



A "JUST WAGE": MORE THAN DOLLARS

For many years, Catholic health care systems and their sponsors have been struggling to interpret and apply the Catholic social teaching concerning "just wages." A just wage, it should be noted, is not the same thing as a "living wage," a minimum compensation level set by local governments for the employees of companies that do business with them. (Nor does it have anything to do with federal poverty "levels" or "thresholds.") A "living wage" is not necessarily a just wage, according to Catholic social teaching.

In a moral society, the teaching says, employers and employees, acting as partners, establish a just wage as part of a package that includes other social benefits intended to safeguard and promote the lives and health of workers and their families.¹ In calculating the just wage, the employer and employees must consider the business's health and the requirements of the common good, both of which are needed by the larger society.² Employees' social benefits include access to affordable or subsidized health care, regular rest periods (to permit relaxation and worship), opportunities for self-improvement and development, an adequate retirement, protection from injury on the job (workers compensation), disability protection, and an overall safe work environment.³

POSITION PAPER ON JUST WAGES

In March 2001, an ad hoc group calling itself Senior Human Resources Executives of Large

*Some
Catholic
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Have
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a List of
Principles
Concerning
Compensa-
tion*

BY JEFFREY W.
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Catholic Health Systems (Catholic HR Execs) and representing more than 300,000 employees nationwide sent to the CEOs of Catholic health care organizations the draft of a paper called "Position Statement on Just Wages and Affordable Access." The group intended the paper to help Catholic health care leaders address the core principles of Catholic social teaching as they grappled with the complex issues of just wages and affordable access for low-income workers. Several Catholic systems, including Christus Health, have since adopted the paper as a foundational document they can use in their efforts to meet their social justice responsibilities to employees.

In their paper, the Catholic HR Execs argued that neither a local "living wage" nor one set at the federal poverty level is a just wage unless it is complemented by a reasonable social-benefit package and training that allow employees to share in the business enterprise's success through their own skill and thrift. "The obligation in Catholic social teaching is to try to provide a just wage [by] directing employers to establish a floor upon which the basic needs of employees and their families are met," the Catholic HR Execs said.⁴ The paper offered Catholic health ministry leaders a blueprint for building that floor.

In the Catholic HR Execs' view, employers must follow several basic principles inherent in addressing the just-wage issue. First, working with representatives of their HR and risk management departments and the affected low-income workers themselves, Catholic employers should establish a plan that includes different levels of remediation. This plan should include raising workers' pay to meet or exceed prevailing market rates for the work being done, developing their skills, and informing them of alternative assistance programs. The plan should address such



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issues as childcare, transportation to and from work, personal savings, and affordable housing. If the plan is to be successful, employers must constantly reassess it, measuring its impact on individual workers, their families, labor markets, the company itself, and the company's success in promoting the common good.

THE JUST WAGE AS A SOCIETAL ISSUE

The Catholic HR Execs see the just wage as a societal issue as well as one for individual employers. Employers thus have a responsibility to educate eligible workers about gaining access to

social support programs, including Family Medical Leave Act benefits and the State Children's Health Insurance Program, which provides health care coverage for uninsured children.

On the other hand, Catholic social teaching says it is wrong to encourage employees to opt into the welfare system instead of providing them with employer-sponsored benefits. This is particularly true of health care coverage. At the same time, it would be morally irresponsible and poor stewardship for employers to pay such high wages and benefits that they bankrupt their own businesses. "The condition of any particular business and of its owner must also come into question in settling the scale of wages; for it is unjust to demand wages so high that an employer cannot pay them without ruin, and without consequent distress among the working people themselves."⁵ By the same token, it would be wrong for employers to sell their products at prices so low that they are forced to cut employees' pay. According to Catholic social teaching, wages must be determined in a way that offers the greatest number of employment opportunities. In contemporary Catholic health care, employers may need to subsidize the medical insurance coverage of employees who cannot afford to pay for it, especially those with families.

PRINCIPLES CONCERNING THE JUST WAGE

Principle I Catholic health care organizations should establish plans to move them toward a just wage. Such plans should include different levels of remediation and skills development and should consider increasing pay to or above the prevailing market. They should take account of government societal programs already in place and provide for periodic assessment of their impact on all facets of the employee-employer relationship.

Principle II Providing a just wage is a societal issue as well as an individual employer issue. In cases where society has already established programs, Catholic organizations should inform workers about their eligibility concerning benefits (the Family Medical Leave Act or the earned income credit, for example) and help workers gain access to them.

Principle III A wage set at the federal poverty level is not a living wage because it does not consider household income or family composition (number, ages, sex), which are predominant factors in creation of a just wage.

Principle IV Competitive pay rates and market position can significantly challenge a Catholic organization's ability to provide just wages. At least in the case of lower-paid workers, however, such organizations should pay wages at or above prevailing market rates and provide benefits that support family needs and the development of the worker.

Principle V Employers have an obligation to help unskilled and semiskilled employees raise their skill level and thereby enhance their productivity and marketability. Employees, on the other hand, have a responsibility to seek out and take part in skills training and job enhancement initiatives.

Principle VI Most eligible workers and their families receive health insurance coverage through employers. Catholic organizations should subsidize health coverage for their low-income workers.

Principle VII Catholic organizations' benefit packages must include affordable health care (subsidized for low-income workers), regular rest, adequate retirement income, workers compensation, disability protection, and safety in the workplace.

—Senior Human Resources Executives of Large Catholic Health Systems

SEEKING THE JUST WAGE

A just wage cannot be achieved simply by raising employees' pay. Nurses' salaries have grown larger in recent years as health care organizations have competed for their services. Today those organizations compete in the same way for semiskilled and unskilled workers. Unless there is a corresponding increase in labor productivity, this wage inflation could threaten some organizations' economic viability.

Nor can employers, in trying to achieve a just wage, focus on hiring highly skilled workers. As a recent survey found, "The higher the proposed level of the living wage (in terms of its percentage of the current minimum wage level) the more likely employers are to hire better-skilled applicants . . . [and] the more likely that employment losses will result."⁶

Catholic social teaching says that employers have a moral obligation to help less skilled employees enhance their productivity and to encourage "workers and other employees [to] become sharers in ownership or management or participate in fashion in the profits received."⁷ Employers should also reach out to low-paid and



marginal workers and make room for them in their organizations, thereby contributing to the common good. Employees have a responsibility to participate in employer-sponsored skills training and other internal job enhancement initiatives.

COMPENSATION AND HEALTH INSURANCE

Nearly half of the “working poor” risk financial catastrophe by failing to have health insurance, according to the U.S. Census Bureau.⁸ Nearly 80 percent of people who do have health insurance obtained it through their employers. Twenty-three million adults were uninsured in 1995 (17 million of whom were employed). In 2000, the number of uninsured adults jumped to 32 million, including 4.8 million uninsured children under age 18 and 332,000 uninsured elderly over age 65.

In Catholic health care, most employees have insurance coverage through their employers. Yet not even in the Catholic health ministry is there is universal agreement that health coverage is a core benefit that should be provided to all workers unless they receive it elsewhere (from a spouse’s employer, for example).

Catholic health care organizations should bear witness to their mission and core values by subsidizing coverage for their lower-paid workers. Catholic social teaching says clearly that all workers, and especially the working poor, are entitled to reasonable health care at little or no cost. Consequently, the issues of the just wage and affordable access to health care cannot be separated.

AFFORDABLE ACCESS

To many people, the term “affordable access” means simply that people have access to health insurance at an affordable out-of-pocket cost. But it means more than that. Affordable access also requires subsidizing deductibles and copayments for lower-paid workers, especially those with families, in a way that allows them to *use* their insurance when they need it. It is ironic that when health care employers (even employers in Catholic health care) discuss providing coverage for their workers, they often decide that doing so would be simply too costly. But if health care organizations will not insure their own workers—people who receive most of their inpatient treatment from the very hospitals in which they work and from physicians with whom those hospitals have special relationships—imagine what *other* health care consumers in the community will say about those organizations. How can Catholic health care *not* provide basic and affordable

health insurance benefits to its workers, particularly those most at risk?

LEADERS MUST TAKE THE LEAD

Catholic social teaching stipulates that employers have an obligation in justice to develop right or just relationships with employees. This obligation includes a reflective, well-developed plan for cultivating those relationships. Of course, the road to justice is difficult and often circuitous. Market forces do not often support Catholic social concepts. Nevertheless, Catholic institutions are obliged to bear witness to the just-relationship teaching in their employment policies.

So where does one begin? The answer is: From the top down. Leaders must champion the just wage and set goals that lead to achieving it. They must avoid getting hung up in talk about living wages or definitions of poverty. Leaders in larger systems should inventory their “best practices” concerning what is currently being done to help the system’s lower-paid workers. They may be surprised by what some system facilities are doing, particularly in the area of education and skills development.

Leaders should realize that achieving a just wage involves more than simply setting a minimum wage for their systems. They should remember that a successful just-wage plan is intended to break the cycle of poverty. Leaders should examine the subsidies that they already provide toward employees’ health care coverage and other benefits and make them a part of their plan. They should identify the various government programs designed to help the poor and weave them into the plan, taking care, however,

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“Affordable access” also requires subsidizing health insurance for lower-paid workers.

THE JUST WAGE IN CATHOLIC TRADITION

However, [to] lower or raise wages unduly, with a view to private profit, and with no consideration for the common good, is contrary to social justice. . . . This . . . requires that by a combination of effort and good will, to the extent possible, wages be so determined as to offer to the greatest number opportunities of employment, and of securing for themselves suitable means of livelihood.

Pope Pius XI, Quadragesimo Anno

In the majority of cases a man’s work is his sole means of livelihood. Its remuneration, therefore, cannot be made to depend upon the state of the market. It must be determined by the laws of justice and equity.

Pope John Paul XXIII, Mater et Magistra

THE ILLINOIS BISHOPS ON DEATH AND DYING

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The Illinois bishops' pastoral letter is a step forward because it presents church teaching in an understandable manner.

has traditionally maintained that life support may be withdrawn if it is not beneficial for the patient or it imposes an excessive burden on the patient or his or her family or community. Thus this teaching has not implied that the patient must be in the throes of death before he or she (or a proxy) decides that life support is not beneficial. In the past few years, however, some statements coming from authoritative sources—the encyclical *Evangelium Vitae* (n. 65), for example—have suggested that life support may not be removed unless “death is imminent and inevitable.” Of course, life support may be removed if death is imminent and inevitable, but must a pathology be so far advanced before life support is withheld or removed? Is it not ethically acceptable to remove or reject life support if it is determined to be ineffective or an excessive burden *before* death is “imminent and inevitable”? Over the centuries, moral theologians have offered examples of people who need not accept exotic or burdensome forms of life support even though death was not “imminent and inevitable.” Thus following an expensive or exotic diet, even if it would prolong life, was not deemed morally necessary. Moreover, moral theologians maintained that a person would not have to move to a better climate, or change his or her manner of making a living, in order to prolong his or her life. The norms set forth in Directives 56 and 57 do not say that death must be imminent and inevitable before life support can be rejected or removed. If taken literally, saying that death must be “imminent and inevitable” before life support is withheld or removed would not seem to be an accurate statement of Catholic tradition. As Francis de Vittoria, the pioneer in death and dying theology

stated in the 16th century, “It is one thing to shorten life and another thing not to prolong it.”⁵

A STEP FORWARD

In sum, the Illinois bishops' pastoral letter is a step forward because it presents church teaching in a succinct and understandable manner. Its enlightened tone may be owing to the fact that a practicing physician contributed to it, along with theologians and bishops. This collaboration has produced a patient- and family-centered document for physicians, other health care professionals, and patients and their families. “In consulting with legitimate church teaching, our consciences can be formed so that decisions made even in emotionally laden situations are moral, compassionate and appropriate” (p. 109). □

Copies of Facing the End of Life: A Pastoral Letter from the Bishops of Illinois may be had by calling the Illinois Catholic Health Association at 312-368-0011 or by accessing the organization's web site, www.il-cha.org.

NOTES

1. U.S. Conference of Catholic Bishops, *Ethical and Religious Directives for Catholic Health Services*, 4th ed., Washington, DC, 2001, p. 31.
2. Illinois Bishops, “Facing the End of Life,” *Origins*, June 21, 2001, pp. 105, 107-109.
3. Thomas Aquinas, *Summa Theologica*, II, q. 1. a. 1., Benziger Brothers, New York City, 1947.
4. A. Finucane, “Tube Feeding in Patients with Advanced Dementia,” *JAMA*, October 13, 1999, pp. 282-294; B. Gillick, “Rethinking the Role of Tube Feeding in Patients with Advanced Dementia,” *New England Journal of Medicine*, January 20, 2000, pp. 342-346.
5. Francis de Vittoria, *On Homicide*, J. P. Doyle, ed., Marquette University Press, Milwaukee, 1997, p. 103.

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Survival of the organization is paramount.

not to substitute these programs for the organization's responsibility as a Catholic employer.

In developing their plan, leaders must understand that survival of their organizations—and the jobs they represent—is paramount. An organization forced to scale back its jobs cannot provide a just wage.

Once leaders have all the necessary facts, they should establish a wage rate that is sensitive to local cost-of-living standards and is complementary to the overall fabric of the plan. They must be prepared to discuss such difficult topics as “wage compression”—eliminating low-paying jobs to raise the pay of other workers—without apologies. They must document their plan and its goals and communicate them to the entire workforce. And, finally, they should not be afraid to *have faith* that they are doing the right thing. If their plan is realistic, sensitive, and well thought-out, they probably are. □

NOTES

1. Pope John Paul II, *Laborem Exercens*, 1981, paras. 19 and 93.
2. Pope Pius XI, *Quadragesimo Anno*, 1931, para. 74.
3. Pope Leo XIII, *Rerum Novarum*, 1891, mentions the worker's need for time in which to rest and worship.
4. Human Resource Executives of Large Catholic Health Systems, “Position Statement on Just Wages and Affordable Access,” p. 1.
5. Pope Pius XI, para. 72.
6. Bureau of National Affairs, “Survey: Economists Predict Living Wage Laws Will Reduce Jobs, Promote Hiring of Skilled Workers,” *BNA Daily Labor Report*, August 17, 2001.
7. Pope Pius XI, para. 65.
8. www.solucient.com.