

## **A Guide for Determining Pastor's Salary**

Studies have indicated that the key to healthy congregations is healthy pastoral and lay leadership. One key factor in attracting healthy pastoral leadership is compensation. As in any occupation the more highly skilled worker usually receives a higher wage. The same is true in the church.

The challenge for the church has been determining compensation for church staff without any standards. This guide is an attempt to suggest **minimum standards** which have been determined by studying clergy compensation across the United States in multiple denominations. The minimum salary of \$40,000 is one which has been developed by one region (Rochester/Genesee) through a comparison of clergy salaries with entry level salaries for professions requiring similar educational preparation. The spreadsheet attachment has used two cost of living calculators to determine what the minimum base salary would be in various locations across the country where ABC-USA congregations are located.

The websites used in calculating the cost of living comparisons for other communities are: <http://www.payscale> and <http://www.bestplaces.net/col/>. The **payscale** website compares Senior Pastor Salaries in various communities, however, only major cities are provided. The **bestplaces** website was used to determine salaries based on cost-of-living comparison once a base community was identified in any particular state. As you can see, a \$40,000 salary in Rochester NY is equal to \$65,050 in Honolulu, Hawaii but equal to \$31,654 in Kansas City, Kansas.

Churches can use one of the listed communities in their state as a base and use a cost of living calculator to find the comparison for their community. (**\*Note:** The suggested standard was established January 1, 2008 and must be adjusted for cost of living each year.)

Many churches will be challenged to pay their pastors at the levels suggested. It is important that churches be realistic in what salary their giving can sustain. At the same time churches should not be expecting for a pastor to work for less than just wages. It is suggested that churches unable to pay just wages; factoring in size of the church, education and years of service; recognize that they may not be able to afford a full-time pastor.

**It is important to note that using reported incomes versus cost of living data alone may mean that Senior Pastors in some communities may be receiving salaries well below what it costs to live in those communities.**