



2018 ANNUAL REPORT

The Holy Spirit calls Luther Seminary to lead faithful innovation for the sake of the gospel of Jesus Christ in a rapidly changing world.

—Luther Seminary vision statement

It's hard to believe that our new vision statement was adopted by the board just over a year ago, in October 2017.

Since then, we've experienced an explosion of innovation that is transforming our work.

One of the most exciting developments is the Jubilee Scholarship, a new program that provides all incoming Master of Divinity and Master of Arts students a full-tuition scholarship. We admitted the first class of Jubilee Scholarship recipients this fall—and the results have already exceeded our expectations.

The percentage of Jubilee Scholarship recipients who have opted not to take out federal student loans soared to 78 percent, while in the previous year more than half our students had to borrow. What's more, applications were up 54 percent, and for the first time in recent memory, we have a waiting list.

Most importantly, the Jubilee Scholarship is opening up opportunities for gifted candidates who otherwise would not have been able to consider seminary. Here is just one of many notes of gratitude we've received from students admitted this fall.

"I wanted to personally thank you for the honor of receiving the Jubilee Scholarship. What a blessing! This scholarship is an affirmation to me of God's call to ministry as a deacon. This will also help me attain my financial goal of coming through seminary without incurring significant student loan debt." —Jennifer S.

When we remove financial barriers to ministry, more future leaders are moved to accept God's call. Over the next five years, we're committed to raising the additional \$30 million

we need to fully fund the Jubilee Scholarship and make it a permanent feature of a Luther Seminary education.

And this is only the beginning.

Under the direction of our new vice president of innovation, **Dwight Zscheile '08 Ph.D.**, the Luther Seminary community has engaged the work of listening deeply to the church. As we apply what we learn and discern the Holy Spirit's movement, we will be able to respond to the changing needs of the church now and for generations to come. I have no doubt that some of the most important innovations for the flourishing of the church have yet to be imagined—and I'm excited to discover the breakthroughs that lie ahead of us.

As ever, securing the future of Luther Seminary takes prayerful, careful stewardship of our resources. This year, our endowment topped \$100 million for the first time. In addition, we remain on track to repay the final \$1 million we owe our endowment with interest by 2022, per the Board of Directors' action in 2015.

We are entering a historic period of strength, sustainability, and vibrancy—something that wouldn't be possible without God's gracious provision and your faithful support.

Thank you for your prayers and engagement as together we live into the future to which God is calling us!

Faithfully yours,



Robin J. Steinke
President

HANDS-ON LEARNING

for 21st-century ministry

AT A GLANCE

- **Gloria Osemenam '19 M.A.** (pictured) was one of 490 students enrolled during Luther Seminary's 2017–18 academic year.
- Master of Arts students like Osemenam made up 17 percent of enrolled students.
- ELCA members accounted for 70 percent of the student body.
- 37 denominations made up the remaining 30 percent of students.

"The professors are top-notch; they expect much from and give much to their students. Teachers devote a great amount of personal effort and attention to teaching their students. They are **OPEN TO A VARIETY OF PERSPECTIVES** and views from many other cultures, which enhances the potential for learning."

—Gloria Osemenam



Jubilee Scholarship MAKES A DIFFERENCE

Seminarians too frequently take on significant debt before embarking on their vocational journeys. And it's hard to be the innovative faith leaders the world needs while managing mountains of debt.

Thanks to generous donors, in 2017–18 the seminary announced the Jubilee Scholarship, which covers 100 percent of tuition expenses for incoming Master of Arts and Master of Divinity students.

The Jubilee Scholarship ensures that more Luther Seminary graduates will be able to live out their vocations unburdened by student loans.

During the 2017–18 fiscal year:

- 111 students graduated from Luther Seminary.
- 56 percent of students pursued a Master of Divinity degree.
- 47 percent of students graduated without seminary debt.
- Donor support made up 55 percent of Luther Seminary's operating revenue.

“For many years, we discussed the idea of going back to school or to seminary either as individuals or together. But, it was always considered as a pipe dream: ‘Wouldn't that be amazing?’ Luther's Jubilee Scholarship **EMPOWERED US TO LIVE OUT A DREAM** and journey through seminary and candidacy together.”

—Amy Koopman '22 M.Div., pictured with Paul Koopman '22 M.Div., her husband and classmate



Finances 2017–18

Luther Seminary and Foundation consolidated balance sheets
as of June 30, 2018 and June 30, 2017

Assets	2018	2017
Current Assets		
Cash and Cash Equivalents	\$9,500,995	\$14,535,878
Other Current Assets	296,767	158,551
Total Current Assets	\$9,797,762	\$14,694,429
Non-Current Assets		
Other Assets	\$1,498,020	\$1,443,591
Investments	110,216,347	97,429,803
Student Notes Receivable, Net	2,669,576	2,794,820
Land, Buildings, and Equipment, Net	11,473,549	11,528,664
Total Other Assets	\$125,857,492	\$113,196,878
Total Assets	\$135,655,254	\$127,891,307

Liabilities and Net Assets

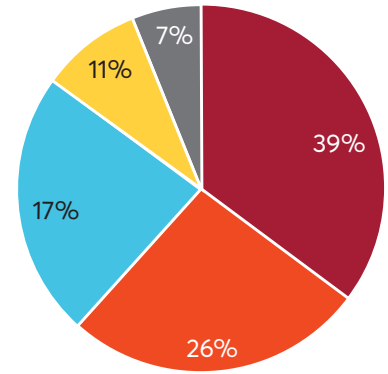
Current Liabilities		
Other Current Liabilities	\$2,358,697	\$2,442,375
Notes Payable and Line of Credit, Current Portion	2,518,806	2,513,729
Total Current Liabilities	\$4,877,503	\$4,956,104
Long-Term Liabilities		
Other Long-Term Liabilities	\$7,190,619	\$7,691,030
Notes Payable, Net of Current Portion	4,921,872	5,040,678
Total Long-Term Liabilities	\$12,112,491	\$12,731,708
Total Liabilities	\$16,989,994	\$17,687,812
Net Assets		
Unrestricted	\$5,704,877	\$6,664,963
Temporarily Restricted	23,013,470	19,482,913
Permanently Restricted	89,946,913	84,055,619
Total Net Assets	\$118,665,260	\$110,203,495
Total Liabilities and Net Assets	\$135,655,254	\$127,891,807

Endowment

Total Market Value (as of 6/30/18)*	\$104.8 million
Investment Returns	
1-year	7.7%
3-year	6.4%
5-year	7.6%

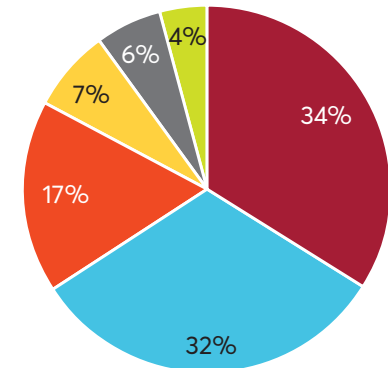
* Includes \$571,429 invested by the endowment into Luther Seminary

Luther Seminary's annual report numbers are also available at luthersem.edu/annualreport.
Learn more about giving to support future church leaders at luthersem.edu/giving.



Unrestricted Operating Income

Donor Support	\$5,821,876
Endowment Draw	3,993,951
Net Tuition and Fees	2,540,957
Churchwide and Synod Support	1,697,471
Auxiliary Enterprises	1,011,379
Total Unrestricted Operating Income	\$15,065,634



Unrestricted Operating Expenses

Institutional Support	\$5,649,108
Student Instruction	5,313,021
Physical Plant and Maintenance	2,752,962
Academic Support	1,086,632
Student Services	928,259
Auxiliary Enterprises	701,173
Total Expenses	\$16,431,155