Paying a Living Wage to Lay Employees
Practical Guidance for Parishes in The Episcopal Diocese of Connecticut

Ned Lewis
Elaine Sleath
Ronald Steed
Postulants for Holy Orders in the Diaconate

LIVING WAGE PRAYER
God of justice and friend of the poor, we pray that all lay employees of our Diocese in congregations and institutions will work for a wage that provides sufficiently for their welfare and for their families. Bless the work that we are trying to accomplish in this Living Wage Project, that we might help our parishes to pay their lay employees a living wage, so that their work might be properly rewarded and poverty overcome. Amen.

June 12, 2015
1 EXECUTIVE SUMMARY

At the 2014 Convention of The Episcopal Church in Connecticut, Resolution 7 was proposed that would have required Parishes to pay their employees a living wage according to the Living Wage Calculator at the Massachusetts Institute of Technology\(^1\). The resolution passed in amended form (Appendix A: ECCT 2014 Resolution 7) urging all congregations and institutions to pay a living wage but without providing guidance on this very complex issue.

Our Deacon Postulant class is taking an ethics course based on Christian Ethics: A Case Method Approach\(^2\), and decided that the living wage issue had enough ethical ambiguity that it might provide for an excellent collaborative project for the course.

This paper:
- Describes how the living wage is defined and how it might be calculated.
- Discusses the ethical dilemmas that a Parish might face in its effort to pay a Living Wage to its lay employees.
- Provides a theological basis for paying a living wage.
- Offers a practical method that Parishes can use and recommends Treasurer’s guidance that helps Parishes live into the spirit of the ECCT 2014 Resolution 7 regarding the living wage.

A case study at the end of the paper tests our recommendations, and shows that a reasonably healthy Parish in our Diocese could meet even the most stringent recommendation that this paper makes, and that many struggling Parishes could probably meet the least restrictive recommendation. In short, we think that it is reasonably possible for all congregations and institutions within the Episcopal Diocese of Connecticut to pay a living wage consistent with the practical recommendations we make.

---


2 WHAT IS THE LIVING WAGE?

A living wage is the minimum wage that affords the earner’s household the most basic costs of living without need for government support or poverty programs. There are seven factors commonly used to calculate the living wage:

1. Housing
2. Food
3. Childcare
4. Transportation
5. Healthcare
6. Taxes
7. Other basic necessities

Some calculations consider an additional factor for savings (typically 10%). Also, there is not uniform agreement about the standards to be used in the calculation of the various factors. These variations have to do with differing opinions about whether the living wage should be based on a self-sufficiency standard or a prosperity standard. More will be said about this in the discussions below.

The living wage is variable on the geographic location of the earner and the size of the earner’s family. Obviously, it is also variable over time as the cost of living changes in a given location.

The living wage is NOT the same as the minimum wage that may be established by law at federal, state, and local levels. The current federal minimum wage is $7.25 per hour, and the minimum wage for the State of Connecticut is $9.15 per hour. There are many locations around the United States that have established or are advocating higher levels up to a $15.00 per hour minimum wage. The minimum wage generally fails to meet the standards for quality of life envisioned by the living wage, and often leaves the family dependent on government or other financial aid.

The living wage is also NOT at the poverty threshold, the income necessary for a household to be able to consume a low cost, nutritious diet and purchase non-food necessities. The living wage should be higher than the poverty level.

The living wage is also NOT the same as the prevailing wage for a given position. The prevailing wage is dependent on economic considerations regarding the availability of qualified talent in a given location and the willingness of employers to pay for that talent. It might be above or below the living wage.

---

4 The CT minimum wage will rise to $10.10 in two increments by January 2017.
5 The cities of Seattle and Los Angeles recently enacted a $15.00 per hour minimum wage.
The living wage serves as a standard, albeit a complex and variable one, that helps workers and employers benchmark the minimum salary that will enable an employee’s household to afford a “decent” standard of living. Using the living wage as a part of an employer’s hiring policy sets a moral minimum standard for salaries.

3 HOW IS THE LIVING WAGE CALCULATED?

3.1 History of the Living Wage Idea.

The idea of a living wage has developed over time, reaching a milestone at the federal level with the establishment of the federal minimum wage in 1938 as a result of the Great Depression. President Franklin Roosevelt stated:

“No business which depends for existence on paying less than living wages to its workers has any right to continue in this country” and “by living wages, I mean more than a bare subsistence level—I mean the wages of a decent living”

The living wage movement claims its beginnings with the work of Dr. Diana Pearce of the Center for Women’s Welfare (CWW) at the University of Washington, who “created the Self-Sufficiency Standard in the mid-1990s as a way to measure the amount of income necessary for individuals and families to meet their basic needs without needing to be reliant on public or charitable assistance”. In 1995, a coalition of churches and labor unions helped to create the first living wage ordinance in Baltimore Md.

The changing definition of the living wage is evident in resolution 1997-D082 of the General Convention of the Episcopal Church, where the living wage is defined as “the federal poverty line for a family of four”. Since then, the idea of the living wage has been more closely identified with a level of self-sufficiency or liberation from dependence. The technical notes for the MIT Living Wage Calculator states:

*The living wage model is a ‘step up’ from poverty as measured by the poverty thresholds but it is a small ‘step up’, one that accounts for only the basic needs of a family. The living wage model does not allow for what many consider the basic necessities enjoyed by many Americans. It does not budget funds for pre-prepared meals or those eaten in

---

6 1933, Statement on National Industrial Recovery Act
8 ibid.
restaurants. It does not include money for entertainment nor does it does not allocate leisure time for unpaid vacations or holidays. Lastly, it does not provide a financial means for planning for the future through savings and investment\(^{10}\) or for the purchase of capital assets (e.g. provisions for retirement or home purchases). The living wage is the minimum income standard that, if met, draws a very fine line between the financial independence of the working poor and the need to seek out public assistance or suffer consistent and severe housing and food insecurity. In light of this fact, the living wage is perhaps better defined as a minimum subsistence wage for persons living in the United States.

According to some however, the living wage ought to be more than just self-sufficiency, but about prosperity:

> Our living wage research findings set a standard, that mere survival is not an adequate measure of a healthy society, and not an expectation we should be striving to set. It’s about a living wage that positions families to build for the future and realize their dreams.\(^{11}\)

The differences between the self-sufficiency definition and the prosperity notion accounts for some of the significant variations found among computational tools discussed below.

### 3.2 Computational Analysis of the Living Wage.

Several organizations have analyzed the living wage to provide reasonable guidance regarding its value. Variations occur both in the factors that are considered for the analysis and the family sizes analyzed. Tables 1 and 2 below compare factors used by four organizations that have performed substantive analysis of the living wage.

\(^{10}\) Note that some living wage models consider a savings component.

Table 1. Factors included in computational analysis of living wage.

<table>
<thead>
<tr>
<th>MIT Living Wage Calculator</th>
<th>Alliance for a Just Society\textsuperscript{12}</th>
<th>Living Wage Foundation (UK)\textsuperscript{13}</th>
<th>Economic Policy Institute\textsuperscript{14}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>Food</td>
<td>**</td>
<td>Food</td>
</tr>
<tr>
<td>Child care</td>
<td>Child care</td>
<td>Child care</td>
<td>Child care</td>
</tr>
<tr>
<td>Insurance Premiums &amp; Health Care</td>
<td>Insurance Premiums &amp; Health Care</td>
<td>**</td>
<td>Health Care</td>
</tr>
<tr>
<td>Housing &amp; Utilities</td>
<td>Housing &amp; Utilities</td>
<td>Housing</td>
<td>Housing &amp; Utilities</td>
</tr>
<tr>
<td>Transportation</td>
<td>Transportation</td>
<td>Transport</td>
<td>Transportation</td>
</tr>
<tr>
<td>Other Necessities*</td>
<td>Household, clothing &amp; personal</td>
<td>All other costs (a 'regular shopping basket').**</td>
<td>Other Necessities*</td>
</tr>
<tr>
<td>Taxes</td>
<td>Taxes</td>
<td>Housing Council tax</td>
<td>Taxes</td>
</tr>
<tr>
<td>Savings (10%)</td>
<td>**</td>
<td>**</td>
<td></td>
</tr>
</tbody>
</table>


Table 2. Household configurations considered in computational analysis of living wage.

<table>
<thead>
<tr>
<th>MIT Living Wage Calculator*</th>
<th>Alliance for a Just Society**</th>
<th>Living Wage Foundation (UK)**</th>
<th>Economic Policy Institute***</th>
</tr>
</thead>
<tbody>
<tr>
<td>One adult families with 0, 1, 2, or 3 dependent children</td>
<td>Household 1: Single adult</td>
<td>A two adult household with two children aged ten and four.</td>
<td>Single-parent families with one, two, or three children.</td>
</tr>
<tr>
<td>Two adult families where both adults are in the labor force with 0, 1, 2, or 3 dependent children.</td>
<td>Household 2: Single adult with a school-age child (age 6-8 years)</td>
<td>A one adult household with two children aged ten and four.</td>
<td>Two-parent families with one, two, or three children.</td>
</tr>
<tr>
<td>Two adult families where one adult is not in the labor force with 0, 1, 2, or 3 dependent children.</td>
<td>Household 3: Single adult with a toddler (12-24 months) and a school age child (6-8 years).</td>
<td>A couple without children.</td>
<td></td>
</tr>
<tr>
<td>Household 4: Two adults (one of whom is working) with a toddler and a school age child.</td>
<td></td>
<td>A single person without children.</td>
<td></td>
</tr>
<tr>
<td>Household 5: Two adults (both of whom are working) with toddler and school-age child</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Total of 12 household variations.
**These models specify the age of children as a factor.
***Total of 6 household variations.

The variations between analysis methodologies add complexity for any organization seeking to pay a living wage. Additionally, the “devil is in the details” and the specific methods used to calculate the various factors differ and are adjusted at various time periodicities. Some of these differences are caused by opinions about the nature of the living wage, whether a more
self-sufficient model like the MIT Living Wage Calculator or a more prosperity-based model like those provided by the Alliance for a Just Society.\textsuperscript{15}

\section*{4 PARISH CHALLENGES REGARDING THE LIVING WAGE}

There are many challenges and complexities regarding the living wage standard that make it difficult for Parishes to pay the wage or to know whether they are even making a good-faith effort.

\subsection*{4.1 The Living Wage Standard is not “Settled”}

Some regard the living wage as minimum wage that affords the earner’s household the most basic costs of living without need for government support or poverty programs. Others believe that it should include sufficient resources to allow a more prosperity-based standard of living. This difference affects the outcome of some of the more common models. The MIT Living Wage Model uses a standard of self-sufficiency that regards seven factors, while the Alliance for a Just Society uses a prosperity standard that includes an eighth factor for savings. These differences also affect the way individual factors are analyzed by each model (housing for example). As a result, the living wage differs significantly between models:

\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|}
\hline
 & Living Wage & FTE* Wage \\
\hline
MIT Living Wage Calculator & $12.68 & $26,374.40 \\
\hline
Alliance for a Just Society & $20.91 & $42,492.80 \\
\hline
*Full time equivalent (2080 hours) & & \\
\hline
\end{tabular}
\caption{Comparison of Living Wage for Single Adult without Children in Fairfield County, CT}
\end{table}

These differences are substantial.

With regard to faith-based communities, no models make allowance for tithing, the standard for financial stewardship set by The Episcopal Church. It could be argued that stewardship involves “sacrificial” giving, but the living wage itself, even in the prosperity model is one that already involves significant sacrificial living relative to many Americans.

\textsuperscript{15} Note in Table 1 how the Alliance for a Just Society model includes a factor for savings that is not included in the MIT Living Wage model.
4.2 The Living Wage is Variable by Geography and over time

These differences make it challenging to set a uniform standard for the entire state or region that might be regarded as “fair”. Parishes might have to do their own research using an online model, but it is not clear which rate a Parish might choose to remain true to the spirit of the living wage idea. Using the MIT model for example, a Parish in Fairfield might reasonably choose to use the statewide average since it is lower, while a Windam Parish might see the county specific rate to be more “fair” for their location.

Table 4: Comparison of Living Wage for Single Adult without Children between Fairfield and Windam Counties, CT (MIT Living Wage model)

<table>
<thead>
<tr>
<th></th>
<th>Living Wage</th>
<th>FTE* Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairfield County</td>
<td>$12.68</td>
<td>$26,374.40</td>
</tr>
<tr>
<td>Windam County</td>
<td>$10.32</td>
<td>$21,465.60</td>
</tr>
<tr>
<td>CT Average</td>
<td>$11.88</td>
<td>$24,710.40</td>
</tr>
</tbody>
</table>

*Full time equivalent (2080 hours)

These estimates must be updated periodically by the respective models to stay current with economic conditions. The MIT model is updated every January and has the most comprehensive notes on source data, much of which was derived from 2010-2014 sources that were inflated to $2014 values using the Consumer Price Index.

4.3 The living wage is variable by household size

One of the biggest challenges associated with the living wage is its direct relationship to household composition. It is demonstrably true that the wage that a family of five needs to remain self-sufficient is considerably more than the wage needed by a single adult:

Table 5: Comparison of Living Wage for different households based on CT State Average (MIT Living Wage model)

<table>
<thead>
<tr>
<th></th>
<th>Living Wage</th>
<th>FTE* Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Adult, no children</td>
<td>$11.88</td>
<td>$24,710.40</td>
</tr>
<tr>
<td>Two Adults (one working) with three children</td>
<td>$28.43</td>
<td>$59,134.40</td>
</tr>
</tbody>
</table>

*Full time equivalent (2080 hours)
Employers do not pay wages based on family composition, and are in fact prohibited from asking about those considerations during pre-employment interviews. Further, we could find no example anywhere of an entity, either private or faith-based or governmental, that paid a living wage according to the composition of the household in the way the models suggest. It's not clear that entities that advocate strongly for a living wage (apart from those that have analyzed it) understand the relationship between the living wage and household size. The guidance from both The Episcopal Church and ECCT is silent on this question.

As an illustration of the problem, if a Parish in Connecticut hired a single adult for a full time lay position, they might reasonably pay a living wage of $24,710. If that employee were to get married and have five children, would the Parish still be justified to pay a wage that was less than half that the employee would need to remain self-sustaining? Would a Parish that is committed to paying a living wage avoid hiring lay employees with families since their needs are far greater? Is it consistent with the Gospel to allow such considerations… or to ignore them?

In fairness, workers and employers make these sort of life-calculations all the time. A lay worker knows that if they marry and have children that they might have to seek a higher paying position elsewhere in order to make ends meet. Similarly, a Parish knows that as a lay employee’s life situation changes, they might expect the employee to move on to a better situation. Indeed, one of the benefits of the living wage model is that it helps both worker and employer decide an appropriate minimum level of salary to seek based on family situation. Other considerations may be brought to bear as the two negotiate a final salary. Nevertheless, it might be a stretch for a Parish to pay $24,710 to an employee with two children and to think that they are living within the spirit of the living wage idea.

4.4 The Living Wage idea does not consider other possible sources of income.

Many Parishes pay a part-time wage for some positions and some employees have other sources of income. A church organist for example, might be paid for 10 hrs a week, and will supplement income with other musical work in the region. To what degree is the Parish responsible for the lay employee’s sustainable income? Other lay employees might bring pensions from previous employment into their work lives or family inheritances such that their incomes needs are lower. If the spouse works, this reduces the total family need. Again, Parishes cannot ask about these situations during pre-employment negotiations.

Some Parishes (and many employers generally) will offer part-time work so that the employer can avoid paying benefits. In this Diocese, the threshold is 20 hours per week for benefit coverage.

---

16 CT average, MIT living wage calculator
4.5 Seasonally hired teenaged lay-employees.

Teenaged employees often do not have the same household responsibilities that adults do, so some Parishes may choose to pay them less than living wages. However, these young people may have to work whenever possible to support their families and are sometimes helping to defray the burden of education on their families.

4.6 Compensation for Musicians.

Many Parishes pay musicians according to the recommendations of the American Guild of Organists Salary Guide for Musicians in Religious Institutions. A review of this guidance showed that it met even the most stringent recommendations of this paper, although it might still fall short of the Prosperity Model guidance if the lay employee’s family is a large one, and it does not satisfy all the criteria for the Self-Sustaining model if it is not adjusted for high cost-of-living locations such as Fairfield county.

4.7 Some Parishes May be Highly Challenged to Pay A Living Wage.

Some Parishes in the Diocese are struggling to survive their fiscal challenges. The case study at the end of this paper shows that most Parishes might reasonably pay even the lowest recommended rate. In the event that they cannot however, the Episcopal Diocese of Connecticut offers a “regional co-operative ministry team that can offer technical assistance, share best practices, and work with the leadership of the Parish or Mission Station in question to develop a plan with clear benchmarks, financial, missional and collaborative, that will help the congregation to meet their commitments to the Convention’s Budget, and in general serve as a mechanism for mutual accountability to our common life together.” Anecdotally, we know that some Parishes have been helped by this process, although living wage issues are not part of its vision. Technical help might enable Parishes to live into one of the living wage recommendations provided by this paper.

4.8 Some living wage advocates insist that contracted vendors pay a living wage.

Although this idea is beyond the scope of the paper, placing conditions on vendors is well within the scope of the living wage movement and might be a topic for further study in our Diocese. Many government entities have ordinances that support this idea. For example, a City

---


of Norwalk CT ordinance\textsuperscript{19} requires companies awarded service contracts by the City of Norwalk exceeding $25,000, to pay their Eligible Employees a living wage. The ordinance defines this wage as $13.41 per hour for employees that are provided comprehensive health care benefits, or $17.20 per hour for employees that are not provided comprehensive health care benefits.

5 THE THEOLOGY of THE LIVING WAGE

\textit{The Foundation of the Church’s Relationship with its Lay Employees.}

The Church’s relationship with its lay employees is based on our Baptismal Covenant. That is: our commitments to believe in God, Jesus and the Holy Spirit; to “…continue in the apostles’ teaching and fellowship, in the breaking of bread, and the prayers;” to “…persevere in resisting evil…”; to “…proclaim by word and example the Good News of God in Christ;” to “…seek and serve Christ in all persons, loving your neighbor as yourself;” and to “…strive for justice and peace among all people, and respect the dignity of every human being.”\textsuperscript{20}

Our Baptism begins a lifelong journey that is characterized by our relationship with God, Christ and the Holy Spirit, our relationships in our faith community and the broader world. Our Holy Scriptures remind us that it is unjust to create barriers to a person’s wholeness or full participation in the community. Jesus’ commandment to love our neighbor is a love that extends to all persons in all places, including the workplace.

The message of the Old and New Testaments presents a clear direction that an employer has the responsibility of good stewardship for the treatment of their employees. The employer is in a position superior to its employee and with this power comes the responsibility to treat employees fairly.

- “In everything, therefore, treat people the same way you want them to treat you…” (Matthew 7:12)
- “The work they do holds this world together. When they do their work, it is the same as offering prayer.” (Sirach 38:34 (a))
- “You shall not withhold wages of poor and needy laborers, whether other Israelites or aliens who reside in your land in one of your towns.” (Deuteronomy 24:14)
- “Woe to him who builds his house by unrighteousness, and his upper rooms by injustice; who makes his neighbors work for nothing, and does not give them their wages.” (Jeremiah 22:13)
- “Listen! The wages of the laborers who mowed your fields, which you kept back by fraud, cry out, and the cries of the harvesters have reached the ears of the Lord of hosts” (James 5:4)


• Jesus’ Parable of the Laborers in the Vineyard—The laborer who works only one hour is paid the same as the laborer who worked all day. Both need their basic needs met no matter how long in the community. Jesus’ commandment to love our neighbor is a love that extends to all persons in all places, including the workplace.

It is clearly stated in our Baptismal Covenant that we in the Church become a model of Christ for others, that we “proclaim by word and example” the standard of Christ in all things. This includes the workplace and fair treatment and compensation for all of the Church’s employees.

6 WHAT DOES THE EPISCOPAL CHURCH SAY? THE DIOCESE?

Many churches in The Anglican Communion, including The Episcopal Church have policies that require living wages. The Church of England attracted attention recently when the Archbishop of Canterbury criticized employers in the United Kingdom who did not pay a living wage to all their employees, only to have it reported in the press that some Parishes in the Church of England was engaged in similar practices21. Parishes of the Episcopal Church in Connecticut may suffer some of the same vulnerabilities that are present in the Church of England.

Appendix A: ECCT 2014 Resolution 7 from the 2014 ECCT Convention resolves that “all congregations and institutions within our Diocese are urged to pay all lay employees a liveable wage.”

Appendix B: Resolutions from the General Convention of The Episcopal Church... lists all the resolutions from 1995 to 2012 relevant to the living wage. Chief among them is resolution 2003-A130, Support the Establishment of a Living Wage, that states “...That it is the policy of The Episcopal Church and its dioceses and congregations to provide employees with a living wage including health benefits and be a model for ethical labor practices; [and] That it is the policy of The Episcopal Church to insist that companies in which the Church invests or with which it contracts provide their employees with a living wage and serve as a model for ethical labor practices....”

Although both our denomination and our diocese are resolved that we should pay a living wage, none of them seems to offer much in the way of practical guidance that would help Parishes to navigate this complex issue.

7 DEVELOPING PRACTICAL GUIDANCE FOR PARISHES

Given the complexity of the living wage in terms of geographic and household size variability, we sought a simple method that might help Parishes determine an appropriate living wage for lay employees. For example, could we suggest a single rate for the state that might serve as a guidepost for Parishes? Is there enough variation between Connecticut counties to justify a more nuanced approach? Also, a single rate proposal might be tied to a certain household size, but which size should be used? The difference between the living wage for a single adult and for two adults with three children is large. Also, should we rely on one of the analytical models described above, and if so, which one?

We examined the practical solutions used by some business, government, and faith-based entities.

One major retailer that has recently established a new living wage policy is IKEA:

*The famous seller of ready-to-assemble home goods will base the wage floor for each of its stores on the MIT Living Wage Calculator, which estimates what salary a worker would need in order to get by in a particular geographic area.*

According to IKEA, the move will boost the average store minimum wage to $10.76, a 17 percent increase, and bring raises to approximately half of the company’s 13,650 U.S. employees. The new rates will go into effect on Jan. 1, according to Rob Olson, chief financial officer and acting president of IKEA U.S.

Using a living wage calculator to determine area salaries appears to be without precedence among major retailers. The new minimum wage will vary at each of IKEA’s 38 stores -- as well as its five distribution centers, two service centers and one manufacturing plant in the U.S. -- depending on the cost of living in each location. Olson said none of the minimum wages will be set below $9 per hour, and those in the priciest markets will top $13.

*The company will use MIT’s living wage rate for a single adult without children. It’s the lowest category in the calculator, but almost invariably higher than the federal or state minimum wage rates. In many cases, it also would be higher than the starting wages workers could expect at other retailers.*

Thus, the IKEA method simplifies the living wage complexity by choosing the smallest household size on the MIT Living Wage Calculator and it considers the calculator’s geographic

---

variability. In general, the living wage has not made much inroad into the private sector in the United States, and IKEA is among the first to do so.

Over 120 municipalities across the country have enacted living wage ordinances. Most of these index the living wage to the Consumer Price Index or to a set amount over the federal or state minimum wage, or are set to about 100% of the federal poverty level for a family of four. While these are certainly simple solutions in that they provide a single rate, they do not really meet the intent of the living wage movement. But it is interesting to note that a high number of municipalities that set that standard to a household size that included more than just one adult.

A check of churches showed that many churches advocate for higher minimum wages and living wages, among them The Methodist Church, the Roman Catholic Church, and the Unitarian Universalists. But we could find no case where the living wage was calculated based on household size. For example:

- From a sermon by Ginger Luke, Director of Religious Education, River Road Unitarian Church (RRUC) (Bethesda, MD, 2000): It is understood that "living wage" is defined for the present purposes as a minimum hourly pay in the range of $10.40 to $10.50 at the present time.
- Several churches are advocating for increases in the federal or their state minimum wages.

There is a strong movement across the United States for setting a $15.00 per hour minimum wage at local and state levels. The cities of Seattle and Los Angeles are among the first to pass ordinances in support of this wage, and of course, there is considerable opposition as well. Other advocates for increases in the minimum wage are calling for smaller amounts over periods of time. There is also support for indexing minimum wages to inflation in some way so that the real earning power of the wage does not fall over time. Much of the debate over the minimum wage focuses on its economic impacts and just what cohorts of workers might be affected (teenagers for example). Although the economic impact of a higher minimum wage is one that some Parishes may face, much of this debate is not really applicable to Parish settings where lay employees are typically adults, many of whom have families.

Remembering that the minimum wage is not the same as a living wage, we compared the $15.00 per hour rate to those listed in Appendices C and D as a simplified rate that Parishes might use as they try to work within the spirit of the living wage movement. Compared to the self-sufficient level MIT model (Appendix C), only three of the twelve household sizes listed

---

would be lower than $15.00 per hour\textsuperscript{25}. The next closest household rates are the ones for two working adults with two children. Compared to the prosperity-based Alliance for a Just Society model ( Appendix D), the $15.00 per hour rate is below all the recommended thresholds. In our opinion, a simple living wage rule of $15.00 per hour is a reasonable rate that Parishes could set as a living wage. It falls within the scope of the subsistence-based model, and while it might be more than a single adult and small families with two workers might need to be self-sufficient, it is still less than what larger families or families with one worker would need. Parishes should note that it may not be enough for some family situations and, absent other resources, it might not allow a lay employee’s family to thrive in today’s economy.

Finally, salary negotiation in a Christian context is a collaborative process between the candidate and the Parish, not a competitive one. Each side should work together to find a way ahead between what can be offered and what can be accepted, with the possibility that a solution will not be found. If a Parish cannot offer a living wage, it should say so transparently and should consider offering the insights about the living wage, particularly in cases where candidates might need some education in this area, so that the candidate can weigh the consequences for themselves in their own context.

8 RECOMMENDATIONS

We recommend the following living wage guidance for Parishes using a three-level graduated approach from simple ($15.00 per hour) to more sophisticated approaches using living wage models that can help Parishes live more fully into the living wage movement. In all cases, the approach used should be adjusted annually for inflation to keep earning power from falling over time.

When The Episcopal Church in Connecticut issues the annual Treasurers Newsletter, we recommend including the following guidance:

**Living Wage Guidance.** ECCT 2014 Resolution 7 states that “...all congregations and institutions within our Diocese are urged to pay all lay employees a liveable wage.” Parishes that are trying to live into the spirit of this resolution should consider the following guidance:

- **Simple Single Rate.** Lay employees should earn a total compensation not less than $15.00 per hour\textsuperscript{*}. In cases where lay employees receive a life/medical benefit as part of their compensation, the hourly cost of the benefit should be added to the employee’s salary to calculate their total compensation for comparison against the $15.00 per hour criteria. If the lay employee receives a retirement benefit, retirement is regarded as a form of compensation above the living wage.

---
\textsuperscript{25} Single adult, two working adults with no children or with one child
Discussion. The living wage include seven factors: Food, Child care, Medical, Housing & Utilities, Transportation, Other Necessities (clothing, personal care items, housekeeping supplies, etc), and Taxes. While the living wage actually varies considerably by household size and geographic location, $15.00 per hour represents a reasonable simplification of a complex issue and is consistent with the aims of many minimum wage advocates around the country. Note however, that this rate may not really keep lay employees from having to depend on outside assistance to meet their costs of living.

• **Self-Sufficient Approach, Appropriate to Location.** Parishes that want to live more fully into the living wage movement could use the Massachusetts Institute of Technology Living Wage Calculator ([http://livingwage.mit.edu](http://livingwage.mit.edu)) for their Connecticut county or metropolitan area. This calculator provides living wage rates for 12 household sizes and accounts for economic cost of living differences across the state using a self-sufficiency standard that is intended to keep households from requiring outside assistance. In cases where lay employees receive a life/medical insurance benefit as part of their compensation, the hourly cost of that coverage should be added to salary to determine total compensation for comparison against the living wage. If the lay employee receives a pension benefit, retirement is regarded as a form of compensation above the self-sufficiency living wage and should not be included in total compensation for comparison against the MIT calculator.

This model does not include many of the expenses that Americans regard as typical basic necessities. The household size with a living wage incrementally above $15.00 per hour is the one for two Adults (both working) and two Children. Other household sizes can be considered as appropriate if higher rates are desired. Using household rates below $15.00 per hour is not recommended.

• **Prosperity-Level Approach, Appropriate to Location.** The fullest option would be to use the guidance found in the Alliance for a Just Society publication “Families out of Balance: How a living wage helps working families move from debt to stability” for the State of Connecticut ([https://jobgap2013.files.wordpress.com/2014/08/2014-08_ct_job-gap_families-out-of-balance.pdf](https://jobgap2013.files.wordpress.com/2014/08/2014-08_ct_job-gap_families-out-of-balance.pdf)). This organization analyzes the living wage from a prosperity-based perspective and includes an eighth factor for savings. Like the MIT model, it considers household size and geographic variations across the state, but it calculates the living wage with the aim of moving families out of poverty and into financial stability. In all cases, this table is above $15.00 per hour. Also, since this model includes both medical and savings factors, lay employees who receive life/medical insurance and pension benefits should have the hourly cost of those benefits added to salary to determine total compensation for comparison against the model’s living wage.

Finally, salary negotiation in a faith-based context is a collaborative process between the candidate and the Parish, not a competitive one. Each side should work together to find a way ahead between what can be offered and what can be accepted, with the possibility that a solution will not be found. If a Parish cannot offer a living wage, it should say so transparently
and should consider offering the insights about the living wage, particularly in cases where candidates might need some education in this area, so that the candidate can weigh the consequences for themselves in their own context.

*This rate should be adjusted annually by the Executive Council consistent with the increase allotted to clergy to account for cost of living changes.

9 CASE STUDY

To evaluate the impact that our living wage recommendation might have on an actual Parish, we compared the guidance to the compensation for one Connecticut Parish. The selected Parish is in an urban setting and had about 300 active members with 118 average Sunday attendance. Its membership has been steady for the last 15 years. The Parish’s annual operating budget of about $400,000 and it has an endowment. They rely on the income from the endowment to cover about one third of their operating budget. They have four lay employees; only #1 is a full time employee. The total lay employee compensation (salary and benefits) paid by this Parish is about $94,000. The table below compares the compensation for these employees to the living wage guidance proposed, appropriate for their location. Actual compensation data not provided to protect the privacy of these employees.

Table 6: Evaluation of Employee Compensation Against Living Wage Guidance

<table>
<thead>
<tr>
<th></th>
<th>#1* **</th>
<th>#2**</th>
<th>#3</th>
<th>#4</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;15.00, Simple Single Rate?</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>&gt;MIT, Self-Sustaining Model?</td>
<td>yes***</td>
<td>yes***</td>
<td>yes***</td>
<td>yes***</td>
</tr>
<tr>
<td>&gt;AJS, Prosperity Model?</td>
<td>yes***</td>
<td>yes***</td>
<td>yes</td>
<td>yes***</td>
</tr>
</tbody>
</table>

*receives Life & medical benefits  
**receives Pension benefits  
*** also meets criteria for actual family situation

This Parish meets all levels of the living wage guidance proposed in this paper. Only in the case of one employee does this Parish not meet the prosperity model criteria appropriate for the actual family size of that employee (which still exceeds this paper’s recommended approach). If there Parish desired to satisfy fully the Alliance for a Just Society’s recommendation for the actual size of this family, the Parish would need to pay an additional $3800, a small increase relative to the Parish’s budget.

Recognizing that there are a wide variety of Parish situations across our Diocese, and noting that not every Parish is operating at this level of sustainability, it appears likely that a reasonably healthy Parish could satisfy even the most challenging living wage criteria.
Further, if this Parish were to pay compensation at the lowest recommended rate ($15.00 per hour), their total lay employee compensation would be about $60,000, 64% of what they are actually paying\textsuperscript{26}. We think this shows that even struggling Parishes might reasonably be able to meet the Simple Single Rate criteria without serious consequences.

\textsuperscript{26} We don’t advocate that this Parish reduce salaries to this level as a cost saving measure!
APPENDIX A: ECCT 2014 RESOLUTION 7

Resolution 7: Economic Justice & Income Inequality

Submitted by: Social Justice and Advocacy Committee

The Rev. Peter Bushnell, Chair, pbushn8849@aol.com, 860-749-2722

Resolved, that the 230th Convention of the Episcopal Diocese of Connecticut calls upon our Bishops, the House of Bishops, the Presiding Bishop of the Episcopal Church, the President of the House of Deputies, and the Executive Council of The Episcopal Church to speak out and name economic inequality as a spiritual and moral issue of immediate and urgent concern;

And be it further resolved, that this Convention requests the Presiding Bishop to convene an interfaith coalition to provide moral leadership for the establishment of economic justice in our country.

And be it further resolved, that to put our faith and conviction into action, the Episcopal Church in Connecticut, and all congregations and institutions within our Diocese are urged to pay all lay employees a liveable wage.

Explanation:
Since 1970, the richest 1 percent of Americans have gained a larger share of total national pre-tax income, and this increase in inequality has been exacerbated by a regressive tax policy. Tax rates on the top 1 percent of taxpayers have fallen over this same period. The growing gap is not only of income but also of total wealth. The bottom 60 percent lost wealth during these

Our sense of values have become distorted, when making money justifies the means, and where the U.S. subprime crisis came to mean exploiting the poorest and least educated among us. Joseph E. Stiglitz (Nobel Prize Winner in Economics, former Chairman of the President’s Council of Economic Advisors, Chief Economist of the World Bank) has written, “Much of what has gone on can only be described by the words MORAL DEPRIVATION. Something has happened to the moral compass of so many people working in the financial sector and elsewhere... it says something significant about the society.”
APPENDIX B: RESOLUTIONS FROM THE GENERAL CONVENTION
OF THE EPISCOPAL CHURCH

Resolution Number: 1997-D082
Title: Urge Church-wide Promotion of the Living Wage
Legislative Action Taken: Concurred as Amended
Final Text:

Resolved, That the 72nd General Convention urge all congregations, missions, dioceses and the national Episcopal Church to become actively involved in promoting the enactment of a "living wage" plus family health benefits, in the cities and communities in which they live, as the minimum acceptable norm for all working people -- "living wage" being defined as $7.50/hr. or $16,000/yr., the federal poverty line for a family of four; and be it further
Resolved, That the above standard be likewise urged upon all parishes, missions, and diocesan institutions of this Church as the minimum acceptable norm in the compensation of their employees.
Citation: General Convention, Journal of the General Convention of...The Episcopal Church, Philadelphia, 1997 (New York: General Convention, 1998), p. 285.

Resolution Number: 2000-A081
Title: Urge Bishops and Diocesan Leaders to Support the National Implementation of a Just Wage
Legislative Action Taken: Concurred as Amended
Final Text:

Resolved, That the 73rd General Convention of the Episcopal Church urge Bishops and leaders within their dioceses actively to support the ongoing implementation of a living wage within the institutions of the church, as passed by the 1997 General Convention and continue to advocate the passage of living wage ordinances at all government levels.
Citation: General Convention, Journal of the General Convention of...The Episcopal Church, Denver, 2000 (New York: General Convention, 2001), p. 219.

Resolution Number: 2003-A130
Title: Support the Establishment of a Living Wage
Legislative Action Taken: Concurred as Amended
Final Text:

Resolved, That the 74th General Convention of The Episcopal Church, through the Secretary of the Convention, call upon the President of the United States and members of Congress to establish a living wage including health benefits as the standard of compensation for all workers in the United States; and be it further
Resolved, That it is the policy of The Episcopal Church and its dioceses and congregations to provide employees with a living wage including health benefits and be a model for ethical labor practices; and be it further
Resolved, That it is the policy of The Episcopal Church to insist that companies in which the Church invests or with which it contracts provide their employees with a living wage and serve as a model for ethical labor practices; and be it further
Resolved, That the 74th General Convention continue to support living wage campaigns in the cities and counties of every diocese; and be it further
Resolved, That the 74th General Convention strongly affirm the right of workers to organize as protected by federal and state law especially in low wage industries and businesses and including the institutions of every diocese.

Citation: General Convention, Journal of the General Convention of...The Episcopal Church, Minneapolis, 2003 (New York: General Convention, 2004), p. 341f.

Resolution Number: 2006-A125
Title: Continue the Task Force to Study Employment Policies and Practices
Legislative Action Taken: Concurred
Final Text:
Resolved, That the 75th General Convention continue…
Resolved, That the attached statement on Workplace Values27 be commended to the Church as a worthy statement reflecting our values for work and the worker in the Church; and be it further….

Resolution Number: 2006-D047
Title: Support Worker Unions and a Living Wage
Legislative Action Taken: Concurred as Amended
Final Text:
Resolved, That the 75th General Convention support actively the right of workers to form a union, and increase the support in our cities and states for passage of “living wage” legislation; and be it further
Resolved, That the Convention commit the Church at all levels to contract solely with union hotels in its meetings, or to obtain confirmation that local prevailing “living wages” are paid by all hotels the Church uses; and be it further
Resolved, That the 75th General Convention strongly urge the Church Center staff and especially the General Convention Planning Office to assure that dioceses that host events of The Episcopal Church comply with GC2003-A130 and provide a living wage for their employees; and be it further
Resolved, That we commend to the Church at all levels the services of Informed Meetings Exchange (www.inmex.org), a new non-profit agency committed to helping organizations make informed decisions regarding convention and meeting planning.

Citation: General Convention, Journal of the General Convention of...The Episcopal Church, Columbus, 2006 (New York: General Convention, 2007), pp. 667-668.

27 This statement includes the expectation that employees will receive “Fair pay and benefits” from The Episcopal Church. This statement is found at: "WORKPLACE VALUES IN THE EPISCOPAL CHURCH.” 2006. Accessed June 7, 2015.

Resolution Number: 2012-C119
Title: Support Legislation to Improve Port Conditions and Workers' Rights
Legislative Action Taken: Concurred as Substituted
Final Text:
Resolved, That the 77th General Convention of The Episcopal Church support federal legislation, directed at the nation’s ports: to require local and regional port authorities to reduce air pollution; enable port drivers to earn a living wage including opportunities for direct employment by port authorities; and ensure the right of drivers to organize; and be it further Resolved, That those Episcopal dioceses in which ports are located be encouraged to become more involved with interfaith groups already participating in environmental, community, and worker justice efforts at the nation's ports.
Citation: General Convention, Journal of the General Convention of...The Episcopal Church, Indianapolis, 2012 (New York: General Convention, 2012), p. 323.
APPENDIX C: TABLE OF LIVING WAGE RATES FROM THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY CALCULATOR

For the State of Connecticut

Source: http://livingwage.mit.edu/states/09/locations

The living wage shown is the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year). All values are per adult in a family unless otherwise noted. The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically quoted as gross annual income. We have converted it to an hourly wage for the sake of comparison.

<table>
<thead>
<tr>
<th>State of Connecticut as a Whole</th>
<th>Children</th>
<th>1 Adult</th>
<th>2 Adults (1 working)</th>
<th>2 Adults (both working)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Living Wage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Adult</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty Wage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Adult</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum Wage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Adult</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairfield</td>
<td>$12.68</td>
<td>$27.20</td>
<td>$31.79</td>
<td>$39.06</td>
</tr>
<tr>
<td>Hartford</td>
<td>$11.60</td>
<td>$25.63</td>
<td>$30.22</td>
<td>$36.91</td>
</tr>
<tr>
<td>Litchfield</td>
<td>$11.61</td>
<td>$24.34</td>
<td>$28.93</td>
<td>$35.44</td>
</tr>
<tr>
<td>Middlesex</td>
<td>$12.01</td>
<td>$25.89</td>
<td>$30.48</td>
<td>$37.61</td>
</tr>
<tr>
<td>New Haven</td>
<td>$11.79</td>
<td>$25.57</td>
<td>$30.16</td>
<td>$36.86</td>
</tr>
<tr>
<td>New London</td>
<td>$11.31</td>
<td>$24.27</td>
<td>$29.35</td>
<td>$36.05</td>
</tr>
<tr>
<td>Tolland</td>
<td>$11.60</td>
<td>$25.63</td>
<td>$30.22</td>
<td>$36.91</td>
</tr>
<tr>
<td>Windam</td>
<td>$10.32</td>
<td>$24.07</td>
<td>$28.66</td>
<td>$34.96</td>
</tr>
</tbody>
</table>

Note: Figures are available at the MIT calculator for four metropolitan statistical areas as well:
- Norwich-New London, CT
- Hartford-West Hartford-East Hartford, CT
- New Haven-Milford, CT
- Bridgeport-Stamford-Norwalk, CT

28 All values in $2014.
APPENDIX D: TABLE OF LIVING WAGE RATES FROM THE ALLIANCE FOR A JUST SOCIETY

for the State of Connecticut using the Alliance for a Just Society publication “Families out of Balance: How a living wage helps working families move from debt to stability”\textsuperscript{29, 30}

<table>
<thead>
<tr>
<th>State of Connecticut as a Whole</th>
<th>Household 1: Single adult</th>
<th>Household 2: Single adult with a school-age child (age 6-8 years)</th>
<th>Household 3: Single adult with toddler (12-24 mo) and a school age child (6-8 years)</th>
<th>Household 4: Two adults (one of whom is working) with a toddler and a school-age child</th>
<th>Household 5: Two adults (both of whom are working) with toddler and school-age child</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living Wage</td>
<td>$19.08</td>
<td>$28.81</td>
<td>$40.48</td>
<td>$35.18</td>
<td>$24.92*</td>
</tr>
<tr>
<td>By County</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairfield</td>
<td>$20.91</td>
<td>$31.89</td>
<td>$44.50</td>
<td>$37.62</td>
<td>$26.75*</td>
</tr>
<tr>
<td>Hartford</td>
<td>$18.38</td>
<td>$27.50</td>
<td>$38.56</td>
<td>$34.16</td>
<td>$24.04*</td>
</tr>
<tr>
<td>Litchfield**</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Middlesex**</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Haven</td>
<td>$19.49</td>
<td>$29.30</td>
<td>$41.23</td>
<td>$35.51</td>
<td>$25.27*</td>
</tr>
<tr>
<td>New London</td>
<td>$17.85</td>
<td>$27.01</td>
<td>$37.26</td>
<td>$34.09</td>
<td>$23.44*</td>
</tr>
<tr>
<td>Tolland**</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Windham</td>
<td>$16.53</td>
<td>$25.48</td>
<td>$35.53</td>
<td>$32.56</td>
<td>$22.64*</td>
</tr>
</tbody>
</table>

*Per working adult.
**These counties were not included in the report.

\textsuperscript{30} All values in this table in $2014 as of the date assessed.