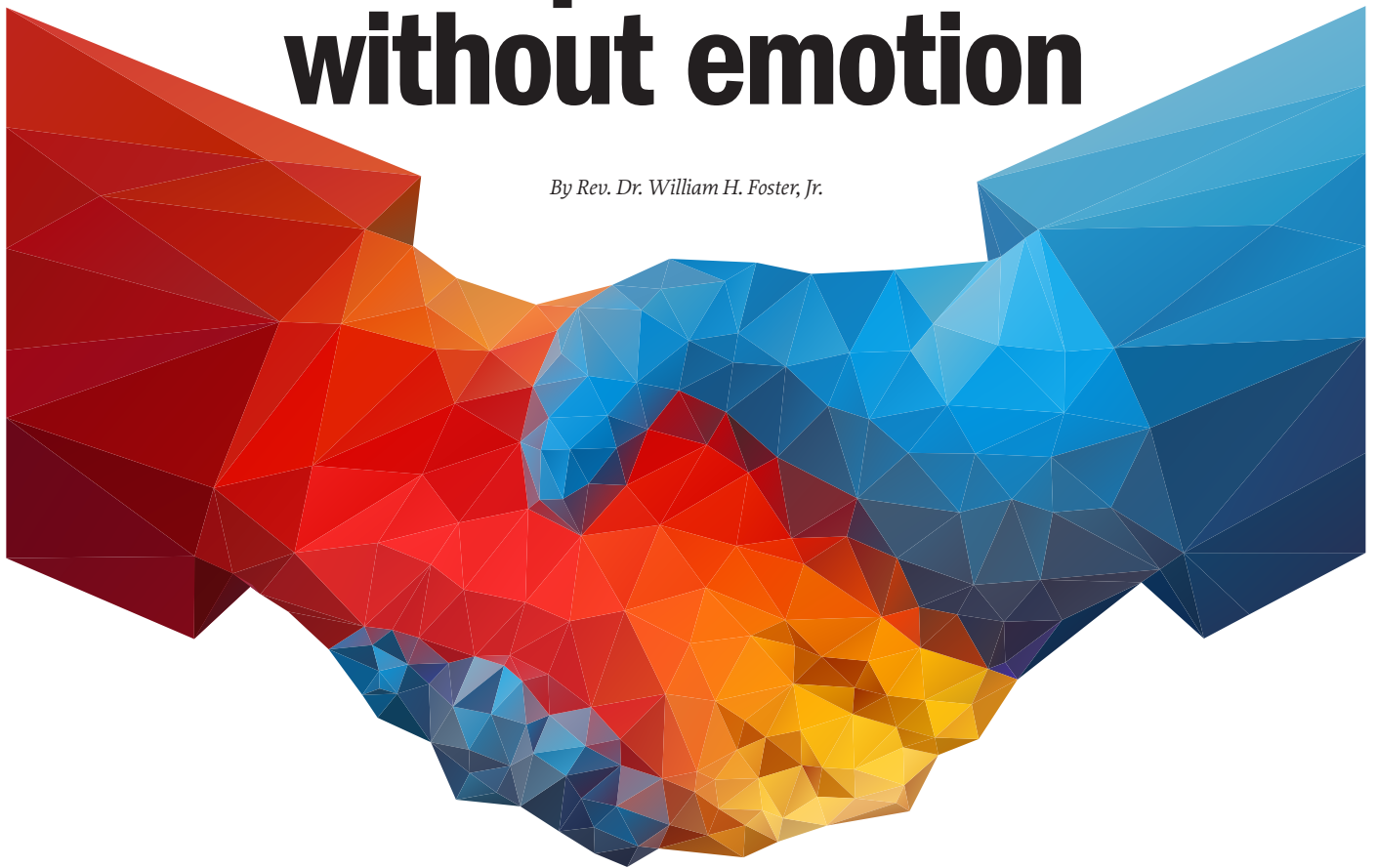




Negotiating compensation without emotion

By Rev. Dr. William H. Foster, Jr.



It's a rare person who doesn't feel like they're navigating rocky terrain when negotiating salary and compensation. This can be especially true for clergypersons.

Far too often, clergy wrestle with the sense that their roles as servants of the Lord conflict with their financial needs.

To heighten matters, the members of your finance committee or trustee board might harbor preconceived ideas about clergy compensation that can complicate the process. Some members consider a low salary a way to assure the pastor remains humble. Others believe it's impossible to put a monetary value on spiritual matters, and many have difficulty understanding the difference between a compensation package and salary.

Seminary training places great emphasis on the clergy's role as a servant and the sacrifices that come with being in ministry, but there's little or no preparation for the process of salary negotiation. It's important to keep in mind — though you're called by God and are *serv*ing Jesus — you're also *employ*ed by the church or faith-based organization. *The New Testament* is very clear that servants of the Lord need adequate income and commands the church to "...Respect those who labor among you and have charge of you in the Lord and admonish you; esteem them very highly in love because of their work." (1 Thessalonians 5:12-13) Pastoral leaders deserve to be paid fairly so they can focus on ministry without undue concern about their finances.

Whether you're negotiating your initial compensation package or a salary increase, here are some tips for minimizing anxiety and approaching the process with confidence.

Understand the difference between salary and a compensation package. A compensation package has three components:

- 1) *Cash compensation* includes the pastor's cash salary and housing allowance, plus cash equivalents such as the Social Security offset.
- 2) A *benefits package* typically includes a retirement savings plan and life, disability and health insurance and paid vacation. It can also include a paid sabbatical.
- 3) *Reimbursement of job-related expenses*, such as work-related travel, books and education. This helps ministers with the day-to-day costs of performing their responsibilities. It should not be a substitute for cash compensation or benefits.

Be sure all parties are up-to-date on your qualifications and achievements. If there's a Pastoral Relations Committee, make sure they have all the information they need to contribute to a well-organized process. Did you earn an additional degree or receive certification in a ministry specialty? Have you taken on additional responsibilities? What performance goals have you met or exceeded? Be as specific as possible. Make a summary of your achievements available prior to your meeting with those making the decision about your compensation.

Be prepared to advocate for yourself. It's your right and obligation to negotiate your own compensation. A Pastoral Relations Committee can support you in this process and advocate on matters of compensation and benefits. (Download the "Finances & Administration for Church Leaders" eBook: www.churchexecutive.com/ebooks)

Don't assume that if you're doing a great job, you'll automatically be rewarded for it; present your case honestly and professionally. Have a good idea of what you want, what your priorities are, and the areas in which you're willing to compromise. Expect to relinquish some of your goals and make concessions on others. You want to maintain a healthy pastor / congregation relationship.

Beware of four common assumptions pastors make when negotiating salary:

#1: "Congregants will think I'm greedy if I request a higher salary." Healthy relationships are grounded in honest and open communication. People can sense unexpressed anger or frustration and appreciate when you're forthright and clear. Most congregations pay far more attention to the actions of their pastor than his or her salary.

#2: "As a proclaimer of the gospel, I shouldn't be preoccupied with such material concerns." Not only does scripture say "the laborer deserves to be paid" (1 Timothy 5:18), but providing a reasonable wage sends the signal that the congregation respects and values their ordained leaders.

#3: "My church isn't doing well financially. It can't afford to do more." Before you make this assumption, check to see what the current salary level is



for churches of your size and in your region. Refer to *The Compensation Handbook for Church Staff*. [<http://store.churchlawtodaystore.com>] You might discover that your perception isn't accurate. Be willing to suggest other ways you can be compensated, such as additional vacation time.

#4: "The church's mission giving will go down if my salary increases." A church that can't sufficiently provide for its members and pastoral leaders is unlikely to experience strong growth and mission giving. A church should be able to support its ministry without sacrificing the pastor's salary.

Finally, as employees of the church, whether ordained or lay, we are called to be good stewards of the gifts that God gives us and of the ministry to which we have been entrusted. Likewise, the church is called to be a good steward of all of its resources — including the staff that devotes its time and talents to care for the people and preach / teach the gospel.

Faithful stewardship of the church requires fair compensation for both ordained and lay staff. **CE**

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