

Dear Northern Great Lakes Synod Council,

Below you will find the Clergy Compensation Task Force's recommendations for 2025. Please know that we would be happy to discuss our recommendations with the Synod Council.

We thank you for your consideration of our recommendations for 2025.

Your Siblings in Christ,

Pr. Catie Ford (Faith, Three Lakes), Pr. Tim Vadis (Trinity, Rhineland), and Pr. Andrew Plocher (Messiah, Marquette)

These are our recommendations regarding the "2025 Minimum Salary Recommendations (not including housing)":

- 1) That a COLA adjustment of 3% be made for those with 20 or less years' experience.
- 2) That a One-time \$1500 adjustment be made to the experience levels through 20 years' experience. That adjustment is made post-3% increase.
- 3) That an increase of 2-3% be given to those with 20 or more years' experience.

The following chart reflects those changes:

Experience	Base	Social Security 7.65%	Total
<b>SEMINARY GRAD</b>	\$43,730	\$4,349	\$48,079
<b>AFTER YEAR 1</b>	\$44,503	\$4,426	\$48,929
2	\$45,275	\$4,503	\$49,778
3	\$46,048	\$4,579	\$50,627
4	\$46,820	\$4,656	\$51,476
5	\$47,593	\$4,733	\$52,326
6	\$48,365	\$4,809	\$53,165
7	\$49,138	\$4,887	\$54,025
8	\$49,910	\$4,964	\$54,874
9	\$50,683	\$5,040	\$55,723
10	\$51,455	\$5,117	\$56,572
11	\$52,279	\$5,199	\$57,478
12	\$53,103	\$5,281	\$58,384
13	\$53,927	\$5,363	\$59,290
14	\$54,751	\$5,445	\$60,196
15	\$55,575	\$5,526	\$61,101
16	\$56,399	\$5,609	\$62,008
17	\$57,223	\$5,691	\$62,914
18	\$58,047	\$5,773	\$63,820
19	\$58,871	\$5,855	\$64,726

20 OVER 20	\$59,695 Add 2-3% to 2024 salary	\$5,937	\$65,632
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**Rationale:**

- 1) COLA increase: We recommend a level (3%) just under the change for 2024 set by the Social Security Administration (3.2%). The SSA's increase is based on the Department of Labor's Consumer Price Index (CPI-W).<sup>1</sup> According to the Bureau of Labor and Statistics, inflation on most living expenses through September 2023 was measured at 3.7%.<sup>2</sup>
- 2) \$1500 increase to all minimum salaries (20 years and less). There are multiple reasons for this increase:

- a. For the last three years (2021, 2022, and 2023), the minimum salary recommendations by NGLS maintained roughly 3% annual increases (for inflation). That 3% increase is well under the 5.9% a year average that Social Security made based on the CPI (5.9% in 2021, 8.7% in 2022, and 3.2% in 2023).

If a seminary graduate, starting at the 2021 base salary, had kept pace with inflation that salary would be \$44,905 in 2024. That is \$3,905 more than the 2024 recommendation. This means that any clergy salary that adheres only to the minimums, has actually been reduced by *at least* \$3900. While on paper the recommendation in 2024 is \$41,000 for a seminary grad, the value of that salary (thanks to inflation) is only about \$37,100 – less than the minimum for a seminary grad in 2021. \$1500 does not make up this lost salary, but it does take a step toward rectifying those losses.

- b. NGLS salary recommendations are well under (~5%) the average salaries of comparable synods (upper Midwest, rural). In an evaluation of synod minimums, the Compensation Task Force evaluated policies from Northwest Wisconsin Synod, East Central Synod of Wisconsin, South-Central Synod of Wisconsin, North/West Synod of Lower Michigan, and Northeastern Minnesota Synod.<sup>3</sup> Attached is a spreadsheet outlining compensation guidelines and differences between these synods. You will see that our lowest level of compensation (seminary graduate/first call) is 6% lower than the average of all the other synods. That same trend continues through 20 years of experience, then beginning to level out. In just ten years, a pastor in NGLS will have made \$30,000 less, in baseline compensation, in comparison to

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<sup>1</sup> The CPI-W rises when inflation increases, leading to a higher cost-of-living. This change means prices for goods and services, on average, are higher. The cost-of-living adjustment (COLA) helps to offset these costs.  
<https://blog.ssa.gov/social-security-benefits-increase-in-2024/>

<sup>2</sup> <https://www.bls.gov/opub/ted/2023/consumer-prices-up-3-7-percent-from-september-2022-to-september-2023.htm#:~:text=Over%20the%20year%20ended%20September,over%20this%2012%2Dmonth%20period.>

<sup>3</sup> We have intentionally left out larger metropolitan synods (Milwaukee, Lacrosse, etc.) in these comparisons. It would be prudent to note that these differences are less so than they once were [an interesting article on changes to rural costs/inflation can be found here: <https://smalltowns.soc.iastate.edu/wp-content/uploads/sites/163/2023/02/SOC-3106.pdf>]

these other synods.

- c. Starting salary impacts a pastor's income for more than an initial year. For example, a pastor paid NGLS minimums will (assuming a modest 5% return on retirement investments), lose out on at least \$4,000 of interest growth on their retirement contributions in the first ten years of their ministry. A pastor who serves in ministry for 40 years will have lost more than \$48,000 in possible retirement.<sup>4</sup> That is not a small amount. Small differences in base salaries have longer term impacts of the financial well-being of clergy.
  - d. The above reasons matter for recruitment and retention of clergy. As it currently stands, clergy have no financial incentive to stay within the synod after the first three years of a call. In fact, statistically, their financial well-being will be better cared for in our neighboring synods. If NGLS wants to remain competitive and to support congregations in calling, and retaining, excellent clergy, we must compensate clergy as well as our neighboring synods.
- 3) We understand that not all congregations can afford our more experienced pastors. We recommend a range of 2-3% increase to the 2024 salary for those with more than 20 years' experience. This allows congregations and pastors room to negotiate.

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<sup>4</sup> This is based on a contribution of the average difference in 10% (standard pension investment) for the seminary graduate salary. The difference in contribution, annually, to the pastor's retirement would be ~\$300. If that \$300 were to stay flat (not increase), that difference would accrue \$48,159.89 in interest. That undervalues the difference in salaries over time, as well as the significance the small amount makes to the total investment.

Synod	2024 starting	3 years experience	5 years experience	10 years experience	15 years experience	20 years experience	25 years experience	% increase from 2023 (starting salary calculated)
Northern Great Lakes	41,000	43,250	44,750	48,500	52,500	56,500	60,500	3
Northwest WI	45,686	48,679	50,784	55,771	60,882	65,273	69,610	8.7
East central WI	43,959	46,597	48,349	52,285	55,675	58,581	61,510	5
South central WI	42,788	45,263	46,914	51,041	55,167	59,294	63,420	5
North West lower MI	44,770	45,770	46,770	49,270	51,770	55,070	58,570	6
North Eastern, MN	41,496	43,680	45,136	48,776	52,416	55,848	58,448	n/a*
5 Comparison Synod avg	43,739.80	45,540	47,500.80	51,428.80	55,182	58,804.20	62,010	
Median Salary of all 6 synods	43,374	45,516.50	46,842	50,155.50	53,833.50	57,540.50	61,005	
Difference between NGLS compensation and avg of other 5 synods as % of the NGLS compensation	-6.68	-5.29	-6.35	-6.04	-5.11	-4.08	-2.5	
Difference between NGLS compensation and median of other 5 synods as % of NGLS compensation	-5.79	-5.24	-4.67	-3.41	-2.54	-1.84	-0.83	

\*North Eastern MN used a different method of tracking salary last year.