

PRE-CAMPAIGN STUDY REPORT EXECUTIVE SUMMARY

prepared for



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The Timothy Group is presenting this Pre-Campaign Study on behalf of Tree of Life Christian Schools from data collected by Leadership Resource Group and compiled by an independent source. The purpose of the study is to determine the readiness of the school, from a human and financial resource perspective, to conduct a capital campaign. The school is proposing to conduct a campaign to purchase property and build an elementary facility along with athletic facilities and a gymnasium that will also serve the middle school and high school.

K **EY FINDINGS:**

Key findings for the school are as follows:

1. There is a high degree of appreciation for the Christ-centered educational program offered by Tree of Life. The current leadership, especially Lezlee Knowles, the faculty, and staff are well-respected and appreciated by the school family. This bodes well for the present and future of the school.
2. This campaign will provide Tree of Life the additional opportunity to increase its donor base and advancement market share. While the school has conducted successful annual funding activities, this effort will be a major step of faith. Increased advancement efforts will provide intentional efforts in the areas of student recruitment, public awareness, constituent relationships, and fund raising.
3. A campaign goal of \$5 million could be launched with a phased strategy to accomplish the plan to purchase property and build an elementary facility and athletic facilities.
4. Tree of Life will need to maintain its annual funding activities throughout the capital campaign phases. The school must also expand the capacity of its top 100-125 donors to address the annual, capital, and endowment needs.
5. 74% of those participating in the study have been associated with the school for six years or more and 26% for one to five years.

8% of those participating were age 18 to 25, 30% were age 26 to 40, 45% were age 41 to 55, 16% age 56 to 70, and 1% age 71+.
6. While respondents identified themselves in multiple relationships to Tree of Life, 133 of respondents indicated they are parents of students, 12 are grandparents, 48 are alumni, 62 are staff, faculty or administration, 41 are members of a sponsoring church, 56 are alumni parents, and 49 are contributors. A broad perspective of Tree of Life parents and friends of the school participated in the study.
7. 78% indicated the timing was right to launch a fund raising effort. The economy in Central Ohio, like much of the country, is unsteady. The prioritization of discretionary dollars for Christian education by constituents will be critical. Tree of Life will need to do a great job of clearly defining the need for this campaign at this time and how it will ultimately impact every Tree of Life student and family directly and, indirectly, the surrounding Columbus community.
8. 65% of the study participants indicated they would be involved financially, and 50% indicated they would be involved in the up front cost of the campaign.

9. We try to identify several key issues that help us assess the readiness of an organization to launch a capital campaign. When a number of these issues can be defined positively, Tree of Life will be ready to kick off this campaign. Based on the Pre-Campaign Study data, Tree of Life's responses to these issues are:

1. <i>A sufficient donor base to carry out the campaign.</i>	YES (phased campaign)
2. <i>The ability to identify one-half of the leadership gift prospects through the Pre-Campaign Study.</i>	NO (additional research needed)
3. <i>Sufficient volunteer leadership identified during the study to provide direction for the campaign.</i>	NO (to be developed through current relationships)
4. <i>Exciting objectives and projects for which the money will be raised.</i>	YES
5. <i>Unresolved public relations or communications problems with the constituency or public.</i>	NO (continue communication and education)
6. <i>An opportunity for donors to be personally involved and find satisfaction in their giving.</i>	YES
7. <i>A positive sense of timing to launch the campaign.</i>	YES

10. The school must continue communicating its story and its ongoing financial needs. Newsletters, campaign materials, website, videos, CDs, and public and private meetings will all be important in this process.

This campaign will be a great opportunity for the school to enhance its development/advancement office. Lezlee, Todd, Megan and the board must continue to build relationships through one-on-one contacts.

11. We strongly recommend that Tree of Life Christian Schools attempt to secure pledges rather than immediate cash and we suggest a 36-month payment period for this project. Pledges will result in substantially larger gifts and will allow individuals to phase their gifts to their own tax needs. It will also allow donors to adjust their giving as the economy improves.
12. We also recommend a Planned Giving element in this campaign. We feel there are a number of prospects (especially grandparents of current, future, and past students) who might have an interest and fit the demographic profile. This is an excellent way to build an endowment.
13. Depending upon certain circumstances, a capital campaign with a goal of \$5 million is expected to cost between 4-6% of the campaign goal. Thus, the expenses for the Tree of Life campaign are expected to be in the range of \$250,000. While everyone wants to see the expenses kept to a minimum, it is important to point out the truism, "it takes money to raise money." If Tree of Life spends substantially less than the percentages suggested, it is probable that it will not get its full return on the campaign.



CONCLUSIONS FROM THE ANALYSIS:

Based on the findings of this study, The Timothy Group comes to the following conclusions:

1. We believe the strongest case for support of this project is to present the opportunity for continued growth and accomplishment of the mission of TOL. Inherent to that mission accomplishment is the new elementary building and facilities to increase the overall athletic program of the school. The study supports an initial phase financial goal of \$5 million. This will not fully fund the projected cost of the project identified in the study case statement. It is recommended that the project be completed in multiple phases with part of the described project completed initially and part to be completed resulting from a second phase campaign to follow the fulfillment of the initial campaign. Obviously, there would be a cost savings to do all of the buildings at once, with no phasing. With the handful of major donors identified in this process, the funding (cash and commitments) for the initial phase may come together over an 18 to 24 month period.

The focus upon growing the endowment should be a part of the fulfillment phase of the campaign, building upon relationships with major donors. Education and encouragement in the area of estate and gift design, especially to those who have been responsive in the major gift area of the campaign, will result in immediate and delayed gifts specified for endowment investment. The financial goal for establishing an endowment should be a part of the campaign strategy, but is not included in the recommended financial goal of \$5 million. It should be a stand alone long-term goal.

2. Many sources of gifts to Tree of Life are known. Some of these sources have been tested as to their willingness to give to Tree of Life Christian Schools through this study. However, the school has not conducted thorough major donor prospect research to this point. Identifying, cultivating, and asking qualified prospects will be a notable task in the campaign. There are great opportunities for Tree of Life to enhance relationships with major donors throughout the Columbus community and the existing Tree of Life networks (parents, grandparents, churches, friends, foundations, businesses, etc.).
3. The school has identified some possible candidates for campaign leadership, but further recruitment will need to be done. It will be a challenge to recruit a broad range of individuals to take the leadership roles in a capital campaign strategy. It is estimated that 60 to 75 volunteers will be needed to complete this campaign.
4. The school's internal organization for fund raising needs to be addressed. Basic campaign systems will have to be enhanced (receipts, campaign materials, etc.). There will need to be a strengthened and continued commitment by the board, staff, parents, and constituency to lead the fund raising effort with their time, talent, and treasure.
5. There is a need for Tree of Life to communicate its Strategic Ministry Plan and show how the campaign fits into that strategy. This cannot be over-communicated at this point of the planning and implementation phase of this campaign.

The board must continue to expand with visionaries and people who are willing to invest themselves in this project. This campaign will not be fulfilled just because it is a good idea. It will become a reality as people come together and work very hard toward a common goal. A majority percentage (65%) of respondents agreed to give financially and 50% indicated they would be willing to give to the up front costs.