

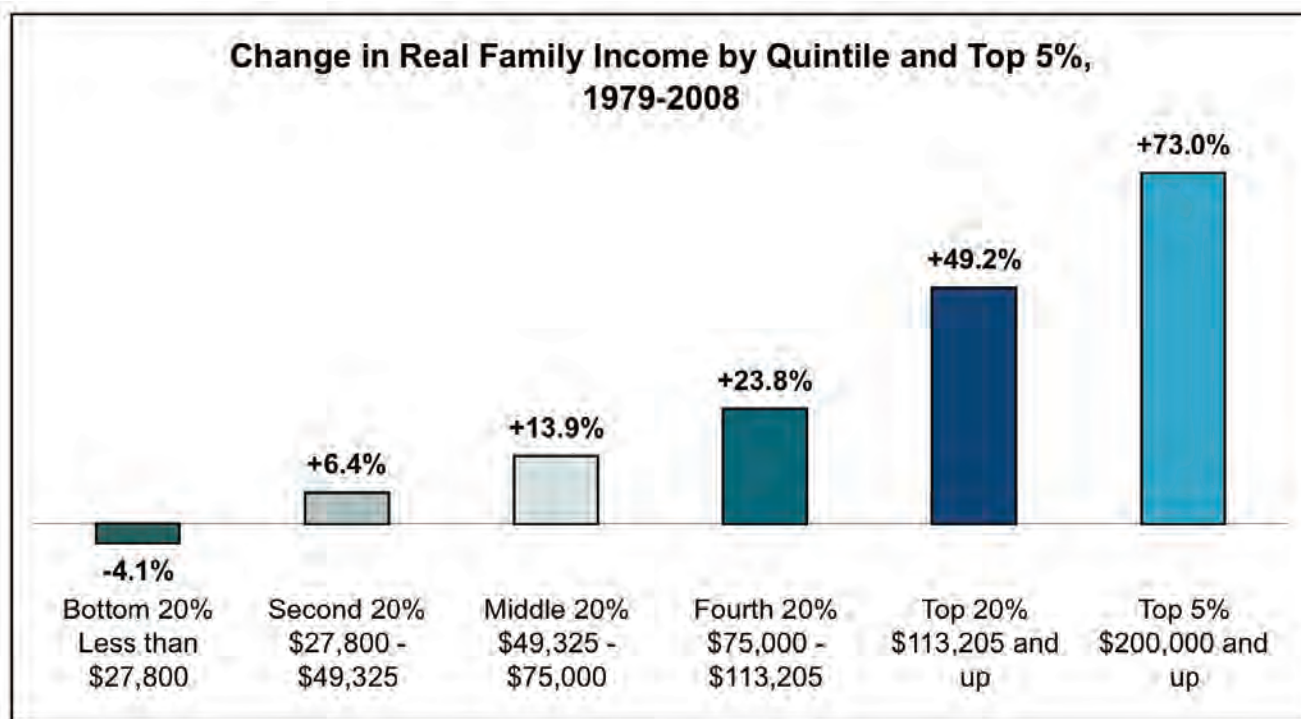


NEITHER POVERTY NOR RICHES

COMPENSATION, EQUITY, AND THE UNITY OF THE CHURCH



Approved by the 219th General Assembly
of the Presbyterian Church (U.S.A.)



2010



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STATED CLERK OF THE GENERAL ASSEMBLY

Fall 2010

Dear Members and Friends of the Presbyterian Church (U.S.A.):

The 219th General Assembly adopted the resolution, “Neither Poverty Nor Riches: Compensation, Equity, and the Unity of the Church,” in exercise of its responsibility to help the whole church address matters of “social righteousness.” In this case, another of the Great Ends of our church is clearly involved, that calling us to “the exhibition of the Kingdom of Heaven to the world.” As a social witness policy statement, it is presented for the guidance and edification of both church and society, and determines procedures and program for the ministries and staff of the General Assembly. It is recommended for consideration and study by sessions, presbyteries, and synods, and commended to the free Christian conscience of all congregations and members for prayerful study, dialogue, and action. This letter is partly to confirm that this social witness resolution satisfies the rules that govern the formation of social policy in the Presbyterian Church (U.S.A.).

In our church, what distinguishes a resolution or full policy statement from a study is the presence of recommendations for action. While this is a resolution with recommendations that may influence the payment of pastors and others in service to the church, much more of its length is devoted to a careful Reformed reading of scripture and tradition on the matter of compensation. It may not surprise many ministers that Calvin had a good bit to say about how the then new Protestant model of ministry related to the no-longer-feudal economy of his day. But even with that guidance and the more recent scholarship of Walter Brueggemann, the study team and the Assembly itself had to wrestle with the values of our faith in the current economy.

The specific question prompting the study is expressed in its assignment: “to provide theological guidance to church and society with regard particularly to the impact of secular market assumptions on the compensation practices of the PC(USA)” (*Minutes*, 2008, Part I, p. 899). This led to discussions with the Office of the General Assembly and the five other Assembly agencies, as well as with pastors, members in a variety of fields, and economists studying the compensation of business and labor. How do “secular market assumptions” affect your congregation, especially during stewardship time, or when “terms of call” are discussed at the annual meeting? What differences in salary should there be within the congregations of a presbytery or synod? What differentials should exist between pastors and staff of councils of the church, including the Assembly?

Naturally, these are questions on which Presbyterians have many views. I hope this resource will enrich your thinking and discernment, particular as compensation relates to matters of equity and unity in the church. Certainly as we all try to “practice what we preach,” these issues are hard to escape—particularly in an economic crisis when we seek to “bear each other’s burdens” in some measure.

Yours in Christ,

Gradye Parsons, Stated Clerk

Neither Poverty Nor Riches: Compensation, Equity, and the Unity of the Church



Approved by the 219th General Assembly (2010)
Presbyterian Church (U.S.A.)

Developed by
The Advisory Committee on Social Witness Policy (ACSWP)
of the General Assembly Mission Council

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Neither Poverty Nor Riches: Compensation, Equity, and the Unity of the Church

RECOMMENDATIONS

The 219th General Assembly (2010) approved the recommendations from the Advisory Committee on Social Witness Policy (ACSWP) in order to strengthen Presbyterian unity in mission and solidarity in ministry, that the 219th General Assembly (2010) approve the following measures for churchwide study and action on the theology of compensation:

1. That the full text of the study, “Neither Poverty nor Riches: Compensation, Equity, and the Unity of the Church,” be received by the assembly, included in its *Minutes*, posted and provided in digital form by the Office of the General Assembly, and printed in limited quantity for presbytery resource centers and other uses.

2. In order to affirm the covenantal vision that unites all those serving the church:

a. Commend those agencies that are demonstrating a theological sense of connectedness and solidarity in mission by implementing alternate compensation plans that exhibit signs of the church’s covenant community, such as the pay structure for overseas personnel in World Mission, the 5:1 salary ratio found in the Office of the General Assembly (OGA), and the practice of the Board of Pensions (BOP) in basing pensions of ministers who were not highly compensated during their active pastorates on the median effective salaries of ministers in the PC(USA), understanding that all congregations and ministers are assuring that those who labored faithfully should be adequately supported in retirement.

b. Request the Board of Pensions (BOP) to require that pension dues be paid on all effective salary, removing the cap for those who receive higher compensation.

c. Direct the General Assembly Mission Council to convene the leadership of all six agencies related to the General Assembly to review together the fourteen current principles of compensation in the ‘Report from the General Assembly Advisory Committee on Church-wide Compensation’ (213th General Assembly (2001); *Minutes*, 2001, Part I, pp. 558–59) and to explore the possibility of setting ratios for compensation in order to promote greater covenantal unity within our one church and in our mission together.

d. Request the leadership of the Board of Pensions (BOP), the Presbyterian Foundation (FDN), the Presbyterian Investment and Loan Program, Inc. (PILP), and the Presbyterian Publishing Corporation (PPC), as well as the Stated Clerk of the General Assembly, to join in the interagency consultation of Recommendation 2.c. above, and to consider the assembly’s action on compensation within their own boards, reporting on such consideration in their agency reports to the 220th General Assembly (2012).

e. Request the Committee on Theological Education (COTE) to convene an appropriately structured discussion among the seminaries on the matter of compensation ranges and sharing economic burdens during recession periods, reporting a digest of their findings to the 220th General Assembly (2012).

f. Request the Office of Vocation, in an effort to support the development of just new models of compensation for pastoral ministry in small and struggling congregations

(1) to encourage discussion in its on-line communities of new ways to include solidarity concerns (such as those in this theology of compensation) in the ministry of congregations and in developing new ministries and congregations; and

(2) to invite presbytery- and synod-wide planning approaches that include the participation of congregations with smallest budgets, tent-making pastors, and the underemployed.

g. Direct the Advisory Committee on Social Witness Policy (ACSWP), in coordination with the Office of Vocation, to review the compensation practices of other churches and nonprofit organizations in response to the economic recession and secular patterns of inequality in order to assess the potential for interchurch solidarity and witness and to encourage broader theological and ethical discussion of the themes in this report, inviting especially responses from those working in the fields of economic justice and business ethics.

h. Urge that presbyteries do the following:

(1) Establish maximum as well as minimum terms of call, with the proviso that congregations providing calls that exceed the maximum would contribute an amount that matched the overage to a presbytery fund to be used to support pastors in congregations of that presbytery unable to afford its minimum terms of call.

(2) Consider the possibility of having differential minimum terms of call that acknowledge differing realities within presbyteries, such as cost-of-living variations.

(3) Conduct an analysis of past and present instances in which their presbytery set aside their minimum terms of call or allowed them to be circumvented. This review should include an analysis of the circumstances and the methods by which the terms of call were set aside or circumvented and how these actions affected racial ethnic and women pastors, in particular.

(4) Determine current ratios between highest-paid and lowest-paid pastors in the presbytery including commissioned lay pastors, and between highest-paid and lowest-paid staff members of the presbytery, the foregoing based on full-time equivalent salaries.

(5) Report the results of all of the above to the Office of the General Assembly through the annual statistical report questionnaire sent to the stated clerks of presbyteries.

i. Encourage sessions and congregations to

(1) reflect on the ways their lives together as a congregation are impacted by differences in compensation as discovered through analyzing ratios of their highest-paid and lowest-paid staff members, based on full-time equivalent salaries;

(2) consider establishing a ratio between maximum and minimum salaries for church employees as approved by the session; and

(3) report the results to the Office of the General Assembly through the annual statistical report questionnaire submitted by the clerks of session.

j. Direct the Moderator and the Stated Clerk of the General Assembly to issue a pastoral letter to members of the Presbyterian Church (U.S.A.) urging them to stand as a witness against excessive compensation in church and in society.

Rationale

These recommendations and report are in response to the following referral: *2008 Referral: Item 09-08. Report, God's Work in Women's Hands: Pay Equity and Just Compensation, Recommendation 2.i. That the Advisory Committee on Social Witness Policy, in Consultation with Theology, Worship, and Education Ministry Area and the Office of Vocation, Update the PC(USA)'s 1983 "Theology of Compensation" Report to Provide Theological Guidance to Church and Society with Regard Particularly to the Impact of Secular Market Assumptions on the Compensation Practices of the PC(USA)—From the Advisory Committee on Social Witness Policy and the Advocacy Committee for Women's Concerns (Minutes, 2008, Part I, pp. 54, 55, 897–923).*

This resolution with recommendations and study paper is submitted to the 219th General Assembly (2010) in response to the directive of the 218th General Assembly (2008):

That the Advisory Committee on Social Witness Policy, in consultation with the Theology, Worship and Education Ministry Area and the Office of Vocation, update the Presbyterian Church (U.S.A.)'s 1983 "Theology of Compensation" report (*Minutes*, 1983, Part 1, pp. 82, 116, 689–704) to provide theological guidance to church and society with regard particularly to the impact of secular market assumptions on the compensation practices of the PC(USA). (*Minutes*, 2008, Part I, p. 899)

The title for this report comes from Proverbs 30:8, quoted in Walter Brueggemann's 1983 *Theology of Compensation*, the most in-depth treatment of this topic in recent years and a vital part of the basis for current compensation policies in the Presbyterian Church (U.S.A.). Yet the economies of both church and society have changed dramatically in the twenty-seven years since his writing. Most importantly, the common assumption that a minister's call would involve climbing a career ladder of congregations of increasing size, has met the cultural and demographic reality of a smaller denomination in a context of significant economic inequality, the reality lived daily by countless Presbyterians. This theological and ethical study reflects on the reality of the church and, seeking to move beyond the idolatry of secular models of success, in its recommendations proposes actions for the church to take in response.

Even before the credit meltdown of September 2008 and the ensuing Great Recession, data from the Office of Vocation confirmed a growing gap between congregations able to afford full-time, seminary-trained pastors and those relying on part-time ministers, commissioned lay pastors, and dedicated elders. Survival has become the focus of many congregations and presbyteries. The ability of the church to manage, let alone reverse this trend of downward mobility, is in question.

The study and recommendations present a theological analysis based in Scripture and our Reformed heritage, particularly that of John Calvin, of the secular market assumptions at work in the church, including those models of career and salary inequality that distort so many of our expectations. Reformation and change, though difficult, are vital to continued health and growth in the church, but must be based on a biblical and theological understanding of our mission. Hence, any plan for change, for re-focusing the church's mission, incentives, and internal accountability, will arise from the context of our mutual vocation and mission. We are called to resist the world's trends, and not operate on the world's terms. It means facing the disconnections within the church and among its agencies with honesty and humility, re-claiming as the Body of Christ the covenantal vision that is affirmed in the heart of the Gospel.

The study is written to appeal to the lay reader, though many ministers may be unaware of how much realistic and remarkably relevant economic thinking Calvin did, especially in his great commentaries. He understood, as did Jesus and his great interpreter, Paul, that while the Kingdom is not about bread alone, it is about breaking bread together. For in the breaking of bread and the in-breaking of the Spirit, the unity and equality of the members are revealed, “that the members may have the same care for one another” (1 Cor. 12:25). How do we embody that mutual exchange and mutual support that are characteristics of this one body? We ask that each reader, each congregation, each council consider whether in our practice we are operating from a theology of solidarity or a theology of individualism or even a theology of abandonment—and whether we can reassert some of the deep connectionalism that is stronger than market forces. Are we indeed in the market but not of it? And even in a market culture, does the church not have a witness to make that it is God who determines value, not wealth, nor power, nor ideology—idols that demand too many sacrifices.

The current theology of compensation is partly an aspirational compromise between merit-based and egalitarian approaches. It encompasses a rationale for regionally varied minimum salaries, non-binding ratios for minimum to maximum salaries in national agencies, a pension system that redistributes retirement income upward for pastors of lower pre-retirement income, and a market-based system of pastoral compensation that reflects differences in ability, experience, background, and congregational resources. The Board of Pensions (BOP) and Presbyterian Foundation (FDN), both agencies of the General Assembly, are increasingly hierarchical and have pay scales that are significantly beyond the salaries of any other employee in the denomination. Although a few pastors are very well paid, many receive compensation at or only slightly above presbytery minimum. Yet even presbytery minimum salaries are increasingly unaffordable by many congregations. Those congregations frequently find it necessary to have a part-time pastor, a commissioned lay pastor, bi-vocational or tent-making minister, or non-Presbyterian pastor. Some have no on-going relationship with a pastor at all.¹

This resolution leads the Presbyterian Church (U.S.A.) to say that we must live in covenant community with God and with one another. With the intention of being good stewards of the church’s resources, we have moved toward the efficiencies and values of the marketplace. However, this has led to practices that threaten the solidarity of the church, as well as solidarity with our neighbors locally, nationally, and internationally. We believe that the church is called to ministry, not for itself alone, but for, with and in the world that God created and loves. We engage in this ministry as partners, recognizing that partnership requires consideration of just compensation. As we do, we demonstrate our understanding that all are called and all are valued as workers for God’s kingdom in and through the Body of Christ.

Study Paper

Neither Poverty Nor Riches: Compensation, Equity, and the Unity of the Church

*Remove far from me falsehood and lying;
Give me neither poverty nor riches;
Feed me with the food that I need,
Or I shall be full, and deny you,
And say, "Who is the Lord?"
Or I shall be poor, and steal,
And profane the name of my God.
Prov. 30:8–9*

A. The Challenge and the Task

1. *We Are Challenged. . .*

a. *By Our Culture*

- “. . . the average baseball salary fell just short of \$3 million this year, reaching \$2,996,000, according to the annual report of the players’ association” (*The Plain Dealer*, December 2009, p. D6, Cleveland newspaper).
- Executive bonuses—especially in the form of stock and option grants—represent the most prominent form of legal corruption that has been undermining our large corporations and bringing down the global economy. Get rid of them and we will all be better off for it² (Henry Mintzberg, *Wall Street Journal*, November 30, 2009).
- “Having ever been unemployed makes you permanently less connected to your community” (Robert Putnam, professor at Harvard University, as quoted in *Newsweek*, December 21, 2009, p. 53).

b. *In Stories from the Church*

- A modest-sized center-city church with a large endowment needed a new head of staff. The chair of the search committee, a CEO of a large firm, decided not to use church processes. “When we need a new leader in my business, we hire a head hunter. He’ll find us the person we want, someone who knows what it’s like to head up a business of this size, and he’ll be able to tell us how much we should pay for a really great guy!”
- A congregation decided to enroll its entire staff, including employees of the church’s day-care facility, in the Board of Pensions plan. “It’s the right thing to do,” elders decided. The church opted for the two-step option, enrolling non-ordained staff only in the medical benefits provision at first, knowing that several years later they would be required to enroll everyone in the full plan, and that the cost to the church would increase significantly. When that time came, the circumstances of the congregation had changed and they could not afford to pay for all staff persons to be part of the Board of Pensions plan. After long deliberations, the session decided that their only alternative was to reduce the number of staff in the day-care center and reduce the number of children who could be served by the center.

- A recent seminary graduate waited for almost three years before receiving a call from a congregation. During those three years, she worked as a part-time church secretary and preached weekly in a small congregation. She barely earned enough money for her living expenses and depended on money borrowed from family members when her car had to be repaired and her computer had to be replaced. When she accepted a call and was ordained, it was to a church that paid the presbytery minimum salary. “I love the people of my church,” she said, “but I’m not sure I’ll be able to stay here for the long term. I have a lot of debts to pay off.”

c. *By What Pastors Say*

- “I have served small churches since 1988 and with a growing family, growing debt load, and the cost of living, have been very concerned about my terms [of call].”

- “My wife and I both work to support our family. I will not even consider a call that does not adequately provide for us. That includes living in the community where the church is.”

- “God provides all things, but he seems to provide a lot more to leaders in large, rich, white churches than smaller, poorer, or minority churches. As a denomination is our treasure going where our heart really is? Are our best leaders serving the haves or the have nots?”

- “Smaller congregations struggle even to meet established presbytery minimums, especially factoring in pension dues.”

- “Why are pastors paid so differently in the first place? In a nearby PC(USA) church with four pastors, one is paid three times as much as another. Is his work three times more valuable to God’s kingdom? Are we really all ordained to the same status, just with different functions? Or is there really a hierarchy with the rich at the top?”³

d. *Yet We Remember the Witness of John Calvin*

- “. . . the lawful use of all benefits consists in a liberal and kindly sharing of them with others. No surer rule and no more valid exhortation to keep it could be devised than when we are taught that all the gifts we possess have been bestowed by God and entrusted to us on condition that they be distributed for our neighbors’ benefit.”⁴

- “Let this . . . be our rule for generosity and beneficence: We are the stewards of everything God has conferred on us by which we are able to help our neighbor. . . .”⁵

- “To covet wealth and honors, to strive for authority, to heap up riches, to gather together all those follies which seem to make for magnificence and pomp, our lust is mad, our desire boundless.”⁶

e. *And What the Bible Teaches*

- “. . . those who want to be rich fall into temptation and are trapped by many senseless and harmful desires that plunge people into ruin and destruction. For the love of money is a root of all kinds of evil⁷, and in their eagerness to be rich some have wandered away from the faith and pierced themselves with many pains” (1Tim. 6:9–10).

- “Now the whole group of those who believed were of one heart and soul, and no one claimed private ownership of any possessions, but everything they owned was held in common. There was not a needy person among them, for as many as owned lands or houses sold them and brought the proceeds of what was sold. They laid it at the apostles’ feet, and it was distributed to each as any had need” (Acts 4:32, 34–35).

f. *The Challenge: Inequality*

What do we mean by “inequality?” When people talk about “inequality,” they are typically thinking about financial inequalities: income and wealth. It is easy to document that such inequalities exist in the U.S., have always existed, and, after a period of narrowing the gap between WWII and the early 1970s, have been increasing. For example:

- Measuring the share of income (wages, salaries, and capital gains) going to the top 1 percent of households, economists Piketty and Saez find that income concentration in 2006 was higher than in any year since 1913, except 1928: the top 1 percent of households received 23 percent of household income.⁸

- In 2007 the share of family income (wages and salaries) going to the top 20 percent of families was 47.3 percent. The bottom 80 percent shared the remaining 52.7 percent.⁹

- In 2004 the top 20 percent of households owned 90.7 percent of all common stock (including that in pensions) and the bottom 80 percent of households owned the remaining 9.4 percent. The top 0.5 percent of households owned 27.6 percent of all common stock.¹⁰

- In international comparisons with nineteen other nations belonging to the OECD (Organization for Economic Cooperation and Development), the U.S. is found to have the greatest inequality in household income based on several types of measures: Gini coefficient; the 90-10 ratio (how many times more income a household in the 90th percentile has compared to one in the 10th percentile); comparison of 10th percentile household to median income household of a country; and the ratio of 90th percentile household to median household. In fact, these authors find that “inequality in the United States is so severe that low-income households in the United States are actually worse off than low-income households in all but four peer countries.”¹¹

- While the median family income for white families in 2007 was \$64,427, it was much less for black families (\$40,143) and Hispanic families (\$40,566)¹²

- Income inequalities can also be correlated with other inequalities, such as income mobility (lifetime and intergenerational); access to health insurance, health outcomes and life expectancy; and educational achievement.¹³

- Race and gender inequalities intersect with income and wealth inequalities such that women (of all races/ethnicities) and people of color are disproportionately represented among those in lower income and wealth quintiles.

g. *Is Inequality Equitable? Some say, “Sure!”*

However, the above is not really new information to most Americans. Income and wealth inequality have been (and are) an acceptable aspect of U.S. culture for several reasons. Here are some beliefs common in U.S. society:

- The fact of inequality does not settle the ethical question of whether the inequality is unjust.

Perhaps it is true that the top 20 percent (and especially that top 1 percent) works harder in both time and complexity of tasks, is more educated and skilled, more creative, and adds much greater value to the economy than does the other 80 percent. Perhaps the other 80 percent is average or less in these characteristics, sicklier, less educated, less interested in a life devoted to work. Inequality may be merited.

- Economic inequality serves as motivation.

Horatio Alger stories, and perhaps President Obama's, support faith in upward mobility for anyone. Anyone can become president. Rather than challenging the wealth of the rich, Americans hope to become one of them.

- Inequality does not necessarily mean that some are suffering actual material deprivation.

Inequality, like poverty, is relative. Absolute poverty, or deprivation, is signaled by malnutrition, starvation, early death. Relative poverty describes the poor in the U.S. as poor only in comparison to others in the U.S., but not poor in comparison to those absolutely poor in low-income countries.

- Some say that a better measure of inequality is consumption. The poor in the U.S. today have access to goods unheard of in the 1920s or '60s. Doesn't everyone have a refrigerator and TV? Therefore, inequality of income/wealth does not really describe actual standards of living, some say. (But here the data become murky as liberal economists find growing inequality in consumption while Will Wilkinson of the Cato Institute says it is not.¹⁴)

- Inequality is the result of freedom.

Freedom allows individuals to choose different paths and interests in life. The economic rewards of these choices will differ. So, some women prefer to give more time to domestic responsibilities than to employment, some men do the opposite; some choose to stay in school, others prefer to start working at an early age. Inequality is the result of our exercise of our liberties. The coercion necessary to force equality on society would undermine our freedoms, as well as democracy itself.

- Income distribution is simply the pattern that results from millions of people making individual choices.

No one is "distributing" income from on high. For example, when a poor immigrant enters the U.S., or a low-income person wins the lottery, the income gap increases—although no one is worse off.

- Equality of opportunity is essential in a democratic society, but not equality of result.

Equality of opportunity does not mean radical leveling of incomes and wealth; it means access to a baseline level of opportunity (education, for example).

h. *Challenges: Values and Vision*

We of the Presbyterian Church (U.S.A.) in the early 21st century face difficult questions of values such as how we should live our lives in consonance with our understanding of the biblical mandates for the Body of Christ and as members of the individualistic and powerful United States of America. We are bombarded by conflicting statements found in many forms of media, offering scholarship and expertise that tug in different directions. Are we to adhere in literal fashion to the Bible and/or John Calvin? Does accepting our role as Christians mean that we must find ourselves at odds with our role as citizens? How can we mesh the ideal with the reality in which we live our lives? Does our loyalty to the biblical witness mean that we must consider living differently?

We find ourselves in a dilemma. We wish to be faithful to God's calling, faithful to the model of life we find in Jesus. Yet we live in a society that uses money to measure our worth. Our self-esteem is often bound up in what we earn monetarily, comparing ourselves to others in our families, to our neighbors, to former classmates, to co-workers. We hear of those who are rewarded for their labors in the marketplace with amazingly large salaries, and wonder why it is that our intense, faithful labors and hard work are not similarly rewarded. Even more troubling, we know and hear of those who are living without even the basic necessities of life—who are not at fault, yet have nowhere to live, inadequate or no food, barely adequate clothing, and little basic health care. How are we to act when faced with such discrepancies?

Proverbs 29:18a said, "Where there is no [vision] the people [perish]," but what that vision is remains somehow unclear, unwise, unreasonable, or, at the very least, unattainable. In the face of this dilemma, of this uneasiness caused by conflicting values, we have set out to try to discern God's will for our lives together in this time, for this people and this community, and in the face of a culture that is at best confused and at worst in great conflict one part with the other. If we believe we can discern the ideal as found in the understanding of justice proclaimed in both the Hebrew Scriptures and the New Testament, it is often hard to see how we are to apply a "Sunday world" to the weekday world in which we live. For we know the world has changed, expanded, and become complicated, a world in which the ideal of biblical times may not be attainable. Yet we ignore the teachings of our faith and the wisdom of the elders at our peril.

The relationship of the church to the society in which we live has also changed. From the primitive Christian experience of being persecuted outsiders, we moved through eras when Christianity grew in importance, even to becoming partners with governments or becoming the government itself. Through the centuries, as peoples of one area of the world mingled with those of other areas, as religions came into close physical proximity of one another, those areas where Christianity had become dominant have tended to become less religious, and Christendom has given way to tolerance of other religions, with many governments expressing a strong desire to be secular and apart from the dominant religion of the people. In this latter view, Christianity in the United States of America may almost be seen as an anachronism, a belief system that once held sway, but cannot now speak with any authority to this complex, globalized, secular, intertwined economic world. It is less certain, however, that the nature of humanity has changed so completely, that there is nothing to be learned or discerned from the tradition, teaching, and faith that we espouse. Rather, we believe that a careful consideration of our heritage informed by a thoughtful reading of the Scriptures may assist both our church, its members, and the society to which we belong to live fuller lives, lives where sufficiency for all is found and where equity is the standard. This is our vision.

A vision will not be useful to the church, however, if it is not grounded in some understanding of its origins, backed by scholarship and resources, and tested in current experience and understanding. This paper will provide some of that background in order for the church to study the complex topics of money, monetary compensation for working people, and the wants and needs of people in different regions under different circumstances. The Presbyterian church has spoken of this topic in the past and has strong policy backed by equally strong theological statements.¹⁵

i. *Presbyterian Policy*

The Presbyterian Church (U.S.A.) and its predecessor denominations have studied and spoken about money, compensation, and vocation many times. In 1910 the Presbyterian Church in the United States of America adopted the *Social Creed*, as drafted by the Federal Council of Churches with Presbyterian assistance in 1908. The 218th General Assembly (2008) approved a revised version of this ecumenical creed. Both statements were based on justice for workers in terms of compensation, as well as other issues of social concern.

Other policy statements about compensation were developed in the United Presbyterian Church in the United States of America (UPCUSA) in response to institutional structural change in 1975, with a final policy adopted in 1976. (Expanded discussion of these policy statements will be found in Appendix A.) Issues of parity, sufficiency, and sharing of resources among all the parts of the church were discussed, asking that the ministers be assured a “moderate standard of living.”

Other major studies were undertaken in preparation for and at the time of the Reunion in 1983 by both the UPCUSA and the Presbyterian Church in the United States (PCUS), presented to and adopted by the reunion assembly. The policy of the PCUS was accompanied by a major theological discussion of compensation by the Reverend Dr. Walter Brueggemann, a minister in the United Church of Christ. The policy statements as adopted by the 195th General Assembly (1983) were issued as study documents, including a *Special Mission Board Report on Compensation for Lay Employees*.

Since these major reports and policy documents were adopted and published, the work on compensation has been largely confined to implementation in smaller reports, by means of budgets, and through the personnel policies of the General Assembly and its entities. In part, the implementation of these policies have tended to move away from the egalitarian framework of the earlier denominations, particularly the PCUS, with relaxing and then removal of the guidelines concerning the distance between the highest and lowest paid salaries of servants of the church. What began as a ratio of 3:1 changed to “approximately four times the salary range of the lowest position”¹⁶ and then was removed entirely in 1999 in favor of “a reasonable relationship” between the salaries of all church employees.¹⁷

j. *Brueggemann’s Theology of Compensation*

[Note: Quotes in this section, unless otherwise marked, are taken from *Theology of Compensation*, by Walter Brueggemann.]

The *Theology of Compensation* paper, written by Walter Brueggemann for the General Assembly Mission Board of the Presbyterian Church in the U.S. just prior to the 1983 reunion, turns on a different axis than the merit versus equality report of the United Presbyterian Church in the U.S.A., which also had been prepared and was presented at the reunion General Assembly

in 1983. Brueggemann focuses on the distinction between church and culture, with the Reformed tradition understood as a justice-seeking agent of social as well as church reform. The General Assembly Mission Board introduced Brueggemann's work with the warning that it could be "unsettling," in characterizing our culture as one of "consumer capitalism," but that his critique, while espousing a position, was based on neither liberal or conservative ideology.

The paper begins by affirming that "the fundamental purpose of human life is 'to glorify God and enjoy him forever.'" For the first, "a theology of compensation is rooted in our common call to glorify God, i.e. make God more visible and more central in the process of human community." The enjoyment includes the capacity "to use freely the gifts of God who is creator." Denying any split between spiritual and material, the paper then maintains that "God's glory is primarily evidenced in the just conduct of public life." Thus, "to glorify God is to shape on earth a community capable of humanness and humaneness according to the humanness disclosed in Jesus Christ," and this means "to enact God's holiness on earth in the form of justice." Elaborated again, the enjoyment of God's presence and God's gifts must be balanced in a given context: the well-off may need "rigorous disciplines of genuine relinquishment, renunciation and self-denial," while the disadvantaged may need more resources of all kinds. "So there is no 'final' theology of compensation."

Following that theological context, the paper looks at the cultural context: economic disarray, including inflation, concern for taxes, a recent recession, and a continuing arms race. Yet, while middle class church members feel "squeezed," it is partly because they see the expectation of affluence that converts desires to necessities and seeks more. Brueggemann contrasts this with the "give me neither poverty nor riches ..." of Proverbs 30: 8-9. Part of the squeezing process is due to the guiding "economic ideology of scarcity," although this is unsettlingly tied to using energy in a profligate way. We live not in a stewardship society of the church, but are enmeshed in a culture of competitive consumerism. Brueggemann suggests that "nuclear anxiety" contributes to a desire to achieve safety by "consum[ing] ourselves into numbness." Together a model of humanity has developed since 1945 that is "antithetical to our Christian convictions ... an idolatrous notion of Americanism." "The commanding notion is that *self* is what counts, that *security* is our goal, that *satiating* is unending and to be pursued without limit." "...Until the extraordinary alternative vision of reality (the scandal of Jesus of Nazareth) is faithfully preached and taught, we likely will not get free of our enmeshments."

The paper thus poses a stark choice between capitulation to "economic ideology of our culture" (affluence and consumer values) or "theological claims of discipleship and discipline" that need creative new embodiment. Choosing the latter, the paper then argues four points:

(1) That the "reversal" message of Jesus (his servanthood, "the last shall be first," "losing one's life to find it," etc.) applies to the pattern whereby the haves (and congregations) with more capital get more: wealth is thus to be shared in some unsettling ways.

(2) Alternative economic practice is larger than compensation for ministers. All church members have to wrestle with "how to give economic embodiment to the conviction that we are all members one of another." The Reformed tradition "eschews any economic distinction between laity and clergy," so that lay employees must be treated better in many cases, and vocation is an issue in all cases.

(3) Once the whole church is seen to be implicated, then ministers need to face the culture's assumptions of "inordinate inequality, not at all based on need but based on merit,

success, luck, ability to pay...” “Such a criterion of success blurs the intrinsic value of persons...” In contrast, “the Church claims to be a different kind of community powered by a different kind of authority.” Unless there is “some form of equalization among its authorized leadership,” the careerist pattern “tends to create an economic elite” and an effective underclass of those often discriminated against.

(4) The church’s own ordering of economics “is important as a sign in the world.” The church needs to repent its way away from satiation to be spiritually able to risk, and if the church does start serious sharing, it will have much more for mission and “the common good of the church” (Calvin, *Institutes*, Bk. III).

Together, Brueggemann sees these four steps toward a beneficial “economic disestablishment” that then can be missiologically connected to need but economically disconnected from dependence. For ministers, this would mean a break from meritocracy for “other forms of discipline,” ways of nurture and accountability not dependent on pay scale to reward productivity and “starve out the ‘incompetent.’” Can such forms of candor and cushion move people to perform at their best? Some level of salary equalization also would be a “break between present income and future security.” While a new ethos of sharing and accountability to the community will be hard to achieve, it is better than our context: “our economic institutions and habits are dysfunctional and seem to be disintegrative.” The paper concludes with 2 Corinthians 8:9’s translation of Jesus mission into economics: “though he was rich, yet for your sake he became poor, so that by his poverty you might become rich.”

k. *Answers from the Past: Work and Compensation*

Led by the insights of John Calvin, followers of the Reformed tradition honor God’s Creation by living faithfully in the world, even while acknowledging its messiness and the sinfulness of its inhabitants. Living faithfully has always included seeing work as God’s gift, but a gift that is exercised justly in relation to others and with concern for others. Responding to this reality, the General Assemblies of the Presbyterian Church (U.S.A.) and its predecessors have spoken to the church and the world about the nature of work, its impact on both individuals and the entire community, and the importance of care for all who labor and for those who cannot. In our monetized, capitalistic society, compensation is a key to how we treat each other, to the relation of employee to employer, unemployed to employed, neighbor-to-neighbor, even family members to each other. But compensation comes from the workplace. How we consider the work, the vocation, of each person affects our view of the compensation that is the result of the work we do.

The 207th General Assembly (1995) approved a policy statement, God’s Work in Our Hands: Employment, Community, and Christian Vocation, understanding work and compensation as a result of work as a sacred calling performed in a flawed world. The church’s own struggles to discern its faithful response to issues of compensation needs to be seen in the context of its policies related to the Reformed understanding of work and employment more generally. God’s Work in Our Hands, therefore, was approved as a response to large economic trends, such as the development of a global workforce, the shift from manufacturing jobs to service sector jobs in the United States, the decline or stagnation in the wages of most workers, and the increased necessity for two adult wage earners in order to provide adequate support for a family.

When work is understood as vocation, as a way to serve God and neighbor, the conditions of work must ensure that vocation is fair, sustaining, and participatory. Therefore, the General Assembly called for “the strictest scrutiny” of inequalities in compensation and working conditions, and for the “employment at a level of compensation that allows people to live in dignity and security.” Moreover, compensation should so sustain individuals, households, and families that the “social cohesiveness of communities” is nurtured.¹⁸

God’s Work in Our Hands approved a number of recommendations, requesting action of church bodies as well as encouragement to the secular society. Among items directed to its own entities, the General Assembly called for the General Assembly Council (now called the General Assembly Mission Council or GAMC) to “include and implement the 1988 churchwide compensation policy guidelines that call for establishing salary ranges and ratios between highest-paid and lowest-paid church employees, both salaried and non-salaried.”¹⁹ Our findings in conversation with the entities of the GAMC indicate that currently this directive is implemented only in part.

The question for this paper is whether that policy is still relevant, useful, and applicable to a twenty-first century world. If it is not, policies need to be modified. If we still believe these policies are those we in the church are called upon to live by, we all need to be aware of and affirm them again. As church members, we must understand these policies through our faith heritage, as interpreted by Scripture and expressed theologically. And we must also see that our own church house is in order as we seek to change society.

As Christian believers of the Reformed tradition, we understand ourselves to be of the realm of our God; created in the image of the Holy One; living in and fully a part of the world that God created and stated was good; a world in which God sent Jesus the Christ, designated as Son, to us as model and sign of who we are and whose we are. Because of all these gifts given by the Creator God, we do not and cannot reject the world in which we live.

Because we are heirs of the entire biblical tradition, however, we also cannot escape the knowledge that we live in and participate in the sin that permeates the world as it permeates the being of each of us individually. We have a singular task: to be faithful to the dictates of our God and the example of Jesus the Christ, while heeding the guidance of the Holy Spirit. We live out that task in many ways, in answer to the gifts given to each, in response to the Word and the words put in our hearts by a loving God. For a long ago time, there was a new covenant forged by our forbears and reported by Jeremiah, “. . . this is the covenant that I will make with the house of Israel . . . I will put my law within them, and I will write it on their hearts; and I will be their God, and they shall be my people” (Jer. 31:33). Therefore, God’s Word and God’s Spirit are as close to us as the air we breathe, pulsating through us with every heartbeat. We live our lives in and of the world, yet conscious always of being a part of the realm and reign of God through Jesus Christ in the power of the Holy Spirit.

We have chosen to be members of the body of Christ through the Presbyterian Church (U.S.A.), defining our life together as a denomination. We have stated what we understand the nature of our bond to be, as well as the power and authority of our corporate statements and actions. As the General Assembly said in 1927:

The Presbyterian Church is not a unity in the sense that it consists of an undivided oneness without distinguishable parts; neither is it a group of smaller bodies with common history and tradition which find it advantageous to work together in close harmony for the accomplishment of purposes common to all of them. Our Church is an organism. Its unity is not a unity of articulation, part touching part, like the bones of a

skeleton, but the unity of life, the parts united by vital bonds, thus constituting a living whole and that whole imparting impulse and strength and order to the several parts, as the body to its members. ...The different parts of the organization are bound into each other so that one cannot subsist without the others. (*Minutes*, PCUSA, 1927, Part I, p. 57ff.)

The recognition that our corporate actions may not be the desire of each individual was understood by Paul, who stated in 1 Cor. 12:27 (and similarly in Rom. 12:5), “Now you are the body of Christ and individually members of it.” We are individuals with individual gifts, individual understandings, brought up in many different places with many different experiences that form our understanding of the world, both religious and secular. In its wisdom, the Presbyterian Church (U.S.A.) has adopted formally and honored in practice the statement from the Westminster Confession that “God alone is Lord of the Conscience” (*Book of Order*, G-1.0301(1)(a) and *The Book of Confessions*, 6.109). We recognize the ambiguity present in being at once a body of believers and individuals with strong beliefs. From that tension may come conflict, but in facing that conflict together, we also strive to be faithful to our Lord and Savior.

Our responsibility, our privilege, our goal, therefore, is to respond to God’s gifts and God’s presence in our lives through faithful living. Faithful living includes all of life, not just that which occupies us when we are attending church services or functioning in church settings. We recognize the difficulty of understanding exactly what faithful living means to and for each one of us, individually and corporately. We have long recognized, as did Paul in 1Corinthians 12, that we are part of one body—that is, that we have a corporate identity, corporate activities in which to participate, and corporate responsibilities. Because we are corporate, we act together. Because we are also individuals, each of us does not always agree individually with corporate actions. In order to effect our corporate will, we have relied on meetings of groups of believers acting in an orderly fashion (1Cor. 14:40), hearing the concerns of individuals, but acting as a body by a majority vote (G-4.0301e) even while recognizing that this decision may not reflect the conscientious understanding of each individual voter.

As a denomination, we have chosen to work together, to speak in concert, but also to affirm Paul’s insight that corporate life involves accepting the tension between individual beliefs and the action of the entire church community. As the Reverend James Andrews wrote as a preface to numerous policy statements during his tenure as General Assembly Stated Clerk:

General Assembly statements and policies do not claim to express the opinions, nor to bind the consciences, of individual Presbyterians. Such policy statements, however, do require the careful consideration of the entire membership of the denomination, and represent the best judgment of the denomination’s highest deliberative body.

In this study document we present to the church in 2010 our best understanding of compensation theories and practices found in both the church and in society. This paper attempts to provide a means for each of us to view every action of our lives in terms of faithfulness to our God, the church, our neighbors, and ourselves.

2. *Biblical Resources*²⁰

The Bible challenges us at many points, not the least of which is to recognize the difficulty for each of us to apply the truth of an ancient text to a modern world, a world that was not imaginable when the canon was determined. Yet the wisdom of the text is applicable when viewed as a whole. Biblical themes of love, justice, covenant living, sin, concern for everyone and particularly for the poor and least favored are striking in their constancy. From these overarching themes come application to specific problems or issues of daily living—dealing with

addictions, the nature of Christian ethics, sin, coping with change, living in the past or solely for the future. These themes apply to individuals who struggle to understand their personal sense of vocation. These same themes, however, apply to corporate bodies, whether of church or secular society, as individuals seek to understand the talents and gifts they have been given and how to use those gifts for others as well as for themselves.

It is a theme of the Reformed tradition that God is Lord over all of life. As Ps. 24:1 states: “The earth is the Lord’s and all that is in it, the world, and those who live in it.” It is therefore both appropriate and necessary for the church to comment to the culture as well as to its own members when it perceives that issues in either church or society are amiss. We are in the midst of a time of economic uncertainty and confusion when members of the church can see anomalies in both church and society; a time when the church has a responsibility to its members, as well as others, to provide guidance for future action, both as individuals and to the church administrative leadership. To be true to its calling, the church must ground that guidance in its biblical understanding and its theological heritage.

The Bible provides direction for living. A familiar statement, Deut. 6:5, has been called the cornerstone of the Hebrew Scriptures; “You shall love the Lord your God with all your heart, and with all your soul, and with all your might.” Leviticus 19:18 brings us the statement, “You shall not take vengeance or bear any grudge against any of your people, but you shall love your neighbor as yourself.” By the time of Jesus, the Hebrew understanding had expanded, been clarified, codified, and compressed in the “Great Commandment” as found in the gospel of Luke (10:25–28), where Jesus affirms a lawyer’s recitation: “You shall love the Lord your God with all your heart, and with all your soul, and with all your strength, and with all your mind, and your neighbor as yourself.” God does not require us to forget ourselves, forgo all worldly desires or needs, and live only for others. Loving God wholly is an end in itself, occupying our entire being. But in loving God, we demonstrate that love by the way we treat the other children of God, those with whom we share God’s creation, treating all as well as we treat ourselves.

a. *The Bible and Justice*

Our actions, when seen through a biblical lens, must include just behavior, personally and as a people. Justice is a value that permeates all others, clearly a major theological and ethical concept in the Bible. Jesus, of course, was well acquainted with the whole of what we call the Hebrew Bible, or the Old Testament, where we find many of the themes of his teaching. The centrality of justice in the life of God’s people is clear throughout the entire Bible. Very often justice refers to economic justice with a special emphasis on the needs of the poorest and most marginalized in the community. Leviticus 25 and Exodus 23 describes the Jubilee when freedom is restored to people whose poverty pushed them to the extreme of selling themselves into slavery; when family lands that had been sold were restored to those who originally worked it; when the land itself was given rest. Even if there was never a full observance of the practice of Jubilee, it remains as a key part of the vision of justice that guided God’s people from early times, and guides us still. But there are many other expressions of God’s requirement of justice. We offer only a brief sample:

- Micah 6:8 is familiar to many: “He has told you, O mortal, what is good; and what does the Lord require of you but to do justice, and to love kindness, and to walk humbly with your God?”
- Amos 5:11 announces that the rich who have taken property unjustly from the poor will

not enjoy the fruit of their injustice: “Therefore, because you trample on the poor and take from them levies of grain, you have built houses of hewn stone, but you shall not live in them; you have planted pleasant vineyards, but you shall not drink their wine.”

- Isaiah 3:14–15 announces God’s judgment on the wealthy that have abused and further impoverished the poor: “It is you who have devoured the vineyard; the spoil of the poor is in your houses. What do you mean by crushing my people, by grinding the face of the poor? Says the Lord God of hosts.”

It is important to remember, as well, that the concern for the well being of all people, including economic well being, was extended to strangers, aliens, and foreigners. See Exodus 23: 1–9, for example.

God is defined as just, and justice is identified with God (Isa. 30:18), God’s ways (Isa.5:16), and God’s reign (Isa. 9:7). The meaning of this justice is tied up with the well being of widows and orphans and aliens (Deut. 10:17–19). It is connected to the well being of the poor (Deut. 24:10–22, Lk. 4:18, Isaiah 58), and of the least powerful (Matthew 25, Lk. 6:20–26, Lk. 1:46–55). Justice is defined by action, not inaction; by doing something positive, not merely refraining from doing something negative: to “... do justice, ... love [mercy] ...”(Mic. 6:8); to “open one’s hands to” (Deut. 15:11); to live a life in response to those in need (Job 29:12–20).

The result of the action of justice is the elimination of need among the people in the community, as in Deut. 15:4, Acts 4, and Matthew 25. It is also described by Hannah, Mary, and Jesus as a total reversal of social hierarchy with the first last and the last first (1 Sam. 2:3–5, Lk. 1:46–55, Lk. 4:18–19). Therefore, the existence of poverty, of want in the midst of plenty, and the lack of adequate access to the resources necessary for human development are evidences of unjust practices in the social and economic arrangements of the powerful:

If any of your kin fall into difficulty and become dependent on you, you shall support them; they shall live with you as though resident aliens. Do not take interest You shall not lend them your money at interest . . . or provide them food at a profit. I am the Lord your God, who brought you out of the land of Egypt ... to be your God (Lev.25:35–38).

The private ownership of property is acknowledged, but only with restraints and caveats, for ultimately all possessions come from and belong to God, and exist to support the common good of society because “The earth is the Lord’s and all that is in it ...” (Ps. 24:1–2). Even when need was a result of circumstances beyond anyone’s control or the result of failures leading to bankruptcy, even when gain had been legitimate and legal, the type of community envisioned in early Hebrew tribal society called for redistribution in the Sabbath and Jubilee years—to restore equity to community by returning to the poor the resources they needed to be productive on their own behalf (Leviticus 25). In later monarchies, the prophets of Israel denounced the inequality between rich and poor as the result of the idolatry of the rich, which results in the death of the poor (Am. 5:21–24, Isa. 1:14–17, Isa. 3:14–15).

The economic arrangements of society, and therefore of the Church that lives in that society, are integral to loving and serving God and loving and serving neighbor.

Justice is not achieved through blind impartiality but through empathy for the least as modeled by genuine love of God and neighbor (and alien and enemy).

- Well-being is not a reward for merit but the intended condition of all in God’s realm.

- Inequality of economic well-being is unjust when it undermines the conditions necessary for the development of the human capabilities of each.
- Inequality of economic well-being is unjust when it undermines the conditions necessary for the effective participation of all in the ordering of society.
- Just actions, given life through social policies, are those that will raise and restore the least to self-sufficiency, provide equal opportunity for human development, and empower the voices of those most marginalized in the decision-making processes of society's institutions.

There are no exclusions, no exceptions, and no excuses. Justice, including economic justice, is required by God of God's people.

b. *The Bible: Need or Want—Coping with Inequality*

Another biblical model is found in Exodus. Even in the barren wilderness, God provided amply for the Hebrew people. There was a sufficiency of food available, both manna and quails, and “those who gathered much had nothing over, and those who gathered little had no shortage; they gathered as much as each of them needed” (Ex. 16:18). It is important to remember that neither the manna nor the quails could be stored up except as necessary to honor the Sabbath observances. Further, it was impossible to hoard manna, which “bred worms and became foul” if they tried to keep more than they needed (Ex. 16:20).

The question of need and surplus is also raised by the life of the early church recorded in Acts 4, a record of living in community that has been attempted many times in many eras: “Now the whole group of those who believed were of one heart and soul, and no one claimed private ownership of any possessions, but everything they owned was held in common” (Acts 4:32). Participants in this community sold all they had, gave it to the apostles, who shared the proceeds, “distributed to each as any had need,” with the result that “there was not a needy person among them” (Acts 4:34–35). This is a demonstration of an ideal covenant community, yet the Bible witnesses to the fact that it failed because of the sinfulness of some members of that community. Throughout the centuries, many have tried to recreate this model of community and have failed. Yet Acts 4 still points to a vision of what community could and should be.

After that brief time described in Acts 4, inequalities have persisted among human beings. Given that reality, what is the reasonable and proper response to disparity in terms of assets? The issues of need and want, equality and equity, sufficiency and sustainability remain key components in a discussion about compensation in both the church and society.

Paul addressed these issues in his letters to churches as he traveled and attempted to raise funds for the church in Jerusalem. In 2 Cor. 8:12–15, Paul then speaks of different abilities to give in light of the need of others:

For if the eagerness is there, the gift is acceptable according to what one has—not according to what one does not have. I do not mean that there should be relief for others and pressure on you, but it is a question of a fair balance between your present abundance and their need, so that their abundance may be for your need As it is written, ‘The one who had much did not have too much, and the one who had little did not have too little.’

The understanding that we live with different economic circumstances is echoed elsewhere in the Bible, as is the admonition to use our abundance for the sake of others. John's epistles speak of love and of God's love for us in the gift of Jesus the Christ. The proper response to that love

and the result of that love will be shown in the way we treat each other. “How does God’s love abide in anyone who has the world’s goods and sees a brother or sister in need and yet refuses help?”(1 Jn. 3:17).

c. *The Bible: Money—Hoarding or Sharing*

Popular culture may say that “money is the root of all evil,” but 1Tim. 6:10 is far more subtle. In the midst of a discussion concerning teaching and truth, Timothy refutes a notion that godliness itself is a means of worldly gain. Gain, he says, can be found in combining godliness with contentment, “for we brought nothing into the world, so that we can take nothing out of it” (1 Tim. 6:7). And addressing directly those who believe that material gain is a reasonable and sufficient goal for life, Timothy continues, “... those who want to be rich fall into temptation and are trapped by many senseless and harmful desires that plunge people into ruin and destruction” (1 Tim. 6:9). Clearly, the pursuit of wealth is not to be desired, but Timothy does not say that money itself is evil. Instead, he says that its pursuit may bring pain and suffering to those who are eager to be rich, for it is “the love of money” that “is a root of all kinds of evil” (1 Tim. 6:10).

Money in our culture is used as a measure of value, of self-esteem, of comparative worth. Money or its lack can cause envy and contention between individuals, in families, among co-workers. Its possession is often seen as a goal in and of itself, a way to bring peace of mind and spirit in a frightening world. The love of money and all that it brings becomes a primary reason for being, blocking out all else. Rather, in dealing with wealth, Timothy admonishes his hearers to pursue “faith, love, endurance, gentleness.” The rich should not be “haughty,” but instead should be prepared to share what they have, being generous and finding their riches in doing good works.

Sharing and its rewards is also the theme of Paul in 2 Corinthians, especially Chapter 9, verses 6 through 15. To give is a blessing, not only to the recipient, but also to the one who gives. God provides for each one, and in turn, the receiver of God’s gifts shares with others. Sharing is from the abundance that God provides, in order that each person have enough. “And God is able to provide you with every blessing in abundance, so that by always having enough of everything, you may share abundantly in every good work” (2 Cor. 9:8).

These passages deal implicitly with the problem of inequalities in wealth, perhaps from direct compensation, perhaps from inheritance. There is an acknowledgement of disparity, however it is obtained. Within the understanding that differences occur, however, is found one response to that difference, the sharing of assets, of abundance. Asked to participate in a family dispute, Luke quotes Jesus as saying, “Take care! Be on your guard against all kinds of greed; for one’s life does not consist in the abundance of possessions” (Lk. 12:15). Guidance with regard to wealth as well as all other aspects of living is found elsewhere in Luke. Familiar to almost everyone and understood by little children as well as wise adults, the Golden Rule is foundational for personal relationships and larger ethical concerns of all kinds, and certainly for consideration of issues related to compensation. This teaching of Jesus is frequently quoted by Calvin, “Do to others as you would have them do to you” (Lk. 6:31).

3. *Theology*

Theology is a discipline that often is perceived to be the purview and privilege of the ordained ministers of the church. This perception is too limited, for theology belongs to us all. It is the way in which we, imperfectly, understand the world and our place in it. It is the way we articulate our faith and interpret biblical insights and mandates for our lives and our relationships

to our neighbors.

The contrast between tangible and intangible wealth has long been a concern of the faithful. In the word and the Word of God, there is consideration of the spiritual and the venal, the mysterious and the everyday, the God-centered and the person-centered worlds. It is not in accord with the Reformed tradition to live solely in one world or the other, but rather we are always in the anomaly of the tension and ambiguity of living in both. John Calvin, often identified as the founding theologian of the Reformed tradition and the Presbyterian church, has been identified with economics, the way in which a religious people view money, its uses (particularly usury), and the rise of capitalism. This perceived close relationship with Calvin makes close attention to his theology all the more relevant for Presbyterians.

a. *Calvin and Capitalism*

The most famous connection of Calvin and the economic systems was the argument of scholar Max Weber in the early 20th century that Calvinism led to capitalism, with the adoption of a “Protestant work ethic,” based upon the theology of election, and the resulting impetus to demonstrate one’s salvation by diligence and success in this world. To Weber the Protestant spirit provided religious legitimation to the emerging rationalization of the economy necessary for the success of modern capitalism. Scholars, of course, disagree as to the correctness of this view, but acknowledge that Calvin’s willingness to allow interest to be charged, and his reasonable understanding of commerce and its benefits for all, probably led to a spirit that encouraged the development of capitalism. Ideas leading to the development of capitalism were already present in 16th century thought, but were being hampered by certain religious notions and practices. However, “Calvinism did not (like other religions) obstruct the development of capitalism.”²¹

Capitalism and a rationale for its existence are not the focus of this paper. Calvin’s attitudes concerning money and its uses are relevant, however, as we seek to understand and place in a context the wisdom that has informed and shaped the background for our faith. Just as we do not live apart from God, Calvin stated that, “God has created man so that man may be a creature of fellowship,”²² recognizing that we do not live in isolation from each other. As we have accepted Christ, we become a part of Christ’s body, a body that contains others. Calvin emphasizes this in saying that those who are united in the body are also “united among themselves in brotherly love to the end that they communicate together for their mutual progress ... mutually exchanging among themselves the gifts conferred to them by God.”²³

b. *Calvin: Love and Mutuality*

Emphatic in Calvin’s thought is mutuality in both word and deed, in thought and action. Thus in both the Bible and the theology of Calvin is the clear understanding that we live in communion with God and with our fellow human beings. Calvin also stated that we creatures were sinful, and would take care of ourselves first, noting “he lives the best and holiest life who lives and strives for himself as little as he can, and that no one lives in a worse or more evil manner than he who lives and strives for himself alone, and thinks about and seeks only his own advantage.”²⁴ Positively, Calvin also says, “... we ought to embrace the whole human race without exception in a single feeling of love.”²⁵

c. *Calvin: Neighborliness and Lending*

In a short and undated letter, written in French to “one of his friends,”²⁶ Calvin speaks

particularly of usury.²⁷ His method of dealing with this topic is informative, exposing his attitude toward the topic of money. First, and unsurprisingly, Calvin looks to the Bible. Citing Luke 6:35 on lending and charging interest, he denies that these are the focus of the passage, but rather how we treat others, particularly those who are on the margins of society and could not be expected to repay any money that was loaned to them. Our call is to be concerned for the least among us.

In his discussion of the question of usury, Calvin then references Deut. 23:19, another passage that, on the surface, is concerned with the specific topic of charging interest on loans. Calvin notes the generality found in this passage, which is “quite diplomatic, restraining us to act only within the bounds of equity and reason.” And regardless of activity in a specific instance, Calvin calls on us to use our actions “for the common good.” Other passages follow, in which Calvin speaks of Hebrew derivations for words of greed, illicit license, cruelty, fraudulent activities. None of them prohibit the charging of interest, but require that in such practice the Christian must be mindful of his/her motivation and of the effect of the action upon both parties. Finally, he says, “I am unwilling to condemn it, so long as it is practiced with equity and charity.” As Calvin continues, he notes as exemplary several instances that are “in accordance with the principle of equity.” The discussion is completed by stating that all must be in accord with Mt. 7:12 (or Lk. 6:31), in which Jesus says, “In everything do to others as you would have them do to you; for this is the law and the prophets.”

Calvin, in good pedagogical fashion, reiterates in the form of a list what he has said before. Don’t take advantage of someone in need; don’t focus on personal gain to the neglect of your responsibility to others; follow “natural equity;” consider others as ourselves (Mt. 7:12 is “applicable every time”); base your actions on God’s word, not what is common or worldly practice; always keep in mind the common good; and act in accord to the laws of the country in which you live.²⁸ Calvin ends his letter saying, “Rather than valuing my own opinion over yours, I desire only that you act in such a humane way that nothing more need be said on the matter.” This reasonable, diplomatic, restrained way of considering a topic fraught with difficulty for those of the 16th century is both typical of Calvin and instructive for Presbyterians in the 21st century. The Constitution of the Presbyterian Church (U.S.A.), in its most foundational statements, follows Calvin’s guidance by stating that we must obey Christ’s will for the church if that will is “set forth in Scripture.” If Scripture is not specific, however, then “matters are to be ordered according to the Word by reason and sound judgment, under the guidance of the Holy Spirit” (G-1.0100c).²⁹

d. *Calvin Looks at Money*

Calvin and today’s church both honor and rely on the capacity of the Christian to understand and apply biblical principles of justice and equity in dealing with matters in church and society. Andre Bieler, a French Calvin scholar, calls this understanding of Calvin’s teaching “social personalism,” an attitude that embraced theology with a belief in humanism.³⁰ That is, that Calvin combines a consideration of both the individual and personal of everyone’s life together with a thorough involvement in the social, political life of the world as seen through the lens of Scripture. As for money, Bieler states that Calvin found money not to be evil, but that God has provided it to us as a gift, which is therefore a “sign of God’s providence.”³¹ It has a utilitarian and a spiritual purpose, in that it is used for God’s mission.

Conversely, money can also be a sign of sin when it is misused, or not acknowledged as a gift from God. “I did it on my own. I earned it, and am entitled to use it as I wish and to feel

proud of myself as its sole owner and earner.” These statements, according to Calvin, would be problematic and lead to sin. Bieler notes that for Calvin, ownership of a good is not absolute.³² Calvin points to the Hebrew Scriptures in which there are jubilee years and other times when there is a redistribution of goods, a return of land and goods to another, even though “owned” for many years. If a tangible asset cannot be owned, how much less can something as ephemeral as money be possessed.

Nor can it become a measure of worth. Calvin saw money and wealth as a gift from God and as belonging to God. Any wealth we can amass is due to the providence of God, and is given in order that we can live in an organized and responsible way, neither outrageously wealthy nor in abject poverty. As Bieler states, “In the scale of values according to God, there is therefore no kind of correspondence between the spiritual and moral worth of a man, and his wealth or poverty.”³³ Calvin commented on Luke 17:7 by saying, “It is by [God’s] own undeserved favor, and not by the value of our work, that God is induced to reward it.”

With regard to money, Calvin believed that what should guide our actions is a law of love. Commenting on 2 Cor. 8:8, in which Paul says he is “testing the genuineness of your love,” Calvin said:

God everywhere charges us to help the necessities of our brethren, but he nowhere specifies the sum, that, after making a calculation, we might divide between ourselves and the poor. He nowhere binds us to circumstances of times, or persons, but calls us to take the rule of love as our guide.

And continuing in that vein in commenting on 2 Cor. 8:15, Calvin specifies how one should use wealth, whether gotten by circumstance or by hard work, “Let those, then that have riches, whether they have been left by inheritance, or procured by industry and efforts, consider that their abundance was not intended to be laid out in intemperance or excess, but in relieving the necessities of the brethren.”

e. *Revolutionary Thoughts?*

Another scholar, W. Fred Graham, has written about Calvin as a “constructive revolutionary,”³⁴ revolutionary in the sense that he would change the societal understanding of work, relations between employer and employee, money and remuneration for labor, even clarifying that material possessions and wealth were not inherently evil, but permissible for the faithful Christian. Calvin posits a life neither of asceticism nor of amassing wealth, but a constant balance between accumulation and poverty.

f. *Calvin, the State, and the Economy*

Graham’s assessment agrees with Bieler, however, in stating that Calvin believes “social order can be had only in a constant equilibrium between personal economic responsibility and state control.”³⁵ Bieler quotes Calvin, “In order to feed men in friendship and peace, it is required that each man possess what is his, that there be sales and purchases, that heirs succeed to those whom they must, that donations take place, and that each man may become rich according to his industriousness, vigor, dexterity, or other means. In sum, government requires that each may enjoy what belongs to him.” The purpose of government was to assure that economic transactions could be made and could be trusted. Graham summarizes his understanding of Calvin’s attitudes toward money by saying: “[Calvin] was not a legalist in any Roman or biblical sense, but regarded the rule of love as the Christian norm and human laws as attempts to regulate with some measure of justice sinful men in their social existence.”³⁶

g. *Employer-Employee Relations*

Having understood money to be God's gift to us, a spiritual presence in our lives, Calvin does not neglect discussing in various commentaries on scriptural passages what proper relationships should be between workers and employers, how workers should be paid, and what the responsibilities an employer has for the welfare of the employee. Calvin did not see salary as determined solely by objective criteria. It was to take needs into account. Calvin said in his commentary on 2 Cor. 8:13–14, "God wills that there be proportion and equality among us, that is, each man is to provide for the needy according to the extent of his means so that no man has too much and no man has too little." In commenting on Deut. 24:6, Calvin said:

God prohibits taking as security all that is necessary to the poor to gain their livelihood and to maintain themselves The one, then, who takes as security that which sustains the life of a poor man is cruel. It is as if he grabbed the bread from a starving man, and his life itself which is, as it were, cut off in denying the means of maintaining himself.³⁷

Clearly, there are issues of justice involved in decisions about pay, who pays it and how much is given. It is Christ who is the final master and is the ultimate authority over the life of another. The position of the employer is therefore in tension, becoming at once a peer of the worker, while also having authority over the conditions of employment and compensation for work performed. Calvin's commentary on Deut. 15:11–15 is:

A master will have a servant; but if he draws from him all the labor that he is able without having any concern for him, he shows himself to be cruel. If he says, "But I feed him and pay him his salary." Indeed, but it is necessary to have regard also for his capacity and the service which we are able to receive from that and especially that we regard that natural equity of not doing so to another what we would not wish to be done to us. When, thus, a man has someone in his service, he ought to ask himself; "If I were in his place, how would I want to be treated? I would want to be supported." When it is a question of *our* profit or loss, we are very able judges; but when it is a question of others', we are blind.

h. *Compensation: God's Gift!*

In Calvin's understanding, we are given by God all that we need for life, a salary that we have not and cannot earn. Our labor for the Lord is rewarded, as we humans also are responsible for rewarding those who work for us. The salary therefore becomes a sacred trust, one in which both parties are partners, as Bieler says, ". . . the human salary granted to our work is . . . the tangible expression of the gratuitous and unmerited salary with which God honors our labor."³⁸

Calvin considered the issue of paying wages even when it would be possible to pay less:

For behold what the rich often do, they spy for occasions and opportunities to cut down by half the wages of poor people who need employment. "This man is completely destitute," the rich murmurs at seeing a poor unemployed; "I will have him for a morsel of bread because, in spite of his opposition, he shall have to put himself at my mercy. I will give him half-wages, and he shall have to be contented with it." When we use such hardness, even though we do not retain his salary, we are truly cruel and we defraud a poor man.³⁹

The just wage, the fair wage, was not the lowest possible wage that the employer could persuade the worker to agree to. Calvin commented on Deut. 24:14 ("You shall not withhold the wages of poor and needy laborers, whether other Israelites or aliens who reside in your land in one of your towns," by reacting angrily that the rich act unjustly, and that with regard to wages the worker has a right to have enough. Calvin continues,

When the poor whom you have employed at work, and who put their work, their sweat, and their blood for you, have not been paid as is right, when you do not give them comfort and support; if they demand vengeance from God against you; who will be your lawyer, or your advocate, so that you will be able to escape?⁴⁰

i. *Safeguards: the Contract*

Even when considering Calvin as a revolutionary, Graham states that Calvin understood that people were not always going to be just, and so was in favor of contracts to protect both sides. In his commentary on Gen.29:14, Calvin says:

God has engraven in man's nature a law of equity ... so men seldom err in general principles, and therefore, with one mouth, confess that every man ought to receive what is his due; but as soon as they descend to their own affairs, perverse self-love blinds them, or at least envelops them in such clouds that they are carried in an opposite direction. ... For whence arises so many legal broils except that every one is more liberal toward himself and more niggardly toward others than he ought to be? Therefore, for the purpose of cherishing concord, firm compacts are necessary which may prevent injustice on one side or the other.⁴¹

Generally, Calvin condemned abuse. Now we need to determine for ourselves and with others what constitutes abuse, and many seem to think instinctively that outrageously high compensation fits that definition.

4. The World

Henry Mintzberg of McGill University calls the executive pay system a form of legalized corruption that cannot be reformed (*Toronto Star*).

As we began this paper with headlines from the press, so this section on the secular marketplace begins with a headline, notably not neutral in tone. It states that excessive pay can be corrupt—the giving of compensation that is out-size, outrageous, beyond anyone's possible needs. The sense of outrage combines with a sense that the largest organizations are setting the tone, are exemplary to smaller institutions, resulting in lives, communities, and even the very institutions being destroyed. The AFL-CIO, in a recent Internet report, stated that compensation of chief executive officers actually declined 2 percent in 2008 from 2007. However, that decline was from an average salary of \$11.16 million in 2007 to \$10.9 million in 2008. A similar charting of salaries from 1995 to 2005 by the consumerist.com website states that “while CEO pay rose 298.2 percent by 2005, and corporate profits by 106.7 percent, the average worker pay has only risen by 4.3 percent.”⁴² The complexity of the economic world, the ways in which it has developed in recent years, makes this a difficult topic to comprehend, much less to solve.

a. *Analysis by Insiders*

In seeking a fuller understanding of the secular market place, the study group consulted business leaders, CEO's, and lawyers who are serving in business and government, human resource professionals and medical providers. Discussions were also initiated with some in the academic community whose fields include philosophy, business ethics, and even specialties in salaries of high-level business professionals, as well as more traditional economics. The material that follows reflects their views on the secular world in which they live and work as people living in consonance with values, and with a sense of personal integrity.

One major issue is that top management, especially the chief operating officers, are acquiring

great wealth at the expense of the whole work force that has made that wealth possible. The call from the public is to pass a law that will limit the differential created between workers and top management. Yet, each time Congress puts a rule in place, the creativity of those impacted by the rule means that business will comply, but will work to find ways around the rule. If the rules place a cap on the salary of top management, and particularly on a single officer, but don't cover a change in the underlying incentives, ways will be found to avoid that cap.

As an example, Congress passed a law in the early 1990s saying that any compensation beyond \$1,000,000 would not be a deductible business expense for taxes unless it was performance-based. As a result, companies started to award comparatively low base salaries, enhanced by awarding stock options. Stock options, however, could be (and were) leveraged, providing a number of options for one share of stock. If the stock rose in value, the options would deliver more value.

As a result, companies, particularly those in the new technology business, moved to CEO pay combining relatively low cash and high leveraged stock options, thus causing the CEO to attempt to drive the price of the stock higher, thus leading to a larger pay-out for the CEO at vesting time. This had the effect of encouraging riskier behavior on the part of the CEO, focusing on short-term rewards and aggressive growth tactics. It also led to shortening the tenure of CEO's, thereby removing from the workplace the factors of experience, intimate knowledge of the product and the company, and replacing loyalty based on expectation of longevity with the expectation of personal gain. This moved the incentive to a hedonistic individualism rather than concern for the larger good of the entire firm. The desire of Congress in passing the rule capping chief executive compensation was to achieve a moral-ethical goal. Instead, the rule caused actions that created significant unintended consequences.

The CEO's do not operate in a vacuum, however. They are responsible to and work with boards of directors. In earlier times, these boards tended to be filled by those who had been successful in business and who served without pay except for expenses. Because of the responsibilities being placed on boards, there is a strong movement to compensating the directors, and even to requiring directors to own stock in the company. Directors have the task to consider the entire company, to ensure that it is successful and growing. Especially in the case of the huge enterprises that have resulted from the combining of companies, directors feel the need to find very talented people to put in charge of those companies. There has been some research about the skills and qualities that are needed for successful CEO's, leading directors to believe that those who qualify for the position are relatively few in number, and so they use money as the incentive to attract the best, and compare what they will offer to compensation offered by other companies.

b. *Business Provides Its Principles*

Some of this research has resulted in a set of "Guiding Principles" being recommended by the Conference Board's Task Force on Executive Compensation.⁴³ These guiding principles are presented as an effort to "restore corporate credibility ... and trust in executive compensation pay processes and oversight." In the Foreword to the document, the hope is also expressed that, if followed, the principles can lead to a healing of the breach in the public trust in the economic institutions of our nation, both profit and not-for-profit. Those principles are summarized by the Conference Board as follows:

(1) *Principle One—Paying for the Right Things and Paying for Performance*

Compensation programs should be designed to drive a company's business strategy and objectives and create shareholder value, consistent with an acceptable risk profile and through legal and ethical means. To that end, a significant portion of pay should be incentive compensation, with payouts demonstrably tied to performance and paid only when performance can be reasonably assessed.

(2) *Principle Two—The “Right” Total Compensation*

Total compensation should be attractive to executives, affordable for the company, proportional to the executive's contribution, and fair to shareholders and employees, while providing payouts clearly aligned with actual performance.

(3) *Principle Three—Avoid Controversial Pay Practices*

Companies should avoid controversial pay practices, unless special justification is present.

(4) *Principle Four—Credible Board Oversight of Executive Compensation*

Compensation committees should demonstrate credible oversight of executive compensation. To fulfill this role effectively, compensation committees should be independent, experienced, and knowledgeable about the company's business.

(5) *Principle Five—Transparent Communications and Increased Dialogue with Shareholders*

Compensation should be transparent, understandable, and effectively communicated to shareholders. When questions arise, boards and shareholders should have meaningful dialogue about executive compensation.

Commendable as this effort is, major drawbacks are evident, primarily in the definition of terms, the tentativeness of the recommendations, and the evident availability of exceptions to the recommendations that could grow out of the principles.

For the public that may be affected by these principles, a focus on money occurs because, among other things, it is easy—easy to understand and quantifiable. Our discussions with those in top management positions spoke of the types of information, rationales, and values that informed their hiring processes. They said that intangibles, such as new challenges and the capacity to exercise new ideas, can enter into hiring decisions, but are hard to identify or to quantify. Directors, being risk-averse and composed of those who themselves are leaders in other companies, also want people who are passionate, excited by the company and possibilities for its future, but do not want to push their leaders into behaviors that are counterproductive. Psychologically, top jobs are presumed to be very stressful and the new leader needs to have a positive self-image. Because money is used to compare oneself to peers, to others who have similar responsibilities, the directors believe that a large salary will help the hiree to focus on success in the job, not on compensation. Further, these are extremely large companies, ones having budgets in the billions of dollars, and for these huge enterprises, the amount of money paid to the top executive is trivial compared to the volume of the company and the possible earnings at risk.

c. *New Business Models*

The business world, however, is not composed solely of profit-making companies. A fairly new phenomenon is the “low-profit limited liability corporation” or L3C, a corporation that expects to make a modest profit, while it also seeks to “offer significant social benefits.”⁴⁴ According to Daniel Pink, such a company is exemplified by TOMS shoes, based in Santa Monica, California, which gives a pair of shoes to a child in a developing country with each pair of shoes sold to a paying customer. This company is neither a charity, nor the traditional company that we have experienced, and is currently legal in only five states and two Native American Tribal bodies.⁴⁵ TOMS and other companies like it, exemplify new ventures, profit-making companies with a social conscience. The laws of various states and the nation have had to adjust in order to encourage their development without stultifying such entrepreneurship.

As a nation, we are more familiar with fully not-for-profit companies. Nonprofit enterprises carry both similarities and differences when compared to large companies of the economy. As in the for-profit world, most members of nonprofit boards of directors will come from the business community. Unlike most large companies, however, nonprofit directors are unlikely to be paid for their service. The purpose of the nonprofit is to answer some recognized community need as efficiently as possible in consonance with a mission statement. As a result, the compensation of the CEO’s of nonprofits is frequently lower than similar businesses. There are exceptions, however, as has been noted in the media attention given to salaries of the presidents of large colleges, or salaries paid to the CEO’s of large medical establishments.

Confusing the issue somewhat is the presence of both nonprofit and for-profit companies that serve the same needs, including schools, nursing homes, and hospitals among others. Laws, taxation, and oversight are different for the profit-making and the nonprofit enterprises. Societal expectations seem to be different for each, as well as employees’ expectation of compensation. There is confusion and concern about how to evaluate success, about what sort of metrics are to be used to judge appropriate performance, and therefore to give fair compensation.

5. *Church Business*

Churches in general, and the Presbyterian Church (U.S.A.) in particular, offer yet another model, a model different in several ways from those already mentioned. Denominations can be similar to large, nonprofit corporations, though some individual churches may be larger than other denominations. Churches are formed around a mission, which can be simply to worship, to provide support to members, to operate specific projects that assist those outside the church community, or all of the above. Each congregation will have an explicit or implicit vision of its mission. Unlike corporations that often have very short-term goals and expectations, however, a church is an organization with very long-term visions. Its expectation (though rarely its reality) is that it will last forever, that its mission is timeless. It has no competitors in the usual sense, though many churches may feel in competition for members with other congregations.

Professional management is not universally found in churches. Secular standards of success are not the desired measure of functioning. Standards may be subjective and changeable, and applied only to one congregation in its unique context. In providing ministers for churches of all sizes, presbyteries are required to state what a minimum level of compensation is to be for the entire geographic area, an area that may encompass cities, suburbs, towns, and rural communities with very different standards of living and congregations with very different capacities to compensate their pastors. Yet the financial sacrifices that are often required of ministers can

occur in many congregations, sacrifice that involves the pastors' families as well.

Because presbyteries must approve all changes in terms of call for pastors, including their salaries, it is obvious to all members of the presbytery when differences in pay occur. Congregations and presbyteries struggle with concerns over minimum standards of compensation, which may be unfair or even impossible for some churches to attain. The situation is further complicated by large salary packages given to ministers in situations where the church and its members have the means to do so, and wish to compensate their pastor at the same level as that of the leadership and members of the congregation.

a. *Church Structure and Compensation Practice*

Complicating the issue of compensation in the Presbyterian Church (U.S.A.) is the reality of the several levels of structure and therefore of compensation. Local congregations, presbyteries and synods, and the General Assembly are parts of the same institution, but have quite different structures, vary in size and complexity, and have differing capacities to pay salaries. Except for trust funds and endowment income, local congregational giving ultimately supports the finances of all the church. Congregations vary widely in size and congregational health, reflected in their financial stability and capacity, though most seem to face the same challenges that have affected the rest of the United States. Presbyteries vary greatly in geographic size, but generally have been designed to be large enough to sustain permanent and professional staff to resource and support the churches of their region. Synods are composed of presbyteries in a region as well, but their function, size, and health varies widely, and currently is under question as to future viability. The General Assembly structure that functions between legislative General Assemblies is the largest institution of the church, and has much in common with a small or mid-size secular corporation. And beyond the General Assembly itself are several independent agencies, formed by the General Assembly, supported by it either financially or by the provision of members of the boards of directors, yet independent in structure and activity, and more importantly, also legally independent. This independent-dependent relationship leads to confusion and frustration in terms of authority and power, though it may be necessary and has worked well in practice.

It is not surprising that these differing parts of the church view compensation and their part in it very differently. Yet, all are part of the same church and its understanding of community, money, work, and vocation as found in biblical witness and theological understanding of God's sovereignty over everything in the world. Considering the various structures and varying context of each area of the church has brought differing practices to light, as well as a sense that there is a disconnect between what our compensation practices should be and what they are in reality.

b. *Compensation and Congregations*

In considering staff compensation in congregations, even in small congregations, there are at least two separate patterns of compensation. Decisions about ministers' salaries are the responsibility of the session, and of the congregation for installed pastors, although no agreement is final until reviewed by the presbytery's committee on ministry and approved by action of the presbytery. While the presbytery may have policies or guidelines and may approve the compensation of the various temporary supply pastoral arrangements, the session of the congregation is largely responsible in these instances. Lay people who are employed by the congregation for various functions in the church do not have the oversight of the presbytery, however, and compensation practices vary widely. Often lay staff members do not have benefits, are part-time, and do not participate in the minimum compensation packages that are set by the

presbyteries and are constitutionally mandated for ministers.

The research concerning compensation at the congregational level displayed a wide variety of responses, both anecdotal and through random sampling of ministers. A majority (60 percent) of the sampled responses said that economic factors had influenced their calls. In addition 65 percent said that they were aware that others had incomes that were “inadequate.” Individual responses reflected an understanding of biblical or theological grounds for compensation. However, the realities of living in today’s world, particularly with the responsibility of caring for the needs of a family, was very important to the respondents. An even larger proportion (85 percent) of respondents were in favor of the constitutionally mandated practice of a presbytery-mandated minimum terms of call, including cash salaries. Some ministers felt these minimums were fair; others felt their minimums were woefully low; and others that minimums put many on the edge of poverty. Secular market assumptions were felt to have influence on compensation; 76 percent saying that the influence was either extensive or a “fair amount.” More universal was the feeling that the entire church had a responsibility to do something to “respond to the compensation needs” of local parish pastors.

Suggestions about how the church should respond, however, varied widely. Some believed that there should be a single salary standard for all ministers, while others desired a return to the practices of Acts 4:32–35, holding all things in common and providing each person what that person needed. Others feared that such a practice would be required, and would resist it as socialistic or even communistic. Most responses reflected a sense of vocation, of calling to the ministry that was not influenced by money, despite the constant struggle to provide adequately for all those for whom the minister was responsible. For a group that is required to have at least seven years of higher education in order to function as a minister, the lack of ability to provide this type of education for their children rankles.

Equally clear, however, was the ministers’ understanding that this is a difficult time for churches, particularly small and marginal congregations. Heavily endowed congregations, or those with generous and wealthy members that are able to pay larger salaries cause jealous reactions in some instances, as the tasks to be performed and the work required is very similar, even with differences in scale taken into account. Expressed by several was the loss of community that may and does occur in presbyteries over extreme differences in terms of call for the pastors. Anger is often evident at the time when the presbytery approves the annual terms of call. Transparency does not lead to peace, though the practice may be commendable, lessening the power we give to money by practices of secrecy.

Ways in which congregations provide for pastoral assistance through the use of part-time and temporary calls to ministers, which are largely not covered by constitutional mandates, complicate and put even more pressure on salaries. The use of commissioned lay pastors is perceived by some to undermine the educational requirements and therefore the motivation for ministers to be fully seminary trained. This puts many at odds with their sense of call and understanding of vocation, as it becomes a seriously complicating factor, not only for the minister but also for the life and health of the congregation and even of the presbytery. Most married ministers are dependent upon their spouses’ provision of a second income or feel they themselves must take a second job in order to provide. Some described low salaries as “personnel abuse” and themselves as enablers of the abuse by accepting their part of this system. Many others were clear about having a strong sense of vocation, a calling to ministry that was not dependent upon finances alone, a sense that God desired their gifts to be exercised in ministry to and with God’s people coupled with a desire to work through the financial difficulties

with God's help.

c. *General Assembly Entities*

Leaders of the agencies of the General Assembly were gracious in giving of their time to speak to the members of the study group. The following material reflects the information that was shared by those staff members.

Discussing matters of staff compensation at the level of the General Assembly and its agencies was both interesting and surprising. We were able to consult with the bodies that are related to the General Assembly, provide vital services to the church, but that are independent corporations. These included the Presbyterian Investment and Loan Program (PILP), the Presbyterian Foundation (FDN), the Presbyterian Publishing Corporation (PPL), and the Board of Pensions (BOP), as well as several areas within the General Assembly Mission Council, including World Mission and Research Services. Several staff members from the Office of the General Assembly (OGA) also spoke with the group. There was great variety in the ways in which salaries were approached. Within any given entity, there was little difference between ordained ministers and lay people (both Presbyterian and non-Presbyterian) in compensation, though lay people sometimes received additional cash salary to compensate for the federal housing allowance tax relief granted by the federal government. The General Assembly is able to mandate certain practices and procedures for its own structure. For other entities, salaries and benefits are determined by specialized bodies within each corporation, though there are discussions and influences of the policies passed by the General Assembly, and practices mandated or suggested by internal personnel policies.

The General Assembly Mission Council (GAMC) functions through a human resources department, headed by a lay human resources professional, who is aware of functioning within a church, but is guided by secular professional standards and best practices, rather than by theological or biblical understanding. The study group was told that gender, racial, or ethnic salary differentiation is not an issue.

One part of the GAMC structure, however, the World Mission area, has a very different salary structure. All missionaries are paid the same base salary, though differences occur due to circumstances that include living expenses, and size of family among others. This body is unusual in its clear articulation of theology and biblical influence in its compensation decisions, and its willingness to be countercultural as its members exercise their vocation. Even its director insists on being compensated at the level of other missionaries, rather than at the level set by the GAMC personnel policies.

Salaries offered by other entities show an awareness of market realities, with most consciously placing themselves at or below median salaries for similar positions in the secular marketplace. Several expressed an understanding that people who choose to work for a church entity do not expect to be earning top dollar, but have motivations that include dedication, perhaps a faith commitment or a desire to use their competencies for the church. The Presbyterian Investment and Loan Program (PILP), a financial operation, uses incentives to motivate employees and finds this a successful incentive to productive work.

The Presbyterian Foundation (FDN) is also an independent financial institution, operated professionally according to best practices in similar bodies in the industry. The exception is that bonuses are not paid, and their employees are compensated at no higher rate than the market median. While realizing that staff could make higher salaries in the secular marketplace, there is

satisfaction in working for a specific mission of the church. The working atmosphere is family-oriented, flexible, and emphasis is placed on good relations in the workplace, although there is no discussion of or emphasis on theology in compensation decisions.

The Presbyterian Publishing Corporation (PPC) occasionally uses bonuses as incentives to good work, but gives the bonuses to all employees in this small firm. Salaries are based generally upon those in the Louisville area, and raises are given through use of a pooled amount. No particular theology is followed, although the practice is to abide by the policies of the General Assembly. The generosity of the benefits given to each employee mitigates the somewhat lower salaries, again as does the sense of working for the church.

The largest and most independent entity of the General Assembly is the Board of Pensions (BOP), founded by the General Assembly but not under its control due to its legal and fiduciary responsibilities. This has caused concerns, as its responsibilities impact so many in the denomination. As the study group was informed, compensation for employees and officers of this entity are much higher than those of any other body, due to the competition for the special skills needed by its employees. While its own employees do not fit into the same financial levels as other employees of the General Assembly and its entities, employees' maximum salaries are at the industry median, which is similar to the other quasi-independent agencies. Though the top leadership has exempted itself from the salary levels of the other employees, the ratios between their salaries remains lower than 10 to one. While the Board of Pensions cannot by law be forced to follow the dictates of the General Assembly, their practice is to listen, understand, and negotiate, and generally to "be good partners" of their sister body.

Though the Board of Pensions does not conform with its own employees to all GAMC standards, it is commendable in its understanding and exercising of community values in fulfilling its mission of providing pensions and benefits for the ministers of the PC(USA). Pensions are defined benefits, a rarity in the world today, while the medical plan for retired ministers, which is linked to Medicare, provides sufficient access so that its members do not have to have additional drug coverage. Ministers who have labored for small churches throughout their lives often find that their pensions are more generous than their salaries had been. Medical benefits for active members provide family coverage without additional cost to the employing agency and generally do not disqualify for "pre-existing conditions" at the same level as commercial insurance policies. Coverage for pension and medical expenses is paid by churches or other qualified church organizations at the rate of the declared median ministers' salaries, a practice that requires congregations to pay nearly a third more in addition to the declared cash salary, which many find extremely difficult. There is much expressed concern over the expense of these benefits, though the coverage expresses the theological value of caring for one's neighbor.

The Office of the General Assembly (OGA), the body that covers the Stated Clerk and his staff, has a separate salary structure designed to be as egalitarian as possible. The Director of the Office of the Stated Clerk stated that she works closely with the GAMC, and follows the personnel policies of the latter. Their practice is to keep staff salary ratios one to five, trying to keep the gap between lowest and highest salaries as close as possible. Knowing that they are dependent upon shrinking resources and are in a time of financial difficulties for everyone, this office attempts to stay flexible and aware always of the nature of their mission. They particularly emphasize a Christian understanding of employment, not only in compensation but also in opportunities and training offered to employees.

d. *General Assembly and Compensation*

The General Assembly has been concerned with issues of compensation over many years, and has developed policies that were relevant to their times. The amount to be paid to the leader, whether a pastor or the Executive Director of the General Assembly Mission Council, has differed and been expressed by the ideal of varying ratios to be paid, but it has often been the subject of controversy.

Blending two or more systems of compensation at the time of reunions in the church has been one of the most difficult tasks. Prior to the 1983 reunion, the practice of the PCUS at the General Assembly was somewhat more egalitarian than the UPCUSA, though there was not churchwide compliance with a single standard. The UPCUSA functioned on a denomination-wide financial system in which all the judicatories or governing bodies, regardless of wealth or assets, paid into a large fund, which was disbursed following consultation with all bodies.⁴⁶ The effect of this activity was that each body was both taken from and given to. While the current system may be simpler to understand, it also tends to diminish the sense of community that is so vital to the covenantal nature of the church. We do not expect to return to a system suitable to a former time. However, it is important to find a new way to move to a greater sense of community solidarity than we are currently experiencing.

The increasing professionalization of the structure and organization of the church has led to a weakening the theological underpinnings of its finances and an increasing use of secular business standards. One suggestion to alleviate perceived and real differences is for presbyteries to declare a maximum in addition to their minimum terms of call. The maximum would not be absolute, that is the congregation could pay whatever they felt called to pay, but for each dollar above the maximum, the congregation would give an equal sum to the presbytery to be placed in a fund to assist struggling churches. In a similar vein, presbytery minimum salaries may be leading involuntarily to church closings or to ministers having to reduce their calls to part-time. Rather than a single minimum for a large geographic area encompassed by a presbytery, the suggestion is that the presbytery have minimums that reflect the actual cost of living in the various parts of the presbytery.

e. *Compensation and Call*

It is possible to research and discuss what it is that is done in both the church and the secular economic world concerning compensation. Rarely, however, does either body step back to consider why a certain action is taken. Much of the rhetoric spoken in business decisions seems to be concerned with “best practices” that involve considering what other similar firms are doing; with comparing gifts or talents needed in leaders and evaluating the compensation to be offered in competition with other firms for a limited pool of leadership talent; and in providing incentives beyond a specific cash salary in accord with the best practices and the competitive arena. This leads to a spiraling of the “need” to accommodate to the perceived demands of the market in order to procure the best talent, the need to pay the leader ever increasing amounts in compensation.

This presents a contrast with the call of the parish pastor. Left with considerable freedom in which to exercise ministry, the pastor studies for competence/mastery, has much autonomy, and yet is in a constant relationship with the church leadership in the session and boards of deacons and with trustees, as well as all the members of the congregation. The ministry model sees workers (pastors and other employees) as partners, not as resources, and as players, rather than

pawns. The story found in Luke 10, as Jesus recruits and sends seventy people out to begin the mission of the church, speaks of ministry as it began. Jesus, the pastoral leader, gives advice and counsel, but does not accompany the evangelists. Upon their return, he rejoices with them over the success of their mission. Yet each must have found different circumstances, different ways to accomplish the task given them—a task that was not quantified precisely, but told through parabolic language, “The harvest is plentiful, but the laborers are few.”

B. *Secular Assumptions*

In studying the issues of compensation in the church, it has become very apparent that secular market assumptions do influence the church. The influence is felt in the ways that pastors think of themselves as servants of God and yet as part of their civic communities, that church members consider their witness in the church and in society, that session members make decisions on terms of call for their pastors. The power of money is felt by many, either consciously or unconsciously, in self-worth or measuring themselves against others. But financial considerations have a power not only on individuals, but also on our corporate life.

Some of the secular attitudes about money that we heard echoed in the church are:

1. Accumulation of power and wealth are the real source of authority, and demonstrate God’s favor.
2. Real success is measured in accumulation of money, and with it comes power.
3. Money is considered to be the primary motivator and is used as an incentive for attracting talent.
4. Incentives and motivations of the secular world are based on self-interest and expressed by the accumulation of wealth, making a god of riches and leading to sin.
5. Deference is owed to wealth, both in expectation and in reality.
6. Implications of the statement, “You are entitled to what you pay for ... and only what you pay for,” leads to personal and professional devaluing of other attributes.
7. Monetary rewards or equivalents are used as motivation to good work.
8. The employee is a resource to be used rather than a partner in ministry.
9. It is assumed that work in ministry is harder for the pastor of a large church than for the small church pastor and thus justifies great disparity in compensation, as the CEO of a large company is justified in an incredibly large salary compared to the company’s employees.
10. Market benchmarks and medians are used as the primary basis for establishing compensation schedules.
11. Needs of the employee are not allowed to be an appropriate consideration in compensation decisions.
12. Dependency is dishonorable and shameful.
13. Unemployment reflects moral failure.
14. Mental work is thought to have more value than manual work and deserves greater

compensation.

15. Only certain people have the power to be creative, which is recognized in terms of compensation.

This list is not exhaustive, as the influence of money, wealth, riches by whatever name it is called is pervasive in our society, in our decision-making, and therefore in the way we form relationships in our communities—in the way we think of others and ourselves.

C. Conclusions: A Common Bond

In the appended surveys of pastoral opinion on compensation gathered by the Presbyterian Panel, there is evidence of lively debate within the church on compensation. Clearly many pastors and search committees have reflected deeply on the role of money in their lives, as motivation and as benchmark. The guidance of this study for us all as members and church workers is above all to affirm the common bond of membership within the church, while also affirming that the church should not be conformed to the secular expectations of individual success, wealth, and hierarchy. Compensation is only part of the internal culture and conversation of the church, ideally a form of God's communicating care. The spiritual consequences of inequality impact the whole of human life. Sometimes it is even possible to accept overwhelming inequality with a fatalistic conclusion that whatever is, is right. That is not the message of God as we hear it through the biblical witness or Reformed theology.

Social location influences how any suggestions for regulations and rules are heard. Presbyterians may disagree on what our faith teaches about progressive taxation or windfall taxes on bonuses. We believe that any economy at its best exists to produce and distribute the necessities of life and balance excesses and shortfalls. But we trust that the biblical and Reformed message on the economy is clear: it is not to be demoralized, separated from moral judgment and efforts at reform, from within the system or without. Our understanding of the responsibility of stewardship for the world given to us all by God makes it necessary for us to speak to the Church and to the world when we see practices that prevent God's plan and desire for all to be put into effect.

The economic crisis of 2008 and 2009 has reaffirmed the constructive and necessary role of government in advanced economies, yet the rhetoric of idolizing freedom above all continues to obscure government's responsibility to promote and preserve the common welfare as well as defend the people against enemies within and without. It is beyond this paper's purview to consider economic recommendations for government policies in any detail, beyond general positions on the fair accountability of those who most set the secular tone itself. In broad terms, this paper affirms the statement of the World Council of Churches' study of ecological debt: that the era of unlimited consumption and unlimited compensation is over. It is and was unsustainable and had moral side-effects on the coherence of communities.

Fear and the Biblical Task: Repentance and Reformation

In this time of economic stress, worldwide concern over terrorism and war, and pervasive fears—fears that we will never be safe, that we will not have sufficient means to support our basic needs, that the world is moving into chaos beyond our control—at this time we look for signs that God is still with us, that we can manage our anxieties, that we can do something to bring peace to a fractured world. The message of the Bible is clear. It is a message of persistence in the face of danger, that success is not our goal, but faithfulness to God's call is and will be. In

addition, the message is that we are each important, for we are the Body of Christ and individually members of it.

As we consider the issues of justice and equity that concern us about compensation in the church and in the secular world, we can be overwhelmed, for they seem so great and intransigent. Yet we also affirm that compensation is part of the exchange of gifts within the economy of God that should be most guided by God's call to each, our vocation. Secure in the knowledge of God's grace and loving concern for God-created mortals, however, we understand that discouragement and inaction are not given to us as options. Rather we believe that, with God's help and the guidance of the Holy Spirit, we can begin to make a difference, to repent of our movement away from God's plan for equity and justice for all. This is the beginning of true reformation, the reformation we espouse but often are severely challenged to accept and put into practice. We know that radical change will likely not be accomplished in our lifetime. Yet, we also know that nothing can be or will be accomplished without a first step, small as that might be. Our hope is that presenting this paper for your study and consideration may lead to change, change that will happen one step at a time under the guidance of the Holy Spirit.

D. The Committee's Work

This study paper, resolution, and recommendations grew out of an action of the 218th General Assembly (2008) directing "That the Advisory Committee on Social Witness Policy, in consultation with the Theology, Worship and Education Ministry Area and the Office of Vocation, update the Presbyterian Church (U.S.A.)'s 1983 "Theology of Compensation" report (*Minutes*, 1983, Part I, pp. 82, 116, 689–704) to provide theological guidance to church and society with regard particularly to the impact of secular market assumptions on the compensation practices of the PC(USA)."

The Advisory Committee on Social Witness Policy appointed a study group to prepare a draft statement, the members of which were: The Reverend Deborah Fortel, chair; the Reverend Dr. Gloria Albrecht; Dr. Ruy Costa; the Reverend John Fife; and the Reverend Peter Reynen, M.D., The Reverend Dr. Johnny Hill and Thomas Urbaniak contributed insights to the group. The Reverend Dr. Catherine Borchert served as consultant, together with staff resourcing by the Reverend Dr. Christian Iosso. The Reverend Dr. Kevin Park of the Theology and Worship Office also contributed to the group's work.

The study group met three times, gathering twice in Louisville and once in Philadelphia. At its first meeting in Louisville, the group consulted concerning compensation practices and policies with representatives of the General Assembly Mission Council, the Office of the General Assembly, and all the agencies of the PC(USA), except the Board of Pensions. Also at this first meeting, the group consulted with the Reverend Vernon Broyles concerning the history of compensation in both denominations prior to the reunion in 1983, and met with PC(USA) Research Services concerning past surveys of compensation practices. It was decided to have a short survey of a randomly selected group of pastors asked to consider the ways that compensation has affected their acceptance of calls, and their perceptions of the ways that compensation and its adequacy or inadequacy is visible in their lives or the lives of other ministers they know. The complete response is attached to this report as an appendix.

At the second meeting in Philadelphia, a portion of the group met with the Board of Pensions leadership, which provided information concerning its own structure, as well as valuable insight into the community nature of the pension plan. Also during this meeting, the group consulted

with two professors of economics from Temple University: Dr. Lynne Andersson, who specializes in business, society, and ethics, and Dr. Michael Bognanno, whose specialties are labor economics and the compensation of chief executive officers (CEO's) and met at the presbytery office with a group of pastors to hear from them their concerns about compensation.

Between meetings, individual members of the study group met with groups of presbyters and church members, asking them to share their perceptions of the influences of compensation in the life of the church. Separately, as well as communally, the group engaged in Bible study, in the study of various documents, mutual instruction, and sharing of drafted portions via the Internet. As a consultant, Catherine Borchert wrote and guided the writing of the report, but the entire study group participated in writing sections of the report and editing the whole.

Appendix A

Themes in the Theology of Compensation of the Presbyterian Church

Introduction:

This summary looks briefly at the historical setting for ministerial compensation and then at the approaches of the Presbyterian Church in the U.S., and the United Presbyterian Church in the U.S.A. that were brought together in the Reunion of 1983. Professionalization of the ministry within denominational structures included providing retirement security and affordable medical care, but the development of explicit theologies of compensation only emerges in the 1970s with attempts to address continuing inequities and differences between mission board and congregation-based models.

The current theology of compensation is a partly aspirational compromise between merit-based and egalitarian approaches. It encompasses a rationale for regionally varied minimum salaries, non-binding ratios for minimum to maximum salaries in national agencies, a pension system that redistributes retirement income upward for pastors of lower pre-retirement income, and a market-based system of pastoral compensation that reflects differences in ability, experience, background, and congregational resources. Most clearly in the Board of Pensions and Presbyterian Foundation, the agencies of the General Assembly operate pay scales that are increasingly hierarchical and several multiples of average pastors salaries. Yet even lower pastor's salaries are increasingly unaffordable by many congregations that use commissioned lay pastors and bi-vocational or "tent-making" ministers, or go without specialized pastoral care.

Historical Background:

Compensation in the Christian Church has had many implicit theologies, most based on the concepts of vocation, stewardship, and the still-influential model of voluntary poverty derived from the Roman Catholic priesthood. This last model is also termed, the "forgoer," as those following this model of support take only what is necessary for a life of service to God and others.

The Reformation doctrine of calling, applied to all persons, influenced and was influenced by the shift away from feudalism and to the city-based market economies of early modernity. Ministers were expected to have families and their communities or congregations were expected to support them, usually above the subsistence level but infrequently at a level of wealth. Rationales for pastoral support have often drawn from Old Testament models of the Levitical priesthood supported by the tithe and the management of sacrificial offerings, as well as the relatively few New Testament stipulations, such as "a worker is worthy of his [her] hire" and Paul's justification for support (even as he was himself forgoing it; see 1 Corinthians 9 and 2 Corinthians 11). The clearest reference to compensation in the *The Book of Confessions* comes in the Second Helvetic (1561): "All faithful ministers, as good workmen, are also worthy of their reward, and do not sin when they receive a stipend, and all things that be necessary for themselves and their family. For the apostle shows in I Cor., ch. 9, and in I Tim., ch. 5, and elsewhere that these things may rightly be given by the Church and received by ministers. The Anabaptists, who condemn and defame ministers who live from their ministry are also refuted by the apostolic teaching" (5.168).

This survey focuses on the last forty or so of the almost five hundred years since the Reformation, but it also lifts up the way salaries or compensation in the church have often been

influenced by prevailing economic patterns. Presbyterian social witness policy has also, for more than one hundred years, addressed the need of all workers for decent wages, safe working conditions, medical care, adequate support in old age, time for families and a Sabbath for worship (see the Social Creed of 1908 and subsequent support for unionization). Presbyterians led in the influential National Council of Churches study project on ethics and economic life in the 1950s and 1960s, while also originating our own statements on Christian vocation, minimum wages, full employment, and equal employment opportunity.

In its concern for the well-being of its ministers, the Presbyterian Church in the U.S.A. developed a pension fund for all ministers in 1927 (of the unit benefit type) and added major medical coverage in 1959. The practice of supplementing “inadequate pensions” over an earlier minimum began in 1956.

The post World War II period of prosperity was accompanied by growth in the Presbyterian and most other churches. The Great Depression of the 1930s had hit the churches, like the population at large, quite hard: church historian Robert Handy refers to the “Great Depression in the churches.” Churches with endowments and wealthy congregations had usually paid better than poorer congregations and mission efforts, whether overseas or in “home” or “national” missions. The Presbyterians and several other denominations had pension funds from relatively early in their development. The importance of a secure retirement led to funds for impoverished ministers, continuing into the 1983 Reunion with the “Joy offering” for the 10 percent of retired PCUS pastors living below the poverty line. Since 1987, the Board of Pensions (BOP) has provided ministers who had served at low salaries with pensions pegged at the median, a limited step toward equalization but a significant policy of solidarity for the ministry as a whole.

While World Mission, a part of the General Assembly Mission Council (GAMC), continues to support mission co-workers on a common salary scale with differences for number of children and location, compensation policies for General Assembly boards and agencies and for synods and presbyteries came to contain salary ranges. In the offices of the General Assembly agencies these policies have set the upper and lower boundaries for salaries on an expanding ratio. In the UPCUSA in the 1970s and in the PCUS General Assembly Mission Board up to Reunion in 1983, no one could make more than three times the salary of the lowest paid exempt employee. At Reunion, the scale widened to allow a five to one ratio. It is now a nine to one ratio in the General Assembly Mission Council, with wider ranges in the Board of Pensions (BOP) and Presbyterian Foundation (FDN) and the most compact range in the Office of the General Assembly (OGA).

United Presbyterian Church in the United States of America Theology of Compensation:

Beginning in 1972, in response to presbytery overtures, the United Presbyterian Church in the U.S.A. (UPCUSA) General Assembly established a Committee on Compensation that worked from 1973–75, through a period of national board reorganization, to prepare a 1976 Compensation Plan for General Assembly agencies and for presbyteries and their congregations. This comprehensive approach reflected new thinking about the mission and ministry of the church (including The Confession of 1967 and the “Model for Ministry” study), churchwide survey efforts, consultation with advocacy bodies, and testing of “how-to” recommendations for “factoring” position descriptions. It reflected learning from corporate personnel practices and proposed objective, regularized approaches to evaluation and advancement. The committee also early in its work realized that it would have to address the tension between egalitarian and “meritarian” approaches on a theological basis.

The Committee on Compensation's 1975 report, mailed to all congregations "identified two main issues which required sustained theological examination: '(1) the grounds for and extent of the differences between the highest and lowest levels of compensation within the system; and (2) the general level of the system as a whole in comparison with other systems.' The first issues involve the basis for and degree of allowable inequities ...while the second involves the degree to which church salaries should be related to those paid in other sectors of society (Report to 187th General Assembly, p. 10). While the committee examined most relevant individual biblical texts, biblical themes were found to give better guidance to an overall policy framework. And within these themes, "the committee took special note of the biblical concern to preserve human community against the threat posed by economic inequalities and exploitation."

The initial conclusion voiced by the committee in 1974 and 1975 and echoed in the final policy of 1976, was that "fidelity to the biblical witness does require us to adopt a certain measure of skepticism regarding the necessity for vast discrepancies in compensation, to develop a more active and effective system of sharing our total resources for the sake of the more poorly compensated employees of the church, and to insist that certain very definite limits should be set on the range of acceptable compensation within the church" (1975: p. 11; 1976: p. 10). Both the preliminary and final reports are tentative in claiming too much authority for their theologies: "there can be no final and absolute 'theology of compensation' anymore than there can be a final and absolute compensation plan" (1975); "it would be pretentious to say that a 'theology of compensation' has been formulated" (1976).

After a review of primary biblical passages, including the outlier 2 Thessalonians 3:10 ("Anyone unwilling to work should not eat"), and noting the many passages that call for the poor wage-earner to be protected, the 1976 report points to the structural as well as personal approaches to justice: the jubilee "laws of release" and Paul's address to the whole church in 2 Cor. 8:13-14, "I do not mean that there should be relief for others and pressure on you, but it is a question of a fair balance between your present abundance and their need ... that there may be a fair balance."

The 1976 report lifts up three biblical themes:

1. Creation, understood to be God's provision of enough for all, so that poverty is not the goal, and work can be understood not as "an evil to be accepted as part of humanity's fallen state, but ... as ... a positive expression of the image of God in persons."
2. Sin, in both individual "sloth, dishonesty, and lack of charity," and "institutional patterns of discrimination and oppression."
3. Church, as community of service and as institution within society, living in some tension between redemptive difference and social conformity, with compensation for ministers less a distinct pattern than "an instance of the larger issues of economic justice. ..."

By locating the issue of compensation within the church in the sphere of justice, and invoking the constitutional promise from the *Book of Order* that congregations make to their ministers to pay them "fairly," the report then looks at the philosophic choice between egalitarian forms of justice that focus on need and shared humanity and "meritarian" forms that give each individual what is "due" them based on achievement or contribution. The report chooses to balance the two approaches. Needs will be addressed by minimums based on the objective data of the Bureau of Labor Statistics, "rather than create a paternalistic compensation bureaucracy." An egalitarian approach might also remove "certain incentives which serve to attract talented

persons ... and ... might create strain between pastor and congregation by placing the former under a pay system utterly unlike the latter's." On the meritarian hand, the "difficulty of honestly rewarding merit in actual practice ... seems to be the basic problem with this tradition." The church must take care that "any system of supposed merit might in fact turn out to be biased in favor of already affluent, prestigious and powerful, and applied with discrimination against minority persons and women."

The report then reiterated six "basic principles" of compensation initially approved by the General Assembly in 1974. These six, summarized, are:

1. Compensation should be related to "job weight:" the training required, inherent difficulty, and "impact of the position on the work of the church," based on careful factoring.
2. Compensation should be performance linked, based on regular review, while discounting "competitive zeal" or equating unpopular actions with improper or unsatisfactory ones.
3. "To guarantee that a merit oriented system based on the first two principles not serve to create excessive difference between the highest and lowest paid ministers, there must be a fixed formula which keeps the maximum permissible salary within the church in a proportionate relationship with the minimum permissible salary."
4. "Our system ... should ... neither impose ... an involuntary poverty nor ... the level of pay characteristic of the more highly paid professions, but should rather serve to ensure to all the clergy a moderate standard of living."
5. Since there is a "legacy of discrimination against minority persons and women," there shall be "a vigorous program of affirmative action."
6. In order to achieve such a "truly adequate compensation policy," congregations and judicatories need to support the "church's whole ministry." "This will require ... wealthier segments of the church take a new degree of responsibility for supporting the ministry of the poorer and discriminated against sections of the church." Presbyteries should also "be alert to other forms of ministerial compensation."

With these principles reaffirmed, the 1976 policy presented a plan that included methods for "factoring" pastoral responsibilities and suggests mechanisms for distributing "salary supplement funds across synod lines," an overall responsibility of the General Assembly Mission Council (GAMC). The "job weighting" of position descriptions for solo, senior, associate, and assistant pastors was to be done within "salary ranges" that provide a "moderate level of living," acknowledging "the communal nature of the church requires that differences in compensation be limited." Perhaps the clearest statement of the results that were anticipated was that: "The maximum salary payable to the clergy person serving full-time in the pastoral position having the highest possible job weight will not be more than three times the minimum salary ... having the lowest possible job weight."

Salaries for laypersons in professional positions were to have some equalization for the effects of ministers' housing allowances (approximately 20 percent of salary, estimated to be the rental value of a manse). Other laypersons in clerical, service, support, and craft positions were to be paid more on an hourly basis appropriate to region and responsibilities. Congregations wishing to pay their pastors above the maximum (3:1) ratio were urged to contribute a compensatory dollar per extra salary dollar into a salary supplement fund. The average church,

however, was estimated to need to pay 2 percent of its budget into such a fund. A study guide was included to help relate the concrete guidelines to the theological balance between merit and equality.

It should be noted that a program of “circulating funds” did exist for approximately ten years and that subsequent distribution of funds among synods continued after Reunion. In 1982 the Vocation Agency of the UPCUSA established a “Task Force on the United Presbyterian Compensation Plan” that reviewed the plan going into Reunion, reporting to the 1983 General Assembly (*Minutes*, 1983, Part I, pp. 499–501). Their brief report basically affirmed the UPC plan, though it clarified the six principles into twelve more operational principles.

The Presbyterian Church in the United States (PCUS) Compensation Policy

In response to a 1980 resolution calling for “equalization of the retirement plan,” the General Assembly Mission Board was instructed to “... develop a Theology of Compensation for pastors, with particular attention to current disparities in salaries and retirement benefits, and the financial problems this poses for free movement of pastors from large to small churches” (*Minutes*, PCUS, 1980, Part I, p. 116). The board made its report in 1983 in two sections, a review of compensation disparities and recommendations, and a study paper, *A Theology of Compensation*, prepared by the Reverend Dr. Walter Brueggemann, an Old Testament theologian and member of the United Church of Christ. By way of comparison with the United Presbyterian Church (U.S.A.), the smaller, Atlanta-based General Assembly Mission Board had a lower and more egalitarian salary structure while the range of salaries in the pastorate was wider, partly due to voluntary pension enrollment and lack of minimums in one third of presbyteries.

In surveying the employment situation of the PCUS, the 1983 report concluded that most church compensation practice was based on “the values of the American work place and view the ministry as a professional function.” By those measures, the report cited a study confirming that the “clergy is losing ground.” The prescription of the study paper was partly to compensate for the lack of theological rationale for the substantial salary disparities. The report also noted that many lay employees were paid near (and in some cases below) minimum wage and were without retirement benefits, so it made recommendations for better practices in this area. The report reviewed the UPCUSA compensation and pension plan and made some recommendations for parallel practices by the Board of Annuities and Relief. Later, that board was basically merged with the Board of Pensions in Philadelphia (as the much smaller national investment fund of the former PCUS was combined with the United Presbyterian Foundation).

In preparation for the recommendations of the compensation report, the PCUS commissioned the Walter Brueggemann of Columbia Seminary to prepare an extensive paper on the theology of compensation. The paper was approved for study and circulated in the PCUS. The effects of Brueggemann’s paper on the reuniting church are perhaps hard to discern. Certainly salaries in the South improved relative to the North, partly due to population shifts and partly due to the relatively successful combination of pension plans and institutions.

In practical terms, the set of principles coming from the United Presbyterian plan became elaborated into fourteen guidelines in the united denomination. The initial 3:1 salary ratio, held more firmly in the former PCUS, became a 4:1 ratio by 1988, and was confirmed again in 1991. In 1998, despite Advice and Counsel opposition from the Advisory Committee on Social Witness Policy (ACSWP), joined in by the Advocacy Committee for Women’s Concerns (ACWC), and from the Committee on the Office of the General Assembly, a compensation

review eliminated the numerical ratio for General Assembly agencies.

The Language Changes Are as Follows:

- The 1988/1991 language: “Since the church recognizes the value of all varieties of service and since it seeks to temper the values and rewards of the secular world, the salary range for the highest level position within each governing body should be no more than approximately four times the salary range of the lowest position (*Minutes*, 1988, Part I, p. 796).
- The 1999 language: “the Church recognizes the value of all varieties of service and seeks to temper the values and rewards of the marketplace. A reasonable relationship between the highest and the lowest salaries paid all church employees honors the principle of shared community” (*Minutes*, 1999, Part I, p. 183).

In response to the advisory committee, and perhaps implicitly responding to the Presbytery of Albany, which had overtured for a maximum salary framework (*Minutes*, 1998, Part I, pp. 35, 689), the Task Force on Compensation stated: “The task force discussed the objectives of wage equity principles and formula guidelines. The task force concluded that formula guidelines would be too restrictive and therefore inappropriate” (*Minutes*, 1999, Part I, p. 185). In a secondary action, the task force recommended the formation of an Advisory Committee on Churchwide Compensation, composed mainly of persons with practical involvement designated by the six agencies of the assembly. This group reported in 2001, confirming the lack of specific ratios in the guidelines while tacitly accepting that the various agencies would determine their own compensation policies with relatively little influence from consultation with the advisory committee itself.

In the years of the new century, the de facto ratio of highest salaries to lowest has grown to be approximately 8:1 in the General Assembly Mission Council, lower in the Office of the General Assembly, and higher in the four quasi-independent agencies. The implications of this de facto theology suggest that the values of business compensation predominate over a sense of distinctive vocation for the church. The current study underway by the Advisory Committee on Social Witness Policy thus seems timely, even though the inequalities in church agency and pastoral compensation pale in contrast to the Goldman Sachs firm, widely criticized for its \$16.7 billion bonus pool for 2009.

Appendix B

Walter Brueggemann, *A Theology of Compensation: A Study Paper*

(*Minutes*, 195th General Assembly (1983), Part I; pp. 694-703

<http://www.pcusa.org/resource/theology-compensation-study-paper/>

Appendix C

Research Services

Compensation and Its Theological and Ethical Meaning in the Presbyterian Church (U.S.A.)
2009 Survey of Pastors

See <http://www.pcusa.org/resource/theology-compensation>

Appendix D

Suggestions for Further Study

The following list includes material that has been suggested for those who wish to deepen their understanding of this topic. The following is in addition to those items already found in the endnotes.

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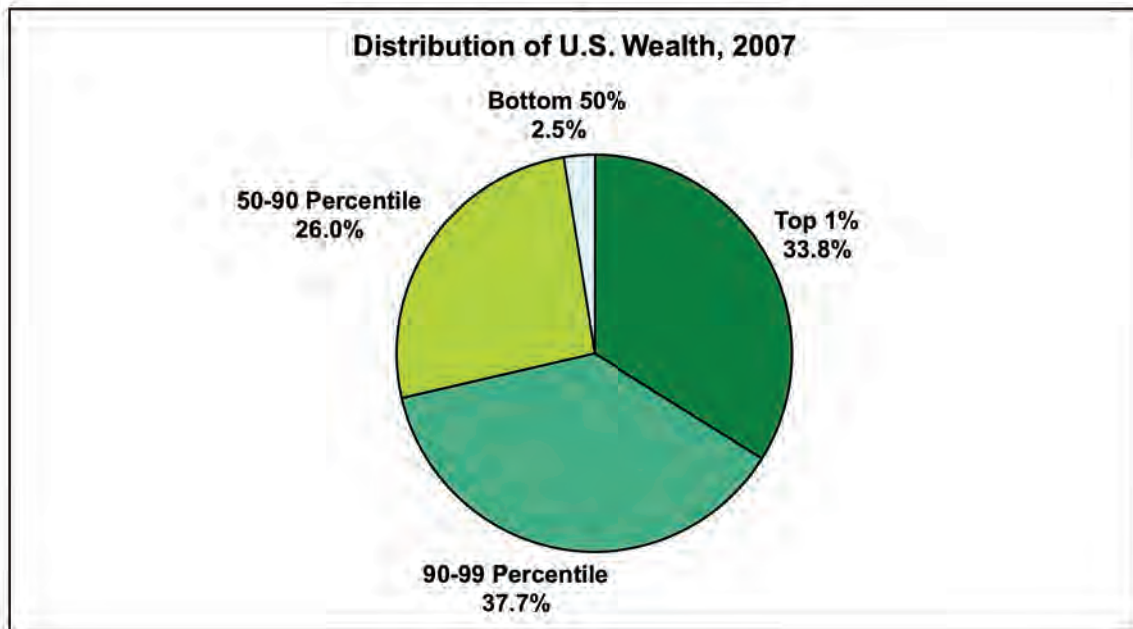
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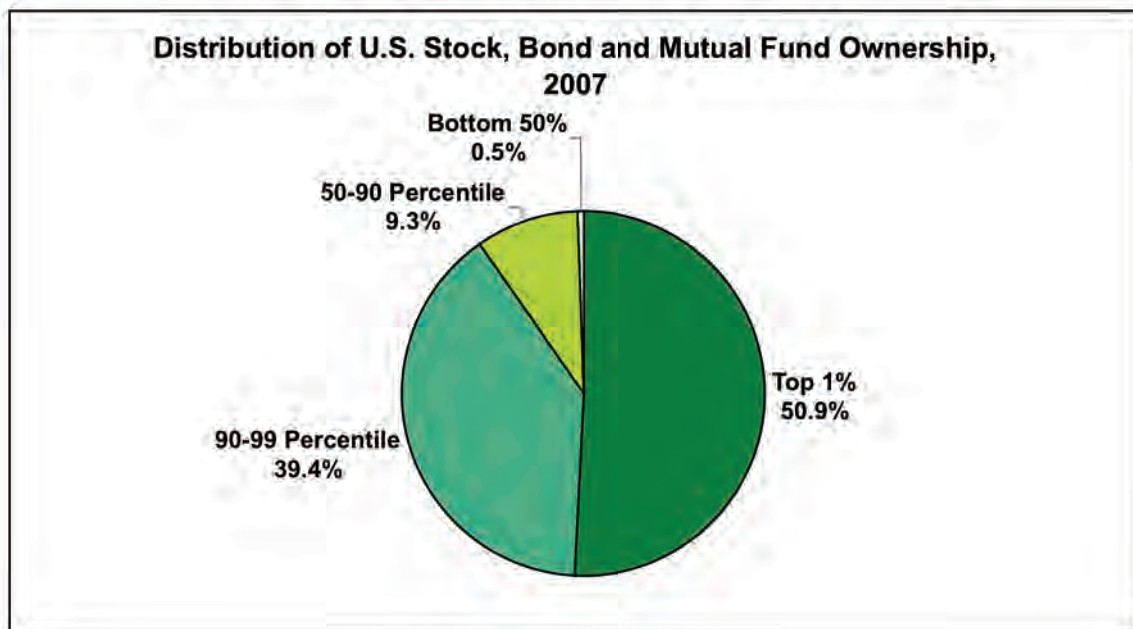
Endnotes

1. "Hard to Call" report, PC(USA) 2005. The full report can be found at <http://www.pcusa.org/ministers/pdf/hardtocallreport.pdf>.
2. Mintzberg, Henry. *Wall Street Journal*, November 30, 2009. Dr. Mintzberg is a professor at the Desautels Faculty of Management at McGill University in Montreal.
3. All quotations are taken from the random survey of pastors by Research Services, completed in December 2009. The full report can be found as Appendix C.
4. John Calvin. *Institutes of the Christian Religion*, 3.7.5 (p. 695).
5. *Ibid.* p. 695.
6. *Ibid.* p. 698.
7. This citation from 1 Tim. 6:10 has been the subject of discussion among biblical scholars, as to whether the love of money is "a" root or "the" root of all kinds of evil. It is also possible that this phrase can (and should) be translated as "for the love of money is the root of all kinds of evil." The grammatical and exegetical groundings for this translation (with the definitive article "the" before "root" instead of the indefinite article "a" as in the NRSV) stem from the following: The Greek phrase is a nominal phrase. That means that both the subject and the object of the verb are in the nominative case, given that the verb "to be" takes both the grammatical subject and object in the nominative case. One simple principle of Greek grammar states that predicate nominatives generally do not take determinative articles (they are anarthrous) that is, the subject of a verb "to be" (in this case, "the love of money") usually has an article, but the predicate nominative (in this case, "root") does not, especially when it precedes the verb. A similar grammatical construction is in 1 Cor 12:27 and it is translated with the article "the body of Christ" in the NRSV.
8. Mishel, Bernstein, Shierholz, *The State of Working America 2008–2009* (Ithaca: ILR Press for Economic Policy Institute, 2009), 63–64.
9. *Ibid.* p. 61.
10. *Ibid.* p. 273.
11. *Ibid.* pp. 380–82.
12. *Ibid.* p. 50.
13. *Ibid.* pp. 118–19, 113–16, 344–45.
14. *Ibid.*, 68–70, argues that consumption is unequal. Wilkinson, "Thinking Clearly about Economic Inequality," argues that "Consumption inequality, however, has remained substantially stable" (p. 5) at http://www.cato.org/pub_display.php?pub_id=10351.
15. The full paper can be found as Appendix B.
16. Presbyterian Church (U.S.A.) 200th General Assembly (1988), *Minutes*, 1988, Part 1, p. 796.
17. Presbyterian Church (U.S.A.) 211th General Assembly (1999), *Minutes*, 1999, Part 1, p. 183; principle 11–*Salary Relationships/Stewardship*.
18. "God's Work in Our Hands," policy statement of the General Assembly found in *Minutes*, 1995, Part I, p. 426.
19. *Ibid.* p. 438.
20. All biblical citations are from the New Revised Standard Version of the Bible (NRSV).
21. Kilcullen, John. Cited at <http://www.humanities.mq.edu.au/Ockham/y64110.html>. p. 3. Professor Kilcullen teaches at Macquarie University.
22. Bieler, Andre. *The Social Humanism of Calvin*. Translated by Paul T. Fuhrmann. Richmond, Va., John Knox Press, 1964. p. 17.
23. *Ibid.* pp. 19, 22.
24. Calvin, *Institutes*. Book II, Ch. VIII, 54.
25. *Ibid.* II, VIII, 55.
26. The letter itself has no salutation, but scholars assume that it is a response to Sachinus in a request to Calvin, found in *Opera*, xii, 210. Cited in Georgia Harkness. *John Calvin: The Man and His Ethics*. New York and Nashville: Abingdon Press, 1931, 204.
27. The argumentation for this section is taken from Calvin, John. *Calvin's Ecclesiastical Advice*. Beaty and Benjamin W. Farley. Louisville, Ky.: Westminster/John Knox Press, 1991. pp. 139–43.
28. The list from Calvin's commentary on Deut. 23:10, 20 is as follows:
"One must take no interest when lending to the poor.
"One must not neglect charity in order to have money to lend.
"Nothing should take place which is not in accord with the Golden Rule.
"The borrower should make at least as much on the money as the lender.
"We must not measure our practices by what is *licit par l'iniquite du monde*, but by the Word of God.
"What is good for the public takes precedence over our private benefit.
"What is legal may be unchristian and prohibited to the Christian."
29. Presbyterian Church (U.S.A.). *Constitution, Part II. Book of Order*, G-1.0100c.
30. The discussion of Bieler's work is found in his book, *The Social Humanism of Calvin*, translated by Paul T. Fuhrmann, John Knox Press, Richmond, Virginia, 1964 and based on his work in French, *The Economic and Social Thought of Calvin (La pensee economique et social de Calvin)* 1961.
31. *Ibid.* p. 30.
32. *Ibid.* p. 40.
33. *Ibid.* p. 31.
34. Graham, W. Fred. *The Constructive Revolutionary: John Calvin and His Socio-Economic Impact*. Richmond, Va. John Knox Press, 1972.
35. Bieler, p. 41.
36. Graham, p. 94.
37. This and subsequent quotations from commentaries by Calvin are translated by Graham and found in *The Constructive Revolutionary*, pp. 68–94.
38. Bieler, p. 47.

39. Ibid. p. 48.
40. Commentary on Deut. 22:1–4.
41. Commentary on Genesis, Vol. 2, Part 8, John Calvin, <http://www.iclnet.org/pub/resources/text/m.sion/cvgn2-08.htm>.
42. <http://consumerist.com/2007/04/ceo-pay-up-298-average-worker>, as accessed 1/13/10.
43. The Conference Board is a not-for-profit organization and holds 501(c)(3) tax-exempt status in the United States. It says about itself: “The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. Working as a global, independent membership organization in the public interest, we conduct research, convene conferences, make forecasts, assess trends, publish information and analysis, and bring executives together to learn from one another” (from the Mission Statement of the Conference Board).
44. As discussed, quoted, and cited in *Drive: The Surprising Truth About What Motivates Us* by Daniel H. Pink. New York: Riverhead Books, 2009. p. 24.
45. As found on Wikipedia, those states are Vermont, Michigan, Utah, Wyoming, and Illinois, as well as the Crow Indian Nation and Ogallala Sioux Tribe, effective January 1, 2010.
46. For more information on the history of church finances, please consult Appendix A.



Source: Arthur B. Kennickell, "[Ponds and Streams: Wealth and Income in the U.S., 1989 to 2007](#)," Federal Reserve Board Working Paper, January 7, 2009, Figure A3a, p. 63.



Source: Author's analysis of Arthur B. Kennickell, "[Ponds and Streams: Wealth and Income in the U.S., 1989 to 2007](#)," Federal Reserve Board Working Paper, January 7, 2009, Figure A3a, p. 63. Does not include assets held in money market mutual funds or tax-deferred retirement accounts.



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