

INTRODUCTION

In December of 2007, the Steering Committee for the proposed new North Houston Catholic High School retained Guidance In Giving, Inc. to conduct a feasibility study to determine the level of support and the financial potential for a major fundraising campaign to found a new high school. Mr. Michael R. Cusack, President and CEO, and Mr. Michael Newhouse, Account Executive, of Guidance In Giving, Inc. conducted this feasibility study over a 10-week period. The findings of the study form the basis of this report and the recommendations presented are based on the experience of Guidance In Giving, Inc. in Catholic school development and fundraising.

The main purpose of this Feasibility Study was to determine the level of interest and the financial potential for an area-wide capital campaign across the 12 parishes of north Harris and south Montgomery counties, in the northern suburban area of the Archdiocese of Galveston-Houston. This campaign would raise funds for a new Archdiocesan-accredited, independent Catholic high school, the first ever for the north side of the Archdiocese. The funds would provide for the following:

Purchase 35-90 acres for the new school

Build Phase I of a multi-phase campus plan, sufficient for the first ~5-10 years

Fund the school through its start up years until it reaches the ‘break even’ mark

A secondary purpose of the feasibility study was to distribute the mail survey required for the Archdiocesan Planning Guide for new schools. This survey sampled opinions regarding area demographics, reaction to the school, parental willingness to send children to the proposed school, tuition range, committee and campaign volunteers, estimated support for a capital campaign, and possible major donors. The survey also solicited general comments and feedback.

The feasibility study was primarily developed to determine the attitudes of pastors, principals, lay leaders and major donor prospects regarding the proposed project and hopeful campaign and to seek their advice on a number of important issues since these pillars are critical to the any fundraising success. Specifically, the feasibility study process was designed to accomplish the following:

- To determine the support and cooperation for a capital campaign.
- To test support for the elements of the proposed case statement.
- To develop awareness of the goals and objectives of the proposed campaign on the part of all pastors, principals, lay leaders and major gift prospects.
- To protect the committee against an ill-advised or untimely campaign.
- To formulate a plan which would be advisable and operable in consideration of the findings.

In addition to gaining insight from pastors, principals, lay leaders and major donor prospects regarding the case statement, Guidance In Giving, Inc. developed this feasibility study to determine answers to the following questions:

- Should any elements of the initial case statement should be modified or omitted?
- What are the priorities perceived by the pastors, principals, lay leaders and major donor prospects of north side parishes that should be incorporated into the school and/or campaign?
- Does the proposed case statement include everything that should be incorporated?
- Is the preliminary campaign goal of \$20,000,000 tested a reasonable yet attainable one?

Working with Ted Wandstrat, the steering committee chair, the firm finalized the interview questionnaire, direct mail questionnaire and a case statement outline. These items provided the rationale for the proposed campaign, the statement of preliminary needs, possible goal, timing and general plan.

During the feasibility study, which took place over a period of ten weeks, counsel met with every north side pastor, every north side Catholic school principal, every member of the steering committee but one, and as many major donor prospects as possible (as were provided entrée by the steering committee and who agreed to meet). Interviews began on January 11, 2008 and as of March 14 when the interviews were completed, a total of 62 individuals were interviewed including 12 pastors, 6 principals, 3 Archdiocesan staff, and 41 major donor prospects and ‘connectors.’

To gain a more complete picture of north side Catholic receptivity to the school, a direct mail questionnaire was developed and provided to the 12 north side parishes identified by the steering committee. In interviews, each pastor was asked whether they were willing to help the school by distributing the survey. All were very supportive and willing to help. While most indicated that they would send the surveys out via direct mail, the actual methods varied immensely. Some mailed the survey directly, others only mailed them to their parish school families, others only included the survey as an insert in their Sunday bulletin or made them available in their narthex, and one parish simply announced the website from the pulpit and in their

bulletin. Most parishes distributed the survey in early-to-mid-February (as requested), but some did not do so until early-to-mid-March. As of March 14, 2008, a total of 449 survey forms were returned to the parishes; another 378 were filled out online (as of March 24). That is 827 responses from 12 parishes. Five parishes generated 18 total responses or less – all parishes without schools; one of which (Christ the Redeemer) generated only 4 responses, a school-less parish that is closer to Pope John XXIII than to I-45 at 2920. Of the six parishes with Catholic schools, numbers of surveys ranged from 26 to 135 total responses (St. Mary Magdalene in Humble and Sacred Heart in Conroe turned in 134 and 135, respectively). The parish with school that returned only 26 surveys is still collecting responses (St. Martha in Kingwood). Another parish with school (St. Anne in Tomball) collected only 33 responses. The top number of responses was 218 from a school-less parish (Prince of Peace). Obviously, distribution methods, enthusiasm and response rates varied immensely. The survey should not be seen as being uniformly applied nor proportionately relevant.

It is important to note the distinction between the responses gained from the personal interviews and those received from the survey. During a personal interview, counsel is able to have a conversation with the interviewee. In this way, there is information exchanged by both parties and an education process takes place, often regarding other campaigns throughout the country in Catholic dioceses or similar school situations encountered by Guidance In Giving, Inc. In the direct mail survey, the respondents base their answers on the limited information provided in the mailing and their own experiences with their parish and, if applicable, their parish school. This is precisely why we targeted major donor prospects for interviews since this provides opportunities for ongoing cultivation of these prospects, who will hopefully become founding donors of the school.

In the following pages, the findings, evaluations and recommendations for a campaign resulting from the feasibility study are outlined. Guidance In Giving, Inc. would like to express gratitude for being invited to work with the North Houston Catholic High School steering committee. The firm is particularly appreciative to Ted Wandstrat, chair, as well as Tim Knittig and Steve Landreville who have provided valuable assistance throughout the feasibility study process.

Veni Sancti Spiritu
Come Holy Spirit and renew the face of the earth.

PASTOR/PRINCIPAL/MAJOR DONOR PROSPECT INTERVIEW & MAIL/ONLINE SURVEY RESULTS

The heart of the feasibility study is based on one-on-one interviews with pastors, principals, and major donor prospects that have been cultivated by steering committee members. While pastors and principals will provide critical leadership, credibility, and access, the major donors will provide the lion’s share of necessary funding. Since the primary concern is to establish financial feasibility and the readiness for a capital campaign, the input of major donor prospects (directly reflecting their degree of cultivation by committee members) forms the ‘bottom line’ of this study. Interviews were also an opportunity to educate these potential leaders and, as such, furthered their cultivation. The various questions asked are broken down here to give an overview of responses to assist in further cultivation. Questions posed to prospects vary slightly from those posed to pastors and principals; where applicable, these variations are noted below.

General demographic information on interviewees

Interviewee’s Occupations

Interviewees listed occupations as follows: oil & gas (13), chemicals, retired (2), business development, banking (5), physician/healthcare (3), accounting, financial services (2), attorney (2), security, construction (2), education, development, pilot; many of those interviewed are CEOs and/or business owners. The heavy concentration of occupations in the oil and gas industry has obvious ramifications on fundraising. With the industry so strong lately, it strengthens the fundraising position of the school, but also poses risks due to the volatility of the industry and high mobility of workers. There is a significant number of Louisiana oil and gas ‘ex-patriots’ who moved to north Houston in the wake of Hurricane Katrina.

Interviewee’s children at home

	Principals (6)	Committee Members (8)	Prospects (33)	Total (47)
Preschool/Kinder	2	3	10	15
1 st grade	2	1	2	5
2 nd grade	0	2	10	12
3 rd grade	0	2	8	10
4 th grade	1	3	5	9
5 th grade	1	1	13	15
6 th grade	0	3	6	9
7 th grade	2	2	10	14
8 th grade	0	0	6	6
High School	0	2	13	15
Total	8	19	83	110

1. How long have you lived on the north side of Houston?

There is remarkable longevity among those interviewed, especially given how much of the north side is considered home to highly mobile professionals. Pastors and principals likewise have long tenures, also remarkable given the youthfulness of many of the parishes and schools.

	Pastors (11*)	Principals (6)	Committee Members (8)	Prospects (33)	Total (58†)
Average Time in Area (time in position for pastors and principals)	9 years (99 years total, from 6 mos to 30 years)	6 years (34 years total, from 3 to 8 years)	18 years (142 years total, from 10 to 26 years)	14 years (408 years total for 29 prospects, from 2 to 45 years)	12.6 years Average

*does not include Fr. Sean Horrigan of Christ the Redeemer, who demurred on an extended interview

† does not include Archdiocesan staff, or Sr. Pollard

2. To what parish do you belong?*

	Pastors & Principals*	Committee & Prospects*	Mail Surveys received	Online Surveys received	Total
Christ the Good Shepherd	1	2	36	43	82
Christ the Redeemer	1	0	0†	3	4
Prince of Peace	1	0	160	57	218
<i>Sacred Heart</i>	2	1	74	58	135
<i>St. Anne</i>	2	2	17	12	33
<i>St. Anthony</i>	2	22	16	73	113
<i>St. Edward</i>	2	1	53	32	88
St. Ignatius	1	4	0§	5	10
St. James	1	0	5	5	11
<i>St. Martha</i>	2	3	0‡	21	26
<i>St. Mary Magdalene</i>	2	4	85	43	134
Sts. Simon & Jude	1	0	3∞	14	18
Other Parish	0	1	0	10	11
Non-Catholic / No Response	0	1	0	2	3
Total	18	41	449	378	886*

* does not include Archdiocesan staff or Sr. Donna (3 total interviewees).

† did not distribute the survey since the parish is closer to Pope John XXIII; an announcement was placed in the bulletin.

§ survey not yet sent out.

‡ survey sent out in early March; to be collected by March 21st.

∞ survey made available in narthex of church.

3. What organizations are you involved with?

Common interviewee responses included:

Parish Finance Council	Familia/That Man Is You	Youth Ministry/EDGE/LifeTeen
School Finance Council	Parish Sports	Catholic Daughters/CGofCW
CCE/Faith Formation	Education Council	Knights of Columbus YMCA
Adult Education	Parish Building Committee	Parish Stewardship Council
Eucharistic Adoration	Marriage Prep/Sponsor Couple	Parish Lector
Booster Club/PTO	Northwoods Catholic School	Habitat for Humanity
Auction/Gala/Golf Tournament	Diocesan Development	John Cooper School
Extraordinary Minister	New Orleans Charities	St. Pius X High School

Those interviewed were very likely to be involved in the leadership of their parishes and schools, especially on finance councils, education councils and leading fundraising efforts (galas, golf tournaments, etc.).

4. What is your initial reaction to the proposed high school?

	Pastors & Principals	Committee, Staff & Prospects	Mail Surveys received	Online Surveys received	Total
POSITIVE	18 / 100%	44/ 100%	310 / 69%	322 / 85%	694 / 78%
NEGATIVE	0	0	39 / 9%	20 / 5%	59 / 7%
UNSURE	0	0	100 / 22%	36 / 10%	136 / 15%
Total	18	44	449	378	889

Interviewees were unanimously positive and supportive on the proposed high school project. Below are some sample remarks that further illustrate their thinking.

Pastor remarks:

I am very supportive.

The north side is experiencing enormous growth.

Too many of our kids are going to Lutheran and private schools.

What about Northwoods?

There is some residual resentment over the cathedral construction.

I'm concerned that this might be a little too soon. Are the feeder schools strong enough?

Another capital campaign?!

No one disputes the great need for this school. The Woodlands is building another 6,000 homes.

Parents will be greatly concerned on how a new school will affect college admissions.

There is immense enthusiasm for this!

I have few parishioners in Catholic schools; there will be little support in my parish.

Northwoods is struggling.

*Many north side churches are in debt.
The school must compete with Klein ISD quality.
Let me know how I can help.
The project needs better order and organization.
Will this only be for wealthy kids?
Can we find any 7-figure donors?
The school should be located on I-45.
We need 3 high schools on the north side!*

Principal remarks:

*Prospective elementary parents' first question is: where do the kids go to high school?
We lose many students in middle school because parents pull them out in anticipation of sending them to
public high school. A high school will help us attract and retain more students.
This is a great thing, but too far away for parishes on 59 (same distance to St. Pius X).
The school will be hard to fund. Major gifts are hard to find.
We need a Catholic high school option! Most kids would attend a Catholic high school.
We have to have this. We have to convince the 'fence-sitters.'
People need to hear that the Cardinal supports this.
Many have been let down in the past on promises of a high school.*

Interview Prospect remarks:

*Demographics trends support this effort.
I want to support this school no matter where my kids go.
The small size of the school is a huge plus. I hate public schools with 1000+ kids per class year.
We really want this.
Our kids need a faith environment.
The support among people has reached a critical mass.
A Catholic high school will increase religious vocations.
There is no better way for the Archdiocese to spend its money than educating the young.
We are not interested in public high school for our kids.
High tuition costs are a concern.
There is some resentment over the millions spent on the cathedral.
How will this be funded?
We need a captive audience.
Founding families at St. Anthony are fatigued of always being the firsts.
People are desperate to get away from the mega-schools.
I'm really frustrated by so many false starts on this idea.*

Supporting this is a big priority to our family.
You need to incorporate the St. Anthony 7th grade families; timeline for 2010 is excellent.
The discussed location is not good for Kingwood or Humble.
It's hard to compete with established schools.
The project needs better definition and communication. Find and define a mission!
You must emphasize that there will be no financial assessments on the parishes.
This is long, long overdue.
The school must be built by 2010 or support will wither.
Buy land and donations will come.
Closer to 242 is better.
We need Christian values in high school; parents have less influence then.
I don't want my kids to be the 'guinea pigs.'
Tuition seems unaffordable.
Many think St. Pius X is run down.
Have to appeal to those who are happy with public schools, broader appeal.
You have to begin with a top-notch sports program to attract enrollment.

Survey respondent remarks:

We totally support this! Stop talking and start doing!
We want our kids to continue their Catholic education through high school.
Our area badly needs a Catholic high school; there are not enough in Houston.
Location is a big deciding factor.
Tuition is out of reach of most working families.
This is unnecessary; public schools are excellent quality – we should focus on parish CCE.
This doesn't apply to me – my kids are too old to attend.
Catholic schools are mediocre in too many ways and cannot compete with the big public schools.
This would be better than Cooper.
I would be interested in this for my grandchildren.
Hopefully this will be built soon.
This will be a better education AND Catholic.
I will only send my daughter to a Catholic high school.
I don't want our kids to be guinea pigs.
This school won't be able to compete with public school extra-curriculars and college admissions.
We're only interested if the genders are segregated.
If there's no Catholic high school built, we will be forced to send them to a non-Catholic school.
Catholic education is more important today than ever. This is money well spent.
Spread the Good News!

*This will be too far away and too expensive.
There are too many problems in the public schools.
I don't want my kids in a school with 1000 kids per grade.
We absolutely support this!...We desperately need this!
We have to pay our parishes debt first.
I don't want to pay for someone else's choice to send their kids to Catholic school.
We will move closer to wherever the school is built!
I wish we had this option when our kids were in school.
We will move from Houston if there is not a Catholic high school near us.
Public schools are free and supported by tax monies.
Everyone benefits from Catholic kids being in public schools.*

5. Among the clergy in the area, whom do you consider to be leaders that would be most supportive of North Houston Catholic High School?

Each interviewee cited their own pastor and often their former pastor. Most did not know enough about neighboring pastors to form an opinion. No pastor stood out as particularly favored. Fr. Joe Gietl of St. Edward was often mentioned. Msgr. Paul Procella, pastor of St. Mary Magdalene for 30 years and about to retire, is looked upon as a cornerstone of the north side. Fr. Tom Rafferty of St. Anthony, one of the wealthiest and highest profile parishes as well as the home parish to a large number of interviewees, was often mentioned despite being pastor on the north side for only 6 months. Fr. Hubert Kealy at Sacred Heart is especially passionate about the school. Msgr. George Sheltz, former pastor of St. Anthony who now works at the chancery downtown, is fondly remembered as the founder of St. Anthony grade school.

6. The Major Gift Phase of a capital campaign is critical to its success and will seek pledges of \$100,000 to \$1 Million and more over 3-5 years from laity, foundations, and possibly corporations. In your opinion, are there individuals/organizations in the area capable of giving at these extraordinary levels?

Interviewees answered unanimously in the affirmative to this question. No one questions that there is significant wealth and desire to make a high school happen.

7. Whom do you think would be capable of giving at those levels?

*A list of names given by interviewees is provided in an addendum;
these names have been added to the master Prospect List.*

8. Would you accept a leadership position or serve on a campaign committee?

9. Would you be willing to solicit key prospects as a part of a major gift effort?

	Pastors & Principals	Committee & Prospects	Mail Surveys	Online Surveys	Total*
Leadership position	Yes 3 No 11 U/NR 4	Yes 28 No 8 U/NR 4	Yes 92 No 195 U/NR 162	Yes 111 No 118 U/NR 149	Yes 234 No 332 U/NR 319
Campaign Committee	Yes 0 No 17 U/NR 1	Yes 25 No 11 U/NR 4	Not included on survey	Not included on survey	Yes 25 No 28 U/NR 5
Solicit Prospects	Yes 8 No 4 U/NR 6	Yes 19 No 15 U/NR 6	Not included on survey	Not included on survey	Yes 27 No 19 U/NR 12
Variant Pastor Questions	Support the High School in Parish	Yes 12 No 0 U/NR 0	4. Will you support the high school in your parish to make the campaign a success and the school a reality?		
	Organize Group in Parish	Yes 10 No 0 U/NR 2	7. Could you help organize a leadership committee in your parish?		
	Host Events	Yes 9 No 1 U/NR 2	8. Are you willing to host an event for prospective major donors in your parish?		
	Challenge Parishioners	Yes 12 No 0 U/NR 0	9. Would you be willing to challenge your parishioners to consider a gift to the best of their financial ability?		
	Speak from Pulpit	Yes 10 No 1 U/NR 1	11. Would you speak about a campaign for the new school from the pulpit?		
	Allow Lay Speakers	Yes 10 No 1 U/NR 1	12. Would you allow lay leaders in your parish to speak from the pulpit?		

* does not include Archdiocesan staff or Sr. Donna.

10. Looking at your individual situation, will you consider a major gift to a campaign to make a North Houston Catholic High School a reality?

	Committee & Prospects	Mail Surveys received*	Online Surveys received*	Total*
YES	12	139†	136	287
NO	24	159	78	261
UNSURE	5	151	164	320
TOTAL	41	449	378	868

* interviewees were asked regarding a “major gift”; survey respondents were asked merely whether they would consider a gift

† of the 139 who responded ‘yes’ to making a donation, only 53 (38%) indicated any amount whatsoever

11. What do you estimate your family could give over 3-5 years?

	Committee & Prospects	Mail Surveys received	Online Surveys received	Total*	Amount
\$1,000,000	1	0	0	1	\$1,000,000
\$500,000	1	0	0	1	\$500,000
\$250,000	2	0	0	2	\$500,000
\$100,000	8	0	0	8	\$800,000
\$75,000	3	0	0	3	\$225,000
\$50,000	3	0	1	4	\$200,000
\$30,000	0	1	1	2	\$60,000
\$25,000	7	2	3	12	\$300,000
\$15,000	0	0	1	1	\$15,000
\$10,000	4	4	6	14	\$140,000
\$5,000	5	20	22	47	\$235,000
\$2,500	0	7	15	22	\$55,000
\$1,000	0	14	26	40	\$40,000
≤ \$500	0	5	13	18	\$9,000
Total Gifts	34 (83%)	53 (12%)	88 (24%)	175 (20%)	
0 / No	0	159 (35%)	28 (7%)	187 (22%)	\$0
UNSURE / NR	7 (17%)	235 (52%)	258 (68%)	500 (58%)	\$0
Duplicate from interviewees	0	2	4	6	
Total Response	41*	449	378	862*	
TOTAL INDICATIONS	\$3,415,000 avg: \$100,441	\$254,000 avg: \$4,792	\$410,000 avg: \$4,659	\$4,079,000 avg: \$23,039	\$4,079,000 avg: \$23,039

* does not include pastors, principals or Archdiocesan staff (21 total interviewees)

There have been 12 indications of gifts greater than or equal to \$100,000. The top two indications were of \$1,000,000 and \$500,000, followed by 2 at \$250,000, and 8 at \$100,000. This breakdown highlights the reliance upon major gifts as well as the low level of participation (only 20% of respondents indicated a gift amount from a voluntary sampling that obviously self-selected those most interested in the project); more (187 or 22%) said they would not give, while 500 (58%) were unsure or undecided. A list detailing respondents and amounts is included in the addenda.

92% of the gift indications come from just 48 respondents (6%)

(those indicating \$10,000 or more for a total of \$3,740,000, average of \$77,917).

13. Who from the business/corporate community needs to be involved?

A list of names provided by interviewees and survey respondents is provided in the addenda.

14. Are there any other topics or advice you would like to mention that have not been addressed in this interview/survey?

Interviewee remarks:

It would be great to have a religious order to staff the school.

What about the Archdiocese's 90 acres across from Hooks Airport?

We must be reasonable in our expectations.

We need more committee members and greater commitment from all.

We have to establish and maintain credibility.

We can't rely on the Archdiocese to do this for us.

We need dynamic leaders, doers.

The committee needs wider representation and more communication.

We are lucky that Pope John XXIII has already blazed the trail.

We need to get our 501(3)(c) designation.

We need to get 1-2 movers and shakers from each parish involved.

We need better feedback and guidance from the diocese.

As a start-up, the school will have a lot to prove, getting up to speed, unproven academics/college.

The school must be 'branded' right.

People need to know who's in charge – publicize bios of all committee members.

The effort must get a major media kick-off.

We should approach the Legion in Rome about buying Northwoods.

The school must be run as a business.

Tie donations to tuition.

Build a strong sense of community and participation.

Leadership must clearly articulate the mission and vision of the school.

Being Catholic will discourage corporate giving.

Keep this effort in front of people with bi-weekly emails.

The presentation after masses was wonderful.

The phased approach is wise.

Maximize gift-in-kind donations.

Tap into the wealthy Mexican national group that supports Northwoods; they need a high school, too!

Top concerns of 8th graders are distance, co-ed vs. single sex, and then curriculum.

Will people put their money where their mouth is?

*This school will promote vocations.
Major donors must be recognized; get the Cardinal involved.
The Archdiocese must get involved.
The school should be in the Woodlands, not near 2920 – that will be a poor area in 20 years.
The school needs top-notch sports and extracurriculars.*

Survey respondent remarks:

*The website provides no history or background on this effort and those involved.
All the north side parishes need to be involved in this effort.
This is a waste of money. If the diocese gives to it I'll stop giving to the diocese.
We have to guarantee that the school is authentically Catholic.
Since my kids are too old, I won't support this.
The timing is not right with the recession.
I would make a donation to the school to help others that do have school age kids.
Build now before prices skyrocket!
We need to push hard to get government vouchers to help pay tuition.
Keep the tuition low.
The teachers at the school need to excel; just being Catholic won't cut it.
The school should have daily mass.
We're still paying off parish pledges.
The school should tap the wealthy Mexican immigrants for donations.
I would rather give my money to inner city Catholic schools.
The younger parishioners will have to step up to fund this.
2010 is overly ambitious.
Discussions should be had with Northwoods.
We will keep this in our prayers.
If the small Protestant groups can fund K-12 schools, surely we can too.
The school is too far south for those in Montgomery County.
We live in a sea of Protestants. We have to strengthen our kids' faith.
Build it near a major highway.
Make it co-ed.
Can the school have priests and religious teaching?
The school needs to offer a Special Needs program.*

OBSERVATIONS

Based on the data above and the scores of conversations and interviews conducted over the past 10 weeks, many critical observations and facts became apparent. In moving from information to recommendations, it is helpful to highlight some salient observations and trends.

The Archdiocese, while being careful to not get directly involved in the preliminary efforts, is overwhelmingly supportive of a Catholic high school being founded on the north side. They have had numerous meetings and correspondence with committee members and Guidance In Giving and have been consistently helpful and encouraging. When approached last year on whether the committee should wait until the conclusion of the Meitler Catholic school demographic survey, the committee was told to ‘not slow down’ because everyone in the Archdiocese was convinced that the need for a north side Catholic high school was an unavoidable conclusion (the early Meitler Study results have borne this out). Both the Archdiocese and north side pastors treat a proposed Catholic high school as a ‘given’ – it is not a matter of *WHETHER* it should or will happen, but *WHEN* it **WILL** happen.

North side pastors are unanimously positive toward a north side Catholic high school. While some are more enthusiastic than others and some are in better financial situations to contemplate a new capital funding drive, no pastor is opposed to the notion of the school or raising monies for it. This may seem somewhat insignificant, but prior efforts to build a north side Catholic high school were derailed precisely because area pastors did not feel that the time was right and they actively opposed it. Parishes on the north side have grown enormously over the past 20 years and capital campaigns to fuel that growth have been constant. While parishes continue to grow and conduct capital drives, every parish has completed its core construction (church, school, parish hall) and so is ready to give support outside itself. Every pastor was interviewed individually and ALL made efforts to distribute surveys to their parishes (some by mail at their own cost, some in their bulletins, some through their schools, and many made personal announcements from their pulpits). All pastors said they would cooperate with an area capital campaign for the school – including hosting receptions, assisting with mailings, and speaking from the pulpit. Such widespread and positive support is NOT TYPICAL. The significance of this unanimous support is enormous and its ramifications should not be ignored. In fact, pastors should continue to be actively cultivated (and thanked) as the greatest allies for this project and its ongoing success.

North side principals are eager to see a Catholic high school that is more convenient to their students. St. Pius, St. Thomas and Incarnate Word are the closest Catholic high schools to the north side, but they are 20-40 miles (30-60+ minutes) from north side parishes. As a result, most north side Catholic 8th graders opt for public or non-Catholic private high schools or they must make huge commutes. Principals bemoan the lack of a reasonable Catholic option and emphasize that their own schools lose

students as a result (either parents never enroll since there is no option after 8th grade, or parents pull their children out at some point in middle school in order to ‘prepare’ them for public high schools). Principals should also be cultivated and incorporated as much as possible in the high school project and fundraising.

North side parents are very enthusiastic for a Catholic high school. Parents of younger children are ‘chomping at the bit’ to see this project begun and are bursting at the seams in enthusiasm and excitement at the prospect of a Catholic high school in their area. The repeated refrain was “Finally!” and “We wish this would have happened years ago” and inevitably “Tell me what we can do to help.” A great deal of education and cultivation must be done, but the time is ripe to make this school a reality. Some of those interviewed have children that are too old to attend the proposed high school, and they regret that it was not there for them. Not a single parent expressed opposition to a school, but inevitably many have been forced to make their own peace with the situation as it was. Some commute long distances; some have embraced Protestant and secular private high schools; others have found the silver linings at large, public schools and emphasize the strengths of their parish’s youth programs. All, however, want to see a Catholic high school option for the future, for their children and for others, as well as for the increasing vitality of the Church on the north side.

Despite the challenges of a start-up, laity-run school that does not follow the model of most Catholic schools in the Archdiocese (run by a religious order), the north side effort is blessed to have a recent predecessor in Pope John XXIII High School in Katy. Pope John XXIII blazed the trail and broke the mold and the north side effort can benefit immensely from studying their experiences and learning from their successes and struggles. Pope John XXIII also generated its own complement of communications, planning documents and publicity materials. The north side effort can learn from and build upon it all. Unlike Pope John XXIII, which has no Catholic feeder schools in its immediate area, a north side Catholic school has a network of 7 well-established and thriving Catholic schools with over 2,100 students and 200 graduating 8th graders each year. Attached to 6 of these schools are parishes that appreciate the value of Catholic education and pastors that put considerable time and funding into them. There is little need to convince anyone of the value of Catholic education. The time is indeed ripe.

After only 10 weeks of effort, the feasibility has found universal demand, unanimous support, and very significant financial support. This is incredibly positive news. Twelve donors have indicated that they would consider gifts of \$100,000+ to a proposed school that has no site purchased and no official Archdiocesan approvals. Many north side pastors expressed some skepticism because they have never received a 6-figure gift, despite being in their parishes for decades with multiple capital projects. But we have found 12 in just 10 weeks! This does not lessen the work that is still to be done or the many gifts that still need to be found, but it is a great vote of confidence that the committee should appreciate and celebrate.

RECOMMENDATIONS TO THE COMMITTEE

Now that we have completed the Feasibility Study Report, Guidance In Giving, Inc. feels confident that we have the information necessary to make recommendations to the North Houston Catholic High School steering committee. While there are always concerns regarding economic conditions and the preliminary case statement has to be finalized, we are convinced the North Houston Catholic High School steering committee has the potential to have a very successful capital campaign in the near future. We recommend the committee begin laying the groundwork for a capital campaign immediately.

- ✚ Increase the size of the steering committee, particularly in regards to strong, effective leadership, parish representation and major donors; this should include those who can drive the project to success while building bridges among inevitably conflicting views, those who can bring the necessary expertise in required fields (financing, construction, education, etc.), 6-and-7-figure givers (who can speak to and inspire same), connectors within each major supporting parish (who can act as ‘point men’ in their parishes and bring with them credibility and weight), and a chaplain
- ✚ Actively cultivate all pastors and principals, keep them informed, and incorporate to the degree that they are interested and available; do similar for all indicated donors, especially \$10k+
- ✚ Establish structure and organization within the committee that will empower and measure its progress; establish a structure and organization below the committee level that will allow maximum tie-in for volunteers and donors and manage same
- ✚ Incorporate as a group and obtain 501(c)(3) status
- ✚ Continue cultivation of major donor prospects, with a view toward uncovering necessary 7-figure cornerstone gifts; begin cultivation of foundation contacts; of the 250+ contacts on the prospect list generated by committee networking from just 4 parishes, only ~25% have been cultivated to any appreciable degree. The remaining ~185 contacts need to be cultivated and the prospect list needs to be greatly expanded as committee representation increases. As the requisite ~\$5 million+ from 7-figure givers is being identified, the rest of the prospect list should be cultivated with a view toward finding another ~\$2 million from additional \$100k+ donors. This would bring indicated gifts to over \$10 million, \$5 million from 7-figure givers and \$5 million from 6-figure givers.
- ✚ Develop a full panoply of publicity and educational materials that can be used in an intensive “public relations” campaign; such a campaign will lay an invaluable foundation for the eventual capital campaign

- ✦ Launch a tightly focused, intensive 3-4 month “public relations” campaign to disseminate quality information about the proposed school and an invitation for all to become involved; this must be done in a consistent and professional and timely manner to maximize momentum and build toward the capital campaign; at the end of 3 months, there should not be a single parish leader, volunteer, or major donor that has not learned firsthand from a committee member or volunteer about the project; the survey mailing has begun to create momentum and a low-level ‘buzz’ about the project; this should be capitalized upon with a thorough and deliberate information campaign to get everyone on ‘the same page’ and to maximize buy-in from major donor prospects; the information campaign should emphasize the need for major founding donors (\$100k+ and especially \$1M+) it should culminate in a few organizational meetings where those interested can volunteer and get tied into the committee/volunteer structure

- ✦ Fulfill all Archdiocesan requirements regarding Planning Study, demographics, cost projections, curriculum, financing, personnel, et al. and empower leaders and sub-committees over each area

- ✦ Give serious consideration (with Archdiocesan counsel) to purchasing a parcel of land with monies from a small number of top donors to further concretize the project in the minds of future donors as the time for a capital campaign approaches; at a cost of ~\$5 million, this must necessarily wait upon the identification of more 7-figure donors, but it is a high priority item prior to the launch of a public capital campaign

With these pieces in place, the committee will be able to get Archdiocesan approval and the green light for a capital campaign. Obviously, the critical pieces are the 7-figure cornerstone gifts and fulfilling Archdiocesan requirements laid out in the Planning Guide. Once funding and the Guide are in place, land can be purchased (or optioned) and a capital campaign can be launched with full confidence in its success.

This recommendation to move forward is based on conducting successful school campaigns for the past 29 years and the fact that we have recently completed other school campaigns. Over the years, we have found that in great economic times, with strong leadership, enthusiastic support from the clergy and laity, and a good case, it is easy to achieve the campaign potential and surpass the goal significantly. On the other side of the coin, in a tough economic climate, with mixed support and a developing case, we have still achieved significant results in school efforts. The North Houston Catholic High School steering committee is overwhelmingly blessed with the former situation. It is up to the committee to provide the necessary strength and leadership to bring it all together. We have experienced that when Catholics are educated about a legitimate need of the Church and are called by respected leaders and clergy, they will support the work of the Church to the best of their financial ability. In great economic times the gifts will be larger and in tougher times they will be smaller, but they will give and do so with great commitment and gladness!

As we began this Feasibility Study, we were informed that the committee estimated the cost of Phase I land and construction to be approximately \$20,000,000. Looking at the feeder parishes in the north, there are a number of factors to consider when making a preliminary analysis of financial potential in the parishes if they are asked to conduct a full-scale capital campaign to build a new Catholic high school. One "rule of thumb" is that a new school should be able to raise one times the annual offertory income of the feeder parishes over a period of 48 to 60 months. The 2007 annual offertory income in these 11 feeder parishes is ~\$19,450,000 (Christ the Redeemer on Highway 290 is not included since it is closer to Pope John XXIII High School in Katy). Therefore, raising this amount in new funds over the next 4-5 years is feasible with a successful effort challenging every Catholic household to consider a sacrificial gift to the best of their financial ability. However, unlike parish campaigns that can expect a 30% to 40% household participation rate, a school campaign will inspire a MUCH lower participation rate and will therefore rely on major gifts to reach its goal. As outlined in the Chart of Standards provided to the committee in January, the top ~50 gifts will have to account for over 50% of the total raised. During the study, some Catholics gave counsel an indication of what financial gift they would consider. Those responses are detailed above and they give a very encouraging sampling of Catholic giving on the north side.

Parish	Sample Weekly Collection	Annual Offertory (2007)
Christ the Good Shepherd	\$39,705	\$1,790,000
Prince of Peace – Houston	\$62,230	\$3,180,000
Sacred Heart – Conroe	\$27,516	\$1,280,000
St. Anne – Tomball	\$17,361	\$860,000
St. Anthony of Padua – The Woodlands	\$52,692	\$2,700,000
St. Edward the Confessor – Spring	\$25,579	\$1,220,000
St. Ignatius of Loyola – Spring	\$42,677	\$2,040,000
St. James the Apostle – Spring	\$14,385	\$730,000
St. Martha – Kingwood	\$54,490	\$2,670,000
St. Mary Magdalene – Humble	\$28,980	\$1,460,000
Sts. Simon & Jude – The Woodlands	\$30,773	\$1,520,000
Total		\$19,450,000

Based on our findings in this Feasibility Study, Guidance In Giving, Inc. recommends that the North Houston Catholic High School steering committee proceed with preparation for a capital campaign to raise \$20,000,000 to launch the new school as soon as \$10,000,000 in Lead Gifts (exclusive of foundation gifts) is indicated and all Archdiocesan approvals are received. This would theoretically entail every parish raising their annual offertory income in new funds over a

period of 4 – 5 years. It requires the cultivation of a few \$1 million+ donors, only one of which has been found. Additionally, we would set a minimum goal of raising \$12,000,000 from major gifts (\$100,000+) and are confident this can be achieved with proper and intensive major donor prospect cultivation over the next several months.

Since this would be the founding campaign for the first ever north Houston Catholic high school, it must be successful. Timing must not be dictated by any artificial deadline or the needs of a small coterie of parents or donors, but by the strength of the case and its implementation. This campaign will set the stage for the future. Also, there is very special appeal to such a new and unique project. This appeal must be capitalized upon to maximum effect with major donors, pastors, foundations, parishes, feeder schools, and the public. Pastors and laity must be confident that a solid plan is being followed and that proper leadership is implementing it. Since this will be a lay-run school, issues of credibility will be more acute versus an order- or diocesan-run school. When the school embarks on future campaigns, this initial campaign will set the precedent for their successes or failures. Those involved with this initial effort must confidently raise the necessary funding and set the trajectory for school's ongoing success.

While a \$20,000,000 goal may not enable the school to address every conceivable financial challenge it faces, it will set the tone for future development efforts and show the community that they can be successful in launching such a successful effort. However, as in any school campaign conducted by the firm, the total amount raised at the conclusion of the campaign will be the highest potential amount that could be raised, whether the initial goal is \$15 million or \$25 million. The key is to give each and every Catholic household the opportunity to listen to the case being presented, have their questions answered, and at the appropriate time, ask them to consider a gift to the best of their financial ability after reflection and prayer. With this being done, we feel confident a capital campaign for the school has the potential to achieve and surpass a goal of \$20,000,000 if proper preparation is made. As 7-figure donors are cultivated and additional 6-figure prospects are interviewed, their indications will give the best data for determining the eventual goal. While we recommend that a campaign wait until a minimum of \$10 million in indications is uncovered, such indications might snowball and exceed that goal. Similarly, preliminary foundation cultivation might reveal a much greater funding potential from area and national foundations. The determining factor for a capital campaign timeline should be such successful cultivation.

Those with the ability to consider gifts of \$100,000 obviously have no history of supporting the school, nor have they been cultivated to consider gifts of this magnitude. We were successful during this Feasibility Study in meeting with some Catholics who will consider leadership commitments. Their cultivation must continue with ongoing education, clear communication, and invitations and encouragement to get involved as they are able in a positive, well-run organization. With the right organization and strong major donors enlisted as leaders, we are confident that sufficient major gifts can be cultivated.

To be successful in implementing a successful capital campaign, a number of steps must be completed. Guidance In Giving, Inc. recommends the following course of action to begin a successful campaign effort:

- 1) Major donor prospect cultivation and integration into committee leadership must follow a clear and goal-oriented plan. Archdiocesan approval and the launch of a successful capital campaign are dependent upon the timely identification of at least an additional \$5 million in leadership gifts. Ideally, this will not include foundation gifts. It would be advantageous to create a fundraising sub-committee to spearhead these efforts, charged with identifying total major gift indications of \$10 million in order to receive the green light for a capital campaign. In seeking the requisite \$20 million for Phase I of the school, it is tempting to work backward from that number and calculate the bare minimum necessary to go forward with financing and launch the school as soon as possible. Rather, the goal should always be to capitalize on the unique appeal of the project and to maximize all giving from all quarters in order to make the campaign and the school as successful as possible. Committee representation must be expanded, cornerstone donors (\$1M+) incorporated, 6 figure donors continued to be cultivated and 501(c)(3) status obtained.
- 2) Launch a coordinated information campaign to spread the word about the school as far and as wide as possible. This has multiple purposes: spreading good information, combating misconceptions, increasing excitement and support, building momentum, cultivating donors, finding major donors, procuring volunteers and committee members, and increasing good will toward the project. The information campaign should end with several organizational nights for interested volunteers.
- 3) The committee should maintain ongoing communication with the Archdiocese and area pastors and principals and indicated donors. Not only is Archdiocesan approval necessary, but the good will and support of all are critical to successful fundraising and student recruitment. The Planning Guide must be fully developed. The committee is blessed to have Pope John XXIII materials and the Meitler Study at their disposal. The committee must be expanded to include people with the necessary abilities and commitment to address and develop the required areas of the Guide as well as parish representation and major donor networking. As it grows, the committee must develop a governance structure that will enable it to empower these various groups and people while steadily moving the project forward.
- 4) Due to the need for further prospect cultivation, non-profit designation, and Archdiocesan approvals, a capital campaign cannot be launched until August 2008 at the earliest and probably not until 2009. The committee should then plan on an 8 to 12 month campaign. With sufficient major donor cultivation and tie-in on the committee, the campaign would begin with a 'quiet phase' including area-wide major prospect dinners featuring host pastors, community leaders and the

Cardinal. Every parish and grade school would also participate in the campaign covering three phases: Leadership Gifts from individual major donors, Special Gifts in the parishes through a series of receptions and personal contact, and a General Gifts parish program challenging each and every Catholic household to consider a gift to this historic effort.

- 5) The committee should begin cultivation of foundation contacts as soon as possible. Once approvals are in place and the campaign begins and land is optioned, grant proposals should be submitted immediately. A list of foundations that fund area Catholic endeavors is attached as an addendum to this report. The school will also qualify for national grants. Retaining a professional, qualified grant writer will pay for itself many, many times over and is strongly encouraged. The appeal to foundations of funding the founding of a brand new school in a previously un-served area is immense, but most will not give to it after it is built. Given proper time and resources and expertise and cultivation, foundation giving could reach \$5 million or more.
- 6) The committee, in conversation with the Archdiocese, should continue to talk about naming and memorial opportunities for the new school. In such an historic endeavor, there will be many unique opportunities for memorials and these can go far to generate and maximize cornerstone gifts. Land parcels should continue to be pursued, also with Archdiocesan collaboration.
- 7) To assist with the campaign, professional counsel with experience in Catholic school efforts should be retained to help design and implement all phases of the campaign. The director of the campaign should work closely with the committee, pastors, principals, lay leaders, Cardinal DiNardo, and the Archdiocesan Development office in conducting the entire campaign. Among their duties and would be developing a successful plan for each parish to achieve its potential, conduct receptions and follow-up, train parish leadership and volunteers, conduct meetings as necessary and manage the campaign on a daily basis.

CONCLUDING REMARKS

This completes the Feasibility Study conducted by Guidance In Giving, Inc. for the North Houston Catholic High School steering committee. The firm hopes that these recommendations will be helpful in charting a successful capital campaign and we thank you for giving us the opportunity to be of assistance. These findings reflect the opinions expressed by 62 people personally interviewed and 821 who returned the mail/online survey. More surveys continue to be collected and we expect total response to exceed 1,000, which is phenomenal. We are confident that our data and conclusions reflect the general sentiments of north side Catholics and that our recommendations can be instrumental in launching a successful fundraising campaign.

Guidance In Giving, Inc. believes that there is a substantial financial potential for a \$20,000,000 campaign. With strong leadership and smart preparations, the potential exists to raise even more. To achieve the full potential will take extraordinary effort and perseverance, generous response, enthusiastic involvement and an optimistic atmosphere. The program outlined in this report is challenging but necessary.

It is a privilege to serve the Church by conducting this feasibility study for the North Houston Catholic High School. Mr. Michael R. Cusack, President and CEO, and Mr. Michael Newhouse, Account Executive, found the respondents to be receptive to our inquiries, candid in their responses and committed and enthusiastic in providing meaningful input and support.

It was a pleasure and honor for Guidance In Giving, Inc. to work with such committed people and we stand ready to provide assistance with implementing these recommendations into a successful plan of action. Our mission is to help you further your mission, that Christ may increase. Thank you for giving us the opportunity to do that.

In Christ our Lord

Easter 2008

