



# Negotiating Clergy Compensation with Fair-mindedness

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The idea that congregations want to keep their ministers humble is a myth. Most churches understand the honor associated with compensating their pastors fairly and generously. One of the easiest times to negotiate your salary is during the final stage of your candidacy as a new minister of a church.

The search and call process is a taxing endeavor that takes a lot out of a prospective minister and her or his family. Of particular stress to both sides is negotiating compensation. Churches hope they can afford to call the pastor. Pastors hope they can afford to transition into a new ministry. The goals of negotiating your compensation are at least two-fold: to be fair-minded and to strengthen your relationship with the committee.

Once the matters of faith, fitness, and fit are settled, finances are the last hurdle to handle before the church votes. Ministry compensation is a touchy subject and if approached well it can be the exclamation point that solidifies your ministry in the church even before it starts. Here's what you can do to promote a healthy conversation about your compensation:

- **Budget.** You have to know what you want and what you need before the negotiations begin. Setting your family budget now will give you the numbers you need to speak knowledgeably about your reality. You can expect the church to provide you their initial offer, which usually has some built-in elasticity.
- **Research.** Figure out how the cost of living in your new community compares to your current situation and adjust accordingly. Among many useful online platforms, CBF's Reference and Referral ministry helps ministers and churches find the going rates of different regions based on the church's budget and attendance in relationship to the minister's education and experience.

Many church members do not know the total cost of their own salary. Most people in the pews equate their gross salary figure with the minister's all-inclusive figure that sums salary, benefits, and reimbursed expenses. Their employer's cost for medical insurance, social security, retirement, travel reimbursement, continuing education, and other benefits like a cell phone and laptop are not lumped together into a "total compensation package" but that's usually what the published figure includes for a minister.



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- **Strategy.** Prioritize your requests based on your budget and research. Compensation packages should include cash salary, housing provision/allowance, social security offsets, medical insurance, term life and disability insurances, retirement savings plan, paid leave (including vacation, sick, and sabbatical), and reimbursed expenses (like travel, books, continuing education, cell phone, and visitor meals). The way you allocate compensation among these categories has a significant impact on the taxes you pay.
- **Transparency.** Making good, well-informed decisions requires open and honest dialogue with accurate information shared by all parties involved in negotiating. Ask the committee to review and provide careful feedback to your family budget, contextual research, and itemized strategy proposal. Showing the depth of your preparation for hard conversations will give them an expectation of your administrative skill.

Freedom from financial frets lets you focus on ministry and it helps the church recruit and retain solid leaders. Churches that are generous and fair usually attract the same in their clergy and produce the same of their laity. Humbly executing due diligence in financial matters can reinforce the church's reputation and strengthen your relationship to the congregation.