

Compensation in the Evangelical Lutheran Church in America

Kenneth W. Inskeep

August 1, 1990

As a result of action taken by the Evangelical Lutheran Church in America churchwide assembly in 1989, the Conference of Bishops, the Board of Pensions and the Division for Ministry organized a consultation on equalized compensation for ELCA clergy. The objectives of the consultation included a discussion of equalized compensation in the light of Biblical witness, theological implication, and Lutheran practice; determination of the strengths and weaknesses of equalized compensation; and preparation of a report to be presented to the 1991 churchwide assembly.

The Office for Research, Planning and Evaluation was asked to assist in the consultation process by providing descriptive data and analysis of several aspects of the equalized compensation debate. The data presented here have been drawn primarily from two sources: (1) comparisons of average ELCA clergy salaries collected by the Board of Pensions with average salary information on other occupations available from government sources, (2) information on compensation organized around the synod compensation guidelines collected by each synod.

Comparative Salary Information

The ELCA Board of Pensions compiles information on clergy compensation in connection with the pension program of the ELCA. The Board of Pensions' 1989 salary survey was based on cash salary including housing allowances or an additional 30 percent of the cash salary for those in parsonages. The salary survey indicated a variance in average salaries from \$36,686 in Metro Washington, D.C. to \$21,339 in the Caribbean. The average salary among all clergy under call to ELCA congregations was \$30,965. Sixteen synods were randomly selected for more in-depth analysis. The average salaries for the sixteen randomly selected synods varied from a low of \$21,339 in the Caribbean Synod to a high of \$36,053 in the Minneapolis Area Synod. (See Table 1.)

ELCA clergy salaries can be roughly compared to those of elementary and secondary school teachers and college professors at four-year public and private institutions by matching synods to states. Fourteen such comparisons are possible. The best salary comparison can be made between clergy and college professors at four-year private colleges. While the educational attainment level of professors at private four year colleges is somewhat higher than that of most clergy, the skill levels offer as close a comparison as one is likely to find. The salaries at private four-year colleges are also determined similarly to salaries in many private nonprofit organizations, in that the private four year college is often directly dependent upon the goodwill of donors with tuition covering only a portion of the actual costs of providing students with an education. Pastors are likewise directly dependent upon the goodwill of their parishioner-benefactors.

For the fourteen synod/state combinations for which comparisons are possible the salaries of ELCA clergy are higher than those of professors at four-year private colleges in half of synod/state combinations. Overall, however, ELCA clergy salaries average slightly less (\$31,042) in these fourteen synod/state combinations than the average salary for college professors at private colleges (\$31,666). The average clergy salary is higher than that of elementary and secondary school teachers in ten of the fourteen synod/state combinations but is lower than the average salary of all college professors in four-year public institutions.

Table 1
Average Salaries

Elementary and Secondary School Teachers, College Professors and ELCA Clergy¹

	<u>Elementary</u> <u>School Teachers</u>	<u>4 Year</u>	<u>Private</u>	<u>ELCA Synod/ Clergy Under</u>
Montana/Montana		\$29,648		\$27,774
	\$33,200		\$42,055	
Northwestern Minnesota/Minnesota		\$38,692		\$28,374
	\$29,756		\$31,694	
Minneapolis Area/Minnesota		\$38,692		\$36,053
	\$25,387		-	
Northeastern Iowa/Iowa		\$37,162		\$28,514
	\$29,206		\$31,241	
Northwest Synod of Wisconsin/Wisconsin		\$37,780		\$28,721
	\$34,050		\$28,655	
Southern Ohio/Ohio		\$40,235		\$31,353
	\$30,788		\$40,364	
Metro Washington, DC/Washington, DC		\$36,743		\$36,686
	\$21,736		\$24,022	
North Carolina/North Carolina		\$36,514		\$31,215
	-		-	

The U.S. Department of Labor also publishes average salaries for selected occupations by level. (See and responsibilities. ELCA clergy salaries typically range between those paid for persons at Level II and professors in private nonprofit institutions. When ELCA clergy salaries are compared to those in the profit responsibilities.

¹
year private and public institutions are from the National Center for Educational Statistics, 1989, U.S. Department of Education, ELCA clergy under call are from 1989 Salary Survey, as of September 6, 1989, the Board of Pensions of the Evangelical academic year, a review of the 1988 figures for clergy showed changes of only a few hundred dollars. For clergy residing in

Table 2
Average Salaries by Level for Selected Occupations

<u>Occupation</u>	<u>Level</u> <u>I</u>	<u>Level</u> —	<u>III</u>	<u>Level</u> <u>IV</u>	<u>Level</u> —	<u>VI</u>
Accountants		\$26,666	\$33,028		\$53,297	\$67,950
	\$23,404	\$28,253		\$42,463	-	
Attorneys	\$33,962		\$55,407	\$69,854		\$110,489
Buyers		\$27,863	\$36,040		-	-
	\$25,314	\$30,439		\$45,760	\$54,982	
Engineers	\$29,222		\$38,244	\$45,680		\$64,993
Drafters		\$21,478	\$26,555		-	-

In many cases the call for equalized compensation is a call for mandatory regulations specifying a base salary which would then be modified by taking into account criteria such as differential years of service and regional basis. The question raised here examines the relationship between current guidelines and actual compensation.

compensation guidelines. The guidelines take into account complex compensation issues such as length of service, congregational size, and regional variations in the cost of living. Synod guidelines vary allowances. Instead, current base salaries, housing allowances, and other compensation information is provided on clergy already under call to a congregation in the synod, organized by year of ordination. In provided by year of ordination. The West Virginia-Maryland Synod has no guidelines. Nevertheless, the synod guidelines are the only practical way of comparing the compensation situation of clergy under call to compensation guidelines for housing, continuing education and transportation.

Sixteen synods were randomly selected and asked to examine the annual report of ordained ministers under Ministry that portion of the annual report form dealing with compensation information. The synods were also asked to determine if individual clergy were above, at or below the synod guidelines for compensation.

the guidelines is the only practical way of determining the current situation of clergy with regard to the guidelines. At this point the Montana, Pacifica, Northeastern Minnesota, Minneapolis Area, Southwestern Texas, Northeastern Iowa, Northern Great Lakes, Northwest Synod of Wisconsin, Southeastern Michigan, Southern Ohio, New Jersey, North Carolina and the Caribbean synods have reported.

Table 3
Response Rates by Synod

<u>Synod</u>	<u>in Synod</u>	<u>Clergy Reporting</u>	<u>Clergy Reporting</u>	<u>Percent</u>
Montana		117	106	99.1%
Pacifica		160	99	61.9
Northeastern Minnesota		134	100	74.6
Minneapolis Area		324	188	58.0
Southwestern Texas		164	114	69.5
Northeastern Iowa		166	106	63.9
Northern Great Lakes		89	71	79.8
Northwest Synod of Wisconsin		175	133	76.0
Southeastern Michigan		167	155	92.8
Southern Ohio		245	151	61.6
New Jersey		208	117	56.3
North Carolina		222	161	72.5
Caribbean		26	10	38.5
TOTAL		2197	1511	68.8

The majority of clergy under call to congregations who have reported to these synods are compensated below synod guidelines. (See Table 4.) This is true in eight of the thirteen reporting synods. In these thirteen synods, 56 percent of the clergy under call to congregations are below the synod guidelines. If the concept of equalization involves setting a base salary which is then modified by the number of years of service or some other criteria, then it is clear that in most synods the guidelines are not working effectively. In the Northeastern Iowa synod, the situation is the worst with 90 percent of the clergy below synod guidelines. The situation is the best in Southeastern Michigan where 60 percent are above the guidelines.

Care should be taken in interpreting these findings, however. Judgments about whether or not pastors are above, at or below synod guidelines are made by synod staff and, undoubtedly, this subjective procedure leaves much open to interpretation. At the same time, the guidelines themselves often **demand** interpretation and the synod staff are certainly in the best position to do so. Of more significance is the low percentage of clergy actually reporting compensation information to the synods. Only 69 percent of the clergy in these synods are accounted for. If the clergy who have not reported are doing much better than those who have, then this compensation information is biased and suspect. On the other hand, if the non-reporting is evenly distributed among clergy at all compensation levels then the under reporting is not a problem. At this point, it is impossible to know. Finally, as noted earlier, the guidelines themselves vary significantly from synod to synod; some synod guidelines are certainly more stringent than others.

Table 4

*For ELCA Clergy Under Call from Congregations
For Reporting Synods*

	<u>Montana</u>	<u>Northwestern Pacifica</u>	<u>Minn- neapolis</u>	<u>North- Texas</u>	<u>Northern Great Lakes</u>
Above		1.0	26.0	23.7	5.7
At	11.3		9.0	7.0	4.7
	54.7	41.4		38.7	52.6
TOTAL		100.0	100.0	100.0	100.0

<u>Synod</u>	<u>NW Synod of Wisconsin</u>	<u>Southern Michigan</u>	<u>New Jersey</u>	<u>The Carolina</u>	<u>For All 13 Synods</u>
Above		60.0	10.1	28.6	40.0
At	19.7		35.6	35.0	30.0
	68.2	39.4		47.1	71.4
TOTAL		100.0	100.0	100.0	100.0

The general lack of compliance with synod guidelines in these twelve synods does not vary by year of ordination. (See Table 5.) Sixty-six percent of those clergy under call to congregations ordained before significant differences between these percentages—those who have served congregations for the longest time are no more or less likely to be above, at or below synod guidelines than those who have served the shortest

Table 5

Percent Above, At or Below Synod Compensation Guidelines

For Reporting Synods By Year of Ordination

<u>Synod</u>	<u>1955 or before</u>	<u>1956-1965</u>	<u>1976-1985</u>	<u>1986 or later</u>
	19.5%	27.7	26.2	17.2
	14.6	15.6	21.2	21.5
	65.9	56.7	52.6	61.3
	100.0	100.0	100.0	100.0

for pastors accepting their first call. (See Table 6.) However, the compensation for the vast majority of those who have been ordained since 1985 is not significantly different from that of all ELCA clergy. Sixty-1988 or 1989. There are no statistically significant variations in these patterns.

Table 6
 Percent Above, At or Below Synod Compensation Guidelines
For ELCA Clergy Under Call from Congregations
For Reporting Synods By Year of Ordination: 1985 and Later³

<u>Synod Guidelines</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988-1989⁴</u>	<u>Totals</u>
Above	21.9%	7.4	21.1	21.3	18.4
At	17.2	22.2	22.5	19.7	20.4
Below	60.9	70.4	56.4	59.0	61.2
TOTAL	100.0	100.0	100.0	100.0	100.0

Sixty-one percent of females are below the synod guidelines, as are 56 percent of men; once again these differences are not statistically significant. (See Table 7.)

Table 7
 Percent Above, At or Below Synod Compensation Guidelines
For Clergy Under Call from Congregations
By Gender for Reporting Synods⁵

<u>Synod Guidelines</u>	<u>Females</u>	<u>Males</u>
Above	17.5%	27.0
At	21.9	17.2
Below	60.6	55.8
TOTAL	100.0	100.0

Discussion and Conclusions

The picture of clergy compensation that emerges goes in two different directions. On one hand, the average salaries of ELCA clergy are in line with those of college professors at four-year private colleges, but, on the other hand, the majority of clergy find themselves compensated below their own synod guidelines. One explanation for this discrepancy may well be that in some synods the compensation guidelines are simply unrealistically high. In Northeastern Iowa where 90 percent of the clergy are below synod guidelines the average clergy salary is \$63 above that of a college professor at private colleges in the state and \$3647 above the average for elementary and secondary school teachers in Iowa. The situation is the same in

³ Based on data for 250 pastors.

⁴ 1988 and 1989 were combined to compensate for the small number of cases for each year.

⁵ The synods reported information on 114 female and 1387 male clergy. The percentage differences between females and males are not statistically significant.

North Carolina where 71 percent of the clergy are reported to be below the synod guidelines, but the average salary in the synod is \$3661 above that of college professors in private institutions in North Carolina and \$6142 above the average for elementary and secondary school teachers in the state. Similar circumstances exist in Montana, Southwestern Texas and Southern Ohio. In five of the eight synods in which 50 percent of the clergy or more are below the synod compensation guidelines, the average clergy salary is higher than those of the private college professors or public elementary or secondary school teachers in the state.

It could also be argued, however, that college professors at private colleges and school teachers are seriously under compensated, as are clergy; this is precisely why the guidelines were developed in the first place. Or, as an alternative, it might be argued that a few clergy are overcompensated while the vast majority are not compensated well enough. Whether all clergy should be compensated at a higher level or whether or not there should be some form of redistribution of clergy remuneration are not issues this report seeks to address. What is clear is that the overall range of clergy salaries is quite limited. (See Table 8.)

Table 8
Distribution of ELCA Clergy Salaries⁶

<u>Salary</u>	<u>Number of Clergy</u>	<u>Percent in Category</u>	<u>Commulative Percent</u>
below \$19,999	771	7.2%	7.2%
\$20,000 - \$24,999	1,765	16.5	23.7
\$25,000 - \$29,999	2,855	26.6	50.3
\$30,000 - \$34,999	2,360	22.0	72.3
\$35,000 - \$39,999	1,530	14.2	86.5
\$40,000 - \$44,999	763	7.1	93.6
\$45,000 or above	683	6.4	100.0
TOTAL	10,727	100.0	

Seven percent of ELCA clergy make under \$20,000 and a portion of these collect only part time salaries. Only six percent make \$45,000 or more. Seventy percent make between \$25,000 and \$45,000 a year. Given this situation any attempt to somehow redistribute income is practically impossible. If this range of compensation is inadequate then the only realistic alternative is to develop a strategy for pushing up all ELCA clergy salaries. Whether this is possible in a society that typically takes advantage of those employed by nonprofit organization is certainly open to question.

⁶ Data for ELCA clergy under call are from the 1989 Salary Survey, as of September 6, 1989, the Board of Pensions of the Evangelical Lutheran Church in America.

comp2.wpd