Your rent and mortgage payments are nothing compared with your future nursing home bills

Housing is expensive in this country — but the staggering cost of nursing home care makes rent and mortgage payments seem downright bearable.

While rental housing costs have increased 6 percent since 2000, the median renter income has decreased by 12 percent in the same period, according to a new report by the Joint Center for Housing Studies at Harvard University. And even as the slow recovery of the housing market keeps home prices well below their mid-2000s peaks, your mortgage payment is likely more than the recommended 25 percent of household income.

Of course, if you need care in a nursing home one day, your annual bill for a private room could cost as low as $55,360 and as much as $255,891 annually, according to the Genworth Cost of Care Study 2013. A semi-private room isn’t much different in cost.

If you spend two years in a nursing home, your total cost of care could reach six figures — up to half a million dollars. Where will you come up with that kind of cash?

One way to prepare for the costly realities of your end-of-life care is long-term care insurance. It’s designed to help you take care of these enormous expenses down the road with significantly smaller premiums today.

There are many options for choosing your long-term care insurance provider; to learn about Brethren Insurance Services’ long-term care insurance options, contact Randy Yoder at 847-849-0205 or ryoder@cobbt.org. — B.S.

Strategic pathways work continues as Board gathers in Frederick, Md.

At its annual November meeting, the Board of Directors for Brethren Benefit Trust’s pension, insurance, and asset management ministries pushed forward its strategic pathway process, made small but important adjustments to its investment program, and requested further dialog regarding BBT’s Church Workers’ Assistance Plan.

At its Nov. 22-23 meeting, which was preceded by two days of committee meetings, the Board spent two afternoons led by Randy Yoder working at creating new mission and vision statements. It also affirmed BBT’s Ethos Statement and Purpose Statement (both of which can be viewed at brethrenbenefittrust.org/ideals) and developed a set of five Core Values, which emerged from BBT’s previous set of values. In December, the Strategic Planning Committee worked with the Board’s ideas and present draft statements, as well as priorities for BBT, at its April meeting.

Other important events from the meetings, some of which were held at Frederick (Md.) Church of the Brethren, include —

• Upon recommendation from its investment Continued on Page 4

Core Values
Act with integrity
Lead with compassion
Provide competitive services
Encourage mutual support
Model social responsibility

Board of Directors

President: Nevin Dulabaum
Editor: Brian Solem
Managing Editor: Patrice Nightingale

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President’s Message

Yes, we can hear you now


Those are some of the tasks the Brethren Benefit Trust Board and staff members have performed this year to find out what you think of us as part of our strategic planning process for Brethren Pension Plan, Brethren Insurance Services, and Brethren Foundation.

Over the past five years, we have made a number of changes to the products and services you receive from us. We’ve added more investment options, more responsive customer service, the daily valuing of your Pension and Foundation funds, useful online portals, helpful insurance plans with competitive premiums, and many new seminars that we conduct to help people be strong stewards of their financial resources. Moreover, we have done our work while striving to invest the majority of the funds under our management in a socially conscious manner, which we do while simultaneously producing strong investment returns. And we have engaged successfully with a few companies through our investment activism initiatives, encouraging these firms to improve their practices related to human rights and the environment.

This is where we are today. But what about tomorrow? And the next day? And the day after that? What are the needs you will have for Pension or health-related insurance products? If you represent an organization, what will your needs be for the management of your organization’s funds?

Throughout 2013 we have asked these questions. We have conducted focus groups, made many phone calls, distributed questionnaires, and sought in-person feedback at many retirement communities and Church of the Brethren conferences and events. We have asked for input on what we do, how we do it, and what we should do differently to better meet your needs.

And we have received mounds of data. In all, we queried nine different groups of people totaling several hundred individuals who use and don’t use BBT’s services, so that we can better shape what we do to meet your needs of the future.

And that shaping process is where BBT is with its strategic planning process. At its November meeting in Frederick, Md., the BBT Board affirmed the organization’s purpose statement and ethos statement; the group also developed a streamlined, action-oriented set of core values for our organization. Board and staff members then engaged in the hours-long process of sifting through the comments received through our feedback gathering process; they looked for themes, possibilities, and concerns. Using that input, the group worked toward finalizing its vision and mission statements. Then, in mid-December, the BBT strategic planning committee met in Elgin, Ill., to finalize proposed vision and mission statements, and to develop two to three organizational priorities that will be submitted for the Board’s review and feedback in April. Between now and then, staff will work on developing proposed goals and action steps to address the priorities. It is hoped that final approval of the BBT strategic plan will come at the Board’s July meeting.

The goals, priorities, and overall mission and vision statements that are adopted will help us direct our work, so that we can continue to improve BBT in a way that allows you to effectively manage your financial resources, or the resources of organizations that you help guide.

What do you think of us? If you haven’t participated in any of our information gathering, it is not too late to let us know. We’d like to hear from you now. — N.D.

Have a comment or idea for BBT’s president? Email Nevin Dulabaum at ndulabaum@cobbt.org.
Since World War II, when the U.S. first approved inactivated vaccines for influenza, Americans have been encouraged to get vaccinated against that year’s combination of influenza viruses. But is it right for you? When should it be administered? And what is a flu shot, anyway?

**Who**
The Centers for Disease Control and Prevention recommends everyone older than 6 months of age get the flu shot. This “universal” approach to the flu vaccine helps control the spread of the flu and keeps as many individuals flu-free as possible. Individuals who should not get vaccinated include people who are ill currently (they should get vaccinated once they are well) and people who have a history with illnesses related to vaccines like Guillain-Barré Syndrome.

**What**
It’s an injection or a nasal spray that creates antibodies in a person’s body that eventually provide protection against that season’s target viruses. Flu shots, contrary to popular belief, cannot cause flu illness; the viruses used to create the vaccines are either inactivated or made very weak (depending on whether you receive the vaccine in a shot or nasal spray). A small percent of the population is allergic.

**Where**
In many parts of the U.S., getting a flu shot is as simple as visiting your physician, stopping by a walk-in clinic, or attending an office-wide flu shot event. To find the nearest and soonest opportunity to get a flu shot, visit [flu.gov/prevention-vaccination/vaccination/index.html](http://flu.gov/prevention-vaccination/vaccination/index.html) and enter your ZIP code in the Flu Vaccine Finder widget.

**When**
While the flu season can begin as early as October, it is never too late to get vaccinated against this year’s influenza viruses. Flu activity typically peaks in January or later, so starting your year off with a flu shot (if you haven’t already) might be a wise bet.

**Why**
The fewer individuals who are able to carry the flu, the less the flu spreads. From 1976 to 2007, the estimates of flu-related deaths in the U.S. have ranged from 3,000 to as many as 49,000 people. It’s a simple way to keep your community as well as possible. — B.S.

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**You’ve got questions. BBT’s workshops have answers.**

In 2013 BBT staff and affiliated leaders traveled across the U.S. and led more than 30 sessions about everything from personal finance to long-term care insurance to stewardship to church website basics.

Where will we be in 2014? You tell us. Invite us to lead a workshop at your church, district gathering, retirement community, or other Brethren-affiliated space.

Here are three new workshops available this year, subject to staff availability —

**How will you pay for long-term care?**
Care in an assisted living community is expensive today. How much will it cost when you need it? Learn how long-term care insurance can help pay for those services.

**Church Inc.: The church as a small business**
Review some best practices in financial management, health care, taxation, compensation, and retirement issues for churches.

**Making a difference through investing**
Through socially responsible investing, your money can show the world what you believe in — and make a difference in the lives of individuals and corporations.

Read the full list of sessions at [brethrenbenefittrust.org/workshops](http://brethrenbenefittrust.org/workshops). For more information, contact Loyce Swartz Borgmann at 800-746-1505, ext. 364 or lborgmann@cobbt.org — B.S.
New Foundation funds actively managed by investment adviser

Brethren Foundation launched five Tactical Funds in October for clients who are willing to pay an extra fee to have their assets actively managed by an investment adviser in one of five unique investment styles. These Tactical Funds use BFI’s 19 existing investment options within asset allocation ranges established by BFI’s Board. The style of each Tactical Fund is indicated by its name — Aggressive Growth, Growth, Income and Growth, Income, and Conservative. An additional fee will be charged on assets invested in BFI’s Tactical Funds by the investment adviser. The investment adviser anticipates that investment performance will improve by more than the fees charged.

Brethren Foundation manages more than $167 million for Church of the Brethren-affiliated churches and organizations through 19 funds, many of which are actively managed in a socially responsible investment style based on historical Brethren values.

Please contact Steve Mason, director of Brethren Foundation, with questions at 888-311-6530 or smason@cobbt.org. — B.S.

Strategic pathways …” continued from Page 1

consultant team, Marquette Associates, the Board approved the move of Retirement Benefit Fund assets from its Treasury Inflation-Protected Securities Fund to a new All Asset Fund, which is currently invested through the PIMCO All Asset mutual fund. Adding this fund broadens BBT’s inflation protection options.

• Because the manager of the Domestic Stock Value Fund, Iridian Asset Management LLC, invests that fund in a primarily mid-cap style, the Board agreed that the name be changed to the Domestic Stock Mid Cap Fund. The Board also requested a complete review of all fund names to ensure consistency across BBT’s ministries and in reports from its vendors.

• To better serve Brethren Pension Plan members, the Board approved an exploration of offering target date funds for the denomination’s retirement plan. This investment style allows an investor to choose a fund based on the number of years before retirement, and the level of risk and reward is adjusted by an investment manager based on retirement date. BBT staff will bring findings back to the Board in April.

• Two new SRI fund programs will be explored by staff. First, the Board approved the exploration of a set of Tactical Funds for Brethren Foundation that would be compliant with BBT’s socially responsible investing tenets. Its current, five-fund Tactical Fund program invests in diversifying funds that BBT currently invests in mutual funds, which means they are not necessarily SRI-compliant. Second, the Board recognized the need for a Balanced Fund for Brethren Pension Plan members; currently, the Balanced Fund invests in U.S. Treasuries.

• Wayne Scott was selected by the Board to be its self-appointed member starting in July 2014. Wayne has served the Board since 2010.

• BBT’s 2014 budget was approved by the Board. It reflected a 5 percent decrease over the previous year’s budget.

• The BBT Board approved revisions to its Articles of Organization. These changes will be outlined and brought to Annual Conference delegates in July 2014.

• The Investment Committee reviewed two of BBT’s investment managers — Segall Bryant & Hamill, which oversees BBT’s Large Cap Growth portfolio; and Kayne Anderson Rudnick, which oversees the agency’s Small Cap portfolio. Both firms were signed on for additional three-year terms.

• The Investment Committee approved an update to the benchmark for the Bank Loans Fund, which may be utilized by the Retirement Benefits Fund and Brethren Foundation clients. It now tracks alongside the S&P/LSTA U.S. Leveraged Loan 100 Index, which is a more cost-effective benchmark for the fund. — B.S.
Seven words about investments you need to understand (and might not)

We’re not suggesting you need to become an expert at investing—or even fully understand every fund we offer through Brethren Pension Plan and Brethren Foundation—but here are seven key words and phrases that might help you better understand your Pension or Foundation statement and be a more knowledgeable reader of BBT’s newsletters.

Securities
A security is a tradable asset of some kind. Typically, the asset is put forth by a company to raise cash or diversify ownership.

Fixed income
Another term for bonds or bank loans, fixed income securities are a type of investment a company can choose to offer as a way of borrowing money. The term refers to the “fixed” nature of both the schedule of required payments and the amount a company must pay to its lender(s). Pension Plan members have five fixed income investment options to choose from, and Foundation clients have six.

Equities
Another word for stocks, equities represent a stake in the ownership of a company. By purchasing a piece of a company, an investor gets a share of the profit (or takes on the burden of a loss) of that company. BBT offers seven different domestic and international equities investment options to Pension and Foundation clients (plus a Balanced Fund that invests in both equities and fixed income).

Socially responsible investing
A unique style of investing that favors companies whose output aligns with a certain viewpoint. In BBT’s case, this means that companies that generate significant revenue from activities that work against core Brethren values are excluded from BBT’s actively managed portfolios.

Benchmark
How do you know if an investment option is performing well? By comparing it to a benchmark, or an industry-recognized portfolio that is invested in a style similar to your investment fund. For instance, the Domestic Stock Core Fund’s performance is compared with the S&P 500 Index, because they both invest in a similar way. Indexes typically exist to serve as benchmarks for the investment marketplace.

Consumer Price Index
This number represents the prices for a core set of products. The fluctuation of this index is meant to represent the overall change in the value of currency in a country. This index is not directly linked to any BBT investment; it is provided alongside investment performance data as a gauge of inflation.

Mutual fund
Instead of purchasing a share of one investment, mutual funds allow investors to purchase a piece of a portfolio of many securities. BBT uses mutual funds when there are not enough assets in an investment style to afford an active investment manager. — B.S.

Your Pension or Foundation account can invest in positive change

Through the Community Development Investment Fund, Brethren Pension Plan members and Brethren Foundation clients invested almost $800,000 in the global community in 2012 while earning a financial return and helping small businesses.

The CDIF is an investment option that allows members and clients to make loans to small businesses, affordable housing initiatives, and other essential projects in underserved communities.

In 2012, Brethren Foundation clients invested $285,577 in both domestic and international projects; their investments made possible the creation of three affordable housing units and over 100 new jobs through small business and microcredit loans, and helped five fair-trade farmers. Brethren Pension Plan members invested $475,501 in domestic projects that included the building or rehabilitation of seven affordable housing units and one community facility.

Help grow that number in 2014: Consider allocating 1 percent of your Pension or Foundation portfolio in this fund. What difference might that make in an underserved community?

Learn more about the Community Development Investment Fund at brethernbenefittrust.org/positive-investment. — B.S.
Annual nursing home costs can be steep. How will you pay for it? Get the facts inside.

Staff changes in BBT’s Employee Benefits department

After serving in an interim role as the manager of operations for both Brethren Pension Plan and Brethren Insurance Services, Tammy Chudy was promoted to assistant director of Employee Benefits effective Oct. 9. She has served BBT in a combined tenure for over 11 years. She will now provide oversight of both Insurance and Pension operations, as well as overseeing BBT’s member services representatives.

One of those member services representatives, Barb Ingold, will end her time with BBT at the end of 2013. She was hired as a temporary member of the Employee Benefits team in April 2012, and her last day with BBT is Dec. 23. — B.S.