



# Position Statement on Fair Wages

## Recommendations by the Voice of the Poor Committee

### Council of the United States

#### Message From Our President

Dear Brother and Sister Vincentians,

During his lifelong commitment of service and advocacy for the poor, Frederic Ozanam was concerned about the core problems of poverty, unemployment and insufficient wages for the poor. Before anyone in the Church, Frederic Ozanam proposed the concept of a just wage as an instrument to combat poverty. He said, "The working man (and woman), is by nature entitled at a minimum to a wage sufficient to produce the necessities of life, the education of children, and the support of old age."

We, the members of the Society of St. Vincent de Paul must follow Blessed Frederic Ozanam. We must advocate for fair wages. It is a matter of justice. We Vincentians are well known for our charity. Blessed Frederic calls us to charity and justice. He said, "Charity is the Samaritan who pours oil on the wounds of the traveler who has been attacked. It is justice's role to prevent the attacks." We Vincentians can do no less! May God bless our efforts.

Sincerely Your Brother in Blessed Frederic,

Eugene B. Smith, National President  
Council of the United States

The concepts of minimum wage, just wage, and living wage have been researched, dissected, hotly debated and bantered about by politicians, government officials, economists, educators, the media, employers and labor groups. Often these terms are interpreted differently by factions with divergent motives, and debate ensues over semantics such as the meaning of "just" and "living." Consequences for real families get lost in the discussion.

Only when coupled with the principles of "dignity" and "respect" does the concept of "fair" resonate with clarity describing the significance of the individual, placing value and worth on the laborer and his/her work. Hence the impetus for this position statement on fair wages.

#### **Situation**

As Vincentians visit low-wage families, they see up close that these families cannot make ends meet. The dollars they are paid do not begin to cover the basics required for survival (*i.e.*, food, clothing, shelter, utilities, child care, transportation, health care). Members experience first hand the cry of the poor. They witness families whose cupboards are bare, parents who have no money for medicine for sick children, a Mother's cry in desperation because she cannot afford shoes for her children. Economic facts (1) based on cost of living and consumer price indexes, comparative living costs, as well as Bureau of Labor statistics, validate that the current federal minimum wage is set too low to meet basic needs.

#### **Church Teaching**

A tenet of Catholic social teaching on economics is that employees receive a decent wage for their labor. (2) The Catechism of the Catholic Church states that paying unjust wages is a grave sin (3), that unjust wages constitute theft. (4) The social teachings of the Church about economics define a just wage as enough money for a family to have a frugal but honorable living with one wage earner in the family. (3) (5) While in almost all communities it is

evident that the minimum wage is not by definition a just wage, it establishes the lowest level of compensation acceptable by society. Pope Leo XIII in *Rerum Novarum* (6), indicated that the state has a moral responsibility to protect the poor and a living wage can be one way to do this. As the US Catholic bishops have said: "The economy must serve the people, not the other way around. (7)

#### **On the Rights of Workers and Vincentian Responsibility**

Blessed Frederic Ozanam left a legacy and a responsibility for Vincentians to continue the call for charity built on justice. (8) Amin A. De Terrazi, past international president of the Society, said that Frederic Ozanam was key among Catholics of the 19th century to "first come up with the idea of the *salaire nature!* (forerunner of the basic minimum wage)," to demand action by the state to assist workers who become unemployed or can no longer work because of illness or disability, and to ask that retirement be guaranteed to workers. "His call to the voters of the Department of the Rhone on 15 April 1848 echoed these audacious and generous ideas of which a good number found their way into Leo XIII's encyclical *Rerum Novarum*, in 1891." (9)

#### **Recommendation**

As in Blessed Frederic Ozanam's time, the experience of members today who visit the poor and provide emergency assistance to families, as well as statistical facts regarding what is required for a family to have a decent living, need to be verbalized to those with the power to enact change. As Vincentians we must:

- Find opportunities to tell the story of the poor, to speak knowledgeably of their plight, and band together with one voice speaking for what is fair, decent and just.
- Challenge our Christian/Catholic employers, indeed all employers, to treat their employees fairly and with dignity and respect.
- Support and encourage private and public programs that seek to train workers so that they may acquire the skills needed to fully participate in the job market to the fullest of their ability.

## Wage-Speak: Minimum Wage, Living Wage and Just Wage

Just wage and living wage (both based on a ratio between the cost of basic needs and wages paid) should not be confused with the minimum wage. The following paragraphs provide a brief overview.

### Minimum Wage

The minimum wage is a provision of the Fair Labor Standards Act (FLSA) (10), which was passed in 1938. It sets the bottom line for wages paid. This act set a minimum wage and set standards regarding overtime pay and child labor. Minimum wage increases are passed by Congress as amendments to the FLSA. Currently, the federal minimum wage of covered nonexempt employees is \$5.15 an hour. Many states also have minimum wage laws. According to the US Department of Labor, where an employee is subject to both the state and federal minimum wage laws, the employee is entitled to the higher of the two. (11) (12) It has been almost a decade since the federal minimum wage has been raised. (13) (14) Adjusted for inflation, the value of the current minimum wage is estimated at \$4.23, a loss of more than 20% of its buying power. (15) The Economic Policy Institute (16) gives figures on the real value of the minimum wage and its impact on low wage workers. Discussion on the minimum wage is provided by others as well. (17) (18) (19) While Congress has been unable to agree on a raise in minimum wage, 15 states and the District of Columbia have raised their minimum wage higher than the Federal requirement. (20) By most measures, the minimum wage is not a living wage. The US Catholic bishops (21) and Catholic Charities USA (22) (23) have come out in support of increasing the minimum wage.

### Living Wage

Recognizing that low wage earners are unable to provide basic needs for their families, some cities have moved a step further adopting "living wage" ordinances which take into consideration the local cost of living when setting a base wage level. (24) According to the Economic Policy Institute: A "living wage" is a term often used by advocates to point out that the federal minimum wage is not high enough to support a family. Some advocates have attempted to calculate a living wage based on an income that would provide for a family's basic needs (see EPI's [How Much is Enough?](#) for a discussion of "basic family budget" measures). These "living wages" are generally much higher than the minimum wage. Living wages also commonly refer to wages set by local ordinances that cover a specific set of workers, usually government workers or workers hired by businesses that have received a government contract or subsidy. (25)

### Just Wage

The just wage recognizes the value of the service provided by the employee; takes into account the prevailing economic conditions in which the business operates (but is not driven solely by market forces); allows employees to live above the poverty level in their city; and respects the whole person (e.g. recognizes that work is the normal way to provide for oneself and one's family, but is only part of a balanced life.) (26)

### **10 Points for Economic Life by the United States Catholic Conference of Bishops**

- 1. The economy exists for the person, not the person for the economy.**
- 2. All economic life should be shaped by moral principles. Economic choices and institutions must be judged by how they protect or undermine the life and dignity of the human person, support the family, and serve the common good.**
- 3. A fundamental moral measure of any economy is how the poor and vulnerable are faring.**
- All people have a right to life and to secure the basic necessities of life (e.g., food, clothing, shelter, education, health care, safe environment, economic security.)
- 5. All people have the right to economic initiative, to productive work, to just wages and benefits, to decent working conditions as well as to organize and join unions or other associations.**
- All people, to the extent they are able, have a corresponding duty to work, a responsibility to provide for the needs of their families and an obligation to contribute to the broader society.
- 7. In economic life, free markets have both clear advantages and limits; government has essential responsibilities and limitations; voluntary groups have irreplaceable roles, but cannot substitute for the proper working of the market and the just policies of the state.**
- 8. Society has a moral obligation, including governmental action where necessary, to assure opportunity, meet basic human needs, and pursue justice in economic life.**
- Workers, owners, managers, stockholders and consumers are moral agents in economic life. By our choices, initiative, creativity and investment, we enhance or diminish economic opportunity, community life, and social justice.
- The global economy has moral dimensions and human consequences. Decisions on investment, trade, aid and development should protect human life and promote human rights, especially for those most in need wherever they might live on this globe.

## In the Words of Blessed Frederic Ozanam

Exploitation occurs when the master considers his workers not as a partner, nor even as an assistant, but as an instrument out of which he must extract as much service as possible at the smallest possible price. Yet the exploitation of a man by another man is slavery. The worker-machine is nothing more than part of capital like the slaves of the ancients. Service becomes servitude.

Words of Frederic Ozanam (<http://www.vincenter.org/res/word/fowords.html>)

—XOXOX—

If the question which disturbs the world around us today is neither a question of political modalities, but a social question; if it is the struggle between those who have nothing and those who have too much; if it is the violent clash of opulence and poverty which shakes the earth under it, our duty to ourselves as Christians is to throw ourselves between these two irreconcilable enemies, and to make the ones divest themselves so as to fulfill a law, and the others accept as a benefit; to make the ones cease to demand, and the others to refuse; to make equality as operative as possible among men; to make voluntary community replace imposition and brute force; to make charity accomplish what justice alone cannot do. It is then good to be placed by Providence on neutral ground between the two belligerents, to have paths and minds open to both, without being forced in order to mediate to ascend too high or to descend too low.

Letter 136 to Francois Lallier, Lyon, Nov. 5, 1836, Frederic Ozanam a Life in Letters p. 91-92

—XOXOX—

“I ask...that we should take responsibility for the people who have too many needs and not enough rights, who are claiming a fuller part in public affairs and guarantees in favor of work and against misery.

Frederic Ozanam, February 1848

—XOXOX—

When, finally rampaging pauperism comes, raging and desperate, face to face with a financial aristocracy whose bowels are shut, it is good to have mediators who can prevent a collision whose horrible disasters cannot be imagined, who can make the two camps listen, and who can bring to the one, words of resignation, and to the other, counsels of mercy, and to all the word of order, that loving reconciler. There is what we will accomplish if we are worthy of it. But how far we are still from so beautiful a vocation! What lax habits to vanquish! What meager ideas to abdicate! What elevation and purity of character to acquire in order to merit becoming the instrument of Providence in the execution of its most admirable designs!

Letter 243 to Ferdinand Velay, Lyon, July 12, 1840, Frederic Ozanam a Life in Letters p. 193

We must investigate doctrine and measures which would aim at guaranteeing for workers a correct proportion between labor and rest ... and a pension for their old age.

Words of Frederic Ozanam (<http://www.vincenter.org/res/word/fowords.html>)

—XOXOX—

The problem that divides men in our day is no longer a problem of political structure, it is a social problem, it has to do with what is preferred, the spirit of self-interest or the spirit of sacrifice, whether society will be only a great exploitation to the profit of the strongest or a consecration of each individual for the good of all and especially for the protection of the weak. There are a great many men who have too much and who wish to have more; there are a great many others who do not have enough, who have nothing, and who are willing to take if someone gives to them. Between these two classes of men, a confrontation is coming, and this menacing confrontation will be terrible; on the one side, the power of gold, on the other the power of despair. We must cast ourselves between these two enemy armies, if not to prevent, at least to deaden the shock. And our youth and our mediocrity does not make our role of mediators easier than our title of Christian makes us responsible. There is the possible usefulness of Society of St. Vincent de Paul.

Letter 137 to Louis Janmot, Lyon, Nov. 13, 1836, Frederic Ozanam a Life in Letters, p. 96-97



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- (2) *Laborem Exercens*, No. 19, Pope John Paul II.
- (3) Catechism of the Catholic Church, Part 3: Life in Christ, Section Two: The Ten Commandments, Chapter 2:, Article 7, The Seventh Commandment, paragraph 2434 (<http://www.usccb.org/catechism/text/>)
- (4) Catechism of the Catholic Church, Part 3: Life in Christ, Section Two: The Ten Commandments, Chapter 2:, Article 7, The Seventh Commandment, paragraph 2409 (<http://www.usccb.org/catechism/text/>)
- (5) "Remuneration for work should guarantee man the opportunity to provide a dignified livelihood for himself and his family on the material, social, cultural, and spiritual level, taking into account the role and the productivity of each, the state of the business, and the common good." Agreement between the parties is not sufficient to justify morally the amount to be received in wages." Catechism of the Catholic Church, paragraph 2434.
- (6) *Rerum Novarum*, Encyclical of Pope Leo XIII On Capital and Labor. [http://www.vatican.va/holy\\_father/leo\\_xiii/encyclicals/documents/hf\\_l-xiii\\_enc\\_15051891\\_rerum-novarum\\_en.html](http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html)
- (7) US Conference of Catholic Bishops. Shared Catholic Social Teaching, 1999.
- (8) If Catholics would make up their minds to publicize every tyranny of which they are certain, and to be certain of each one they want to publicize, I have no doubt that they would sooner or later command respect: but the times and upheavals make it necessary to check out and verify and not be satisfied with *nearly*, which ought never to satisfy a Christian conscience when defending the cause of truth is at stake. This must be said apropos of present controversies. I note with pleasure that men of substance are coming forward, and deem that M. de Montalebert has restated the question in all its importance, putting it where it always belonged: between the universal church and the universal state. Letter 522 to Ferdinand Velay, Lyon, July 12, 1840, Frederic Ozanam a Life in Letters, p. 362.
- (9) De Tarrazi, Amin A. Frederic Ozanam a Lay Saint for Our Times. <http://www.vincenter.org/tree/svdp/stoz/terrazi.html>
- (10) Fair Labor Standards Act (FLSA) <http://www.dol.gov/dol/topic/wages/minimumwage.htm> and US Dept of Labor, Employment and Standards Admin. Wage and Hours Div., Minimum Wages in States. <http://www.dol.gov/esa/minwage/america.htm>  
(Note: Where both Federal and State laws are in effect, the employee is entitled to the higher of the two.)
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- (12) US Department of Labor <http://www.dol.gov/dol/topic/wages/minimumwage.htm>
- (13) Economic Policies Institute. EPI Issue Guide. [http://www.epi.org/content.cfm/issueguides\\_minwage\\_minwage](http://www.epi.org/content.cfm/issueguides_minwage_minwage)
- (14) Jared Bernstein. Minimum Wages and Poverty. Testimony before the house education and workforce committee, April 27, 1999. ([http://www.epinet.org/content.cfm/webfeatures\\_viewpoints\\_minwagetestimony](http://www.epinet.org/content.cfm/webfeatures_viewpoints_minwagetestimony))
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- (16) Economic Policy Institute. Minimum Wage Facts at a Glance. [http://www.epinet.org/content.cfm/issueguides\\_minwage\\_minwagefacts](http://www.epinet.org/content.cfm/issueguides_minwage_minwagefacts)
- (17) [http://www.swlearning.com/economics/policy\\_debates/increase\\_minimum.html](http://www.swlearning.com/economics/policy_debates/increase_minimum.html)
- (18) <http://www.cbpp.org/529ormw.htm>
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- (23) Catholic Charities USA supports the Fair Minimum Wage Act of 2001. Feb. 22, 2001 (<http://www.CatholicCharitiesinfo.org>)
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