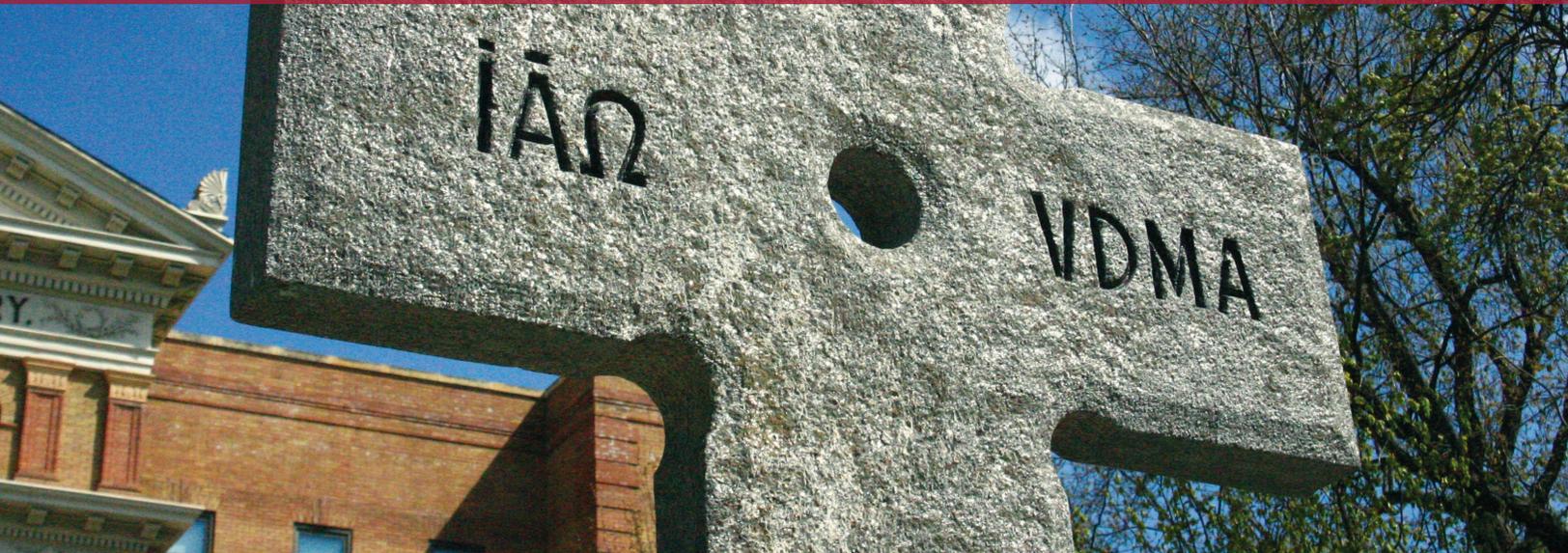


2017 Annual Report



*“Do not be conformed to this world, but be transformed by the renewing of your minds, so that you may discern what is the will of God—what is good and acceptable and perfect.”
—Romans 12:2*

There are two significant pieces of data that shine a light on the changing church in which we all find ourselves.

- Within the next couple of years, between the rate of retirements in the ELCA and the trends in seminary enrollment, there will be 1,000 congregations who could otherwise afford a full-time pastor who will not have one.
- The ELCA seminary system does not have the number of students needed to respond to those vacancies.

At the same time, we see a world that needs more than ever the honesty, integrity and unconditional welcome embodied in the gospel message. We see ministry erupting in the most surprising places and forms. Our students are so clearly called to serve in the name of the gospel, inspiring us all to do our very best.

From within our circle of influence, Luther Seminary has been addressing these realities and leveraging these assets. Our mission is to educate leaders for Christian communities, called and sent by the Holy Spirit, to witness to salvation in Jesus Christ, and to serve in God’s world. We need to be innovating in a rapidly changing world

Over the last year, we have embraced the hallmarks of adaptive change: adjusting to and understanding the rapid change

occurring in the church and authentically undertaking the gradual but meaningful process of change.

Our staff and faculty spent the latter half of the year imagining a new future for Luther Seminary, a future that will be more suited to the context in which we and our students minister. In addition,

- our budget was reduced by \$1 million so we could focus our core operations;
- the proceeds from the land sale are earmarked for strategic reinvestment, not to fund operations; and
- 112 new leaders were launched to lead across the globe, 43 percent of them without any educational debt.

We are eager to engage in new kinds of listening and learning to pay attention to where God’s Holy Spirit is stirring. The results of this last fiscal year have positioned us well to invest in new arenas and to experiment with new pathways of leadership formation, to deeply engage and listen to places where innovation is happening.

Thank you for your prayers. Thank you for mentoring people for leadership in the church and inviting us to accompany them in their preparation and discernment. Thank you for your financial support which makes it possible for us to engage in this adaptive work.

Robin Steinke
President

Meet Hope and Eric



Hope Dieringer, who is pursuing a M.A. degree in Systematic Theology at Luther Seminary, hopes to become a deacon and serve at the intersection of church and the world by helping to nourish intergenerational relationships as well as affirming the gifts of women.

Hope was one of **526 students** enrolled at Luther Seminary during the 2016-17 academic year. Of those, **55 percent were women.**

Master of Arts

students like Hope made up **14 percent** of enrolled students.

ELCA members accounted for 69 percent of the student body.

Forty-one denominations

made up the remaining 31 percent of students.

The **cost of Hope's tuition last year was \$16,500.**

When accounting for additional off-campus living expenses, a year of study cost approximately \$36,890.

During the 2016-17 fiscal year:

Luther Seminary had 49 international students enrolled from 20 countries.

Luther Seminary had 112 students graduate on May 21, 2017.

43 percent of students graduated without seminary debt. For the others, median debt was \$43,483.

Donor support made up 55 percent of Luther Seminary's operating revenue when combining outright gifts and endowment income.

Financial aid covered approximately **51 percent** of the cost of tuition and fees for students like Eric.

As a scholarship recipient, Eric received part of the **\$2.1 million awarded** during the 2016-17 academic year. On average, **students receive \$6,910** in scholarships and grants from Luther.

Eric was among the **55 percent** of Luther students who pursued an **M.Div.** degree in 2016-17.

Eric received one of **387 scholarships awarded** in 2016-17.



Eric Miller, who is pursuing his M.Div. degree in Systematic Theology, is interested in being a pastor at an urban congregation and advancing social justice issues within the context of Christian ministry.



Finances 2016-2017

Luther Seminary and Foundation consolidated balance sheets, June 30, 2017 and 2016

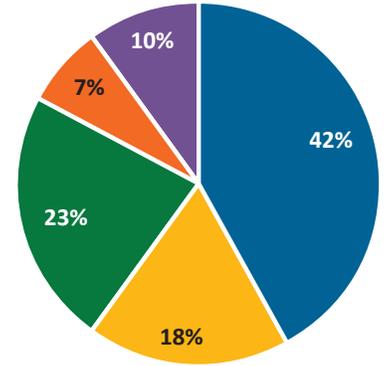
Assets	2017	2016
Current Assets		
Cash & Cash Equivalents	\$14,535,878	\$6,893,726
Other Current Assets	158,551	171,706
Total Current Assets	\$14,694,429	\$7,065,432
Non-Current Assets		
Other Assets	1,443,591	1,660,689
Investments	97,429,803	89,882,718
Student Notes Receivable, Net	2,794,820	2,782,721
Land, Buildings & Equipment, Net	11,528,664	12,069,286
Total Other Assets	\$113,196,878	\$106,395,414
Total Assets	\$127,891,307	\$113,460,846
Liabilities and Net Assets		
Current Liabilities		
Other Current Liabilities	\$2,442,375	\$2,487,381
Notes Payable & Line of Credit, Current Portion	2,513,729	308,869
Total Current Liabilities	\$4,956,104	\$2,796,250
Long-Term Liabilities		
Other Long Term Liabilities	7,691,030	7,891,010
Notes Payable, Net of Current Portion	5,040,678	5,154,408
Total Long-Term Liabilities	\$12,731,708	\$13,045,418
Total Liabilities	\$17,687,812	\$15,841,668
Net Assets		
Unrestricted	6,664,963	1,460,867
Temporarily Restricted	19,482,913	14,163,218
Permanently Restricted	84,055,619	81,995,093
Total Net Assets	\$110,203,495	\$97,619,178
Total Liabilities and Net Assets	\$127,891,807	\$113,460,846

Endowment

Total Market Value (as of 6/30/17)*	\$95.9 million	
Investment Returns	1-year	12.9%
	3-year	4.9%
	5-year	8.3%

Luther Seminary's Annual Report numbers are also available at www.luthersem.edu/annualreport.

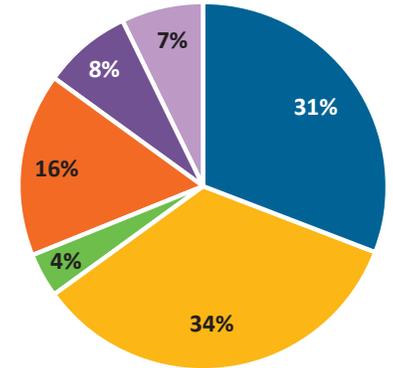
Learn more about giving to support future church leaders at www.luthersem.edu/giving.



Unrestricted Operating Income

Donor Support	\$7,115,959
Tuition and Fees	3,022,056
Endowment Draw	3,986,667
Auxiliary Enterprises	1,094,695
Churchwide and Synod Support	1,711,176

Total Unrestricted Operating Income **\$16,930,553**



Unrestricted Operating Expenses

Student Instruction	\$5,183,260
Institutional Support	5,534,022
Auxiliary Enterprises	721,747
Physical Plant and Maintenance	2,657,471
Student Services	1,244,448
Academic Support	1,183,250

Total Expenses **\$16,524,198**

* Includes \$714,000 invested by the endowment into Luther Seminary

Find us online!



LUTHER SEMINARY
www.luthersem.edu