

October 15, 2017

Dear Pastor, Church Treasurer, and Official Board,

It is that time of year again, when the fall season brings expected change in the weather. It is also the time most church leadership teams plan for next year's calendar and budget. As we do, we are as certain of God's promises as we are that come fall, the weather will change in the Pacific NW. God promises to "supply all your needs according to His riches in glory by Christ Jesus" (Philippians 4:19).

The future and finances merge in preparing the budget for next year. Mixing certainty with a bit of speculation means that we exercise both faith and contingency planning in doing so. And regardless of the size of your church, you need a plan for how to take in and spend the resources God allows you to steward in 2018. As an old adage proclaims, "If your outgo exceeds your income your upkeep will be your downfall." That is why we carefully budget.

Pastoral staff salaries are a major expense and one we encourage you to carefully consider as you prepare next year's budget. Church budgets vary widely in the percentage allocated for salaries, generally falling anywhere from 30-85% for those who have full time pastoral staff. Many churches settle in the 50-60% range of total budget. There is no absolute right or wrong answer. Other factors, such as church size, staff size, bi-vocational or part-time staff, church indebtedness, church vision, outreach, and community economic viability can all play significant roles. The cost of healthcare or benefits is also a major issue for full time staff. And some pastors and churches are serving bi-vocationally, balancing their role in the marketplace, with their role in local church ministry.

The vast majority of our churches want to compensate their pastors fairly and most want to provide a reasonable, living wage for a person serving the church full-time. We regularly consult with church boards in this area. Many are surprised to discover there are studies and surveys available to help guide them in the process of setting compensation. Church boards often do not know where to look for accurate information about pastoral compensation, and because of the emotions that sometime play a role in this discussion, churches often overlook or neglect to deal with this issue. We are happy to help you with this process. I encourage your church board and/or finance/budget committee to take a serious look at pastoral salaries for the coming year. Most churches want to be as generous as possible, while taking into account local economic realities, and available church financial resources. Even if nothing can be done to provide an increase, pastors feel better knowing their compensation has been given serious consideration.

It is usually the responsibility of the local church board to set pastoral and staff salaries. Parishioners want to know their pastor is treated fairly and well, so don't decide prematurely that a raise for your pastor or staff, is impossible. I encourage you to let people know what the needs of the church are, create a culture of generosity, and invite them to respond through responsible stewardship.

If you would you like to have a resource that provides easy access to available information on this subject, I urge you to consider obtaining a copy of the annual *Compensation Handbook for Church Staff* that is published each year. Richard Hammar, the legal counsel for the General Council of the Assemblies of God, serves as an editor for this study. We review all of the major surveys and have found this one to be the most complete, current, and affordable. The 2018 version is available for \$34.95 at <http://store.churchlawtodaystore.com/20cohaforchs1.html>. This document provides tables of data and breaks down pastoral compensation by denomination, staff position, educational level, years of experience, size of congregation, region, size of community, and church income.

Here is an example: According to the 2018 *Compensation Handbook* (p.42), the average compensation (plus benefits) for solo pastors of all denominations for a church with a weekend attendance of 100 or less was \$61,718. For information about your specific church, feel free to contact my assistant, Kim Wigestrund (kimw@northwestministry.com). If you choose not to purchase the book, she can look up that information for you.

Also, consider the cost of living in the Pacific Northwest, which varies widely from place to place, even within regions, and the stats may change from year to year. This criteria should be factored into pastoral compensation. According to www.bestplaces.net, following are how some areas around our Network compare to the national average cost of living:

<input type="checkbox"/> Aberdeen	8.60%	below	<input type="checkbox"/> Longview	2.2%	above
<input type="checkbox"/> Bellevue	101.6%	above	<input type="checkbox"/> Moses Lake	9.3%	below
<input type="checkbox"/> Bellingham	29.8%	above	<input type="checkbox"/> Olympia	16.4%	above
<input type="checkbox"/> Bremerton	14.1%	above	<input type="checkbox"/> Omak	4.5%	below
<input type="checkbox"/> Chehalis	9.2%	above	<input type="checkbox"/> Pasco	4.7%	below
<input type="checkbox"/> Centralia	0.40%	below	<input type="checkbox"/> Renton	41.9%	above
<input type="checkbox"/> Coeur d'Alene	5.8%	above	<input type="checkbox"/> Richland	11.2%	above
<input type="checkbox"/> Ellensburg	10.4%	above	<input type="checkbox"/> Sandpoint	8.8%	above
<input type="checkbox"/> Enumclaw	34.2%	above	<input type="checkbox"/> Seattle	76.5%	above
<input type="checkbox"/> Everett	23.3%	above	<input type="checkbox"/> Spokane	5.8%	below
<input type="checkbox"/> Forks	4.9%	below	<input type="checkbox"/> Tacoma	12.9%	above
<input type="checkbox"/> Goldendale	4.4%	below	<input type="checkbox"/> Vancouver	13.7%	above
<input type="checkbox"/> Issaquah	85.5%	above	<input type="checkbox"/> Walla Walla	2.1%	above
<input type="checkbox"/> Kennewick	5.3%	above	<input type="checkbox"/> Wenatchee	10.5%	above
<input type="checkbox"/> Lewiston	1.4%	below	<input type="checkbox"/> Yakima	4.9%	below

For many pastors, the cost and availability of housing is a major component of his or her cost of living, as is the size of his or her family, educational debt (student loans), etc. A church may provide some type of tax-free housing allowance to credentialed pastoral staff. Every pastoral staff member should submit an estimate of 2018 housing allowance expenses to the church board for approval before year's end. We have downloadable housing allowance estimate forms available on our website or by calling our office.

A multi-faceted approach to provide reasonable compensation works best. When a pastor knows his or her needs are being seriously considered, morale and often longevity can increase, generally resulting in better overall church health. Please at least have the conversation and be sure the item is on your church board meeting agenda.

We regularly receive inquiries from churches wishing to consult with us about budgeting and salaries. Our finance department is available for your inquiries and willing to help you with your budget. I am happy to consult with you on this matter or any aspect of stewardship and finance. Our Director of Operations and Finance, Greg Stern, MBA, is also highly qualified to provide you with appropriate resources and information.

Understandably, the matter of pastoral compensation and minister and church taxes is confusing. We provide a free resources that can help eliminate some of the confusion. You can

find them here: <http://www.nwministry.com/resources/ecfa/church-and-minister-tax-resources.html>.

Please watch for updates from our office regarding your church's record of giving for World Ministries and AGWM World Missions Credit. These numbers are important, helping us track how we are doing in local and world evangelism, and ensure your church is credited for participating. After the first of the year, you will receive a copy of the Annual Church Ministries Report (ACMR), from General Council in Springfield, MO. Please take the time to fill out the form and send it in or complete the online version. This information helps us measure and assess the health of all of our churches.

On another note, I would like to thank each church that has faithfully participated in NETpartners (formerly Shared Ministry) during the current year. Watch a short video here: <http://www.nwministry.com/ministers/my-giving/netpartners.html>

NETpartners' churches invest in three key areas:

- Multiplication - NETpartners will invest in church plants that are reaching those who desperately need Jesus.
- Compassion - NETpartners will support ministers and churches in crisis.
- Leadership - NETpartners will continue to offer training for leaders and help with providing scholarships.

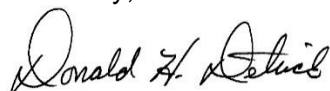
As you probably know, NETpartners giving is a critical part of funding our mission as a Network to empower leaders and build healthy churches. Each year over 200 training opportunities, events, and conferences, that the Network provides, would not happen without your important support.

Enclosed is a report totaling your church's giving to NETpartners through August 31, 2017. As you develop your 2018 church budget, would you please consider supporting NETpartners on a monthly basis or increasing your support? Even a small gift would help us do what we could not do alone. Together we will bring the hope of Jesus to our communities.

Our team is here to serve you! Please contact us if you have questions or need resources. Following is a list, of our staff, who can assist you:

Barbara Williams	barbw@northwestministry.com	Accounts Payable
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Don Detrick	dond@northwestministry.com	Secretary-Treasurer

Sincerely,



Donald H. Detrick

Associate Network Leader: Secretary/Treasurer

Enclosure