

CATHOLIC DEVELOPMENT + QUARTERLY +

An informational DIGEST to guide development personnel in the emerging field of development.

Volume XIII, Edition 4

DEVELOPMENT FOR THE NEW MILLENNIUM

The New Millennium has begun, the Y2K bug is behind us and now is an appropriate time to consider expanding our strategic development knowledge to both address and prepare for the challenges that a new era, new millennium and new paradigm will bring.

"Insanity," someone once described, "is doing the same thing over and over and over again and hoping for different results."

"If you always do what you always did, you will always get what you always got."

These phrases may be corny or trite, but most importantly they illustrate the necessity to constantly be renewing and reviewing not what we do, but how we do it. Our Catholic institutions will always be ". . . bringing Christ to people and people to Christ . . ." as the late Msgr. John Flynn used to say. The question will be how will we serve people with the Gospel message and how will we attract the resources to carry out that mission.

Our consulting division, Richard P. Garrigan & Associates, Inc., provides strategic development knowledge to Catholic schools, parishes, dioceses, seminaries, religious communities of women and men. With that unique perspective as a backdrop, we dedicate this edition of the **+QUARTERLY+** to "Development in the New Millennium."

Send copies of this edition to administration, lay leaders, finance councils, development and endowment boards and select donors. Highlight or underscore key points and send with your own cover letter or memo. Use it as a springboard for "Development in the New Millennium" for your Catholic institution.

Remember, these strategies and recommendations will never change what we do (advancing the Gospel message through Catholic education, parish ministry, etc.). They should change how we do it.

VALUE THE VISION

A leader of any Catholic institution is responsible for always having a vision for the future before his/her constituency. A vision statement addresses the following key points:

- philosophy.
- mission.
- program strengths.
- history.
- impact on Church and community.
- plans for the future.

The vision statement isn't a campaign case statement but serves the same purpose on a broader institutional level. Don't confuse a vision statement with a "mission statement." Many parishes and schools have a mission statement which states their purpose or reason why they exist. Your vision statement should be an accurate, compelling case and vision for your institution in the new millennium.

Your constituency must be challenged to live out the Gospel message by providing outstanding services that people will seek out. These services are the entry points for people to become involved in Catholic education, parish life, diocesan ministry, etc. In turn, people are evangelized in the process.

At this moment in time, never has a greater opportunity been presented to secure the future of our Catholic schools, parishes and agencies. Demand for Catholic education has never been greater and we have never lived in a more affluent society. Catholic education is currently in a "sellers market" -- more demand than supply.

LEADERSHIP - DISCIPLESHIP - STEWARDSHIP - DEVELOPMENT

Discipleship follows leadership. The most outstanding leadership ever demonstrated was that of Jesus Christ. He had a vision -- the Gospel -- and He had resources -- the disciples (apostles).

The same is true today. To attract disciples, an institution needs leadership with vision.

The role of leadership includes the recruiting and attracting talented lay men and women who are donors and doers to serve in the capacity of development. They become disciples of and for development. Too often, nowadays, leadership is discouraged by the possibility of rejection. Pride gets in the way and our institutions suffer. Leaders who are afraid of rejection should resign from leadership positions.

Part of the leadership position is to convert people to the Christian lifestyle called stewardship. Stewardship is NOT about raising the Sunday collection or offertory income -- albeit that is a form of stewardship. Sorry! Stewardship is not a program or strategy that will make development, appeals, campaigns or fundraising go away -- they are all forms of stewardship.

Development is a management strategy that allows Catholic institutions to achieve their goals through a program of visioning, planning, public relations and charitable giving concepts. The

single most effective means of successful development is the creation of a standing Development Council that is convened on a regular basis addressing the following: major gifts, planned giving, stewardship (in parishes), public relations, memorials and annual fund.

THREE KINDS OF DOLLARS AND "VIABILITY PERCEPTORS"

Many of you who are regular subscribers of the +*QUARTERLY*+ will recognize the following "Kinds of Dollars" our institutions must be generating on an ongoing basis:

- Operational Dollars.
- Capital Dollars.
- Endowment Dollars.

Physical plants and endowments are not built on the Sunday Offertory Collection and fundraising. Those types of funds are Operational Dollars: to pay salaries, utilities, expenses, etc.

Buildings are "capital expenditures." Thus, capital campaigns are strategies for those purposes. Endowments (exceptions noted) can be funded through planned giving. Admittedly, a good many number of campaigns include endowments.

The New Millennium with a new economy largely driven by a roaring stock market should make those of us in development encourage "non-cash" of stocks, mutual funds and other assets. Remember that 90% of all wealth is held in (non-cash) assets. Only 10% is held in cash. Some development programs are continually "chasing" only cash gifts.

Your development program should educate people how to give from their assets. Current tax laws even favor this type of gift over cash. Currently, two generations of Americans are in transition. The "G.I." Generation is passing and the "Baby Boom" Generation is maturing. Both generations have accumulated significant assets in the form of homes, second homes, other real estate, stocks, mutual funds, retirement plans, etc. One of the New Millennium development and stewardship tasks is to educate people how to give from these assets. As a practical matter, these types of gifts can significantly offset future income and estate tax liability for the donor.

The ministry of planned giving is essential to attract these asset gifts to your institution's endowment.

VIABILITY -- In a different time and place, Catholic schools and parishes were viewed as "viable" by virtue of the number of students in a Catholic school or the number of households in a parish. Not true today:

CATHOLIC SCHOOLS: Number of students + size of endowment = viability.

CATHOLIC PARISHES: Number of households + size of endowment = viability.

Spending time, money, resources and energy NOW encouraging planned giving and endowment growth will bear tremendous fruit in years to come. Current leadership and development staff

need to take the "long view" realizing that someone else, years from now, will get both the benefit and credit of future planned gifts.

+*QUARTERLY*+ CHECKLIST

This edition's **+*QUARTERLY*+ CHECKLIST** addresses issues and items to consider which can make a significant impact on development in the New Millennium.

- **CONSULTING** - The best development programs are ones that work with a consultant on an ongoing basis. We're not just talking about "campaign consultants" for pledge drives -- we're talking about development program counsel. If your institution is not using consulting, at least once a year, you are lagging behind the ones that are successful.
- **DEVELOPMENT PERSONNEL** - you can't hire many trained, experienced development directors nowadays. The management strategy now is to "hire for attitude and train for skill." Use consulting to train promising development staff.
- **TECHNOLOGY** - does your Web site allow donors to make gifts by credit card or make a non-cash gift such as stock or mutual funds? As complicated as it may be for us, conversely, it becomes easier for the donor to make a gift. Allow people to make gifts electronically through electronic bank payments for gifts or pledges.
- **NON-CASH GIFTS** - 90% of all wealth is held in non-cash assets such as stock, bonds, real estate, 401(k)s, mutual fund shares, etc. Your development program should have a marketing, communication and donor recognition program for these types of gifts. Over 50% of households have money in stocks. Thirty years ago, it was less than 15%. People in this day and age have learned how to accumulate these forms of wealth but need our help to learn how to give these kinds of gifts.
- **PLANNED GIVING** - many charities are telling your donors over the age of 50 to include them in their estate plans. Spend time and resources now. Once a year, at the very least do a wills seminar or direct mail piece. Publicize any and all bequests in your newsletter or diocesan newspaper.
- **RESOLVE AND VISION** - move beyond the resistance factor. Criticism such as always asking for money and people saying, "this is offensive or divisive," are smokescreens and diversions which -- long term -- will harm your institution.
- **CLERGY LEADERSHIP** - pastors must demonstrate greater leadership in development. Their predecessors built dioceses, parishes and schools throughout the United States earlier in this century. Their constituents were poor. Now Catholics are the most affluent group in our society. Too many pastors don't know how to establish and lead development programs. Preaching stewardship only will not suffice. Face the criticism and lead.
- **NEW MILLENNIUM REQUIRES A NEW MODEL** - Our boards and councils need to be reconfigured. Development boards, subcommittees of independent high schools boards need to be established. At the parish level the new model should accommodate four major councils: Pastoral Council, Finance Council, Board of Education, Development Council. These new models must be in place for the ministry of development to be effective in the New Millennium.

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