



ANNUAL REPORT 2010



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PROMISE





AUGUST 2009

EnterTheBible.org, a Bible study reference tool now used by more than 6,500 people each month, launches



OCTOBER 2009

The inaugural Celebration of Biblical Preaching brings more than 200 preachers to campus



MAY 2010

Luther sends 159 graduates out to serve the world in ministry

2009-10 HIGHLIGHTS

SEPTEMBER 2009

Luther Seminary awarded \$1.6 million grant from Lilly Endowment Inc. to fund the three-year Vibrant Congregations Project

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JANUARY 2010

Moved by the Promise, Luther Seminary's new public identity, launches at Mid-Winter Convocation



JUNE 2010

WorkingPreacher.org introduces Spanish commentary under tab "Evangelio"

PRESIDENT'S MESSAGE



Jesus sends out his disciples as missionaries in Luke's Gospel—12 disciples in Chapter 9 and 70 disciples in Chapter 10. But before Jesus sends them out, he trains them for ministry. He teaches them to be ministers of the kingdom through acts of mercy, healing, preaching and teaching. This training is critical for the disciples because of the massive challenges they face—poverty, health care issues, political tension, Roman troops as an occupying force, financial worries, family pressures and spiritual confusion among religious leaders. The disciples watch and listen to Jesus. They follow him. Like a seminary education, which serves as a seedbed of new leadership (the word “seminary” comes from the Latin for “seedbed”), Jesus forms his small band of disciples to be missionaries in difficult times.

Today we read these stories in Luke carefully looking for clues and wisdom for how to educate our own students as evangelical public leaders. And like Jesus' disciples, today's mission-minded leaders face huge challenges. One of the greatest challenges is the speed of change. As author and leadership expert Valerie Sokolosky says, we are living in a world of “raplexity,” where our immediate environment (church and world) changes rapidly, and, as the changes occur, they become more and more complex.

As you read this report of our activities at Luther Seminary, you will notice signs of raplexity. Change is upon us; the world is turning fast and the church is becoming more complex. Challenges abound. You will also see signs of God's faithfulness in response to these developments; student numbers are rising, donor gifts remain very strong and ministry opportunities are expanding.

Church raplexity is upon us. Within this environment, Jesus is calling and sending out disciples into God's vineyard. That's our mission at Luther Seminary. Pray for our students. The church needs what they've been given; the wisdom to know how to be witnesses in this changing world of ours.

A handwritten signature in black ink, which appears to read "R. Bliese".

*The Rev. Dr. Richard H. Bliese
Luther Seminary President*



Luther's innovative programs work to meet the needs of the 21st century church. The breadth and depth of faculty and programs prepare students for a variety of ministry opportunities—rural, urban and suburban settings; children, youth and family ministry; congregational mission and leadership; and much more!



NEW STUDENT ENROLLMENT GROWING

Enrollment in the Master of Divinity program increased 28 percent in 2010, preparing even more leaders for the church!

2010 GRADUATING CLASS: 159 students

GRADUATES INCLUDE

- One-third of ELCA pastors
- An increasing number of ELCA lay professionals
- Leaders of many global Lutheran and ecumenical churches

2010-11 ENROLLMENT: 796 students

ENROLLMENT BY DEGREE PROGRAM

- 52% Master of Divinity
- 20% Master of Arts
(including Master of Sacred Music)
- 11% Ph.D. and Master of Theology
- 12% Doctor of Ministry
- 5% Certificate, non-degree or special programs

MASTER OF DIVINITY DISTRIBUTED LEARNING

78 students are enrolled in the M.Div. DL degree program

CHILDREN, YOUTH AND FAMILY MINISTRY

42 M.A. and 66 M.Div. students are enrolled in the CYF residential degree program

33 students are enrolled in the CYF DL M.A. degree program

MALE/FEMALE ENROLLMENT

- 54% male
- 46% female



Luther Seminary is a theologically, ecumenically and culturally diverse community. This year, Luther Seminary has students from 15 denominations and faith traditions other than the ELCA. There are 21 countries outside the United States represented by the international student community. Through a deep biblical and theological understanding of mission, these students will prepare to share the gospel in a world of many cultures and religions.

DONOR SUPPORT MAKES SEMINARY POSSIBLE

COST TO EDUCATE A STUDENT AFTER DONOR SUPPORT

The average student receives \$6,060 per year in scholarships and grants. As the sample student budget shows, this leaves a significant gap for students to fill.

Tuition	\$13,000
Room and Board	6,120
Books and Fees	2,000
Transportation	3,000
Misc. Personal	6,750
Total	\$30,870*

** Reflects the cost for students living on campus.*

STUDENT DEBT ACCUMULATED DURING SEMINARY

30% graduate without seminary debt

70% graduate with seminary debt

Median indebtedness for these students is \$43,325

*Financial information is current as of October 2009 and
is based upon the 2009-10 fiscal year.*

REDUCING DEBT

Luther Seminary is committed to raising funds to help reduce student debt through:

- Scholarship fundraising
- Congregational support
- Synod partnerships
- Work with ELCA Fund for Leaders

FINANCIAL AID

- \$2.6 million in financial aid awarded during 2010-11
- Covers approximately 46 percent of the cost of tuition

*Financial aid to students is based upon the 2010-11 fiscal year.
Assistance from local congregations is based upon gifts given during the 2009-10 fiscal year.*

RESPONDING TO THE CHANGING CHURCH

The church has spoken: “We need strong leaders!” Individuals need to be prepared to lead Christian communities in mission and share the gospel message with a world that is hungry to hear it.

Luther Seminary has heard the call and, true to generous donor gifts, has responded faithfully by preparing strong, effective leaders.

The ways in which Luther Seminary prepares leaders are rooted in five attributes:

Faithful:

- Preparing leaders centered in the gospel of Jesus Christ and grounded in Lutheran confessions
- Developing assessment tools that follow student progress, holding Luther accountable to train the leaders the church needs

Engaging:

- Equipping leaders for a multitude of ministries in theologically, ecumenically and culturally diverse communities
- Offering theological education for lifelong learners regardless of location; many courses and lectures are available online in addition to on-campus conferences and classes
- Creating resources like WorkingPreacher.org and EntertheBible.org to reach church leaders worldwide

Innovative:

- Using technology to enhance theological learning on campus and around the world
- Adding Spanish-language commentary on WorkingPreacher.org, making this invaluable resource accessible to thousands of additional preachers, from those serving immigrant communities in the U.S. to those serving in Spanish-speaking countries around the world

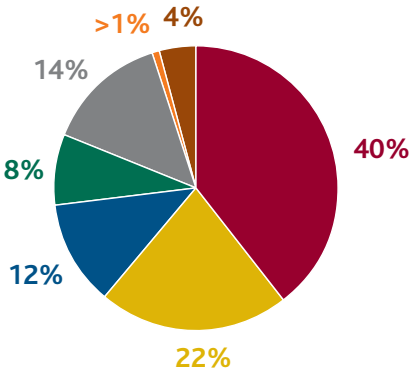
Missional:

- Training church leaders with a vision for mission like that of the early disciples
- Allowing individuals to lead congregations while they discern what God is calling them to do

Expansive:

- Growing distributed learning programs that make seminary education accessible to those who previously could not make it possible
- Coming from many faith traditions, backgrounds and countries, students learn about the many ways the gospel is preached and taught, both locally and globally, and experience diversity not unlike what they may experience in the communities to which they will be called

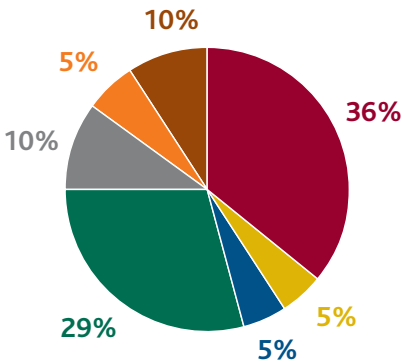
FINANCES 2009-2010



INCOME:

Private Gifts and Grants	\$8,920,859
Tuition and Fees	4,975,632
Endowment	2,662,076
Churchwide & Synod Support	1,907,108
Auxiliary Enterprises	3,047,913
Other	30,835
Release from savings for operations (quasi-endowment)	978,779

Total Income **\$22,523,202**



EXPENSES:

Student Instruction	\$8,125,465
Academic Support	1,120,104
Student Services	1,095,859
Institutional Support	6,609,443
Scholarships	2,229,565
Physical Plant & Maintenance	1,145,287
Auxiliary Enterprises	2,127,368

Total Expenses **\$22,453,091**

Note: Depreciation/change in accounting principle not included in expenses

ENDOWMENT:

Total Market Value (As of June 30, 2010)	\$66,006,568
Investment Returns	1-year: 13.65%
	2-year: -5.38%
	3-year: -4.45%

DONOR DOLLARS AT WORK

Friends and alumni/ae give to ensure seminarians are 100 percent equipped to lead in mission. Donor support makes up 55 percent of the annual budget when combining outright gifts and endowment income. Charitable gifts cover everything from student scholarships and cross-cultural experiences to new course development and much more!

Luther Seminary and Foundation Consolidated Balance Sheet—June 30, 2010 and 2009

ASSETS

Current Assets	06/30/2010	06/30/2009
Cash and Cash Equivalents	\$1,354,196	\$1,517,353
Student Accounts and Notes Receivable	3,670,997	3,750,371
Current Portion of Contributions Receivable	38,648	38,691
Accrued Interest and Other Receivables	120,866	270,950
Inventory	438,125	434,752
Total Current Assets	\$5,622,832	\$6,012,117
Other Assets		
Investments	\$73,820,931	\$69,158,503
Beneficial Interest in Remainder Trusts	1,008,526	918,761
Land, Buildings and Equipment, Net	9,729,036	10,251,270
Other Assets	1,100,806	1,024,747
Total Other Assets	\$85,659,299	\$81,353,281
TOTAL ASSETS	\$91,282,131	\$87,365,398

LIABILITIES AND NET ASSETS

Current Liabilities		
Notes Payable and Capital Leases	\$268,668	\$263,322
Accounts Payable	30,638	109,592
Line of Credit	1,000,000	1,500,000
Accrued Expenses	811,411	948,784
Deposits and Deferred Revenue	333,433	355,609
Current Portion of Split-Interest Agreements	597,632	709,339
Total Current Liabilities	\$3,041,782	\$3,886,646
Long-Term Liabilities		
Split-Interest Agreements	\$3,182,112	\$4,259,276
Notes Payable and Capital Leases	1,890,801	2,114,468
Asset Retirement Obligation	1,534,272	1,419,434
Advances from Government for Federal Loans	2,047,140	2,023,707
Total Long-Term Liabilities	\$8,654,325	9,816,885
TOTAL LIABILITIES	\$11,696,107	\$13,703,531
Net Assets		
Unrestricted	\$1,274,601	\$ (2,378,158)
Temporarily Restricted	10,160,919	9,956,171
Permanently Restricted	68,150,504	66,083,854
Total Net Assets	\$79,586,024	\$73,661,867
TOTAL LIABILITIES AND NET ASSETS	\$91,282,131	\$87,365,398



LUTHER SEMINARY
2481 Como Avenue
St. Paul, MN 55108

OUR MISSION:

Luther Seminary educates leaders
for Christian communities

- + called and sent by the
Holy Spirit
- + to witness to salvation through
Jesus Christ
- + and to serve in God's world



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