Q2 2024

THE UNSTUCK CHURCH REPORT

SPECIAL EDITION: CHURCH STAFFING TRENDS

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— WE HELP CHURCHES GET UNSTUCK. –

Introduction

May 2024

Every quarter, The Unstuck Group compiles all the data we've collected to monitor trends in churches in the United States and around the world. For this quarter's report, we are focusing on staffing trends in churches of various sizes. These trends reflect data collected during the four weeks between April 8 and May 6, 2024, providing a very current snapshot of ministries of all shapes and sizes.

We received survey responses from 402 churches, ranging in size from under 100 to more than 8,000 in physical attendance for worship gatherings. The average in-person attendance of churches that participated was 899 people.

Thanks to a growing number of church leaders responding to the survey, we were able to include a summary of the data by church size again in this quarter's report. As you'll see in that table, there are several areas where there is a noticeable difference between small and large churches. Some examples include the use of multisite strategy, attendance-to-staff ratios, the age of the staff team and the staffing practices churches are leveraging to improve team health.

Read on for some key staffing and structure takeaways from the most recent assessment results.



Key Findings

Category	Results
Average Attendance Increase Over Last 12 Months	17%
Attendance to Full-Time Equivalent Staff	62:1
Staffing as a Percentage of Total Budget	54%
Completed Staffing Restructure Within Last Two Years	53%
Churches Actively Planning for Pastoral Succession	23%
Generation Most Represented on Staff Teams	Millennials

First, let's talk about current staffing challenges...

We heard you loud and clear. Staffing for healthy ministry is not easy right now.

As part of this quarter's staffing survey, we provided an opportunity for pastors and church leaders to share the specific challenges they were facing related to staffing and structure. We didn't provide any prompts. We just provided an open opportunity for you to share or, maybe more accurately, to vent.

And you didn't hold back. (Now that you got that off your chest, do you feel better?)

If I had to summarize the themes we heard in your responses, they would essentially fall into these key categories:

- **Financial Constraints:** Many leaders indicated their churches are dealing with significant financial challenges exacerbated by the high cost of housing in their areas. Budget restrictions and deficits further strain their ability to afford staff salaries, especially when compared to similar marketplace positions outside the church. With limited funds available, hiring necessary staff becomes a difficult task, made worse by the financial instability brought about by the impact of the pandemic and decreased attendance. Thus, church leaders find themselves in a delicate balancing act, trying to meet new staffing needs and take care of their existing team while staying within the confines of their available funds.
- **Finding Qualified Staff**: Hiring qualified personnel proves to be an uphill battle for churches. They are facing difficulty in locating capable and skilled candidates, particularly for roles targeting next-generation ministries like kids and students. Moreover, churches must compete with the open market for talented individuals, further shrinking the pool of available candidates. This scarcity is compounded by a limited number of experienced, qualified and trained applicants for open ministry positions, making the recruitment process even more challenging.
- Structure and Organizational Challenges: Churches are encountering various structural and organizational hurdles that create barriers to ministry impact. Unclear ministry lanes or lack of clarity around roles and responsibilities muddy the waters for some teams, while complex church governance structures add layers of complication. Transitioning to new ministry models or multisite structures presents additional challenges for churches, necessitating clarity around roles, responsibilities and reporting structures. Overstaffing in some areas and understaffing in others highlight the challenges that leaders are facing.
- Staffing for Growth and Change: Even churches experiencing growth are struggling with staffing as they attempt to plan for expansion and consider future needs. They are also finding it difficult to align their staffing structure with their ministry strategy and vision focus. Transitioning leadership roles, including succession planning for retiring staff members, presents challenges, too. However, developing a leadership pipeline for internal candidates to meet future needs is essential to support ministry growth and change.



• Cultural and Communication Issues: Many leaders shared that they are dealing with cultural and communication issues that impact staff unity and effectiveness. Maintaining a healthy culture throughout the staff is crucial, as is fostering a collaborative environment that avoids silos. It's no surprise that several leaders mentioned challenges with communication and ensuring alignment across all levels of the organization. Unfortunately, several responses indicated that teams are dealing with toxic or narcissistic leaders and negative staff dynamics, which negatively impact the church's mission.

Needless to say, shepherding and leading teams is not easy, even within the context of ministry. Any time people are involved, it's going to be a little messy.

What gets me excited about that list, though, is that these are all solvable problems. I have the great opportunity of helping churches navigate all of these issues on an almost daily basis. Because of that, I know...

- It's possible to create financial margin and prioritize resources where they will have the greatest Kingdom impact—that includes people resources.
- It's possible to raise up people who love Jesus, love your mission and want to help you engage your mission. It takes time and hard work, but it's possible.
- It's possible to bring organizational clarity and streamline decision-making so that the right leaders are in the right roles, helping you move your ministry priorities forward.
- It's possible to navigate the uncertainty of growth and change. It's amazing how much anxiety subsides when there's clarity about where the church is going and how it's going to get there.
- It's possible to love your team and love your mission. But it does begin with building a healthy culture. The good news is that YOU can help shape that healthy culture.
- I hope you find the church staffing trends in this report insightful and helpful as you consider how to move your church's mission forward! And if you sense something about your staffing and structure is not working, like the challenges we uncovered in this quarter's survey, I hope you will trust our wisdom and experience to help you and your team. Learn more about <u>how we help</u> <u>churches with staffing and structure</u>.



Tony Morgan Founder & Lead Strategist of The Unstuck Group

Staffing & Ministry Overview

	<200	200-499	500-999	1000+
Category				
Attendance Increase From Last Year	19%	20%	16%	18%
Multisite Churches	4%	8%	16%	56%
Attendees to Full-Time Equivalent Staff	51:1	59:1	61:1	75:1
Attendees to Volunteer Leader	14:1	16:1	18:1	19:1
Giving Increase From Last Year	5.4%	6.7%	8.7%	7%
Staff Budget Percentage	62%	58%	52%	52%
Staffing Turnover Rate	15%	12%	9%	12%
Percentage of Women on Staff	56%	50%	50%	49%
Percentage of Men on Staff	44%	50%	50%	51%

The average in-person attendance over the previous 12 months increased by 17%.

The average weekly attendance for the last 12 months increased from 767 people to 899. This is the total of all people, including children.

One in five churches surveyed is now multisite.

On average, those churches have three locations, including the original location. This, of course, is one area where there is a disparity between large and small churches, as should be expected. The data indicate that 56% of churches that average 1,000+ people in attendance are now multisite.

Staffing levels compared to attendance continue to be normalizing.

The average church employs one full-time equivalent (FTE) staff person for every 62 attendees. This number includes all ministry and support staff. This is one area where there's a significant distinction between small and large churches. Churches with fewer than 200 people in attendance employ one FTE for every 51 attendees. Large churches with more than 1,000 in attendance have one FTE for every 75 attendees. For comparison, The Unstuck Group recommends a benchmark of one FTE for every 75 people in attendance.

Churches have a span of care of one volunteer leader for every 19 people in attendance.

Leaders include adults and students who are serving in roles where they are responsible for leading a team or a group of other people (i.e., team leaders or group leaders). This is an area where smaller churches are healthier than larger churches right now. Smaller churches are more effectively empowering lay leaders over ministry teams and groups.



Insights from Joe Park, CEO of Horizons Stewardship

Churches of all sizes must thoughtfully invest their human and financial resources to produce their desired strategic outcome. Doing so is biblical and good stewardship. In Horizons' work with thousands of churches of all sizes and funding more than 10 billion dollars in support of local church ministries, we've found people who are active in a small group/Sunday school or who actively serve in a church ministry **give 3-4x** as much as those who only attend church once or twice per month.

The evidence is clear that churches of all sizes experiencing sustained health invest a higher percentage of their human and financial resources into **equipping** people to do ministry than churches plateaued or in decline. If you need more people to serve or more giving, look at your budget/ministry spending plan and answer these questions:

- What percentage is spent on overhead, such as debt, building expenses and other administrative costs?
- What percentage of your staff expenses is spent on administration, worship and other?
- What percentage is spent on equipping and mobilizing people to serve?

What area could you shift financial resources to that is most likely to yield the most fruit in terms of ministry health and financial sustainability?

Churches are investing more than half of their giving into ministry staff.

The average staff budget is 54% of the overall ministry budget. This includes the cost of all salaries and benefits. Consistent with the number of employees, larger churches are also investing a smaller proportion of their ministry budgets on staff. We recommend that churches try to keep staffing budgets between 45% and 55% of the overall budget.

The Unstuck Group does not collect salary information for individual employees. We recommend The Church Lawyers for expert guidance in establishing reasonable compensation policies and practices that comply with IRS rules and regulations. <u>Learn more here</u>.

Churches are experiencing less staff turnover compared to other organizations.

The current reported staff turnover rate for all churches in the last year is 12%. That's remarkably low compared to national trends. For context, according to the U.S. Bureau of Labor Statistics, the median tenure of employees is only four years.

"My dad had the same job for 24 years. My son has had four jobs in the last four years. That's the trend. The U.S. Bureau of Labor Statistics has confirmed that older workers stay in their jobs much longer than younger workers. As an example, the median tenure of people ages 55 to 64 was close to 10 years, which was more than three times longer than people ages 25 to 34. As churches hire more Millennial and Gen Z staff, we should be prepared for increasing turnover rates."

Tony Morgan

There are an equal number of women and men on church staff teams.

Of the surveyed churches, the staff was split 50% women and 50% men. There's a difference between small and large churches, though. Small churches have more women on staff, and large churches have slightly more men on staff.



Staffing Insights from Horizons Stewardship

Setting a benchmark for staff spending, like the 45-55% range recommended by The Unstuck Group, is a best practice. However, it's crucial to remember that this ratio is influenced by both staff spending and income. Too many churches approach managing staff spending only with a knife. Instead of solely focusing on reducing staff, investing the necessary energy in **growing generous disciples** is a better strategy. This approach builds momentum and funds growth, significantly increasing participation in small groups and serving, which fosters accelerated ministry impact. - Joe Park



Staffing by Ministry

	<200	200-499	500-999	1000+
Category				
Senior Leadership (Senior Pastors, Executive Pastors, etc.)	23%	23%	19%	11%
Next-Gen Ministries (Children's, Students, College, etc.)	19%	20%	22%	22%
Worship Arts (Music, Tech Arts, Media, etc.)	17%	16%	16%	17%
Adult Ministries (Groups, Connections, Care & Counseling, Missions, etc.)	7%	12%	12%	15%
Digital & Communications (Web, Communications, Database, Social Media, etc.)	8%	7%	7%	7%
Operations (Finance, Facilities, HR, IT, etc.)	18%	14%	14%	16%
Other	8%	8%	10%	11%

In the survey, we asked respondents to tell us how many staff positions they currently allocate to different ministries and roles. The table above reflects the responses we received with the data broken down by church size.

Using the data collected, we can determine that a typical church of 2,000 people will have 27 fulltime equivalent employees. The allocation for each ministry is:

- Senior Pastor, Executive Pastor + One Additional Senior Leader 3
- Next-Gen Ministries 6
- Worship Arts 4.5
- Adult Ministries 4
- Digital & Communications 2
- Operations 4.5
- Other 3



Larger churches tend to have a smaller percentage of people in senior leadership roles.

However, they have more staff in adult ministries, including staff for roles like small groups, connections, care ministries and missions. It's likely that senior leaders oversee most, if not all, of the adult ministries in smaller churches.

"This is interesting because many multisite campuses, which often begin as smaller churches, can tend to launch overstaffed. That's partly because they are taking into account the central staff roles that will support all campuses and because they tend to overstaff in adult ministry areas. These are areas that Senior Pastors oversee in smaller churches. Likewise, campus pastors should be handling these ministries in smaller multisite campuses."

Tony Morgan

Larger churches tend to invest more staffing resources in next-generation ministries.

This is consistent with previous research from the Unstuck health assessment, which indicated there's a strong correlation between the strength of a church's children's ministry and its ability to reach more new people.

The investment of staffing resources in digital and communications roles is just about the same for churches of every size.

It will be interesting to see if these amounts shift over time as churches discover that online engagement is part of the "front door" strategy that helps churches connect with new people.

Staffing by Generation

	<200	200-499	500-999	1000+
Category				
Boomers (60 or older)	26%	22%	24%	14%
Gen X (44-59)	33%	32%	31%	28%
Millennials (28-43)	32%	35%	33%	40%
Gen Z (27 or younger)	9%	11%	13%	18%
Average Age of Senior Pastor	49	49	51	51

In the survey, we also asked respondents how many staff positions they have in each generation. The table above reflects the responses we received with the data broken down by church size.

It's interesting to compare these percentages to the U.S. population as a whole. This is roughly the U.S. working-age population by generation:

- Boomers of working age (60-67) 14%
- Gen X (44-59) 31%
- Millennials (28-43) 35%
- Gen Z adults (18-27) 21%

The Boomers remain the generation most overrepresented on church staff teams.

This is more true for smaller churches with fewer than 200 people in attendance. Small churches have almost twice as many Boomers on staff than large churches with more than 1,000 people.

Gen Z adults are the generation most underrepresented on church staff teams.

Again, this is most pronounced with small churches, which tend to have less than half of the number of Gen Z staff that we would expect to see based on the makeup of the U.S. population. Large churches with more than 1,000 people, on the other hand, employ twice as many young adults.

The average age of Senior Pastors across all churches is 50.

The average pastor is on the younger end of the Gen X generation.

"It's encouraging to see that larger churches are hiring staff that are representative of the general working-age population of the country. There's a healthy diversity of generations on large staff teams. Small churches, on the other hand, appear to have aging staff teams. We know from our experience that it's difficult to reach younger adults if you don't have younger staff shaping ministry strategy and environments."

Tony Morgan



Staffing Practices

	<200	200-499	500-999	1000+
Category				
Actively Planning for Pastoral Succession	21%	20%	27%	26%
Staff Restructuring Involving Multiple Positions Within the Last Two Years	50%	45%	50%	68%
Written Values or Behaviors To Shape Team Culture	58%	70%	90%	89%
Defined Onboarding Process for New Staff	40%	52%	77%	87%
Defined Staff/Leadership Development Strategy for Staff	40%	38%	55%	65%
Evaluation Process To Encourage Improvement, Clarify Wins, etc.	56%	69%	77%	82%
Senior Pastor Empowered To Hire and Fire All Staff Without Board Approval	29%	46%	51%	61%

When the Unstuck team helps churches with staffing and structure, we also provide coaching and additional resources on staffing best practices, including succession planning, team culture and empowering the pastors and staff leaders to lead strong. The categories in the table above reflect the themes we commonly engage with the churches we serve.

About one in four churches is actively planning for pastoral succession.

That suggests there will likely be more opportunities for Gen X and Millennial leaders to step into pastoral leadership in the coming months.

More than half of churches have been through a staff restructuring within the last two years.

These were organizational redesigns that involved multiple staff positions. Interestingly, about one in eight churches indicated they've never been through a staff restructuring.

"If you are a growing church of more than 1,000 people, restructuring your staff team will likely become necessary every 18 to 24 months. You can see in the data above that nearly seven out of 10 large churches have gone through a restructuring in the last 24 months. That's normal. If you're thinking, 'We need a structure change, but we just did that a few years ago,' don't let that hold you back. Healthy large churches know that that structure needs to adjust to the changing strategies and priorities of your ministry."

Tony Morgan

More than three-quarters of churches have developed written values or behaviors to shape team culture.

That includes nearly nine of 10 large churches with more than 1,000 in attendance. Clarifying culture in writing helps to lay the foundation for modeling, coaching, hiring around culture and, where necessary, removing people from the team.

Most churches have a defined onboarding process for new staff.

Nearly two-thirds of churches indicated they have an intentional strategy to help new employees join the team.

Half of churches have a defined staff and/or leadership development strategy for staff.

Larger churches with more than 500 people in attendance were more likely to have a strategy in place for the ongoing development of staff.

Nearly three-quarters of churches have an evaluation process for staff.

That evaluation process is used to encourage improvement, clarify wins and provide coaching for underperformance when needed.

About half of Senior Pastors are empowered to hire and fire all staff without board approval.

This practice helps to position Senior Pastors and their other staff leaders to have full accountability for the health and performance of the team. Senior Pastors of large churches with 1,000 or more in attendance are more than twice as likely to have that authority compared to pastors of small churches with fewer than 200 attendees.



Staffing Insights from Horizons Stewardship

Consider how the insights gleaned from the survey data can inform how you navigate staffing structures, capitalize on opportunities and foster a thriving and purposeful community.

Here are some strategic next actions to consider, especially as it relates to funding ministry:

- Create a staffing model focused on what is needed to bring God's vision to life in your church. This may require changes, redeployment or retraining. Set goals and monitor outcomes (results), not just input (time, effort and money) or throughput (activities). Plan in advance how you will adjust staffing as attendance, participation and giving change.
- Develop strategies to align and equip staff to focus on empowering, training, supporting and evaluating volunteer leaders.
- Implement initiatives to reduce staff turnover rates, focusing on fostering a positive work culture, professional development opportunities and competitive compensation packages.
- Ask for help when you need it. Too many leaders burn out and frustrate themselves or others on their team simply because they do not ask for the expert help they need in specialty areas like financial sustainability and organizational restructuring.

Summary by Church Size

	<200	200-499	500-999	1000+
Church Demographics				
Attendance Increase from Last Year	19%	20%	16%	18%
Multisite Churches	4%	8%	16%	56%
Attendees Per Full-Time Equivalent Staff Person	51	59	61	75
Attendees Per Volunteer Leader	14	16	18	19
Giving Increase from Last Year	5.4%	6.7%	8.7%	7.0%
Staff Budget Percentage	62%	58%	52%	52%
Staffing Turnover Rate	15%	12%	9%	12%
Percentage of Women on Staff	56%	50%	50%	49%
Percentage of Men on Staff	44%	50%	50%	51%
Churches Using Contractors or Outsourced Services	54%	63%	78%	80%
Average Monthly Amount Spent on Contractors	\$2,441	\$4,779	\$4,405	\$12,751
Staffing by Ministry				
Senior Leadership (Senior Pastors, Executive Pastors, etc.)	23%	23%	19%	11%
Next Gen Ministries (Children's Ministry, Student Ministry, College, etc.)	19%	20%	22%	22%
Worship Arts (Music, Tech Arts, Media, etc.)	17%	16%	16%	17%
Adult Ministries (Groups, Connections, Care & Counseling, Missions, etc.)	7%	12%	12%	15%
Digital & Communications (Web, Social Media, Communications, Database, etc.)	8%	7%	7%	7%
Operations (Finance, Facilities, HR, IT, etc.)	18%	14%	14%	16%
Other	8%	8%	10%	11%

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Average Age of Senior Pastor	49	49	51	51
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Staffing Practices				
Actively Planning for Pastoral Succession	21%	20%	27%	26%
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Senior Pastor Empowered to Hire and Fire All Staff Without Board Approval	29%	46%	51%	61%

For more information related to this survey and the summary of the learnings, contact:

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ABOUT THE UNSTUCK GROUP

The Unstuck Group helps pastors grow healthy churches by guiding them through experiences to align vision, strategy, team and action. Our core services include ministry health assessments, strategic planning, staffing and structure reviews and multisite and merger planning. Learn more by visiting <u>theunstuckgroup.com</u>.

ABOUT HORIZONS STEWARDSHIP

Horizons Stewardship utilizes a collaborative and integrated ministry framework designed to fit each organization's unique culture and support church and faith-based nonprofit leaders in their mission to grow disciples and fund ministry through coaching, planning, technology, and analytics.

Horizons has over three decades of experience and has developed a spiritually focused approach that consistently yields more funding for ministry and more effective disciple-making strategies. With the support of seasoned ministry strategists, proven generosity guides, and ICF-trained coaches, ministries that partner with Horizons experience, on average, a double-digit increase in giving within the first year.

Interested in learning more? Click here.

