



## Strengthening Leaders

# Fair compensation enhances ministries

by Marcia Hahn

If congregations were to pay the going rate for the many roles of their pastors—public speaker, counselor, administrator, teacher, mediator, writer, motivator, worship leader, home visitor—compensation would be well into six figures, beyond the reach of what most congregations could afford.

Fortunately, pastors, diaconal ministers, associates in ministry, and deaconesses are called into ministry by God for reasons far beyond the value of their paychecks. Salaries may never truly reflect the advanced degrees and level of expertise that ELCA rostered leaders bring to their ministries, but guidelines from the Northeastern Iowa Synod Compensation Committee can help churches budget for salaries that are fair for both the pastor and congregation.

“It’s hard to know what fair will be,” says committee member Pastor Wayne Hagen. “Most churches don’t have the time or resources to find out what other churches are paying, so the committee looks at as much information as we can gather of what churches and other synods

are doing. It becomes a place to start the conversation.”

The nine-person Compensation Committee annually recommends minimum salary guidelines for congregations to use when calling a pastor or planning their budgets. Those recommendations are approved by the Synod Council and sent to the Synod Assembly for action.



Wayne Hagen

The committee compares salaries on a year-to-year basis, and every three years it obtains salaries from neighboring synods for comparison. The committee also compares the salaries included in annual pastor reports to the Bishop. Only about 38 percent of synod pastors submit salary reports, but of those that do, 62.8 percent are at or near the recommended salary guideline.

Using salary comparisons and cost-of-living adjustments from the Social Security Administration, the Compensation Committee develops a grid showing the minimum salary that rostered persons should be paid for their years of service. The committee aims for minimum salary recommendations that fall in the middle when compared to rural and urban synods in Iowa and the region.

For 2012, the synod’s recommended minimum base salary for ordained pastors with no experi-

ence is \$34,122 plus a parsonage or housing allowance, which is generally 30 percent of the base salary. An increase of \$610 is added

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for each year of service, reaching a minimum base salary of \$49,372 (before housing is added) for pastors with 25 years experience.\*

“We try to help churches understand what is the minimal market out there, because if a little church can’t afford a pastor, we need to do something,” says Darrel Gerriets, assistant to the Bishop.

>> *Continued on page 2*

## IN THIS ISSUE

- 1 Fair compensation enhances ministries
- 3 Forget the Church—Follow Jesus
- 4 God is great and good
- 6 ‘First Circle Friends’ Ministry
- 7 Events, Congregations
- 8 Prayer Calendars

“We try to enable them to make a wise decision for their ministries.”



Darrel Gerrietts

Total compensation packages go beyond salary

to include a parsonage or housing allowance, continuing education, travel reimbursement, sick leave, health insurance, pension, annuities, vacations, and sabbaticals. A synod worksheet and online calculator on the Portico Benefit Services website can help congregations figure the costs of those benefits. Congregations with small budgets may be able to offer more in benefits, such as vacation days and continuing education opportunities, to offset any salary limitations. Some congregations have offered financial assistance to help new pastors pay off student loans.

Committee members and synod staff are available to consult with congregations that have questions about developing compensation packages. The committee also sponsors the annual “Support of the Call” forum at synod assembly to review the synod compensation guidelines and answer questions. According to Hagen, congregations’ most common questions are related to family and medical leave issues, especially when a pastor needs time away to help an ailing parent or other family member.

“Some congregations say ‘take as much time as needed,’ but sometimes that stretches into weeks or months,” Hagen says. The

committee is researching family leave policies of other organizations, such as the Iowa State Education Association and the Portico Benefit Services, to improve guidelines for churches to set their own policies.

Setting appropriate compensation packages is vital to the pastor and family, and to the life of the church. According to a 2011 ELCA salary survey, the average combined salary and housing compensation of pastors from the Northeastern Iowa

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Synod is \$55,329.\*\* That figure is generally less than local school administrators or attorneys earn in salary alone, even though pastors’ education requirements are similar.

“Pastors should expect to earn an income that supports them and their families in a lifestyle comparable to that of their parishioners,” Gerrietts says. “How else can they be a partner in ministry?”

Some pastors with spouses who earn incomes try to help their churches’ budgets by offering to work part time or for a salary below minimum guidelines. Other pastors may decline annual raises, but Gerrietts cautions that the pastors may be doing more harm than good. Not taking a raise creates

false assumptions about the true cost of a pastor, leaving the church ill prepared when it’s time to call a new pastor.

“We tell pastors to always take the raise because they can hurt the future of the church if they don’t keep encouraging it to grow in its budget,” Gerrietts explains. “A pastor who hasn’t had a raise in 20 years is destroying the church and making it impossible for a new pastor to come. They can always give the money back as a donation.”

The bottom line, according to Hagen, is that congregations want very badly to pay a fair salary, and pastors want to receive a fair salary, but they need more information to have an idea of what “fair” is. “It’s tough for pastors to say this is what I want, because we’re not supposed to be in it for the money,” Hagen says. “So the committee says it, and that helps pastors negotiate what is sometimes a sticky issue.”

*The Synod Compensation Guidelines and Worksheet can be downloaded at [www.neiasynod.org/synod\\_resources](http://www.neiasynod.org/synod_resources).*

*To use the Portico online contribution amounts calculator, visit [www.elcabop.org/Calculators/Contribution-Amounts.aspx](http://www.elcabop.org/Calculators/Contribution-Amounts.aspx).*

*\*The Compensation Committee is recommending a 3.6% base salary increase for 2013, the first increase in three years, subject to approval at Synod Assembly.*

*\*\*Based on the ELCA 2011 Salary Survey of ordained ministers serving in congregations June 1, 2011. Figure includes base salary, actual housing allowance paid to the pastor or value assigned to the church-owned parsonage (30% of the base salary), and any Social Security allowance.*