

Testimony of the Most Reverend Stephen E. Blaire, Bishop of Stockton
Chairman, Committee on Domestic Justice and Human Development
United States Conference of Catholic Bishops

Before the

Senate Committee on Health, Employment, Labor, and Pensions
“Building a Foundation of Fairness: 75 Years of the Federal Minimum Wage”

June 25, 2013

Chairman Harkin, Ranking Member Alexander, and members of the Committee, on behalf of the United States Conference of Catholic Bishops (USCCB), I thank you for the invitation to address you today. I am Stephen Blaire, Bishop of the Catholic diocese of Stockton, California and Chairman of the Committee on Domestic Justice and Human Development at the United States Conference of Catholic Bishops.

We are here today to celebrate the 75th anniversary of the Fair Labor Standards Act, signed in 1938, which codified for the first time a national minimum wage and other important worker protections, and all but eliminated child labor. It is very appropriate that we undertake this discussion in the current economic and political climate. I will address later the bishops' support for the Fair Labor Standards Act and subsequent efforts to raise the minimum wage, but here I will mention that the support is rooted in Pope Leo XIII's seminal encyclical *Rerum Novarum*, which stated that a worker's wages, to be just and consistent with human dignity, must be sufficient to support a family in comfort and even leave some for savings.¹

I testify before you today not as an economist, a statistician, or a labor market expert, but rather as a pastor and teacher concerned with human development and the protection of human dignity. I will not speak to the specifics of policies, but rather to the conditions that must emerge in society and in the family to make those policies just.

A just wage is a moral issue; however for me it is also a personal one. After being a widower twice in life and raising eleven children, my father in 1939 remarried at the age of 59. Eleven years later, at the age of 70, he was compelled by economic factors to re-enter the workforce to keep food on the table for his wife and three children, of which I was one. After a lifetime of professional work and retirement, he worked again until he was 80 packing groceries. Without this job we would not have had enough to eat or a roof over our heads as a family, and when he died there would have been no Social Security benefits earned for the surviving family.

Five years into a desperately slow economic recovery, deep economic problems persist:

- Over four million people have been jobless for over six months, and that does not include the millions more who have simply given up looking for work;
- The gap between unemployed/underemployed job seekers and open positions is extraordinary: for every available job, there are as many as five people vying for it;²
- Millions of families live with anxiety and uncertainty as they cope with stagnant or falling wages, forcing them to take second or third jobs and even forcing some teenage children into the workforce prematurely to help support the family;
- Half of the jobs in this country pay less than \$27,000 a year³, and

¹ Pope Leo XIII, *Rerum Novarum*, 46, 1891. Available:

http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html

² Determined by taking the amount of unemployed persons plus the amount of persons involuntarily working part-time in April 2013 (Available: http://www.bls.gov/news.release/archives/empsit_05032013.pdf) and dividing by the number of job openings (Available: <http://www.bls.gov/news.release/pdf/jolts.pdf>). All data from the Bureau of Labor Statistics.

³ Social Security Administration, *Wage Statistics for 2011*, 2013, Available: <http://www.ssa.gov/cgi-bin/netcomp.cgi?year=2011>

- Poverty remains high: there are over 46 million people living in poverty, 16 million of them children. In other words, over one in five children in our country lives in poverty.⁴

The causes of poverty and our broken economy are many, but as Pope John Paul II noted in *Laborem Exercens*:

...human work is *a key*, probably *the essential key*, to the whole social question, if we try to see that question really from the point of view of man's good. And if the solution--or rather the gradual solution--of the social question, which keeps coming up and becomes ever more complex, must be sought in the direction of "making life more human," then the key, namely human work, acquires fundamental and decisive importance.⁵

In other words, if we are going to fix the American economy, then a discussion of workers' wages is a good place to start.

Work has an inherent dignity, so just wages gained from work support that dignity. Insufficient wages violate it.

Mr. Chairman, the Church has a rich tradition on human labor rooted in the belief that work has an inherent dignity. The new bishop of Rome, Pope Francis, recently remarked that "[w]ork, 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; it gives one the ability to maintain oneself, one's family, to contribute to the growth of one's own nation."⁶

Hence the importance of the worker's wage: since work has an inherent dignity, then there must be little doubt that wages are more than a mere product of the economy. A just wage confirms the dignity of the worker. And conversely, a wage that does not even allow a worker to support a family or meet basic human needs tears her down and demeans her dignity. The worker becomes just another commodity.

I think this is the type of situation Pope Francis was talking about when he said earlier this month:

Man is not in charge today, money is in charge, money rules. God our Father did not give the task of caring for the earth to money, but to us, to men and women: we have this task! Instead, men and women are sacrificed to the idols of profit and consumption: it is the

⁴ United States Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2011, 2012*. Available: <http://www.census.gov/prod/2012pubs/p60-243.pdf>

⁵ Pope John Paul II, *Laborem Exercens*, 3, 1981. Available: http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_14091981_laborem-exercens_en.html

⁶ Pope Francis, "General Audience," May 1, 2013. Available: http://www.vatican.va/holy_father/francesco/audiences/2013/documents/papa-francesco_20130501_udienza-generale_en.html

‘culture of waste.’ If you break a computer it is a tragedy, but poverty, the needs, the dramas of so many people end up becoming the norm.⁷

The Working Poor Families Project recently reported that in 2011 there were 10.4 million low-income working families.^{8,9} Those families include 23.5 million children. Work should be a ladder out of poverty for families, it should not trap them in poverty. Yet this is where we find ourselves--a growing number of families are working but do not make enough to live in dignity. It is a scandal that the richest country in the world has allowed over 23 million children in working poor families to become the norm. These families struggle to provide their children with the adequate nutrition, school supplies, clothes, and security they need for their educational, social, and emotional development. I am sure members of the committee will agree that we must not tolerate so many children living under such circumstances.

Many of these low-income workers have to rely on charity or the safety net to supplement their wages in order to meet basic needs. For example, as you know funding for the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) is currently being debated. Many people do not know that the majority of SNAP households with a capable, working-age adult are working. The percentage goes up in households with children. It is not difficult to identify the problem here: unjust wages. If Congress is concerned with rising costs in the SNAP program, Congress should raise the wages of those working families, so they can afford food on their own.

The family is the fundamental unit of society, and work is the principal means by which families gain the resources to form and sustain themselves.

The importance of the family for individual human development on all levels has been well established. It is in and among our family that we learn to love and accept love, forgive and be forgiven, argue and reconcile--we learn how to interact with each other as humans.

In a certain sense, the family is organized around work. Without the remuneration that comes from our work, humans would not have the resources to form or sustain families. It was true two thousand years ago with the family that lived in Nazareth; it was true in 1891 at the time of Pope Leo XIII; and it is as apparent as ever now. If families are the fundamental seed of society, then decent jobs with just wages are the water that allows them to grow.

Our diocese of Stockton, in the San Joaquin Valley of Central California, includes some of the deepest and most pervasive poverty in our country. Every day, I see families struggling to survive under the weight of too little food and too many bills. What do they pay for this month--school clothes for the kids or gasoline to get to work? Fresh produce for healthy diets or the rent? No family should be faced with such extreme choices.

⁷ Pope Francis, “General Audience,” June 5, 2013. Available: http://en.radiovaticana.va/news/2013/06/05/pope_at_audience:_counter_a_culture_of_waste_with_solidarity/en1-698604

⁸ The Working Poor Families Project, “Low-Income Working Families: The Growing Economic Gap,” 2012. Available: http://www.workingpoorfamilies.org/wp-content/uploads/2013/01/Winter-2012_2013-WFPF-Data-Brief.pdf

⁹ This report defines “working poor” as 200 percent of the federal poverty level, or \$45,622 for a family of four.

So it is not just a lack of work that creates this pressure, but for many it is a lack of decent wages. Many if not most of the families I encounter with these problems have an income, but it is not enough to support them. Mom works at the supermarket. Dad has two jobs as a short order cook. And the people who are unemployed are desperate for work. Many families I encounter in this position, although they are grateful for the support of food pantries, donation centers, and the government, do not want to rely on the generosity of others. They want to be self-sufficient.

Employers have a moral obligation to pay a just wage...

Catholic teaching has long recognized that everyone and all institutions in an economy have an obligation to protect human life and dignity, and advance the common good. As the Catholic bishops have pointed out, “We judge any economic system by what it does for and to people and by how it permits all to participate in it. The economy should serve people, not the other way around.”¹⁰

A vital piece of the conversation that I believe has been missing is the obligation of employers to pay just wages. The Church teaches:

A *just wage* is the legitimate fruit of work. To refuse or withhold it can be a grave injustice. In determining fair pay both the needs and the contributions of each person must be taken into account. “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.¹¹

Unfortunately, too many families are forced to work two or more jobs just to make enough money to purchase basic needs. Possibly this is because the current minimum wage yields an annual salary of about \$15,080. This amount is below the poverty level for any size family that includes even one child, according to the Census Bureau.¹² When the minimum wage does not even permit a family to raise a child, it has failed to guarantee a worker “the opportunity to provide a dignified livelihood for himself and his family.” This is unacceptable.

Private enterprises, at their best, create decent jobs, contribute to the common good, and pay wages that help workers form and nurture families. Some businesses, unfortunately, chase profits and success at the expense of workers’ dignity and, in the most tragic cases--as we have seen recently in Bangladesh, Texas, Arizona, and Louisiana--their lives. Business leaders, who have been given much and have a legitimate vocation, must fight the urge to live a “divided life.... Dividing the demands of one’s faith from one’s work in business is a fundamental error which

¹⁰ United States Conference of Catholic Bishops, *Economic Justice for All*, 13, 1986. Available: http://www.usccb.org/upload/economic_justice_for_all.pdf

¹¹ Libreria Editrice Vaticana, *Catechism of the Catholic Church*, 2434, 1992. Available: <http://www.usccb.org/beliefs-and-teachings/what-we-believe/catechism/catechism-of-the-catholic-church/epub/index.cfm#>

¹² United States Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2011*, p. 49. 2012. Available: <http://www.census.gov/prod/2012pubs/p60-243.pdf>

contributes to much of the damage done by businesses in our world today, including overwork to the detriment of family or spiritual life....”¹³

One of the great challenges of business leaders today is to bring moral values and ethics into the business world, so that the economy truly serves the person. Businesses certainly need to be profitable for the economy to function properly, but that profit must not come to at the expense of workers.

...And the government has an obligation to ensure it.

Mr. Chairman, I have been discouraged by those in Congress, with some notable exceptions, who seem to not have a real concern with the enduring decent jobs crisis in this country. There are some in Congress who seem to think our current situation is acceptable. While it is certainly the primary responsibility of employers to pay workers a just wage, it is proper for government to take steps to ensure this takes place. Catholic teaching has always endorsed the potential benefits and freedoms of a market economy. It also points out that the considerable energies and powers of the market shall not go unchecked, and must always be oriented toward protecting human life and dignity, and advancing the common good.

Blessed John XXIII wrote about the obligation of the state:

As for the State, its whole *raison d'être* is the realization of the common good in the temporal order. It cannot, therefore, hold aloof from economic matters. On the contrary, it must do all in its power to promote the production of a sufficient supply of material goods, “the use of which is necessary for the practice of virtue.” It has also the duty to protect the rights of all its people, and particularly of its weaker members, the workers, women and children. It can never be right for the State to shirk its obligation of working actively for the betterment of the condition of the workingman.¹⁴

Setting a just minimum wage is merely one way government has historically acted to protect the dignity of the worker, encourage family formation, and ensure children have access to basic human needs.

The Catholic Church has been a consistent and vocal supporter of just wages, in teaching and in action.

Mr. Chairman, I am pleased to be here to commemorate the 75th anniversary of the Fair Labor Standards Act (FLSA) because of its central importance in the history of protecting worker rights in this country. FLSA was a vital step in acknowledging the dignity of the worker, and it dovetailed with the established Church teaching on workers.

¹³ Pontifical Council for Justice and Peace, *Vocation of the Business Leader*, 10, 2011. Available: <http://www.stthomas.edu/cathstudies/cst/conferences/Logic%20of%20Gift%20Semina/Logicofgiftdoc/FinalsoftproofVocati.pdf>

¹⁴ Pope John XXIII, *Mater et Magistra*, 20, 1961. Available: http://www.vatican.va/holy_father/john_xxiii/encyclicals/documents/hf_j-xxiii_enc_15051961_mater_en.html

In 1891, when Pope Leo XIII wrote *Rerum Novarum* in the context of the Industrial Revolution, his “central theme [was] the just ordering of society.”¹⁵ He established the necessity to safeguard the dignity of the worker, the moral imperative of a just wage, and the vital role of the government to assuring this. These principles of Leo have been affirmed and expanded by succeeding popes, the conference of Catholic bishops here in the United States and bishops around the world, and has been raised up in multiple forms by influential Catholic thinkers.

In 1919 the National Catholic War Council, a precursor to our current USCCB, issued its recommendations for rebuilding America after World War I in its “Program for Social Reconstruction.” In it, the bishops unequivocally supported a living wage, saying:

...a living wage is not necessarily the full measure of justice. All the Catholic authorities on the subject explicitly declare that this is only the *minimum* of justice.... Since our industrial resources and instrumentalities are sufficient to provide more than a living wage for a very large proportion of the workers, why should we acquiesce in a theory which denies them this measure of the comforts of life? Such a policy is not only of very questionable morality, but is unsound economically.¹⁶

For the Catholic bishops of the United States, advocating a just minimum wage is foundational. Every time Congress or an Administration has suggested raising the minimum wage, the bishops have been supportive simply because it is consistent with our teaching and we see the effects firsthand in the families of our parishioners and our own communities.

The Church will continue to be on the side of workers and their families in the struggle to build a just and fair economy.

Mr. Chairman, to conclude, I am increasingly concerned with the growing scourge of inequality in our country. Recently, a study came out about Americans’ attitudes about inequality.¹⁷ The results were jarring: Americans believe we already have an intolerable level of inequality, and would like to live in a more equal society. The reality is much more severe than the perception, which makes our desired society even further away from the reality.

Pope Emeritus Benedict XVI, in *Caritas in Veritate*, gave us a very clear measure of a just economy:

The dignity of the individual and the demands of justice require, particularly today, that economic choices do not cause disparities in wealth to increase in an excessive and morally unacceptable manner, and that we continue to prioritize the goal of access to steady employment for everyone.... Through the systemic increase of social inequality... not only does social cohesion suffer, thereby placing democracy at risk, but so too does

¹⁵ Pontifical Council for Justice and Peace, *Compendium of the Social Doctrine of the Church*, 89, 2004. Available: http://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_doc_20060526_compendio-dott-soc_en.html

¹⁶ Administrative Committee of the National Catholic War Council, *Social Reconstruction: A General Review of the Problems and Survey of the Remedies*, p. 14, 1919.

¹⁷ Michael I. Norton and Dan Ariely, “Building a Better America--One Wealth Quintile at a Time,” *Perspectives on Psychological Science* 6 (2011).

the economy, through the progressive erosion of “social capital”: the network of relationships of trust, dependability, and respect for the rules, all of which are indispensable for any form of civil coexistence.¹⁸

He could have been speaking about the United States. In recent decades, gains from economic growth have been spread very unevenly. Last year, the Congressional Budget Office reported that over the past 30 years, the average income of the wealthiest one percent has increased 275 percent. The income of the poorest 20 percent among us increased, on average, by less than 20 percent.¹⁹ Most recently, the disparity has grown more extreme. Over the last two years, median household income has flatlined for the poorest workers, but for the middle class it has actually gone down.²⁰

Mr. Chairman, these severe imbalances are not inevitable, but the solutions are varied, numerous, and complicated. Addressing what ails our economy will take patience, persistence, and a steadfast commitment on the part of everyone to placing the common good above self-interest.

We can begin the process of fixing our economy by returning the worker to the center of economic life. One of the best ways to do that is with decent jobs that pay just wages, thereby honoring human dignity and restoring hope to workers and families. Increasing the minimum wage to a level that reflects the real economic reality faced by families today would go far in building an economy worthy of the humans that operate in it.

¹⁸ Pope Benedict XVI, *Caritas in Veritate*, 32, 2009. Available: http://www.vatican.va/holy_father/benedict_xvi/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate_en.html

¹⁹ Congressional Budget Office, *Trends in the Distribution of Household Income Between 1979 and 2007*, 2011. Available: <http://www.cbo.gov/publication/42729>

²⁰ Lowrey, Annie, “Incomes Flat in Recovery, but not for the 1%,” *New York Times*, February 15, 2013. Available: <http://www.nytimes.com/2013/02/16/business/economy/income-gains-after-recession-went-mostly-to-top-1.html>