

**President's Report**  
**UMHEF Board of Trustees**  
**March 2008**  
**Thomas S. Yow, III**

**Thank you for the opportunity to make this report on the progress of the work of UMHEF.**

**It is good to be here in Charlotte. We are in Mecklenburg County which on May 20, 1775 passed the Mecklenburg Declaration of Independence in which this county declared itself independent from England. So this is an historic place. Miss Watson, my 5<sup>th</sup> grade teacher who taught North Carolina history, would be proud that I have remembered that, and Judy, you understand her pride.**

**Welcome to North Carolina, my home state. Thank you for being here today and for your commitments to this foundation and the ministry of United Methodist Higher Education. We are better because of your involvement. We hope that you will continue sharing your ideas, your concerns, your questions, and your suggestions with us. We are certainly grateful for them.**

**As the Chair has indicated, 2007 was a banner year. This is the third consecutive year in which gifts to this foundation and to our ministry surpassed all previous records. In 2007 we received gifts totaling \$1.3 million, which was significantly higher than what we have raised in the past. We also received an estate gift in the amount of \$2.3 million; the result of the good work of my predecessor. Total gift income in 2007 was \$3.6 million. It was a great year!**

**I think that special events, such as the dinner we had last night, played an important role in our 2007 gifts. Thank you for your participation in that event. As you heard Dr. Ambrose say, the goal is to generate a \$1 million endowment in the name of Bishop and Mrs. J. Lawrence McCleskey. This would be an asset to this foundation managed by the Western North Carolina Conference Foundation in order to benefit students at Pfeiffer University. We appreciate all that you have done to make this endowment a reality. We will need to sponsor similar events in subsequent years.**

**I want to say at the beginning that we need your continued gift support as well as your active encouragement of others to support the work and ministry of the United Methodist Higher Education Foundation. Our record indicates that we provide for you a lot of financial data so you know how our funds are used. Bill Luckey made the comment to the Scholarship Committee yesterday that he had never seen data cut in quite so many**

**different ways. We have endeavored to be transparent so that you have a sense that we are trying to be good stewards of your gift dollars and to report to you fully and completely how that support is utilized to assist students.**

**Last week I made a report to the General Board of Higher Education and Ministry. Dr. Del Pino is very gracious to give me time on the agenda to report to that board. I reported that we had awarded \$1.8 million in scholarships in 2007. It occurred to me at the time to go back to determine what was in my first report, which was just in 2004. In 2004, I reported to GBHEM that we had given almost \$1 million for scholarships. So in the course of a very brief period of time, through your good work, we have been able to double the amount of money that we are providing to students. And as we look to the 2008/2009 academic year, our scholarship funding will increase to over \$2 million. Thank you for helping us make these important investments back into students. That is significant progress in less than one Quadrennium, to double the amount of support to our students. I am proud of the kind of investment we are making. This is possible because of your good support and management of our endowment. We are grateful to you for your support and to the managers and members of the Investment Committee for your oversight and management of those funds.**

**Our Grand Vision, which is included in your notebook, is that it be economically possible for any qualified United Methodist student to be educated at a United Methodist-related institution of higher education. The importance in that statement is that we endeavor to make it possible for students to have an education choice. This has meant that our awards need to be large enough to make a difference in where students decide to go to college or seminary. We continue to operate with that philosophy. We want to give enough money to help make it possible for students to make the decision to go to a Wesleyan College, or a Lindsey Wilson College, or a Pfeiffer University, or a Methodist University, or a Gammon Theological Seminary, or a Duke Divinity School rather than institutions of the state or institutions of other denominations.**

**Our founding documents call us to raise, manage, and administer funds in order to achieve that purpose. The work we will do over the next two days will be about the process of doing those kinds of things. We will talk about how to raise more money. We will talk about how to administer that money. And we will talk about how to be good stewards of that money.**

**Over the past three years, we have each year achieved new giving records. Over these years, our number of donors had been declining while the amount of gifts were increasing. In 2007, we reversed that trend. Not only did we have a significant increase in gifts, we had a significant increase in the number of people making those gifts. Surely that is a part of the feature of special events. I cannot emphasize to you strongly enough the importance of continuing these events each year. We hope soon to announce to you events for 2009 and 2010. I believe it imperative that we continue to expand that donor base as well as increasing the amount of the average gift.**

Part of the success that we have enjoyed in the last several years, both in the student support and in the amount of money received as gifts, has come from the partnerships we have been able to develop through the Quadruple and Triple Your Dollars for Scholars programs. Through the United Methodist Triple Your Dollars Program, we partner with both local churches and with the education institutions. We use our money to broker that relationship. We also try to say to the local churches, “If you are going to get this extra thousand dollars from the institutions, we ask that you do something in the local church that recognizes this institution. That acknowledges that Johnny or Susie has not only gotten a gift from this church; they have also received a gift from a United Methodist college or seminary that is related to this church.” We want persons within those congregations to become aware of their ties to the institutions of higher education. We read studies indicating that about half of today’s entering freshmen will choose a college that they know about when they enter their junior year of high school. Therefore, we are trying to reach out to students through a lot of different ways so that in grades nine and ten, they begin to hear about our United Methodist institutions and to consider them in making their college choice. One of the ways we do that is through the Triple program—something that brings the issue of higher education back to the local churches.

The Quadruple Your Dollars program, which involves the annual conference foundations, has also been a tremendous boost to providing funds for students. We were able to generate an additional \$70,000 last year as a result of Quadruple Your Dollars programs that we provided to students. Interestingly, one conference foundation with which we have a Quadruple relationship was contacted by a local church about a member who wanted to establish an endowed scholarship. That foundation said, “We cannot administer scholarships, but we know who can.” And they referred that donor to us. This new fund came as a result of the partnership we had developed with the foundation. Obviously that is the kind of thing we must continue doing as we expand our web base, expand our donor base, and expand our contact base. Because of these kinds of relationships, we have been able to increase our support for students. For example, from 2006 to 2008, we will make possible an additional \$700,000 in scholarship funds for students. We are using our money to broker some other money that will be important for students. I think we can be proud of these partnerships, because they are a very important part of what we do, and an important part of helping us achieve our Grand Vision. We have been able to use our funds to broker significant gifts that help make it possible for us to achieve the vision of United Methodist students receiving the funding they need to attend our institutions. I think we can be proud that we have been able to raise these kinds of funds, expand this kind of giving, operate entirely with a balanced budget, never having to operate with a deficit. Just as importantly, we have reached these achievements without the receipt of any apportionment funds or any church-wide appeal for money. I think you should take significant pride in that accomplishment.

In the area of financial management, one of the things I try to do for you in this report is to discuss the big picture; the vision thing. But we also discuss with you some of the smaller things—some of the details about our work. We provided you a written report at the end of the fiscal year that provides a data-led analysis our financial situation. We can be proud, even though we have had many unanticipated expenses in the last year, that we again operated with a balanced budget, and our income exceeded our expenditures. I give a lot of credit to our staff for that achievement. They have done without and picked up some slack when we had a vacant position. We understand very clearly that we spend other people’s money, and that everything we use for administration is money we cannot

**give away to students. We try very seriously to make the best possible use of funds so that the maximum amount of money is available to provide to students. We hope that our fiscal management is transparent to you. Our operation is lean, maybe too lean. We endeavor, nevertheless, to be good stewards of our resources.**

**I acknowledge what both Judy Gibbs and Kathi Mahle have said—that a significant shift has taken place in the membership and composition of this board of trustees. When I came to work at the foundation, Glenn Andrew met me in Pittsburg at General Conference. Glenn Andrew said to me (and I paraphrase), “There is one thing you have to do, and you have to do it well. You must get this board changed. It looks too much like a church administrative board and not enough like a college board of trustees. You have been a college president, so you are going to fix that problem.” I noticed that there were no suggestions as to how that change might occur. Judy Gibbs and our Trustee Nominating Committee have given great leadership to that process, and we are grateful. As I look around this room, I notice that about half of you have joined this board in the past four years. We are grateful for your willingness to join us in an exciting kind of ministry. This process of growing our board needs to continue. Judy has started the nominating process again at this meeting as we have asked you to tell us what talents you have. From that information, we will build a trustee matrix. We are asking each trustee to bring to us nominations and suggestions of persons who might join this board. I hope that you will give that serious and conscientious thought as we endeavor to reach across the Church for persons who will want to invest their time, and their talents, and their resources in helping make value-centered, quality higher education possible at the undergraduate and seminary level for students.**

**We have also taken some significant steps to increase the visibility of this foundation and our work. While it is not our sole reason for the program, United Methodist Leadership Scholars has certainly helped increase our visibility especially in the Southeast. Ruth Knox and Bill Luckey serve on the steering committee for that initiative, and we are grateful for their service. I believe that our administration of these scholarship programs has brought more attention from our campuses to our mission and work as the college administrators. We are going to introduce some other processes to help achieve this, which will be discussed in more detail in our Communications Committee.**

**We need now to focus our energies on the local church. We have created visibility among the campuses. I think we also have created more visibility at the Annual Conference level. Where we have not created the visibility we need is within the local churches. One of the members of this board said to me the other day, “I am sure that you are in a congregation every Sunday doing something.” Well, I am really not. There are a lot of congregations that need a restful Sunday, so I am happy to come and provide that opportunity. We hope, therefore, that as you think about your own local church, whether it be a church school class or United Methodist Women or United Methodist Men or a worship service, we need to tell our story. Our story is not only what we, UMHEF, do, but the story of what our colleges and seminaries do. We hope that you will help provide us that invitation so that we can advocate for the whole ministry of United Methodist higher education—prep school, college, and seminary—within the churches. We are anxious to do that, and we appreciate that opportunity.**

**We can be proud of what happens in our colleges and seminaries. Similar to our church, and our nation, they are a very diverse group. In my opinion, as with our church and our nation, the strength comes from that diversity. We are United Methodist in our large research institutions and we are United Methodist-related in our small rural colleges serving students that are first generation college students. The strength is in that diversity—all focused on intellectual growth, all focused on achievement—all of our institutions are centers of learning. But their missions really do not stop there.**

**At the center of learning is what I think is one of the most significant phrases of the New Testament, which comes in the birth story of Luke when the angel announces, “Fear not, for behold, I bring you good tidings of great joy.” Fear not. We as God’s people ought not to be afraid. We ought to celebrate learning. We should not be afraid of learning, but we should acknowledge that the ability to learn and grow is a part of God’s gift for us. In Romans 8, Paul says that we are not saved to fall back into fear, but we are saved to move forward into hope. Our faith calls us to grow in our understanding through our knowledge of God and all that God gives to us and all that God calls us to be. Our institutions lead that process as they inspire intellectual and spiritual growth. The undergraduate schools challenge students to think things they have never thought before and to do so in the context of the Christian faith. Our seminaries prepare for us the most important thing we need in our denomination; bright, talented, intellectually prepared people standing in the pulpit on Sunday morning and leading congregations every day. That happens through our institutions because we understand the importance of growing intellectually. We understand the importance of not being afraid of what learning can mean and how learning enriches and enhances our faith and calls us to expand that faith. Our institutions do that.**

**Our United Methodist tradition is a unique combination, a unique confidence in wisdom; confidence in promises of faith; and confidence in the unity of reason and faith as a foundation for all our work. As Charles Wesley has said, let those two be joined that are so often disjoined—knowledge and vital piety. I think Wesley is referring to confidence in faith and reason and how they complement each other. Therefore, we do not fear knowledge. We use knowledge to form the context of our moral action. I remember when I was in undergraduate school, an administrator named Bill Lowdermilk, who was very close to me in my life, talked about a hammer. He would say to us, “You can take a hammer and you can build a house, or you can take a hammer and crush a skull. It is how you determine to use that hammer.” Our job is to help people know how to use a hammer to build a house. That is what we are about in United Methodist higher education. We are about helping people not only know how to use the hammer, but how to use the hammer the right way to make a better world. This is what knowledge within the context of faith really does. Knowledge just teaches you how to use a hammer. The context of faith teaches us how to use that hammer correctly as builders rather than destroyers. Our United Methodist institutions provide a strong basis for that philosophical tradition. We help students acquire knowledge and guide the development of an ethical basis for how that knowledge might be used. We help them understand that, here on earth, God’s work must truly be our own. Full knowledge is a unified entity.**

**When I was the director of admissions at Methodist College, we had a ceremony for entering freshmen and their parents in which we recognized the change in the lives of these new students. We used a file to represent the files on the entering class. As the director of**

admissions, I would give the file to the dean of students, and would say, “We are transferring this class to you. These people are now our students.” And I remember one year, I waxed eloquently about the liberal arts and the importance of a liberal arts education. When I finished, the father of one of our freshmen looked at me very solemnly and said, “I want to know how liberal are those arts?” I assured him that here in North Carolina, they were not very liberal.

The liberal arts really do give us a breadth of knowledge, particularly at the undergraduate level. They help make us more human and also make us more god-like. They help us open windows to the possibility of knowledge and to the possibilities for a religious worldview. The liberal arts, if you will, stand in stark contrast to a world founded on fear. The liberal arts essentially say to students, “Fear not, for God will open up all these possibilities for you as you move forward.” Liberal arts represent to the world the breadth of knowledge and the breadth of human experience. But the liberal arts encourage a breadth of understanding. The liberal arts, I would suggest to you, presented in an intentionally Christian context, help our students, and also people who lead our students, catch a vision of a world made new through God’s love. They show the limits of fear and the limitless potential of hope and the limitless potential of faith.

It is through hope that we are really saved, it is in our knowledge that we are directed, and it is through love that we understand our value as God’s child in God’s world. And through all three, we understand what it means to be about God’s work in all that we do. It is in all three of these that we in this foundation go out from this meeting to serve our church, to serve our God, as we serve God’s children by making it possible for them to experience of the breadth of liberal arts in a context that says, “You are important, you are God’s creation, and you are valued because God has given you gifts. God wants you to use your gifts and that hammer to make a lot of houses.”

Thank you for the privilege that you give us to be about that work. Thank you for the privilege of working with you. And thank you for your time with us today and throughout this meeting.

Respectfully submitted:

A handwritten signature in black ink that reads "Thomas S. Young, III". The signature is written in a cursive style with a small box at the end of the name.