

Financial Challenges of Small Churches and Ways to Address Challenges of Compensation for Your Pastor

The purpose of this paper is to encourage discussion within congregations or sessions of ways to respond to financial challenges and to review a variety of short-term alternatives to respond to these challenges. This paper does not include discussion of long-term sustainability plans for churches to grow in ministry, mission, and/or numbers of members. There isn't a Presbytery fund to provide operating funds to churches in need. However this paper and the accompanying resources can lead to more transparent discussions by churches and session members that can help:

- identify areas of concern,
- evaluate a church's financial condition,
- review available resources,
- evaluate short-term choices for decision-making.

Session Discussions. The following are topics for discussion to be shared over several meetings. Some of the topics refer to resources that may be helpful to you. In addition, the COM encourages sessions to invite their liaison to be a partner with you in these conversations. Approaching these discussions with a spirit of respect and trust for one another and a willingness to listen carefully and thoughtfully to one another will be invaluable as you seek a response to the challenges you face. Be aware that this is not a quick process and will require time and patience.

- If you are a congregation in transition between pastors, review the paper, "Options for Pastoral Leadership." This is a description of the different types of pastoral positions and contracts. Some of these may be appropriate for your church.
- Discuss the perception of the role of a pastor. What does and should your pastor be responsible for? What are the responsibilities of the session and other church members? If your pastor works part-time, be realistic as you consider what is possible in the limited hours available.
- As you consider questions of compensation, look at alternatives that will allow you to continue your contract with your pastor at her/his current number of hours and amount of compensation.
- Complete the "Identification of Financial Condition Worksheet" with the help of the entire session, including the pastor, as well as the treasurer. This worksheet will help you clarify and document your church's financial situation. If you have questions about the worksheet, consult the "Instructions for the Financial Worksheet."
- As you consider your current situation, avoid the "blame game" or giving the impression that others' opinions and past decisions have been wrong. Instead, brainstorm, and assess other alternatives for the future before considering a reduction of current staff or the pastor's hours and benefits. Among possible alternatives are sharing your building with another congregation or sharing one pastor between two or more congregations.
- Assess your congregation's perception of its mission and consider if God is calling you in new directions. You may find the paper, "What does a Flourishing/Healthy Congregation Look Like?" helpful.

- Review grant opportunities available to your congregation for new mission and outreach in your community. Some limited funds are available through the Presbytery of Ohio Valley.
- If a reduction of the pastor's compensation is necessary as a last alternative, consider how it can be structured to minimally impact the pastor and his or her benefits.
- Work with your Committee on Ministry liaison to assist your session in these important conversations and decisions.
- In the event that you need to request a waiver from minimum compensation standards for a second subsequent year, the COM will not ordinarily require the session to complete the entire process outlined above. Instead, the session will meet with the COM liaison and confirm that the congregation's situation is essentially unchanged from the previous year. In that case, the COM will consider the request at its next stated meeting.
- However, should a session request such a waiver for a third year because its financial situation is unchanged or has worsened, the COM liaison and another representative of the COM will meet with the pastor and the session to consider alternatives.

If you need or choose Presbytery participation: These guidelines will be used by the Committee on Ministry in working with a congregation to consider the option for pastoral leadership that will best suit its needs, eligibility for POV grants, and temporary requests for less than minimum compensation for a pastor.