CLERGY COMPENSATION:

NATIONAL TRENDS AND LOCAL REALITIES

Duke University

July 2016
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This report is an updated and revised version of “The Triangle Clergy Compensation Study: Preliminary Results and Interpretations,” by Mark Chaves, Shawna Anderson, and Cyrus Schleifer, February 2013. This research was funded by a generous grant from the Lilly Endowment. Crystal MacAllum, Gail Thomas, and Wendy Bauman, of Westat, expertly managed data collection and assembled a team of skilled and dedicated interviewers. David Eagle helped design the research and develop the questionnaires. All results based on the Current Population Survey are from analyses conducted by Cyrus Schleifer. Helpful comments on earlier versions of this report were offered by Alan Chaves, Lisa Keister, David Odom, Lynn Smith-Lovin, and participants in the Economic Sociology Workshop in Duke University’s Department of Sociology. Our greatest thanks go to the clergy and lay leaders who shared their time, opinions, experiences, and wisdom with us.
Compensation for Protestant clergy in the United States is fundamentally market driven. Churches compete with each other for the best clergy, and clergy compete with each other for the most desirable churches. Denominations vary in the extent to which they regulate this market by establishing minimum salaries, publishing compensation guidelines, and controlling the process by which churches and clergy are matched. However, these variations do not alter the basic fact that the markets for desirable positions and qualified clergy are the key factors governing clergy compensation throughout American Protestantism.

Clergy salaries mainly are determined by church size and members’ socioeconomic status, but the connection between available resources and clergy compensation is not automatic. Churches that have more will pay more, but denominational policies, congregational decision-making processes, broader economic conditions, and lay decision makers’ assumptions, values, and perceptions also shape compensation outcomes and the ways that compensation decisions are made.

The Clergy Compensation Study was designed to learn more about clergy compensation and compensation decision-making processes in Protestant churches within the Triangle area of North Carolina (Durham, Wake, and Orange counties, North Carolina) and in Allen County, Indiana (which includes the city of Fort Wayne). In spring and summer, 2011, we conducted in-person interviews with sole or head clergy in 84 Triangle area Protestant churches, and we conducted telephone interviews with 130 lay decision makers from those same churches. In early 2013 we conducted similar interviews with 62 sole or head clergy in Allen Co. Protestant churches, and 110 lay decision makers from those churches. We asked clergy about their congregations, their compensation packages, and the compensation decision-making process in their churches. We also asked questions about their general and financial well-being, their satisfaction with their compensation, and their satisfaction with the compensation decision-making process. Our interviews with lay decision makers focused mainly on the decision-making process within their congregations, although we also asked them to evaluate the clergy person on a variety of dimensions. Importantly, we also asked lay decision makers how they think clergy should deal with money and what factors they think should be most important when making decisions about clergy compensation. Clergy who received no compensation were interviewed, but not included in the results. After excluding clergy receiving no compensation, we report results from 82 Triangle and 59 Allen Co. clergy (97 percent of those interviewed), along with 130 Triangle and 105 Allen Co. lay decision makers (98 percent of those interviewed).

The 141 Protestant churches in our sample come from 15 denominations: African Methodist Episcopal Church, American Baptist Churches, Assemblies of God, Church of God (Cleveland), Church of God in Christ, Disciples of Christ, Evangelical Lutheran Church in America, Episcopal Church, Lutheran Church–Missouri Synod, Church of the Nazarene, Presbyterian Church (USA), Southern Baptist Convention, United Church of Christ, United Methodist Church, and Wesleyan Church. The Lutheran Church–Missouri Synod was only included in Allen Co. These denominations were chosen to provide a cross-section of Protestant churches in each location. Congregations were randomly selected within these denominations to form a representative picture in each region. Ninety percent of head clergy from the sampled churches
in the Triangle and 79 percent of clergy from those sampled in Allen Co. participated in the study. Figure 1 shows the number of congregations in each denomination that participated in the study, separated into the two regions.

![Graph showing number of participating congregations in two survey locations, by denomination.](image)

**Figure 1. Number of participating congregations in two survey locations, by denomination.**

The lay decision makers in the sample mainly were the people who chaired or led the relevant committees or boards that were involved in the church’s most recent clergy compensation review process. Ninety-four (94) percent of the selected lay leaders completed an interview in the Triangle, and 97 percent in Allen County.

Findings from this study can be directly generalized only to the population of Triangle and Allen Co. churches within these denominations. We cannot use the Clergy Compensation study to draw conclusions about all American Protestant clergy, or even about all clergy within a particular denomination. Results from the data pertain directly only to sole or head clergy and to churches within these denominations in each region.²

To provide a broader context for findings from our research on clergy and churches in these regions of North Carolina and Indiana, we also examined national data. We used Current Population Survey (CPS) data to examine national trends in clergy compensation and work hours,³ and we used American Community Survey (ACS) data to place Triangle and Allen Co. clergy compensation figures within their community context.⁴

In this report we summarize 13 sets of findings from the Triangle and Allen Co. data and from the national data. These are the findings that seem most important and informative about the current state of clergy compensation and the processes behind it.⁵
THIRTEEN FINDINGS

1. Triangle area head clergy average earnings are about the same as the average earnings of others in the Triangle with graduate degrees, but head clergy in Allen Co. earn less than both Triangle clergy and others in Allen Co. with graduate degrees.

There are two main ways of looking at clergy compensation, each of which tells us something meaningful about how well clergy are compensated. We can focus on the average clergy salary, which is useful for comparing clergy to average salaries in other occupations. Or we can focus on variation in clergy salaries, which tells us about inequality among clergy. We focus first on averages, and then we turn to inequality.

Table 1 shows the median, 10th percentile, and 90th percentile values for effective salary and total family income for Triangle and Allen Co. head clergy in the selected Protestant denominations. The median effective salary was $60,700 for the Triangle and $47,000 for Allen Co. clergy. Among full-time clergy only, median salary was somewhat higher, at $62,000 and $52,500, respectively. The median total family income, prior to taxes, for Triangle clergy was $95,000 and for Allen Co. clergy it was $80,000. Only 10 percent of Triangle clergy had less than $62,000 in family income, and the top 10 percent had family incomes above $140,000. In Allen Co., only 10 percent of clergy had less than $49,900 in family income, and the top 10 percent of family incomes were more than $125,000.

Table 1: Protestant clergy salary and total family income by full-time status

<table>
<thead>
<tr>
<th></th>
<th>Effective Salary</th>
<th>Total Family Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All clergy</td>
<td>Full-time clergy</td>
</tr>
<tr>
<td>Triangle Region, 2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90th percentile</td>
<td>$99,100</td>
<td>$99,100</td>
</tr>
<tr>
<td>Median</td>
<td>60,700</td>
<td>62,000</td>
</tr>
<tr>
<td>10th percentile</td>
<td>36,000</td>
<td>38,000</td>
</tr>
<tr>
<td>Allen County, 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90th percentile</td>
<td>$83,000</td>
<td>$83,500</td>
</tr>
<tr>
<td>Median</td>
<td>47,000</td>
<td>52,500</td>
</tr>
<tr>
<td>10th percentile</td>
<td>18,000</td>
<td>26,000</td>
</tr>
</tbody>
</table>

Table 2 uses information from the American Community Survey to compare median individual earnings for all people with graduate degrees with the median effective salary reported by head clergy with graduate degrees in Durham, Orange, Wake, and Allen Counties. Clergy earnings were very similar to the earnings of other well-educated people in Orange and Wake Counties. Clergy salaries in our Durham sample were higher than other well-educated people in that county. We do not know why our sample of Durham clergy stands out in this way, but, since it was a small sample, we are not inclined to over-interpret this difference. In sharp contrast to the Triangle, clergy salaries in Allen County were lower than the salaries of other educated people in that county. In sum, Triangle clergy, on average, were paid comparably to other educated
workers in this area. Allen County clergy, on the other hand, were paid less than other educated workers in that county, and less than clergy in the Triangle.

Table 2. Comparison of median effective salaries for Protestant clergy with median individual earnings, by county

<table>
<thead>
<tr>
<th></th>
<th>Clergy with Graduate Degrees</th>
<th>Individuals with Graduate Degrees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durham County</td>
<td>$75,471</td>
<td>$52,453</td>
</tr>
<tr>
<td>Orange County</td>
<td>$59,330</td>
<td>$61,783</td>
</tr>
<tr>
<td>Wake County</td>
<td>$67,143</td>
<td>$65,264</td>
</tr>
<tr>
<td>Allen County</td>
<td>$52,500</td>
<td>$62,337</td>
</tr>
</tbody>
</table>

Source: Clergy numbers are from the Clergy Compensation Study. Durham, Orange, and Wake County numbers for individual earnings are from the 2010 American Community Survey. Allen County numbers for individual earnings are from the 2012 American Community Survey.

Even after taking congregation size, denomination, and other factors into consideration, we still saw significantly higher clergy salaries in the Triangle than in Allen County. This salary difference does not merely reflect a cost of living difference, since the cost of living is similar in each location. One 2012 cost of living index was 90.8 for Raleigh (the metro area for the majority of Triangle congregations) and 91.6 for Allen Co. Lay leaders in each area seem aware of how the salaries of their clergy fit into the local economic picture: 53 percent of lay leaders in Allen Co. said that their head clergyperson was underpaid, compared to only 31 percent saying so in the Triangle.

The higher clergy salaries observed in the Triangle may be related to the education level and financial status of lay decision makers (or of all lay persons) in their congregations. In the Triangle, 43 percent of lay leaders in our sample had graduate degrees, compared to only 15 percent of lay leaders in Allen Co. with graduate degrees. This reflects the educational attainment in the wider population of these regions. Graduate educated lay people who were employed full-time earned over $20,000 more on average than less educated workers in both places, but with fewer Allen Co. decision makers in that category, perhaps the standard of comparison for clergy is different. Further, full-time employed lay leader annual salaries were about $50,000 higher on average in the Triangle than they were in Allen Co., regardless of education level. These different educational and economic contexts may be one of the main reasons that Triangle clergy earn more than Allen Co. clergy. The economic differences may also explain why more head clergy worked part time in Allen Co. (20 percent) than in the Triangle (8 percent).

These educational and economic disparities among lay leaders also may be connected to several attitudinal differences between Triangle and Allen Co. lay leaders. For example, lay people in Allen Co. were more likely to think that the pastor’s gender should be an important consideration in determining compensation (24 percent said it was very or extremely important in Allen Co. versus only 3 percent in the Triangle). And lay leaders in Allen Co. were more likely to consider
the salary of a clergyperson’s spouse in making compensation decisions (18 percent said it was very or extremely important versus 8 percent in the Triangle).

However, even in light of the objective salary differences between Triangle and Allen Co. clergy, most other clergy characteristics, lay attitudes, and the processes that determine clergy compensation were very similar in the two locations. Even clergy members’ subjective assessments of their financial well-being were similar in the two locations. For example, even in the immediate aftermath of the Great Recession, only 13 percent of Triangle clergy said they were financially worse off in 2011 than they were two years prior, in 2009, and 41 percent said their financial situation had improved. Similarly, only 20 percent of Allen Co. clergy said that they were financially worse off in 2013 than they were two years prior, and 47 percent felt their financial situation had improved.11 Regardless of location, two-thirds (68 percent) said their standard of living was very or extremely comfortable and 67 percent were very or extremely satisfied with their compensation. Since there are more similarities than differences between the two settings when it comes to clergy compensation, the following sections mainly combine results from the Triangle and Allen Co. surveys, with some exceptions that we note along the way.

2. Nationally, Protestant clergy have lost earnings ground relative to all other educated workers, but this lost ground is entirely because the highest paying occupations have pulled so far away from the rest of the population. That is, clergy have lost ground relative to doctors, lawyers, investment bankers, and other very high earning occupations, but they gained ground relative to social workers, high school teachers, counselors, and other middle-class occupations.

National data from the Current Population Survey, displayed in Figure 2, show that, relative to the full population of educated workers, clergy have lost earnings ground since 1976.12 This analysis is limited to those who have completed at least a bachelor’s degree. However, the picture is different when the highest paid occupations are excluded from this comparison. In fact, clergy gained ground relative to social workers, high school teachers, and counselors. Of course, improvement relative to these other occupations could indicate a particularly difficult time for these other occupations more than a particularly good time for clergy. Still, it is important to recognize that, when the highest paying 35 occupations (doctors, lawyers, engineers, etc.) are excluded from the comparison, non-Catholic clergy on average gained earnings ground on the remaining population of educated workers. Clergy made about 32 percent less than others with college degrees in 1983, but by 2002 this disadvantage had decreased to 26 percent. When assessing the relative position of clergy in American society, it is important to be clear about the comparison group.
3. Inequality is a key feature of clergy compensation. Moreover, national data show that earnings inequality has increased among non-Catholic clergy.

Income inequality among clergy in both regions seems a more important feature of the current situation than the average clergy salary level. As shown in Table 3, the highest paid full-time clergyperson in our Triangle sample received $221,400 in effective salary in 2011 while the lowest paid full-time clergyperson received $10,800. In Allen Co. in 2013, the highest effective full-time salary was $155,000 and the lowest was $18,200. Differences in compensation levels relate to characteristics of both the congregation and the pastor. Larger congregations paid more (for the typical congregation and pastor, an additional 50 adult members corresponded to about $3,000 more in annual salary), and having housing provided (a parsonage or manse) meant a decrease in cash salary of about $12,000. Pastors with graduate degrees were paid on average about $14,000 more than those with less education, and full-time pastors earned an average of $22,500 more than those who were part-time. (Only 11 percent of clergy in our sample reported working fewer than 35 hours per week at their church.) Older pastors tended to earn higher salaries, with the exception of those over 65, who seemed to be paid slightly less. Each additional year of experience at a congregation came with an average salary benefit of about $2,500.

Of course, since clergy income is tightly connected to the congregation’s annual budget, clergy income inequality reflects financial inequality among churches. The highest congregational annual budget for a church in our sample was $2.7 million, while the lowest annual budget was $12,000. While much of this range is related to congregation size, some congregations were also
better off than others on a per capita basis. Annual congregational budget per adult member ranged from $400 to $7,400, with 80 percent of congregations falling between $910 and $2700 per adult.Most congregation budgets increased or stayed the same since two years prior to the survey, although budgets did decrease for almost one-quarter (22 percent) of congregations. Congregations with more people in higher income brackets were less likely to reduce their annual budgets, perhaps because the Great Recession had the biggest effect on the income (and thus giving ability) of those at lower income levels.

### Table 3. Lowest and highest Protestant congregational annual budgets and full-time clergy salaries in the Triangle and Allen Co.

<table>
<thead>
<tr>
<th></th>
<th>Congregational Annual Budget</th>
<th>Budget per Member</th>
<th>Full-Time Clergy Salary (Triangle)</th>
<th>Full-Time Clergy Salary (Allen Co.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>$12,000</td>
<td>$400</td>
<td>$10,800</td>
<td>$18,200</td>
</tr>
<tr>
<td>Highest</td>
<td>$2,700,000</td>
<td>$7,400</td>
<td>$221,400</td>
<td>$155,000</td>
</tr>
</tbody>
</table>

The inequality in cash payment also carries over to benefits. As Table 4 shows, higher-paid clergy were more likely than lower-paid clergy to receive a variety of benefits. Part-time clergy and pastors of color also were much less likely to receive key employment benefits. And clergy in mid-career (ages 45–65) were more likely to have employment benefits than those who are either younger or older.

### Table 4. Job-related benefits of Protestant clergy in the Triangle and Allen Co., separated into groups by work schedule, salary level, age, and race.

<table>
<thead>
<tr>
<th></th>
<th>Health Ins. (offered or covered)</th>
<th>Retirement Contributions</th>
<th>Paid Vacation</th>
<th>Paid Sabbatical Leave</th>
<th>Reimbursement for Professional Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Schedule</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>83</td>
<td>82</td>
<td>94</td>
<td>35</td>
<td>96</td>
</tr>
<tr>
<td>Part-time</td>
<td>46</td>
<td>41</td>
<td>77</td>
<td>14</td>
<td>76</td>
</tr>
<tr>
<td>Cash Salary (FT only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least $60K/yr</td>
<td>92</td>
<td>89</td>
<td>99</td>
<td>53</td>
<td>100</td>
</tr>
<tr>
<td>Less than $60K/yr</td>
<td>75</td>
<td>75</td>
<td>90</td>
<td>17</td>
<td>92</td>
</tr>
<tr>
<td>Age (FT only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 45</td>
<td>62</td>
<td>77</td>
<td>84</td>
<td>9</td>
<td>99</td>
</tr>
<tr>
<td>Mid-career (45-65)</td>
<td>97</td>
<td>89</td>
<td>98</td>
<td>47</td>
<td>100</td>
</tr>
<tr>
<td>Over 65</td>
<td>31</td>
<td>31</td>
<td>100</td>
<td>16</td>
<td>46</td>
</tr>
<tr>
<td>Race (FT only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>88</td>
<td>86</td>
<td>100</td>
<td>36</td>
<td>95</td>
</tr>
<tr>
<td>Non-white</td>
<td>56</td>
<td>54</td>
<td>60</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>
Overall, 75 percent of full-time head clergy jobs, but only 27 percent of part-time head clergy jobs, came with health insurance, paid vacation, and retirement plan contributions, while the rest lacked at least one of these three core benefits. The median effective salary for the full-time jobs that provide fewer benefits was $49,200, compared with $62,000 for the full-time jobs that provided full benefits. This is consistent with other research on clergy which found that higher salary, good benefits, and better working conditions tend to go together. Unsurprisingly, the lower-paying full-time jobs with fewer benefits tend to be concentrated in the denominations that, on average, draw a less affluent membership, such as Nazarene, Church of God Cleveland, AME, Southern Baptist, and Wesleyan. Full-time clergy in denominations such as The Episcopal Church, UCC, PCUSA, Lutheran Church-Missouri Synod, United Methodist, and ELCA tended to have higher paying jobs that rarely lacked any of the three core benefits of health insurance, paid vacation, or retirement contributions.

Inequality is clearly present in the clergy job scene. There always has been inequality among clergy, but national data show that, as in American society as a whole, salary inequality among clergy has increased in the last several decades. Moreover, this inequality has increased because there are more very highly paid clergy, not because there are more poorly paid clergy. Inequality has increased because the top has pulled further away, not because the bottom has fallen out. According to Current Population Survey data, in 1983, only 5.5 percent of non-Catholic, graduate-educated, full-time clergy earned twice the median clergy salary, growing to 12.6 percent by 2010; similarly, the percent of clergy earning three times the median clergy salary grew from 1.3 percent in 1983 to 6.5 percent in 2010. Since church budget is highly correlated with church size, this increasing clergy inequality probably is related to the increased concentration of churchgoers in very large churches. These very large churches of course pay the highest head clergy salaries, and they also have multiple staff working in lower-paid associate or assistant clergy positions.

The upshot of these first three sets of findings is that inequality may be a more serious problem for Protestant churches than the average clergy compensation package. The average compensation package is decent in both absolute and relative terms, but the bottom fifth or so of clergy receive low pay (less than $47,000 in the Triangle and less than $36,000 in Allen County for full-time clergy) and minimal benefits, and overall are not financially comfortable. With top salaries more than three times as much as the median, even people doing much the same job are compensated very differently.

4. Clergy are less satisfied with their long-term financial security than with their immediate financial situation.

More than two-thirds (68 percent) of Triangle and Allen Co. clergy in these 15 denominations said their standard of living was very or extremely comfortable, and most (55 percent) also felt that their current financial situation was only a little or not at all stressful. However, they expressed lower levels of satisfaction when asked about specific aspects of their financial situation. Moreover, as Figure 3 illustrates, an important difference emerged between clergy satisfaction with short-term aspects of their financial situation and satisfaction with their long-term financial security. Most clergy, for example, said they were very or extremely satisfied with
their ability to meet their monthly financial needs (61 percent), but the numbers were much lower when they thought about the amounts they had in savings (18 percent extremely or very satisfied), and that available for future health care needs (21 percent), for life emergencies (23 percent), for retirement (27 percent), or to provide for education (33 percent). Higher levels of satisfaction tended to be expressed by clergy with graduate degrees, full-time positions, larger congregations, and positions providing health insurance, paid vacation, and retirement contributions. Thus, clergy with the “good jobs” (better pay and better benefits) were less stressed about their short- and long-term financial situation.

Concerns about long-term financial security also were expressed by clergy in their responses to our open-ended questions. For example, one clergyperson said, “We don't lack for anything major now … my big worries are the future … retirement, educating my children.” Another said, “… I think we're pretty comfortable. As long as we're both working we're fine. I think we're a little anxious about retirement.” Perhaps this pattern – more satisfaction with their immediate situation than with their long-term financial security – makes clergy similar to most Americans. Clergy, in general, are not so worried about paying this month’s bills, but they are worried about retirement, educational costs for their children, and future health care costs.

5. Nationally, clergy report working fewer hours than they did in the past. Consequently, clergy have gained ground relative to other workers when it comes to hourly wages.

We documented above that clergy have lost ground in total earnings relative to the highest paying occupations but have gained ground relative to the rest of the population of educated salaried workers. There is another important subtlety here: clergy report working fewer hours than they did before. Drawing again on data from the Current Population Survey, the work week
for clergy went from 52 hours per week in 1979 to 43 hours per week in 2013. The work week for other educated people increased slightly during this period, from approximately 40 hours in 1979 to 41 in 2013. And that decline in the clergy work week is large enough to produce an increase in hourly wages over this period that is greater than would have been produced by the increased salaries alone.16

The number of clergy working part time also increased during this period. In 1979, 6 percent of clergy worked fewer than 35 hours per week; by 2013, that number had risen to 15 percent. But even with this change in mind, the decline in number of working hours is evident when we limit attention to clergy who work full-time. These full-time clergy reported working 55 hours per week in 1979, down to 48 hours per week in 2013. Clergy still work more than the average professional worker, but not as much as before.

This shortening work week for clergy is a trend that seems to have begun well before 1983. Clergy time-use studies conducted over several decades document a decline from 76 hours worked per week in 1934 to 67 hours worked per week in 1954, and down to 51 hours worked per week in 2001.17

Whatever the reasons for this shorter work week, it shifts the meaning of the wage gain for clergy that we observe in the national data. Like earnings, clergy wages are still lower than the wages of other full-time, salaried workers with graduate degrees, but the shorter clergy work week has led to clergy gaining more ground on other workers when we look at wages.18

6. Like many American households, almost all Triangle area and Allen Co. head clergy households rely on two incomes to make ends meet.

Ninety (90) percent of head clergy in the Triangle area and Allen Co. were married, and, of those who were married, 80 percent had spouses who worked outside the home. Spouses of an additional 7 percent were retired from previously working outside the home. For the average married clergyperson, 58 percent of their family’s total income came from the clergy job, 31 percent from a spouse’s income, and the remaining 11 percent from other jobs, pension income, and other sources. There is an important gender difference here. Married female clergy had higher family incomes than married male clergy: $104,000 compared to $93,000. This difference is not statistically significant in our small sample, but it is consistent with other evidence so we believe it is real.19 This difference exists because, as Table 5 shows, the spouses of female clergy are more likely to work full-time (77 percent versus 57 percent) and earn more income. Looked at from another perspective, married female clergy contributed 40 percent of their family’s total income from their pastoral job, compared to 61 percent for married men. Therefore, as is the case in many other families, husbands, on average, earned more than wives. This means that the families of married female clergy rely somewhat less on their clergy earnings than do the families of married male clergy.
Table 5. Marital status and spousal employment status for Protestant clergy in the Triangle and Allen Co.

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Male Clergy</th>
<th>Female Clergy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single, never married</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Married</td>
<td>95</td>
<td>57</td>
</tr>
<tr>
<td>Divorced or widowed</td>
<td>5</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spousal Employment Status</th>
<th>Male Clergy</th>
<th>Female Clergy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed full-time</td>
<td>57</td>
<td>77</td>
</tr>
<tr>
<td>Employed part-time</td>
<td>21</td>
<td>3</td>
</tr>
<tr>
<td>Homemaking</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>Retired</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

From the perspective of churches, perhaps the increasing number of women in the Protestant clergy (although still only 15 percent of all clergy in this survey) has reduced some of the financial pressure churches might otherwise experience because fewer ministers are their family’s primary breadwinner. From the perspective of clergy and their families, perhaps this increasing number of women also means that clergy jobs now are more likely to be treated as sources of supplementary rather than primary income for clergy families, with unclear consequences for clergy, churches, and clergy’s occupational status. At the same time, however, female clergy in the Triangle and in Allen Co. were much more likely than males to be single or divorced, in which case their clergy salary is their sole source of household income. This gender difference also appears in national data. All in all, gender differences in the relative importance of the clergy salary to the household economy are complex and important.

7. Debt is an important part of the clergy financial picture. Clergy debt levels are similar to those of the general population.

Nineteen (19) percent of Americans are in households with outstanding student loans. Similarly, as Figure 4 shows, 17 percent of Triangle and Allen Co. clergy in the denominations surveyed were making student loan payments. But student loan debt is much more prevalent among younger people. Forty (40) percent of Americans in households headed by someone under age 35 have student loan debt. This is comparable to the clergy situation: 45 percent of clergy under age 35 were repaying student loan debt. On the other hand, only 12 percent of clergy over 40 years old were still making student loan payments.
Clergy also seem comparable to the general population when it comes to credit card debt, though our data suggest that clergy in the Triangle and Allen Co. may carry higher balances, on average. In 2010, 39 percent of American households had some credit card debt, as did 41 percent of head clergy in the Triangle and Allen Co. survey during a similar time frame. Among all American households with credit card debt, the median balance was $2,600, while the median balance for clergy in our sample was $5,000. A small minority of clergy (8 percent) had more than $20,000 in credit card debt. Other types of loans, especially vehicle loans and mortgages, are more common for clergy than for the general public. This may be because clergy generally are middle class professionals who are more likely than the general public to buy new cars and, in the era of housing allowances rather than parsonages, own their homes. From this perspective, higher rates of car loans and mortgages among clergy may not be a sign of above average debt. Still, clergy in these two locations appear to carry car loans and mortgage debt at higher rates than the general public.

Overall, the financial debt situation of Triangle and Allen Co. clergy looked similar to the general population. We added up all types of debt and calculated clergy monthly debt payments as a percentage of their monthly family income – a number called a “debt burden.” The median debt burden for those with debt was the same for clergy as it is for the general population: 18 percent. Interestingly, only 2 percent of clergy had a debt burden that was more than 40 percent of their family income, compared with 14 percent of all American households with that much debt.

Concern often is expressed about the student loan debt that future ministers incur in college and seminary, but many more clergy had credit card debt than student loan debt, and those with student loan debt paid about the same amount per month as those with credit card debt (about $250/month). Moreover, educational debt among younger clergy, while substantial, did not
appear to be more prevalent than the extent of educational debt among the general population in that age group. On the other hand, non-student-loan debt may be more common for clergy than for the typical American. And further, debt is certainly important to clergy morale: In our data, how much debt clergy carry (especially credit card and medical debt) was as strongly related to how satisfied they were with their financial well-being as was their total compensation or their total family income.

8. Clergy benefit packages, on average, are fairly robust, but there is room for improvement, especially in the use of health reimbursement accounts.

Clergy benefit packages in the Triangle and Allen County, on average, are robust, as Figure 5 displays. Almost all (97 percent) clergy were covered by health insurance. Most of these (75 percent) had insurance coverage through their congregation or denomination, and the rest received health insurance through a spouse’s employer (16 percent), retirement plans or Medicare (5 percent), private insurance plans (3 percent), or another job (2 percent). Twenty-one (71) percent of clergy received at least 4 weeks of paid vacation per year, and congregations made retirement contributions for 77 percent of head clergy in these regions. Interestingly, the compensation package features that connected most strongly to clergy overall satisfaction with their compensation were whether or not their congregation made retirement contributions, whether or not they received paid vacation time, and how much paid vacation they received. Clergy morale, not to mention their material well-being, might be improved by improving these particular features – more vacation time and larger retirement contributions – of their packages.

![Figure 5. Percent of Protestant clergy in the Triangle and Allen Co. who received specified benefits as part of compensation package](image)

Most churches and clergy were taking advantage of benefits allowed by the tax code, but there is room for improvement in this regard. Seventy-eight (78) percent of clergy received a housing...
allowance and, for these clergy, the housing allowance constituted, on average, about a third of his or her effective salary. Only a minority of eligible clergy did not deduct individual retirement contributions from their taxable income (17 percent), were not reimbursed for professional expenses (6 percent), or did not deduct personally-paid health insurance premiums from their taxable income (26 percent). Health reimbursement accounts (HRAs) are the only available tax benefit that was not used by a majority of churches and clergy. Almost one-third (29 percent) of all churches offered HRAs, and about half (49 percent) of the clergy in those churches used them. Overall, there seems to be room for educating churches and clergy about specific tax benefits, but health reimbursement accounts were the only specific benefit that a significant number of clergy did not already use. So HRA use might be the one tax benefit for which additional education could lead to substantially increased use.

9. Almost all congregations have a formal compensation review process, and most clergy are happy with the process. Improvements could be made mainly by formalizing processes in congregations where the process remains more informal.

Most congregations had some sort of annual compensation review process, although this was somewhat more common in the Triangle (92 percent) than in Allen Co. (72 percent). The review process seems to work well in the majority of congregations. More than two-thirds (69 percent) of clergy who had gone through a review said they were very or extremely satisfied with the process, and 79 percent said they were treated respectfully “all of the time” throughout the process. In congregations where information about compensation was available to members, only 14 percent of clergy said that they had ever had an uncomfortable interaction with a member about the topic.

As with clergy income, process inequality among churches is perhaps more important than process problems in the average church. Most congregations had a more or less formal process, but some did not. Of the 44 percent of clergy who said there were aspects of the compensation review process they would like to change, by far the most common suggested change (accounting for about half of all suggested changes) concerned making the process more formal or professional in some fashion.

10. The most important proximate influences on clergy compensation decisions are (a) the church budget, (b) external comparisons, (c) lay decision makers’ personal financial situations, (d) understandings of the general economic climate, and (e) specific compensation requests from clergy.

(a) The overall budget constrains compensation decisions because churches can only spend the money that they have, or think they will have. As Figure 6 shows, 92 percent of clergy and 93 percent of lay leaders said the congregation considered the annual budget during the compensation review process. Three-quarters of lay leaders (74 percent) said they would give the head clergyperson a raise if the church’s income increased. And, unsurprisingly, churches experiencing recent membership declines were less likely to give raises. The budget constraint
also is very prominent in the numerous statements by lay leaders who essentially said, “He or she is doing a great job and we would pay him/her more if we could.” Overall, it seems that most lay decision makers approach the compensation decision with this question in mind: “What can we afford to do for the staff after we pay all the bills?”

Figure 6. Percent of Protestant clergy and lay leaders in the Triangle and Allen Co. reporting that given resources were consulted during the most recent clergy compensation decision-making process.

(b) Comparisons to several kinds of external standards also are an important part of the compensation decision-making process for many churches. Fifty-four (54) percent of lay leaders and 49 percent of clergy reported consulting denominational guidelines as part of the compensation decision-making process, and 27 percent of lay leaders and 30 percent of clergy reported seeking information about what other churches are paying. Denominational guidelines, especially denominational minimum salary standards, seem important especially at the low end of the clergy salary scale, with several churches reporting using them as a benchmark that they did not want to fall below and several clergy reporting using them in an effort to persuade lay leaders to increase their pay. Thus, overall, denominational guidelines appeared to exert upward pressure on clergy compensation at the lower end of the salary scale.

(c) One of the few lay leader characteristics that is related to whether or not the clergyperson received a raise in the last year is lay leaders’ own financial situation. Lay leaders with higher personal and family incomes were more likely to have given their minister a raise during the most recent compensation decision-making process. Relatedly, clergy income levels in Allen Co. (median personal annual income of $47,000 and family income of $80,000) were surprisingly similar to those of Allen Co. lay decision makers with graduate degrees (median personal income of $50,000 and median family income of $90,000). Triangle lay leaders with graduate educations earned somewhat more than their clergy: median personal income of $100,000 and median family income of $130,000 for lay leaders with graduate degrees, compared to $60,700 and $95,000 for clergy. Overall, these observations suggest that both overall compensation packages
and annual raise decisions are related to the financial situation of the lay leaders, and probably are driven more by the financial situation of lay leaders than by what the average rank-and-file member makes.

(d) We gathered the Triangle data in the aftermath of the Great Recession, at a time of ongoing high unemployment. Lingering economic troubles still seemed evident two years later in Allen County. A common sentiment expressed among both clergy and lay leaders was that, even if the church could afford to give a raise, it seemed inappropriate to do so when some church members had lost their jobs and many church members had not received a recent raise. Perhaps the best indicator of this norm operating among clergy is the striking observation that, aware of the recession and the fact that many of their members were not getting raises during the years we gathered these data, 17 percent of Triangle clergy and 33 percent of Allen County clergy requested that their salaries either stay the same or be reduced. More generally, 46 percent of clergy and 64 percent of lay leaders said that cost of living considerations were taken into account in the most recent compensation decision, indicating that congregations paid attention to the general economic climate.

(e) The fact that a noticeable minority of clergy asked their churches not to give them a raise in the survey year leads us to highlight another important proximate cause of compensation decisions: direct requests from the clergyperson. Clergy were about as likely to request a raise as they were to request that their compensation stay the same or be reduced. As we noted in the previous paragraph, 17 percent of Triangle clergy and 33 percent of Allen County clergy requested that their salaries either stay the same or be reduced in the survey year. A few even asked that they not be paid at all for a time. We do not know if this surprisingly high level of clergy requests for no pay raise is typical of every year or is unusually high in these data because we conducted this study in the immediate aftermath of the Great Recession. Pastors who made these requests for salary freezes or decreases tended to mention current financial stress in the congregation, or a desire to better compensate associate pastors or other staff rather than allocate resources to themselves.

Clergy with higher cash salaries, those living in a parsonage, and those with growing churches were more likely to request a salary freeze or decrease, perhaps because they could better afford to do so, given their current personal financial situations. Requests for no raise or no pay were more common in Allen Co., likely because of more financial stress there; congregations in Allen Co. saw more budget declines and fewer budget increases than those in the Triangle.

On the flip side, 7 percent of Triangle clergy and 26 percent of Allen County clergy asked for salary increases or better benefits during the most recent review process. While the raw numbers suggest that raise requests were somewhat less common than requests in the other direction, these differences are not statistically significant.

Importantly, requests – in either direction – mattered. Clergy who asked for a raise were much more likely to receive one than those who did not ask, even when controlling for other congregational characteristics and excluding from the comparison those who explicitly requested no raise. Similarly, congregations honored most clergy requests that they receive no raise in a given year, implying that a significant minority of clergy did not receive a cost of living increase or other raise in salary even where a congregation or its lay leaders might have considered it.
This clear connection between clergy compensation requests and congregational action in line with those requests shows that specific clergy requests are an important proximate influence on compensation decisions.

* * * * *

Putting all this together, it seems that clergy compensation decisions are governed more by a logic of appropriateness than a logic of consequence. Compensation decisions follow an attempt to find appropriate rules and guidelines for the situation at hand rather than an attempt to evaluate the consequences of alternative possible decisions for clergy or churches. Moreover, except for the internal constraint of what the budget will allow, that logic of appropriateness mainly is shaped by looking outside rather than inside the congregation. Everyone wants to achieve a fair wage, but no one is sure what a fair wage might be, so both clergy and lay leaders look outside their churches for benchmarks and comparisons. Lay leaders’ and clergypersons’ sense of appropriate compensation seems mainly shaped by comparisons with other churches and denominational guidelines, and by their understanding of how the prevailing economic situation is affecting church members.

Another implication of these observations is that positive change in clergy compensation probably comes mainly from two places: general economic improvement in the society as a whole that improves members’ economic situations, and increased money available to a particular church, which usually means either more people or more affluent people. If this is correct, it means that clergy compensation is driven largely by economic forces outside churches, and by demographic and cultural forces that limit the number of churches large enough (or containing enough affluent people) to support a decently paid full-time minister. Denominational guidelines about clergy compensation also seem to have a real effect at the low end of the clergy pay scale.

11. Formal performance assessments do not play a consequential role in decisions about clergy compensation.

Many congregations (56 percent, as reported by clergy) conducted some kind of clergy performance evaluation during the compensation review process. About three quarters (74 percent) of clergy with performance evaluations said that the reviews informed the compensation review process, and 61 percent of lay leaders in churches that conduct such reviews said that they were very or extremely important in the most recent compensation review process. However, since these performance reviews were overwhelmingly positive (97 percent of clergy said their review was positive), and since lay leaders were overwhelmingly satisfied with clergy performance (90 percent of lay leaders rated their minister’s overall performance as extremely or very effective), these performance reviews did not have much practical import or impact on compensation decisions. Consistent with the idea that congregations’ compensation decisions are governed mainly by a logic of appropriateness, annual performance reviews appear to be more of an opportunity for reflection than a source of concrete information that informs compensation decisions.
12. Lay decision makers believe that clergy professional training and skills should be more important to compensation decisions than any aspect of clergy financial need or personal situation, but they believe financial need should play some role.

The vast majority (86 percent) of Triangle and Allen Co. lay leaders agreed that clergy are highly trained professionals. As Figure 7 displays, most lay leaders also said that the minister’s education (74 percent), years of experience (63 percent), interpersonal skills (86 percent), and mental health (74 percent) should be extremely or very important in compensation decisions. By contrast, only small minorities said the same about aspects of the clergyperson’s family or financial need or other situational or personal characteristics, such as how many children he or she has (10 percent), income he or she might have from another job (15 percent), income he or she may have from retirement (24 percent), or his or her age (8 percent), gender (9 percent), spouse’s employment situation (8 percent), children’s educational costs (18 percent), educational debt (11 percent), and other debts (13 percent).

Figure 7. Percent of Protestant lay leaders in the Triangle and Allen Co. who think given specified clergy characteristics should be very or extremely important considerations when making compensation decisions.

Concern about clergy de-professionalization and the devaluing of advanced education for clergy notwithstanding, the vast majority of lay decision makers think of clergy as professionals, strive to treat them as such, and value their professional training, experience, and skills. These results suggest that when churches hire less highly trained people to do the work of clergy, it may not be because they place lower value on professional education and training for clergy than in the past. Rather, it is likely that fewer churches can afford what they would like to have – a seminary-educated, professional, full-time minister. (Remember that graduate-educated clergy earn about $14,000 more per year than those without graduate degrees.) If there is a trend away from seminary-educated clergy, in other words, it is produced more by economic stress than by a change in values.
Even though lay leaders think that professional qualifications and skills should be more important factors than financial need when making compensation decisions, a significant number believe that financial need should be at least somewhat important in that decision. Fifty-eight (58) percent of lay leaders thought that the pastor’s retirement income (if he or she has such income) ought to be at least somewhat important in making annual raise decisions. Similar or slightly smaller proportions thought that number of children (55 percent), the clergyperson’s outstanding educational debt (50 percent), their kids’ education costs (48 percent), and their other outstanding debt (37 percent) should be at least somewhat important in compensation decisions.

Related to this, when we asked how important the pastor’s overall financial situation actually was during the most recent compensation review process, 36 percent of lay decision makers said it was very or extremely important, and 65 percent said that it was at least somewhat important. An interesting nuance here is that, although almost two-thirds of lay leaders said that their clergyperson’s financial situation was at least somewhat important in the most recent compensation decision, few (18 percent) reported that their congregational committee had asked the pastor about his or her financial situation, leaving room for assumptions rather than information to rule the day.

13. Lay leaders do not generally express beliefs or attitudes that would exert downward pressure on clergy compensation.

Lay leaders generally report that clergy should be similar to others in terms of overall financial well-being. As Figure 8 shows, only a vanishingly small minority of lay decision makers (3 percent) said that clergy should live more frugally than other people. And, as Figure 9 shows, the vast majority of lay leaders (86 percent) said that clergy should be no more and no less concerned about money than other people. Looking at Figure 10, more lay leaders thought their clergy were underpaid (36 percent) than overpaid (6 percent), with the balance saying they were paid about the right amount.

Moreover, lay leaders were far more worried about underpaying than about overpaying the minister. Two-thirds of lay leaders (63 percent) thought congregations should be extremely or very worried about underpaying, compared to only 12 percent who thought congregations should be worried about overpaying. In one of the few large differences between our two locations, lay leaders in Allen Co. were more likely than those in the Triangle to think that congregations should be at least somewhat worried about overpaying their clergy: 66 percent in Allen Co. compared to 42 percent in the Triangle.
Figure 8. Percent of Protestant lay leaders in the Triangle and Allen Co. who think clergy should live more, less, or equally frugally compared to other people

Figure 9. Percent of Protestant lay leaders in the Triangle and Allen Co. who think clergy should be more, less, or equally concerned about money than other people
Figure 10. Percent of Protestant lay leaders in the Triangle and Allen Co. who think their clergyperson is underpaid, overpaid, or paid about the right amount.

CONCLUSION

The Clergy Compensation Study was designed to learn more about clergy compensation and compensation decision-making processes in Protestant churches in the North Carolina Triangle area and in Allen County, Indiana. While more analysis and reflection is warranted, we have highlighted in this report the findings that seem most interesting and important.

We offer five concluding reflections.

First, both the survey results and the national data lead us to conclude that inequality is a more troubling feature of clergy compensation than the average clergy compensation package. The national data show that average clergy earnings remain below the earnings of similarly educated workers, and clergy have lost earnings ground in recent decades when compared to the average earnings of other full-time, salaried, graduate educated workers. At the same time, this lost ground is completely produced by the fact that in recent years the very highest paid people in American society have pulled even further away from the rest of the population, including clergy. When the highest paying 35 occupations are excluded from the comparison, clergy gained earnings ground on the remaining population of educated workers, and, at least in the Triangle, clergy earn about as much on average as other graduate educated workers.

Clergy in our survey also are similar to all Americans when it comes to the kind and amount of debt they carry. We do not find that clergy accumulate disproportionately high student loan or credit card debt, even when we consider debt as a percentage of income. Educational debt definitely is a problem for younger clergy, but it is not clear that it is more of a problem for clergy than it is for young Americans in general.

Inequality among clergy, however, is substantial and increasing. Not only is there a dramatic difference between the highest and lowest salaries for full-time clergy, this difference is exacerbated by other characteristics of compensation packages, such as retirement contributions.
and paid vacations. Clergy positions with lower cash salaries also tend to offer less generous benefits packages. In short, there are good clergy jobs and bad clergy jobs. If we define a bad job as one that does not include health insurance, employer retirement contributions, and paid vacation, about 1 in 4 head clergy jobs in the denominations we studied would be considered bad jobs. Not surprisingly, these jobs are concentrated in denominations that, on average, draw a less affluent membership. All things considered, it seems that, as in American society as a whole, inequality among clergy may be a more problematic feature of the Protestant clergy compensation situation than the financial well-being of the average clergyperson.

Our second concluding reflection is that there is a real difference between average clergy compensation in the Triangle and average clergy compensation in Allen County. The average clergy compensation package in the Triangle compares favorably to the compensation of other graduate educated workers in that area. Not so in Allen County, where clergy are not compensated as well as clergy in the Triangle or as well as other workers in that part of Indiana with a similar education level. The national data paint a picture that is qualitatively more like Allen Co. than the Triangle, suggesting that the Triangle is unusually supportive of clergy, not that Allen Co. is unusually unsupportive. This conclusion is consistent with other research suggesting that clergy in the southeast are better paid, on average, than clergy elsewhere. Clergy in the Triangle seem to benefit from being in a relatively affluent area of a relatively religious region.

Third, the process by which churches make clergy compensation decisions and the values lay leaders bring to this process suggest that compensation decisions are governed more by a logic of appropriateness than by a logic of consequence. Compensation decisions follow an attempt to find appropriate rules and guidelines for the situation at hand more than an attempt to evaluate the consequences of alternative possible decisions for clergy well-being or church operations. Moreover, except for the internal constraint of what the budget will allow, that logic of appropriateness mainly is shaped by looking outside rather than inside the congregation. Everyone wants to achieve a fair wage, but no one is sure what a fair wage might be, so both lay leaders and clergy search for appropriate benchmarks and comparisons. Their sense of what is appropriate is shaped by comparisons with denominational guidelines and other churches they consider similar to themselves, and by their understanding of how the prevailing economic situation is affecting church members.

Fourth, we noted that formal performance assessments do not seem to matter much in compensation decisions, but this does not mean that performance does not matter. Indeed, since church size is the main determinant of clergy pay, it would seem that clergy pay actually is tightly connected to performance, at least to the extent that church size reflects clergy performance. Unless one believes that church growth indicates nothing about clergy performance, and that larger churches do not, on average, select the highest performing clergy when they hire a new leader, clergy compensation differences must at least partly reflect performance differences. The interesting point here is that performance apparently matters a lot to clergy compensation, even if formal performance assessments do not.

Fifth, and finally, although this report has focused mainly on the monetary aspects of clergy compensation and satisfaction, a comprehensive understanding of clergy compensation also
should take into account the nonmaterial factors that make being a Protestant minister a good job, and probably a better job than it was in earlier decades. Clergy have gained ground in wages, recall, because clergy report working fewer hours per week now than they did several decades ago. The implementation of denominational minimum salaries, the move towards housing allowances rather than manses, and improved benefits packages also probably contribute to making the average head or sole clergy job better than it was even a few decades ago.

Labor economists consider “compensating differentials” when trying to explain pay differences across jobs and occupations. When looking at low clergy earnings relative to some other kinds of occupations, they would ask whether there are desirable features of being a clergyperson that might compensate for the lower pay. It is difficult to assess these trade-offs comprehensively and systematically, but it seems clear that most head or sole clergy enjoy non-monetary work conditions that people generally value: task variety, job security, freedom from close supervision, discretion over when to come and go, social prestige, and having a job focused on helping people. Assessing the trade-offs between monetary and nonmonetary job characteristics is further complicated because people differ in the relative value they place on the various monetary and nonmonetary aspects of jobs and careers, and people also differ in their skills, capacities, and preferences for various kinds of work. A religiously committed person who is a talented public speaker with good “people skills” but who is bad at math probably should not be considered underpaid if he or she becomes a Protestant minister rather than an accountant even if Protestant ministers, on average, earn less than accountants.

All things considered, it is difficult to know whether or not the nonmaterial benefits of ministerial work truly compensate for the earnings penalty clergy still pay relative to similarly educated workers, but we will conclude this report by noting that, according to national surveys, clergy are not only generally happy with their jobs, they in fact report higher levels of job satisfaction than people in any other occupation.26
NOTES

1 These three counties encompass the metropolitan area containing Durham, Raleigh, and Chapel Hill, North Carolina.

2 For each of the two regions, we adjust the data so that the relative weight of each of the denominations in our sample matches the relative weight of these denominations in the region. Weighted in this way, our results generalize to the population of churches in these denominations and in these regions that have an English-speaking clergy person who is not an interim.

3 The CPS is a nationally representative survey sponsored by the U.S. Census Bureau and the U.S. Bureau of Labor Statistics (http://www.census.gov/cps/).

4 The ACS is a nationally representative survey sponsored by the U.S. Census Bureau. It is part of the decennial U.S. Census Program (http://www.census.gov/acs/www/). The income numbers we report in Table 2 are 1-year estimates provided on the ACS website. While the 2010 ACS data were collected from January 1, 2010 to December 31, 2010, they are not census data.


6 Here and throughout this report, “effective salary” means cash salary plus housing allowance. Also, although we will use “clergy” as shorthand, we always are talking only about Triangle and Allen Co. sole or head clergy from the 15 denominations included in this research.

7 A median is the middle value in a distribution of numbers. The 10th and 90th percentiles are the points below which 10 percent and 90 percent of the values fall.

8 Here and throughout this report, numerical differences highlighted in the text are statistically significant at least at the .05 level, unless otherwise noted.


10 The 2012 American Communities Survey (Table S1501) reported the percent of the 25-years and older population with graduate or professional degrees as follows: Allen Co., 8.5%; Wake Co., 16.2%; Durham Co., 20.7%; and Orange Co., 31.5%.

11 The small differences between locations in perceived overall financial situation are not statistically significant.

12 The material in this paragraph is drawn from Cyrus Schleifer and Mark Chaves, “The Price of the Calling: Exploring Clergy Compensation Using Current Population Survey Data,” Journal for the Scientific Study of Religion 55 (2016): 130-152. Non-Catholic clergy are (approximately) identified by excluding clergy who are unmarried males. Unlike our Triangle and Allen Co. data, which include only sole or head clergy, the CPS data include all individuals who report their occupation as clergy. Approximately 6 percent of self-identified clergy in the CPS work outside of congregations, mainly as hospital, university, and military chaplains. Analyses that exclude clergy who do not work in congregations produce very similar results. All dollar figures reported from these CPS analyses are 2013 constant dollars, even if we do not always specify this in the text. Earnings for clergy who live in manses are adjusted upward to account for the value of living in housing provided by the congregation.
Throughout this report, “member” refers to the number of adults who regularly participate in the life of the congregation, not the number of official members.


A 2012 survey of a non-random sample of 209 Protestant churches in the U.S. and Canada with weekly worship attendance of at least 2,000 people found median head pastor effective compensation of approximately $125,000 in churches with attendance between 2,000 and 2,999, approximately $166,000 in churches with attendance between 4,000 and 4,999, and approximately $186,000 in churches with attendance between 6,000 and 9,999. We inferred these medians from Figure 4 on p. 6 of Warren Bird, 2012 *Large Church Salary Report* (Dallas: Leadership Network, 2012), available at www.leadnet.org/salary.

Here again the material in these two paragraphs is drawn from Schleifer and Chaves (2016).

The clergy time-use studies are described in Carroll, *God’s Potters*, pp. 101-106. He attributes the shortening Protestant clergy work week to the demise of the Sunday evening service (eliminating the need to prepare a second sermon), the increase of women in the workforce (reducing weekday visiting), and cultural change leading clergy to draw firmer boundaries between their work and personal lives. Carroll also finds that Catholic priests and clergy in historically black denominations report working more hours per week than clergy in historically white mainline or conservative Protestant denominations.

The clergy gain in hourly wages is evident in a regression analysis that controls for several basic determinants of wages, including education, age, working in an urban setting, race, gender, and region. In that analysis, it is clear that while clergy wages were significantly lower than other worker’s wages in 1983 and continued to be somewhat lower, this difference is smaller in 2013 than it was in 1983. See Schleifer and Chaves, “The Price of the Calling,” for details.

McMillan and Price find the same thing in other data. See *How Much Should We Pay the Pastor?* p. 17.

Carroll, *God’s Potters*, p. 69.

All the general population debt numbers in this section are from J. Bricker, A. Kennickell, K.B. Moore, and J. Sabelhaus, “Changes in U.S. Family Finances from 2007 to 2010,” *Federal Reserve Bulletin* 98 (June 2012): 1-80. Some of the numbers we use are from the expanded tables available at www.federalreserve.gov/econresdata/scf/scf_2010.htm.

Total may not add up to 100% because of rounding.


McMillan and Price (*How Much Should We Pay the Pastor?*) report that clergy in the southeast are better compensated than clergy in other regions of the country, and analyses of CPS data show the same thing.

The Hartzell et al. article cited in note 5 found that Oklahoma United Methodist clergy received $15 in additional compensation (in 2008 dollars) for every additional member they added during their pastorates. This amounts to approximately 3 percent of a church’s incremental revenue from membership increases, which Hartzell et al. interpret as pay for performance. An analysis of clergy compensation in 9 denominations found evidence that clergy compensation is tied to performance through the use of “promotion tournaments.” That is, besides compensation increases from their current churches, clergy get raises by moving to larger churches, which presumably try their best to hire the most high-performing person they can. See Charles Zech, “The Agency Relationship in Churches: An Empirical Analysis,” *American Journal of Economics and Sociology* 66 (2007): 727-746.