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TESTIMONY FOR HB 378, AN ACT RELATING TO MINIMUM WAGE
HOUSE COMMITTEE ON LABOR AND INDUSTRY
JANUARY 24, 2006

Mr. Chairman, my name is Rev. Patrick Delahanty, Associate Director of the Catholic Conference of Kentucky, and on behalf of the Roman Catholic Bishops of Kentucky, I thank you for the opportunity to appear before you and all the members of this committee to voice the bishops' support for HB 378, which will establish a much needed raise in the minimum wage in Kentucky.

The Catholic Conference of Kentucky appreciates the sponsor's sensitivity to the plight of the working poor and urges each member of this committee to support this legislation.

Why are we concerned? Our Catholic tradition holds that work is more than a way to make a living: it is a form of participation in God's creation. Pope John Paul noted in his 1981 letter, *On Human Work*, that "work is in the first place 'for the worker' and not the worker for the 'work.'" Ultimately then, the value of work is grounded in the dignity of the human beings who do it. Just as every human life has value, so too does every worker have dignity. Wages are a critical way by which we recognize that dignity.

In visiting the Kentucky Workforce website, we learned how little income 1000's of Kentuckians earn, all of whom would benefit from passage of this legislation.

Please allow me to provide some factual information from the state's website:

In five categories of occupation, the hourly entry wage ranges between \$5.73 for those working in Accommodation and Food Services, to \$6.46 per hour for those in the category of Real Estate and Rental and Leasing. In between are those in the Arts, Entertainment, and Recreation category making \$6.07; those in the Retail Trade category earning \$6.09; and finally those in Other Services, except Public Administration, receiving \$6.32.

The total number of persons employed in these 5 categories in November of 2005 totaled 479,700. Over all in that month there were 1.8 million non-farm employees in Kentucky. Thus, nearly 27% of non-farm employees in Kentucky would benefit from the minimum wage set by this bill as it goes into effect over a two year period.*

There is no doubt that an increase in the minimum wage is needed. Consider that someone earning today's minimum wage of \$5.15 earns only \$10,712 a year. Today the Federal government is publishing in the Federal Register the 2006 Health and Human Services Poverty Guidelines. A family of four is poor and eligible for certain services when their income is below

\$20,000. A single parent with two children, or a couple with one child, earning less than \$16,600, is below the poverty level in this nation.

Using another measure, the Lower Living Standard Income Level, a measure used to “determine the minimum level for establishing self-sufficiency criteria at the state level,” a family of four in the South in a rural area must earn \$27,560 to be considered self-sufficient. For a family of three the amount is \$22,330. This amount is the minimum amount Kentucky must set for determining whether employment leads to self-sufficiency under Workforce Investment Area programs.

Thus, even with the small increase in minimum wage that this bill provides, persons earning this amount will still fail to be self-sufficient and, in all likelihood, still earn below federally established poverty levels. Nonetheless, the Catholic Conference applauds and supports this legislation as a move in the right direction.

Catholic social teaching insists that workers receive a just wage, defined as the amount needed to meet the minimum needs of a family, a wage often described as a living wage, an amount that generally exceeds the minimum wage.

By not paying a just, living wage, employers are shifting part of their wage costs to the public. The public, in effect, subsidizes those low-wage workers with:

- food stamps;
- emergency medical services; and
- housing and other social services.

The dignity of work prompts the church to teach about **the rights of workers**: the right to decent work, to a just wage, to health care, to organize and form unions, to private property, and to economic initiative. Workers also need a weekly Sabbath and periodic rest. Those working in gainful employment and those working in the home become a working community. Each day people participate in God’s work by exercising a respectful dominion over creation and building a just society. In return for this daily effort, the worker must be justly compensated.

Please vote YES for HB 378. Thank you.

*After testifying, Jan Gould, representing the retailers, correctly pointed out to the committee that I had inaccurately concluded that all 27% of Kentucky non-farm employees would benefit from the increase in minimum wage. As he said some of these had gotten beyond entry level pay scale.

That being said, the CCK position remains unchanged. Our Catholic social teaching is not determined by the number of persons who immediately benefit, but upon the dignity of any of those who are not justly compensated for their work.

Nonetheless, please do not use this paragraph as it is written. A more accurate statement would be that when this bill passes, by the end of 2007 those beginning to work in the five identified occupations will be paid more fairly.