

September 2022

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Ms. Tammie Wisniewski, Financial Operations Manager ext. 304 tammie@psec.org Dear PSEC Pastors and Presidents,

I pray this message finds you well and in the keeping of the holy Spirit.

The current economic downturn is negatively impacting everyone in some way. I know this will add to the stress and anxiety of your church's annual budget process which likely includes conversation about clergy and staff compensation.

Each year, the Conference Personnel Committee reviews current market data (the Consumer Price Index, Current Inflation Rate, Inflation Rate Forecast, SSI benefit adjustments, increased cost for medical benefits) to determine what, if any, increase in clergy compensation is necessary. Their recommendation is reviewed by the Conference Budget and Finance Committee and finally approved by Conference Consistory. In the past ten years, Consistory has approved compensation rate increases that have ranged from 0 to 4%. While there are no guidelines for other church staff positions, we highly recommend commensurate increases for non-ordained staff members.

In the context of the current rate of inflation (which hovers around 9%), our 2023 Clergy Compensation Guidelines include a recommended increase of 6%.

I am very aware that this recommendation will create significant concerns and challenges for many congregations particularly those experiencing membership and financial decline. Other congregations, blessed with the resources to do so, will budget salary increases closer to the current rate of inflation. When that is not possible, there are other options:

- Offer the pastor and staff more paid leave
- Reduce the pastor's responsibilities
- Agree on a catch-up schedule—churches experiencing a temporary setback, specifying—in writing—how to make up future salary increases.

If there are additional options that have worked well in your ministry setting, please pass them along to me so I can share them around our Conference. I also want to suggest that you keep in mind the following:

• Do not use consideration of clergy compensation as grounds to evaluate the performance of your pastor. Do have a regular annual evaluation process for your pastor, your staff, and the ministry you share together.

- Use historic financial trends to map future costs for ministry and have a long-range plan (3, 5 or 10 years) to address them. The costs for being the church will continue to increase, as they have for the last many years, for the foreseeable future.
- Do have honest, transparent, and ongoing conversations about how to meet financial

challenges and invite God's presence and guidance into them. Every crisis or challenge is an opportunity for creativity.

Finally, if you come to an impasse about compensation, consider inviting me or one of the Conference staff to help facilitate a conversation.

Needless to say, these are uncertain times. But we will pass through them by the very certain presence and power of the Holy Spirit.

In the Spirit of the risen Christ, Rev. Bill Worley