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The Rev. David Jones retires May 1 as rector of Calvary Episcopal Church in Santa Cruz. He and his wife bought a house upon arriving in 1981, but a new rector will be in a tough position to do the same.

Housing - 2000

Churches challenged to house clergy

By David L. Beck
Mercury News

God, they say, will provide. But in a housing market like this, parishioners had better be prepared to kick in, too, when it's time to hire a new rector.

"I mean, salary's one thing," said the Rev. David Jones, who retires May 1 as rector of Calvary Episcopal Church in Santa Cruz. "But if you get down to the economics of what it's going to take to house someone here, unless they come in with some equity, there's going to be a problem."

Jones, 55, came to Calvary in 1981 from Hollister, where he had served a parish for six years. He and his wife, Martha, had owned a house there, and their equity in it enabled them to buy a house on the hill below the University of California-Santa Cruz.

He makes \$60,000 a year, of which \$22,000 is a housing allowance. A similar arrangement with a new rector would put that person in a tough position. An online mortgage calculator suggests that a buyer with an income of \$60,000 and a

RELIGION AND INCOME

Despite rises in salary, clergy members also are feeling the crunch of high housing costs. Here are a few salaries.

The Rev. David Jones, of Calvary Episcopal Church in Santa Cruz, makes \$60,000 a year, of which \$22,000 is a housing allowance.

Temple Beth El in Aptos, a Reform Jewish congregation, is offering a salary between \$80,000 and \$90,000 for a rabbi's assistant.

Missouri Synod Lutherans suggest a midrange guideline of about \$51,000 (salary and housing) for a new seminary graduate up to \$92,000 for a 20-year veteran with post-graduate education units.

little bit of savings — say, \$10,000 for down payment and closing costs — would qualify for a loan of \$152,000 on a house priced at about \$157,500. The median home price in Santa Cruz was \$479,000 in December.

"The process" of finding a new rector "is awful," said Bishop Richard Shimpf-

ky, "and the economics are worse." Shimpfky heads the Diocese of El Camino Real, whose jurisdiction runs from San Mateo to San Luis Obispo counties. "It is a major problem for the church."

Other denominations struggle as well.

Temple Beth El in Aptos, a Reform Jewish congregation of 525 member families, is looking for an assistant for Rabbi Richard Litvak. It tries to be competitive with other congregations that are also wooing rabbinical school graduates, but, said Beth El Executive Director Vincent Goglia: "It's not easy."

Despite a salary he says is between \$80,000 and \$90,000, which includes what he calls "a parsonage segment," or a place to live provided by a church for its clergy, "it still is a problem to make a match with someone who is in competition across the country for positions."

He says the congregation will bring all of its resources to bear on the problem; that includes asking members in the real estate business or who own rental prop-

CHURCHES | Housing clergy a challenge

Continued from Page 1B

erty for help.

Among Missouri Synod Lutherans, it's up to the congregation "to determine whether they would have a parsonage or provide a housing fund," said the Rev. Dennis Bestul, pastor of the Church of Our Savior in Cupertino. He knows of none in the San Jose area that provide parsonages, however.

"When a pastor comes in, as you well know, there's no way he's going to come in with a down payment," said Bestul, so many congregations provide down payments from a housing fund. They share equity with the pastor, and when he leaves, "that translates into a fund for the next pastor."

The district, which in the case of the Missouri Synod encompasses most of California, provides salary guidelines, but the individual congregations "can totally disregard them" if they choose. The district's suggested mid-range guidelines run from about \$51,000 (salary and housing) for a new seminary graduate up to \$92,000 for a 20-year veteran with post-graduate education units.

The vanishing rectory

There was a time when the Episcopal Church rector and his family lived in a house owned by the parish, usually on the grounds of the church. It was called the rectory — a term more commonly encountered these days in the pages of Agatha Christie novels than in the

real lives of Episcopal clergy.

Some denominations still maintain the tradition of housing their clergy — most obviously the Roman Catholic Church, because its priests are sworn to poverty.

Calvary, a handsome redwood

"I mean, salary's one thing. But... unless they come in with some equity, there's going to be a problem."

— THE REV. DAVID JONES,
RECTOR OF CALVARY EPISCOPAL CHURCH IN SANTA CRUZ

structure in downtown Santa Cruz, dates from 1864. It also had a rectory once upon a time. Long neglected, it was razed in 1963.

That was at the beginning of a period when the Episcopal Church was encouraging its parishes to sell, not acquire, homes. There were several reasons for this. One, said Jones, was to avoid putting substantial sums into long-delayed maintenance. Another was to allow Episcopal priests to build up equity in homes of their own.

"And also," said the bishop, "the rectors didn't necessarily like living next to the church. So they sold all the houses and didn't buy a house somewhere else." Today, said Jones, "I would guess that less than a dozen out of 40 parishes" in the diocese have their own housing.

One that does is All Saints in Carmel. It was part of a larger property the parish bought for expansion in 1960, and by good luck was left unchanged.

"The part that the rectory is on wasn't initially developed — or it would have become Sunday school rooms," said the Rev. Carl Hansen, rector of All Saints.

By the time the parish decided to do something with it, he said, the zoning laws had changed and it had to remain a residence.

The rector of an Episcopal church functions as the president of the corporation, and the process of replacing one isn't much different than replacing a business executive.

The diocese sets a minimum salary for the rector of a parish; anything beyond that is negotiable.

Joint agreement

When the Rev. Kevin Phillips joined St. Timothy's eight years ago in Mountain View, "I made it a condition of employment that the church enter into a housing agreement with me," he said. "So we each bought half a house."

Phillips, 40, came from Lexington, Ky., where he and his wife sold a 2,600-square-foot house on a golf course for \$135,000. In Mountain View, they bought a smaller house for almost three times that amount. St. Timothy's deal with Phillips gives the parish a half-interest in the appreciation of the house, whenever it's sold.

The two parishes, St. Timothy's and Calvary, are approximately the

same size, whether measured by the number of people at services on a typical Sunday, or the number of families who pledge annual donations. Including a housing allowance, Phillips' salary last year was \$85,000.

All Saints' Hansen makes \$60,000, in addition to the rectory he now occupies. When he came to the parish 13 years ago, he said, his family was too numerous for the rectory, and the parish, which had money from an earlier home sale set aside as a housing fund, lent Hansen money for a down payment.

Higher salaries plus housing benefits also help pastors build up equity against the day of retirement.

"The pension fund is estimated to maintain about 60 percent of your salary, which is very good by pension standards," Hansen said. "So with that and Social Security and anything else," a retired rector can make do. "But in terms of housing, you're going to be paying rent, wherever you are. And there isn't a place where old rectors go to die."

"It all depends on the generosity of parishioners," said Hansen. And St. Timothy's Phillips puts it more bluntly:

"There's no reason why a church of 300 to 400 people can't come up with enough money to buy half a house," he said. "Unless they're selfish and greedy."

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