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Testimony on Minimum Wage for Illinois Senate Committee of the Whole June 23, 2015

My name is David Borris and I own a 30-year-old catering business with a full-time staff of 31 people and over 90 part-time and seasonal employees. I pay a starting wage of \$11.00 an hour – well above the current Illinois minimum wage of \$8.25. And my business is thriving.

Paying good wages is part of my recipe for success. Raising the minimum wage is smart policy for Illinois.

Raising the minimum wage is pro-business. A century ago, the great titan of American business Henry Ford doubled his workers' wages. He did this for two reasons:

- 1) High employee turnover was affecting his product's quality
- 2) He wanted his employees to be able to afford the product they spent their day making.

Smart employers understand that paying a fair wage allows us to keep good employees and reduce costly turnover. By spending more upfront on payroll, we cut down the costs of hiring and training and more intensively supervising new employees. We also save ourselves a lot of stress and headaches by building and maintaining a reliable team we can count on every day to consistently satisfy a demanding customer base. Some of my people have been with me the better part of two decades. Low turnover translates into better productivity, quality and customer satisfaction.

Healthy businesses need a sustainable market for their goods and services. And a healthy economy needs money circulating widely in a virtuous cycle of rising wages, consumer demand and job creation.

Recovery since the Great Recession has been sluggish because there isn't enough money in the pockets of low- and middle-income workers. That means they buy less, and that hurts everyone. Raising the minimum wage boosts the consumer spending that main street businesses like mine depend on.

Local small businesses have a deeply personal interest in the financial health of the communities we do business in. My employees and I live locally. I work in the business every day, and I can see the immediate impact paying good wages has on my employees and their families. My customer base is local, too. The financial health of our customer base and our workforce reverberates directly to our bottom line.

Maintaining a level playing field that guarantees a viable living wage to all workers in our communities is not only the right thing to do for our friends and neighbors – it is smart business. It hurts local businesses and it hurts our state when large corporations pay workers wages that are not enough to live on and shift those costs to taxpayer-financed public assistance.

Local businesses like mine are in it for the long haul. We're committed to building long-term value and winning the enduring loyalty of customers who will hire us for the next important life cycle event, and the next after that.

Keeping the current minimum wage doesn't just reinforce low wages – it leads to a low-value, low-innovation, low-growth future. And that only serves to demoralize a large segment of the potential workforce and stunt economic progress. I'd rather be part of building a high-value, high-innovation, high-growth economy – one we can be proud to pass on to our kids.

Illinois needs to invest in our future by passing an overdue minimum wage increase. The gradual raise to \$11 by July 2019 stipulated in Senate Bill 2145 is very reasonable and pro-business.

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