



FINANCE & ADMINISTRATION

General Council on Finance and Administration

THE UNITED METHODIST CHURCH

THE UNITED METHODIST CHURCH

BUDGET





So, What's In The Budget?

The budget consists of the seven apportioned funds:

- Africa University – supports education efforts on the African continent
- Black College Fund – supports 11 historically Black church-affiliated schools
- Episcopal Fund – supports the episcopal leadership for the general superintendency of the Church
- General Administration Fund – supports General Conference, the Judicial Council, Archives and History, and the Church's finance agency
- Interdenominational Cooperation Fund – supports the UMC's ecumenical work
- Ministerial Education Fund – supports United Methodist seminaries and clergy development
- World Service Fund – supports the diversity of mission through the work of church agencies and the Connectional Table

Denominational Circumstances

- Collections began to decline before the pandemic, and the decline was exacerbated further by the Covid-19 pandemic and social distancing.
- The original proposed budget in 2020 was 18% lower than the budget adopted in 2016.
- Disaffiliation has also had a significant impact on general church apportionments, as more than 30% of churches in the United States have left.
- Operating costs for churches in the United States (building maintenance, utilities, insurance, and pastor salaries) have remained at the same level. Combined with the decrease in collections, a shortfall has occurred for discretionary spending for programs, missions, and apportionments.
- Since there is less capacity to give to the general church from a local church level, GCFA is currently recommending a 21.2% reduction in the rate of apportionments.

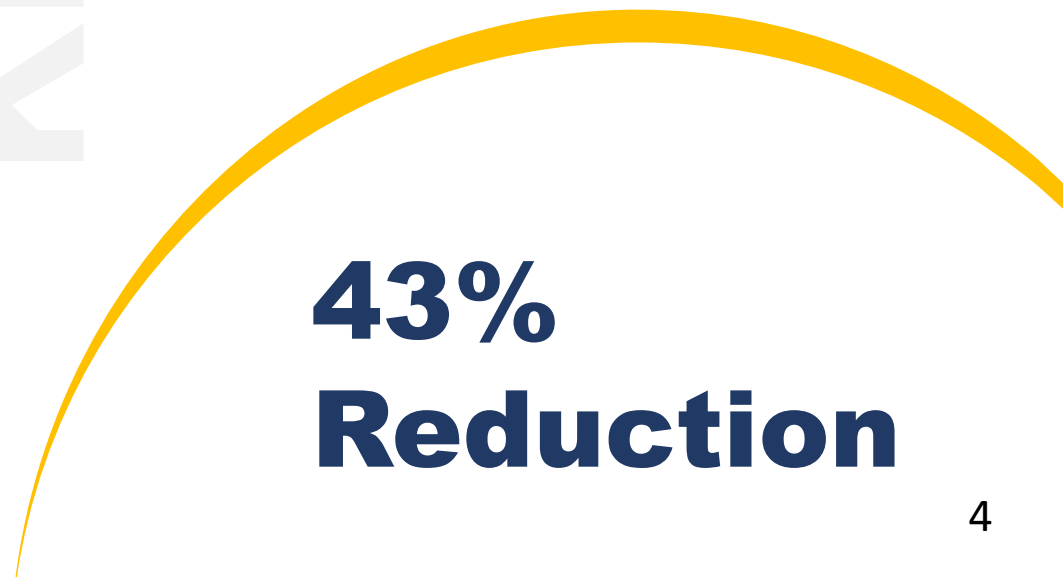


**\$347
Million**

- *This is the budget that will be recommended to General Conference.*
- The current recommended base rate is 2.595%, compared to the previous base rate of 3.29%.
- Because fixed expenses are the same or increasing at the local church level, the decrease in base rate is designed to keep more dollars at the local church level for ministry.

How Much Is The Budget?

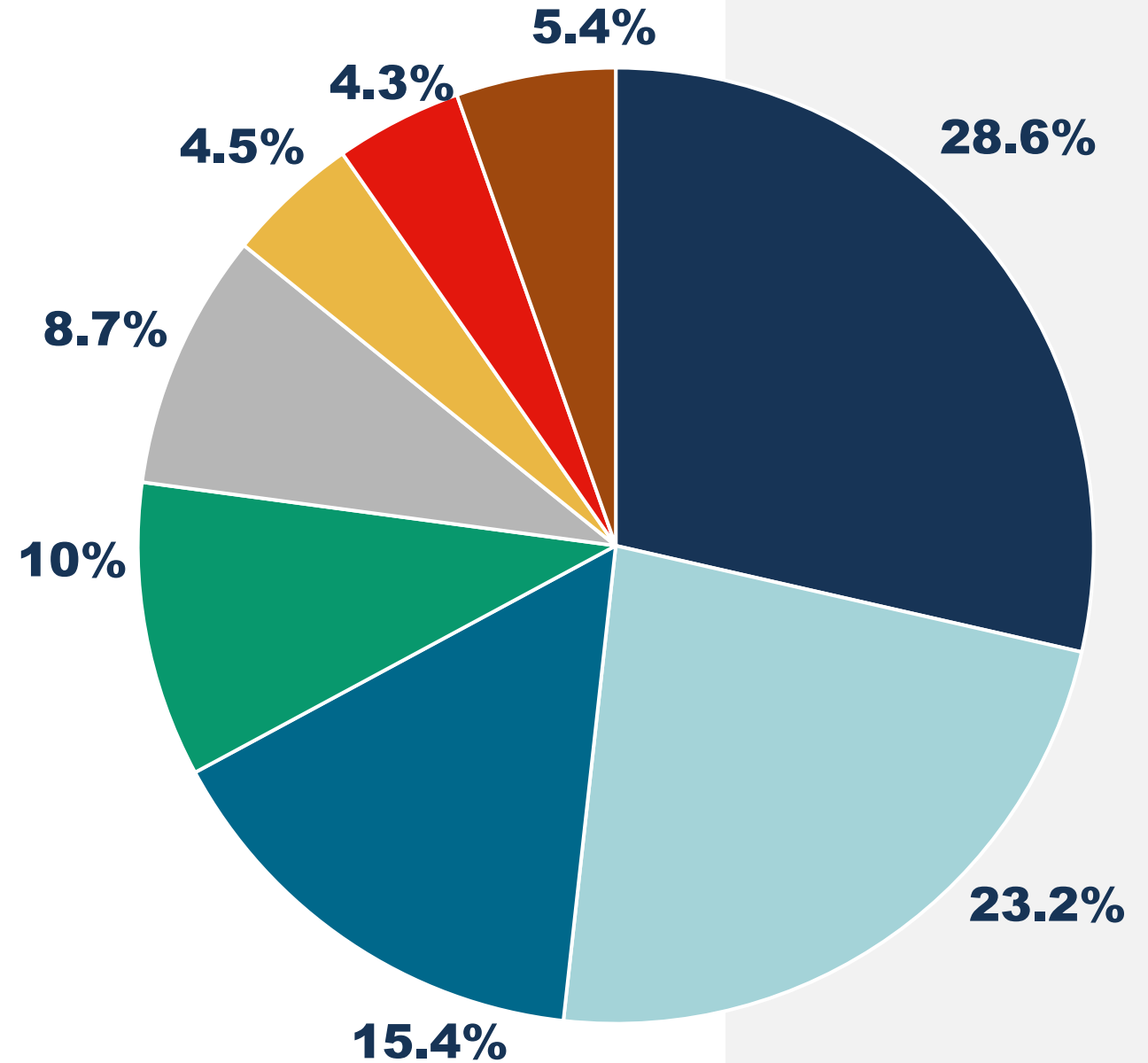
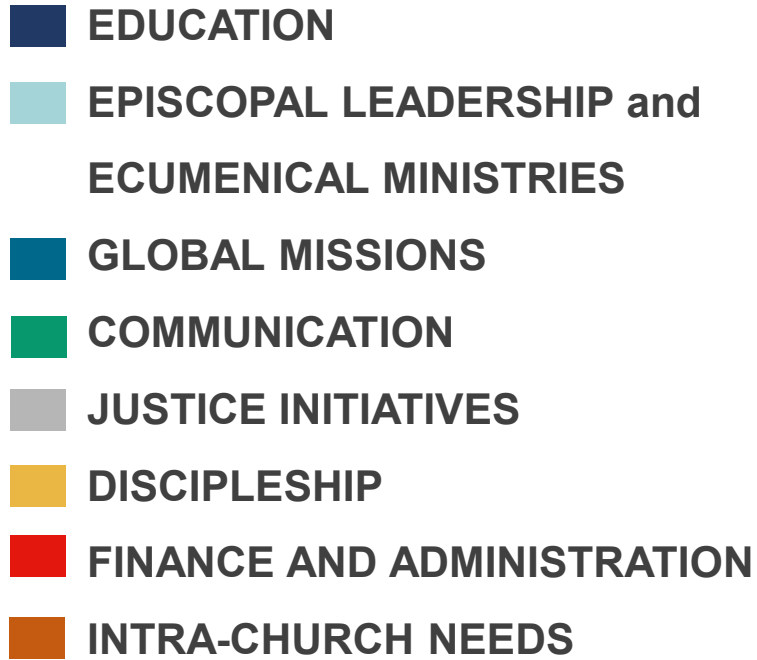
- The budget currently submitted in the ADCA is \$347 million over the next quadrennium.
- This represents a 43% reduction from the last budget adopted in 2016.
- This is due to a combination of factors: disaffiliation is higher than predicted, along with inflation and other economic factors.



**43%
Reduction**

MORE INFORMATION

What's In The Proposed Budget?



WHAT'S IN THE BUDGET? —————●

General Administration Fund Allocation Summary



- **General Administration Fund: Allocations to the General Administration Fund are reduced 27.5%.**
 - General Conference is budgeted for a 15.4% increase, due to an additional \$7 million for a special called General Conference Session in 2026.
 - Other reductions include:
 - GCFA – almost 60% decrease;
 - Archives & History – almost 10% decrease;
 - Standing Committee on Central Conference Matters – a 5.6% decrease; and
 - Judicial Council – a 43.5% decrease.

See Exhibit A for General Administration Fund Allocations.

Connectional Table Allocation Summary



- **Connectional Table: Allocations to Connectional Table entities are reduced 49%.**
- The Ministerial Education Fund, Black College Fund, Interpretation Resources, and Africa University are being recommended for a 47% decrease each.
- GCFA is also recommending unrestricting funds for the Interdenominational Cooperation Fund, a decrease of 72%. This fund has sufficient reserves, creating capacity to continue in their work.
- The Connectional Table, COSROW, GCORR and the Ethnic Plans were prioritized by The Connectional Table in this budget cycle and receive less than 1% decrease.
- The Central Conference Theological Education Fund and Contingency Fund are reduced by 50%.
- The Young Clergy Initiative is now being phased out.
- United Methodist Men is recommended for a 41.8% reduction.
- GBCS, GBGM, UMCOM, Discipleship Ministries, and GBHEM – 52.8% reduction.

See Exhibit B for Connectional Table Allocations.

Episcopal Fund Considerations



- In 2023, the giving rate for the Episcopal Fund was 88.42% for both Jurisdictional & Central Conferences.
- GCFA is required to budget for all Episcopal Areas, a total of 71 Bishops, including five additional Bishops in Africa that were approved by the 2016 General Conference.
- However, concern lingers over the long-term sustainability of the fund. The Fund will run a deficit in either 2026 or 2027 (depending on the collection rate) if all vacancies are filled.
- In the current proposed budget, The Episcopal Fund can support approximately 54 Bishops worldwide through the next quadrennium.
- The General Conference decides how many Bishops to elect; GCFA has no authority to decide the number of Bishops.

Episcopal Fund Allocations



- Episcopal Fund: Allocations to the Episcopal Fund are reduced by just over 15%.
 - Allocations to the Episcopal Fund have been increased for the coming quadrennium from the published ADCA through a transitional, one-time line item in the proposed budget in the amount of \$15 million.
 - This additional \$15 million is achieved two ways:
 - By increasing the proposed base rate to 2.595%, generating \$7.5 million.
 - The remaining \$7.5 million would be reallocated from general Church agencies to the Episcopal Fund. However, the funding level of the general Church agencies will remain the same, as they are scheduled to receive an additional distribution from the Benefit Trust.

See Exhibit A for Episcopal Allocations.

Episcopal Fund 4-year average 2025-2028



<i>In Millions</i>		Collection Rate			
Description		90%		85%	
Total # of Active Bishops		71	54	71	54
Total Income		\$ 17.6	\$ 17.6	\$ 16.6	\$ 16.6
Total Expenses		\$ 24.9	\$ 19.6	\$ 24.9	\$ 19.6
Surplus / (Deficit)		\$ (7.3)	\$ (2.0)	\$ (8.3)	\$ (3.0)
2028 Ending Reserves		\$ (14.0)	\$ 8.5	\$ (20.1)	\$ 2.5

Episcopal Fund Projections 2025-2028



In Millions

Description	2023	2024	2025	2026	2027	2028	2025 - 2028 Total	2025-2028 Average
# of Jurisdictional Areas	39	41.3	46	46	46	46		46
# of Central Conference Areas	20	20	25	25	25	25		25
Total # of Episcopal Areas	59	61.3	71	71	71	71		71
Total Income @ 85% Collection Rate	\$ 19.8	\$18.0	\$ 17.3	\$16.7	\$ 16.3	\$ 16.1	\$ 66.3	\$ 16.6
Total Income @ 90% Collection Rate	\$ 21.0	\$19.0	\$ 18.3	\$17.7	\$ 17.2	\$ 17.0	\$ 70.2	\$ 17.6
Total Expenses	\$ 21.8	\$24.2	\$ 24.7	\$25.1	\$ 24.8	\$ 25.1	\$ 99.6	\$ 24.9
Surplus / (Deficit) @85% Collection Rate	\$ (2.0)	\$ (6.2)	\$ (7.5)	\$ (8.3)	\$ (8.5)	\$ (9.0)	\$ (33.3)	\$ (8.3)
Surplus / (Deficit) @90% Collection Rate	\$ (0.8)	\$ (5.2)	\$ (6.4)	\$ (7.4)	\$ (7.5)	\$ (8.0)	\$ (29.4)	\$ (7.3)
Ending Reserves @ 85% Collection Rate	\$ 19.4	\$13.2	\$ 5.8	\$ (2.6)	\$ (11.1)	\$ (20.1)	\$ (20.1)	
Ending Reserves @ 90% Collection Rate	\$ 20.5	\$15.4	\$ 8.9	\$ 1.6	\$ (5.9)	\$ (14.0)	\$ (14.0)	

Cost Assumptions:

- 3% increase on Salaries and Office allowances in 2024. No other changes to Office, Housing or Salary in 2025-2028
- Two in-person meetings in 2024, 2026 and 2028. Only 1 in-person meeting in other years.

Allocations Details – Exhibit A

In Thousands of Dollars

	A	B	C	D	E	F
			% Change		% Change	% Change
Apportionment Projection	2017-2020 Approved	2025-2028 Budget in ADCA	from 2017- 2020	Revised 2025-2028 Feb. 2024	from 2017- 2020	from ADCA
Episcopal Fund	\$ 92,019	\$ 68,820	-25.2%	\$ 78,008	-15.2%	13.4%
GCFA Fixed Charges - World Service Fund	\$ 7,373	\$ 4,047	-45.1%	\$ 3,705	-49.7%	-8.4%
GCFA Fixed Charges - Interd. Coop. Fund	\$ 205	\$ 33	-83.9%	\$ 30	-85.2%	-8.4%
General Administration Fund:						
GCFA	\$ 16,729	\$ 8,600	-48.6%	\$ 6,840	-59.1%	-20.5%
Archives & History	\$ 4,134	\$ 4,150	0.4%	\$ 3,738	-9.6%	-9.9%
General Conference	\$ 11,822	\$ 14,900	26.0%	\$ 13,642	15.4%	-8.4%
Judicial Council	\$ 583	\$ 360	-38.3%	\$ 330	-43.5%	-8.4%
Standing Comm. on Central Conf. Matters	\$ 291	\$ 300	3.1%	\$ 275	-5.6%	-8.4%
Pension & Salary Aid	\$ 1,682	\$ 1,300	-22.7%	\$ 1,190	-29.3%	-8.4%
Contingency Fund	\$ 1,655	\$ 800	-51.7%	\$ 732	-55.7%	-8.4%
Total General Administration Fund	\$ 36,896	\$ 30,410	-17.6%	\$ 26,747	-27.5%	-12.0%
Total CT Allocations	\$ 467,541	\$ 267,225	-42.8%	\$ 238,251	-49.0%	-10.8%
Total All Funds	\$ 604,034	\$ 370,535	-38.7%	\$ 346,740	-42.6%	-6.4%
Change from ADCA				\$ (23,794)		
Change from 2017-2020				\$ (257,294)		

CT Allocations – Exhibit B

In Thousands of Dollars

	A	B	C	D	E	F
	2017-2020 Approved	2025-2028 Budget in ADCA	% Change from 2017-	Revised 2025-2028 Feb. 2024	% Change from 2017-	% Change from ADCA
Apportionment Projection						
Ministerial Education Fund	\$ 104,950	\$ 60,421	-42.4%	\$ 54,741	-47.8%	-9.4%
Black College Fund	\$ 41,863	\$ 24,101	-42.4%	\$ 21,836	-47.8%	-9.4%
Africa University	\$ 9,369	\$ 5,394	-42.4%	\$ 4,887	-47.8%	-9.4%
Interdenominational Coop. Fund	\$ 8,003	\$ 2,467	-69.2%	\$ 2,235	-72.1%	-9.4%
World Service Fund						
Fixed Charges						
CT, COSROW, GCORR, Ethnic Plans (1)	\$ 27,134	\$ 27,134	0.0%	\$ 26,890	-0.9%	-0.9%
Interpretation Resources	\$ 1,432	\$ 841	-41.3%	\$ 762	-46.8%	-9.4%
Total Fixed Charges	\$ 28,567	\$ 27,976	-2.1%	\$ 27,652	-3.2%	-1.2%
On Ratio Allocations						
Central Conf. Theological Education Fund	\$ 10,000	\$ 5,476	-45.2%	\$ 4,961	-50.4%	-9.4%
Young Clergy Initiative	\$ 6,952	\$ -	-100.0%	\$ -	-100.0%	
United Methodist Men (2)	\$ 1,477	\$ 1,014	-31.4%	\$ 860	-41.8%	-15.2%
Contingency Fund	\$ 464	\$ 254	-45.2%	\$ 230	-50.4%	-9.4%
GBCS, GBGM, UMCOM, DM, GBHEM (2)	\$ 255,896	\$ 140,123	-45.2%	\$ 120,849	-52.8%	-13.8%
Total On-Ratio	\$ 274,789	\$ 146,867	-46.6%	\$ 126,900	-53.8%	-13.6%
Total World Service	\$ 303,356	\$ 174,842	-42.4%	\$ 154,552	-49.1%	-11.6%
Total CT Allocations	\$ 467,541	\$ 267,225	-42.8%	\$ 238,251	-49.0%	-10.8%

(1) These agencies / plans were only reduced from the ADCA for their projected share of increased distributions from the Benefit Trust

(2) These agencies / plans on a pro-rata basis with all funds / agencies except those in footnote 1 & also decreased by \$7.5 million in proportion to their projected share of the additional distributions from the Benefit Trust

Follow GCFA at General Conference!

- GCFA will be continuing our Data-Driven Discernment Campaign during General Conference.
- Visit www.gcfa.org/generalconference for daily updates!
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Questions?

Contact Brandy Bivens – bbivens@gcfa.org

The General Council on Finance and Administration wishes to thank all delegates and members for their commitment to The United Methodist Church and its mission.

QUESTIONS?

Episcopal Fund

Retirements & Active Bishops Before Elections



Jurisdictional Conferences	2024 Mandatory Retirement	2024 Voluntary Retirement	Central Conferences	2024 Mandatory Retirement	2024 Term Limit	2025 Voluntary Retirement
North Central	2	0	Africa Central Conference	3	0	0
Northeastern	1	0	Congo Central Conference	2	0	0
South Central	0	1	West Africa Central Conference	1	1	0
Southeastern	1	0	Europe	0	1	2
Western	1	1	Philippines Central Conference	0	0	0
Total	5	2	Total	6	2	2

Episcopal Fund



Description	Jurisdictions	Central Conf.	Total
Current Active Bishops	39	19	58
Mandatory Retirements in 2024	5	6	11
Voluntary Retirements in 2024	2	0	2
Voluntary Retirements in 2025	0	2	2
Term Limit in 2024	0	2	2
Election due to Vacancy-2024	0	1	1
# of Active Bishops Before Elections	32	11	43
Number of Episcopal Areas Allowed	46	25	71
Difference (Potential Elections)	14	14	28