



# 2020 ANNUAL REPORT

“God is our refuge and strength, a very present help in trouble”  
(Psalm 46:1).

2020 was a year in which the world changed dramatically. Like many before us, we’ve been called to watch for what God is doing in the midst of disruption. It’s hard to be sure what will emerge on the other side.

Yet even with so much uncertainty swirling around us,  
**God is faithful, and God is making a way.**

As we embark on the third year of our Jubilee Scholarship, which provides all incoming Master of Divinity and Master of Arts students a full-tuition scholarship, we’re seeing dramatic decreases in student borrowing and indebtedness. In fact, 55% of the class of 2020 graduated with no educational debt whatsoever, student loan applications fell again this year by 20%, and we are now in the ninth consecutive year of decline among the number of Luther Seminary students taking out student loans. This means our graduates are not only theologically prepared, but they are also financially prepared to lead innovative ministries.

Our digital efforts have expanded our reach across the globe. Across all our digital properties since 2018, including Working Preacher, Faith+Lead, God Pause, and Enter the Bible, we have created new content formats, including podcasts, digital courses, virtual conferences, online magazines, and email newsletters. We served 6.8 million unique users in more than 50 countries; developed a subscriber base of more than 50,000; provided just-in-time training to 17,500 leaders; engaged 6,200 users in a private social network focused on faithful innovation; and formed partnerships with nearly 1,000 lay and ordained leaders in intensive, multi-month learning communities.

Our admissions team has also reported increased

inquiries and enrollments. In 2019–20, we welcomed an incoming class of 153 students (and had a waiting list of qualified candidates)—including the first cohort of our MDivX pilot, which delivers our full Master of Divinity curriculum in 24 consecutive months.

I am pleased to report that Luther Seminary remains in a financially stable position so that we can continue to educate leaders for Christian communities and innovate faithfully for the sake of the gospel of Jesus Christ. Even during this period of pandemic-caused economic decline, we’ve been able to build on the momentum of previous years’ successes. Our net income was \$15,768,975 compared to a total cash expense of \$15,581,048 (excluding depreciation). This represented a better-than-projected outcome by \$200,000. In addition, we improved our cash position by \$1.6 million.

As we move into where God is calling us next, I pray for the health, safety, and sustained well-being of your families, congregations, and communities. May God bless you now and well into the future as together we draw strength in God’s promise that “the Lord of hosts is with us; the God of Jacob is our refuge” (Psalm 46:11).



Peace and strength,



Robin J. Steinke  
President

# MEET HANNAH AND MENZI

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## DURING THE 2019–20 FISCAL YEAR

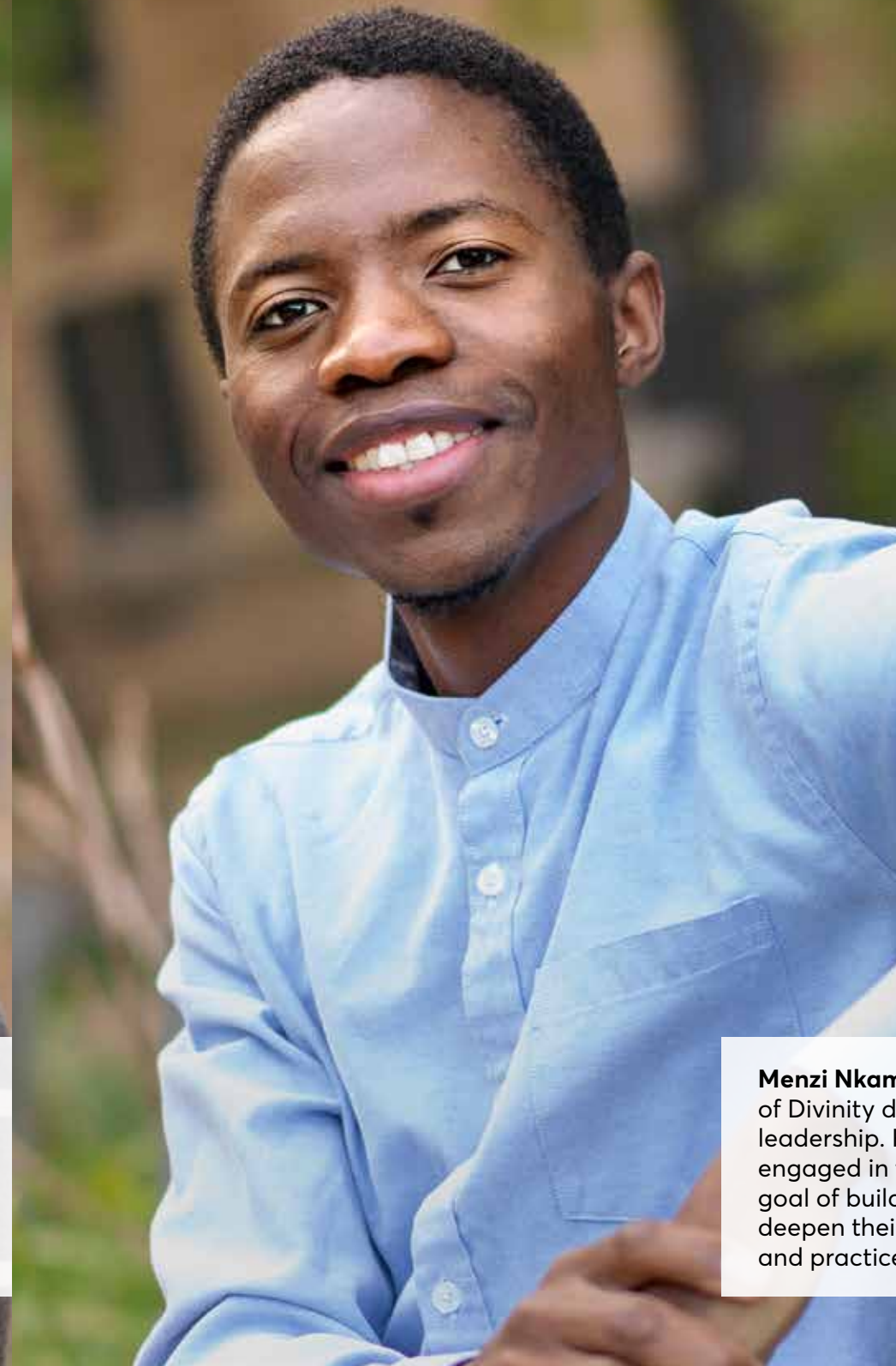
- Approximately 55% of students graduated without seminary debt. For the others, median debt was \$48,882.
- 101 students graduated May 31.
- Donor sources made up 94% of Luther Seminary's operating revenue when combining individual donor support, the endowment, and church and synod appropriations.
- Luther Seminary had 43 international students from 18 countries.

## BY THE NUMBERS

- 465 students enrolled at Luther Seminary during the 2019–20 academic year.
- ELCA members accounted for 75% of the student body. Thirty-three denominations made up the remaining 25% of students.
- When accounting for on-campus living expenses, a year of study cost approximately \$40,942.



**Hannah Schmit '20 M.A.**, who is pursuing a Master of Arts degree in justice and reconciliation, is interested in becoming a professor and working within educational contexts to help people connect matters of justice and reconciliation to ethical practices. She wants to help communities strengthen their faith and take action.



**Menzi Nkambule '22 M.Div.** is pursuing a Master of Divinity degree in congregational mission and leadership. He hopes to serve as a pastor who is engaged in the surrounding community with the goal of building connections and helping people deepen their understanding of Christian faith and practices.

## 2019–20 AT A GLANCE

- Financial aid covered nearly 100% of the cost of tuition and fees for students like Menzi.
- Master of Arts students like Hannah made up 20% of enrolled students.
- As a scholarship recipient, Menzi received part of the \$5.9 million awarded during the 2019–20 academic year. On average, students receive \$9,437 in scholarships and grants from Luther Seminary.
- Menzi was among the 64% of students who pursued an M.Div. degree in 2019–20.
- The seminary awarded 532 scholarships in 2019–20.

# Finances 2019–20

Luther Seminary and Foundation consolidated balance sheets  
as of June 30, 2020 and June 30, 2019

ASSETS	2020	2019
<b>Current Assets</b>		
Cash and Cash Equivalents	\$14,703,368	\$14,385,909
Other Current Assets	496,865	714,998
<b>Total Current Assets</b>	<b>\$15,200,233</b>	<b>\$15,100,907</b>
<b>Non-Current Assets</b>		
Other Assets	\$2,279,738	\$2,141,224
Investments	108,327,576	110,301,270
Student Notes Receivable, Net	2,275,760	2,430,663
Land, Buildings, and Equipment, Net	11,599,592	12,087,723
<b>Total Other Assets</b>	<b>\$124,482,666</b>	<b>\$126,960,880</b>
<b>Total Assets</b>	<b>\$139,682,899</b>	<b>\$142,061,787</b>

## LIABILITIES AND NET ASSETS

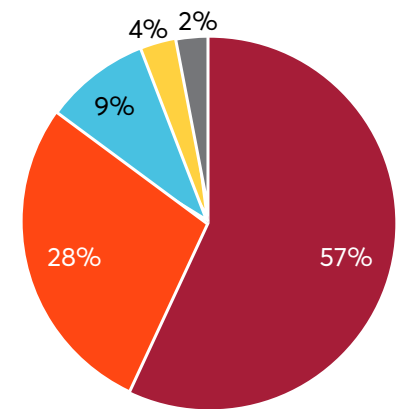
<b>Current Liabilities</b>		
Other Current Liabilities	\$3,382,208	\$2,781,683
Notes Payable and Line of Credit, Current Portion	3,081,574	2,824,109
<b>Total Current Liabilities</b>	<b>\$6,463,782</b>	<b>\$5,605,792</b>
<b>Long-Term Liabilities</b>		
Other Long-Term Liabilities	\$6,635,925	\$7,266,634
Notes Payable, Net of Current Portion	5,354,889	4,797,763
<b>Total Long-Term Liabilities</b>	<b>\$11,990,814</b>	<b>\$12,064,397</b>
<b>Total Liabilities</b>	<b>\$18,454,596</b>	<b>\$17,670,189</b>
<b>Net Assets</b>		
Without Donor Restrictions	\$5,307,717	\$6,007,917
With Donor Restrictions	115,920,586	118,383,681
<b>Total Net Assets</b>	<b>\$121,228,303</b>	<b>\$124,391,598</b>
<b>Total Liabilities and Net Assets</b>	<b>\$139,682,899</b>	<b>\$142,061,787</b>

## ENDOWMENT

Total Market Value (as of 6/30/20)*	\$107 million
Investment Returns	
1-year	-0.04%
3-year	4.62%
5-year	5.13%

\* Includes \$285,715 invested by the endowment into Luther Seminary.

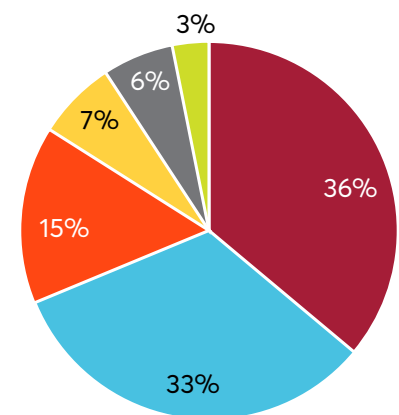
Luther Seminary's annual report numbers are also available at [luthersem.edu/giving/annual-report](http://luthersem.edu/giving/annual-report).  
Learn more about giving to support future church leaders at [luthersem.edu/giving](http://luthersem.edu/giving).



## Unrestricted Operating Income

Donor Support	\$8,942,404
Endowment Draw	4,465,358
Churchwide and Synod Support	1,375,297
Auxiliary Enterprises	584,483
Net Tuition and Fees	401,433

**Total Unrestricted Operating Income** **\$15,768,975**



## Unrestricted Operating Expenses

Student Instruction	\$6,041,606
Institutional Support	5,469,779
Physical Plant and Maintenance	2,448,921
Academic Support	1,212,214
Student Services	1,080,680
Auxiliary Enterprises	569,258

**Total Expenses\*** **\$16,822,458**

\*Includes depreciation