



25 E St. NW Suite 200 • Washington, DC 20001 • 202.347.9797 • fax 202.347.9864  
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**TESTIMONY OF SISTER SIMONE CAMPBELL, SSS**  
Executive Director  
NETWORK, A National Catholic Social Justice Lobby

Before the  
Senate Committee on Health, Education, Labor, and Pensions

“From Poverty to Opportunity: How a Fair Minimum Wage Will  
Help Working Families Success”

February 13, 2014

“From Poverty to Opportunity: How a Fair Minimum Wage Will Help Working Families Succeed”  
Committee on Health, Education, Labor, and Pensions  
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### **Testimony Summary**

Sister Simone Campbell, Executive Director, NETWORK, A National Catholic Social Justice Lobby

Catholic popes have consistently supported just wages since 1891’s *Rerum Novarum*, including acknowledging the crucial role of the state in ensuring wages are just.

Recent U.S. history indicates stagnant wages, increasing worker productivity, and a shift of wealth to the top are working together to increase income and wealth disparities in our society. This is a moral issue we can address in part by raising the federal minimum wage.

People across political and religious spectrums want the dignity of work to be recognized. Raising the minimum wage and ensuring that wage can provide a stable living for a full-time worker is a start.

This is truly an issue of supporting families. Minimum wage workers are, on average, 35 years old; 55% are women; 27% have children; more than half work full-time; and, on average, they earn 50% of their family’s total income. Nearly one in five children in this country has at least one parent who would receive a raise if Congress increased the federal minimum wage.

I have met struggling minimum wage earners in Wisconsin, Missouri and other parts of our nation representing millions of workers across the country: they rely on government assistance to make ends meet, but who want to support themselves and their families without the constant anxiety of not having enough.

I met a business owner in California who pays all his employees at least \$10.10 an hour because he believes it is right that owners pay wages that do not force employees to take government aid. He sees higher employee retention, productivity, and loyalty. He understands that wages are not just a business cost, but an investment—it is not only the right thing to do, it’s good for business.

Raising the minimum wage is a critical part of getting our anti-poverty programs functioning as they are supposed to. Stagnant wages and rising income inequality mean work is no longer the opportunity to escape poverty these programs promise. The decline in real wages for the lowest earning quintile of workers, for example, reduced the annual exit rate from poverty by 15% between the early 1970s and the mid-90s.

In the richest nation on earth, it is incumbent on us to ensure justice for all who labor in our society. Raising the minimum wage is one important step in the right direction.

While I urge this action from my perspective of faith, it is also in keeping with our Constitutional call to form the more perfect union. Raising the minimum wage is a key step forward to serve the common good and promote the general welfare.

## FULL TESTIMONY

Thank you for the invitation to testify today. I am Sister Simone Campbell, Executive Director of NETWORK, a National Catholic Social Justice Lobby, and the leader of Nuns on the Bus. Concerns about just wages and working families resonate deeply for me as a Catholic sister rooted in the Christian tradition.

Since 1891, the leaders of my Catholic faith have taught explicitly that:

Before deciding whether wages are fair, many things have to be considered; but wealthy owners and all masters of labor should be mindful of this—that to exercise pressure upon the indigent and the destitute for the sake of gain, and to gather one's profit out of the need of another, is condemned by all laws, human and divine. (Pope Leo XIII, *Rerum Novarum* 20)

Recent history in the United States indicates that stagnant wages, increasing worker productivity, and a shift of wealth to the top are working together to increase income and wealth disparities in our society.<sup>1</sup> This, in my view, is a moral issue that needs to be addressed.

In November 2013, Pope Francis wrote:

The need to resolve the structural causes of poverty cannot be delayed, not only for the pragmatic reason of its urgency for the good order of society, but because society needs to be cured of a sickness which is weakening and frustrating it, and which can only lead to new crises. Welfare projects, which meet certain urgent needs, should be considered merely temporary responses. As long as the problems of the poor are not radically resolved by rejecting the absolute autonomy of markets and financial speculation and by attacking the structural causes of inequality, no solution will be found for the world's problems or for that matter, to any problems. Inequality is the root of social ills. (Pope Francis, *Evangelii Gaudium* 202)

One key way to address the problem of structural inequality within our nation is through increasing the national minimum wage.

Progressives, moderates, and conservatives—religious people and non-religious people—in fact, I imagine, 100% of us agree that employment is key for helping people know their dignity, care for their families, and build up community. Pope Francis noted from our Catholic perspective “Work is part of God’s loving plan, we are called to cultivate and care for all the

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<sup>1</sup> Boushey, Heather and Adam Hersh. “Middle Class Series: The American Middle Class, Income Inequality, and the Strength of Our Economy.” *Center for American Progress*. 17 May 2012. Web. 20 Feb. 2014.

goods of creation and in this way share in the work of creation! Work is fundamental to the dignity of a person. Work, to use a metaphor, “anoints” us with dignity, fills us with dignity, makes us similar to God, who has worked and still works, who always acts (cf. Jn 5:17); it gives one the ability to maintain oneself, one’s family, to contribute to the growth of one’s own nation.”<sup>2</sup> Yet, while we share this consensus on the meaning of work, we as a nation have not been providing wages to a large percentage of our people sufficient to realize this goal. Three million workers live in poverty despite working year-round, full-time jobs; a third of families with children living in poverty include a full-time worker; and nearly 60% of families living at 200% of the federal poverty line—which includes a family of four trying to get by on less than \$50,000 a year<sup>3</sup>—have at least one member of the household working.<sup>4</sup> Put another way, in 1968 the minimum wage was enough to keep a family of three out of poverty; into the early 1980s, the minimum wage was enough to keep a family of two out of poverty; but the minimum wage can no longer keep even a family of two above the poverty line.<sup>5</sup>

This demonstrates that work does not pay for many low-wage workers and it is not paying for their families. Workers who would get a raise if Congress increased the minimum wage earn, on average, half of their family’s income. Think particularly of the benefit for children living in poverty: Nearly one in five children in this country has at least one parent who would receive a raise if Congress increased the federal minimum wage.<sup>6</sup> Raising the minimum wage would make a significant difference for these struggling families.

In Milwaukee, Wisconsin, I met Billy and his wife who were both working at minimum wage, supporting themselves and their two children. They were putting their salaries together to pay rent in a tight housing market, using SNAP benefits during the day to feed their boys (including a 14-year-old with a voracious appetite), and going to St. Benedict the Moor dining room at night. Billy told me that his dream was to be able to save enough money to buy his kids a set of new school clothes just once. But he had never been able to do it with his low wage job. The kids always had hand-me-downs. Raising the minimum wage would give Billy and his wife much needed resources to support themselves and their children.

In Missouri, I met Theresa, who was returning to the workforce after her husband’s unexpected death and 28 years of marriage. She was working just above minimum wage as a receptionist and trying to make ends meet. Her youngest daughter, an adult, was still living with her while

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<sup>2</sup> General Audience in Rome, May 1, 2013.

<sup>3</sup> “2013 Federal Poverty Guidelines.” *Families USA*. Web. 20 Feb. 2014.

<sup>4</sup> “Workers and Poverty.” *Spotlight on Poverty and Opportunity: The Source for News, Ideas, and Action*. Web. 20 Feb. 2014.

<sup>5</sup> Cooper, David. “The Minimum Wage Used To Be Enough To Keep Workers Out Of Poverty—It’s Not Anymore.” *Economic Policy Institute*. 4 Dec. 2013. Web. 7 Feb. 2014.

<sup>6</sup> Cooper, David. “Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost.” *Economic Policy Institute*. 19 Dec. 2013. Web. 7 Feb. 2014.

finishing college, but they were having a very difficult time. Theresa was scrambling to find her economic footing. Raising the minimum wage would help her and millions of others working just above the minimum wage, not to mention the estimated 55% of minimum-wage workers who are women, have the minimum they need to live in dignity.<sup>7</sup>

Lucy Johnson (alias) knows her job about as well as anyone could. In 2012, she reported that she worked in the same Knoxville Tennessee garment-manufacturing plant for more than 25 years, during which time the operation has changed hands a few times. She makes military uniforms for a clothing company that has received more than \$200 million dollars in federal contracts since 2002. She starts her shift at 7 a.m., hoping the assembly line won't slow down so she can make her production target and earn a little extra beyond minimum wage. But nowadays, that almost never happens. Earning \$7.25, Lucy finds she barely has enough money to feed herself and keep her electricity and phone service on. She's grateful that several family members live with her now to pitch in. She says:

My niece helps out with the utilities and food, and she gets food stamps and TennCare [state-subsidized health insurance] for her children, which helps too. Back before she moved in, I'd just open up a can of soup and say to myself: Dinnertime! I'm lucky that my house is paid for, even if it is falling down around my ears.

Raising the minimum wage will greatly assist Lucy and others like her to be able to meet their basic necessities. After years of hard work, she should be able to live in dignity without the stress of basic survival.<sup>8</sup>

Ms. Jackie Valdes is 29-years-old, is married, and has a two-year-old son named Mauricio. She has worked as a janitor at Union Station here in Washington for eight years alongside her mother and her husband. Her husband works a second job a few miles away from their home. Jackie and her family live in a one-room apartment in DC. Because she and her husband work so many hours, they must pay for child care for little Mauricio. They often have trouble paying their rent and all of their bills. Jackie says, "I wish I could spend more time with my son, especially when he is little, but I have to work or we cannot eat and pay our rent." Raising the minimum wage would allow Jackie and her family to have more time together and ease the constant worry about being able to care for their family.<sup>9</sup>

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<sup>7</sup> Ibid.

<sup>8</sup> Christman, Anastasia, Amy Masciola, Robert Masciola, Shelly Sperry, and Paul Sonn. "Taking the Low Road: How the Federal Government Promotes Poverty-Wage Jobs Through its Contracting Practices." *National Employment Law Project*. July 2013. Web. 6 Feb. 2013.

<sup>9</sup> Ibid.

These are but a few of the stories of hardworking people in our country who are barely scraping by on minimum wage. It is undeniably a struggle to raise a family on subsistence wages.

But there is another aspect to this. In San Diego last week, I spoke with a business owner who had decided to pay his workers more than the federal minimum wage. He was paying above \$10.10 an hour to his lowest-paid worker and was providing benefits. He said he did it as an ethical stance, but it annoyed him that many business owners he knows lament government spending while they pay their workers so little that those workers must rely on government benefits to survive. Their workers are using the Earned Income Tax Credit, SNAP benefits, and other subsidies. This business owner said that it did not seem right to have the government subsidizing their businesses.

Now don't get me wrong, he was not for the elimination of these critical programs; rather, he believed that employers should be responsible for paying the true cost of their business by paying their workers a living wage. He told me that by paying a just wage he had lower turnover in employment and greater productivity and employee loyalty. He understands that wages are not just a business cost, but an investment—paying a just wage is not only the right thing to do, it's good for business.

Not only do sub-poverty wages force businesses to rely on government subsidy, but they undermine the potential success of those very subsidies: raising the minimum wage is a critical part of getting our anti-poverty programs functioning as they are supposed to. Welfare programs are intended to create a path out of poverty, and welfare reform in the 1990s made work requirements a cornerstone of following that path. Unfortunately, stagnant wages and rising income inequality mean work is no longer the opportunity to escape poverty these programs promise.<sup>10</sup> The decline in real wages for the lowest earning quintile of workers, for example, reduced the annual exit rate from poverty by 15% between the early 1970s and the mid-90s.<sup>11</sup>

Raising the minimum wage would finally allow workers to benefit from their increase in productivity. It would reduce demand on the social safety net by helping work pay. It would stimulate the economy by putting money in the hands of people with pent-up demand. It would support conservative, moderate, and progressive views that the dignity of people is realized when all can contribute to their own support. Increasing the minimum wage would

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<sup>10</sup> "Labor Markets and Poverty." *UC Davis Center for Poverty Research*. Web. 7 Feb. 2014.

<sup>11</sup> Stevens, Ann Huff. "Transitions into & out of Poverty in the United States." *UC Davis Center for Poverty Research*. Web. 7 Feb. 2014.

allow working parents to realize simple dreams of providing for their children. It seems that it is the ethical and pragmatic way forward.

In short, I agree with Pope John Paul II's statement in his encyclical *Centesimus Annus*:

[S]ociety and the State must ensure wage levels adequate for the maintenance of the worker and his family, including a certain amount for savings. This requires a continuous effort to improve workers' training and capability so that their work will be more skilled and productive, as well as careful controls and adequate legislative measures to block shameful forms of exploitation, especially to the disadvantage of the most vulnerable workers, of immigrants and of those on the margins of society. (15)

This is the role of minimum wage legislation and an important way forward.

Finally, I join with Pope Francis in saying, "I beg the Lord to grant us more politicians who are genuinely disturbed by the state of society, the people, and the lives of the poor!" (*Evangelii Gaudium* 205)

In the richest nation on earth, it is incumbent on us to ensure justice for all who labor in our society. Raising the minimum wage is one important step in the right direction.

While I urge this action from my perspective of faith, it is also in keeping with our Constitutional call to form the more perfect union. Raising the minimum wage is a key step forward to serve the common good and promote the general welfare.