



Paying the Executive Pastor How Much is Enough?

By David Fletcher

**Everybody \$truggle\$ with it.
Everybody \$eemingly want\$ more of it.
\$o, how much \$hould we pay our church leader\$?**

This article is drawn from the responses of 135 Executive Pastors about their base salary.

I was wondering, at what point in the interview process is it appropriate to talk about salary related issues? Do you have any advice in general in regards to salary conversations with churches? I have gleaned a great deal from your website, which I feel like has better prepared me as I'm in this discernment phase.

Jim Hudson, (now) XP at CrossWinds Church, Dublin, California

The questions that Jim raised are common ones. Both churches as “employers” and XPs as “employees” need definitive answers about fair compensation. We all need to answer the question “how much is enough?” The XP-Salary Survey gives reliable data that allows for important conclusions. In this article we will see that *churches in the same town pay differently yet churches in the same region pay the same. Large churches tend to pay significantly more yet size isn't everything.* Before you go and make a decision based on church size, you had better read this article. Then, you need to participate in the free XPastor salary survey to get all the data.

XPastor hosts two free compensation surveys (thanks to Warren Schuh who got it kicked off at the 2005 XP-Seminar). This article won't talk about the larger and more time-intensive survey. When you participate in either one, you are given access for one year to a regularly updated password protected page for that survey. The chart above is from the "Give 1 Item & Get 1 Page XP-Compensation Survey." This 30 second survey examines base salary and presents the results anonymously. 135 XPs, and people in similar roles, have participated in the survey. The following chart shows the relative size of the worship attendance of the included churches:

# in Worship	# of Churches
Under 500	22
501 - 1400	49
1401 - 2800	44
Over 2800	20

Thus, there is a broad representation of diverging church sizes. The sample is just large enough to allow for significant interpretation.

Understanding the Chart

Some might ask, "Didn't you leave something off the chart?" Yes, the left side (the primary axis) doesn't have the salary dollars. Normally, the left side of the chart has salary data and the right side (secondary axis) has the number of people in worship. You have to participate in the XP-Survey to get the full charts and salary data. However, even from this partial chart, we can learn a great deal. Let's start by explaining the chart (some of you numbers experts may need to pardon the level of detail, but "non-numbers folks" need a careful explanation of a chart with primary and secondary axes).

The chart has two kinds of data on it, allowing us easy comparison and contrast. The area shaded chartreuse-green is base salary. Base salary doesn't include insurance, pension and other benefits. Base salary is used because it is an easy and objective measure of part of one's total compensation. Many people could not give their total compensation—as, for example, determining pension plans on an annualized basis is quite difficult. The chartreuse salary area on the chart has plenty of peaks and valleys. This is because the chart is based from the perspective of worship attendance (you have to do one or the other).

Each church pays their XP differently, even if they are the same size as another church. Sometimes there is an enormous difference, resulting in large peaks and valleys from one church to the next. To put it another way, suppose there were two churches in Houston, with each one having 1,400 people in worship. Church "A" might pay \$55,000 and church "B" might pay \$85,000. Though they have the same number of people in worship, these churches would create a valley and peak on the chart.

The magenta-purple area is worship attendance. Some churches want to measure membership, but this is not a valid indicator of how many people may actually attend. Membership may be higher or lower than actual attendance. Some churches want to add in total attendance (such as youth and children). The XP-Survey just measures worship attendance. The scale of potential worship attendance can be seen at the right, going from zero to 12,000 people. At the left side of the chart, actual worship attendance begins at 125 people and grows to 10,000 people.

A black trend line snakes through the entire chart. The polynomial trend line shows the salary pattern as compared to worship attendance. One can see a general trend—as worship attendance goes up, so does the salary.

Compensation Lessons

Churches in the same town pay differently. The hypothetical example in Houston only has the names changed. There can be substantial differences in one city, even of churches of the same size. This could be explained by other benefits, or philosophy of compensation, etc. The bottom line is each church is unique and often sets its own agenda.

Churches in the same region pay the same. That is, they have regional salary tendencies. How can this be if churches in the same city can have different base salaries? When one averages in all the churches of one region, general trends emerge for XP compensation:

- ◆ the Northeast region tends to pay XPs the lowest
- ◆ the Midwest comes in second lowest
- ◆ the South is second highest
- ◆ the West can pay slightly higher than the South

Again, you can participate in the free survey to get all the charts and data.

Larger churches tend to pay significantly more. Let's put some percentages to this thought. A church with more than 2,800 people in worship tends to ...

- ◆ pay 85% more than a church of under 500
- ◆ pay 42% more than a church of 501-1400
- ◆ pay 18% more than a church of 1401-2800

Remember, this is just a trend. Don't go hopping to a large church and expect a gargantuan base salary. To emphasize this trend, consider that ...

- ◆ all 19 churches that paid less than \$50,000 had less than 1,200 in worship
- ◆ all 20 churches with more than 3,000 in worship paid over \$61,000

These facts illustrate why there is a myth out there that "all big churches pay big salaries." Many do, but not all!

Size isn't everything. Doesn't this contradict what was just said? Not really—because we need to separate out the trend-busting from the trend-averaging churches. There are some wonderful churches that don't fit the trend. They break the trend.

- ◆ Of the 19 churches that pay over \$100,000, worship attendance ranged from 650 to 6,000 people.

Over ten percent of the survey churches paid salaries over \$100,000. There was great disparity in the church size in the ultra-top tier of XP salaries.

Conclusions

Salary surveys are helpful in determining comparable compensation. Yet, there is a great deal of variety between churches, even in the same city. If you think that going to a larger church will give a huge salary boost, think twice. It might, but it is not a guarantee. If a medium-sized church comes calling, carefully examine the compensation. They may surprise you—and match or greatly beat a large church in the same city.

In this article we have seen that churches in the same town pay differently yet churches in the same region can pay the same. Large churches can pay significantly more yet size isn't everything. Now that you have read this summary of the data, you need to participate in the free XPastor salary survey. Get the data and interpret it for yourself.