

Make Me Smart October 6, 2021 transcript

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Molly Wood: Hey everyone, it's me, Molly. You've probably heard me on the show talking about the climate crisis. Well, guess what? I'm launching an entirely new podcast all about it. Don't worry, I'll still be on Make Me Smart. The show is called How We Survive. On this new podcast from Marketplace, I dive deep into the economics, the tech and the human stories behind climate solutions. Everything from billionaires bankrolling lithium mines to radical environmentalists hoping to destroy industrial civilization to business rivalries so fierce that one CEO was dragged off a plane by federal authorities. How We Survive, following the money to the end of the world because our survival might depend on it. Be sure to go listen and subscribe on your favorite podcast platform.

Molly Wood: I know, I'm like, ready to rock this front yard.

Kai Ryssdal: That's great. You got a front yard, you got a back yard. Hey, everybody. Welcome to Make Me Smart, I'm Kai Ryssdal. Yes, pictures please. Molly Wood's front yard. Make Me Smart is a podcast, in case you couldn't tell through the chitchat. making today makes sense. Good to have you along, everybody.

Molly Wood: We're working. We are working. I'm Molly Wood. It's what do you want to know Wednesday, which means it's the day of the week where we don't have to do that much work because the producers do tons of it. They find all your great questions.

Kai Ryssdal: Shhh, don't tell them that. Don't tell them that. Don't tell them that.

Molly Wood: Not all. Not all. We will add our flavor and analysis, but they pick the wonderful questions that you send us and do some research to get us started. So, let's get to the first one. This one comes from Dominic. He writes, in your discussion of the outage of Facebook, Molly facetiously recommended buying gold and Bitcoin. This is not real advice. He says, Dominic goes on, the Bitcoin reference reminded me that the Federal Reserve was discussing the creation of a digital dollar. Can you explain what a digital dollar is and its presumed use in commerce? Many thanks for making me smart. This question just keeps coming up.

Kai Ryssdal: You go.

Molly Wood: Well, it's different from, we should say, again, it is different from a cryptocurrency in some important ways, like the idea of a digital currency is not necessarily the same thing as a cryptocurrency, like a Bitcoin that is decentralized. This would be like a digital version of our

dollar. And I know you're already thinking, but it's digital because I just transferred around, you know, on the internet. But that's not exactly the same. With a digital, there's still a dollar to back that up. With a purely digital dollar, you would access it immediately, right? Instantaneously, the accounts would be run by the Federal Reserve, you would access it through a digital wallet, there would never be a physical version in, you know, a vault or anywhere else. And you would get rid of that whole thing where the bank mysteriously takes three days to process a transaction, even though like an email takes no days. So part of the reason that governments like this idea is that a digital dollar would just streamline the payment process, it could cut fees, it could make banking a lot more inclusive, because as long as you have a smartphone, you could bank, you know, you would sort of get rid of this big problem of the unbanked. Merchants like it because they wouldn't have to pay these big fees like they do with visa processing, for example, and the weird thing where banks still take like days to transfer money around. Which is weird. Yeah. You know, people are still trying to figure out how it could work. And then of course, China has already rolled out a trial of digital Yuan payments. And the reason China likes it and probably the US too, is because you can trace it. With Bitcoin and cryptocurrency you can't it's decentralized, the transactions are recorded, but it can be disk, you know, anonymized, disconnected from the actual person using the money. But with a digital currency, there's a lot more records of where it goes and who uses it.

Kai Ryssdal: Right. Right, that, that's the use case for crypto by the way for Bitcoin and all that jazz, right, there are transactions in this economy, most of them, elicit but some of them reasonable, that you just want to use cash or the digital equivalent of cash for and that's not what central bank digital currencies are, right? That just, they will, they will be able to track it and, and know what's going on. And Molly alluded to this really quickly, but it's worth pointing out the Chinese are ahead of us in this and there is something of a race to get this right early because you can see a Chinese yen if it gets out there first and gets adopted more widely than a digital dollar does, the digital yen becomes the reserved global digital currency, which would be a problem for us because we just get all kinds of breaks on a macroeconomic scale for having the world's reserve currency. So, so there's a little bit of, you know, nation stateism playing along here.

Molly Wood: There really is, and there's a lot of value in this idea, like an, a digital dollar might have international restrictions that, you know, are similar to what banks have now. The reason that people like cryptocurrency, I mean, other than as an investment, long term, is, is just think about if you need to send money to someone in a different country, that's absurdly difficult. Banks take a huge cut of it. And depending on the country, you know, an absolutely corrupt cut of it. There's the whole, like Western Union fees. So the idea of like, fee-less instant transfer anywhere in the world as though you were just handing somebody \$1 from across the continent, that's what the long term value of cryptocurrency is. And it cuts out all of those middlemen who are just sort of like, making money taking a little cut along the way, that's also why it's a big threat to banks. And why countries now are like, hmm, perhaps we should do a version of this that could enable lots of international commerce, but that we could still have some visibility into control and maybe take a cut off.

Kai Ryssdal: And the whole regulatory environments can be cray cray, anyway. Okay, Keith, up in the San Francisco Bay Area wants to know this. Here's his email. Why do I keep getting calls about my car warranty? I don't even have a car. What is the best response to spam calls? Some spam calls are hung up even before there's a message played. So I think there's a different reason they call by number. Who makes money on these calls and how? Oh boy, so yeah, you know what's really funny? I didn't people have been talking about these car warranty calls for a long time. I didn't get any of them until like six weeks ago and now like, probably three times a week. Spam likely

Molly Wood: They rolled right around to you. Yeah, totally.

Kai Ryssdal: So here's who makes money. Lots of people, people making the calls often from overseas, right? We get paid to make millions of calls per hour, they do a computerized, they just roll out that that voicemail on it. You know, that's what leaves you the message. Companies will hire them to make those calls, which are scammers, although sometimes legitimate businesses who are trying to sell you some product, but they act scammy. There are carriers and telecommunications company that help route those calls from overseas to US phones. There's just a bunch, most people hang up right or just don't even answer. I frankly, don't answer any call that I don't know the number of, I'm sorry to tell you. Because it's just not, it's just not a smart thing to do. Not all of this, by the way, is illegal. Many of them are scams. The Federal Trade Commission says US consumers lose about \$224 million every year just to government imposter scams alone. That's like the call that says this is the IRS and you must call us back immediately and give us \$10,000 for back damage. Right, right. Yeah, so most of those are bogus. FCC has new rules talking about carriers requiring having to implement a new technical system that would weed out the robo calls. But look, they're going to be around for a while. They're gonna be around for a while, it just, you know, whatever the Supreme Court's in on that, everybody's involved and it's just not gonna stop because they're always smarter than we are.

Molly Wood: And because people are making money on it, and actual like companies want them. Federal lobbyists apparently have been employed by pro robocall businesses which outnumber the anti robo call consumer group lobbyists by a factor of 100 to one. Yeah, never answer your phone again. I got the most terrifying email of my life the other day that was like, oh, yeah, this marketer would be available to talk to you and your show about how the new privacy rules on iOS have made it really difficult to reach people with email. Because apparently iOS cut off, you know, Apple cut off marketer, email marketers abilities if you've opened their email. So, so the email was basically like a marketer would be available to talk to you about workarounds, including relying more heavily on texting. I know. And then I was like, bite me, Apple. What have you wrought?

Kai Ryssdal: Well, there's the SEO. There's the SEO title of this podcast episode.

Molly Wood: It wouldn't be the first time. All right, our next question is a voicemail about the economic impact of vaccine mandates.

Lily: Hi, Kai and Molly, it's Lily from Bellevue, Washington. I'm curious about what economic side effects we might incur with the vaccine mandates. With the increase in employer requirements to get vaccinated, are employees who choose not to get vaccinated and lose their jobs as a result then eligible for unemployment benefits? And are there any projections for how this might impact unemployment rates? Thanks for making us smart.

Kai Ryssdal: Holy cow. There's a lot in that question.

Molly Wood: Yeah, there's a lot.

Kai Ryssdal: No, go ahead. There's a lot in that question. You start and I'll pick it up because it's a twofer on this one.

Molly Wood: Yeah, it really is. Um, okay. Let's see. Well, let's start with this sort of question of like, whether it's, there's going to be an increase in unemployment writ large as a result of these mandates. First of all, most of the vaccine mandates, it seems, are either get a vaccine or be subjected to regular testing. Not you will be fired. Vaccine rules apply to all employers with 100 or more employees. And that covers about 100 million workers, which is not all of them. But while there are like a lot of people saying that they are not going to get the vaccine and that they would rather be fired, there aren't a lot of people who are actually getting themselves fired. So it seems like surveys have showed that half of unvaccinated workers would rather quit than get the shot, but very few of them have actually left their jobs. I think United said they had like 90% vaccination, and a really small number of people that they had to let go. So in, in many ways, the vaccine mandates are working. Yeah, go ahead.

Kai Ryssdal: Yeah, United has 67,000 US based employees. 230--some have asked for exemptions--but 230 have flat out said no. And they are being processed for termination. So whatever the percentage of 230 of 67,000 is, that's, what's at work in, in the United workforce, you know.

Molly Wood: Yep. And I mean, look, even like, my brother and I, as big old basketball fans have been following nonstop Andrew Wiggins of the Golden State Warriors, who has been saying, no way am I going to get a vaccine, and I'm not going with the NBA as requirements. And they finally pointed out to him, okay, so you don't have to do that, you will not be able to play because there are lots of cities where you just literally won't be allowed to, including San Francisco where the Warriors now play. And they showed him his contract, worth 10s of millions of dollars, and said, you won't get any of this money unless you get a vaccine. And he did, the end, right. Like most people, I mean, Kyrie Irving is a whole separate question because he's bananas. But most people when faced with, you know, a real life choice about having a job or not having a job, like they're taking the vaccine.

Kai Ryssdal: Right, and here's, so to the unemployment insurance part of that question, generally speaking, if you're fired for cause, which if your company policy is you will get

vaccinated. You're not eligible for unemployment benefits. Now, this is all different. And it's a new thing. And there are going to be lawsuits. But, but as prior practice goes, if you get fired, you're not eligible for those benefits. So it's a little tricky. Little tricky. Yep. Yeah.

Kai Ryssdal: All right, Didi in Virginia, and her cats Romeo and Kai, here's what she says. It's an email. Just back from my local grocery store where I found the wet cat food shelves empty. I'm assuming this is a byproduct of the pandemic, but I thought things had started to get back to normal with supply chain stuff. There's ample toilet paper and Lysol wipes on the shelves again, she says, and how long can we expect to see these random blips of empty shelves? I would say, honestly, 18 months at least. I'm pulling that number out of my nether region. But, but 18 months, for reals. Yep, for reals.

Molly Wood: Yeah, definitely. Yeah. I mean, and we're not trying to turn you all into preppers. But we keep trying to hammer this home that the supply chain situation is very real, very significant. The more delay there is, the more that adds to the back end. It's just like delayed debt. Right? And it's just piling up.

Kai Ryssdal: The more delay there is, you know, that's the deal. The longer this goes, the longer it's going to go. Here's the pet food answer, by the way, price, and part of it, part of it is supply chain just physically getting this stuff there, part of it is the price, right? Because as, as supplies go down, price increases, the price of corn, a key ingredient in some pet foods, is up 67% from 2020. Thank you, Marissa Cabrera and Grace Rubin. So yeah, look, you could probably find pet food, but it's gonna cost you \$14 a can for, you know, your tabby cat. That's all I'm saying.

Molly Wood: And apparently, there's like way more demand for pet food because every goddamn pet make which makes perfect sense. Yeah, I mean, Americans are not used to this, we are not used to seeing you know, blips on, on the shelves. It, it is in no way, you know, serious, like, it's not like threat, everybody can get everything they need. There just might not be 10 versions of it available, but yeah, it's not gonna, it's not gonna go away. Like, we have to actually prepare for some flexibility and in fact, maybe even wait times on things we didn't used to have to wait for, which might not be the worst. And it's gonna, be gonna be okay. It's all gonna be okay, but it's gonna take a while. I've even seen reports that say never, like supply chains may never go back to normal because there will be so much disruption and like onshoring has resulted in reshuffling of where things are made. And yeah, I'm telling you. Remember, remember, like a bajillion years ago when you were like, do you think the pandemic is going to be a hinge event? And I was like, yeah, and you were like, really?

Kai Ryssdal: Yes, I do.

Molly Wood: I mean, I was pulling that out of my nether regions, but turns out, nailed it.

Kai Ryssdal: Well, look, I mean, let's, let's because we I'm sure we have some new listeners who don't realize that in January of 2020, you were like, there's a pandemic coming from China,

and it's going to eat our lunch. And I was like, no, cut it out. And here we are. So props to you and your crystal ball.

Molly Wood: I only have one skill and it's not going to save me when zombies come, but pattern recognition. That, and I can type really fast. It's not survival skills. Speaking of, wow, that's amazing, speaking of surviving, one last bonus question and answer for those of you who--right? So good. I love it when a plan comes together. Many of you have wondered what my secret project has been these past few months. And in fact, it is a podcast about climate change solutions called how we survive. See what we did there? And it's out today, it's out today, the first episode is out now. So if you go check it out, and I would love if you would, please subscribe. And also subscribe to Make Me Smart while you're there. And why not review them both because you're already there. It's just, we're just maximizing your efficiency.

Kai Ryssdal: We should be clear, don't sell this short. It's not like you did this in your spare time, right? I mean, this took six months, this podcast did, and you've been working your patootie off and it's gonna be, it's gonna be something. Eight weeks, right?

Molly Wood: It's gonna be eight weeks, yep, the first episode, I appreciate it. It is a lot of work, it's a lot of, it's a lot of focus and perseverance around one idea which is not necessarily my strong suit, like we've been working on climate solutions coverage for almost three years and the whole time I wanted it to be a podcast and a big project and it is, and I'm like so proud of the storytelling and the people that we found and the stuff we got them to say to us, and I think you're gonna find it really interesting and then finally now we get to talk about lithium ion batteries on this show because we've been like, artificially putting it off until the show came out. Thanks for your patience, Kai.

Kai Ryssdal: We gotta do what you got to do, right, production needs are production needs. Alright, we're done. back on hollowed out shell Thursday, which is tomorrow. Keep sending your questions, your make me smiles, makemesmart@marketplace.org is the email, leave us a voicemail if you want, our number is 508-827-6278, 508-UB-SMART.

Molly Wood: And there we go. In the immortal words of Bridget Bodnar, start wittling your Christmas gifts now, folks. Think me smart is produced by Marissa Cabrera. Today's program was engineered by Charlton Thorpe. Our intern is Grace Rubin.

Kai Ryssdal: Ben Tolliday and Daniel Ramirez composed our theme music. Our senior producer is Bridget Bodnar.

Molly Wood: You're just inching closer to the nickname.

Kai Ryssdal: I'm not, I'm not, I'm not. I love Bridget.

Molly Wood: She does, she keeps it together.

Kai Ryssdal: Oh, we have to do the fat bear follow up tomorrow.

Molly Wood: Oh, totally, results.

Kai Ryssdal: Okay. All right. Fat bear results tomorrow. Okay, don't google it before that. Don't google it before that. Let us surprise you.