

How Much Should You Pay Your Pastors?

By Patrick Taylor / August 8, 2011 / 9marks.org

Budget season. The phrase strikes fear into the hearts of many pastors. Visions come to mind of grizzled finance committee chairs with decades-old axes to grind, and interminable business meetings where the relative merits of incandescent versus compact-fluorescent light bulbs are debated.

It ought not be like that.

This article offers some brief perspectives on pastoral compensation decisions based on my three-year service as deacon of budget at Capitol Hill Baptist Church in Washington, DC. First, I will comment on how healthy churches tend to generate healthy pastoral compensation decisions. Second, I will mention two biblical principles that are important for determining how much churches should pay their pastors. My prayer is that these perspectives will be of help to local churches as they undertake their annual compensation review process.

HEALTHY CHURCHES BETTER SUITED TO MAKE WISE DECISIONS

In general, it takes a healthy local church to produce a God-glorifying, encouraging, and amiable pastoral compensation decision.

In particular, a biblical understanding of local church membership and leadership is essential to healthy compensation decisions. Wise compensation recommendations and decisions are made by

- congregations who recognize that it's to their own advantage to respect and honor their pastors, and that sound teaching is life-giving and precious (e.g. Heb. 13:17; 2 Tim. 3:16-4:5);
- a plurality of (paid and unpaid) elders who recognize that they will give an account for how they shepherd a flock purchased with Christ's own blood (cf. Acts 14:23, 16:4, 20:17, and 21:18; Titus 1:5; Jas. 5:14);
- deacons who understand and communicate the needs of the congregation and who act as shock-absorbers whenever threats to unity come (cf. Acts 6:1-7; 1 Tim. 3:8-13).

If all this is true, the first step in preparing a healthy compensation decision is, by God's grace, to build a healthy local church with biblical structures of leadership and accountability.

Now to some practical out-workings of good polity. There is wisdom in removing the pastoral staff from the process of making decisions about compensation. A non-staff elder or deacon of budget can gather the information—discussed in more detail below—essential to proposing a wise compensation decision. Two or more non-staff elders can take this information and develop a compensation recommendation for all the non-staff elders to consider, who would then in turn make a recommendation to the congregation for approval on the overall budget (at CHBC, we don't publicize the actual compensation package for all the staff, but that information is available upon request). I'll not soon forget the picture of all the staff elders at Capitol Hill Baptist filing out of the elders' budget meeting, and with complete confidence leaving the compensation discussions to the non-staff elders.

Without a biblical understanding of healthy church membership and leadership, it is less likely that a local church will reach a healthy compensation decision.

TWO PRINCIPLES FOR PAYING PASTORS

Scripture instructs churches to encourage their pastor(s) through fair compensation. Scripture also warns the church to beware a pastor who serves primarily for money.

Many American churches undercompensate their pastors. Many families have had to struggle through years of financial hardship, not because the Lord wants his ministers to feel financial pain, but because churches do not know how to be generous. Those responsible for pastoral compensation should understand that a “keep a pastor poor to keep him humble” perspective is simply unbiblical and damages the church. At the same time, a pastor can succumb to greed as quickly as any other person. It’s not difficult to open the newspaper and find examples of greedy pastors and unscrupulous churches.

Scripture speaks to the carnality and ungodliness of both excesses, and guides the church into a middle way that encourages pastors without tempting them to avarice.

Encouragement

In 1 Timothy 5, Paul instructs the church about caring for certain Christians. In verses 17–18, he states, “The elders who direct the affairs of the church well are worthy of double honor, especially those whose work is preaching and teaching.” And then he quotes Deuteronomy 25:4, saying “Do not muzzle the ox while it is treading out the grain,” and, apparently, the saying of Jesus recorded in Luke 10:7: “The worker deserves his wages.”

Also, Galatians 6 instructs: “Anyone who receives instruction in the word must share all good things with his instructor” (Gal. 6:6). Failing to provide a fair wage to our pastors undercuts their ability to care for their families (cf. 1 Tim. 5:8), and the Lord will hear their cry (Jas. 5:4).

It is an unwise congregation that believes that a pastor should be willing to work for, and his family to live with, poverty-level wages for the kingdom of God. Instead, the local church should encourage their pastors not only by submitting to their biblical leadership (Heb. 13:17), but by appropriately compensating them for the care they take over the souls of the church.

Consider the following.

- **Housing.** In matters of housing, encourage your parsonage-dwelling pastors by providing additional retirement-related compensation to make up for the lack of equity in a house. If the church does not have a parsonage, it should pay a pastor adequately to live in the neighborhood of the church. This enables his family’s ministry of hospitality, a ministry that is required for all elders (1 Tim. 3:2).
- **Education.** In matters of education, encourage pastors who are fathers of school-aged children by providing additional educational allowances if the public schools, particularly in urban areas, are unsuitable for their children’s moral and intellectual development.
- **Raises.** In matters of productivity, reward pastors who have labored well in the Lord’s vineyard by being sure to provide cost-of-living raises and even performance-related raises. The

Department of Labor publishes detailed statistics on the costs of living; these should be consulted annually to ensure that pastoral salaries are not eroded by inflation.

- **Proportionality.** Ensure that different levels of compensation between pastoral staff are sensibly related to experience and job responsibilities. Pastors with similar experience and job responsibilities should be compensated similarly.
- **Discipleship.** Provide a book and meal budget for pastors. Books are great tools for evangelism and discipleship. And in modern urban settings, much good discipleship and evangelism occurs over meals. Lunch time might be your pastor's most productive time of the day, as he disciples individuals in the congregation and builds relationships with non-Christians.
- **Professional growth.** Provide a professional-growth budget for pastors to be used both for conferences and to build their own libraries. Pastors who receive occasional fellowship with other pastors, and who continue to grow in the knowledge of the Bible, are happy and effective pastors. Equip them to equip you.

Consider too whether a particular compensation decision will encourage your married pastor's wife. It is no easy thing to be the wife of a minister, even if money is of no concern. A church should not compound the challenges to a pastor's wife by being close-fisted when it comes to questions of housing, education, hospitality expenses, and the reasonable expenses of the ministry.

These words of counsel are given primarily for the church in a contemporary American setting. But no matter one's context, churches should look for context-specific ways to be open-handed with the pastors who care well for the church.

Guarding against Avarice

The second and countervailing principle is that the church should not lavish its pastors with extravagant compensation. Peter directs pastors in this way: "Be shepherds of God's flock that is under your care, serving as overseers—not because you must, but because you are willing, as God wants you to be; not greedy for money, but eager to serve" (1 Pet. 5:2).

An effective way to guard against overcompensating a pastor is to consider the collective wisdom of many churches' pastoral compensation. An excellent resource with which to compare pastoral compensation decisions is Richard R. Hammar's *Compensation Handbook for Church Staff*. The *Handbook* is based on an annual survey of churches, and presents compensation data organized in categories such as church membership, income, setting (urban, suburban, and rural), and pastoral education, and it provides compensation information on base salary, housing allowance, parsonages, and benefits. Not only will the *Handbook* provide local churches with "market data" related to pastoral compensation, it will also act as a brake on unreasonable compensation.

FIRST THINGS FIRST

I cannot overemphasize the importance of healthy church membership and leadership to the pastoral compensation process. In my work, it was a great joy to find a congregation, elders, and deacons who affably went about the annual budget process without a single dispute or cross word. Where there were disagreements, the unity of the Spirit prevailed and disagreements did not become disagreeable. "How

good and pleasant it is when brothers live together in unity!" (Ps. 133:1). Focus first on building a healthy church, and the budget will follow.