

FACTORS IN DETERMINING COMPENSATION

1. COST OF LIVING

- Contact local Chamber of Commerce to determine:
 - ✓ Average housing costs
 - ✓ Best areas to live
 - ✓ Schools
 - ✓ Median income
- Use a local newspaper, green sheet, real estate information, renter's guide
- Contact local real estate office to receive:
 - ✓ Housing cost estimates
 - ✓ General listing of houses in area

2. GEOGRAPHICAL SETTING

- Contact city government or library to gather information package about the median income of families in your area
- Compensation is generally highest in suburban and urban settings, followed by medium-sized cities, small towns, and rural areas.
- Contact local school district to determine information about type of schools and quality of education
- Contact local Chamber of Commerce to determine:
 - ✓ Demographics for city, county, and state
 - ✓ Growth trends in population
- Contact the CB Northwest office for a Percept Report (demographics and economics)

3. CHURCH INCOME

- Generally the most significant factor affecting pastoral compensation
- Examine giving record and current budget
- Examine appropriateness of the proportion between local church and world missions
- Determine if stewardship education is needed to promote fair compensation of church staff
- On average, 47% of the church budget is devoted to salaries

4. EDUCATION & EXPERIENCE

- Education and experience affect their quality of leadership and service given to the church.
- Compare what other professionals of similar education and responsibility in their area are being paid. Some comparable positions include local school principal, accountant, engineer, and attorney.

5. SCOPE OF THEIR RESPONSIBILITIES

All or some part of the total pastoral role and responsibilities:

- How many staff people does he supervise?
- How much travel and representation is required?
- How much of the total of the compensated leadership roles and responsibilities does he cover in comparison to other staff members?

COMPONENTS OF COMPENSATION PACKAGES

1. BASIC PERSONAL INCOME

- Basic Salary
- Housing allowance (for pastors who own or rent their homes)
- Equity allowance (for pastors occupying church-owned parsonages)

2. PROTECTION BENEFITS

- Medical insurance
- Life insurance
- Disability insurance
- Dental/vision plan
- Professional liability
- State Unemployment Insurance
- Retirement
- Paid vacation
- Paid sabbaticals
- Sick leave
- Paid personal leave
- Paid holidays
- Self-employment tax
- Tax-sheltered annuity contributions (IRA/TSA)
- Social Security Off-set

3. CHURCH MINISTRY RELATED EXPENSES

- Travel/auto
- Conferences/seminars
- Continuing education
- Library
- Professional Expenses/Hospitality

COMPENSATION WORKSHEET

The following will assist you in covering all the bases of a compensation package.

1. SALARY:

\$ _____ per year, to be paid:

\$ _____ monthly; \$ _____ bi-weekly; \$ _____ weekly

2. HOUSING:

Housing Allowance: \$ _____ -or

Parsonage \$ _____

3. BENEFITS (INSURANCE):

Medical _____ Dental _____ Life _____

(\$50,000 for pastor)

Long-term disability _____ Unemployment _____

Retirement: _____

Other: _____

4. REIMBURSED EXPENSES:

Car Allowance \$ _____

Professional Dues \$ _____

Books and Magazines \$ _____

Association Meetings \$ _____

Annual CBNW Conf. \$ _____

Other \$ _____

5. VACATION:

Annual _____ Weeks per year

Special Meetings _____

Study leaves _____

Days off per week _____

Sick leave/days per mo _____

6. MOVING EXPENSE _____ (one-time expense)

We agree to the above proposal.

Search Committee Chairman

Candidate

Date _____

Date _____