

UMHEF Strategic Framework Development

Board of Trustees Discussion

August 2026

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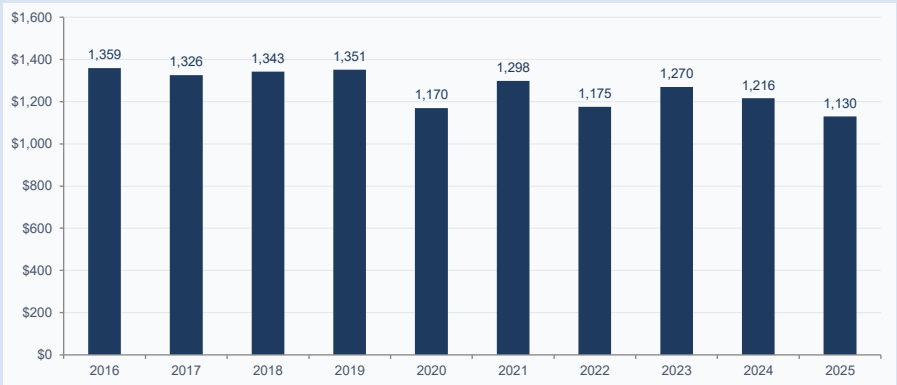
Today's Conversation

- Current reality
- Critical questions
- Strategic options

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UMHEF Total Scholarship Funds Awarded

Annual scholarship disbursements, 2016–2025 (\$000)

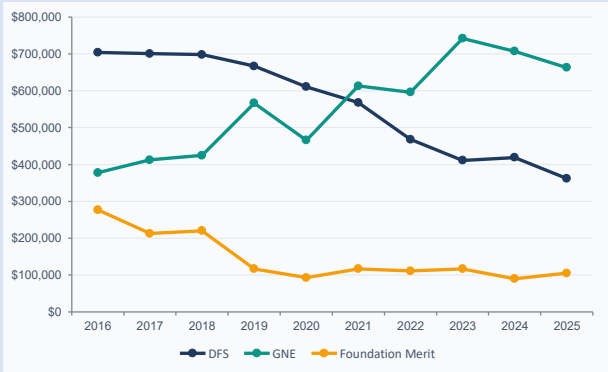


* Amounts awarded from UMHEF funds. Does not include matches from other entities for DFS.

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Total Scholarship Amount by Program

2016–2025



* Amounts awarded from UMHEF funds. Does not include matches from other entities for DFS.

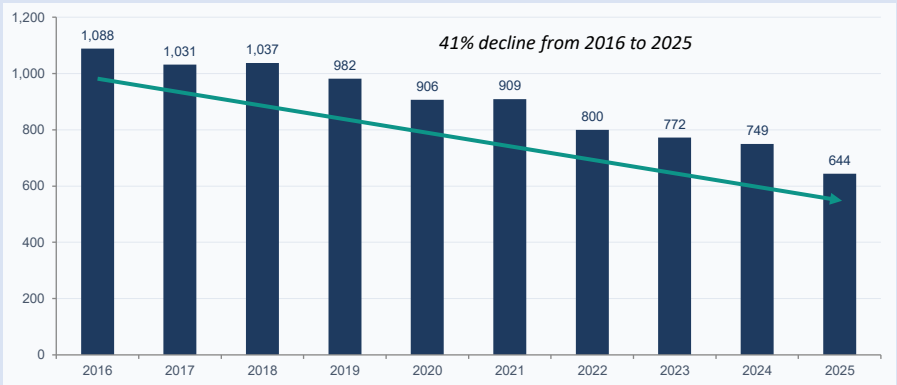
Notes

- 49% decline for DFS awards
- 75% increase for GNE driven by larger awards and some new scholarships
- 62% decline for Foundation Merit – shifted to seminary only in 2019
- Cost for private college has increased 34% (2016-25)
- UMC disaffiliations are a factor in the decline
- \$138K GNE unawarded in 2025

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Total Scholars

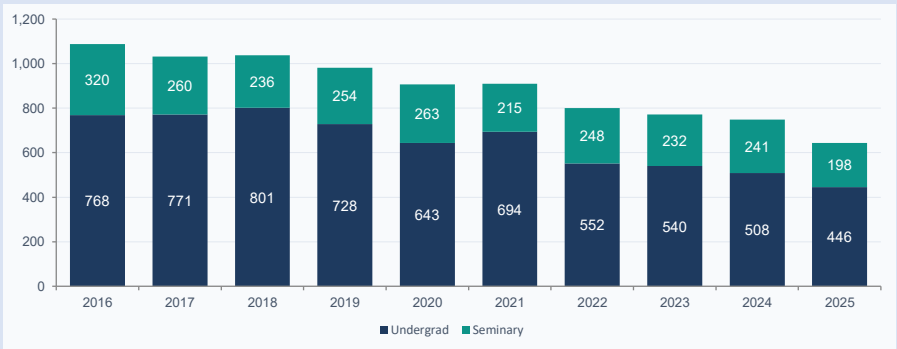
Number of scholarship recipients, 2016–2025



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Scholars by Degree

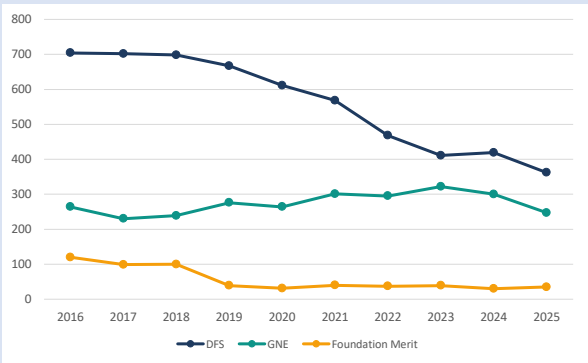
Undergraduate vs. Seminary recipients, 2016–2025



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Total Scholars by Program

2016–2025



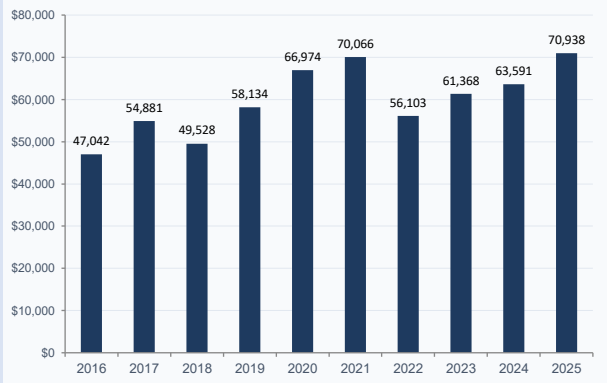
* Amounts awarded from UMHEF funds. Does not include matches from other entities for DFS.

Notes

- 49% decline for DFS scholars
- 6% decline for GNE, but 23% decline in last 2 years
- 71% decline for Foundation Merit, but relatively stable since 2019 (3 scholarships per UMC seminary)
- Projected 13% decline in U.S. high school graduates from 2025 to 2041
- 19+ GNE scholarships were not awarded in 2025 due to lack of applicants

Current Assets

Total current assets (\$000), 2016–2025

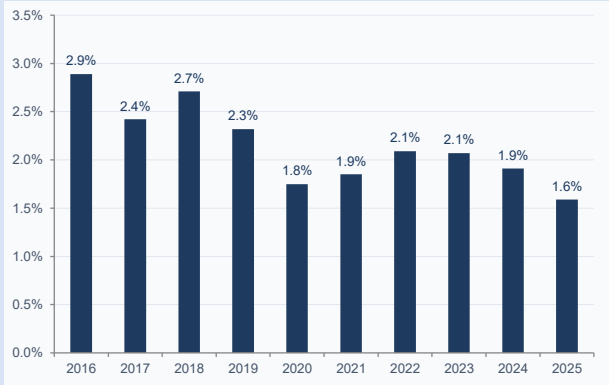


Notes

- 51% growth in current assets (2016–2025)
- Growth primarily driven by favorable market conditions
- Contributions of \$4.6 million from 2016–2025 account for 19% of the increase
- Market volatility resulted in significant loss in 2022

Scholarship Awards as % of Current Assets

2016–2025



Notes

- Ratio declined from 2.9% (2016) to 1.6% (2025)
- Driven both by asset growth and decline in total scholarship awards
- A return to 2.5% translates into \$643,758 more in awards (57% increase)
- With 4.5% draw and administrative budget of \$1.25 million, award potential is \$1.9 million (\$800K increase)

Key Findings from Surveys and Interviews

- Low response rate
- Impressions of UMHEF are favorable – valuable role, positive impact, supportive interactions
- For small schools and many students, every little bit helps
- Many UMC students are not applying for scholarships – reason is unclear
- UMHEF is not “top of mind” for any of the stakeholder groups
- Much more transactional than relational
- Suggestions focused on incremental improvements – streamlining, communication
- Some confused UMHEF and GBHEM

Today's Conversation

- Current reality
- **Critical questions**
- Strategic options

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Critical Questions

- How should we think about *impact*?
- Should UMHEF emphasize students or institutions?
- Can we more effectively engage churches?
- How should we address the Dollars for Scholars “dilemma”?

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Defining Impact

A clear definition of “impact” would guide strategic decisions, but no consensus exists. Different possibilities include:

- Economic / need-based
- Historically disadvantaged populations
- Future leaders
- Future ministry leaders
- Greatest “bang for the buck”
- No differentiation / equal impact

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Students or Institutions?

UMHEF supports both UM students and institutions, but the distinction between the two has strategic implications.

- UMHEF’s vision and historical role has focused on students first, with secondary benefits to the institution.
- Substantial portion of UMHEF funding must be used for scholarships.
- Many UMC schools are experiencing significant financial pressure but UMHEF funding is unlikely to tip the scales.

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Engaging Churches

A church-focused strategy is unlikely to be successful.

- Large number of small churches with few or no graduating seniors
- Even for large churches, the number of graduating seniors going to a UMC school is small
- Hard to cut through the clutter to get their attention – youth leaders might be the exception, but high turnover
- Financial pressure makes churches unlikely to establish a scholarship fund
- Focusing on camps and other large gatherings of youth is a church-adjacent strategy that might be more fruitful

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The Dollars for Scholars Dilemma

The actual practice of DFS is not what was originally intended and limits growth potential.

- Most “church matches” appear to be a pass-through from parents
- Presumed selection/vetting by churches is negligible
- Some school personnel (financial aid, chaplains) know this “secret” and tell students, but difficult for UMHEF to market

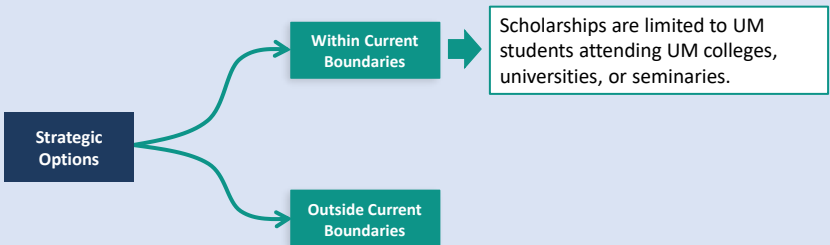
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Today's Conversation

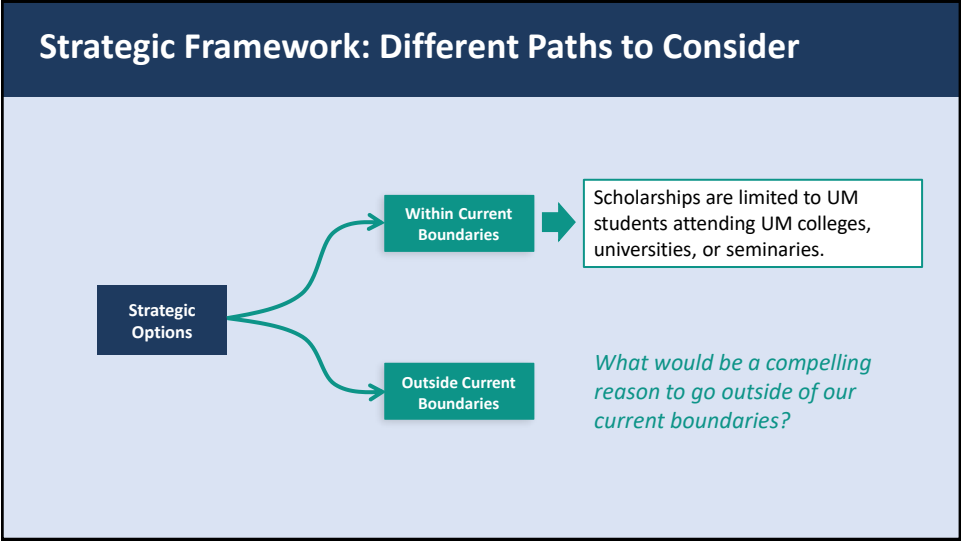
- Current reality
- Critical questions
- **Strategic options**

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Strategic Framework: Different Paths to Consider



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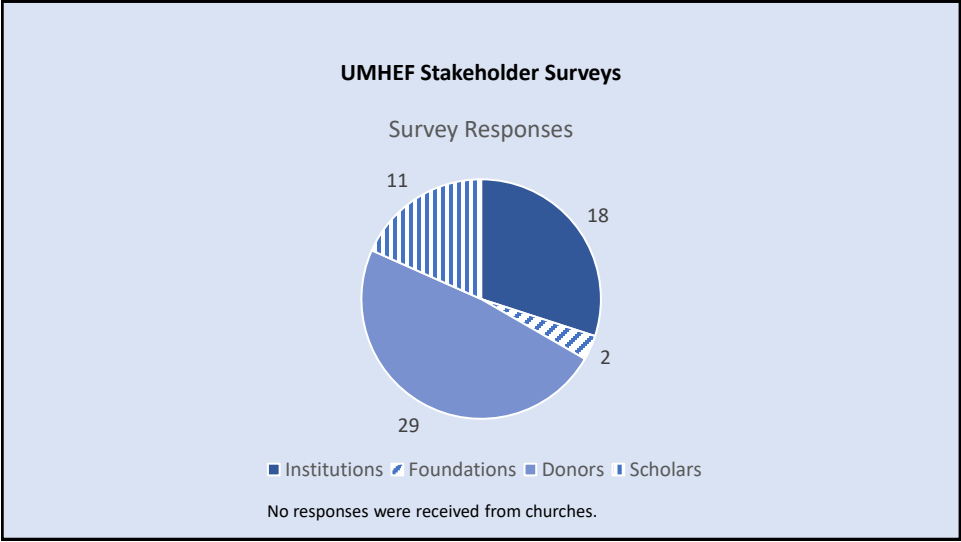


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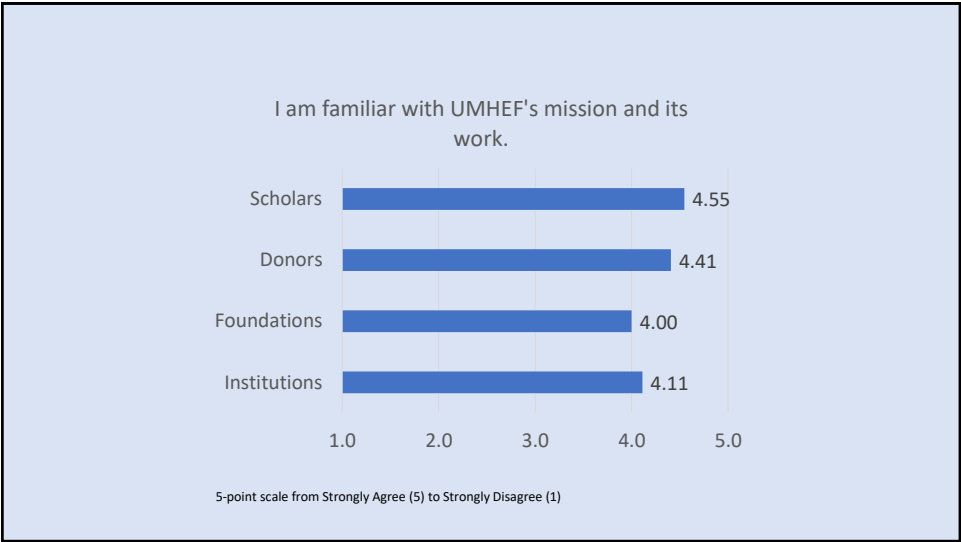
Supplemental Information

- **Survey results**
- **Interview summary**

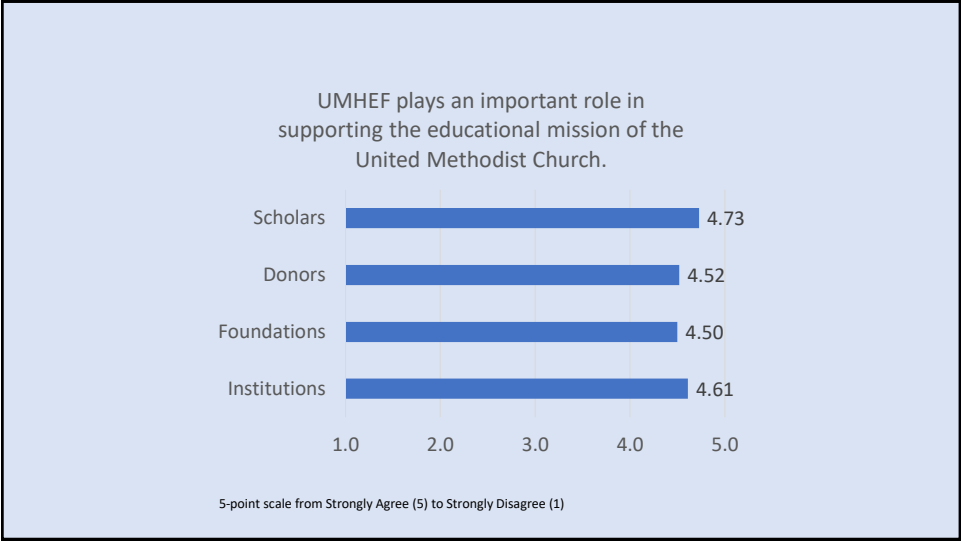
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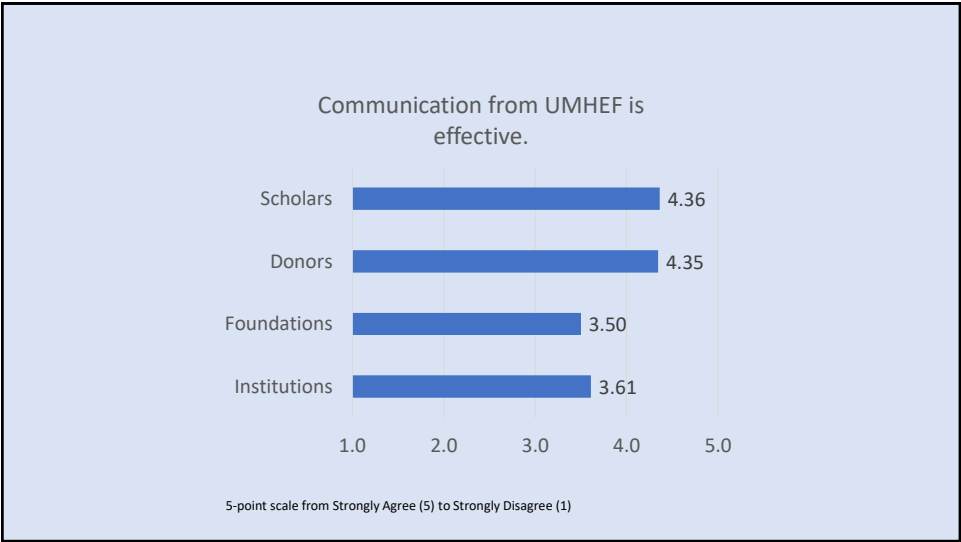
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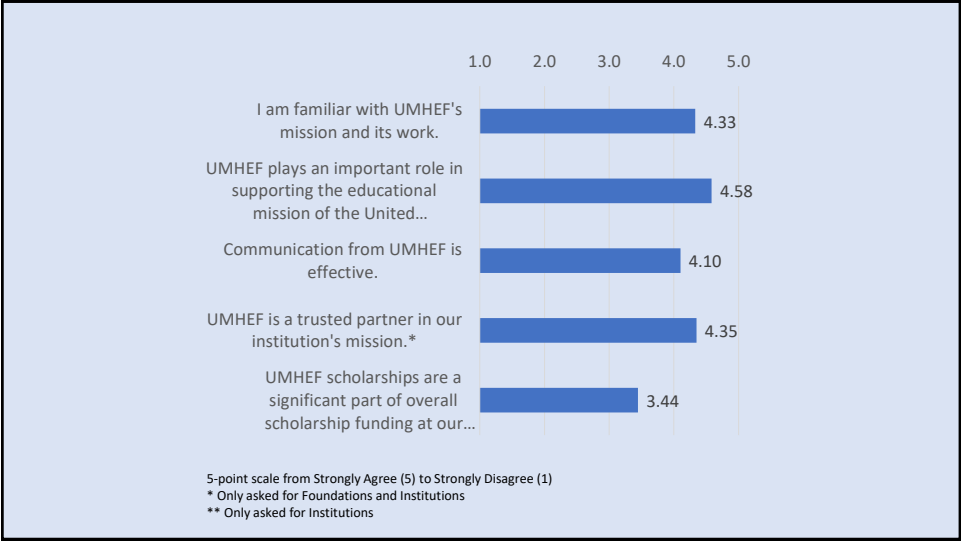
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What words come to mind when you think of UMHEF?

Overall sentiment is very positive. Key words include:

- Generous
- Supportive
- Caring
- Reliable
- Compassionate

*What most excites you about UMHEF and its mission?**

Answers were generally short but positive

- Transformative role in making education accessible across generations of United Methodist students
- Connecting new generations with United Methodist values and resources
- Broader potential to sustain the United Methodist educational mission

* Only asked for Donors

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*In what ways could UMHEF better partner with your institution?**

- Deeper, more collaborative relationships rather than transactional interactions
- Stronger outreach and visibility with congregations and institutions
- More tailored, consultative approach
- Streamline scholarship requirements or application process

* Only asked for Institutions

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*What changes should UMHEF consider making to expand the pool of applicants for its scholarships?**

- Extend scholarships to a wider range of students
- Reach students earlier and through more channels
- Reduce application requirements and allow institutions to assist in gathering supporting materials

* Only asked for Institutions and Scholars

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*How did the UMHEF scholarship impact your academic and career journey?**

- “Although it was small financially compared to the grand total, it felt good to have the support of the United Methodist Church.”
- “It enabled me to graduate from seminary debt-free.”
- “It allowed me to be able to attend a Methodist school.”
- “Because I received this scholarship, I’ve had the time to secure my next steps after undergrad to ensure my success in my career field. Thank you for your support!”

* Only asked for Scholars

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*How did the UMHEF scholarship impact your faith journey?**

- “It affirmed my sense of calling by assuring me that the Church recognizes and supports my vocation”
- “Strengthened my belief in God as provider.”
- “Strengthens connectionalism and my belief in the power of institutional support as a reflection of faith.”
- “Being at a Methodist college with this scholarship made me feel at home. I opened my eyes to see beautiful people and things to connect to.”
- “Brought me closer to my church family.”

* Only asked for Scholars

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Other Questions

- *How could UMHEF improve its communication with you?* More stories, Email vs Postal, More visual (Donors)
- *What could UMHEF do that would cause you to consider increasing your financial support?* “Nothing,” More stories, Relevant local connections, Automated giving (Donors)
- *What challenges is your institution facing where UMHEF might be able to provide support?* Growing needs of students, Institutional strain and sustainability concerns (Institutions)
- *How might UMHEF better support the educational mission of the United Methodist Church?* Expand scholarship reach, Better denominational integration, Support under-resourced populations (All groups)

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Interview Summary

A total of 13 interviews were conducted to supplement findings from the surveys. Key take-aways from the interviews are:

- Staff at institutions hold UMHEF in high regard and are confident in the support they receive. These relationships, however, are largely transactional. Additionally, some interviewees confused UMHEF and GBHEM (and even state foundations).
- Scholarships can be a tool for admissions officers to encourage students to choose the UMC institution over state or other schools.
- A significant number of UMC students (undergraduate and seminary) are not applying for UMHEF scholarships. Factors behind this gap include lack of awareness and the challenge with DFS scholarships requiring local churches to be the first step. Several interviewees mentioned the DFS work-around of having parents donate money for the church portion of the scholarship.
- GBHEM also has a challenge with low applicant numbers for some of their scholarships.
- Students must navigate a patchwork of UMC scholarship opportunities that may include UMHEF, GBHEM, state foundations, and their college.

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Interview Summary (continued)

- Seminary students in aggregate may have greater access to financial aid resources than undergraduate students at UMC schools.
- Several interviewees see better marketing to churches and youth directors as the key for UMHEF. Other feedback, however, suggests that this is unlikely to be an effective strategy because the market is highly fragmented.
- Interviewees also believe that UM-based scholarships are an important tool for the future of the denomination through the education of future leaders and the goodwill that is created.
- Other suggestions were fairly technical, such as shifting the enrollment verification process, improving communication, and expanded eligibility.

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