



A Catholic Guide to the Living Wage



“The worker must be paid a wage sufficient to support him and his family.”

Pope Pius XI, *Quadragesimo Anno*, 71



What is the Living Wage?

The Living Wage is an independently calculated hourly wage rate designed to pay employees enough to cover their basic living needs (eg. cost of food, housing and basic needs).

Although the household circumstances of each worker will be different, the wage rate is calculated to reflect a locally determined minimum acceptable standard of living. The calculations incorporates the cost of a basic basket of goods and necessary housing, childcare and transport costs, as well as statistical analysis on households below half the average income.

In London the rate is calculated by the Greater London Authority and outside London by the Centre for Research in Social Policy, Loughborough.

The Living Wage is adjusted annually, each November, to ensure it is in line with the 'costs of living'.

In London the current rate is £8.55 per hour.
Outside of London the current rate is £7.45 per hour.

What is a Living Wage Employer

A Living Wage Employer ensures that all employees are paid at least the Living Wage. This includes individuals who work on a regular basis at your premises for a subcontractor, such as cleaners or security staff.

Living Wage employers report improved morale, lower turnover of staff, reduced absenteeism, increased productivity and improved customer service.

Living Wage employers have found that by paying the Living Wage they have re-enforced their brand and reputation which has positively impacted on their ability to recruit the best possible staff.

Who does the Living Wage help?

The Living Wage is designed to support low-paid workers. Characteristically low-paid workers are more likely to be female, in part-time employment, have temporary or casual contracts, and work in the private sector.

Research by the Living Wage Foundation found that 75% of employees reported increases in work quality as a result of receiving the Living Wage.

Why is the Living Wage a Catholic concern?

In November 2012 at their plenary meeting in Leeds, the Catholic Bishops' Conference of England and Wales passed this resolution on the Living Wage:

The Bishops' Conference recognises that fair wages are essential to the common good of our society. In accordance with Catholic social teaching, and as part of its mission to support the poor and vulnerable, the Bishops' Conference fully endorses the principle of the Living Wage and encourages Catholic organisations and charities in England and Wales to work towards its implementation.

Catholic Bishops' Conference of England & Wales, Plenary Meeting (November 2012)

The Living Wage, a concept found in a number of Papal Encyclicals spanning over 100 years of Church teaching, has a distinctly Catholic feel to it. At a local community level many Catholic parishes, schools and charities have been involved in the design and development of the London Living Wage through the community organising group London Citizens. The Bishops' Resolution draws upon the wealth of theological support that the Church has for a 'just wage' and recognised the important role that Catholic organisations can play in serving the Common Good.

This year Archbishop Vincent Nichols reaffirmed the importance of the Living Wage in a speech to Catholic charities.

"From Rerum Novarum onwards the Church has insisted on the rights of fair pay so that employees can meet the needs of their families. This concept has in very recent years gained momentum through minimum wage legislation and now the Living Wage scheme, endorsed by political leaders and accepted by hundreds of businesses.

Naturally for many employers, moving towards the Living Wage is a difficult and gradual process which must be balanced with other commitments and demands. However, it is crucial that we tirelessly strive for just pay throughout society as a whole, if work is to provide a viable escape from poverty."

The Most Reverend Vincent Nichols, Archbishop of Westminster (June 2013)

The Living Wage embodies the mission of the Church to the poor and encompasses a range of Catholic Social Teaching themes of Solidarity, Subsidiarity and the importance of Human Dignity. This invitation from the Bishops of England and Wales for Catholic organisations to consider the Living Wage is both part of the Church's mission to the poor and also a way for all Catholics to put their faith into action.

Catholic Social Teaching and the Living Wage

By Fr Tim Gardner OP

A significant contribution to the wages debate was the encyclical *Rerum Novarum*, which set the tone for much of Catholic Social Teaching until our own day, promulgated over 120 years ago (15 May 1891). It was a document that managed to challenge almost everyone, and perhaps it still does. Socialists were unhappy with Leo's defence of the right of private property whereas capitalists were unhappy with the teaching that wages must be sufficient to meet the worker's needs.

The language of *Rerum Novarum* may be dated, but the principles that it enunciates have been reiterated in almost every social encyclical since. The most recent development came in Pope Benedict's *Caritas in Veritate* (29 June 2009) in which he calls for a renewed "civil economy" writing, "the exclusively binary model of market-plus-state is corrosive of society, while economic forms based on solidarity, which find their natural home in civil society without being restricted to it, build up society."

The section of *Rerum Novarum* dealing with wages was almost certainly influenced by the thought of Cardinal Manning, the nineteenth century Archbishop of Westminster. It was Manning who in a speech in Leeds declared "I claim for labour all the rights of property" and who went on to enunciate the famous "Family Wage" principle of *Rerum Novarum*: that a worker's wages should be sufficient to keep his wife and children, to provide them with decent housing and a healthy diet, and to educate them. Manning was also an active campaigner in London's first living wage campaign. It was his intervention which ended the Dockers Strike of 1889 and won them an extra penny an hour to bring the hourly rate of pay to sixpence — the so-called "Docker's Tanner".

Opponents of the Living Wage have always argued that wage levels should be left to the market. In 1961, in the encyclical *Mater et Magistra*, Pope Blessed John XXIII responded to that claim and proclaimed that a living wage was clearly a justice issue:

"We therefore consider it our duty to reaffirm that the remuneration of work is not something that can be left to the laws of the marketplace; nor should it be a decision left to the will of the more powerful. It must be determined in accordance with justice and equity; which means that workers must be paid a wage which allows them to live a truly human life and to fulfil their family obligations in a worthy manner."

Pope Blessed John Paul II went further. In *Laborem Exercens* (1981) he wrote that payment of living wages was a critical criterion for determining the legitimacy of the entire economic system:

"Hence in every case a just wage is the concrete means of verifying the whole socioeconomic system and, in any case, of checking that it is functioning justly. It is not the only means of checking, but it is a particularly important one and in a sense the key means."

The recent campaign for just wages has undoubtedly been influenced by Catholic Social Teaching, and in no small measure through the energy and determination of Catholics like Mgr John Armitage, a parish priest in the East End. What has really given the campaign "legs", however, are the Community Organising techniques taught by the community organisation Citizens UK. The journalist Austen Ivereigh has suggested a metaphor in which Catholic Social Teaching is the "fuel" and Community Organising (developed in Chicago by Saul Alinsky in the 1950s) the "vehicle". Catholic Social teaching is, after all, more than a commentary upon society – it is a call to change society for the better.

What do the Papal Encyclical say on the importance of work?

On the Condition of Workers (*Rerum Novarum*) Pope Leo XIII, 1891

Equity therefore commands that public authority show proper concern for the worker so that from what he contributes to the common good he may receive what will enable him, housed, clothed, and secure, to live his life without hardship. Whence, it follows that all those measures ought to be favoured which seem in any way capable of benefiting the condition of workers (No. 51).

The Fortieth Year (*Quadragesimo Anno*) Pope Pius XI, 1931

Every effort must therefore be made that fathers of families receive a wage large enough to meet ordinary family needs adequately. But if this cannot always be done under existing circumstances, social justice demands that changes be introduced as soon as possible whereby such a wage will be assured to every adult workingman (No. 71).

On Human Work (*Laborem Exercens*) Pope John Paul II, 1981

Work remains a good thing, not only because it is useful and enjoyable, but also because it expresses and increases the worker's dignity. Through work we not only transform the world, we are transformed ourselves, becoming more a human being (No. 9).

History teaches us that organizations of this type [unions] are an indispensable element in social life, especially in industrialized societies. The purpose of unions is not simply to defend the existing wages and prerogatives of the fraction of workers who belong to them, but also to enable workers to make positive and creative contributions to the firm, the community, and the larger society (No. 20).

Yet the workers' rights cannot be doomed to be the mere result of economic systems aimed at maximum profits. The thing that must shape the whole economy is respect for the workers' rights within each country and all through the world's economy (No. 17).

Workers not only want fair pay, they also want to share in the responsibility and creativity of the very work process. They want to feel that they are working for themselves an awareness that is smothered in a bureaucratic system where they only feel themselves to be cogs in a huge machine moved from above (No. 13).

The Hundredth Year (*Centesimus Annus*) Pope Blessed John Paul II, 1991

Profit, though it plays a legitimate role, is not the only indicator of a firm's condition. The people in it might be humiliated and offended. The aim of a business is not simply profit, but to form a particular group at the service of the whole of society (No. 35).

What do Catholic Organisations say about the Living Wage?

"St Peter's Catholic College is committed to ensuring that all staff feel valued and an important part of the workforce. Although it is currently voluntary to do so, the introduction of a living wage ensures that the lowest paid members of our school community will benefit financially. Studies have shown that the introduction of the Living Wage increases positivity and loyalty amongst the workforce and reduces staff leaving rates, improving stability in staffing which benefits the entire school.

"We are proud to be a Catholic school and pioneers in this field."



St Peter's Catholic College, Middlesbrough

"At Laleham Lea, we believe that happy children learn well and that happy staff work well. We show our respect for the dignity of our staff, however straightforward the tasks allocated, by ensuring that they are paid at a rate which is deemed sufficient and since September 2012 we have paid the living wage to our employees. Paying the living wage means each person has a fair share in the income generated as a result of everyone's hard work."



Laleham Lea Catholic Independent Primary School, Purley

"The Governing Body of St. Catherine's Catholic Primary School has agreed to become a Living Wage employer. This has directly benefited 13 of our staff, and allows each individual to be able to afford an acceptable standard of living.

"The Living Wage is an achievable way of helping people on low incomes, and we are pleased to support its introduction; as well as being morally right, as an employer it has helped us with recruitment and retention."



St. Catherine's Catholic Primary School, Sheffield

"As a Catholic School within the Diocese of Westminster we base all our policy formation on Catholic Social Teaching. When reviewing our school Pay Policy this year we were acutely aware that in the current economic climate many of our staff who have their salaries tied to School Teachers Pay & Conditions or the NJC Pay scales have not received cost of living increases for a number of years. However, they are all paid well above the London Living Wage.



"The Cleaning Staff on the other hand were being paid a little above minimum wages which was generally more than they had received in their previous employment. Having heard about the campaign to pay staff a 'London Living Wage' we took the decision to raise the hourly rate to £10 per hour.

"All staff in the school are valued and the cleaning staff who perform such a valuable role for the school deserve to be treated justly."

Vita et Pax Preparatory School, London

"Catholic social teaching has long insisted on the rights of fair pay for employees. At St Mary's, conscious that our people are our most important asset, we pay the London Living Wage. We consider it is right to do this for the welfare of our staff and the success of our University College."

St Mary's
University College
Twickenham
London

Bishop Richard Moth, Chair of Governors, St Mary's University College, Twickenham

"CSAN is committed to the Living Wage and to just terms and conditions of employment. Our member charities are increasingly witnessing more families living in 'in-work poverty' and struggling to afford the very basic costs of living such as food, utilities and rent payments. The Living Wage seeks to preserve the dignity of work by ensuring that 'work pays'"



Bishop Terence Brain, Chair of Trustees, CSAN

"A Living Wage is essential in the promotion of family life in our society. It ensures that the worker has enough money to cover the basic living costs for both themselves and their family. Catholic organisations have the responsibility to promote human flourishing through the dignity of work, and the Living Wage plays an important part in this. I congratulate those Catholic schools, charities and universities who are already Living Wage employers and thank them for the great example they set us in their work for the Common Good."



Bishop Malcolm McMahon, Chairman of Catholic Education Service

"Scripture makes many references to the importance of paying a right and just wage for work done. (In both Luke 10:7 and 1 Timothy 5:18 we read "*The labourer deserves his wages*" and in Romans 4.4, "*Now to the one who works, his wages are not counted as a gift but as his due.*") Although we were already paying London Living Wage for our staff before the joining the campaign, encouraged by the information provided our Facilities Manager was able to secure a London Living Wage for the contact staff who deliver some of the services for CAFOD through third parties.



We also feel that it was important to become a London Living wage employer as an expression of our solidarity with the principles of a paying a living wage and with those individuals and organisations striving to achieve fair pay."

Jacque Heany, Director of OD and People, CAFOD

St Joseph's becomes the first school in Wrexham to pay The Living Wage



St Joseph's is glad to be actively supporting an initiative growing across Wales and the UK to address poverty: The Living Wage Campaign originated out of a concern for family life and the time and financial pressures caused by low pay.

There has been growing realisation that the "minimum wage" set by the Government does not provide people with sufficient means for their well-being. Low pay causes stress and many health and social issues that affect the whole of

society. In these tough economic times, many working families are facing crisis. There's a common misconception that poverty primarily affects families and individuals who are homeless or out of work, when in fact the majority of the 3.8 million children who live in poverty in the UK are in households where the adults work. For more information go to www.livingwage.org.uk

Faith communities have been prominent amongst those who are keen to tackle poverty and to help everyone to find the dignity and sense of worth that they deserve. The "Living Wage" has been calculated on the basis of what is fair and realistic, taking into account what is needed to provide for the essentials of family life. Mrs Rimmer is a Trustee of TCC – Together Creating Communities – and, working with them, has led our school to stand alongside our two dioceses in recognising that poverty is a spiritual issue as well as an economic one and that we have to make a response.

Understanding that all people are created in the image of God compels us to take what action we can to ensure that all paid work at least gives workers the dignity of being able to provide for their needs.

Of course, a sense of value is not only shown in the pay working people are given: the contribution of many at our school could not be measured in cash. Lots of people here are glad to offer their help and service as volunteers. Staff (paid and unpaid) regularly "go the extra mile" and give generously of their time as part of their discipleship or desire to serve others.

However, it is important that all paid workers receive enough money to live. I'm really glad that all employees paid by our school now receive a Living Wage and that the school, through Mrs Rimmer's leadership on this issue, and backed by the Governing Body, has made a commitment to honour this into the future.

Reverend Mary Stallard, School Chaplain

What to do next - Becoming a Living Wage Employer

Implementing the Living Wage

Becoming a Living Wage employer is a staged process, which can be completed over a period of time. Employers must first ensure that all directly employed members of staff are paid no less than the Living Wage. Secondly, the employer must ensure that any contractors providing services to the school must be paid the Living Wage.

Unison have produced a briefing plan and implementation in Catholic schools guide which outlines the staged process for schools wishing to become a Living Wage employer. This document can be found on the CES website (www.catholiceducation.org.uk/LivingWage).

It is important to note that the situation in each school may vary. Schools should seek legal advice and support from their relevant HR officer/contact when considering the impact of implementing the Living Wage, particularly in respect of their duty to consult with their employees.

If you have any HR or financial queries connected to becoming a Living Wage employer, please also consult with your Diocesan Education Commission.

Accreditation

The Living Wage Foundation offers accreditation to employers that pay the Living Wage, or those who are committed to an agreed timetable of implementation.

Once accredited, employers are awarded the Live Wage employer kite mark.



The Living Wage rate is reviewed annually each November and employers are expected to implement the new rate within six months.

For more information about the accreditation process please see www.livingwage.org.uk or contact Sarah Vero, Accreditation & Communications Officer (sarah.vero@livingwage.org.uk).

Spreading the word

If you are already a Living Wage employer please contact Marie Southall, Public Affairs Manager for the CES (msouthall@catholiceducation.org.uk) to share your story.

For more information please go to:

www.catholiceducation.org.uk
www.livingwage.org.uk

If your school is paying the Living Wage please get in touch with:

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