

Make Me Smart November 19, 2021 transcript

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Molly Wood: You're gonna have a great weekend with a very good bourbon. You monsters! know what? That was smart. That was a good choice. That was a good choice. Hey, everyone. I'm Molly Wood. Welcome back to Make Me Smart, the show where not a damn thing makes any sense at all.

Kai Ryssdal: Not a damn thing makes any sense. That choking sound that you hear is either me or my dogs, I don't know. Happy hour Friday, a tad less happy today for reasons which will become clear post haste if it's not already. Molly's last Friday, last economics on tap, not her last day on this pod, though. We'll get to the calendar later. Live stream's up, Discord's up. Thanks to everybody joining wherever you are finding us, whether it's on the pod or YouTube or later or I don't even know how you might get this, but yeah, okay. Alright.

Molly Wood: There are some amazing drinks showing up in the discord which is lovely to see. Oh, everyone's so great. Yes, I am, I brought, today is also the day in which we play the game half full half empty. We talk about what we're drinking. There's been a little bit of a drink disaster, but just please know because I need the credit, I sent Kai a really good bottle of bourbon, which hopefully is going to be found. It's going to be found. I did not, I did not however get myself a really nice bottle of bourbon. I just brought up my Costco sized bottle and Maker's Mark because it felt like a really appropriate thing to do.

Kai Ryssdal: Well, and that in a straw.

Molly Wood: I mean, I should have told you, this is my fault. I should have told you.

Kai Ryssdal: No, no cause then it wouldn't be a surprise.

Molly Wood: Surprises don't work in the modern age.

Kai Ryssdal: They don't cause you get surprised and I don't even know. God, look, even the dogs are sad. Jesus.

Molly Wood: Oh, nobody be sad. Nobody be sad. Look, everyone, we still have each other. Everything's great. We have the internet. Good to hang out anytime. Yeah. Everything's good. Everything's good.

Kai Ryssdal: Okay, so you got your Maker;s. I got my--oh, this is actually kind of appropriate. I got my stone FML which stands for something I can't say on this podcast. It kind of, it kind of worked out, didn't it? It kind of worked out.

Molly Wood: It kind of did, actually.

Kai Ryssdal: I got another, I got another five of its friends in the fridge. And so, you know, if it gets really grim around here, which it may, I don't know, it may.

Molly Wood: That's actually really beautiful. That's poetry. That's poetry in beer form.

Kai Ryssdal: Such a good beer, such a good beer. And let's get on with the day, shall we? Oh, my god.

Molly Wood: I only want to talk about--

Kai Ryssdal: To talk about what? Ooh, how's that going? How you doing? Oh, god, what's really great is that the YouTube is on a delay. So I just looked down and saw you just having a tough time with that sip.

Molly Wood: That was not pretty.

Kai Ryssdal: Oh, my goodness.

Molly Wood: Wow. Uh huh. I'm just gonna let the ice melt in that a little bit. Turns out I am a Tequila girl after all. Okay, where were we? The Constitution.

Kai Ryssdal: The Constitution DAO as we were told. So look. So the really interesting--so we did this whole--if you listened to the pod yesterday, we tuned into the Sotheby's auction at the end of it. And we did the Banksy auction, which was kind of cool. And really, the whole thing was just so banana pants, it was everybody in that Sotheby's room looked exactly like you would think somebody in a Sotheby's room would look down to the watch and the jewelry and their haircuts and people on the phone spending like, millions of dollars without even really thinking about it. It was cray cray. And then we went away because the podcast ended--so many dollars. And then the Constitution came up, which we talked about yesterday and the whole crypto thing with constitution Dow and Ether. And Molly, God bless her, realized that the auctioneer in addition to quoting in dollars in the Banksy auction, was quoting in Ether too, which was crazy because I was confused as hell as how he was getting from \$6.6 million to this 1,742, and I'm like what? Anyway, Molly figured that out. But, so they got to the constitution, the copy of the Constitution, one of 13 in existence, the original printed copies for the members and going from private hands now to an auction. And it's just amazing to me that, that, that it got the attention it got. And so this crypto group got together and tried to do it and all of this jazz. Anyway, so it goes to private hedge fund guy, it doesn't go to constitution DOA, it goes to Ken Griffin, the CEO of Citadel. Now why is Ken Griffin the CEO of Citadel so interesting in this whole thing?

Because he was wrapped up in the whole meme stock thing with GameStop and Robin Hood and oh, my God!

Molly Wood: Yeah, cause his firm lost billions of dollars that they've almost certainly made back by now. But at some point was so caught up and had to bail out Marvin securities when that, when everybody was shorting the crap out of GameStop. Like, this is 100% a crypto revenge play. Are you ready to rumble? It is amazing. When I saw that today, like my jaw just dropped, I am so glad that you got to the rundown first and put it in here because I was like, you gotta be kidding me this.

Kai Ryssdal: I was there at eight o'clock this morning. I was like, Molly's not beating me to this one. I want this one. Yeah.

Molly Wood: Oh, it's incredible. Billions of dollars. He was just like, nope, no, Redditors. No, Wall Street bets nerds. Like I'm, I have, I am made of money. Like, you know that he was gonna go all night and even that whole thing, where at the, I don't know how many of you watching this watched that auction last night, but it was super exciting. And Brooke, who was bidding on--but it turned out because the whole night, I was just like, are we Brooke or David, like which winner? And Brooke, it turns out, was bidding on behalf of the Citadel guy. And I now think--because she was sort of like laughing, and she put her hand down, and there was like, lots of drama. And I now think that there was no drama whatsoever, in fact, Ken was on the other end of the line being like, just let them suffer a little bit. Just let them, they're so close. Because she's the one who also took it immediately to \$30 million. Like, when you put it in the context of the revenge play, the whole bidding process makes so much sense and it makes so much sense why they seem to be having this really animated conversation on the phone because he was like, let the kids suffer. I think--I'm making this up, but like--

Kai Ryssdal: No, it was great, right. There's a movie in here somewhere. There's a movie in here somewhere. But, but if honestly, if, if all y'all have never watched one of these auctions, just do it for 10 minutes. Do it. It's crazy. It's millions of dollars, millions of dollars, by people on the phone, you know. These people, by the way--sorry-- these are probably people, these these people who are like, the Sotheby's, you know, Chief of European art in, you know, 17th century, right, is one of the people on the phone for whatever. They probably have, like PhDs in European art. And here they are going, yes, that would be \$4,372,000 from my client, you know, and you're like, what? Yeah.

Molly Wood: There was a whole long conversation in our Slack channel yesterday, as this was all going on, like, how do you become the person on the phone? Like, how do you become Brooke or David? What is that job? Like, that's the Marketplace story and needs to be done. And how do you get paid to just like, spend other people's money in the most dramatic way possible? Like, you put your hand out like, wait, wait, wait.

Kai Ryssdal: Right, right. And there was, and there was one woman--we're doing this way too much, this, this is really tough on, on audio, I get it. So tune into one of those Sotheby's these

things. But there was like, hand signal, there was a woman holding her hand flat and then she went, and anyway, whatever.

Molly Wood: Yeah, it was so dramatic. And the fact that it turned out to be the Citadel, Citadel guy is almost the single best part of this whole story. And it just is like, it might be like, a really depressing metaphor for how you really can't beat the man. Or not. I don't really know.

Kai Ryssdal: Well, look, there, there's a case to be made that, that that's the ultimate kill the rich, right? I mean, come on.

Molly Wood: Yeah, well, it was so close. Right? But like, didn't get there. The rich won in the end..The Citadel was not breached.

Kai Ryssdal: Oh, nice.

Molly Wood: I love a metaphor.

Kai Ryssdal: Oh, my God. Right. All right. Super, super quick. Other news because there is actual news, you know, there's so, there's the Rittenhouse verdict, which I don't necessarily want to get into. There's the passage of the BBB thing, which I also don't necessarily want to get into. I know. But I did see this in the Los Angeles Times, which will have larger and systemic effects. The University of California has said, you know what, we're not doing standardized tests anymore. They did a three-year research project seeing if they can come up with a better metric. They're not doing any standardized tests, ACT, SAT, all that jazz, which is huge because the University of California will trickle down into other schools around the country. And that's a big deal, right? Because we all know the structural problems with the standardized tests. Yeah, it's wild, it's a big deal. It's a very big deal.

Molly Wood: It is a huge deal. And it's interesting because parents have been talking about this because I think they nixed the, a lot of the standardized testing in advance of this year, right? Because of the pandemic. And I was having brunch with some ladies who have, you know, like, their kids are all applying right now. And they were just like, good news.

Kai Ryssdal: I'm up to my elbows in it, I'm telling you, it's huge. It's crazy.

Molly Wood: It is a really big deal and, and a Marketplace story.

Kai Ryssdal: Oh, yeah, totally. I'll be up to my elbows again in three years, and you will be for the first time up to your elbows. And it's, it's insane.

Molly Wood: I intend to call you and be like, help.

Kai Ryssdal: I will be here.

Molly Wood: This sounds horrible.

Kai Ryssdal: By God, I'll be here. Oh, Jesus. Sorry, that just came out. Bridget, let's just, let's just cut that out. Oh, God.

Molly Wood: Nope. Bridget's, like nope, everything is happening. Everything is happening. I, in how is this legal questions, I would like to know what the hell is up with Ford and Rivian. So we talked about Rivian last week, because Rivian went public at a whatever, \$75 billion valuation despite sending, I believe, selling, I believe, all of 150 vehicles or something, or 12 maybe?

Kai Ryssdal: 12. Yeah, I think it's closer to single digits. You bet.

Molly Wood: They are, as someone at an event I was at last night called, \$0 billion business. And they have a \$75 billion valuation.

Kai Ryssdal: No, today at the close, \$109.7 billion. I'm looking at it. I didn't just happen to know that. It's insane.

Molly Wood: Alright, so that only happened, right?

Kai Ryssdal: But anyway, go ahead.

Molly Wood: Part of the, so part of the reason that Rivian had such a shine on was that Rivian had a big deal with Ford. Ford and Rivian had an existing arrangement, an actual car company, which you know, it has been pointed out makes the Ford F150, which is similar to what Rivian makes, and now they're making an electric for Ford and that didn't make a lot of sense. Nevertheless, that's the kind of thing that makes investors feel like oh, even though this company has only sold between one and 100 vehicles to its own employees, maybe they're going to be worth something in the future. And Ford's like, yeah, totally. And then everybody involved in this deal collected a bunch of money when Rivian went public at a massive valuation. And then now today, Ford is like, oh, yeah, no, we're not doing that deal.

Kai Ryssdal: We're out. Right.

Molly Wood: They called off the deal. And I want to know how that's legal. Like, shouldn't there be some sort of agreement that's like after a company goes public, and you get a giant freaking check from their huge IPO, you can't just basically like, call off the deal that is the only thing that makes them seem legit whatsoever?

Kai Ryssdal: I'm sorry. Have you met capitalism?

Molly Wood: I mean, dude, we really like do not have an SEC at all. Yeah, every time I make capitalism, I'm shocked at what an asshole he is. Pardon my language

Kai Ryssdal: You're not wrong. It's the ultimate bad date, right?

Molly Wood: I mean, you're just like, oh, he can't be that bad. And then you'd see him again at a party and you're like, what a jerk! He really is that bad. Yeah, so this is a capitalism really is that bad story. Like wow, you could just do whatever you want. And then finally, like, oh, my God, that this is even occurring and could totally occur here and could occur in multiple states.

Kai Ryssdal: Not could but will. Anyway, proceed.

Molly Wood: Will, good call, totally will occur. Austria, which has a roughly 66% vaccination rate and has had no mandates to speak of is entering lockdown, locking down, tourists travel will not be possible. They're telling tourists who are currently there to leave the country as soon as possible. Airline stocks tanked on this news. It is like an undoing of all of these months of what seemed to be progress. And then USA Today smartly makes the point that all of the vaccine mandates that the Biden administration has tried to implement here in the United States, some of which have been blocked by various judges, are 100% opposed by Republicans who say that this damages the economy, and I would just say lockdown stew. Like, it's bananas. Locking down.

Kai Ryssdal: The thing about this virus is that we've literally since January a year ago, right, right around the time we did that Tuesday pod in which you said, hey, there's this virus thing. I wonder if this could be bad, literally from that time we've been able to see it circle the globe and land here, and we saw it wave after wave after wave. And here's another one. You mentioned that Austria is 66% vaccinated. Do you know off the top of your head, because I actually have to because my wife tracks this really closely, do you know off the top of your head what the US fully vaccinated rate is?

Molly Wood: I mean, I would imagine it's pretty close to that, right? 70, maybe?

Kai Ryssdal: So, we are, we are less vaccinated than Austria.

Molly Wood: Wow.

Kai Ryssdal: So the point being we have seen this virus literally circle the globe and went up here, every wave, and, and it's, and it's coming here, and I'm telling you, what the hell?

Molly Wood: Oh yeah, I mean, Europe has been a harbinger every single time, right, like what happens in Europe happens here, we're headed into the holidays, people are getting on planes, they're gonna travel, mask wearing is apparently non existent everywhere but Northern California, who knew? Like, and, and daily COVID deaths are still over 1000. More than 1000 people a day are still dying of COVID and I like, and we're still having this like, massive civil war in favor of death. Like, it is just astonishing.

Kai Ryssdal: Sorry. Yeah. Yeah.

Molly Wood: Two sips, by the way. Two sips in I got like the flush. I'm a flusher. Unhinged short timer. Doesn't have to happen. Just doesn't have to happen.

Kai Ryssdal: Drew, Drew.

Molly Wood: Save us, save us, let's play a game. Capitalism is your bad boyfriend. I mean like. really. Okay, it's half full, half empty, the game where we give you our thoughts and feelings on topics that actually come from Drew, not just us. What do you got Buddy?

Drew: Half full or half empty on Jay Powell being renominated?

Kai Ryssdal: Oh, it's gonna happen. It's 100% gonna happen. Yeah, not, not a doubt in my mind. You can take Joe Manchin and you can take blah, blah, blah, whatever. It's gonna happen for two reasons. Number one, it's way late in the cycle, way late in the cycle for the President to nominate not an unknown person, but a person with whom many people in Congress will have a problem to that job. Number one. Number two, playing off that, here's the deal. Lael Brainard--so, so fundamentally it's between, look, this is I, this is, this is, this is economic policy as sport and I apologize, right. But so here's the deal. It's between Jay Powell, the current chairman of the Fed, and Lael Brainard, a member of the Federal Reserve's Board of Governors. Here's the thing. They are both fundamentally the same in terms of monetary policy and interest rates and all of that thing. Jay Powell favors less regulation of banks. Lael Brainard favors more regulation of banks. But here's the political problem for the Biden White House. Jay Powell will get, give or take, 75 to 80 votes in the Senate. Lael Brainard will get zero Republicans, zero, and she will probably get 30 Democrats. And that's the calculation. So on Monday, Tuesday, maybe Wednesday, but my guess would be like Tuesday morning, it's going to be Jay Powell. And then, and then Lael Brainard will be made the vice chair and perhaps the vice chair of financial supervision for the Federal Reserve. So that's what I think.

Molly Wood: Yeah, I mean, I would be with Kai on this no matter what but also it's an easy one because yes, I agree, and why upset markets? Like Joe Biden is in enough trouble right now sort of polls-wise, whether it's fair or unfair, you know. I mean, I saw the like, internet freaking out today about David Brooks being like, yeah, actually he's kind of killing it. Yeah, but there is no scenario in which you sort of wander into a fire and pour gasoline on it by tanking markets by upsetting the Fed.

Kai Ryssdal: Yeah, exactly.

Molly Wood: Half empty. Next!

Drew: All right, half full or half empty on United Airlines deciding to serve hard liquor again?

Molly Wood: Not tomorrow, though, right?

Kai Ryssdal: No, it was like three days ago, they started already.

Molly Wood: Oh, God.

Kai Ryssdal: And here's the deal. And I say this as a guy whose oldest son now is literally on a plane at this moment coming back from Washington DC. I'm not sure what United Airlines is thinking because look, beer, wine and hard seltzer had been okay on United since June and I get that, but hard liquor is a different beast. And, and with all the misbehavior and frankly violent--not misbehavior, that's ridiculous, let's not euphemize--with all the violence and unacceptable behavior and just badness on behalf by, by airline passengers the past, you know, year and a half whatever, why would you do that? I don't think United thought this all the way through. I'm so half empty on this one.

Molly Wood: Yeah. All the way empty. I'm actually astonished that they would do that and I cannot imagine flight attendants are happy about that at all. It looks like the union actually, the flight attendants union is like, are you kidding me right now? Yeah, no, that is a bad call.

Kai Ryssdal: Yeah. Yep, totally.

Molly Wood: I'm flying to the East Coast tomorrow and I'm really dreading it. I think it's gonna be a disaster.

Kai Ryssdal: On United?

Molly Wood: On United! And people don't care on airplanes, they get drunk at every single time of the day.

Kai Ryssdal: No, they don't. Right. Exactly. They don't.

Molly Wood: I saw a guy order a Jack and Coke at 6am in the airport one time.

Kai Ryssdal: So look, I try not to judge people who drink in airports because who knows what time their body clock is on. But, but yeah, it's, it's gonna end badly.

Molly Wood: Yep. So much empty. So much empty.

Drew: Great. Okay, how about the return of movie pass?

Molly Wood: Is movie pass coming back?

Kai Ryssdal: Yeah. No, it is. Yes. Yes. Yes. And I forget the name of the parent company, but yeah. Look--

Molly Wood: I mean, I should have bought that the first time. I'm definitely buying it this time.

Kai Ryssdal: So, so for those who don't know, movie pass is the company that says, look, you pay us \$10 a month and you can go see as many movies as you want, forever. And of course, number one, what the hell kind of business model is that? Because you got the company had to pay the theater owner's full fare. Excuse me, beer burp. And number two, a pandemic. I don't know how it's coming back but I'm told it is. I don't know.

Molly Wood: I mean, post pandemic, movie theater should be paying movie pass. Right? It could actually be that movie pass is like, hey, friends, I noticed no one wants to go to the movies. So maybe you should give us these tickets for 10 bucks. Like, it's possible. I mean, I have no idea if the economics work out better this time. But honestly, I'm not that interested in going to the movies. But if I had movie pass, I actually might, like theaters should be paying movie pass this time. I'm half full.

Kai Ryssdal: That's a really good thought. That's good business.

Drew: Half full or half empty--

Molly Wood: And hard liquor too, why not?

Drew: Half full or half empty on the fully vaccinated Time Square New Year's Eve?

Molly Wood: Like whether they should have it or not? Yeah.

Kai Ryssdal: They're gonna do it and you have to be vaxxed. Yeah.

Molly Wood: Great. I mean, you can still get it.

Kai Ryssdal: Yeah, you totally could. But, but look, is it fun to stand in what is either piss pouring rain at 41 degrees or freezing cold at 25-degree weather in New York City till midnight? Because you got to get there till, at four o'clock in the afternoon? Hard pass.

Molly Wood: Yeah. Oh, no, no, I mean, I would rather die. I'd rather chew my own leg off. I'd rather be like that guy who got his arm trapped and cut it off to survive or whatever. Like all those things I would do before I personally would do that. I mean, I think that, I know it's hard to enforce, that's what the discord is saying. It's outdoors. Like I just, we got to have something.

Kai Ryssdal: Yeah, look, I think if you, if you want to go and your vaxxed, go have a great time. Yeah, totally. And, you know, sorry--

Molly Wood: I'm half full on that part.

Kai Ryssdal: Yeah, but mitigating against the whole outdoors thing is that it's like 47,000 people per square meter all in Time's Square in New York, right?

Molly Wood: I mean, it should probably be like, half the attendance, you know, and the vaccine, but honestly, like there have to be rewards for getting a vaccine, there just actually have to be because we have to have an off ramp of some sort. And if we're stuck at 61%, then the rewards for getting the vaccine have to be significant. They have to be real, it has to be like, look at all these people getting their life back because they got the vaccine. And so I guess I'm half full on it just as a psychological exercise. Like, there's got to be something, there's got to be like a plan for when we can take masks off and a plan for when we can go to parties. And this feels like kind of a big one. Psychologically, even though again, I'm gonna reiterate, take my toe. Don't make me go.

Kai Ryssdal: I'm gonna agree with everything you just said. There has to be rewards. I totally agree 1,000%

Molly Wood: Thanks, man. Thanks, man.

Kai Ryssdal: You bet.

Molly Wood: Alright. Is that it?

Drew: Okay, a make me smart listener and marketplace General Manager Neil Scarborough wants to know--

Molly Wood: The new guy!

Drew: If you're half full or half empty on the crypto.com arena.

Molly Wood: We were talking about this the other day, we were just like, oh God, I mean, you're in LA. You got to suffer the same dignity in person.

Kai Ryssdal: Here's what I want to know. How does a company named crypto.com who I don't know what they do but they've got \$700 million over 20 years to do this? Okay.

Molly Wood: They got a really good URL. Crypto.com--I can tell you I'm up here in northern California where I believe that the stadium in which the San Francisco Giants baseball team plays has been technically called AT&T Park for like, 10 years. But everyone I know calls it Peck Bell. So like, put whatever name you want on it. No one's calling it that. That's embarrassing. Half empty on crypto.com stadium. God, we live in a weird timeline, don't we? So weird.

Kai Ryssdal: It's so weird.

Molly Wood: Yep, crypto is gonna win.

Drew: I have a bonus sixth topic for Thanksgiving.

Molly Wood: Yay! Let's just stay here all day.

Drew: Reeses is releasing its largest peanut butter cup ever, the Thanksgiving pie.

Kai Ryssdal: I saw that.

Molly Wood: I saw that. Totally getting that.

Kai Ryssdal: It's a pie. But it's like, 1000 calories per slice. Yeah, it's nutty.

Molly Wood: I'm just serving that for dessert at my Thanksgiving, like I'm not even, I'm not making pumpkin pie. Like I'm not making any, I don't care about dessert at all. I'm about fancy sides and I am buying that pie. That is amazing. Half full!

Kai Ryssdal: Amen.

Molly Wood: Oh, yay. The Discord is totally with us. They're like full, full, full, full, full, full, full. full. I didn't get it, I didn't get it yet. It's sold out?!

Kai Ryssdal: You'll be able to get more. Shut up. Come on.

Molly Wood: That's okay. My Thanksgiving's gonna be late. So I'm hoping that I'm going to scoop up all the stuff that people didn't buy. They'll have restocked by then. How delightful. That is it for us today, at least, thanks for listening. An update for you about next week: it, I'm like stinky fish around here. I will be out next week. I'll be working remotely. Kai and Kimberly will be hosting on Monday and Tuesday. And the crew here is going to take an actual Thanksgiving break for the rest of the week. So Monday and Tuesday you have a show with Kimberly and Kai. Then you have three days of no shows. Then you have three days of shows with me. That's fine. We could do whatever we want.

Kai Ryssdal: It is fine. It is fine.

Molly Wood: It's gonna be great. It's gonna be great.

Kai Ryssdal: Yeah. You can always send us your comments, your questions, your make me smiles, blah, blah, blah, blah, blah, blah.]Sorry, your make me smile suggestions, 508-827-6278, 508-UB-SMART. Send us an email, makemesmart@marketplace.org is where you can get us.

Molly Wood: We should, I mean, really we should have rebranded the show a long time ago to make me sauced. Missed opportunity. Today's episode of Make Me Smart was produced by the wonderful Marissa Cabrera, engineered by the brilliant Drew Jostad. The senior producer is the lovely, talented and unintentionally hilarious Bridget Bodnar.

Kai Ryssdal: The team behind our YouTube live stream today and our game half full, half empty is Mel Rosenberg and Emily McCune. The theme music for half full, half empty was written by one Drew Jostad. The director of on demand, got rid of that interim BS, is Donna Tam.