

2020 Annual Report

**FLOURISHING**  
and **GROWING**

*amid*  
the *Challenges*  
of **2020**



**The Pension Boards**  
United Church of Christ, Inc.

WHERE FAITH AND FINANCE INTERSECT

*The righteous shall flourish like a palm tree, and grow like a cedar in Lebanon.*

— Psalm 92:12

## **OUR MISSION**

Operating at the intersection of faith and finance, we are caring professionals partnering with those engaged in the life of the church to provide valued services leading to greater financial security and wellness.

## **OUR VISION**

The Pension Boards delivers benefits and services from the intersection of faith and finance, providing clergy, lay employees, and all persons served with the peace of mind that comes through greater financial security and better health.



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## A Message from the President/CEO and the Chair, Board of Trustees

### Flourishing and Growing Amid the Challenges of 2020

In March 2020, the Pension Boards responded immediately to state and federal guidelines in response to the COVID-19 pandemic. We tested and implemented our business continuity plans, which resulted in all Pension Boards staff successfully transitioning to a new normal of working remotely. While our physical work locations changed, our service to our members flourished in new and exciting ways that met growing demands and addressed future challenges.

When racial unrest spread across our country, the Pension Boards, in response to and in solidarity with other settings of the United Church of Christ, engaged its staff and Board of Trustees in a series of Sacred Conversations to End Racism (see p. 5) demonstrating our commitment to pursue racial justice.

As we reflect upon 2020 and all that we needed to accomplish to serve our members and staff well during what was decidedly a year of unprecedented change and challenge, we ponder the symbolism and strength of the Lebanon cedars, which withstand countless environmental adversities and changes, yet continue to thrive.

*“The righteous shall flourish  
like a palm tree, and grow like a  
cedar in Lebanon.” — Psalm 92:12*

Lebanon cedars are large evergreens, which can grow to be 80 feet tall and 50 feet wide, and live up to 1,000 years. Their wood is resistant to disease and they are an excellent source of fuel. Cedars are associated with majesty, durability, incorruptibility, and stability.

#### **Like the cedars.**

The Pension Boards, like the cedars, has withstood an ensuing economic crisis,





pandemic uncertainty, racial injustice, and civil outbreaks, yet continued to grow and thrive amid the ever-changing effects of the global events that marked 2020. We served our members successfully and evolved our services, so that ministry in the United Church of Christ is transformed and sustained for years to come.

### **In 2020, the Pension Boards:**

- was recognized for our response to address clergy debt through a new \$1 million grant from the Lilly Endowment to expand the Ministers' Financial Vitality Initiative (MFVI) program;
- launched Generations Financial Resources, Inc., a new lending corporation, to help alleviate debt for MFVI participants;
- advanced Generations of Service: Faith and Finance in Action capital campaign commitments, which reached \$14,150,682 (71%) toward the \$20 million goal;
- as a United Nations Principles on Responsible Investing signatory, joined 335 institutional investors to release the Investor Statement on Coronavirus Response, which contained a five-point plan for businesses to protect workers during the COVID-19 crisis;
- developed a suite of educational and informational materials for our members around a personal investment acronym, PORTAL;
- furthered its “go green” initiative to include the implementation of online bill pay for members and employers, and through our ongoing sustainable bond investments, we continue to make “green” investments that care for the planet and abide by Environmental, Social and Governance (ESG) principles;
- partnered with Humana to offer retirees the UCC Medicare Advantage Plan with Rx, a lower-cost benefit plan with additional benefits;
- welcomed a new Next Generation Leadership Initiative (NGLI) cohort of 14 UCC authorized ministers, who began their six-year transformational leadership journey; and
- launched Generations: A Journal of Faith and Finance, a biannual publication that addresses a variety of global topics and current issues (see p. 20).

### **We are the cedars.**

Psalm 92:12 vividly expresses that people of faith — those rooted in an incorruptible God — can flourish with God during life’s uncertainties and whirling winds of change. The Pension Boards, in its more than 106 years of service to the United Church of Christ and its predecessor bodies, draws from the stability of the Lebanon cedar, its durability, agility, adaptability, and strength, in its ongoing work to secure the wellness and lifetime financial security of its members.

We invite you to reflect on the pages of this report and see how the Pension Boards met the challenges of 2020 and evolved its approach to meet the needs of our members, and those of the United Church of Christ.



**Brian R. Bodager**  
*President and CEO*  
*The Pension Boards-United Church of Christ, Inc.*



**Rev. Dr. Rodney Franklin**  
*Chair of the Board of Trustees*  
*The Pension Boards-United Church of Christ, Inc.*



## A Message from the United Church of Christ Board Chair

### A Vital Ministry for Our Times

**“I have said this to you,  
so that in me you may have peace.  
In the world you face persecution.  
But take courage; I have  
conquered the world!”**

— John 16:33 NRSV

The year 2020 was an eventful, memorable year for myriad reasons that we can probably all recite: the Coronavirus pandemic, a chaotic political landscape, racial unrest following the deaths of unarmed Black people, and economic uncertainty and turmoil.

Against this backdrop, the Pension Boards continued delivering health and retirement benefits and services to active and retired United Church of Christ clergy, lay employees, and their families, without interruption. While the UCC has experienced negative denominational trends for several decades, the Pension Boards has been innovatively equipping our emerging leaders

to challenge these trends. We believe our United Church of Christ mission of “A just world for all” is needed in the world — perhaps now more than ever. Pension Boards programs and ministries position our clergy and members to see ministry in new ways that birth and live into that vision.

As the chair of the United Church of Christ Board, I have seen the work of the Pension Boards change lives. In this pandemic, we’ve had to transition to virtual ministry with the flip of a switch. Through the Pension Boards’ Next Generation Leadership Initiative (NGLI), many of our best leaders sought to make our virtual faith experiences dynamic and expand our reach. The Pension Boards financial education helps strengthen the personal finances of our clergy and staff — acutely relevant in these times.

The Pension Boards plays a vital role in the financial lives of many in our church, offering complimentary Ernst & Young financial planning services, emergency financial assistance, investment management leveraged by other settings of the church, guidance on capital campaigns, and much more. Our Pension Boards website is filled with powerful stories of change. I am confident that the Pension Boards will continue to confront the many challenges encountered by faith leaders today by equipping them and making sure we provide for our retirees whose work is completed. We can meet challenges both known and unknown through Jesus Christ in whom we can achieve all things.

Peace and blessings always,

*Yvette-Michelle Wynn CFP®  
Chair, United Church of Christ Board*





## Sacred Conversations to End Racism (SC2ER)

As the nation was trying to make sense of the global coronavirus pandemic during 2020, others were trying to make sense of the deaths of Ahmaud Arbery and Breonna Taylor. Both were the result of white racism that has plagued our nation for over 400 years.

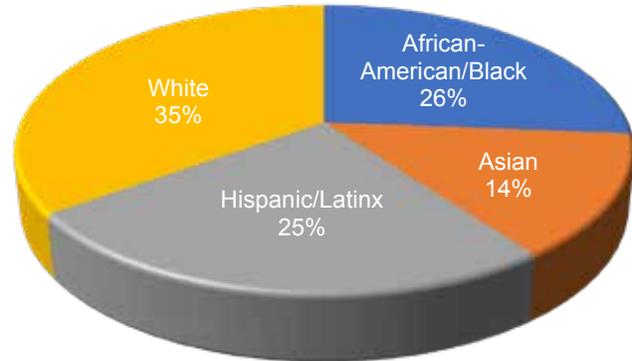
When Minneapolis police officer Derek Chauvin pinned George Floyd to the ground and knelt on his neck for 8 minutes and 46 seconds, protests erupted. The murder of George Floyd immediately went viral on social media. Visually witnessing the murder set off immediate responses that racism was a reality mainly for people of European descent in the U.S.

Pension Boards President and CEO Brian Bodager, and Chief Human Resources Officer Walter Reyes, reached out to me and asked if I would develop sessions of Sacred Conversations to End Racism (SC2ER), a restorative racial justice study guide. I facilitate SC2ER workshops and trainings for people of faith committed to exploring the historical and contemporary practices related to racism and xenophobia.

I created four introductory sessions, which ran every other week from July 9 to August 20, 2020. I was also invited to create a three-hour workshop for the Board of Trustees of the Pension Boards and Board of Directors of the United Church Board for Ministerial Assistance.

The staff received reading and viewing assignments. During our sessions, staff had the opportunity to talk about what they read and viewed in cultural caucus peer groups created to make space for honest dialogue with people within the same ethnic identified affinity groups. The hope was that affinity groups would be able to relate to one another even across cultural and geographical boundaries — for example, African Americans and Afro-Caribbean-born descendants.

## Pension Boards Workforce Profile



After the caucus group sessions, staff re-grouped for conversation to discuss what they discovered, learned, and/or felt about their work environment. Talking about racism among one’s peers and leadership was challenging for many. My life experiences and professional preparation allows me to invite people into the conversation. There were brave staff members who were able to articulate their lived experiences within the Pension Boards.

Communities representing diverse cultures, traditions, beliefs, and life circumstances often find it challenging and difficult to openly talk with colleagues about issues of race and racism. I felt honored to have been asked to lead SC2ER with such a large group of committed staff. I provided a resource list and bibliography for Pension Boards staff and leaders to do their own self-study and remain on the journey to dismantle racism within the Christian Church and society.

*Rev. Dr. Velda Love is the Minister of Racial Justice at the United Church of Christ National Office. Sacred Conversations to End Racism (SC2ER), is a restorative racial justice journey and study guide.*



## A Faith and Finance Culture Transformation Journey

When the Pension Boards embarked on a culture transformation journey in January 2020, little did we know that our entire world would be disrupted by COVID-19. It was a year of earth-shattering change as the global pandemic impacted all industries as well as faith-based communities.

During these times of extreme uncertainty, employers have prioritized employee engagement by clarifying cultural values and priorities, focusing on their people, and building trust. The Pension Boards began its journey early in 2020 by examining the member experience and ensuring that our colleagues

Leaders **Drive** Culture  
Culture **Drives** Behaviors  
Behaviors **Drive** Results

connected to our purpose. Shortly thereafter, we were forced to pivot to a virtual work arrangement and the Pension Boards chose to prioritize its culture transformation journey to ensure that its employees were safe, fully equipped, informed, supported, and engaged in this new environment.





The Pension Boards pursued its strategic objectives by embracing new technological capabilities, working cross-functionally to advance change across the entire organization, and focusing on improved and increased communications with staff and members. We also demonstrated care for our employees and members by reimagining the intersection of the employee and member experiences. It was imperative that the leadership team first address employees' financial, emotional, and mental health, as well as their work needs, upon entering the new environment. This enabled us to successfully reinforce the collective team's connection to its purpose with the aim of best serving you, our members. The organization further harnessed the opportunity to enhance collaboration and transparency while engaging in more efficient decision-making. We kept our focus on accomplishing our 2020 goals and made crucial investments in our talent, technology, and tools to enhance employee and customer

experiences. Our core values — agile, consistent, collaborative, compassionate, and justice — ensure that we have shared language and behaviors that lead to greater accountability and improved ways of working.

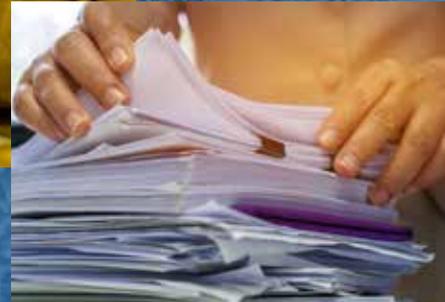
Like many others, the Pension Boards was impacted by the racial unrest that swept the country in the wake of George Floyd's death. In response to and in solidarity with other settings of the church, we issued A Pastoral Reflection on Racism, which included an organizational commitment to pursue racial justice. An initial step in fulfilling this commitment was an engagement with the Rev. Dr. Velda Love of the national setting of the UCC who led us in a series of Sacred Conversations to End Racism.

As we move forward in the cultural transformation journey, we will continue to implement principles, processes, and practices to enhance intersecting employee and customer experiences.



## **MEMBER SERVICES**

# Serving You and the Needs of the Church





## Service to You, Without Interruption

During the past year of challenge and change, the Pension Boards' Members Services staff continued to assure you, our members, that service to you would not be interrupted, even though Pension Boards offices were temporarily closed due to COVID-19.

Member Services continued to successfully serve the needs of UCC employers and employees with excellence, integrity, and trust, supporting 25,020 calls, and processing 28,574 transactions (see our customer touchpoints chart). Member engagements increased by 17,510 compared to 2019 (55,096). Email communications to members almost doubled from 7,357 in 2019 to 14,114 in 2020; transactions processed increased by 6,784; online chats increased by 1,097; and phone calls increased by 3,616.

The Pension Boards team of highly-trained service representatives are dedicated to UCC employers and plan members. Each day, they respond to a wide variety of questions on enrollments, benefit changes, terminations, beneficiary updates, invoices, navigating the PBUC website, completing forms, and more.

## Pension Counseling

Our Pension Counselors continue to walk alongside members who are ready to retire. Through individualized consultations, they provide members with personalized retirement income projections; review Annuity Plan options, including tax-deferred options like contributing to a Retirement Savings Account; and provide basic housing allowance information for ministers who may be transitioning from serving the church full-time to part-time, or transitioning to another vocational setting.

In 2020, Ernst & Young (EY) financial planning services were offered to more members at no cost, including active, retired, inactive, and annuitized members. Pension counseling services, coupled with EY financial planning assistance, means our members can retire with confidence.

## Ryder Memorial Hospital

In January 2020, Puerto Rico suffered a series of devastating earthquakes in the southern part of the island. The Pension Boards sent 550 emergency backpacks to Ryder Hospital in Humacao, Puerto Rico — one for every Ryder Hospital employee. Before the start of travel restrictions due to COVID-19 in March, Brian R. Bodager, President and CEO, and John E. Linzey, Chief Financial and Operations Officer, visited Ryder Hospital to personally distribute backpacks to employees. During their visit, 50 new enrollments were completed because of the tremendous goodwill the visit created with Ryder's employees.



## Community Outreach

In November 2020, the Member Services team expressed their gratitude for the bountiful blessings received by offering to provide meals for families in need at Thanksgiving. The team raised \$700 for Feeding America, the nation’s largest domestic hunger-relief organization, which responds to the needs of individuals struggling with food insecurity. In a letter to the Pension Boards, Elizabeth Nielsen, Senior Vice President of Feeding America, wrote, “I can’t thank you enough for the incredible generosity you showed with your gift to Feeding America today. The donation you just made will help us to provide 7,000 meals to families in need.”

### CUSTOMER TOUCHPOINTS: 2020 VERSUS 2019

	2020	2019
<b>Transactions Processed</b>	28,574	21,790
<b>Phone Calls</b>	25,020	21,414
<b>Faxes</b>	809	1,543
<b>Emails</b>	14,114	7,357
<b>Online Chats</b>	4,089	2,992
<b>Total Engagements</b>	<b>72,606</b>	<b>55,096</b>



I am so grateful for the Pension Boards and you.

You have always made it easy to work with you and to help us do the right thing for our clergy. This is truly a partnership and I’m glad that the Pension

Boards and you are part of the team.





## HEALTH PLAN OPERATIONS

Providing Peace  
of Mind Through  
Better Health



## Stewarding Your Health

### A Health Plan Review

The Pension Boards is committed to your health and well-being. Each year, Pension Boards-administered benefit plans assist thousands of clergy and lay employees and their eligible dependents with Medical, Pharmacy, Dental, Vision, Life Insurance, Disability Income, and Flexible Spending Plans. Here's a summary:

#### UCC Medical and Dental Benefits Plan

The UCC Medical and Dental Benefits Plan provides coverage for eligible health care expenses incurred by plan participants and their eligible family members. The Plan is self-insured by the Pension Boards and funded by contributions from employees and employers. The financial position of the Plan is strong, with adequate reserves to cover unanticipated expenses.:

- **UCC Non-Medicare Health Plan** provides active clergy and lay employees, and their eligible dependents with coverage for eligible hospital, physician, dental, and prescription drug expenses. Benefits also include care coordinators, online care, personalized chronic condition assistance programs, employee assistance and wellness programs, and access to tax-advantaged accounts.
  - o Four Non-Medicare health coverage options: Plans A, B, C, and HSA (Health Savings Account). All four options offer the same set of benefits as described above, but differ in contribution rates, deductibles, and out-of-pocket maximums. Plan HSA is a high-deductible plan that includes a health savings account.
- UCC Medicare Supplement Plan w/Rx health benefits are for retired clergy and lay employees and their Medicare-eligible

dependents, and includes coverage for hospital and physician services, prescription drug benefits, dental benefits, and wellness discount programs.

- Claims related to the Plan are administered and managed by third-party organizations.
- In 2020:
  - o Dental Plan 750 was phased out, allowing all members the opportunity to enroll in Dental Plan 2000.
  - o Assisted Fertilization Services were added to the benefit schedule.
  - o A new Wellness Program was introduced, with improved events and incentive reward initiatives.
  - o Approval was granted by the Board of Trustees to transition existing UCC Medicare Supplement Plan w/Rx participants to a fully-insured UCC Medicare Advantage Plan with Rx, administered by Humana starting with the 2021 plan year.

#### Flexible Benefit Plan for UCC Ministries

- The UCC Flexible Benefit Plan offers a Health Care Reimbursement Account and Dependent Care Reimbursement Account.
- The Plan is funded by individual employee contributions up to limits set by the IRS.
- In 2020, participants were able to modify their elections due to the COVID-19 pandemic.

#### UCC Life Insurance and Disability Income (LIDI) Benefit Plan

- The LIDI Plan provides basic, additional supplemental, and optional dependent life insurance.
- The Plan provides short- and long-term benefits for active members who are disabled due to injury or physical or mental disorder.
- The financial position of the Plan is strong, with adequate reserves to cover unanticipated expenses.

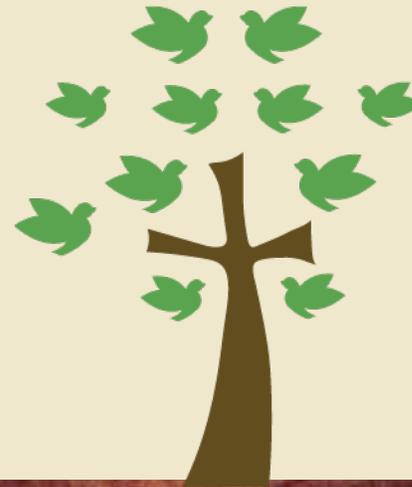


**I'm a retired minister receiving my pension and health insurance through our Pension Boards. My transition into retirement hasn't always been easy, but Melissa K., more than any other person, has been incredibly kind, caring and helpful to me. She has always responded to my concerns and questions with genuine kindness and has been there for me in the most amazing way. I know she is very busy, but it always feels like she's dropping everything to care for me.**





- COVID-19 causes staff to telework, as members remain fully serviced.
- Fireside Chat videos keep members informed with benefit and investment updates, and news.
- A weekly e-newsletter for members is launched at the start of COVID and later rebranded as Gateway: Your Pension Boards Access to News and Resources.
- Annuitants continue to receive monthly annuity payments without delay or interruption.



# A Year Serving Your I



- PBUCC enters into a fundraising partnership with the National Setting of the UCC to raise \$3 million in support of clergy financial wellness.
- PBUCC and the Missouri Mid-South Conference host “Splash in the Healing Waters of Sanctuary,” a three-day virtual clergy wellness retreat.
- A new \$1 million grant from the Lilly Endowment allows expansion of MFVI.



- Generations: A Journal of Faith and Finance, an online biannual publication, is launched.
- PBUCC boosts its brand identity and social media presence.
- Member Services launches “In-the-Know” quarterly newsletter for UCC employers.



- Online bill pay becomes the new standard for employers and self-pay employees.
- UCC churches and employers can now update employees’ salaries and pension contribution amounts online.



- 60 UCC ministers are selected for MFVI for 2021.
- Generations Financial Resources, Inc., launches to alleviate the debt burdens of MFVI participants.
- Generations of Service: Faith and Finance in Action capital campaign commitments reach 76% of \$20 million goal.
- More than 2,000 donors support the Christmas Fund, providing \$268,000 for UCC clergy and lay employees.

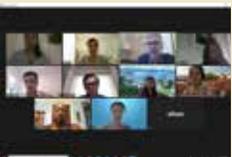


- Ernst & Young financial planning services are offered to more members at no cost.
- Internal “Generations University” sessions keep staff up to date on how members are being served.
- Personal investment educational resources, known as PORTAL, are developed.
- \$27,500 in scholarships from the Herring Stark Memorial Fund went to support 11 people.

# Year of Fulfilling Needs



- Members impacted by COVID become eligible for hardship withdrawals from their employee contributions under the CARES Act.
- Emergency kits are distributed at Ryder Hospital in Humacao, Puerto Rico, following earthquakes.
- As COVID impacts the need for financial assistance, \$214,649 in requests for emergency grants are provided to 96 individuals and families.
- Staff compassionately respond to special Emergency Grant appeals and contributes \$7,300 to the Christmas Fund.



- Summer internship program proceeds adhering to government protocols, hiring and safely onboarding four interns.
- Staff, Trustees, and UCMBBA Directors engage in Sacred Conversations to End Racism sessions.
- Internal virtual Town Hall meetings keep staff colleagues engaged, connected, and growing.
- Weekly messages from the President/CEO to staff offer wisdom, insight, and encouragement to continue serving members well.



- Health Benefits Supplementation grants support 89 retired clergy/lay employees/surviving spouses, totaling \$274,008.
- Pension Supplementation grants support 276 retired clergy/lay employees/surviving spouses, totaling \$1,180,887.
- Christmas “Thank You” gift checks totaling \$252,000 honor 504 retired UCC clergy/lay employees for their service to the church.



- 146 pastors in the Next Generation Leadership Initiative (NGLI) serve local congregations.
- 65 NGLI pastors gather for the annual January core learning event in Arizona.
- UCBMA welcomes new NGLI cohort of 14 ministers, beginning their six-year transformational leadership journey.
- UCBMA celebrates 10 NGLI\*1 pastors in the inaugural cohort, who complete their 10-year transformational leadership journey.
- 28 NGLI pastors participate in an online Leadership Institute.



- Began implementation of the cloud-based NetSuite system to manage business finances, operations, and customer relations more easily.
- Updated computer systems and equipment are supplied to staff, so members are serviced without interruption.



# **FAITH AND FINANCE MINISTRIES**

## Applying Faith Values to Financial Obligations and Opportunities





## A Message from Rev. Dr. James Moos, Executive Director

### Planting Saplings for Lasting Fruit

There is a rabbinical tradition that if the Messiah comes, you must drop whatever you are doing and go immediately to extend a greeting. There is but one exception to this rule. According to the first-century Rabbi Yohanan ben Zakkai, “If you have a sapling in your hand and are told, ‘Look, the Messiah is here,’ you should first plant the sapling and then go out to welcome the Messiah.”

Amid the many daunting challenges of 2020, Faith and Finance Ministries has planted saplings and sent forth new shoots.

We have developed new communications tools, including the online publication, *Generations: A Journal of Faith and Finance*. The initial issue was launched in November under the theme “Mobilizing Resources for Change.” *Generations* will be published twice yearly, in the fall and spring, and will include articles and commentary on socially responsible investing; the faith dimensions of economic and global issues; interfaith perspectives; church finance and stewardship work; issues related to personal debt; and resources for local church worship.

In the midst of the pandemic, we continued to apply faith values to our investments through our corporate social responsibility ministry. We engaged corporations in collaboration with other faith- and values-based investors to address headline issues including racial justice, vaccine development, and worker safety. Among the many positive results of these engagements was the provision of testing and health services for Immokalee farm workers in Florida.

In the life of our church, the widespread suspension of in-person worship services and delays in the search and call process resulted in financial hardships for many of our authorized ministers, members in discernment,



and lay employees. The United Church Board for Ministerial Assistance responded with emergency grants to assist with medical care, living expenses, funeral costs, and other unforeseen emergencies. Thanks to generous giving to the Christmas Fund, no qualified person in need was turned away due to lack of funds.

While church life went through dramatic changes in 2020, it did not come to a halt. Participants in our Next Generation Leadership Initiative (NGLI) helped lead the way through innovative use of technology and online worship services. We know that in the post-pandemic world, we cannot expect church life to revert to “the way things used to be.” Rapid change will be an ongoing reality, and participants in NGLI will continue to be on the cutting edge of faithful adaptation.

These are just a few of the ways in which Faith and Finance Ministries has flourished and grown amid the challenges of 2020. Our commitment to faithful action did not begin last year, and it will not end this year.

An olive tree growing at a Palestinian village near Bethlehem was already over a thousand years old when Rabbi Zakkai pronounced his dictum, and it still produces fruit. The tree has adapted, enduring drought,



flood, fire, and more. As we move into the future, Faith and Finance Ministries will seek the guidance of the Spirit and continue to not only adapt but also plant. We do so in the knowledge that each generation is responsible for cultivating resources for the next; today's saplings will bear tomorrow's fruit.

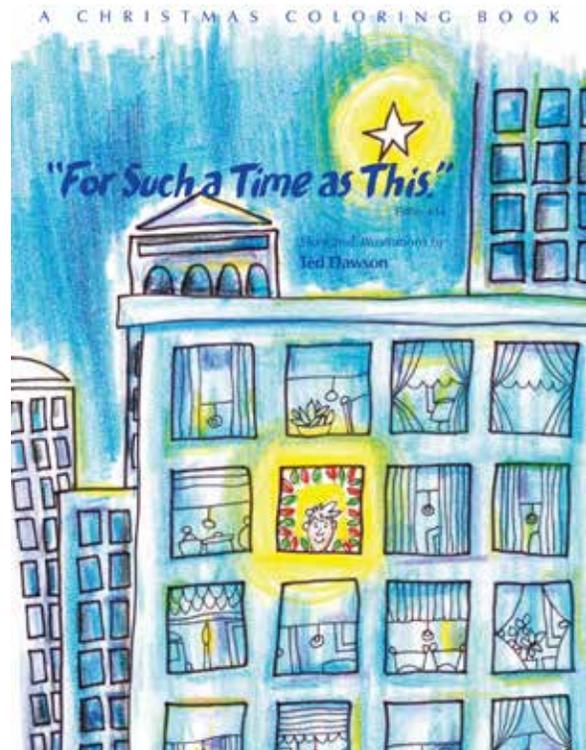


## Philanthropy

### Responding with Generosity

In a year of unprecedented challenges, supporters of the assistance and leadership programs of the United Church Board for Ministerial Assistance (UCBMA) responded with equally unprecedented generosity and compassion. In order to meet understandable increases in requests for emergency assistance, more than 2,000 individual donors gave Christmas Fund gifts directly to the Pension Boards (in addition to the thousands who donate through their churches), a figure more than double that of any previous year. This strong response bears witness to the relevance and impact of the UCBMA mission to "serve those who serve," a message that inspired a record number of first-time donors in 2020.

As churches around the country worshipped virtually, materials to promote the annual Christmas Fund for the Veterans of the Cross and the Emergency Fund special mission offering in December were posted entirely on the Pension Boards website, and customized for the unique circumstances of the moment. We are pleased to report that 2020 giving to the Christmas Fund totaled \$1.8 million, the highest total giving in the history of the Christmas Fund, and we are grateful to all who heard and responded to the call for support.



The Generations of Service: Faith and Finance in Action campaign continued to gain momentum in 2020. Respecting the uncertain financial circumstances of local congregations, a church-wide appeal was delayed until conditions improve. That energy was put instead into both advancing Conference partnerships (and establishing yet another with the Southern Conference), and educating our 15,000 individual constituents about the campaign and its critical impact on the lives of congregations and their leaders — all in advance of a comprehensive individual appeal in early 2021. At the close of 2020, 76% of the campaign's \$20 million goal had been committed, further indication of the widespread recognition of, and investment in, the sustaining and empowering mission of UCBMA.

When the story of strong programs that change lives is told, the Spirit shapes ever expanding generosity — which is our hope, prayer, and continued expectation for 2021.



## United Church Board for Ministerial Assistance

### Church of the Future

On Sunday, March 15, 2020 (the “First Sunday of Coronatide”), this post popped up on Facebook: “Hey, NGLI, thanks for helping all of us think about what the Church of the future looks like. I bet you never thought you were preparing us for a Sunday like today! Thank you!”

Ten years ago, the Next Generation Leadership Initiative (NGLI) began with hope and boldness as an investment in younger local church pastors in the United Church of Christ. The initiative was created to address ministerial leadership needs for a rapidly-changing context and, indeed, the program visionaries had no idea that the seismic changes of pandemic life were around the corner. There have been many things to lament and grieve about in 2020, and yet there is also celebration and appreciation in seeing how NGLI pastors have gone deep into these adaptive challenges. They hold the tension and do not rush to quick answers; they ask questions that connect us to our deeper purpose as a church in God’s service; they create new programs and adapt worship services that succeed and fail (both are necessary for growth); and they cast a vision that helps us see that sometimes the impossible is possible.

The first eight cohorts in NGLI participated in 10 years of educational opportunities that identified and honed their skills as transformational leaders. (Later cohorts participate in six years.) At the end of 2020, UCBMA celebrated the completion of this 10-year journey for the very first cohort. Ten pastors made this journey, and we celebrate all that their ministries have been and all that is yet to be.

While the 146 pastors who participate in NGLI were busy adapting ministry in their local contexts, NGLI also had to adapt to offer its



“Truly, there is not a day (nor an hour!) that goes by in my ministry where I am not utilizing what I have learned in this program.”

— Rev. Beth Abbott, First Congregational UCC of South Milwaukee, Wisconsin

programs in 2020. Only one event was held in person before the pandemic hit. Despite the challenges of online learning, we were able to host meaningful experiences of connectivity and growth online:

- 65 NGLI pastors gathered for the annual January core learning event in Arizona, prior to COVID travel restrictions.
- 28 NGLI pastors participated in the online Leadership Institute hosted by the United Methodist Church of the Resurrection, Leawood, Kansas.
- UCBMA welcomed a new NGLI cohort of 14 UCC authorized ministers who begin their six-year transformational leadership journey in 2021.
- UCBMA celebrated the 10 NGLI\*1 pastors in the inaugural cohort, who completed their 10-year transformational leadership journey with a “Benediction” event.
- Two online learning circles for all NGLI pastors were offered: “Innovation, Adaptations, and Experiments,” and “Harvesting the Wisdom of These Times.”



## Caring for Your Needs

Since 1885, the United Church Board for Ministerial Assistance (UCBMA), the philanthropic arm of the Pension Boards, has been offering direct financial support and leadership programs for United Church of Christ clergy, lay church employees, and their surviving spouses. Because we know the challenges and sacrifices that are made while serving in ministry, we seek to relieve worries and financial demands and thereby ensure that persons receive the care of Church in their time of need.

The ministries of UCBMA are made possible by the generosity of individuals and congregations to the Christmas Fund Special Mission Offering and Our Church's Wider Mission, and are further subsidized by the Ministerial Assistance Fund.

## Annuitant Visitors

The context of retirement life has been changing in recent years and the pandemic of 2020 has exposed that even more. Usually, about 150 Annuitant Visitors call on about 6,000 retirees across the country to check in and offer a word of thanks on behalf of the United Church of Christ. But, since February 2020, all annuitant visits were made by telephone, email, or cards. Feedback from retirees has been that some do miss the in-person visits, while others who were previously difficult to reach are responding with great enthusiasm to a phone call or email.

The Pension Boards is committed to returning to in-person visits when it is safe, but this opportunity also reminds us that "one size does not fit all" and that multiple ways to connect and converse are needed for all ages.

In 2020, the Annual Annuitant Visitor Seminar was held online for about 100 Annuitant Visitors and Regional Deans.

### In 2020 Direct Support for Those Who Serve the Church Totalled \$2,442,443

GRANT PROGRAM	# OF GRANTEEES	AMOUNT
Pension Supplementation *	276	\$1,180,887
Health Benefits Supplementation *	89	\$274,008
Emergency Grant *	96	\$214,649
Christmas "Thank You" Gift Checks *	504	\$252,000
Ministerial Assistance Grant	90	\$387,600
New Church Start Grant	13	\$100,000
Higher Education Scholarship	2	\$4,000
Herring Stark Memorial Grant	11	\$27,500
100th Birthday	18	\$1,800

\* Supported by gifts to the Christmas Fund



## Corporate Social Responsibility

### The Power of Corporate Engagement

This year brought dramatic results for the 2020 Proxy season, with 100 wins on corporate engagements by members of the Interfaith Center on Corporate Responsibility (ICCR), of which the Pension Boards is a founding member. This work is continuing into 2021 with renewed vigor.

### Migrant Farmer Workers

In 2020, we responded to a call for a sign-on opportunity for Critical Health Care for Farm Workers in Immokalee, Florida. A recent New York Times Op-Ed by Greg Asbed, Co-founder of the Coalition of Immokalee Workers, helped launch a clarion call for urgent action

to address a critical health care shortage in this country's farmworker communities. The situation in Florida's fields is "a ticking time bomb." Yet state officials were not publicly acknowledging the unique threat facing Florida's critical farmworker communities, offering only vague plans for addressing what will certainly be an unbridled contagion. Therefore, we signed on to a petition to address these concerns. As a result, the state ordered testing and health services to be offered to migrant workers.

### Adidas

We also joined investor action on forced labor in the Xinjiang Uyghur Autonomous Region where 83 well-known global brands in the technology, clothing, and automotive sectors are known to have business relationships with





factories across China that use forced Uyghur labor. We participated in an ICCR engagement with Adidas on forced labor.

### Microsoft and Pillsbury

The Palestinian Human Rights Group, of which the Pension Boards is a part, had a major victory when an engagement with Microsoft resulted in the company's divestment from AnyVision, a company specializing in facial recognition that had been accused of involvement in the West Bank to identify and track Palestinians. We have also supported a boycott of Pillsbury, a subsidiary of General Mills, and entered engagement regarding facilities in settlements on the West Bank.

Corporate engagements continue with Noble Energy/Chevron, Adidas, Conoco Phillips, Apache, Walmart, and others.

### SEC Shareholder Rights Restriction

A broad group of investors, including the Pension Boards, had weighed in strongly against the Security and Exchange Commission's (SEC) proposed restriction on shareholder rights — a proposal to limit shareholders' rights to file proposals for shareholders to consider and vote on at annual shareholders meetings. Unfortunately, new rules were passed that restrict shareholder activism. Although these rules should not prevent our continued engagements, they signify a dangerous trend to silence the voices of those advocating for justice and ethical issues with companies based upon the number of shares they own and the number of votes on shareholder resolutions.

The Pension Boards follows a comprehensive blueprint for social responsibility that reflects the key values of our Faith and Finance mission — justice and compassion. But, perhaps the most powerful tool is engagement with companies we invest in through the efforts and combined assets of the ICCR faith community, and other groups.

## A Year of Servicing Your Needs

- **PBUCC joins other faith-based investors and activists to support a petition that protects migrant farmworkers in Immokalee, Florida.**
- **With other faith- and values-based investors, PBUCC requests information from Adidas on factories involved in forced labor.**
- **Through investments in International Finance Corporation, PBUCC supports women-owned enterprises, leading to companies that incorporate people who earn extremely low incomes.**
- **PBUCC invests \$6.6 million in Bank of America's \$2 billion bond deal called "Equality Progress Sustainability Bond," which fights income and social inequality.**

- **PBUCC's sustainable bond investments grow to \$322 million (\$161MM are green bonds and \$161MM are social bonds, of which \$50MM are pandemic bonds).**
- **A new Sustainable Balanced Fund is introduced, beginning 2021.**
- **Target Annuitization Date (TAD) Fund 2020 closes; TAD Funds 2045 and 2050 are introduced for younger members.**
- **PBUCC joins 335 institutional investors with \$9.5 trillion combined assets under management, to release the Investor Statement on Coronavirus Response — a plan for businesses to protect workers during COVID-19.**
- **Generations Investment Services, Inc., services its first institutional clients.**



# INVESTMENTS

Make the  
Right Choice.  
Invest with  
PBUCC.





## 2020: A Year of Divergence Between the Markets and Economy

Global markets had a stellar year despite a backdrop of economic fragility due to the global pandemic. Equity markets declined abruptly in early 2020, with the Standard & Poor's (S&P) 500 Index (U.S. large-cap stocks) ending the first quarter down 19.6%, and international stocks down even more. Late in March, the U.S. Federal Reserve (Fed) and Treasury provided monetary and fiscal support greater and even more timely than that during the global financial crisis of 2008. Global markets then rebounded the rest of the year, catalyzed by not only the support, but also news of highly-effective vaccines in November, enthusiasm about the U.S. election, and further stimulus.

Large U.S. companies (S&P 500) increased 18.40% in 2020. The Russell 2000® Index, which measures the performance of small-cap U.S. companies, increased 19.96% in 2020.

International equity markets were volatile due to varying coronavirus infection rates by country and their exposures to different industries. The international developed markets, as represented by the MSCI EAFE, returned 7.82% in 2020. Emerging markets (MSCI EM) were a more positive story, ending the year up 18.31%, led by a rebound in China.

Regarding fixed-income markets, bonds, as represented by the Barclays Capital U.S. Government/Credit Index, were up 8.93% in 2020. The Fed cut interest rates to zero and put in place focused programs to make sure the markets could function properly. As a sign of volatility, the yield on the 10-year U.S. Treasury note went from 1.88% at the beginning of the year to a low of 0.52% in August, and ended the year at 0.93%.

Where there is flexibility, such as in the Balanced Fund, the Pension Boards team leveraged its adaptiveness by adding to equities after the large market drawdown in

March, and then reducing exposure in late August. Thus, asset allocation decisions were strong during the year.

In addition, manager contributions to performance in both equities, especially in growth areas, and fixed income were positive. As for the Participating and Basic Annuities, despite strong financial markets, lower interest rates have resulted in a steady, but healthy funded status. Given that the annuities' funded status was healthy and stable, but not excessive, no increases or decreases were made to monthly payments from the Basic and Participating Annuities for 2021.

### Market Outlook

With the rollout of highly-effective coronavirus vaccines globally and the completed U.S. elections, markets are likely to continue to have a recovery into 2021, although at a slower pace.

The valuation gap between the U.S. market and both international developed markets





and emerging markets has widened. As a result, we expect to monitor our asset allocation and strategically continue to allocate to international markets, as appropriate, over the long run. With interest rates at an all-time low in the U.S. and abroad, the opportunity for significant returns for fixed-income investors is low. We believe our focus on diversification, quality, and duration (interest rate sensitivity) will be the best discipline to weather and prosper in volatile markets. We remain focused on employing our Faith and Finance lens to investing, and insisting on a focus on environmental, social, and governance factors in the investments our managers make. In early 2021, we will highlight our commitment with a relaunch of our newly-branded Sustainable Balanced Fund, which will showcase high-performing managers with an expertise in companies that lead in addressing climate change and sustainability. Above all, we will continue to be good stewards of investments on your behalf in this increasingly complex world.



## A Year of Servicing Your Needs

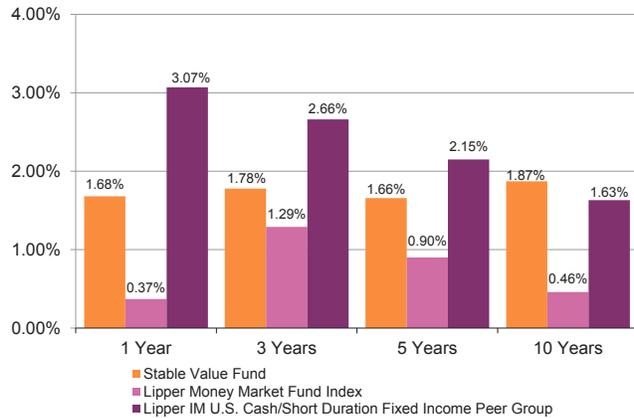
- **PBUCC enters into a partnership with Humana to launch the UCC Medicare Advantage Plan with Rx, a lower-cost plan with additional benefits.**
  - **Webinars and videos on the UCC Medicare Advantage Plan with Rx help members understand the new plan.**
  - **COVID-19 tests and other diagnostic tests become available at no cost to UCC Health Plan participants; cost-share waivers are extended to March 2021.**
  - **Teledoc and virtual telemedicine visit copays are waived for members during COVID-19.**
- **\$25.9 million is invested in African Development Bank's "Fight Covid-19" social bond to provide health care, water and sanitation, and employment.**
  - **PBUCC becomes part of "Climate Action 100+ Net-Zero Company Benchmark" to provide analysis on companies leading the transition to net-zero emissions.**
  - **Investments in PepsiCo help reduce 35% of its virgin plastic content by 2025 and fund projects that purchase eco-friendly product packaging.**
  - **Social bond investing in the International Bank for Reconstruction & Development funds projects that improve access to food, clean drinking water, and improved sanitation.**
- **Investments in Starbucks social bonds ensure coffee is sourced, grown, and distributed sustainably.**
  - **Through Apple, Inc. "green" bond investing, PBUCC helps finance projects that result in 127 megawatts of new renewable energy production.**
  - **PBUCC helps finance future originations of loans and leases for gas-electric hybrid or alternative fuel for Toyota/Lexus vehicles, through "green" bond investments in Toyota.**



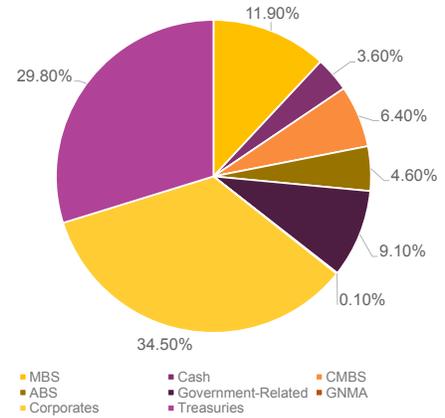
## Investments

### Accumulation Fund Performance

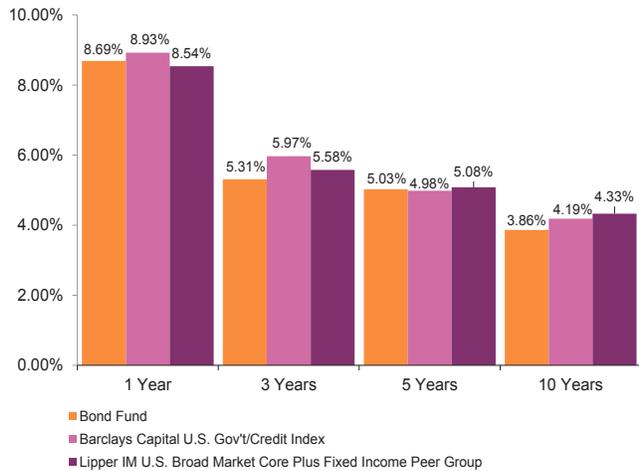
**Stable Value Fund Performance as of 12/31/2020**  
(net of all fees)



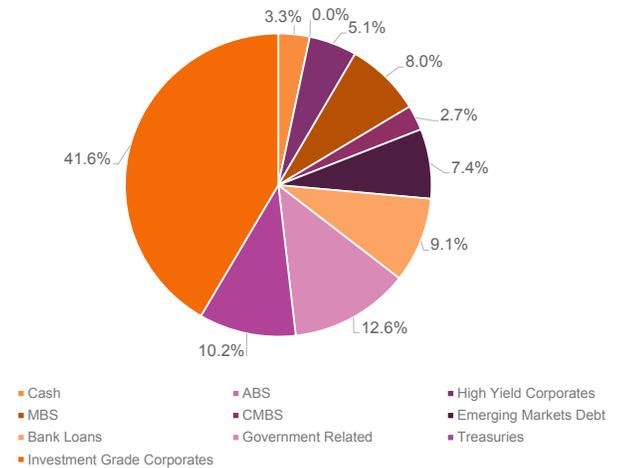
**Stable Value Asset Allocation**



**Bond Fund Performance as of 12/31/2020**  
(net of all fees)

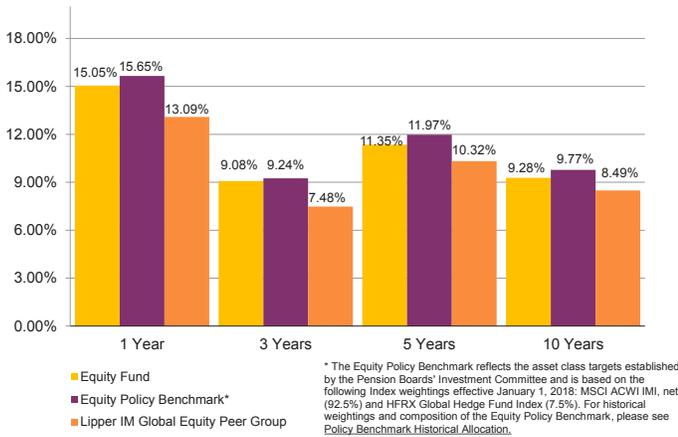


**Bond Fund Asset Allocation**

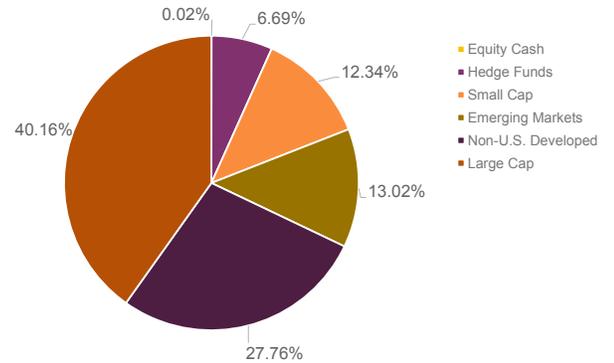




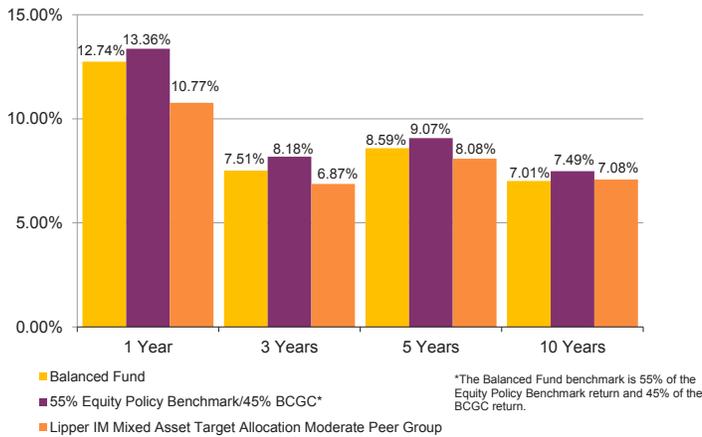
### Equity Fund Performance as of 12/31/2020 (net of all fees)



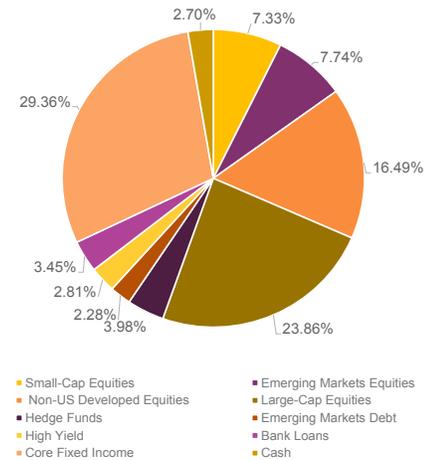
### Equity Fund Asset Allocation



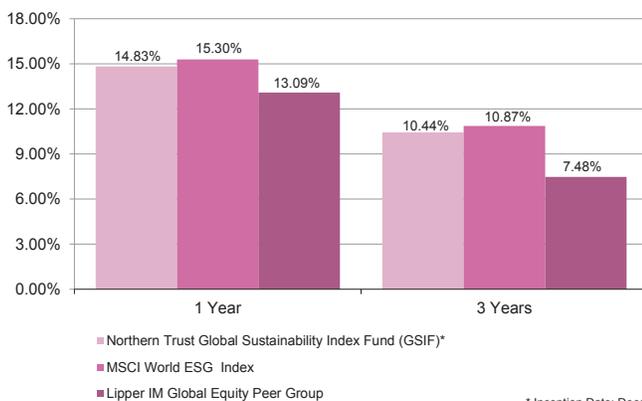
### Balanced Fund Performance as of 12/31/2020 (net of all fees)



### Balanced Fund Asset Allocation



### Northern Trust Global Sustainability Index Fund Performance as of 12/31/2020 (net of all fees)



### TAD Funds Performance as of 12/31/2020

	1 Year	3 Years	5 Years	10 Years
TAD 2025	9.17%	5.95%	7.31%	6.48%
TAD 2030	11.76%	7.24%	8.58%	7.24%
TAD 2035	12.47%	7.73%	na	na
TAD 2040	12.23%	7.81%	na	na



## Generations Financial Resources, Inc.

### Improving Financial Wellness for MFVI Participants

Generations Financial Resources (GFR), a controlled subsidiary of the Pension Boards, utilizes a novel three-component approach to address the crushing burden of clergy indebtedness. GFR combines the benefits of financial education and grant provision through the Ministers' Financial Vitality Initiative (MFVI) with a focus on low-interest rate refinancing. GFR's approach to addressing the widespread debt burden of UCC ministers includes:

- **Education:**

Leverage the educational component of MFVI to provide personal finance education to empower participants in managing their financial affairs.

- **Loan Refinance:**

Upon successful completion of the educational component of MFVI, participants become eligible for loan refinancing with the objective of substantially reducing interest rates to reduce the monthly servicing burden.

- **Grant Support:**

Raise funds to support a program of need-based grants to reduce debt levels or supplement monthly debt payments.

GFR's loan refinance strategy is its most unique aspect. Low-interest rates provide direct and lasting reduction of the monthly debt servicing burden. This, coupled with additional relief through the provision of grants, will make a significant impact in reducing clergy debt.

GFR combines an understanding of a borrower's unique situation with best-in-class technology and efficient operations to deliver quality user experience that is secure, conscientious, and cost-effective. GFR has achieved significant goals and is poised to develop into a true financial technology resource for UCC clergy.

Participants have expressed great appreciation and witnessed immediate improvements in their financial flexibility.

*"Thanks for the message! I have built the payment into my budget and my account will be ready for the withdrawal. It's hard to believe a month has already passed. Though the high-interest loan with the zero balance feels amazing!"*

*"It's inspired me to use this month's 'extra' payment and other additional funds I've gotten from side gigs to pay extra on my next high-interest loan. I've put quite a dent on the loan, enough that my next payment is showing 8/2/22! I'm still making at least the minimum payments on it monthly; more when I have it. Thanks so much for your help and for connecting me with this program!"*



The Pension Boards knows that improving financial wellness of clergy directly impacts their effectiveness in ministry. We are excited to provide this valuable service to UCC clergy and to provide personal financial security and empowerment.



Randy Garrett,  
Senior Finance Manager



## Generations Investment Services, Inc.

### Sustainable Growth and Positive Change

In 2019, the Pension Boards established Generations Investment Services (GENIS), a controlled affiliate of the Pension Boards, to provide investment management services for the Pension Boards' endowment funds, Health Plan investments, and the United Church Board for Ministerial Assistance, Inc. (UCBMA) endowments.

GENIS offers the Pension Boards and UCBMA a unique opportunity to strategically sustain their investments for future generations, mission, and ministry.

GENIS uses best-in-class investment managers to skillfully manage endowment assets, while providing strategic asset allocation and diversification considerations that allow for fee savings well below commercial financial services firms. GENIS offers four investment options: Equity Fund, Bond Fund, Global Sustainability Fund (GSIF), and a Money Market Fund.

These investment options enable the Pension Boards and UCBMA endowments to achieve the objectives of long-term sustainable growth, positive social justice change, and environmental improvement.

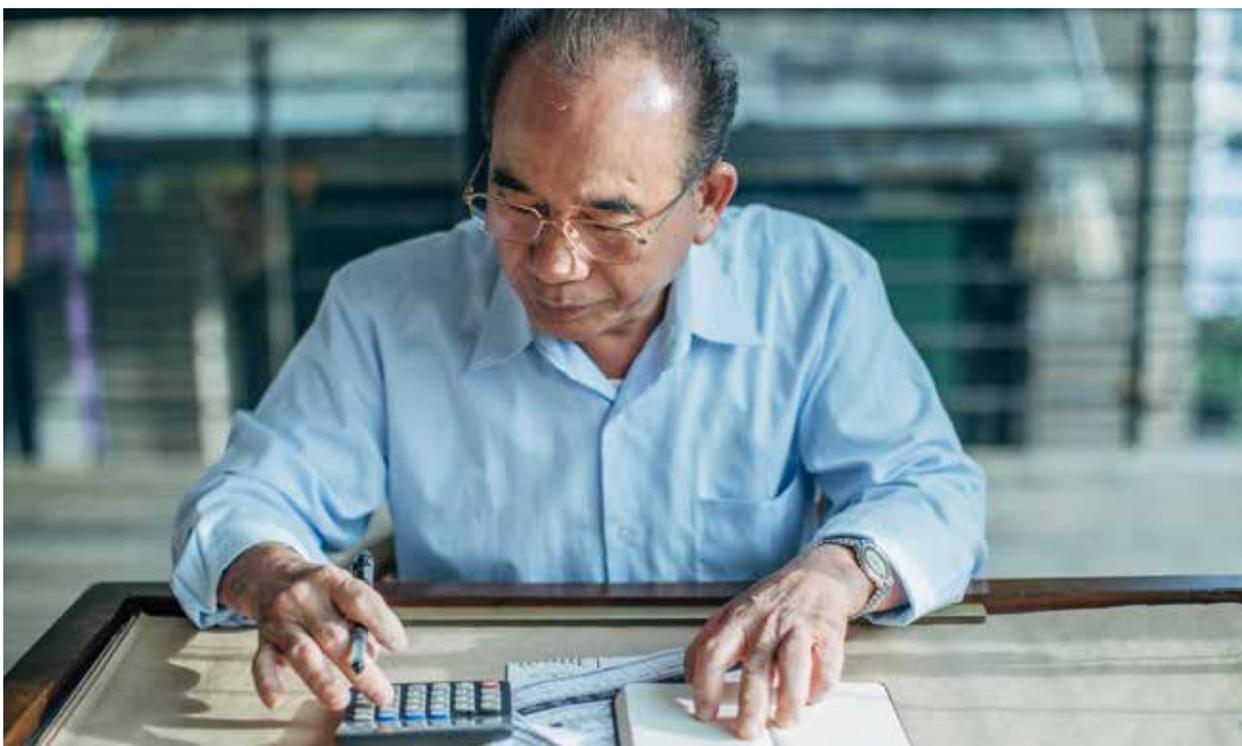


### Generations Investment Services

aligns the values of the church and brings social justice and change through its investment practices with the endowment assets held by the Pension Boards and UCBMA.



Chief Financial and Operations Officer  
John E. Linzey





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*An Affiliated Ministry of the United Church of Christ  
Incorporated under the laws of New Jersey, 1914*

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# Generations

## A Journal of Faith and Finance

Our new biannual publication (fall and spring) addresses issues related to the places in our economic lives where the values of faith meet our financial obligations and opportunities – the places where faith and finance intersect.

Contributors bring perspectives from the worlds of both church – within and beyond the United Church of Christ – and finance.

*The Fall 2020 issue focused on*

### **Mobilizing Your Resources for Change**

*Upcoming in May:*

### **Think Globally, Act Locally**

To subscribe, please email us at: [genjournal@pbucc.org](mailto:genjournal@pbucc.org)

Read the inaugural issue here: [http://bit.ly/PB\\_JOURNAL](http://bit.ly/PB_JOURNAL)

# This time... Next time... Every time...



**For generations, the United Church Board for Ministerial Assistance has helped pastors, lay church workers and their families when dollars were tight, and with programs that have sustained soul and body.**

Because our mission is to “**serve those who serve,**” because our connections are deep and our programs ever more relevant, because we are accountable and effective, and because of generous giving to the **Generations of Service: Faith and Finance in Action** capital campaign, the United Church Board for Ministerial Assistance will be there to make all the difference—**this time, next time, and every time.**

Make a secure gift online at [www.pbucc.org](http://www.pbucc.org) or mail your check to:

**Rev. Jonathan B. Lee**  
Philanthropy Officer  
Pension Boards-United Church of Christ  
475 Riverside Dr., Rm. 1020  
New York, NY 10115





**Flourishing and Growing  
Amid the Challenges of 2020**



**The Pension Boards**  
United Church of Christ, Inc.

WHERE FAITH AND FINANCE INTERSECT