



The Living Wage: a briefing for churches (last updated June 2011)

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 is currently set at £8.30 an hour in London, £7.15 an hour in Scotland, or £7.60 an hour elsewhere.

For simplicity, the figures used to calculate the hourly Living Wage rate are based on an example of a typical couple working full-time, with two children in paid childcare. In order to earn enough money so as not fall below the minimum standard, they both need to be paid at least £7.60 per hour.

This is based on one pre-school child and another at primary school. It assumes that they receive all the benefits and tax credits they are eligible for, including 80% of childcare costs.

Whilst not all working-age households include two adults and two kids, £7.60 an hour is enough to protect 90% of working-age households.

Why pay the Living Wage?

Church Action on Poverty believes that the churches should be at the forefront of the move towards an increased minimum wage. Central to the churches' teaching is the idea that each person is intrinsically worthwhile in the eyes of God, no matter who they are or what they have done. In the words of Cardinal Hume, **"each individual has a value that can never be lost and must never be ignored"**.

Similarly, *The Common Good*, a statement by the Catholic Bishops' Conference of England & Wales, noted that, **"scripture tells us we will be judged by our response to the 'least of these'"**. It goes on to comment that **"employers... have a duty to pay a just wage, the**

level of which should take account of the needs of the individual and not just his or her value on the so-called labour market ... Employers who pay only the level of wage that the labour market demands, however low, are avoiding their moral responsibilities for the welfare of their employees.”

Churches Together in Britain & Ireland has said that **“in a wealthy society like ours it is scandalous that some people in full-time employment should be living close to the margin of subsistence”**.

Various North American theologians have also written about the Living Wage, and you can read some of their articles at www.church-poverty.org.uk/campaigns/livingwage.

Those on low incomes are prevented from being all that God wants them to be for no better reason than the reluctance of the rich to share the abundant wealth of the UK's economy. At issue, therefore, is a fundamental question over whether or not we value the people that look after our elderly, our children, our churches, and our offices. These are the people that keep our society going and yet we don't see fit to pay them a decent wage for their troubles.

A report for the Mayor of London, Boris Johnson, says that 15% of all full-time and 47% of all part-time staff are still paid below the Living Wage.

Employers are increasingly recognising the attractive 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.

Who supports the Living Wage?

Methodists – The 2010 conference requires all Methodist churches, districts, circuits and projects to pay the Living Wage by the end of the financial year, except in exceptional circumstances. You can read the Conference decision at www.methodistconference.org.uk/assets/downloads/confrep-11-theliving-wage-170510.pdf

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”

Church of Scotland – The 2010 General Assembly instructed the Church and Society Council to work with presbyteries to help congregations become Living Wage employers.

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".

Church of England – The 2006 *Faithful Cities* report (see www.culf.org.uk) recommended the Living Wage.

Roman Catholic Church – At least one diocese has pledged support for the principle.

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 well above a living wage.

How is the Living Wage calculated?

The Centre for Research in Social Policy at Loughborough University has been developing a methodology to set and update a Living Wage outside London, based on its 'Minimum Income Standard' research. Their research involves:

1. Focus group discussions (39 so far) in various parts of the UK with 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.
2. Working out how much this costs on average in the UK, based on chain store prices. So for example, this means that a working couple with two young children needs £460 per week (after tax and benefits).
3. Adjusting the headline figure to reflect the variations in housing costs across the country. There is an online 'Minimum Income Calculator' (www.minimumincome.org.uk) which enables you to do this for yourself.

In May 2011 they published a Living Wage figure of £7.60 outside of London.

A new method has now been adopted to ensure compatibility with the way in which the Living Wage is being calculated in London. A new figure of £7.20 an hour outside London was launched in May 2011 by the Living Wage Foundation. This will be updated annually.

Church Action on Poverty is continuing to campaign for churches and other employers to pay a Living Wage of £7.60 until the new method produces a higher figure. Church Action on Poverty will then use the Living Wage Foundation figures on the new basis.

Annual changes

Every summer the Centre for Research in Social Policy will be recalculating what the Minimum Income Standard is. They will be publish this at www.minimumincomestandard.org.

Every two years, they will also review whether there is a good case for adding, subtracting or changing selected items in the budgets behind the standards – attitudes may change in the recession.

Local differences

Housing costs (rent and Council Tax) can vary quite a bit across the UK. Other cost variations may be important, but cannot be readily built into a standardised calculation of the living wage as defined here. It is possible to use the Living Wage Calculator (www.minimumincomestandard.org/livingwage.htm) to find out what it should be in your area. In London the Mayor's unit have worked it out to be £8.30, and in Glasgow (www.glasgowlivingwage.co.uk) it is £7.15.

What can I do?

Ensure that your church pays a Living Wage to all its 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/campaigns/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, Church Action on Poverty will be advising churches, community groups and the voluntary sector to adjust their Living Wage each autumn. You can sign up to receive an update at <http://bit.ly/caplivingwage>. We will email you each July to let you know the new rate.

Sign up as an official Living Wage Employer at www.londoncitizens.org.uk/livingwage. You have to pay a one-off £50 fee.

Find out more

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

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