

Marketing & Promotion *Update*

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ENCOURAGING LEADERS TO SHARE
THE LUTHERAN CHURCH EXTENSION FUND MINISTRY

Marketing and Promotion Focus Points Announced for First Quarter of Calendar 2010

National marketing efforts will be focused on the following projects in January through March:

- **Encouraging new, low-cost investment dollars.** In order to meet liquidity needs, an increased emphasis will be placed on the StewardAccount®, initially targeting current individual and organizational investors with significant dollars invested in LCEF, but without a StewardAccount in their investment mix. The Family Emergency StewardAccount also will be used to attract new investors to LCEF.
- **Expanding loan sale programs.** Another component of meeting liquidity needs will be through expanding loan sales efforts. Sales will be expanded to include the direct sale of loans to LCMS entities and individual LCMS members. These efforts will supplement continued offerings of the Congregation Mortgage Loan Pool through the LCMS Foundation.
- **Enhancing reach of school resource efforts.** The number of customers and orders are expanding for both the LCEF School Marketing Resources and the new *K.I.D.S. Count* stewardship curriculum program. Promotional programs for these resources will be emphasized for National Lutheran Schools Week and in preparation for the 2010-2011 school year. In addition, LCEF's involvement in the Funding Academy program offered through LCMS District & Congregational Services will be expanded.
- **Emphasizing Core Ministry Services.** Capital Funding Services (CFS) communications will provide a consistent message that clearly differentiates CFS from competitors. Laborers For Christ will be featured in spring promotions to generate both new projects and expand awareness of and participation in the NAILS program.

A copy of the 2010 national advertising plan is on the last page of this newsletter.

Investment Support Remained Stable in Volatile 2009

The year 2009 will be remembered as a particularly “interesting” year in the financial markets, with uncertainty and wild fluctuations often being the norm rather than the exception.

At LCEF it will also be remembered as a year of significant change brought about by the over \$675 million in investor notes which matured during the 12-month period. But during this unique and challenging time, LCEF investors once again remained committed to supporting the mission and ministry with their investment dollars. In spite of the challenges of the economic environment and the high interest rate promotional notes had at maturity, total investments in LCEF remained above the \$1.5 billion level.

	12/31/09	12/31/08	Change
Individuals	\$ 964.6M	\$ 999.1M	\$ (34.5)M
Congregations	\$ 314.3	\$ 317.4	\$ (3.1)
Schools	\$ 18.0	\$ 16.1	\$ +1.9
Organizations/RSOs	\$ 49.7	\$ 50.2	\$ (0.5)
Support	\$ 164.2	\$ 155.1	\$ +9.1
TOTAL	\$ 1,510.8M	\$ 1,537.9M	\$ (27.1)M

Total investments declined only \$27.1 million, a change of just -1.8%; remarkable considering many institutions experienced dramatic declines in their investor payable accounts. This stability is a direct result of your efforts and the commitment of our investors to the reason they invest with LCEF – the desire to help build churches and schools.

Looking Ahead to 2010 Investment Promotions

We look forward to working with you to return to investment support growth in 2010. While we slowed down our promotion of investments in 2009, we will return to promoting investments in order to meet spring loan demand. As mentioned earlier in this newsletter, during the first quarter of 2010 promotions will involve StewardAccount, including the Family Emergency StewardAccount, particularly to those that already have investments or loans with LCEF. If you need assistance with any promotions planned for your district, circuit, or congregation, feel free to call the Marketing group. We’re here to help!

Capital Needs Survey Results Coming Soon

The rate of return for the Capital Needs Survey this year is 63%. There are still a few replies coming in every day. Reports will be generated within the next week and be sent to the District Vice Presidents to review what our customers have told us. As we move forward this year, the information will be helpful in forecasting what loans might be made.

For questions or information regarding this survey, contact Bev.Gregory@lcef.org or call ext. 6333.

Year-End Data Shows Growth in Loan Portfolio

The total LCEF loan portfolio (including loans sold) grew by \$27.2 million in calendar year 2009, with loans to LCMS congregations jumping \$45.8 million in that time period:

	12/31/09	12/31/08	Change
RCWs	\$ 118.7M	\$ 125.6M	\$ (6.9)M
Congregations	\$ 1,190.9	\$ 1,145.1	\$ +45.8
Schools	\$ 135.0	\$ 152.9	\$ (17.9)
Organizations/RSOs	\$ 62.8	\$ 58.9	\$ +3.9
Districts/Synod	\$ 38.1	\$ 35.9	\$ +2.2
TOTAL	\$ 1,545.6M	\$ 1,518.4M	\$ +27.2M

LCEF's portfolio of loans to congregations and LCMS entities grew in 2009 by 4%. This growth reflects the continuing desire by the members of these congregations to spread the Gospel. This growth is exactly the reason LCEF supporters contribute and invest in the ministry of Church Extension—to build churches and schools!

And while it is purely coincidental that the dollar growth in the total loan portfolio is almost exactly equal to the slight decline in the investor payables support, it does emphasize the need/importance of us returning to promoting investment support and generating the dollars to meet the growing loan demand as soon as possible in 2010!

Next Generation Note: Adding to the Capital Base

Next Generation Notes continue to attract new investment dollars, primarily from current investors with a heart for the LCEF ministry. As of December 31, *Next Generation Note* activity (since introduction in California in July) has reached the following levels:

- 251 *Next Generation Notes* purchased
- \$6,024,650 in total participation
- \$5,420,542 invested for five-years at 5.00% to 5.25%
- \$604,108 gifted to LCEF! (\$167,435 booked as income through 12/31/09; \$436,673 carried to future years)
- In December alone, 46 notes totaling \$730,131 were purchased

With the 10% minimum gift requirement, the new dollars meet our 11% capital-to-asset standard. The *Next Generation Note* serves a dual purpose: providing funds to meet loan demand today (via investment) and tomorrow (via gift). The product is still available, offering a 1.5% interest-rate premium above the stated 5-year note rate. This results in a 5.25% interest rate for January and February, an attractive rate to investors seeking higher monthly income on their invested dollar.

Registration Streamlined with Other LCMS Meetings

LCEF's online Fall Leadership Conference registration process is being enhanced by a team of LCEF and LCMS Travel and Meeting staff members. The end result will be a streamlined registration process that includes registrations for all meetings held around the time of LCEF's Fall Conference (it will be in place for next year's events).

The changes mean that when a participant registers, it will allow them to register for the hotel and then for the specific meetings they are invited to attend. This gives the participant and Travel and Meeting staff members a complete profile of their attendance before and through the LCEF Fall Leadership Conference. The Travel and Meeting department will assume complete responsibility for registration, with the assistance of each LCMS area conducting the various meetings. In the future, the registration system will be used for other LCMS meetings.

LCEF staff and LCMS Travel and Meeting staff are excited about the changes that will better accommodate meeting participants and make the entire process more efficient.

Payroll Giving Campaign Underway, Giving Options Available to All

As every day in the Lord should be, the new year is a day of new beginnings. January 2010 is the start of the payroll giving campaign for LCEF staff in St. Louis. Over 80% of the St. Louis staff responded to the invitation to donate to the LCEF ministry efforts through payroll deductions. **Wow, what a generous reaction to the invitation to impact ministry!** This was a new concept for many of the employees and uniquely convenient, as all of us are using the same payroll system.

It was a great opportunity to contribute, but certainly not exclusive to the staff here. The program was designed to first approach the employees here, with an invitation, education, and encouragement about the importance of gifting. Please consider the invitation extended to you as well!

There are many convenient ways to make regular donations to LCEF:

- You can electronically transfer funds from any bank account to LCEF on a regular basis.
- The interest from your LCEF investment can be designated as a gift to one of the LCEF ministry areas.
- For your convenience, we can send you a supply of postage-paid envelopes for donations via check.
- Contact Becca Jones about planning a future gift to LCEF!

If you have any questions about supporting LCEF through gifts, please call Becca at ext. 6339.

New Mailing List Service Now Available at Lower Cost

Our **Neighbor to Neighbor Mailing List Service** has undergone a slight transformation—for the better. We have forged a partnership with a new mailing list vendor that has enabled us to reduce our pricing. Though we are in the midst of finalizing forms and procedures, we are committed to meeting the Church's needs and are accepting orders. If you or a congregation in your area is in need of a mailing list, please contact Cindy Douglas at ext. 6425.



Why Give to LCEF?

Simply put, making a difference in people's lives is what is truly important.

Your gift to LCEF can do just that, by:

- Keeping costs low on loans to congregations, schools, missions, and rostered church workers;
- Providing services that help schools and congregations reach more of their mission field;
- Assisting churches and schools looking to rebuild, renovate, or repair;
- Supporting pastors in their journey to lead their congregations;
- Bringing congregations new perspective on their stewardship goals;
- Establishing new investment products that help meet families' changing financial needs; and
- Building a legacy of sharing.

Your contribution helps ensure LCEF can continue to offer these wonderful opportunities.

To receive literature that shares the impact gifting has on LCEF, contact Becca Jones at ext. 6339 or becca.jones@lcef.org.

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Lutheran Church Extension Fund—2010 Advertising Plan

	<i>Witness</i>	<i>Reporter—1/2 page</i>	<i>Reporter—1/4 page</i>	Statement Insert (For the End-of-Month)
January	IRA	IRA	MissionInsight	
February	Family Emergency StewardAccount	StewardAccount for Organizations	Ministry Services—LFC	StewardAccount
March	National Youth Gathering	National Youth Gathering	Ministry Services—CFS	National Youth Gathering
April	K.I.D.S./K.I.D.S. Count	Building for Eternity— LCEF Services	Ministry Services—LFC	
May	StewardAccount	StewardAccount	Ministry Services—CFS	
June	General Investing: Why LCEF? Stewardship	General Investing: Why LCEF? Stewardship	Ministry Services— Consecrated Stewards	
July	No issue	4-page insert		
August	Joyful Response	Joyful Response	Ministry Services—CFS	
September	Family Emergency StewardAccount	Congregation StewardAccount	Ministry Services—LFC	
October	General Investing: Why LCEF? Stewardship	K.I.D.S. Count	Ministry Services—School Marketing	UMB Bank Error Resolution Notice (S00210)
November	Health Savings Account	Health Savings Account	Ministry Services—CFS	
December	Appreciation	Appreciation	Ministry Services—TBD	LCEF Error Resolution Notice (S00587)