

September 6th, 2023

Dear Church Treasurer / Moderator,

In consideration that it is reasonable to review the current inflation rates at this time of the year, the Bank of Canada has been tracking inflation rates between 2.80% to 5.90% in the last eight months of 2023. This year, the inflation rate has increased as well, just like the years before, since the economy recovered from the COVID-19 pandemic but due to the continuous war, the supply of goods worldwide is still disrupted by shortages of food and commodities. This problem and the increasing consumer demands have continuously driven the cost of goods sold upwards. The 2023 annualized inflation rate is currently at 4.19% as compared to last year's, which stood at 6.84% for the first eight months of 2022. The forecasted inflation rate for this year 2023, based on the most recent Bank of Canada's Monetary Policy Report estimates released in July 2023, placed Canada's inflation rate at 3.70% by year's end, with the last quarter, Q4 rate estimated at 2.90%.

However, the Bank of Canada has earlier forecasted that the inflation rate will reduce back to around 3.50% by the end of 2023. Looking at the projections realistically, **the CBWC would like to recommend an adjustment, based on the increase (COLA) of 2.00% for the financial year 2024 as a consideration, towards the remunerations of the pastoral and non-pastoral staff within the constituencies.** This amounts to slightly less than half of the current 2023 annualized rate of inflation which is at 4.19%.

For 2024, the CBWC has revised the salary grid guide form to assist you in determining the current market rate of your pastoral staff given their qualifications, work experience, responsibility, church size, and the city or nearest town that your church is located. We believe that this revision would provide a more accurate determination of the staff payroll in planning your yearly church operational budget. If you have questions concerning the new salary grid guide form, please kindly contact our Operations Manager, Jerry Wang.

Thank you for the work that you do in your church and within the CBWC. Your ministry is a blessing to others, and it does make an eternal difference.

With blessings,



Victor Ku

Director of Administration and Finance