

# CAP Summary: A Living Wage Church?



CHURCH ACTION  
ON POVERTY

## A study of pay and conditions for employees of churches, Christian organisations and church schools.

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**Church Action on Poverty is campaigning for an increase in the National Minimum Wage from its current £4.10 to £5.80. Between March and May this year CAP conducted research into the problem of low wages and poor employment conditions in churches, Christian organisations and church schools to assess the extent to which Christians need to look at their own institutions and ask whether they themselves are paying a Living Wage. The survey involved contacting 190 churches from the Catholic, Church of England, Baptist, URC and Methodist denominations across Greater Manchester. The results suggest that this is an area which needs much more attention.**

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- ◆ From the sample of 190 churches from the URC, Baptist, Methodist, Catholic and Church of England denominations, it was estimated that around 850 people work in Greater Manchester churches, excluding clergy. 2 in 3 are paid less than a Living Wage. The average cost of increasing wages to pay a Living Wage of £5.80 per hour would be just £13 per church per week.
- ◆ Only 4 in 7 have a written contract while 4 in 5 churches don't have an equal opportunities policy or disciplinary/grievance procedure. Many churches didn't see these devices as important but their absence can lead to minor problems developing into a breakdown in the relationship between the employer and employee.
- ◆ Approximately 1,400 people work for Christian organisations in Greater Manchester, one half of whom are paid less than a Living Wage. 90% of employees have a written contract while 83% of employers have a disciplinary/grievance procedure. Only half have an equal opportunities policy.
- ◆ Around 7,850 people earn less than a Living Wage in church schools in Greater Manchester. The average cost of ensuring a Living Wage would be £6,500-7,500 per school per year.
- ◆ Around 9,100 employees of Church bodies across Greater Manchester are paid less than a Living Wage.

The five main denominations differed as to their engagement with this issue. Salford Diocese employs all church employees centrally and Manchester Methodist Circuit has set up a charitable company to deal with employment matters for the employees of the projects within the circuit. Generally, though, employment matters are left to individual churches. This has its advantages in terms of subsidiarity but means that many employers have only a partial knowledge of employment law.

The survey was undertaken by Steven Cann, a Jesuit Volunteer Community voluntary research assistant with CAP.

Copies of the full report can be ordered from Church Action on Poverty, Central Buildings, Oldham Street, Manchester M1 1JT. Tel: 0161 236 9321 Email: [info@church-poverty.org.uk](mailto:info@church-poverty.org.uk) Price: £5 (plus £1 p&p).



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## Low pay: A battle for survival

Church Action on Poverty is campaigning for an increase in the National Minimum Wage from its current £4.10 to a Living Wage of £5.80. The advent of the National Minimum Wage in 1998 was welcome and is estimated to have affected 1.3 million low paid workers across the UK.

Welcome as it is, though, someone living on £4.10 an hour is still very much in poverty. Even with the benefit of the Working Families Tax Credit, people are still earning less than they need to ensure a decent standard of living. The Government's determination to get people out of poverty through forcing people to take jobs is, therefore, fatally flawed unless the National Minimum Wage is raised to something approaching a Living Wage.

Those on low wages are engaged in a constant battle for survival which can lead to debt, stress, drug and alcohol abuse, family breakdown and social exclusion. Even where people's basic needs are met, the lack of disposable income can mean social isolation, where people are unable to afford to go on holiday, to go to the cinema, to take the children for days out, to buy a round of drinks in the pub; things which many of us take for granted. Indeed for many of us, these are the things which make life worth living.

### Who is affected?

Over 10 million adults are defined as living on a low income in the UK. This is based on an estimate of those living on less than £8,900 per annum; half the national average income. These include disproportionately high numbers of children, pensioners and lone parents - some of the most vulnerable groups in our society.

Two-thirds of lone parent households are below 60% of median income while almost a quarter are below 40%. The gap between those on low incomes and the rest of society appears to be increasing as the incomes of poorer households fail to keep up with those on higher earnings. Even with the advent of measures such as the Working Families Tax Credit, many still find themselves living on an income which prevents them from living life to the full.

'The Common Good', a statement by the Catholic Bishops' Conference of England and Wales, notes 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'.

A more recent publication by Churches Together in Britain and Ireland (CTBI) reiterates this point, commenting 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'.

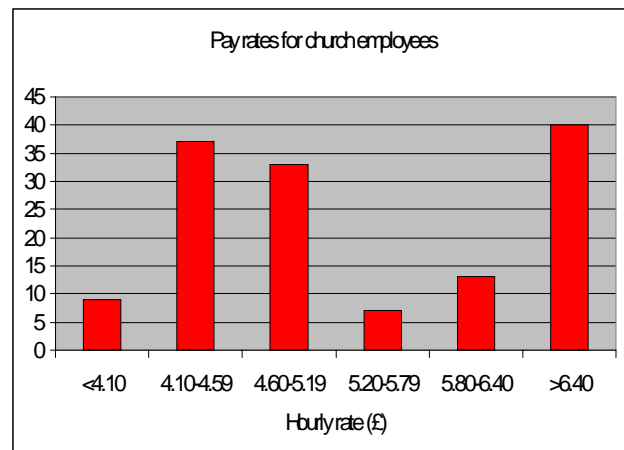
It is clearly difficult for Christians to be calling for an increase in the National Minimum Wage without first

ensuring that employees of Christian bodies are also paid a Living Wage. This survey looks at a sample of churches, Christian organisations and church schools from across the ten Greater Manchester local authorities. Together they form a picture of the churches as employers.

## Survey findings

### Churches

43% of the churches contacted were employers, employing a total of 850 people in Greater Manchester. The results demonstrate that **62% are paid less than a living wage**, 530 people in total. 35% are cleaners, who



are paid on average only £4.94, with a large proportion in traditionally low paid sectors such as caretakers, housekeepers, bar staff, secretaries, cooks and gardeners.

Most of these jobs were very part time, on average 9.79 hours. Half of the jobs were for five hours work or less. This meant that the cost of becoming a Living Wage employer was quite small. For the churches in the survey (not including those which were Living Wage employers already), the average cost was just £13.31 a week, although costs ranged between 50p a week and £61.20.

Only 56% of employees have a written contract. Many churches seemed to be unaware that this is a legal requirement, even for very casual work. However, of these, 87% have permanent contracts. Only 12% of employees received pension contributions and average paid leave was a mere two weeks, although 18% of employees were allowed to take time off if they wanted it, rather than having a set number of days. Again, many churches seemed not to be aware of the legal requirement for four weeks paid leave per annum. Only 21% had an equal opportunities policy with a similar number (20%) having a disciplinary or grievance procedure.

### Roman Catholic churches

Although Salford Diocese is making efforts to bring church employees under diocesan control, the other four main denominations leave employment matters to

individual churches. This, of course, has its advantages, giving control to the churches. It does, however, put the employment of thousands of people across the country into the hands of people who have a poor knowledge of employment law or best practice.

The Catholic Bishops' Conference of England and Wales is in the process of looking at how it can best provide employment information to Catholic dioceses, agencies and churches. The Baptist Union, on the other hand, knew of no guidance on the matter, while the Church of England left the matter to individual dioceses.

**Methodist churches**

The Methodists were perhaps the most on top of the issue, having issued a 'Lay Employment Advisory Pack' to all churches which details changes in law, the Minimum Wage and the importance of job descriptions etc. Each district has a volunteer 'Lay Employment Secretary', with experience in employment matters, to advise local churches on employment issues.

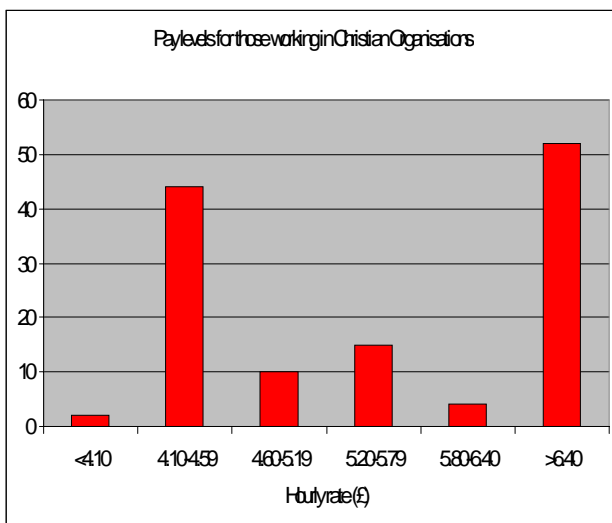
Manchester Circuit have also set up a body, *Connexions in Community*, which employed three staff (two full-time and one-part time) to deal with employment matters for the 17 staff employed within the circuit.

**United Reformed Church**

Finally, the URC made it clear that responsibility for employment matters lay with the synods, but that they would routinely disseminate employment information to the synods, including advice as to good practice and changes in the law. Greater Manchester falls mainly under the North Western Synod which claimed to distribute information alerting churches to changes in the Minimum Wage and other legislation.

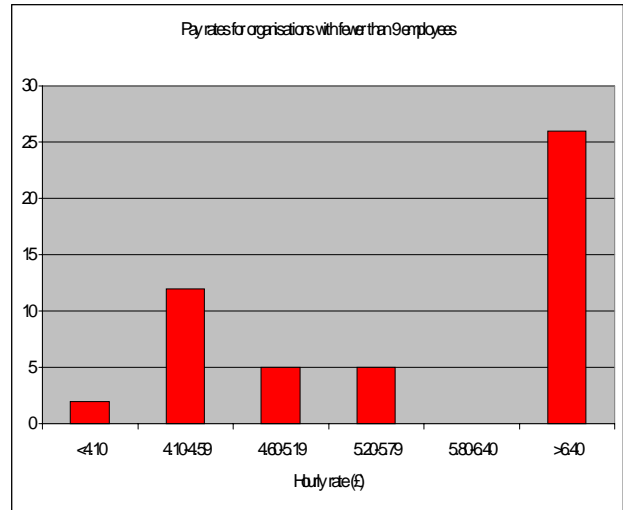
**Christian organisations**

This survey was based on a sample of 25 Christian organisations, comprising 629 employees in total. However, the pay statistics below are based on just 21 of the 25 projects and therefore include information on just 145 of these



employees out of a total of 1,374 people working for Christian organisations in Greater Manchester.

These results show that **57% of employees are earning less than a Living Wage**. For the four largest organisations detailed pay information was unavailable because there were simply too many employees. They did give an idea of pay scales for different jobs, though, showing significant numbers of staff being paid less than a Living Wage.



However, this figure of 57% was still skewed by the larger organisations. For example, 17% of these employees were catering assistants at one project. For this reason it was decided to put a separate figure on organisations with fewer than 9 employees.

For organisations with fewer than 9 employees, **48% of employees were paid less than a Living Wage**. For the purposes of further calculations a figure of 52.5% was used (an average of the two percentages)

The following statistics concern the entire sample of 25 organisations. 90% of employees had a written contract. Of those with contracts, 89% were permanent. 49% received pension contributions. 71% of organisations had a pension scheme. Average paid leave was 4 weeks per year. 52% of organisations had an equal opportunities policy. 83% had a disciplinary/grievance procedure.

This is clearly a better situation than in the churches but still leaves much room for improvement. Pension contributions, in particular, should be much higher given the large proportion of employees working full-time. Where the organisations did much better was in relation to terms and conditions. 84% of employers ensured that all their employees had contracts but this still ranks some way below the voluntary sector as a whole (98% for full time employees, 95% for part time employees and 90% for casual staff). Interestingly, all but one of those employees without written contracts worked for Christian bookshops.

**Schools**

Although it has been difficult to arrive at an exact number of the people involved, the results give a broad outline of the likely numbers of low wage employees in church schools. Around 7,000 church primary school employees and 8-900 church secondary school employees are likely to be paid below a Living Wage in Greater Manchester. Their conditions are likely to be good, except perhaps in cases where catering and cleaning services have been contracted out to the private sector. It was not possible to determine how common this is. All employees should have a written contract. Most of these will be permanent.

All LEAs have their own pension scheme, though not everyone will receive pension contributions. Paid leave ranges from 22-35 days depending on salary and length of service. All LEAs have an equal opportunities policy as well as a disciplinary/grievance procedure. All LEAs are committed to advertising posts as widely as possible.

**Essential but undervalued**

From these figures, it is clear that large numbers of people across the country are being paid inadequate wages for doing work without which schools could not function. These include many caretakers, cleaners, catering assistants, lunchtime assistants, nursery nurses, technicians and secretaries. Often these jobs are unavoidably part-time, lunchtime assistants for example, and this may work well for those with child-care responsibilities. Coupled to the fact that many contracts are term-time only, in contrast to teachers who are paid all year round, the annual income can be far less attractive than it first appears. This is why the numbers of low-paid employees include nursery nurses and classroom assistants, who may well be earning a Living Wage in terms of the hourly rate but far less than that when expressed as annual earnings.

**The cost of paying a Living Wage**

We estimate that it would cost Greater Manchester an average of £550,000 per LEA (£6,500-£7,500 per school) to ensure a Living Wage for all school staff (not just those working for church schools). This isn't a small

amount of money but is surely achievable, perhaps using the Chancellor's annual gift of £30,000 which is now a regular feature of the Budget, for example.

**Conclusion**

Around 9,100 employees of Christian bodies in Greater Manchester are being paid less than a Living Wage. The solution in some ways is quite simple. The areas examined in this report were deliberately chosen as areas where Christians have a chance to change things. As we have shown, increasing the wages of low paid church employees need not cost a great deal of money. Similarly, those in Christian organisations, used to raising funds, can no doubt find ways to increase the wages of their low paid staff if they really want to.

A report by the Government's Low Pay Commission notes that, 'the Minimum Wage has brought benefits to many low-paid workers without any significant impact on employment or the economy'. They go on to comment that, 'there is now scope for a significant increase in the National Minimum Wage'. A Living Wage could ensure that the Government meets its target of lifting 1.2 million children out of poverty. It would improve the standard of living for millions of low paid workers. All that is required now is political will. Church Action on Poverty believes that if we, as Christians, are serious about our message of solidarity with the poor then we should be at the forefront of this campaign.

Jubilee 2000 has shown that church-based movements can have a massive impact. In many ways we are asking for much less and have much more power over the outcome. The first steps are within our grasp. Those of us who are churchgoers can ensure that our own church employees are properly employed with a decent wage. Those of us on school governing bodies can make representations for those on low wages in our schools. Those of us who are members or employees of Christian organisations can press for a Living Wage within them. For, 'those who oppress the poor insult their Maker, but those who are kind to the needy honour Him' (Prov. 14:31). It is a stark choice but a necessary one. Which will we be?

**Church Action on Poverty works with church and community groups across the United Kingdom to make poverty a priority. Our work involves: educating churches about poverty in the UK; enabling people in poverty to speak for themselves; working for policies to eradicate poverty in the UK; promoting reflection and action for social justice. If you would like to become a member of CAP or send a donation, please complete this form and send it to the address below:**

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