

# ChurchSalary

## A Quick Overview



# **#1 What influences salary for church employees?**

*or*

*Why is one employee paid more than another?*

# **#2 How are benefits and salary related?**

*or*

*What benefits should churches offer based on an employee's salary and position?*

## How Much Do Churches Spend on Benefits and Health Insurance?

Benefits work differently than salaries, but they are a key part of total compensation.

**Aaron M. Hill**



Image: Getty | the\_burtons

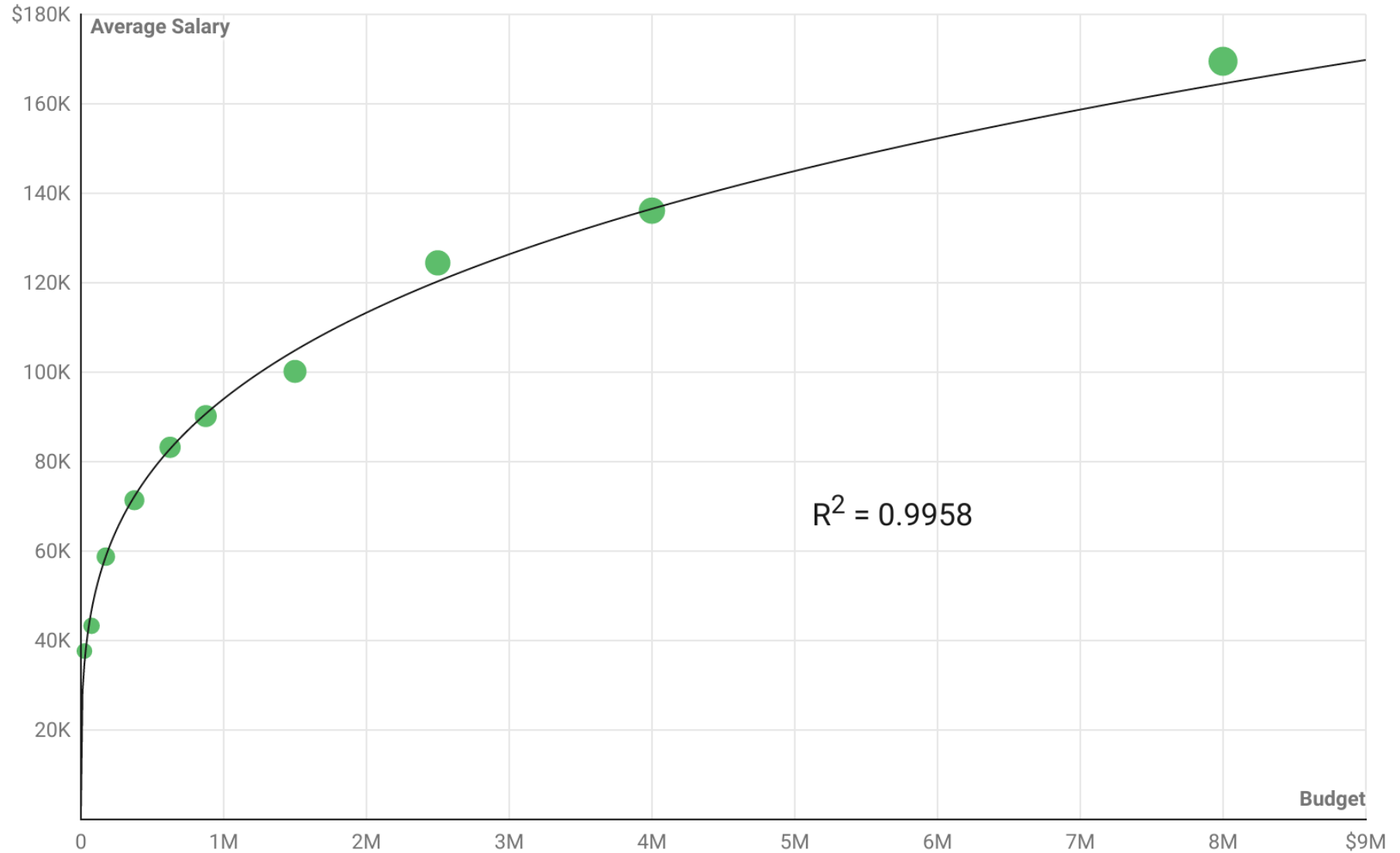
One of the most pressing questions we receive at ChurchSalary is, “What about benefits?” Churches want to know how much other churches are spending on benefits.

# What influences SALARY?

- Many people assume attendance or location
- Real answer is budget or church income.

# Correlation of Budget and Salary (Senior/Solo Pastors)

Average compensation for solo/senior pastors based on the midpoint of each budget range.



# What influences BUDGET?

1. Attendance x Per Person Giving = Budget
2. Location demographics -> Per Person Giving
  - Median Household Income ÷ Avg. Household Size x 10%  
= Per Person Giving
3. Payroll Budget = 40-60% of Total Annual Budget

# What influences SALARY?

- Position
- Employment Status (FT/PT)
- Church Budget (Attendance x PPG)
- Experience
- Education
- Ordination (pastoral?)

# ChurchSalary | Salary Reports

“similar employees at similar churches”

- Position
- Employment Status (FT/PT)
- Church Budget (= Attendance x PPG)



# ChurchSalary | Salary Reports

How does salary vary by compensation factor?

- Experience
- Education
- Ordination
- Hours Worked (for PT reports)
- etc.

# How To Videos | Salary Reports

Learn More

## **Understanding the Salary Report**



## Inside your report, you'll find:



Nationwide picture of salaries  
for similar employees



Localized recommendations for  
salaried pastors



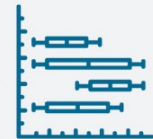
Comparison of factors such as  
education and experience



Demographic analysis of benefits  
for similar employees



Cost of living comparison



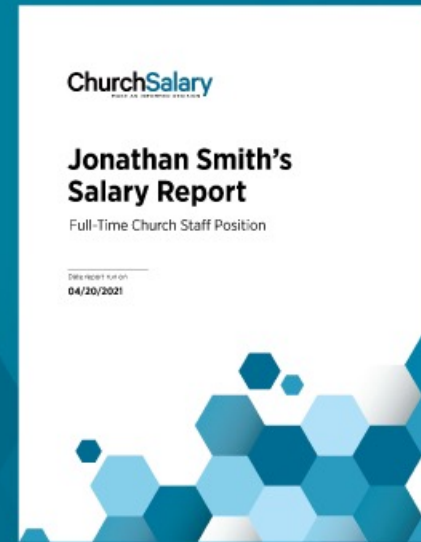
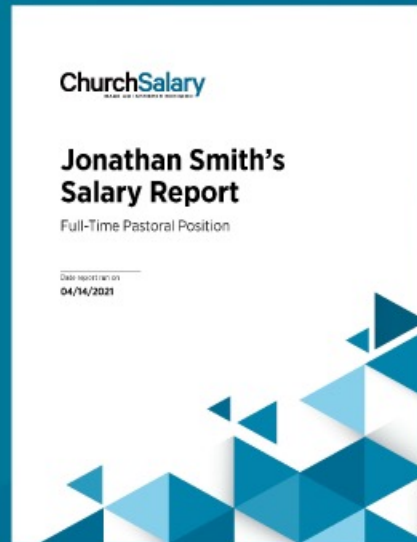
Salary ranges for comparable jobs  
outside the church

[Preview Sample Report →](#)

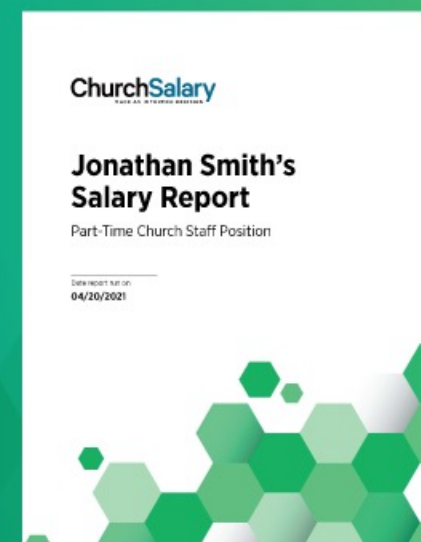
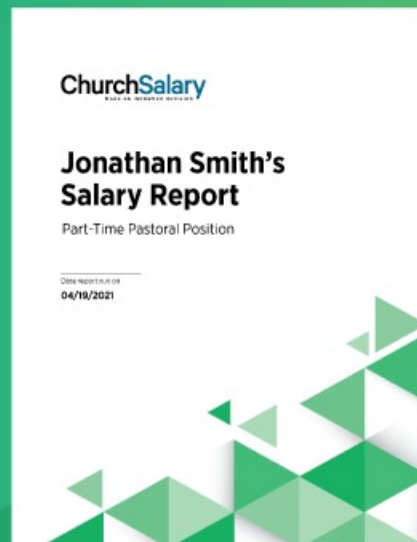
# PASTOR

# STAFF

## FULL-TIME



## PART-TIME



# What about BENEFITS?

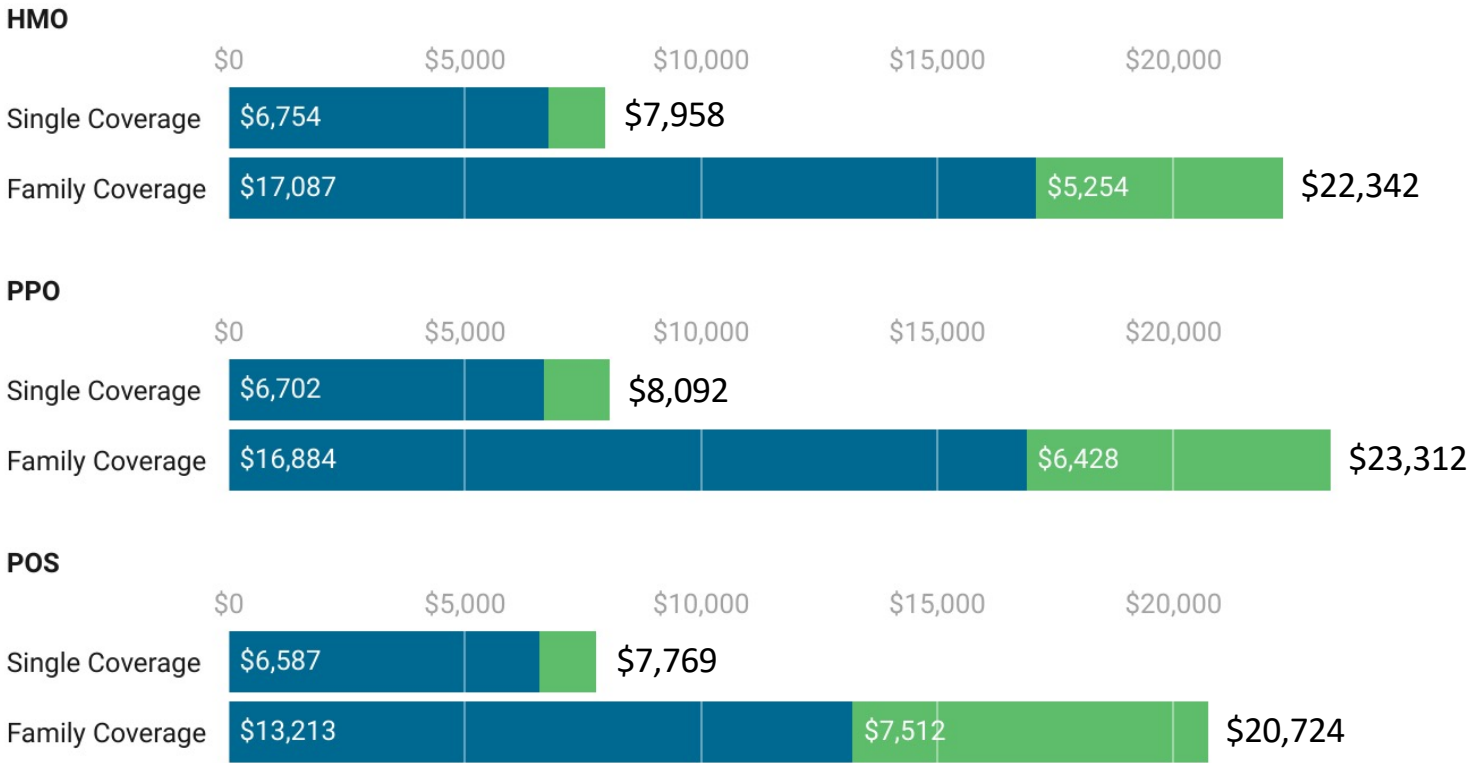
- Old printed handbooks included averages and median values for benefits
- Assumption was that benefits varied based on same factors as salary:
  - *education, experience, budget, etc.*
- This is incorrect!

# What about BENEFITS?

- Benefits
  - Type and level
  - Deductible
  - Copays
  - Employee contributions
- Salary
  - Position
  - Budget
  - Experience
  - Education

# Average Contributions by Plan Type, 2021

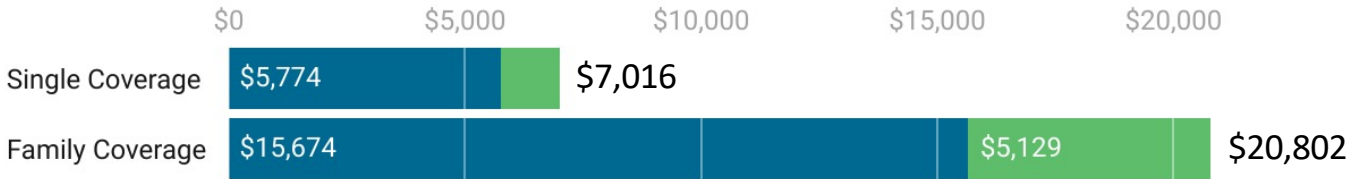
Employer Worker



# Average Contributions by Plan Type, 2021

Employer Worker

## HDHP/SO



## ALL PLANS



KFF Employer Health Benefits Survey, 2021

Chart: Aaron M. Hill, ChurchSalary • Source: Kaiser Family Foundation • Created with Datawrapper



# What about BENEFITS?

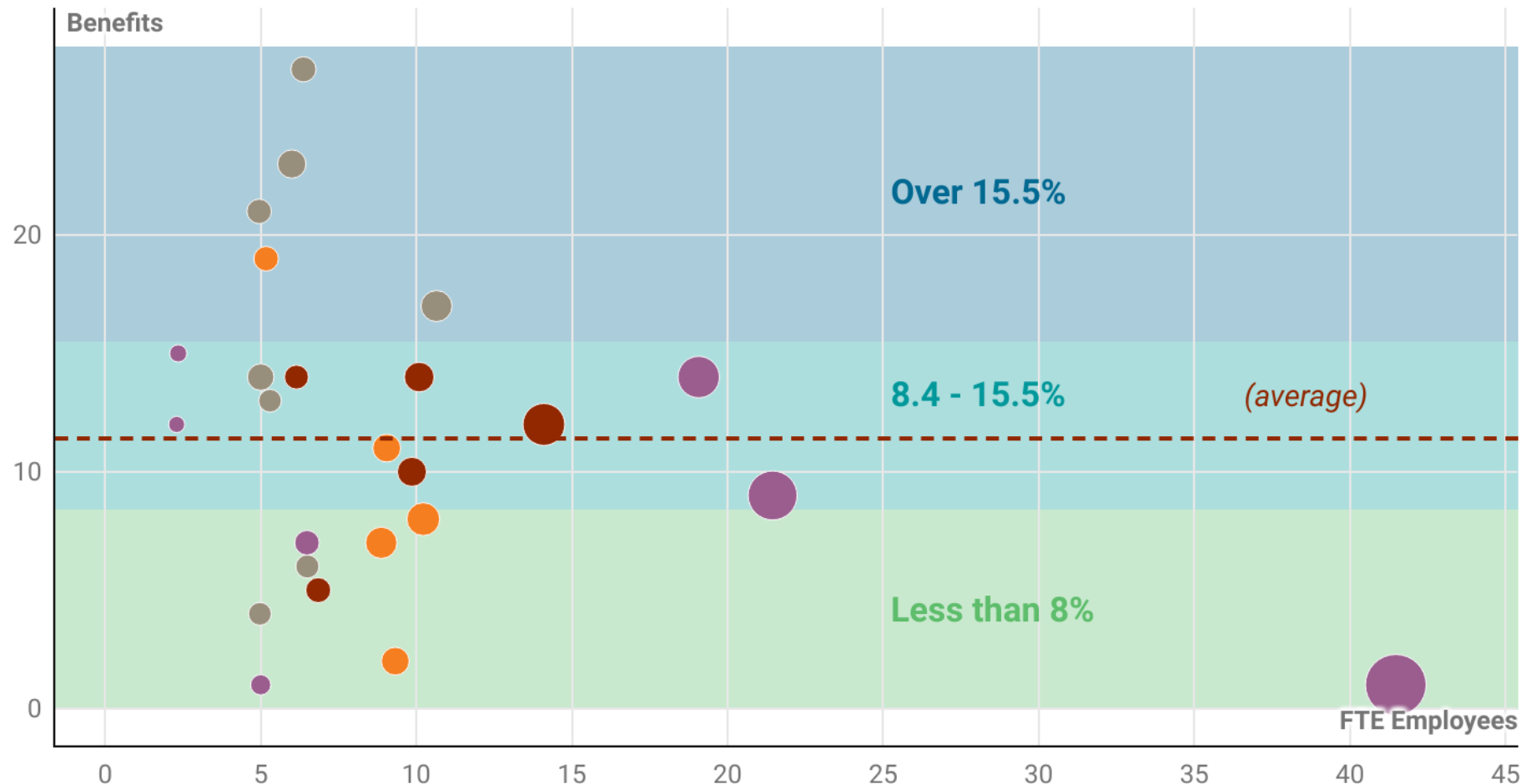
## Senior Pastors | Church Budget (2017-2018)

Church Budget	Median Salary	Avg. Health Insurance
\$250K & Under	\$48,000	\$7,389
\$251K-\$500K	\$67,000	\$10,461
\$501K-\$750K	\$80,250	\$12,912
\$751K-\$1M	\$85,500	\$12,265
Over \$1M	\$105,750	\$12,960

Created with Datawrapper

# A sample of entire church payrolls reveals the absence of any pattern for benefits spending.

● < 40%   ● 40-50%   ● 50-60%   ● > 60%



# What about BENEFITS?

- There is no pattern, no variable, that predicts why one church offers better benefits than another.
- The only explanation is choice.
- Some churches choose to offer better benefits.

**How then should churches  
approach benefits, when it comes  
to improving total compensation?**

# Five Steps | SALARY & BENEFITS

1. Evaluate staff salaries
2. Establish budget for benefits
3. Decide
  - What and Who?
4. Price benefits
5. Purchase