



# The Rank and File Catholic

(Connecting the teaching of the Church with the struggles of Labor)

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## WAGE INCREASE FOR KENTUCKY MINIMUM WAGE WORKERS LONG OVERDUE

*By Todd Johnson,*

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Earlier this year, the Kentucky House of Representatives joined 21 other states and passed legislation to raise the minimum wage. House Bill 1(HB-1) raises the minimum wage for the typical minimum wage worker to \$8.10/hr and House Bill 191 (HB-191) raises the minimum wage for tipped-employees from \$2.13 to \$3.00/hr. In subsequent years, these wages would eventually rise to \$10.10/hr for the typical minimum wage worker and 70% of the minimum wage for tipped employees.

Opponents of raising the minimum wage offer the same old tired argument of the past: raising the minimum wage will hurt businesses.

But consider this; the minimum wage for the poorest workers among us has not been raised in nearly a decade. Worse, the minimum wage for tipped employees has not been raised in 23 years – nearly a quarter of a century! When adjusted for inflation, today's minimum wage worker is working for less today than the minimum wage worker in the 1960s. Kentucky is one of only 13 states in the nation which still pays tipped employees a paltry \$2.13 per hour. It is morally indefensible.

Raising the minimum wage for our lowest wage workers will spur economic activity within our communities as they purchase products and services that they cannot currently afford.

Not only will raising Kentucky's minimum wage provide needed help to our poorest workers and benefit local businesses, it will also save Kentucky taxpayers – you and I – millions of dollars.

Currently, taxpayers are subsidizing big businesses and large corporations that pay their employees a minimum wage by providing these workers with social welfare programs in the form of food stamps, healthcare (Medicaid) and the earned income tax credit (EITC). To add insult to injury, many of these businesses and

corporations are reaping record profits, yet they continue to pay their workers the barest of wages.

By raising the minimum wage, these workers will have more income with which to provide for their families, while also paying more in local occupation taxes and income taxes. At the same time, As their income rises, Kentucky taxpayers will save millions in food stamp subsidies, Medicaid and the EITC deduction.

For those who argue that the free market should determine workers' wages and not the government; that creating an artificial wage will only hurt small businesses, I urge them to read the legislation. HB-1 raises the current exemption for small businesses, exempting any business with annual gross sales of \$500,000 or less from paying their workers the state minimum wage.

Currently, both minimum wage bills now sit, languishing in the Kentucky State Senate. It is impossible to understand why a majority of senators would deny tens of thousands of hard working Kentuckians a meager raise. They should want to reward work, not discourage it.

In the closing days of this Regular Session of the General Assembly, I pray that each senator will look into his/her heart and do the morally right thing: consider the young college student waiting tables to help pay for his or her college tuition because tuition rates have soared 50% in the past decade as the legislature has cut funding for higher education, or the single working mom toiling at two minimum wage jobs just to make ends meet, or the senior citizen who can't make do on his social security check and is working a minimum wage job so he can pay the bills at the end of the month.

Should a majority of senators decide not to raise Kentucky's minimum wage, they need to understand that we as voters hold them accountable. Fair, ethical decisions and votes on our behalf are expected and required if they want to continue to represent us. Outside groups that influence their thinking by helping fund their campaigns cannot buy our vote! As citizens and as Catholics it is our responsibility and privilege to be involved, register to vote, call or write letters to our politicians and let them know our thoughts.

The Catholic Conference of Kentucky website issued a statement from the Catholic Bishops of Kentucky called *THE DIGNITY OF WORK* on January 27, 2014. This statement urges our lawmakers to support Kentucky workers fairly while sustaining local businesses and the jobs they provide.

## **HOUSE COMMITTEE SOUNDLY DEFEATS MEASURE TO EXEMPT EDUCATIONAL BUILDINGS AND FACILITIES FROM KENTUCKY'S PREVAILING WAGE LAW**

### ***New study finds no cost savings from repealing prevailing wage law***

***By Bill Finn***

***State Director of Kentucky State Building and Construction Trades Council***

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Since the Great Recession of 2007 - 2009, business groups have joined together in an attempt to increase their profits by driving down wages for working people. One way in which these groups have been actively trying to drive down wages in the construction industry is by repealing Kentucky's Prevailing Wage Law.

The 'prevailing wage' is simply the wage paid to construction workers on public projects – projects that are paid for with public tax dollars. The wage is determined by our State's Labor Cabinet based on geographic area and data submitted by contractors and others involved in the construction industry. Prevailing wage helps assure that construction workers – union and non-union – receives a fair wage when working on projects that use public tax dollars.

Last week, the Kentucky House of Representatives' Labor & Industry Committee soundly rejected House Bill 419, a measure that would have excluded all educational buildings and facilities from Kentucky's Prevailing Wage law. The Committee voted overwhelmingly 14 – 1 against the measure.

The Committee heard testimony from Peter Philips, Professor of Economics at the University of Utah, whose testimony was described by one legislator as "powerful."

Philips, who received his MA and Ph.D. from Stanford University, is one of the nation's leading experts on the construction labor market. In preparation for his testimony before the committee, Philips undertook the largest, most comprehensive study ever conducted in Kentucky on the economic impacts of Kentucky's Prevailing Wage Law on construction costs. The study was commissioned by the Kentucky State Building & Construction Trades Council.

Specifically, Philips examined 391 school construction projects in Kentucky, Ohio and Michigan and concluded

that there is no cost savings from repealing Kentucky's Prevailing Wage law.

Philips testified that labor costs are 20% to 21% of total costs on Kentucky public construction projects. For critics who claim that repealing prevailing wages would result in a savings of 10% on total construction costs, Philips said, "That is simply not realistic. They would have to cut current wages of all construction workers on public projects – union and non-union alike - by 50% and then hope worker productivity and all other cost variables remained the same."

Philips pointed out to members of the committee that if prevailing wages were repealed other costs to taxpayers would rise as more construction workers were forced into poverty and sought public assistance. In addition, local and state tax revenues would fall and there would be negative economic impacts on local communities as those workers whose wages were dramatically cut realized a corresponding loss in their purchasing power.

Additional research-based findings by Dr. Philips included:

States with prevailing wage laws have a better educated, more productive workforce.

Kentucky's Prevailing Wage Law provides an incentive for safer, more experienced workforce.

Repealing Kentucky's prevailing Wage Law will result in lower wages, lower benefits, less training and reduce productivity across all of Kentucky's construction industry.

Repealing Kentucky's Prevailing Wage Law will devastate apprenticeship training programs in Kentucky.

## **POPE FRANCIS: WORDS AND ACTIONS**

***By Bill Londrigan***

***President Kentucky State AFL-CIO***

***St James Church, Louisville, KY***

The guiding principles of Catholic social teaching are rooted in the succession of papal encyclicals, stretching back more than a century to Pope Leo XVI's *Rerum Novarum*, "On the Condition of the Working Classes," written in 1891. In his explication of the emerging capitalist economic system and the exploitation of the working class, Pope Leo's writing fell in line with the Christian tradition as a voice of and for the poor. He defended private property rights and recognized the right of workers to form associations and labor unions for mutual benefit:

"Such unions should be suited to the requirements of this our age - an age of wider education, of different habits, and of far more numerous requirements in daily life. It is gratifying to know that there are actually in existence not a few associations of this nature, consisting either of workmen alone, or of workmen and employers together, but it were greatly to be desired that they should become more numerous and more efficient."

Just as Pope Leo XVI was confronted with historic economic and social upheavals and formulated principles upon which a just society could flourish, Pope Francis is also confronted with momentous economic changes in the form of globalization, technological advances and the re-structuring of employment relations. Pope Francis' encyclical, *Evangelii Gaudium* "The Joy of the Gospel," builds upon the foundation of Catholic social teaching laid by Pope Leo XVI as he writes:

"In our time humanity is experiencing a turning-point in its history, as we can see from the advances being made in so many fields. We can only praise the steps being taken to improve people's welfare in areas such as health care, education and communications. At the same time we have to remember that the majority of our contemporaries are barely living from day to day, with dire consequences."

What distinguishes the writing of Pope Francis from the writings of previous pontiffs is his personal commitment to connecting with those that labor for a living, those that are poor and hungry among the millions that have been left behind in the global economy. Pope Francis' mission transcends scholarly writings and extends beyond the Vatican into the slums and factories where millions of workers, families and children have been left behind to endure lives of economic deprivation, hunger and disease. Yes, actions speak louder than words and so far the actions of Pope Francis in reaching out to those in need and speaking up for the poor and disenfranchised are actions that are much needed to advance the cause of peace, justice, love and security in these unprecedented economic times and to set an example for all Christians to emulate.

## **QUOTES OF POPE FRANCIS ON WORK**

***From Pope Francis: Conversations with Jorge Bergoglio by Francesca Ambrogetti and Sergio Rubin***

*"Over the course of your life as a priest, you must have encountered many unemployed people. What has your experience been?"*

"Definitely there have been many. They don't feel like they really exist. No matter how much help they might have received from their family or friends, they want to work, they want to earn their daily bread with the sweat from their own brow. The thing is, at the end of the day, work anoints a person with dignity. Dignity as such comes solely from work. We can own a fortune, but if we don't work our dignity plummets."

*But it's the worst for everyone who wants to work but can't'.*

"What happens is that the unemployed, in their hours of solitude, feel miserable because they are not 'earning a living'. That's why it's very important that governments of all countries ...cultivate a culture of work, not charity...and I never tire of repeating this, work confers dignity."

*But it's not easy to find that balance. One can easily go "off track."*

"The Church has always maintained that the key to the social question is work. The working man is at the center. Remember that one of the principle causes of suicide is failure at work in the face of fierce competition. Because of this you cannot look at work from a purely functional perspective. What's at the core is neither profit nor capital. Man is not for work, work is for man."

## **The Chaplain's Corner**

***By: Fr. Anthony Shonis***

***Holy Name of Jesus Parish, Henderson, KY***

I loved the article on the Career and Technical Education unit (Jan. 10 edition of *The Gleaner*), especially the picture of the high school student in the welding mask.

I often think that going to college is overrated (having taught for 14 years at a university, I think I can say that).

If a young person has basic math skills, some mechanical aptitude and does not mind hard work, the building trades are wonderful.

Recently I was given a tour of the Training Center for the Plumbers and Pipefitters Local 663 in Owensboro. All the apprentices I spoke to that evening, and many of them were practicing their welds, were enthusiastic about becoming certified welders.

With the Plumbers and Pipefitters, it is a five-year apprenticeship program and it is hard because these classes are held in the evening after a day's work. But all the apprentices seemed to recognize that with their welding skills came with a sustainable wage which gives them and their family a future.

Also I saw the good work of the vocational students in the carpentry classes who were helping to build the Habitat House that Holy Name is sponsoring.

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"The Rank and File Catholic" (TRAFIC) newsletter debuted on Television on September 30<sup>th</sup>, 2005. This ½ hour program was recorded at the "West Kentucky Community and Technical College" located in Paducah, KY as part of a series titled "THE UNION LABEL" and was hosted by Berry Craig. Fr. Anthony Shonis, Chaplain of TRAFIC, and Mike Roby, then Editor of TRAFIC, were his guest. A "FREE" DVD of the program may be obtained from the TRAFIC staff.

Additional information may be found on the internet at:

United States Conference of Catholic Bishops; [www.usccb.org/sdwp/national/labor.htm](http://www.usccb.org/sdwp/national/labor.htm)

CATHOLIC CONFERENCE OF KENTUCKY: [www.ccky.org](http://www.ccky.org)

The Catholic – Labor Network: [www.catholiclabor.org](http://www.catholiclabor.org)

Catholic Social Teaching: [www.osjspm.org](http://www.osjspm.org)

Kentucky Labor Institute: [www.KentuckyLaborInstitute.org](http://www.KentuckyLaborInstitute.org)

Current and back issues of “The Rank and File Catholic” (TRAFIC) newsletter are also available at the Catholic - Labor Network website (<http://www.catholiclabor.org/R-F%20Catholic%20Nwsltr/R-F%20Catholic.html>).

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