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General Board of Higher Education and Ministry

THE UNITED METHODIST CHURCH

New Clergy Compensation Report

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Introduction

As part of the General Board of Higher Education and Ministry (GBHEM) Seminary Indebtedness Task Force's (SITF) overall efforts in seeking to understand and help address seminary educational debt, it has become imperative that SITF collect and analyze current data on clergy debt and compensation in order to arrive at a complete picture of the financial realities faced by United Methodist clergy as they leave seminary and enter the ministry field. This report summarizes our analysis of clergy compensation data as one critical step in this process.

Clergy & Compensation Data

The data for analyses were collected from the General Board of Pensions and Health Benefits (GBPHB). With our interest in clergy compensation for first-time appointments (and clergy ability or inability to immediately begin paying off educational debt after seminary), the individuals represented by these data are all active clergy who, based on GBPHB's years of service calculations, have two years or less of service in The United Methodist Church (UMC) as of July 2014.¹

The clergy population of primary interest in these analyses is *provisional elders and deacons*, or those most likely to have completed seminary education and most likely to be engaged in their first years of service through the standard route of provisional service toward ordination. All other ministry categories (local pastor, associate member, and minister other denomination) were excluded. Provisional elders and deacons with full-time (100%) appointments are also of primary interest, though those with $\frac{3}{4}$, $\frac{1}{2}$, and $\frac{1}{4}$ appointments will receive brief consideration as well. Total annual compensation figures were calculated by adding annual base salary and either annual housing allowance or annual parsonage amount.

FULL-TIME PROVISIONAL ELDERS & DEACONS

For all active, full-time provisional elders and deacons with two years or less of service (N=890), median total annual compensation (salary plus housing allowance or parsonage amount) is **\$49,742.00**.² This includes a median annual base salary of **\$38,000**. Of these clergy, **83 (9%)** were reported as having neither housing allowance nor parsonage amount.

Among full-time elders and deacons with two years or less of service, **461 (52%)** are men and **429 (48%)** are women. The median age of this group is **33**.

¹ There could be clergy that have served more than two years, but the service does not count towards their retirement. Active clergy are in the dataset based on the years of service calculations of two years or less of service towards their retirement.

² Means were slightly skewed by non-normal data, so median is used here as a more accurate reflection of central tendency.

Table 1. Full-Time Provisional Elders & Deacons Demographics.

| Ministry category (N=890) | N | % | |
|---------------------------|-----|----|--|
| Provisional elder | 799 | 90 | |
| Provisional deacon | 91 | 10 | |

| Gender (N=890) | N | % | |
|----------------|-----|----|--|
| Male | 461 | 52 | |
| Female | 429 | 48 | |

| | Median | Min | Max |
|-----|--------|-----|-----|
| Age | 33 | 25 | 69 |

| | Median | Min | Max |
|--------------|-------------|---------|-----------|
| Compensation | \$49,742.00 | \$8,160 | \$112,979 |

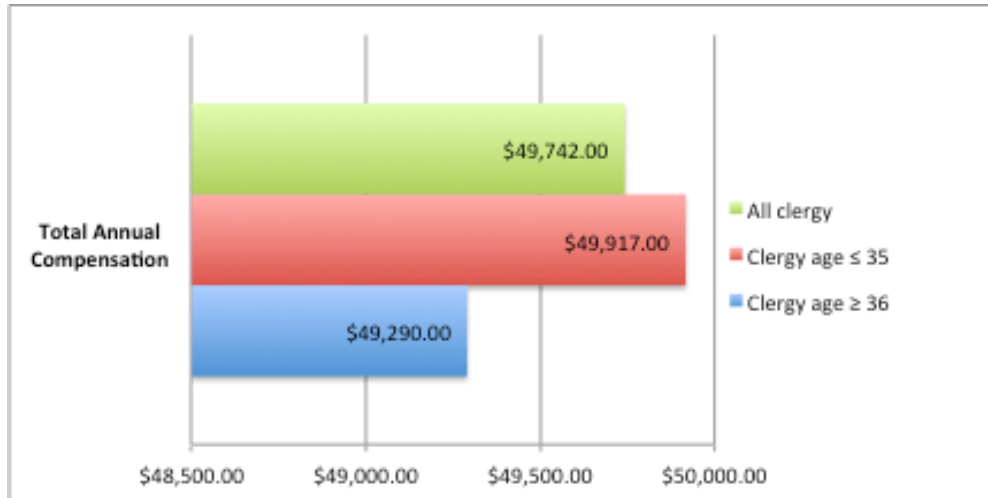
Young Clergy

Given the UMC's interest in young clergy in particular, these data were further analyzed for active, full-time provisional elders and deacons with two years or less of service and age 35 or younger (N=524). Illustrated in Figure 1 below, this population fared just slightly better than the overall provisional elder/deacon population with a median total annual compensation of **\$49,917.00**. This includes a median annual base salary of **\$37,900.00**. Of these clergy, **35 (7%)** were reported as having neither housing allowance nor parsonage amount.

Active, full-time provisional elders and deacons age 36 or older (N=366) fared only slightly worse than younger clergy, with a median total annual compensation of **\$49,290.00**. This includes a median annual base salary of **\$38,709.00**. Of these clergy, **48 (13%)** were reported as having neither housing allowance nor parsonage amount.

Though there is a minor difference in total annual compensation between age groups, a correlational analysis showed that age was not significantly related to total annual compensation ($r=.026, p=.430$). Younger provisional clergy with two years or less of service do not earn significantly more or less than the rest of the provisional clergy population with two years or less of service.

Figure 1. Total Annual Compensation by age category.



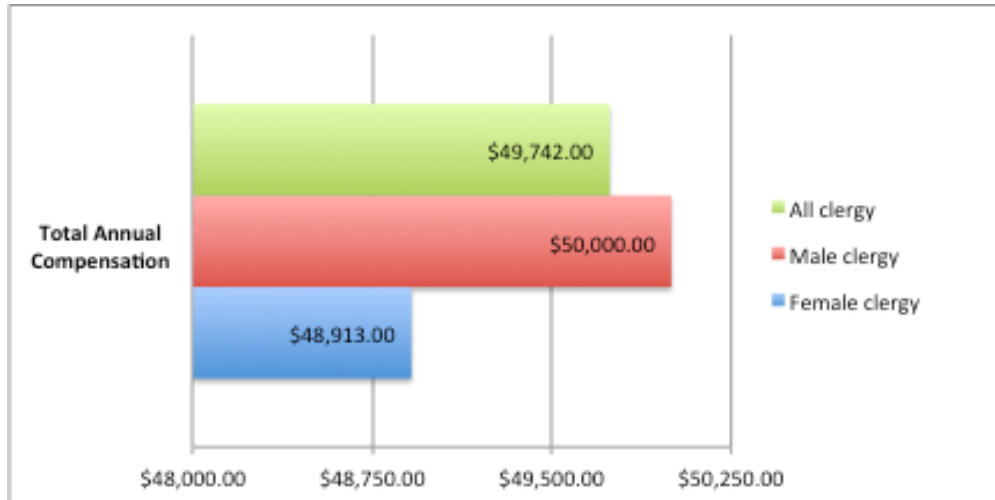
Male and Female Clergy

Previous research has demonstrated compensation disparities between male and female UMC clergy despite ongoing efforts in equitable compensation. Analysis of these GBPHB data further supports this trend.

Shown in Figure 2 below, among active, full-time provisional elders and deacons, men (N=461) have a median total annual compensation of **\$50,000.00** and women (N=429) have a median total annual compensation of **\$48,913.00**, a total annual compensation difference of **\$1,087.00**. Among these clergy, only **34 (7%)** men are reported as having neither housing allowance nor parsonage amount compared to **49 (11%)** women reported as having neither housing allowance nor parsonage amount.

A statistical comparison of total annual compensation for men and women shows the disparity in compensation is indeed statistically significant ($p=.002$). Using simple linear regression to predict total annual compensation, gender remains a significant predictor of total compensation when controlling for age and the inclusion of housing allowance or parsonage ($p=.003$).

Figure 2. Total Annual Compensation by gender.



PART-TIME PROVISIONAL ELDERS & DEACONS

Bi-vocational ministry is becoming more common among denominations in the U.S. as churches struggle to meet difficult financial realities and pastors seek more flexible arrangements that allow for additional employment outside the local church. Given the increasing probability of bi-vocational employment for new UMC clergy, a brief glance at average total annual compensation for non-full-time provisional elders and deacons is warranted.

For $\frac{3}{4}$ time provisional elders and deacons (N=48), median total annual compensation is **\$35,000.00**, or **70%** of full-time median compensation. This includes a median annual base salary of **\$28,694.50**. Among these clergy, **9 (19%)** are reported as having neither housing allowance nor parsonage amount.

For $\frac{1}{2}$ time provisional elders and deacons (N=105), median total annual compensation is **\$23,688.00**, or **48%** of full-time median compensation. This includes a median annual base salary of **\$19,250.00**. Among these clergy, **43 (41%)** are reported as having neither housing allowance nor parsonage amount.

For $\frac{1}{4}$ time elders and deacons (N=63), median total annual compensation is **\$12,423.50**, or **25%** of full-time median compensation. This includes a median annual base salary of **\$10,000.00**. Among these clergy, **25 (40%)** are reported as having neither housing allowance nor parsonage amount.