Takeaways from the BBT Board Meeting

Are you being well served by BBT and its pension, insurance, asset management, and deferred gift programs? That’s the question BBT Board members and staff frequently ask as they strive to meet the needs of those they serve, and the group most recently asked this question of plan members and clients during its November meetings, which were held in Roanoke, Va.

“It is important for Board members and staff to understand the needs of our clients, to understand how we can better serve them, and how we might serve them in new ways,” said Nevin Dulabaum, BBT president. “In addition to staff attending Church of the Brethren events and making frequent visits to affiliated retirement communities and organizations, the Board and staff are committed to holding their annual fall Board meeting away from our offices so that we can better interact with who we serve.”

The dozen or so members and clients who attended the meeting enjoyed lunch with staff and board members, and heard a dynamic presentation on the economy and current interest rates, given by Britt Cesarone, of Ponder & Co., which oversees BBT’s short-term investments.

District Executives David Shumate of Virlina District, and John Jantzi of Shenandoah District, joined the meeting and shared meditations each morning.

The regular business of the board was completed over two days, and decisions were light but discussions were long.

Here are just a few of the decisions reached over the two days of meetings.

- Of importance to pastors and retirees is that the board voted to designate pension and benevolent fund payments as qualifiers for housing allowance.

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BBT’s guiding document

Ten years ago, during a time of transition, Brethren Benefit Trust staff and board created an Ethos Statement that to this day guides them in their interactions with each other and with those they serve in the broader Church of the Brethren community. It is a reminder of how important it is to treat people with respect, grace, and transparency. It’s a wonderfully simple statement —

As Board and staff members, we seek to awaken and fulfill the mission and vision of the organization by:

1. Embracing the spirit of God in all that we do.
2. Showing unconditional positive regard* for each other and for those we exist to serve.
3. Equipping ourselves to fulfill our individual and collective responsibilities.
4. Empowering one another.
5. Exhibiting a commitment to serve.
6. Being accountable, individually and corporately, with each other and with those we exist to serve.
7. Operating in a transparent and collaborative manner.

* Unconditional positive regard, a concept developed by Carl Rogers, is when one person is completely accepting of another, modeling an attitude that is demonstrated through behavior.

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BBT News

Staff Contacts

President: Nevin Dulabaum
Editor: Jean Bednar
Writer: Jim Lehman
Production: Rick Villalobos

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Address corrections and editorial suggestions:
Send to Benefit News, Brethren Benefit Trust, 1505 Dundee Ave., Elgin, IL 60120, call 800-746-1505, ext. 3376, or send an email to newsletters@cobbt.org.
Here are two statistics that every employed person should know —

- Among workers age 55 and older nearing retirement, 48 percent have saved less than $100,000; one-third have less than $25,000 saved.
- Social Security was only meant to fulfill 39 percent of a person’s retirement income.

This information came to me through my coursework to become a Chartered Retirement Planning Counselor, and these statistics underscore the value and importance of employer-based retirement programs. Fortunately, for those who are members of Brethren Pension Plan, your employer understands the importance of retirement planning and readiness, and provides this plan as a benefit to help ensure that you and your family will have ample financial means in your retirement. Nevertheless, retirement planning can feel daunting — retirement can seem like a long way off, the planning portion can make one feel like there’s too many variables or unknowns to decipher, and one can believe that they don’t even know the questions they should be asking to properly set themselves up for that time when they decide to stop working full time.

Knowing that people do have more questions than answers, BBT is proactively working to help provide education and resources, with the hope that all employees we serve, as well as other members within the Church of the Brethren, will be well prepared for retirement. In this second of two articles on retirement readiness, I will describe some of the resources and education BBT offers to assist those we serve.

First, we offer an article in each issue of our flagship newsletter, Benefit News, that pertains to personal finance. This article is written for all; one does not need to use the services of BBT to access this resource online or to receive a printed copy. This issue’s topic discusses the advantages and disadvantages of credit cards. Recent past topics included financial planning for the beginning of a new year, the power of compounding interest, and the benefit of target date funds in a retirement investment portfolio. Benefit News and all of the BBT publications can be found at www.cobbt.org/news.

Second, we offer a variety of seminars at no expense and upon request at workplaces, congregations, and Church of the Brethren-related conferences and events. Topics covered can include personal finance, retirement planning, planned giving and stewardship, church business practices, and investing with values and a purpose. If you’re interested in learning more about these free sessions, call Loyce Borgmann at 847-622-3364 or visit cobbt.org/workshops.

Third, we offer online account access to your Brethren Pension Plan account. This not only allows you to see your account balance at any time and as often as you like, but it also allows you to change asset allocations, or run retirement projections to help determine if you’re on the right track for retirement, in terms of how much is being saved in your account (from you and/or your employer), and the funds you have chosen for investment. Your online access to your Brethren Pension Plan account can help you make great decisions. If you would like to know more, contact Ed Shannon at 847-622-3370.

Fourth, we realize that throughout your life cycle you will be faced with different financial demands. For example, parents with financial dependents (children) should have ample life insurance, so that if something happens to them, their family can continue on without the added burden of financial hardship or disaster. As people get older, and their dependents become more independent, life insurance needs diminish while the need for long-term care insurance grows. These type of life-cycle issues are important to address, but do you even know the questions that need to be asked as you move through your life cycles? In our experience of meeting with many people we serve, we realize the questions they need to ask are often not known. And so in July, we brought the aforementioned Ed Shannon onto the BBT team to work on making sure people know which questions to ask throughout their life cycles, pertaining to retirement savings, education expenses and savings, insurance needs, dependent needs, the use of credit, and end-of-life decision making. Do you have questions in one or more of these areas? Talk to Ed. He can be reached at 847-622-3370 or eshannon@cobbt.org.

Perhaps there are other ways that we can help you with the employee benefits (Pension and Insurance products) you receive from BBT. If so, we’re glad to try to assist where we can. In the meantime, make sure to look at the resources I’ve mentioned in this article — they will start you down the path toward a fruitful retirement. — N.D.
Telling the truth

There are many ways we don’t tell the truth, like the little white social lies that we don’t even think about. How often have you said, “I’m fine,” when you didn’t want to admit you were feeling bad or just didn’t want to take the time to give a full answer? Have you ever told someone they looked good, when you really didn’t think so? Or here’s a troubling moment — someone in your church sings a solo that is awful. Have you ever been wholly honest in that situation? Or what about the delicate moment when a small child shows you a drawing that can be appreciated only by a parent’s loving eye?

On a more serious level, do you tell someone when they have made you angry? Or do you put it off, hoping your feelings will go away? Do you give honest feedback to an employee or a colleague? Do you tell your boss something you are pretty sure he or she does not want to hear? And what do you do if your boss or your employee or your colleague makes you angry? These are situations where you are tempted to avoid the truth or water it down or, if the anger and frustration are great enough, blow up and “let it all hang out.”

Context is important for telling the truth. If the person is just politely asking, “How are you?” then the noncommittal “I’m fine” is probably enough. But if the person is a friend who really wants to know, you are expected to give that person an honest answer.

Questions about appearance are especially treacherous, because they are usually not just about how the person looks. Think of all the sitcom moments when an anxious husband is trying to figure out just the right answer to, “How do I look?” His wife may really be asking, “Am I okay?” and looking for reassurance. Thus, if he says, “You look good,” he might be talking about something more than appearance. He may really be saying, “You are a good person, and I love you.” Is his answer the truth? On the surface maybe not quite; at a deeper level, yes.

These responses all have something in common — putting yourself in the place of the other. This is the first requirement for doing something called speaking the truth in love. This is something you hear people of faith talk about. What an appealing idea! But is it even possible? Doesn’t the truth usually hurt? Isn’t that why we often shy away from telling it? In a time when truth is avoided or skewed or even used as weapon, can we speak it in love?

The answer is that it is hard to do. It’s not easy to put yourself in someone else’s place, especially if you are angry or afraid of or feel threatened by that person. But good truth-telling begins here. You will simply tell the truth with more kindness if you can really feel what the other feels.

Secondly, speaking the truth in love requires humility and confession. But do you really want that? Usually, you want to be right, to occupy the righteous high ground. You don’t want to admit to shortcomings. But if, for instance, you are confronting your spouse, which approach is more likely to succeed — righteous indignation or the admission that you may have contributed to the problem?

The truth is — being truthful is not easy. There is no guarantee that speaking the truth in love will be comfortable or achieve the end result you wanted. Sometimes no matter how hard you try, being truthful can be painful and disruptive. And of course, the worst that could happen is that your colleague may hate you. Or your boss may fire you.

So, here’s the question. Would you rather live a life avoiding conflict and difficulty, or a life of growing integrity? You may have heard the story of the pastor who figured out how to be truthful when a new-born baby, who was beautiful only to his besotted parents, was thrust into his arms. He looked down and said, “Now, that’s a baby!” So maybe that’s the last component of telling the truth in love — a bit of creativity and humor. May it be so for you and for each of us. — J.L.
The advantages and dangers of credit cards

Do you have a credit card? A debit card? Both? Have you compared them? When you do, credit cards almost always come out ahead, except for one important feature. You cannot go into debt with a debit card. According to NerdWallet, the average American household carried $15,482 of credit card debt in 2017. That figure alone points to both the advantages and the dangers of credit cards.

A credit card makes it possible for you to buy something for which you do not have the immediate cash. It allows you to pay for all your purchases during a given month in one lump sum at the end of the month. It allows you to carry a balance, which many cardholders do. If you have a card with a high credit limit or have several cards, you are tempted to use all this credit and then pay only a portion of your purchases at the end of the month, carrying the balance forward, which is like taking out a loan.

But what happens when the balance or balances mount up? You may suddenly find yourself carrying a dangerously large balance and incurring a high rate of interest. A debit card, on the other hand, is like writing a check. You cannot exceed what you have in your account, and if you do, you will pay overdraft fees or even have your account put on hold.

Since the financial crisis of 2008, the use of debit cards has increased. A 2017 survey showed that 44 percent of people prefer to pay with debit cards; 33 percent prefer to pay with credit cards; and 12 percent prefer to use cash. The Federal Reserve Payments Study for 2016 showed that there were 69.5 billion debit card transactions valued at $2.56 trillion dollars, and there were 33.8 billion credit card transactions valued at $3.16 trillion. It appears that debit cards were used more frequently, and credit cards were used for larger purchases.

But the big and important difference is that with the debit card transaction the purchase is completed. With the credit card transaction much of the purchase price may remain as debt. For this reason, credit cards should be handled with care.

There are four kinds of credit cards. The standard card, which extends a line of credit to the user; the rewards card, which offers cash back, travel points, points for purchasing goods, and other benefits; the secured card, which requires an initial cash deposit that is held as collateral; and the charge card, which is issued by a store or business, generally has no pre-set spending limit, but often does not allow unpaid balances to carry over. These days, most standard cards are also rewards cards, because people have come to expect something back from their credit card purchases.

There are many reasons for using these credit/rewards cards. Obviously, people want the rewards they offer. They are more secure than debit cards, especially for online shopping. They provide protection when stolen. It is easier to get refunds. They sometimes provide extended warranties on electronics. They help you build up your credit history, which can then save you money when borrowing for a house or car.

But there are also reasons for being cautious. It’s very easy to fall into debt. It is confusing to compare the many different cards. Your credit card could hurt your credit score. Sometime there is fine print you failed to read.

So here are some questions you should be asking when choosing your credit card among the dozens available —

1. What is the card’s credit limit?
2. What are the card’s incentives?
3. What is the minimum monthly payment?
4. Is there an annual fee?
5. How high is the annual percentage rate (APR) on the unpaid balance?
6. Are there penalties for going over the credit limit, making late payments, or using the card abroad?
7. Will the introductory interest rate later escalate?
8. What is the cost for balance transfers from other cards?
9. Are there requirements to qualify for the cash-back arrangement?
10. Can you have additional cardholders on your card?
11. Are there conditions that might cause you to be refused?

There is a joke attributed to Dr. Gregg Dimkoff, professor in the Grand Valley State University School of Business. Larry King was interviewing Satan on TV, and he asked the devil to describe his foulest deed. Satan at first refused, saying there had been so much destruction, so many lives cut short, so many wars, so many catastrophes that none stood out. But King kept after him, insisting, “There must be some dastardly deed you are proudest of.” Satan thought for a moment. His eyes brightened, and he said, “Well, yes, if I had to pick one evil thing I’m proudest of, it would be when I invented credit cards.”

Of course, the humor is in the fact that we know credit cards are not evil, but because it gives us pause to also know they can cause a lot of trouble. So, let us make use of the opportunities credit cards offer and take this story as a cautionary tale. — J.L.
In August, Sherri Crowe accepted the position of Client Manager for Brethren Foundation. The purpose of this new position is to deepen and broaden the scope of service that Brethren Foundation provides to current and prospective clients.

Sherri worked as an Investment Advisor Associate for more than eight years; during that time she maintained several credentials – CRPC®, APMA®, Series 7, and Series 66 licenses. She and her family live in South Elgin, Illinois, and are members of Christ Community Church in St. Charles.

Everett Teetor began serving BBT as a Finance department intern in June 2017. In July 2018, he transitioned to the full-time position of Accounting Assistant.

Everett graduated in 2017 with a major in Business Economics from Beloit College, concentrating in areas of finance and accounting. He lives in Elgin, Illinois, and attends Highland Avenue Church of the Brethren.

Joven Castillo was promoted from Technology Support Specialist to Network Administrator, beginning January 2019. Joven assumes several new responsibilities formerly managed by consultants.

Wayne Scott, who served as a BBT Board member for eight years, finished in July 2018. Wayne, who lives in Harrisburg, Pa., was elected for his first four-year term by delegates from Annual Conference, and continued his second four-year term as a Board appointee. He served on the Investment Committee from 2010-2012 and then served the Governance Committee from 2012-2018.

Shelley Kontra was elected to the board by the Annual Conference delegates in July 2018 and attended her first meeting in November. Shelley serves on the Governance Committee. Her vocation is an Account Executive Insurance Administrator for Significa Benefit Services Inc. Shelley and her family live in Lancaster, Pa., and attend Hempfield Church of the Brethren.

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• The board instructed staff to conduct a search with the hope of replacing an underperforming investment manager.

• Approval was given for the addition of seven new index funds – a welcome addition that will enable BBT to offer lower-cost investments to current and future clients.

“BBT’s guiding document ...” continued from Page 1

In the spirit of the statement, BBT has regular staff meetings to keep its people informed, and to celebrate joyful moments and mourn sad times. Staff members try to be transparent with each other and with clients, to be proactive and responsible, and to own up when they can do better.

Each year there is an all-staff event to help staff think about how to work together better. In 2018 members conducted an assessment and workshop to reveal similarities and differences in work approaches so that they can better understand how to relate to each other.

Recently senior management mindful of reviewed this Ethos Statement and agreed that it still reflects who the people of BBT are. They acknowledged that they have not attained all that the statement embodies, and this means it is still a relevant document, with areas the staff must strive to fulfill. The BBT Board, in its November meeting, gave the statement its annual review and heartily endorsed it for another year.

It has become a practice in all prospective staff interviews to read the statement to the candidate and ask for comment and feedback.

One of the blessings of this document is that it is short, direct, and evocative. It does not demand compliance, but asks staff to reflect on their interactions and let them be infused with care and consideration.

The Ethos Statement compliments the BBT vision statement: Building financial security, Bettering the World, Together. The word “together” points to the deep commitment to loving community that characterizes Brethren at their best, and it is this commitment to doing things together that lies at the heart of this Ethos Statement.