

Deciding on pastor's pay still tough, experts say

by [Robert Dilday](#) in the [October 16, 2013](#) issue

It may be one of the most uncomfortable—and sometimes contentious—questions in congregational life: How much should we pay our senior pastor?

Ministers struggle between commitments to a self-sacrificial calling on the one hand and providing for their families on the other.

Congregations big enough to attract capable leaders are grappling nevertheless with declining contributions and tight budgets. And personnel and pastor search committees find a bewildering array of charts, comparisons and suggestions for ministerial compensation.

“It would be almost impossible to use a meaningful number that could be universally applied,” said Bill Wilson, president of the Center for Congregational Health, citing the wide range of church sizes and financial health, as well as demographic and cultural contexts and ministers’ years of service.

Many refer to surveys by the National Association of Church Business Administration (NACBA) and *Christianity Today's Compensation Handbook for Church Staff*, both updated regularly. But a Google search on the subject yields endless links—some the results of scientific polls, others a collection of anecdotes.

National averages in those surveys range widely—from about \$83,000 (not including benefits such as health-care insurance and retirement contributions) to about \$112,000. But national averages often are less decisive for personnel committees than factors closer to home.

“Many of them simply assume that what they have budgeted from their last minister will suffice,” said Wilson. “When they do a study, they are often surprised by ‘sticker shock,’ especially if they have had a long-tenured staff member. Most ask denominational headquarters to help with this” or seek help from organizations like the NACBA.

“A few tie the pastor’s [salary] to what local teachers make, or what their cousin in Toledo makes at his church,” he added.

Another common approach is to estimate the average income of families in a church and use that as a basis for the pastor’s compensation, LifeWay Christian Resources president Thom Ranier said in a recent blog post.

Tom Nelson, an evangelical pastor and writer for the Gospel Coalition, noted in many suburban contexts a pastor’s salary is placed in the same range as the local public high school principal.

Other dynamics play a role. A church’s size and its income are critical, for obvious reasons. But so is education. The *Compensation Handbook for Church Staff* suggests pastors with a master’s degree earn 10 to 20 percent more than those with a bachelor’s degree, and a doctorate adds another 15 percent on top of that.

And then there’s gender. Female pastors earn about 20 percent less than male pastors with similar levels of experience and education, according to MMBB Financial Services (formerly known as the American Baptists’ Ministers and Missionaries Benefit Board). And their annual salary increases are about 28 percent less.

Data in the most recent *Compensation Handbook* indicates the gender pay gap extends to all paid positions in churches. Male employees generally are paid almost 30 percent more than women in similar positions.

“This particular bit of data really baffles me,” Marian Liautaud, an editor for *Christianity Today*’s church management team, said in an interview with the *Christian Post*. Liautaud said the pay gap between men and women also is evident in a congregation’s “business-oriented positions,” such as the executive pastor position.

“There is an element of exploitation,” said Molly Marshall, president of Central Baptist Theological Seminary in Shawnee, Kansas. “Women are anxious to serve as pastors. So, they will not negotiate for fair pay. Further, churches who call women are often strapped financially and in decline. Women enter these situations with knowledge that compensation will be meager.”

Church polity also impacts the size of pastors’ salaries. According to a Duke Divinity School study, connectional churches—such as Presbyterian or Lutheran—pay their

pastors more than congregational churches, such as Baptist churches or churches in the United Church of Christ.

Although connectional churches often have wealthier members than congregational churches, the Duke study found centralized denominational decision making just as decisive in keeping pastor salaries higher.

By contrast, salaries in self-governing congregations largely are driven by market forces and by supply and demand. In the nation's largest churches, the free market actually reverses the pattern, and pastor salaries in congregational churches begin to surpass those of connectional ones.

"To attract entrepreneurial clergy, some very large churches are paying entrepreneurial salaries," the authors of the Duke study wrote.

The bottom line, LifeWay's Ranier said, is "churches that do not do their homework on pastoral compensation tend to underpay their pastors."

Getting it right—or coming close to it—can be critical to a church's ability to retain qualified leadership. Ranier acknowledged what often is unspoken—some pastors leave churches because of pay issues. "You will not likely hear a pastor announce in his resignation that he is leaving because of financial pressures," Ranier wrote.

"The reality is that, for a number of pastors, the issue of compensation is a major push from one church to another, or from the church to a secular vocation. It's not that the pastor is in his job for the money; it's that the compensation for his vocation is insufficient to meet his family's needs," he said. —ABP