

Is this the best boss in America?

Dan Price: the American CEO who took a pay cut to give his staff a \$70k minimum wage



Dan Price, CEO of Gravity Payments, photographed for the Observer by Oliver Ludlow at his HQ in Seattle with employees Tammi Kroll (left) and Nydelis Ortiz.

It's Monday morning and a dozen people are sitting around a conference table in an office on an industrial estate in rainy Seattle. A woman is writing on a white board. Coffee is being sipped. It's just after 8 a.m. I'm at a meeting in the credit card processing firm, Gravity Payments. A latecomer slips in and takes a seat among them. With his unkempt hair, jeans, and trainers, he looks like just another member of staff. But this is the boss, Dan Price, probably the best boss in the world.



Last April, Dan Price announced that he was going to pay all his staff a minimum wage of \$70,000 (£46,000) – the average at the time was \$48,000 (£31,000). This amount, he decided, was necessary for a ‘normal life’. **To help pay for this, he cut his \$1.1 million salary** to the same amount. In a world of greedy CEOs and terrible income inequality, **Price’s action made him a hero for low-paid workers.** There were 500 million posts on social media as the news flew around the world.

Then came the criticism, immediate and violent. Fox News called him the ‘lunatic of all lunatics’. Business leaders and economists attacked him for interfering with the free market.

I met Price at the offices of his company in Seattle. **The attack has not lessened his enthusiasm**, but he’s worried. He’s aware the world is watching. Researchers from Harvard Business School are tracking Gravity’s results. The new pay structure affects 70 of the 120 employees. **Price** wants all his staff to experience the ‘American Dream’ and **is clearly moved by the ways their lives have already improved.**

I spoke to Nydelis Ortiz, a 26-year-old underwriter at Gravity, whose salary will nearly double from \$36,000. She was the first in her family to go to college. ‘I’m making more than both my parents combined. My mom cried,’ she says. ‘I had credit card debt, student loans ... this has given me peace of mind.’

Then there’s Garret Nelson, 31, a sales rep. His \$5,000 pay increase came at a good time for the father of five – his youngest daughter is just a few days old. He thinks there are many people hoping Price’s experiment will fail. ‘As a salesman he knows it’s vitally important that it works. **If we fail, ... this experiment will fail.**’



It's not only Gravity workers whose lives are improving. Price has heard of hundreds of other bosses who have raised wages after hearing his story. 'I get letters, emails, Facebook and Twitter messages,' he says. 'It's great. **I get close to tears every one I hear.** There was a clothes factory in Vietnam that tripled their pay ...'

Other company owners told him he was crazy, but he thinks his staff work harder and their lives are easier because they have 'less stress'. CEOs prepared to cut their salaries are rare. **In the US, they now make 300 times more than a typical worker** – it was 20 times in 1965. In the UK, it's 183 times as much.

Price, the boy from rural Idaho, used to have a jet-set lifestyle. **This is now on hold.** His work fills his life. He's not even got time for a girlfriend. He says, 'I've got a thousand things going on'. And at least he has the company of his dog, Mikey.

Whatever happens next, **Price is sure of one thing** – the millions he's spending on his pay project is the best money he's ever spent. His employees are very grateful, but they also feel worried. If the experiment fails, it will not just be Price who gets hurt.