

Rev. Bill Sinkford's Commentary on our 2019 AFD results:

Campaign Performance Analysis 2019 AFD - Pledges as of 1/30/2019

<u>Description</u>	<u>No. Donors</u>	<u>Avg/Donor</u>	<u>No. Gifts</u>	<u>Avg/Gifts</u>	<u>Total Given</u>	<u>Goal</u>	<u>Over(Under)</u>	<u>%Goal</u>
2019 Operating Pledge	861	\$1,653.25	861	\$1,653.25	\$1,423,449.84	\$1,506,750.00	(\$83,300.16)	94.47%

Campaign Performance Analysis 2018 AFD - Pledges as of 1/30/18

<u>Description</u>	<u>No. Donors</u>	<u>Avg/Donor</u>	<u>No. Gifts</u>	<u>Avg/Gifts</u>	<u>Total Given</u>	<u>Goal</u>	<u>Over(Under)</u>	<u>%Goal</u>
2018 Operating Pledge	923	\$1,542.36	923	\$1,542.36	\$1,423,597.10	\$1,459,000.00	(\$35,402.90)	97.57%

Through January 30, total pledge dollars are virtually identical to last year at this time. We budgeted for a 3% increase. We anticipate an income shortfall in the \$50,000 range by fiscal year-end.

We are not yet prepared to discuss how we will deal with that shortfall, although that plan must come soon. We have continued our conservative spending approach, and have (to date) not "brought in" any of the reserves budgeted in this FY. That will most certainly change.

The first priority is for us to understand this shortfall and what it implies for our future.

The Average Pledge increased nicely (+ 7%), but the Number of Pledges decreased by a similar amount (- 7%). Those who pledge continue to increase their generosity. However, we are at an 8 year low in the number of Pledge Units. This mirrors somewhat reduced membership and attendance numbers we just reported to the UUA.

Was our AFD program less robust? The program replicated last year's effort. The leadership of our co-chairs was strong and credible, witness the increase in average pledge.

Did the Burn the Mortgage effort cause donors to reduce their Operating Pledge? No. In fact, operating pledges from BTM donors increase by 2% overall.

Are staff and program changes in Music, Adult Programs and Religious Education leading to reduced giving? Our answer here is incomplete. Pledging by Learning Community households increased almost 8%. Among current members of our choirs, pledging also increased but more modestly (just over 1%). However, the number of participants in our choirs has decreased over 16% from its high in the 2016-17 FY. Those in our choirs continue to pledge as they have, but there are fewer of them. It is much more difficult for

us to track changes among those served by our Adult Programs, but the number of those offerings were reduced this year as we reshape our efforts toward faith development.

It is also true that attendance has softened, although not dramatically. More of our attendance is now virtual. Is that creating a weaker level of commitment?

A couple of congregants indicated uncertainty about the impact of the new IRS rates as reason not to increase pledges.

To what extent is the widely heralded secularization of our city/nation and/or the malaise of our national politics having an impact? We are increasingly aware that typical worship attendance has become more sporadic (2-3 times a month, vs 3-4 times). Is that leading to a shallower financial commitment? The impact of these shifts are extremely difficult to measure.

What we know for certain is that we are experiencing more congregants who are becoming "inactive" than new congregants who are joining (120 pledge units moved to inactive in calendar 2018 vs 40 new pledges). Part of this is the result of deaths, 9 in 2018. We are an older congregation.

But more individuals and families are also telling us that they are moving away from Portland.

Could the sharply rising cost of living be reducing Portland's attractiveness overall? As more of our faithful members retire and live on fixed incomes the cost of living may well figure significantly in their giving, especially their capacity to increase.

What is true is that pledges from new and returning members last year did not make-up for the number of individuals and families that became inactive. This dynamic re-enforces the priority both to sustain our new commitments to young adult ministry and the new strategies for welcoming visitors/seekers being developed in Adult Faith Development.

The "elephant in the room" question is whether this AFD result is a harbinger of things to come. Our analysis can rule out some causes, but there are almost certainly many elements that contribute to this financial result.

One year does not make a trend. And small numbers still make a difference. We would be celebrating if we had just 20 or 30 more pledges at our higher average pledge.

View this as an interim report. We will be prepared to discuss the specific budgetary steps needed within a month.