

**2011 BASIC PASTORAL RELATED EXPENDITURES**

**OUTLINED BELOW ARE FINANCIAL OBLIGATIONS FOR A FULL-TIME PASTOR.**

**Minimum Financial Obligations for Churches with a Full-Time Pastor:**

<b>Salary:</b>		<b>\$31,659 to \$38,082</b>
<i>(These figures represent the minimum salary for a Full-Time Local Pastor and the minimum for a Full-Time Elder. Other minimums for other categories of clergy would fall in between these two figures.)</i>		
<b>Housing:</b>	<b>Parsonage (For Utilities and Maintenance)</b>	<b>\$6,000</b>
	<b>Housing Allowance</b>	<b>\$12,000 to \$20,000</b>
<i>(The Annual Conference requires churches to provide a parsonage for a Full-Time Pastor, if he/she requests it, or a housing allowance can be offered if it is agreed to by the Pastor, the Church, and the District Superintendent. If a parsonage is requested and the church does not want to purchase a house, the housing allowance could be used by the church to rent a house that meets the Annual Conference Parsonage Standards.)</i>		
<b>Health Insurance:</b>		<b>Estimated - \$13,092/Year</b>
<b>Pension:</b>		<b>\$4,749 To \$5,712</b>
<i>(This amount is determined by percentage of the salary and housing costs.)</i>		
<b>Comprehensive Protection Program (CPP)</b>		<b>\$1,187 To \$1,428</b>
<b><u>Other Related Expenses</u></b>		
<b>Travel Reimbursement</b>		<b>\$2,500</b>
<b>Professional Expense/Continuing Education</b>		<b>\$2,000</b>

When you add up these items, the minimum total a church must be able to provide for a full-time clergy could range from \$61,095 to \$88,700 or greater. The health insurance is one variable that may or may not be used, but most pastors will require insurance. Occasionally a spouse's or previous employment's insurance will cover the family.

A goal of meeting inflation, merit increases, and rising health care costs will require increases be factored into any long range projections.

The following information was adopted by the 2004 Annual Conference:

“The Annual Conference shall use as an Evaluation Tool for reducing the burden of pastoral support, freeing local congregations for mission and ministry by establishing a ratio between ministerial support and total annual church expenses to be 45% or less for each church in order. Further, the following definitions, procedures, and criteria shall be used for the purpose of meeting that evaluation.

For the purposes of assessing the viability of a particular appointment, the ratio between ministerial support (Conference Treasurer's Report, Table 2, Columns 58, 64, 65, 66, 67) and total annual church expenses (Table 2, Column 76) is a preliminary screening tool.

A viable full-time pastoral appointment is to a charge which is actively engaged in mission and ministry in its community and beyond, and able to pay the pastor's full salary and benefits.

The following guidelines should be used in determining the church's viability:

A congregation is vital if:

- There is evidence that the church is in mission and ministry
- The ministerial support does not exceed 45% of the total annual church expenses

A church is at risk in its current appointment if:

- There is evidence that the congregation's ministry and mission is hampered.
- The ministerial support is in the range of 45-55% of the annual costs of the church.

A viable full time appointment is no longer possible or a church has more pastoral appointment than it can sustain if:

- The ministerial support exceeds 55% of the annual costs of the church. (For multiple charges, the total charge's budget and each congregation within the charge should both be considered.)

Following the determination that a church is at risk, an assessment and planning process will be initiated by the Cabinet with tools to be selected by the Cabinet and/or Conference Staff. Assessment should determine the strengths of the church and potential strategies to enhance ministry. Part of the planning process should be assessment of alternative staffing patterns.

For churches in the 55% or above ratio, the Cabinet is encouraged to make necessary changes in the appointment to reduce pastoral support burden, freeing local congregational resources for ministry. Assessment and planning will be made available to these churches when requested, assisting them in implementing new approaches to ministry with the appointment reconfiguration.

When making new appointments, the Cabinet is strongly encouraged to consider the financial sustainability of the appointments.

The Cabinet is asked to report yearly to the Annual Conference regarding progress toward the goal.”

*Adopted by Annual Conference – June 2004*

**SALARY / WORSHIP / GIVING BENCHMARKS**

**THE INFORMATION THAT FOLLOWS IS INTENDED TO HELP APPLY THE CHURCH EXPENSE/MINISTERIAL SUPPORT RATIO.**

The clearest steps for a congregation to gain in strength are to increase worship attendance, and/or increase in their average giving per worship attendee.

*	<b>Estimated Basic Expense of a Minimum Salary Elder with Parsonage, Health Care, Pension, Travel, and Professional Expenses</b>	<b>\$68,700</b>
*	<b>Conference Average Giving / Worship Attendee</b> <i>(Using patterns seen over the past five years)</i>	<b>\$1,300</b>
*	<b>Suggested Healthy Ratio of Staff Costs to Total Budget</b>	<b>40-45%</b>
*	<b>Example:</b>	
	Pastoral Costs (45%)	<b>\$69,000</b>
	Other Costs (55%)	<b>\$84,000</b>
	<b>TOTAL LOCAL CHURCH OPERATION BUDGET</b>	<b>\$153,000</b>
	<i>(Plus, Special Mission Giving, Capital Improvement, Loan Repayments)</i>	

**Minimum Number of Members Needed in Worship is 118 to Meet Such a Scenario.**

“To be economically viable in terms of maintaining an attractive meeting place, providing a competitive compensation package for the Pastor, and allocating a respectable number of dollars for program and missions, that usually means an average worship attendance of 125 to 145 or more.”

Lyle Schaller – “What’s the Right Size?”  
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