

Researcher lauds church's pay plan for priests

by **BILL HOWARD**
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CATHOLIC PRIESTS may rank near the bottom of the pay scale when it comes to Christian clergy compensation, but the Catholic Church offers the best model for "financial quality of life," said a Duke University economist.

According to a soon-to-be-published study by Dr. Becky McMillan, associate director of Duke Divinity School's Pulpit & Pew research project and a labor economist teacher at Duke, the church's provision for job security, benefits and allowances for priests makes the Catholic Church one of the more socially just in providing compensation plans.

"The Catholic Church is very resistant to the forces of the free market. Priests are cared for. Con-

receive some reimbursement for continuing education. For most Protestant pastors, she said, the opposite is true. Therefore, their base salary is higher. But, she added, that is often not enough.

"The vast majority of Protestant pastors are serving (small) congregations and earning a bare minimum salary with no fringe benefits," she said.

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McMILLAN HAS spent the past two years on the study (to be posted at www.pulpitandpew.duke.edu) trying to show how Christian faiths can learn from each other when it comes to taking care of their clergy's financial needs. While there are some Protestant clergy who are well taken care of — primarily those with larger congregations — there is a significant number of small-church pastors who are victims of a free market-style hiring atmosphere.

In her study, McMillan divided Protestant churches into two types: connectional, which are mostly larger denominations like United Methodist, Episcopalian, Lutheran and Presbyterian; and congregational, which are locally autonomous churches like Baptist, Pentecostal, charismatic and non-denominational. The compensation issue is evident in both, but is more alarming on the congregational level, she said.

"(Many Protestant churches) rely on the free market. Supply and demand of pastors determines the pastor's salary," she said. "As an economist, there is a lot of good in that efficiency. As a minister, I have a problem with that being the overall guiding force."

"When you rely on the free market," she added, "you start seeing smaller churches no longer being provided pastoral leadership. Bigger churches vie for superstar pastors by offering higher salaries."

McMillan said the Catholic Church's clergy compensation policy fueled her study.

"I am so inspired by the Catholic Church's ability to take a theological concept like economic justice and make it concrete," she said. "It's very inspiring, as a labor economist, to see a vision of faith put into practice."

She said her study shows "how hard it is what the (Catholic) church is doing." She added that Seventh Day Adventist churches do a similarly impressive job in sharing resources to care for their clergy.

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WHEN IT COMES to compensation within the Catholic Church, a priest in the Dallas Diocese makes on the average slightly more in base pay than the national average for priests, according to data compiled by NFPC.

A pay schedule approved in January 2001 by the Priests' Compensation Committee, made up of members of the diocesan Presbyteral Council and headed by

Median Salary (including housing) for Priests and Pastors in 2000*

Polity	Average Weekly Attendance	% of pastors	Median salaries
Catholic (centralized)	Small (< 100)	10%	20,883
	Medium (101-350)	34%	24,170
	Large (351-1000)	35%	24,735
	Very large (1000+)	20%	26,633
Connectional (i.e. United Meth., Episc., Luth., Presb.)	Small (< 100)	56%	36,000
	Medium (101-350)	38%	49,835
	Large (351-1000)	6%	66,003
Congregational (i.e. Baptist, Pentecostal, charismatic, non-denominational)	Small (< 100)	63%	22,300
	Medium (101-350)	32%	41,051
	Large (351-1000)	5%	59,315
	Very large (1000+)	0.5%	85,518

*The data for this report comes from the Pulpit & Pew National Pastoral Leader Survey conducted in 2001. 883 of the 1204 pastoral leaders agreed to a 40-minute phone interview, a response rate of 73 percent.

Father Henry Petter, pastor of St. Elizabeth of Hungary Parish in Plano. The schedule raised the base pay from \$1,539 in 2002 to \$1,581 this year — a yearly base of \$18,972. The national average is about \$17,000, according to the NFPC. The diocese's plan raises the base pay approximately 3 percent each year through 2005.

Nonpastors (i.e., parochial vicars and priests without a parish) had a monthly base pay of \$1,436 in 2002, which climbs to \$1,475 this year (\$17,700 per year). Deacons do not receive a salary from the diocese or parishes where they serve as volunteers.

Each priest's salary is increased based on the number of years they have been ordained. This year, all priests will receive \$10.54 per month for every year they have been ordained. A pastor who has been in the Dallas Diocese for 30

pastors get similar forms of extra compensation, but the magnitude is larger with Catholic priests.

While some parishes are wealthier and may offer the chance for more stipends, Father Petter added that those parishes usually have far more members and, therefore, more duties for the priests.

"That's not saying one priest works harder than another. But there is just a higher volume of (stipend opportunities)," he said.

Parishes or diocesan departments are also responsible for their priests' auto allowances and food and housing support.

Priests in a nonparish assignment receive a pastor's salary plus a monthly supplement of \$200, which helps offset increased housing costs and reduced stole fees.

Married diocesan priests, of which there are a handful, receive a higher base pay.

good," he said). But he added that just because a priest does not have a family does not mean they are never responsible for anyone other than themselves.

"We get hit from time to time. The majority of us end up taking care of an (ill or elderly) sister or brother or parent," he said. "There are also times when I am asked to help a needy family. Sometimes I have the means and sometimes I don't."

Having said that, he added, "I think I am compensated very adequately for my way of life."

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McMILLAN finds that the topic of clergy compensation is on many pastors' minds yet is rarely talked about publicly. She hopes her study will change that.

"If we can't talk about clergy salaries, we can't talk about stewardship in general. (Clergy salaries) is a good place to begin," she said.

Father Petter said that, before the new diocesan clergy pay schedule, complaints from priests would filter in to the Chancery. Now, there are few complaints. The next task, he said, is to examine the retirement needs of the diocese's priests.

"Social Security's not going to do it. One of the reasons we looked at this compensation package is we were trying to get our scale to where the priests could put some money into Aquinas Funds or whatever (mutual) funds they do so they can prepare themselves and be more independent," Father Petter said. "Some of the priests nearing retirement now haven't had the opportunity to save like we are."

McMillan said Protestant denominations have reached a fork in the road and must choose between a free-market system and a resource-sharing system like the Catholic Church.

Father Petter said the Catholic Church is not likely to go the free market route, because the Vatican has set up the compensation philosophy. Going the free market route would cause some chaos, but Father Petter said it would be interesting to see how priests would react to such a system.

"It would cause us, not just on our own initiative, to know that we have to produce. We'd have to bear fruit and be faithful to these people and serve them in a way that we'll be competitive with others who may want to take our place," he said. "Then you may have less priests who try to get away with a minimalistic attitude."

McMillan hopes Protestant churches take a serious look at the Catholic Church's model.

"It's difficult for us to think beyond our own walls of our congregation. My report hopefully will tip the balance toward a more theological reflection on compensation," she said. "We need to consider us all in this together as Christians and not just in the market for a pastor. We need to share resources and pastors."

Average priest salaries in Texas

Diocese	Taxable Salary*
Dallas	\$33,846
Brownsville	33,218
Tyler	29,443
Beaumont	29,317
San Antonio	29,033
Lubbock	28,953
San Angelo	28,630
Galv.-Houston	27,630
Fort Worth	27,484

Source: "The Laborer is Worthy of His Hire," National Federation of Priests' Councils, 2002
* includes Mass stipends, stole fees, housing, food and other allowances. Nine out of 15 dioceses responded to the survey.

gregations get pastoral leadership regardless of income," she said. "It's more in line with the economic justice and equity norms that are expressed in the mission of the Gospel."

In 2002, the National Association of Church Business Administration (NACBA) and the National Federation of Priests' Councils (NFPC) did their own surveys. Both show Catholic pastors receive far below the average base salary of Protestant senior pastors.

When the NACBA recently completed its biennial survey, it found the average pastor in the Catholic Church has a total taxable income of \$31,465. That is less than half the compensation of a Lutheran senior pastor with an average income of \$76,247. An Episcopalian senior pastor receives the largest average salary at \$110,192.

But McMillan said those numbers are deceiving. There is a significant difference between base salary and "a better financial quality of life," she said.

Regardless of parish size, most Catholic priests have no family for which to provide, she said. They also usually have their room, board and pension covered by their parish, have their seminary training costs covered by the diocese and

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— Dr. Becky McMillan



years will make \$22,764, or \$1,897 a month, in base salary.

A priest's income may be twice that amount once housing, auto allowances, Mass stipends and stole fees are factored into the equation. Mass stipends are offerings of at least \$5 given to priests for Masses they celebrate for an individual's intention. Stole fees are offerings for baptisms, weddings and funerals. Amounts vary widely, and it is considered a "free-will" offering.

"(Priests) obviously count on them and look at them as part of our budget for putting away for retirement and so on," Father Petter said. "We should be counting it as part of our salary and not a gift."

McMillan said that Protestant

Parish priests also receive medical, dental and life insurance benefits from their parish. Diocesan priests are required to enroll with Medicare at the appropriate age, with the premium paid by the priest's parish or diocesan department. The diocese pays the premiums for retired priests.

Father Petter said the compensation plan brings the diocese "much more to where the majority of us think we ought to be."

"If you have sincerity and trust," he added, "(the church's) system works very well."

He agreed "to some degree" with McMillan's assessment that priests have a better financial quality of life ("How's my job security? Pretty