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# GuideLines

*A perspective on your financial future*

## How much is enough?

**A**re you saving enough to meet your financial goals? Can you afford to retire? Are you saving enough for your kids' college education? Will your life insurance take care of your family if you were no longer there?

These questions often generate one of two responses: sleepless nights or massive denial. And while a large inheritance or a \$10 million check delivered to your door with balloons and TV cameras could happen, a solid financial plan doesn't rely on maybes.

In this edition of *GuideLines*, let us show you how GuideStone Financial Resources is here to help you answer this question. From 403(b)(9) retirement plans (like your Church Retirement Plan) to personal investment accounts and individual retirement accounts\*, plus life and health plans that can help prepare you for the unexpected, GuideStone can help you answer your financial questions, so you can take care of your family.

It's our privilege to serve those who serve the Lord. In these next pages, we'll show you how much is enough.

\*See page 4 for more information

## The Church Retirement Plan: a plan just for you

**A** retirement crisis is looming for Americans. Social Security alone will not provide the retirement benefits you will need to have a retirement where you can do the things you want to do. Planning for retirement is part of your responsibility.

You've already enrolled in the 403(b)(9) Retirement Plan for Southern Baptist Churches, the Church Retirement Plan, which is an ideal start. But, have you maximized the potential benefits? Contributing to your 403(b)(9) plan is a great start on the road to your financial future. But how much is enough?

Or, what if you're currently stagnant in your contributions? Financial experts recommend you invest between 10 and 15% of your annual income for retirement. That includes any employer matching dollars you've got coming. While that may seem like a tough amount to achieve in the beginning,

people just like you are saving and investing for retirement. Following, check out some of the ways you can save, and how best to prepare for the future.

### Make your contributions a percentage of income

Usually, on an early day of your current job, you filled out a lot of paperwork, including possibly a *Salary Reduction Agreement*. In it, you had the opportunity to reduce your paycheck, and have part of your salary contributed to your 403(b)(9) retirement plan. Many times, people choose to contribute a whole dollar amount, like \$25, \$100 or \$200 to their retirement plan.

On the surface, it's a good idea. But, years later, they are still contributing \$25, \$100 or \$200 per paycheck to their retirement plan.

There is a better way: instead of selecting a dollar  
*(See Church Retirement Plan on page 2)*



### (Church Retirement Plan from page 1)

amount, select a percentage of your salary to go into your retirement account. What's the difference?

Consider: Bill makes \$1,000 every paycheck. He elects to put away \$30 each paycheck. When he receives a 4% pay hike, his new pay is \$1,040. He still puts away \$30 each paycheck into his retirement account.

Susan on the other hand also makes \$1,000, but elects to invest 3% of her paycheck, or \$30, just like Bill. But, when she receives her 4% pay hike, to \$1,040, her retirement account begins to receive \$31.20 (3% of her new paycheck).

If Bill and Susan each receive 4% pay increases for five years, they'll be making \$1,216. Without making any changes, Bill will still be putting away \$30 a paycheck, but Susan will be investing \$36.48. By choosing a percentage of her paycheck to go to her 403(b)(9) plan, Susan's contribution grows with her income.

### Check-up on your contributions when your salary increases

Say you're Bill, and you're socking away \$30 each paycheck into your retirement account. You know it's not enough to save, and you're looking at some options. One option comes around the time you receive a salary increase. Once you know of a new paycheck coming, take the opportunity to invest the difference between your raised salary and your current one, and put that amount of money away.

Say Bill receives a 4% raise. Instead of spending that 4% raise, Bill decides to invest 7% total into his retirement plan. That 7% equals comes out to \$72.80 per paycheck. That may sound like a lot of money to go from \$30 a paycheck, but it's easy to achieve. He merely took the \$30 he was already contributing, plus his 4% raise (plus an addi-



tional \$2.80 per paycheck), and there he has his 7% contribution. The best part is, if he makes no additional changes to his Salary Reduction Agreement, his 7% contribution stays in place. That means if Bill receives 4% raises each year for five years, his \$72.80 per paycheck contribution will grow to \$85.12 per paycheck.

Any time you receive a salary increase, whether it's from a raise, promotion, or a spouse returning to work, it's imperative that you sit down and make sure you're contributing as much as you comfortably can, within legal limits.

### Need some help getting started, or need a jump-start? Consider the 1% Club

Susan likes the idea of contributing more than 3% to her retirement plan, but with her mortgage payments, and increased utility and energy costs, she needs to keep more of her pay raise.

David has a similar predicament, but he's not currently contributing anything to his retirement account.

GuideStone offers a solution for Susan, David and many others just like them: the 1% Club.

When you join the 1% Club, GuideStone will annually mail you a *Salary Reduction Agreement* so you can increase your contributions. While we recommend you invest at least 10% of your income for retirement, the 1% Club offers you the opportunity to build up to that 10% a little bit at a time. Each year, you should add 1% (or more, if you wish) to your current contribution. It's a great way for you to contribute, all the while investing for your financial security.

### Need some help being sure 10–15% is enough in your situation? Check out our Morningstar® tools.

On page three of *GuideLines*, an article explains more about the tools available to help you make more informed decisions concerning your retirement. Morningstar's Retirement Manager<sup>SM</sup> and Learning Station can help you pinpoint a more exact amount of money you should be investing, based on where you are in life.

Retirement offers many opportunities for your future. From new ministry opportunities, to the chance to live near your grandkids, or to take on a second career, you'll need the financial foundation you can lay today. GuideStone can help you prepare for your financial future.

**See how GuideStone can help you prepare for tomorrow.**

*www.GuideStone.org* or call 1-888-98-GUIDE (1-888-984-8433)

## Use these tools to help in planning your financial security

GuideStone Financial Resources offers three tools that may help you identify your risk tolerance, as well as calculate how much you need for your financial security.

### Morningstar® Learning Station

A new tool, GuideStone offers the Morningstar® Learning Station to help you make more informed investment decisions. It includes easy-to-use calculators and educational articles.

Do you need to know what financial moves you should take at this stage of your life? Trying to determine how much to sock away for your kids' (or your own) educational needs?

Learning Station seeks to answer these questions and many, many more. Helping you answer the question of *How much is enough?* is one of our goals.

### Morningstar® Retirement Manager<sup>SM</sup>

Our Web-based retirement planning service debuted in October 2005, and new people every week are checking out this tool, and implementing its recommendations. This is available exclusively to our participants in retirement plans offered through GuideStone.

Retirement Manager offers specific recommendations tailored to your unique



financial situation and your goals. Retirement Manager doesn't provide a one-size fits all approach to investing. Its detailed recommendations are provided after a few simple questions and clicks of the mouse.

To access either Learning Station or Retirement Manager, login to your account from our homepage. If you need login assistance, you can contact our Customer Service department.

### Investor Profile

One more tool available to you is our *Investor Profile*. This easy-to-use workbook assesses your risk tolerance and stage of life to provide insight into what asset allocation you should consider to maximize your retirement goals. You may obtain a copy of *Investor Profile* online or by calling customer service.

## How much life insurance do you need?

Life insurance is an essential part of any financial plan. It is one thing you should have but hope you never need.

Remember, life insurance is not for you. It is for those you love. Ask yourself this question: "What would my family do to meet its financial obligations if the Lord took me home today?" For most people, life insurance is the best way to financially provide for those you love if you were to die.

The simple answer to the question, "How much life insurance do you need?" is generally six to eight times your salary. So a person making \$30,000 a year would need a minimum of \$180,000 to \$240,000 of coverage. However, the simple answer may not fit your situation.

The condensed answer is to add up all your debts such as credit cards, home mortgage, car loans, school loans, etc. and estimated funeral expenses. Then determine what lump sum of money would generate enough income to provide the basics for your family for a period of time that you specify, assuming a conservative rate of investment return. If there are children at home, most people would want to include enough insurance for future or present college expenses. Next, subtract all of your current invested assets. The balance would be a close estimate of the amount of life insurance needed.

GuideStone offers a variety of affordable term life coverage options, including coverage for your spouse and dependent children, to help you safeguard your family's financial security and future peace of mind.

## Would you like a quick overview of how the Church Retirement Plan works?

A new 13-minute online presentation is available on the GuideStone Web site. New retirement plan participants will benefit from this brief recap of features and benefits provided by the Church Retirement Plan. To view this presentation you will need an

Internet connection and a computer that has sound capabilities.

Visit [www.GuideStone.org](http://www.GuideStone.org) and select the green "Retirement" tab, then "Meetings and Presentations" and then "Recorded Online Presentations."

# GuideStone Financial Resources offers Real Estate Securities Fund

Launched in January, the Real Estate Securities Fund is another choice for you in investing for your future.

Currently, GuideStone Funds serves as the investment vehicle for GuideStone's retirement plans and offers 17 registered mutual funds with 13 different investment objectives and characteristics. In 2003, GuideStone Financial Resources introduced the first non-registered fund, the Capital Preservation Fund, and the Real Estate Securities Fund joined this line-up as a non-registered fund in January.

The Capital Preservation Fund and the Real Estate Securities Fund do not replace any of the existing registered mutual funds. This new fund will provide exposure to real estate by investing in a limited number of publicly traded real estate securities and will be diversified among property sectors and geographical locations. The fund's sub-adviser is RREEF America L.L.C. and the benchmark is the Dow Jones Wilshire Real Estate Securities Index.

According to experts, a small allocation to public real estate securities may provide potential portfolio benefits such as yield enhancement, diversification and inflation protection. While recent returns in the real estate market have been above average, many financial analysts are reminding investors that those returns may not be sustained over the long term.

*The fund invests substantial assets in real estate investment trusts (REITs) that involve risks not associated with investing in stocks. Risks include declines in the value of real estate, general and economic conditions, changes in the value of the underlying property and defaults by borrowers. The value of assets in the real estate industry may go through cycles of relative under-performance and out-performance in comparison to equity securities markets in general.*

Shares of the Capital Preservation and Real Estate Securities Funds are offered and sold by GuideStone Financial Resources.

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### Did you know your family can invest too?

Your access to GuideStone Financial Resources provides benefits for others in your family. Did you know that your spouse, your minor children, your parents, and your spouse's parents can open a Traditional or Roth IRA as well as an individual or joint Personal Investment Account through our controlled affiliate GuideStone Financial Services and GuideStone Funds? You can also consolidate your accounts through a Rollover IRA. Team up with some one you know and trust.

*You should carefully consider the investment objectives, risks, charges and expenses of GuideStone Funds before investing. For a copy of the prospectus with this and other information about the funds, please call 1-888-98-GUIDE (1-888-984-8433) or visit [www.GuideStoneFunds.org](http://www.GuideStoneFunds.org) to view or download a prospectus. You should read the prospectus carefully before investing.*

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GuideStone®  
FINANCIAL RESOURCES  
of the Southern Baptist Convention  
2401 Cedar Springs Road  
Dallas, TX 75201-1498