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Living Wage Report

Campus Labor
Action Project

Members of the Campus Labor Action Project invite you- member of the Notre Dame Family- to read the information in this report to both develop a sensitivity to the experiences of lowest paid staff here at Notre Dame and work with us toward a better reality. Living wage is a strength of our Catholic tradition and is sweeping the nation, making the lives of workers in cities and college campuses more dignified. As a premier and Catholic institution, we can not only stand with schools such as Harvard University that have committed to ending poverty, but also set a clear example of a university's responsibility to the community surrounding it.

Through community based research and development, student led service, and compensation, the University of Notre Dame can invigorate the community of South Bend, creating and fostering opportunities for its improvement. Students and Faculty answer this call of the community through their cooperation and collaboration in social services. Campus Labor Action Project wants to see the further commitment to the community borne through a living wage and just employment policy.

Everyday, we ask ourselves what Notre Dame and South Bend could be like with the institution of a living wage. Would the quality of the neighborhood invite energetic students looking for a Catholic education and inviting town be drawn to Notre Dame? Would renowned faculty and researchers be inclined to join our community with the promise of a great home and place for their children? Would community members be more amiable to an employer that invested in its workforce's well being? These questions drive the production of this report and the campaign for a living wage.

We see the living wage issue as urgent. As workers continue to struggle with no voice or hope for change, we cannot know what other recourses people will turn to for help. To heal this injustice within our power and responsibility is the goal of Campus Labor Action Project.

We have outlined the economic facts supporting years of study on the living wage as well as the most important reason to act on this issue- people's lives. More than this, the tradition of Catholic response to social injustice demands our entire body confront this issue. As President Emeritus Rev. Theodore Hesburgh "My basic principle is that you don't make decisions because they are easy; you don't make them because they are cheap; you don't make them because they're popular; you make them because they're right." To do what is right and just: let this be our principle for this and other stark economic inequities in our midst.

Campus Labor Action Project

Catholic Mission- Catholic University

Notre Dame’s mission statement acknowledges that “God’s grace prompts human activity to assist the world in creating justice grounded in love.”¹ Campus Labor Action Project (CLAP), an initiative co-sponsored by ND Right to Life, Progressive Student Alliance and the Higgins Labor Research Center, purports to participate in this inspiring grace by promoting workers’ dignity across campus. Specifically, CLAP concerns itself with advocating for a living wage.

The documents of Catholic Social Teaching unequivocally demand a living wage. Workers have the “right to a wage determined by the criterion of justice.”² The living wage imperative is reiterated, among others, in *Rerum Novarum*, 17; *Mater et Magistra*, 71; *Pacem in Terris*, 20; *Gaudium et Spes*, 67; *Laborem Exercens*, 19; and *Centesimus Annus*, 8 and 47.

The University of Notre Dame, ranked 18th among the nation’s top institutions of higher learning, is the premier Catholic institution in the nation. As such, the University serves as a symbol and example of Catholicism for other Catholic universities, as well as for the nation. We believe that the best response to poverty, injustice and oppression is to respond to them first in our own community. Implementing a living wage policy is one step the university can and should take to remedy these conditions. In our role as a Catholic example for the community and nation, our policies have the potential to affect others in their responses to Catholic social teaching.

As a Catholic institution, we have a responsibility to live up to the obligations and responsibilities of our faith. Pius XI censures those who dismiss the teaching of the encyclicals as impractical. They “who would seem to hold in little esteem [*Rerum Novarum*] and its commemoration either blaspheme what they know not, or understand nothing of what they are only superficially acquainted with, or if they do understand convict themselves formally of injustice and ingratitude.”³ We hope that Notre Dame, under the lead of President John Jenkins, will similarly respond to the call of Catholic social teaching by implementing a living wage for all workers.

“The University of Notre Dame du Lac (“Notre Dame”) is committed to conducting its business affairs in a socially responsible manner consistent with its religious and educational mission. Notre Dame expects nothing less of its business partners and licensees. Therefore, Notre Dame will not do business with those who engage in business practices or follow work place standards inconsistent with this Code of Conduct”.

- University of Notre Dame, Licensing Code of Conduct

¹ “Mission Statement,” *University of Notre Dame*. www.nd.edu.

² *Pacem in Terris*, John XXIII.

³ *Quadragesimo Anno*, Pius XI, 39.

Call to the Notre Dame Family

The University of Notre Dame, in its image of itself as a family and relationship with students values the institution of family. This mirrors the reverence of family in Catholic Social Teaching as “one of the most important terms of reference for shaping the social and ethical order of human work.” Currently this reverence for the family does include workers who facilitate the operation of Notre Dame’s campus. In order to promote the campus family and to uphold the “natural right” of workers to have and support families, a living wage policy is necessary. As detailed in *Laborem Exercens*:

“Just remuneration for the work of an adult who is responsible for a family means remuneration which will suffice for establishing and properly maintaining a family and for providing for security for its future. Such remuneration can be given either through what is called a family wage- that is, a single salary given to the head of the family for his work, sufficient for the needs of the family without the other spouse having to take up gainful employment outside the home- or through social measures such as family allowances or grants to mother devoting themselves exclusively to their families.”

A living wage justly compensates for encouraging and sustaining families.

“A living wage is not conservative or liberal; it is Catholic, demanded by Leo XIII, Pius XI, Paul VI, John XXIII and John Paul II. Catholics do not believe that the worth of human work is determined by the market, but that every human has the right to make enough to support his or her family through his or her labor. The ultimate end of any government or economy is not the market, but the human person. This is not welfare. This is not charity. This is justice. No person who works a full-time job should need government support to subsist.”

-Jacqueline Clark, CLAP Student Member

From: Notre Dame Observer, 2/28/06

Can ND see its mission in a deeper and broader way- can it take pride in not only how it prepares students for the world, but how it treats its workers I think that Notre Dame is in a unique and powerful position to do just that. We can show the church, we can show America what it means to be a leader in how we treat our workers. That we are about not just paying just what the market dictates but in paying what Christ demands.

- Mr. Thomas Lenz CLAP Alumni Member

From CLAP Assembly, 9/29/05

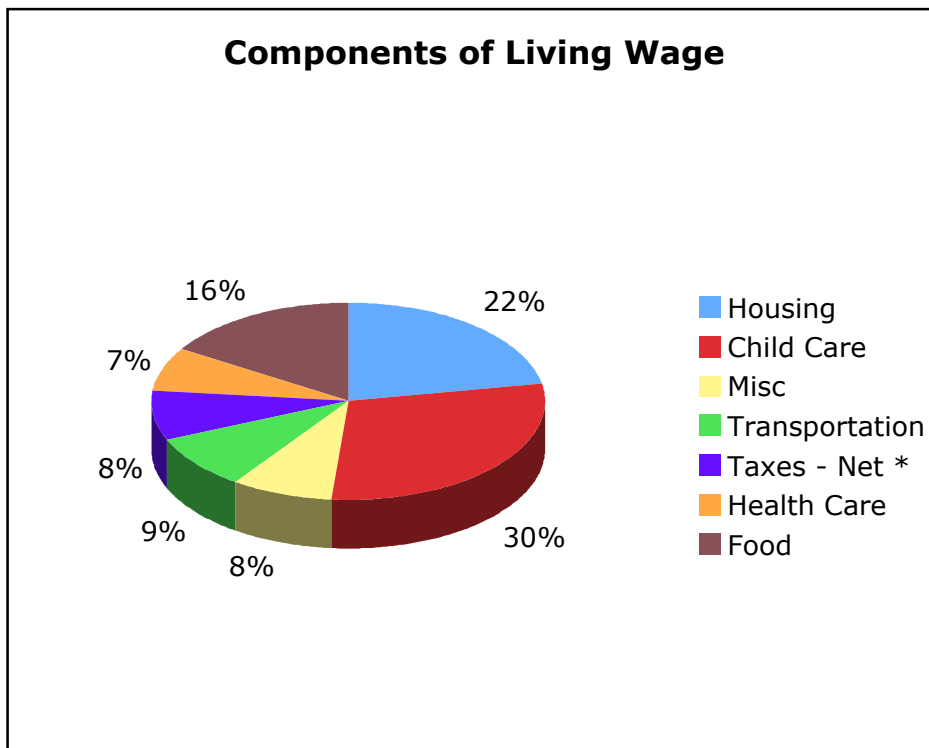
What is a LIVING WAGE?

A Living Wage is the hourly rate of income that a worker in a specific area must make in a 40-hour workweek to support a family of four. Low wage earners have complicated networks of dependents, which may include partners, children, parents and other relatives. Many immigrants send earnings back to families in their native countries. Workers may be fathers, single mothers or teenagers or young adults helping to support their families

When calculating the Living Wage, seven factors must be taken into account: Housing, Transportation, Taxes, Food, Healthcare, Basic Necessities, and Miscellaneous expenses. It does not include amenities such as new school clothes, birthday parties, family trips, a home library, and entertainment.

Another good estimate for a Living Wage is generally 130% of the Poverty Line for a family of four.

A Living Wage should not be confused with a Minimum Wage. A Minimum Wage is the lowest legal limit that a worker can be paid per hour in a certain area. The National Minimum Wage is \$5.15, whereas the Living Wage calculated in a certain area can be more than double that value.



** Note: Percentages include the net effect of taxes and tax credits. Thus, the percentage of income needed for taxes is actually 17%, but with tax credits, the amount owed in taxes is reduced to 8%.*

Chart from Self Sufficiency Standard for Indiana, 2002 by Indiana Coalition on Housing and Homeless issues

Living Wage Beyond Notre Dame

Over the past decade, grassroots movements of citizens, workers, students, clergy and community organizations have sprung up throughout the nation and demanded economic justice for all workers. Baltimoreans United for Leadership Development (BUILD) paved the way in 1994 when the group campaigned and won an ordinance, which required that all city-contracted workers be paid a living wage. Since then, more than 120 city living wage ordinances have been implemented in such cities as Boston, Gary, Chicago, and San Jose. Today, the living wage movement is gaining momentum with active campaigns in about 75 counties and cities⁴.

By establishing a living wage for its employees, Notre Dame will join many other leading universities where students, faculty, and staff have lobbied their administrations to pay a living wage to campus workers such as housekeepers, security guards and dining hall workers. Students at Harvard University led a campaign that increased wages to \$11.35 per hour in 2002. Georgetown, a Jesuit Catholic institution, adopted a Just Employment Policy that will guarantee workers \$14 per hour indexed to the Consumer Price Index to account for inflation. Stanford, Swarthmore, and Wesleyan also pay a living wage to campus workers. Currently, there are about thirty-five other living wage initiatives active on college campuses.

“Georgetown University, as a Catholic and Jesuit institution, is committed to providing fair and competitive compensation packages for University employees and full-time contract workers who provide services on its campuses in Washington, DC.

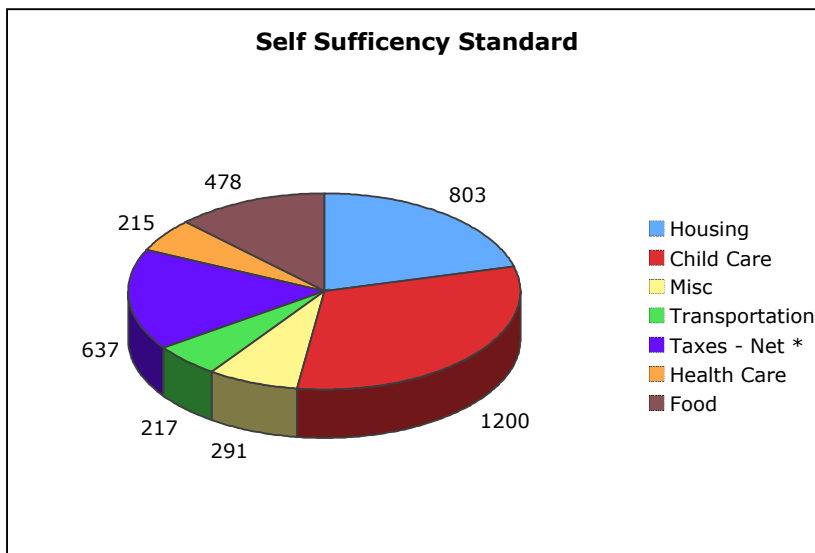
In principle, this policy is designed to provide a floor for minimum total compensation appropriate for full-time Georgetown workers in the Washington, DC metropolitan area; takes into account the costs of housing, health care, child care, transportation, taxes, food and other basic necessities, known as a living wage or just wage, as well as the need to compensate employees without jeopardizing services or jobs; reflects Georgetown's employee compensation system and existing union contracts; provides an ongoing mechanism to evaluate employee compensation; and ensures that, where appropriate, hourly wage earners will receive equivalent pay for equivalent work.”
- A Just Employment Policy for Georgetown

⁴ <http://www.livingwagecampaign.org/index.php?id=1959>

Living Wage in South Bend

As a standard for calculating a living wage for the Notre Dame community, we use the expenses of a family of four in South Bend. Using these inputs, the Self Sufficiency Standard for Indiana calculates the living wage to be \$19.81 per hour, or \$41,836 annually. The Economic Policy Institute calculates it to be \$20.94 per hour, or \$44,232 annually. A more conservative estimate is made by the National Low Income Housing Coalition, which states that only 30% of income should be spent on housing. It calculates the wage to be \$11.94 per hour, or \$24,840 annually. While these numbers vary considerably, they exceed the Federal Poverty Level of \$20,000 for a single-parent family of four.

A closer look at the Self-Sufficiency Standard gives a good idea of how this is actually calculated. This measures how much income is needed for a family of a certain composition in a given place to meet their basic needs without outside assistance. Of the \$3,486 per month, \$803 is allocated to housing, presumably a three-bedroom apartment necessary for a mother and three children. \$1200 is allocated to childcare, \$478 to food, \$217 to transportation, \$215 to health care, \$291 to miscellaneous needs, and \$637 to taxes. \$105 is earned back for childcare tax credit and \$250 for child tax credit.



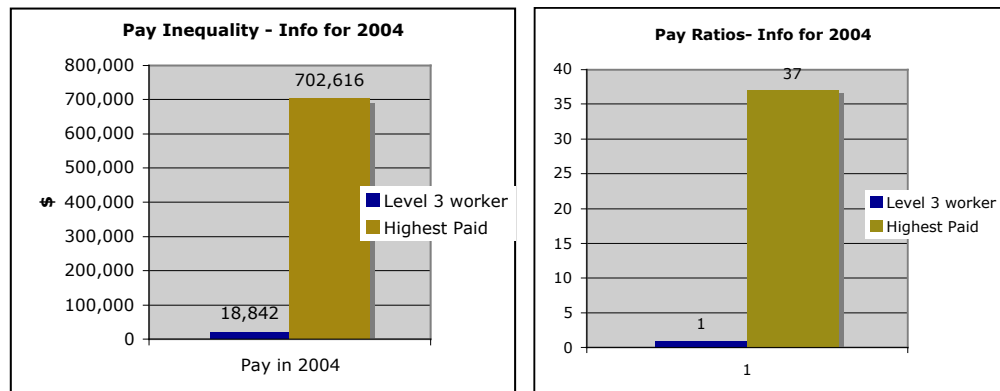
CLAP calls for a living wage of \$12.10 per hour or \$25,164 per year, or 60% of the Self-Sufficiency Standard. This wage would put employees above both the poverty level and just above the Food & Nutrition Service eligibility requirement for food stamps for a family of four. No Notre Dame worker should need food stamps or other federal aid to support his/her family.

	EPI	Self-Sufficiency Standard	Fair Market Rent (2 bedroom Apt.)	Federal Poverty Line	Federal Benefits Line
Monthly housing	\$803	\$803	\$621 (30% of total)	-	-
Monthly food	\$562	\$478	-	\$567 (1/3 of total)	-
Monthly child care	\$1,075	\$1200	-	-	-
Monthly transportation	\$239	\$217	-	-	-
Monthly health care	\$290	\$215	-	-	-
Monthly other necessities	\$369	\$291	-	-	-
Monthly taxes	\$348	\$282	-	-	-
Monthly total	\$3,686	\$3,486	\$2,070	\$1,667	\$2,097
Annual total	\$44,232	\$41,836	\$24,840	\$20,000	\$25,164
Hourly wage	\$20.94	\$19.81	\$11.94	\$9.62	\$12.10

Fighting Inequality

Catholic social teaching denounces economic inequality. *Gaudium et Spes* disparages global inequality, manifest in “nations with a majority of citizens who are counted as Christians [who] have an abundance of this world’s goods, while others are deprived of the necessities of life and are tormented by hunger, disease and every kind of misery.”⁵ Paul VI describes the vast inequality as “the scandal of humanity.”⁶ In the face of poverty, it is the duty and obligation of Christians to give “out of the substance of their goods, and not only out of what is superfluous.”⁷ Paul VI moves towards an equalizing model of economic justice where the socioeconomic gap is reduced by the movement of both the upper and lower classes towards the middle, reducing economic stratification. This is not a form of charity. By paying less than a living wage, Notre Dame actively maintains the poverty and powerlessness of its workers.

In an application of these teachings, some Catholics compare the ratio of the highest to the lowest paid individuals in an enterprise. The highest paid employee of the university, the Vice President and Chief Investment Officer, earned \$702,614 or \$933,035 including deferred compensation and contribution to employee benefits in 2004. The second highest paid employee, the President and Trustee, earned \$418,925 or \$464,323 including deferred compensation and contribution to employee benefits plans. On the opposite end of the scale, a minimum-pay level-one worker earns \$13,425 per year. In actuality, workers report that most of the lowest paid positions start at level 3 minimum pay, earning \$18,842 per year. The ratio of a level three employee to the highest paid employee without benefits is 1:37 and including benefits is 1:49. The ratio of a level 3 employee to the second highest paid employee without benefits is 1:22. and including benefits is 1:24. The benefits package of the top paid employee alone is 12 times greater than the salary of a level 3 employee.



Notre Dame has the resources to implement a living wage, decreasing economic inequality between employees if a just living wage policy is a priority. While recognizing that earmarked donations complicate these matters, recent construction projects such as the Debartolo Center for the Performing Arts, the new entranceway, the Guglielmo athletic facilities and the Jordan Science Building construction projects have all been sizeable investments. A university with such plentiful resources has the “great and principal obligation...to give everyone that which is just...To exercise pressure for the sake of gain, upon the indigent and destitute, and to make one’s profit out of the need of another, is condemned by all laws, human and divine. To defraud anyone of wages that are his due is a crime which cries to the avenging anger of heaven.”⁸ A Catholic university, especially one with such vast resources, can and must afford to pay its workers a sufficient wage for supporting themselves and their families.

⁵ *Gaudium et Spes*, 88.

⁶ *Gaudium et Spes*, 88.

⁷ *Gaudium et Spes*, 88.

⁸ *Rerum Novarum*, encyclical of Leo XIII, 17.

Am I a member of the Notre Dame Family?

The Catholic Church and Notre Dame have strong teachings regarding social and economic justice. Here at Our Lady's University, there are many great programs of study and service that emphasize social responsibility. Yet, we must turn our focus inward to our own campus. Often unnoticed and underappreciated, hundreds of individuals work at all times of the day and night to ensure the cleanliness of classrooms, offices, libraries, laboratories, and dormitories.

Catholic Social Teaching states that all people have a right to productive work and fair wages. Level 3 jobs start at \$8.83 per hour. Many full-time Notre Dame employees who have been here for some time still only earn around \$9.50 per hour. One building services employee who has worked at Notre Dame for 25 years makes only \$11.83. When another employee asked how long it would take to earn maximum wage for the pay level, his/her supervisor responded, "forever." "On-call" employees and workers from "Temp" agencies make even lower wages. Notre Dame Human Resources declares it "does not generally support step, longevity, cost of living or other increases based on term of service rather than contribution. Salary increases are generally based on the concept of "merit" which includes individual performance, equity (internal and external) and the responsibility and impact the position has on the mission of the University."⁹ Many workers report that paychecks are actually decreasing after deducting the rising costs of health insurance. Working at Notre Dame alone is not enough to support a family; many workers are forced to hold two jobs. "It would be nice to work only one job," a dining hall worker said. One building services employee works the night shift 10 PM – 6:30 AM, after which he goes to his second job from 7 AM to 3 PM, a total of almost 17 hours each day. "What we are paid now is not reasonable. It's like allowance when you're a kid," he said and added, "I'm just trying to support my family." Another worker summarized, "It's not about the money; it's about happiness. It's about having enough to pay your bills and a little more to live on."

These problems stem from a lack of inclusion of workers in what we term the Notre Dame family. One worker expressed her feelings, "We aren't part of the 'Family.' We're brought out to clean, and otherwise we're pushed aside." According to a building services employee, "The first thing this place needs is an attitude change. They need to respect the workers".

Workers are scared to speak up for themselves because they fear reprisal. This is what many workers identify as a progressing departure from being a relational workplace- workers invest in Notre Dame while the university does the same to the university holding purely business concerns. Supervisors have even told housekeepers in the dorms not to talk to the students and move the stations of long time workers for no reason- discouraging the family environment.

We must strive for the day when every worker at Notre Dame can truly say, "I am a member of the Notre Dame Family."

⁹ "Pay Philosophy," *Office of Human Resources*. <http://www.hr.nd.edu>

Compensation and Benefits

The concerns prompting this report are based on conversations with workers, yet looking at compensation we can derive similar concerns. Notre Dame Human Resources claims that in addition to base pay “the university makes contributions on your behalf for such valuable benefit as medical insurance, retirement, and educational benefits.” Benefits, hard won by laborers and religious groups, must be protected.

However, benefits do not replace a living wage.

- Medical insurance is a valuable benefit for workers, however as the portion they pay out of wages increases out of step with raises, income suffers.
- Claiming employer payments to Social Security as a part of total compensation is not fair. All employers by law are required to do so and employees will not see those fruits in the short term and continue to suffer in the day to day.
- Access to tuition benefits is a laudable act of the university but must be examined. Children of workers in low-income brackets would qualify for substantial financial aid at Notre Dame or any other university. This benefit must be valued in relation to what a family of similar means would pay with financial aid. Also, working two jobs, having low resources, the condition of neighborhood schools, and the competitive pool of applicants to Notre Dame all hinder this potential benefit from being realized by many of our lowest paid staff.
- Discounts have little effect with the combination of high prices for sports tickets and campus stores and low wages.

“Benefits don’t put food on the table. Here, we start at barely \$9. I need the benefits, but the day to day is hard on such a low wage. At [my work station], we have to eat our lunch in our break room, which is really a closet. We have to eat right next to our mop sink, chemicals, and garbage bin in a room with two chairs. It isn’t right.

- Anonymous Custodian, University of Notre Dame

The Economic Benefits of a Living Wage

Contrary to common perception, there are numerous and significant economic benefits that accompany the implementation of living wage policies. These benefits are seen not only by the workers, but also by employers and society in general. At the individual level, a living wage ensures that workers receive just compensation for their labor.

- According to 1999 data distributed by the Economic Policy Institute, 26.8% of the American workforce earned wages that placed them below the poverty line.¹⁰
- Many businesses argue that minimum wage salaries primarily affect young people who are not in the position of supporting themselves. However, statistics show 70% of minimum wage earners are adults.¹¹
- Augmenting salaries would help to reverse the “downward trend in wages for low-wage earners” that the nation has experienced in recent years.¹²
- As wages increase, people have more money to spend and return to the economy, and businesses benefit from this increased spending.
- Living wage initiatives ensure responsible economic development. “Without living wage laws, governments could contribute to the creation of poverty-level jobs by hiring low-paying sub-contractors or giving businesses tax breaks or subsidies to create jobs without any guarantee that the new jobs will pay a decent wage.”¹³
- Livable wage initiatives encourage all employers in an area to raise wages in order to compete for needed laborers. This leads to responsible and just economic growth in the region.
- There is no evidence to show that livable wage initiatives substantially increase the cost to businesses. In fact, “evidence suggests that most firms absorb the wage increases through reduced training and recruitment costs.” Businesses benefit from the attraction and retention of skilled workers.¹⁴
- Reported increases in service contract prices in municipalities that have implemented a living wage are consistently very small, generally ranging between .003% and .07% of the localities’ budgets.¹⁵
- Despite some claims that a living wage will hurt the people it is trying to help by reducing jobs, campuses employ a stable workforce. Jobs such as security, food services and housekeeping cannot be eliminated.

As Notre Dame is the largest employer in the city of South Bend, the institution of a living wage would help not only the working members of the Notre Dame family, but would financially benefit the South Bend community at-large. Also, this investment in Notre Dame workers will create a better community around the university attracting the best faculty and students in the country.

¹⁰ Economic Policy Institute (EPI), www.epi.org.

¹¹ VT Livable Wage Campaign

¹² Economic Policy Institute (EPI), www.epi.org.

¹³ Economic Policy Institute (EPI), www.epi.org.

¹⁴ Economic Policy Institute (EPI), www.epi.org.

¹⁵ The Brennan Center for Justice, www.brennancenter.org.

Campus Labor Action Project- Living Wage Campaign- Demands and Recommendations

Meeting between Campus Labor Action Project representatives and President John Jenkins to personally recognize the issue and our work

Public statement by President John Jenkins affirming 115 years of Catholic social teaching on the right of all workers to a living wage this semester

Establishment of a joint task force of workers, students, faculty and administrators to examine campus labor practices and policies and to produce a Notre Dame Just Employment Policy to be commissioned by the end of the semester and to begin meeting by August

Interim meeting of CLAP leaders and administrators to establish the procedures, select members, and set a time line for Just Employment Task Force

Implementation of a living wage of \$12.10 per hour with a yearly COLA (Cost of Living Adjustment) based upon the Consumer Price Index to cover all Notre Dame employees

Code of Conduct requiring contracted businesses to pay a the living wage on Notre Dame's campus

Enforcement of Code of Conduct penalizing violations of required living wage through suspension, non-renewal, or probation of such contracts or other sanctions

Affirmation of the right of workers to organize through a union neutrality clause

Regular and consistent meetings of democratically elected worker leaders and Business Operations/ Human Resources representatives to establish a clear, worker-inclusive channel for processing grievances and solving working conditions problems