



How do UU churches work?

Unitarian Universalist churches are Congregationalist, meaning each congregation is responsible for its own wellbeing, fiscal and otherwise. In First UU's bylaws, the members of the congregation delegate most of the work of running First UU to nine board of trustees and a Lead Minister. The members of the congregation retain the responsibility of calling a minister and approving the annual budget.

As a Congregationalist church, First UU is self-funded and has a budget just like a family, a non-profit organization, or a for-profit business. It costs more than a million dollars a year to run First UU as we gather to nourish souls, transform lives, and do justice to build the Beloved Community.

First UU is primarily supported by the annual pledge drive which makes up the largest part of the annual operating budget. Every year, the Lead Minister presents a budget (based on First UU's anticipated expenses and income and including the annual pledge drive results) at the congregational meeting in December. A quorum of voting members of the congregation exercises its fiduciary responsibility and votes on whether or not to accept this budget.

Overview of First UU's Recent Finances

Sanctuary Expansion and Renovation (2014 – 2019)

Recognizing the need for a larger sanctuary and improved space for the kitchen, gallery, Howson Hall, and sanctuary restrooms, First UU invested in itself! An amazing team started soliciting Capital Campaign pledges in 2014 and raised more than \$3 million. The Capital Campaign pledges were for 5 or 6 years (pledger's choice). Construction began in 2018 and ended in 2019.

Additional construction costs resulted from new fire protection requirements from the city that resulted in installing an automatic sprinkler system in the entire building. This caused the project to go over budget. Despite the challenges, First UU now has a lovely new sanctuary and upgraded facilities.

Wake Now Our Vision & Legacy Leaders (2018 – 2020)

In 2018 First UU participated in a challenge grant program called Wake Now Our Vision to encourage planned giving. Thanks to the generosity of First UU's community, we received about \$170K in grants which went into the 2019 and 2020 operating budgets and the remainder went toward paying down our construction loan.

Inspired by Wake Now Our Vision, First UU started an annual appreciation event to honor the Legacy Leaders who have remembered First UU in their estate planning.

The Pandemic Years (2020-2022)

Like many churches across the country, our membership fell during the pandemic when we could only provide worship and other church programs online. This had a negative impact on several of our revenue sources such as rentals and pledging.

While those years were hard, First UU survived thanks to the generosity of our community and significant help from federal programs and bequests.

- In 2020, the first year of the pandemic, First UU received
 - a Paycheck Protection Program loan that was forgiven
 - the last Wake Now Our Vision matching Funds grant
 - a sizable bequest from a congregant
- In 2021, First UU's income had not recovered but still had a positive cash flow because of the funds received in 2020 as well as additional funding from the Employee Retention Credits provision of the CARES Act.
- In 2022, First UU's income didn't match its actual expenses and had to dip into a reserve fund.

In addition to the financial challenges of the pandemic, in the spring of 2022, Rev. Meg Barnhouse, First UU's beloved minister of 11 years, retired. This initiated a time of interim ministry.

Covid Recovery & The Loan Repayment Years (2023 and 2024)

First UU worked hard to rebuild and First UU's strong membership growth reflected that. The 2023 Stewardship campaign asked First UU's members and friends to pledge extra generously to replace the pandemic funding that was no longer available. While the congregation pledged an amazing 20% increase over 2022, First UU didn't meet its very aggressive pledge goal and faced challenges fully funding its operating budget.

Alongside strong membership growth and budget challenges, First UU exhausted the sanctuary expansion capital campaign fund. To avoid putting the construction loan into the annual operating budget, in September 2023, the congregation voted to take one year's loan payments out of a reserved savings fund. In 2024, First UU launched a new capital campaign to retire the loan debt. The congregation's generosity allowed us to raise over \$1,000,000. Sunday, February 16, 2025, during service the note was ceremonially burned.

2025 Pledge Drive and Beyond

During the turbulent months of 2025, church membership has grown faster than attrition, making First UU is one of the largest UU churches in the US. We're proud to be a refuge for those seeking comfort and solace as well as a rallying point for those who challenge the injustices that abound.

For many years now, First UU has been understaffed for the number of members we have. A fully staffed church of our size would have more positions, both part- and full-time. In addition to the current generosity of those who pledge to support our operating budget, First UU would need to increase its operating budget by over \$200,000 to be fully staffed.