3 things Disney should do after its 'Don't Say Gay' blunder

CNN April 15th

The Walt Disney Company has had a messy few weeks. First, it experienced backlash over its failure to condemn Florida's new "Don't Say Gay" law, which will ban schools from teaching students in the third grade and below about gender identity and sexual orientation. Then CEO Bob Chapek made the situation worse by saying the company can make lasting change through its content, with films like 'Encanto' or TV shows like 'Modern Family.'

Employees challenged Chapek in an open letter, asserting "that leadership still does not truly understand the impact this legislation is having not only on Cast Members in the state of Florida, but on all members of the LGBTQIA+ community in the company and beyond."

Traditionally, Disney employees are fierce in their loyalty to the company. And LGBTQIA+ employees have often defended Disney against various criticisms in the past. But this time, they say they feel the company has actively acted against their interests and safety. A couple days later, Chapek did apologize and eventually condemned the legislation, but employees still walked out to protest the company's initial response.

For decades, Disney has practiced a "both/and" strategy," rather than an "either/or" one, welcoming everyone in the hopes of wooing a wide variety of consumers. For LGBTQIA+ audiences, that meant rainbow-colored Mickey merchandise and/or other more subtle appeals that would likely go unnoticed by its more conservative customers. Chapek invoked this "both/and" framework when he initially refused to take a public stance on the Florida law, and instead expressed concern about corporate statements being "weaponized by one side or the other to further divide and inflame."

Bob Iger on opposing the 'Don't Say Gay' bill: 'It's about right and wrong'

The outrage of Disney's LGBTQIA+ workforce and their allies indicates that this strategy clearly backfired. Now, Disney must do more than just speak out against the legislation.

Here's what the company should do moving forward:

Halt investment in Florida

Disney should scale back the extent of its business in Florida until the "Don't Say Gay" law is repealed. Obviously, shutting down the theme park is not tenable — but the company can halt further construction or investment in the state, and (most importantly) protect its queer workforce (and the LGBTQIA+ children of its employees) by allowing them to relocate out of Florida and work at another park or office. Doing so would not only show employees that the company cares about them, but that it will do everything it can to encourage change.

Officially recognize "Gay Days"

The company should officially recognize and facilitate the annual "Gay Days" events that happen at Walt Disney World and Disneyland. These gatherings, initially organized by the Orlando LGBTQIA+ community during regular park operating hours, have occurred for decades now and bring in an estimated $100 million to the area, but remain unofficial and unsanctioned events. In the past, Disney has welcomed the extra money that comes from increased attendance on these weekends, but has kept its distance from any explicit involvement in them. For example, Disney does not market or publicize the events, but it also doesn't prohibit them from happening at its parks.

Feature LGBTQIA+ characters

LGBTQIA+ fans of Disney have long identified with non-binary characters, such as Ferdinand the Bull and Peter Pan, and appreciated the campy flair of villains, such as Captain Hook and Maleficent. Disney also regularly features misfit characters that are eventually welcomed and praised by their community for precisely the trait that makes them different, which LGBTQIA+ viewers have said gives them solace and hope. During Walt's lifetime, though, these viewers read subtexts that Disney itself did not consciously intend.

In the 1980s, Disney was looking to increase revenue by expanding its audience to include the LGBTQIA+ community, so it began working with a number of openly LGBTQIA+ artists, and queer subtext became more intentional. (Ursula in "The Little Mermaid," for example, was directly modeled on the iconic female impersonator Divine.) The company's strategy, though, was to keep it under the radar — something queer viewers could recognize and appreciate, but would likely go over the heads of conservative heterosexual families. Disney became the entertainment behemoth it is now by working to appeal to these different consumer segments without offending either of them — the "both/and" strategy.

Disney films still include "gay content" that could easily be missed (LeFou glancing at another man in the live-action version of "Beauty and the Beast," and a female couple embracing in the background of "Star Wars: The Rise of Skywalker"). If Disney really wants to make lasting change through its content, it should move LGBTQIA+ characters to the center of its movies. Rather than extras in the background, LGBTQIA+ protagonists should lead their own amazing adventures and fantastic journeys.

Disney is at yet another crossroads in its relationship with the LGBTQIA+ community. Like so many Disney princesses that are thought dead until awakened by "love's first kiss," Disney can recover itself by openly embracing and cherishing the LGBTQIA+ community. That way, we all just may live happily ever after.

Companies Are Stuck Between Their Workers and Politicians

When Florida revoked Disney's tax privileges, business leaders were shocked. Now, a Supreme Court leak has made some of them terrified of speaking out. More than a decade after the rise of the employee activist movement, corporate America faces tougher decisions.

After Disney faced pressure to take a public stand on a Florida education bill, the governor and Legislature retaliated. Now companies are bracing for employee demands to speak out on abortion.

By [Joe Nocera]
May 7, 2022

The DealBook newsletter delves into a single topic or theme every weekend, providing reporting and analysis that offers a better understanding of an important issue in business. If you don't already receive the daily newsletter, sign up here.

A little more than a decade ago, workers started increasingly raising their hands and voices against company policies. Since then, employee activism has been a cultural phenomenon that has demanded that business leaders not only take a strong, public stand on a political issue — something companies assiduously avoided in previous decades — but also take real action.

Then, last month, Ron DeSantis, the Republican governor in Florida, took action that threatened to derail that movement: Angry that Bob Chapek, the chief executive of the Walt Disney Company, had spoken out against a Florida law called the Parental Rights in Education act or, by its critics, the "Don't Say Gay" law, the governor retaliated. In a special session of the Legislature, Mr. DeSantis rammed through a bill to strip Disney, one of the largest private employers in Florida, of the autonomous district that it had managed near Orlando for 55 years.

And this week, Politico published a leaked Supreme Court draft opinion showing a majority of the justices voting to overturn Roe v. Wade, the landmark 1973 decision that made abortion a constitutional right in the United States. There isn't an issue in American politics more incendiary than abortion, and with some 60 to 70 percent of Americans in favor of retaining Roe, it seems there would be increasing pressure on corporate executives to take a stance in favor of abortion rights.

In this case, however, there is likely to be a countervailing pressure that will be hard to ignore. Thirteen states have passed so-called trigger laws that will effectively ban or curtail abortion access almost immediately if Roe is overturned. Another dozen or so are poised to follow the same path. Virtually all of these are red states, led by governors who no doubt saw what Mr. DeSantis did to Disney. In retrospect, following the lead of employees in standing up for climate action, racial justice and the #MeToo movement was a no-brainer for corporations compared with taking a public position on abortion.

A movement in turbulent times

When the term "employee activism" started to gain popularity in the early 2010s, young workers — millennials usually with white-collar jobs — led the charge. They were fed up with both corporate greed and corporate indifference to issues they cared about. Millennials are now between the ages of 26 and 41, and they make up a large proportion of corporate employees.

"Millennials lean liberal, by an almost two-to-one margin over previous generations," said Charlotte Alter, the author of "The Ones We've Been Waiting For," a book about the millennial generation. "They want to work for companies that align with their values. And they understand how much power they have in the system. They see their job as a lever they can pull."

The best example of this was in 2017 when united business opposition, stoked by employees, prevented a number of state legislatures from passing bills that would have restricted transgender people from using bathrooms that matched their gender identity. North Carolina, which did pass such a law, known as the "bathroom bill," wound up rolling back some of it after pushback from businesses.

Another example took place in 2020 when an employee walkout pushed the publishing giant Hachette to cancel plans to publish Woody Allen's autobiography a month before it was supposed to hit bookshelves.

Abortion, Inc.

When I asked Ms. Alter whether she thought millennials were worried about losing their jobs for being too outspoken, she said: "If employees are calling for more diversity in their company, are they really going to be fired?" On the contrary: It's the companies that have to worry about losing valuable workers if they don't align with them politically.

Business leaders I spoke with were convinced that abortion was likely to generate a wave of employee activism that dwarfed anything that had come before.

Anne Marie Squeo, a former corporate communications chief who now runs Proof Point Communications, said: "The days of 'We can ignore it' are over."

Judy Samuelson, the executive director of the Aspen Institute Business and Society Program, agreed. In an email to me, she wrote: "As Levi Strauss — one company that has already spoken out — points out, women make up most of the employees in the work force (at Levi Strauss that number is 68 percent) and this will be personal. Women stepped up on #MeToo — but this is an even more universal and an even greater threat to what we have taken for granted — the right of women to fully engage in the economy and to secure their family's economic future."

As Ms. Samuelson pointed out, some companies have already made it clear they won't sit on the sidelines, especially in states, like Texas, that have passed laws banning abortions after six weeks. Citigroup, Apple, Yelp, Levi Strauss, Amazon and Tesla have announced plans to pay travel expenses for employees who have to leave their state to find an abortion provider. Last year, Salesforce told its employees in Texas that it would resettle them elsewhere after the state passed its restrictive abortion law. Bank of America's chief executive, Brian Moynihan, told CBS News on Wednesday that, in his view, Roe v. Wade was "settled law." He added that the company would meet with employees to decide on a course of action.

But it's also hard to ignore that this time feels different somehow. Many chief executives seem skittish about speaking out. In fact, some of them seem terrified. It is hard to know at this early stage what other action corporate America may take besides helping to cover costs for employees who need to travel out of state for abortion access.

It's equally hard to know how and whether red-state governments will try to retaliate, the way Mr. DeSantis did, against companies that speak out. Or whether employees from red states even want their employers to take a stand. What is very clear, however, is that the debate is just starting, and business can't ever be usual again.

Disney Florida fallout: Taxpayers sue DeSantis for axing company’s special tax status

LGBTQ employees and their supporters walk out of Disney Animation to protest Disney Chief Executive Bob Chapek’s handling of the staff controversy over Florida’s Parental Rights in Education.
(Irfan Khan / Los Angeles Times)

BY RYAN FAUGHNDERSTAFF WRITER

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A handful of Florida residents are suing the state and its Republican governor, Ron DeSantis, over the decision to dissolve Walt Disney Co.'s special self-governing district near Orlando, saying the move will saddle them with the company’s $1-billion debt burden.

The taxpayer lawsuit, filed Tuesday in U.S. District Court in Miami, is the latest fallout from Disney’s battle with Florida over the Parental Rights in Education law, which opponents have derisively nicknamed “Don’t Say Gay” legislation.

DeSantis last month signed a law that would eliminate [Disney’s special tax and self-ruling status] in central Florida by axing the Reedy Creek Improvement District, which was created by the state Legislature in 1967 to allow Disney to act as its own municipal government.

State lawmakers voted to ax the district during a special legislative session after Disney said it wanted to see the Parental Rights bill, which LGBTQ activists see as an attack on queer and trans youth, repealed or blocked by the courts.

The decision to kill the Reedy Creek district, covering a 25,000-acre area that is home to Walt Disney World Resort, was widely seen as retaliation against Disney for its stance.

The taxpayer lawsuit asked the court to find the law dismantling Reedy Creek as unconstitutional. The 11-page complaint alleges that the state violated legal obligations forbidding it from dissolving the district without resolving its outstanding debt. The complaint is filed on behalf of four Florida residents — three in Osceola County and one in Orange County.

“The stated and undisputed reason behind the bill is to punish Disney World and subsequently Florida taxpayers,” the complaint said. “Even though the governor and certain Republican lawmakers welcome a fight with Disney on this matter, they appear to not want to follow constitutional guidelines and previous legally enforceable agreements involving over $1 billion in bond issuances.”

Spokespeople for Disney and the Reedy Creek Improvement District did not immediately respond to requests for comment.

A representative for DeSantis, Christina Pushaw, denied that the elimination of the district would increase taxes for Floridians and said that Disney will pay its fair share of taxes, describing suggestions otherwise as “wishful forecasting.”

“The details on the Reedy Creek plan have yet to be released,” she said in an email. “They will be soon. The local residents of Orange and Osceola counties will not have to bear the burden of

Disney's debt, as the governor has stated. And, there is no scenario where the state would inherit Disney's debt — this is misinformation."

She declined to comment on the specifics of the lawsuit.

Pushaw's email continued, "the suggestions from those who are quarterbacking the possibilities here, are their own wishful forecasting. In other words, they are hoping — with no basis in reality — that this will end in some sort of taxpayer or state burden that partisan critics can use against the governor. In reality, this opportunity can, and should be utilized to generate more taxes from Disney, as the governor has said."

However, Orange County tax collector [Scott Randolph, previously a Democratic state lawmaker, has said](#) that getting rid of Reedy Creek could raise taxes for households by as much as several thousand dollars a year. He estimated that the county would be stuck with $164 million in costs with no additional revenue.

The Reedy Creek Improvement District recently made the case that the state can't shut it [down without resolving its debt](#). Credit rating agency Fitch placed the district's debt on "rating watch negative," a move that it said "reflects the lack of clarity regarding the allocation of the RCID's assets and liabilities."

Burbank-based Disney has not commented on the Florida debacle since legislators proposed killing off the special district. Reedy Creek, governed by a five-member board of supervisors elected by landowners (primarily meaning Disney), has its own fire department and utilities services paid for by Disney. The district also has the ability to collect taxes and issue municipal bonds.

The district spans roughly 40 square miles in both Orange and Osceola counties. Its boundaries include four theme parks, two water parks, the Disney-owned ESPN Wide World of Sports complex, 175 miles of roadway and the cities of Bay Lake and Lake Buena Vista. The 1967 law allowed the company to transform a sprawling area of undeveloped swampland into Florida's biggest private employer and a massive driver of tourism.

Under the law signed by DeSantis, the district would be eliminated on June 1, 2023, but could be reinstated after that date, meaning that Disney and the state have about a year to come up with a new agreement if the law stands.

The dispute over Florida's Parental Rights legislation and Disney's response to it has now stretched on for about two months, and has given DeSantis, a possible 2024 president contender, an easy political punching bag in Hollywood.

Disney Chief Executive Bob Chapek initially resisted speaking out on the bill but came out against it amid pressure from employees. The law bans classroom instruction on sexual orientation and gender identity in kindergarten through grade 3 and leaves the door open for restrictions in other age groups. The law allows parents to sue school districts over violations.

After Chapek voiced his concerns, DeSantis accused Disney of being a "woke" corporation trying to impose liberal values on Florida. Fox News and other conservative media fanned the flames of the burgeoning culture war, with commentators accusing Disney of pushing a "sexual agenda" on kids.