

# BUCKINGHAM

## REPORT

AN IN-DEPTH CRITIQUE OF THE ISSUES, PEOPLE & EVENTS AFFECTING TODAY'S CHRISTIAN LEADERS

### PTL UPDATE

In the last issue of the *Buckingham Report* I reported on the scandal at PTL. I was trying, at that time, to get answers to a lot of questions. I was able to piece together a credible story, but the biggest section was titled "Unanswered Questions."

I now have answers to those questions—along with a lot of other information that makes me sick. In the June *Charisma*—in the cover story as well as in my column—I examined the spiritual principles of the scandal. Too much has been written—and said—already. But I do owe it to you to answer the questions I left unanswered in the last issue—and then move on to other things.

1. Jimmy Swaggart never intended to "take over" PTL. That charge was first made by Jerry Falwell's lawyer, Roy Grutman. Last fall Swaggart confronted Richard Dortch about Bakker's immorality. Dortch left Baton Rouge convinced Swaggart intended to use his influence with the Assemblies of God to destroy PTL. When Falwell's people, who had gotten wind of Bakker's immorality, visited Bakker in March, someone planted the seed—either Dortch or Falwell—that Swaggart was going to take over PTL. Only Falwell, Bakker was told, could save it. Less than a week after the Falwell visit, I was with Jim Bakker. He told me Falwell, Grutman and Dortch had persuaded him that Swaggart was plotting a hostile takeover. Bakker went on the air, insinuating such a takeover—but naming no one. Three days later Grutman—Falwell's mouthpiece—publicly accused Swaggart.

I am now convinced Falwell used Swaggart as a red herring to shift the attention to Baton Rouge—while the real takeover was being accomplished by Falwell.

2. I asked how the legal charges sent by Paul Roper, who represented Jessica Hahn, got out of Richard Dortch's briefcase. Dortch told me the documents were stolen by his former aide at PTL. These charges then wound up at the *Charlotte Observer* and somehow got into the

hands of John Ankerberg. Ankerberg tried to enlist Swaggart to force Bakker out. Swaggart refused. He said he had tried earlier to no avail. He predicted the Assemblies of God—who also had the documents as well as other accusations—and the *Charlotte Observer*

would handle it. Falwell, however, grabbed the opportunity, enlisted Dortch and went to Bakker.

3. Yes, it was PTL money which was used to pay Paul Roper who was representing Jessica Hahn. The money was run through businessman Roe Messner, to whom PTL was in debt, but it was immediately added to Messner's next bill. Roper got most of the initial money. Roper (and Miss Hahn) were asking for \$12 million. PTL's attorneys ruled the transaction was legal since the threatened lawsuit was against PTL and they were doing what most big corporations do—settling out of court.

4. When James Watt, the final charismatic on the new PTL board, resigned, Falwell's men released a statement saying Watt resigned out of loyalty to Richard Dortch. Not so. Watt told me he resigned because he could not stomach the lies and shoddy ethics being used by the new board. Watt said the practices of the Falwell board "violated my conscience, my personal integrity and my concepts of management." Part of his disenchantment with Falwell's methods came when he discovered that two days before the board meeting in Charlotte where Dortch and Bakker were fired, the non-charismatic members of the board had met in Lynchburg to plan the agenda. Watt, Dortch and Humbard—the charismatics—were not invited or notified.

No one knows the final outcome of this sorry mess. As we go to press there are all sorts of rumors concerning Jim Bakker's future. Jerry Falwell has stated Bakker is not "fit for the ministry." By his standard neither was David—or Solomon. On the other hand, I hope no one



DRAWING BY BRUCE STARK

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steps forward and tries prematurely to reinstate Jim Bakker into ministry. God should do that, not man.

## HOW NEVER TO FALL BEHIND

Do you stay behind? Behind in returning calls? Fulfilling promises? Reading? Praying?

According to Mark McCormack, author of *What They Don't Teach You at Harvard Business School*, the well-organized executive (pastor) should never have to catch up.

McCormack practices what he preaches to his International Management Group. The heart of his system is the packet of 3" x 5" index cards he carries in his jacket. He makes constant notes in tiny script. He then copies these notes onto legal pads divided down the middle under the categories of "People to Call" and "To Do." He dates the pages on the pad several months in the future. When someone asks him to call next Thursday at 10:30 a.m., he goes to the sheet for that day and puts the name and number about one third of the way down under "People to Call."

McCormack likes to remember Alexander the Great who said the secret of his accomplishing so much was never to put off anything until tomorrow.

That's the reason McCormack is never behind. "If you start to fall behind," he tells the busy executive, "don't eliminate anything." You'll just have to do it tomorrow. Pick up the pace a bit and you'll catch up. He stresses you should write down everything you intend to do, then forget it until it turns up on your pad on the appropriate day and time.

McCormack logs 250,000 miles each year and owns eight homes in places like Fiji, London and Maui. He manages 15 offices around the world and practices "management by phoning around."

"A well-timed phone call can be a great management tool," he said, "forcing people to act, to get answers they've been avoiding or simply to learn they are not forgotten."

## LEAVING EGO BEHIND

Remember last year when that galaxy of musical legends assembled to record the song, "We Are the World," to raise money for the starving people of Africa? The organizer and popular musician Lionel Richie posted a sign near the studio entrance saying, "Check your ego at the door." That's a tough requirement

for a group like that. Every artist was a star. For years, each had been competing with all the others for recognition. Everything they did was based on ego—until that song, and that cause, came along.

In this case, the success of the song depended on cooperation—not competition. Not all had solos, even though all were soloists. Ego, however, would have ruined the production.

To the immense credit of all involved, cooperation was foremost.

The lesson to Christian leaders is unmistakable: the most successful churches and Christian programs are spearheaded by leaders who are committed—to the point of obsession—to a purpose made possible through shared effort. The true leader NEVER demands the spotlight. He never insists on top billing. He leads by serving, by being part of a team. The ego is present, of course, but it is channeled into genuine regard for the ministry and the others involved in the ministerial team.

## DEFUSING THE BOMB

In his 1964 book, *Why We Can't Wait* (Harper & Row), Martin Luther King talked about his frustration over the failure of the church of America to "come to the aid of justice." He had a provocative insight into this when he wrote: "Individuals may see the moral light and voluntarily give up their unjust posture, but...groups tend to be more immoral than individuals."

That may explain why so many well-meaning people are so weak in the aggregate.

Church membership (or group membership of any kind) meets some people's psychological needs for acceptance and security. Disagreeing with the group can jeopardize that security. When a church has a strong, outspoken and positive leader who is promoting a vision, it is even harder to express one's own values or reservations. Others may feel their objection is a "discouraging word" or a "negative report," or it has even been seen as speaking against an elder. Some might view it as betraying a friend. Sometimes the leader is defensive, quashing disagreement. Self-doubt keeps others quiet; if everyone else is going along, maybe they're right.

But failure to speak out in a group does not mean the feelings are not there. More often than not, these repressed ideals will then come to the surface after the meeting is over—in some kind of highly destructive gossip or grumbling session in a small group or in a one-on-one gripe encounter. Expression of ideals in a



group—even if those opinions run counter to the leadership—is always better than having people leave the meeting with their fuse still sputtering. Group objections are much easier to handle—unless the group leader is so threatened he cannot handle contrary opinions—than having some frustrated member leave the meeting and plant a bomb in private.

To help people overcome understandable urges to keep silent, a leader can:

1. Draw out contrary expression by stating his own doubts and reservations—then follow with an explicit discussion of the rights and wrongs of a project.
2. Meet with "problem people" individually to talk about doubts they were afraid to bring up in front of the group.
3. Explore his own vision by bouncing his ideas off a friend, spouse or—best yet—his elders.

### HOW MUCH ARE YOU WORTH?

In April, jolted by the PTL scandal and, in particular, the revelation that Jim and Tammy Bakker were paid \$1.6 million in salaries and bonuses in 1986, *USA Today* polled several top evangelists concerning their salaries.

Richard Dortch received \$130,000—plus bonuses of \$220,000.

Billy Graham makes \$74,500—with no extras.

Pat Robertson makes \$60,000 and donates it to CBN. He pays bills with book royalties and speech fees. CBN University owns his house and car.

Robert Schuller makes \$80,000.

James Robison gets \$60,000 and a \$24,000 allowance for housing and utilities.

Jerry Falwell told the paper he makes \$100,000.

Jimmy Swaggart and Oral Roberts, who were also quizzed by *USA Today*, kept their mouths shut.

But the figures are meaningless.

For one, it was later determined that the Bakkers actually made \$1.9 million in 1986. Besides, they had at their disposal two PTL-provided Mercedes Benzes, two resort houses and unlimited expense accounts. Yet while many of us go "tch, tch" when told of the Bakkers' extravagances, salaries are relative—and a large portion of that received from most ministries remains hidden.

There's nothing wrong with hidden benefits. We all have them. The sin comes when a leader lies to his people by pretending they're not there.

### E.C.F.A.

A number of people have started calling for everyone to join a group called Evangelical Council for Financial Accountability—saying this would keep everyone honest. But that is poppycock! The ECFA has neither the ability nor the authority to police or even investigate. It does have a set of standards and a "givers' guide," but has no way to check on what is going on in any of the organizations which belong. Remember: PTL belonged until last year.

The question is not what Jim Bakker, Billy Graham or Jimmy Swaggart pockets each year from their ministries. The question is you. Are you making what you are worth?

Information on what other ministers make is one of the last closely guarded secrets in the kingdom. Yet, tantalizing as it may be to know what others earn, it can be discomfiting to learn how people measure up. When a Michigan State professor copied all his colleagues' salaries out of the state budget and distributed them to his co-workers not long ago, pandemonium ensued.

Years ago, most churches reported all salaries and perks in the annual budget. Very few do that now. If they are reported, the figures are so disguised no one can even guess how much anyone makes.

There is value in this. Salary comparisons cause instant jealousy. Several churches I know have a policy that revelation of salary by staff persons is grounds for dismissal.

To learn that the pastor of a wealthy church in Houston earns \$150,000 a year, plus allowances, devastates many pastors who are equally dedicated but will never earn more than \$18,000 with no allowances.

And women fare worse than men. I did a personal survey last year of women in staff positions. I discovered that a woman serving as a youth director was paid approximately 45 percent less than a man serving in a church the same size and wealth.

How much do you need? The answer remains the same, "More."

When I first entered the ministry 30 years ago, the rule of thumb was if a pastor was paid \$300 for every birthday, he was among the blessed. My first church, when I was 28 years old, paid me exactly half that amount. Yet I felt blessed. They didn't know it, but if I'd had the money I would have paid them for the privilege of being their pastor. Last year I made almost 20 times what I made in my first church—although most of it came from tent-making—not from my church. I am still blessed.

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How do you stack up with salaries in the world? These are figures released by *Forbes* magazine.

Joan Rivers, who was Johnny Carson's sidekick before she split and started her own late-night raunch-and-ridiculous show (which was recently canned) had a contract calling for her to make \$10 million over three years.

Lee Iacocca, CEO of Chrysler, earned almost \$1 million a month in 1986, and that doesn't count what he made from speaking engagements or investments.

T. Boone Pickens, CEO of Mesa Petroleum, reported \$8,431,000.

The CEO at Rockwell International earned \$3,636,000.

The president of Merrill Lynch pulled in \$1,301,000.

Green Bay Packers' receiver James Lofton's base salary was \$835,000.

Basketball player Patrick Ewing had a base salary of \$750,000.

A scriptwriter for the TV show "Hill Street Blues" makes \$250,000.

A Pan Am 747 captain with 15 years' experience earns \$125,000.

U.S. Senator Mark Hatfield was paid \$75,100.

The city manager of Wichita Falls, Texas, earns \$70,000.

The chairman of the Joint Chiefs of Staff made \$68,699.

Add to that list the salary of a Wycliffe Bible Translator in Toga, West Africa. Last year he received \$15,717.18 in faith pledges. Out of that he paid his transportation to and from the field.

Several months before the PTL salary scandal appeared in the news, I surveyed 30 pastors around the nation, asking them a number of questions about their salaries, staff salaries and church financial procedure. I promised total anonymity. I asked them not to give me their name, the name of their church or the city in which they live. I knew this was the only way I could receive honest information.

Of the 18 who answered, churches averaged in attendance from a North Carolina church with an average attendance of 500 to a California church which runs 6,000 in attendance. Pastors' salaries and allowances ranged from a base salary of \$25,000 with a \$6,000 allowance to a Midwest pastor who draws a flat \$80,000 with no allowances, to a denominational pastor in New England who draws a salary of \$53,800 plus \$46,900 in allowances. In the case of the latter, the pastor has an extensive traveling ministry which the church feels they should support. That particular church, by the way, pays the pastor "80 percent of comparable position in the community, which has a high cost of living."

Here are the results of my survey. Figures do not include money or staff of the church day school. City size is in millions. The church car is furnished to the pastor. Pastor 4 has a car fur-

Summary of Surveyed Churches

| Church Region | City Size | Average Attendance | Church Income | Pastor's Salary/Allowances | Car? | No. on Staff Full/Part-time | Total Salaries |
|---------------|-----------|--------------------|---------------|----------------------------|------|-----------------------------|----------------|
| 1. SW         | 3.5 mill  | 725                | \$780,000     | 45,000/30,000              | yes  | 8 6                         | --             |
| 2. NW         | 1 mill    | 2,500              | 2.8 mill      | 25,700/6,000               | yes  | 36 15                       | \$1.337        |
| 3. SE         | 1 mill    | 5,000              | 8.2 mill      | 71,400/57,000              | yes  | 127 172                     | 2.207          |
| 4. SW         | 3 mill    | 5,000              | 7 mill        | 67,200/12,000              | yes  | 87 20                       | 2.452          |
| 5. SE         | 50,000    | 750                | 637,000       | 59,000/2,000               | yes  | 11 2                        | .234           |
| 6. So.        | 600,000   | 1,800              | 3 mill        | 44,000/63,900              | no   | 23 5                        | .781           |
| 7. Cen.       | 2 mill    | 2,500              | 4 mill        | 80,000/--                  | yes  | 31 6                        | .565           |
| 8. NE         | 40,000    | 1,200              | 1.5 mill      | 53,800/46,900              | yes  | 10 6                        | .436           |
| 9. SE         | 70,000    | 500                | 410,000       | 39,000/6,000               | yes  | 7 1                         | .179           |
| 10. SE        | 50,000    | 1,300              | 1.2 mill      | 45,000/--                  | yes  | 17 6                        | --             |
| 11. SE        | 2 mill    | 5,000              | 4.1 mill      | 37,400/13,000              | yes  | 84 30                       | 1.75           |
| 12. NW        | 2 mill    | 2,200              | 961,000       | 46,500/3,600               | yes  | 23 12                       | --             |
| 13. Cen.      | 1.5 mill  | 3,500              | 2.5 mill      | 48,500/5,000               | no   | 20 --                       | --             |
| 14. Cen.      | 100,000   | 1,200              | 1.7 mill      | 51,300/21,200              | yes  | 17 4                        | .376           |
| 15. E         | 400,000   | 770                | 1 mill        | 46,000/3,100               | yes  | 8 3                         | .256           |
| 16. SE        | 50,000    | 900                | 1.6 mill      | 37,800/--                  | yes  | 30 50                       | .778           |
| 17. NW        | 1 mill    | 1,800              | 800,000       | 34,000/--                  | no   | 15 4                        | .340           |
| 18. SE        | 2 mill    | 5,300              | 6.1 mill      | 74,800/8,000               | no   | 65 60                       | 1.79           |



nished by a dealer in the church. At least one pastor drives a Jaguar given him by the church for his anniversary. (Sigh!)

### Analysis

Of the churches interviewed, Numbers 2, 5, 10, 11, 13, 14 and 15 were independent. The rest belonged to established denominations.

Four of the churches gave monthly financial reports to the church, two did this quarterly, two did it biannually and five gave annual reports. One church gave a monthly report to the board and annually to the congregation, although the monthly report was available on request. Three churches gave no regular report, but statements were available on request. One church reported only to the church council on a monthly basis.

Salary figures are held close to the chest. In all but two churches, these were known only by the elders, deacons, vestry or some official board. Two churches said they released salary figures to "anyone who requests."

None of the churches released specific salary figures. Two of the churches released salary figures "by category" only. Only in churches 9 and 16 were other staff members privy to each other's salaries.

Of the churches interviewed, nine said they did not have any wealthy people who gave large amounts on a regular basis. Of the eight who said they did have such people, only one church reported that person exerted inordinate control because of his (her) giving.

Ten of the churches have no limits on the number of conferences the pastor attends. Church 15 has no limits, but the church pays for only two. The rest of the pastors set self-restrictions or are limited by the board. The smaller churches are much more restrictive than the larger churches who give their pastor more freedom.

Most of the churches allowed the pastor to determine if his wife should accompany him on expense-paid trips and conferences. One church said the elders reviewed each trip individually. Another said a budget must be submitted in advance and expenses documented by receipts. One church allowed the pastor's wife to accompany him on two trips per year.

All churches pay for the pastor to attend conferences in the states and for mission trips overseas. Pastor 1 was the exception. He said he had never been overseas.

### Staff Salaries

When it came to other staff members, the range was as varied as it was with the pastors. Following the same numbering as used earlier, here are the salaries and allowances paid by these churches to staff members.

A number of churches employ specialized personnel besides the ones listed. Church 1 pays a ministries' coordinator \$25,000. Church 4 has a finance director at \$48,000. Church 6, an outreach administrator at \$45,200. Church 13 has a singles' minister at \$25,000. Church 16, a communication director at \$28,400.

### Associates' Salaries

| Church | Assoc. #1 | SS Supt. | Administrator | Music  | Youth  | Education |
|--------|-----------|----------|---------------|--------|--------|-----------|
| 1.     | --        | 20,000   | 30,000        | 21,000 | 7,200  | 11,000    |
| 2.     | 22,020    | 20,184   | 23,000        | 20,200 | 20,184 | 23,000    |
| 3.     | 66,110    | 35,594   | 54,200        | 32,000 | 21,780 | 47,400    |
| 4.     | 46,500    | --       | 58,000        | 33,000 | 39,600 | 26,400    |
| 5.     | 47,000    | 21,000   | 14,600        | --     | 21,700 | --        |
| 6.     | 64,420    | 25,300   | 49,600        | 50,600 | 45,200 | 60,900    |
| 7.     | 45,000    | 26,000   | 39,000        | 36,000 | 34,000 | 42,000    |
| 8.     | 37,700    | --       | --            | 35,000 | 10,400 | 42,500    |
| 9.     | --        | --       | 37,900        | 36,400 | 16,000 | ch adm    |
| 10.    | --        | --       | 40,000        | ch adm | 23,400 | 32,500    |
| 11.    | 29,900    | 35,000   | 33,000        | 26,000 | 29,900 | 29,900    |
| 12.    | 45,360    | --       | 36,300        | 27,900 | 38,200 | 17,400    |
| 13.    | 35,500    | 33,000   | 33,500        | 28,000 | 26,000 | 29,000    |
| 14.    | 45,600    | --       | 31,800        | 30,800 | 25,900 | 33,100    |
| 15.    | 30,500    | --       | 26,000        | 8,400  | 21,000 | 23,000    |
| 16.    | 37,500    | 29,800   | 39,000        | 34,900 | 26,900 | 33,200    |
| 17.    | 26,800    | --       | 32,200        | 25,500 | 22,800 | --        |
| 18.    | --        | 50,000   | 50,000        | 46,200 | 18,700 | 33,000    |



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## Additional Staff Salaries

| Church | Building Engineer | Church Sec'y | Pastor's Sec'y |
|--------|-------------------|--------------|----------------|
| 1.     | 19,000            | 15,000       | 19,650         |
| 2.     | 20,184            | 13,000       | 17,280         |
| 3.     | 29,430            | 15,550       | 16,800         |
| 4.     | 27,600            | 19,900       | 28,800         |
| 5.     | 13,100            | 19,900       | 11,450         |
| 6.     | 39,300            | 24,400       | 16,900         |
| 7.     | 21,000            | 15,000       | 17,500         |
| 8.     | 40,000            | 17,500       | 20,000         |
| 9.     | --                | 10,650       | 9,000          |
| 10.    | 26,000            | 15,100       | --             |
| 11.    | 29,900            | 12,000       | 15,000         |
| 12.    | 14,000            | 22,000       | 22,600         |
| 13.    | 25,000            | 14,000       | 15,000         |
| 14.    | 19,800            | 14,000       | 17,700         |
| 15.    | 18,000            | 11,000       | --             |
| 16.    | 22,400            | 14,000       | 12,000         |
| 17.    | 23,600            | 13,800       | 13,800         |
| 18.    | 36,000            | 25,000       | 25,000         |

## Who Sets Salaries?

Here the answers vary all over the board. Most salaries are set by some kind of select group such as a finance committee, an executive committee or a personnel committee.

Church 3 (attendance 5,000, budget \$8.1 million) uses an executive committee made up of senior pastor, executive assistant, business administrator and educational director. This committee makes recommendations to the church board for ministers and department heads. The board ratifies staff salaries yearly. The executive committee salaries are set by the pastor and the church board.

A large Episcopal church, with a budget of almost \$3 million, uses a personnel committee which reviews salary levels with the pastor annually and sets the new year's levels. The total cost of personnel is reported to the governing board. Individual salaries are furnished to the board if requested, but basic policy is that the board has a "right" but not a "need" to know.

Church 10 says salaries are set by pastor and administrator. A note was added: "We need a procedure."

A church in the Northwest says the senior pastor's salary is established by the church council. The pastor then establishes salaries for

key senior staff positions and pastors. The personnel director and church administrator establishes salaries for all non-exempt staff positions.

None of the churches answering allowed salaries to be set by one man, and all but one had the top salaries set or at least reviewed by some official group from the church body.

All but five churches gave automatic reviews of salaries. Half of the churches granted automatic raises with some conditions. Church 3 gives 90-day reviews for all new employees with annual cost-of-living and merit raises.

Church 9 has the personnel committee interview each staff member and make recommendations for raises.

The senior pastor in Church 12 meets biannually with a salary review committee from the church council and gives his recommendations.

When I asked if the church would consider adjusting salaries down if the church experienced a hefty drop in income over a period of time, all but Church 6 said yes.

When I got into the reporting of honorariums and royalties, the answers were as expected. Only three pastors return their honorariums to the church. One puts his in the church building fund.

All but three pastors keep book and tape royalties. In Church 3, the church pays all production costs, sells the materials through the church bookstore and keeps the revenues. Churches 11 and 14 retain all profits as well.

None of the churches had strict limits on members of the pastoral staff holding other jobs and earning outside income as long as the second job did not cause problems.

What have I concluded from all this? I shudder when I hear reports from former PTL board members who say they had no idea what the Bakkers were taking from the ministry. In the light of this and the things I've learned from this survey, we are changing our budget procedure in our church. I have gone to my elders and told them we can no longer afford to keep salaries secret. I will not reveal them to the entire church, for I know the problems that will cause. But I am no longer comfortable with our old way where the administrator set all staff salaries subject to my review. Now a three-man committee from the elders will review—and approve—all salaries. We'll be making other changes, but this is a day when God is revealing all things hidden. It seems wise to do it voluntarily—before it's forced through a scandal.

*Janie Buckingham*