

**CALLED TO LOVE AND SERVE OUR NEIGHBORS
A PICTURE OF POSSIBILITIES**

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PRESIDENT AND CEO**

*"I am about to do a new thing; now it springs forth,
do you not perceive it?
I will make a way in the wilderness
and rivers in the desert."
Isaiah 43:19*

I. A PICTURE OF POSSIBILITIESpage 3

**II. LUTHERAN HEALTH AND HUMAN SERVICE
ORGANIZATIONS: BRINGING POSSIBILITIES
TO LIFE.....page 5**

**III. EMERGING TRENDS:
WHAT ARE THE POSSIBILITIES?.....page 10**

**VI. LUTHERAN SERVICES IN AMERICA:
SEIZING THE POSSIBILITIES TOGETHERpage 15**

V. IMAGINE THE POSSIBILITIES.....page 30

The Lutheran social ministry system has integrated, results-driven capacity.

Lutheran social ministry organizations are healthy and vital, engaged in effective service and advocacy.

Lutheran social ministry organizations live out their Lutheran identities.

Lutheran social ministry expresses a spirit of possibility and a will that shapes the future.

LSA and its members, in partnership with others, are leading a movement of hope and grace toward a society that values generosity, inclusion, justice and mutual care.

The five Ends Policies approved by the LSA Board of Directors, March 2008, LSA Board Policy Manual, Section 1.2. (Called to Love and Serve Our Neighbors), and affirmed by the LSA Membership at its April 2008 Annual Meeting.

I. A PICTURE OF POSSIBILITIES

The theme for the 2010 Lutheran Services in America Annual Conference is ***Abundant Life Together***. Abundant life is about far more than economic and material resources. “*I came that they might have life and have it more abundantly*” says Jesus in John 10:10. That abundant life is lived through **connections that make a difference** – connections to God and to others.

To answer the **call to love and serve our neighbors**, LSA strengthens Lutheran organizations and their connections to the church and to one another. And, this strong Lutheran system embraces and shapes the future with enthusiasm, savvy and resolve to create communities that are generous, inclusive and just. The picture of possibilities that conjures up is exciting!

A Picture of Possibilities will be the theme of the 2011 LSA Annual Conference and thus is the title of this report as, in conjunction with the 2010 Annual Meeting of the Members and the conclusion of the Conference, the next year is launched. But first, it is appropriate to stop a moment and to look out and around to take stock of LSA, its members and the environment.

Reflecting on the **current “state of LSA”** one sees that:

- The **economic climate** has had a profound influence on Lutheran health and human service organizations and the people and communities with whom they work. Increasing needs, government budget challenges, shrinking foundation and corporate resources and program and staff reductions are very much in evidence. And yet, Lutheran organizations find bright spots and continue to express passion for their work and faith for the future. (Read more in the *Called to Care 2010 Update* on the LSA website at www.lutheranservices.org)
- Lutheran organizations are forming more **collaborative partnerships and structural alliances** across the Lutheran system and within their communities to achieve efficiencies and to address multi-disciplinary problems and opportunities.
- With the changes predicted and already occurring especially in the fields of aging, behavioral health and child welfare, **Lutheran organizations are reinventing themselves**. They are experimenting with more diverse revenue streams, insisting that each program be financially sustainable, implementing structural and infrastructure reorganizations and shifting service portfolios.
- **Boards of directors are leaning in**. Board and staff partnerships are especially important in times of stress.
- **Tensions within and between the two denominations** (ELCA and LCMS) are creating challenges not only for the church bodies, but also for social ministry.
- There continues to be rapidly growing **interest within Lutheran social ministry in social innovation and enterprise, community based services and advocacy**. Interest is picking up more gradually in the areas of volunteerism, green initiatives and community benefit despite broader societal emphasis.
- LSA **member organizations are increasingly engaged with LSA** and supportive of collective efforts. There is great hunger for connection and collaboration.
- LSA's 2009 Annual Conference in Washington, DC launched a year of **strong advocacy**.

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

- LSA at the national level is sound and moving forward not only with efforts that support the work of Lutheran organizations, but also with **new initiatives that are large scale collaborations with exciting possibilities** for the future.

This report from the LSA President and CEO to the LSA Board of Directors and Members provides an overview of Lutheran health and human service organizations and their engagement in LSA; it describes three major trends that will influence Lutheran social ministry; and it describes the challenges and accomplishments of the past year as Lutheran organizations work together in LSA.

II. Lutheran Health and Human Service Organizations: Bringing Possibilities to Life

One of LSA's important roles is to serve as the unifying force for the 312 Lutheran health and human service organizations that are affiliated with the Evangelical Lutheran Church in America (ELCA) and/or recognized by The Lutheran Church–Missouri Synod (LCMS). Together, these social ministry organizations (SMOs) touch 1 in 50 Americans each year. When we add family members, employees and volunteers, and partnerships with congregations and others, it is clear that the reach of these organizations is quite remarkable.

Tracking information about more than 300 organizations is challenging, but important, work. In the late summer of 2009, LSA conducted an in-depth study of the IRS Forms 990 of Lutheran health and human service organizations using the latest publicly available data posted on Guidestar. While the Form 990 is an imperfect tool, it is the instrument used by most published surveys and does allow for some comparison.

FORM 990 REPORTING * 266 LSA ORGANIZATIONS

	All LSA Members	ELCA Only	LCMS Only	ELCA and LCMS
Total Private Support	\$452,863,624	\$287,871,593	\$23,796,044	\$141,195,987
Total Government Support (does not include Medicaid and Medicare)	\$253,831,246	\$143,262,664	\$27,742,884	\$82,825,698
Total Income	\$16,487,341,611	\$13,719,392,471	\$232,634,485	\$2,535,314,655
Program Services Expenses	\$13,210,604,427	\$10,965,490,642	\$184,338,799	\$2,060,774,986
Management and General Expenses	\$1,956,289,381	\$1,602,092,310	\$37,350,735	\$316,846,336
Funding Expenses	\$60,609,684	\$36,000,683	\$5,744,425	\$18,864,576
Total Expenses	\$15,357,810,175	\$12,706,269,659	\$227,433,959	\$2,424,106,557

* The aggregated number represents data from 825 related entities. While many LSA member organizations are struggling to operate in the black in these challenging economic times, overall revenues exceed expenses primarily because foundations are among the 825 entities for which data are reported, reflecting endowment and other restricted donations. Government support does not include Medicare or Medicaid payments or many other government contracts which represent a large portion of the total income for most organizations.

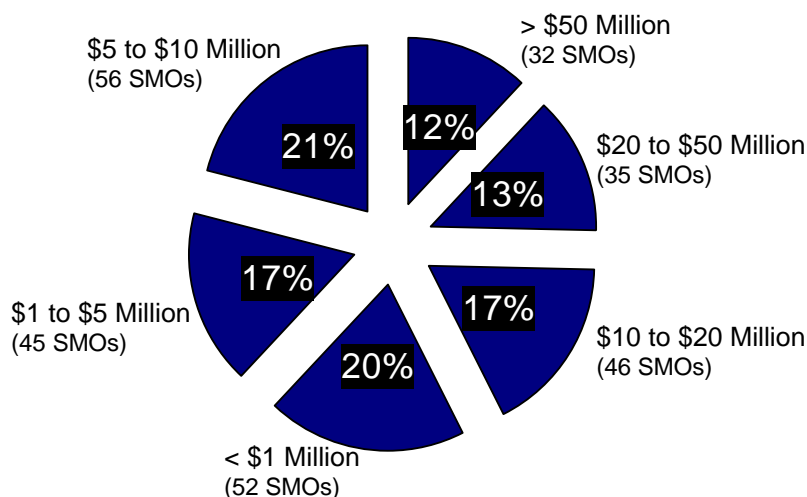
The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

Aggregated information is valuable, but often obscures the diversity of the individual elements. For instance, LSA member social ministry organizations (SMOs) range in total annual income from \$16,300 to \$2.6 billion per year, and from very small neighborhood programs to multi-state health care systems. It is notable that philanthropic support for these organizations generally comes from a large cadre of people donating very small amounts and is critical to the ongoing operations of these members.

MEMBER BUDGET BREAKDOWN BASED ON FORM 990 FROM 266 LSA ORGANIZATIONS

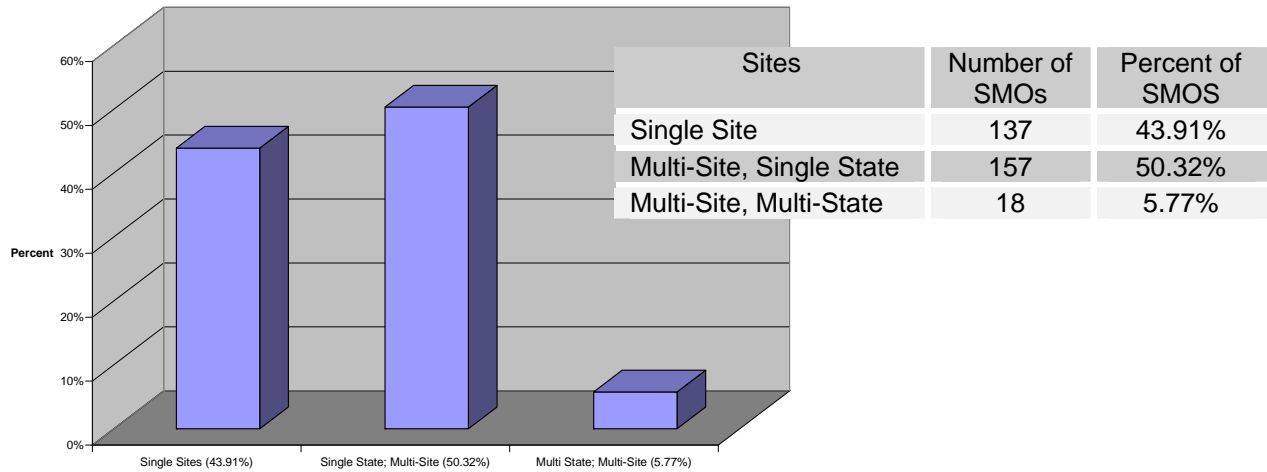


SERVICE CATEGORIES

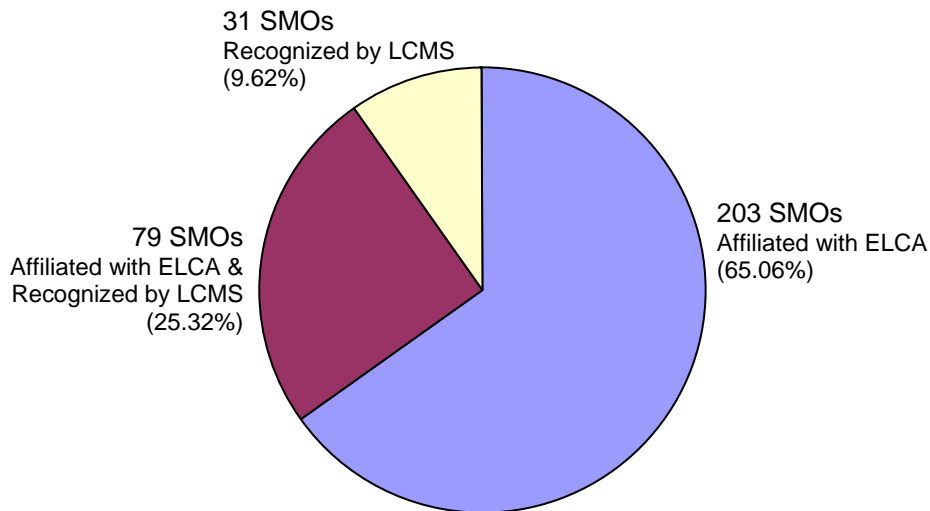
Services and Activities*	Number of SMOs	Percent of SMOs
Aging Services	201	64.42%
Children, Youth & Family Services	118	37.82%
Health Care Services	93	29.80%
Emergency & Disaster Services	69	22.11%
Disability Services	51	16.34%
Housing & Community Development	53	16.95%
Congregational & Chaplaincy Services	44	14.10%
Mental Health Services	44	14.10%
Consulting & Education Programs	28	8.97%
Immigration & Refugee Services	31	9.94%
Outreach & Support Ministries	24	7.69%
Addiction Services	18	5.76%
Volunteer Programs	10	3.20%
Grant Making	3	0.96%
Veterans Services	2	0.64%

* These are broad categories and some organizations provide more than one type of service. LSA's website offers a more refined search capacity at www.lutheranservices.org.

SITES OF SERVICE



CHURCH CONNECTIONS 312 ORGANIZATIONS, MARCH 2010



A DYNAMIC SYSTEM

New organizations bubble up from local congregations. Some reach the end of their life cycles and close. Mergers incorporate several organizations into one. Others engage in joint ventures and community partnerships. The Lutheran health and human services system is ever-changing. The route to entry into LSA is recognition by the LCMS or affiliation with the ELCA. The following organizations have become affiliated with the ELCA and/or recognized by the LCMS in the past year:

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

2009

Sabbath Center Ministries – Lanark, Illinois

Concordia Place – Chicago, Illinois

Spiritual Program for Education, Arts and Recreation (SPEAR) – Spokane, Washington

The Sharing Place of St. Paul's Evangelical Lutheran Church – Jersey City, New Jersey

The St. Paul's Center for Caring – Jersey City, New Jersey

ACTS 1:8 Mission Society – St. Louis, Missouri

Bethesda Home and Retirement Center – Chicago, Illinois

Partners of Wichita – Wichita, Kansas

Good Samaritan Foundation – Puyallup, Washington

Cross Connections – Fort Wayne, Indiana

2010

Orphan Grain Train – Norfolk, Nebraska

Since January 2006, 35 organizations have joined LSA. Over 85% of these organizations have budgets under \$2.5 million; of those, at least half have budgets under \$1 million.

LSA AS AN ENGAGED SYSTEM

From January 2009 through March of this year, 92% of all LSA members were engaged with LSA in some way, ranging from paying dues or participating in a single activity to robust involvement. Of the 25 organizations that demonstrated no engagement, 40% were new LSA members and, therefore, just beginning to make connections. As one might expect, engagement with LSA can be graphed on a bell curve that falls into thirds – very active, moderately active and minimally active.

Recognizing reduced travel budgets and the difficulty of attendance at face-to-face meetings, LSA supplemented in-person events with web and teleconference gatherings open to all LSA members. One hundred and forty-one organizations participated in learning opportunities offered by LSA. More than one third of LSA members have reached out to LSA for informal consultation and for connection to information or resources.

Peer networks are an important engagement opportunity. Network membership climbed substantially in the past year and numbers 363 people from 121 organizations. LSA is also convening an increasing number of shorter term project groups, planning teams, and advisory committees to which there has been enthusiastic response and involvement.

The single activity that engaged the greatest number of members this year was the 2009 Executive Profile Salary Survey with 188 responses. This is the largest response rate to any survey in LSA's history – something to celebrate! LSA sent opportunities or "asks" to all members for input, to share their experiences or to respond to surveys for nine different projects in the past year and 240 organizations responded to at least one. Those opportunities included: contributing content to LSA publications; sharing perspectives on health reform, on the impact of the economic climate and on public policy

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

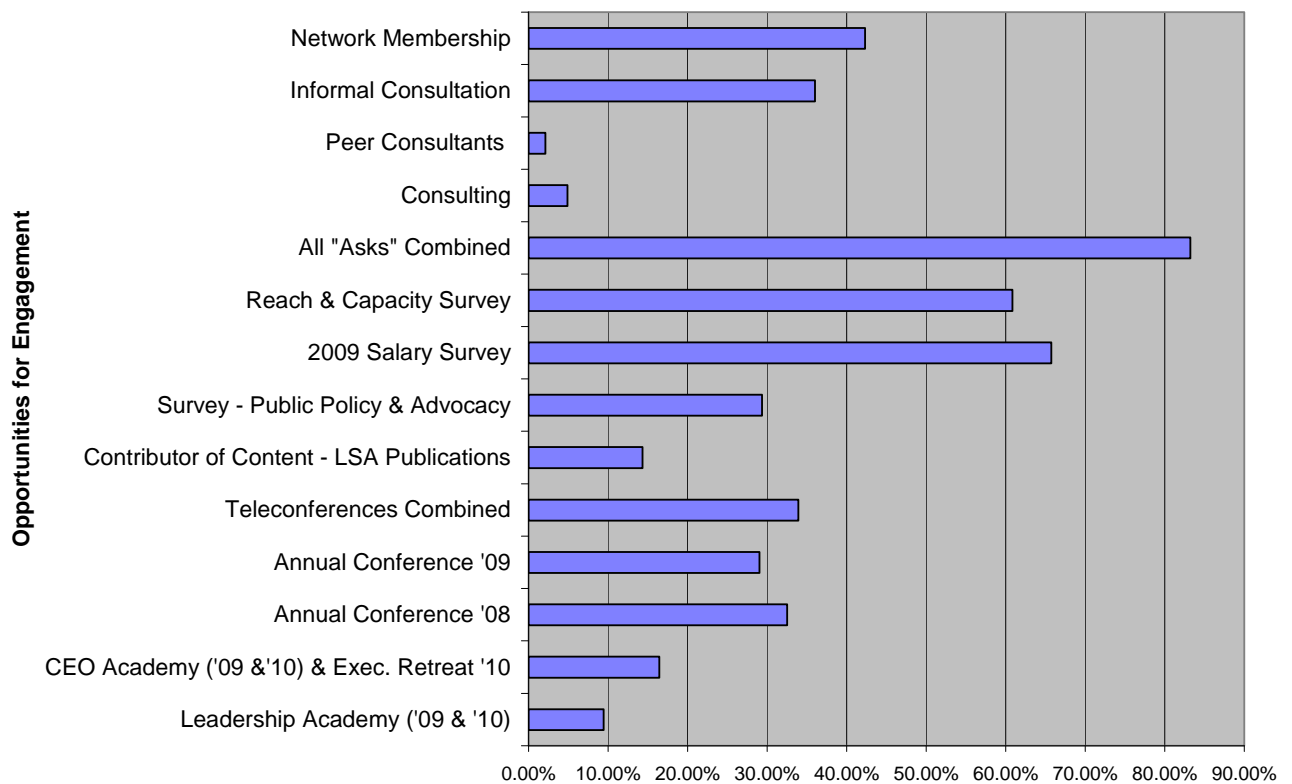
Lutheran Services in America, April 2010

advocacy; the Executive Profiles survey; leading devotions for Tuesdays Together in the Spirit; and the Reach and Capacity Survey seeking to quantify numbers such as employees, volunteers, clients.

LSA will continue to study engagement patterns and partner with member organizations to invite the entire range of members to participate in meaningful ways that bring benefit to the individual organizations, to the system as a whole and to the broader communities served.

EVIDENCE OF MEMBER ENGAGEMENT*

Evidence of Member Engagement (n=286 organizations)



* From January 2009 through March 2010, more than 90% of the membership (91.7%) or 286 organizations demonstrated engagement through the opportunities listed here. This is 91.7% of the membership.

III. EMERGING TRENDS: PICTURES OF POSSIBILITIES

LSA members want LSA to **scout the future** and to **translate trends into opportunities**. That happens in many ways. LSA forms projects and teams around emerging issues such as technology for independence, volunteers in vogue, and models to support an expanding population of caregivers. LSA forms relationships with movers, shakers and game changers. Each month, *LSA Together* features **Clues to the Future** that provide new lenses through which to look at the future with creativity. Each year, **this Report of the President and CEO highlights three issues that are likely to have direct and near-term impact on SMOs** and that seem to be gaining momentum as viewed from a national perch. Many organizations use the trends segments of these annual reports as discussion starters in board and staff planning meetings.

Looking back over the nine issues identified in the past three years, they have been spot on! Each of those trends continues to gain momentum and to exert profound influence on the ways in which members must plan and operate. To that list this year are added three more trends of note:

- **Blurred boundaries challenge old assumptions**
- **Human/technology interfaces are increasingly complex**
- **Dated basics can make a comeback with creative new twists**

BLURRED BOUNDARIES CHALLENGE OLD ASSUMPTIONS

Categorical thinking is falling by the wayside as boundaries of all types become blurred. Watch for this phenomenon in many different areas. To illustrate, consider the blurring of boundaries between not-for-profit and for-profit organizations and traditional and nontraditional competitors.

Not-for-profit and for-profit boundaries

The boundaries are blurring between business and nonprofits, both literally and figuratively. The new blended **L3C corporate form** has been adopted by a growing number of states. **More businesses are focusing on both financial and social returns**. Cause marketing continues to expand. Nonprofits are creating **profit-making subsidiaries** at an increasing rate.

In the world of funding or capitalizing social change ventures, similar blurring is occurring. **Venture philanthropists** use their charitable dollars to shape social change initiatives while **social capitalists** make investments in firms and organizations that feature double bottom lines. Foundations are making PRIs (**program related investments**) with the goal of recycling principal dollars.

Social entrepreneurs create start up for-profits focused on solving intractable problems, engaging the bottom of the pyramid, and using the power of business for social change. **There are those who suggest**

that business, not nonprofits, holds the greatest promise for making a significant difference in the world.

At the same time, there are **strong voices calling for the preservation of the independent sector** and the articulation of the nonprofit distinctiveness imperative. Many say that nonprofits offer both value and values to an American culture in need of those anchors. Organized neighborliness, as some have called nonprofits, operates out of a **community-centered ethos**. It is time for more nuanced conversation at these blurry and exciting intersections.

Competitive boundaries

Southwest Airlines competed successfully against airlines with established market share because it turned an old business model on its head. Shoe stores had little to fear from the internet until Zappos found ways to make it work. Dell Computers argued that inventory was a liability rather than an asset. Established players across many segments cannot assume that their strategies are secure. **New competitors that tackle the market in new ways bubble up regularly.** With sunk costs in the status quo it can be very difficult for organizations to focus on getting better and better at what they do while simultaneously seeking radical reinvention.

Many Lutheran social ministry organizations find themselves in this same situation. **New business enterprises compete for market share in traditionally nonprofit strongholds.** In some cases they consolidate services based on scale and price. In other cases LSA members are caught between highly regulated service lines and the challenges of start ups that can play outside the rules. Who would have guessed a decade ago that WalMart and Target would be fast-growing providers of primary health care? **No one organization, approach or sector “owns” turf.** Approaches and organizations will **succeed or fail based primarily on results** and on the ability to meet and exceed the needs and hopes of the people who need and want their products and services. Most LSA members recognize this and are focused on innovation.

In the search for solutions that work for problems that matter, and in the desire to open up opportunities and choices for the broadest possible range of people, **LSA members must be willing to think and act in new ways, looking far outside their own sectors for inspiration.**

Permeable membranes

These are but a few examples of boundaries that are blurring. Widespread and powerful many-to-many communication channels blur boundaries between insiders and outsiders; between professionals and amateurs; between citizens of nations and citizens of the world; and between brands defined by companies and brands defined by the consumers who use their products and services. The list can go on and on. For some, those prospects are frightening and they move into fortress mentality – they resist change; buttress existing approaches; and seek security in defining boundaries even more tightly. However, more and more people are taking their cues from permeable membranes, selectively permeable membranes and differentially permeable membranes like those found in the human body. The ability to absorb, filter and exchange elements from the outside will be critical in the years ahead.

HUMAN/TECHNOLOGY INTERFACES ARE INCREASINGLY COMPLEX

Many observers speculate that the promise of new technologies is in its infancy and that the complexities of integrating technologies in new ways may be underestimated. **Of particular interest and complexity are the interfaces between humans and technology.**

Human-computer interaction and human-machine interface are disciplines that marry behavioral sciences and engineering or computer sciences. Other emerging disciplines connect philosophy, artificial intelligence, bio-engineering, medicine and a wide range of other fields. **Technological advances require more than good machines.** Figuring out the human dynamics related to the adoption of technology and then imagining the entirely new ways of utilizing it will be highly complex.

A recent article in *Fast Company* featured revolutionary advances being made in **prosthetics**. It is now possible to contemplate replacement body parts that work even better than the originals – that convey super-human speed or strength or flexibility. In the next issue of the magazine, however, several readers wrote in referencing their own situations as amputees and offering cautions about the human side of the puzzle from personal loss to pain to cost to access to maintenance.

Sensors that can be embedded in homes, clothing, wrist watches, pill boxes and toilets offer the near term promise of security, early intervention in health problems, improved medication management and peace of mind for distant site caregivers. **Tele-health systems** facilitate home health care and chronic disease management through monitoring vital signs, direct observation, diagnostic tests and communication between health professionals and patients. Tele-psychiatry, tele-pharmacy, tele-therapy and many other applications of the ability to connect health professionals to one another and to patients offer access in underserved areas. **Smart homes** will allow people with disabilities and the frailties of age to be more independent. **Robotic applications** make health care delivery safer, quicker and more easily distributed. **Integrated electronic health records** will facilitate instant access to health and treatment histories. Already there are **applications for smart phones** that offer real-time cognitive therapy consultations and medication adherence cues and those only begin to scratch the surface.

A recent article by the consulting company OPEN MINDS suggests that *Bioconnectivity Should Be Changing Your Five Year Plan*. The article indicates that **bioconnectivity** is “the marriage of the computer chip and connectivity technology to medical devices, and ultimately, to people ... The organizations that learn to best manage this data-rich environment that integrates science, finance, government, and technology are the organizations with key strategic advantage in the next decade.”

Social media and palm top access and applications spin the possibilities of a web of real-time connections to people and information almost unimaginable. What will it mean as today’s two-year olds grow up connected to a wide range of personal technologies right from birth? Some predict a loss of creativity and imagination, a loss of social skills and a loss of everything from the ability add without a calculator to the ability to think in more than 140 characters at a time. Others suggest that this generation will be the one most able to use the **technological advances as a springboard** for completely new and creative ways of solving problems and building communities.

Lutheran health and human service organizations will do well to dive head first into these human/technology intersections. They are well-suited to wrestle with both sides of that equation in ways that honor the complexities and subtleties of ethics, emotions, interactions and justice as the picture of remarkable possibilities is shaped.

DATED BASICS CAN MAKE A COMEBACK WITH CREATIVE NEW TWISTS

Several years ago Lutheran Homes Society, headquartered in Toledo, Ohio, produced a wonderful DVD in conjunction with the local public television station. The video was rich with photos of the early years. In those days “Harvest Home” was the time when families in the community brought the canning and preserving from their summer gardening and farming to the Lutheran home which served both children and older people. That food, and the many volunteers who came to cook and serve it, sustained the home throughout the year. While the pictures of children sitting unsecured atop eight foot mounds of produce in the backs of moving farm trucks might give today’s risk managers a bit of consternation, **the images of a community engaged together in the basics of providing food for themselves and others is quite moving.** And, those themes are making a comeback.

Community gardens, community supported agriculture, home gardens, rooftop gardens and local sourcing are all growing movements (pardon the pun). **Slow food, home cooking, healthy eating** and eating in season are getting top ratings in books, movies and television shows. At this moment Jamie Oliver’s *Food Revolution*, in which he engages the people of Huntington, West Virginia to grow, prepare and eat healthy food, maintains surprisingly high ratings on Friday night television.

An increasing number of **senior living campuses** are incorporating food from residents’ gardens into the daily menus of the dining rooms. **Horticulture programs** engage youth in residential treatment or juvenile justice programs in growing and preparing their own food. **Micro-enterprise** is springing up as social service programs sell fresh greens and herbs to local restaurants or teach clients the skills of food preparation through catering businesses.

Practices that encourage good stewardship are borrowing heavily from earlier times. There is increasing emphasis on reducing food waste in traditional ways – from right sizing portions to composting. Old-fashioned practices like air-drying laundry, turning off appliances not in use and constructing buildings with windows that actually open are back in style.

Three and four generation households and informal caregiving roles are on the increase.

Communities of neighbors who commit to one another’s well-being are springing up from Albert Lea, Minnesota (Blue Zone pilot to increase health and extend longevity) to Beacon Hill, Massachusetts (self-generated membership organization to provide services to support neighbors as they age). Skilled nursing facilities are creating smaller households and are employing universal workers who are generalists.

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

Volunteers are in vogue and they are engaged in everything from moving projects forward to providing companionship and chores. People are **moving back into town** within walking distance of stores and services. **Green cemeteries** are returning to early roots. **New immigrants** are forming mutual aid societies. Just a few of the ways in which that which is old is new again.

In what other ways might dated practices be brought back with a new and creative twist? Lutheran social ministry organizations with rich histories of service in their communities ought to give this some thought.

IV. LUTHERAN SERVICES IN AMERICA: SEIZING THE POSSIBILITIES TOGETHER

POSSIBILITIES TO PURSUE

The Ends to which LSA is committed

In 2008, at the end of LSA's first decade, LSA's board, staff and members committed to new and expanded Ends Policies – those outcomes we in LSA together are charged to pursue. Those Ends, along with the major strategies through which LSA will pursue them over the next few years, are:

The Lutheran social ministry system has integrated, results-driven capacity.

- Foster collaboration
- Catalyze knowledge transfer and knowledge building
- Create and utilize system capacity mechanisms

Lutheran social ministry organizations are healthy and vital, engaged in effective service and advocacy.

- Promote SMO sustainability
- Expand effective SMO volunteer and hands-on experiences
- Cultivate the intersections of study, practice and policy

Lutheran social ministry organizations live out their Lutheran identities.

- Equips SMOs to live out their Lutheran identities by sharing information, resources, connections
- Develop faithful and effective board and staff leaders
- Build awareness of Lutheran social ministry

Lutheran social ministry expresses a spirit of possibility and a will that shapes the future.

- Instill a future orientation by equipping organizations for innovation
- Translate trends into opportunities

LSA and its members, in partnership with others, are leading a movement of hope and grace toward a society that values generosity, inclusion, justice and mutual care.

- Shape change by employing fresh language
- Create social change by learning from and engaging others

Pursuing those Ends

In order to move forward, LSA staff has identified core competencies LSA must have at the national level. It is clear that these are competencies that broker the rich treasures of the Lutheran social ministry system.

<i>LSA'S Competencies</i>		
Process	Knowledge	Leverage
Convening	Lutheran Social Ministry	Expertise
Facilitating	Leadership Development	Relationships
Partnering	Emerging Opportunities	Energy
Consulting		

BRINGING POSSIBILITIES TO REALITY THROUGH NEW INITIATIVES

LSA members have said clearly that they want LSA to exercise leadership as a catalyst for knowledge exchange and as a convener, partner and mobilizer to translate trends into opportunities. LSA is leveraging the energy and expertise of the LSA system and beyond and creating relationships to seize opportunities that will make a difference. These highlights of new initiatives demonstrate that the picture of possibilities is growing as Lutheran organizations work together.

Growth Ready. A Center for Enterprise.

Growth Ready. A Center for Enterprise is a platform of LSA that will build collective capacity for positive social impact by spreading what works. Growth Ready finds promising products and services and helps disseminate and grow them to scale in partnership with SMOs, congregations and others. It incubates new ideas where LSA and its members see a need. It facilitates LSA's role as a catalyst for the exchange and generation of knowledge and capacity within the LSA network. The initial offerings will be two products in a Caregiver Suite growing out of the collaborative Aging in Community Initiative and another – a collaboration with COLLAGE, the Art and Science of Healthy Aging. There are several other items on the drawing board and LSA will be working with members to build a pipeline of products, programs and models that range from simple to complex, and invites everyone to suggest good ideas and effective programs.

Caregiver Suite

The Caregiver Suite is a portfolio of Lutheran branded models, products and programs for strengthening caregiver support resources in America's communities. Designed to be easily adopted by LSA member organizations, congregations and others, the first two programs are Support U and First Circle Friends. Support U is an educational outreach program developed by Lutheran Community Services Northwest as Caregiver University with collaborative input from 13 other LSA member organizations participating in the Aging in Community Initiative (ACI). Support U enhances the well-being of caregivers by meeting the critical need for information and support. First Circle Friends is a social day respite model developed by Lyngblomsten as The Gathering with collaborative input from Lincoln Lutheran of Racine, Wisconsin, Inc.,

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

Liberty Lutheran Services and 11 other ACI organizations. These two programs will be launched at LSA's Annual Conference in Sacramento and will be available for other SMOs in late summer.

Technology for Independence

LSA envisions significant opportunities for Lutheran health and human service organizations working together as LSA to exercise leadership in the development and application of various technologies to the fields of aging, disabilities and other areas of service. LSA has formed a small work team of member organizations, chaired by Dr. Daun McKee, recently retired CEO of Diakon Lutheran Social Ministries. This team has met several times and is pursuing an aggressive agenda to map and mobilize Lutheran organizations' technology efforts in monitoring technologies, medication management and chronic disease/ disability management. They are exploring opportunities for preferred relationships with technology firms, for applied research, for testing business and staffing models for the use of the technologies, and for engaging Lutheran SMOs in shared learning. This initiative has good revenue generation potential for LSA as well as significant benefit for members.

Volunteers in Vogue

Volunteering is on the rise and many SMOs are not yet as skilled as they would like to be in engaging new types of volunteers. LSA will help members to build this capacity in order to take advantage of a wide range of volunteer talent and energy. LSA and Lutheran Volunteer Corps are working together under a planning grant on two projects: a non-residential model of volunteering that emphasizes the engagement of older adults, and building LSA's capacity for leadership in volunteerism. Dr. Ruth Reko, recently retired from her position as director of social ministry organizations for the ELCA, has agreed to a volunteer leadership role in these initiatives.

New opportunities in service with children and youth

Many of LSA's member social ministry organizations work with children and youth through a variety of services and settings. LSA received funding for a project to use the coming year to explore the range of opportunities for collaboration on issues of children and youth within the Lutheran system, to identify those that are most promising, and to develop a plan for moving forward with ways to mobilize the strengths of the Lutheran system to make a bigger difference. The goal will be to end the year with a plan for one or more initiatives that can mobilize more LSA members, congregations or partners to improve the lives of children and youth in local communities. Potential sources of funding and ways to sustain the collaborative work will also be explored. It is anticipated that at least one outcome of the planning will be the connection of the issues of children and youth to LSA's Growth Ready. A Center for Enterprise, which has focused first on issues of aging. Through Growth Ready the dissemination of proven or innovative models, programs or engagement strategies for children and youth can occur.

Congregations and aging

Many congregations are identifying both need and opportunity in the area of services to and with seniors. The possibilities range widely, from the simple to the complex – from designing an adult Sunday School series to building senior housing. As a result of their interest in aging, congregations have been reaching

out to individual social ministry organizations, to the church investment funds, to fraternal organizations, to synods, districts and churchwide, and to consulting firms and aging service providers in their communities. This is all good and many interesting programs and experiments are emerging. One of the challenges, however, is that each of those organizations to whom congregations reach out has specialized expertise and it can be difficult for a congregation to explore the broad range of possibilities first, and then find a partner or partners that can provide the specific expertise they need to move forward. The Lutheran social ministry system offers a broad range of expertise in aging. LSA has received a small grant to begin to develop a systematic yet customizable approach to help congregations assess their opportunities, identify a range of models that might serve as a basis for planning, and identify social ministry organizations or others with the expertise and experience congregations need to move forward.

THE POSSIBILITIES INHERENT IN BRINGING PEOPLE TOGETHER

The LSA Annual Conference

The 2009 LSA Annual Conference was a success by all measures. Despite troubling economic times, 83 social ministry organizations, the ELCA, the LCMS and many other partners were represented and the Conference operated in the black. As expected, overall attendance was somewhat down from the past two years, but there were 52 more people in attendance at the 2009 Conference than at the 2005 Conference in Washington, DC. The Conference evaluations were very strong and the breakout sessions were all highly rated. Compared to the 2005 Conference, there was a huge increase in the number of people conducting Hill visits. It is estimated that at least 100 Hill visits were made. The Hill reception garnered great attention from Conference attendees and from the Hill and the White House. And, most importantly, relationships were formed and strengthened.

The April 2010 Annual Conference, *Abundant Life Together*, is also on track to be a success. Attendance projections are solid, programming is strong and spirits are good. Workshop sessions are richly varied and include sessions in which attendees will work with LSA staff and member teams to shape new initiatives. The fruits of the Conference will extend beyond Sacramento as materials from the Conference are shared via the web to new audiences, and many presenters have agreed to present their content through subsequent webinars. Plans are already underway for the 2011 Conference in Milwaukee, the 2012 Conference in Pittsburgh and the 2013 Conference in Washington, DC.

Networks

LSA's peer networks are experiencing a resurgence – membership is growing, collaborative work is expanding, and new directions are planned. Some highlights include:

- The **Chaplains' Network** convened a teleconference on *Healing Language at the End of Life* that was attended by over 70 people.
- The **LSA Communicators Network** hosted a well-attended webinar on the topic of how church relations impacts communications. That network is also planning a pre-conference on the topic of integrating storytelling and social media.

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

- The **Healthcare Mission Leaders** are planning the program for a Roundtable for September 2010. Network members, the CEOs of their health systems, ELCA bishops from those regions and ELCA Presiding Bishop Hanson will explore how closer collaboration might benefit health care institutions, congregations and the community.
- The **Lutheran Financial Managers Association** is planning its annual fall education conference.
- The **Lutheran Information Technology Network** has just completed a survey of SMOs and their IT systems and will use that information to learn together and to explore roles to assist a wide range of organizations. They have also developed a workshop for the LSA Conference.
- The **Council for Human Resource Management** not only has strong program offerings for its pre-conference, but its members are also reaching out to LSA members in California with a special invitation.
- The **Lutheran Retired Executives Group** surveyed a broad range of retired executives and is planning a gathering for the fall in Baltimore and is receiving good response.
- **LSA-Ohio, LSA – Pennsylvania and the Association of Lutheran Social Ministries of the South** are regional networks that bring colleagues together to stay in touch and to explore possibilities for joint endeavors.
- **LAN: A Lutheran Adoption and Foster Care Alliance** is considering new options and has hosted calls for professional updates as well as peer case consultation.
- The **Lutheran Services in America Disability Network** continues to break important new ground. The network conducts deep and detailed benchmarking and pools resources to hire a national-level public policy advocacy director and to support her work actively. This year they are also working with the ELCA on its message regarding disabilities, are planning for a spiritual life conference in 2011, and have received grant funding to assist Lutheran Family Services of Virginia to implement a program of services and supports for people with developmental and intellectual disabilities.

CEO Academy, Leadership Academy and Executive Retreat

As LSA staff identified LSA's core work, **bringing system leaders together to learn**, to connect and to identify as part of the Lutheran system was high on the list. SMOs need leaders who are elegantly skilled in running organizations, but who also see the work as an important way to live out the Gospel and who draw benefit from being part of the larger Lutheran social ministry system. **Face to face relationships** are an important part of that, although LSA continues to offer opportunities for **connection in more virtual ways**.

In this year when SMO travel budgets were significantly reduced, LSA responded to requests to convene the **CEO Academy and the Executive Retreat** back to back in Florida in January. While it was important to experiment, that approach will not be repeated. Despite cold weather, low attendance and one presenter that was a disappointment, CEOs affirmed the value of being together and there seemed to be an "Oh well, sometimes that happens" resilient attitude. The **Leadership Academy**, by contrast, held in the same place two weeks later was a rousing success. The weather was great and that same presenter hit stride. LSA is grateful to Lutheran Retirement Ministries of Alamance County for once again providing funds to scholarship new CEOs to the CEO Academy and for other support of these events. Planning committees for the January 2011 CEO Academy and Leadership Academy met in North Carolina and have hammered out the basics of the events to be held in Arizona. The planning committee for the fall 2011 Executive Retreat will meet shortly after the 2010 LSA Conference.

Learning together

LSA regularly hosts **teleconferences and webinars** that bring people to learn about specific issues and about one another. Some examples from this past year:

- A series of calls on **PACE** (Program of All-Inclusive Care for the Elderly) that included SMOs engaged in PACE, those contemplating engagement and the national PACE consultant
- Planned telephonic convening of the LSA members engaged in **local community development**
- Calls with **affiliated and recognized SMOs** after the ELCA Churchwide Assembly
- A teleconference seminar with **Ted Hart on ePhilanthropy** which attracted 82 participants
- Topical **monthly public policy calls** with Washington, DC experts
- Invitational calls that, at their request, **connect SMOs with peers** to discuss particular issues of interest to them

Many booklets in the **Conversations series**, which now includes more than a dozen titles, are collaborative efforts of social ministry organizations. LSA regularly connects organizations that are looking for information to those who have expertise or experience. One of the real delights for LSA staff members is to experience the joy of making connections between people and in seeing how consistently **organizations are more than willing to share and to learn together.**

LEVERAGING THE SYSTEM BRINGS POSSIBILITIES

Knowing about Lutheran health and human service organizations

Two fundamental building blocks for all LSA activity and opportunity are: knowing as much as possible about the Lutheran system and its members, and engaging and mobilizing members robustly. It is now true that **LSA knows more about the Lutheran system than anyone else** and the depth and breadth of that knowledge continues to grow.

This year LSA achieved several **milestones**:

- **A comprehensive study of the publicly available Forms 990 of LSA members.** Two hundred and sixty-six SMOs file 990s and when subsidiary and related organizations are added, the 990s of 825 entities were compiled. Form 990 information is requested by most publications such as *Forbes*, *Chronicle of Philanthropy*, etc. and helps to put Lutheran organizations on the map. It is also useful in helping SMOs to connect to peer organizations of similar size. Highlights of results are available elsewhere in this report.
- **The highest ever response rate to an LSA survey.** One hundred and eighty-eight CEOs responded to the **Executive Profile and Salary Survey**. It provides basic comparative information that can serve as a data point for boards as they set executive compensation. More importantly, it profiles the leaders of SMOs so that their interests and expertise can be shared. It also facilitates leadership trend tracking over time.
- Good progress on a simple **Reach and Capacity survey**. There are some frequently asked questions that are hard to answer: How many people work for member organizations? How many people receive supports and services through SMOs? As part of its updates to the Growing Connections database of member sites and services, LSA has asked ten simple questions. To date,

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

after nearly a year of work and nagging, slightly more than half of member organizations have submitted even approximate answers to the questions – the outreach will continue.

- Using the Growing Connections information, LSA **has mapped state-by-state the number of sites of a wide range of aging-related services**. This grid quickly demonstrates to potential partners the scope of the system LSA represents.
- **Deeper dives** into specific types of information. The **Lutheran Information Technology Network** surveyed LSA members about basic technologies in order to shape LITN's priorities; The **Technology for Independence Team** has begun the process of telephone conversations with LSA members who might have interest in that project; Leaders of member organizations responded to the **Public Policy and Advocacy Survey** and a plan has been formulated to engage each of the people and organizations (about one third of LSA members) who indicated a willingness to be involved actively. Retired executives were asked about what they would like to see from the **Lutheran Retired Executives Group**. The formulation of a significant survey on **volunteerism** within SMOs is underway. Just some examples of the types of information-for-action that LSA is facilitating.
- **Informal inquiries** continue to climb. As more people within and beyond the Lutheran system recognize that LSA knows more about the Lutheran health and human services system than anyone, the volume of inquiries is growing requesting connections to peers for specific explorations, identification of particular cohorts, and seeking SMO-related information.

Leveraging the power of Lutheran health and human service organizations

In addition to the many new initiatives that bring the Lutheran system into shared work, LSA also leverages the size and strengths of the Lutheran network through:

- **Business relationships** that offer opportunities for savings to LSA members
- **Peer consulting projects** that dip into the diverse expertise within the LSA system to benefit members
- **Workshop sessions** that highlight the work of members and collective possibilities

Serving as a “Grab Hold” place for Lutheran health and human service organizations

Another key role for LSA is to serve as the place where a wide variety of people and organizations, within and beyond the Lutheran system can reach into the large and diverse Lutheran system. Some simple recent examples:

- Lutheran Community Foundation let LSA know of a **donor bequest to build access ramps** and asked LSA to identify members that might benefit. LSA sent a request to all members and two organizations immediately responded with projects on the drawing board and received funds.
- The National Human Services Assembly began a project, *Bridging the Gap*, to work with nonprofit employers to **develop benefits access programs for their low wage workers**. LSA, along with Catholic Charities USA, Volunteers of America, and United Neighborhood Centers of America was asked to participate. LSA then asked members in the Philadelphia area to become involved and they did – with good results not only for their organizations, but the pilot projects will have benefit across the nonprofit landscape.

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

- Civic Ventures, in conjunction with the Gates Foundation, asked LSA to identify ways Lutheran organizations are involved in **projects that help children from low income families complete high school and continue on** for further education.
- Lutheran health and human service organizations, through LSA, are present at **key national tables** including:
 - Leadership 18
 - Leadership Council of Aging Organizations
 - National Collaboration for Youth
 - National Human Services Assembly
 - Roundtable of National Faith Based Organizations
 - White House Office of Faith Based and Neighborhood Partnerships Economic Recovery Task Force
 - Drucker Institute 2009 CEO Forum
 - Civic Ventures/Building Movement consultation on the nonprofit workforce of the future
 - Conversation with the British cabinet officer for nonprofits at DC Central Kitchen

What is **critically important to the “grab hold place”** is that **Lutheran organizations respond** – that LSA can deliver the partners, information and capacity so that the system can grow and prosper and new opportunities can be created.

THE POSSIBILITIES IN “LUTHERAN”

This year’s Conference theme is *Abundant Life Together*. That abundance is understood not only as the ways in which working together pools resources and opens opportunities, but more importantly, is understood in light of the abundant love and mercy God has promised.

Equipping

LSA provides encouragement, opportunities for learning and discussion and stimuli for its member organizations to understand and live out their Lutheran identities and relationships to congregations, judicatories and national denominations. LSA regularly:

- Offers **workshop sessions** at the Annual Conference led by ELCA and LCMS leaders and theologians
- Makes members aware of **publications and resources** available through the ELCA and LCMS and of materials developed by social ministry leaders including the *Hallmarks Conversation* booklet
- **Orients and educates leaders** in the CEO Academy, Executive Retreat and Leadership Academy regarding Lutheran theology, hallmarks, church relations, distinctions between the Lutheran denominations and other Lutheran-related topics using materials, resources and leaders from the ELCA and LCMS
- Includes exploration of Lutheran identity and church relations in its **consultations with Boards of Directors**
- Understands board and staff leadership development to include fostering leaders who are elegantly skilled at program and business, but who also see the work as the work of the church

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

- **Works with the ELCA and the LCMS and their academic institutions and leadership development programs** to make connections with social ministry and to ensure that vocations within Lutherans health and human service organizations are given recognition

At the suggestion of a member CEO, LSA hosted ***Tuesdays Together in the Spirit*** from May through December 2009 and again in Lent 2010. Each Tuesday morning people from across the country joined by telephone for short devotions provided by 32 different lay and clergy leaders. More than 200 people joined the calls over the course of the series, and many more dialed in to listen to the recordings or to download the texts from the LSA website. Many people indicated that it provided much-needed grounding in the midst of a particularly difficult year.

LSA members are very interested in **partnerships between their organizations and congregations** for mutual benefit and greater difference in community. LSA shares examples of projects that are working and several of the new initiatives actively cultivate that intersection.

Church relationships

Challenges and changes within and between the ELCA and the LCMS have made 2009 a year of disquiet for many affiliated and recognized organizations. Following the ELCA Churchwide Assembly, **LSA convened two calls with LSA member organizations so that those organizations might share perspectives from their local situations.** There was a general sense of anxiety about relationships between the two denominations and about shifts within the ELCA and LCMS, but those on the calls noted ongoing local support for the work, and for the cooperative work of Lutherans in social ministry.

The LSA President and CEO, along with the executives of other national cooperative Lutheran organizations, has attended meetings of the **Committee on Lutheran Cooperation** comprised of Bishop Hanson, President Kieschnick and other key leaders from the ELCA and LCMS. She has been invited to participate in, present to and represent social ministry concerns at gatherings and events within both the ELCA and LCMS and their institutions – from a major **ELCA stewardship conference** to the undergraduate commencement speech at **LCMS Concordia University Chicago.**

There is increasingly active engagement of, and relationships between, college and seminary communities and social ministry and also growing integration of social ministry organizations into the broader work of the church. The richness of the possibilities for marrying the strengths of all partners has only begun to be explored.

Building awareness of Lutheran health and human services

LSA was the answer to a Jeopardy question in December. The category was Organizations and the clue was “Garrison Keillor would be proud of this denomination’s ‘Services in America’ helping six million people a year.” Now that doesn’t necessarily make a greater difference for people in communities across the country, but building awareness of Lutheran work is a witness and also a way of inviting a range of people and partners into the work.

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

LSA and its members, while remaining steadfast in doing the work rather than just talking about it, are recognizing **the value of educating others**. LSA finds members echoing broader system messages and talking about the wide range of **Lutheran health and human service work along with telling their own stories**. LSA asks members to share specific examples and stories so that LSA can embed the local stories into the national story. As **LSA and its members engage in social media**, the number of links, re-tweets, and mutual “fan” relationships are multiplying. That is rich territory and opportunity to be explored.

LSA networks are promoting shared awareness building. In Washington, DC, LSA and its members are ensuring that Lutheran legislators and their colleagues in Congress and the Administration know about Lutheran work in health and human services. More often than not, **media mentions of faith groups engaged in work on the ground include Catholic Charities, the Salvation Army, Jewish federations and Lutheran Services in America**. The more that a wide range of potential partners know about Lutheran work, the more possibilities emerge.

POSSIBILITIES THROUGH PARTNERSHIP

Together We Can. That's LSA's tagline and bedrock. Together – with God's help, with one another in the Lutheran community, and with partners beyond – we can meet needs and create opportunities.

Members as partners

Lutheran Services in America **is** alliance partners together. So, in a sense everything LSA does is a partnership with members. But, there are also some specific ways in which engaged members partner with LSA:

- **Consulting services** – LSA members reach out to LSA for consultation to improve operations, to seize new opportunities and to solve problems. LSA's staff members and other business partners provide their expertise, and a deep pool of experts from staffs within the Lutheran system partner with LSA on these engagements.
- **Financial support** – LSA members' dues contribute to shared work and many leaders and their organizations provide additional support through contributions and grants. Some examples include: a very generous grant from Lutheran Retirement Ministries of Alamance County for leadership development; Augustana Care and Lutheran Life Communities' support for this year's AAHSA reception; the staff of Allegheny Lutheran Social Ministries who donated their Christmas contributions to LSA; and the many individuals and organizations who responded to The President's Circle campaign.
- **The ELCA and The LCMS as alliance partners** – The two Lutheran denominations not only provide regular and special project financial support for LSA's work, they also partner in other ways. Barbara Below from LCMS World Relief and Human Care and Ruth Reko and now Josselyn Bennett from ELCA Church in Society program unit serve as liaisons to LSA. They attend staff meetings and calls, serve on the conference planning committees and provide consultation, information and connection to and with LSA in more ways than can be counted. To different degrees and in different ways, the

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

ELCA and LCMS create opportunities for social ministry and its leaders to be lifted up and engaged in the work of judicatories and the national denominations.

- **Volunteer leadership** – SMOs and the church bodies contribute volunteer leadership to the LSA Board of Directors and its committees. Partners also contribute sweat equity to: LSA Networks, task forces, planning committees, advisory groups, and work teams.
- **Project partnerships** – Many of the new initiatives engage and involve members as very active partners in learning, development and distribution.

Consider this an invitation to think of some creative ways to partner with LSA!

Advocacy

The strength of Lutheran Services in America's presence on Capitol Hill during last year's annual conference provided exceptional momentum for LSA's policy and advocacy work throughout the year. The advocacy efforts of LSA member organizations in partnership with the work of LSA staff have contributed greatly to an increased awareness in Washington of the breadth and depth of the impact of Lutheran social ministry organizations in communities all across the country.

Some highlights related to LSA's **public policy priority** issues:

- **Health care** was front and center on Capitol Hill for a significant portion of the past year. The health care reform principles that LSA and its members developed served as the basis for general advocacy and was utilized by members and others. LSA also advocated for the inclusion of several specific provisions most of which were passed. LSA now shifts focus to assist member organizations with the new law and its potential impacts.
- Work on **affordable housing issues** over the past year has focused on passage of reform legislation for the Section 202 Supportive Housing for the Elderly Program and the Section 811 Supportive Housing for Persons with Disabilities Program. The House passed the Section 811 reform bill, but advocacy continues to support the passage of both reform bills in the Senate, as well as passage of Section 202 reform language in the House. A surprise move by the Obama Administration to zero out capital funding for both programs in the FY2011 federal budget has increased LSA's efforts to maintain funding. Continued work to identify a funding source for \$1 billion to capitalize the National Housing Trust Fund has also been central to LSA's affordable housing work.
- Work on **child welfare** legislation has been relatively quiet on Capital Hill in the past year after the signing into law of the Fostering Connections to Success and Increasing Adoptions Act in October of 2008. LSA is hopeful the 111th Congress will take up the reauthorization of CAPTA yet this year, and movement has already begun to reauthorize child nutrition programs.
- Other legislative movement has included a fix to **defined benefit pension plans** and the reinstatement of the IRA **charitable rollover provision** as a part of a large jobs bill passed by the Senate in mid-March, and the beginning of conversation regarding reauthorization of the **Older Americans Act**.

Highlights of LSA's advocacy work in partnership with LSA members:

- LSA has identified **two advocacy goals for 2010**: to increase LSA member contacts with legislators, including site visits; and to increase the number of mobilized social ministry organization staff, board and client advocates.

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

- **Deepening relationships** with Lutheran Members of Congress, representatives of the Obama Administration's Offices of Faith-Based and Neighborhood Partnerships and key individuals from the Centers for Medicaid and Medicare Services. The FBNP directors from HUD, HHS and CNCS will be part of the 2010 Annual Conference in Sacramento.
- The LSA President and CEO was one of 60 Christian leaders who attended the **White House Easter Prayer Breakfast** with President Obama.
- LSA continues to provide **the latest information from Capitol Hill** to member organizations through weekly issues of *LSA Washington*, frequent updates on Twitter and regular action alerts.
- A good response to the 2010 **policy and advocacy survey** will facilitate specific types of member engagement in shared advocacy.
- LSA member writing populated the 2009 and 2010 **reports on the impact of the economy and a Conversations booklet** linking service and advocacy.
- LSA-DN's Policy and Advocacy Team, in partnership with Washington staff and the wider **LSA Disabilities Network**, continues to model ways in which LSA members can be active advocates together.

More partners

LSA's work is enhanced through a **wide range of other important relationships** such as:

- Issue-based and sector-based advocacy coalitions
- Johns Hopkins Listening Post Project collaborators
- National Human Services Assembly, Leadership 18, Independent Sector, Roundtable of National Faith Based Organizations
- American Association of Homes and Services for the Aging, Leadership Council of Aging Organizations, Volunteers of America, National Council on Aging, Collage
- National Collaboration for Youth, Alliance for Children and Families, Consortium for Citizens with Disabilities, UCP
- Building Movement, Civic Ventures, Civic Enterprises, AARP
- Council on Accreditation
- Business partners, sponsors and exhibitors
- Special thanks for the 2010 Annual Conference to Gold Sponsor Thrivent Financial for Lutherans, Silver Sponsor, the ELCA Board of Pensions, and Bronze Sponsor the ELCA Mission Investment Fund.

POSSIBILITIES FOR THE FUTURE

A spirit of possibility and a will that shapes the future

While some people struggle just to react to the rapid changes coming at them, **Lutheran health and human service organizations want to shape the future**. With LSA as the catalyst, the strengths and imaginations of 312 organizations can be mobilized to make a difference. With the goal of ensuring that all people can thrive in and contribute to community, LSA and its members are embracing innovation and new ways of working. Congregations and Lutheran health and human services organizations are discovering new ways of coming together to share the Gospel and words and actions. LSA and its

The 2010 Report of President and CEO

to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

members will be **leaders in seizing opportunities and solving problems**, providing glimpses of the future we envision. This spirit of possibility and resolve stems from an unwavering hope in God, and that has been a hallmark of steadfast and durable Lutheran organizations across many generations.

Equipping for innovation

The 2010 LSA Annual Conference will focus significantly on future-oriented change. E-philanthropy, green initiatives, volunteer trends, social enterprise, social change, technology, social media, client self advocacy and board issues for the future are among the topics. LSA offers *Clues to the Future* in each issue of *LSA Together* and regularly features web resources that encourage members to think in new ways about the future.

A key perspective in helping Lutheran social ministry to express a spirit of possibility is staying focused on the ability to have collective impact even in difficult economic times. LSA has continued to develop **collaborative relationships with field leaders, game changers and organizations that have the expertise and connections LSA needs to help shape the future.** LSA is exploring collaborative projects with Civic Ventures, Building Movement, UCP, the Institute for the Future of Aging Services and the Center for Aging Services Technology.

Translating trends into opportunities

As members search for new ways to fund and sustain initiatives, LSA is serving as a **catalyst for SMO exploration of social innovation and social enterprise.** LSA has begun to catalogue and disseminate information about member involvement in social enterprise to advance the collective learning curve. There are many different approaches and the various theoretical strains are sometimes in conflict with one another. The tension between perceptions of legacy organizations and sexy start-ups cries out for a good Lutheran “both/and” answer and LSA and its members seem the right vehicle!

Each of the **new initiatives** highlighted earlier in this report **translates trends into opportunities** for greater impact.

Shaping change by employing fresh language

A number of streams are coming together that demonstrate the **need for culture-changing language.** Many LSA members are recognizing the need to talk in new and less patronizing ways about their work and their relationship with those whose journeys they share. In other cases perfectly serviceable language now has very particular political overtones. In yet other ways, the way issues are discussed has become so full of jargon that the impact of plain language has been lost. LSA has begun to identify the many areas in which there is need for either **fresh language** or clearer explanations of existing language. LSA will encourage the adoption of language that empowers clients and communities as partners with SMOs and will lay the groundwork for a 2011 emphasis on fresh language that can help to shape a movement toward generosity, inclusion, justice and mutual care.

Creating momentum for change

In the midst of the current environment, economically and politically, there is **opportunity for social change**. LSA has begun to identify individuals and organizations that echo the **themes of generosity, inclusion, justice and mutual care**. LSA has also begun to collect examples of “like that” – articles, pictures, phrases, programs and so forth that in some way point to the sort of change the movement of hope and grace seeks to promote. This year, with limited staff capacity and the need to tend sustainability and revenue generation, the movement creating agenda will be advanced by identifying and learning from potential partners. LSA will work toward a strategy to engage members in these explorations as well.

POSSIBILITY AND CAPACITY

LSA and its members together must develop the capacity bring possibilities to reality. The possibilities and opportunities are multiplying and the constraints are only the limits of imagination and resource.

Human resources

LSA’s staff is talented, hardworking and eager to fulfill LSA’s Ends in partnership with members.

LSA currently employs 12 people full time and one person part time. That is a reduction of three full time positions since April of 2009. One position in public policy advocacy and one in leadership and collaboration have remained unfilled due to budgetary constraints. Two other positions have been combined into one and Adenike Akintilo joined LSA’s staff in January as Event/Meeting Manager and brings not only experience but enthusiasm and skill. Meg Cooch became the LSA Disabilities Network’s Director of Public Policy and Advocacy.

LSA is actively recruiting other sources of talent. Dr. Ruth Reko and Dr. Daun McKee, both of whom retired several months ago, agreed to spearhead major LSA initiatives as **leadership level volunteers**. LSA has **engaged staff members from member organizations** and beyond to serve on advisory groups, work teams, planning committees, and task forces. Networks are stepping up to the plate in system-wide initiatives. Some SMO staff members have volunteered for particular assignments. This volunteer expansion of capacity is extremely valuable.

Financial resources

LSA will end fiscal year 2010 in the black and has submitted a balanced budget for fiscal year 2011.

As contributions from the church bodies have diminished, **member organizations have leaned in with strong financial support** – some paying more than their share of fees to support the shared work.

Others have made special contributions. Augustana Care in Minnesota and Lutheran Life Communities in Illinois donated funds to cover the cost of the LSA Reception at the American Association and Services for the Aging Fall Conference. Lutheran Retirement Communities of Alamance County, North Carolina has continued its extremely generous support of leadership development activities. Others have paid the costs for their staff members to be involved in LSA initiatives.

For the first time, LSA, with agreement from its Board and members, initiated a **fundraising campaign** and nearly quadrupled the number of individual and organizational donors. Again, there was robust

The 2010 Report of President and CEO

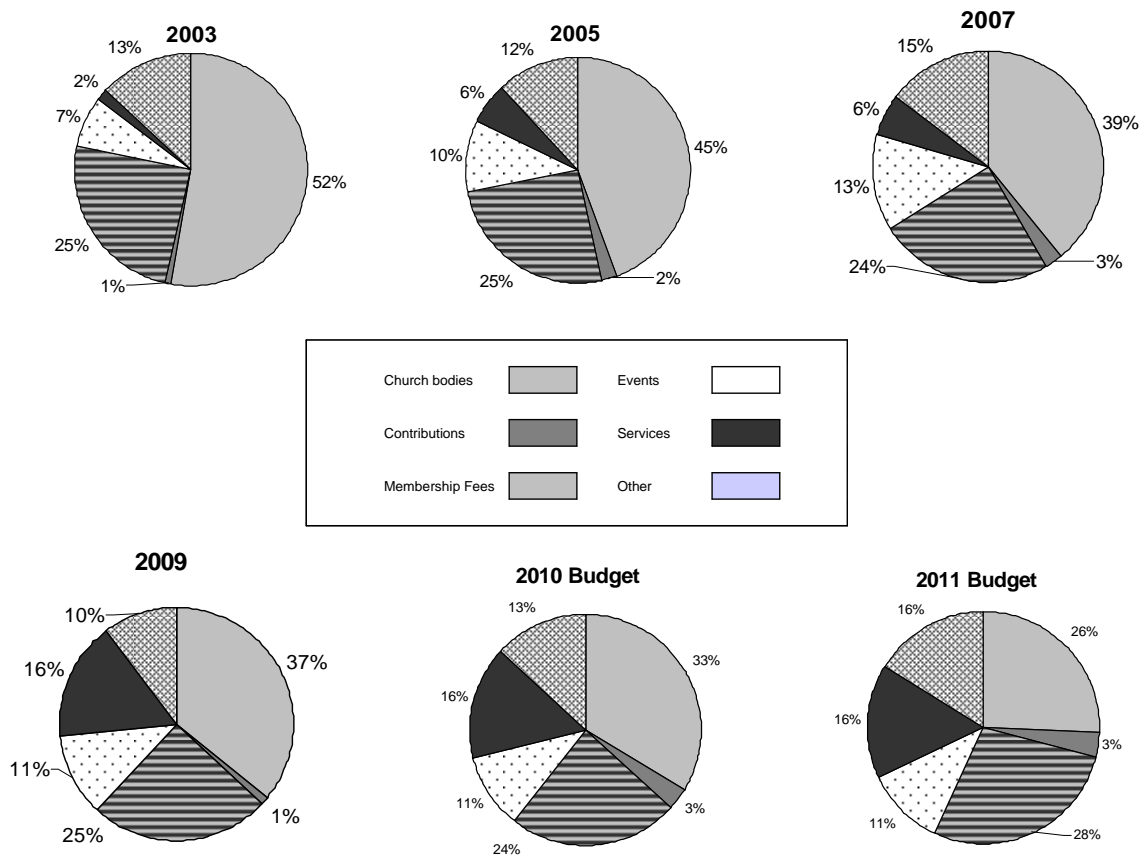
to the LSA Board of Directors and Membership

Lutheran Services in America, April 2010

support from member organization leaders – both staff and Board. LSA staff members also are cultivating relationships with foundations and government offices to secure funding for projects LSA and its members wish to undertake. Due to economic conditions, most foundations have made no new grants, **LSA did receive project funding** from Lutheran Services for the Elderly Endowment and Lutheran Services for Children Endowment, funds administered through the ELCA Foundation. One of those grants will provide LSA with some short term capacity to write grants and develop other fundraising activities.

LSA believes that consulting services, business relationships and several of the new initiatives have the **potential to increase LSA's revenues and to bring substantial benefit for LSA's members**. These win/win opportunities offer the possibility of substantially increased capacity to seize possibilities together.

The following chart describes changes in LSA's revenue mix over time:



Contributions – Includes contributions from individuals and organizations

Events – Includes LSA's Annual Conference, CEO and Leadership Academies and Executive Retreat (not scheduled in FY2011)

Services – Includes consulting revenues, income from LSA-DN for public policy activities, and capacity-related services for projects such as Aging in Community.

Other – Includes revenues from investments, royalties, preferred business partners and restricted grant income

V. IMAGINE THE POSSIBILITIES

Lutheran Services in America is about making connections to answer the call to love and serve our neighbors. Each of the Lutheran health and human service organizations began when a faithful person responded to this call and invited others along on the journey. These roots in the United States reach back more than 200 years and as recently as two years ago. Over and over Lutheran congregations and organizations have recognized issues and opportunities and have pioneered ways to meet needs, solve problems and foster change. They envisioned the sort of shalom that God ultimately promises.

When LSA was created in 1997, its founders saw the possibility that Lutherans and their health and human service organizations could be stronger joined together in a formal way. That possibility of strength together has become a reality. Thanks are due to the many, many faithful people who have been part of that journey thus far.

During the past year, the LSA Board of Directors, led by chairperson Dr. Patricia Savage, and the LSA staff have continued to press toward the future while ensuring good work day by day. Network leaders, members of planning committees, advisory groups, task forces and work teams, volunteers, dues payers and donors, ELCA and LCMS leaders, those who completed surveys or provided information or consultation, and external partners have all played a part in moving LSA forward. In all 50 states and the Caribbean the staffs, volunteers and congregations connected with Lutheran health and human service organizations are faithfully fulfilling vocations of mutual care. This in the midst of economic challenges and a rapidly changing landscape.

We have only begun to glimpse the picture of possibilities. New ways of thinking, new technologies, new framing of strengths and opportunities, fresh language that shapes expectations, and new ways to engage the hearts and energies of people who want to make a difference are just around the corner. Together we can help to shape the future. We can be the change we want to create – that movement of hope and grace toward a society that values generosity, inclusion, justice and mutual care.

**Imagine how life might be different
for all of God's people
when such a strong and faithful group
steps out with God's help to meet the future.**

UPCOMING EVENTS

**Lutheran Information
Technology Network
Spring Conference**

May 2-4, 2010
Waverly, IA

LSA CEO Academy

January 17-20, 2011
Carefree, AZ

LSA Leadership Academy

February 7-10, 2011
Carefree, AZ

LSA Annual Conference

May 3-6, 2011
Milwaukee, WI

LSA Annual Conference

April 16-19, 2012
Pittsburgh, PA

