



FAIRNESS IN MINISTERIAL COMPENSATION:



INCENTIVES AND SOLIDARITY



2014

Fairness in Ministerial Compensation: Incentives and Solidarity



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Developed by
The Advisory Committee on Social Witness Policy (ACSWP)
of the General Assembly Mission Council/Presbyterian Mission Agency
www.pcusa.org/acswp or www.presbyterianmission.org/ministries/acswp
See also www.justiceUnbound.org for current discussion

**Fairness in Ministerial Compensation:
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The key findings of the first section of this report are found on page 6. These include ways presbyteries may support congregations and pastors in low salary situations and, more proactively, how they may structure term agreements, manse and property redevelopment, etc. The “mixed market” economy of the church is recognized and is clearly affected by larger trends toward inequality in US society. Nonetheless, with the Spirit’s help, internal factors can challenge many forms of decline.

This report reflects that fact that fairness in compensation is a basic part of the Gospel and a perennial subject of church inquiry. All four sections apply existing compensation policy and theology of the church. Key prior statements are *God’s Work in Our Hands* (<https://www.pcusa.org/resource/gods-work-our-hands-employment-community/>), *God’s Work in Womens’ hands* (<https://www.pcusa.org/resource/gods-work-womens-hands-pay-equity-just-compensatio/>), and *Neither Poverty Nor Riches: Compensation, Equity, and the Unity of the Church* (<https://www.pcusa.org/resource/neither-poverty-nor-riches/>). Not everyone reads this concern the same way; hence we print the comments of other General Assembly related bodies at the end.

One aspect of saying, “we are all in this together,” is the public listing of executive salaries for General Assembly agencies, presbyteries, and synods in the print version of the Minutes of the General Assembly, available from the Presbyterian Distribution Service (PDS) order # OGA-13-061 (most recent). The terms of call for all pastors are accessible for review at the presbytery level.

MINISTERIAL COMPENSATION AND THE THEOLOGY OF COMPENSATION: INCENTIVES AND SOLIDARITY

RECOMMENDATIONS

In light of the downward trends in compensation for many in an increasingly unequal society, and as a result of its written response to the referral from the 220th General Assembly (2012) (such response herein referred to as “this Report”, the Advisory Committee on Social Witness Policy (AC-SWP) recommends that the 221st General Assembly (2014):

- 1. Request the Presbyterian Mission Agency to review church-wide ministerial salary data as context for its review of Presbyterian Mission Agency salaries;**
- 2. Encourage mid-council staff and elected leaders to review this report to assess the benefits of intervention and term call structure for declining congregations; and**
- 3. Direct the Office of the General Assembly’s church leadership office to post this report among its resources.**

RATIONALE

These recommendations are in response to the following referrals:

- 2012 Referral: Item 16-07. Report of the Special Committee on the Nature of the Church in the 21st Century.** Recommendation 6.b. Charge the Advisory Committee on Social Witness Policy to Study How to Bring Teaching Elders Receiving Below-Minimum Compensation Up to or Above the Minimum Compensation Set by Presbyteries—From the Special Committee on the Nature of the Church in the 21st Century (Minutes, 2012, Part I, pp. 48, 50, 1464 of the CD; p. 293 of the printed copy).
- 2012 Referral: Item 16-07. Report of the Special Committee on the Nature of the Church in the 21st Century.** Recommendation 6.f. Charge the Advisory Committee on Social Witness Policy to Revisit Study Documents on Compensation and Justice, Particularly the Reports of 1983 and 2010, and to Bring a Report to the 221st General Assembly (2014), Including a Comprehensive Review of Lack of Parity in Compensation Based on Class, Gender, Ethnicity, and Type of Service in the Church—From the Special Committee on the Nature of the Church in the 21st Century (Minutes, 2012, Part I, pp. 48, 50, 1464 of the CD; p. 293 of the printed copy).

This response to two referrals contains four sections. The Advisory Committee on Social Witness Policy (ACSWP) is tasked to study matters of Christian conscience within and outside the church and to recommend measures that reflect the values and message of Jesus Christ. At core, the advisory committee believes that ministers share much the same motivation and should share much the same reward, as they serve the same church, a shared enterprise founded on God’s self-giving love in Jesus Christ. God’s solidarity with us in Christ in turn calls us to solidarity with the cause of Christ in the world, which is still to be turned upside down (Acts 17:6). A key measure of that solidarity is greater equality in compensation. Yet we all know that improving salaries in any part of our unequal society is hard. It will finally depend on whether the church can combine faithfulness and effectiveness in responding to God’s call to share more equitably, while calling more people to Christ’s cause.

This response includes reports on three actions of the advisory committee that may illuminate the challenges to compensation fairness within current church structures and trends. We do not focus simply on the poorer churches in poorer areas, but on the dynamics of the whole church in an increasingly stratified low wage society.¹ A key question for commissioners is whether changing ministerial compensation models would affect those trends toward diminishing membership and resources. This means looking at the vocational incentives within the professional employment structures of the church (presbyteries, mid councils, and General Assembly agencies) as well as the parishes. While this response looks at indicators of the lack of parity in compensation among ministers, based mainly on size of congregation and data from the Richard Hammar organization, limitations on the advisory committee's access to information prevented a fully "comprehensive review" of the salary differentials that are presented.

The overall 2012 report of the Special Committee on the Church for the 21st Century made recommendations in ten areas. The causes of church decline are both external (cultural, demographic, and economic) and internal (morale, leadership, organizational ecology). The recommendation for improving compensation for the lowest paid was part of strengthening internal factors over which the church has some control. Other measures included new ministries, bi-vocational ministers, solidarity among those serving as pastoral leaders, and ways for all members to witness with integrity and impact in a 21st century world.

The four sections of this response include:

- I. Approaches to strengthening ministerial salaries near or below presbytery minimums, including Board of Pensions dues and medical costs and housing;
- II. Revisiting *Neither Riches, Nor Poverty: Compensation, Equity, and the Unity of the Church*, (2010) and related study documents and policy statements on compensation, community, and justice;
- III. Review of indicators of lack of parity in compensation based on class, gender, ethnicity, and type of service to the church. (Limits to comprehensiveness noted);
- IV. Current practice and proposals within the General Assembly Agencies.

I. Approaches to Strengthening Ministerial Salaries Near or Below Presbytery Minimums, Including Board of Pensions Dues and Medical Costs and Housing

There is no answer to this question that is simply economic as, almost by definition in our current system, churches unable to pay adequate pastoral salaries have limited financial resources and there are few sources of potential subsidy. As a practical response in the absence of such subsidies, congregations in financial difficulty are encouraged to consider "New Beginnings," a Disciples of Christ self-study program made available by the Evangelism and Church Growth ministry area. Presbytery executives are experienced in advising congregations and pastors on practical options. In broad context, ministerial salaries should not be a vow of poverty, but they are already below market for similarly educated professionals. More important, they are inadequate to sustain family life. Like many striving to remain in the "middle class," pastors' families generally depend on two incomes. Younger pastors, furthermore, are often burdened by student debt and high childcare costs. The costs of inequality can be seen in the exit of approximately 30 percent of ministers (including higher numbers of women) from the ministry within ten years of ordination.

This first and longest section starts by recognizing that the lowest salaries represent a weakness of the whole system that allows the internal “market” of the church to reflect too much the economy around us. The church has much to teach the marketplace. Part of that teaching is to value nonfinancial incentives: joy in service, collegiality and trust over competition and insecurity, and a stronger witness to the distinctiveness of the church. However, many proposals for ‘new’ and ‘post-institutional’ church structures seem to simply capitulate to the marketplace by abandoning many smaller congregations striving to be faithful. Yet, on the other end of the economic spectrum, we are told that high salaries are necessary to attract pastors and church leaders with the skills required to lead or to minister in affluent neighborhoods.

We recognize that measures to increase equality in compensation need to go with measures to increase accountability for results, but we want the Gospel to be the final measure. Trusting in God’s call to go and make disciples, we call for the development of strategies of shared sacrifice and substantial change, not simply for greater solidarity, but to allow the gifts of more new ministers to carry the Gospel into all neighborhoods, especially those in economic need, bearing fruit for God’s Kingdom and its servant, the church.

Reformed churches in France, Italy, and other places pay all ministers on the same basis with differences according to need, like the mission personnel who serve through the Presbyterian Mission Agency’s World Mission ministry area. That centralized solution does not match the market model characteristic of U.S. Protestantism. In its absence, several other attempts have been made to develop resources to support ministries in areas where local financial resources are too weak. The possibility of raising the lower salaries through gifts by Presbyterians of significant wealth should be encouraged, but it has not yet had significant results, possibly confirming the primary loyalty of most members to their local churches.²

Similarly, although the 2010 and 2012 General Assemblies voted to encourage presbyteries to establish voluntary salary equalization or enhancement funds, none are reported. Such funds would be based on contributions from congregations with pastors whose higher salaries would exceed presbytery maximums. Contributions would be recommended to match the amount by which a pastor’s salary package would exceed a formal or informal maximum number. This strategy seems unlikely to take hold without significant structural changes even though high differentials in pastoral salaries do affect relations within presbyteries and among members of church staffs. In practice many presbyteries receive less in contributions of any kind and some have cut back on their executive, support, and especially program staff. The 2010 Report on the Theology of Compensation found only three presbyteries, two in Iowa and one in New York State, that had stated presbytery maximums. The slightly higher pension dues paid on higher pastoral salaries to the Board of Pensions is thus the most significant current financial embodiment of solidarity among ministers, although there remains a cap on dues payments on salaries of over \$179,000, giving the best paid pastors a kind of exemption or bonus.

Another source of outside support for many congregations, primarily in the past, has been presbytery “aid to fields” or other grants. In the case of one New Jersey presbytery, such funding had gone for many years to several congregations of varied racial ethnic membership. No significant growth occurred in these congregations during more than twenty years of subsidy, although overall economic decline marked most of the areas where these churches are. The presbytery itself experienced declining revenue. Hence a decision was made to phase out this support, although the presbytery assists with training in targeted growth strategies. Did those subsidies keep the churches’ ministries alive, even if they did not grow in members? Did that presbytery (and others) require any accounting of ministry activities and their results from churches given help? Did the presbytery executives and general council members hold themselves accountable for mission or membership goals across the presbytery? What counts as “success” and does it differ depending on the local context? Are we asking such questions and striving to carry out ministries wherever they are needed?

A somewhat similar process called “circulating funds” existed in the United Presbyterian Church by which more prosperous synods helped support financially weaker ones, sharing assistance for presbytery staffing costs. It could be argued that the initial spread of congregations, presbyteries, schools, and hospitals had been due to strong central mission boards, but once presbyteries were established the institutional momentum eventually shifted direction. In the case above (and others) such subsidies were held essential to receiving pastoral leadership, and pastoral leadership was held essential to congregational survival. Yet, too often, indirectly subsidized pastors in smaller congregations have frequently been tentmakers or semiretired and their approach has often necessarily been maintenance rather than renewal or growth due to lack of time or resources.

In other forms of subsidy, support is given directly to pastors who may be selected jointly by the presbyteries and other funding bodies, increasing accountability and congregational planning. Any external funding model faces the challenge of measuring pastoral performance. Structuring calls for specific terms (two to five years) with formal renegotiation procedures (designated pastorates) has helped both pastors and sessions get clearer about their particular responsibilities. The “For Such A Time As This” program of the Presbyterian Mission Agency has for several years selected and subsidized pastors for rural churches. On the other side of the size spectrum, the Lilly Endowment has funded a pastoral fellows program for starting ministers in large teaching churches. Seminary field education arrangements have also helped supplement pastoral care in many cases.

Since the last General Assembly, the most significant large-scale factor affecting less well-paid and generally younger pastors with families was the Board of Pensions’ plan that would have shifted and raised medical dues. That plan (announced right after the assembly) was delayed and amended after a large-scale protest, but continued medical cost pressure seems likely to put less well-paid pastors, ruling elders commissioned to particular pastoral service (formerly known as commissioned lay pastors), and other church employees into some form of Affordable Care exchanges, affecting the “community nature” of the Board of Pensions’ service to installed pastors who have normally been required to be part of the plan. Facing a large shortfall in healthcare funding, the Board of Pensions continues to project that in 2015 it will charge Plan members themselves 23 percent of effective salary and an additional 1.5 percent for spouses and children, payable by member, hiring body, or combination of the two. Because of the ERISA-reinforced firewall between pension and medical benefits, the pension part of the Board of Pensions is quite strong and well-managed but cannot be used to offset medical costs.

The Advisory Committee on Social Witness Policy, while not in total agreement with the Board of Pensions’ own compensation structure, strongly supports the widest possible membership in the Board of Pensions and values the “community nature” of some of its provisions. Thus the prospect of a two- or even three-tier categorization of pastors within the Plan arouses concern, as do any disincentives for having children or supporting other dependents. The Board of Pensions has considered the administrative and actuarial issues in having a universal or standard plan onto which additions could be purchased but has not chosen this option. Would there be greater opportunity for equalization or partial subsidy to the less well-paid, however, under a system that makes entry into a basic Plan less a hurdle but fuller medical coverage an additional cost? In principle, ACSWP would favor as universal a plan as possible.

Due to past earning power of its membership and recent investment skill, the Presbyterian pension plan and its medical program are stronger than other denominational plans and hence would be weakened by any ecumenical combination. The ultimate goal of a single-payer system, endorsed by past General Assemblies

as the most just and cost-effective way to provide healthcare to our nation, would end the need for the Board of Pensions' medical program. Whether the Board of Pensions should put all ministers and church staff into a dedicated Presbyterian Affordable Care Act Exchange or into a hybrid program is another question beyond the scope of this response to referral.

Within the religious marketplace, it is frequently recommended that mainline congregations and ministers need to become more "entrepreneurial" for the sake of the gospel, and the word "missional" is sometimes used almost in this sense. Often accompanying this proposal is the belief that the value (and "quality control") represented by the denominational "brand" is decreasing. Setting aside for the next section theological consideration of the nature of church, there is enormous literature on the challenges of redeveloping congregations slipping below critical mass in terms of members or resources, and lacking a clear enough sense of call or mission. Some are called hospice churches and their pastors are often part-time or commissioned lay pastors (CLPs, or now "commissioned ruling elders to particular pastor service," a category not mentioned in the wording of the referrals under consideration, but to which some of this summary would apply).³

In the absence of a direct salary support arrangement, the connectional system may still be able to encourage positive changes in the intra-Presbyterian marketplace. In order to give existing congregations a greater hope of sustainability (and decent pastoral livelihoods), regional bodies with oversight capacity can help congregations and pastors to help develop alternatives before decline becomes largely irreversible. Such intervention, triggered perhaps when membership declines for three consecutive years, could obviously be resented by sessions and by pastors, who might feel they have no ability to find other calls if a term contract were suggested.

Some of the lack of mobility in the system is also due to the number of pastoral arrangements actually supported by spouses' work. But the momentum of decline tends to bond pastoral and institutional survival with lowering expectations and a "taking care of" mode of pastor and congregation ministering to each other (and to their buildings). The irony is that in taking care of a particular long-serving pastor, a congregation may limit its own future prospects; the reality is that intervention focuses on the future Christian witness without guaranteeing current pastor or building. Again, external demographic factors play an enormous role in any congregation's "success," and the most faithful congregations and pastors may decide to conduct vibrant ministries even in areas abandoned by business and government.

Without some measures of accountability that provide performance or even "market" information to congregational leaders, it is unlikely that our decentralized system will provide significant assistance to "steady-state" or declining congregations. And without proactive capacity in the mid-councils to help congregations and pastors change, market forces will continue to lead us toward an archipelago of larger suburban congregations with minimal rural and urban presence.

One radical and somewhat costly proposal would be to allow pastors who wanted to retire a year early to do so without penalty. This would open up a number of pulpits for younger/newer pastors, although it would entail a significant cost in pension credits. This would be a system-wide, if still partial answer, and could not be repeated too frequently. The bottom-up version of this is being practiced by some larger congregations that are assisting neighboring congregations by sharing full or part-time ministers whose costs they cover.

Another option for increasing pastoral support is to address the cost of housing by both encouraging cooperatives (possibly on the young adult volunteer site model) and shifting back toward manses, regardless of tax benefits. The provision of housing by religious bodies does provide for flexibility and mobility as well

as ease of entry for new pastors. (It has similar effects in the military, which has its version of the manse allowance to compensate for the lack of home equity on military bases).

To sum this longest section, the realities of the market are not to be ignored even as Christian and Reformed values require new measures to:

1. Expand the sense of loyalty of Presbyterians beyond their own congregations to help support joint ministries in their presbyteries or regions. Traditionally such ministries have included camps and conference centers as well as mission projects; new ventures include increased numbers of intentional communities for young adult volunteers and others committed to mission service, and sponsorship of new worshipping communities. Beyond the specific ministry or shared site, the goal would be to give members whose own congregations may close another place of continuing church connection;
2. Share pension and medical cost burdens as universally as possible, including the payment of dues on effective salaries over \$179,000 (the current cap);
3. Readdress housing costs in light of potential tax changes and living patterns, including renewal and redevelopment of church properties and ecumenical partnerships;
4. Strengthen the accountability of pastors and congregations through the increased use of time-limited terms and renewal processes, conditioning presbytery approval of terms of call and support (including shared insurance, grants, student loan debt reduction, etc.) on careful mission planning and collegial participation in presbytery life (overall, this would shift the weight of presbytery scrutiny from the processes of ministerial entry to on-going mutual accountability among pastors and congregations);
5. Strengthen the accountability of mid council staff to short- and longer-term strategic plans that would include conversations with “full communion” partners and specific attention to those in ministry with lowest compensation in their jurisdictions (including bi-vocational ministers and those in nontraditional worshipping communities);
6. Engage larger congregations in regular conversations with presbytery/synod representatives on their use of resources, including salaries, mission giving, and building projects, to share information and help coordinate plans for area witness.

II. Revisiting *Neither Riches, Nor Poverty: Compensation, Equity, and the Unity of the Church*, (2010) and Prior Study Documents and Policy Statements on Compensation, Community, and Justice.

In 2010, the General Assembly approved recommendations in the report, *Neither Riches, Nor Poverty: Compensation, Equity, and the Unity of the Church*, which summarized the Reformed tradition’s concern that each person’s calling serve the common good, and that excessive inequality tended to accept poverty and weaken communities of all kinds, including in the church. In a society characterized by increased inequality, it is important for the church to resist this trend and not simply reflect the communities and assumptions where it finds itself.

Earlier compensation studies had developed principles and sets of criteria to guide salary setting, acknowledging the balance between merit and equality and the Reformed conviction that everyone has a calling, so that the ministry is a specific but not a special vocation (not a “higher calling to receive lower pay”). An important study in the former Presbyterian Church in the United States done in 1983 included a theological paper by Walter Brueggemann contending that a bigger contrast than that between merit and equality was that between Christian community values and those of the “world” or “market system.”

The Report of the Special Committee on the Church in the 21st Century asked Theology and Worship to do a somewhat similar task to what had been done in *Neither Poverty, Nor Riches* in 2010: “Charge the General Assembly Mission Council, through its Office of Theology, Worship and Education, to articulate a Reformed understanding of just compensation based on our theology of God’s providence and the grace in which we all live and serve.” The Theology and Worship website will post resources on this subject.

The 2010 study process looked at both the grounding of historic Reformed thinking on compensation and the actual patterns of compensation in congregations and within the General Assembly agencies. Salary data for pastors and other church-employed workers in the Board of Pensions plans is not released on an individual basis, but synod-wide aggregate data is available (http://www.pensions.org/AvailableResources/BookletsandPublications/Documents/salaries_parish_ministry_2013.pdf).

Based on the church’s historical commitment to solidarity and accountability of its leadership, the salaries of all presbytery, synod, and General Assembly agency staff are printed in the Minutes of the General Assembly, Part II, although (for a variety of reasons) they are not posted online. Generally speaking, the larger congregations and those with endowments pay higher salaries. On the institutional level, the salary structure for the General Assembly Mission Council (now Presbyterian Mission Agency) staff used to be contained within a 3.5: 1 ratio of highest to lowest salaries for all employees. Beginning with the hire of a head of the Board of Pensions to serve as executive director of the General Assembly Mission Council in 1998, a specific ratio was removed and the ratio of highest to lowest salaries widened.

In 2008, the advisory committee did a study of pay equity in the church entitled, *God’s Work in Women’s Hands*. The title intentionally recalled a major 1996 policy approved by the General Assembly on work, *God’s Work in Our Hands*. The 2008 report confirmed the difficulties faced by women and persons of racial ethnic heritage other than Caucasian in receiving comparable salaries to those of white male pastors. While limitations on publically available data make direct comparisons difficult, a tool for assessing pay equity on a presbytery basis was provided. Widespread anecdotal evidence seems to confirm that the conclusions of that report remain valid.

The advisory committee stands by the conclusions of the 2010 report, most of which were approved by the assembly. The assembly voted down the committee’s recommendation that a 5:1 salary range be established or reinstated for General Assembly agency staffs, although the Office of the General Assembly continues to keep that framework (depending partly on Presbyterian Mission Agency staffing for some administrative functions). Of the top agency leadership, the Stated Clerk is both elected most broadly by commissioners of the General Assembly and paid the least of the six boards. The ACSWP continues to believe that the examples set by leadership influence the attitude and loyalty of the broader membership and the body of ministers toward the national agencies.

III. Review of Lack of Parity in Compensation Based on Class, Gender, Ethnicity, and Type of Service to the Church.

Each presbytery has a listing of terms of call and, by sampling these, it is possible to confirm that ministers in smaller congregations are generally paid less than those in larger churches. Further, it is possible to confirm that most women and racial ethnic pastors serve, on average, smaller congregations than white male pastors. This is in part due to second career starts for a higher percentage of women and racial ethnic pastors, so that they have less accumulated experience. At the same time, though harder to measure, many report that pastors over the age of 60 find it difficult to relocate and may move into doing interim pastorates. The easiest confirmation of the female/male salary differential is found in the *2014-2015 Compensation Handbook for Church Staff* produced by Richard Hammar's Church Law & Tax firm. According to Marian V. Liautaud, "Across all paid church positions, men are paid 28 percent more than women." Further, they report:

"Results from *Christianity Today's* biannual survey of 4,600 churches nationwide, which are featured in the new *2012-2013 Compensation Handbook for Church Staff*, reveal the top 7 paid positions based on gender."

It should be recognized, then, that their data sets are based on self-submissions, and may tend toward better paid ministers in secure situations. For men, the highest paying salaries are: senior pastor, executive pastor, adult ministry pastor, administrator, associate pastor, worship pastor (or leader), children's pastor. For women, the line-up is a bit different: senior pastor, executive pastor, associate pastor, solo pastor, worship pastor, administrator, and children's pastor. Clearly many of these positions presume a multi-staff church.

Here is their financial summary:

"Male or female, it pays to be the senior pastor. However, male senior pastors typically are compensated more than their female counterparts. Some of this may be explained on the basis of church income, which proved to be the biggest factor affecting compensation and benefits in the study. For example, in churches with male senior pastors, church income (i.e. revenue) averages about \$710,000, while church income where women serve as senior pastors hovers at about \$487,000. This gap in revenue could explain, in part, why women senior pastors tend to be paid less."

(For comparison to these Hammar numbers in the PC(USA), the frequency of women holding senior pastor positions in congregations with over 1,000 or more members is only 4.7 percent. The majority of women serve in congregations of fewer than 300 members).⁴

Male executive pastors earn nearly 50 percent more than women in this same role. Additionally, even though women make up 69 percent of full-time children's pastors, men serving in this role full-time earn nearly \$12,000 more on average than women. The gender pay gap closes for solo pastors. Although 92 percent of solo pastors are men (paid an average of \$57,452), they earn only slightly more than women solo pastors (paid an average of \$54,102).⁵

The upshot of this brief overview is to confirm the need for solidarity in closing gaps that still exist, the data on solo pastors suggests that most of those serving smaller churches do not see the potential for significantly higher salaries.

IV. Current Practice and Proposals within the Presbyterian Mission Agency and Other Agencies of the General Assembly

The employment structure of the General Assembly agencies, like that of the presbyteries and synods, is relevant to the overall compensation of ministers or teaching elders in the church. It should be noted, however, that most of the employees of the national agencies are not ministers; most professional staff are specialists, and many are not Presbyterians. It may also be noted that most assembly staff live in the Louisville, Kentucky, area, and thus do not live in a high cost-of-living environment. (Costs and limits on air travel to a midsize city may be noted, however, as frequent travel is a burden on many of the middle to senior staff). For those ministers who do serve the church in the assembly agencies, however, there clearly is a salary range that compares to the spectrum in the parish, with relatively few in the highest ranks but proportionately fewer in positions near presbytery minimums.

At the 2010 General Assembly, the commissioners approved all of the recommendations in Neither Poverty Nor Riches except the one calling for a limit on the agency salary spectrum of a 5:1 ratio. Executives from the agencies contended that such a low ratio would make it impossible to attract high-level talent, particularly in finance, investing, law, and other disciplines favored by the market. The Office of the General Assembly itself maintains the 5:1, top to bottom, salary scale, which reflects the 3.5:1 salary scale of the General Assembly Council that lasted into the 1990s. Commissioners interested in seeing the scale of pay differentials are directed to the Minutes of the General Assembly, Part II, Section 8, though this section is only available in print form. The advisory committee continues to believe that this section serves an important accountability function within the church.

The advisory committee has engaged in several additional dialogues within the Presbyterian Mission Agency. One, with the Advocacy Committee for Women's Concerns, was to follow up on God's Work in Women's Hands and encourage a thorough pay equity study of the agency. That work was completed last year and showed women of color to be in some predictable places in the organization, as support staff, but also showed women to be in leadership positions throughout the organization. The advisory committee was pleased that Human Resources conducted this study and is maintaining the data sets and position analysis to monitor hiring patterns. The results of that study can be found at <http://www.presbyterianmission.org/media/uploads/gamc/pdf/13september/information/b.211.pdf>.

Another dialogue had to do with health insurance benefits for security and cleaning staff employed by outside contracting firms. Presbyterian Mission Agency senior staff were agreeable to putting healthcare benefits in as one of a number of criteria to be reviewed in the renegotiation of the two contracts, though the successful roll-out of the Affordable Care Act in Kentucky now provides those near-minimum wage employees considerably better alternatives than they had. This dialogue continues and is appreciated by ACSWP; past General Assemblies have endorsed access to healthcare for all, and have in fact specified "single payer" as the preferred approach for public efficiency and equality.

A third area of concern for the advisory committee has been the new compensation system of the Presbyterian Mission Agency itself. Because this program includes across-the-board raises, it naturally will tend to increase the inequality of reward, as 3 percent on \$50,000 is a lot less than 3 percent on \$150,000. A proposal from the Justice Committee of the Presbyterian Mission Agency Board for making the raise structure more proportionate or "progressive," however, was defeated by the board as a whole (<http://www.pcusa.org/news/2013/9/27/pmab-rejects-pay-raise-modifications-center-employ/>). Thus the board has endorsed the current program on two recent occasions.

In response to a request from the Advocacy Committee for Women’s Concerns, however, the Human Resources office is taking measures to ensure that all salaries meet “living wage” standards, which are considerably more than minimum wage.

We end this response to referral with a question to the commissioners as to how important they consider solidarity in salary structure to be? How important to people in the pews is the salary structure of the ministry, much less the relation of the salaries in the national agencies to those in the presbyteries? Theologically and as a matter of morale, it seems important to us that, as inequality continues to grow in our society, the church be organized along different lines.

Although the differentials within the church pale in comparison to the inequality between hedge fund manager salaries and those of the working poor, the church must always ask itself whether we are called to conform to the economic structures in this world or to organize ourselves as the Body of Christ, in which “the eye cannot say to the hand, ‘I have no need of you.’” The compensation structure of the PC(USA), both in terms of its parish ministers and its national agencies, seems to have continued room for growth before it reflects the equal importance of diverse gifts to which our Scriptures witness.

Endnotes

¹ There are many analyses of inequality and stagnant social mobility in the U.S. today. A helpful synthesis which looks at religious, economic and business dynamics from a Presbyterian perspective is that of William Longbrake, <http://www.rhsmith.umd.edu/files/LongbrakeLetterNovember2013.pdf>, author of “America’s Crumbling Social System: Potential Solutions Involving Religious and Non-Profit Leadership and Organizations,” from which the cited text is largely drawn.

² In 2006 a dedicated Presbyterian business person clearly wanted to make such a transformative gift but was unable to muster the funds to carry through a pledge. We would strongly support a large-scale gift targeted to ministerial compensation, noting that the infusion of major support could be done in several ways.

³ Many commissioned lay pastors have retired from previous occupations; the thrust of this response to referral was fairness for persons seeking to devote their whole employed lives to ministry.

⁴ Status of Women, Methodology Task Force Report, 221st General Assembly (2014).

⁵ <http://www.churchlawandtax.com/web/products/2014-2015-compensation-handbook-for-church-staff.html>

Comment
ACWC Advice and Counsel

The Advocacy Committee for Women's Concerns advises the 221st General Assembly (2014) to approve Item 08-07.

The recommendations presented within Item 08-07 are brought forth as directed by the 220th General Assembly (2012) following approved referrals from the Report of the Special Committee on the Nature of the Church in the 21st Century. Thus, the Advisory Committee on Social Witness Policy's (ACSWP) recommendations come following extensive research and data gathering regarding sustained pay inequality and the need to recognize such as an ongoing issue both in society and within the church. They also acknowledge the need to organize the church along different lines than current societal norms.

The ACSWP highlights lack of parity in compensation for teaching elders, as well as for Presbyterian Mission Agency staff, and the need for continued work at all levels of the church until all people receive a "living-wage" income. Cited for further information is the *2014–2015 Compensation Handbook for Church Staff* (Richard Hammar), which articulates "Across all paid church positions, men are paid 28 percent more than women."

The concurrence of ACWC with ACSWP's Item 08-07 further emphasizes ACWC's concern for pay equity for all women.

GACOR Comment

The General Assembly Committee on Representation (GACOR) respectfully advises the 221st General Assembly (2014) approve this *Recommendation on Fairness in Ministerial Compensation: Incentives and Solidarity, a Response to Two Referrals*, and advises that the assembly consider the following comment for more information.

This recommendation addresses the compensation structure of the PC(USA), both in terms of its parish ministers and its national agencies. It concludes that the church's compensation structure "seems to have continued room for growth before it reflects the equal importance of diverse gifts to which our Scriptures witness." Section III reviews lack of parity in compensation based on two identified categories of persons or groups on which Committees on Representation promote, review, advise, advocate, and consult with church entities, committees, councils, and divisions in order to ensure that the principles of inclusiveness and diversity are implemented: gender and ethnicity.

The following findings highlight areas that seem to have continued room for growth and should concern commissioners:

- Most women and racial ethnic pastors serve, on average, smaller congregations than white male pastors.
- Across all paid church positions, men are paid 28 percent more than women.
- Male or female, it pays to be the senior pastor. However, male senior pastors earn nearly 50 percent more than women in this same role.
- The gender pay gap closes for solo pastors. Although 92 percent of solo pastors are men (paid an average of \$57,452), they earn only slightly more than women solo pastors (paid an average of \$54,102).
- The upshot of this review confirms the need for solidarity in closing gaps that still exist, especially since the data on solo pastors suggests that most of those serving smaller churches do not see the potential for significantly higher salaries.

The General Assembly Committee on Representation is made up of 16 persons, elected by the General Assembly, who are drawn from ruling and teaching elders from across the church. Its mandate and functions are described in G-3.0103 of the Book of Order (Form of Government).

PMA Comment

The Presbyterian Mission Agency Board is grateful for the persistent advocacy of the Advisory Committee on Social Witness Policy. It is through such deliberate encounters that we are all drawn to greater faithfulness. Despite our many conversations, the request raised in Recommendation 1 is a new one for our dialogue, as it already reflects a current practice. Currently the Presbyterian Mission Agency follows a comparative pricing compensation approach, which aligns pay with equivalent individual positions in comparable religious/faith-based, nonprofit and some for-profit organizations. Internal equity within the Presbyterian Mission Agency and the larger church is also a consideration, as is avoiding excessive compensation at the upper end of the scale. This approach readily accommodates organizational and job/role changes and recognizes performance and competency.

This practice is consistent with the Churchwide Compensation Guidelines, which include:

In maintaining a relationship between the highest and lowest salaries, lower levels of compensation should be comparable to or better than the average salaries paid in the marketplace, but not so far above the average that good stewardship of the church's funds is compromised. Salaries at the top levels should reflect a tempering of excessive compensation. In establishing compensation plans and/or individual salaries, comparable salary data may include data from other national church organizations, including pension boards and foundations, academic institutions, the publishing field, pastors' salaries, and other sources as deemed appropriate by the elected bodies of the entities or the employing organization.

The Presbyterian Mission Agency seeks to be clear that churchwide ministerial salary data is only one component of the compensation system, and a relatively minor one, since few Presbyterian Mission Agency employees are serving in roles that require the traditional skills of a teaching elder: pastoral care, preaching, administration of the sacraments, leading a congregation, etc. While this experience is very useful in our work, the Presbyterian Mission Agency is equally dependent upon specific skills in program administration, mission administration, office administration, writing/editing/formatting, policy development, advocacy, law, finance, distribution, payroll, human resources, coaching and conference planning, often with national/international dimensions. Many positions at the agency are not filled by ministers of the PC(USA) or of other denominations. The Churchwide Compensation Guidelines direct that "Factors to be considered when setting compensation should include the nature, purpose, scope, and responsibility of the position; the experience, knowledge, and skills required; the challenge of the work to be done and its impact on the effectiveness with which the church achieves its mission."

If churchwide ministerial salary data is used as the sole context for compensation, it will be impossible to fulfill the Churchwide Compensation Guidelines (initially developed by the General Assembly in 1988 and most recently reaffirmed in 2002). http://www.presbyterianmission.org/site_media/media/uploads/presbyterian_mission_agency/churchwide_compensation_guidelines_3-18-14.pdf



"For as in one body we have many members, and not all the members have the same function, so we, who are many, are one body in Christ, and individually we are members one of another." (Romans 12:4-5)

"As it is, there are many members, yet one body. The eye cannot say to the hand, 'I have no need of you.' On the contrary, the members of the body that seem to be weaker are indispensable..." (1 Corinthians 12:20-22)



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