

Determining the Minister's Compensation

Establishing and negotiating the minister's compensation and benefits is a highly contextual activity. It is unique and specific to each congregation. The data contained in this report may guide that process, but it is intended more to be a comparative guide. That is to say, it is not intended to answer the question, "What should we pay our minister?" The Salary Survey, however, can help congregations understand ministerial compensation in comparison to congregations of similar size and in a similar context.

So how much should a congregation pay its minister? The easiest answer to give, although possibly not the quickest to compute, is that the congregation should support its minister in a lifestyle comparable to the leadership of the church and appropriate to the community in which the church is located. A little research can point a congregation in the right direction.

Take a look at the church's community. Data from the U.S. Census Bureau can provide the median household income in a community. Remember that "median" means "middle." The median is the point at which half the households have a higher income and half have lower. The Census Bureau also reports the distribution of household incomes for a community. Using the tools available on the Census Bureau web site (www.census.gov), a congregation can retrieve this information for a variety of community settings.

Another piece of information is the salary table for the local school system. In many communities, this is public information, available on state and local education web sites. A typical comparison is to determine the salary for a teacher with 10 years experience and a master's degree. How does the minister's salary compare with experienced teachers and school administrators in the local school corporation?

Take a look at the church leadership. Although one might ask what the average income is among the leaders of the church, there are ways to approach compensation for the minister that aren't quite so intrusive and personal. Where do the church's leaders live? What are the typical house values in those neighborhoods? What kind of salary would be required for the minister to live in those neighborhoods? Answering these questions will help the church arrive at equitable compensation for its minister.

This research, however, only determines the level of base compensation for the minister. Benefits such as health care coverage and pension fund dues should be paid on behalf of the minister in addition to, not as a part of, base compensation.

The church must also consider what is expected of the minister. If it is expected that the minister will be bi-vocational and earn a portion of his or her living from work outside the church, then the church is only responsible for a portion of the minister's compensation. If, on the other hand, the church expects the minister to be full time, devoting all his or her working time to ministry and leadership in the congregation, the church must be responsible for the minister's equitable compensation.

The other factor to consider is the amount that the church can afford based on its size and operating budget. This is the question that determines whether it is fair for the church to expect full time service from its minister. The Salary Survey indicates that it is typical for a church to expend 60% of its operating budget for all staff, including the ministers and other church employees. Consider a church with an operating budget of \$100,000 that employs a minister and a part-time administrative assistant.

60% of the operating budget is \$60,000. If the church pays the administrative assistant \$18,000 per year, that leaves \$42,000 for the minister's compensation and benefits. If the minister's 14% Pension Fund dues are included, that leaves \$36,842 for base compensation and does not consider health care premiums. If the church is providing health care coverage in this example, base compensation is reduced even further. The church should examine that level of compensation in comparison with the church and the community and determine if it is fair to expect full-time commitment from the minister based on that compensation. The answer will vary from community to community and church to church.

Ministerial compensation, as stated earlier, is highly contextual based the community and the congregation. To get assistance with questions about clergy compensation, contact the office of the Christian Church (Disciples of Christ) in Oklahoma at (405) 528-3577. The Pension Fund of the Christian Church (www.pensionfund.org) can also help with questions about clergy compensation and benefits.