

# HOW MUCH CHURCHES SHOULD SPEND ON STAFF SALARIES?

It should be no surprise that the largest financial investment most churches make is on people, specifically the church staff. Ensure your team is compensated appropriately. We provide below responses to the five questions we receive most often related to staff compensation, as well as a discussion guide for your leadership team to process next steps together.

## **5 Frequently Asked Questions**

#### How much should we pay our staff?

The bottom line? **Church staff leaders should be paid well**. How do we judge what's appropriate? For pastors and other staff leaders, begin by asking what other professionals in your community make. For other roles on the team, compensation should be adjusted to reflect similar roles in the community.

#### What if we can't afford to pay our staff well?

There's no Biblical mandate establishing how many staff members your church should employ. But, there is Scriptural direction to compensate church leaders well—

"Elders who do their work well should be respected and paid well, especially those who work hard at both preaching and teaching. For the Scripture says, 'You must not muzzle an ox to keep it from eating as it treads out the grain.'

And in another place, 'Those who work deserve their pay!'"

1 Timothy 5:17-18, NLT

With that in mind, I always recommend that churches hire fewer people and pay those people well. When you raise the bar for the capacity of the people you hire to your church staff, it will ultimately increase the capacity of the people who want to join your team.

#### What percentage of the budget should be committed to staff?

Every church is different. But, our consulting team generally encourages churches to try to stay in the range of **45** to **55** percent of total budget.

#### Should we be concerned with how other churches compensate their staff?

At some point, you'll find that it's necessary to make sure that you're not only paying staff well compared to similar professionals in your community, but you'll also need to stay competitive with other similar churches. If you don't, you run the risk that other churches will begin to hire away your best staff.

#### Who should determine the staff's salaries?

It shouldn't be the congregation. The board generally sets the overall church staff budget and may also establish salary ranges for various positions. But, the board shouldn't be involved in setting each individual salary. Ideally, there should be a system in place for the board to set the senior pastor's salary. The senior pastor and his or her team should then have the flexibility to set compensation for other positions as part of their leadership responsibility.

### **Conversation Guide**

- 1. What percent of our budget is currently spent on staffing? Is it right? Wrong? Why?
- 2. How will we assess appropriate salaries for our staff team going forward? Who will own doing the research and reporting on it? What will be the frequency?
- 3. What will be our system for the board to set the senior pastor's salary?
- 4. What will be our system for the senior pastor and team to set compensation for other staff?



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