Mission Procure Office
Overview
20 February 2015
XV General Cenacle

The past four-year period (FY2011-2014) saw significant changes in the Mission Procure Office (MPO), including the elimination of more than one-third of full-time staff positions in a major reorganization. There are currently 9 full-time and 2 part-time lay employees.

Another major change came in July 2014 when Stephen Giorno, S.T. took over as Mission Procurator from Domingo Rodriguez, S.T. Shortly after, he was also given the internal role of Director of Mission Advancement to foster collaboration and consistency of messaging between the MPO, the Communications Office and, to some extent, the Vocation Ministries of the Congregation. Each ministry shares a common aim: to advance the mission of the Missionary Servants by raising funds, by promoting the Congregation in the media, or by recruiting men to become Missionary Servants.

The idea comes from institutions of higher education, where the offices of fund development, communications/media relations, and alumni relations work together under the umbrella of "Institutional Advancement." In recent years, religious orders have begun to reorganize in a similar fashion under the name "Mission Advancement." In these cases, the vocation ministry takes the place of alumni relations.

Declining Income

Unfortunately, the trend of diminishing income that began in the wake of the "Great Recession of 2008" has continued. Total income over the past four years was down 26% compared to the previous four years. Unrestricted bequests dropped by 41% and other income dropped by 19%. This downward trend is not unique to Trinity Missions. Research by *Giving USA Foundation* shows that, while in the past it has taken an average of three to four years once a recession has ended for charitable giving to rise back to pre-recession levels, since the recession of 2007-2009 was one of the worst in recent times, the charitable sector has not rebounded as quickly as in the past. They estimate that giving will not reach pre-recession levels until at least 2018.

In light of this scenario, we took several measures to significantly lower expenses to offset the drop in income, and expenses decreased by 15% compared to the previous four year period. Most of the savings were realized by dropping direct mail efforts to acquire new donors. Those mailings cost more than they initially bring in, resulting in a net loss.

As noted in past reports, for at least the past two decades bequests have accounted for the majority of unrestricted capital transfers, with the percentage growing exponentially in more recent years. Bequests were impacted as well by the "Great Recession." Not only did the number of bequest gifts decline, but the total value of estates, and therefore in some cases, the amount left to charity, were down as well. Experts in the field report that bequests are on their way back, and should be fully recovered by the end of 2016.

The decline in bequests during this four year period had a direct effect on unrestricted capital transfers to the TGO, which amounted to $5,875,000 (approximately $1.5 million average per year) compared to $9,050,000 (approximately $2.3 million average per year) during the previous four-year period, a decline of 35%. Other (restricted) transfers to the TGO were also down by 45%.

Declining Donor Base

Another negative trend is the decline in the number of active donors. The drop in income during this period forced us to abandon our 5-year aggressive growth plan, started in FY2008, to double the size of our active donor base. Subsequently this has led to a decline in the size of the active donor base, since current efforts do not come near covering the rate of attrition each year. At the end of FY07, before implementing our growth strategy, the number of donors who made a gift that year was 112,100. Even though the aggressive growth plan was cut short, by the end of FY10 the active file had grown more than 25% to 142,103. By the end of FY14 the number of active donors had shrunk to a low of 85,529, almost 25% less than seven years earlier, and 40% less than at the end of FY10. On the positive side, though, the donors who are still active are making larger gifts, a positive metric.

According to our list brokers, we are not alone in this decline of active donors, and, in fact, are doing well compared to similar Catholic organizations. For instance, other Catholic charities with large donor bases similar to ours saw declines in the size of their donor lists ranging from 25% to 77% since 2007. What this means for the future is that the size of available Catholic donor lists is shrinking, and there is no evidence that the trend will be reversed in the foreseeable future.

Our Response

In response to these trends, we have been continuing our efforts begun in 2005 to position the MPO to move beyond the traditional direct mail fundraising program to focus more attention on cultivating potential major donors and on new channels for raising funds. During FY13 and FY14 -- and continuing into the current fiscal year -- we have focused on five specific long-term objectives:

1. **Prepare for the eventual transformation of fundraising from primarily mail to primarily digital.** While we believe that direct mail will be part of any fundraising program for many years to come, we recognize the need to diversify in the digital age. Over the past four years we have invested a significant amount of money and staff resources to this effort. In this area, in particular, there is a need for more collaborative efforts with other departments. This is the age of high-speed information. In order to remain relevant we must be able to share news of our good works in a quick yet cohesive manner.

   Several initiatives have moved us forward on this long-term objective:

   a. E-mail Marketing/Fundraising: The e-mail list has grown from 11,000 to nearly 90,000 (85,000 English and 4,500 Spanish). Income from online fundraising over the past four years was $133,000, with significant growth each year. While it represents a negligible percentage of overall funds raised, it is nonetheless a positive trend.

b. Website: The website was revamped in 2011, and included a mirror site in Spanish. Content updates are made almost weekly. To keep up with changing trends, we are planning another revamp in FY16.

c. Social Media: We launched two Facebook pages in July 2013: Trinity Missions-Missionary Servants of the Most Holy Trinity **and** Misiones Trinitarias-Siervos Misioneros de la Santísima Trinidad. While we cannot track subsequent donations by Facebook supporters, this effort is helping to reach a wider audience of potential donors. Particularly in the Spanish page, the age demographic of supporters trends much lower than our average donor. We have a limited presence on Twitter and Instagram at this time.

d. Other digital efforts: We have moved into video production, podcasts, and virtual and interactive activities for donors and prospective donors. For major campaigns, we have begun using an integrated multimedia approach, which includes phone calls, e-mails with links to videos, social media and direct mail.

2. **Expand our presence among Spanish-speaking donors.** As noted in our report for the XIV General Cenacle, the Spanish-language Direct Mail program was dropped for financial reasons, although the donors acquired through that effort continue to be included in our regular mailings. Our current outreach in Spanish is primarily digital, as noted above.

   With the help of Francisco Valdovinos, S.T., we have had success with major gift fundraising among Latino immigrants in the Compton, California, area. We believe this is an effort with potential for our other U.S. missions serving Hispanics.

   The initiative to begin a fundraising effort in Latin America, which began in 2008, has not been successful. The MPO has no plans to pursue this initiative at this time, although we remain available to help should the next General Council decide to move forward with it.

3. **Take advantage of our current donor base to increase bequest revenue.** Given the age of our donor base (the majority estimated to be in the 70's-80's), we are taking pro-active steps to identify and cultivate donors to remember the Missionary Servants in their estate plans. These include:

   a. Ramped up Planned giving section of website, with links to professional articles; include planned giving information in every quarterly e-bulletin and on social media (in English).

   b. Through focused mailings and other contacts to targeted segments of the donor base during the past four-year period, we increased by 180% the number of "expectancies" -- donors who have told us we are in their estate plans -- compared to the previous four-year period. They are put on a track to receive special attention.

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4. **Increase net revenue from direct marketing effort.** It is difficult to compare net revenue from direct marketing for multiple years because of changes in quantities mailed, the number of mailings, etc. However, we can report success from focused efforts in FY14 (and continuing into the current fiscal year). Net revenue from mailings to the donor list increased by almost $200,000, or 16% in FY14 compared to FY13. The database we have been using since 2002 provides a multitude of reports to track results and trends. Since the direct mail program accounts for such a significant part of income, we constantly monitor the results of all mailings and make changes as needed.

   There are a few areas of concern as we look to the future of this program, namely:

   a. Costs, including postage, continue to steadily rise while income remains basically flat or down. This reality, combined with the relatively small donation size (compared to major gifts and bequests), means there is not much leverage to improve the bottom line in direct mail.

   b. In the past 12 years, the annual attrition rate (donors lost as a percentage of the active file) has steadily increased from a low of 40% to the current rate of 60%. Because of budget concerns, our acquisition program has been cut back significantly, allowing only a portion of the donors lost in any given year to be replaced with new donors. This trend has negative implications for future income not only from direct mail but from bequests and major gifts, as well; until the online effort grows enough to replace direct mail as the main source of prospects for bequests and major gifts, these will continue to come through the direct mail program.

   c. Participation in monthly giving programs (Foster Parent, Mission of the Month Club) has been trending downward for many years, to the point that there are now fewer than 1,500 donors in these programs. They are, however, among our best donors. In the most recent four-year period, donations to the monthly programs amounted to $1,441,714, compared to $2,131,889 in the previous period, a decline of 32%. It continues to be a high priority to find new members for these programs, although to date we have not found a successful formula.

5. **Expand outreach to major donors and special interest groups.** Several initiatives fall under this objective, including:

   a. Alumni: The MPO began reaching out to former STs and seminarians in 2007. Since then, we have planned and executed three reunions and have an ongoing communication plan for this group. In FY06, before the first appeal was mailed, this group that has been identified as "alumni" made donations of just over $10,000. In the previous four-year period, donations totaled $143,000; in the most recent four years, the total increased by 178% to $398,510. We are grateful for all the STs who have helped us cultivate this important constituency.

b. Private Foundations: This is a new avenue of fundraising for the MPO. The first grant from a foundation was solicited in 2011. Since that time, we have received a total of $174,775 in grants; of that amount, $30,275 was considered "restricted" since they benefited projects outside the scope of the annual budgets.

c. Major Donors: A concerted effort has been made since 2010 to identify, cultivate and solicit donors for major gifts ($2,500+). The current four-year period generated $1,384,825 in gifts of $2,500 or more (not including bequests and annuities). This represents an increase of just over $500,000 -- or 46% -- over the previous four-year period. We are grateful to Dennis Berry, S.T., who served as the MPO liaison for many of these donors between 2012 and 2014. Major donors continue to be a priority for the MPO, especially now that the Mission Procurator is available full-time.

Advancing the Mission: Inter-departmental Collaboration

As mentioned in the introduction of this report, the goal of a unified "mission advancement" model is to foster collaboration and consistency of messaging within an institution. Currently there is little or no collaboration between the Mission Procure Office, the Communications Office and the Vocation Ministries. We believe that implementing a strategic, integrated approach to all ministries with an outreach to the public would be very beneficial to the Congregation.

In summary, while the staff of the MPO works diligently to keep up with changes, innovations and trends in the fundraising industry in order to raise more net funds, income has been declining and the donor base has been diminishing. Bequest income continues to play a significant role in the amount of unrestricted capital transfers available each year. We have identified five long-term objectives for responding to the situation, and are focusing our annual goals and strategies, budgets and staff resources on them.

Stephen Giorno, S.T.
Mission Procurator/Director of Mission Advancement

Patricia A. Regan, CFRE
Executive Director of Development

Addendum as follows

ADDENDUM A: Breakdown of Income and Expenses

Income Sources	FY 2006-2010	FY2011-2015	Difference
Online Donations	$ -	$ 133,107	$ 133,107
Monthly Giving	$ 2,131,742	$ 1,441,354	$ (690,388)
Spiritual Enrollments	$ 4,425,253	$ 5,073,525	$ 648,272
Christmas/Easter	$ 3,272,222	$ 1,951,981	$ (1,320,241)
Appeals for Seminarians	$ 1,147,191	$ 651,743	$ (495,448)
Newsletter	$ 127,985	$ 222,134	$ 94,149
Other Direct Mail Appeals	$ 1,854,431	$ 981,917	$ (872,514)
List Rental Revenue	$ 48,914	$ 344,282	$ 295,368
Direct Mail Program	**$ 13,007,738**	**$ 10,800,043**	**$ (2,207,695)**
Unrestricted Bequests	**$ 9,228,464**	**$ 5,435,433**	**$ (3,793,031)**
General Donations	$ 1,012,858	$ 1,395,994	$ 383,136
Grants	$ -	$ 144,500	$ 144,500
Planned Giving	$ 173,207	$ 170,165	$ (3,042)
Mission Collections	$ 8,343	$ 37,884	$ 29,541
Other Unrestricted Income	**$ 1,194,408**	**$ 1,748,543**	**$ 554,135**
Restricted Gifts/Grants	$ 979,029	$ 1,228,816	$ 249,787
Mass Stipends	$ 76,773	$ 51,708	$ (25,065)
Mission Burses	$ 75,289	$ 468,812	$ 393,523
Education Burses	$ 2,043,731	$ 56,693	$ (1,987,038)
Annuity Contracts	$ 730,500	$ 329,981	$ (400,519)
Total Restricted Income	**$ 3,905,322**	**$ 2,136,010**	**$ (1,769,312)**
Total Income	**$ 27,335,932**	**$ 20,120,029**	**$ (7,215,903)**

ADDENDUM A: Breakdown of Income and Expenses

Expense Categories	**FY 2006-2010**	**FY2011-2015**	**Difference**
Salaries & Benefits	$ 3,336,632	$ 3,229,173	$ (107,459)
Employee Incentive Programs	$ 18,027	$ 11,258	$ (6,769)
Outsourced Data Entry/Caging/Acks	$ 48,727	$ 146,504	$ 97,777
Professional Fees & Services	$ 905,559	$ 1,118,027	$ 212,468
Staff and Consultants	**$ 4,308,945**	**$ 4,504,962**	**$ 196,017**
Postage	$ 3,065,817	$ 2,232,028	$ (833,789)
List Rental	$ 483,991	$ 257,458	$ (226,533)
Online Marketing	$ -	$ 188,509	$ 188,509
Printing, Artwork	$ 286,931	$ 157,347	$ (129,584)
Outside Services	$ 5,404,937	$ 4,101,309	$ (1,303,628)
Fundraising	**$ 9,241,676**	**$ 6,936,651**	**$ (2,305,025)**
Professional Conferences	$ 27,591	$ 42,738	$ 15,147
Other Professional Development	$ 16,196	$ 24,672	$ 8,476
Publications	$ 7,933	$ 5,525	$ (2,408)
Membership Dues	$ 16,780	$ 14,055	$ (2,725)
Employee Development	**$ 68,500**	**$ 86,990**	**$ 18,490**
Donor Visits & Special Events	$ 25,811	$ 49,257	$ 23,446
Other Travel	$ 49,356	$ 26,658	$ (22,698)
Company Automobile	$ 10,955	$ 7,313	$ (3,642)
Travel	**$ 86,122**	**$ 83,228**	**$ (2,894)**
Stipends to STs (Novena Masses)	$ 9,800	$ 9,800	$ -
Stipends to STs (Mission of the Month Club)	$ 8,770	$ 5,000	$ (3,770)
Other Goodwill	$ 18,597	$ 16,459	$ (2,138)
Goodwill	**$ 37,167**	**$ 31,259**	**$ (5,908)**
Occupancy	$ 344,882	$ 285,887	$ (58,995)
Online Software Subscriptions	$ 12,589	$ 24,496	$ 11,907

ADDENDUM A: Breakdown of Income and Expenses

Advertising	$	6,196	$	1,621	$	(4,575)
Armored Car Pickup	$	14,569	$	-	$	(14,569)
Office/Computer Supplies	$	58,847	$	26,167	$	(32,680)
Telephone	$	57,466	$	72,961	$	15,495
Equipment Maintenance/Rental	$	15,624	$	40,759	$	25,135
Bank Fees	$	109,625	$	95,319	$	(14,306)
Misc	$	14,941	$	9,890	$	(5,051)
Office Operations	**$**	**634,739**	**$**	**557,100**	**$**	**(77,639)**
Total Expenses	**$**	**14,377,149**	**$**	**12,200,190**	**$**	**(2,176,959)**
Capital Transfers	**$**	**9,050,000**	**$**	**5,875,000**	**$**	**(3,175,000)**
Total Restricted Transfers	**$**	**3,905,322**	**$**	**2,136,010**	**$**	**(1,769,312)**
Total Outlays	**$**	**27,332,471**	**$**	**20,211,200**	**$**	**(7,121,271)**