



ELCA  
Foundation

# 2023 ANNUAL REPORT





## 2023 BOARD OF TRUSTEES

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\*Executive committee member

*“Be steadfast, immovable, always excelling in the work of the Lord because you know that in the Lord your labor is not in vain.”*

—1 Corinthians 15:58

Dear friends in Christ,

Thank you for your ongoing support of the ministries of the Evangelical Lutheran Church in America through the ELCA Foundation. Your gifts are critical to the life of our church. They help our ministries stand firm in the face of financial uncertainty as they continue to answer the call to love God and serve our neighbors.

I'm delighted to share with you our 2023 annual report. Last year was one of growth and prosperity for the ELCA Foundation, with total assets surpassing \$1 billion. The Foundation's network generated an additional \$116.3 million in total gifts and investment assets last year. This includes \$62.5 in new planned-gift commitments, \$8.8 in currently funded gifts and \$45 million in new assets in the Ministry Growth Fund.

Last year brought significant and positive change to the performance of the Ministry Growth Fund, which outperformed with net returns of 14.3% — exceeding the target benchmark return of 13.6%. Please know that the ELCA Foundation very much values your endowed gifts and takes the management of our collective investments seriously. With a balanced portfolio of stocks, bonds, real estate, private equity and other categories, the fund is diversified and designed for the long term, continuing to make stable distributions to ministries even in the down markets. As always, we value your confidence and trust.

A total of \$60.4 million was distributed to support Lutheran ministries and programs across the ELCA, in our communities and around the world. For this we are grateful. Your gifts shine the light of Christ in so many ways — welcoming people to our communities of faith, sharing the gospel and serving those in need.

If you're interested in more ways to make an impact with a gift to support ministry — now or in the future — contact your regional gift planner with the ELCA Foundation. We can also help you change or add funds to your existing plan or endowment. Find the planner nearest you by visiting [Foundation.ELCA.org/contact](https://Foundation.ELCA.org/contact) or calling 800-638-3522.

With gratitude for your ongoing partnership and generosity,

A handwritten signature in black ink that reads "Annette C. Shoemaker".

Annette C. Shoemaker  
Interim President and CEO

The ELCA Foundation is proud to partner with:





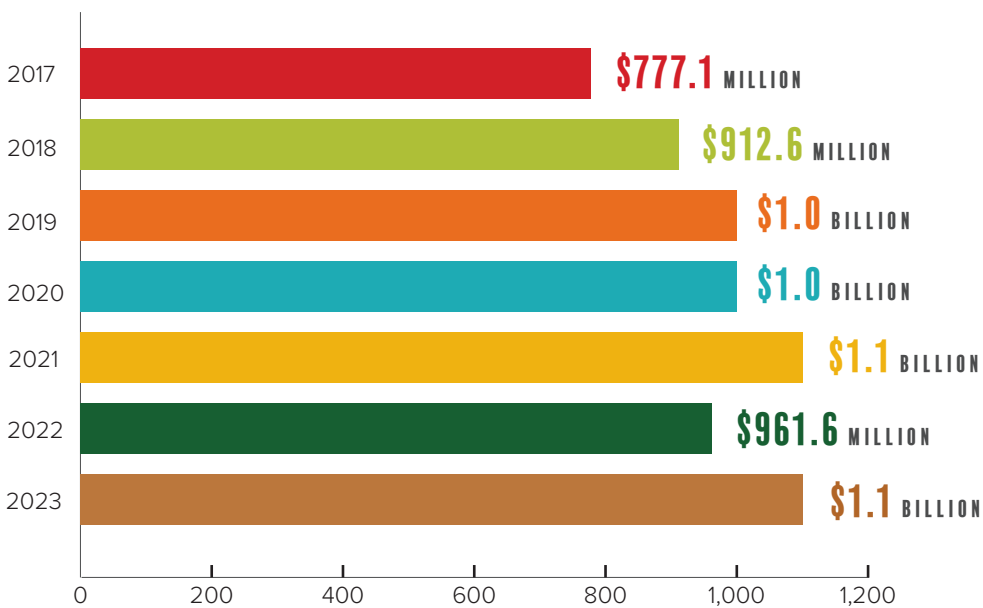
*Our mission* is to support and sustain ELCA ministries by enhancing gifting capacity and stewarding resources.



*Our vision* is to be a thriving ministry that develops a culture of intentional generosity and financial stewardship to expand the work of the ELCA.



## NET ASSETS OF THE ELCA FOUNDATION



Ensure the continuation of God's work *for years to come.*

IN 2023, \$11.1 MILLION IN DISTRIBUTIONS MADE TO THE ELCA CHURCHWIDE ORGANIZATION SUPPORTED PROGRAMS AND MINISTRIES IN THE UNITED STATES AND AROUND THE WORLD, INCLUDING:



# GIFT PLANNING



In 2023, the ELCA Foundation's gift planning network walked alongside **203 donors/families** in developing faith-focused gift plans that reflect their passion and purpose.



**\$62.5**  
MILLION

*in future planned-gift commitments*

**\$17**  
MILLION

*in direct support to individual congregations*

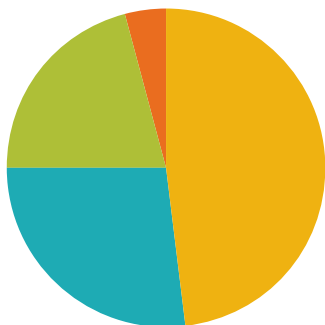
**\$8.8**  
MILLION

*in currently funded gifts*

**\$57.7**  
MILLION

*in existing gifts to ministry stewarded*

## WHO BENEFITS?



**\$22.3**  
MILLION

IN REALIZED GIFTS DISTRIBUTED TO CONGREGATIONS, SYNODS AND OTHER LUTHERAN ORGANIZATIONS AND MINISTRIES IN 2023

**\$11.1**  
MILLION

■ Distributions to churchwide ministries

**\$4.8**  
MILLION

■ Distributions to non-ELCA organizations

**\$6.2**  
MILLION

■ Distributions to the Ministry Growth Fund

**\$<1**  
MILLION

■ Distributions to other ELCA ministries

*“The church . . . has been a very important part of our lives, and we want others not to have to worry so much about finances. I want more and more people to realize the church has invested in gift planners to help us all think about other ways of being generous, not only to ourselves but to our heirs.”*

—Wade Wallinger, member and endowment chair, Holy Comforter Lutheran Church, Kingwood, Texas

*We're here to help.*

The ELCA Foundation's network is strengthened by a dedicated team of regional gift planners who are passionate about helping our members and organizations leave their legacies. Our gift planning services are available at no cost. It is our ministry to be of service.

[Foundation.ELCA.org/contact](https://Foundation.ELCA.org/contact)





The Ministry Growth Fund of the ELCA Endowment Fund Pooled Trust was established to allow for the collective investment of funds belonging to the Evangelical Lutheran Church in America (ELCA), including the churchwide organization and its congregations, synods, seminaries and other eligible affiliated entities. The fund allows congregations and other entities to retain ownership of their funds while participating in balanced, socially responsible investments to ensure the long-term sustainability of their ministries.

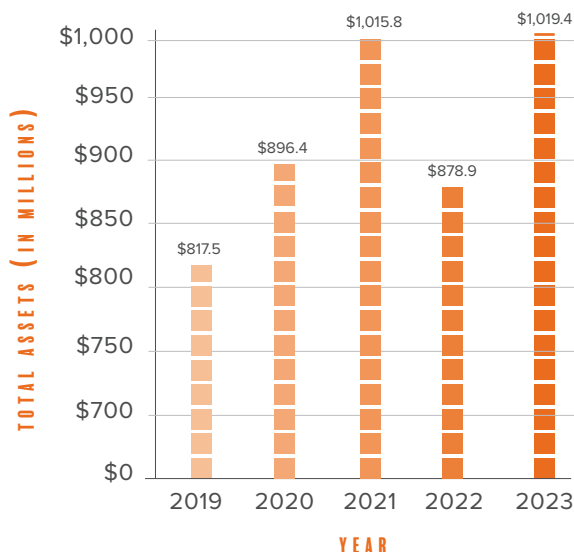
Working together, we can do so much more than we can working alone. With a strong, growing pool of funds we increase our ability to diversify our investments and maximize our impact in the world.

## WHO'S PARTICIPATING?

### DOLLARS INVESTED

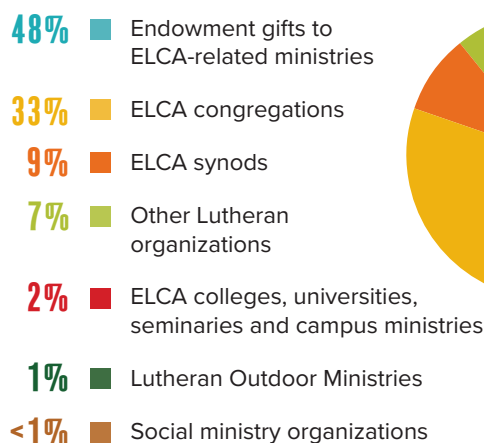
# \$1,019,392,006

### 5-YEAR GROWTH OF ASSETS



### MAKEUP OF INVESTED ASSETS\*

\*AS OF 12/31/2023



### WHO BENEFITS?

# \$38.1 MILLION

DISTRIBUTED FROM THE MINISTRY GROWTH FUNDS TO PARTICIPATING CONGREGATIONS, SYNODS AND OTHER LUTHERAN ORGANIZATIONS AND MINISTRIES IN 2023

The Ministry Growth Fund is a sophisticated investment tool with ministry at its heart. Our fund structure allows participants to benefit from the same market opportunities regardless of their investment size while realizing lower regulatory reporting costs overall. Guided by a team of financial experts and strengthened by our partnerships with other Lutheran organizations, the Ministry Growth Fund generates stable, quarterly distributions that allow you to fund current ministry needs while maintaining the underlying investment value of gifts and managed assets.

We invite you to learn more about the performance of the Ministry Growth Fund in 2023 by watching the recording of our investor call for the fourth quarter of 2023. Scan the QR code or visit [bit.ly/foundation-call](https://bit.ly/foundation-call) to watch it today.





Laura Musfeldt, second from left, with members of Ascension Lutheran Church

## *A church is more than a building*

The pentagon-shaped church building known as Ascension Lutheran Church in Paradise Valley, Ariz., is something to behold.

Built in 1964, it was designed by William Wesley Peters, a son-in-law of Frank Lloyd Wright. With a towering spire, stained-glass windows and an organic architectural vibe, it is held in high esteem by many.

“The church was seen as iconic in the community,” said Laura Musfeldt, who served as the congregation’s president for two years before her term ended in January. “Many saw it as beautiful and worth surviving 60 years.”

Unfortunately the building was draining the congregation’s financial resources with its expensive upkeep, which often included mitigating flooding and sewer issues. “We were spending as much time, money and effort on it as were [on] taking care of people, and we knew that was not right,” said Musfeldt. The building, she pointed out, was “a false idol.”

The 72-year-old congregation — whose weekly attendance swells to 125 in winter and shrinks to about 60 in summer — spent six months discussing and praying over whether to keep or sell this architectural jewel.

“Independently, people made the decision that, yes, we should move forward in finding a place that was more affordable for us and take the proceeds of that and use it to help God’s people,” Musfeldt said. “Once you make that decision, it’s freeing.”

In July 2023, Ascension sold its building for \$11 million.

The congregation kept some capital at the advice of Lisa Marie Higginbotham, a regional gift planner of the ELCA Foundation who had been working with Ascension. Then the congregation invested \$8 million in the ELCA Foundation’s Ministry Growth Fund, a long-term, pooled fund that provides stable quarterly distributions to help grow ministry.

“They [now] have the peace to explore and contemplate what their vision is going forward because of the release of the responsibility for this property,” Higginbotham said.

The Ministry Growth Fund follows the corporate social responsibility guidelines of the ELCA, which means it screens its investments and excludes those that don't fall in line with the church's environmental, social and governance criteria. That was important to Ascension.

"We needed to have confidence and security in the investment," Musfeldt said. "Certainly we could have gone to some of the other competitors out [in] the community. But when you peel it back, we needed to know that the people we were working with were going to have the same values that we had."

What helped Ascension leaders decide to invest in the Ministry Growth Fund was their relationship with Higginbotham. "We knew we could call upon Lisa as our adviser," Musfeldt said. "We didn't have this level of expertise, and we needed to be able to call upon her and ask, 'How are others dealing with this [type of situation]?' And she could connect us [with colleagues], so we knew we were in good company."

Ascension received a gift from the estate of former Ascension member Orpha Hoganson, which it used to start the Manna Grant. This initiative supports and sustains projects that alleviate hunger within the Grand Canyon Synod. Now Ascension's quarterly distributions from the Ministry Growth Fund are providing even more support for the Manna Grant and other projects.

"We upped the ante on that a little bit," Musfeldt said. "We're trying to reinforce with more money the things we've got in place before we take on new projects."

In the meantime the congregation is searching for a new home. The terms of sale for its iconic building allow it to remain there for one year, but that time will end soon. "I think it makes more sense to us to find a church where we can share their campus than it does to find a place where we're there one hour a week," Musfeldt said. "There's got to be a partner out there for us [so we can] be more effective with our dollars. Who knows what God has planned for us?"

"I feel we're just incredibly fortunate, and God has been so good to us," Musfeldt added. "Now we have to just wait and listen and carefully move forward."

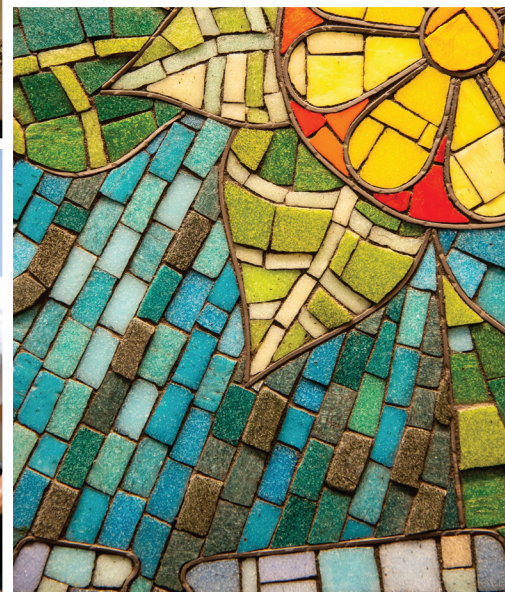
*"I feel we're just  
incredibly fortunate,  
and God has  
been so good to us."*



*Ascension Lutheran Church in  
Paradise Valley, Ariz.*

# THE POWER OF OUR PARTNERSHIPS

The strength of the ELCA Foundation network lies in our partnerships with congregations and organizations across the ecology of the ELCA. These partnerships form the backbone of the Foundation's outreach, enabling it to grow a continuum of support that will last well into the future. Through tailored gift-planning solutions, the ELCA Foundation and its partners empower ELCA members to make a lasting impact on the causes closest to their hearts.



ELCA  
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*The Ministry Growth Fund is not a mutual fund, though it has similar features — including unitization, diversification among many securities, and professional investment managers. This is an investment and, as such, it may lose value. Past performance is no indication of future results. For additional information contact the ELCA Foundation to request a Ministry Growth Fund disclosure statement.*