Addressing Economic Challenges

Planning helps organizations identify financial needs of pastors and congregations

The Rev. Matthew Baker can’t remember the exact date that he was awarded the $10,000 that would change his family’s finances and his ministry as a congregational pastor. But six years later, he easily remembers the flood of emotion that followed. “Relief,” he recalls. “Just such a feeling of relief.”

It was a feeling made possible because of support from Healthy Pastors, Healthy Congregations, a program launched as a pilot in 2016 by The Board of Pensions of the Presbyterian Church (U.S.A.) and then expanded nationally in 2018.
Healthy Pastors, Healthy Congregations offered Baker, then pastor of a small congregation in central North Carolina, a $10,000 grant that he could use to pay down personal debt or to save for retirement. The program also provided personal financial counseling and a course focused on church finances and congregational leadership.

“My wife and I had two young children and two car payments. We used the money from the Healthy Pastors program to help pay off one of the vehicles and lowered our monthly debt,” Baker says. “That was just a phenomenal help to my family and to my ability to lead as a pastor.”

Baker was one of more than 944 pastors in the Presbyterian Church (U.S.A.)—PC(USA)—who participated in Healthy Pastors, Healthy Congregations between 2016 and 2022. The program provided more than $8.3 million in direct aid to pastors, thanks in part to funding and encouragement from Lilly Endowment’s National Initiative to Address Economic Challenges Facing Pastoral Leaders (National Initiative).

The Endowment designed the initiative to help church-related institutions—especially denominational judicatories, foundations and pension and benefits boards—understand the financial pressures their pastors face and develop approaches to help pastors address those challenges so that they are better able to lead their congregations effectively and to continue their call to serve God. Through several rounds of grantmaking in the National Initiative, the Endowment made planning and implementation grants to organizations to assist them in designing and launching programs for pastors. After their programs demonstrated their effectiveness, many participating organizations received additional grants to sustain and extend the reach of programs.

Time to dream and learn

When the initiative began in 2015, planning grants helped 22 church-related organizations to engage in research to learn more about the most pressing financial challenges faced by pastors and their families and then to consider strategies to help pastors address them. That’s how PC(USA)’s Board of Pensions worked to identify financial stressors experienced by their pastors and began to design Healthy Pastors, Healthy Congregations.

“We were not previously aware of the scope of the issue, that so many pastors were struggling with debt,” says Andy Browne, senior vice president of Church Engagement for the Board of Pensions, who oversaw Healthy Pastors, Healthy Congregations from 2016 through 2021.

Like many other organizations participating in the Endowment’s National Initiative, the Board of Pensions heard stories from pastors who carried excessive student loan debt from seminary or even undergraduate education for decades into their careers. They learned about midcareer pastors struggling with financial challenges as they raised families and older pastors worried about underfunded retirement savings. Pastors at all stages of life reported being unable to meet financial emergencies, such as unexpected medical bills.

The Endowment planning grant offered “time to dream about what we could do,” Browne says. “With time for planning, we were able to think much bigger.”
Understanding the unique financial stressors of pastors

In 2016, Baker had been ordained for just a few years and was serving his first congregation at Macedonia Presbyterian Church in Candor, a small town 80 miles east of Charlotte. Money was very tight as Baker and his wife were starting a family on a single income.

“You just cannot live on one pastor’s income and be in the middle class, even if you try very hard to keep your expenses as low as possible,” says Baker.

The relationship between money and congregations and their pastors can be tricky—and always humbling, Baker says. “Every Sunday, you pass the plate around and in the back of your mind, you think about the fact that the money collected is part of what helps put food on our table at home,” he says.

Pastors and church leaders recognize that many Americans share similar financial stressors. Yet pastors’ circumstances are unique in some ways. Often they invest in higher-than-average levels of education—doctoral degrees are common—but earnings rarely come close to those of professions with similar degree requirements. Most U.S. pastors are not mega-church ministers but are more likely to serve small- and medium-sized congregations that typically pay modest salaries, with equally modest or even non-existent employee benefits.

Pastors also are assumed to be answering a call from God and to “be in the world, but not of the world.” It can be difficult to have honest conversations within the church about compensation and the financial challenges that pastors face. While many pastors struggle with their own finances, they are expected to teach about Christian stewardship and generosity and to lead congregational fundraising campaigns.

Leaders of PC(USA)’s Board of Pensions recognized that these circumstances generated tensions for pastors about their own finances. “To borrow language from the Endowment’s initiative, there is a culture of shame and blame around debt for too many of our ministers,” Browne says. “They had internalized the issue of debt and did not talk about it, until someone asked.”

Congregations, including First Presbyterian Church, Rocky Mount, N.C., are stronger when pastors have financial stability.
From planning to pilot program

Drawing on insights from the planning process, the Board of Pensions started small. It identified North Carolina as the best location to launch a pilot project with the support of a $1 million implementation grant. For the pilot, it selected five areas—called presbyteries—that included large and small congregations in both rural and urban settings that reflected the diversity of Black, white and Hispanic members.

The board then adopted a dual action plan. It offered pastors direct aid and support to improve their financial well-being; and it approached congregational lay leaders with information about why their pastors struggle financially and what role the church can play in understanding and alleviating financial pain.

At first, pastors were slow to sign up, even with the offer of $10,000 in debt relief or support for their retirement savings. But as word of the program spread and Healthy Pastors, Healthy Congregations built credibility, “it snowballed,” Browne says.

Leaders of the pilot project benefited from participation in annual gatherings that brought together grantees in the National Initiative to exchange insights. At a first year gathering, the Board of Pensions learned from a Catholic diocese about Ernst & Young Employee Financial Services. Through engagement with services like these, Healthy Pastors, Healthy Congregations clergy could receive online financial education and personal financial counseling.

“That was a game changer,” Browne says. “It is an example of how it really mattered to have a new set of colleagues doing the same kind of work.”

For pastors to qualify for direct aid, leaders from their congregations needed to be involved in the educational programming with their pastors. Congregations were also asked to make financial contributions to Healthy Pastors, Healthy Congregations. During the past seven years, more than 4,000 PC(USA) pastors and congregational leaders have participated in program activities, which were guided by scripture—Micah 6:8: “He has shown you, O mortal, what is good. And what does the Lord require of you? To act justly and love mercy and walk humbly with your God.”
“We wanted congregational leadership to really consider what it means to be a just and merciful employer, as well as understand the call of their pastors and the financial realities of that call,” Browne says.

**Reaching more pastors, building momentum**

The pilot’s success in North Carolina led the Endowment to award PC(USA)’s Board of Pensions a second $1 million grant in 2018 to expand the program nationally. The board also invested $4 million from other sources to expand its Ministerial Excellence Fund, which provided direct financial aid to clergy to pay down educational debt, establish savings plans for the educational needs of their children, and incentivize pastors’ full participation in PC(USA) pension programs.

According to the Board of Pensions, Healthy Pastors, Healthy Congregations has changed how the denomination approaches the topic of ministry and money, and it has evolved into two separate programs:

- **The Minister Debt Relief program, which the board supports fully through its own resources, continues to provide grants to alleviate pastors’ debts and provide personal and congregational financial education.**
- **The Minister Educational Debt Assistance program, which is being supported by an additional 2021 Endowment grant to extend the reach of its support of pastors, focuses on the seminary and undergraduate student debt of pastors who receive modest compensations from their congregations.**

Ruth Adams, who directs the assistance program at the Board of Pensions, says that the organization continues to draw on the lessons learned through all phases of the grant funding process. For example, language and cultural barriers made it difficult for Korean and Spanish-speaking pastors to fully access the debt relief and financial education resources. In the last three years of the program, the Board of Pensions has taken steps to remove those barriers and make it more inclusive, according to Adams.

“That was the ongoing gift of the planning grant, that each year that we ran this program, we made it better,” she says. “It really changed the conversation at the Board of Pensions and how we approach financial health and wellness for our pastors, who are able to see some light at the end of the tunnel and can focus on ministry. Our congregations have a happier, healthier pastor.”

Baker, who is now pastor of First Presbyterian Church of Rocky Mount, North Carolina, says Healthy Pastors, Healthy Congregations provided a lifeline when he needed it and the tools to plan for a financial future. But it also had a positive influence on his life as a pastor. Educational workshops within his congregation helped lay leaders learn about pastor compensation, how tax law affects clergy, and the importance of healthy communication between pastors and the lay people who help run congregations. Baker says, “It changed the way we talked about clergy compensation for the better.”

Although money is still sometimes tight for his family, his experience with Healthy Pastors, Healthy Congregations affirmed Baker’s calling to congregational ministry.

“I do enjoy being a Presbyterian minister, and I really can’t imagine doing anything else,” he says. “I’ve always felt seen and loved by my denomination, but this is one of the most concrete examples of that love.”

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National Initiative to Address Economic Challenges Facing Pastoral Leaders

Through the National Initiative to Address Economic Challenges Facing Pastoral Leaders, Lilly Endowment has made grants to 53 organizations to support efforts to reduce or alleviate some of the key financial pressures that impair the abilities of pastors to lead congregations effectively. The organizations also guide pastors through wide-ranging educational programs to improve financial literacy and management skills.

Grantees under the initiative developed programs that, among other things, encourage pastors and their spouses to participate in educational events related to personal finance; offer low- to no-cost professional financial planning and counseling; provide matching contributions for pastors to enroll in retirement savings programs; develop programs to help young pastors pay down or eliminate educational debt; create new scholarship funds so that seminarians borrow less while in school, and raise awareness in congregations of the compelling financial challenges many pastors face.

The organizations include a variety of church-related institutions, among them denominational pension and benefits boards; local and regional denomination judicatories, such as synods and dioceses; and denominational foundations. Additionally, the Endowment has made grants to seven organizations that are providing research, networking and other resources to grantees working to address the economic challenges that pastors face.

Since 2015, the Endowment has approved a total of $116 million in grants to help organizations plan, implement, sustain and extend their programs and to provide research and networking support to the organizations.
St. Mark’s United Methodist Church in Goshen, Ind., is thriving.

Nearly a century old, St. Mark’s hulking brick building is located on a busy street in Goshen, a northern Indiana town with an ethnically diverse population of approximately 32,000 people. The church anchors Chamberlain, a neighborhood with an equally aged school, modest homes, a family-owned Mexican restaurant and a small park shaded by mature trees.

Just around the corner is the Elkhart County Work Release Center. Shannan Martin, who lives down the street, points to its presence as the unlikely source of revival at St. Mark’s. Ten years ago, she and her family moved to the neighborhood and joined the church. They wanted to live more intentionally as neighbors in what she describes as “an overlooked” pocket of Goshen.

St. Mark’s developed a partnership with the work release program, which has blessed the congregation, according to Martin. She tells the story of a longtime parishioner, a woman in her 90s, and a younger woman in the county work-release program. On Sundays, they worship from the same pew and sometimes share a hymnal. When the older woman learned that her friend was about to move to a new apartment, she wanted to buy a few household items to support the young woman as she seeks a fresh start. It’s one example of the congregation’s neighborhood focus and its emphasis on human relationships.

“St. Mark’s is a vibrant and honest presence, a place of hope and harbor for my family and our community,” she says. “I believe this is what the future of the healthy church looks like.”

Two thousand miles away in the San Diego neighborhood of Golden Hill, Christiana Rice feels a similar movement stirring. She and her family are part of a non-denominational home church network.
Rice strives to live the Christian faith in daily life and on her street—a place where the wealthy and the poor live together amid skyrocketing home prices and homelessness. That means sharing meals and scripture study with people who live close to her house and offering a listening ear to neighbors and others.

A few years ago, Rice reached out by email to her neighborhood faith community during a moment of intense personal grief. She was soon surrounded by neighbors who walked to her home willing to grieve with her. Rice believes such moments are the expression of a community centered on the love of God.

“Our communal call is to discover the sacred in our ordinary lives,” she says.

Martin and Rice live far from one another, but their congregations are connected through the Parish Collective. It is an ecumenical network of more than 1,000 congregations across the country that are discerning a call to mission in their communities. With support through Lilly Endowment’s Thriving Congregations Initiative, Parish Collective is expanding its national network to provide resources and support to congregations as they seek to strengthen ministries that foster relationships and service in their neighborhoods. It does this by connecting congregations through regional learning communities and national conferences and by providing individualized coaching to pastors and lay leaders.

### Engaging in local place-based ministry

“Our definition is that church plus neighborhood equals parish,” says Tim Soerens, Parish Collective’s co-founder and executive director. “Parish Collective invites people to understand the importance of parish, that the church is meant to embody the gospel of the kingdom of God in Christ through practice and presence in a particular place, so that the people in that place know that God is concerned about their specific needs, gifts, concerns and well-being.”

The word “parish” has deep roots in Roman Catholic and Anglican traditions. Historically, those Christian communities have defined parishes as places that have social and theological connections within a specific geographic area, such as a neighborhood. It’s a concept that inspires Parish Collective’s vision.

Soerens lives parish life in the diverse, urban South Park neighborhood of Seattle, where he is co-founder of Resistencia Coffee, a neighborhood coffee shop, as well as the South Park Idea Lab. He is author of *Everywhere You Look: Discovering the Church, Right Where You Are* (2020).

### Balcony time

In 2019, Parish Collective had been helping congregations understand and integrate the parish model into their missions for almost a decade when it received a $48,855 planning grant through Thriving Congregations.

Launched in 2019, Thriving Congregations seeks to encourage congregations to strengthen ministries that help people deepen their relationship with God, enhance their connections with each other and contribute to the flourishing of their communities.

At that time, Parish Collective was facing a pressing challenge of rapid growth. The increasing number of congregations seeking out the Seattle-based organization to help them reimagine and strengthen their neighborhood-based ministries was outstripping its capacity to respond. The requests also caused Parish Collective to wonder whether its mission and its strategies for working with congregations should be evaluated.

According to Soerens, the planning grant helped the organization clarify its mission and gain a new perspective on how to engage congregations as they explored how God may be at work in their neighborhoods.

Parish Collective used planning funds to conduct an extensive campaign to listen to ordained and lay leaders across three diverse geographic areas—Pacific Northwest (Portland and Seattle), California (San Diego and LA) and Chicago—to understand more fully the challenges and opportunities of congregations and their neighborhoods.

“Pressing Challenges & Promising Responses 27
Grantees funded through Thriving Congregations could tell similar stories about their efforts to come alongside congregations and help them adapt and strengthen their ministries, according to David Odom, executive director of leadership education at Duke Divinity. Organizations need validation that their innovative approaches are important and worthy of investment. Parish Collective’s approach is innovative and at the same time rooted in Christian tradition. “Bringing back the idea of a parish is a kind of reformation for some congregations,” Odom says. “It’s a new expression of a very old idea. The people who do this are deeply interested in the health, welfare, and economics of their neighborhood. It’s a very Christian way to live.”

Expanding a national network

While Parish Collective provides support and a blueprint for place-based mission, the network also helps like-minded congregations and lay people connect with each other, according to Rice. In addition to her efforts in San Diego, she is Parish Collective’s associate director and director of its national and regional meetings. “People are craving support as they work to figure out what the role of the church will be, given the everyday realities of where we are today,” she says.

It was through Parish Collective’s networking that St. Mark’s Martin became a featured speaker at its gatherings. At one of those events, she met Jonathan Brooks, Parish Collective’s board chair and co-pastor of Lawndale Christian Community Church near Chicago. They learned they were both finding encouragement in Jeremiah 29:7. It was calling them to “work for the good of the city.”

“We didn’t know each other, but we were latching on to the same verse,” Martin says. “Parish Collective has given color, context and shape to what I have been learning—and living. I want to keep moving forward with people who hold on to hope by living faithfully with the parish mentality at the heart of all we do.”

In bringing together Christian believers from a diverse array of congregations who are choosing to grow together, Parish Collective represents a new kind of “catalytic organization,” Odom says. The ecumenical network relies on gathering members for learning and support. But this approach has been difficult to sustain at a time when finances are stretched thin due to the pandemic and inflationary costs of travel. The Endowment’s implementation grant is helping Parish Collective fund the cost of conferences and travel and helping it develop and test revenue streams to sustain its efforts after the grant.
Asking ‘God questions’

One of Parish Collective’s primary objectives is to encourage listening, Soerens says. What he hears is that the future of the American church feels “up for grabs,” and that constant talk of decline leads to grief and increasing anxiety.

“That was true even before the COVID pandemic,” Soerens says. “It’s difficult to see church growth in such circumstances, and therefore it’s completely understandable for congregations to ask ‘church’ questions: ‘How do I grow my church, how do I survive?’”

Parish Collective did not ask those questions in its planning phase. It’s not trying to do so now.

“Those questions point back to us, not to God,” Soerens says. “I hope Parish Collective can help point congregations toward ‘God’ questions, as in ‘God, what are you doing in this place, how can I follow you?’ I am convinced that God is renewing and restoring the local church in neighborhoods.

“We believe that when we organize the church around God’s dreams for our neighborhoods, there is nothing in the world that cannot be healed, transformed, and liberated.”

Thriving Congregations Initiative

Through the Thriving Congregations Initiative, Lilly Endowment aims to help congregations strengthen their ministries to help people deepen their relationships with God, enhance their connections with each other, and contribute to the flourishing of their communities and the world.

Through the initiative, the Endowment has made grants to 114 organizations that represent a broad spectrum of Christian traditions and include colleges and universities, ecumenical networks, denominational agencies, individual congregations and other faith-based institutions.

The organizations are working with congregations that have a wide variety of ministry contexts and individuals and families from diverse backgrounds. Their Thriving Congregations programs are, among other things, helping congregations understand and respond to the rapid social and technological changes affecting their ministries; extending the reach of their ministries through practices of hospitality and the use of new technologies to enhance worship; supporting and nurturing better the religious lives of young people; and developing ministries that connect more deeply with the increasingly diverse neighborhoods, towns and cities in which they serve.

In 2019 and 2020, the Endowment made grants through its first and second round of Thriving Congregations. In January 2023, the Endowment opened a third round of the initiative, and it expects to award up to 60 grants by the end of the year.