Marshall here, welcome back to the Realignment.
I hope everyone had a great Presidents Day weekend to wrap our Realignment Live conference series. Here are the final last conversations we had. They're really a blast. And if we're going to do this next year, definitely let us know who we should speak with. Definitely want to say a huge thank you to Lincoln Network for sponsoring the conference and all the other things. Hope you all enjoy these conversations.
Great panel today. We're discussing family policy, the family, social conservatism, and how often these like economically related debates have played out throughout the Realignment discourse over the past two years. So we have Brett Wilcox. Thank you for joining us. You have a book coming out. Cia was delayed. I'm guessing that was the supply chain.
Yeah, I wish.
No, it's September.
September. So it was going to be June. So keep an eye out for that. Helen, I hope you're working on something like boomers is a fun, yeah. And the material sense too. Children are obviously, as we're going to talk today, obviously very, very important. So let's just start here. Brett, I'd love to, and as much as you could preview your book and what you're thinking about, if I were to ever articulate an issue that sort of defines why there's like this realignment happening, I think anyone would always come back to this idea of family policy, superficial or seriously, that would just be the first one. What's kind of your response to why that happened? How that's kind of gone down over the past three or four years? Love to start there.
So I think one of the striking things and one of the sort of disturbing things about the work that I've been doing lately is just sort of seeing kind of how much the family story is really a working class story when it comes to American life. And so we've seen kind of the biggest declines, for instance, in terms of marriage and stable families among working class Americans from 1980 to the present. So kind of thinking about why working class America is the way that it is, you sort of have to understand and appreciate that there's obviously a lot of pain and pathos there and a lot of that sort of revolving around what's happening in American working class families. So no, not the poor, not the middle class, certainly not the upper class of seeing kind of the dramatic declines in marriage and parenthood from 1980 to the present. So that's part of what's sort of bringing people in I think new political directions and obviously there's a lot of pain too that's driving all this as well.
And quick social science follow up. How would you distinguish the a poor and a working class family in this context?
So I'm just saying if you kind of look at how households are divided by basically by quintile, what you can see is that unfortunately kind of marriage is already kind of in a pretty precarious way by the 70s among the poor in that bottom quintile. But from 1980 to the present we see about the share of kids living in married parent families going from 75% in that working class quintile to around 55% currently. And no group in American life in terms of those different quintiles saw as much of a decline in marriage as did this working class demographic since 1980. So that's certainly part and parcel of what's driving these conversations and concerns.

What are your thoughts, Helen?
Well, first let me make sure I'm audible. This is working?
Yes.
Great. Well, thanks for having me, especially in my current state. I think it was Sam Hammond of the Niskanen Center who made me aware of a study that said quite relevantly to our topic today that unfortunately most of the policy levers that you can pull to try and increase the fertility rate just don't move the needle very much. Just their effects are not that large. But the one exception is peer effects. If somebody in your social circle has a baby, you are much more likely in the coming 12 months to become pregnant. So that's my purpose on the panel here today. I'm here to make you all create a social contagion and all of your friends are having babies. So that's no, I think the problem of the decline of the family is so much bigger even than most policy family policy wonks appreciate because they're there. It's no secret that there's been a decline in fertility, but there are kind of two different types of fertility decline. One is women who are married who are having one kid when really before they would have had two or three or they would prefer to have two or three. And then there's women who are just not getting married, not having kids at all. So they're there at the zero. And I think when you look at the millennial generation, the biggest problem is in that latter category. And that's just a lot more contractable. If the problem were women, you know, getting women who are married and in families to have more kids or to have as many kids as they want to have, that's something maybe you could tweak with a tax credit or a baby bonus or something like that. But if people are not forming families in the first place, then you're talking about a social problem rather than just a financial problem.
I'm really glad that you put it that way, Helen, because Brad, this is some of your work that's resonated the most. And I can tell you some of the most viral, most popular content that I will ever do is on lack of male wages, opportunity, listlessness, marriage ability and the dating market. It resonates at one of the deepest cultural levels that I have seen. And I don't see anybody in the mainstream touching on it. So I'd love for you both to expand a little bit more on that because, you know, there's one way and some people often do this will blame the women. But, you know, in terms of what women find desirable within men is also very downstream of an economic structure of opportunity of expectation that go back for quite a long time. And the way that we're structured right now is not creating the conditions for that to even occur where you can even have the choice to have one child or not. So I'd like to hear from both of you about the conditions political or, you know, government aside that have created this mess that we're in right now. Brad, you can go first.
Sure. So I think certainly one of the things that I've heard from women both at UVA and just more generally is kind of a frustration with the quality of men that they're encountering. Not obviously, you know, every guy, but many of the men that they're encountering. And there are questions about kind of capacity to commit, you know, drive agency and their success in the labor force. And we have seen basically a pretty dramatic increase in the share of men who are not working full time. It's been about doubled since 1970. So, you know, this means that particularly in working class and poor communities, you often have

couples where she's actually working more hours than he is. She's earning more money than he is. And even despite that, you know, that reality, she's also doing more housework and if they have kids, you know, childcare than he is. So it just creates a lot of resentment and an unwillingness to think about marriage, you know, for many, sorry, many women, particularly in working class and poor communities across the country.
And then thinking about what is it about our current social context that sort of made men more likely to sort of be either idle or not fully engaged in labor force. There's a lot one could say about that. But I think certainly technology is one factor, the way in which sort of there's just so much good, high quality, cheap entertainment out there to kind of keep men just sort of distracted from kind of fully engaging in high school and fully engaging in technical schools and also fully engaging at work. But we're also seeing too, in some new data that the Institute for Family Studies just published last week, that the guys who are the most likely not to be working today are also reporting physical and mental health problems. And those are in turn related to family instability or family dysfunction growing up. So it brings us back to the family again. So if families are not kind of forming their boys well, if there's not, you know, a decent father unseen, then it looks like the boys are more likely to be experiencing both physical maladies, emotional distress, and they're just not really prepared to fully engage the working world as well. So that's, you know, part of the sort of the larger landscape that helps to inform some of our current challenges today.
Well, I have two answers to your question. The first is on the sort of political factors that have helped to create this problem. As soon as you said that, I had an ambitious thought about the most recent election, and one of the most notable things to come out of it, and the analysis of the various demographic breakdowns of which party, one which group, was that the gender gap is really a marriage gap. That, you know, you think of Republicans doing better among men and Democrats doing better among women, but actually Republicans want married women. It's that single women love the Democratic Party and they love it a lot. You know, the gap is, there is massive. And it sounds cynical to say it, but if you think those incentives don't affect Democratic politicians and the things they choose to prioritize, you're crazy. It's depressing, but it's simply true.
What question though, like, if we're starting with, you know, technocratic wonky, not technic, but if we're starting with a study that says that there's very little government can do to turn, you know, the thing, it's unclear what thing are Democrats not incentivized to do, but also, like, if people aren't getting married, also, like, you know, the liberalization divorce wouldn't also affect them either, so what would be your thought on that?
That is a perfect lead-in to point number two, which is actually an example of a thing we could do tomorrow, a policy lever we could pull that I think would make a really big difference. And it has to do with the theme you raised, and that Brad raised, about disappointment in men, which is also, you know, something that we've all heard from ladies out there today, but as the woman on the panel, I feel like I am well positioned to criticize the women a little bit. Right now, one of the biggest reasons for the decline in marriage is the college gap. We are approaching a point where there are, what, four college-educated women who are unmarried for every three college-educated males, and women are earning more

bachelor's degrees and advanced degrees just at every level of higher education. And that's only recently become true, so the gap is only going to get bigger. And it is simply an observable fact that women are not willing to pair off with men who have less education than they have. You know, if you're a woman with a college degree, you have closed off to yourself from the marriage market all the men out there without college degrees. And that's an instance where those women may be saying, men aren't living up to my standards. But first of all, the fact that a man doesn't have a college degree definitely does not mean he's not up to your standards, honey. He could be great. And second of all, if your degree is in early childhood education, you're not so hot yourself. So in other words, I guess that was a joke, but what I mean is that we could stop minting all of these unnecessary college degrees and not really lose very much as a society. I think college is just such a key part of this story. And Brad, I know we've talked about this before, but I mean, with the male dropout surge of 2020 and 21, we are now at 60 40. And with elite institutions in particular for women and men. And you know, your approach, like you said, Alan, if that's going to be and remain static, well, it's not just about what we've seen this row like you guys to touch on. It's not even just about willing to date somebody or be with somebody who has the same education. A lot of it comes down to wages. And the wage, the lack of wage increase for working class men in particular appears to be deeply tied to the story of lack of family formation, of lack of marriage ability. And Brad, you can touch on this too of a lot of downstream health problems, which are really surprising, not even we're not talking about mental health. I'm talking like physical ailments, like they get injured at a much higher degree, much more likely to drop out of the workforce because of a workplace injury. They die much earlier, actually, than their married counterparts, like the level of despair that this reaches in one's life. It's kind of difficult to describe unless you really take a hard look at the data here.

Yeah, I mean, I think what we're seeing as we saw in IFS last week is just a big spike in the number of young adults who are reporting these problems health-wise. But I think part of the issue here too, in terms of thinking about how do we address the problem is looking at obviously schooling, not just sort of at college, but really doing better in our middle schools and high schools to kind of create classroom contexts that are much more male-friendly. And Richard Reeves at Brookings, I've been talking about this in the last couple of months. But we just need to do a lot more to get more men in the classroom. But beyond that to sort of think about curriculum, pedagogy, more recess, obviously, but just sort of different ways to sort of make boys feel like they've got a place in our schools. I think also doing more to kind of revive single-sex education as well.

And then in terms of high school and beyond, doing a lot more to promote what's classically called vocational education and doing more like what Germany and Japan do to kind of give men an on-road into trades that will give them a decent middle income that would make them more attractive even to college-educated women who might be willing to marry down educationally.

And what's striking on that particular point is there's relatively new research indicating that when women are marrying down educationally, they're still marrying up financially. So they find the guy who is, you know, working as an EMT and making a good salary. They find

a guy who's going to be flourishing in the trades, and that's the guy who they marry.
So the point is that we have to continue to think about ways to sort of strengthen, especially working-class men's opportunities to flourish when it comes to providing, because that's good for them and it's good for their marriage ability as well.
Absolutely. Go ahead, Elm.
I think this is a great opportunity to recognize that many people on the left, like Richard Reeves, are thinking about this issue seriously and about improving economic opportunities for working-class men. But there's an idea that is very prevalent on the left, in that strain of the left, that would be extremely dangerous for us to embrace. That's kind of a primrose path down in a bad direction. And so I want to just raise it so we can all reject it and know not to go there.
One thing that Richard Reeves observes in his book on the decline of men is that the gender integration of various professions and jobs has really only gone one way since the 1970s. Formerly male-dominated professions now have lots and lots of female representation. Formerly female-dominated jobs and professions are still extremely female-dominated. They're still not that many male elementary school teachers or librarians or things like that.
And this is a problem because given the changes in the economy in the last 20 years, the biggest job growth has been in the caring professions and home health aides and things like that in the sort of pink collar female work.
So faced with that array of facts, many people on the left have said, what we need to do is make more men willing to go be nurses and preschool teachers and whatever. Tell men that there's nothing unmanly about joining a helping profession.
I really don't think the thing keeping men out of these helping professions in these pink collar jobs is stigma. I think it's just natural differences between men and women. Women are more interested in caring, touchy-feely, helping jobs, doing that all day. And men are more interested in building things with their hands or things that are analytical, whatever.
So it would be a mistake to try to push more men into female jobs and to solve the decline in the male working class that way. Fixing this problem will require bringing back or fortifying the male-dominated industries because I don't think shoving them into female jobs is going to work.
So yeah, there's a political economy piece, obviously, that is flowing from your comments.
And obviously, when you think about how our policies do or do not tend to reinforce excessive employment in American higher education, there's tons and tons of administrators doing work that doesn't need to get done, as we all know.
And they're women.
It's a large part.
Many of them are women. And the same thing is true, obviously, in healthcare as well.
So we could think about, too, kind of steering our economy in directions that are more favorable towards obviously manufacturing, natural gas, all that kind of stuff that would be an unmentioned infrastructure.
I mean, I'm not sure how much real kind of progress we've made spending this infrastructure money that's been passed in good ways.

There are ways we could kind of shift the political economy that would be more conducive to maximizing working class men's engagement in the real world economy as well for your comment.
I'm curious here, starting with you, Brad, to what degree should we conceive of marriage and fertility issues moving forward as primarily economic or cultural ones, especially because it seems, it feels like with both options, now that we've progressed into the discourse.
So to your point, Helen, and deciding, Sam, we know that you can't just turn on the technocratic policy valve, which would appeal to like center left spaces.
And then on the cultural end, we are kind of left with this at best frustrating kind of Robert Putnam and our institutions have to come back together.
And once we figure out how to do that after 40 years, not knowing how to do that, we'll fix the thing.
So where are we, so where are we left considering both those factors?
Yeah, I think it's a, I mean, it's a, it's a both end challenge.
I was just talking to a scholar today at UVA was visiting and she's studying Japan and family life in Japan.
And they've been throwing like every policy thing that they can throw, you know, at Japanese young adults and it's just not moving the dial, you know, so just passing a child allowance, just doing a family allowance, you know, adding, you know, some kind of daycare policy to the sort of menu is not going to do, is not going to do it on the one hand.
But I think conservatives have sort of had this idea that all we need to do is just kind of change the culture, you know, capture the, the commanding heights of the New York Times and our elite colleges and sort of engineer different messages.
I think that would be really helpful.
But I think we also have to make sure that there's a political economy piece that's being acknowledged too, so that we're kind of on the one hand telling people the truth, which is as far as I can tell, the number one predictor of global life satisfaction that I've been able to run across in all my data analyses is marital quality, the quality of your marriage that beats job satisfaction, you know, it beats money, it beats a lot of things.
And so kind of giving people like a true portrait of the world as it really is, underlying, we are social animals, we thrive when we have good family relationships, good friendships, etc.
And we're not doing so well on those, on those fronts, that's sort of the classic conservative perspective.
It needs to be better articulated and better communicated and better disseminated.
But we've also got to make sure that when it comes to kind of giving people the economic resources they need to build flourishing families that they have those resources.
So that's where, you know, a child allowance is helpful.
That's where kind of rethinking the kind of money that we're spending on higher education versus, you know, vocational education is helpful.
And that's where too, in terms of something we haven't talked about yet, is sort of educational policy is helpful too, in terms of giving ordinary families more resources to steer their kids away from failing public schools, towards schools that are more aligned with,

you know, their own values and commitments would be also helpful.
So there's both an economic piece to do here, and there's a cultural piece to do here.
And we need some, you know, creative institutions, NGOs, actors to kind of also, you know, make this case for marriage and family more exciting to young adults today, I think as well.
No.
No, I completely understand your frustration.
You come to the conclusion that there's a huge economic piece to this problem.
And so you're left with, how do we solve the marriage crisis?
Bring back manufacturing.
Okay.
No sweat.
But just started working on that first person to have that thought.
Right.
But, but I think there's actually a lot of value as is so often the case.
One of the big lessons of conservatism is that sometimes the best thing you can do is just not screw up.
Don't introduce any new horrible factors pushing things in the wrong direction.
And we have seen, for example, a massive push in the United States and across the Western world in the last decade for subsidized childcare, because the dual earner family is a very difficult model to make work, and a lot of families are finding that they're spending as much on childcare as the woman is bringing in, and it's just the numbers aren't adding up.
And so Elizabeth Warren is out there now saying universal free childcare.
That would be doubling down on the two earner family model to the structural disadvantage of people who want to pursue the one earner model, the one that made so many people so happy for so many centuries.
And so the one of the biggest things we could do for families in the next 10 years is just make sure the left does not bring in universal subsidized childcare.
It's going to come up in every presidential election, and with enough momentum, it could actually happen.
So there will be enormous value in just stopping that from happening, because that would make our family problem even worse.
And I think one thing to sort of underline in connection with Helen's point is just this idea of family policy as it sort of kind of rolled out over there in Capitol Hill and other contexts is often about basically making parents better workers.
It's not about kind of connecting parents to their kids.
So from my perspective, from the perspective of family studies, we're talking about family policies that actually re-functionalize the family, give parents more time, more money, more opportunities to be with their children.
That's in part because when I've been looking actually at marital quality, what surprised me in some of my recent analyses is that, yes, doing fun things as a family was predictive of happier husbands and wives in my data.
But doing chores together as a family, and this really kind of blew my mind.
So maybe we think some priorities in my own household was an even better predictor of

marital quality than doing fun things as a family.
But I think it just goes...
Send me that study.
I'm going to tell my husband.
It points to kind of a deeper reality, and that is that kind of when we're doing productive work together as husbands and wives and as children in the household for one another, I think it tends to engender a sense of solidarity that's often lacking in households today that are much more about basically consumption and about getting the kids to excel in school and in sports.
But again, the idea here is that we're trying to re-functionalize family life so people can really invest practically in one another and in the home as a whole.
I think it's very easy to go into doom and gloom on this subject.
So is there anything on this that you're optimistic about when looking at this at a sociocultural level?
Helen?
Oh, I was going to ask for a minute to think.
Okay.
Brad?
Well, I think one of the sort of mysteries is that when you look at the research on like marriage and child well-being, it just kind of keeps coming in and in.
So it's like, maybe at some point it's just going to break out into the public, that there is a sort of like, you know, so, but I mean, it's good news in the sense that like the research continues to kind of like reinforce the importance of stable married families for kids and adults.
And my newer thought is that marriage matters more than ever in a world that's more secular and a world where people are less engaged in local communities in a world where we spend too much time on our devices.
Like being a halfway decent spouse, halfway decent parent forces you to kind of have in-person community in a very local way.
And then also, if you're a parent, you're sending your kids to school, soccer, maybe if you're religious, you know, Sunday school, you're just out and about, you're more social.
And we're social animals, we thrive, you know, when we have these opportunities.
So I think since the good news that I would at least convey to folks is that, look, like this thing, you know, this fundamental institution is super good for you on average.
It can be obviously extremely tough and hard, but on average it's good for you.
And like it's getting relatively that much more beneficial than it was ever before because other institutions are not doing so well today.
So that's sort of the good news I'd say.
I did think of one.
All right.
The lockdown baby boomlet.
We saw a little uptick in the U.S. fertility rate and it's going to take a while to break down the numbers on why exactly that happened and among whom it happened.

But my sense is that it is because women were stuck at home from lockdowns and discovered they really liked spending time with their kids and baking bread and doing the housewife thing.
And a lot of them are not going back into the workforce or they're going back into the workforce a part time and continuing to, and they're realizing, oh yeah, family's pretty great.
And all it takes is just stepping off, you know, the rat race for one second and you realize the things that actually make you happy.
So I think that's a national trend.
I think that's a real, real thing.
Absolutely.
And I think too, I mean, I think we have to be clear we're not looking back to 1955 as the model that is before us.
But I think the point too about this little baby boomlet is that what happened too is that a lot of families are able to kind of work in some new ways from home, kind of reintroduce the home economy too.
So as we kind of look forward, you know, we can think about ways in which husbands and wives can be working from home in some cases and some professions, obviously, and that will kind of facilitate a more family centric way of life that looks like for a lot of people, you know, is conducive to more happiness and maybe even more kids too.
Well said.
Thank you so much, Brad and Helen.
Hey everyone, welcome to our next session.
I'm joined by Daniel Bryan of the Filecoin Foundation.
And I'm excited to talk with you about a topic that's been really top of mind.
It's just been popping up more narratively, like decentralization.
In your case, radical decentralization.
So I love definitions.
I want to start there.
What is decentralization?
Is that what you're going to ask me?
And what is it?
And what's the difference in that and the radical version?
Well, okay.
So first of all, I think particularly in this sort of conversation and this sort of context, I don't think right now I'm arguing for radical political decentralization.
This isn't, you know, all power to the Soviets kind of thing.
I think this is possibly the wrong audience for that.
But we are talking about the radical decentralization of digital technology and the internet.
And I think picking that apart is kind of important in a number of ways, just because I think that people certainly have an association, if they followed the propaganda or the rhetoric about the internet since its inception, it's been a long time now, right?
I think there's always been this theme of decentralization.

And yet at the same time, I think in the last 10 to 15 years, a lot of the critiques of the technologies that people actually use has really centered around, centered literally around, you know, the three or four companies that seem to now effectively dominate that.
There was a time when kind of the shtick, I mean, I'm an old sort of Web 0.1 kind of person.
And, you know, one of the shticks, one of the challenges in sort of explaining that, I even, in a policy audience, so frankly, in any kind of context, we'd have to sit there and people would go, who's in charge of the internet?
And you'd say, well, no one, that's it, it's spooky, isn't it?
And then you'd get into the rest of the explanation of the possibilities of it.
And now that's not an answer you can legitimately pass the laugh test, right?
When Congress is pulling in people to answer to what's going on in the internet, they know exactly who to go to.
Elon will be a new person that they will add, but they will add, you know, Mark Zuckerberg, you know, it's like Mark, Jeff, like they're, we're on first name terms with the people who control the internet now.
So, we've got this strange discontinuity, right?
We've got this sort of vision from the 90s of decentralization and distributing of power and pushing things to the edges and having disruption.
And then we have this modern scenario where so many of the ills of what people see about the internet have a center that you can point the finger to.
So when we talk about this, and just to give some context, because I've had lots of lovely conversations of people going, who are you from?
So the Falcon Foundation is one of these crypto-stroke blockchain projects.
It concentrates on decentralized storage.
The foundation is sort of the nonprofit kind of governance system for that.
But we're just a tiny part, I think, of this general radical decentralization movement.
You can jump in with more, is this still helping?
Okay.
So, given this context, what does radical decentralization mean?
Well, it means going back to those principles.
If you jump 20 years, 30 years, post-war, into when people could see the juggernaut of digitization coming, right?
The days when people were worried about punch cards and IBM, the understandable policy and intellectual conversation was around how this was, particularly in the conservative movement, was going to be an authoritarian pressure.
This is the idea of, this goes in hand and hand with the sort of conservative critique of the mass man, of the technocratically controlled economy and culture.
And it seemed very obvious that in an IBM-ification, in a do not fold, spindle, or mutilate kind of world, the digitization, the processing of people would end up being an anti-conservative, authoritarian, and centralizing force.
What happened in 1780s and 90s is this weird flip, which came out of the technology, right, where people, either technically or politically motivated people, realized there was this window

of opportunity, right, where we could face a digital future, but that digital future
wouldn't necessarily lead to this technocratically, ubiquitously controlled environment.
And that was the window that both this rhetoric and this technology of the internet went through.
So now we're sort of faced in this situation where we're having to return back to those
concerns.
That conservative critique has returned, and me as a technologist, sort of looking back
to where we went wrong, and seeing if we can't still return to this window that answers that
conservative critique, and also, you know, more broadly answers the political critique
of like, what does it mean to have so much of our life mediated through this digital
medium that is now controlled by a bunch of people who are unaccountable, who are unlike
us, and are prone to influence in ways from forces that we dislike or we oppose to.
Yeah.
So a couple of follow-ups there.
So number one, and we'll answer one, go to the next, on and on and on.
Number one would be, what actually would you identify as the problems with the internet
with the addendum that your average consumer actually experiences in their day-to-day lives?
Because I think that now that we're a couple of years into this, I think we're well past
the point of Web 3 and crypto founders saying, like, everyone hates Mark Zuckerberg, silver
blockchain, because it doesn't actually work and no one cares.
Right, right, right, and people don't move, right?
Like the, you know, it becomes, right, this weird kind of avocational thing where you
go, everybody, you know, it's like general strike, right?
Everybody, leave Mark Zuckerberg now, and then no one does.
So I think one of the things you've seen, and we've done polling on this, right?
Like we wanted to find out what people feel.
And I think what you've seen over the last, let's say, maybe 10 years, last decade, is
a growing anxiety, right?
People who went onto the internet 10 years ago, you know, were going on to have fun,
right?
They went on to, like, write their blogs, and there was generally a sense where you get
into fights, maybe, but you would have this sense both of autonomy, you know, you were
in control of this thing, you were playing around with it, and also a sense of control.
When, I used to look at the Electronic Frontier Foundation, we were very, when the Ed Snowden
case came through, we were very concerned that this might actually normalize surveillance,
that this would be, you know, no big whoop, people would see it and go, well, I guess
everything is spied upon on the internet now, oh well, I guess that's what I live in.
And what we detected there in polling was this general increase in anxiety.
People weren't mad at the government, people weren't mad at the NSA, they were just a
little freaked.
In the modern era, in the last few years, with sort of social media and so forth, what
people have, again, their anxiety revolves around losing stuff.
So they will say, if you ask them and we did, do you think the internet is fragile?
Everybody says, no, it's here, it's resilient, I've got it, the internet is here.

If they said, have you lost anything, right, have you had accounts shut down, have you felt silenced, have you had something deleted that was valuable to you, people go, oh yeah, that totally happens, and this contributes the sense of distrust, right, and it also kind of contributes the sense that things are moving away from you.
Now I don't think that anything that the new technologies have provided necessarily has given the people a feeling of safety, but I think, you know, certainly in the financial space, it gives people a feeling of autonomy, right, there's this weird contrast where you have a lot of people in the political space, understandably going, you know, in cryptocurrency and crypto finance, there's all of this level of risk, right, people could really lose a lot of money and have, and like, who do you trust, you would assume that this would be an environment full of anxiety, but because people feel that they're in control, they feel that it falls under the responsibility part of their spectrum, right, like they lose some money, they go, I should have been more careful, right, or that they calibrate their risk.
You can't calibrate your risk in a world where Facebook could delete your whole conversation, right, or that you simply don't know when you're going to be, you know, cancelled in the technical sense of that.
And I guess what I'm kind of trying to get at here is when you're talking about Facebook could delete it, I really like your point around how there's a general state of anxiety, which is separate from the question of whether or not like Twitter is going to destroy your, you know, Twitter follower account, you don't really actually use, but I guess what I'm wondering is from like a company perspective, how do you actually translate that into something because for example, when you're describing generalized anxiety, that's like me saying, like, oh man, like, everyone feels that like institutions just don't really work, therefore if I create a new institution, everyone's going to be down for it because actually that's just a condition of modernity, it's a, we're just not going to be as, I don't want to say subservient, but we're not going to be as comfortable as we were during a more top down like fifties or something.
So I think that there's, I think a lot about building new institutions because I think one of the things that the conservative instinct and Kevin kind of touched on this earlier is that there is knowledge locked in to eternal or long lasting institutions.
And there's something a little bit contradictory about going, and we're totally going to build another one and it will be just as good as these 200 year old institutions.
But we're in a period where it's very curious how we've created this entirely new territory, this entirely new set of things, like it's, I mean, just to kind of try and make it concrete, it's like we've invented ships, right, we're doing naval transport now, okay, and we haven't yet built up any kind of rules or institutions about that.
We haven't got a navy, we haven't got like the law of the sea or anything like that.
So we're under an obligation to create institutions in this space and, you know, to a certain extent they have to have some trust or at least they have to have some like, okay, we're going to, you know, these are the people that are going to be the people, these are the laws that we're going to comply with.
So for me, what I'm trying to, what we're trying to build and what we're trying to encourage

is some grounding, right, and there's grounding already on the internet, right, we still use email, the internet is 50 years old, it's vintage technology, we're still using internet, internet is one, the email is one of those things that just clearly has this institutional and gravitational weight, right, and a part of that is because it's decentralized, right, there's no company to go bust, it will just persist.
And on the other hand, right, you want, when you build an institution, and I think this is one of those sort of moments of institutional threat that we're seeing right now, you want to build an institution that's so resilient and so enabling that you're not just trying to work the refs, right, so that's the sort of scenario we're in right now, is that what we see with Facebook and Twitter and all of these companies is people are taking huge amount of their time to work the refs or own the refs, right, like a lot of folks in the conservative space were very relieved when Elon Musk took over Twitter, a lot of people on the left were more concerned, but that was like, oh, we have our man in there now, right, and that is a, that's a dead weight cost, right, like that's not preceding things, it's like, it's the very definition of what you don't want in a democratic institution where people are bribing, conniving, persuading, and cheating, the people whose sole job is to make the machine run.
I think the next thing I'd be curious about, so once again, you're telling the story of the internet in the 70s, 80s, and 90s, why it goes one direction and not the other, obviously you kind of have like AOL, try to centralize the internet, like very, like from the early internet or early consumer internet, to basically the dot com, little passive dot com bust, it deceptive, that breaks apart, but then we see the internet like sort of re-centralized, not on one company, but still like five, six, or seven, right, why does this process happen?
So I mean, one thing to underline, right, is that the internet was one of many possibilities in that space.
I remember one of the early questions being, you know, what had happened if Obama hadn't gone in, well there was, Rupert Murdoch had, I think it was called Delphi, it was a proposed digital, global digital communication system, of course Bill Gates built one as well, it was going to happen, it was just how was this going to play out, and this very odd system like I say of an entirely unowned kind of environment actually very quickly came to the top of the heap.
So for me, in many ways, at the time, I think for many people it was like, how is that possible, right, the same thing with Wikipedia.
I think now we see it in an environment where we kind of critique something like Wikipedia, at the time, even among people who were huge advocates for, you know, the wired vision of the future, were like, okay, we didn't expect an encyclopedia to like spontaneously arise in this environment.
I think the pressures to centralize are ever present in almost everything we do, it's just the easy option, right, it's one of the things that leads to authoritarianism, it's the short circuit you go, why are we bothering with all of this, let's just set up a king, get it over with.
I think specifically in an environment that was already fairly distributed, was already fairly resistant to these things, I think there were three things.

One is security, the internet, while brilliant, was built on a quicksand of insecure systems.
So you ended up with this what we call sort of feudal security, where, well, I don't want my computer to be hacked and all my data to be taken, so what I'm going to do is put the trust in Google, right, I'm going to use Google mail, I'm going to like store my files there.
So that has a very centralizing kind of influence.
The second one is weirdly privacy, in that when we built the web and that technology, it was built as an academic public document sharing program, right, Tim Berners-Lee, that's what they did with son.
So it didn't have this idea of identity in it, it didn't have an idea that we could share to just a few people, and so, and this had a social effect, right, that like people would post things to the internet and then they would be taken out by the blasted heaths of the Google bot that would come and sweep all of this up.
So what services like Facebook did was actually provide this option of just sharing with a few people, right, a handful of your friends, and the devil's deal there was is you could share with a handful of your friends, and Mark Zuckerberg, right, he was always going to be in your friends list.
And so that built this economic model to support all of this.
The other part of this, which I can't tell whether this is an omission, but is definitely the financial aspect of it, it's very hard to pay people in that.
So these were original sins, these were sort of flaws in the original model of the internet, where people just went, look, I don't know how to do this in a decentralized way, let's make a shortcut, and of course, if you monopolize a particular area, if you come up with a solution like that, very quickly you attract capital, very quickly you attract income, and very quickly you rise above others in the space.
Something I'm wondering as you're articulating this is, are there just certain tasks on the quote unquote internet that are better suited to a decentralized model versus a centralized model.
It's AOL, it's America online, the whole purpose is to make an easy way to get online that could be sent out with disks and body, body, body, you're there.
It's kind of like a playground with a playground, too many metaphors, a playground and a walled off playground.
A playground with a playground in it, and then there's a little, yeah, so.
One thing that then is, when people are kind of talking about like, oh, there's an opportunity to create like decentralized social media, I'm kind of wondering if at the end of the day like that era of the internet just ended up being centralized because there are just so many advantages there, and maybe if we just are looking for different, if in an era where we're in group chats or a signal, that is those behaviors are better suited to decentralized.
Yeah, I think that, okay, so I think this goes to this idea of sort of the mass man and this sort of conservative critique of, in fact, kind of like 20th century life, right?
The idea of like, well, what level of scale should society operate?
Do we, again, Kevin sort of said, I like nation states, but clearly there are things that you don't want to work at the federal level, right?
There are things where you want the intimacy and flexibility and passage of time and tradition

to exist, and those often exist at this very small local level.
I think one of the, it's odd that you should pick like social media because I really do think that there's a whole slab of things that we put into social media that are actually really better served by decentralized, decentralized ones.
Okay, so just like communications like this, right?
Like we have to mediate everything, we have to publicize everything in these very monolithic social media systems, and so this idea of the group chat, right?
Like I think for many of us, we've moved into this space where group chats occupy a lot of our lives to provide that level of privacy separate from social media.
Well quick thing, like the reason, but this is me speaking up for YouTube, not a sponsor or anything, but you know, YouTube means there's one, we're going to post all these videos, it means that there's one place where you will get it, it would be the most inefficient.
If we're moving from a world where I'm trying to get CNN to cover this, to a world where like YouTube is there and everybody would see it, that's always just superior than me hoping that everyone to their individual group chat sends this video, this conversation.
And that's where you have this like odd, I think really drill down on this idea of social media.
The way that I think, actually in the very early days of when social media was arising and a lot of people were thinking about this area, the phrase was social software, right?
That you would have tools on your computer like your web browser that would let you sort of pick a smorgasbord of these things, right?
There's no sense of like you going oh god, like you know, in order to get this more widely available I'm going to have to put it on the web, because the web was just this shared and distributed environment that we all used and we all used a web browser to access it.
There's no reason technologically that your interface to the world's videos has to sit with a single company.
The third one of my spokes here with privacy and security is actually usability, right?
Because in your head you're going oh my god, this would be a nightmare, right?
Like where would I find it?
How would I share it?
Well, that nightmare isn't a quality of the technology, it's a quality of who got their first to provide that interface.
There's nothing stopping and in fact the first version of YouTube, you know, YouTube was bought by Google but Google had its own video service.
You can have a wrapper around that in the same way as Google became a wrapper around the content of the web.
So that isn't the problem.
The problem is how do we build incentives, how do we coordinate people to build a video system that isn't Google's video system to share this stuff?
So I think the next question, so you're pointing out how there's this like conservative, like well justified fear of like technocracy, mask man, all those things.
I think the more like left leaning counter concern is just sort of libertarian, the market, technology, everything just sort of like progresses as it happens.

As you're thinking of this, you know, making this case for like a much more decentralized future, to what degree is that inevitable via technology and just things changing?
Or to what degree are there like knobs and needles that need to be changed, looking at the structure of how the internet works today?
Right.
Well, I think I'm really interested to hear Matt Stoller sort of take on this later on because there's, you know, both conservatives and the left alike have definitely taken this idea that this is something that requires government intervention, right?
That either sort of compelling a particular model of free expression on these giants or breaking these giants up is the model to do it.
I have like my own feeling that like I want to build a system, technological, social or political, where these giants just sort of fall apart like, you know, fine barbecued meat, right?
Like you just smoke them until they fall apart.
Because I think that that is something where you're not leaning on the, you're not playing the refs, you're not leaning your farm on the weights, you're building something that actually will continue to keep in this space, right?
So but I don't know, right?
Sometimes these things go one way, sometimes these things that go another.
What you want though is something that you can look at and say, yeah, these are the institutions, these are the trust systems, these are the incentive systems that I will believe will last for another 50 years and not collapse either into chaos or into us having to beg at the court of Mark Zuckerberg in order to get what we want.
So I want to, as we're hearing the end get to the vision thing, we've really focused on like, you know, specific social media complaints, but I'd like to just hear from you and I think the audience would too, just like, what would a radically decentralized internet look like over the coming years?
So like, let's say you get 85% of what you want, like what would, how would that look different than what we have today?
Okay, so we've all got these very superpower devices, right?
We've got phones, we've got laptops, they've got a huge amount of power, far more than they actually are needed for a centralized system, you know, you could just have a pretty simple box and it would be, it would be like a TV, right?
So I think what you would see in that environment, and it might not be visible to you, right, is a lot of the work being done much more locally on your device.
So to the given example, right, people worry about the algorithm, people worry about what is being excluded by what we see, well, the algorithm would run on your machine, right?
The algorithm would be something that you would be, that would be learning from you pretty much exclusively and matching your incentives.
Same with artificial intelligence, right?
Right now we have this system with chat GPT and these services where you go to someone and you say, I would like this question answered, I would like this information to gather, right?
But there are all these filters where it's desperately trying to stop you either from

suing you or someone being absolutely furious that you're getting these ideas.
These things will sit on your device and finally there will be a right of exit here, right?
And it's, again, it's not something that you might have to pull a lever or think about at the end of every night, right?
Do I really want to be in Google?
Do I really want to go to somewhere else, right?
It would be something that would be very, very invisible but following your needs.
We're trying to get rid of this principal agent problem where you're desperately trying to align the political values of these big giants with your political values, right?
You want it to be like your house, your home.
The most powerful vision for a decentralized future in the digital space is the physicality of our existing decentralized system, right?
We don't all live in New York, right?
We don't all under the control of a global government, right?
We have this subsidiarity and what we want to do is to create something that is a tool that sits in your home and you don't feel you're being spied upon in your home.
You feel it's helping you make decisions.
It's working on your side and we have the technology, right?
We have these very powerful computers.
We have a model of what we want and we can very simply see computers as an aid to our own political goals and our own family's needs rather than a sort of far-off, mediated, controlled overseer.
Very well said.
Danny, thank you for joining me for the fireside.
Thank you very much.
Let's just kick things off, Michael, I think it's really key, especially because we're sitting here in D.C.
What is the paper belt?
Because honestly, it doesn't feel like it's on fire right now, pretty good.
Yeah, naming things is important to me.
When it came to the book title, it was like, how do I characterize sort of what I see in the world?
So mutual acquaintance, friend of ours, biology, Srinivasan, and I used to just walk around San Bruno at midnight jamming on ideas and back in 2013, we started dreaming that just as the rust belt defines the Midwest and some of the hollowed out industries there, that maybe there were technological trends that were going to put pressure on what we saw as these East Coast institutions and businesses, and then biology came and coined the paper belt.
And so what is that?
It refers to right here, starting in D.C., up to Boston, where in D.C. laws, money, regulations, visas, so on, printed on paper, in Delaware you can incorporate on paper, in New York, symbolically the Wall Street Journal, New York Times, Madison Avenue, printing media, ads on paper, and then finally, as the arch symbol of the American education system, Harvard

and MIT printing diplomas on paper.
Now that's kind of a cute name, but the one thing that stood out for me, the more you hang out with cipher punks and computer security geeks and crypto people, is this idea that in a paper based economy, you are relying on a third party, usually an institution, to validate and authenticate that this piece of paper is real, and that it means something.
So the Federal Reserve prints money, the Treasury Department will tell you whether it's real or not, and somehow that value is secured by that.
Likewise, a diploma is a piece of paper, and theoretically, it is meant to signal something, and that is validated by the institution that issues it.
So the idea of Bitcoin was created to disintermediate these third parties, so that inspired me.
So these institutions that are meant to validate and authenticate these pieces of paper, they've just become less trustworthy and reliable over time.
Is the dollar worth what we think it is?
Not quite sure.
Is a diploma signaling skills or something else?
Not quite sure.
And this is even true of modern art, where someone tells us that something that a child could do is art.
Well, it's been authenticated by these institutions, is something off about that.
So I wanted to have that as the theme.
My work, we focus on a lot on people who don't have college degrees, so there is a criticism of the higher education system, but I think it applies broadly to all these institutions.
And yet, Michael, you know, we've also seen some of the alternative institutions also go on fire, I think, a little bit in the last year.
College education, I believe the number of applications are higher than ever.
Building standards, people found out that they were willing to pay $75,000 a year for Zoom school.
It actually didn't impact their tuition at all, nor in terms of the demand of that institution.
I believe law school matriculation is also sky high.
So to what extent is this a narrative that we want to be true, and then what extent is it a narrative that is actually true?
Right.
So, you know, it's not a subtle debate, but the education pays.
We're denied that.
The question is why does it pay?
So there's a wage differential between people who have degrees and those who don't.
You know, the standard story is something that, you know, the human capital story that people go off to universities.
Those universities teach them skills, impart those skills, and then those skills are rewarded in the labor market.
But there's a strong body of research and economics that contests this, you know, most famously, Brian Kaplan, in the case against education, presents the idea of the signaling

theory.
And what is that?
Well, it means that, you know, that it's not what you learn in school that is valuable in the marketplace.
It's actually what you're signaling about yourself as a person.
That you sure have sharp cognitive skills, but more than that perhaps is that you are willing to undertake a four-year project at great expense, take assignments, hand them in on time, show that you're reliable, and quite frankly, obedient, and the labor market rewards that.
So I think in a time of crisis, when the idea of future money becomes less valuable, everything becomes present-oriented.
So that means established businesses, established institutions.
And so maybe that signal actually becomes more valuable in that high interest rate environment.
Something I'm curious about here.
You get into this in the book, like the criticisms initially of the Teal Fellowship, but when we just zoom in and look at what you're actually doing, it's saying, hey, they're probably smart under 19-year-olds who, if you gave them money, mentorship, focus, they could do a lot of really interesting things.
It's not shocking.
That produced a bunch of interesting ideas, institutions, people.
You could talk about that.
I'm curious though, and this goes to your 1517 work.
What is scalable from that?
Like could it give them Bill Gates money when he was 19 in the 70s?
That has always kind of been true.
So what for all the kids who have left the K-12 education system after COVID, what can be applied to them that you've learned from Teal Fellowship in 1517?
Yeah.
That is strong pushback that we get, or I get from the book, and then even the program is, okay, you work with the Olympians and Navy SEALs, what do we do for the average American?
And it's true.
Like a famous example, we worked with Vitalik Buterin, helped him launch Ethereum.
Vitalik learned Mandarin on his own.
He's just typing Mandarin in his phone.
He's like, oh yeah, I taught myself, okay, that is extraordinary and pretty rare in the world.
What I've looked to is, I think at a policy level, for one thing, if we acknowledge the signaling story, then issues like the student debt crisis become, it's like the idea of free college is even crazier.
Because then you're just letting more and more people pursue this arms race to send a signal that is socially wasteful.
So I think at the highest level, it would be great if the government did not subsidize that behavior.

But on the more practical level, I've been actually more recently inspired by countries to some degree Germany and Austria, but really Switzerland stands out to me because they have a robust apprenticeship program.
The thing about skills is that the best way to learn them is actually from the people using them or on the job, learning by doing.
And that is something that we saw in the fellowship.
But I think it can apply across different trades, industries, I mean Switzerland, it's not just manufacturing in the trades, it's also retail finance and so on.
Something like 70% of all Swiss teens partake in this program, they get paid $1,000 a month.
And then they're able to launch careers without college degrees that aren't denigrated by their culture.
These are real careers.
And what's more is the upshot is they don't have an underclass of like 20 overeducated surplus elites who are indebted wage slaves.
So I would look to those policy ideas as a way to provide a real education.
I think we're just transfixed by this idea of the classroom, of the school, maybe the more controversial ideas like to say that teenage labor is good and maybe we can actually skill people up to some degree, maybe part-time and full-time in their teens so that they're ready to work in their 20s.
And I think that would be a version of the fellowship.
So we currently have public schools and then there's this idea of charter schools.
The problem with an apprenticeship is if your employer trains you and then you go off and work somewhere else, that doesn't help them so much.
So they're a little reluctant.
So what would be kind of interesting is if we allowed those vouchers that go to charter schools and other types of schools, could we apply those to apprenticeships?
So that would be like mini fellowships.
So the answer is like some, I'm gonna like double down on the idea and say, okay, we can apply this to all sorts of different jobs and professions and careers.
I think it's a really interesting idea.
I would love to see it in practice.
It seems to me like the major obstacle to it are the exact elite credentials.
The credential holders themselves who are gonna try and protect it at all costs.
So how would this, how does this operationalize, you know, like in the idea of you're trying to short the higher education bubble, like what does that actually look like in practice?
Well, yeah, at the highest level, it's can we support people who have extraordinary careers or even just fulfilling successful careers?
What would be even better was like if they were well rounded in a sense.
So they're not only an engineer of some kind, let's say, but they also enjoy the liberal arts to some degree and show some level of learning a well furnished mind.
I think if we can show that there are alternative paths that are just as rich and rewarding, then maybe that makes the appeal of at least, when colleges defend themselves, that's what they point to as the value of college, not the wages, not the fun.

It's always like, hey, this improves your soul somehow.
And so if we show that there's better ways to do that, then I think that would strike a blow.
But you're right.
I think, I mean, there's Stockholm syndrome of the people who have been through the system.
Harvard could certainly expand its enrollment 10,000 students without loss of quality.
I think they don't because, I mean, the biggest objection is from the alumni because at week waters down the value of their degrees.
So it's gonna be a struggle for sure.
One thing I would love to hear from you on is, A, Teal Fellowship was in the minor, minor, minor category news because Charlie Javis of the, what was, Frank, the JP Morgan scam of a student loan company, so there's 15 different levels of things that fit here.
So I'd be curious to, A, tell the story to the audience, like how you kind of intersected with Charlie.
And then broadly, can we speak about how it actually, unironically seems like there's something deeply wrong in like credentialist, tracked education, like escalating levels of like, why would you do this?
Like, it seemed like, like obviously she has her like deep moral feelings, but it feels like it's symptomatic of a broader like arms race of achievement and Forbes Center to 30 and 40 under 40, 10 under 10, speak to that culture category.
Two under two.
Yeah, so Charlie Javis, we, in 2012, we invited CNBC to come film a documentary of our final round interviews for the Teal Fellowship.
And I saw this headline about Frank, you know, the details, I can't, my memory isn't sharp or haven't read enough, but basically she committed fraud by saying that there were these real accounts and sold the company to JP Morgan, and then they discovered that there were all these fraudulent accounts.
So really bad situation.
But I don't know, when you think of Elizabeth Holmes, Anna Delvy, you know, even Adam Newman to some extent, it's always like, what were they like when they were younger?
And so yeah, we, I met Charlie in 2012 and this interview process in, and the story comes out, and I'm like, wait a second, we know this person, and then I had this vague memory of her, like she was really polarizing at the time.
And it was split, I saw, I looked up the old notes, I mean, there were people who wanted to believe her vision, she was working on something called Pover Up, basically a way to donate money to the developing world.
And you know, people, the people who wanted to believe in the mission believed in her, but then there were the skeptics who were like, but there's nothing there, like what's going on when we ask her about it, there's nothing there.
And then we had this weekend, we would arrange a scavenger hunt for the finalists in order for them to get to know San Francisco and get to know each other.
And we had a rule that the teams had to stay together and go through the scavenger hunt in the order it was created.

And Charlie's team broke that rule.
And then what's more is she went off shopping instead of working on the scavenger hunt.
And so I was laughing, I was like, it's so funny, it's like, yeah, we knew, oh, and there was like little things where, you know, you had to come out on stage and pitch to the audience and we said, oh, you got to talk from the lectern, because that's where the microphone is, otherwise CNBC is not going to pick it up.
She refused to do that, she stood in the middle of the stage, thought she'd be different.
So there were all these things where it was like, oh my God, when I look back on it, it's almost too much on the nose where it's like, oh, she was breaking rules then.
And the key thing is she lied that she had turned it down.
Oh, yeah, right.
And that's what's coming on the story, right?
That's right.
So she had been claiming in public that we awarded her a fellowship and turned it down.
And so that, I mean, that was wild.
So then I tweeted about that and some Forbes reached out to me or whatever, because I think it is important to set the record straight.
What it speaks to something you pointed out is even if you start something like the Teal Fellowship, our first year, there were a lot of people who were eccentric, intrinsically motivated people.
But as there was more success over time, it started to attract credentialist towns who were looking for that signal to send to the world in some fashion, the same way they might for a Rhodes scholarship or a Harvard degree or whatever.
And I think Forbes is feeding into that.
So I think it's like, it's almost like we're looking for the trappings of success more than success itself.
And I guess in any system, you're going to have people mimics who try to send the signal, but not the substance.
And I think that really comes to the forefront when you enter an economic downturn, when there's less free flowing capital, the number of fraud cases and corruption cases get revealed and you see who's swimming naked.
Yeah, these people really do fascinate me.
Yeah, if you haven't read the story, I highly recommend it.
I mean, we're talking about four million fake accounts here, which takes skill at a certain level you got to admire it.
So I want to dig a little deeper.
It's kind of you're talking about the credential institution, you mentioned the Rhodes scholarship.
These are all highly kind of elite phenomena.
When I'm tracking is an enormous response amongst our audience to people dropping out of college, specifically younger men or not even dropping out, but just feeling like I'm not going, I'm not doing this, which is leading to a lot of gender imbalance and that has all kinds of downstream crazy impacts on wages, on marriage ability.
There's a social crisis coming 25 years down the line specifically because of this time.

But so clearly there's a gap, how do we fill it without catering specifically to the Rhodes scholar?
I feel like that person's always going to be fine.
All right, they're either going to get the teal shell fellowship or they're going to go to Harvard.
But like, what about somebody who is going to matriculate to a state school for, let's say, I don't know, like a psychology degree or even an engineering, but just says, no, I'm not doing it.
But it's actually not a good idea if we look at it in terms of wages.
So we got to be able to help that person somehow, also develop as a human being, but also give them the economic opportunity that they feel owed in life, and yet emotionally they feel that this institution is allied against them.
That's something I'm really interested in.
Yeah, maybe two, I'll take two cuts at that.
The first one would be to go back to that idea of what a school looks like.
I think it says something that we're stuck in the past in this industrial model where people march in lockstep the same age, with the same people in the same location.
I mean, everyone, look at Ferris Bueller's day off is, I guess I'm dating myself.
But it's funny because it's like, it is a prison.
Like these people sitting in desks learning things that are useless to them.
So I think as a society, we have to wake up to the fact that school, or at least a building with rows of desks under scalding fluorescent lights is a tool to educate people.
It is not education itself.
And so I think a lot of young men are being drugged into compliance with that system because they don't want to sit down.
And I think we just have to be honest that it could be as young as, maybe, and schools aren't doing this, but teach the basics, and then maybe at some point, 12, maybe 14, 15, it could be the case that people are ready to split time between the classroom and then developing some set of skills.
And I think young men are dropping out of this because this system is just so obviously not working for them.
Like you said, they're going through it.
They're not getting the skills they need.
And then they drop out of life and spiral downward into Netflix or even worse, like opioids, some detachment from reality.
And then the second cut would be, I just hate as a culture that we denigrate the trades.
The fact that so many people right now are being forced into the college track, you have this giant assembly line geared towards some vaguely pre-professional degree, and there are so many people who are forced onto it.
The majority of people don't finish college.
They take on debt.
It's something like most people graduate in six years when they do graduate.
So the number of people who go to Ivy League schools get the BA in English, like that is

a small number.
It's really someone who could have been a carpenter maybe, could have been an electrician.
Instead, our society says you're a dunce if you do that.
And so they go down this track that's not meant for them.
So I think, and especially for men, younger men, I think that is a big issue.
And so maybe if we transition towards something, these on-ramps, I'm like maybe the more controversial
thing to say is you can't actually teach skills in classroom beyond reading, writing, arithmetic.
You do have to learn on the job.
You actually have to learn these skills.
And so I would push in that direction.
I want to go back to the anecdote you're telling about Charlie, how she wouldn't stand at the lectern, how she skipped out on the scavenger hunt.
This is a book.
This is not just like a prescription for a higher education, but it's also like a story
that you're telling.
I'm really interested in the narrative here.
If Charlie had pulled it off, though, I think there's a world where we're on this stage.
You were saying, that's when I knew.
Charlie just went all the other sheeple, stood in front of the lectern, and she just said
no.
And people like Elizabeth Holmes do this too.
They kind of realize that there's an advantage narratively in being counterintuitive.
So when you're sitting down with a room full of 16 to 19-year-olds, how do you actually logistically sort through what is just literal signalling within the universe?
So what are you actually looking for?
I guess that's the question.
It's like there's a clip.
I hope it never gets out there because in the CNBC thing, there's stuff on YouTube right
now, but it's not available.
So I have a DVD, and the Forbes reporter reached out to me, and he's like, oh, can you validate the scavenger hunt thing?
And I'm like, well, the DVD is at my parents' house in the garage.
So I happened to be, I got to Phoenix, and I dug out the DVD.
And then I'm there because CNBC producers, they want conflicts.
So they're like, can you at least try to defend her a little bit?
And so I'm saying what you just said.
I'm like, hey, she's breaking rules, and there's something innovative.
She's not going to be someone's boss.
So it's like even with Adam Newman, if you've seen those documentaries, it's amazing.
I haven't met the guy, but he must be like the world's greatest salesman because he convinced people that this real estate company was changing consciousness.
So there's something about charisma that is powerful in, I think, investors in Silicon

Valley and then maybe even the wider world can be drawn to charismatic people who are just con men and in the end.
So for us, I never, when we're investing, and then I came to see this with a fellowship, is that I never want to be in a shark tank situation where I don't know this person, and they're pitching me an idea for 15 minutes, and I have to decide whether or not to invest in that time.
I came to see, we were too imitative of colleges in the beginning.
We had an application that asked for GPAs, test scores, all that kind of stuff.
And I came to see applications as, one, fruit they rot fast, and two, it's just this time slice where I have no idea who this person is and the things that matter, the character traits I can't evaluate.
So we changed our system to try to evaluate people over time.
Can we interact with them in some way and gain more data points about who they are?
We implemented things like little 1K grants, go build this, and that would take a month or two.
At least that gives us some sense of what it's like to work with this person.
But I think there's an Aristotelian meme in virtue where there are some people who are too cautious, who play it safe, and then they never venture forth and learn anything.
And then there are the Adam Newman's, who raise a war chest and sail off into the ocean to nowhere.
And that can happen a bit like Quibi is a company.
They raised a billion dollars and lit it on fire and learned nothing.
So it happens quite often, and so it's never going to be a science, but you have to find the person, I call it edge control in the book, where somehow they're able to push that frontier, but in a way where they don't destroy themselves or lurch off into the world of fraud and make believe.
But on the other hand, they are still taking risk, and I think that is a challenge.
If you're trying to reverse engineer, you're talking about very young people, to what extent did the education system help or hurt them, mold the characteristics that you were looking for in the fellowship, and how could we replicate that across the United States?
So I mentioned those test scores in the application.
One thing that stood out to us as a negative signal, and I think it was just like a random sampling, maybe it's not to say something about this, but anyone who won the Intel Science Award, that became a negative trait.
Really?
Yeah, because the types of people who win that award are the types of people who don't build things but are good at pleasing committees.
So their projects would often be on this edge of like make believe fraud, but in some kind of narrative about saving the world.
So it could be like a new type of muffler that sucks up the carbon or something, and like this has been tried before, but everyone wants to believe in it because they want to believe that this could help solve climate change.
So that wins Intel Science Awards.

But when we saw these people go out into the wild, because they had lived so long under institutions and structures that ordered their days, scheduled their weeks, gave them assignments and goals, suddenly when you're self-directed and you have to invent your own goals or try to discover them, they were at sea.
So there is something in our education system, and it may just be like the fact of the medium that you are going to become a structured person in that way.
And alternatively, I don't think homeschool is the answer, but it was interesting to see that the people who were homeschooled, and we had a large proportion of them come through the program, the transition into the real world was just much more seamless.
And they were able to navigate things on their own much better.
And I think it had something to do with not the content of the education, but just the fact of one type of person had to raise their hand to go to the bathroom, the other person just directed themselves.
So I think there is something we should think about where how do we do have to pay attention to the way that our institutions mold character independent of what they teach.
And I think our school system, that's one of the things I've noticed that it does the worst.
Yeah.
You know, as we're nearing the end here, a big question that has come up increasingly, we were talking about this before we started the event is to what degree is everything we're talking about, right?
Like the rise of the technology industry, and I don't mean like the internet, I mean like post 2007, post financial crisis, while these institutions don't work.
How much of that, and then the urge then to drop out was driven by like low interest rates.
And now that they've gone back up, like how much does like the fact that the tech industry has had massive layoffs, like how much do you see folks like retreating back to like more traditional context?
Yeah, that is a great question.
So my book is like one of the broader themes in the book is this idea of stagnation that since the early 70s, we haven't seen as much progress in sectors outside of, call it like smartphones, the internet and computers.
When you look at energy creation, health, education, transportation, we've just seen the rate of progress decline quite a bit.
You know, in terms of health, I'll use that as just a clear example.
In 1900, the average age or the life expectancy at birth was about 45 years.
Go to 1980, at that point, we have raised it to 73 years.
Since 1980 to the present, we're about like two years more than that.
So you know, over that stretch of time, we've just seen progress slow down quite a bit.
And in the last five years, because of COVID, because the deaths of despair, life expectancy has actually stayed flat or gone down.
So to me, that's regress, that's not progress.
So you know, my read on American history since the 70s is that because we weren't improving the standard of living for the middle class and the lower classes, the government, instead

of addressing that problem, said let them eat credit.
And we had 30 years of easy money that seemed to be going well up until the financial crisis.
And then again, post-financial crisis, same thing.
So I think in a sense, it was like the government's effort to paper over some of these deficiencies that we saw out in the world.
And you're right, when there's more capital, more bad businesses get started just because it's more readily available.
So in that sense, you know, like fewer people are going to start things and these layoffs, like future money becomes less valuable as rates go up.
So everything becomes present-oriented and that makes sense.
It's like going to be hard to start a business.
But that doesn't mean, that doesn't, like, I don't think the Federal Reserve is going to solve that stagnation problem.
And I think real growth, real jobs, real wage gains for all, broadly across the country, will only be addressed if we address those deeper problems rather than trying to solve it through financial engineering.
So yeah, I think you're right.
One of the big surprises to me, I'm a bit of a Bitcoin maximalist in the sense, I think, like that, and maybe Ethereum is the backbone of some stuff, like, that is real.
Everything else is Ponzi finance.
I did think Bitcoin would have held up more as an inflation hedge over the last year.
But it's still standing pretty strong at $22,000.
I think that's pretty impressive.
But you're right, to me, it just showed how powerful the Federal Reserve is.
And for the global economy, that, you know, any asset turned into a speculative asset in the last 10 years, especially the last three.
And now we're feeling the hangover, you know, the alcohols out of the punch bowls.
So, you know, I don't have a good answer in terms of, it's like, I still think, you know, progress occurs because people invent new things or discover new things.
We gain knowledge.
And I think we have to get back to the basics on that.
That is an excellent place to leave us.
Michael, thank you for joining us.
Thanks for having me, guys.
Appreciate it.
I hope you enjoyed this episode.
If you learned something, like this sort of mission, or want to access our subscriber exclusive Q&A, bonus episodes and more, go to realignment.supercast.com and subscribe to our $5 a month, $50 a year, or $500 for a lifetime membership rates.
See you all next time.