



**Next Steps Weekend  
Report  
First Parish Hingham UU  
Old Ship Church  
Hingham, MA**

**Report Format:**

- I. Background Data, pg. 1**
- II. Objectives of the Next Steps Weekend, pg. 3**
- III. Reflections and Observations, pg. 5**
- IV. Governance – By-Laws, Strategic Planning, and the Place of Stewardship in Old Ship’s Structure, pg. 11**
- V. Focus on Stewardship 2020-2021, pg. 14**
- VI. A Few Notes on Other Aspects of Church Life, pg. 18**
- VII. Closing, pg. 21**

**Summary of the Next Steps Visit  
January 17-19, 2020**

First Parish Hingham UU-Old Ship Church engaged Stewardship for Us team consultant Liz Coit to conduct a Next Steps Weekend and to prepare this report. Liz was asked to bring a new and outside pair of eyes to look at the congregation’s general health and stewardship potential for 2020, and to lend an additional perspective about financial sustainability and Old Ship’s capacity to restore and upgrade the Parish House, following the congregational vote to take it off the market. Liz met with at least 65 members, leaders, and congregants, during dinner with the Board and Rev. Ken; various Committee meetings; a visit with Old Ship UU’s and Deacons residing at Linden Ponds; a session on financial sustainability, stewardship, and campaign readiness; a special lunch; and church service and Q and A session on January 19<sup>th</sup>. This report contains observations, reflections and recommendations about Old Ship in general and specifically focused on Old Ship’s stewardship efforts. Every effort was made to be thoroughly familiar with Old Ship through documents and conversations, but any error in this report is mine, and factual corrections are welcome. *The visit schedule can be found at the end of this report.*

**I. Background Data**

Name and Mailing Address of Congregation	First Parish in Hingham- Old Ship Church 107 Main Street Hingham, MA 02043
--	--



**Stewardship for Us -- Building Cultures of Generosity and Commitment**

	781-749-1679
Region	New England Region, Joe Sullivan Congregational Life Liaison
Website Address	<a href="http://www.oldshipchurch.org">www.oldshipchurch.org</a>
Minister	Rev. Ken Read-Brown
Board President – Janet Asnes Vice President – Ginny Perelson Finance/Treasurer – Nina Price Wellford Secretary – Joan Wilson Trustee-at-Large - Maureen Butler Trustees of Invested Funds – Dennis Hogan	Staff: Beverly Tricco, Dir. Religious Education Christopher Nicholson Mann, Music Director. Julianna Dunn, Office Administrator Marc and Crissi Curran, Sextons
Visit Point(s) of Contact:	Janet Asnes, Ginny Perelson, Maureen Butler
Membership/ Commitment Units	150 pledge units – 2018-2019 (UUA) 222 certified members
FY 2019 Projected Budget total	2019 projected expenses = \$416,700 2019 projected revenue = \$385,884 Variance = (\$30,816) Revenue from pledging = \$235,000 (61%)
2020 Proposed Budget	Projected expenses = \$411,640 Projected revenue = \$378,800 Projected deficit = (\$32,840) Projected Pledge commitments = \$245,000 (65%)
2020 projected Average Household Pledge Commitment (by pledge units)	\$2,059
2020 projected Median Household Commitment (midpoint)	\$1,200
Endowment? Investment Funds in Operating Budget?	General Endowment Fund = \$1,273,825. Endowment contributes about 4% interest/dividends to operating budget.



**Stewardship for Us -- Building Cultures of Generosity and Commitment**

	Restricted Fund -Building and Social Outreach = \$107,498 (2019)
Reserve Accounts?	The Finance Team aims to keep a balance of \$90,000 or more in the checking account, serving as a quasi-reserve fund. If it falls below \$50,000, request is made for additional drawdown from the Endowment.
Last Budget Drive Approach; 100% of goal attained?	The Board has had to serve as the Stewardship team for the last two years. There has been a deficit between expenses and revenues in 2018, 2019, and projected for 2020. Pledging dropped 6% overall from 2018 to projected 2020.
Capital Campaign?	Old Ship bravely ran a capital campaign at the start of the Great Recession (2008-2012) and \$788,517-52% from grants and 48% from individual for repairs to the Meeting House.
Church school enrollment/ RE attendance	66; plus 24 in Sunday Morning Youth Works
Fair Share Congregation for UUA AFP? Contribution to UUA?	Fair Share Congregation until FY 2018. Aims to restore contribution when finances are stabilized.

**II. Objectives of the Next Steps Weekend**

Bringing an outside pair of eyes to review the potential of improved congregational financial sustainability, make recommendations to advance and stabilize annual stewardship drives, and offer perspective on the need for a campaign and campaign readiness were the reasons for engaging Stewardship for Us (S4Us) to conduct a Next Steps Weekend (NSW) with First Parish UU Hingham - Old Ship Church.

**The Next Steps Weekend.** The Next Steps Weekend (NSW) aims to provide UU congregations with a constructive foundation of reflection, information, and strategies as they plan and forge ahead with stewardship programs and other means of growing their resources. First Parish Hingham-Old Ship leadership contracted Liz Coit, stewardship consultant, to conduct the NSW on January 17-19, 2020.



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

**Preparation for the Next Steps Weekend.** In the two months prior to the on-site visit, Liz held several phone meetings with Janet Asnes, Ginny Perelson, and Maureen Butler. I also reviewed a great deal of material accessible from the website or provided by Janet, Ron Pollara, Nina, and others. This included information on finances, membership, stewardship, programs, governance, policy governance, by-laws, church history, buildings and grounds, community engagement, and newsletters.

During this time, I had one-on-one phone or in person conversations with Rev. Ken Read-Brown, Janet, Maureen, Ginny, Nina, and six other congregants of varying ages, and roles at Old Ship, to gain a range of individual reflections about Old Ship and their perspectives on challenges and strengths.

Additionally, during the week before the Next Steps Weekend, a 5-question survey was sent through Old Ship's Constant Contact system. There were 105 responses, or 47% of 222 members. Summary results:

- Top 3 strengths of Old Ship: 1) The Minister and Staff; 2) the Community, the people here; 3) Sunday services.
- Top 3 challenges: 1) the Facilities/buildings; 2) Membership growth; 3) Annual program funding.
- Top 3 priorities: 1) Facilities improvements; 2) Membership growth; 3) Annual program funding.
- Question: Over the next 5 years, I would like to see our membership grow at the following annual growth rate, most people favored a 5% growth rate.
- Question: First Parish, like all UU churches is self-supporting and relies on the generosity of all members and friends. Which statement better represents your approach to financial stewardship for our church:  
"I aim to support the church with a reasonable percentage of my net annual income after all my key expenses are deducted." *55% of responses*  
"I make a low pledge initially and then as I can, I add to it through the plate, events, and additional contributions" *33% of responses*

The Survey results can be found in the Appendix. Many people added private comments which do not appear in the results, but each one was gratefully appreciated.

In addition to setting up the committee interviews during the NSW, Janet, Maureen and Ginny coordinated with Liz to include a large block of time on Saturday afternoon to work directly with Board – also servicing as this year's Stewardship and Generosity Team – Finance, Building and Grounds, Trustees of Invested Funds and a few others for a discussion on financial sustainability, annual pledge drives, the need for a campaign, and campaign readiness. Using a PowerPoint playbook prepared by Liz, we took a deeper dive into these topics. (The Playbook is available from the Board).

The weekend also included a wonderful luncheon to thank and celebrate with people who were participating in the Next Steps Weekend, and anyone else who wanted to join in. I enjoyed meeting everyone and thank you for your participation in our discussion.



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

**Many thank-yous to folks at Old Ship.** A Next Steps Visit is a highly concentrated event. It depends upon the timely sharing of a very large amount of information over several weeks and a well-coordinated visit on site. Special thanks to Janet, Ginny and Maureen, the full board, and Rev. Ken for their support in making this all come together.

The fact that so many people gave so much of their time, especially over a weekend, is gratefully noted. Special thanks to all those others who organized catering and cleaned up on Saturday, to Brian and Janice for hosting the board dinner on Friday, to Eva, who organized the meetings at Linden Ponds and all those who participated in them, to all those who participated in Committee sessions Saturday morning, and to all those people who stayed after service on Sunday for a lively Q and A. I also express gratitude to 1) Christopher and Julianna for being available for short discussions, and Beverly who made herself available even though we were not able to meet; 2) to all those members who have given their time, talent and treasure to Old Ship over many years; and 3) all recent members of the Old Ship community. My sense after the weekend is that you have made important efforts to stay in covenant with each other and have demonstrated brains, courage, and especially heart to engage in difficult decision making.

### **III. Reflections, Observations**

The following is not an exhaustive list of observations and reflections. Rather it is focused on the primary assignment to look at stewardship, financial sustainability, and related areas. I saw positive energy despite the challenges of the past few years, and deep commitment to Old Ship throughout the weekend. One overwhelming sentiment is that many see Old Ship as a primary community and network for themselves.

*"This is my community, my tribe."*

There is heartwarming evidence that for most Old Ship members, it is the people - the community, the sense that this is family - that hold them to the congregation. As UUs, we frequently have to build our own families of liberal religious people, and that makes a congregation a very important part of our lives and the lives of our children. This spirit of community and accepting of each other, combined with faith in the collective whole of the congregation and its intellectual and spiritual pursuits, are powerful forces. They are instrumental as Old Shippers demonstrate gratitude for generosity through time, talent and treasure over the long haul.. Use these forces, honor them, preserve them.

The sense of community and commitment for caring for one another and the larger community remain strong. And yet, the prolonged uncertainty about Old Ship's physical and financial vulnerabilities and the strain of two congregational votes to first sell and then take the Parish House off the market have weighed heavily on this congregation. There is also legitimate concern about Old Ship's annual pledge drive and evidence that congregational support and other revenue streams cannot keep pace with costs associated with the church's buildings, ministries, programs and operations.



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

These challenges and others to be discussed in this report are a wake-up call as much as they are a signal of distress. As Rev. Ken Read-Brown's sermon on Sunday, January 19<sup>th</sup> told us, Old Ship has a lengthy history of overcoming adversity and conflict through centuries of growth and change. It is in the church's DNA to problem-solve in covenant with each other and to keep faith with future generations through actions taken in the present. The necessary skills and dedicated people are here to help shape the future. There is energy, committed leadership and experienced volunteers that make the congregation a continuing focal point for liberal faith and a beacon of progressive hope for the larger community.

Consider this report an invitation for Old Ship to revitalize itself. This is an opportunity to reinvigorate the spirit and energy of everyone toward a shared vision that is predictably coming up against limited resources to attain it. Invest in being clear among yourselves what your priorities are, what compromises and negotiations are necessary, and how you will work together to move forward. Seek help and expertise where needed, and stay in right relations with each other.

Here are my top-of-mind observations and reflections:

**Annual budget drives are weaker than they were prior to 2016.** From 2016 to 2019, pledging income dropped from representing 70% of the annual expense budget, to only 61%, and the annual budget has run at a deficit since FY 2018. The negative variances have been cured through cost-cutting and drawdowns from cash reserves and the General Endowment. Leadership to run the Annual Pledge Drive has fallen off, to the point where the Board of Trustees has added that function to their responsibilities for FY 2019 and FY 2020. The FY 2020 Quartile Analysis below shows that 15% or 18 pledgers contribute about 51% of Old Ship's total pledged income, and 85% or 105 pledgers contribute about 49% of total pledged income. While this suggests heavy reliance on Old Ship's top 18 donors, it also indicates that a membership growth effort among those who can afford between \$100 and \$4,000 dollars is also viable.





*Stewardship for Us -- Building Cultures of Generosity and Commitment*

First Parish-Old Ship Quartile Analysis	Quartile amount (total divided by 4)	Actual sample Quartile amount (closest approx. to B column)	% of total pledged	No. of pledges in quartile	% of pledges in quartile	"Healthy" % Distribution	Median quartile pledge	Ave. quartile pledge	Range of Pledge
Quartile 1	\$63,311	\$66,270	26.17%	6	4.9%	10.00%	\$9,500	\$11,045	\$7,200-\$22,070
Quartile 2	\$63,311	\$62,960	24.86%	12	9.8%	15.00%	\$5,000	\$5,247	\$4,120-\$7,070
Quartile 3	\$63,311	\$63,188	24.95%	23	18.7%	30.00%	\$2,700	\$2,747	\$2,000-3,993
Quartile 4	\$63,311	\$60,825	24.02%	82	66.7%	45.00%	\$650	\$742	\$25 - \$2,000
<b>Totals</b>	<b>\$253,244</b>	<b>\$253,243</b>	<b>100.00%</b>	<b>123</b>	<b>100.00%</b>	<b>100.00%</b>			

**Other revenue streams.** While pledge income contributed 61% of the FY 2019 income, rental income contributes about 6%, and various fundraising events and programs added another 6%. All other restricted and unrestricted sources, including a \$40,395 transfer from the General Endowment, account for the final 27%. Rental income may improve if the Parish House were in better repair and more financial and time investments were made to market the space. But the optimal opportunity for improving Old Ship’s income is from a more rigorous annual pledge drive in which 100% of the congregation are contributing what they can.

**Healthy reserves.** Old Ship has a healthy endowment balance of \$1.273 million, which is just over three times the FY 2019 annual expense budget (\$416,700). Two times the annual budget is an acceptable ratio for endowment reserves to protect the church in the event of natural disaster or other calamity. Additionally, the Finance team aims to maintain a balance of \$90,000 in the checking account as an added measure of protection, especially in the event of an emergency building repair. If this amount drops to \$50,000, there may be an additional Endowment transfer over and above the customary 4% allowable transfer to the annual operating budget.

In light of both the strength of the endowment and the continuing annual deficits, I invite the Trustees of Invested Funds to consider a modest increase in its payout to support the budget on an annual basis. The Endowment could also be a source of incentivizing increased giving through dollar-for-dollar matching of new and increased gifts for the 2020-2021 Annual Pledge Drive, up to a certain cumulative amount to be determined by the Trustees (see page 14 for more detail). These recommendations are not made lightly; Old Ship’s financial picture requires



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

a broader and more collective approach to problem solving, and the Trustees can play a critically important role in leveraging increased revenues and member participation in support of the church.

**Legacy giving.** Old Ship has had a legacy giving program, “Bridging Generations,” for at least the past 7 years. For the most part, bequests have gone directly into the General Endowment unless restrictions have been imposed on the gift, or the timing of the giving coincides with an urgent need, such as the recent use of a bequest to fix the Parish House driveway. The Board and Finance team make decisions on a case by case basis when a bequest is made, but they are not currently benefiting from the guidance or protection that an agreed upon Gift Acceptance Policy would provide. A Gift Acceptance Policy also provides boards and finance teams with the language and terms they may need to negotiate terms of a bequest restriction that ensures that such a gift is in the best interest of Old Ship over time. A Gift Acceptance Policy can also apply to outright gifts offered to the church with restrictions attached. It is highly recommended that the board and finance team craft and adopt a Gift Acceptance Policy, and a sample is provided in the Appendix.

**Scarcity or frugality?** I often heard about what seems to be a generally perceived scarcity of resources at Old Ship, notwithstanding some evidence to the contrary. This perception could in actuality be a culture of frugality, not uncommon in UU congregations and especially in New England. There could also be a thriving culture of UU generosity outside of our congregations for the causes that represent our values, but that same generosity may not always translate within our congregations despite overwhelming indication of the deeply important role our UU community and spiritual homes play in our everyday lives. Our liberal religious faith and churches are the heart and wellspring of our values. In all candor, generational shifts, tougher budget choices for families with children, rising operational costs, and aging buildings are beginning to catch up with many UU congregations and member contributions are hard-pressed to keep pace with rising expenses. As scarcity and frugality continue to inform our mindsets in decision making, perhaps we should give more weight to what will be our true legacy to future generations of UUs.

**Fiscal concerns regardless of whether the Parish House is repaired or sold.** The endowment and investment earnings are a testament to the forward-thinking fiscal approaches of the Trustees of Invested Funds, and offer hope for Old Ship’s financial sustainability over the long term. Recent discussions concerning the prospective sale of the Parish House certainly demonstrate the valuable asset this building represents, but the question remains whether Old Ship is truly able to raise the necessary funds to keep it in good repair and more energy efficient, or what the true costs and regulations are of selling it and building anew next to the Meeting House.

At the October 27, 2019 all-Parish meeting the congregation voted to take the Parish House off the market. At the same time, the Finance Committee made a compelling case for keeping the door open for possible sale of the 150-year-old Parish House in order to remove the financial burden of





## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

maintaining it and to better manage the future financial health of the congregation. In the short term, however, the Finance Committee recommended to formally take the house off the market, and put money into the most necessary repairs.

On January 25<sup>th</sup>, the Board reinforced this decision in a statement to the congregation and discussed immediate next steps. Here are 2 of those next steps:

1. *“Reviewing the extensive work that the Building & Grounds Committee has done, a list will be compiled of all the projects and costs associated with those projects. Once this list is completed, it will be prioritized. Another list with the needs and wants for space usage based on committees’ surveys from 3 years ago will also be compiled and used as a guidepost for updates. The Parish will need to review to what extent we will repair and then possibly update the Parish house. We will need to consider dollar amounts for each phase as well as sources for financing in the event that we need to implement the work over time. At that time, we will discuss whether to accept the donation of \$350,000 that has been offered towards the “greening” of the Parish House. Our goal is to complete this analysis within six weeks and present it to the congregation.*
2. *“Questions still persist about whether or not the land next to the Meeting House is buildable - both from a regulatory and practical standpoint. Within the next month, we will be reaching out to the Massachusetts Historical Society to see what steps we can take to answer this question once and for all.”*

The very generous anonymous offer of a \$350,000 ‘lead campaign gift’ to help green the Parish House and make the most urgent repairs comes with a restriction to not sell the Parish House for 20 years. It was explained that this length of time will allow the full effect of energy cost savings to be demonstrated, and would also prevent attempted sale of the Parish House after the improvements afforded by this gift were completed. On a more optimistic note, the benefits of this gift could also demonstrate how greening accrues to immediate cost savings, improved reputation in the larger community, and an inspiration for Old Shippers to feel pride and increase their own contributions to the church at this time when it will make a critical difference to the church’s financial stability

This gift offers Old Ship the opportunity to start some critical and innovative repairs immediately, and for that there is much gratitude. The truth is, however, Old Ship is not ready to launch a full capital campaign to pay for the rest of the work to be done on the Parish House – more on this on page 16 of this report, so this gift would most authentically be an Early Gift to jumpstart capital repairs in anticipation of a capital campaign in the future.

Likewise, it is not clear that the Finance Committee and Board could definitively guarantee not to sell the Parish House within 20 years if Old Ship’s financial stability does not improve substantially. Gifts of this nature should not be permitted to have time restrictions on them – hence the need for a Gift Acceptance Policy for the Board to manage gifts with restrictions. In this instance, at the very least, a stipulation should be crafted by the Finance Committee to state terms for accepting the gift that would allow the Finance Committee to make a future determination about whether Old Ship is in



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

such a financially vulnerable position that a sale must be considered. Notwithstanding the above factors, this gift represents an immediate opportunity to make critical repairs and model how an historic building can become “green.”

**Of special note:** One critical step to resolve before any consideration of selling the Parish House or undertaking major repairs and renovations of it can be pursued, is to have a viable plan and budget for where services and church life will be conducted while the congregation is displaced. This could involve months or more than a year, and the cost as well as location must be known. For many members, this is a high priority concern and should figure more prominently into current decision making and transparent communications.

**Diligent Buildings and Grounds Oversight.** The Buildings and Grounds Committee oversees maintenance and improvements to the Meeting House and Parish House. It has benefited from savvy and diligent leadership from a few folks over a long time. One of its stand out achievements is the creation of a Needs Master Plan that looks closely at useful life estimates of systems, appliances, and infrastructure throughout both buildings. This is not common in all UU churches, but it is an essential tool for making comprehensive cost estimates for keeping a building in good working shape. The American Institute of Certified Public Accountants recommends that all organizations create lifetime use estimates as a standard step in effective financial planning. The Needs Master Plan is part of the Buildings and Grounds section of Old Ship’s Annual Report.

The Needs Master Plan and ongoing building assessments clearly show that Buildings and Grounds is a seriously underfunded part of Old Ship operations. The annual budget process does not cover the actual annual operating/service costs for both buildings. The Committee estimates annual expectable maintenance and repairs could be as high as \$88,000. While the B and G budget is about \$81,000 for FY 2020, that amount covers sexton salaries and direct costs, with only \$10,000 going for maintenance and repairs. Additionally, the Band G Committee estimated total critical repair and replacement projects that must be addressed at the Meeting House total \$272,010; for the Parish House, that total is \$980,022. Separately, Parish House renovation projects total \$1,226,800 for a grand total of \$2,478,832.

**All in all, Old Ship’s financial position has some vulnerabilities and warrants attention to ensure longer term financial sustainability.** Old Ship has every right to be proud of its success in creating a healthy Endowment and in making good use of the Friends of the Meeting House as a source of financial support. But its annual revenue sources are not keeping pace with increased costs, and daunting capital costs have driven intense debate about whether to sell the Parish House and/ or conduct a capital campaign.

Old Ship must begin to address these issues with the goal of improving its annual revenue streams, most notably the Annual pledge drive, which requires a commitment to



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

financial growth from the entire congregation. **This is Old Ship's moment to demonstrate due diligence, leadership and the full power of the congregation's collective time, talent and treasure to sustain Old Ship now and into the future.**

### **IV. Governance – By-Laws, Strategic Planning, Financial Planning, and the Place of Stewardship in Old Ship's Structure**

**By-Laws.** Old Ship's By-Laws present a thoughtful, well-organized, intentional community rooted in Unitarian Universalist principles, and that has stood the test of time – 274 years! For purposes of this report, I note that to be a Member, financial support is requested and expected but not mandatory:

*“Article III - Section 1. Membership Requirements. Any person, at least sixteen (16) years of age (or, in the case of a person who has completed the Old Ship Coming of Age program, at least fourteen (14) years of age), may become a member of this Parish by:*

- *Demonstrating sympathy with its spirit, purposes, and programs;*
- *Supporting it through financial **and/or** personal participation;*
- *Signing the membership book.*

*Membership is open to all qualified persons regardless of race, color, sex, affectional or sexual orientation, gender identity, disability, or national origin.”*

Article III - Section 3 waives a financial contribution as a Requisite for Voting Membership. *“The Board of Deacons may waive the financial contribution of voting membership for any person so requesting, and shall so advise the Board of Trustees, or its designee.”*

While the Deacons may no longer play this role for Old Ship, it is an affirmation of our values to waive financial contributions for those whose financial situation reduces their ability to contribute on a regular basis. To be inclusive, we always recognize and value a person's labor and skills as an important contribution in and of itself. However, Section 1 seems to accept that personal participation in church activities can substitute for financially supporting the church. Again, this is in line with our values, but most churches can ill afford to accept volunteer support in place of financial contributions except in extreme situations. UU churches are completely self-supporting, and an annual financial contribution, even an extremely modest one, should be required and given with gratitude in the spirit of investing in our values, community and spiritual homes.

Article V of the By-Laws lays out terms for Officers and Committees; Section 4 describes the Standing Committees:

*“The Board of Trustees, in consultation with the members of the respective committees, shall by June 30 following the Annual Meeting, appoint chairpersons of the following Standing Committees: Building and Grounds, Committee on Ministry, Memorial Garden, Religious Education, Social Outreach, Finance, and Worship and Music. Chairpersons shall be appointed for one (1) year, or until a successor is elected....”*

The Finance Committee's job description is as follows:



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

*“The Finance Committee shall supervise the overall financial affairs of the Parish. It shall submit to the Board of Trustees for approval, not less than thirty (30) days prior to the Annual Meeting, a budget for the ensuing fiscal year, and the Clerk shall mail a copy of such budget, as approved, to each member of the Parish not less than ten (10) days prior to such meeting. The Committee shall plan and direct the raising of funds to meet such budget. The Treasurer, Assistant Treasurer, and Chairperson of the Trustees of Invested Funds are designated as members of the Finance Committee in these by-laws.”*

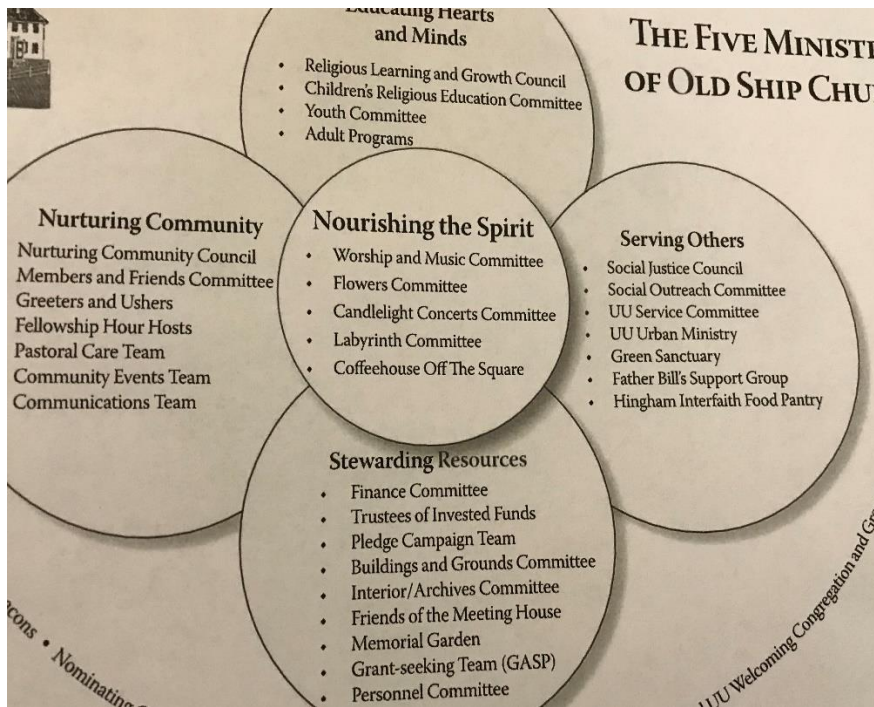
In some UU churches, the treasurer and finance committee double as the stewardship committee. This is the former structure at Old Ship, and a “Collector” collected donations made directly or through the plate. In other UU churches, a stewardship committee exists but takes direction from the finance committee and is thus accountable to that body. But to be truly successful, the stewardship committee must be independent and recognized as the committee of gratitude and generosity, while the finance committee is the committee of financial oversight and the business of the church. A stewardship committee should be considered a vital group active during a time-bound campaign AND all year round, reporting directly to the board of trustees.

A Stewardship Council separate from Finance was active at Old Ship by 2012. Back then, they determined at their first meeting that future financial growth was imperative to keep Old Ship’s ministries and programs strong and the buildings well maintained. Solutions included growth in membership, increases in average annual giving; and an increase in legacy giving, and they recommended steps to promote those approaches. The Council also made several suggestions for a stronger communications and marketing effort to enhance Old Ship’s visibility and various roles in local community life.

Starting in 2010 and going through to 2013, Old Ship undertook a strategic planning process that resulted in a re-set of the church’s organization. Five Ministries were set up as follows:



## Stewardship for Us -- Building Cultures of Generosity and Commitment



Each part of each ministry is expected to report on the year's activities and results in the Annual Report. With the absence of a Pledge Campaign Team in 2019-2020 and the board handling that function as well as their many other responsibilities, no report was filed; however, the financial results from the pledge drive are available.

### **Stabilizing, formalizing, and raising the stature of Old Ship's pledge drive and stewardship function.**

"Stewardship at its best transforms individuals, groups, and congregations by opening us to new levels of generosity and prosperity. This process, in turn, promotes spiritual growth and maturity on the part of people and organizations." This UUA statement embraces the central concept of successful stewardship – that giving is a transformative act which touches the giver in equal measure to the recipient.

There is ample evidence of generosity at Old Ship, and that generosity should translate to increased pledging at a time of critical and ongoing need for the church. But to ensure the congregation's focus, energy, commitment, and understanding of the importance to sustain and grow pledging, a stewardship team that is honored, appreciated, and fortified with official standing must be in place. To that end, it is highly recommended that Old Ship adopt the Proposal drafted by members of the Board to formalize A Stewardship and Generosity Committee. A copy of the full proposal is in the Appendix.

**"Giving brings happiness at every stage of its expression. We experience joy in forming the intention to be generous; we experience joy in the actual act of giving something; and we experience joy in remembering that we have given." Lamaa Surya Das, quoting the Buddha**





## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

*"It is proposed that: **First Parish Hingham Old Ship UU Church will form a standing committee called the Stewardship and Generosity Committee.** The committee shall be appointed by the Board of Trustees, along with the other standing committees noted in the bylaws. Chair persons shall be appointed for a three (3) year term. Members shall have a term of 3 years. Membership shall be staggered over time to ensure continuity.*

**Purpose:** *The purpose of the Stewardship and Generosity Committee is to sustain and deepen a broad-based commitment to the mission and programs of the congregation by inspiring a culture of abundance and generosity, and a joyful sharing of gifts, talents, and resources. The Stewardship and Generosity Committee, along with the board of trustees, is responsible for the strategic, long view of stewardship and promoting financial generosity in the congregation.*

**Goal:** *The committee's goal is to create and sustain a culture of generosity in which congregants are well informed about the finances of the organization, comfortable talking about money, participate actively and joyfully in annual budget drives and capital campaigns, and can articulate the linkage between the congregation's mission and resources."*

### **V. Focus on Stewardship 2020-2021**

Here are a few recommendations as you plan this year's annual pledge drive:

- Generate 100% participation by both members and friends in the annual stewardship drive. Everyone should be pledging, whether it be a dollar, \$10, \$100, \$1000, \$10,000 or more. People might be able to consider increasing their gift by a certain percentage, say, 3% to 5% or more.
- One possible way to incentivize this is for the Trustees of Invested Funds to offer say, a 5-figure gift to create a challenge grant from the Endowment: ***"We will match dollar-for-dollar all new gifts and increases of existing gifts by Old Shippers and friends who make a pledge this year by April 30<sup>th</sup>, 2020."*** Payment would not be expected until the end of the Pledge drive, or a date designated in agreement between the Trustees and the Board. A challenge gift provides motivation to the congregation and a tool to the stewardship committee to encourage 100% participation.
- Board of Trustees models 100% giving at the beginning of the drive. As the annual pledge drive begins, stewardship efforts should be fortified by all the Board members' having visibly made their pledges already.
- It should be an annual prep and training ritual for the Stewardship team to canvass each other individually, one-on-one, in the manner of a Visiting Stewards programs.
- Thank you, and thank you again. The stewardship role is primarily one of gratitude and appreciation for generosity. Even as the annual campaign gets in motion, the message is gratitude first, and asking for a gift second. Once a gift is made, thank twice – the





## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

Minister and Board president should have a template for thank you letters that do not necessarily include the amount given.

- Powerful stories to inspire. Before and during the Next Steps Weekend, I heard a series of stories from congregants sharing a powerful moment in their history with Old Ship. Brainstorm on messages that will make the experience of making a gift a more personal and meaningful moment in each congregant's relationship to Old Ship Church. Take advantage of those congregants' willingness to engage in story telling about why they give to this church.
- Visiting Stewards – a labor-intensive option. As the Stewardship team this year, the Board may not have the capacity or be ready to adopt a Visiting Stewards approach, but this is still the ideal and most successful way to achieve overall success. You could concentrate on using this strategy with donors in Quartiles 1, 2, and part of Quartile 3.
- The Tax Cuts and Jobs Act of 2017. With the Standard Deduction raised to \$12,000 for singles and \$24,000 for couples, there are predictions that upwards of 20 million tax filers will not itemize their deductions and therefore might possibly allocate less or nothing to charitable giving. Most fundraising research on the implications of past tax reform on congregations' giving patterns indicate that faith or spiritual communities remain a top priority for most Americans regardless of the tax deductibility of gifts. Donors may want to consult with their financial advisors during this time of tax code transition. Some options to offer congregants are discussed in the attached set of articles.

**Incorporating some stress testing and opportunity cost analysis in annual and multi-year financial projections.** To complement efforts to improve Old Ship's culture of stewardship and generosity, it is suggested that the Finance team take into consideration some form of stress testing and opportunity cost analysis (i.e., opportunity cost lost, opportunity cost gained, cost-benefit analysis) as part of the general process of putting together annual and two- to three-year budget projections.

During the Great Recession, when banks were required to inject financial stress testing into their protocols, the purposed was to understand whether a bank had enough capital to survive plausible adverse economic conditions. Stress tests were designed to measure an institution's ability to maintain enough buffer to stay afloat under extreme scenarios. Basic stress test concepts include (but are not limited to):

- Stress testing methods should assess risks and enable revenue forecasting.
- Institutions should balance risk capacity to risk exposure under economic constraints.
- Requires addressing at least two factors:
  - Quality of data and data collection methods – Old Ship is migrating to a good software system for its giving and pledge data – “Breeze,” used by many UU churches as a robust relationship database.



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

- Cultural context – what cultural factors influence decision making and discussion about risk exposure under economic constraints? In churches, this is a particularly important question.
- Opportunity costs represent the benefits an individual or institution misses out on when choosing one alternative over another. Because by definition they are unseen, opportunity costs can be easily overlooked if one is not careful.
- Understanding the potential missed or underrated options and opportunities foregone by choosing one budget expense or investment over another allows for better planning and decision-making. As budget line items are reviewed, this is an important concept and brings together considerations of tangible and intangible benefits likely to accrue from expense decisions.
- Keep in mind leadership resilience as keepers of the stewardship function at Old Ship. On Saturday we discussed key ingredients for Stewardship Canvassers:
  - Stay in covenant with the congregation.
  - Stewardship is a core element of a Systems Approach to congregational management.
  - Be organized, a listener, inspiring, and make it easy to ask for a pledge by remembering that you are giving your fellow Old Shipper to invest in one of the more important part of their life – their spiritual home, the source and inspiration for their values and principles.
  - Relish success, share the vision of this work on behalf of Old Ship.
  - Be self-aware and centered.
  - Be a part of sustainable leadership

**Is there a Capital Campaign in Old Ship's future?** A capital campaign could be a key factor in Old Ship attaining financial sustainability, along with other potential ingredients:

1. A bigger piece of the annual budget is designated for Buildings and Grounds.
2. There is less reliance on "Angel donors."
3. There is more promotion of and response to Old Ship's Legacy Society – Bridging Generations.
4. 100% of the congregation participates in Annual Pledge Drive, pledging a suggested 3% to 5% to 10% increase.
5. Future consideration of some form of property sale.
6. The Endowment stays at 2.5 times the annual budget but is tapped for increased income for annual budget and critical needs, and provides incentive dollars for the annual pledge drive.

But is Old Ship ready for a capital campaign? Part of the Saturday session with the Board, Finance, Buildings and Grounds, and others, was devoted to assessing Old Ship's readiness to undertake a capital campaign. Some generally accepted indicators of campaign readiness include:

- ✓ The need for a campaign is readily apparent and the case can be clearly described, whether it is for major repairs and renovations, or for building a new church home.
- ✓ Members are fully aware of the need to raise significant funds to undertake the work to be done.
- ✓ The congregation is engaged in fellowship with each other, and there is low conflict.



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

- ✓ The congregation is demonstrating “Healthy stewardship,” and annual pledge drives are meeting goals.
- ✓ The church is financially stable and budget preparation runs smoothly.
- ✓ There are strong systems underpinning church activities, operations, ministries and programs.
- ✓ Leadership is committed and trusted.
- ✓ The church has the bandwidth to take on conducting a campaign while other systems continue.

Those present at the Saturday session participated in a short focus group analysis of campaign readiness by answering the following questions:

1. Can a Case be made for a Campaign? Has there been adequate articulation of what work, programs or plans are in place and agreement that there is a case for a campaign?
2. Is there broad congregational awareness, knowledge, and consensus about needs, shortcomings and conditions at the church that a Capital Campaign might address?
3. Campaign Leadership – Does the congregation think there is the leadership at Old Ship for a capital campaign? Is there a team of congregants stepping forward who are already strong advocates of the case and are ready to play significant roles in terms of time, talent and treasure?
4. Does Old Ship’s donor base suggest financial capacity to conduct a successful campaign? For a, say, \$750,000 goal? A greater or lesser goal? Are there enough donors so that as much as 50% to 70% of the goal can be raised by gifts from 25% to 30% of the congregation?
5. Is the Minister enthusiastic about the campaign, and has the time and capacity to act as chief cheerleader and inspirer, and play a role in donor cultivation?

Rather than answering these questions with a yes or no, the group indicated whether each thought Old Ship can move ahead with a campaign; or more work was needed, or there’s too much of a red flag to proceed. We used green, yellow and red to respond to each question, with some allowance for shades in between:

<b>Green</b>	<b>Yellow</b>	<b>Red</b>
<b>Green-Yellow</b>	<b>Orange</b>	

Overall, while there were significant votes of Green, and Green-Yellow, there were also quite a few in the Yellow-Orange and Orange-Red categories, signifying that Old Ship has some work to do to get campaign-ready, but it was certainly likely that it could become so with due diligence over time. Old Ship can most assuredly become ready for a Capital campaign!



## **VI. A Few Notes on Other Aspects of Church Life**

### **Membership, Religious Education, Leadership Development and Volunteer opportunities**

**Membership.** A few years ago, Old Ship invested in a part-time paid Membership Coordinator position to improve membership growth and retention. Unfortunately, this effort did not work out as hoped. Ideally, membership functions include welcoming, engaging, and retaining members. Additionally, a membership team and/or coordinator would formally seek commitment from all committees to not only welcome new members, but actively recruit and engage them in their respective programs and activities. Member retention is not only a product of being welcomed, but of being needed, appreciated, and asked to participate in activities and events.

The membership effort would see to it that Committee leaders receive new member lists quarterly and prepare their teams to determine upcoming activities for which extra help may be needed. Then committee leaders recruit people to help out on specific activities, eventually rolling in the new member to the committee.

**Religious Education.** My time learning about Old Ship's religious education program was cut short by a health issue on my part, so I was not able to meet with Beverly. However, I did have the pleasure of meeting with some of Old Ship's families with children, and was able to talk with a couple of graduates of Old Ship's youth program. In general, a strong RE program, particularly for older kids, is appreciated at Old Ship. The various UU curricula and experiential learning opportunities offered at Old Ship help our children to be self-confident, aware, and active in the larger world in a manner not found in other faith formation programs. It has been proven time and again that parents are pulled to Old Ship when they are seeking liberal religious education for their children, and then they decide to stay for themselves. Looking to the future, there are concerns as to whether Old Ship will be able to grow its RE program by attracting more families. The hope is that children of all ages will be more visible in services; and their role in all activities will grow. As one parent said, "We are not the future of Old Ship; we need to raise the future of Old Ship."

2020 is the year for Old Ship to revisit its RE program, and even if the 2021 budget lessens staff presence and energy to drive RE, all committees and function of church life should be taking young people into account in pursuing their goals.

**A word on long-standing Old Ship members.** There is a sense of family and community within Old Ship that has stood the test of time. The congregation is blessed with many long-standing members who have given unstintingly of their time, talents and treasure over decades. Regular recognition of their contributions is warranted; acknowledgment of diminishing volunteer capacity is essential; and attention to individual and collective



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

spiritual and pastoral needs of aging congregants (as well as the entire congregation) is critical to Old Ship's ministry. Old Ship may want to explore the components of care and engagement of long-term members. This aspect of congregational life is one among many that might need regular review and planning.

**Committees and leadership.** Old Ship is fortunate to have a solid, deeply engaged if occasionally overworked, core group of volunteers and leaders. While Old Ship would benefit from a much-expanded roster of volunteer leaders and workers, those who are serving, like so many of their predecessors, are dedicated, talented, and fully committed to their spiritually rooted community. In fact, for UUs over 60, committee work and events are a primary way to socialize outside of the home in the absence of having a workplace or club to serve that purpose. The downside is that this exposes UU committee work to potentially becoming a closed social circle rather than an embracing, inviting, engaging source of connection for new members.

Old Ship does need a deeper bench of human power to continue and grow its mission and vision. Yet leadership recruitment is a UU denomination-wide issue, which is in part being addressed through leadership development courses and workshops designed to build a pipeline for continuous and future leadership. Nominating Committees are becoming 'Leadership Development and Nominating Committees.' Adult Spiritual Development Committees are Partnering with Lifespan RE staff and volunteers to design or use leadership courses for teens to Millennials to Gen Y'ers and X'ers. Some useful UU resources on leadership development can be found the UUA's newly launched Leader Lab at <https://www.uua.org/leadership>.

**Offering more short-term or one-off volunteer opportunities.** Not everyone can commit to serve on a longstanding committee or other volunteer leadership position. Serving on committees over a year or more is less and less of an option or preference for young parents and busy folks at the height of their careers. Yet they want to participate in congregational activities and events, and there are many needs across all committees, the administration, and RE that could be addressed through short-term, one-time, and timebound volunteer contributions.

I invite you to consider framing these short-term volunteer needs as something like "Engaging Old Shippers in Service"), a shared ministry opportunity to engage congregants and visitors in short-term opportunities, ranging from one hour to one day to one weekend. Old Shippers in Service would solicit a list of needed services from among the teams listed under each of the 5 Ministries, then advertise them via a standard form and sign-up sheet at a table that is "personned" every Sunday or online. Note that a simple bulletin board is not sufficiently interactive to attract people to volunteer – conversation and encouragement are part of the ministry of Old Shippers in Service.



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

**External outreach – “marketing” communications.** The Next Steps Weekend did not undertake a deep dive into Old Ship’s communications capacity or inventory. Thus, these comments are made as general observations and suggestions. I would suggest the Board reflect on the opportunity lost and cost of not having a standing committee or commitment for communications. Current communications seem to be ably managed, i.e., newsletter, email blasts, publicity for events, etc., although some of Old Ship’s webpages are outdated.

Communications teams are usually created out of the interests and skills of congregants, but such a committee is one of the main ingredients in the success of all other committees and the congregation as a whole. In addition to the absence of such a committee, Old Ship does not have a plan that would guide systematic external outreach to tap into potential new audiences and future congregants. However, its signature events draw from the entire town, and the Old Meeting House brings in people from way beyond Hingham’s borders. In general, Old Ship should feel freer to ‘market’ itself as a means of gaining external visibility and attracting more visitors. While Old Ship experienced negative publicity around the controversy of selling the Parish House, that could easily become positive visibility with the ‘greening’ of the church.





## **VII. Conclusion**

It is always the choice of a congregation to accept or not the advice proffered by a consultant and it is generally true that a consultant will seldom know the congregation as well as its leaders. Yet, a consultant is brought in for a reason: to offer objective analysis paired with lessons learned by others. In receiving recommendations from any consultant, consider the investment that has been made by the congregation and the reasons for doing so, when deciding how to act upon those recommendations.

It was a great pleasure working with all of you and meeting so many members of Old Ship Church. The in-person exchanges and meetings with Committees informed my understanding of this unique and important community well beyond what I had learned from the extensive documentation provided earlier. Old Ship is an important part of the lives of its members; it has significant potential to contribute more to Hingham and neighboring communities, and the Unitarian Universalist movement writ large.

In short, there is much to celebrate and much potential to further develop the congregation. There is every reason to expect that the congregation of Old Ship will collectively work out the decisions before them. While there are challenges, I saw no problems beyond your capacity to resolve. Stay in community, be patient with each other, and celebrate your successes; you are up to the challenges and the opportunities.

Continued admiration to all. I welcome any questions that may arise from this report.

Liz Coit  
Stewardship for Us Team Consultant  
January 28, 2020

### **Appendices:**

Old Ship Survey Monkey Results  
SAMPLE Gift Acceptance Policy  
Proposed: Stewardship and Generosity Committee  
Tax Cuts and Jobs Act Articles



## ***Stewardship for Us -- Building Cultures of Generosity and Commitment***

### **Next Steps Weekend Schedule, January 17-19, 2020**

We are very excited about Liz Coit from Stewardship for Us leading us through our Next Steps Weekend, January 17-19<sup>th</sup>. She wants to hear from all of us! Do you have a passion for Social Justice but are not currently on a committee? Come to the Social Justice session. Were you on Building & Grounds or Nurturing in the past? We want to hear from you, too! You don't have to be on a specific committee to join a session. Here is the schedule for the weekend. We hope to see you there...at least once!

#### **Friday, January 17<sup>th</sup>**

- 12:00 pm** Staff Luncheon
  - Individual meeting with Julianna
  - Individual meeting with Beverly
- 2:00 pm** Tour of the Meeting House, Parish House and grounds
- 3:30 pm** Meeting at Linden Ponds with Old Ship members
- 4:30 pm** Meeting at Linden Ponds with Deacons
- 6:30 pm** Dinner with Board and Minister

#### **Saturday, January 18<sup>th</sup>**

**All Meetings will be held in Parish House**

- 9:00 am** Meet with Old Ship families. Babysitting will be provided.
- 10:00 am** Meet with Building & Grounds
- 11:00 am** Meet with Nurturing Community Council
- 12:00 pm** Meet with Social Justice
- 1:00 pm** All church luncheon. Everyone is invited for a soup pot luck lunch and conversation.
  
- 2:30 pm** Financial session – meet with Board, Finance Committee, Pledge Campaign Committee members, Minister
- 5:30 pm** Break for the night

#### **Sunday, January 19<sup>th</sup>**

- 10:25 am** Service
- 11:45 am** General Meeting. Grab a cup of coffee, a bite to eat and a seat to listen to Liz Coit share some initial thoughts.
- 1:00 pm** Meet with Board for a debrief of the weekend