

## Examples for the 2010 Clergy Salary Range Development Worksheet

### Introduction and Feedback

In 2004, the Pacifica Synod adopted a Clergy Compensation Policy which was different from previous policies and salary schedules. Previously the Pacifica Synod had recommended minimum salary expectations for its clergy based solely on years of experience and continuing education. In the new policy, an individualized Salary Range is defined by the Worksheet The Salary Range is just that – a range. One misconception we heard was that the upper end of the range was "the salary". Rather, the range is a tool to begin the conversation between the Pastor and the leaders of the Congregation concerning the Pastor's salary. Box M of the worksheet represents a set of questions that will help the Pastor and the Congregation's leadership discuss where within the range to set the Pastor's Salary. Given the newness of the form and some questions raised during the first year of its use, we present the following examples to help clarify the use of the worksheet.

### Seminary Graduate with 6 years experience as a Social Worker

Seminarian Joan has just completed seminary after experiencing God's call to Ordained Ministry. Prior to seminary, Joan was a Licensed Clinical Social Worker in long term counseling with families. Her first call is Associate Pastor at Third Lutheran Church in North San Diego working with families and youth. In negotiating her call, both parties agreed that her prior experience was pertinent to her call and would count in both the extra education and prior experience categories.

	<b>Description</b>	<b>Calculation</b>	<b>Worksheet</b>
Box A	Baseline Salary	N/A	\$56,528
Box B	Community Housing Cost Adjustment	Average Home Cost is \$375,000. $\$375,000 - \$200,000 = \$175,000. * 0.03 = \$5,250.$	\$ 5,250
Box C	Adjusted Baseline Salary		\$ 61,778
Box D	Years of Experience	0 years	0 points
Box E	Longevity	0 years	0 Points
Box F	Non-Pastoral Experience	6 years * 0.5 points/year = 3 points	3 Points
Box G	Staff Leadership	Associate not Senior	0 Points
Box H	Further Education	Masters of Social Worker	5 Points
Box I	Total D-I		8 Points
Box J	Adjusted Baseline Salary		\$61,778
Box K	Salary Adjustment Range	8 Points * \$775 per point	\$ 6,200
Box L	Appropriate Salary Range	Box J + K	\$67,928

Thus the appropriate salary range is between \$61,778 and \$67,928.

After talking about the other portions of the compensation package, Pastor Joan and Third Lutheran Church negotiated a starting salary of \$64,104 mainly because the conversation showed that her experience as a Social Worker was going to be extremely useful in her position with the Church.

## Clergy With 12 Years Experience in a Call for 3 Years

Pastor Fred is in the 3<sup>rd</sup> year at St. Michael's Lutheran Church in Orange County where 125 people gather for worship on Sunday. For the past two years, his performance review through the Mutual Ministry Committee and Council has been poor. It appears that the congregation is on the verge of a split. Last year the Church Council and Pastor Fred agreed upon a list of 12 things he needed to do in order to improve his performance. Prior to St. Michael's, Pastor Fred served for 9 years at Blue Ridge Lutheran Church in Idaho. In 2009, Pastor Fred's salary was \$59,410.

	Description	Calculation	Worksheet
Box A	Baseline Salary	N/A	\$56,528
Box B	Community Housing Cost Adjustment	Average Home Cost is \$425,000. $\$425,000 - \$200,000 = \$225,000 * 0.03 = \$6,750$	\$6,750
Box C	Adjusted Baseline Salary	Add Box A + Box B	\$ 63,278
Box D	Years of Experience	12 years total	12 points
Box E	Longevity	3 years at St. Michael's	3 Points
Box F	Non-Pastoral Experience	None	0 Points
Box G	Staff Leadership	Solo Pastor but not over 200 Avg.	0 Points
Box H	Further Education	None	0 Points
Box I	Total D-I		15 Points
Box J	Adjusted Baseline Salary		\$63,278
Box K	Salary Adjustment Range	15 Points * \$775 per point	\$11,625
Box L	Appropriate Salary Range	Box J + K	\$74,903

Thus the appropriate salary range is between \$63,278 and \$74,903.

In completing Pastor Fred's performance review, the Council noted that only 2 of the stated 12 goals for the year had been worked on at all. Once again, Pastor Fred's performance was noted to be less than expected. The Mutual Ministry Committee has fielded several complaints about Pastor Fred's leadership, visitation, teaching and preaching.

In talking about Pastor Fred's 2010 Salary, the Church Council recommended staying near the bottom of the scale at \$65,176 (a 3% cost of living adjustment) with a notation that Pastor Fred was expected to pay more attention to 9 of the 12 items noted in the past year's agreement and added 4 new items for Pastor Fred. A written report on his progress will be made monthly to the Church Council and the Mutual Ministry Committee. If the situation does not improve in 4 months, the Church Council has notified Pastor Fred that they will call in a professional counselor and/or the Synod Staff.

## Long Term Call, 30+ years experience in Congregation of 400

Pastor Kay has been at Whispering Hills Lutheran Church in an Upper Middle Class Neighborhood of Orange County for 31 years. Prior to serving at Whispering Hills, Pastor Kay started a Church in South Dakota for 6 years. At age 64, she is looking forward to retiring in a few years and traveling the country with her husband to visit their 11 grandchildren. When she came to Whispering Hills, it consisted of 4 families that met in the living room of the parsonage. Now over 450 people gather on a Sunday at Whispering Hills.

For the past 31 years, everyone at Whispering Hills has been pleased with Pastor Kay's performance. She is loved and highly respected by the congregation and the community. She volunteers with the Synod to help identify young women with a call to the Ordained Ministry. Her ties to the community have helped Whispering Hills grow steadily over the years. Pastor Kay's salary in 2009 was \$111,681.

	Description	Calculation	Worksheet
Box A	Baseline Salary	N/A	\$56,528
Box B	Community Housing Cost Adjustment	Average Home Cost is \$550,000. $\$550,000 - \$200,000 = \$350,000 * 0.03 = \$10,500$	\$10,500
Box C	Adjusted Baseline Salary		\$ 67,028
Box D	Years of Experience	$31 + 6 = 37$ years total	37 points
Box E	Longevity	31 years at Whispering Hills	31 Points
Box F	Non-Pastoral Experience	None	0 Points
Box G	Staff Leadership	Senior Pastor of 450 – 200 = 250/20 = 12.5	12 Points
Box H	Further Education	None	0 Points
Box I	Total D-I		80 Points
Box J	Adjusted Baseline Salary		\$67,028
Box K	Salary Adjustment Range	80 Points * \$775 per point	\$62,000
Box L	Appropriate Salary Range	Box J + K	\$129,028

Thus the appropriate salary range is between \$67,028 and \$129,028.

In reviewing the goals of the congregation and of the Pastor, the Church Council noted that all of the goals had not only been met but were exceeded. The Church Council agreed that Pastor Kay should receive a salary of \$117,265 (a 5% increase).

## Pastor with 10 years experience interviewing at a congregation with an average home cost of \$750,000.

Pastor Joe is interviewing with Sunset Lutheran Church, which is located in a very high cost neighborhood in Hawaii. The average home price in the area surrounding the Church is over \$1,000,000 but nearby is an area where 3 bedroom homes have been selling for \$750,000. Joe will be moving his family of three teenagers with him and needs an average size home. This would be Joe's second call as a Pastor. Previously he served Bering Strait Lutheran in Alaska for 10 years.

Sunset Lutheran is a community of 125 people in an ethnically diverse neighborhood. Being a medium sized congregation, finances are always a concern. Their previous Pastor retired after 23 years at Sunset Lutheran and was paid \$59,000 per year. In conversations with the Synod Office, the Call Committee realized that they will need to offer at least \$10,000 more than that to attract the experienced candidates that the congregation has indicated they want. A mid-year stewardship drive quickly provided the needed boost to the budget to offer about \$69,000 to Pastor Joe.

In beginning the salary negotiations, the Church Council told Pastor Joe that their budget would not allow them to offer him a salary commensurate with living in the same zip code as the Church. Pastor Joe told the Call Committee that using the adjacent ZIP code would be acceptable if they could structure the Church's meeting schedule around his children's afternoon and evening activities so he would only have to come back to the Church during rush hour 3 or fewer times per week. They agreed that this solution would work well for both parties and mutually agreed to base the Community Housing Cost Adjustment on the adjacent ZIP code average cost of \$750,000.

	Description	Calculation	Worksheet
Box A	Baseline Salary	N/A	\$56,528
Box B	Community Housing Cost Adjustment	Average Home Cost is \$750,000. $\$750,000 - \$200,000 = \$550,000 * 0.03 = \$16,500$	\$16,500
Box C	Adjusted Baseline Salary		\$ 73,028
Box D	Years of Experience	10 years total	10 points
Box E	Longevity	0 years	0 Points
Box F	Non-Pastoral Experience	None	0 Points
Box G	Staff Leadership	Solo Pastor for 125	0 Points
Box H	Further Education	None	0 Points
Box I	Total D-I		10 Points
Box J	Adjusted Baseline Salary		\$73,028
Box K	Salary Adjustment Range	10 Points * \$750 per point	\$ 7,750
Box L	Appropriate Salary Range	Box J + K	\$80,778

Thus the appropriate salary range is between \$73,028 and \$80,778. The Church Council and the Call Committee proposed a beginning salary of \$73,028 for Pastor Joe. Pastor Joe asked for \$80,778 and they settled on \$76,028. Pastor Joe is accepting the call to Sunset Lutheran.