



Christian Reflection

A Series in Faith and Ethics

Focus Article:

📖 A Just and Living Wage
(*Global Wealth*, pp. 71-79)

What do you think?

Was this study guide useful for your personal or group study? Please send your suggestions to Christian_Reflection@baylor.edu.

Christian Reflection

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A Just and Living Wage

Since wages raise significant issues of human dignity and equity, Christians cannot ignore wages. But our reflection cannot be conducted in a theological cocoon. We must grapple with the practicalities of economics, business administration, and politics.

Prayer

O Lord our God, "Your Word is a lamp to our feet and a light to our path." Startle us with your good news for all, open our hearts and minds to your truth, and give us courage to respond with faithful, joyful obedience, through Jesus Christ our Lord. Amen.

Scripture Reading: James 5:1-6

Reflection

In sharp prophetic tones, James rebukes the rich farmers (could they be church members?) who withhold wages from their workers. They mock God's ancient law: "You shall not withhold the wages of poor and needy laborers, whether other Israelites or aliens who reside in your land in one of your towns. You shall pay them their wages daily before sunset, because they are poor and their livelihood depends on them; otherwise they might cry to the LORD against you, and you would incur guilt" (Deuteronomy 24:14-15). James cries out on behalf of such laborers.

Since the thirteenth century, Christians have urged employers to pay a *just wage*—not the low payment that desperate workers will accept, but the amount they would take for their labor if they were neither coerced nor deceived nor bargaining from a vastly unequal position. Indeed, "remuneration for labor is to be such that man may be furnished the means to cultivate worthily his own material, social, cultural, and spiritual life and that of his dependents," wrote Pope Paul VI in *Guadium et Spes* (1965).

By itself, this appeal is impractical, says Jerold Waltman. "Unless all employers are equally convinced of the rightness of paying a just wage, and all do so in fact, the unscrupulous employer wins a competitive advantage. Therefore, only a law compelling all employers to pay the just wage will level the playing field." Society might "ensure equality of bargaining by having strong unions bargain with employers under the watchful eye of the state," or "set a legally mandated minimum wage, with the level of that wage tied to some kind of decency standard." He prefers the latter policy—requiring employers to pay a "living wage."[†]

Since a living wage policy can affect employment, prices, purchasing power, and productivity, is it wise? Using recent data gleaned by Britain's Low Pay Commission, Waltman claims a minimum wage, including a living wage, would:

- ▶ *not lower employment.* The evidence shows total employment, including in low-wage jobs, increased each year after Britain instituted a minimum wage in 1999.
- ▶ *not cause inflation.* Prices have been level in the overall British economy, including the low-wage sector.
- ▶ *not increase business failures.* "Overall, the level of profits among British firms has remained constant. Further, the number of firms in existence in the economy as a whole, and even in the low-wage



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sector, has actually increased. In short, British businesses are flourishing with a rising minimum wage.”

- ▶ *would alleviate poverty.* “In Britain, the largest group of minimum wage workers is spouses of full-time workers in the lower deciles of the income distribution.” Thus, a recent minimum wage increase directed £1.75 more per week to families in the lowest decile, but only £0.07 to families in the highest decile. Since a third of minimum wage earners in the U.S. work full-time, Waltman predicts that a living wage policy, even though it is not perfectly targeted toward the poor, “would be a highly effective poverty-fighting tool.”

Because no nation has a genuine living wage, we do not know what its actual impact would be. Waltman says, “The most sensible approach would be to implement it in stages, and if it were truly found to have adverse effects, it could be frozen or even lowered.” A living wage in the U.S. may require stricter immigration controls. And if developing nations adopt a living wage, they will need enforceable agreements to protect their employers from a competitive disadvantage in international markets.

Study Questions

1. Distinguish between a minimum wage, a just wage, and a living wage. Why does a living wage vary among communities?
2. Discuss why many Christians support a just wage.
3. Would a living wage be an effective response to poverty?
4. Globalization poses two problems for a living wage: immigration into developed nations and unprotected economies in developing nations. How does Waltman respond to these?

Departing Hymn: “Jesus Shall Reign Where'er the Sun” (vv. 1, 6, 11a, 10b, 14)

Jesus shall reign where'er the sun
does his successive journeys run;
his kingdom stretch from shore to shore
till moons shall wax and wane no more.

Blessings abound wherever he reigns,
the prisoner leaps to lose his chains;
the weary find eternal rest,
and all the sons of want are blessed.

With power he vindicates the just
and treads th' oppressor in the dust;
his justice shall avenge the poor,
and pride and rage prevail no more.

The saints shall flourish in his days,
dressed in the robes of joy and praise;
peace, like a river, from his throne
shall flow to nations yet unknown.

Isaac Watts, THE PSALMS OF DAVID (1719)
Tune: DUKE STREET

† The Poverty in America project at Pennsylvania State University says a living wage is “the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year).”

A Just and Living Wage

Lesson Plans

Abridged Plan	Standard Plan
Prayer	Prayer
Scripture Reading	Scripture Reading
Reflection (skim all)	Reflection (all sections)
Questions 1 and 2	Questions (selected)
Departing Hymn	Departing Hymn

Teaching Goals

1. To understand the idea of a living wage and to estimate this wage for your community.
2. To consider reasons, based in Scripture and Christian theology, for paying workers a just and living wage.
3. To weigh objections to a public policy requiring employers to pay at least a living wage.

Before the Group Meeting

Distribute copies of the study guide on pp. 10-11 and ask members to read the Bible passage in the guide. Distribute copies of *Global Wealth (Christian Reflection)* and ask members to read the focus article before the group meeting. For the departing hymn “Jesus Shall Reign Where’er the Sun” locate the familiar tune DUKE STREET in your church’s hymnal or on the web at www.cyberhymnal.org.

Begin with a Calculation

What annual income does a single person need in order to live in your community? What income would a single parent with one child require? What about a family of two adults and two children? Just consider the basics: a very frugal budget for food, childcare, medical insurance, housing, and transportation, and no more than \$10 a day (\$3600 a year) for *everything* else.

The Living Wage Calculator (www.livingwage.geog.psu.edu) shows these required incomes and a living wage for any town or city in the United States. Do a calculation for your community and print it out for reference. For example, as I am writing, in Waco, TX, the annual income a single person needs is \$14,978, a single adult with a child needs \$26,740, and a family of four needs \$38,358. The living wage in Waco is \$12.86 an hour, which is more than twice the federal minimum wage. The Poverty in America project at Pennsylvania State University defines a living wage as “the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year).”

The Living Wage Calculator shows the average local wages in twenty-two job categories. In Waco, workers in *ten* categories typically do not earn a living wage. What about your community? Do junior staff members at your church earn a living wage? What about the women and men who serve food in your favorite restaurant, teach at the local school, or work in your office?

Prayer

Invite members to share their personal celebrations and concerns with the group. Provide time for each person to pray silently. Conclude by reading the prayer printed in the study guide in unison.

Scripture Reading

Ask a group member to read James 5:1-6 from a modern translation.

Reflection

“The essential task for Christians at the moment is to reflect on whether the living wage is desirable or not,” Jerold Waltman writes. This study simplifies his rich case for the desirability of requiring employers to pay a living wage: it focuses on his first line of reasoning – that the living wage is also a just wage. Members may explore his second reason – that the living wage is an efficient way to alleviate poverty – by responding to the third study question.

If we agree a living wage is desirable, Waltman continues, then “we should be mindful of, but not overwhelmed by, the practical difficulties.” He recommends moving cautiously toward a social policy requiring employers to pay a living wage. Some would object. With those who say the free market is beyond moral criticism because it is good in itself, he simply disagrees. To those who “see the market, even with all its failings, as the best guarantee of social justice,” he responds with recent evidence that a minimum wage (and, probably, a living wage) can help to alleviate poverty without increasing prices, causing inflation, or slowing economic growth.

Study Questions

1. “Minimum wage” is an economic term for a legally established and enforced baseline wage. “Just wage” is a medieval Christian term for a wage that would be accepted by reasonable workers – that is, by workers who negotiate without any coercion, with relevant knowledge about the job and their employment options, and not from a vastly unequal position with the employer. “Living wage” is a recently minted term for a wage that reflects the needs of the worker, whether this amount is established by bargaining or law. For example, the Poverty in America project at Pennsylvania State University specifies a living wage as “the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year).”

These terms overlap in practice. A living wage probably is a just wage (if we assume that reasonable workers would bargain for a wage that meets their needs). A living wage could be a minimum wage (if a law were passed requiring employers to pay it to their workers).

A living wage varies among communities because the cost of living in them varies. As the costs of food, childcare, medical insurance, housing, transportation, and other necessities increase, the living wage must increase to purchase them.

2. Workers should be paid a fair wage, the late medieval Christian philosophers thought. This meant an employer should not take advantage of a worker’s ignorance about the job or employment options, lack of power, or desperate situation. More recent Catholic social teaching states this in a positive way: “wages ought not to be insufficient to support a frugal and well-behaved wage-earner” (*Rerum Novarum*, 1891); “remuneration for labor is to be such that man may be furnished the means to cultivate worthily his own material, social, cultural, and spiritual life and that of his dependents” (*Gaudium et Spes*, 1965); and “A just wage is the legitimate fruit of work” (*Catechism of the Catholic Church*, 1992).
3. Waltman says that a living wage (1) reinforces “the meaning and dignity associated with work,” (2) “strikes at the root of many facets of the problem of poverty” because wages are the main income for most people, and (3) avoids the problems of public expenditure policies (e.g., that they create dependency among recipients, “pit one segment of the community against another, for who is a payee and who is a recipient is easily demarcated,” and require a large bureaucracy). “What the living wage can replace are the bevy of cash transfer payments and tax subsidies (such as the Earned Income Tax Credit) given to individuals.”
4. First, if the U.S. requires a living wage, unscrupulous employers will seek out illegal workers more than ever. The only possible response will be to place severe restrictions on immigration. Waltman admits, “the harshness associated with such policies runs counter to the liberal values espoused by modern democracies.” Second, if a developing country requires a living wage, its unscrupulous employers will dodge it in order to gain an advantage in international markets. Enforcing the wage will require “some type of international inspectorate. But problems abound here as well.” Even so, he believes the living wage is a worthy ideal to pursue, despite the practical difficulties we must overcome.

Departing Hymn

If you choose not to sing the hymn, you may read the hymn text in unison or silently and meditatively as a prayer.