

The Commission on Equitable Compensation report and recommendations to the 2024 Annual Conference of United Methodists of Upper New York.

Minimum Compensation and Clergy Wellness

From 2017 through 2023, inflation as measured by the Bureau of Labor Statistics' Consumer Price Index, has totaled 26.6%. In this time, Social Security Cost-of-Living Adjustments have totaled 25.5%. In this time, clergy base minimum compensation has increased 6.0%.

The Commission on Equitable Compensation (CEC) is deeply concerned that clergy minimum base compensation has not kept up with inflation.

Of the 53 U.S. Annual Conferences, Upper New York's Conference Average Compensation (CAC) is fifth from the lowest. Two of the lowest four are missionary conferences. Of the ten Annual Conferences in the Northeastern Jurisdiction, Upper New York's CAC is second from the lowest.

Members of CEC celebrate the work of the Clergy Wellness Task Force. We recognize clergy financial well-being as an integral part of overall spiritual, mental, and physical wellness. The following recommendations are strong steps toward increased clergy wellness. Increased clergy wellness will help Upper New York in our challenges with clergy recruitment and retention.

CEC is working from the understanding that we cannot continue to take small steps toward fair and just minimum compensation for clergy. We want clergy at or near minimum salary not just to hear, but to experience our support in their struggles. If we continue taking small steps, should we expect any pastor to continue to be their congregation's largest giver, as many are now? What are we telling young and next-career people discerning calls to ministry about their value to the church when our lowest salaries do not even keep up with inflation? CEC members recognize that we have helped create these challenges by making insufficient recommendations to Upper New York Annual Conference in recent years.

We recognize the natural and healthy tensions that exist between the needs of clergy and the need of congregations. We understand these tensions are not bad or harmful in themselves - they simply recognize the gifts, needs, and challenges of distinct parts of the Body of Christ. We relate to similar natural tensions like those between the needs of the Annual Conference and the needs of congregations, natural tensions within congregations, and in many other church and secular relationships.

We bring the following recommendations because the needs of clergy have not been adequately addressed. CEC is clear that our role is to recommend, not to legislate clergy minimum compensation. Upper New York Annual Conference alone sets clergy minimum compensation.

Recommendations (to take effect January 1, 2025)

This year, the Commission on Equitable Compensation brings the following recommendations to the Annual Conference of Upper New York for approval:

1. We recommend that the Minimum Base Compensation for full-time pastors in the UN-YAC shall be increased by \$2,400.

This is an increase of between 5.7% and 6.3% with the greater percentage for Licensed Local Pastors. The intent of this recommendation for an equal amount in increase for all levels of clergy is to increase the lowest salary level to \$40,000.

Between 2022 and 2023 the increase in the Minimum Base Compensation was 6%. Prior to 2022, our Minimum Base Compensation had last been increased in January of 2017. As a point of reference, during this period from 2017-2023, the Social Security Cost of Living Adjustments (SSI COLA) have increased by 25.5%. The calculator for the Consumer Price Index shows that the purchasing power of a \$39,984 (the minimum compensation for an Ordained Elder or Deacon in 2017) should currently be \$47,285 to compensate for inflation. *(See supporting data below.)*

Less than full-time appointments shall receive a base salary pro-rated according to the appointment.

<u>Clergy Credential</u>	<u>Recommended 2025 Base Minimum Salary</u>
Full connection (Elders & Deacons):	\$44,818
Provisional (Elders & Deacons):	\$43,303
Associate:	\$42,345
FT Local Pastor Completed Course of Study or M.Div.:	\$41,787
FT Local Pastor:	\$40,273

2. We recommend that the increment for each year of service be increased from 1.0% to 1.5% of the minimum base compensation.

<u>Clergy Credential</u>	<u>Increment for each year of service</u>
Full connection (Elders & Deacons):	\$673
Provisional (Elders & Deacons):	\$650
Associate Members:	\$635
FT Local Pastors Completed Course of Study or M.Div.:	\$627
FT Local Pastors:	\$604

3. We recommend that the minimum Accountable Reimbursement Plan (ARP) be increased by \$750, from \$3500 to \$4250.

The minimum ARP amount has been \$3500 since we became the UNYAC in 2010. Adjusted for inflation, that amount would be over \$4900 in 2024. The increases in the IRS mileage rates alone in that period (34%) mean that the ARP standard is far below what will cover most pastors' professional expenses. This makes it difficult for clergy to afford to attend Continuing Education opportunities, Bishop's Retreats, Annual Conferences, and other events.

Our goal is to recommend an increase to the Accountable Reimbursement Plan to \$5000 to reflect inflation. However, we recognize that smaller increments will make that goal more attainable for local congregations. Therefore, we are recommending an increase of \$750 for 2025 and will be recommending an increase of an additional \$750 in 2026 so that the goal of \$1500 can be reached in two years. An increase of \$1500 by 2026 may still put us behind inflation by that point, but our hopes are that this change will ease the burden on our clergy's finances. (*See Supporting Data b.*)

4. We recommend that pastors serving multiple churches continue to receive \$500 for each church over one (*unchanged*).

5. We recommend that the pulpit supply rate be increased from \$90 to \$200 for the first service, and \$75 to \$100 for each additional service.

The pulpit supply rate has not changed since the founding of the Upper New York Conference in 2010. Two-hundred dollars (\$200) per service honors the time required to create a quality sermon and service.

6. We recommend that no pastor's salary can be decreased because of this policy, as long as they retain their current appointment. (*Unchanged*)

7. We recognize that many churches currently pay their pastors more than the base minimum compensation plus increments for their years of service.

These churches are encouraged to offer a salary increase of no less than 3.2%. We encourage you to consider that inflation as measured by the Consumer Price Index is currently 3.2 % and the 2024 Social Security Cost of Living Adjustment was 3.2%. Churches are encouraged to consider further raises based on exceptional service.

2023 Equitable Compensation Grants *(for information only)*

The Commission on Equitable Compensation helps struggling local churches regain sound financial footing, so they can build leadership capacity, make disciples, and transform the world. The CEC administers funds used to support clergy salaries for churches with pastors appointed full-time where those churches are temporarily unable to meet minimum compensation standards. CEC supports churches that demonstrate the potential for moving back to being fully self-sufficient in their funding. The Equitable Compensation Grant, used specifically to support the salaries of full-time clergy, is the primary grant used to provide this assistance. The grant runs in six-month cycles, one available in the spring and one available in the fall each year. In 2023, we were able to provide Equitable Compensation Grant support for six churches totaling \$40,000. All churches receiving Equitable Compensation Grants are participating in the Vital Signs Dashboard program. Additional assistance provided from the UNYAC CEC budget and administered by the UNYAC Cabinet in 2023 included: \$2500 support for Missional Grants, \$3000 for Sustentation Grants and \$16,000 for Appointment Grants.

Supporting Data:

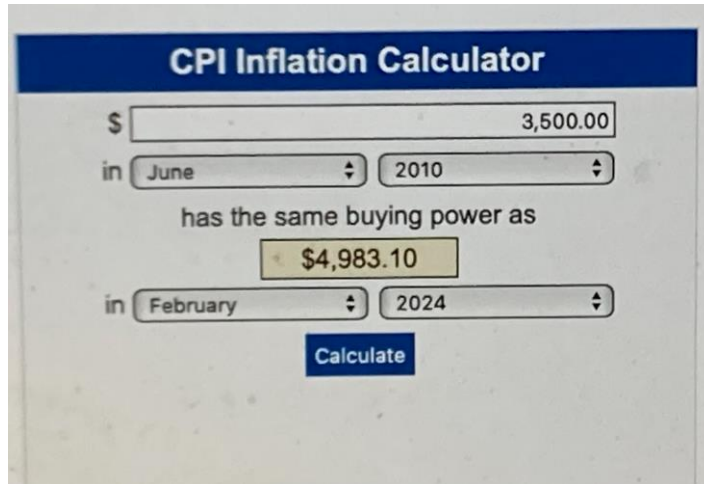
a.) *CPI / Inflation Calculator, 2017-2024.*

Figure below showing 2017 Base Salary of \$39,984 (Ordained Elder) and equivalent 2024 purchasing power.

The image shows a screenshot of a "CPI Inflation Calculator" interface. At the top, there is a blue header with the text "CPI Inflation Calculator". Below the header, the interface is divided into two main sections. The first section shows a dollar sign followed by a text input field containing "39,984.00". Below this, there are two dropdown menus: the first is labeled "in" and contains the month "June", and the second is labeled "2017". The second section shows the text "has the same buying power as" followed by a yellow-highlighted text box containing "\$50,342.90". Below this, there are two more dropdown menus: the first is labeled "in" and contains the month "January", and the second is labeled "2024". At the bottom center of the calculator interface is a blue button with the text "Calculate".

b.) *CPI / Inflation Calculator, 2010-2024 detailing 2010 Accountable Reimbursement of \$3,500 and equivalent 2024 purchasing power.*

Source: https://www.bls.gov/data/inflation_calculator.htm



c.) Current & recommended minimum compensation as hourly wages for a 40-hour week.

<u>Clergy Credentials</u>	<u>Current Min</u>	<u>Current Hourly</u>	<u>Proposed Min</u>	<u>Proposed Hourly</u>
OE	\$42,418	\$20.39	\$44,818	\$21.55
PE	\$40,903	\$19.66	\$43,303	\$20.82
AM	\$40,146	\$19.30	\$42,346	\$20.36
LLP MDiv	\$39,388	\$18.94	\$41,780	\$20.09
LLP	\$37,874	\$18.21	\$40,274	\$19.36

****The figures above do not include housing value received by clergy.**

d.) Clergy Info Related to Minimum Compensation

In response to the motion from Marthalyann Sweet’s motion at AC 2023 asking for data on how our minimum compensation recommendations affect clergy and churches, we have included the figure below. The motion specifically asked for data related to the percentage of clergy in UNY who are compensated below minimum compensation including percentage breakdowns by race, age, and gender. Data on race/ethnicity, gender, and age are still being calculated by Conference staff.

COMMISSION ON EQUITABLE COMPENSATION			
CLERGY SALARY INFORMATION			
AS OF 12/31/23			
Number of Clergy reviewed	371		
Number of Clergy Serving with Salary	315		
Number of Clergy w/o appt, on leave or serving outside of Conf	56		
	Amount		Multiple churches
F/T Pastors	189		54
# Paid below minimum Compensation	27	14.3%	10
# Paid less than \$1,000 over Minimum	8	4.2%	5
P/T Pastors	126		45
# Paid below minimum Compensation	20	15.9%	5
# Paid less than \$1,000 over Minimum	11	8.7%	2

Total Pastors in UNYAC

There were 371 pastor records from Wespeth reviewed to calculate full time equivalences by Conference staff. Of these 315 were full time clergy. There were 56 who were currently not appointed, on leave, or were serving outside of the annual conference.

Of the 315 full time pastors there are currently 47 (14.9%) who are below the 2024 minimum compensation standard with the 1% increment for years of service and 19 (6%) are less than \$1000 over the minimum compensation standard including the 1% increment for their years of service.

If minimum compensation recommendations with the 1.5% increase in increments for years of service for 2025 are enacted 139 (44.1%) of pastors would be below the proposed minimum compensation.

There are currently 178 full time pastors that are compensated \$3000 or more over their individual base minimum including their increments for years of full-time service.

If the current increase in the base minimum compensation with 1.5% increments for years of service is enacted there will be 105 full time pastors that are compensated \$3000 or more over their base minimum including their increments for years of full-time service,

e.) The following two charts show a comparison of the current/2024 minimum compensation including the 1% increments for full-time years of service and the proposed/2025 minimum compensation including the 1.5% increments for years of full-time service at five-year increments.

Current Minimum Compensation					
OE/D.	PE/D.	AM.	LLP/Mdiv/CS.	LLP	
\$42,418	\$40,903.	\$40,145	\$39,388.	\$37,874	
1% increments for years of service					
\$424.	\$409.	\$401.	\$394.	\$379	
\$44,543.	\$42,948.	\$42,150.	\$41,358.	\$39,769.	5Years
\$46,658.	\$44,993.	\$44,155.	\$43,328.	\$41,664.	10Years
\$48,778.	\$47,038.	\$46,160.	\$45,298.	\$43,559.	15Years
\$50,898.	\$49,083.	\$48,165.	\$47,268.	\$47,349.	20Years
\$53,023.	\$51,128.	\$50,170.	\$49,238.	\$47,349.	25Years

Proposed Salary					
	OE/D	PE/D	Assoc	LP/Mdiv/COS	LLP
\$2,400 Add on	44,818	43,303	42,546	41,788	40,274
1.5% add on	672	650	638	627	604
5 years of service	48,178	46,553	45,736	44,923	43,294
10 years of service	51,538	49,803	48,926	48,058	46,314
15 years of service	54,898	53,053	52,116	51,193	49,334
20 years of service	58,258	56,303	55,306	54,328	52,354
25 years of service	61,618	59,553	58,496	57,463	55,374

f.) The following three charts show the cost to local churches of the proposed increases for 2025 for a Licensed Local Pastor, a Licensed Local Pastor with an MDiv/Course of Study, and an Ordained/Full Elder.

Years of Service	Full-Time Licensed Local Pastor				
	5	10	15	20	25
Base Salary Increase Recommendation	2,400	2,400	2,400	2,400	2,400
Change in Add on to 1.5% Recommendation	1,504	2,629	3,754	4,879	6,004
Total Salary Increase	3,904	5,029	6,154	7,279	8,404
% Salary Increase	9.9%	12.2%	14.3%	16.1%	17.9%
ARP Increase	750	750	750	750	750
CRSP	539	694	849	1,005	1,160
CPP	117	151	185	218	252
Additional CRSP/ CPP if Parsonage	164	211	258	306	353
Supply - 6 weeks at additional \$110/service	660	660	660	660	660
Total Additional Cost in 2025 based on minimum	6,134	7,495	8,856	10,218	11,579

Years of Service	LP with Mdiv or COS					
	1	5	10	15	20	25
Base Salary Increase Recommendation	2400	2,400	2,400	2,400	2,400	2,400
Change in Add on to 1.5% Recommendation	627	1,559	2,724	3,889	5,054	6,219
Total Salary Increase	3,027	3,959	5,124	6,289	7,454	8,619
% Salary Increase	7.7%	9.7%	11.9%	14.0%	15.9%	17.6%
ARP Increase	750	750	750	750	750	750
CRSP	418	546	707	868	1,029	1,189
CPP	91	119	154	189	224	259
Additional CRSP/ CPP if Parsonage	127	166	215	264	313	362
Supply - 6 weeks at additional \$110/service	660	1,260	1,260	1,260	1,260	1,260
Total Additional Cost in 2025 based on minimum	5,073	6,800	8,210	9,620	11,029	12,439

Years of Service	Full elder					
	1	5	10	15	20	25
Base Salary Increase Recommendation	2,400	2,400	2,400	2,400	2,400	2,400
Change in Add on to 1.5% Recommendation	672	1,664	2,904	4,144	5,384	6,624
Total Salary Increase	3,072	4,064	5,304	6,544	7,784	9,024
% Salary Increase	7.2%	9.2%	11.5%	13.5%	15.4%	17.2%
ARP Increase	750	750	750	750	750	750
CRSP	424	561	732	903	1,074	1,245
CPP	92	122	159	196	234	271
Additional CRSP/ CPP if Parsonage	129	171	223	275	327	379
Supply - 6 weeks at additional \$110/service	660	1,260	1,260	1,260	1,260	1,260
Total Annual Cost	5,127	6,928	8,428	9,928	11,429	12,929

g.) As a final note the following are the Conference Average Compensations (CAC) for the ten Annual Conferences in the Northeast Jurisdiction in 2024:

- \$83,102 *Baltimore Washington Annual Conference*
- \$78,725 *Eastern Pennsylvania Annual Conference*
- \$76,563 *Susquehanna Annual Conference*
- \$75,906 *New York Annual Conference*
- \$75,427 *General New Jersey Annual Conference*
- \$72,481 *Pennsylvania-Delaware Annual Conference*
- \$72,060 *Western Pennsylvania Annual Conference*
- \$71,450 *New England Annual Conference*
- \$67,376 *Upper New York Annual Conference*
- \$60,095 *West Virginia Annual Conference*

The Commission currently has other matters under consideration and will report them as appropriate at the 2024 Upper New York Annual Conference.

The members of the Commission on Equitable Compensation for 2023-2024 are:

Teddi Urriola, Co-Chair

Rev. Rich Weihing, Co-Chair

Pastor John Buddle

Rev. Jefferson Niles

Dorothy Jayne Smith

Eileen Sperry

Cory Tylenda

Bob Flask, Conference Treasurer; Ex-Officio Member (voice, no vote)

Rev. William Gottschalk-Fielding, Assistant to the Bishop; Ex-Officio Member (voice, no vote)

Susan Latessa, Director of H.R. and Benefits; Ex-Officio Member (voice, no vote)

End of Report
