, new membership has approximately replaced attrition. Our membership today is comparable to our membership a year ago. As of December 31, 2017, there are 800 members compared to 806 at the end of last year.
- Like most churches, especially in the transient DC area, UUCA experiences a steady loss of membership when members move out of the area or die. In addition, we purge the membership roll on a regular basis to drop members who have not attended or contributed for a sustained period of time. As a result, we are very confident of a membership list that is relatively stable. Growth in membership is certainly an aspect of growth that the church is pursuing and one that is an element of the Strategic Plan. There is some confidence that increased membership is an element of achieving long-term sustainability for UUCA over the next few years, but we aren't there yet.
- New members also tend to pledge less in the beginning and build their giving levels over a period of years, so it does take some years for new memberships to reach full potential from a budget perspective.

16) UUCA seems to have a lot of people who are Friends. What do they contribute?

- Some, but not all, Friends pledge regularly and generously, even though they are not required to do so. Our Friends are a very diverse group. The largest proportion is people who are on a pathway toward membership and might stay in a Friend category for anywhere from a few months to a couple of years while they seriously consider making a membership commitment.
- Some Friends remain in that status for many years for a variety of reasons. Some are spouses or partners of Members. Some feel an ethical commitment to some other faith tradition they may have been born into though attending regularly with us. There are any number of individual circumstances that cause people to remain Friends rather than signing the membership book and assuming the commitment to pledge financially.
- All Friends, including newer Inquiring Friends, are asked to participate in the annual pledge campaign although there is no monetary commitment required from Friends as there is for Members. Nonetheless, a significant proportion of Friends and some Inquiring Friends do make a pledge.

17) Is UUCA asking everyone to increase their pledges? It seems like a lot to expect.

- It seems like a lot because it is a lot. The Annual Giving team would not be doing its job if we did not ask for what it appears we need to fulfill the mission the congregation has expressed that it wants to pursue. We are asking everyone to consider their ability to increase their pledge significantly. We do not expect that every individual will be able to do that this year. All we ask and can expect is that each congregant will seriously and thoughtfully consider their pledge amount for the upcoming year.
- While our net pledge income has remained relatively stable for a number of years, that number belies the true dynamic of pledge commitments. Everyone has an individual journey. Forty-five

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percent of our pledges last year were increased pledges, with the average increase being 25%. Among those who increased pledges, 19% of them at least DOUBLED their pledge. Some members tithe (donate 10% of their income to the church and/or other charitable work). Some people have been giving the same amount steadily for a number of years regardless of inflation. Some are newer and may not yet feel integrated into the church enough to make as generous a commitment as they might a few years from now, once they more fully appreciate the mission and its importance to them. We know that some may have had changes in circumstances this year that impel them to reduce their financial commitment.

- UUCA is not alone among churches as seeming like a “bottomless well of need.” The needs that we fulfill as a community of faith and social justice are bottomless. The simple fact is that the more resources we have available to us, the more needs we can address that are often not addressed in any other way. UUCA consistently expresses high expectations for what we can accomplish in the world, and this should be an element of every individual’s deliberation about an appropriate annual pledge amount. We invite every Member and Friend into thoughtful consideration.