Budget Information Session

Heather Packard, Treasurer
Standing Committee Financial Sustainability Subcommittee
Agenda

• Understanding First Parish’s Budget Process
• Annual Pledge Campaign Round-Up
• Our Current Operating Budget
• Planning for Next Year’s Budget (and Future Budgets)

• Budget and Budget Process Questions?
First Parish Budget Process
Budget Process

• Staff prepares a draft budget for Standing Committee
  • “The budget should reflect the priorities of the Congregation, staff, and Standing Committee. The projections for income and expenses should reflect a prudent approach to our financial conditions.” (Finance Policies, 2018)

• Budget information and listening sessions held with congregation during budget preparation.

• Standing Committee reviews and recommends a budget for approval by members at the June Annual Meeting

• Standing Committee members and staff hold informational sessions about the proposed budget prior to the Annual Meeting

• Members approve a budget at the Annual Meeting
Annual Pledge Campaign Results
## Annual Campaign Results

<table>
<thead>
<tr>
<th>Pledge Commitments Timing</th>
<th>Fiscal Year (July – Jun)</th>
<th>Stewardship Campaign Goal</th>
<th>Pledges Received (to date)</th>
<th>Households Pledged (to date)</th>
<th>Median Pledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2021</td>
<td>FY2022</td>
<td>$1,080,000</td>
<td>$1,078,268</td>
<td>371</td>
<td>$1,150</td>
</tr>
<tr>
<td>Spring 2022</td>
<td>FY2023</td>
<td>$970,000</td>
<td>$971,123</td>
<td>328</td>
<td>$1,150</td>
</tr>
<tr>
<td>Spring 2023 (Now)</td>
<td>FY2024</td>
<td>$1,025,000</td>
<td>$898,435</td>
<td>292</td>
<td>$1,200</td>
</tr>
<tr>
<td>Difference - FY23 to FY24</td>
<td></td>
<td>$55,000</td>
<td>-$72,688</td>
<td>-36</td>
<td>$50</td>
</tr>
<tr>
<td>Difference % - FY23 to FY24</td>
<td></td>
<td>5.7%</td>
<td>-7.55%</td>
<td>-18.3%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

Average pledge FY23: $3,025 per household  
FY24: $3,077 per household  
Cost to run First Parish: $3,180 per year per Active household (467) based on FY23
Annual Campaign Results – Pledge Breakdown

Share of Households by Pledge Category

- < $500: 20%
- $500 - $999: 21%
- $1,000 - $1,999: 21%
- $2,000 - $3,999: 20%
- $4,000 - $5,999: 8%
- $6,000 - $9,999: 7%
- $10,000 - $19,999: 4%
- ≥ $20,000: 1%

Share of Total Pledges by Pledge Category

- < $500: 1%
- $500 - $999: 4%
- $1,000 - $1,999: 8%
- $2,000 - $3,999: 17%
- $4,000 - $5,999: 11%
- $6,000 - $9,999: 15%
- $10,000 - $19,999: 18%
- ≥ $20,000: 24%
Comparison of FY23 Pledging to FY24*

* Percent of total households that pledged either last year and/or this year, by pledging category

- Did Not Pledge: 16%
- Decreased Pledge: 22%
- No Change: 29%
- Increased Pledge: 27%
- New Pledge: 6%
# Annual Campaign Team

<table>
<thead>
<tr>
<th>Role</th>
<th>Volunteer(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>Alane Wallis</td>
</tr>
<tr>
<td>Communications</td>
<td>Heather Packard</td>
</tr>
<tr>
<td>Steward Captains</td>
<td>Irl Smith, Dave Ellwood, Sara Ballard, &amp; Phil D’Amico</td>
</tr>
<tr>
<td>Scribe</td>
<td>Irl Smith</td>
</tr>
<tr>
<td>Online Pledge Tracking</td>
<td>Darien Smith</td>
</tr>
<tr>
<td>Thank You Notes</td>
<td>Pledge Team</td>
</tr>
<tr>
<td>Sustaining Donor Event</td>
<td>Alane Wallis</td>
</tr>
<tr>
<td>Testimonials</td>
<td>Eric Moore, Jen Izzo, Peter Lowitt, and Meg Packard</td>
</tr>
<tr>
<td>Testimonial Coordination</td>
<td>Alane Wallis</td>
</tr>
<tr>
<td>Graphic Design</td>
<td>Tim Whitney</td>
</tr>
<tr>
<td>Staff</td>
<td>Seth Carrier-Ladd, Fifi Ball, and Liz Weber</td>
</tr>
</tbody>
</table>

thank you!
Our Current Budget
(July 2022 – June 2023)
How We are Spending Our Money

Total Budget: $1,487,092

- Worship & Congregational Life: $295,330 (20%)
- Social Action: $112,935 (7%)
- Lifespan Religious Education: $160,045 (11%)
- Music: $161,905 (11%)
- Plant & Property: $237,728 (16%)
- Administration & Operations: $218,017 (15%)
- Staff Benefits & Taxes: $193,546 (13%)
- Denominational Support: $79,786 (5%)
- Other: $27,800 (2%)
Another View

Total Budget: $1,487,092

- Staff, 1,103,556, 74%
- Plant & Property, 154,500, 10%
- Programming, 173,836, 12%
- Administration, 55,200, 4%
Where Our Money Comes From

- **Pledge Income, 940,900, 63%**
- **Other Contributions, 176,300, 12%**
- **Facility Use (incl Coan House), 40,700, 3%**
- **Trustees Income, 145,536, 10%**
- **Other, 13,670, 1%**
- **Surplus Cash, 169,986, 11%**
Next Budget: No Surplus Funds!

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- Trustees Income, 145,536, 10%
- Facility Use (incl Coan House), 40,700, 3%
- Other Contributions, 176,300, 12%
- Other, 13,670, 1%
- Surplus Cash, 169,986, 11%
Next Year’s Budget
(July 2023 – June 2024)
Our Budget Challenges

- Expenses are up but pledges are not
- Attendance is down
- No surplus funds to fill in the hole between revenue and spending ($170,000 hole to fill)
- Trustees generously contributing an additional $120,000 for the annual budget next year
- Some belt tightening in next year’s budget but nothing dramatic
  - Benefitting from some unanticipated savings as well
- Pandemic down but not out
Future Budget Challenges

• Non-pledge revenue scheduled to decline:
  • Trustees contributing an additional $120,000 in next year’s budget and $60,000 the following year
  • Simmon’s Gift includes $80,000 through FY2026

• We cannot rely on surplus funds in this or future budgets
• Overly dependent on very large pledges from a few key donors

• We will either need new revenue sources or spending reductions
• We have time to plan for this, but we cannot put it off
Next Steps

- Minister and staff preparing budget for Standing Committee review
- Standing Committee reviews and approves budget by May 23
- **Budget Information Session: May 21, 11:30 am**
  - Budget for next year will be reviewed with interested congregants
- Annual Meeting: June 11
Questions?

Don't tell me what you value, show me your budget, and I'll tell you what you value.

Joe Biden

meetville.com