

## General BBT News

### Pension and Foundation funds post strong returns in 2007

Despite a year of increasing turmoil in the economy and the growing threat of recession, most of Brethren Pension Plan's and Brethren Foundation's investment funds outperformed or nearly equaled their respective benchmarks in 2007.

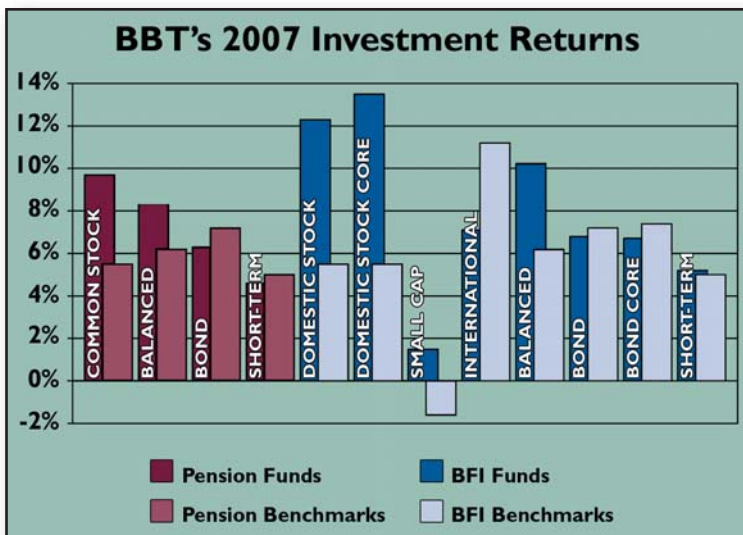
The Brethren Pension Plan experienced good returns in all four of its investment funds that have benchmarks. The Common Stock Fund concluded the year with a 9.7 percent gain, 4.2 percentage points higher than the Standard and Poor's 500 Index. The Balanced Fund gained 8.3 percent, 2.1 percentage points higher than the Blended Balance Index. The Short-Term Fund and the Bond Fund trailed their benchmarks by modest amounts.

The Brethren Foundation's Domestic Stock Core Fund concluded the year by beating the S&P 500 by an impressive 8.0 percentage points. The Domestic Stock Fund followed at 12.3 percent, 6.8 percentage points

higher than the benchmark. While the Russell 2000 index lost 1.6 percent for the year, the Small Cap Fund beat that benchmark by more than 3.0 percentage points.

In Foundation equities, only the International Fund underperformed its benchmark, earning 4.1 percentage points lower than the Morgan Stanley Europe/Australia/Far East Index. In an effort to improve the Foundation's international investment performance, on April 1 BFI will move

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### Your vote did make a difference!

The voice of minority shareholders will continue to be heard in the equity investment world because of a grassroots campaign that a number of Brethren Benefit Trust members participated in last year.

In mid-September, BBT sent an action alert to its members and clients stating that the Securities and Exchange Commission (SEC) was considering changes that would, in effect, eliminate the voice of minority shareholders in the realm of corporate governance. Although faith-based investors like BBT often manage hundreds of millions of dollars for pension plan members and asset management clients, these not-for-profit organizations seldom, if ever, own enough stock of any single company to be a majority shareholder.

Nevertheless, for more than 35 years, the work of faith-based investors such as the Church of the Brethren has made a positive impact in the invest-

### Faith-based Investing

ment world by successfully prodding companies to be better citizens with regard to human rights, the environment, and public safety.

BBT's action alert was part of a larger initiative to discourage the SEC from implementing its proposed changes. Organizers had hoped that 10,000 letters of protest would be filed with the government agency. However, the SEC received more than 43,000 letters of protest and subsequently dropped its proposed changes without comment.

"The response of the faith-based minority shareholder community was phenomenal," said Nevin Dulabaum, BBT's Communications director, who spearheaded the initiative within the Church of the Brethren. "By joining together in a strong show of opposition, minority shareholders have helped ensure that they will be able to continue championing good corporate citizenship."

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#### Address corrections and editorial suggestions:

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## Convenience at an inconvenient cost

If your credit card bill seems higher this month, it might not be due to increased spending but to rising interest rates and increasing fees.

Bank of America, JPMorgan Chase, Capital One, and other lending companies have begun raising interest rates, in some cases as high as 33 percent, on all accounts.

Rising credit card rates and fees may be due to an attempt by banks and credit card companies that offer other types of credit to bolster their bottom line, especially by those that are being adversely affected by the collapse of the subprime home mortgage sector. A number of financial institutions



have lost billions in revenue through the unprecedented spike of foreclosures in the subprime sector, and these firms are trying to increase revenues wherever possible.

According to *The Washington Post*, some credit card lenders have not complied with federal rulings to inform consumers of rising fees. From 2002 to 2007, the average overdraft fee

increased 11 percent, totaling \$17.5 billion a year in penalties. In addition to the rising overdraft fees, the *New York Times* reported in February that ATM networks have doubled their out-of-network transaction fees over the past 10 years, from 89 cents to \$1.78.

Banks and credit card companies have also worked to increase their income streams by implementing convenience checks. These checks are promoted as an easier way to make substantial purchases with the ability to pay for the goods or services over an extended time period. What is not advertised so prominently are the large fees associated with these checks.

For example, a transaction fee of three to five percent of the check amount, or a flat rate of \$25 to \$75, is not uncommon. Therefore, on a check written for \$1,000, an additional five percent instantly raises the check's amount to \$1,050. Depending on the offer, an immediate interest rate of 20 percent or higher is common and is even applied when balances are paid off at the end of each month. Convenience check lenders will often apply payments toward an existing balance first, allowing for the convenience check to accrue larger amounts of interest over a longer time span.



"Convenience checks should be avoided," said Dennis Kingery, director of Credit Union Operations. "With their up-front fees and high interest rates, they are not a good option for financing purchases. The convenience is not worth the cost."

These easily duplicated checks are also a prime target for identity theft. Federal law requires fraudulent charges to be removed from credit cards. However, the same laws do not apply to convenience checks, possibly costing users dearly.

Advice for dealing with credit cards and convenience checks is offered by CoBCU through personal consultations or through the seminar, "Digging Yourself Out of Debt by Planting Sound Financial Practices." For more information, contact **Dennis Kingery** at **888-832-1383** or **cobcu@brethren.org**. — JD

## Credit Union

### Drive away with one great vehicle loan rate

Church of the Brethren Credit Union is currently offering highly competitive vehicle loan rates on all cars, trucks, boats, RVs, and motorcycles.

Three-year loans are being offered for as low as 5.49 percent while five-year loans are available for as low as 5.99 percent.

Members can also obtain a 0.5 percentage point discount on an auto loan interest rate if purchasing a hybrid vehicle. Therefore, CoBCU is offering a possible rate of 4.99 percent on a three-year loan.

Additional services, such as flexible terms for payment, allow members to select a bi-

weekly, monthly, or semi-monthly payment schedule as well as the date of their pay-



ment. CoBCU provides information on NADA values and assistance with deciding if a dealer's "zero percent financing" or "cash back" offer will be more advantageous. Pre-approval for an auto loan is also available prior to the selection of a vehicle to help you know your affordable price range.

**Refinance with us.** CoBCU will help refinance your existing auto loan(s). All refinancing arrangements will be completed by CoBCU, including the payment of title fees.

Contact **Connie Sandman** at **888-832-1383** or **cobcu@brethren.org** for more information. — JD

## The results are before us: Many American children are fat

It doesn't take a doctor to announce that America is gaining weight for the problem to be evident. The increasing pant sizes of Americans are no longer excluding children, in what has been labeled an epidemic sweeping the country.

According to the American Obesity Association (AOA), over the past 30 years child obesity in pre-schoolers has doubled, while tripling in children ages six to 11. It is estimated that nearly 30 percent of all children are overweight or obese. This is not surprising considering that 64.5 percent of all Americans are overweight or obese, roughly equaling 127 million overweight and 60 million obese citizens.

Reasons attributed to this increasing epidemic include less physical activity due to increased time viewing television, working on computers, and playing video games. Genetics also plays a key role through helping to establish metabolic rates, as does a family's economic standing, since unhealthy food tends to be less expensive.

### Defining "overweight" and "obese."

Obesity is verified by a person's Body Mass Index (BMI), a comparison between each individual's height and weight. According to the Centers for Disease Control and Prevention (CDC), a child's BMI is determined by comparing a child with the national average of children of the same sex and age.

Children with BMIs ranging from the fifth percentile to the 85th percentile are considered to be at a healthy weight. Children whose BMI is between the 85th and the 95th percentiles are considered overweight. Children with BMIs that exceed the 95th percentile are considered to be obese.

**Consequences.** Obese children are more likely to experience difficulties with low self-esteem and discrimination due to their physical appearances. In a study by the University of Minnesota, high-school-aged girls who used diet pills were found to be three times more likely to be overweight.

The more overweight the child, the greater the risk that child has for developing ailments that are usually associated with older adults, such as high blood pressure; type 2 diabetes; heart disease; strokes; gallbladder disease; prostate, colon, or breast cancer; as well as sleep apnea.

According to the CDC, stretching wastelands cost the American health care system approximately \$92.6 billion in 2002 alone. These costs are expected to increase each year as children with above average medical risks grow older.

**Possible solutions.** The cure to the epidemic is not as simple as restricting or forbidding all unhealthy dietary practices for children.



According to the *Chicago Tribune*, overzealous parents who ban certain foods from their home entirely are actually encouraging unhealthy eating habits, as some children may seek unhealthy food when their parents are not present.

Solutions geared at reversing an overweight or obese condition include engaging a child in one or more enjoyable and physically challenging activities to reduce sedentary behavior.

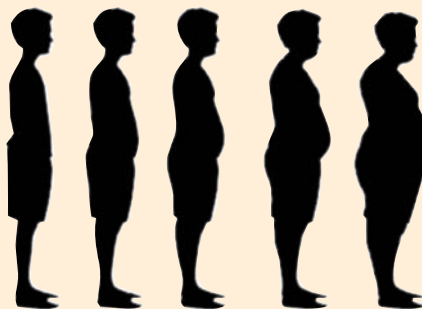
Promoting healthy eating habits for the entire family will also help: Such habits can include implementing a diet rich in vegetables and grains, limiting portions sizes and extremely sugary foods, avoiding the use of food as a punishment or reward, and reducing trips to a fast food eatery to no more than once a week. Restricting television viewing not only reduces the time a child can be sedentary, but it also decreases exposure to food advertisements, which could cut down on cravings for unhealthy snacks between meals.

The modeling at home of good eating habits and active lifestyles can go a long way toward instilling healthy practices in a person for their lifetime. Not only will the person be healthier, but their medical costs on average will be less as the many weight-related ailments and the corresponding high cost of medical treatments and of medication will be avoided. — JD

### Is your child obese?

BOY		
Healthy*	Overweight	Obese
70 lbs.	83 lbs.	98 lbs.
54.1 in.	54.1 in.	54.1 in.
16.8 BMI	20 BMI	23.6 BMI

GIRL		
Healthy*	Overweight	Obese
72 lbs.	95 lbs.	100 lbs.
54.4 in.	54.4 in.	54.4 in.
17.1 BMI	20.2 BMI	23.8 BMI



\*Averages based on 10 year-old child

**How do I calculate my child's BMI?** Weight (lbs.) / Height (in.)<sup>2</sup> x 704.5 = BMI

## Insurance Services

### Thirty-one days and counting

Brethren Benefit Trust offers several different insurance policies for new-placement pastors and all church and district staff members, but they must act quickly to be eligible. A pastor or church or district staff member starting work at a new placement has 31 days following their starting date to apply for Long-Term Disability, Life, Dental, and Vision insurances through Brethren Insurance Services. Thus, it is important to request application materials for enrollment prior to the actual start date of a new assignment. To request an enrollment packet or more information, contact **Tammy Chudy** at 800-746-1505, ext. 372, or at [tchudy\\_bbt@brethren.org](mailto:tchudy_bbt@brethren.org). — JD



## General BBT News

### “2007 Returns” ... continued from page 1

from an index strategy to a managed-core strategy, due to the latter’s outperformance of the MSCI EAFE benchmark through active management practices.

**Status Report.** In 2007, Pension Plan membership increased by 106, bringing the total to 4,257 participants. As of Jan. 1, the Pension Plan manages more than \$300 million in assets, with over \$128 million in the Retirement Benefits Fund for those who have annuitized their accounts and receive a monthly annuity benefit.

As of Jan. 1, BFI managed more than \$137 million in assets for 400 individual and organizational clients, a \$10.5 million increase for the year. Eleven new charitable gift annuities totaling \$168,061 were established, eight of which were from new clients.

For more information regarding investment returns, visit [www.brethrenbenefittrust.org](http://www.brethrenbenefittrust.org). — JD

## BBT Employee News

### Greetings, goodbyes, and changes at BBT

In addition to recent employment changes affecting a number of BBT staff, which are highlighted below, the BBT Board is currently seeking a successor to Wil Nolen, who will retire as president by the end of the year. The Presidential Search Committee is accepting resumes for this position through April. To see the position announcement and to learn of the requirements for the job, go to [www.brethrenbenefittrust.org](http://www.brethrenbenefittrust.org) and click on “About BBT” then “Job Openings.”



**Cindy Benthusen** assumed the title of general office services support staff, effective March 1. In addition to becoming BBT’s receptionist, Cindy will assume some duties for the Church of the Brethren Credit Union and continue her existing work for Brethren Pension Plan and Brethren Foundation.



**Pat Papay**, who has been the first voice that many have heard when calling BBT, retired on April 1. Pat joined the organization in August 1995 as receptionist and general office services support staff. More recently, Pat has also supported the Church of the Brethren Credit Union with office assistance.



**Tammy Chudy** recently shifted to a permanent employment status within Insurance Services. In her continued role as member services representative, Tammy will serve as primary contact for all insurance inquiries.



**Jay Wittmeyer** began serving as Brethren Pension Plan and Employee Financial Services director on Jan. 1, succeeding Wil Nolen, who assumed the responsibilities in February 2005. Jay joined BBT as manager of publications in October 2006.



**Jamie Denlinger** joined BBT as an editorial intern in the Communications Department on Feb. 18. Following her five-week-long internship, she returned to Ohio University to complete her senior year and earn a Bachelor of Arts degree in English. Jamie is a member of Prince of Peace Church of the Brethren, Kettering, Ohio.



**Randy Yoder** moved from interim to permanent part-time director of Insurance Services, effective Jan. 1. Randy provides oversight of BBT’s Medicare Supplement Plan and ancillary insurance plans, including Vision, Dental, Long-Term Life, and Long-Term Disability. Randy’s work is based from his home in Pennsylvania.

## Let BBT staff present to your church or group

The following workshops and insight sessions are being offered in 2008 by Brethren Benefit Trust to benefit your congregation, group, or organization. They are available upon request and are subject to availability —

- **How Deferred Gifts Can Benefit Your Congregation, and How the Brethren Foundation Can Help**  
This session explains how church members can create a legacy for their congregations.
- **Church Endowments: A Primer**  
This workshop provides a model for establishing an endowment, including sample documents.
- **Are You an Invited Guest?**  
In the context of Matthew 25:1-13, this workshop considers the merits of advance planning for congregations.
- **Socially Responsible Consuming**  
How the values you hold affect the purchases and choices you make.
- **Digging Yourself Out Of Debt and Staying There**  
How to develop a realistic financial plan.
- **Is Credit a Good Thing?**  
Why the church has a credit union and why it is good for you.
- **Living Within Your Means**  
A realistic approach to balancing your budget.
- **Church of the Brethren Credit Union: Have You 'Checked' Us Out Lately?**  
Now offering checking accounts, debit and credit cards, the Church of the Brethren Credit Union can be your local banking choice.
- **It's Never Too Early To Start Saving For College!**  
An overview of Coverdell Education Savings Accounts.
- **What's the Long-Term Plan?**  
Find out why long-term care insurance is important and if it's right for you.
- **If I Can Do It, You Can Too!**  
A firsthand perspective of successful weight loss and wellness.
- **Let Us Proclaim Loudly!**  
How to increase your church's media exposure.
- **Healthy Choices**  
From the food you eat to the financial choices you make, are you living a healthful life?
- **Film Is Optional**  
From lighting to framing to digital photography, how to utilize your camera to achieve great photographic results.
- **We're Turning 300!**  
A virtual visit to the birthplace of the Brethren and how the social factors of the time affected the founders of the church.
- **The Seven Biggest Mistakes People Make With Their Money**  
Basic financial planning techniques.
- **The Brethren Pension Plan**  
Learn how the Pension Plan works, what members can and cannot do, and what happens during accumulation years and when members retire.

For more information or to schedule a seminar, contact **Loyce Swartz Borgmann** at **260-982-3202** or at **lborgmann\_bbt@brethren.org**.

### The Brethren are turning 300!

"We're Turning 300!" the insight session for the 300th anniversary of the Brethren movement, hosted by Nevin Dulabaum, BBT's director of Communications, focuses on historical Brethren heritage sites in Western Europe and in Eastern North America. The in-depth look into the trials and tribulations faced by the early Brethren shows cities, landmarks, and artifacts important to the formation of the Brethren denominations. This session is interesting to all ages and a fun, informative way to grasp an appreciation for the struggles faced by the founders of the Church of the Brethren.

*In March, Nevin Dulabaum presented the 300th Anniversary Brethren Heritage session at Highland Avenue Church of the Brethren, Elgin, Ill.*



Eric Thompson

# IRA deadline approaches



If you have a traditional individual retirement account (IRA), or if you are going to set one up, you have until April 15, 2008, to make contributions that can qualify for deductions on your 2007 income tax return. Contributions to traditional IRAs, but not Roth IRAs, may be deductions from income to arrive at your adjusted gross income. Current tax laws allow

deductions for contributions made during the calendar year and those made after the end of the year but before the due date for your tax return, which is April 15 for most individuals.

Deductibility of contributions to traditional IRAs is based on a worksheet that is included with the instructions for Internal Revenue Service Form 1040. In general, contributions are deductible for taxpayers with modified adjusted gross income under specified limits. The CoBCU website has more information about deductibility at [www.cobcu.org](http://www.cobcu.org). Click on "IRAs and ESAs" for more information.

If you contribute to an IRA between Jan. 1 and April 15, you can choose whether to deduct the amount in 2007 or 2008. This allows you to select the year in which the tax benefit will be greater. Of course, another possibility is to make a contribution before April 15, count it for 2007, and make another contribution later in the year as your 2008 investment. The key is to use the flexibility in the law to your best advantage. Your tax adviser can help with this decision.

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*Inside: Beware of your credit cards !*

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