



Dr. Ben Hunt: Charting the post COVID-19 economic recovery

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Erik: Joining me now is [Dr. Ben Hunt](#), founder of [Second Foundation Partners](#) and, perhaps most famously, the author of the extremely popular Epsilon Theory Newsletter.

Ben, it's great to have you back on MacroVoices.

It's so good, because you know we've done a lot of coverage of the COVID-19 crisis with a lot of really smart people. We had Dr. Chris Martenson on. And, you know, we're diving in to the nitty gritty of, okay, what's R0 and what's the transmissibility going to tell us about the virus mutation? And what's the difference between antibody testing and contact testing? We've covered all that.

Something I've noticed from Day One of this crisis is you've always been the guy who's thinking five steps ahead. Not just to what's on the table right now in front of us but what are the long term implications on society going to be as we go through – as the entire world goes through something that it hasn't gone through in more than 100 years?

I just think of you as the big-picture guy who's got a better perspective on the coronavirus crisis, what it means economically, but also what it means for society.

Ben, we spoke off the air about three narratives that you talk about as they pertain to this crisis. Let's start with those. What's the first narrative?

Ben: Thanks for having me, Erik. And I also want to thank you for your coverage of this.

So what I thought might be helpful is to describe what I think are the three primary politicized narratives that have been built around COVID-19.

Each of these narratives at its core is based on a model. It's based on a top-down application of an abstraction. It starts with a model and only at the end does it try to make some sort of imperfect fit to what individuals can and should do.

And I think it's so important to understand that that's how – I think we can all recognize a political narrative, a narrative that's an effort to maintain control or power, a narrative that is there for institutional interest rather than for the interest of you and me and the common good.

So if the sounds right to you, let me start with that, the three big political narratives that I think really have taken over our public discourse around this virus. And then I think I can suggest some alternative ways of thinking about this.

Number one, I call *what about the flu*. This is a narrative that, frankly, has died down a bit. It's the narrative that dominated the early days of discussion about coronavirus. I know you're well familiar with this, Erik, because you and I and everyone who was sounding the alarm about this early. We certainly heard this from a lot of different sources, that it's just like the flu. The flu is worse. What's the big deal?

The political goal of this narrative, and it's absolutely a political narrative, is to minimize the COVID-19 threat.

It has at its heart a nugget of truth. The seasonal flu is in fact a nasty and rather mitigatable disease.

But the big lie of this narrative is that COVID-19 and the virus that causes it, the biology of the virus – as you and Chris and some of the others have done such a good job of describing – the purpose is to minimize it, to say this isn't a big deal.

Certainly, we can see lots of examples of this narrative being promoted from the political right. We all have seen the clips of Rush Limbaugh saying, oh, it's just the flu. We've all got our pictures of Donald Trump standing up at the podium and saying similar things.

But I think what's very important is to recognize that, in the early days as a policy response to this – and I can give you lots of examples of this too – you'd go on to CNN and you'd see Dr. Gupta. He'd be talking, well, we need to compare this to the flu, that it's not a big deal.

At the time, this was in reaction – again, this is how these narratives become politicized – this was in reaction to Trump's decision at the end of January to stop flights coming in from China – or to stop some flights, let's say that.

So at the time, we looked at a lot of the media coverage from let's call it institutions that were politically opposed to the White House. They adopted this narrative that, oh, it's no worse than the flu, just as much as the political right adopted this narrative in the weeks ahead.

The reason that I say this is a model-driven narrative – and I think there is this crazy lack of knowledge about this out in the public – is that all these numbers that you hear about how many people every year die from the flu, these are not actual counts.

It's not like we are counting the people who die of the flu in hospitals. These are models. These are models that the CDC and others create to, again, create this picture of this abstraction of how dangerous the seasonal flu is. The only flu deaths we actually count in this country are

pediatric influenza deaths. We do actually count when children die of flu.

The big numbers that you hear talked about, oh, the flu killed X tens of thousands of people last year, these are numbers from a model. They incorporate essentially every pneumonia death, many respiratory deaths. And they are created and then they're presented to us with the purpose of encouraging seasonal flu vaccines.

And it kind of boggles my mind. Because so many of the people who make this argument, oh, it's no worse than the flu, and then they trot out these numbers, these are people who think they are anti-modelling. These are people who think that they are raising the alarm about how we're taking these anti-COVID-19 policies on the basis of some model, when what they're talking about, the narrative they're presenting to minimize the COVID-19 threat, it's a model too. It's based on a model as well.

So that's my first example of these model-driven political narratives used by both the left and the right, depending what's politically advantageous to them. And it's just – my first example of how this is being politicized and really used against us.

The second example I'll give is this example of the narrative of, oh, *herd immunity*. That the policy that we should take on is one in which we just get it over with, basically. The political goal here is one of preserving the economic status quo.

Again, there is a nugget of truth here, just as there was a nugget of truth in the political narrative of, oh, *it's just the flu*. The nugget of truth here is the massive unemployment as a policy reaction to this virus. It is devastating. Massive unemployment is absolutely devastating.

But the big lie here, the big lie here that I see in the policy narratives that come out of the idea of seeking herd immunity is that while we are developing herd immunity that we can protect the olds and the sicks. That, oh, we'll do fine in protecting the people who have some condition that makes them more susceptible to dying from this virus, whether that preexisting condition is age or that preexisting condition is something like diabetes or a respiratory disease or anything like that.

That's nonsense. And what we see, what we're experiencing, is that that is the big lie that, oh, while we develop this that we can protect these people.

The model that this politicized narrative is based on, with a goal again of preserving the economic status quo, is, in the same way that *it's just the flu* had these laughably inaccurate models of seasonable flu deaths in the United States, so here do we have these laughably inaccurate models of COVID-19 spread and severity, totally distanced again from the biology models that Chris and others have done such a good job of talking about.

It's a made-up, top-down model to convince us that it's perfectly fine to just go about your business. That, oh, yeah, maybe you want to do a little social distancing, but what we really

have to do is we have to preserve the economy. And some sacrifice, some large sacrifice in lives is perfectly fine to do that.

Again, it's very easy I think to find examples of this narrative from the political right. But I think it's important to recognize that the national example of this, Sweden, this argument is coming from the political left.

More appropriately, I believe, is that this argument often comes from political incumbents. Because while that nugget of truth is absolutely right, massive unemployment is devastating to families and individuals, the political truth is that massive unemployment is particularly devastating to political incumbents who have elections coming up.

And I think so much of what's driving this narrative of herd immunity, open back up, it's really not so bad, you'll probably be fine, is being driven by these political necessities and imperatives.

For the third narrative, the third politicized narrative that I think is so prevalent here today, that's *flatten the curve*. Whereas *it's just the flu* and *herd immunity* I think have some sort of goal either of COVID-19 threat minimization in the case of *it's just the flu* or had as their political goal the maintenance of economic status quo, I think the political goal of much of the *flatten the curve* narrative is that of COVID-19 threat maximization.

Again, there's a nugget of truth here. These lockdowns that come from *flatten the curve* are absolutely useful in preventing a surge in cases which can overwhelm the health-care system.

At the same time though, there's also a big lie here. And the big lie, I believe, of *flatten the curve* is that we can get R_0 down to zero.

It's somehow taken on a larger purpose and somehow in the politicization of this, that rather than simply doing its supposed goal at the outset, which was to flatten the curve – the curve being health care utilization, the curve being avoiding the overwhelming of the health-care system, as you saw in Wuhan in China, as you saw in many cases in Italy, as you certainly saw in New York City – now it's gone beyond that.

It's like, well, no-no-no, just hang on. We can knock out the disease entirely, not just flatten the curve but try to eliminate the curve.

The political drive behind that is that when we've got everyone freaked out about staying alive, man, there is no end to the crazy authoritarian stuff we can get away with.

So if the policy prescription of *herd immunity* is at its core, oh, hey, you'll probably okay (probably), I think the policy prescription of *flatten the curve* in its politicized form has become, hey, you know what? You'll find these ankle monitors to be surprisingly light and comfortable to wear.

It's just phenomenal to me how far away we've gotten in all three of these politicized narratives. But particularly these last two I mentioned, either the open up we're going to go for *herd immunity* or the stay locked down we've got to *flatten the curve* narrative.

It's phenomenal to me in both of these how far away we've gotten from the original intent and focus, which was one that was focused on the biology in this disease and instead has become, again, a politicized narrative to try to achieve, frankly, ends and goals which are not to our advantage as citizens, but are definitely to the advantage of the institutions and political structures which are now promoting them.

Erik: Ben, let's talk about the monetary and fiscal policy response. Because as you go through these different narratives – look, I don't claim to be so smart as to know which one of those narratives is more prudent than the other ones. There's obviously tradeoffs between *flattening the curve* and is there some benefit from *herd immunity* and so forth. It's a hard puzzle.

But what I see here is, with essentially zero public debate or discourse, we somehow just one day flipped a switch and said, well, because all of this is going on, first of all is there anybody that we can identify and it was not their fault that the virus happened? In other words, because it's not anyone's fault.

If it's not airlines' fault that this happened, well then we ought to take public money – your money and my money – and give it to airlines to bail them out because, hey, it's not their fault. Cruise ships, it not their fault. The private jet industry, it's not their fault that this happened. Let's give them some money.

We basically flipped a switch and went to unlimited monetary policy, central bank balance sheet expansion that makes QE 1, 2, and 3 look like a backyard weenie roast compared to what we've now got cooking.

It's basically providing the central-bank-funded source to supply the necessary money to fuel the next step. Which is, hey, every week or so, let's just pass a couple trillion (with a "t") dollars of fiscal stimulus that we haven't really even talked about.

Not only has there been no public discourse, but even the senators that are voting for this stuff aren't even sure what's in the bill because they haven't had time to read it. And we're passing \$2 trillion a week for a while there, in fiscal stimulus.

And I'm very much of the opinion that the United States needs and would benefit from the right well-thought-out infrastructure program. But, wait a minute, I haven't heard a single bit of discussion about what the tradeoffs are and what kind of infrastructure we should be investing in and what the plan is for this infrastructure bill. It's just, hey, a couple trillion for that. Let's do it. Why not?

And what are we going to do for our next \$2 trillion next week?

Where does this take us in terms of – I'm so tempted to say well it has to be inflationary. I've said quite a few times in the last 10 years this has to be inflationary and it didn't quite break us out of deflation.

Is this finally the big thing that brings about a secular shift from deflation to inflation? If so, how long does it take for that to play out? And, if not, what else does this mean? Because it seems like we're in completely uncharted territory with just insane amounts of spending and a new attitude, which is, as long as it's not your personal fault that the virus happened, let's give you lots and lots of taxpayer money – as long as you're somebody who knows somebody.

Where is this all taking us?

Ben: Well, I'll end up with the inflation versus deflation question, Erik, because I think you're right that, as an investor, the only question you must get roughly right to preserve your wealth, to build your wealth, to protect your family is the inflation question.

You don't have to get it exactly right. You don't have to get the timing perfect. But it's the one question that you must get roughly correct in order to build and protect your family's wealth. I am going to end up with that because I think it's the most important question you can ask as an investor.

But to your main point here, the way you introduced this, look, it's what I like to call the *through no fault of their own* exclusion to capitalism, which I didn't know existed. But I'm thrilled to learn that we have this safe harbor now for *through no fault of your own* to protect your equity interest in anything in the world.

This is exactly what I mean, Erik, when I say that these narratives, particularly the *herd immunity* narrative of protecting the economic status quo, protecting wealth. And the *flatten the curve* narrative.

Both of these really do have nuggets of important truth. Both of these have started, I believe, from a good place. Both of these have now been co-opted as narratives almost always by political institutions.

Again, this is not just something on the left or the right. This is a power thing to use these narratives to try to accomplish, in my view, really sad and terrible things.

And one of those sad and terrible things is exactly what you're describing here, where the lion's share if not the vast majority of the fiscal and monetary support is not going to that single mom who's now been out of a job and has got to wrestle with, oh my God, do I go back to work and maybe infect my family when I've got nothing to support me here? I've got no backdrop here.

The amount of support that's going to that American citizen versus the amount of support

that's going to not just the 1%, the one-tenth of 1%, to the corporations, and the larger the better, the amount of support that's going to them has just dwarfed the amount of support that's going to the citizens that are truly bearing the brunt of this virus.

And that comes through in so many different ways.

It comes through in – we could talk about infringements on liberty, which are real, and which really we have to be aware of. They come in the form of our political leaders like Chris Christie saying, oh, it's your responsibility to go back to work and be that clerk at the counter. Sacrifices have got to be made. It's just like World War II. We've got to sacrifice.

It just makes me so angry, Erik. I mean a guy like Chris Christie whose, frankly, whose idea of sacrifice is a regular order of fries. For him to lecture us about national sacrifice, it really makes me physically ill.

And this is, as you say, this is the bailout nation that we experienced in 2008 and 2009 on steroids. It's just like you said.

And it's profoundly exacerbating the wealth and income inequalities in this country. It is once again revealing these naked sinews of power. It's once again ripping off the pleasant skin that we have in terms of democracy and capitalism to reveal, again, not a left versus right thing but state and ultra-rich against everyone else.

And I don't know any better way to say it. I don't know anything better to do than to keep calling it out.

But I do think that the time is right for all of us to call it out, to recognize what's happening, and return to grassroots civic political action, not to join the left or the right and march in some constructed, fake competition here.

But to actually work for our communities from that bottom-up level in a way that recognizes both the biology of this virus, which is incredibly challenging, and recognizes the rights and responsibilities that we have to each other as citizens. I think that's really the way forward.

Erik: Ben, I want to pick up on that point that you just made. Because, instead of just talking on podcasts about how all of this spending is immoral and wrong and so forth, you've chosen to actually make a difference by starting an organization [Front Line Heroes](#) which is actually making a difference in this crisis.

I really want to get to that, but I know my listeners will revolt if I don't let you first answer the question about inflation versus deflation and what it means for their investments. So let's hit that first and we'll come back to Front Line Heroes.

Ben: You got it, Erik. And, again, I think it's such an important question that you raise because

this, again, is the one question that all investors have to get roughly right. Are we in an inflationary environment or are we in a deflationary environment?

And let me say just as clearly as I can, right now, today, we are in a massive deflationary environment. There are no two ways about it. No two ways about it.

What we are experiencing, in terms of job losses, in terms of human life losses, in terms of the very real restrictions – not just restrictions but behavioral changes that we have in terms of international trade, in terms of travel, in terms of everything that makes the modern economy go, we are in a profoundly deflationary environment.

So that's where we are now. And I've written about this a lot. It's like – you know we talk about the Four Horsemen of the Apocalypse. Well, I think we can talk about the Four Horsemen of the Investment Apocalypse also.

And the first three of those horsemen – and here we're dealing with a real pestilence, a real plague – the first three of these are deflationary. These are the challenges that we've been dealing with for decades now.

These are the challenges that our monetary policy and our fiscal policy were designed to address coming out of the Great Financial Crisis, which was a deflationary crisis. These are the same tools and they're going to do more of that with this deflationary crisis around COVID-19.

My strong view though is that ultimately we get to the fourth horseman. And the Fourth Horseman of the Apocalypse was death. The Fourth Horseman of the Investment Apocalypse is inflation.

That fourth horseman will ride into town. And it's going to ride into town as a result of this response to COVID-19.

We have finally broken down the last seals here. We have finally gone forward with what is really an effective merger of the Federal Reserve and the US Treasury. We have the Fed and the Treasury acting in tandem today to create truly a Bank of the United States, going back to Hamiltonian days and Jacksonian days.

The modern Bank of the United States is one in which the Fed issues the money, prints the money, and buys things, including the securities, the debt securities that the US Treasury puts out.

We've crossed the Rubicon, here, we've broken the seals. I'm trying to think of other analogies I can use.

But what we have today in many of the alphabet soup of programs that have been launched are systems where the Federal Reserve is buying the assets. The US Treasury is taking the

equity tranche, the first loss tranche of many of these assets that the Fed is purchasing. And in addition, the Treasury is also issuing many of these securities that the Federal Reserve is now purchasing.

It's a merger of the two institutions that has been at the heart of what proponents of modern monetary theory have called for for years. That was always kind of one of the sticking points of modern monetary theory is that they saw the government as this unitary actor, as this bank, that would invest in the real world, that would spend money in the real world.

But it didn't match the actual institutional setup that we have in this country and most countries, where you have separate institutions that are doing fiscal policy, that's the US Treasury, versus monetary policy, the Federal Reserve.

And the big news, what ushers in this Fourth Horseman of the Investment Apocalypse, what ushers in inflation, is the merger of monetary and fiscal policy, as we are absolutely seeing with the response to COVID-19.

Now, where I believe the rubber meets the road here will happen after the November election. And the instrument of this, it's going to be a \$2 trillion spending plan where it'll be called Infrastructure Bonds or Make America Great Bonds if it Trump who gets reelected. It'll be called Green Bonds or No Malarkey Bonds, for all I know, if it's Biden who is elected in November.

But either way it's going to be about \$2 trillion and it's going to be at least half monetized, at least half bought directly by the Federal Reserve.

And the reason this is different from the financial asset inflation that we've seen over the last 11 years, the reason why I really believe this leads to inflation in the real economy is that with this marriage of fiscal and monetary policy, where the Fed is directly monetizing spending from the US government, where the Federal Reserve is now taking credit risk, which is crazy right?

Erik: Let me interrupt you for just a second, because I want to ask you to clarify something.

When you say the Fed will be directly monetizing half of that \$2 trillion, do you really mean that they will directly monetize, which would require either a change to the Federal Reserve Act or an even more liberal attitude toward ignoring what it says?

Or do you mean they'll continue to play this shell game where, in theory supposedly, it's the debt is all sold to the public and in reality investment banks are buying with the intention of turning it around a week later.

Do you think that shell game continues? Or do you really mean what you said in the literal sense of the rules change and the Fed is directly monetizing that government spending?

Ben: I think that it's the latter. I think that this will be the Rubicon to just do away with the fig

leaf and directly purchase it in the same way that you're seeing the Fed, I'll say, directly now purchasing issuance by states and localities.

Erik: And do you think that occurs with a rewrite of the Federal Reserve Act? Or do you think it occurs just because they get away with breaking their own rules?

Ben: I think it's the latter. I think you've probably had Jim Bianco on talking about this as well. And there are number of people that have talked about how there is an exigency clause in the Federal Reserve Act that the Fed has used in so many, again, of these alphabet soup new programs that they've announced that are clearly in violation of the Federal Reserve Act.

I think they'll just continue to expand that, that use of the exigency clause.

And the reason I say that is who's going to take them to court? Who has standing to say, no, that's a violation of the Federal Reserve Act? And it's a legit question, because I've talked to people and there are lots of them who are saying, look, this is nuts.

And it really is these new alphabet soup programs that are breaking down even further the barriers we've had between fiscal policy and monetary policy.

So I think we see more rather than less of this. I think that, if by some miracle, there is some way that someone has standing to take this to court and, again, by another miracle, there is some court somewhere that says, oh, yeah, this is problematic for the Federal Reserve Act, then I think they amend it.

But there is no one – this is what I mean, it's not a left versus right thing – there is no political party, there is no governmental institution that wants to put the brakes on what the Fed is doing. No one. None.

So my strong view is if there is no institution with an interest in stopping this process, it ain't gonna stop. It ain't gonna stop.

Though, that's what comes out of this. I think it's a 2021 phenomenon where we have really the direct monetization of federal spending, where we have the direct use of the Treasury to take credit loss positions, first credit loss positions, still leaving the Fed on the hook for credit losses.

That to me is the most incredible thing about these programs for buying corporate debt. You are explicitly having the Fed now take on credit risk where they are acting as a commercial bank, truly the too-big-to-fail commercial bank.

It's a watershed event. It's already happened. And it's not going to stop, Erik. It's not going to stop.

Erik: Ben, at some point in this crisis I know things kind of something snapped for you.

Because we got to the point where the government is basically not doing anything terribly productive.

At one point, I was actually following a story where there were paramedics in New York City dumpster diving behind the hospital looking for N-95 masks because nobody had their act together. They weren't able to order the right ones.

At some point, something snapped for you and you just heard about this stuff and you said I'm going to take personal action to get N-95 masks into the hands of people on the front line who need them.

Tell us, what is Front Line Heroes? But more importantly, how did it come about and what was your experience?

I mean, you're a very comfortable finance guy with a great career, a great reputation. I'm sure you never imagined yourself starting a charity before this all happened. Something happened for you and all of a sudden everything changed. Tell us what that was like.

Ben: What clicked for me, Erik, is that I'd been railing about our trickle-down economy for so long where the policy, fiscal policy, monetary policy particularly is really designed to support what I like to call the naked sinews of power.

And it really comes to a head in a crisis, where you reveal that this pleasant skin of democracy and capitalism that we all believe in and want so desperately for ourselves and our children, it's just a skin.

And then underneath it are all these policies which are designed to prop up and bail out and support the status quo wealth and economy of the very wealthy and the very politically connected.

And what really clicked for me in this COVID-19 crisis was it's the same thing with medical supplies. It's trickle-down. It's trickle-down, Erik, where supposedly we have these millions of N-95 masks that are stockpiled and available.

And yet, like you [saw], there are horror stories of doctors and nurses and EMTs and firemen and policemen who are forced to put not only their own lives at risk, but when you talk to these heroes, what they're really concerned about is bringing this risk home to their families.

And that's what they are forced to do in this trickle-down system we have not just for wealth but for medical supplies, for protecting, again, we call them front line heroes – the doctors, the nurses, the EMTs, the firemen, who are responding, who are fighting this war for us.

So that's what clicked, what snapped in me, Erik, was to find a way not to compete with the federal government and the FEMA and the state management authorities. Not to try to buy a

million N-95 masks and drive up the price and do all that, which is a real problem.

But I'll be damned if I was going to wait for FEMA and these state emergency authorities to find the time to trickle down masks to the people who need them so desperately.

So that was the inspiration for our effort. And I want to plug it right now. It's frontlineheroes.com. All one word.

And the way it came about was – this is the crazy world we live in, right Erik, where social media is both a horrible thing in so many ways but it's also wonderful at connecting so many people.

I got a Twitter DM from an "Epsilon Theory" reader who works for Intel. And he said we've got a ton of employees, Intel does, over in China. And I reached out to a couple of my friends over there. They can buy these N-95 equivalent masks. They're plentiful over there in China. They're not that expensive.

And so I've had a couple of buddies go online, order some N-95 masks, ship them over here to me, in a DHL bag of like 100 masks, and then I've given them to a local hospital or clinic that really desperately needs them.

He reached out from Portland, Oregon, where, obviously, in the early days there was a lot of need for this equipment.

Erik: Okay, so listeners who want to help get personal protective equipment in the hands of our front line heroes, by going to frontlineheroes.com they can make a donation on the website that directly results in effectively – I don't want to say this too bluntly, but I want to anyway – bypassing FEMA and all the bullshit of the federal government and actually getting the stuff to the people who need it right now.

Ben: That's what we've done, Erik. We've created an end-to-end distribution system where we are not only able to buy and source these masks where they are plentiful and where they are cheap – which is typically over in China – we're getting them in small quantities.

We like to call it like an underground railroad of PPE. We get it over here to the States. We get it tested at a medical center to make sure we're getting quality merchandise. And then we are getting it directly into the hands of the individual doctors and nurses and EMTs who then distribute it to their teams.

We can't get 10,000 or 100,000 masks to a hospital system. That's not what we're about. What we're about is getting 100 masks, 200 masks to a clinic in Indianapolis, to a hospital in New Orleans. All around the country, we've been able to make these direct connections with these front line heroes who are in actual urgent need of this equipment.

To date we've raised over \$700,000. We have bought and distributed over 60,000 N-95

equivalent masks to more than 600 individual clinics, hospitals, EMT departments, you name it, all across the country. And, I gotta tell you Erik, we're just getting started.

Erik: Ben, we've got a lot of entrepreneurs and business people in our audience. I hope that your actions will inspire some of them to think about what kind of charity they could create.

What words of either motivation or advice would you give to someone who's considering doing something like this? Maybe they've figured out a different way that they'd like to help our health care heroes or someone else through this crisis.

Ben: Well, the first recommendation I have is just do it. Just do it.

If you're waiting for someone to organize you, if you're waiting for someone to give you permission, that's what we've been so ingrained and accustomed to. That's what government and big corporations, that's what they do to you. They make you think you can't act unless you are being led or organized by them.

And so the first thing and the most important thing I'd say is that's a crock. You just get up and you just do it. You just do.

Now, when it comes to actually raising money, it is important I think to operate under the 501(c)(3) framework, both to take in donations and have it enjoy that tax advantage properties of it, which is really important. But even more so, it really enforces and requires an element of oversight and documentation that is so important when money is involved.

Now, to establish a 501(c)(3) from scratch is pretty hard. It's not hard; it takes time. What we were able to do, and I think what many of your listeners will be able to do to really, I'll say, formalize this and to get it started as a registered 501(c)(3), is to find an existing 501(c)(3) charity and partner with them to be a program or initiative of that existing 501(c)(3) organization.

Erik: So somebody who's already got the IRS letter designating them as a 501(c)(3), piggy back on them, partner with them, and use their IRS letter.

Ben: Correct. That's exactly what we did and I think it's a way to get these programs up and moving more quickly than the delays and the red tape from getting your own 501(c)(3) designation.

I think it's important to have that designation and to have the oversight and controls that that requires. But I also think that you can move more quickly if you find an organization in your community, an existing 501(c)(3) that you can work with.

Erik: Ben, I can't thank you enough for a terrific interview. Before we let you go, your "Epsilon Theory" newsletter is one of the most popular and one of the most fascinating in the industry.

Tell us briefly about that. And where is the website and Twitter handle so people can find out more?

Ben: Well, it's easy to find. It's epsilontheory.com and on Twitter its [@EpsilonTheory](https://twitter.com/EpsilonTheory). It comes from the old investment equation of alpha and beta. There is a third term on there called epsilon. And usually epsilon is "e" for error. But honestly Erik, that's where all of the behavioral economics lives, that's where all of, I think, narrative lives.

We call it the "error term." But I think there's a lot of information there.

So that's epsilontheory.com and [@EpsilonTheory](https://twitter.com/EpsilonTheory).

Erik: I thought you were going to tell me the "e" is for "extraordinary monetary policy and fiscal balance sheet expansion." Fantastic reading, though, and great insights. So I highly recommend it to our listeners.

We're going to leave it there. Patrick Ceresna and I will be back as [MacroVoices](http://MacroVoices.com) continues, right here at macrovoices.com.