Investing the Brethren way yields positive change

Whether the market is up or down, one thing is certain: Members and clients of Brethren Benefit Trust are investing in global transformation.

The more than $430 million that BBT invests for those it serves is the fuel that keeps the agency’s socially responsible investing ministry running. It allows SRI Director Steve Mason to work with international companies, interfaith advocacy organizations, and investment managers to ensure that Church of the Brethren Annual Conference statements are being reflected by the companies in BBT’s investment portfolio.

Software bans incompatible companies from portfolios

How can an investment manager ensure that the funds it manages for BBT restrict companies whose primary sources of income are at odds with Brethren values?

One way is through intensive research and programming. Kayne Anderson Rudnick, BBT’s small cap equity manager, uses environmental, social, and governance research from MSCI, a company that provides investment support tools, to perform an initial evaluation of potential new investments. If research indicates that a company earns 10 percent or more of its revenue from alcoholic beverages, defense, gambling, pornography, tobacco, weapons, or other business that is not in keeping with Annual Conference statements, Kayne Anderson Rudnick will not invest BBT’s money in that company.

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Tax credit could benefit Brethren churches

In health care, there are bad breaks — like an arm or collar bone — and there are good breaks — like a tax credit offered to small businesses that provide health insurance to their employees. In 2011, several Church of the Brethren congregations pursued the Small Business Health Care Tax Credit for Small Employers, a savings opportunity offered through national health care reform legislation signed by President Barack Obama.

“It took a little bit of work to figure it out, but to get a reinvestment in our ministry was well worth it,” said Russ Matteson, pastor of Modesto (Calif.) Church of the Brethren. He and his church’s stewardship chairwoman pursued the credit last year after reading an announcement from Brethren Benefit Trust that was published in Newsline.

That “little bit of work” paid off for the church — they received a refund of around $2,700, according to Russ.

Will your congregation pursue this

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I’m lucky to be alive.

Late last August, I was riding my bicycle with some friends. They were trailing behind, so I turned around to see where they were. My bike veered to the right, and I flew off of the bike trail, down an embankment, flipped over the handlebars, and broke my left collar bone in several places. On the ride to the emergency room, I was told that there were numerous stumps sticking up all around where I had landed. That I had escaped serious or fatal injuries was amazing.

“God must have other plans for you,” the EMT stated. “This was not your day.”

I’ve reflected a lot about that day, and what I need to do to try to take care of the well-being of my family. My checklist shouldn’t be all that different from anyone else’s.

Caring for others
I checked to make sure all of my life documents — will, financial accounts, Brethren Pension Plan account, and insurance policies — are in order and include updated beneficiary information, so that my loved ones are protected should something happen to me. Despite what a person’s will might state, only listed beneficiaries of financial accounts and insurance policies are entitled to receive beneficiary payouts. Thus, people who have young children or a new significant other need to update their account information so that their loved ones are included in any end-of-life settlements.

Will a family have enough resources to live on if something unexpected happens to one of the bread earners? A common benchmark for life insurance is to have policies that equal 10 times the total earnings of the household, especially for younger families. A certified financial planner can help determine insurance needs and a budget for all kinds of family circumstances.

Caring for your finances
Help safeguard your retirement by checking your Brethren Pension Plan account and other investments to ensure they are invested with a time horizon and level of risk that makes you feel comfortable. Additionally, over time, asset allocations can change accumulations due to market fluctuations. Review your portfolio on an annual basis to see if it needs to be rebalanced.

Caring for your health
As a patient in the health care system for more than six months, I have learned that we must be strong advocates for ourselves. I read information early on from WebMD and other sources that could have greatly reduced the time span between the accident and my eventual surgery four months later — if I had been a more assertive patient and asked my medical providers to take that advice. Because I was hesitant to speak up, my resulting surgery was much more extensive and my recovery has taken much longer.

We all must find a way to handle stress. I bicycle. However, for nearly two months after my accident, I did not find an alternative outlet, and I could tell that the stress was not being released based on my mood and eating and sleeping patterns. When I had healed enough, I began playing bass guitar. Losing myself among the notes was the tonic I needed to counteract stress. Now that I’m finally able to play guitar and ride my bike, I feel even better — and so does my family. As many studies have indicated, managing stress can help lessen headaches, high blood pressure, and the potential for heart disease, and it can also reduce tension experienced by family members.

Caring for your spirit
The power of prayer is a helpful spiritual component that assists many throughout their lives. Whether individually, through prayer chains, or through community prayer at church, a connection to God can play a vital role in many people’s lives and in their related well-being.

Peace of mind
All of these steps are helpful for giving you and your family peace of mind. Though they seem easy and logical, stories abound about people who suffered because their loved ones did not have their financial, mental, and spiritual lives in order. Don’t wait for a life-changing event to undertake such an evaluation — periodic reviews of your life’s checklist will help you maintain balance. — N.D.
It’s difficult to define it, but many of us claim to experience it on a regular basis. It’s stress — and it’s a growing phenomenon among Americans in an age of social and economic uncertainty. According to the 2010 Stress in America survey, 44 percent of those in the study reported an increase in stress levels over the last five years. How is stress changing, and what are scientists learning about modern-day stress? Here are some studies that shed more light on this problem —

**Dream of a better mental outlook.** It may not surprise you to hear that sleeping well can help relieve the symptoms of stress, but a year-and-a-half-long study performed by the University of California, Berkeley, suggests that rapid-eye movement sleep in particular can help ease emotional stress. The research — which was published in November 2011 — indicated that this period of sleep reduces stress-inducing electrical activity patterns and the activity of some neurotransmitters.

**Stress can be a heartbreaker.** The July 2007 issue of *The Journal of the American Medical Association* indicates that emotional and physical stress can increase a person’s heart rate, elevate blood pressure, and cause the release of stress hormones. This combination can cause a heart attack, heart failure, or irregular heartbeats in anyone, but the study indicates that women are particularly susceptible to developing heart problems caused by stress.

**Memory loss and stress.** Learn to forget about stress — before it forces you to forget everything else. A study completed in April 2011 at the University of Edinburgh indicates that two receptors in older brains react poorly to a stress hormone called cortisol. Although one of the receptors responds positively to lower levels of cortisol — and actually helps with memory improvement — when there is a surplus of the hormone it spills over to a second receptor, which then creates memory impairment.

**Chocolate defeats stress?** It’s an age-old claim, but it’s getting a boost from a study sponsored by — surprise, surprise — the Nestle Research Center in Switzerland. The study showed that eating 40 grams of chocolate each day for 14 days flushed some stress hormones from the body and improved the metabolism of stress-prone individuals. (For the record — 40 grams of chocolate is roughly equivalent to a standard Hershey’s Special Dark Chocolate bar.)

**Multitasking may mean multiplying stress.** According to a Michigan State University study published in December, working mothers spent 10.5 more hours every week on multitasking compared with working fathers, and on the whole, the women reported much higher feelings of stress during these multitasking moments than the men in the study.

Are you feeling stressed out yet? The website for the American Institute of Stress (www.stress.org) may be able to help you identify your stress triggers, learn about the dangers of stress, and cope with life’s daily pressures. — B.S.

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**“Tax credit ...” continued from Page 1**

opportunity in 2012? Here are some basics about the tax credit —

**Who?** Small employers with more than one but fewer than 25 full-time employees that pay an average wage of less than $50,000 a year and pay at least half of employee health insurance premiums. Ministers’ salaries may not need to be included in this calculation based on the minister’s hiring status.

**What?** A credit of up to 25 percent of workers’ health care premiums for small, tax-exempt employers (like churches or Brethren-affiliated organizations).

**How?** Use IRS Form 8941, Credit for Small Employer Health Insurance Premiums, to calculate your credit, and then include the amount on line 44f of Form 990-T, Exempt Organization Business Income Tax Return.

**When?** The credit will be available through tax year 2013, and an enhanced version of the credit will go into effect in 2014. You may file an amended return to claim the credit for the current year.

**No taxable income as a 501(c)(3)?** You may be eligible to receive the credit as a refund. The amount cannot exceed your income tax withholding and Medicare tax liability.

**More information?** Please visit 1.usa.gov/ckBJI8 for more information about the credit and to view a webinar that will guide you through the filing process. — B.S.
Workshops

Confused about where you’re headed? Feeling lost? Wondering how to get from here to there? Let Brethren Benefit Trust help you chart your course. Our team of financial and benefits experts offer workshops that can help your congregation, district, or Brethren-affiliated retirement community. Topics range from stewardship to personal finance to retirement planning. Here are a few of our most requested topics —

Help! There’s Too Much Month at the End of My Money!
Do you have trouble making ends meet at the end of a pay period? Look at cash management and budgeting from a Christian perspective, with an eye toward stewardship and simple living. Get to know the difference between financial planning and budgeting, and find out how to do both.

How Much is Enough?
It’s a question on many minds these days. The answer is often based on retirement income, desired retirement date, life expectancy, and other factors. The impact of taxes and inflation on retirement finances will also be discussed, as well as methods for developing a model to project a savings rate to help reach a secure financial future.

Long-Term Care Insurance:
An Investment for Peace of Mind
Preparing for your future means making positive investments that will promote financial and physical wellness. Take a closer look at long-term care insurance and learn how to determine whether it is right for you and your family.

There are a multitude of other workshops that can be tailored to meet the needs of your group posted on the BBT website at www.brethrenbenefittrust.org/workshops. Contact Loyce Swartz Borgmann at 800-746-1505, ext. 364, to check availability and set up a session for your church, district, or organization.

CDIF serves low-income communities through Calvert Foundation
How many retirement programs can boast that their members’ investments help grow a facility that feeds more than 450,000 adults and children in Brooklyn each year? Through the Community Development Investment Fund, an investment option for both Brethren Pension Plan members and Brethren Foundation clients, BBT purchases Community Investment Notes at a fixed interest rate through Calvert Foundation. Using the funds from these Notes, Calvert Foundation provides loans in the areas of community development, affordable housing, microcredit, and small business development.

Community Investment Notes invested almost $30 million in community facilities like St. John’s Bread and Life, a space for hungry families that provides daily meals, nutritional counseling, health and hygiene products, and broader social services support like literacy training and work force development.

BBT investments in the CDIF totaled more than $700,000 in 2011, which helped to back projects like St. John’s Bread and Life — as well as small business aid, affordable housing development, microloans, and more.

What’s more, in the tenuous economic climate of 2011, the CDIF outperformed several more traditional BBT investment options.

Encouraging corporate change from the shareholder’s seat
As part-owner of hundreds of national and global companies through share ownership, BBT has the responsibility to ensure that those companies are moving in a direction that is in keeping with Brethren ideals. When opportunities to encourage companies to address social issues arise, BBT aligns itself with other investors and third-party organizations like the Interfaith Center on Corporate Responsibility to make members’ and clients’ voices heard.

Most recently, this responsibility has urged BBT to sign on to a letter written by ICCR in support of the Business Transparency on Trafficking and Slavery Act (HR 2759), which requires companies with a minimum of $100 million in gross receipts to report their organizations’ efforts to address trafficking and slavery to the Securities and Exchange Commission and on their websites. This letter was sent to House of Representatives Speaker John Boehner and Majority Leader Eric Cantor in January.

For more information about BBT’s SRI activities, contact Steve Mason at 800-746-1505, ext. 369, or smason@cobbt.org. — B.S.

Socially Responsible Investing

"Investing the Brethren way ..." continued from Page 1

The portfolios are also checked monthly against MSCI’s research to ensure that they are consistent with BBT’s investment guidelines.

Although several managers use MSCI or other electronic means of screening companies, longtime BBT manager Boston Common Asset Management conducts internal research and combines that with external tools. No matter the technique, all managers are expected to keep BBT’s portfolios in compliance.

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Stretching your health care dollars

It pays to be careful when it comes to your medical spending. How many of your dollars (and your employer’s dollars) went into the reported $2.6 trillion that was spent on health care in 2010? Hold on to more of your money this year by cutting back on your health care costs. It can make a big impact on your household budget and might even keep your employer’s health care costs down.

Here are some specific and simple health care savings ideas —

**Pay attention to your pharmaceuticals.** Your prescriptions may offer a great opportunity to save some serious cash for you and your health plan. Often, there are price breaks when ordering more than a one-month supply of a prescription or when ordering them through a mail-order pharmacy online. You might also consider asking your doctor for generic drugs instead of more expensive name-brand pharmaceuticals.

**Stay in your network.** Most health care plans have a nationwide network of medical professionals that have a relationship with the insurance company. This allows a doctor to have a steady stream of patients from his or her allied insurance company, and it allows the health insurance providers to get a discount from the doctor for all client-patients. If you’re switching health care plans and a doctor is no longer in your network, ask him or her for a referral to a doctor he or she knows who’s in your new network, or better yet — ask your doctor to join your new network.

**A stitch in time saves nine.** Many medical insurance programs offer some sort of preventive component, meaning that you are entitled to have one visit with your physician per year that is covered in part or in whole by your insurance plan. This can help you and your physician stay on top of your health concerns, which might lessen the chance that a much larger (and more expensive) medical calamity will befall you. Depending on your age, you may be entitled to regular preventive visits with health specialists, too.

**Avoid the emergency room.** Of course, the name of this particular part of a hospital implies suddenness, urgency, and imminent disaster, but how many trips to the ER are truly emergencies? Of the 123.8 million visits made to ERs in 2008 (the most recent year’s data available), only 13 percent resulted in hospital admission, according to the National Hospital Ambulatory Medical Care Survey. Can your condition be treated at an urgent care facility instead, or have you tried to make an appointment with your primary care physician?

For more ideas about saving money on health care, read the January 2012 edition of Insurance Update on BBT’s website — www.brethrenbenefittrust.org/insurance-update. — B.S.
Evangelical Council for Financial Accountability leaders Dan Busby and John Van Drunen lead the workshop “Best Financial Practices for Your Congregation,” which was co-sponsored by BBT. Five Church of the Brethren representatives from three states attended the day-long workshop on Feb. 4 in Kansas City, Mo., along with over 40 attendees from a number of other denominations. To sign up for a free DVD with highlights from the event, please email your mailing information to communications@cobbt.org.