

SERVANT SOLUTIONS NEWSLETTER JUNE 2022



Servant Solutions
YOUR RETIREMENT & FINANCIAL PLANNING PARTNER

THE VALUE OF BONDS

FROM TRUSTEE JULI ERHART-GRAVES, CFP®
WORLEY ERHART-GRAVES FINANCIAL ADVISORS

I love to organize—papers, closets, financial lives, and anything else that I can get my hands on. To me, it's exciting to take chaos and create order. Being an organizer, I'm also a chronic "declutterer," always on the lookout for things I can get rid of.

Because of this tendency, I have been known to get rid of things only to need them again later. And, yes, this may be a sore subject for my husband since his things get caught up in my decluttering as well. I can't help it, though... I don't want to keep something around that isn't useful or adding value to my life. In a way, I'm seeing this same attitude play out in investment portfolios. Investors are having a hard time seeing the value of bonds right now.

As many know, bond prices and interest rates have an inverse relationship. When interest rates rise, the price of a bond will fall, everything else being equal. For example, if I buy a bond with a 3% rate and interest rates go to 4%, no one is going to want to buy my bond since they can purchase a new bond at 4%. Therefore, if I want to sell my 3% bond, I have to discount the price, so the buyer gets the same value as a bond

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A WORD FROM OUR PRESIDENT

MEMBERSHIP HAS ITS PRIVILEGES

Jim O'Bold

With the stock market experiencing extreme volatility and inflation raging, we all are searching for the best ways to spend and save our money. In the Bible, the term “stewardship” is an important concept to keep in mind. Biblical stewardship is defined as managing everything God brings into the believer’s life in a manner that honors God. Let me share several reasons why keeping your account with Servant Solutions (*whether you leave ministry employment or not*) is an excellent way to practice financial stewardship.

Only a Select Few Can Get In

Only those that receive employment income from a non-profit ministry (*churches, Christian K-12 schools and colleges, missionaries, chaplains, etc.*) can join Servant Solutions, so only a narrow band of savers can be members of our retirement plan. Once you are in, there are distinct advantages that all of our participants enjoy.

Once You Are a Member, Don't Ever Give Up Your Membership!

Servant Solutions membership has its privileges. So, what are these distinct advantages?

- *Lowest Fees Possible* – Since we are a non-profit, IRS-sanctioned 403b(9) Church Retirement Plan, we can only charge minimal fees. Fees are a BIG DEAL these days, and our fees, having been independently benchmarked, have been proven to be about half of what other secular plans charge. Why pay higher fees somewhere else with a secular provider?

- *Free Financial Planning Assistance* – A financial plan is just not for the wealthy. We ALL need planning regarding our finances. Why not enjoy free lifetime financial planning with an unbiased, biblically minded financial planner at Servant Solutions?

- *Free Will and Estate Documents* – I call these documents “love letters to our family,” as they provide not only our wishes in advance of our death, but also help during times we are incapacitated and are not able to make crucial decisions regarding our health and finances. These documents need constant updates as we progress through our lives. Why pay

for these essential documents when you have free access to them?

- *For Ministers: Housing Allowance for Your Lifetime in Retirement* – If you are an ordained minister, Servant Solutions becomes your “church” in retirement that can legally grant you housing allowance for your lifetime. This truly supercharges your retirement as your pre-tax savings, along with investment returns you have earned on those savings, can be distributed tax-free for all your housing related expenses in retirement. Since we all know that taxes will continue to increase, this is a huge advantage that you want to keep as a minister in a church 403b(9) retirement plan. As an ordained minister, why pay taxes when you can bypass taxes as you save, then again as those savings earn in the market, and finally again in retirement?

Consolidate Your Other Retirement Accounts with Servant Solutions

We are often asked by our members whether their other retirement accounts can be rolled over into their Servant Solutions account. Absolutely! It makes sense to consolidate accounts that have accumulated over the years so that you enjoy low fees, convenience of planning and/or making changes (*investments, beneficiaries, RMDs, etc.*), all while keeping the benefits mentioned above.

At Servant Solutions, we are here to help! Call us today about any of our benefits above or if you are considering a rollover into your Servant Solutions account. It is a great way to practice stewardship of your savings dollars. Membership has its privileges!

Have your heard of CHURCHEXCEL?

Servant Solutions and Church of God Ministries have partnered to offer access to the best resources available to assist your church regarding budgeting, compensation, current tax laws and regulations. This resource is CHURCHEXCEL, available through ECFA (Evangelical Council for Financial Accountability). The ECFA website includes many downloadable resources such as: Printable Manuals, Electronic Tax Guides, Podcasts, and Webinars. You can navigate to their resources from the Employer’s Toolbox page at Servantsolutions.org.

¿Habla español?

We are so excited to announce that many of our key education pieces are now available in Spanish! We have assembled them on their own page of our website for easy access. Our hope is that our members and all who speak Spanish as a first language will find it easier to be served well by Servant Solutions.

BONDS, continued from page 1

paying the current 4% rate. The opposite is true for falling rates: Bonds paying higher interest rates become more valuable, so investors see bond prices rise.

Interest rates fell as a response to the pandemic. But as we move through recovery, the Federal Reserve has implemented rate hikes in an effort to keep inflation under control, and more rate increases are on the horizon. That's causing investors to question their bond holdings. Why should they hang on to bonds, or take profits out of stocks and buy more bonds, when there is a good chance the price will fall?

Like my husband reminding me why we need to keep something I'm wanting to pitch, this is where I help investors remember why they have bonds in the first place. Primarily, bonds provide diversification against stocks. In general, bonds are less volatile, so they provide ballast for stocks to lower the overall portfolio risk. Keeping your portfolio in line with your risk tolerance means you are better able to stay invested over the long term.

Bonds remain an integral part of a balanced portfolio, so I am here to remind you why you want to keep something you may want to pitch.

All expressions of opinion reflect the judgment of the author and should not be construed as personalized investment advice.



NEW FINANCIAL CALCULATORS AVAILABLE

Did you know that Servant Solutions has ten financial calculators available on our website? These tools can assist you with your financial and retirement planning. You'll find them in the **Learning Center** of our website.

- **Roth 403(b) vs. Traditional 403(b):** This calculator can help determine the best option for contributing to your retirement: Roth "after-tax" contributions or traditional "before-tax" contributions.
- **Investment Savings & Distributions** Use this calculator to see how long your investment savings can last once you begin taking distributions.
- **Mortgage Loan Calculator (PITI):** Use this calculator to determine your monthly mortgage principal, interest,

taxes and insurance payment (PITI) and amortization schedule.

- **Retirement Planner:** Do you know what it takes to work towards a secure retirement? Use this calculator to help you create your savings plan.
 - **Home Budget Analysis:** By entering your income and monthly expenditures, you can see how much you have left to save and where your money is being spent.
- You'll also find:
- **How Important is Social Security?**
 - **Debt Snowball**
 - **Life Expectancy**
 - **RMD (Required Minimum Distribution)**
 - **Compare Investment Fees**

Try them today!



Bob Haymond

SMART MONEY MOVES

PRACTICAL THOUGHTS ON FINANCE FROM BOB HAYMOND, CFP®

My hope is that your summer is going well and you are able to enjoy a little “rest and relaxation.” That said, I want to take a moment to talk about what is happening in the world right now; war in Ukraine, the stock market is negative and volatile, interest rates are going up (which means mortgage rates go up) and the value of bonds go down. If that wasn’t enough, gas is over \$5 a gallon and there is talk of a 50/50 chance for a recession. You’re saying to yourself, “Thanks, Bob. We know all this. Why on earth are you reminding us?” Yes, God is in control, and we place our trust in Him. With that understood, I want to offer you a few practical steps you can take that may help to protect you financially.

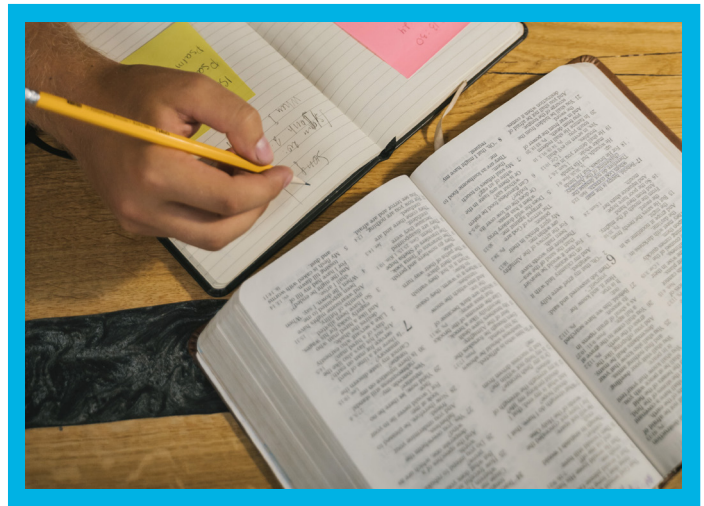
In times like this, it is natural to feel a bit anxious or uncertain. However, you should **make your financial decisions rationally**, not based on fear. Experts say you should not try to time the market. In the long run, slow and steady buying beats trying to time the market dips. Continue investing, because these are buying opportunities, and historically, these times do not last.

Don’t put all your eggs in one basket. This advice is also good for investments. Diversification for investment is spreading those dollars across a range of assets (*stocks, bonds, etc...*) to reduce risk. This is why we offer LifeFunds; they have a stock/bond mix appropriate for your age. I’ve recently talked with some who are chasing returns and investing in the PIMCO Commodities. This is meant to only be a sliver of your investments. Please understand this fund is based on oil prices and can be volatile. Today’s winners may not be tomorrow’s winners.

To combat inflation, the Federal Reserve is rapidly increasing interest rates. This also means some credit card rates will go up. Therefore, it would be a good idea to **do as much as you can to pay off this debt.**

Servant Solutions does not offer this option, but **consider buying Series I government savings bonds** with some cash/savings you may be holding. The I-bond will keep pace with inflation and is currently paying 9.62%. The next inflation rate adjustment will be the beginning of November. This rate will go up or down depending on inflation. Information on I bonds can be found at [treasurydirect.gov](https://www.treasurydirect.gov).

Servant Solutions is here to serve. We offer free financial planning to members and can help to prepare you for retirement. We are happy to schedule time to meet and walk you through the financial planning process. Consider this your official invitation to make an appointment by visiting servantsolutions.org/financial-planning.



ADDITIONAL SECURITY TO PROTECT YOUR ACCOUNT

Two-factor authentication is a security measure that helps prevent cybercriminals from accessing your account – even if they have your password. Here’s how it works: If you log in from an unrecognized computer or mobile phone, forget your password, make important changes to your account, or if we identify anything out of the ordinary, we’ll send you a unique verification code to confirm it’s really you – not someone pretending to be you. You’ll then enter that unique code, along with your username and password, to access your account.

An authenticator app is a third-party app that you can download and install on your mobile device or computer. Once you register the app for 2-factor authentication with your account through Principal, it will generate a verification code that you use to log in. There are several available, and most of them should be compatible with your Servant Solutions account through Principal. Here are a few options to consider: Microsoft Authenticator, Google Authenticator, Authy or LastPass.

Authenticator apps are very secure. The codes are regularly refreshed and are unique to the device used to view it. Plus, if someone else was trying to gain access to your account, it’s far more difficult for him/her to intercept your code since it’s generated through software installed on your device. We encourage you to visit your Servant Solutions account through Principal.com to set it up today!