



## **RAISING THE MINIMUM WAGE**

### **INTRODUCTION**

The legislature is currently debating proposals to raise the minimum wage from its current level of \$5.15 to \$6.50 an hour. 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, WAGES AND CATHOLIC TEACHING**

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 a worker 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, childcare and safe, affordable housing.

### **WHY IS RAISING THE MINIMUM WAGE A GOOD IDEA?**

**Stagnant Wages.** While the WCC does not have the expertise to identify a specific minimum wage rate, the state committee organized to determine the appropriate level, the Department of Workforce Development's Minimum Wage Advisory Committee, by a substantial majority, has recommended an increase.

There was a time when the minimum wage was sufficient to allow a person to meet his or her 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.

A full-time worker earning the minimum wage of \$5.15 an hour currently makes \$10,712 annually, nearly \$4,000 below the poverty line for a family of three. Adjusted for inflation, the minimum wage is actually \$4.67 and falling. Even more striking is the fact that the buying power of the 1970 minimum wage would be nearly \$8.00 an hour in 2002 dollars.

Working families in Wisconsin are falling behind. Seventy-five percent of minimum wage workers in our state are in the entertainment, recreation, hospitality and food and accommodations industries. According to the Department of Workforce Development, our state ranks 49<sup>th</sup> in the pay that its workers receive in the accommodations and foods industries.

**Families Will Benefit Most.** Over one-third of minimum wage earners are the primary breadwinners in 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.

**Welfare Reform.** One of the core principles of welfare reform is that “only work should pay.” The justice of the Wisconsin Works (W-2) program should be measured by how the working poor are faring. If the poor do not receive a just wage for their work, welfare reform fails a basic test of social justice.

## **ACTION REQUESTED**

Urge legislators to follow the recommendations of the state’s advisory committee on the minimum wage and support a just wage for Wisconsin’s workers.

*For more information, please contact Barbara Sella at 608/257-0004.*