

# Glossary of Terms

**Average (Mean):** Determined by dividing the total amount of what is being measured in the sample by the number of churches in the sample. The mean is affected by extremely low or high values.

**Bonus:** Discretionary additional cash compensation not based on predetermined standards or goals.

**Insurance:** Represents the amount paid by the congregations in premiums for the employee. Does not include the face value of life insurance or premiums paid by the employee for self or family members.

**Leadership Network:** (listed as other affiliation) A foundation whose mission is to accelerate the emergence of effective churches. Effective churches develop leadership teams; equip and deploy the people of God for service; understand and engage the culture; build authentic community; and achieve missional impact.

Churches served by Leadership Network represent a wide variety of primarily Protestant faith traditions, ranging from mainline to evangelical to independent, and are characterized by their culture of innovation, desire to be on the leading edge of ministry, and entrepreneurial leadership. (see: [www.leadnet.org](http://www.leadnet.org))

**Metro Area:** Metropolitan Statistical Areas. Based on the zip, a metro area contains a core urban area of 50,000 or more population. You can find the definition here: [www.census.gov/population/metro](http://www.census.gov/population/metro)

**Ordained:** A designation by a church, a denomination or religious group that officially invest (as by the laying on of hands) an individual with ministerial or priestly authority.

**Other Affiliation:** Links which some churches have to organizations or ministries.

**Other Taxable Compensation:** Includes benefits or perquisites that are taxable, such as club dues and fees, personal use of company car, and/or employer contributions to nonqualified deferred compensation.

**Optional Life Insurance:** An elective life insurance policy that employees have the option of purchasing, typically in addition to basic life insurance.

## Percentiles

### 10th Percentile (10%)

The data point in a set of numbers where the numbers are ranked from lowest to highest, where 10% of the numbers are smaller and 90% are larger.

### 25th Percentile (25%)

The data point in a set of numbers where the numbers are ranked from lowest to highest, where 25% of the numbers are smaller and 75% are larger.

**Median (50th Percentile)**

The middle number in a set of numbers where the numbers are ranked from high to low. When an even number of items are ranked from high to low, the average of the two middle items is the median. Unlike the average, the median is not affected by extremely high or low values.

**75th Percentile (75%)**

The data point in a set of numbers where the numbers are ranked from lowest to highest, where 75% of the numbers are smaller and 25% are larger.

**90th Percentile (90%)**

The data point in a set of numbers where the numbers are ranked from lowest to highest, where 90% of the numbers are smaller and 10% are larger.

**Purpose Driven Church:** (listed as other affiliation) Purpose Driven is a part of the Mission of Saddleback Church, based in Lake Forest, CA. They seek to equip pastors all over the world to plant and renew churches to become balanced, grow healthily, and reproduce. They promote and utilize Rick Warren's biblical teaching on the five purposes of the church and other supporting concepts. Among its many programs and models is the *40 Days of Purpose*. They seek to use purpose driven principals to transform a staff and their church (see: <http://www.purposedriven.com>)

**Qualified Plans:** Benefit plans that have tax preferred status and are governed by ERISA (Employee Retirement Income Security Act) rules. These rules define benefit availability and nondiscrimination requirements.

**Reimbursed Expenses (including auto):** These are expenses incurred by the church staff and reimbursed by the church including the annual amount paid for all auto expenses. If auto is provided by the church, estimate the equivalent dollar amount for your area. If your budget uses a cost-per-mile figure, please convert it to an annual dollar figure. Other reimbursement expenses include continuing education, conventions and other meetings and seminars, expenses, books, entertainment, hospitality, benevolence, or other expenses used at the discretion of the staff member.

**Retirement:** For the purposes of this survey, "Retirement" refers to the congregation's contribution in excess of salary to a qualified retirement program. This should not include any employee contribution, but only contributions made by the congregation.

**Salary and Housing:** Includes base W-2 wages and for ordained ministers who qualify, housing and utilities allowance. Also includes the annual rental value of church-owned housing.

**Self-Employment Tax Offset:** While most ministers are employees for federal income tax, all ordained ministers are self-employed for Social Security purposes (with respect to services they perform in the exercise of their ministry). This means they are not subject to FICA taxes, even though they report their income taxes as employees and receive a Form W-2 from their church. Rather, they pay the *Self-employment Tax*. If your church pays an allowance to offset this tax, it must be reported as income. Ministers can deduct half of their actual self-employment taxes as an adjustment on Form 1040, whether or not they are able to itemize on Schedule A. this data point of the survey should be used only for those who qualify as self-employed for Social Security purposes and receive a special allowance from the church to assist them in the higher cost of their Social Security.

**Willow Creek Association:** (listed as other affiliation) Since 1992, the Willow Creek Association has been linking like-minded, action-oriented churches with each other and with strategic vision, training, and resources. The WCA works to equip Member Churches and others with the tools needed to build prevailing churches everywhere in the world.

The association's primary desire is to inspire, equip, and encourage Christian leaders to build biblically functioning churches that reach increasing numbers of unchurched people -- not just with innovations from the Willow Creek Association or Willow Creek Community Church, but with God-given breakthroughs with widespread potential from any church in the world. And a key component of this God-honoring movement is to provide strategic vision and practical training. (See: <http://www.willowcreek.com>)