

FAQ - Frequently Asked Questions About the 2006 SBC Compensation Study

I compared data based on budget to churches similar to my church. Then I looked at data for churches with similar attendance. The results are quite different. How do I adjust for that?

Use the "Customized Study" menu option. It "cuts through" many apparent differences in data and gives you data for churches most like your own in size and financial resources. It is also important to use ALL STATE CONVENTIONS when preparing a customized report. . This gives you the broadest possible database and provides the most accurate information for your church.

Does this compensation study have any unique values when compared to other studies?

There are at least five advantages to this study:

- A. It is uniquely Southern Baptist. All 17,350 responses included in the survey are for ministers and employees of 7,095 SBC churches.*
- B. It is free. Participating state conventions and GuideStone Financial Resources of the SBC pay all costs.*
- C. All data is available on the Internet.*
- D. Most compensation studies also provide reports based on attendance, budget, etc. The customized report option is unique to the SBC study. This makes it possible to get compensation data based on churches most like your own by combining criteria.*
- E. Every survey form received is evaluated for valid, useable data and over 30 data integrity filters are used on the data before study results are compiled. (See next question.)*

How was the study compiled?

A common survey form was carefully designed. Each SBC state convention sent out the forms within their state during early 2006. Forms were returned by individuals to their state convention. Completed forms were then sent to the coordinator of the study. Forms were scanned. In this process several elements of validation were used to make sure forms contained valid, useable data. The database for each state was then run through a number of filters to search for data mismatches. Unless that data could be corrected, the data from that form was deleted from the study. Every effort was made to make sure every survey form's data was valid before it was included. Data from all states was then merged into a common database. In early June 2006, the data was made available on the internet through the unique web site.

I understand survey forms for this study are reviewed for correct data and that some forms are eliminated and that the information on some forms is changed. I'm concerned that this process is in reality changing the results. Is this true?

Data is sorted in several ways and is run through several computer filters to look for obvious incorrect responses. Data is corrected if possible. Otherwise those responses are eliminated. To illustrate, here are some actual examples from the 2006 study:

- a. 302 were eliminated because no compensation was entered. These were apparently volunteers.*
- b. 272 forms were deleted because they did not enter a position or they entered multiple positions that were obviously incorrect – like checking they were the pastor, minister of music, secretary and custodian of the church. We appreciate the fact that the pastor in many small churches may perform all those functions. But, he is employed as the pastor. To include his compensation in those other positions would be misleading.*
- c. Social Security was adjusted for many office personnel and custodians. Numerous forms included the 6.2% of social security for retirement but not the 1.45% of social security for other benefits. Some forms included both the employer half and the employee half of social security. All of these amounts were adjusted to reflect the full employer portion of 7.65%.*

- d. *There were many forms received from staff in large churches where almost all staff would report the same attendance, membership and budgets but 2 or 3 of the staff would report other numbers. For example, it appeared sometimes they used total membership instead of resident membership. Where there were adequate responses from others on the same church staff to indicate more accurate numbers, the 2 or 3 that were different were changed to match the majority from that church.*
- e. *Over 360 responses listed their church name but did not list one of the three items of church data – attendance, resident members or budget. The state conventions checked last year’s annual church profile and supplied that information so that information for these could be complete.*
- f. *Full-Time vs. Part-Time information was changed on 423 forms where it was obviously entered incorrectly. For example, a pastor of a church indicating he receives substantial income from another source other than his church, received \$ 8,250 per year as compensation for pastoring a church with an average attendance of 49. He checked that he was “full-time” which was obviously incorrect.*
- g. *237 forms were eliminated from the study due to data on the form that was totally inconsistent with other data on the form. For example, a part-time custodian entered their salary as \$ 95,500 per year on a church budget of \$ 296,000. For forms with major inconsistency that could not be reconciled, these were removed.*
- h. *57 forms were deleted because they were identified as duplicates – two forms received for the same employee.*

These are some examples to illustrate the extreme care taken in this study to assure that the data available for use in generating reports is based on accurate information.

Is average attendance for Sunday School or Worship?

The survey form instructions said to use the highest of these two.

Clarify “years of education”.

*This refers to the number of years of education **beyond high school.** This includes years of study in Bible School, College and Seminary. If a form had a significant mismatch between years of education and highest degree, all education data was deleted so that form would not be included in any reports based on education. (Example: 2 Years of education beyond high school with a Doctorate as the highest earned degree.)*

Are pianists and organists included in the survey?

No. Surveying compensation of accompanists involves so many more variables that affect the compensation level. Doing a survey that can provide dependable information is extremely difficult. These kinds of variables exist for other positions as well such as part-time office personnel and custodians but the variables seem to be even greater for accompanists. For this reason we opted to not include them in the study rather than provide information that would not be reliable for so many situations.

Can you send me a printed report?

No printed report was prepared for the SBC report as a whole. All information is available on the internet site. You may download and print any of the reports found on the web site. A few of the participating states have provided printed reports in various formats. Check with your state to see if they have available any printed reports.

Why did you use average instead of median?

- *A previous study about 8 years ago reported the median as well as average. At that time a group of ministers and laymen reviewing the work urged using less numbers in the report to keep it as simple as possible. For those rare individuals who are statistically minded, median provides valuable information. For the majority of those using the study who are less comfortable with that kind of detail, we kept hearing the encouragement to keep it very simple. This we have tried to do.*
- *Median numbers work well if those above & below the median are reasonably similar. Because SBC churches are predominantly smaller, to use median appears to be somewhat misleading. When we narrow the range for church size **we generally find median and average numbers are very close.***
- *Another factor is the element of representation. With median, then you are basically using only one church's numbers. With averages, every participant in the survey knows their survey results are included. In seeking to include as many as possible in the survey, the sense of being "included" is important.*
- *The customized study provides data that is most correlated to a specific church. The data available through the customized study option is of considerably more value than looking at median vs. average.*

(In the past, those persons who have inquired about "median" figures had not previously tried using the customized study. When that menu option was used, it generally seemed to satisfy their needs.)

I want a report on churches most like mine so I select only my state when using the customized study but you suggest using all states. Why?

With only a few exceptions, the compensation study supports evidence that the primary factor in determining compensation of church employees is the size of the church and its financial resources. Except for a couple states, the state where the church is located results in only minor differences. States with a higher cost of living generally have higher church budgets for a given number of members. By using all states, you can use a much larger database of churches which may allow you to narrow the range of attendance, membership and budget in order to get a report based on churches even more like you own in size and resources. With the smaller database for only a single state, the ability to narrow the range of churches is limited. If you really feel comparing to your state is preferable, it is suggested that you at least run a report both ways for comparison.

Those states with higher statewide averages tended to have a higher ratio of larger churches included in their survey results.

Does the study include averages for Directors of Missions?

No. The employment arrangement for Directors of Missions varies throughout the SBC. In some cases they are state convention employees. In others they are employed entirely by the local association. Some are employed to serve multiple associations. Sometimes the Director of Missions is paid by the association but receives benefits from the state convention. Sometimes the Director of Mission's pay is supplemented by the state or NAMB according to a certain scale. All of the differences combined are the reason they are not included in the study. Most state conventions will have a person who works closest with Directors of Missions who may have some information regarding their average compensation.

Why does the study not include ministry related expenses as part of the pay package?

While ministry related expenses are part of what it costs a church to fund having a particular minister, those costs are never part of what the minister receives as compensation or benefits. They should never be considered part of the compensation.

Ministry related expenses should never be paid as an allowance. When this is done they become taxable and tend to incorrectly be viewed by a church as part of the compensation. Ministry related expenses should be paid using an accountable reimbursement plan. The amounts for expenses should be adequate to cover what it costs to get the job done.

Example: Church A has an average attendance of 200. The church budgets \$ 500 per year for the pastor's ministry travel expense and he rarely uses that much because everyone lives within a couple miles of the church and the local hospital where everyone goes is one block from the church. Church B has an average attendance of 200 but budgets \$ 6000 per year for the pastor's ministry travel. Some members of church B live 15 miles away and whenever members of the church are in the hospital it is usually in a city that is 75 miles from the church. Church A and Church B both cover what it costs to get the job done through accountable reimbursement, then set the compensation and benefits without any regard to what is needed to cover ministry related expenses.

The compensation study does not include ministry related expenses since they are NOT part of the compensation a minister receives. Determining amounts for expenses requires a different approach than determining compensation.

On the customized study, is there a way to include the minister's education and years of experience?

This could have been included. However, the more criteria you add the more complex it becomes to run reports. One of the goals of the study is to make creating customized reports as simple as possible without sacrificing availability of the best information. Generally those ministers with more education and more years of experience gradually tend to move to the larger churches. There are notable exceptions but this is the general trend.

With only a few exceptions, the compensation study supports the evidence that the primary factor in determining compensation of church employees is the size of the church and its financial resources. For that reason we've opted for increased simplicity by not including education and experience in the customized reports. Note that there are menu options where you can access general reports based both on education and experience of the employee.

In some past studies, you included information on who structures the financial support – the employee or the church. I notice that information is no longer included. Why?

Increasingly churches are becoming more responsible as employers by setting up the compensation structure. There has been increased recognition of the problems inherent in the lump sum package approach. (Problems include: false perception of real compensation, unfair expectations of the minister, possible higher tax liability, and increase risk liability for the minister and the church.)

While some churches still use this antiquated approach, their numbers are declining. As fewer churches are using the lump sum approach, it was felt the time had come to remove this question from the study.

I tried to run a customized study report for my church. I narrowed the ranges to get only those churches very much like ours. It turned out there were only 3 churches that matched the ranges I entered. I could not print a report – the button to print disappeared. Is this a problem with the software?

This is intentional. In the customized study, if you get less than 10 matching records, you can still run the report but you get a warning message that suggests you should broaden the ranges to get more responses. If you get 3 or less responses, the program is designed to NOT allow running a report. This is to protect confidentiality. Without this protection, one could narrow the ranges to the exact numbers for a given church and have access to the compensation of specific employees of that church. Every effort has been taken to protect confidentiality of the information.

OK! I've run the report and I know the averages for churches like ours. Now what should we do? Should we adjust our pastor's pay to match the averages?

How each church uses this information is up to each local church. This survey data is made available with complete respect for the autonomy of each church. The information can be a useful tool to help a church be more objective in its consideration of staff compensation. Many churches have viewed the information and intentionally made sure their minister's compensation is higher than average because they recognize they have an above average minister serving their church.

NOTE: Over the past 10 years, this study has been conducted every two years. The current data is based on 2006 compensation and benefits. If you use this data in subsequent years, be sure to increase the amounts to allow for reasonable inflation. It should also be noted that over the 10 years this study has been compiled, compensation for ministers and church has increased at a rate higher than the rate of inflation.