



RAISING THE MINIMUM WAGE

INTRODUCTION

The legislature is currently debating proposals (Senate Bill 1 and Assembly Bill 41) to raise the minimum wage from its current level of \$6.50 to \$7.50 an hour, and index it for inflation. The WCC supports these proposals as consistent with the tenets of Catholic social teaching on the dignity of workers and the principles articulated in statements by Wisconsin's bishops on welfare reform (1995) and on work in Wisconsin (2001).

WORK AND WAGES FROM A CATHOLIC PERSPECTIVE

Catholic social teaching holds that work is more than a way to make a living: it is a form of participation in God's creation. As Pope John Paul II writes in his 1981 letter, *On Human Work*, "work is in the first place 'for the worker' and not the worker for the 'work'." Ultimately then, the value of work is grounded in the dignity of the human beings who do it. Wages are a critical way by which we recognize that dignity.

The Catholic tradition also teaches that human dignity flourishes best when rights are balanced with responsibilities. Thus, the right of every person to a job is grounded in the twin responsibility to develop (at a minimum) one's own God given skills to the fullest and to provide for one's own needs and those of one's family. This is why Catholic social teaching has long defined a just wage in terms of a "family wage," or that necessary to meet the needs of a family.

For their part, employers have a responsibility to treat workers fairly. This responsibility also extends to institutions that influence the conditions of work, such as government, financial organizations, and others who determine the structures and conditions in which work is performed. In a free market economy and a pluralistic democracy, individuals contribute to the formation of economic conditions and therefore may also be considered "indirect employers." When, as consumers, we insist on paying the lowest price for our goods and services, particularly our leisure pursuits, we should ask ourselves, "What can workers buy with the wages they earn?"

By supporting just wages, Catholics attest to the connection between financial stability and family stability. If living wages are not provided, then special care must be taken to address the basic needs of those in poverty, including health care, child care, and safe, affordable housing.

WHY IS RAISING THE MINIMUM WAGE A GOOD IDEA?

The Minimum Wage is Inadequate to Meet the Basic Needs of a Full-Time Wage Earner. A full-time worker earning the minimum wage of \$6.50 and working a 40-hour week earns \$13,520 annually. While this is above the poverty level of a single person family, it is over \$1,000 below poverty for a two-person family and \$4,800 below the poverty line for a family of three. Working families in Wisconsin who rely on minimum wage jobs need this increase.

The Minimum Wage Has Lost Ground to Inflation. There was a time when the minimum wage was sufficient to allow a family to meet its basic needs. This is no longer the case. Over the past decades, the

purchasing power of the minimum wage has lagged badly behind the cost of living. Adjusted for inflation, the minimum wage in 1970 would have been over \$8.00 an hour in 2007. Adjusted for inflation, the minimum wage in 1980 would have been \$7.71 in 2007. By raising the minimum to \$7.60 and indexing it for inflation, Senate Bill 1 and Assembly Bill 41 do no more than help minimum wage earners regain the purchasing power they have lost since 1980.

Lower Income Families Will Benefit Most. Over one-third of minimum wage earners are the primary breadwinners for their families, and two-thirds of the teens who earn the minimum wage live in low-income households. In Wisconsin, the increase would benefit over 120,000 workers. Seventy-five percent of minimum wage workers in our state are in the entertainment, recreation, hospitality, and food and accommodations industries. The minimum wage is especially important to them.

Even in a Recession, Workers Deserve a Living Wage. Some opponents of Senate Bill 1 and Assembly Bill 41 argue that the current economic climate is not the time to raise the minimum wage. However, workers do not lose their moral claim on a living wage even in tough economic times.

In 1931, Pope Pius XI addressed questions of economic justice, including the issue of just wages, in the midst of the Great Depression. In his encyclical letter, *Quadragesimo anno*, he did not retreat from the teaching that workers were due the wages needed to support their families.

ACTION REQUESTED

Write or call your legislator and urge them to support Senate Bill 1 and Assembly Bill 41.

For more information, please contact John Huebscher or Barbara Sella at 608/257-0004.

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