

What pastors get paid, and when it's not enough

## Financial stress is harming ministers—some more than others.

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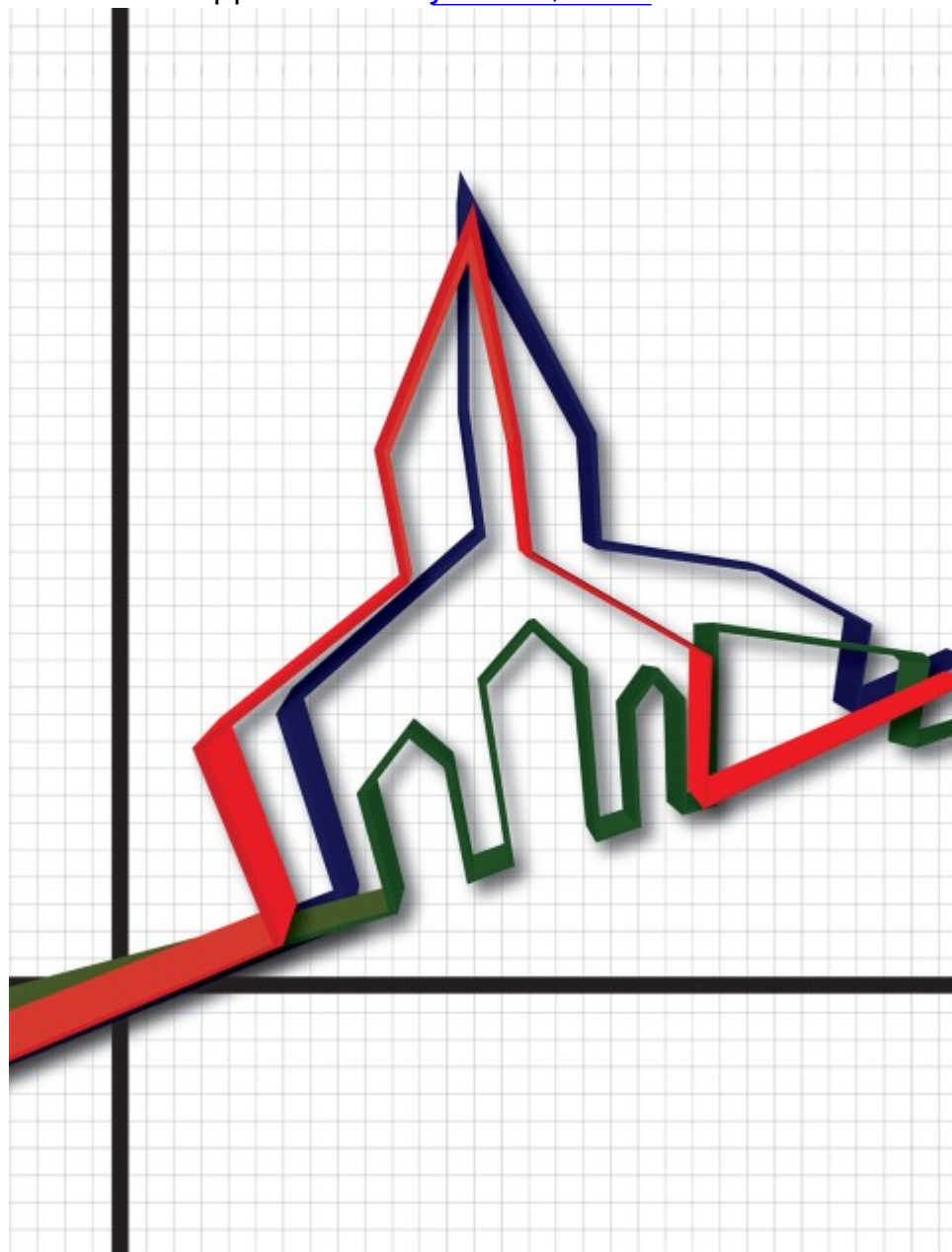


Image by [Daniel C. Richardson](#)

In recent months, schoolteachers in various parts of the country have gone on strike, protesting (among other things) their low salaries. In 2017, the average elementary and middle school teacher in the United States made \$60,900 according to the Bureau of Labor Statistics. For many clergypersons, that figure looks pretty good since the average clergy salary is \$50,800. But unlike most teachers, clergy are not in a position to strike for higher wages.

Salaries of teachers and clergy range above and below these means, of course; but regardless of regional variations or demographic contexts, teacher salaries tend to be higher than clergy salaries.

Calls for higher wages are voiced not only by teachers in poorer states but also by those in places where teacher incomes are well above the national average. In some high-priced urban settings and coastal states, the relatively low salary of teachers makes it difficult for schools to attract teachers. For clergy too, whatever the setting, their relatively low salary is often an issue of economic survival.

The financial situation of clergy has been exacerbated in recent years by the rise in student debt. The percentage of MDiv students who incurred debt at seminary increased steadily from 2002 to 2014, rising from 54 to 64 percent among new graduates. The average debt incurred while at seminary increased from \$26,100 in 2008 to \$36,807 in 2016. The amount of student debt brought to seminary also increased, with the proportion of MDiv students bringing \$20,000 or more of debt nearly doubling (from 14.9 to 29.3 percent) between 2007 and 2017 according to the Association of Theological Schools (ATS).

In 2018, new MDiv graduates with student loan debt owed an average cumulative amount of \$54,600. Education debt is usually seen as an investment that will pay off in higher income, but for clergy larger salaries are not necessarily forthcoming. In order to justify such debt, a borrower would need a starting salary of more than \$65,000 to meet monthly payoff guidelines—a figure that is well above the average salary for all clergy.

People don't go into ministry for the money. Most say they expect only to live "well enough" or to have "a reasonable standard of living," to quote two pastors we heard from in our recent research. But some find that their families must "struggle to keep a roof over [their] heads and gas in the tank," as another pastor put it. It's clear that financial stress takes a toll on many ministers, and that the situation for younger

clergy is especially challenging. The burden of debt along with the declining number of congregations that can support a full-time pastor has created a financial crisis for the whole profession.

It was not always this way. In 1890, clergy on average earned more than three times as much as schoolteachers did (see James Hudnut-Beumler's *In Pursuit of the Almighty's Dollar*). Over the next century, that advantage steadily decreased until it vanished in 1970. By 1990, clergy made on average only two-thirds of what the average schoolteacher made. Since then, the disparity has moderated, but largely because of stagnation in teacher pay rather than increases in clergy salaries.

A central fact of clergy finances over the decades is that ministers are not paid very well given the educational demands and requirements of the profession and the relative incomes of their constituents. In 2017, the average income of all wage-earning adults in the United States was \$50,620—almost identical to the average income of clergy. But there is a large discrepancy between the average level of education among clergy and that of the adult population generally. Among clergy, 51 percent have master's or doctoral degrees, compared to only 14 percent of the general population. But higher education has not meant higher income. In the words of one pastor in the Christian Reformed Church, "though we are paid well compared to some pastors in other denominations, I am not paid well considering my two graduate degrees and ten years in university."

The occupations in which salaries are comparable to those of clergy tend to be helping professions such as counselors, social workers, and licensed practical nurses. Counselors and social workers make about the same as clergy, with an even larger proportion of counselors having advanced degrees (53 percent). Many nurses tend to make considerably more than clergy, but the notable exception is licensed practical nurses, who make \$5,000 a year less than clergy on average with much less education (only 5 percent of LPNs hold a bachelor's degree or higher). Educational administrators are somewhat more likely to have a master's degree than clergy, but they earn salaries that are almost twice as high (\$95,000 on average). For clergy, then, compensation is relatively low and comparable to professions that don't require as much education.

Clergy are likely to have more education than most members of their congregations but incomes that are comparable, if not lower. "While I understand that no one goes into ministry to get wealthy, neither do we take a vow of poverty," a pastor observed, adding, "We do not live extravagantly, which is something of a challenge

when you live in a community where the median income in the community and in the church is significantly higher than ours.”

That’s the big picture of clergy compensation, which obscures the great variations that exist between and within denominations. Some pastors are extremely well compensated, and their salary package includes perks such as country club memberships and new cars. Others earn wages comparable to a fast-food worker’s. Unlike many professional occupations, it isn’t possible for clergy to make extremely large amounts of money—unless one is a televangelist. It is possible, however, to make very little money.

We can fill in some details for clergy from research conducted among 31 denominations and judicatories as a part of their participation in the Lilly Endowment’s 2015–2016 National Economic Initiative. We analyzed data from scores of surveys representing over 25,000 pastoral leaders. No single research instrument was used, although some surveys included identical or similar questions, allowing us to get at key issues such as salary and debt. In several cases, questions on denominational surveys mirror items that were also included in governmental occupation surveys or polls conducted by financial institutions. The most useful, comparable data came from 15 denominations (seven mainline Protestant, seven conservative Protestant, and one Orthodox), though the questions asked were not always identical and the data collection methods varied. The results provide, nevertheless, a glimpse into the financial situation of clergy.

Full-time clergy in the Episcopal Church, the Christian Reformed Church, and the Greek Orthodox Church had median salaries of \$75,000 or more in 2015. The Episcopal Church is the most highly educated and affluent Protestant denomination in the United States, so the norms for salary tend to be high. The CRC has guidelines for clergy salaries, and so does the Evangelical Lutheran Church in America. The Greek Orthodox Church also sets minimum compensation—in 2016 at \$51,120—but not all Greek Orthodox churches pay their priests according to the guidelines, resulting in income disparity and low salaries in small, less affluent congregations.

Salaries in the Assemblies of God and the Church of the Nazarene tend to be lower than the average for all clergy. This holds true in most evangelical denominations where each congregation decides clergy pay and churches are often quite small.

Increasingly, congregations are turning to part-time clergy in various incarnations (such as half-time or two-thirds time) as they find themselves with more limited

resources. A little over half of Episcopal congregations have a full-time priest—which leaves 48 percent with part-time priests, supply priests, or volunteer leaders. Both mainline and evangelical denominations have a large proportion of clergy who are part-time or bivocational (even trivocational) or who essentially donate their services to congregations, and given financial pressures on congregations, the number is likely to increase.

In the Mennonite Church, 23 percent of clergy are part-time, and 19 percent are bivocational. In the Church of God (Anderson, Indiana), 27 percent are bivocational and another 6 percent are trivocational. One evangelical pastor said he supplements his church income by doing home remodeling while another former full-time Baptist pastor supplements his retirement income by painting houses. One irony is that part-time clergy may not be eligible for benefits—policies on this vary by denomination—even though they need them more than pastors who are full-time. Many congregations with part-time clergy thus save not only on what they pay in salaries but on what they don't pay in benefits.

The economic difficulties of American clergy are more severe in smaller churches, and there are a lot of small churches. In the CRC, satisfaction with salary is highly correlated with church size. Over 80 percent of clergy in churches with 200 members or more say they are satisfied with the salary they make, but among small churches with 100 members or less the proportion who are satisfied drops to below 50 percent.

In the ELCA, the proportion of churches with average attendance of 50 or less increased 15 percentage points from 2000 to 2015—it's now at 37 percent. The Episcopal Church had an even larger proportion of small congregations in 2000 (33 percent), and it too saw a large increase—to 47 percent in 2017—rapidly approaching half of all Episcopal congregations. As a result, there are more congregations that cannot afford a full-time priest.

Gender remains a factor in compensation: female clergy tend to earn less than male clergy. In the Episcopal Church, full-time male clergy earn an average of \$12,000 more than female clergy. In the ELCA, full-time male clergy earn \$8,000 more than full-time female clergy.

One of the reasons female clergy earn less than male clergy in the Episcopal Church is that women priests are much more likely to be employed in small congregations and in associate-level positions. Women are more likely to be offered and to take

lower-paid positions in the Episcopal Church and in many other denominations that ordain female clergy. Survey data from the United Methodist Church show that number of years in the ministry explained most of the income differential between men and women, and fewer years in the ministry might well be linked to serving in associate-level positions and smaller congregations. Number of years in ministry is also, of course, often affected by childbearing and rearing. Analysis of Disciples and ELCA data showed that salaries for female clergy started at lower levels than for men, and the disparity remained over time. Open-ended survey comments from female UMC clergy also point to many instances in which male clergy were offered more money than female clergy for the same position.

Ministers' salaries are relatively low given the requirements of the job.

One organization which supports African American ministries, the Samuel DeWitt Proctor Conference, conducted its own research on clergy finances. The results cannot be directly compared to that of research on other denominations because the questions are worded differently, but they do suggest greater economic challenges for black pastors. Only 33 percent felt "fairly and adequately compensated as a professional," and 67 percent say that they have "particular financial stress" at the present time. By contrast, 67 percent of local church clergy in the CRC are very satisfied or satisfied with their base salary, 54 percent of ELCA clergy agree that "my compensation meets my financial needs," and only 16 percent of Church of the Nazarene clergy say their financial situation is in some or serious difficulty.

Similarly, clergy of color in majority-white denominations earn less and are less satisfied with their salary than their white counterparts. In the CRC, 71 percent of white clergy are satisfied with their base salary, as compared to only 34 percent of clergy of color. Clergy of color in the CRC also are much more likely to have a secondary ordination status as "commissioned pastors" and tend to serve in smaller churches. In the Christian Church (Disciples of Christ) 59 percent of nonwhite clergy earn less than \$40,000, compared to 20 percent of white clergy. As is the case with gender, race is a barrier to better positions and higher salaries, which makes it much more difficult to maintain a reasonable standard of living without outside income.

Clearly, a huge factor shaping clergy finances is debt, as is shown in data from various NEI surveys. For younger (under 35) United Methodists pursuing ordination, 72 percent had outstanding student loans, with a median amount of \$40,000. For younger ordained United Methodists, 67 percent currently had education loans, with

a median amount of \$30,000. Many spouses of UMC clergy (30 percent) also had outstanding student loans, adding to the total education debt of the family.

Among clergy in the ELCA, 80 percent incurred education debt at some point before graduating from seminary. Among Mennonite pastors, 70 percent had education loans at some point, with 18 percent still owing student debt. And for those Mennonite pastors with education debt, only about half thought that they had enough income to repay the loans.

It's the more recently ordained clergy who are most concerned about education debt. Among clergy in the CRC, 34 percent of those ordained in the last five years were "concerned" or "very concerned" about their student debt, as compared to only 15 percent of those ordained six to 11 years ago. Similarly, over 40 percent of UMC clergy ordained for less than 10 years owed more than \$25,000 in educational debt as compared to only 15 percent of those ordained for ten to 14 years and 5 percent of those ordained 15 years or more.

The rise in debt reflects the exceptional rise in seminary tuition and the broad national trend toward financing education through loans. From 2000 to 2016 average seminary tuition almost doubled (up 97%), increasing much faster than the rate of inflation (39%). One pastor wrote that because of the expense of seminary and the debt incurred, his family had to take on a paper route and he drives for Uber.

Seminary debt tends to be particularly high among black clergy, and proportionately more black seminarians take out loans. According to ATS data on recent seminary graduates, 55 percent who identify as black (non-Hispanic) owe \$40,000 or more, compared to less than 20 percent of white non-Hispanic graduates. Black, Hispanic, and Native American students borrow at higher percentages and loan amounts because their families have lower incomes and less access to financial resources.

The burden of debt makes it hard for clergy—and particularly younger clergy—to save for emergencies. When asked about money for emergencies, 46 percent of clergy in the Missouri Conference of the UMC were dissatisfied or very dissatisfied with their available savings. Among clergy in the Church of God, Cleveland, Tennessee, 24 percent have no savings and 53 percent have savings of less than \$1,000.

Clergy in the ELCA are much more likely to say they are satisfied with their standard of living (74 percent) than to say their “compensation meets their financial needs” (54 percent). A nearly identical finding was seen for CRC clergy who, like the ELCA, tend to be paid more than the average minister.

One reason that satisfaction with standard of living is higher than satisfaction with salary is that standard of living is based on household income. Most clergypersons are married, and most of their spouses are in the workforce, so the median household income for all clergy of \$55,775 is considerably higher than the median clergy salary of \$47,000 (note that the median salary is a bit lower than the average salary for all clergy). In the ELCA, the median household income for clergy with a full-time call was \$86,000 as compared to the median defined compensation of \$63,000 (consisting primarily of salary and a housing allowance). “My salary and benefits packages are sufficient for me to have a reasonable standard of living,” one pastor said, but “it is not enough to get ahead.”

Many clergy live paycheck to paycheck, and some apparently finance their living standard with loans and credit card debt. It is possible to be both satisfied with the way one’s family is living and still under financial stress because of the difficulties in maintaining that standard of living. Financial stress is not just about relative lack of income; it also is about the ability to live a reasonable lifestyle with one’s expenses and debts.

The burden of debt has created a financial crisis in the profession.

It is clear that the financial challenges for clergy have increased over time. In an analysis of the national labor market from 1976 to 2016 (published in the journal *Sociology of Religion* in 2017), Cyrus Schleifer and Amy D. Miller found that clergy had a distinct income disadvantage compared to others with similar education. Among male clergy, the disparity became steadily worse. Male clergy made 30 percent less than their educational peers in 1976 and 44 percent less in 2016. For female clergy, the income disparity has stayed the same for the past 30 years at 29 percent. Female clergy continue to earn less than similarly educated women in the larger workforce, but the income disparity between male and female clergy is diminishing.

The primary financial challenge facing clergy in the United States can be stated as a dilemma: How does a clergy household maintain a standard of living consistent with the status of their position and the members of their community when the financial



costs for clergy education have greatly increased and clergy salaries have decreased relative to other professional occupations? Maintaining a comfortable but marginally middle-class lifestyle for full-time clergy on the higher end of the income range is possible if one is not saddled with large education debt. With large education debt, even more highly compensated clergy struggle to make ends meet and are unable to save for retirement or emergencies.

For less well compensated clergy in full-time positions, a comfortable middle-class lifestyle is more difficult, and particularly so if the clergyperson is single or married with a spouse who does not work. Even without the burden of student debt, it is difficult for middle-income clergy to save for retirement and keep levels of consumer debt low. And if the clergyperson is in a church or denomination that does not contribute substantially to a pension or retirement account, it will be very difficult to retire with a comparable standard of living. Some categories (and sometimes overlapping categories) of clergy—women, black and Hispanic, and those serving small congregations—are at a distinct disadvantage regarding finances. Male clergy, white clergy, and clergy in congregations of 100 or more in average attendance tend to fare much better on income.

Given the sobering figures on clergy salary and debt, it may be surprising that the profession attracts so many candidates. But another of the atypical things about the ministry is that while clergy are underpaid compared to almost all professional occupations, the level of occupational satisfaction for clergy is among the highest (see Tom W. Smith, “Job satisfaction in the United States,” National Opinion Research Center, 2007). And while advanced education does not tend to benefit clergy financially in the same way it benefits other professions, most clergy say the degrees they received are worth the expense.

Clearly job satisfaction for clergy is not driven by money. But the stress associated with marginal incomes, large debt, and the inability to save has caused many to consider leaving the ministry. The compounding financial pressures that most American clergy experience raise important questions for denominations, seminaries, congregations, and all agencies that support clergy—not the least of which are questions of justice as well as compassion.

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