

**All Ears With Abigail Disney**  
**Season 1 Episode 2: Dan Price**  
**Radical CEO Activism: Paying Every Employee A Living Wage**  
**Air Date: May 7th, 2020**

**Abigail Disney:** I'm just Googling something right now in a little moment before we go on. What's the difference between ethical and moral? Do you guys ever think about that?

Yay! Dan is here. Can we just go ahead and launch into it?

I'm Abby Disney and you're listening to All Ears, my podcast about inequality. Each week I get to call up some of the smartest and best people I know, and maybe even some I don't. We talk about the hot mess we've made of the economy and how this pandemic might just be our chance to understand and address some of the huge problems Americans are facing.

We've got to start somewhere and sometime, so why not here and why not now?

Hi all, and welcome to our second episode. I'm very excited about our guest today, Dan Price, for a couple of reasons. Partly Because he's super sweet. He owns a credit card processing company in Seattle called Gravity Payments and employs about 200 people, but you may have heard of him in the news because five years ago he did this thing that many in the business community thought was completely bananas.

Get ready for this. He mandated a base salary of \$70,000 for every employee in his company without exception. Oh, and he took a pay cut to do it. What a monster, right?

Dan, why don't we start with how we met, because I think we have a little bit of a meet-cute story, don't you think?

**Dan Price:** Absolutely. Um, my, uh, my best friend Steve Zakuani, who's uh, who's a really important figure here in Seattle, he was that Sounders number one draft pick on our local soccer team and he's just like a community hero here for a lot of reasons, overcoming adversity. He kept telling me, Hey, you know this Abigail Disney person and you are saying the same stuff. You have to find a way to meet her. So I hit you up on Twitter and it turned out you were having plans to come to Seattle, so it worked out really well.

**Abigail Disney:** Yeah, I mean, you know, just given when I was raised and what my mother taught me about things that went against every principle --

**Dan Price:** How did we do? We spent the whole day together was it ok?

**Abigail Disney:** Oh my God, it was the best! We went for this incredibly fun drive and we went to breakfast at this great place that didn't let you pay.

**Dan Price:** The Fat Hen, if y'all are in Seattle listeners out there, The Fat Hen in Seattle is the best brunch place in the entire world right now. So.

**Abigail Disney:** The Fat Hen was awesome and they left me a fat hen myself.

So in our long drive, we talked about lots of things and you and I have some things in common, right? Coming from a very different background and living kind of not the life they planned for us to have and things like that.

Why don't you give me like the reader's digest version of your early years in Idaho.

**Dan Price:** Yeah. I'm the fourth of six kids from a conservative Christian family. We listened to Rush Limbaugh from 10 to 1 every day. And also we read the Bible out loud for an hour every morning. I was homeschooled until seventh grade, and then I went to a church school.

Um, that was kind of more church than school at times. You know, didn't believe in things like evolution or other types of scientific theory that's out there that's pretty predominant. And then I went to a conservative Christian college, so I was, uh, pretty much, uh, you know, on that side of things for a very long time.

**Abigail Disney:** But at 19, in your dorm room, you decided to start a company, right?

**Dan Price:** Yeah. Well, it started a little bit before that. So Gravity Payments is a credit card processing firm, and we work with small businesses to decrease the amount of money that they have to pay just to get paid with a credit card. I was kind of a dorky kid growing up and I started a rock band with some of my friends, but it was always tough for us to find venues we could play at cause we were underage and this coffee shop owner let us play there. And she was telling me about how she was going to have to charge us 5% for the credit card processing fees. And I was like, what? That's crazy. So my junior year of high school, when I was 17 I started trying to help this woman, and, uh, she referred me to other people.

And then my freshman year of college, I was able to actually get it off the ground.

**Abigail Disney:** By 2008, you've got 15,000 clients nationally, right?

**Dan Price:** Yeah. So, um, you know, the business had kind of built, built, built, and I was having a great time because I'm working with all these small business owners. And I just admire them so much, and so I'm just having so much fun. And then 2008 hits. And we kind of go from not really making much money, just kind of barely scraping by to losing a lot of money really quickly. Um, and that was, that was a really formative time, I think, for us as a company because we had always said and believed that we were in it, you know, for, um, for the small business.

But this was a moment where, you know, we had to prove whether or not that was going to be the case. And, uh, and so 2008, you know, that crisis was a really difficult time for us.

**Abigail Disney:** Right. And how long did it take you to recover from the crisis?

**Dan Price:** Well, we kind of were able to get a break even after four or five months to avoid the destruction of the company and the, and, and losing the company. But, um then, you know, recovering kind of mentally and emotionally was a, was a different sort of thing. I was scared, to be honest. I was scared that was going to happen again, and I was worried about what that meant and if we're going to be able to pull through if it did happen again.

And so I, um, I would say that in 2010, 2011 the company was making more money than we ever needed or wanted to. I mean, we went from having very little profit margin to having like a 30% profit margin, but, um, there was a woman, Rosita Barlow, that works at Gravity Payments, and I had seen that she had a McDonald's manager training book and I was mortified that somebody who worked so hard and was helping us so much to grow and was such an important part of the company, felt the need to work at McDonald's just to make ends meet. So that was a big eye opener.

And I asked her, you know, what would it take? What would it have to look like in terms of your pay for you to not have to take this second job working at McDonald's? And she started sharing with me. And so we set a course at the end of 2011. We had a goal to try to average 15% raises per year.

**Abigail Disney:** Yeah, I mean, you said something earlier about how there was an emotional recovery that had to happen, and I think that people forget that because we think of companies as these huge, impersonal things that it's very, very personal and fear is such a driver.

In fact, actually fear is the driver all the way to the top in the biggest companies. So, in 2015 that's when the radicalness happened. I mean that, that feels like a real watershed moment. What did you do in 2015?

**Dan Price:** Yeah, I mean, I had been reading and I, I'd come across a study that just blew my mind by Daniel Kahneman and Angus Deaton, and it was a Princeton study that said basically wellbeing rises with income up to a certain point and then it doesn't. And the point they found, you know, for the average American family in 2010 or 2011 was \$75,000 a year. Now it does absolutely depend on your geography and, and how many mouths you're feeding and all these sorts of things. But just that concept that it's not like a linear path that like if you're making less than a certain amount of money, it's harming your health and wellbeing. And then once you make that certain amount of money, more money doesn't help your health and wellbeing. And that was really fascinating to me, and it seemed to have pretty major implications because again, coming out of that recession, one of the things was I did get more scared and I did get more greedy, which I think follows fear.

And so I was making a million dollar compensation package at that time, and I, it took an emotional moment for me to kind of break through that grief break through that ego that I was dealing with and actually understand the message of the scientists, which was, you know, the way I was doing things didn't make sense because paying myself more wasn't helping me and paying people less was hurting them.

But the moment was, I was on a hike with my friend Valerie, she's an amazing woman. She served in the military for 11 years with, with a huge amount of honor and sacrifice, and she's just somebody that you admire that you look up to that works really hard. And she was telling me about how a \$200 rent increase was making it basically impossible for her to pay her bills. She was, after her military career, she was a spa manager and she also had all these gigs on the side. She had tried different things like Uber type things, but she was watching

people's homes when they're out of town, like watching pets when people are gone, just doing whatever she could to make ends meet.

And so it just didn't make sense to me. I was so angry. That she was getting her life, so topsy turvy from \$200 and that was angry at the system. I was angry at her boss, her employer, and then I realized something, which was really mortifying for me, which was a third of the people that worked at my company, I was putting in a worse position from a financial kind of security standpoint than my friend Valerie was in. And I, I promised her on that hike that I was going to raise our minimum wage at gravity to \$70,000 per year and I was going to do it no matter what it took, no matter how risky it was, because I just didn't believe in a system or a company that was doing to its employees what was happening to my friend Valerie.

**Abigail Disney:** It must've been terrifying at first. I mean, it must've felt like you were bungee jumping or something when to take that leap.

**Dan Price:** That's exactly what it felt like. I mean, to me it almost felt like, yeah, just running off a cliff is the analogy that kept going through my head. And I kept thinking, I have to do it, but then I would like wake up and think, you got to just forget this idea because...

Abby, you have to understand like my life at that time, you know, things were going super well. I was making more money than I could ever imagine. You know, I had been named the Young Entrepreneur of The Year, uh, by President Obama and the Small Business Administration in 2010. Uh, in 2014 Entrepreneur Magazine had named me Entrepreneur of the Year.

So I was kind of following the path and you know, the types of doors that were opening in terms of taking big investments, trying to think about IPO-ing, you know, and, and all of a sudden things that are normally out of reach, like, oh, maybe I can think about being on that Forbes list, or maybe I can think about catching up to that Zuckerberg guy.

You know, those were the types of things that were being sent my way. And it was, it was hard because I needed to proactively reject all those other things to make this work.

**Abigail Disney:** Right. And there is a point at which money starts to make you unhappy, right?

**Dan Price:** And I think I had reached that point because a lot of those things that I mentioned, you know, especially like looking at how much money's in the bank and what your net worth is, and trying to compare yourself to Bezos and Zuckerberg. You know, those things really do reinforce the type of egotistical messages of, you know, I'm special in a way that other people aren't special. Like, it's more important that I get what I need than somebody else getting what they need. Those are the types of messages that really, um, I think create a lot of misery for somebody who has too much.

**Abigail Disney:** Oh, I think that's absolutely true. But, um, so, so how did people react to what you did, especially inside of the company? What was the reaction like?

**Dan Price:** Well. Um, there was a huge amount of just, uh, elation. Um, it was exciting. I mean, imagine you're showing up to work one day, uh, like a guy that works at gravity named Jose Garcia, and you're making Jose, I think at that time was making probably about \$35,000 per year.

And imagine, you know, showing up and having your boss tell you that, you know, you're getting an immediate raise to \$50,000 and within two years you're going to be making \$70,000 a year. But what was really exciting was kind of what happened after. But. Before I get to that, I do want to acknowledge there were a couple people that came out pretty publicly, um, and said that they disagreed with the decisions and, and really criticized it.

And I think their criticism was, was very valid. There was a woman named Maisey who came out and she said that she felt like she had to go through some tough times, you know, when things were difficult and she was having a hard time making ends meet. And she said that was a huge point of character formation for her.

And there was a gentleman named Grant, and he said he was concerned that people would just be clocking in and clocking out, and it would, it would encourage a certain level of just laziness in his mind. And so Grant and, and Maisey both decided to quit and leave the company out of protest from the decision.

**Abigail Disney:** And were their criticisms born out by your experience?

**Dan Price:** Well, we've had, over the last five years, we've had some transformations that have been wonderful. So like Jose, for example, just as one example, Jose's lost 120 pounds in that time, and he credits it to having enough money to take care of his health and put his health first.

And now he has an internet series that he does on his Facebook of what did I do to become more like Batman every day? So those individual stories, I could literally talk to for hours about it. But let me talk to you about some statistics. So prior to 70K, we had between zero and two babies born per year at the company. Since then we've had 50 in less than five years.

**Abigail Disney:** Whoa! In five years, that's ten babies a year!

**Dan Price:** Yes.

**Abigail Disney:** People get busy.

**Dan Price:** Yup. We, we also had 70% of the people at the company report that they pay down debts. There was a lot of criticism at the time that people would waste the money and squander it. And so we got a lot of blow back, a lot of criticism that, you know, kind of people like this don't deserve more money, was like kind of the line that was being sent. And they proved that wrong by two things. One, paying down 70%, 70% paid down debts, and number two, people between double and tripled their 401k savings rate, um, on top of what the company puts in.

And then the last thing I'll share that was that people started becoming homeowners for the first time, and so people really use the money to improve their lives.

**Abigail Disney:** What is that in the, especially American business culture, I mean, because it's a very paternalistic view. Oh, they'll waste the money. I remember in 2008 the talk about moral hazard. The banks were being bailed out, but we weren't helping individuals because the moral hazard was they waste the money or take out some other loan. I mean, what is going on?

**Dan Price:** So you would think it would be hailed by conservatives, but yet, Rush Limbaugh, the political pundit and radio show host came out and said that I would be a case study in MBA programs for how socialism cannot work. He predicted that my company would fail and when we caught a little bit of bad press, he had me plastered all over his website. And it's weird to think about now, you know, during the pandemic times of like, just cheering and rooting for somebody to fail just because they were trying to be in it for the workers.

And so to have this, you know, person who's held up as like a conservative Rush Limbaugh, you know, basically, uh, saying that, you know, it, it, it was really wild. And I think that it really was more just about trying to, uh, you know, heartbreakingly stick up for Goliath and be on the side of Goliath instead of David.

**Abigail Disney:** Yeah. The idea that speaking up for workers is socialism and therefore un-American is just so fascinating to me. And, and I, I keep thinking that there's a certain point at which you um, start to believe that you're at the top because you're at the top. You're, you're the top, and there's a difference between you and the low skilled workers that you pay hourly at the bottom. I mean, I really believe that this has happened in management's across the country.

**Dan Price:** Yup. I think the most dangerous pandemic we face in 2020 is the ego of wealthy people.

**Abigail Disney:** Yes.

**Dan Price:** And myself included. And you know, we all have to do...we all have to do whatever's necessary to try to stamp that down. And it's not something that you take care of in like an ashram retreat or going to some health retreat or something like people do.

It's something you literally have to fight every day. And I every day have to look in the mirror and ask myself, you know, like, hey, that temptation to start, like trying to compare your wealth to somebody else, trying to compare like how much, you know, the Forbes. Magazine would say you're worth in terms of your net worth to other people.

And I have to be honest with you, Abby, I'm a little ashamed to say this. I still have that ego that comes from all that kind of stuff, all that money, all those messaging of like you're better than other people that I just have to fight every day. And I think if we could get that pandemic under control then the Coronavirus pandemic would be easier for us to deal with.

But I've come to the conclusion that we have to pass laws now. We have to actually take the power in the hands of the workers and the people through democratic means. Um, not just by hoping that the wealthy people will come around.

**Abigail Disney:** Yeah, I think you're right about that because they also can't be shamed because there's nothing in it that seems shameful to them.

So, so let's talk about the pandemic, um, because I've been wondering how you're doing. You're a small business yourself, and you're rooted in the success and failure of small businesses. Like how is this going for you?

**Dan Price:** Right at the beginning of the pandemic, we started having our revenue dropped precipitously and just cratering and cratering and it, it bottomed out at 55% down because our revenue is a function of small business revenues and some of our small business clients, restaurants are down right now, 77%. I mean I really feel like I'm getting punched in the gut you know, five, 10 times a day right now, hearing the stories of people struggling. But we lost over half of our revenue. You know, what we're taught to do as CEOs in that situation is to cut hard and cut fast. And, for example, my competitor Toast, they laid off 50% of their employees in spite of the fact that they had just raised \$400 million on a \$5 billion valuation.

So they had all the money in the world they needed to keep their 3000 employees employed, but instead they immediately laid off 1500 and that's, we're taught as CEOs that that's the right thing to do. And that's really your only option because we're taught that your balance sheet, that's what matters, and you have to cut your people to protect your balance sheet.

Your balance sheet is what determines if you're okay or not. Okay.

**Abigail Disney:** So how about your employees? Tell me about your, what your employees did.

**Dan Price:** They came up with an idea that seemed to be completely doomed to failure, but you know, I figured, well, let's try it. And their idea was to have basically an anonymous spreadsheet with like a code where you'd have an employee number but not a name.

They said, let's have everybody offer if they can, anonymous pay cuts, because we have some people here that are in tighter spots. We have some people that have two incomes and no, no problems. We have some people where their spouse just got laid off and they're trying to figure out if they're going to be able to keep their home and our employees through all of those things, we're able to get that burn rate down and extend our runway from having just, you know, three months or so to survive, to having nine months to survive, which is enough time, I think for us to figure something out. But they did that through just gut wrenching levels of sacrifice.

So that is what kind of saved the company.



**Abigail Disney:** Right, right. Well, so, okay, this is an unfair comparison cause they're a completely different size, but there they are in Seattle, right next to you. I mean, Boeing, let's talk about. Boeing's response to the crisis.

**Dan Price:** So Boeing has been the first to, um, to go out and, and ask for government assistance. But Boeing has constantly been trying to figure out how to squeeze workers more, and they've been playing off different States and different, you know, geographies and populations to do that. And now they're coming out and they're announcing huge layoffs. Um, and so they're basically saying, hey, just like, you know, Toast in my industry and just like every other company, they're putting their balance sheet first and their workers last, because at the end of the day, that's what helps the wealthy people.

**Abigail Disney:** So, so like, do you think it's getting more clear to people what's been happening in terms of shifting, you know, huge amounts of money from the bottom to the top?

**Dan Price:** Yes and no. With 86% of all new wealth generated going to the top 1% in the past year with the top 100 companies in the US going from making 40% of the profit 40 years ago to making almost 90% of the profit today, there's more and more concentration at every level that we're seeing.

But on the other side, there's more and more people being squeezed. And so you have a scale, is the way I think about it. And on one side you have money that's growing, growing, growing, and on the other side you have kind of like people and purpose and meaning and reality, and we just need to unite enough as people uh, united behind the common purpose of like making the American Dream viable again. We can't just expect one person like me in Seattle to solve the problem or anybody else everywhere in the world. When people hear about the story of Gravity Payments, it resonates deeply and I think that's a sign that, you know, we, we really need to make a change because this should be normal.

I shouldn't be getting this kind of credit. It should just be what we do, because it's the right thing. You know, the Bible has way more references to taking care of the poor, looking after strangers. I mean, Jesus says, "whatever you do to the least unto these, you, you do unto me."

**Abigail Disney:** You know, I have to say that, um, the, the other way I think we're similar is we're both bilingual, right? We both, you know, came up in Conservative World. Now we kind of live and function in Liberal World. But at the same time, the things that we're doing that conservatives would identify as a flight from the way we were raised are in fact, totally a hearkening back to the values we were taught in conservative households.

Because I remember coming home from church one Sunday and crying because of the camel through the eye and the needle story. Um, because I thought we're in trouble, mom, what's going to happen to us? I couldn't have been more than eight years old. And she said, Oh, Abby's, you're so dramatic. It's just a metaphor.

But, um, I think I was smart enough to pick up on those messages. It does wire you. Um, so there's a lot that my liberal friends don't understand, I think, because they don't credit what



it is that you're being taught. In these homes where you're reading whatever sacred texts, you know, not just Christian, but Hebrew and, and, and Muslim and all the rest of it.

It's character forming. And I, and I do believe that, like, no, nobody out on the edges has it right. Um, we're going to have to find a way to live at a meta level that blends the best of the left and the right, instead of circling in the middle.

**Dan Price:** And I think we also need to come up with better solutions for how to create change. You know, some of the things that we can put into place that are, that are potentially approachable now is a universal basic income. Um, you know, something like what Andrew Yang, uh, proposed, a thousand dollars a month that's paid for by a progressive VAT tax that basically will allow people to have enough money to switch jobs, invest in themselves. There's so many things like that. Having guaranteed health care, education opportunities, having monopolies broken up, um, you know, we're not really fighting monopolies the way we used to, and we're not supporting the small businesses the way we used to. I think we need to actually make changes to our societal norms and our laws and, and, and solve the systemic issue, rather than being focused on, oh, you know, Dan did a good thing and somebody else did a bad thing. We have to change the laws and fix the system.

**Abigail Disney:** That's beautiful, Dan. Thank you for that and thank you for your leadership on this. I really do hope that some people will follow your lead because I've seen what wealth does to people. It's not a ticket to happiness.

**Dan Price:** Well said.

**Abigail Disney:** I hope I see you in Seattle again someday soon.

**Dan Price:** Yeah, soon as it's safe. We'll make it happen.

**Abigail Disney:** In the meantime, thanks for the great conversation!

**Dan Price:** Thank you, Abby.

**Abigail Disney:** All Ears is a production of Fork Films. Find us wherever you get your podcasts. Be sure to subscribe and spread the word. Thoughts, questions, feedback? You can reach us at [podcast@forkfilms.com](mailto:podcast@forkfilms.com) and thanks to my All Ears team: Kathleen Hughes, Aideen Kane, Alexis Pancrazi, Christine Schomer, Kat Vecchio, Lauren Wimbush, and Sabrina Yates.

Our theme music was composed by Bob Golden.

Thanks for listening.