



Ten Principles In Salary and Benefit Considerations

A Travel Free Learning Article

By

Dick Hamm

Ministry Colleague with The Columbia Partnership

Voice: 317.490.1968, E-mail: DHamm@TheColumbiaPartnership.org

Web Site: www.TheColumbiaPartnership.org

Recently I was asked if I had any guidelines regarding how much congregations should pay their pastors. There are many factors, of course, including what part of the country is involved, experience, etc. But there are more subtle factors that should also be considered as well. The following are some principles I have developed over the years.

1. There cannot be too big a difference between what pastors are earning and the average compensation of congregational members, or there will be resentment. Members may feel their pastor is paid way beyond their own incomes. Pastors may be resentful if their income is far below the average member.

2. There should be *some* difference between what the pastor receives and the average income of members, given that the average member probably does not have a minimum of seven or more years invested in education beyond high school.

3. The education level of pastors should be a consideration. Seminary graduates typically spend a lot of money on undergraduate and graduate education. It is not unusual for seminary graduates to finish school with \$80,000 or more in student loan debt. Not only must ministers pay for their education, but they are also not making much, if any, money while they are in college and seminary, even with scholarships or loans they may have received.

The economic impact of not being able to actually begin making a full living until their mid or late 20s is significant; if they go straight through college and seminary it can amount to hundreds of thousands of dollars. The cost is even greater with second career students who are taking time out to go to seminary during the potentially highest earning years of their lives had they remained in secular employment. Obviously, this investment in education is less for ministers who have not attended seminary.

4. The level of responsibility is also a factor. A solo pastor of a congregation is on call 24/7. This responsibility weighs heavily. Every experienced minister can recall times when he/she had to forego family outings or other personal activities, or to return early from a vacation to conduct a funeral or to address pastoral emergencies. Senior pastors typically do not have quite the same level of 24/7 on-call responsibility, but do have the additional responsibilities of supervision and coordination of the work of the staff. These kinds of responsibilities are typically not onerous, but they do require energy and time to manage and fulfill.

5. The level of competence is a factor. Ministers who are not just gifted but also well prepared, highly motivated, and who regularly take initiative should be encouraged financially as well as spiritually and emotionally. Otherwise, they will eventually go somewhere that appreciates them more or they will feel the resentment of being under-appreciated.

6. The cost of living in the community in which the congregation lives is a factor. Ministers serving in major metropolitan areas generally have higher living expenses than those serving in smaller cities, towns or rural areas. Cost of living indices (such as those provided by the US Chamber of Commerce) can be

very helpful in determining relative costs of living. These indices generally give an overall cost-of-living rating (with 1.0 being the national median: more than 1.0 means the cost of living there is more than the national median while less than 1.0 means the cost of living is less than the national median) and an individual rating for items such as housing, food, transportation, etc. Someone moving from California may reasonably expect to make half the dollars in, say, Dothan, Alabama while actually receiving a raise in terms of actual spending value of the dollars received. Of course, moving from Alabama to California means the exact opposite. Check the indices!

7. Self-care is a factor. Ministers who are most effective and who remain most effective take some time for recreation, which carries some financial cost with it. Ministers who can never travel, or never go to a sports event or concert, or who must avoid movies and a reasonable number of meals out, are going to be less productive.

8. Another important measuring stick has to do with how much ministers in similar roles in similar size congregations in similar settings are receiving; both those of your own denomination and those of similar denominations. A simple survey of 5 or 6 congregations can be helpful in this regard.

9. Over time congregations tend not to keep up with inflation, which means that ministers earn less and less in real dollars over the years that they remain in the same congregation. In fact, many otherwise happy ministers end up moving simply because they can't afford to stay at their current church. Regular attention to cost-of-living increases is necessary and merit increases are above this. When the minister does leave or retire, keeping up annually means there will not be a nasty surprise for the congregation when they find out how much they have to increase their budget to attract a new pastor. Sometimes this sticker shock is so great that it sabotages the new minister's work as some members resent how much more he/she is being paid than was paid to beloved brother/sister so-in-so.

10. Be careful about what is called fringe benefits. Continuing education, sabbaticals after five to seven years, book allowances, convention allowances, and car allowances are not benefits in the usual sense of the term: they are costs of doing business for the congregation because you want ministers who are able to continue to sharpen their skills, and to stay appropriately connected to the wider church and their colleagues. Salary, vacation, pension and insurance are more accurately described as benefits, although I believe congregations have a moral responsibility to provide pension funds and medical insurance.

Important Things to Know



Dick Hamm is a Ministry Colleague with The Columbia Partnership. He is also executive administrator for Christian Churches Together in the USA. His most recent book is ***Recreating the Church: Leadership for the Post-Modern Era***. He is available for speaking and coaching with leaders, congregations, denominations, and parachurch organizations.

The Columbia Partnership is a non-profit Christian ministry organization focused on transforming the capacity of the North American Church to pursue and sustain Christ-centered ministry. Its vision is to engage 2100 congregations in transformation annually by the end of 2017. ***Travel Free Learning*** is a leadership development emphasis of The Columbia Partnership. For more information about products and services check out the web site at www.TheColumbiaPartnership.org, send an e-mail to Client.Care@TheColumbiaPartnership.org, or call 803.622.0923.

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