Why Retirement May Not Be the Best Option for Pastors

The other day I walked into a Walmart to make my quick purchase. Shopping is not my favorite thing to do. There was an elderly man standing at the door greeting me as I entered the store. I thanked him for his greeting and asked him if he was trained by Walmart to perform this service because he was good at it.

He said something that shocked me.

This gentleman said, “As a pastor for 30 years, I used to stand at the door of my church to greet people, then say ‘See you next week,’ as they were leaving church each Sunday.” Then he told me he had retired and was not able to meet his financial obligations without this job.

I thanked him for his friendliness. As I walked away, my mind was filled with questions about why he had to stand on his feet for eight hours a day in his late 70s to earn enough money to meet his basic needs. This man had served his church for 30 years, and when he retired there was no monthly retirement check from his church, 401K or IRA. I was not sure if he even had a Social Security check or not, as so many pastors cancel their contributions to Social Security early in their ministry in order to pay their monthly living expenses.

Before pastoring, my wife and I owned a small business. At the age of 48 I was called into the ministry and became a pastor in Scottsdale, Arizona. Thankfully, when I retired, my board set up a retirement plan for my wife and I. With Social Security, real estate investments and a small pension check from a bank I worked at, we are financially comfortable.

I am not saying this to impress you; it is just the opposite. For pastors, preparing for retirement requires a joint plan with the church they work for and the pastor individually. There are multiple reasons why pastors across America are not financially prepared to retire. Please seek professional advice on some of my suggestions.

First, the primary responsibility to prepare for retirement must be with the pastor. Everyone must plan for their future financial needs. Whether you pastor a church or not, you are responsible to put together a financial plan that includes covering your basic retirement needs. However, this does not remove the responsibility of our church boards or elders and congregants to provide for their church pastors.

This will be a two-part series in order to help pastors meet their retirement needs. Following is a list of items that must be addressed directly by the pastor.

If possible, never discontinue your Social Security payments during your years of pastoring—even if you need to get some type of part-time work outside of your pastoral income in order to keep your Social Security payments up to date. This is crucial due to the monthly check you will receive after you are qualified to receive payments and the benefits of Medicare. More on this in my next *Charisma* article.

Avoid taking church provided housing. (Further discussed in the second part of this article.)

If possible, try to purchase a second home you can rent out. (Further discussed in the second part of this article.)

Establish a savings program. Every month tithe to the Lord. Then every month tithe to yourself.

Take advantage of your housing allowance deduction on your tax return. (Further discussed in the second part of this article.)

This requires a plan with the pastor, board or elders and congregation. The Bible tells us in 1 Timothy 5:17a (TLB): “Pastors who do their work well should be paid well and should be highly appreciated.”

Until next time: May the Lord bless you and keep you. May He shine His face upon you and be gracious unto you, and may He give you peace and prosperity.

Additional information on your finances can be found in my latest book, titled *Experience the Joy of Debt-Free Living*. It can be purchased through my website or Amazon Books. And listen to *Quality Christian Living* on the Charisma Podcast Network here. {eoa}

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