



Retirement Fund for Religious



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Bishops Vote to Extend the Retirement Fund for Religious

On June 15, 2006, United States Catholic Bishops voted to extend the Retirement Fund for Religious (RFR) campaign for an additional ten years, from 2007 until 2017. The vote came during the bishops' annual meeting in Los Angeles.

Since the RFR was established in 1988, it has raised nearly \$500 million, making it the most successful campaign in the history of the Catholic Church in the United States. Despite the overwhelming generosity shown to the fund, however, the needs of retired religious continue to far exceed the funds available to care for them. In 2005 alone, the annual cost of living for all women and men religious over age 70 was \$925 million.

Many factors contribute to the extraordinarily high cost of care. Chief among these is the skyrocketing cost of healthcare. For example, in 1985, the average annual cost of care for a retired woman religious was \$8,282. For a male religious it was \$8,556. By 2004, those figures had risen to \$29,922 and \$31,491 respectively. Another limiting factor for religious is the amount received from Social Security. Because religious institutes were, by law, not allowed to pay into Social Security until after 1972, today's average Social Security benefit is just \$4,033 for women religious and \$3,240 for men. (The average benefit for most Americans is \$11,000 annually.)

To assist the bishops in making their decision, NRRO provided information garnered from a Mercer Actuarial Study completed in 2004.

The report summarized the current situation for retired religious and offered 20-year projections for funding and care needs.

The study revealed that without an ongoing infusion of funds, all religious orders in the United States will exhaust their retirement savings by 2023. The study further detailed that while health care costs will rise dramatically for religious institutes over the next twenty years, the number of members under age seventy-five will decrease by an estimated eighty-two percent. At the same time, the numbers of members seventy-five and over will remain fairly constant.

This situation means, of course, that religious institutes will have fewer members to generate income while maintaining the responsibility of caring for a significant senior population. In fact, the Mercer study estimates that by 2023, the cost of care for all retired religious will exceed \$1.6 billion annually. (To view the complete report visit: www.usccb.org/nrro and click on *Mercer Actuarial Study*.)

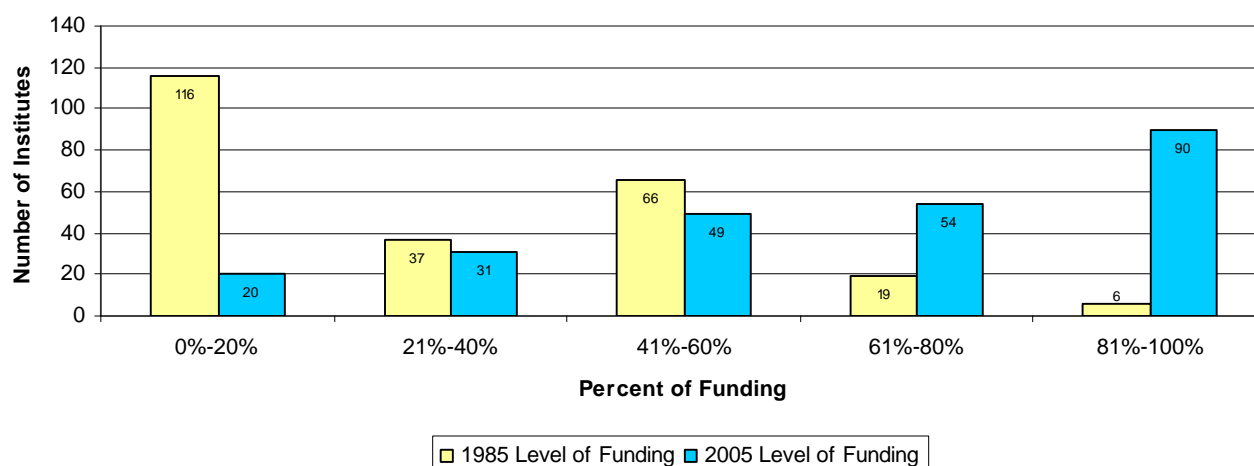
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Level of Retirement Funding for the 244 Religious Institutes that Submitted Data Annually 1985 - 2005

Attachment I



Although certain factors, such as escalating health care costs and declining censuses, cannot be controlled, much can still be done to impact positively the futures of retired religious in the United States. The most important step is to continue to infuse funds to assist senior religious through the RFR. The chart above demonstrates how specific religious institutes have been able to leverage support from the RFR to maximize their retirement funds. In 1985, the majority of institutes were only zero to twenty percent funded. By 2005, the majority had shifted to those institutes fully funded or nearly fully funded for retirement.

Over the last eighteen years, we have gained a more comprehensive understanding of how best to assist religious institutes in meeting the needs of retired members. Educational tools, programs, services, and resource materials offered by NRRO enable institutes to address their retirement realities in more informed and strategic ways. At NRRO, we are energized by the bishops' decision to extend the RFR. We embrace the opportunity to continue working toward the goal of ensuring a secure retirement for all our nation's retired religious.

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



Director's Message



These days I seem to be constantly reminded of my recent ascent (notice I didn't say descent) into elderhood. On a busy day a few months ago, I received my Medicare card in the mail—a shock underscoring my new age sixty-five status. And when I asked my ophthalmologist to change my eyeglasses because I could no longer read the tiny print on maps and medicine bottles, he kindly responded that this is a normal condition for “mature” people. Funny, “mature” used to be a compliment—now it's a euphemism!

In the wisdom I am quickly acquiring since becoming “mature,” I appreciate that my new station in life offers an important opportunity for me to grow in ministry. Having spent six years as executive director and a total of over eleven years working with NRRO, I am immersed in all things senior. I know by rote the average costs of assisted living and skilled nursing care; and I am thoroughly versed in the various changes to Medicare and prescription drug coverage. But now, I look at these issues in a more personal way. While retirement is not in my immediate future, becoming sixty-five raises questions, such as: “How long can I stay in full-time ministry?” and “What then?”

As I consider my own future, however, I remain inspired to advance the NRRO mission by the senior religious I have met along the way. Their courage, dignity and tremendous faith are a constant reminder that not all God's gifts are physical. In the long run, perhaps the spiritual gifts shared by our senior religious are more transcendent.

For this reason, the concept of person-centered care highlighted at our recent conference is, I think, one of the most valuable lessons we can share. Person-centered care allows the focus to be on the elder religious as a unique individual. And all the seeming baggage of elderhood, like wheelchairs or hospital beds, just becomes part of the journey, not a defining end.

At NRRO, we are also energized by the boundless generosity of donors to the RFR. Even in 2005, a year when the need for disaster relief in our country was profound, our donors still contributed nearly \$30 million to the RFR. Moreover, the bishops' decision to extend the collection until 2017 means that we can continue to work towards the goal of assuring a secure retirement for all religious. We remain grateful for the support the RFR offers to meet the immediate needs of retired religious; and we are eager to expand and refine programs to help religious institutes engage in strategic, long-range planning. Recent experience has demonstrated that incorporating the concepts of person-centered care into this process will ultimately result in comprehensive retirement plans that are not only more cost effective, but also provide maximum benefits to both the caregiver and the recipient.

So, maybe being part of the sixty-five club is really a blessing. After all, I am certainly in good company.

May our loving God bless you.

Sister Andrée Fries, CPPS
Executive Director



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.

Person-Centered Care Conference



On October 31st -November 1st, 2006, NRRO co-hosted a Person-Centered Care Training Conference in Chicago, Illinois. Person-centered care is an approach that respects the dignity and complexity of older adults. It shifts away from a model of care focused on medicine, maintenance and loss and instead, strives to offer residents and caregivers more autonomy in daily activities and care options. Person-centered care also advocates a physical environment that is more home-like and less sterile than the traditional hospital model found in many nursing residences.

Sponsored by NRRO, the conference was conducted by Mather Lifeways, a not-for-profit organization based in Evanston, Illinois. In operation for nearly sixty years, the main goal of Mather Lifeways is to help people age well. The organization operates in three main areas: community initiatives, research and education, and senior residences.

The conference offered the chance to explore three central areas of person-centered care:

- The sacred relationship between resident and caregiver.
- Ways of engaging and stimulating older adults to their highest level of participation and success.
- The Just Right Challenge,SM a technique for finding the right balance between what older adults can do for themselves and when they need help.

The conference was designed for those who both provide care and services for elderly religious and who have a basic understanding of and dedication to person-centered care. Conference organizers asked that each institute send two staff members who could commit to disseminating the information to the rest of their staff within six months of the conference. Participants also agreed to take part in all aspects of the conference evaluation process.



Participants in the training conference

Following an overview of the culture change movement and a comprehensive examination of person-centered care, participants rotated through four different training modules: team development, physical environment, programming, and dementia care. Each module offered tools, information, and hands-on strategies to enable participants to implement person-centered care in their own residences.

A grant from the Retirement Research Foundation underwrote the cost of the conference, materials, and most meals for two staff members per religious institute. Participants, then, only had to be concerned with travel costs and hotel arrangements. Religious institutes fifty percent or more unfunded for retirement were also able to apply to NRRO for grant funding to assist with expenses.

The conference was enthusiastically received. Over the next several months, NRRO will continue to monitor participants' progress in order to evaluate the effectiveness of the training.

Correction:

Page thirty-five of the NRRO 2005 Annual Report incorrectly listed the Diocesan Coordinator for Victoria, TX, as Reverend Dan Morales. This position is actually held by Monsignor Thomas McLaughlin. We apologize for this error.



MY HOME IS MY CASTLE

Sister Janice Bader, CPPS

The image of home as a castle conjures up visions of a place where one is secure and comfortable. For many religious institutes, the homes in which they live appear literally to be castles. Comfort and security, however, are not always what they provide. Many of these large, fortress-like buildings were constructed in the 1800's. Like medieval castles, they are difficult to heat and cool and ill-suited for an aging population and the technological advances of the 21st century.

As religious institutes work diligently to provide for their ministries and the needs of their members, many are finding that these “castles” are draining valuable resources. Ongoing maintenance and utility costs can be exorbitant. In an effort to be responsible stewards, many religious institutes are seeking ways to effectively manage this issue.

The NRRO Best Practices Study found that addressing property issues was a critical element for success in both meeting retirement funding



needs and in providing a viable future for ministries. On the flip side, it demonstrated that many institutes beleaguered by property issues were also struggling financially.

Over the years, NRRO has made grants for religious institutes to obtain the necessary professional expertise to make informed decisions. Recently, NRRO convened a focus group comprised of representatives from nine religious institutes that have made significant decisions related to their buildings and properties. From their hard-won knowledge, we hoped to glean principles that might help other religious institutes, and thereby, compound the effectiveness of the grant funding.

We are still determining the most effective way to disseminate the wisdom of the focus group. But we take this opportunity to share some of their basic encouragements and cautions for those who may be considering converting buildings to alternate uses.

DO	DON'T
Choose professionals and partners with great care. Extend the same level of scrutiny to those known as to those unknown.	Be taken in by the friend, alumnus or supporter who may or may not have the requisite skills.
Test the long-term financial feasibility of the alternatives under consideration via a financial forecast.	Assume that meeting initial construction or renovation costs will be sufficient for the success of the project.
Obtain reliable demographic projections of institute membership to forecast housing needs.	Overestimate the space the institute will need—or the problem of underutilized space will repeat itself.
Conduct a thorough marketing study.	Assume that former students or relatives are eagerly waiting to become residents or clients.
Conduct a thorough structural analysis.	Assume that you know what may lie hidden within the walls.
Be prepared for the unexpected.	Underestimate the challenges of renovating an old building.
Seek professionals with expertise in reuse and renovation.	Assume that experts in new construction have the requisite skills for reuse and renovation.



CALENDAR

Supplemental and Special Assistance Grants awarded	December 7, 2006
2006 RFR Collection	December 9-10, 2006
Eligibility Forms Mailed out to <i>Treasurers</i>	December 31, 2006
Commission on Religious Life and Ministry	February 15-17, 2007
American Society on Aging Convention	March 7-10, 2007
Legal Seminar, St. Louis, MO	March 8-11, 2007
Collection money due back from Dioceses	March 31, 2007
Eligibility Forms due back to NRRO	March 31, 2007
Special Assistance Applications due for June Cycle	March 31, 2007
Supplemental Applications due for December Cycle	April 15, 2007
Grant Review Board	May 1, 2007

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