



April 2020

Friends,

These are troubling times. Our health is at risk. We are being asked to stay away from family and friends who usually provide comfort. We are glued to our televisions, computers, and radios for updates on the deteriorating health and economic environment. Many are experiencing a loss of income while retaining the economic demands on that income.

Our churches are experiencing the same.

To add insult to injury, our savings (both personal and that of our churches) that are invested for income and dividend gain, are experiencing sudden severe losses.

*What should we do?*

Take a breath. Be in prayer for your own wellbeing and that of others. Share your burdens with friends and family. Look for glimpses of joy. It is spring. The earth is coming alive.

The United Methodist Frontier Foundation investment committee is engaged in ongoing conversations with our investment managers who are actively managing your church funds. In early March, they reduced the exposure of all portfolios to the stock market and to the more volatile end of the fixed income portfolios. They are now actively seeking value in securities whose prices are reduced as a result of the pandemic.

When the markets experience such large, unprecedented shifts, it is tempting to follow our emotions and take action. Shifting funds during extreme market volatility is not recommended. Historically, the greatest gains have been achieved after the most dramatic declines. Once funds are taken out of the market, it is difficult to know when to get back in.

Prior market volatility gives us some idea of what to expect. In the period from 2001 to 2020, the best strategy toward the stock market was to remain fully invested at all times. Investors who panicked during sharp declines and sold assets had the lowest returns. Studies have shown that missing the “best” 10 days during that 20-year period resulted in substantially lower annual returns. As you may have noted in these recent weeks, markets tend to drop when new information that is adverse to the market is first absorbed, and then recover as the information is revised and better understood.

20 Soundview Avenue White Plains, New York 10606  
office: (914) 615-2238 | [umff.org](http://umff.org)

These adverse times also impact church revenues. Our leaders have asked us not to hold services in person resulting in reduction of regular giving. The conference is providing resources for online giving. Let congregants know where they can mail checks for their regular commitments. These are times to be patient as many of your members may also be experiencing income loss and financial strains.

Many church accounts are permanent funds that have been invested with long-term goals. In order to attain those goals, these funds must have an asset allocation that is weighted toward equity investments. It is important to keep your long-term view during this volatile period.

The Foundation is here for you. We are praying for you, your congregation, your pastors, your communities, and your mission to make disciples in a world that is experiencing an unprecedented pandemic.

Please check our website periodically for updates and helpful information. Also, provide us with email addresses of people in your congregation who should receive updates.

Please do not hesitate to contact us to talk about your investments and strategies for these troubling times including stewardship services.

Try to stay calm. We are all members of Christ's family and receive strength through our faith.

Warm regards,



Ellen Knudsen  
Executive Director

[eknudsen@umff.org](mailto:eknudsen@umff.org)