

Considerations for Compensation of Senior Pastor For Your Town Metropolitan Community Church

Prepared by Rev. Elder Don Eastman
Based on use of the *2010-2011 Compensation Handbook for Church Staff*

The following information provides a rationale and method for determining pastoral compensation based upon data from a 2009 survey of 4998 churches in the USA conducted by the research arm of Christianity Today International. An overview of this study is provided as a separate document.

Annual *compensation* includes base salary and housing or parsonage allowance; *benefits* include health, life and disability insurance as well as church contributions for retirement and continuing education. Auto allowance is not included as a benefit although most churches in this study cover some level of auto expenses.

In this survey, the annual budget includes not only contributions but other revenue such as rental income, sales of merchandise, ticketed events, and interest from investments. For instance, it is not uncommon for some churches in older mainline denominations to have significant endowment funds. The average income measured by total budget versus average weekly church attendance in this study for 2009 was \$30.69 per capita (per person, per week). The annual per capita for Your Town MCC in 2009 was \$33.06, which was above the national average.

Considering current realities of Your Town MCC, I chose five data points that present specific and relevant factors which influence reasonable pastoral compensation:

- Pastoral compensation and benefits as a percentage of the church's annual budget based upon congregational size in terms of average weekly worship attendance in the category of church size from 101 to 300 (Table 4-2, Page 34). In this church size category the average pastoral compensation amounted to 17.4% and benefits were 3.785% of the average total annual budget for churches.
- Pastoral compensation and benefits as an individual share (per capita) of the church's annual budget based upon congregational size in terms of average weekly worship attendance in the category of church size from 101-300 (Table 4-2, Page 34). In this church size category the average share per capita for pastoral compensation was \$308 and for benefits \$67.
- Pastoral compensation and benefits as a percentage of the annual budget based upon church income of all types for churches in the category of budget size from \$251,000 to \$500,000 (Table 4-1, Page 33). In this budget category the average pastoral compensation amounted to 17.2% and benefits were 3.7% of the average total annual budget for churches.
- Pastoral compensation and benefits as an individual share (per capita) of the annual budget based upon congregational size in terms of average weekly worship attendance in the category of budget size from \$251,000 to \$500,000 (Table 4-1, Page 33). In this budget category the average share per capita for pastoral compensation was \$264 and benefits \$60.
- Adjustment for the local area in terms of income based upon a USA national 2008 median household income of \$52,029 compared to Your County which was \$49,001 or 94% of the national level.

The following calculations are based upon Your Town MCC's 2009 total budget of approximately \$306,000 and average weekly worship attendance of 178, as adjusted from the national averages for all churches in the above noted categories on Tables 4-1 and 4-2.

Factor	Compensation/Benefits National Average*	Compensation Adjusted	Benefits Adjusted	Compensation/Benefits Adjusted
Attendance: % of Budget 17.4% comp/3.785% benefits	\$74,306	\$53,244	\$11,582	\$64,826
Attendance: Per capita of Budget \$308 comp/\$67 benefits	\$74,306	\$54,824	\$11,926	\$66,750
Income: % of Budget 17.2% comp/3.7% benefits	\$77,881	\$52,632	\$11,322	\$63,954
Income: Per capita of Budget \$264 comp/\$60 benefits	\$77,881	\$46,992	\$10,680	\$57,672
Total	\$304,374	\$207,692	\$45,510	\$253,202
Average	\$76,094	\$51,923	\$11,378	\$63,301
Adjust for median local income 94%	\$71,528	\$48,807	\$10,695	\$59,502

*Note that the national average is based upon a higher average of attendance and budget size in the averages for the attendance and income categories.

Also, there are additional variables situation specific to insurance costs that will impact the benefits total.

When looking at a survey individuals may interpret the data in differing ways so I encourage you to obtain a copy of the handbook to additionally inform your own conclusions.

If you have any questions or comments you may contact me at revdoneastman@mccchurch.net