



Retirement Fund for Religious

Spring 2009 Newsletter



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NRRO Launches New Categories for Fund Distribution

In June 2006, bishops of the United States voted to extend the Retirement Fund for Religious (RFR) until 2017. Since that time, the staff of the National Religious Retirement Office (NRRO) has been working to implement an updated framework for fund distribution. The goal is to facilitate the most effective and far-reaching use of the funds. Thoughtful stewardship and an understanding of the financial challenges faced by religious institutes guide these efforts.

Despite the tremendous outpouring of generosity shown the RFR, over \$560 million has been donated since the fund's inception in 1989, substantial need remains. The total cost of care for 2007 alone was over \$970 million. Moreover, census projections for the next ten years forecast a marked decrease in the number of religious in compensated ministry coupled with a sharp increase in the number of religious over age seventy. Thus, the gap between elder care needs and assets available is predicted to widen.

While the statistics are sobering, many religious institutes have, in fact, made significant strides towards reducing their unfunded retirement liability and developing comprehensive plans for elder care. Bridging the remaining funding gaps, however, will require even more intense planning and more complex strategies

With this reality in mind, the NRRO recently reorganized its categories for fund distribution to reflect more clearly the purposes of the funds. In an effort

to achieve the most equitable disbursement of funds, revisions were also made to the per capita distribution formula. Religious institutes were notified of the changes in the summer of 2008, and the adjusted formula will be used for the first time with the 2009 distribution.



Traditionally, the majority of funds—nearly ninety percent—were distributed as Basic Grants. This category is now known as ***Direct Care Assistance***. It remains a per capita distribution based on the number of members age 60 and over. The distribution is weighted for three main factors:

1) level of need, 2) age of members, and 3) self-help factors implemented by the institute.

Beginning with the 2009 distribution, the assets available for retirement will be determined per the definition of restricted and unrestricted funds established by the Financial Accounting Standards Board. It is hoped that use of this objective criteria will further efforts to distribute RFR donations to those religious institutes most in need.

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Other fund categories

The remaining funds will be targeted, as they always have been, toward helping religious institutes plan and provide for current and future retirement needs. Like Direct Care Assistance, the criteria for these funds have been reviewed and the process adjusted to address current challenges.

1989-2008	2009-2018
Basic Grant	Direct Care Assistance
Special Assistance and Supplemental Grant	Planning and Implementation Assistance
Supplemental Identified Need Grant	Management and Continuing Education Assistance

Previously, the Special Assistance Grant supported planning efforts, and the Supplemental Grant was directed toward implementing the objectives outlined by the planning. These funds will now be combined under the umbrella of **Planning and Implementation Assistance**. The goal is for planning and implementation to be considered as one cohesive process. Throughout 2009, NRRO staff will be working with fifteen or more religious institutes to pilot this new approach.

As with the previous grant process, application for Planning and Implementation Assistance requires an NRRO consultant to conduct one or more visits to the religious institute. A new requirement is that the religious institute commit to sending representatives to a planning workshop conducted by the NRRO. This gathering is designed to offer input on retirement planning issues, as well as assistance in identifying areas where potential funding can have the greatest impact.

Based on the workshop and site visit, NRRO staff and consultants will work with the religious institute to determine whether or not to apply for planning assistance, implementation assistance or both. The NRRO Management Board will make the final decision regarding the distribution of these funds.

The final fund category is **Management and Continuing Education Assistance**. Formerly known as the Supplemental Identified Need Grant (SING), these funds will be used to support ongoing education in areas related to retirement planning, including financial management, elder care delivery, and fund raising. These funds may also be used to supplement the acquisition of basic management tools, such as, a financial forecast or the first-time computerization of accounting or development records. Management and Continuing Education Assistance may be requested throughout the year, but it is limited to one application and \$5,000 annually.



The goal of the RFR is to help religious institutes uncover new solutions to their retirement funding challenges. “While the purpose of the funds has not changed, we realize that the issues facing reli-

gious institutes have grown increasingly complex,” notes NRRO Executive Director, Sister Janice Bader, CPPS. “Our hope is that the modification of the fund distribution process will ultimately allow the RFR to be of greater assistance to religious institutes in need.”

If you would like to make a bequest or restricted gift to the National Religious Retirement Office, the following information should be used:



To the United States Conference of Catholic Bishops Incorporated for the exclusive purpose of assisting Roman Catholic religious orders in the United States to provide for the retirement needs of their elderly members.

Message from the Executive Director

“There is nothing like a dream to create the future.” Victor Hugo



If we have learned anything in the twenty years since the Retirement Fund for Religious (RFR) was launched, it is that dreaming is often the first and best step toward retirement planning. Giving ourselves the time and space to think specifically, not only

about immediate needs but also about long-term hopes and desires, is crucial to the ability to provide for elder members while continuing in mission and ministry.

Rather than being a luxury for when we have time, dreaming, and the planning necessary to realize these dreams, is an urgent priority. The truth is, more time is not coming and the demands of religious service grow daily. Only by stepping back is it possible to envision solutions that address both retirement and ministry needs. The Planning Workshop featured on page four was developed, in part, to furnish religious institutes with concentrated time to take their planning efforts to the next level—to transform their dreams into concrete actions.

For the NRRO, dreaming and planning are equally a necessity. In thinking about what needs to be accomplished during this third cycle of the RFR, we had to take a break from day to day operations and look at the big picture. Doing so helped us to understand that the retirement funding needs of religious institutes have evolved significantly over the years.

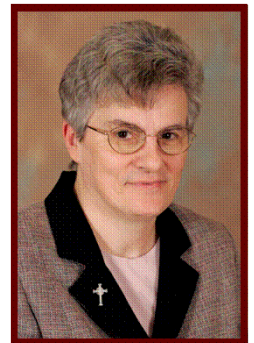
When the RFR was launched, the urgency was on providing religious institutes with immediate funding to help with the care of senior members. Sometimes this support came from the direct assistance of a Basic Grant. Other times, it came from a Supplemental Grant that allowed a religious institute to enroll in Social Security, thus increasing annual income and lowering Medicare premiums.

Over the years, however, many religious institutes have made meaningful progress in implementing some of these more apparent solutions, such as Social Security enrollment. While support for direct care remains a priority, we believe that success in the coming years will require uncovering solutions that are, perhaps, less obvious. Thus we restructured our fund distribution process, particularly those for Planning and Implementation Assistance, to better support this reality.

We understand that the road ahead is one we must travel together, sharing our successes, learning from our mistakes, and most importantly, dreaming about what might be. We remain grateful to the generous donors who accompany us on this journey, imagining a future where all elder religious receive dignified care and where religious institutes are empowered to continue their vital ministries to our Church and world.

May God bless you abundantly during this Easter season.

Sister Janice Bader, CPPS



The NRRO Pilots Planning Workshop

In January, the NRRO offered its first Planning Workshop. The gathering was developed as part of the new Planning and Implementation Assistance program. Throughout 2009, the NRRO will be partnering with selected religious institutes to determine how the Retirement Fund for Religious can offer the greatest assistance.

Several religious institutes responded to the NRRO's initial invitation to participate in the pilot process. Based on their level of need, five religious institutes were selected for the first workshop.



Participants at the San Antonio Workshop

Prior to the workshop, two NRRO consultants were assigned to work with each of the five religious institutes. Consultants were selected from an interdisciplinary team of experts in finance, elder care, and religious institute leadership, and they were matched to the institutes based on their stated areas of concern. Consultants made initial visits to the communities to assess their current retirement planning and to gain a better understanding of their particular challenges.

In preparation for the workshop, each group previewed "A Future Full of Hope—Planning in Religious Institutes." Created by the NRRO in 2008, *A Future Full of Hope* is a DVD and guide offering case studies of religious institutes that have successfully addressed planning in areas such as property utilization, elder care, and new membership.



Oblate Renewal Center in San Antonio

The workshop was held January 16-18, 2009, at the Oblate Renewal Center in San Antonio, Texas. Representatives from each of the religious institutes attended along with their consultants. NRRO staff facilitated the gathering. After an opening prayer and overview of the agenda, the workshop began with each group providing a summary of their retirement issues and the status of their planning efforts.

Communities were encouraged to think broadly in considering possible solutions to their retirement concerns. Although they may have come to the workshop with a certain answer in mind, they were urged to be open to new ideas. Each session included a presentation on a specific aspect of retirement planning, such as elder care delivery, followed by time for the institutes to work with their consultants to apply the concepts to their unique situations. Meals and social time provided opportunities for communities to share with and learn from one another. Mass at the Oblate chapel offered time for prayer and renewal.



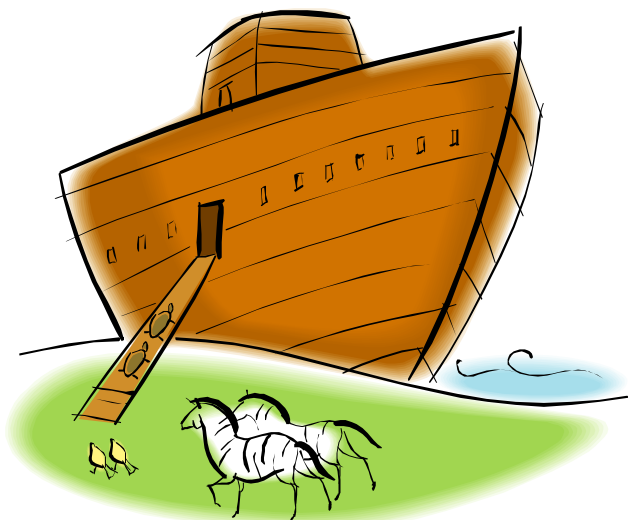
The final day concluded with reports from each of the five planning groups on the progress and decisions made during the course of the weekend. NRRO staff members also spent time with the communities and with the consultants to garner feedback on the new pilot process. The workshop concluded with a blessing, and the groups left San Antonio better equipped to address the retirement planning concerns faced by their religious institutes.

A Future Full of Hope

Copies of *A Future Full of Hope—Planning in Religious Institutes* are still available. To order, please visit our website at www.usccb.org/nrro and click on “Resources for Religious Institutes,” then click on “Planning Materials Order Form.”

I know well the plans I have in mind for you...plans for a future full of hope.

Jeremiah 29:11



It pays to plan ahead...It wasn't raining when Noah built the ark.

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Older Americans Month

May is Older Americans Month. Sponsored by the U.S. Administration of Aging, the theme for this year's celebration is "Living Today for a Better Tomorrow." This theme reflects a continued focus on prevention efforts and highlights the importance of giving older adults the tools they need to make healthy decisions. To learn more visit: www.aoa.gov



Please send changes in address, phone, E-mail or congregational leadership to NRRO c/o Jean Smith so that we may keep our records and mailing lists updated.

Thank You!



CALENDAR

NRRO Person Centered Care Workshop, Chicago, IL	April 15-16, 2009
National Collections Website Conference Call	April 21, 2009
National Collections Website closes for RFR requesting of materials	April 30, 2009
Consultant In Service Training, Washington, DC	May 12, 2009
Direct Care Assistance Fund Distribution	June 1, 2009
Consultant In-Service Training, Plymouth, MI	September 17-20, 2009
Planning and Implementation Workshop, Marriottsville, MD	September 28-30, 2009

Planning and Implementation Dates for 2009

Application Due Date

May 15, 2009

August 1, 2009

November 1, 2009

Fund Distribution Date

June, 2009

September, 2009

December, 2009

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