

**All Ears with Abigail Disney**  
**Season 4 Episode 9: Jay Coen Gilbert**  
**Rewriting the Source Code for Capitalism**  
**Airdate: March 30, 2023**

**Abby:**

Jay's coming on?

**Jay Coen Gilbert:**

Hello, hello. How are you?

**Abby**

I'm good. You are still plugging things in, I can see.

**Jay Coen Gilbert:**

Well, I'm missing the connector to connect the microphone to the computer.

**Abby:**

Oh no.

**Jay Coen Gilbert:**

So, I'm trying to see if I can jerry-rig. But I don't — I have got three different dongles, but none of them are for this.

**Abby:** Is it the — you can answer a question of my lifetime: Is it jerry-rig or jury-rig?

**Jay Coen Gilbert:**

It's a good question. I think it's a guy named Jerry. Oh, I see, I see. Got it. And it is now recording!

**Abby:**

Yay.

Hi all, I'm Abigail Disney and welcome to All Ears. In recent months, I've been on the road with my new documentary, *The American Dream and Other Fairy Tales*. In the film, I tell the stories of some Disney workers to show how the American Dream has become a nightmare for so many. Of course, the problem is not just with Disney. Today, nearly half of all American workers are struggling to make ends meet. That's why in this season of All Ears, I'm taking a deep dive into some of the big questions raised in the film with folks who are doing the most Disney thing possible, using their imaginations, in this case to rethink modern American capitalism, because if we don't reimagine how it all works, and fix it, we're going to be in big trouble.

**Jay Coen Gilbert:**

Good morning, everybody.

**Abby:**

Hey Jay, I did some research.

So, jury-rigged, it's a nautical expression, which meant built hastily with anything on hand, or that you happen to have on hand.

**Jay Coen Gilbert:**

That makes sense. And how do you spell it? Like a jury?

**Abby:**

Jury. Like a jury.

And jerry-rigged, or jerry-built is a totally separate expression. It means really cheaply made.

**Jay Coen Gilbert:**

So they're like kissing cousins.

**Abby:**

Yeah, exactly. Exactly. Because a lot of things that are jury-rigged are jerry-built, but not vice versa.

**Jay Coen Gilbert:**

Right, right, right. And they're "jerry"-mandered or "gary"-mandered.

**Abby:**

Yes, "gary"-man — wait, is it "gary"-mandered? Oh god, no.

**Jay Coen Gilbert:**

Technically it is.

**Abby:**

There's a rabbit hole I'm going to have to go down later.

**Jay Coen Gilbert:**

Yeah, no. We'll leave that one alone.

**Abby:**

Okay, here we go. Here we go.

My guest today is Jay Coen Gilbert, and I'm thrilled that he's here. I have been reaching out to Jay a lot lately. Whenever I would lose my way while making *The American Dream* documentary, and often when I want to know for sure if I've really thought through the things I want to talk about, I'll sometimes give him a call.

See, he's the rarest of creatures: a smart businessman who knows how to run a company; but, he's also unashamed to say that values matter, principles matter, and greed is — now, are you sitting down for this? — not good.

He's been preaching the gospel of what's come to be called “stakeholder capitalism” for decades. In 2006, after selling the company And1, the sporting goods company that he co-founded, he helped start a global movement called B Lab.

At B Lab, Jay has helped create a thing called a B Corp. For those of you not in the business world, a B Corp is basically a company that has publicly committed to having values beyond profits at all costs. Suffice it to say that getting B Corp certification from B Lab is like getting the Good Housekeeping Seal of Approval. Today, more than 5,000 companies carry the B Corp badge of honor and thousands more are trying to get it.

Jay is also president of Imperative21, a coalition of business leaders working for even deeper structural change.

Welcome, Jay! A lot for us. to talk about.

**Jay Coen Gilbert:**

Indeed. Thanks for having me, Abby. It's great to see you.

**Abby:**

So, when I'm out on the road with the film, people are always asking me what can be done to make the system work better? That's the obvious hanging question and I often point to the work that you do, and B Lab and B Corp and Imperative21. So can you explain what it is that you're doing?

**Jay Coen Gilbert:**

Sure, B corporations are like you said, those are companies that have met rigorous standards for social, environmental performance, transparency, and a legal accountability to balance profit and purpose.

The bigger movement that B Corps are leading is really a movement for better business that wants to give U.S. all the freedoms to care about more than money, more than profit, more than maximizing our return to shareholders.

**Abby:**

But, just for people who don't know a lot about these things, what's a shareholder and why is a shareholder important?

**Jay Coen Gilbert:**

Sure. So shareholders are outside investors - the people who own shares of stock that you bring in to help you build your business, because you need money to grow, or to buy equipment, or to enter a new market, or develop a new technology, whatever it might be. Those investors, appropriately, for the risk that they're taking, about giving you capital, expect a return and expect there to be some guardrails on how you can use their money. And hence, there's a whole lot of corporate law that's been created to protect the rights of the shareholders who have given you, the entrepreneurs, some money.

**Abby:**

That makes sense. So, then what's a stakeholder, in that case? Why should a stakeholder matter?

**Jay Coen Gilbert:**

It's a great question.

**Abby:**

In capitalism don't only owners matter?

**Jay Coen Gilbert:**

Well, , what's interesting is, in the current form of capitalism, capital is the only thing that matters. Another way to say that is shareholders are the only stakeholders that matter. So, a stakeholder is a broader category of people who are impacted by or have a stake in the business.

So, the workers for a company, or the suppliers of a company, or the customers of a company, or the community in which the company operates, and the natural environment on which all life depends: all of those are different stakeholders in a company. One of those stakeholders is shareholders.

And, of course, shareholders should have rights, right? And shareholders who risk their money should have a right to a reasonable return. The question is whether or not the current balance of interests among all those who are impacted by the business are in right relationship.

And what B Corps would argue is that an economic system that overly weights the concerns of shareholders and underweights the concerns of all the other stakeholders is a system that's out of balance. And that's when you see workers working for below living wages without benefits. That's when you see environmental destruction.

All those things are the result of an economic system that has overly weighted the concerns of one of the stakeholders, in this case, the shareholders,

**Abby:**

Was the system always weighted so categorically towards shareholders?

**Jay Coen Gilbert:**

That's a great question and a good one for economists and historians to ponder.

In 1970, Milton Friedman wrote a seminal essay that was published in *the New York Times* that said "The social responsibility of business is to increase its profits." And that marked sort of the beginning of the ascent of this culture of shareholder value maximization — what lawyers would call shareholder primacy.

And I think what we've seen over the last 50 years is an economy that was never in perfect balance, to be clear, but that got increasingly out of balance, where we had the extreme financialization of the economy and the extreme seeking of shorter and shorter term returns, and the much more extreme concentration of ownership and wealth and power that we've seen. All that is the result of this sort of metastasizing cancer that's taken over our economic system, which is shareholder primacy.

**Abby:**

I love that you call it a metastasizing cancer.

I mean, Milton Friedman, he's kind of the godfather of this, at least in print, and as a personality he was on television a lot and things like that. But, there were others. But his most famous book, about unshackling the business community, was called *Freedom to Choose*.

Why do you think he equated this idea that, first of all, that shareholders are the only thing that matter, and then secondary to that, we need to take all the regulations off and let corporations do what they want. Why did he equate that with freedom?

**Jay Coen Gilbert:**

I can't speak for Milton Friedman. But, what I do understand is that coming out of the Second World War with decades of Cold War, and understandable fears of communism, and sort of state controlled, not just economy, but societies that tended to reduce freedom — not tended to, they reduced freedom — that Americans and people over the world have an understandable fear of concentrated power.

I think that his particular answer to that, that asserts the existence of something called a free market, is intellectually defensible, but practically incorrect.

And that's what we've seen over the last 30, 40, 50 years, which is, we've actually reduced freedom. We've reduced freedom for corporate executives, we've reduced freedom for investors, we've reduced freedom for workers, all in the name of a maniacal, monocultural approach to capitalism, which says that the only thing we can focus on is maximizing returns to shareholders.

And we then presume that by doing so all the wealth will trickle down and everybody will benefit. And what we've seen is that's not the case. Just the evidence, we just look at the data. That's not the case. It hasn't worked for workers, it hasn't worked for communities.

And that increasing inequity is now creating understandable resentment, and anger and insecurity in everyday people White, black, urban, rural, in the U.S., around the world: nobody's feeling particularly well served by a system that feels rigged against them. And that populist anger is getting weaponized to divide us. And at the root of that is an economic system that really doesn't care about anybody other than the owners of capital.

And so, when I say that we need an economy that expands freedom, it's because right now the way the corporate law is written, it's restricting us and saying, "We're only allowed to care about one thing." But as human beings, we care about lots of things.

So, we should be free to choose to work for a company, or invest in a company, or buy from a company that cares about more than just making more money for the owners of its stock. They deserve a real return, a fair return, but they don't have a divine right to a maximized return, when that return comes at the expense of the people whose labor builds value in the company, the communities in which the company operates, and the environment on which we all depend.

**Abby:**

So nowhere is it written in the law, "Only shareholders matter." It's just that the way fiduciary duty has been interpreted really broadly has been that.

**Jay Coen Gilbert:**

Well, no. The law says, the corporate law says that the fiduciary duty of directors is to serve the best interest of the shareholders. That is the law in every state, for every corporation in the U.S., and pretty much around the world. You can think of it as like the source code for shareholder capitalism.

The source code for shareholder capitalism is extremely elegant. It's got one rule. That's it. And that one rule is, "Your job is to maximize the financial return for your shareholders."

**Abby:**

That's a pretty elegant piece of code.

**Jay Coen Gilbert:**

Right. Right.

And again, it comes from like, I can accept that it comes from a good place. It comes from a place of, "Don't misuse my money. Don't misappropriate my money. Don't be corrupt. Don't do self dealing. Don't take my money and give it to your sister-in-law."

That's not wrong, but it's unintended consequence is, "Oh, that means my only thing I can think about when I step into this role, when I step into this boardroom, the only thing I can think about is the financial interest of my shareholders."

We're in a world where the only thing that matters, in that system, is financial returns, and even more so on Wall Street, short term financial returns.

**Abby:**

Can you give me like the quickest, most concrete list you can give me of like, what exactly does a B Corp have to do to be a B Corp?

**Jay Coen Gilbert:**

To become a certified B corporation, companies have to meet requirements for overall social, environmental performance, public transparency, and legal accountability to balance profit and purpose.

And within each of those categories, there are dozens and dozens of questions. And depending upon what type of industry you're in or what part of the world you're in, you might be asked different questions that make the assessment more relevant to you.

With B Corp, the company opting in is voluntary. Once the company opts in, then it's the law, right? And that means that they can be subject to a lawsuit if they breach their new, expanded fiduciary duty.

Think of it this way. Currently, the general public doesn't sue Exxon for being a climate denier or doing bad things for the climate, right? The power of this is we're using the market to create regulatory power — in this case, shareholders.

By telling shareholders that they have the right to bring a lawsuit for a breach of fiduciary duty, not only when you're not making me enough money, but when you're jeopardizing the society that my children are going to live in, I can say, "You're breaching your fiduciary duty if you're a B Corp."

If I think that you are making me more money by being extractive of workers who are getting paid below a living wage, I can say, as a shareholder I have a right to say, I'm going to sue the company and say, "I don't think you should be paying your CEO, or your whomever, 2000 times the median wage, while you're not paying a living wage to the workers on your shop floor."

**Abby:**

Patagonia is a B Corp, yeah?

**Jay Coen Gilbert:**

That's true. Yeah.

**Abby:**

Yeah. So, maybe we can use Patagonia, specifically, as an example. What concretely makes them a B Corp?

**Jay Coen Gilbert:**

Well, a ton of things. Patagonia's an iconic company, because for over 50 years they've been leading the way for responsible business.

And so, they were one of the first companies to convert to organic cotton, which reduces massive taxes on our environment through incredible uses of water in pretty dry places, right, that put people at risk. They were one of the first companies to create a sort of a closed loop manufacturing-to-consumer recycling program through their Worn Wear program. They were one of the first companies to be totally transparent about the environmental impact of their product. They are a company that cares about the people that work there, and so they have onsite daycare, and they offer 40 hours of paid leave to do volunteer work.

And so, Patagonia had been doing lots of things over the years to lead the way, and one of the things that they did is they also became the first company in the state of California to register as a Benefit Corporation to enshrine this set of stakeholder governance where it said, "We are now legally obligated, we now have institutionalized an expanded duty of care, and we are required to consider the impact of our decisions on all of our stakeholders, not just our shareholders."

**Abby:**

So, businesses are complicated and the larger the business is, the more likely they are to be working at cross purposes with themselves in a lot of ways. And I know that there was a controversy over Nespresso a little while back. Can you talk about that a little bit?

**Jay Coen Gilbert:**

So, one of the things that I admire most about the B Corp community is that it's standards based and that those standards evolve over time.



In the context of that, there's been an understandable concern that, as larger companies like Nespresso become certified, that there's an assumption that therefore B Lab must be lowering its standards in order to allow those companies to come in. There's an understandable fear that once you get too big, there's no way you could do this all well.

So, some of the concerns about Nespresso is because man, they're just too big and they're owned by Nestle, and that sort of de facto 'must make them bad,' B Lab's point of view on that is we ultimately need to transform our entire economic system in order to create the world we want. We can't think that we're going to transform our entire economic system and not work with large companies.

**Abby:**  
Yeah.

I mean, because part of that critique was that there was also the question of child labor and wage theft on the farms. And, I mean, how do you course correct for something like that in a B Corp?

**Jay Coen Gilbert:**

If there are violations, those things will be disclosed when they go through the B Corp certification process. And if they haven't been remediated, then that becomes a criteria for that company to meet before that company can either become certified or maintain its certification.

**Abby:**

Is there a reality or a dream in which you imagine that something like Nespresso could have an influence upstream on something like Nestle, which has such a checkered past, that company?

**Jay Coen Gilbert:**

For sure. For sure.

**Abby:**

Is it even possible for a company the size of Nestle to engage with the B Corp movement in a way that genuinely improves the way they operate?

**Jay Coen Gilbert:**

That is the million dollar question, Abby. And one of the reasons why B Lab chose to engage with multinational corporations, often through subsidiaries — because often those companies like Nestle have scores or hundreds of different brands or divisions, et cetera.

And so, often what'll happen is one of the more forward leaning brands that has baked into their DNA better worker policies, better supply chain practices, better environmental

practices will say, "Hey, it's important to us to be recognized for our work and we want to see B Corp certification."

In order for them to do that, not only do they have to meet the performance requirements, but they also have to engage their parent as a part of what we call our B Movement Builders program, with the objective of over time getting to the point where, one day, Nestle is working towards certification. And for those massive, massive companies, that could take a decade or more, right?

But the point is that we're on a path of continuous improvement and we can use lighthouse brands, or leading brands, within those families like Nespresso, or like Seventh Generation owned by Unilever. We can use those brands as, like, the tip of the spear or the wedge to get into those companies, for them to inspire better practices within those companies, and to be moving those larger corporations down the path to sort of authentic, meaningful, and sustained change of their behavior.

**Abby:**

I want to go backwards a little bit for a second because you have the great pleasure and honor of being in a documentary that was recently released about And1, which is a sportswear company that you started, or sporting goods company, along with two partners, and ran through the 1990s, even though you have no game, you say somewhere. Can you talk about why, what got you involved in that?

**Jay Coen Gilbert:**

So, the company you're talking about is a company called And1, and it was a basketball footwear and apparel company from the '90s through the mid '00s, that competed successfully against brands like Nike and Adidas and Reebok and folks like that.

And it became the number two basketball company in the world, number one in many markets. It grew to about a \$250 million brand. We sold it in 2005 and it was an incredible run.

The why, Abby, is like, who wouldn't want to run a business with your best friends in a fun industry, in a sport that you cared about and played as a kid? So it was a lot of fun. One of the most rewarding chapters in my life.

And it was successful not just economically, but it was successful because, even before B Corp was a thing, we tried to embody some of these practices and values in our company. We wouldn't have called ourselves a socially responsible business. We wouldn't have used words like sustainability or even green. That wasn't in our vocabulary. But we wanted this to be a great place to work, which is why a hundred percent of the employees had the opportunity for stock ownership, for employee ownership, and we did all kinds of other, cool things.

One of the things that we were most famous for were not the shoes and the t-shirts and the shorts that we made, but we put highlight reels together, over music of unreleased tracks from hip-hop artists that were up and coming.

It wasn't necessarily an original idea. It was an idea that was inspired by what, at the time, were called action sports, and they became a huge, huge cultural phenomenon that spawned ESPN series and an Activision video game and a live, gated, ticketed tour all around the country.

I think the documentary did a decent job showing that, like, those mixtape players, nobody had ever paid streetball players an endorsement contract before. And1 was the first company to do that. Many of those mixtape players were paid higher endorsement contracts than And1 paid to its NBA players.

**Abby:**

Mm-hmm.

**Jay Coen Gilbert:**

And, when we sold the business, some of those mixtape players actually got bonuses that exceeded the value of the stock options that some full-time employees got. And so, every employee I've ever worked with, every partner I've ever worked with for that matter, thinks they should have gotten more money, just like every player on a basketball team thinks they should have gotten more shots and more playing time.

And so, I don't begrudge anybody for saying, "You know what? I don't think you gave me enough because I think I'm better than that." And that's, like, competitive spirit? That's people believing in themselves and I got no problem with that. But when I look back, even through a pretty critical lens of race, do I think that those players were treated fairly? I do.

The deeper questions about race that were not talked about in the documentary, but that I'm eager to become public conversation are what about race, entrepreneurship and the American dream?

There were three white male co-founders of And1. And we were talented and we had a good idea and we worked really hard and we made a lot of great decisions, but we also had a lot of wind at our backs and a relative lack of obstacles in front of us that enabled us to be successful, where other entrepreneurs who were black and brown or female who might have had the same idea and been equally as smart and equally as hardworking, would've had a tougher time, for instance, raising seed money.

**Abby:**

Mm-hmm.

**Jay Coen Gilbert:**

From friends and family to get started. They would probably, statistically, have had debt that they would've had to deal with, personally, from going to college, right, to pay for college, which we didn't.

We had elite education backgrounds from name brand schools and we were able to raise 50 grand from friends and family out of the gate, because we had friends and family that had 50 grand to spend.

And when you think about racial wealth gaps in our country that are massive and persistent, fewer black entrepreneurs have the opportunity to do that, as do white entrepreneurs. Fewer female entrepreneurs have a chance to do that than male entrepreneurs, or businesses led by people of color.

And so, simply by the fact that we are white and male, we had significant wind at our backs in creating And1. And so, I think there's much deeper issues: who really has access to the American dream, and is the playing field really level? Because you've had legacies of structural disinvestment in communities, and that has resulted in the wage gap and also the wealth gap.

And so, it's not surprising that wealth is concentrated in white communities over black and brown communities, but the consequence of that means if we have a colorblind system, right, a colorblind system of corporate law, that says, "Hey, your only job is to maximize shareholder value." On the face of it that sounds colorblind, and that sounds perfectly reasonable.

But once you say that your only consideration is to increase the financial return to shareholders, once you also realize that most of those shares are owned by white households, that means that, even as we diversify boardrooms, and even as we diversify management teams, we've basically instituted another form of sharecropping, where everybody's job is to make more money for the owners, and in this case the owners are all white folks.

And it doesn't mean that white folks are bad. It doesn't mean that owners aren't entitled to a return, but it means that if all we're doing is focusing on that, we have a closed-loop system of white advantage and we'll never get to the equitable, inclusive country that is our highest aspiration, and ultimately our greatest source of competitive strength.

**Abby:**

You're talking about the dynamics of the way advantage perpetuates itself, which is, I think, kind of like a natural force. It's a little like gravity: advantage just perpetuates itself across generations. That's actually why I made *The American Dream and Other Fairy Tales*.

**Jay Coen Gilbert:**

Mm-hmm.

**Abby:**

Because I wanted to reverse that process, or at least interrupt it, a little bit, by using the advantage I have or the advantages, many, to interrupt this smooth cooperation that we all engage in, in the way shareholders become more shareholders and on and on and on.

So, my secret fantasy, because people are always like, “Why did you make this film? You want me to hate the company - the Walt Disney Company?”

But actually it's surprising to me how many people don't understand that what I really want is for people to love the company enough to change it for the better.

And it's my maybe not-so-secret dream that someday shareholders will one day push Disney management into, itself, becoming a B Corp? Is that an insane dream? Do you think that could ever happen?

**Jay Coen Gilbert:**

Disney is such a special company. And when I saw the film, I could feel your love for the company calling it to be its best self. It's like with our own kids, right? Like, they're not perfect. But part of our job is sometimes tough love, right? And encouraging them to step into their best selves.

And I think I hear you, I feel you calling Disney into becoming the hero of its own story. And Disney is one of the best storytelling organizations that's ever been created. And we're now in need of a new story of capitalism. What's the new story of the role of business in our lives?

And I think you're inviting Disney to be a hero of that story and say, “Disney's a company that cares, and it's not only a company that cares about Wall Street, it's a company that cares about Main Street USA. It's not only a company that cares about its investors, it's a company that cares about its workers.” That's completely consistent with Disney values.

And so, I think it's not only possible, I actually think it's probable, and I think the question is just over what timeframe. And so, I think that, as you and others invite Disney's management to step into that space of leadership, I really hope they listen to that call.

I hope that Disney execs will see this in Disney, all the people in the Disney family, from their fans, to the workers in the parks, to the imagineers, to the folks in the C-Suite will say, “This is our opportunity to lead and be the hero of the most important story in our

culture, which is how can we create an economy that works for everyone and for the long term? And how can Disney be an architect of that story and the hero of that story?"

**Abby:**

One of the things I've called attention to, because to me it's the most apt to articulate exactly what's gone wacky in the system, is the CEO pay issue, which is often misperceived as a criticism of people getting paid a lot. That's not really the problem I have with it. I have a problem with the gulf itself. The gulf tells us something very important about how CEOs perceive themselves and, in the same turn, how they perceive the people who work for them, especially at the bottom.

To me, it would just simply feel unnatural to bring home 2,424 times your median workers' pay. I mean, that just seems insane. So what is, for instance, on that issue, what exactly would a B Corp do?

**Jay Coen Gilbert:**

I mentioned before that B Lab is evolving its standards for certification. And one of the big questions is should it be the case that all B Corps should have to pay all employees a living wage in order to be a certified B corporation?

Currently, that's a best practice, right? And there are more B corporations that pay their employees a living wage than the average American small business.

Another way to phrase that question, Abby, is, if your CEO makes above a certain number — they can't make more than a certain number until all employees are paid a living wage, right? That would be a way to formulate it in linking the living wage to CEO compensation, in one way. And, of course, a living wage is only a subsistence floor, right? It doesn't necessarily mean it's equitable, but even just to start with that: we would like all Americans to earn a living wage.

And it does seem, I would just say, pretty gross to think about somebody sitting in the chief executive chair making x millions of dollars a year when they're signing the paychecks of people who have to choose between a winter coat for their kids and medicine for their parent. That seems to be an economy that I'd like to move away from.

And I think your film brings up those issues in a really, really powerful way. And, of course, it's not only an invitation to Disney. Disney is being used as an archetype, right, as a well-known company, because I feel you're really talking to all companies, to confront their responsibility and their legacy around these issues that are really important to me and I think are really important to all Americans.

**Abby:**

Exactly, and thank you for saying that. And to be sure, this analysis, it's extended out to the American company writ large because this has been a 50 year march toward paying as little as humanly possible and pressing on productivity and squeezing healthcare and all the other things that have been squeezed for workers.

Part of what is creating and sustaining this dynamic is the influence companies have in Washington. But also, Anaheim is a company town, Orlando is a company town. I think of America as a company town. Like, what is B Corp saying about the wielding of power with company dollars?

**Jay Coen Gilbert:**

Capital calls the shots in capitalism, and capital sits on Wall Street. And so, we need to change the rules of the game for our financial institutions, not just for our corporations.

Because, it's perverse, and telling, and somewhat just sad when companies take a leadership step and decide they're going to increase the pay of their workers, and you've seen that with airlines doing that for their staff, or you've seen it with large retailers doing it for their staff.

And what happens is their stock gets hit, and their stock gets hit because the shareholders say, "More money for workers means lower profits for me, and all you're supposed to care about are profits for me, and so I'm going to penalize you because you're breaking the single rule of the game," which is why the B Corp innovation around changing fiduciary duty and expanding our fiduciary duty of care so that it's no longer breaking the rules to care for your workers, it's actually following the rules to care for your workers.

And, one of the challenges is that no one really wants to go first, because if I start doing that, then I'm at a competitive disadvantage against other people that are not doing it.

That's where policymakers can be so important because what you hear from policymakers across the ideological spectrum is, "We want to create a level playing field. We don't want to pick winners and losers." And that's a really smart, minimalist approach to governance, right, which is why one of the things that would be one of the most targeted, non-costly ways that policymakers can help us is they can level the playing field by requiring all companies and all financial institutions above a certain size — it could be companies with more than 500 employees, or companies with more than a thousand employees, or companies over a billion in sales or whatever the number is, that's the marker.

But once you get to be a certain size, you've chosen to be a certain size, if you've chosen to be that big, then you create a pretty big impact in our culture, in our society. You influence a lot of people's lives and we need you to be accountable to consider your

impact on all of them, not just on your shareholders, because it doesn't make sense when wages go up and stock price goes down.

We need an economy that is designed to create shared prosperity.

**Abby:**

So, this isn't a question of businesses regulating themselves. This is partly to suggest that the government does have a role in passing laws that protect the public and ensure the best and highest use of our capital, yeah?

**Jay Coen Gilbert:**

Well, and yeah, Abby, but what I'd say is the thing that I like about the B Corp model is it is still a market-based solution, right? We're not, we don't end up with a bunch of bureaucrats getting involved in every decision with every company and every investment.

Another way to think about it is we all have these phones with settings on them. We can change our settings. And so we have the opportunity, now, because of B Corp, to change our settings. We can change our settings from shareholder company to stakeholder company, from shareholder capitalism to stakeholder capitalism.

And that is where the B Corp movement has evolved. We spent the first 15 years saying, "You know what, just create another setting, and inspire and call people in to change the settings for themselves, to opt into this new operating system."

It's not fast enough. It's not fast enough to deal with the climate emergency that we're facing. It's not fast enough to deal with the racial, gender, economic inequities that we're all feeling. It's just not fast enough.

And so what can we do to accelerate that? These settings should be automatic at a certain point, and let's all figure out and debate what that point is.

But at a certain point, if you're too big to fail, you're too big to not only fail your shareholders, you're too big to fail society. And so once you get to be that size, you should automatically have your settings flipped into stakeholder governance.

Or it could be like, "Hey, if you're taking the public's money, if the public is somehow investing money through tax benefits or you're doing government procurement, then you should serve the public good." And so that's another trigger, another way that your settings get switched automatically. You don't have to take the public's money, no problem. But if you take the public's money, boop, you're now a public benefit corporation. Like, that's pretty simple. Let's have more of it.



**Abby:**

Bravo. I think, yes, I will order more of that on my menu, and maybe we can push this Disney company. Who knows? That would be extraordinary, wouldn't it?

**Jay Coen Gilbert:**

That would be fun. It would be. It would be.

**Abby:**

It would be fun. Jay, thank you so, so much.

**Jay Coen Gilbert:**

Abby, thank you so much. I always love talking to you.

**Abby:**

Yeah, always fun.

You can find more about B Corps and B Labs online and you can learn even more about how Jay Coen Gilbert and his colleagues are trying to reset economic systems at [imperative21.co](http://imperative21.co).

If you want to see *The American Dream and Other Fairy Tales*, it's available on Amazon, and iTunes, and vudu. And, we're hosting screenings across the country, so to find out if there's a screening near you, or to host a screening, please visit [americandreamdoc.com](http://americandreamdoc.com). That's [americandreamdoc.com](http://americandreamdoc.com).

You've been listening to All Ears with me, Abigail Disney. Our supervising producer is Alexis Pancrazi. Jake Frankenfield is our associate producer. Our engineer is Florence Barrau-Adams. Bob Golden composed our theme song. And our executive producer is Kathleen Hughes.

For Fork Office, the All Ears team is Angie Wang, Dominique Bouchard, Phil Nuxoll, Codey Young, and Cathie Camacho.

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