

# Many clergy vulnerable to health insurance loss: Pastors of small churches especially hard hit

News in the [August 25, 2009](#) issue

While a sour economy and rising costs make it harder for small businesses to afford health coverage, one group of employees is especially vulnerable: clergy.

Many denominations provide health care for clergy, but pastors of small and independent churches can be hard-hit by rising health-care costs. Some clergy latch onto their spouses' health care, or take a second job that offers insurance. But as the job market tightens, even those secondary solutions are hard to come by.

For the clergy, health-care reform has become personal.

"So many churches are small and too many pastors are uninsured," said Leith Anderson, president of the National Association of Evangelicals, in a statement. "As clergy age with the rest of America's population, we may see a growing list of pastors entering retirement with bankrupting medical bills."

According to an NAE survey last year, 80 percent of respondents said they receive health insurance outside of their church. At the time, Anderson called it a growing problem for American pastors and churches. A year later, not much has changed.

Anderson said layoffs and downsizing at churches have left many clergy members at risk because religious institutions are exempt from buying unemployment insurance.

Simeon May, chief executive officer for the National Association of Church Business Administration, said many pastors have seen the value of their 403(b) plans—a church equivalent of a traditional 401(k) savings plan—drop dramatically in the recession.

In a 2006 NACBA survey of its membership, which includes personnel from many mainline Protestant churches, only 26 percent of full-time ministers and their

dependents were fully covered.

Many pastors cannot afford to pay out of pocket for their own plans, and denominations face difficulties footing the bill for group plans, particularly when premiums rise as church staff age.

“It was an ongoing problem before the economy tanked because it was just difficult for small churches and individual churches to get affordable health care,” May said.

L. Roy Taylor, stated clerk of the Presbyterian Church in America, said “solo pastors”—those operating a church by themselves—are meeting with the most difficulty.

Taylor said some solutions lie in cooperatives such as Samaritan Ministries International, in which pastors of all denominations pay for each other’s medical bills. However, some younger ministers opt out of these plans, finding cheaper rates on their own. This places a larger burden on other pastors to make up the difference for the cooperative premiums.

Some denominations, including the Conservative Baptist Association of America and the Church of the Brethren, have dropped health insurance plans for their clergy, in part because of the rising cost of premiums.

Don Shaw, a regional director in the CBA, said he is disturbed when he hears the “self-centered opinion” of people who are against national health care because there could be an influx of needy patients and a shortage of available doctors. At the same time, he said, “I don’t know that Obama’s suggestions are really helpful either.” - *Lindsay Perna, Religion News Service*