

**EPISODE 1609**

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**FT:** So Money episode 1609, 2023 year in review, our financial future and adapting to change.

[INTRO]

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**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi, and Merry Christmas to those who celebrate. If you're tuning in, thank you. I know the holidays are a busy time. Our look-back series continues. Today, I've put together a recap of some of the best interviews this year that centered around the concept of change, whether that's preparing for climate change, navigating the influence of AI in the job market, and rethinking the ways that we're preparing young adults for the real world. Some of my favorite episodes this year focused on how the world's evolving and changing because part of what makes us So Money is the ability to forecast and adapt. Some of these changes are already afoot, climate change, for example.

Guest Molly Wood joined our show this summer. She is the Founder and Chief Storyteller at Molly Wood Media, which is an advisory firm for the climate economy. In our conversation, Molly shared her insights from the climate action world. This excerpt is where she talks about an exciting innovation in the climate space that kind of shocked me.

You have a unique perch like point of view, where you're at the forefront of a lot of invention and innovation in this space. As you're now wearing your venture capitalist hat, you get to see a lot of the new ideas for using capitalism to drive home solutions. What do you see is the next wave of solutions, and where do you think there's opportunity still to innovate?

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**MW:** I will just tell you I'm obsessed with mushrooms as a pretty wild climate solution. It turns out that you can use – so this is just like a category that I think is really interesting. But it fits

within this larger concept which is the people call waste to value. There's a lot of stuff that we throw away that it turns out can be transformed into something else. So that's – it's recycling but it's recycling kind of taken up a notch.

It turns out that mushrooms in use in something called a bioreactor have this magical ability to transform a lot of stuff into other stuff. They can break down toxic waste. They can eat the – I talked to a company that takes construction waste. They use basically a fungus reaction, mushrooms, to break down and consume the toxins in those materials and then create new building materials that are less toxic and are fully reused.

People are using mushrooms to make leather. Mycelium is the sort of like white web that mushrooms use to communicate. Mushrooms, by the way, freaking fascinating. I don't like them as a food at all. But as a transformational tool, I think there's more.

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**FT:** Maybe they weren't meant to be food.

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**MW:** That's what I'm thinking, maybe. **[inaudible 00:03:27]**.

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**FT:** It sounds like they were meant to be a widget. Yes, yes.

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**MW:** Totally. So people are making fabric out of mycelium, mushroom leather. There's one company I know of that's using food waste and using a mushroom process to turn it into like a gluten-free super healthy flour for a baking alternative. So I just think that things like that are fascinating, and I just find the mushroom thing really interesting.

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**FT:** That grows naturally, too, so you're not inventing something for the purposes of inventing something else.

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**MW:** Right, exactly. So I love everything about that, using waste that already exists, using a completely renewable resource, mushrooms, to turn that into something that is equally good or better in a lot of cases is – that, I think, is the great unlock. When we can figure out how to do that in most categories, we will have made some really massive change. Then also, we just got to put renewable energy everywhere. In some ways, we have the magic bullet. It's solar. It's in the sky.

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**FT:** I think I ask everybody this when I'm talking about climate change, those who are in it and experts and have a unique perspective, is that are you optimistic? Because I'll tell you, listening to like NPR in the morning and my morning drives and if there's like a climate summit, there's inevitably somebody who they interviewed that's like the world is ending, and that is a fact. The train has left. Whatever we do at this point in the name of protecting the environment, it's too little too late. I'm just like, “Should I just run my car into a brick wall now?” I don't –

Please like be honest because I think that what I don't expect you to say either is like, “No, it's all going to be fine,” because it's – I think you've already expressed that to an extent. It's going to be a hard middle until we get to the other side. But when you like look at your crystal ball, how long is it going to take? Is it 50 years? Is it a century until we get to that point where we have made a lot of stride, we have shielded ourselves from the heat?

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**MW:** Yes. Possibly literally shielded ourselves from the heat. I hate – those are exact – again, that's the opposite of what I ever want to do on the podcast is just say here's why we're doomed

or here's this huge insurmountable problem. I'm a, again, very pragmatic person, and I always want to be honest with people and say we're going to go through some stuff. There is some stuff that is going to be possibly pretty bad that is really baked in.

But if there is a thing that humans are good at, it's survival. We're phenomenal at that. We have innovated our way out of every extinction level threat we've ever encountered, whether it was fire, agriculture, the Industrial Revolution, and now reversing the damage of the Industrial Revolution.

I am lucky enough to talk to founders and entrepreneurs and inventors every day who are unbelievable. It's actually the most hopeful job in the world, the stuff that people are imagining and building and actually making a reality. We talk about how – like let's just take one example which is nuclear fusion. So nuclear fission is the energy that we're familiar with now when we think about nuclear energy and bombs. One, more nuclear energy does have to be part of the clean energy mix.

But there's also this concept of fusion energy, which is the – that's what the sun does. The sun is a giant fusion reactor, and people have been working for decades, decades to try to figure out fusion. All of a sudden, we're getting closer, like pretty legitimately close. There's at least one company that's building a power plant stage pilot or sized pilot. So they're building a mini power plant to test this fusion energy, which is effectively unlimited energy. It doesn't – it produces radioactive waste. I don't even know if it's radioactive, but it produces toxic waste that last 10 years, instead of forever.

You could imagine a scenario where instead of growing up in a like sci-fi dystopian nightmare, our kids actually grow up in an energy utopia. Imagine what problem you could solve with effectively unlimited energy. You want to desalinate huge chunks of the ocean to make drinkable water in places where it doesn't rain anymore, but you have unlimited energy. No problem. Energy is the barrier to preventing us from doing that.

So I am tremendously hopeful that we – then you take like quantum computing which is like, “Oh, okay.” So quantum computing can just figure out how to invent new materials, new processes, new kinds of photosynthesis. I know this VC firm that talks about literally new

processes of photosynthesis. These are the conversations and the real inventions that are happening. So I'm super hopeful. I am super optimistic, and I'm also very realistic about like we're going to – it could be pretty tough in some places. No question.

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**FT:** That was our friend, Molly Wood, from episode 1529. Molly's also the host of the podcast Everybody in the Pool. She's a longtime journalist, and I really appreciated the optimism she brings to climate change, which is a topic that can feel very heavy and difficult.

Speaking of difficult, how about landing a job when you're being sized up by artificial intelligence? CNET's Laura Davis stopped by So Money to share her research on how employers are leveraging AI to support the hiring process. She broke down a software program, which is being widely used, the Applicant Tracking System or ATS. Almost every Fortune 500 company is filtering candid through this software. In this excerpt, Laura explains the technology and offers us some new rules of this brave new world to help us job seekers get a leg up.

You talk about how almost every Fortune 500 company at this point is using ATS, Applicant Tracking System, a computer software program best for large-volume hiring. Kind of for the employer, I guess it helps them parse through a lot of the applications. How does it actually work, and what is an ATS looking for?

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**LD:** Yes. So the ATS is used to kind of speed up and streamline and automate the hiring process. It's scanning these resumé's for certain keywords that meet the job description and then parsing the content into categories. You can like think of it as a gatekeeper. It will, essentially, move your application onto the recruiter, or it will weed you out, and then you won't get seen at all.

Then there's lot of other functions that the ATS does like storing candidates' information and other hiring data, and then tracking candidates through the hiring process. So it's helping the

HR team keep an electronic record of who they've contacted and what stage of the process they're in.

In terms of what the ATS is looking for, your resume has to have a certain match of keywords with the job description like in the skills and experience areas. It has to be readable and comprehensible to the software. So that's really the only way that your resume will get to the desk or email of a recruiter.

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**FT:** Jumping ahead a little bit because I wanted to ask you about the best ways to sort of speak to the AI so that it kind of “likes your application” or feels like it's a good match. I was watching you talk on, I think it was CBS, about the days of glamming up your resume, using fancy fonts or big words, like \$10 words. Not so much the best way to speak to AI. They're looking to match the keywords. Probably simplicity is best. So maybe a quick tip on just even how to like format your resume so that you can get through that first level and not inadvertently make yourself –

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**LD:** Go to the no pile.

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**FT:** Yes. Like eject yourself from the job process, hiring process.

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**LD:** Yes. I mean, essentially, it is about having kind of this like baseline understanding of the tools that are being used and then having some of those tips that you mentioned, so just like getting your foot in the door. The ATS is going to reject the majority of resumés out there. So if you're able to make it past that first robot screening, you might be in the top 25% of applicants. Then you can actually be seen by a human.

I have a disclaimer here. Of course, I'm not a career coach or a recruiter. I got tips from some great people with experience in the fields. A career coach named Lauren Milligan from ResuMAYDAY helped me break a lot of this stuff down and the staff at an online job scanner called Jobscan and then a lot of other people in HR. There was a lot of continuity in terms of the advice that they gave.

The first tip, like you said, simplicity. Keep it simple. You want to use AI-powered platform like an advanced resume scanner like Jobscan to see if you have the right length and the font and the formatting. They'll tell you if it can even be read by a resume robot. So instead of those charts or graphics that make it look really nice and fancy, that actually blocks the software. Your data won't be extracted, and your resume won't be read. The key tip there is like don't be creative, no images, boxes, tables, or weird fonts. You just need something that's ATS-friendly.

Then the second tip that everyone offered was to tailor your resume for each job. All of us have like a standard resume. A lot of times, we just send that off in mass, but you actually have to make it unique for the particular role. You can use an AI-powered keyword simulator to make sure that you have at least a 70% keyword match between your resume and the exact job description. So what that keyword simulator basically doing is like imitating an ATS. If you don't have a high percentage with a solid match, you won't make the cut. That means paying attention to like different titles for job positions you've held. You basically have to tweak your resume and cover letter, depending on the requirements and qualifications for the role.

Then the last thing that people recommended was to use AI to your advantage but to, obviously, be you. When you're working on a cover letter, you can use generative AI programs like ChatGPT to write your cover letter. Include those keywords in there, but you also want to have specifics that only you know. So you want specifics like metrics and measurements of your accomplishments, growth, and projects, and revenue or whatever else.

That way, when the recruiter reads it, you'll stand out. You'll have a specific story. You'll point them in certain directions, and you're like highlighting these skills that are exclusive to you. That's where like your human agency will stand out. You'll show you're dynamic and and versatile and independent in that way.

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**FT:** You also wrote about – you have an article on CNET now about how AI-powered hiring software is this black box. But then you go into some of these pieces of advice from the experts you talked about. One of the pieces of advice was on timing. Is it true that when you apply and the timing of your application can make a difference to these ATS machines? How does that work? Set up for failure.

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**LD:** I mean, yes.

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**FT:** You set a timer for when – and what does that timer look like?

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**LD:** Yes. Job seekers are the underdogs. I mean, that's the reality. I think timing makes a difference because we don't actually know when HR stops hiring for a job. So jobs can be posted for a really, really long time. The hiring manager may have already in the first week gone through and selected the top few candidates for the initial round of screening. If you apply the second week, you might be fully qualified and just be too late. It's just a general rule of thumb that job seekers should submit their application within the first few days the job is posted because speed matters.

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**FT:** That was Laura Michelle Davis, Editor at CNET, episode 1567. Speed matters. But you know when speed can be problematic? When we rush kids to college without equipping them with any sense of how to actually survive and take care of themselves in the real world. That is something that needs to change.



Sticking with our theme today and according to my guest, Ana Homayoun, author of the new book *Erasing the Finish Line: The New Blueprint for Student Success Beyond Grades and College Admission*, parents, teachers, caregivers, society needs to rethink the essential skills that students need so that they can move beyond the prescribed path of just trying to get into college with good grades and really thrive in school and life. Here's Ana.

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**AH:** I've been doing this work with middle school, high school, and college students for the last 20 years and really recently started working with companies on early career development because what we were seeing was that this college acceptance is looked on as this finish line. What it's doing is it's undermining the development of habits, routines, and skills that students need not just for college but for the workforce and for their daily living in general.

So my whole focus on *Erasing the Finish Line* is helping parents and caregivers and students and educators think that we need to look beyond this one moment of time and really focus on these fundamental skills. There's four pillars that I talk about in the book around systems, connection, perspective, and acceptance, and really make that the forefront of helping each student build their own blueprint.

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**FT:** What are you seeing? What are you seeing as far as students arriving, let's say, in college and not being equipped? Then what are the things that they're – what are the elements that you wish they had before, whether they go to college or anywhere else for that matter? But what are the ingredients or like the life skills that you think are being ignored?

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**AH:** Well, I think what is really important for parents to understand is that feeling organized decreases stress. At a time where we're really focused on students' mental health and well-being, we've overlooked that these key skills around organizing, planning, prioritizing, starting and completing tasks, and being adaptable thinkers are almost looked on as secondary.

So just last week, I had a mother call my office because her child had done really well academically in school and was now at this really prestigious university and really floundering not just academically but overall. Because they couldn't get up in the morning, they weren't making it to class. They didn't know how to do their laundry. They weren't able to manage their meals.

All the day-to-day life management skills that when I asked her, I said to her, "How much of this were you doing for a child when they were at home?" Her response, she was really honest. She said, "You know, I really just made sure that my child only focused on academics, and so I did most of these things. Or I had a hand in it." They would get their kid up, and they'd drive them to school, and they would manage their activities and call the doctor.

So we underestimate how this daily living impacts how students show up and then in the workforce too, right? Like offensive deadlines and urgency and getting things done. So it really is pervasive having parents understand these underlying skills.

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**FT:** Yes. I mean, I empathize with that parent. I get where there could have been more emphasis on the child, taking almost executive functioning and organization skills themselves. But college, as we know, is so hard to get into, so hard, way harder than we were applying 20 years ago. So this logic that parents use of, well, you got to – it's like if I have to choose where are my kids going to divide their time. I mean, it's going to be with the academics, if the goal is to get into not just even an Ivy League. But like, literally, any college now, you need to speak like all the languages and of all the extracurriculars and have all the great grades.

So maybe this gets us into your pillars in terms of how households can balance this act because I don't think what you're saying is don't worry about academics. It's that we need to pay as much attention and enforce as much these other important life skills that does lead to things like mental wellness, which is at the end of the day what we're hoping for at the end of the day.

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**AH:** Right. We want to think about it this way, right? So doing an audit of the skills and the things that you take care of for your child that they're going to need to take care of once they go to the workforce, they go to college, they move out of your home. Look at all the things that you're doing that they're going to have to do for themselves.

Then what I would recommend, even when they're in middle school and high school, have them pick one of those things to start to take control of. The number one thing I found was actually just waking up and getting up in the morning without any parental interference, right? That was the major issue.

This isn't a – what I want to make sure that families know is that I am not coming from a blame, shame, or anything like that. This is hard, and we are coming out of a few years where all of the rules kind of went away overnight. We had students that developmentally they missed certain key experiences, or they're out of practice.

So this is all about how do we erase the finish line so that 18 or college acceptance or college admissions isn't this finish line of adolescent development? Because we know as adults, right? All of us can say when the things that we knew at 18, and we've learned since, right? If somebody considered us a finished product at 18, that would be a problem. Yet the message that we send today to parents, to students is that they're supposed to be further along than they are. No matter where they are, they're supposed to be further along and that there's this finish line around college admissions.

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**FT:** That's our show. On Wednesday, we're exploring the theme of comedy and looking at money through the eyes of some of the funniest people who joined me on So Money this year. Until then, happy holidays, and I hope your day is So Money.

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