



WISCONSIN CATHOLIC CONFERENCE

EYE ON THE CAPITOL

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INCOME INEQUALITY UNDERMINES THE COMMON GOOD

By John Huebscher, Executive Director

Chapter Six of the *Compendium of the Social Doctrine of the Church* speaks to the topic of human work. In its discussion of wages and the rights of workers, the *Compendium* states the following:

“The economic well being of a country is not measured exclusively by the quantity of goods it produces but also by taking into account the manner in which they are produced and the level of equity in the distribution of income, which should allow everyone access to what is necessary for their personal development and perfection.” (# 303)

Equity in the distribution of income is not the same thing as equality. Church teaching on wages has never argued that all must be paid the same, regardless of their ability or their occupation. But the Catholic tradition is very clear that because work is for humans and not the other way around, all who work deserve a living wage that allows a reasonable opportunity for their fulfillment.

Thus we need to regularly ask if our income distribution is truly equitable. As the gap in earnings between the very rich and the rest of society widens, the greater the urgency for serious public discussion on its social impact.

A recent study by the Economic Policy Institute and the Center on Budget and Policy Priorities suggests we need to pay attention to income distribution in Wisconsin. The Center on Wisconsin Strategy (COWS) and the Wisconsin Council on Children and Families (WCCF) commented on the study last week.

Twenty years ago, Wisconsin ranked fifth in the nation in terms of income distribution. Today, we have fallen to eleventh place. From the late 1980s to the middle of this decade, the income of the poorest fifth of our population increased by only 7%. That of the middle fifth increased by 14%, and the income of the richest fifth increased by 36%.

In dollar terms, the poorest of our states' families saw their incomes rise by \$1,369 during this period. The wealthiest fifth of the population averaged an earnings increase of \$31,600.

COWS director Joel Rogers called this inequity a political problem. He noted, “greater inequality feeds on itself.” As people become more financially strapped, they become less willing to pay for public goods like education and other services. Such disparity undermines rather than affirms the notion of common sacrifices for the common good.

COWS and WCCF offered a number of policy responses to reverse this income disparity. These include:

Raising the minimum wage and indexing it to keep up with inflation.

Increasing the focus within Wisconsin’s workforce development system on education and skill development.

Adequately funding the childcare subsidy program for low-income working families.

Improving access to affordable health care by promoting awareness of the BadgerCare Plus health insurance program and expanding it to offer coverage to childless low-income adults.

Modernizing Wisconsin’s unemployment system.

Reforming tax policies that place an undue burden on lower income families.

Income inequality is truly a political problem. And it is a political problem with a moral dimension that ought to be a concern for Catholics and others. For such wide disparities in income challenge us to ask: 1) how committed are we to the common good? And, 2) does the way we compensate work uphold or diminish a “preferential option for the poor?”

These questions of social justice issues raised by the report warrant our attention. And the policy responses suggested by the sponsors of that report deserve a close look by the 2009 legislature.