



CONGREGATIONAL
STEWARDSHIP
WORKBOOK

The Invested Dollar



**Congregational Stewardship
Workbook 2000**

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Notes

- I. Background
- II. The person in the pew
- III. The ministry of LCEF
- IV. Investments
- V. Loans
- VI. Services
- VII. Putting LCEF to work—an exercise
- VIII. Going to work for LCEF—an exercise
- IX. Helps and Resources

I. Background

Stewardship leaders generally describe three types of dollars:

- The contributed dollar—the one placed in the offering plate on Sunday morning;
- The deferred or bequeathed dollar—given by a person through a will or trust after death;
- The invested dollar—dollars lent by members to the church that also earn interest for the investor during the length of the investment.

The ministry of Church Extension in The Lutheran Church—Missouri Synod has provided a variety of financial resources and services to aid the church’s mission. More than 80 percent of the Synod’s congregations have had a loan with Church Extension at one time or another, and as a result have benefited from the savings resulting from the program.

This section of the Stewardship Workbook focuses on the wise management of the third type of dollar listed above—the invested dollar—and how the ministry of the Lutheran Church Extension Fund (LCEF) can benefit your ministry.

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II. “The Person in the Pew”

The synodical headquarters in St. Louis recently received a sizeable check made out to “The LCMS.” Attached to the check was a considerable stack of envelopes—from Missions, Joint Seminaries, the individual seminaries, “For the Sake of the Church,” several district needs, World Relief, etc. While this supporter didn’t write anything, the message was clear.

In similar fashion, a pastor from an Ohio congregation reported he had received more than 60 requests from various organizations outside the congregation for special fund-drive efforts during the course of the year. All were indeed valid ministries, but there are only 52 weeks in a year!

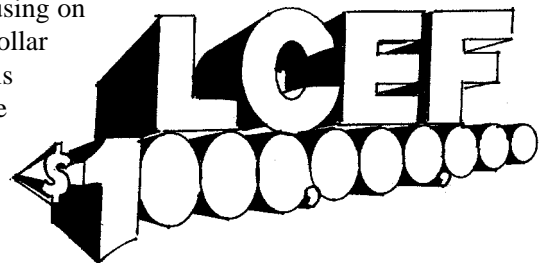
For the family whose view is from the pew, these many valid requests tend to overwhelm and confuse. The pastor can be of help as an advocate, but even he is often overwhelmed by the many requests. In all the cacophony, there is one organization different from all the others. All the groups except one shown above are focused on the contributed dollar. Only LCEF focuses on the invested dollar. That difference is explored in this section.

III. The Ministry of LCEF

The Lutheran Church Extension Fund has been richly blessed over the years. By 1999, the fund had grown to more than \$1 billion. No other church denomination, regardless of size of membership, even comes close to achieving that large a program.

LCEF is vastly different from those beginning days in 1902 when Missouri Synod leaders—through a \$400 contribution—began the vision of a fund for new congregations to acquire land and build churches, assisting congregations to provide “space and place” for mission and ministry in the name of Jesus Christ.

However, the idea of focusing on the concept of the invested dollar began in the early 1950s. This major change emphasized the dual purpose of Church Extension—loans for capital needs of the Synod and a savings opportunity for congregation members.



Initially, each district conducted its own Church Extension Fund program. However, in 1978, the Lutheran Church Extension Fund (LCEF) was incorporated to more efficiently meet the requirements of changing state regulations in all 50 states and in that process provides significant economies.

Some 27 districts are currently members of the LCEF. Eight districts operate their own Church Extension Fund programs. While the eight districts may not be formally part of the national program, the relationship between the LCEF and the district CEF organizations is a very close, supportive one.

LCEF Districts			CEF Districts
Atlantic	Minnesota South	Northwest	Cal-Nevada-Hawaii
Eastern	Missouri	Oklahoma	Central Illinois
English	Montana	Rocky Mountain	Iowa East
Florida-Georgia	Nebraska	Pacific Southwest	Michigan
Indiana	New England	SELC	Ohio
Iowa West	New Jersey	Southeastern	South Dakota
Kansas	North Dakota	South Wisconsin	Southern
Mid-South	North Wisconsin	Southern Illinois	Texas
Minnesota North	Northern Illinois	Wyoming	

The initial concept for Church Extension was to aid in the planting of mission congregations. But as the ministry of LCEF continued to be blessed, more and more types of ministries were provided with capital funds. In 1985, the LCEF board had the goal to provide all capital fund needs for the LCMS. At the time, this goal was considered to be impossible. Yet in the '90s, LCEF was able to reach that goal with the ability to loan funds to the last group—Recognized Service Organizations. However, congregations—particularly mission starts—remain the primary emphasis of LCEF. The mission statement of LCEF reads: “The mission of the Church Extension Fund is to provide opportunity to make funds and services available in support of the Great Commission through The Lutheran Church—Missouri Synod.” In recent years, those words “...and services...” has come to carry additional meaning.



When people think of LCEF, they primarily think of building loans to congregations. But LCEF offers much more. LCEF is able to provide a complete range of services—from the time the idea of a new church or school building is born through all the steps until the time of dedication. LCEF stands ready to assist LCMS organizations with any or all steps described in this building process.

LCEF Principles

1. LCEF is a ministry.
2. LCEF is a partnership between investors and borrowers with the focus on congregations.
3. LCEF is positioned to help specialized ministries, i.e., urban and ethnic.
4. LCEF investors are fellow Christians who support the ministry.
5. God has richly blessed LCEF through the ministry of volunteers.
6. LCEF actions are based on the question, “Will this decision make a difference and further the Great Commission?”

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IV. Investments

LCEF offers a wide array of investment opportunities that allows families to build their financial futures and support the mission and ministry of the LCMS. Every family's savings plan should include a percentage of investments that are readily accessible. LCEF offers several of these types tailored to meet particular needs.

These investment opportunities include:

- A. StewardAccount Easy Access Savings—offers easier access to the investment funds of both individuals and congregations. Paying competitive money market rates, StewardAccount offers free check writing with monthly statements as well as a VISA® check-card option and an electronic funds transfer option. In addition, check-card transactions that are signed generate additional funds for LCMS urban, ethnic and world ministries!
- B. Dedicated Savings Certificates—a minimum \$10 investment opens and continues the account. Additional deposits can be made in any amount and withdrawals can be made without penalty.
- C. Term Notes (with fixed or floating rates)—LCEF offers fixed term notes for a \$500 minimum investment, and floating term notes for \$100 minimum investment. Fixed rate term notes are available in six-month, one-year, three-year and five-year terms. The Floating Rate Term Notes are available for 30-and 60-month terms. (The five-year fixed rate term is LCEF's most popular investment.) Interest rates for these notes are adjusted quarterly based on rates as established by the "Bank Rate Monitor."
- D. Growth Certificates—similar to a zero-coupon bond, the Growth Certificate offers a specific sum, regardless of market or economic conditions at a chosen future date. Certificates are available with terms to fit a particular purpose from six to 20 years. The Growth Certificates are particularly ideal for gifts to grandchildren for college education or future needs.
- E. IRAs—an IRA is a special savings account that earns deferred interest and possibly gains substantial tax savings. Term notes, Growth and Dedicated Savings certificates can be used for an IRA.

An IRA is an easy and effective way to save for retirement—earnings are completely tax-deferred until withdrawn. At that time, taxes may be at a lower rate because total income may be lower.

The relatively new "Roth" IRAs are also available through LCEF. This IRA is particularly attractive since the investment grows tax-deferred and is tax-free if withdrawn after five years provided one of the following events occurs: Purchase of a first home; reaching the age of 59-1/2; disability; or death.

The "Special Interest Fund" program allows investors to contribute all or part of the interest from an LCEF account for a specific time period to a specific LCMS ministry such as a congregation, mission field, LCMS

World Relief, or any “special interest” of the investor. Similarly, an investor may designate a beneficiary bequest—either to an individual, a ministry or both. Designating a beneficiary avoids probate and probate costs, and ensures funds will be distributed to designated individuals and organizations.

LCEF has initiated a new program called the Arthur C. Haake World Ministry Fund. The fund is designed to help LCMS partner churches around the world to fund immediate, short-term needs for getting a new ministry off the ground quickly. Investors can designate a portion or all of the interest earned towards the World Ministry Fund. Loan requests will come to LCEF through the LCMS Board for Mission Services.

Congregation treasurers will also find advantages with LCEF investments. The Congregation Demand Account offers a very competitive rate of interest (the February 2000 rate is 5.25 percent for this “passbook account”) and provides easy access to funds. A congregation’s loan payment may be automatically paid from such an account. The StewardAccount offers the opportunity for congregation members to arrange ACH electronic payments of their weekly or monthly contribution from their personal StewardAccount to the congregation’s StewardAccount.



The illustration shown above demonstrates how LCEF investments go to work in ministry. God has blessed the LCMS by motivating investors to put a portion of their investment funds to work for the church.

V. Loans

LCEF serves new and existing congregations by providing funds to buy land and build or remodel facilities anywhere the Word of God is preached and taught. LCEF also makes loans to LCMS seminaries, colleges and universities, Lutheran high schools and elementary schools, partner churches around the world and Recognized Service Organizations.

Rates are based on LCEF’s actual cost of funds, and are most often considerably lower than rates offered by banks. Both construction loans and permanent financing are provided.

In addition, LCEF introduced two new loan programs for professional church workers—direct housing loans and consolidation loans.

Application for an LCEF loan can be made through the LCMS district office or by calling the LCEF Mortgage Loan Department at 1-800-843-5233.

VI. Services

A. Demographic Study

Through LCEF, you can obtain a demographic report that includes data such as:

- Parish Data—a 10-year graphic profile of your congregation’s membership trends, using leading indicators of growth and decline.

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- Area Data—demographic profile such as population, income and age for the area surrounding your congregation.
- Membership Profile—a comparison of “lifestyles” in the community and the congregation.
- Planning Process—a series of worksheets to help answer important questions about developing future ministry.

Gaining a better understanding of who makes up a community can help plan the future ministry of a congregation. A demographic study of the community can be an invaluable ministry tool. There is a modest fee to compile a report for the congregation.

B. Capital Funding Services

LCEF’s Capital Funding Services is the LCMS source for thorough, professional and reliable fund-raising services. The services of CFS are provided in the Capital Funding section of this workbook.

C. Architectural Services

Services are provided by LCEF’s Architectural Standing Committee to help LCMS ministries plan and build or remodel church buildings, schools or other church structures. A network of professional architects and artistic consultants provides consultation on planning, master planning, design, construction, maintenance and preservation of facilities.

An architectural advisor is willing to meet with a congregation once, for expenses only. Further arrangements, if any, are up to the congregation and the architect. In addition, a detailed booklet, “Architectural Handbook,” provides the necessary steps through the entire building process, and is available free upon request from LCEF.

D. Building Consultation and Real Estate Services

Making good decisions about where and how to build involve considerations such as the real-estate market, social and demographic changes, and government regulations. The district LCEF Vice President can put you in contact with professionals to help you make these decisions—or call LCEF at 1-800-843-5233. LCEF professionals have worked with many congregations and ministries and understand your unique location and building needs. A booklet, “Helping Hands,” is available to find answers to questions that come up throughout the building process. Other services provide information to organizations that are planning to buy or sell improved or unimproved real estate.

E. Church Extension Fund District services will vary by district. Many are similar to Lutheran Church Extension Fund and/or linked to LCEF. Contact the CEF district office for particulars.

VII. Putting LCEF to Work—An Exercise

1. LCEF helps our congregation:

2. We need to START:

3. We need to STOP:

4. We want to CONTINUE:

VIII. Going to Work for LCEF—Exercise

1. We will encourage additional investments in LCEF by:

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2. We will invest the following funds with LCEF:

3. If the congregation doesn't have a Church Extension Representative, we will identify a person qualified to serve.

4. We will support this representative in promoting Church Extension in the congregation in these ways:

5. We ask for your prayers that God will continue to bless this work to come together to provide space and place for ministry.

6. We will pray for the ministry of Church Extension regularly.

A recent survey indicated that more than \$150 million in capital funds will be required annually for the next three years. We project increasing needs for investments in years to come. We invite congregations to continue telling the story about the ministry of Church Extension so capital resources are available to aid the mission of the church!

Notes

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