



WISCONSIN CATHOLIC CONFERENCE

TO: State Representative Patricia Strachota, Chair
Members, Assembly Committee on Jobs and The Economy

FROM: John Kuebscher, Executive Director

DATE: February 27, 2008

RE: Assembly 274, Minimum Wage

On behalf of the Wisconsin Catholic Conference, I urge the Committee to support Assembly Bill 274 and increase the minimum wage in Wisconsin. We believe such an increase is consistent with the tenets of Catholic social teaching on the dignity of workers, the needs of low income wage earners in our state, and the principles that have driven welfare reform at both the state and federal levels.

For over a century, the Catholic Church has addressed the rights of workers in modern industrial societies in light of the principles of Catholic social teaching. A number of these principles are relevant to a discussion over the minimum wage.

The Dignity of Workers. Ultimately, the value of work is grounded in the dignity of the human beings who do it. Just as every life has value, so too does every worker have dignity. Wages are a critical way by which we recognize that dignity.

Rights and Responsibilities. Our rights are grounded in our responsibilities to ourselves and to others. 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.

Citizens and Consumers as "Indirect Employers." In his 1981 letter, *On Human Work*, Pope John Paul II asserted that the responsibility to treat workers justly is not limited to those who hire them. This duty extends to all persons and institutions such as government, financial organizations, and others, who influence the structures and conditions in which work is performed. Pope John Paul II referred to these entities as "indirect employers." In a democracy and consumer-driven economy such as ours, we the voters and consumers can be thought of as "indirect employers" to the extent that our choices govern decisions in the market place.

The Minimum Wage as a "Family Wage." As Msgr. John Ryan wrote nearly a century ago, the wage paid to an unmarried man or woman must be equal that of a breadwinner. He grounded

this belief in three arguments. First, equal pay for equal work prevents discrimination against breadwinners. Second, childless workers have the same right as other workers to a wage that values the work they do. Third, workers who are paid a family wage before they form families will be able to set aside savings to provide for the needs of their future families. Thus, we oppose the creation of a "sub-minimum wage" for certain classes of workers.

In applying these principles, AB 274 addresses the needs of the Wisconsin worker, preserving the value and dignity of work:

Assembly Bill 274 Assists Needy Families. AB 274 will help over 250,000 workers, fully 10 percent of the labor force. We note that 70 percent of these workers are adults. Many are parents. Indeed, nearly more than 90,000 of our state's children have parents who earn the minimum wage. In this context, raising the minimum wage is one way to strengthen Wisconsin's families.

We also note that many of the workers affected by this bill are employed in the service sector, especially in the retail trade, leisure and hospitality industries. As we determine the justice of our minimum wage, we who are consumers of these leisure activities and therefore "indirect employers" must ask ourselves, "What can workers who make our leisure activities possible buy with the wages they earn? And are their wages sufficient to pay for their essential needs?"

Assembly Bill 274 Indexes the Minimum Wage for Inflation. We specifically endorse the provision of AB 274 that provides for the regular indexing of the minimum wage to reflect fluctuations in the cost of living. Such periodic adjustments are necessary if wages are to remain sufficient to allow workers to meet their needs and those of their families.

Assembly Bill 274 Should Also Extend the Minimum Wage to W-2 Participants. Even as we endorse AB 274, we ask that it be improved in one respect. The scope of this bill should include grants paid to W-2 workers. Wisconsin Works is touted as a work-not-welfare program. One of W-2's core principles is that only work should pay. A second principle is that the justice of the Wisconsin Works program be measured by how the working poor are treated.

If the wages paid to all workers, even the "working poor," are truly just wages that enable them to support families or prepare them to do so, then the words "only work should pay" will ring true. If, however, we tell the poor that they should work and then refuse to pay a just wage for their work, then the words "only work should pay" will ring hollow, and our welfare and economic policies will fail a basic test of social justice.

Conclusion. In light of these considerations, raising the state minimum wage is good public policy. It helps those workers who earn the least. It strengthens Wisconsin's families. It allows the rest of us to live up to our duty as "indirect employers."

Your support for Assembly Bill 274 is appreciated.