Network-**S**upported **M**issionary Model

Financial Impact

FY2013 Requirement:	$7,605,882
FY2014 Requirement:	**$8,489,245**

Strategic Question

In addition to recruiting and deploying Lutheran missionaries to the field, how can the LCMS financially *sustain* its treasured missionaries in the field to the natural conclusion of their service?

History

The Network-Supported Missionary Model was adopted by the LCMS Board for Mission Services, April 16, 2008, after 28 missionary positions were eliminated in January 2003 and following a successful pilot trial run of the new model in 2006.

Synod Logistical Support

Communications: Materials, resources, consulting, promotion
Mission Advancement: Materials, monitoring, training and consulting, scheduling, research, supplemental fundraising, gift processing and receipting
Accounting: Monitoring, reporting
Office of International Mission: Recruiting, calling, training, monitoring, policies, oversight

Deployment Benchmarks

- 70 to 75 percent of annual funding is secured (typically takes six months to achieve)
- Broad network base
- Good balance of single gifts, recurring gifts and multi-year pledges
- The field is ready for the missionary

Cost and Revenue Policy

- 100 percent of funds received are credited to the missionary's account
- Surplus funds are carried over to the next fiscal year
- Internal policies govern how to utilize surplus funds when a missionary comes off the field

Benefits

- Donors (network) are directly linked to the beneficiary of their gift; provide prayer support
- Missionaries are directly accountable to their networks for gifts received
- Missionaries are directly linked to those who provide financial resources and prayer support
- Missionaries are reassured the Synod is committed to their deployment and service long-term

Risks and Challenges

- Expectation that missionaries are accountable for financial support received
- Delayed deployment in cases where a missionary's network is weak
- Model relies on tightly restricted donations

Missionaries Raising Money:
Genesis of the LCMS Network-Supported Missionary (NSM) Model

A White Paper of The Lutheran Church—Missouri Synod

May 2013

PROBLEM

Just over 10 years ago, The Lutheran Church—Missouri Synod suffered the traumatic experience of deep cuts in its overseas missionary force, as well as a significant reduction in the number of national office-based personnel responsible for the back-office management of the Synod's evangelism and mission work overseas.

Those events are now far enough in the past that the online archive of the Synod's official news outlet no longer holds evidence of the trauma; but it was of enough significance to catch the attention of Christian media outside of the LCMS. Traces of the Synod's press releases still exist through publicly accessible sources such as *www.christianpost.com:*

December 2002 — The LCMS announces that 17 World Mission staff members at the International Center have been laid off. The cuts reduce the size of the Mission Board's I.C. staff from 55 to 38, a reduction of nearly one-third. Included in the cuts was a staff position for Hispanic ministry. The cuts are deemed necessary because of a $1.6 million shortfall in income during the first quarter of the 2003 fiscal year.

Source: Ross, P. (2002). "LCMS Mission Board Cuts Staff and Plans to Lay Off Missionaries." Retrieved March 7, 2013, from: *www.christianpost.com/news/lcms-mission-board-cuts-staff-and-plans-to-lay-off-missionaries-14149/*.
Also Ref. January 2003 *The Lutheran Witness,* National News Section (print version).

January 2003 — The LCMS announces that, in addition to the World Mission staff layoffs, it is eliminating 28 of around 100 paid overseas missionary positions (one-fourth of the total) because of a $3 million shortfall in gifts toward a $29 million budget. The cuts were attributed to a decline in the national economy, which affected congregations and districts, as well as giving to the Synod by individuals. Twenty-four missionaries and missionary families saw their positions eliminated, while four accepted early retirement. Two of the four were area directors. In addition, three vacant positions, including one area director position for Central America and Mexico, were eliminated rather than being filled.

Source: Lee, A.H. (2003). "Mission Board Cuts 28 Overseas Positions." Retrieved March 7, 2013, from: *http://global.christianpost.com/news/mission-board-cuts-28-overseas-positions-14238*.

The available evidence makes a case that economics and the Synod's financial model played a prominent role in the decision to cut back on the number of LCMS missionaries deployed in service to Christ and His bride, the Church. The shock of the news was felt across the LCMS, reflected in letters sent to the Synod's headquarters, in waves of conversation that extended out into LCMS congregations and households across the United States, and through the embryonic "blogosphere" of the Internet's social media channels.

At the heart of the recall was one simple truth. Calling and deploying LCMS missionaries had been relatively easy. Keeping those missionaries in the field was an entirely different matter, especially when finances took an unfavorable turn.

Understanding the change to an unfamiliar missionary-funding model will require some familiarity with how the LCMS has historically funded overseas missionaries and how that funding model has been adapted or modified in the last few decades — like it has for many LCMS organizations. Much has been written about this unwelcome change, but the core is still worth covering.

Dealing with a Culture Shift in America

As far back as the 1930s, the LCMS at the national and international level (the Synod, or Synod, Inc.) was financed almost exclusively through Sunday-morning worship offerings, which congregations dutifully and joyfully tithed to their district office. Each district, in turn, sent a substantial portion of those offerings on to the national office as *unrestricted* support — agile dollars that could be applied wherever the need was greatest. This "subsidy" model embodied a strong sense of unity and purpose across the LCMS and a high level of trust on the part of the individual LCMS family unit. Unrestricted support allowed the Synod's Board of Directors to balance available resources in appropriate portions to carry out the duties of the denomination as mandated by the Synod's Constitution. And one of those primary duties, clearly articulated, was to fund missionaries. Thus, the concept that the Synod (meaning the national-level office) was responsible for funding missionaries was rooted firmly in an assumption that a consistent and stable flow of unrestricted dollars sent out from LCMS congregations would be available to fund our Synod's work outside of the local community — regionally, nationally and internationally.

The world changed dramatically during and immediately after World War II. Unscathed by bombs and bullets at home, the United States took its place as the economic superpower of the post-war era. Healthy, vibrant congregations — growing under a baby boom explosion and an influx of refugees from Europe — continued to generously support mission work through the fiscal strength of a dominant industrial nation

with strong ties to church. But in this same utopian financial environment, seeds of discord were being sown.

Beginning in the 1960s, as the baby boom generation matured, a strong spirit of individualism arose. In contrast to the "We" generation ("the greatest generation," as labeled by author Tom Brokaw), the new "Me" generation began severing ties of allegiance to family, faith traditions and the spirit of sacrifice that were the marks of their parents and grandparents. Slowly, and with growing momentum, charitable giving in support of the church became less about duty and allegiance and more about individual choice. Through the 1970s and 1980s, the nation's pop culture turned to self-satisfaction and the personal accumulation of wealth as the hallmarks of success, influencing younger generations. "Greed is good," remarked Hollywood, through movies such as "Wall Street." One casualty was the offering plate, as the average "tithe" shrank from the common 10 percent of income to a 2010 level of less than 3 percent per household.[1] Congregations were the first to feel this decline in perceived value against societal forces, and they still feel it today.

[1] Source: Ronsvalle, J. and Ronsvalle, S. (2012). *The State of Church Giving through 2010*. Empty Tomb, Inc. Campaign, Illinois.

Evidence of the Culture Shift in the LCMS

The effect of this cultural shift moved swiftly into the LCMS, being felt next by LCMS parochial schools and the higher-education system. Heavy subsidies from the national office, funded by unrestricted district pledges, were soon insufficient to meet expenses. Higher tuition rates required students to seek financial aid or less expensive options. Those challenges continue today, and they have hit both LCMS seminaries hard as well. In difficult economic situations, universities threatened with financial default were able to transfer excess debt to the national Synod in order to reposition financially.

Elementary schools and high schools operated by Lutheran congregations were eventually affected as well. As worship offerings stagnated, elementary and secondary schools were forced to charge tuition, first to non-member families and now, for some, even to their own member families. Today, these cultural and economic changes impact the budgets of schools, congregations, Recognized Service Organizations, universities, seminaries, district offices and the national office. The pattern was set.

Unrestricted gifts and offerings flowing out of congregations are still declining, especially as LCMS districts are affected.[2] Trust, the notion of allegiance or duty to another, and the strength of "we" in American society have been replaced with the simultaneous rise of "I" and a healthy sense of skepticism in all things institutional. Internal theological differences surfaced in the 1960s and 1970s, serving only to compound a growing distrust of the Synod and its leaders. In its place, the preferred way for an LCMS

household to make a charitable gift was to restrict it for a specific purpose, simply for the reassurance that this "steward's offering" would be used as intended: to make disciples.

[2] Source: "Two Decades of Change." The Lutheran Annual – Statistical Tables, Volumes 2004–2013.

The LCMS had wound its way, like many mainline denominations, to a point where the unrestricted dollars reaching the national office through district pledges could not sustain overseas mission efforts alone, including its deployed force of missionaries.

As early as the 1970s, the Synod's stewardship department had taken on the task of soliciting dedicated funds for national and international work. The LCMS invested energy and resources in a stand-alone foundation, which eventually absorbed the expectation to raise additional gifts to benefit the Synod's mission work. Forced by fiscal reality, the Board for Mission Services accepted the difficult and challenging task of directly engaging congregations, organizations like the Lutheran Women's Missionary League (LWML) and individual households in financially supporting the Synod's missionary force as well as the required supporting structure of personnel for missions at the headquarters building. Still, the Synod solicited funds on behalf of missionaries without directly engaging them in the work.

Other Contributing Factors

A cultural shift in the United States and its impact on unrestricted resources forwarded to the Synod's headquarters was not the only contributing factor affecting the ability to fund missionaries out of the national annual operating budget. Beginning in the 1990s, the entire denomination was realizing the impact of rising health-care costs and the erosion of Social Security as a major source of income for retirees. As congregations and university leaders developed their own budgets, health-care and retirement costs were chewing into worship offerings. Evidence of these challenges can be seen in comparisons of the budgets of the corporate Synod, LCMS districts, the Concordia University System (CUS) and Concordia Plan Services (CPS, the Synod's preferred health-care and retirement benefits provider), the agency primarily affected by general increases in retirement and health-care costs.

OPERATING BUDGETS — 2011–2013[3]

Fiscal Year	Corporate Synod	Districts	CUS	CPS
2011	$86.9M	$84.0M	$339.3M	$449.8M
2012	$76.8M	$82.4M	$363.9M	$390.8M
2013	$64.6M	$77.3M	$390.8M	$534.5M

[3] Source: Budget documents located at *www.lcms.org/bod*.

For missionaries, the increase in health-care and retirement costs put pressure on LCMS World Mission to raise even more dollars to cover the benefits expenses for internal and overseas personnel.

As with all nonprofits, the Synod was simultaneously confronted with the reality of increasing local, state and federal regulations, as well as ethical requirements from stakeholders. An example today is that the Synod has a Human Resources department to manage risks associated with paid employees carrying out the Synod's national and international work. In addition to its Accounting department, the Synod has an Internal Audit department to ensure financial resources — especially the growing volume of donor-restricted gifts — are being utilized in accordance with Generally Accepted Accounting Principles (GAAP) and in compliance with donor intent as required by Financial Accounting Standards Bureau (FASB) Standard No. 117. The Synod also must purchase and maintain liability insurance and property insurance and retain legal counsel. These types of operating expenses are not generally appealing to the average LCMS person who wishes to make a charitable donation, so the cost of these protections is borne by the Synod's unrestricted revenues from districts.

Finally, the cultural and financial forces at play between 1970 and 2000 impacted the Synod's system of higher educational institutions in ways other than rising tuition rates. Two-year colleges were hard-pressed to remain competitive. Several (Portland, Selma and Bronxville) successfully transitioned to four-year institutions. Two (St. Paul's in Concordia, Mo., and St. John's in Winfield) were forced to close, with St. Paul's transitioning to the Synod's only domestic, residential Lutheran high school. At various points, nearly every surviving four-year institution in the LCMS came close to financial default, and debt was transferred from the institution to the Synod. By 2012, corporate Synod carried loan guarantee obligations in excess of $50 million, much of it held on behalf of the Concordia University System's schools. Like legal retaining fees and internal audit costs, Lutherans are averse to making charitable donations that pay down debt principal or service the interest payments on debt not held by their local congregation. These costs, too, were increasingly borne by unrestricted funds received via district pledges funded by Sunday-morning worship offerings.

With little choice in the matter, the unrestricted Sunday-morning worship offerings reaching the Synod's headquarters were funding expenses that have little or no appeal to charitably minded donors. Instead of being available to support constitutionally mandated line items, seminaries and missionaries, significant unrestricted dollars must be used to mitigate risk to the Synod and its employees; ensure compliance with laws and regulations of local, state and federal agencies; and service long-term debt. In these matters, the Synod's Board of Directors has almost no flexibility when it comes to how it allocates unrestricted funds.

LCMS World Mission Adapts

Through the services of the LCMS Foundation and, ultimately, an internal staff of professional fundraisers, the Board for Mission Services (LCMS World Mission) made a successful transition from dependence on the unrestricted subsidy from the Synod's operating budget to a heavy reliance on special designated gifts and bequests, much of it used to pay for the overseas missionary force. By 2002, designated gifts accounted for 78 percent of World Mission's $29 million budget, with the remaining 22 percent ($6.3 million) funded by a mostly static subsidy from Sunday-morning unrestricted worship offerings. The strength of support for missions and missionary work from LCMS households and congregations was strong, allowing LCMS World Mission to deploy nearly 100 paid missionaries and 100 volunteer missionaries across the globe while also providing significant back-office support for mission work.

COMPARISON OF UNRESTRICTED REVENUE TO WORLD MISSION EXPENSES[4]

Year	**Unrestricted Funds to Synod via District Pledges**	**LCMS World Mission Budget**	
		Total Budget	*Personnel*
2007	$19,428,812	$28,506,269	
2008	$19,375,287	$34,745,332	*$15,502,766*
2009	$18,486,508	$32,922,052	*$15,861,053*
2010	$17,281,299	$33,208,618	*$12,400,513*

[4] Source: Budget documents located at *www.lcms.org/bod*.

A Stalking and Hidden Danger

Unaware of the negative implications of depending on tightly restricted gifts secured by internal fundraising staff, LCMS leadership — including those in LCMS World Mission — likely felt that the charitably minded people of the Synod would continue their preferred style of giving at the levels required to send and keep missionaries in the field, while also supporting the internal infrastructure needed to manage overseas mission work. In hindsight, it was the equivalent of gambling, albeit not intentionally.

Combined Effect — A Failed (and Unintentional) Gamble

In December 2002 and January 2003, the economic bottom fell out from under the Synod's approach to funding overseas missionaries and International Center-based support staff out of restricted gifts made to LCMS World Mission. In the midst of the post-September 11/tech bubble-induced economic recession, and after the reduction in force of missionaries, the Synod's World Mission staff and the Board for Mission Services faced one immutable challenge:

In addition to recruiting and deploying Lutheran missionaries to the field, how can the LCMS *sustain* its treasured missionaries in the field through a predictable, enduring funding model?

In the simplest terms, the Synod realized that it had unintentionally gambled with the lives of 28 missionaries, their families and especially the people who would hear the Gospel through them — and lost. The former model was no longer an option because of the risk, and a more God-pleasing approach was needed.

SOLUTION

The solution, it turned out, was to balance the expectations and desires of potential donors with the need for enduring support by placing the missionary closer to the funding source ahead of their deployment to the field.

In 2006, the Board for Mission Services received a significant grant from an LCMS congregation in Wisconsin, with a pledge of additional funding, to pilot a new model of funding overseas missionaries. Five missionaries agreed to be part of the pilot effort: J.P. Cima, Robert Hedtke, Mark Krause, Fungchatou Lo and Philip Schielke. Two additional missionaries, Jake Gillard and Mike Rodewald (currently the regional director for Africa), joined the pilot after it was initiated.[5]

[5] Source: Board for Mission Services Meeting Minutes, April 15–16, 2008, pages 2–3.

The essential question the board was seeking to answer was: **Is there sufficient residual charitable capacity among LCMS households, congregations and other organizations to deploy these missionaries to the field and keep them there until the natural conclusion of their service?**

Rather than answer that question by hiring more professional fundraisers, the board saw the value in sending the missionaries themselves out to ask the question. The board referred to the change in funding as moving from "donor involvement" to "mission responder involvement." After a two-year test, the outcome of this pilot effort revealed that these new "network-supported missionaries" successfully identified and engaged enough "mission responders" in order that funding was sufficient to cover their projected costs. And they did so without touching the grant that had been offered by the Wisconsin congregation as a safety net.

At its April 15–16, 2008, meeting, the Board for Mission Services passed the following resolution:

> ***RESOLVED****, That the Board for Mission Services move the Network-Supported Missionary program from pilot to permanent and allocate appropriate resources in doing so. The Network-Supported Missionary program becomes the way missionaries are recruited and called going forward.*

A deeper exploration of this decision reveals that the change to the NSM model was not the tectonic shift some might believe it to be. LCMS missionaries had always been willing to connect with congregations, districts and organizations whenever they came home on furlough. At mission festivals and special potlucks, missionaries would tell the story of their work. They would talk about global opportunities to share the Gospel in the world. Their talks, sermons, presentations and dialog with fellow Lutherans served to connect LCMS households and their offerings with the foreign mission field.

The adaptation was that an NSM missionary would establish these connections ahead of their deployment, on the front-end, rather than at the back. It would be done in a way that could reasonably determine ahead of deployment whether dependable financial support was available from the Synod's households to keep them in the field.

Was the board abandoning its missionaries to fend for themselves? The minutes of the April 2008 Board for Mission Services meeting would seem to indicate otherwise:

> *It will be 100 percent the missionaries' responsibility to raise their funding,* and <u>it will be 100 percent our responsibility to be sure the missionary has raised their funding.</u> That's the safety net to help people who might not be good at fundraising. We identify the financial profile for each missionary, and we have a policy about raising dollars outside the budget. In transitioning the pilot program to a permanent program, [World Mission staff] will work to be sure the system [infrastructure and coaching] is in place to support this.

The direction was set to transition nearly all of the Synod's career and mid-term (GEO, or "Globally Engaged in Outreach") missionaries to the new network-focused, advance-funding model.

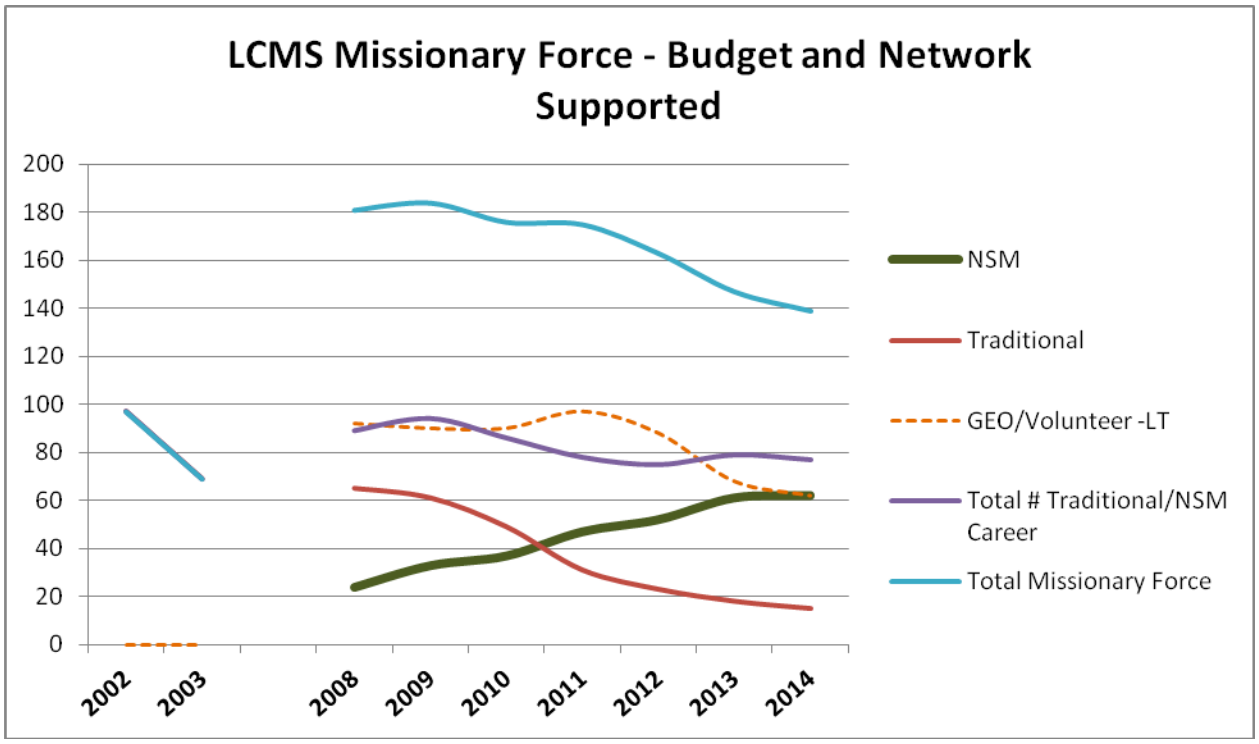
Ablaze! Fan into Flame

The NSM approach was put to a more public test when it was promoted under the *Ablaze!* movement and integrated into the case for raising missions money through the movement's *Fan into Flame* campaign. LCMS World Mission advocated the direct sponsorship of more than a dozen new NSM missionaries, in addition to the primary goal of raising restricted gifts in support of overseas mission and evangelism

efforts. Congregations and LCMS households generously contributed $8.9 million for the NSM component alone, more than 13 percent of the campaign's gross total and half the total support ($17.8 million) restricted by participating donors for the support of overseas evangelism and outreach efforts.[3]

THE SOLUTION AS IT STANDS TODAY

The current model is deploying more full-time network-supported missionaries (green line) to the field and keeping them there longer. The Synod's total missionary force has declined, primarily due to the ongoing reduction in the number of LCMS budget-supported (traditional) missionaries for financial reasons and the fluctuation in the shorter term Globally Engaged in Outreach (GEO) and short-term volunteer missionaries. Budget-supported missionary reductions (red line) are at the "bare bones" level, consisting of the five regional directors, five regional business managers and four regional communications specialists who support the in-field missionary force. It should also be noted that several budget-supported field missionaries have transitioned into the NSM model, while others have accepted calls or appointments into non-missionary service. (Data for the period between 2003 and 2008 is inconsistent and has been excluded in the graph below.)



NSM MODEL OVERVIEW

An overview of the NSM model and how it operates may be helpful. Following the restructuring of the Synod's national office, as mandated by delegates to the 2010 convention, the Board for Mission Services was eliminated and with it LCMS World Mission ceased to exist. Similarly, the Board for World Relief and Human Care and LCMS World Relief and Human Care ceased to exist. In their place is a new Office of International Mission (OIM) that is responsible for carrying out both mission and human-care work overseas. A significant portion of that work involves the recruitment, calling, deployment and management of the Synod's missionary force.

OIM extends calls to missionaries on the authority of a new Board for International Mission. Once a missionary has accepted the call, they are considered to be an employee of the LCMS. Those missionaries who receive calls as an NSM career or NSM GEO missionary undergo an orientation period where they are introduced to the Network-Supported Missionary model. The orientation, conducted by OIM, Communications and Mission Advancement personnel, prepares each missionary to spend the first six months of their employment building a personal network of support, beginning with the missionary's home congregation and family and extending outward.

As each NSM missionary's network grows, funding progress is monitored toward a goal of having 70 to 75 percent of the required annual funding covered through a combination of single gifts, recurring gifts (monthly or quarterly donations) and multi-year pledges. The missionaries themselves may identify a donor, or support may come from work carried out on the missionary's behalf by Mission Central (in Mapleton, Iowa) or the Synod's Mission Advancement staff. Donors who do not personally know a missionary but who wish to support one are connected with the NSM missionary who most closely matches their charitable interests in terms of geographic regions served, type of missionary work, financial need or other variables.

Once the NSM missionary's funding network is determined to be sufficiently healthy to support service in the field over time, the missionary is authorized to deploy overseas. Each missionary accepts responsibility for communicating with his or her personal network, keeping donors informed about the work being performed and the missionary's situation. This communication happens most often through a regular newsletter, usually sent by email; however, personal communication can happen by private email, letters, phone calls and other electronic methods such as Skype (Internet teleconferencing).

Every two years, a missionary is brought home for rest and recuperation with family along with a period called "missionary reconnects." The missionary travels for at least one month touching base with

individual and congregational donors, reaching out to strengthen or rebuild the network. (Donors may choose not to renew support, or they may have passed away in the intervening two-year period. The missionary seeks donors to take the place of those no longer able to sponsor his or her work.) Reconnects also may involve making presentations before groups or at Mission Central in Iowa to affirm donor support and encourage a renewal over the next two-year period.

These reconnect periods are the repetition of what missionaries in the 1930s through ’90s would typically do on furlough — reaching out to the church to share stories from the overseas mission field.

When a missionary concludes his or her overseas service and returns to the United States to assume a different call or vocation, sponsoring donors are notified and given an opportunity to select a different NSM. This could be a missionary already in the field, or one from among a new recruitment class.

Throughout the lifecycle of an NSM missionary, engagement with the church provides a number of benefits to those who care about the spread of the Gospel overseas: 1.) donor (individuals, households and congregations) become personally acquainted with the missionaries doing the Synod’s work; 2.) donors know exactly where their gifts and offerings are going and for what they are being used; 3.) donors experience the foreign mission field through the eyes of a missionary, and they see how the Lord uses those called to this vocation to give witness and bear acts of mercy in His name and in the name of The Lutheran Church—Missouri Synod.

For the missionaries, the benefits of the NSM model include: 1.) reassurance that our Synod is not gambling with their lives and vocations, nor with the faith of those they serve overseas; 2.) an understanding of who is sponsoring their work as an act of Christian stewardship and discipleship; 3.) an opportunity to build relationships with others in the LCMS, receiving prayer support and advocacy among others in the church; 4.) an opportunity to teach others what missionary service involves for the sake of the joyful proclamation of the Gospel.

The downsides of the NSM model are: 1.) a requirement to be accountable for the effects of mission work overseas, which can take time away from direct engagement with indigenous people; 2.) a requirement to delay deployment, in the face of high levels of emotional excitement, in order to build a network capable of supporting the missionary over a period of years; 3.) the model still relies exclusively on restricted (designated) gifts — making it difficult for the Synod to return to a subsidy-based funding model for missionaries using unrestricted offerings.

INTERNATIONAL CENTER SUPPORT FOR MISSIONARIES

It is not uncommon for those unfamiliar with the NSM model to exhibit reservations if not outright frustration with the denomination's headquarters staff. Questions can surface around the national office's commitment to supporting overseas missions and missionaries. A perception can be that missionaries are "on their own" when it comes to finding and soliciting financial support from within the LCMS. Therefore, an overview of the support infrastructure and systems in place at the national level may be beneficial.

The new Mission Advancement team, created during the 2010 restructuring process, raises money directly to support regional staff paid through the Office of International Mission, including the five regional directors and their business managers. In partnership with the Communications department, a Missionary Support Unit provides services and support to each network-supported missionary in a number of ways:

- Mission Central in Mapleton, Iowa, works directly with families and congregations to "adopt" one or more missionaries as part of their personal stewardship. In 2012, Mission Central raised nearly $5 million in gifts to directly support NSM missionaries, as well as gifts to fund programs and projects managed by the Synod's overseas witness and mercy workers.
- Mission Advancement connects congregations to specific missionaries through the Together In Mission (TIM) giving club. One paid staff member identifies potential TIM congregations, ensures missionaries stay connected to their sponsoring TIM congregations and communicates directly with TIM congregations via phone, personal visits and a quarterly TIM newsletter. The TIM administrator also monitors the network-building work of the GEO missionary force and identifies situations where additional support or coaching is needed.
- As with congregations, Mission Advancement provides a staff member who works with individuals and households who desire to financially support NSM missionaries, through a giving club named Mission Senders. The Senders program coordinator assists household donors in setting up multi-year pledges and recurring gifts (automatic withdrawal, credit card gifts, etc.).
- A third team member maintains regular direct contact with both career and GEO missionaries as they build and enhance their networks. In addition, the coordinator manages the process of monitoring each missionary's financial profile, ensuring the network is sufficiently strong to maintain their service in the field and making recommendations to strengthen networks where a missionary is at risk from inadequate financial support.
- Other team members in Mission Advancement provide help even when it is not part of their primary function or duty. Gift officers look for opportunities to connect interested households and congregations to the TIM, Senders or Mission Central programs. A senior director works with

OIM, Communications and other Synod departments to ensure the smooth and efficient operation of the Network-Supported Missionary model, resolving problems or challenges as they surface. Appropriate fundraising policies and procedures, distinctively Lutheran orientation and training materials, and management reports are the responsibility of Mission Advancement.

More recently, in response to concerns about missionaries having to travel to engage donors personally, Mission Advancement re-opened three general missionary support accounts (regional staff, career full-time and GEO). Any individual, congregation or organization who believes strongly that donated funds should support missionaries can donate to the appropriate account with the reassurance that the offering won't be used for other areas of the Synod's work. Policies and procedures for disbursing any donated dollars from the three accounts are being drawn up as this document is being prepared. Mission Advancement also is working to raise "where needed most" funds for OIM, a portion of which would be used to fund missionaries and the back-office support team. Major donors can support "packages" comprising personnel, projects and program expenses for specific geographic areas or types of overseas work, such as theological education within our partner churches.

The Synod's Communications department provides a number of support services to NSM missionaries. On top of the constitutionally mandated duties and expectations delegated to them, Communications team members:

- Design and produce personalized "prayer cards" for each missionary that are useful for mailing and other donor contacts, which share the story of each missionary and the work he or she is performing in an overseas environment;
- Maintain the Synod's website directory of missionaries, which is useful for those who are proactively searching for a missionary to sponsor;
- Produce video vignettes of missionaries that are useful for distribution via the Synod's website and social media pages, as well as for missionaries seeking to inform potential donors where personal travel is prohibitive for cost or other reasons;
- Review and edit missionary-related materials utilized by Mission Advancement to advocate on behalf of the Synod's overseas missionaries;
- Provide coaching and critiques of missionary newsletters, offering suggestions for strengthening the message and content for the sake of the sponsors who will read them; and
- Monitoring missionary communications to ensure consistency and relevancy from the perspective of the supporting investor.

Finally, the Office of International Mission staff at The Lutheran Church—Missouri Synod headquarters building support NSM missionaries in several ways not readily evident to someone outside of missions service, including:

- Identification, recruitment and advising of potential missionaries as they enter the application and call process;
- Additional catechetical training for lay and commissioned missionaries, which is required for them to faithfully represent the LCMS and our theology;
- Orientation to overseas mission work, including language training;
- Deployment support, including the procurement of visas and other travel documents;
- Monitoring of geo-political security conditions, up to and including decisions to recall or relocate missionaries when their personal safety is at risk;
- Management of operating budgets; and
- Alignment of local and regional plans with the Synod's mission strategy.

RESTRICTED GIVING AS A SYMPTOM?

The Network-Supported Missionary model is working. At the same time, it is part of a still-growing trend toward restricted giving on the part of LCMS households, congregations, organizations and even some districts. And while the deep desire of many in our Synod is that funding missionaries should be accomplished purely out of unrestricted funds, a return to that approach is neither practical nor advisable at the present time.

First, Synod Inc. does not have the amount of unrestricted financial resources available to meet the current and projected demand. Second, unsolicited, undesignated gifts from LCMS households — apart from district pledges — are rare. Third, external forces on districts and congregation budgets (such as the rising cost of retirement and health-care benefits for workers) appear to limit the portion of unrestricted "work-at-large" offerings that make it to Synod Inc. Together, these realities increase pressure on the Synod to encourage, solicit and account for restricted gifts — primarily through fundraising.

And perhaps another, more sinister force is at play. In America, the percentage of income a household gives to its local congregations continues to decline. From a peak of 9.7 percent following World War II, today's estimates for religious worship offerings as a percentage of household income range from 2 to 4 percent, with most estimates in the range of 2.4 to 3.7 percent. Most people of faith worshiping in our LCMS congregations do not "tithe" in the sense of giving 10 percent of their income *back to the Lord* via the local congregation. Congregations feel it. Lutheran schools feel it. Ultimately, districts, RSOs, our

universities and seminaries, and even Synod Inc. feel it. Out of nearly 600,000 LCMS households (giving units), best estimates are that less than one-third make regular significant charitable contributions to LCMS-related entities outside their local congregation. And still others place a higher value on non-church-related charities, political parties and special interest lobbying groups than they do on sharing the Gospel through local, regional and national acts of witness and mercy.

Is it possible that the solution to the challenge of funding missionaries (and seminaries!) is about more than just money? Is it possible that the financial struggles of LCMS entities at every level are more a symptom of a deeper — and perhaps *theological* — problem?

The Rev. Edward Grimenstein, director of Missionary Services in the Office of International Mission, recently stated:

> *(T)he issue at hand (might be) a theological one — whether that be the challenge of getting congregations/members to financially support missionaries, or the challenge of getting congregations/members to give of themselves in actually becoming missionaries — for support raising and recruiting are two sides of the same coin. Whether we identify this as tithing, giving or sacrificing of one's time and talents, the LCMS is having a challenge in sacrificing herself for the work of the church. I believe "trust" is a part of this but that is an excuse to be used, not so much a flaw to be fixed. I believe the heart of this matter is a Christological one in which the church is not allowing herself to take a fully cruciform life in this world to her own detriment. It is so much more than just giving of money or time; it is about living in Christ.*

Our Lord promises so much. In the Gospel of Matthew, Jesus told His disciples: "Do not be anxious, saying, 'What shall we eat?' or 'What shall we drink?' or 'What shall we wear?' For the Gentiles [unbelievers] seek after all these things, and your heavenly Father knows that you need them all. But seek first the kingdom of God and his righteousness, and all these things will be added to you" (Matt. 6:31–33 ESV).

Luther himself articulates the trust we can place in God to provide for our own physical needs in his explanation of the First Article of the Apostles' Creed:

> *I believe that God has made me and all creatures; that He has given me my body and soul, eyes, ears, and all my members, my reason and all my senses, and still takes care of them. He also gives me clothing and shoes, food and drink, house and home, wife and children, land, animals,*

and all I have. He richly and daily provides me with all that I need to support this body and life. He defends me against all danger and guards and protects me from all evil. All this He does only out of fatherly, divine goodness and mercy, without any merit or worthiness in me. For all this it is my duty to thank and praise, serve and obey Him. This is most certainly true.

Could it be that the root cause of our financial challenges in the LCMS is a simple one: a sinful lack of faith in our loving, heavenly Father? Our society tells us, our children and our grandchildren that our survival and success rests in our own hands and in our own decisions about the priorities we hold. If so, shifting dollars around or implementing yet another model of fund development will not solve the challenge of how to share the Gospel of Jesus Christ with the world through a growing global force of missionaries. The work of the church calls for self-sacrifice, living with total confidence in the baptismal promises of Christ, our Savior and Redeemer.

LOOKING BACK AND LOOKING FORWARD

The LCMS possesses a long and treasured history in overseas and domestic missions, including the service of its missionaries in service to the Lord's Gospel and His bride, the Church. We may mourn the passing of an era when the Synod's finances were sufficient to pay the salaries and benefits of its missionaries direct from the unrestricted budget. We may wish the situation were different today.

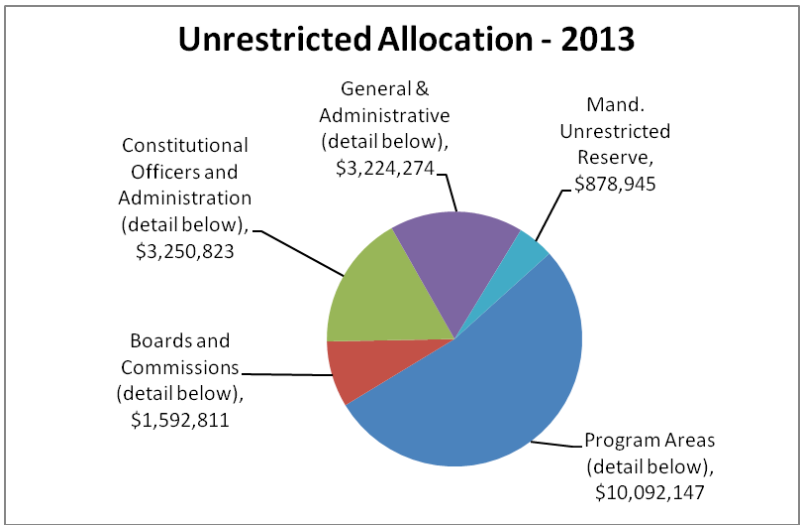
The truth, simultaneously painful and joyful as it may be, is that a return to a bygone era of subsidized missionaries would require a dramatic paradigm shift of monumental proportions in giving attitudes, donor preferences and personal stewardship. It would require sources of designated (donor-restricted) funding to pay for unpopular or unappealing (but still valid) expenses mandated by forces beyond our Synod's direct control.

The good news is that nearly 2,000 LCMS households and 448 LCMS congregations and congregation-related groups have stepped forward to directly sponsor our missionaries. And they are likely to do so for the foreseeable future. Theirs is a commitment the entire church is celebrating, and each of us might consider emulating as the Lord allows.

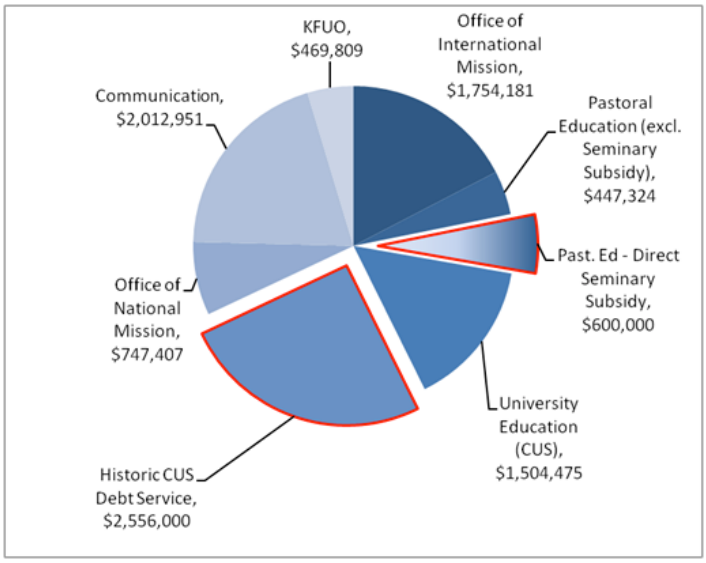
COMMON QUESTIONS AND BRIEF ANSWERS

Q: How much <u>unrestricted</u> money does the Synod receive from congregations (via district pledges), and where does this portion of my regular worship offerings go?

A: In fiscal year 2013, Synod Inc.'s budget showed unrestricted work-at-large support via districts to be $15,274,000. This amount is supplemented with an additional $1,490,000 in unrestricted direct gifts, grants and bequests coming from households, congregations and others. Finally, the Synod budgeted $2,275,000 in unrestricted revenue from the sale of some assets and other revenue means. The total unrestricted revenues budgeted were $19,039,000. This amount is divided up into the following:

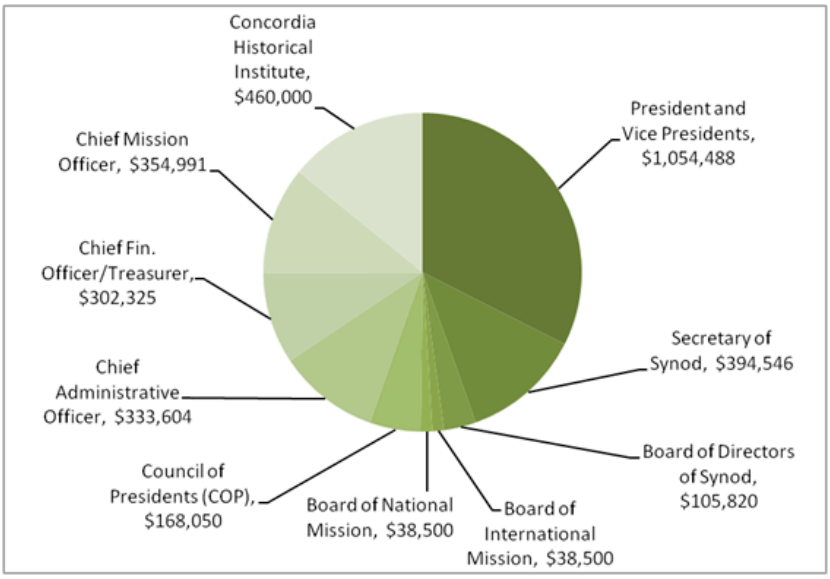


International missions fall into the "Program Areas" category, which is allocated to:

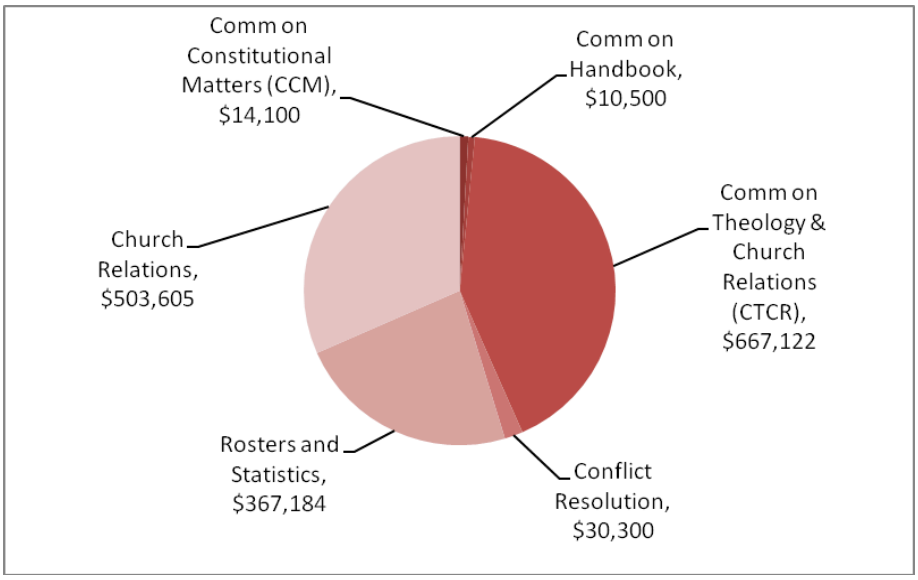


The other categories receive unrestricted revenue disbursements in the following allocations:

Constitutionally Mandated Officers and Administration

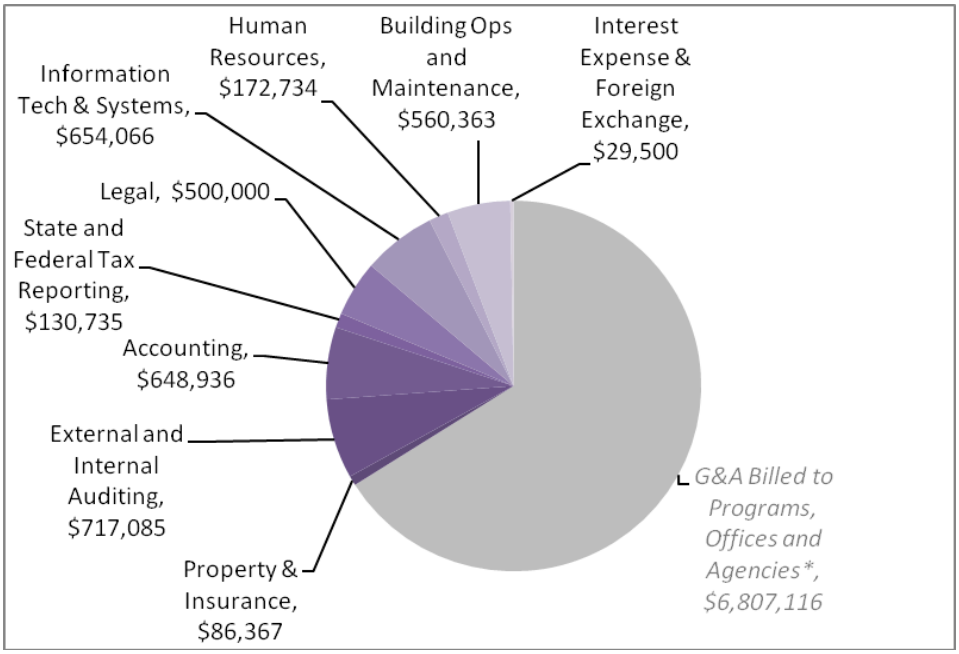


Constitutionally Mandated Boards and Commissions



The final, General and Administrative, is a bit more complex. Several areas receive unrestricted revenue disbursements and are supplemented by billing paid by the Synod's program areas, offices and agencies. The amounts shown in purple draw direct from the unrestricted revenues cited above:

General and Administrative



Charts Source Data: FY2012–13 Budget Summary (retrievable from *www.lcms.org/bod*), with input from the Synod's Accounting department for accurate General and Administrative allocations.

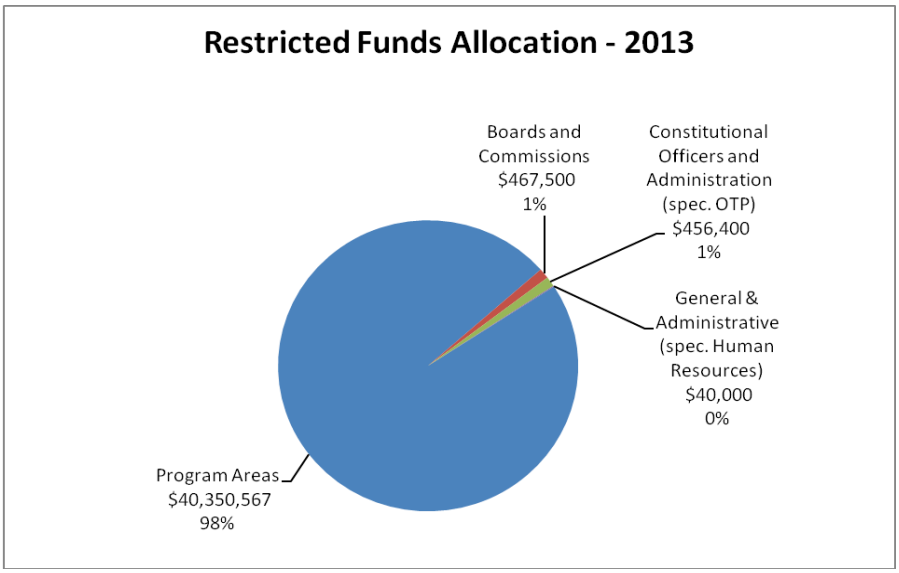
Q: How does restricted giving fit into the support of missionaries?

A: The Synod's FY2012–13 budget anticipated an additional $22,056,143 in restricted gifts and grants available to support international mission (witness and mercy work). That amount was calculated as:

- $12,787,794 in direct gifts for international mission programs and projects, including the cost of the five regional areas and their staffs. This money was to come from fundraising by the Synod, unsolicited gifts, indirectly solicited gifts and bequests. It is this category that is supplemented by $1,754,181 in unrestricted revenues allocated by the Synod's Board of Directors.
- $7,605,882 in direct support for the network-supported missionaries. This was to be secured by the missionaries directly, or by LCMS Mission Advancement staff through the Together In Mission and Senders programs, and by the efforts of the Mission Central team operating out of Mapleton, Iowa.
- $1,662,467 was to be funded by cash on deposit previously restricted for international mission, direct funding for missions by districts and mission societies routed through Synod Inc., and by payments on pledges for gifts previously secured through the *Ablaze! Fan into Flame* campaign.

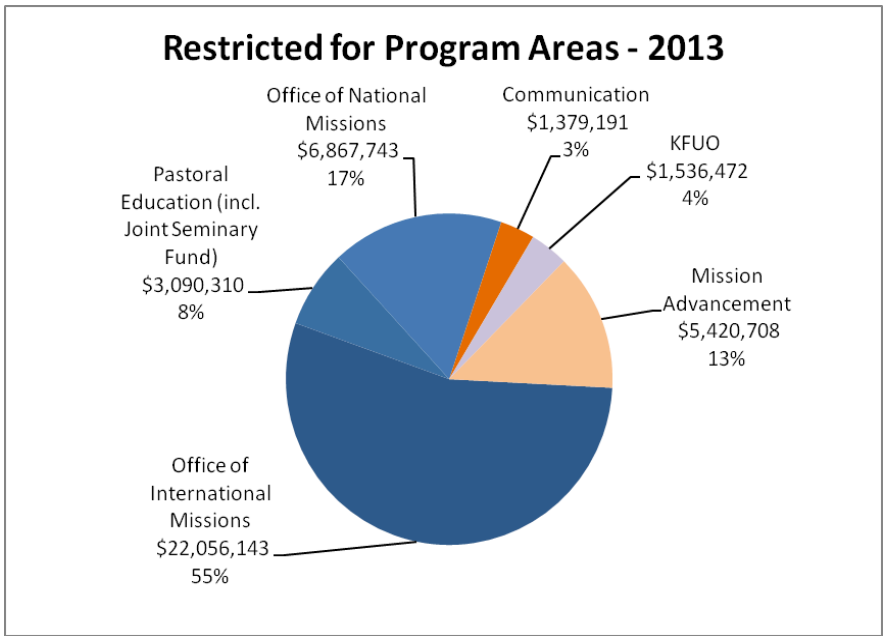
Visually represented, the Network-Supported Missionary model falls within these charts. The LCMS relies on approximately $41 million in restricted funds for its FY2013 annual operating budget. The majority (98 percent) of those dollars are restricted by donors for the support of program areas, including gifts received in prior years that are available for expenditure in the current year.

Total allocation of all restricted donations and restricted accounts (gifts, grants and bequests)



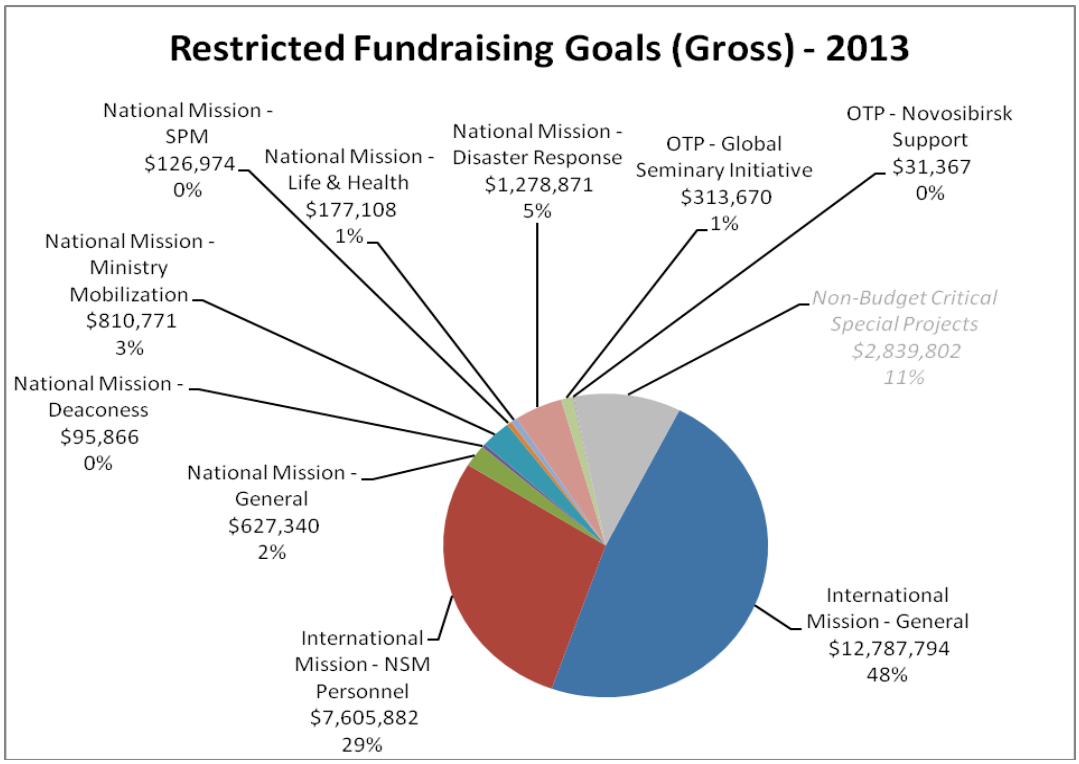
A breakdown of the program areas section reveals that the majority (55 percent) are designated by donors for the support of international mission efforts and personnel:

Allocation of the $40,350,567 in restricted donations to program areas:



Finally, once available restricted funds are excluded, the annual fundraising goals for restricted gifts shows the breakdown by the various entities and shows that 29 percent of the annual fundraising goal is for network-supported missionaries ($7.6 million). This is the piece that, if the Network-Supported Missionary model were discontinued, would need to be replaced by *unrestricted* funds or raised through other activities such as direct-mail appeals, telephone solicitations, major gift officers, events, campaigns and the like, which are used to raise restricted gifts for other aspects of international mission and the Synod's other work.

Allocation of FY2013 Fundraising Goals (Direct Gifts and Grants), including Network-Supported Missionaries (NSM Personnel):



Q. How much of my gift for a network-supported missionary is used to cover fundraising expenses?

A: By management decision, none of an NSM missionary gift is deducted to fund the Synod's Mission Advancement unit. This is despite the fact that four members of the Mission Advancement staff at the International Center are tasked with direct coordination of the NSM model, such as managing the Together in Mission program utilized by nearly 500 congregations.

That said, NSM missionaries do spend time interfacing with their support network directly and indirectly. Thus, the amount of time invested in this portion of the program could rightly be called

"fundraising," but the amount or percentage will vary by missionary depending on how easily they can build a solid network of support. A more favorable response from potential donors decreases the amount of time needed for fundraising, while a less favorable response can increase the amount of time required for fundraising. Thus, the actual fundraising cost varies from missionary to missionary.

Q. What would be the likely effect if the network-supported model were discontinued?

A: While predicting the future is not something the church should attempt, the evidence suggests that the funding of overseas missionaries would plateau, then diminish over time because the connection between each missionary and their base of support would be severed. If that were to play out, the LCMS would eventually have to recall missionaries from the field due to a lack of available funding, either unrestricted or restricted. The allocation of unrestricted worship offerings does not readily identify where the Board of Directors could find $7.6 million or more to fund existing missionaries. And for restricted support, donors in the 21st century desire evidence that their contributions make a difference in the lives of others. Severing the connection between donors and missionaries diminishes the ability to show donors how their gifts and offerings are being put to work. Without evidence and direct connections, restricted support would likely atrophy. The Synod has sufficient historical evidence in its restricted funding patterns to support this conclusion. And while the possiblity exists that LCMS households and congregations would gladly route financial support to missionaries via other means, the probability of this happening is, at this point in time, low. Thus, the likely effect would be a reduction in missionaries overseas due to a return to the "gambling" approach used prior to December 2002.

Q. Can support for missionaries be provided other than through the NSM model? Does a donor (congregation or household) have to support one or more specific missionaries?

A. Yes to the first question. No to the second question. The Synod has a number of support options designed to meet the charitable and stewardship goals of each donor, which can provide the transparency and accountability needed to establish and maintain trust that donations are being used faithfully and ethically to support overseas missionaries. The Mission Advancement unit is best-equipped to identify options based on the concerns and goals of each donor.