

Global economic crisis hurts Disciples

INDIANAPOLIS, IN -- The economic crisis felt across the globe is impacting the church as historic market declines will lower the Christian Church Foundation's distributions from permanent funds, the Foundation's Board of Directors learned during its recent meeting.

The Rev. Gary Kidwell, CCF president, said it is difficult to predict distributions during a volatile economic climate, but believes distributions – made from a set percentage of investment market value -- will be lower in 2009 because of the market decline.

In 2008, the Foundation distributed \$7.2 million from permanent funds and other gifts -- including \$1.2 million to Disciples Mission Fund, the church's mission funding program. Assets under management at the Foundation slipped from \$436 million to \$314 million in 2008 because of market decline.

“Clearly we have been in the most challenging economic environment in modern history,” Kidwell said. “The financial markets fell off a cliff last October, fueled by uncertainty and fear. In early March the stock market rebounded sharply, reminding us how quickly investors' fear of losing money can turn to fear of missing out on making it back.”

In spite of a terrible economy, gifts made to the Foundation in 2008 totaled \$11.7 million and Disciples ministries invested another \$21.8 million, making the year one of the strongest in history. “Never underestimate the generosity of God's people!” Kidwell reported to the Board.

The market's decline has increased the Foundation's liability for its charitable gift annuity pool, Ruth Weaver, senior vice president, told the Board. The Foundation undertakes its charitable gift annuity program on behalf of the whole church as part of helping Disciples support ministries with planned gifts.

The Foundation's unrestricted assets are legally required as security for gift annuity obligations. These unrestricted gifts – the result of outright gifts made to the Foundation – will now be directed toward meeting those legal requirements; previously, some of these dollars went to Disciples Mission Fund.

As part of the Foundation's ongoing review of its investment program, the Board of Directors adjusted the Common Balanced Fund, replacing the alternative asset allocation to inflation off-setting assets. This new allocation retains a slightly higher expected return while reducing expected volatility and should perform better during an inflationary period. The Board also replaced two fixed-income managers with managers that are expected to enhance performance.

In other business,

- Conferred the Harry T. Ice Distinguished Service Award to Bill and Benny Robertson of Colorado Springs, CO, for lifelong philanthropy and service to the Christian Church (Disciples of Christ).
- Re-elected board members Gregory Smith of Lafayette, IN; the Rev. Suzanne Webb of St. Louis, MO; James Sullivan of Danville, KY; and the Rev. Fred Harris of Hagerstown, MD, to three-year terms starting in 2010.
- Elected to a three-year term, starting in 2010, Debra Clayton of Topeka, KS, co-owner of a registered investment advisory firm and member of First Christian Church in Topeka; John M. May Jr., a businessman and member of First Christian Church in Wilmington, NC; and Bob Williams, an investment advisor and member of Warren Avenue Christian Church in Dallas, TX.

The Board of Directors will next meet Nov. 6-8 in Indianapolis.