The Living Wage: a briefing for churches (last updated November 2014)

Act now!

1. Pay your staff the Living Wage
2. Sign up for updates
3. Become an official Living Wage Employer

How much is the Living Wage?

The Living Wage rates for the UK and London are £7.85 and £9.15 per hour respectively, as announced by the Living Wage Foundation on 3 November 2014.

This is more than the statutory National Minimum Wage, which is currently £6.50 for workers aged 21, and substantially less for young people. The Living Wage takes into account top-up benefits and credits – which are often not enough to keep people out of poverty.

Why pay the Living Wage?

For people who work hard full-time to be subject to poverty is a denial of the dignity that God has given them. The Living Wage is an idea that flows directly from Christian values, and has resonated throughout the secular world.

A complex labour market which prices in supply and demand is a fact of modern societies. However, human endeavour cannot be a product bought and sold like any other commodity. It is morally unacceptable to price labour so low that people are forced to work long and hard yet still live in poverty. It is an indictment of the UK's low-pay culture and the low level of the legally enforced Minimum Wage that 61% of children living in poverty actually have working parents.

For over five million people in the UK today – 21% of the workforce – hard work and poverty pay is their daily reality. Before the Methodist Church adopted the Living Wage, its internal research showed that many of these low-paid workers worked in Methodist churches as cleaners, office workers, gardeners and caretakers. There is good reason to believe the same will be true in other churches. Many of those on sub-Living Wage

salaries also live in the most deprived communities, which we as a church are committed to as part of our mission.

"People should be paid a fair wage for a fair day's work – anything else is unjust."
Archbishop of York, September 2012

"As an employer, the Church has a moral responsibility towards its workers – so we will not pay the market price for labour if it means that our workers struggle to support themselves and their families. We value every individual and their different talents and skills. We want to show this by paying a wage which reflects that we value our staff and want to bear in mind their needs and welfare."
General Secretary of the Presbyterian Church of Wales, July 2012

Costs and benefits

Anecdotally, the experience of most churches when they ask the question "How much will it cost to pay the Living Wage?" is that the answer is surprising low. It is surprisingly easy to be a low-pay employer without facing up to it or realising how little money it is saving.

When the synod of the Diocese of Sheffield came to debate this issue in 2012, it was estimated that the financial cost would be in the region of only £3,600. Other systematic research by the Methodist Church showed that the overall cost of Living Wage was relatively small, affecting only around one in six churches. These churches tended to be small and the jobs involved were typically the three-hour-a-week cleaner or the person doing occasional maintenance or gardening work; often these were people who were already doing other low-paid jobs and needed the extra money.

Employers are increasingly recognising the strong business case for paying the Living Wage. It makes people happier at work and more motivated, it reduces absenteeism, staff turnover goes down, and productivity is increased. We should by all means make the economic argument for paying a Living Wage – but the bottom line is that we should do it because it is morally right.

The Living Wage helps to clarify the difference between people whose work for the church is their livelihood and those for whom it is part of their voluntary commitment or vocation, making these boundaries less inappropriately blurred and less prone to forms of exploitation.

But it is all of us, as tax-payers, who bear the cost of sub-Living Wage salaries. The Institute for Fiscal Studies estimates it mounts up to £6 billion a year in benefits and forgone revenue.

Who supports the Living Wage?

The Living Wage is not a party political issue – it is endorsed by politicians as diverse as David Cameron, Boris Johnson, Ed Miliband and Alex Salmond. A range of large and small employers have already shown that the Living Wage is both affordable and makes sound business sense. This includes Barclays, PricewaterhouseCoopers, Lloyds of London, KPMG and Lush; and in the public sector, the Greater London Authority, at least 35 councils, 12 universities, and four hospitals. Public opinion polling shows four out of five people think the Minimum Wage is too low.

Methodists – Since 2010 all Methodist churches, districts, circuits and projects have been required to pay the Living Wage, except in exceptional circumstances.

Church of Wales – The General Assembly of the Presbyterian Church of Wales committed its 650 churches to pay the Living Wage in July 2012.

Church of Scotland – Having upheld the principle of the Living Wage, the 2012 General Assembly reaffirmed support for the Minimum Wage, and encouraged its being raised towards the level of the Living Wage. They instructed all Church of Scotland agencies and congregations to implement the Living Wage with all possible speed and in all cases by 2015. They also urged congregations to make payment of the Living Wage a criterion in awarding goods and services over the value of £100,000 in any year. Finally, they called on the Scottish Government and local authorities to revise their procurement policies to require service-providers to pay at least the Living Wage and make adequate provision in funding to enable service-providers to meet the Living Wage (see http://s.coop/pypt).

United Reformed Church – The URC's 2008 General Assembly passed a resolution calling on all URC Synods and churches to "support Church Action on Poverty's call for churches to pay a living wage as determined by the Living Wage campaign".

Baptists – In 2008, the Assembly of the Baptist Union of Great Britain passed a resolution on care for church employees, calling for churches to "consider carefully their employment practice in the light of Church Action on Poverty's work highlighting the need for churches to work for social justice within their own communities"

Roman Catholic Church – The November 2012 Conference of the Bishops of England and Wales "fully endorsed the principle of the Living Wage" and encouraged all Catholic organisations and charities in England and Wales to work towards implementation (see http://s.coop/livingwage).

Church of England – In November 2012 the General Synod overwhelmingly decided to "strongly encourage all Church of England institutions to pay at least the Living Wage"

(see http://s.coop/generalsynod). At least 10 Anglican bishops or dioceses in England have publicly supported the Living Wage, including Bristol, Chester, Winchester, Oxford, Portsmouth, Sheffield, Southwark, Southwell & Nottingham, St Albans, Ripon & Leeds, and York. The Church Army also pays the Living Wage. In September 2014 it was announced that all of the 4,700 Church of England schools will now pay a Living Wage.

The Society of Friends – Quakers in Britain are committed to maintaining a ratio of four to one between their lowest- and highest-paid workers, and consider that "economic systems which are based on justice rather than exploitation are a necessary part of a peaceful society". All staff in their centrally managed work are paid above a Living Wage.

How is the Living Wage calculated?

The independent Centre for Research in Social Policy at Loughborough University conduct thorough and rigorous research to work out what is needed for an adequate standard of living. It involves in-depth surveying of a cross-section of society to discuss and agree what is needed for an adequate standard of living – something that people feel nobody in Britain should fall below. The required wage to meet these costs for different household types is then calculated (assuming full-time work and claiming all relevant benefits or tax credits).

What can I do?

Ensure that your church pays a Living Wage to its entire staff. Your denomination may have a national policy recommending or demanding the Living Wage (see above). You can use this document and the resources at www.church-poverty.org.uk/livingwage to persuade others in your church that a Living Wage is important.

Keep it up to date. Just as the National Minimum Wage changes every October, the Living Wage will be uprated every autumn. You can sign up to receive an update at http://bit.ly/caplivingwage. We will email you each year to let you know the new rate.

Sign up as an official Living Wage Employer at www.livingwage.org.uk/employers. You have to pay an annual fee of at least £50.

Find out more

If you have any questions about the Living Wage, please visit www.church-poverty.org.uk/livingwage, or contact:

Liam Purcell, Church Action on Poverty, Dale House, 35 Dale Street, Manchester M1 2HF
liamp@church-poverty.org.uk
0161 236 9321