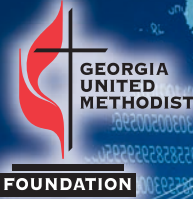


Faith & Money



Faith-Based Financial Solutions for Investing, Lending, Training, and Planned Giving

The RUMC Foundation Endowments Create a Lasting Legacy that Stand the Test of Time

In 1991, several of the church members at Roswell United Methodist Church (RUMC) in Roswell had the foresight to establish the RUMC Foundation, Inc. (RUMCF). This separate 501(c)(3) nonprofit helps church members create endowments to support causes close to their hearts. Grants from these endowments touch people at every age and life stage, enable missionary work around the corner and the world, and improve church facilities.

The Georgia United Methodist Foundation (GUMF) has been RUMCF's institutional investment partner for over 20 years. We sat down with Executive Director Elizabeth Hamilton and incoming 2022 Board Chairman Brook Scardina to learn more about how their 45+ endowments and investment process works.

Q: What is RUMCF's purpose and mission?

Hamilton: The RUMC Foundation operates to influence the spiritual and moral welfare of its supporters and the advancement of the Gospel of Jesus Christ in accordance with the doctrine and beliefs of The United Methodist Church. In essence, the RUMC



Left to right: RUMC Foundation Executive Director Elizabeth Hamilton and Chairman Brook Scardina.

Foundation's mission is to serve God's work through investments.

Q: Why are endowments important to the church and its outreach programs?

Hamilton: As we move through the generations and time, we don't know what will come of the way we worship in 10, 20, 50, 100, or 500 years from now. However, through the COVID-19 pandemic, we learned that the world has become more virtual. Our ways and costs of serving God's work evolve and change. Baby boomers and millennials are our largest generations as of now. Typically, major gifts are made by those over the age of 55. As Generation X approaches this age, there may be a financial gap in the timeline due to there not being enough in this population to fill the baby boomers'

shoes. Therefore, establishing endowments today is so important to support the future of missions, church budgets, and more. Endowments stand the test of time.

Q: How does the endowment process at RUMCF work?

Hamilton: Endowments are established through the generosity of a donor's financial gift. Their gift is then invested, where the earnings are distributed as annual grants. A gift from an

individual donor or a group of donors cumulatively needs to meet the \$25,000 minimum requirement to initiate the investment. This initial investment amount can be given at once or over time. Gifts can be made as stock, real estate, cash, 401(k) transfers, etc. Often gifts are motivated by the IRS's required minimum distribution or from the finalization of one's giving as noted in a will. Sunday school classes have accumulated their giving, and generations within a family have created endowments in honor or memory of a family member. The RUMC Foundation partners with GUMF, which invests the funds for the greatest sustainable return. Learn more at www.rumcf.org/endowmentsexplained.

Cover story continued on page 5

IN THIS ISSUE: WINTER 2022

- 2 Don't Bury Your Talents!
- 2 GUMF Solutions
- 2 Investment Fund Performance
- 3 Georgia Methodists Have Been Trusting GUMF's Financial Solutions for 40+ Years
- 3 Why Choose GUMF for Your Loan
- 4 Refinance and Other Strategies Ensure Centerville UMC's Financial Success
- 5 The RUMC Foundation Endowments Continued
- 6 Making a Social Impact via ESG Investing

Don't Bury Your Talents!



By **Mathew A. Pinson**,
GUMF President and CEO

Someone recently asked what has surprised me most about my work at the Georgia United Methodist Foundation. At first, I wanted to share what has inspired me. But, the more I reflected on the word, surprised, the more I came to appreciate the question. So, what has surprised me?

I have been surprised by how differently people think about their personal investments versus investments intended to elevate and advance the ministries and mission of the church. Interestingly, we as individuals often think of our personal investments with an eye toward a longer time horizon and maximum returns, while at the same time thinking about the church's investment funds with a much shorter time horizon — seeking to protect the funds from any possibility of loss. These conversations remind me of the important lesson in the Parable of the Talents (Matthew 25:14-30) where we are challenged not to bury our talents, as we seek to be good stewards of all that God entrusts to us.

I hope that you are inspired to reflect on practices of Christian stewardship, which necessarily involves reflecting on how we approach our personal finances and the task of caring for funds that are in the care of the church. May we all be found faithful!

Please reach out if we at the Foundation can help you, your church, or your organization as you endeavor to be a faithful steward of the financial resources entrusted by God.

GUMF Solutions for Churches and Agencies

Institutional Investments

In partnership with Wespath Institutional Investments, we help churches and agencies manage and grow invested funds through socially responsible and sustainable investing.

Investment Funds	Quarter	1 Year	3-Year Average	5-Year Average
U.S. Equity Fund	6.50%	19.02%	25.36%	17.38%
International Equity Fund	0.08%	3.94%	16.61%	12.02%
Multiple Asset Fund	2.43%	8.08%	16.17%	11.53%
Fixed Income Fund	-0.12%	-1.14%	5.70%	4.48%
Inflation Protection Fund	1.27%	6.01%	7.16%	4.56%

Returns as of 12/31/21 net of fund fees. Past performance is not an indication of future results.

Certificate Investments

We offer 4-, 3-, 2- and 1-year fixed-rate certificate investments, which in turn provide funds for loans to churches and agencies.

Certificate Terms and Rates: 4-Year: 1.20% 3-Year: 1.10% 2-Year: 1.00% 1-Year: 0.90%

Rates as of February 2022. Rates are subject to change without notice. For current rates, contact GUMF.

Loans

We offer loans to churches and agencies wishing to refinance debt, build, expand, or renovate facilities to sustain ministry.

Construction Loan Terms and Rates Generally Up to 1 Year: 4.65% Fixed
Permanent Loan Terms and Rates Up to 20 Years: 4.00%*

*Fixed rate for five years. Interest rate is adjusted at the end of each fifth year of the permanent loan. Rates as of February 2022. Rates are subject to change without notice. For current rates, contact GUMF.

Endowments and Legacy Ministry Training

We teach church leaders how to establish and cultivate permanent sources of income to support and sustain church ministry programs.

Wills Clinics

We help churches by assisting their members by sharing information on critical documents such as wills, health care, and estate planning.

GUMF Solutions for Individuals

Planned Giving Strategies

We offer free individual and group meetings for churches and members to discuss effective strategies for creating a legacy for ministry that also may benefit your family.

Certificate Investments

We offer 4-, 3-, 2- and 1-year fixed-rate certificate investments, which in turn provide funds for loans to churches and agencies.

Certificate Terms and Rates: 4-Year: 1.20% 3-Year: 1.10% 2-Year: 1.00% 1-Year: 0.90%

Rates as of February 2022. Rates are subject to change without notice. For current rates, contact GUMF.

Scholarships

We partner with donors and the UMHEF to offer scholarships to Georgia United Methodist students who attend Methodist colleges, universities, and seminaries.

Clergy Financial Literacy Academy

We provide pastors training for personal and church financial literacy.

Georgia Methodists Have Been Trusting GUMF's Financial Solutions for 40+ Years

Did you know that Georgia's United Methodist congregations range in size from 10 to thousands of members? These congregations and related agencies have been trusting the Georgia United Methodist Foundation (GUMF) and its faith-based financial solutions for more than 40 years.

The ministry of Clinton UMC in Gray dates back to the early 1800s. In 2017, church leaders began looking for a place to invest accrued tithes and offerings, and they turned to GUMF for help. The Rev. Jason Dillard, pastor of Clinton UMC, provides insight into the church's history, this mission-minded family of faith, and its investments in GUMF's Certificate Program.

"Clinton is a small, historical church in Jones County with around 35 in attendance most Sundays. Clinton is part of a charge with Gray UMC (where Dillard also serves as pastor). This enables Clinton to have a much larger mission impact in Jones County by partnering with the ministries of Gray UMC," Dillard said. "The people of Clinton UMC are



The Rev. Jason Dillard serves as pastor of Clinton UMC. The church photo is provided by Chris Smarr, care pastor of Clinton UMC.

exceptional at caring for one another and taking care of the church property. They love laughing and worshipping on Sunday mornings.

"Leadership from GUMF visited the pastor at the time, and the finance chair encouraged them to consider the program. That personal touch and conversation provided the confidence to invest with GUMF. Knowing the number of churches that invest with GUMF bolsters my confidence in GUMF, and the personal connection that comes through contact with the staff, such as visits from Dr. Rick Lanford (GUMF regional vice president) helps the congregation trust GUMF."

Over the years, Clinton UMC has

invested in GUMF's 1-, 2-, 3-, and 4-year fixed-rate certificates, which in turn provide funds for loans to Methodist churches and agencies wishing to refinance debt, build, expand, and renovate facilities for sustaining ministry.

"This is truly another benefit of investing through the Certificate Program. Knowing that the interest earned benefits us while also providing capital for other churches to dream and serve makes the Certificate Program a win-win," Dillard said. "The stability is a definite plus, but our treasurer really values how "local" GUMF feels. If we need them, they are right here. It also provides peace of mind knowing our investments are cared for with Christian principles."

Why Your Church or Agency Should Choose GUMF for Your Loan



Left to right: Mathew A. Pinson, GUMF president and CEO, and Jim Pope, GUMF senior advisor to the president and director of lending.

The Loan Program of the Georgia United Methodist Foundation (GUMF) delivers advanced faith-based lending solutions that elevate the mission of and ministry of your United Methodist church or agency.

In a recent video, Mathew A. Pinson, GUMF president and CEO, and Jim Pope, GUMF senior advisor to the president and director of lending, explain why your church or agency should choose GUMF for your loan. Here are excerpts from

the video, which is available at www.gumf.org/fm/media/detail/id/24. **Mathew: In what ways is GUMF's Loan Program different from a loan program offered through a bank?**

Jim: Some of the features of our Loan Program that make us very unique from traditional banks, it's because we're a nonprofit. We are not required to charge intangible tax. Banks are required to charge that. For example, intangible tax is \$3 per \$1,000. So, on a \$2 million loan, that would result in a \$6,000 charge that you would face at the bank that you would not face at the Foundation.

We have no balloon payments meaning that often banks will extend a 15- or 20-year loan, but they'll have a maturity at the end of five or 10 years, and so you've got to refinance and pay all those closing costs. Again, we do not have balloon maturities with our program.

We also have no prepayment penalties. Often the church will receive a contribution or have a capital campaign,

and they want to use those funds to pay down their loan. We encourage that. Banks often will charge a prepayment penalty for paying a loan early.

We offer up to 20-year financing. We fix the rate for five years and adjust the rate each five years based on the market. And if a church wants less than 20, obviously, we will accommodate that.

We generally have no appraisal requirements. We can use the county property assessed value to determine the loan to value. In some cases, we need appraisals, but most of the time, no appraisal is required.

We do not charge any points or fees for our loans, only standard attorney closing costs are what's paid, and you would pay that at a bank as well. We feel like these features make us unique and different from the traditional bank loan as well.

To read more or watch the video, visit www.gumf.org/why-choose-gumf-for-your-loan.

Refinance and Other Strategies Ensure Centerville UMC's Financial Success



Left: The Rev. Tommy Odum is pictured with his wife, Katie. From left to right, The Rev. Tommy Odum, Lamar Outz, Gary Rutke, Jim Pope, GUMF senior advisor to the president and director of lending, J. Patrick Goff, Jones Cork, LLP partner, and Dr. Rick Lanford, GUMF regional vice president, attend Centerville UMC's loan closing with GUMF.

For the Rev. Tommy Odum, the most rewarding aspect of serving as lead pastor at Centerville UMC in Centerville is the opportunity to work with the people.

"They are extremely loving and caring and also have an incredible heart for outreach. We have a Food Pantry that has quadrupled in a year, and our Clothes Closet ministers to people in need every Tuesday," Odum said. "They are wonderful givers of their time, energy, effort, and finances. They understand the mission of the church and meet our community where they are."

Odum holds a bachelor of science degree in organizational leadership, which has proven invaluable in leading Centerville UMC. Since his appointment in June 2020, he has worked closely with the church's administrative team to improve its financial health. Odum shares several strategies, including a loan refinance with the Georgia United Methodist Foundation (GUMF), that has put Centerville UMC in tip-top financial shape.

Move Beyond the 80/20 Rule

What is the 80/20 rule, and why do congregations need to move beyond it? "The 80/20 rule says that 20% of the people in your congregation are doing 80% of the work. That could include in your giving. When you have two people giving a huge portion of your budget, and when you lose those people, it impacts the budget in a powerful way, not only in paying salaries but also with missions and programs," Odum said. "Our church is

closer to 70/30. Our average attendance is 150 people, and we have over 100 giving units. So, it's people who give consistently to the church."

Age of Your Church Members Matters

Odum encourages churches to know the average age of their members.

"The average age of our congregation is roughly 65 to 70, and the average mortality rate in the U.S. is about 75 to 78. That means that we will have a significant decline in our congregation in five to eight years because of death and that we have five to eight years to change the face of our congregation in a way that improves our finances. You must look at how your finances are impacted over time with your death rate, and then determine how to compensate for growth within your church," Odum said. "The best way to offset this is to bring in young families and young adults. Since young families and young adults give half as much as we need, we need to bring in twice as many. They have a harder time giving because they may have a car payment, mortgage, and daycare costs."

Make Your Older Adults Feel Valued

"Our older members are extremely important because they gave us the legacy to build on at the church," Odum said. "We try to be there when they are in need, sick, or in the hospital. We also try to minister to these members through our preaching and by developing messages they haven't heard before."

Reduce Expenses

After analyzing the data on people and

how death rates impact the church and considering what steps Centerville UMC needed to take to grow, Odum looked for ways to reduce expenses.

"You have to consider the financial implications of the decisions you make today and then make changes to positively impact the church," Odum said. "Employees are the last area you want to cut. People make the church grow – not the copier. So, we renegotiated the copier and cleaning contracts and saved over \$6,000 per year."

Refinance Your Mortgage

Odum also looked at the church's mortgage expenses and began shopping loan rates to refinance. Dr. Rick Lanford, GUMF regional vice president, connected Odum with Jim Pope, GUMF senior advisor to the president and director of lending.

"Jim reviewed our current mortgage and financial records and then sent a proposal. Working with the Methodist Foundation was a no-brainer. We received a lower interest rate and lower mortgage payment, saving us over **\$2,000 per month**. In addition, unlike our former lender, GUMF does not have balloon maturities, which would require the church to pay additional fees to refinance the loan. Conservatively speaking, we're saving about **\$150,000** over five years," Odum said. "When you can save this significant amount of money, you are providing opportunities to fund programs and ministries that will achieve the goal of lowering the average age of the church and bringing in young families and young adults."

Odum found Jim to be a great resource. "We had a small crisis while refinancing the mortgage. Multiple air conditioners needed to be replaced, and we had some other expenses come up at the same time. I asked Jim if we could increase the loan to cover the additional costs. He called back within an hour and said we were able to add to the mortgage. We now had money to take care of our building and facility," Odum said. "The Foundation worked hard for us and set us up for the success of our church financially in the future. Our church is in the best financial position we have been in for the past 10 years."

The RUMC Foundation Endowments

Continued from page 1

Q: What are the advantages of partnering with GUMF on the management of these funds?

Scardina: I believe the RUMC Foundation and GUMF share a strategic partnership with mutually aligned faith-based investment objectives. GUMF provides a high-quality service offering with access to institutional quality investment solutions. GUMF really serves as an extension of our staff in providing a suite of offerings coupled with financial solutions that enable the RUMC Foundation to advance the mission and body of work while employing a strategic partnership approach.

Q: What is the secret to RUMCF's success in establishing 45+ different endowments?

Hamilton: It all begins with something important to our donors. One of our founding board members has said to me, "Times change, staff changes, volunteers change, and procedures change ... but an endowment agreement stays consistent ... as intended."

I also believe it is because our donors trust in their hearts that the RUMC Foundation will memorialize someone's legacy forever. We have a responsibility to stay true to the donor's wishes throughout time to ensure what matters most to someone continues to be supported for generations ahead.

Q: How does RUMCF cover its operational expenses?

Hamilton: The RUMC Foundation has in their bylaws that operational funds can come from endowment earnings; however, since our establishment, it has not. Instead, most of the operations budget is collected during the annual Fall Fund Drive. This consists of the Malone Dodson Golf Tournament honoring our beloved former pastor, the Rev. Dr. Malone Dodson, the Par-Tee Night Out, and other fundraising events that celebrate the RUMC Foundation every October. That means that 100% of

the earnings identified for distributions go to support the donor's cause!

Q: Could you please share RUMCF's financial impact?

Hamilton: In 2020, the RUMC Foundation distributed **\$163,996** in grants bringing the total endowment lifetime distributions to **\$1,300,752.05**. Visit www.rumcf.org to see our 2021 Year-End Review available mid-to-late February.

Q: Why should members and Sunday school classes at RUMC consider establishing an endowment with RUMCF?

Hamilton: Ironically, two of our 2021 officers are in two of the Sunday school classes that each have a class endowment.

Jim Dowland, 2021 chairman, 2022 vice-chair, and member of the Bereans Sunday school class, said, "Giving to the Foundation is a great way to remember or recognize people that have made a difference in your life or the life of the church. Legacy giving is an effective way to provide funding for meaningful causes for the next generation."

Shaw Skillings, 2020 chairman, 2021 vice-chair, and Christians Under Construction Sunday school class member (www.rumcf.org/cuc) founded the Heather Skillings Higginbotham Memorial Endowment (www.rumcf.org/skillings) to fight cystic fibrosis. He said, "An RUMC Foundation endowment is a perpetual gift that creates a lasting legacy. An initial endowment of \$50,000 will more than double over 20 years while paying out more than the initial investment to desired RUMC causes. It's a gift that keeps on giving."

Q: What types of causes do RUMCF endowments support?

Hamilton: Our endowments support a variety of causes. Here are two examples. Additional endowments are featured at www.rumcf.org/ourendowments.

Carol Baumgartner Family Endowment for Caregiving



Carol Baumgartner passed peacefully in her sleep after a six-month battle with brain cancer in 2019. A steward of her community, she served as a school counselor and touched the lives of many students through the years. This endowment helps provide funding to the caregiver, be it transportation, medical, or simply help with general needs to ease the load. Visit www.rumcf.org/baumgartner.

RUMCK Endowment



RUMC Preschool and Kindergarten (RUMCK) has been educating Roswell's littlest hearts since 1971. RUMCK aspires to promote a loving, Christ-centered environment to prepare each child for school readiness. In 2015, a group of donors with the leadership of John Lindsley, the former board chair, established the RUMCK Endowment with the goal of generating yearly income to be used to benefit the school, programs, and curriculum. The generous initial donors included parents, church members, and other stakeholders who supported the ministry of RUMCK. Visit www.rumcf.org/rumck.

Making a Social Impact via ESG Investing

By Calvin R. Stamps



Calvin R. Stamps is the founder, managing partner, and portfolio manager of Atlanta-based Bretwood Capital Partners. He is a former member of the Georgia United Methodist Foundation board of trustees and past chair of the Investment Committee. In this article, he explains the benefits of Environmental, Social, and Governance investing.

As corporations and organizations grow and become increasingly intertwined in our everyday lives, the interdependence of economic, social, and environmental issues becomes more apparent in the current age of information. Transparency is now paramount as consumers have become quite savvy and very interested in the corporate practices of the companies they buy from and invest money in. Private businesses, governments, and individual citizens' actions all affect one another and, in turn, affect the environment.

When large technology companies migrated to Northern California, there was evidence they had a significant negative impact on the cost of living and the quality of life for those communities. Many people were eventually priced out of their communities because those areas began to cater to the new inhabitants who had significantly more income. In this instance, a change in the economic dynamic greatly affected the social and environmental landscape. This happens quite often in many places all over the country, which demonstrates how tightly connected the economy is to social and environmental issues.

There is a need to be proactive in realizing the connection and creating ways for corporations to benefit society and the environment. Can companies grow and make significant profits and do good for others and the environment? According to a new wave of socially responsible initiatives, the answer is yes.

One of the fastest-growing initiatives is Environmental, Social, and Governance (ESG) investing. This strategy seeks to combine business acumen with the ability to create value for the community and world. ESG stands as a benchmark for measuring a company's sustainability in the areas of environment, social impact, and governance. Environmental criteria measure how well a company actively seeks to cause minimal damage to the planet. Social criteria measure how well the company handles relationships and considers the communities it serves. These relationships can be with consumers, employees, contractors, etc. Finally, governance considers the company's leadership and how well they are fulfilling obligations to stakeholders.

The benefits of ESG investing have broadened companies' focus, including more than the bottom line. Companies are now focused on a broader set of stakeholders including employees and their families, larger supply chains, and even the community. And although ESG investing is concerned with more than just profitability, ESG has proven to be quite profitable.

GUMF is fortunate to be in partnership with Wespeth Institutional Investments. Wespeth's priority is a strong financial future for clients and partners. Wespeth believes sustainable



PO Box 922087
Peachtree Corners, GA 30010-2087
770-449-6726
gumf.org • info@gumf.org

RETURN SERVICE REQUESTED

Non Profit Org.
U.S. Postage
PAID
Permit #96
Kennesaw, GA

investment activities strengthen the potential to consistently provide strong, long-term financial returns that achieve stated investment objectives.

The Wespeth team takes a comprehensive approach to sustainable investment that considers the impact of ESG factors as they relate to investment management. Wespeth also seeks to shape their overall investment program with the future in mind. These efforts are organized through a Sustainable Economy Framework. This framework describes the belief that investors must create and support a sustainable global economy — one that promotes long-term prosperity for all, social cohesion and environmental health. Wespeth, in partnership with trusted managers, uses a set of actions — invest, engage and avoid — to ensure that investment activity is proactively contributing to the Sustainable Economy Framework.

Importantly, Wespeth invests in companies that demonstrate meaningful social and environmental impact to seek higher returns. The Wespeth team actively engages companies and policymakers by urging them to adopt sustainable practices and policies. Finally, Wespeth avoids certain investments due to ethical exclusions or because they pose excessive sustainability-related financial risks.

As ESG investing becomes more accessible to the masses, it allows investors to craft a portfolio around what matters to them. For example, suppose one is passionate about pollution, fair labor practices, and employee diversity. In that case, ESG investing is a way to measure the sustainability of these factors to gain a clear understanding of an investment's financial returns and overall impact. ESG investing can also have a specific target like creating affordable housing. This gives investors the opportunity to invest in a way that prioritizes optimal outcomes for the environment and society. The big picture is investors can no longer be solely driven by economic value. The focus must be on making life better for everyone and the environment.