

Money Matters

# Economic Challenges Facing Pastoral Leaders



When Rick Foss was bishop of the Eastern North Dakota Synod of the Evangelical Lutheran Church in America, he invited 28 pastors to talk candidly about money – or the lack of it. **“What I heard scared me to death,”** he says. The year was 1999, and Foss had become aware that veteran pastors were struggling to make ends meet, and seminary graduates were entering ministry with education debts that often exceeded starting annual salaries.

**Exacerbating the situation was a reluctance among clergy** to discuss personal finances with their congregations. Some were embarrassed to admit their belt-tightening efforts had failed; others were in denial, preferring to focus on everyone's needs but their own.

"Pastors don't complain," says Foss. "They have such incredible integrity. But the topic of money becomes the elephant in the room that they choose to ignore."

The conversation with his colleagues convinced Foss that the unwillingness to confront the elephant had a dangerous ripple effect. Not only did it threaten the stability of pastoral families, it also adversely affected the congregations they served and the Christian community at large. Ministry suffers when pastors are preoccupied with worry about soaring health insurance premiums, underfunded pension plans and the ever-present obligation to pay back student loans. Inadequate salaries sap the energy of clergy in the field and likely deter gifted persons from answering the call to ministry.

"I suspect some very fine people crunch the numbers, compare tuition costs with projected compensation and decide in the end that they can't make it work," says Foss. Consequently, "they never show up on our screen. We don't know they exist."

In response to the problem, Foss developed a comprehensive program to ease the financial burdens on church leaders in his jurisdiction. The plan was so successful that it became a model for similar projects across the country and, in 2007, contributed to the formation of Lilly Endowment's Initiative to Address Economic Challenges Facing Indiana Pastors. In 2015,

the Endowment expanded its work within and beyond Indiana by launching the National Initiative to Address Economic Challenges Facing Pastoral Leaders. An initial round of grants totaling more than \$28 million will support the efforts of a range of organizations including church-related institutions, denominational pension and benefits boards, synods, dioceses and foundations.

Recruited to serve as coordination director of the three-year project: Rick Foss.



## Grants Ease Budget Blues

Sheri Rohrer was worshipping in the sanctuary of the United Methodist Church in North Judson, Ind., when she heard the voice of God calling her to

pastoral ministry. "I was only 15," she says, "and I hoped he was talking to the person sitting next to me." But God wasn't.

Within a year, the nudge toward ministry became too persistent to ignore. On fire with her faith, Rohrer charted a career path that took her from college to seminary, to seven years as a solo pastor, and finally to a half-time assignment as pastor of marriage and family life at Delphi (Indiana) United Methodist



Of particular concern to MMBB are those ministers who serve in African American congregations. Research indicates that “they are more likely to have unpaid student loans, credit card debt and other problems that could affect their job performance,” says Barbarin. “They also tell us they are not saving adequately for retirement.” In response, MMBB plans to host a series of workshops designed for pastors and spouses within the National Baptist Convention USA, the largest predominantly African American Baptist group in the nation and fourth largest Protestant denomination. The program will include a coaching component, with financial experts checking in periodically with participating pastors.

“We want to make sure we engage young pastoral leadership,” says Barbarin. “We need to work with them as soon as they leave seminary and enter a congregation as a pastor, not when they are within three or four years of retirement.”

### **Our church is changing**

A similar emphasis on education is evident in the program designed by the Roman Catholic Archdiocese of Indianapolis, also a recipient of a \$1 million Endowment grant. The project, called Empowering Pastoral Leaders for Excellence, is intended to achieve results much like those reported by the United



debt, but several years into his pastorate at Kelley Crossing Church of God in Frankfort, Ind., he was still trying to retire his undergraduate loans and those of his wife, Jenny. The couple, now raising three children, delayed payments to Daniel’s pension fund and failed to adequately build their health savings account. “I became reticent about going to a doctor,” recalls Miller. “I found myself asking, ‘Can we afford this?’”

### **Lifting the burden of debt**

To ease the financial burdens on clergy such as Rohrer and Miller, Lilly Endowment launched the Economic Challenges Facing Indiana Pastors Initiative in 2007. The initiative included grants to help 16 denominational organizations across the state address a variety of challenges that impair pastors’ ability to lead congregations effectively. A significant part of the work included

creation of Ministerial Excellence Funds (MEFs). The funds – started with Endowment seed dollars – enabled judicatories to make grants to address individual pastors’ most pressing needs. The names that Indiana church leaders gave their MEFs indicated their intent. The Rejuvenate Fund offered Rohrer a fresh start. The Financial Freedom Fund helped Miller shed the burden of student loans.



### **“We’re making progress, but...”**

In May of 2015 several leaders in the Indiana initiative met with leaders of the 28 grantees in the national initiative to share insights about best practices that emerged from the Hoosier project. Of particular interest to the newcomers were efforts to grow and sustain Ministerial Excellence Funds (MEFs). A key part of both initiatives, MEFs are started with seed money from the Endowment. When matched by donors,



“It was an answer to prayer,” says Sheri Rohrer of a financial literacy and assistance program for United Methodist clergy in Indiana.



which can include congregational support, money from an MEF is used to address the specific needs of pastors. That could be helping to pay off a pastor’s student loan or pay healthcare costs not covered by insurance. Since the launch of the Indiana initiative, more than 2,000 pastors and their families have received assistance through MEF grants and other support from their denominations.

“The joint session helped me put all of this, including the MEF, into context,” says Dan Busby, president of the Evangelical Council on Financial Accountability (ECFA). His organization will use a portion of its \$750,000 Endowment grant to create new educational materials that will be available to fellow grantees. Whereas the ECFA has historically worked to upgrade the financial practices of large agencies and congregations, it now will reach out to smaller faith communities and individual clergy as well. The outreach will be multi-faceted and will include a wide variety of digitally based learning materials and webinars aimed at viewers with levels of expertise that range from fundamental to advanced.

“We’re early in the planning stage, but we’re confident that a huge difference exists between the needs of a church with 100 members and a church with 2,000 in attendance,” says Busby. “Most of the resources on the Internet are aimed at large congregations. We want to fill the gap, and we’ve formed a national advisory committee of church leaders to help us do that.” ECFA plans to offer “white labeled materials,” which means organizations can customize them by adding introductory and closing paragraphs, graphics, photos or other signature elements.

Busby believes that exposure to the findings from the Indiana initiative and access to top-quality educational materials will give grant participants a jump-start toward achieving their goals. He speaks enthusiastically about the progress he has witnessed in his years of interacting with leaders of congregations, parachurch organizations and large national ministries. “The increase in learning opportunities has created a significant increase in financial literacy among pastors and lay leaders.” Then he adds: “And yet, at the same time, we have a long, long way to go.”

“The grant was a huge blessing,” he says. “It started our family thinking about the future and helped us create some good savings habits.”

Like all MEFs, the Rejuvenate Fund and the Financial Freedom Fund offered several learning opportunities to improve pastors’ long-term budget-management skills. Rohrer met with a financial planner and enrolled in a clergy tax workshop. Miller invited a congregational lay leader to join him at a seminar that explored a

faith community’s responsibility to care for its pastor. The benefits were immediate. “When financial burdens are lifted you have more energy for your family and your ministry,” he says. Rohrer agrees: “I wasn’t aware of it at the time, but I know now that I was on the path to burnout. When this grant came along it was almost like someone saying, ‘Hey, we’re going to help you get your life back.’ And that’s what happened.”