

EPISODE 1529

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FT: So Money episode 1529, investing in climate solutions with Molly Wood, Founder and Chief Storyteller at Molly Wood Media.

***MW:** Talking about climate change, that engaging in mitigation of climate change, and trying to reduce emissions, and invest in ESG funds, any kind of ESG funding, is woke. There's no meaning attached to that, right? It's just like – and so there has been this war on 'woke investing.' There have been laws in multiple states directing pension funds not to invest in categories that are labeled ESG.”*

[INTRO]

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FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. We're discussing the climate economy today and how capitalism, yes, capitalism, can be a tool for driving solutions for a greener planet. Our Guest is the one and only Molly Wood, a long-time business and technology journalist turned venture capitalist. She's the Founder and Chief Storyteller at Molly Wood Media, which is an advisory firm for the climate economy. She's host of Everybody in the Pool podcast and newsletter. Be sure to listen to Everybody in the Pool today, where I'm making an appearance. Molly and I are doing a little bit of a podcast swap today.

Molly is a veteran of national media. She worked at Marketplace on National Public Radio, the New York Times, and CNET. She's a podcasting hall of famer. In January 2022, she became a Managing Director at Launch, scouting and investing in early-stage startups with a focus on climate solutions. Today, she brings her behind the scenes insights into the moving parts, as well as the hurdles for bringing climate solutions to the forefront, the innovations she's excited to see, and why she's ultimately optimistic about the direction of climate action, and what can we all do, our individual contributions to supporting the planet. Here's Molly Wood.

[INTERVIEW]

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FT: Molly Wood, welcome to So Money. It's really finally to have you on the show. How have we not crossed paths until recently? I don't understand.

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MW: I honestly don't know. It is so bizarre, given our like CNET crossover and just the business and economics focus. Like I'm surprised that it took someone completely outside of either like the media ecosystem to introduce us, but I'm thrilled to be here.

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FT: If you're listening Mo, he's our mutual friend and a super connector, a super – Molly's making the heart –

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MW: The heart, yes, yes.

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FT: The heart sign with her hands.

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MW: Heart you, boo. Heart you, boo.

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FT: I want to get into so much with you, Molly. I want to talk about Molly Wood Media, which is your media empire, your storytelling around climate solutions includes a newsletter, a podcast, startup advising, consulting. You have a new podcast. Maybe we could start, though, with just your foray. As I was on your podcast, we did a swap. So, everybody, go listen to Molly's new podcast. Everybody in the Pool is the name of the show. But you asked me how I kind of got my store or start, the origin story. How did you get interested in business reporting of all things?

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MW: I know. It was a real accident and a winding road to the kind of – it was a slow-burn realization that I had been a business reporter for as long as I had in some ways. So I started out as like a very generalist reporter. I was doing sports reporting for the Associated Press in Nebraska, that kind of really old-school journalism. I happened to move to the Bay Area in 1999.

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FT: Wow.

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MW: When you're in the Bay Area in 1999, you ended up in tech, even if you were like a sports reporter from the AP. So I ended up um writing for a magazine that covered the Apple, the company, Apple as an industry unto itself. I went to CNET where I was for 13 years and then to the New York Times and then Marketplace on NPR. It was some time in that transition kind of realizing that all of covering tech from 1999 on, we were podcasting about it in 2005. It was sort of a building.

I think what turned me into an actual business journalist was realizing watching all of those business models change because they were so brand new. At the time, I was like, "Oh, we sell computer components. Oh, no. We sell iPhones where everything is totally locked up, and you'll never be able to get inside. We sell Internet service. We sell cable and Internet," right? It was this sort of evolution of those business models but also building the digital economy in some ways, as I was writing about it.

Then, of course, Marketplace is like a business and economic show. So that was –

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FT: I love Marketplace.

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MW: I really put a ring on that business reporter thing.

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FT: Well, they were so lucky to work with you and CNET as well. You've worked at a lot of major, major brands in this space of tech reporting, business reporting, economics reporting, and now the transition to working independently. How has that been? When you think about all of these experiences that you've had and what you actually want to take with you and what you want to do differently, what has that been like for you, that exploration?

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MW: Yes. It's really interesting. So after this long career in journalism, I did sort of a pivot into venture capital and became an investor, which was a whole next level of business conversation and business understanding and kind of falling in love with founders and realizing what bananas characters entrepreneurs really are and then just really had the opportunity to put all of these parts together.

The interesting climate solutions, the career in journalism and storytelling really is almost like the reframe, right? It's not just journalism. It's translation. It's this idea. It's what you do on your show, which is take something that seems really complicated and make it so that anyone can understand it. Then this kind of capitalist lens and founder ethos, which I realize I sort of always had at these companies that I worked at. I was always an entrepreneur. Like, "Let's invent a show or let's do three new podcasts."

I'm the kind of employee who drives bosses crazy, and I think that that has sort of informed this new approach, this sort of independent – not sort of. This completely independent path that I'm now forging that I wouldn't be able to have the confidence to do if it weren't for all of those experiences. Right now, I'm in a position to be able to say, “You know what? I know what I'm doing. I know what makes a good story.”

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FT: You do.

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MW: I know what a podcast should sound like. I know what radio sounds like. I know how to write a script. Like, “I got this. I'm going to take this opportunity to tell the stories that I want to tell NPS. Own the things that I create, not for nothing.”

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FT: Yes, ownership. Why haven't we already learned from Oprah? Like I –

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MW: I don't know.

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FT: Because that's what she learned from the men who were in her industry. She – there was actually a specific person who said to her when she was starting Oprah Winfrey Show that like you actually need to own this. This isn't – then, of course, her business became, called OWN. But, yes, I think, you know what, you're here, and you've figured it out, and that's all that matters. Your passion now is climate survival, which I heard you say on another podcast. It's like covering vegetables. Do you remember you said that? You said –

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MW: I do. Yes. Unfortunately, that is how many editors see this topic, like covering the vegetable category.

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FT: Yes. Why do you think it's such a slow burn? Why do you think it's such a slow adoption of saying, "Hey, we should – this is –" It's almost like personal finance. They always bury it. Only until recently, like lifestyle magazines and the mainstream news has been like, "No, this is important. We're going to talk about inflation on the front cover of our news." But climate change, I feel like it's always like a special report, not actually a mainstay.

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MW: It's a special report right around Earth Day. I think it's one of those topics that feels too big to tackle. One of the ways that I came to this was in just this very like I'm from the Northern Plains, right? I grew up in Montana and North Dakota. I am a like multi-generational black coffee and hard work person. So I just had this moment where I was like, "Okay, cool. Yes, it's a really big problem. Who's working on it? What are the fixes? What are the solutions to this because there must be solutions?"

It turns out that if you want to solve a big problem, you break it down into component parts. Then you tackle the parts, right? That's just how you deal with major issues. Frankly, so it was this combination of being like fed up with the way that we approach it but also the realization that this is the biggest business story in the world. Much like personal finance and all of finance affects everyone, climate is a systemic financial risk. It's the kind of thing that destroys people's homes and health. As you've reported on, it is an investment opportunity.

When you really want there to be lasting change, you need this combination of activism and awareness and economics. Everything is economics. But I think we want climate to be a social conversation when, in fact, first of all, it's a science conversation. But science is also vegetables

to editors. But if you want to make it sexy, frankly, attach a crap ton of money to it, and that is not hard to do.

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FT: I want to get next to the capitalism behind this and how we always talk about capitalism in the context of like, “Oh, capitalism, those cronies.” But that this could actually be how our way through this and to survive. But you say this is the biggest business story. It's also still, unfortunately, a political story and I wonder. I would love to get your thoughts on how that is muddying the coverage.

Or I was learning from you that even some of the financial institutions that are new or the fintech solutions are getting trampled because of politics, because of lobbying, because of threats. This is all happening behind the scenes. A lot of people don't know what's going on, so please tell us what's going on.

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MW: Yes. There is somewhat recently and to such an extent that it almost feels coordinated. There's been, first of all, a strong resurgence of climate denial specifically on the right. I don't even want to make this a political issue. It's just a simple fact that when you look at who is engaging in climate denial at this point, it is coming from the right as almost a plank, right? You have Ron DeSantis, who recently announced his run for presidency, running in part on a platform of saying that talking about climate change, that engaging in mitigation of climate change, and trying to reduce emissions, and invest in ESG funds, any kind of ESG funding, is woke. There's no meaning attached to that, right?

It's just like and so there has been this war on “woke investing.” There have been laws in multiple states directing pension funds not to invest in categories that are labeled ESG to such an extent that actually some of those pension funds have turned around and sued in response because they've said, “You're preventing us from doing our fiduciary duty to our pension holders.” These are actually better investments than, say, fossil fuel stocks, which historically just notwithstanding the war in Ukraine, which has given everything a bump in the energy kind

of field notwithstanding that temporary bump. This is a declining asset class full stop. Like the returns, this is just math.

So you've had some of these pension funds fighting back, but you've also had banks cave to this pressure. Vanguard exited a net zero bank alliance saying, "We need to be politically neutral." To me, that suggests I will say that the strength of this kind of campaign which really just appeared out of nowhere in kind of the last year, frankly, suggests to me that like it's working on the other side, that the money is really starting to move in the direction of mitigating climate change, and that you have financial institutions all over the world and regulators saying, "Yes. No, this is a systemic risk, the end. There's no debate about this."

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FT: Just to take it even a step backwards, how Ron DeSantis even gets to that kind of a claim if you think about what's fueling his campaign. What are – where is – follow that money. So this is still at the core. This is a money story. This is the biggest financial story that goes uncovered. Enter your podcast, Everybody in the Pool. Tell us about what you're excited about covering that no one else is really talking about but is so, so important.

This isn't hyperbole when we say that to understand this, to be a part of this conversation, to make any small moves or big moves as a consumer, as a financially-minded person. You are not just saving your life but other lives.

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MW: Right, 100%. You're maintaining a quality of life for yourself and the people around you. Frankly, somebody sent me a cartoon recently, and it was a comic that showed a person on stage at a climate conference. On stage were these bullet points that were like cleaner air, safer water, like better breathing, quiet highways. Then there's somebody –

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FT: Yes. If you care about healthcare costs, you should care about your climate impact.

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MW: You should really care about this. Then there's someone in the audience going, "What if it's all a giant hoax, and we create a way better world for nothing?" Like –

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FT: Oh, my gosh.

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MW: Right? On the one hand, there's no downside to having cars on the road that don't pollute. There's no downside to creating hydrogen-fueled airplanes that are silent in the skies, that don't send animals like running for shelter when they fly over, or that don't pollute neighborhoods with either sound or exhaust that actually emit water. That's actually awesome. That's great. I would love to live in that world. So there's no downside to doing it, even if you're not fully on board with like, "Oh, we're going to go extinct." Because the thing is we're not, right?

Everybody wants there to be no – there's just like we're doing our status quo or we're all about to die. The truth is that what we experience is a long miserable transition, and we are already starting to see. I mean, in the global south, they're experiencing it with mega typhoons. We just had a mega typhoon. That's already happening. In India, roads melt. The UK last year had temperatures well over 100 degrees in London. That does not happen, right? Their runways of the airport were buckling.

In the Bay Area, we – I'm in the San Francisco Bay Area. We had the kind of winter where people were without power for a week, where trees were falling on houses constantly, where you couldn't – those are all – that's just the new normal, and it will only continue to get worse. So there's this kind of double imperative. One is stop warming the planet so that these effects don't get worse, and they will kill a lot of people. But before that, they'll cause a lot of people to have to move. They'll cause massive migration. It'll cause damage that we cannot afford. It'll

cause huge disruptions to society, food shortages, energy shortages, insane energy costs. That's the stuff that's sort of – those are all the problems.

Now, everybody in the pool is not about any of that because like all we ever talk about are the problems, and then we get super overwhelmed. So everybody in the pool is two things. It's a framework for how to solve problems together. Also, it is a show that focuses on the solutions that are like practical, adoptable, real, and business-oriented. It's basically Marketplace but for the climate economy.

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FT: Can I confess something to you? Last year, I came home, and there was a sign in my front yard that my husband had put because someone had like come to our house and canvassed, and it was a sign that said climate action now. I was like, “We can't put that in our front yard because we have a house without solar panels. We drive an SUV. We're in complete contradiction to this sign.”

I think that if I'm getting really honest about it, like I want all these things. I want to be that person that is so climate-virtuous. I feel like it has to be all or nothing. Until I'm like essentially doing all of the “right things” that I can't claim to be caring about the environment, and I can't make statements, and I can't even encourage others to either because I'm not modeling it perfectly.

Do you run into that that – I guess it's like a psychological thing, right? That I feel as though I'm not really being as true to the mission as I should be, and I don't know. I guess, sometimes, I'm lazy about it. I'm just human. I'm like just being honest with you right now.

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MW: You're like normal. I know. I'm like you're like a normal human in the world. Yes, totally. I think that there is so much paralysis in that, and it's self-induced, and it's also society-induced. It's based in this storyline, this thing that I call problem porn, the idea that it's so big that unless

you change every single thing, nothing will possibly work. When we know that if every person just did one thing, we would have a massive impact.

So like the hope with this show is to say, "Here's a buffet. Here's a buffet of possibilities." That can be you install a browser extension on Amazon that gives you a more sustainable version of what you're already going to buy, and then you get that instead. That can be solar panels. That could be one of your cars. It can be an EV, like the one that you just use for day to day. Or you could take a bike more often. Or you could eat a little less meat. Or when you think you're getting bright. It's all this.

I just – I say all the time on the show like a drop becomes a flood, and it's the collective action. People are always like, "I can't do anything as an individual because it's a collective problem." Well, what do you think a collective is made of? Your and our day-to-day actions. I am not doing all of the things. I am not doing all of the things. I'm going to just confess that because nobody, no one person can.

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FT: You can't.

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MW: Frankly, you shouldn't have to, and we should actually – what I hope, I have this sort of 80-20 theory about it. There's the 80-20 rule, which is like 80% of the inputs drive 20% of the outputs. If 20% of people adopt some solution, then it will become the norm. Then when you go to the store or you go car shopping or you buy a house, you won't have to choose. That'll just be what's there.

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FT: I'm curious in your reporting, Molly. Have you found that there are these functions, these things that we are told to do for bettering the environment that actually are counter-effective? Like my best friend actually thinks recycling is – she doesn't believe in it.

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MW: Yes, I know.

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FT: Like when she said that to me, I was like, “I don't know if we can be friends anymore.” But she's like an educated journalist who has done her research on it, and she's like, “No, I feel as though it's counterproductive. It's all going into a big giant pile of waste. I mean, let's be honest.”

Then I have friends on the other spectrum that are like if they come to my house and, “Where's the recycling bin?” If I don't have a different recycling bin for the X, Y, and Z, like I'm a bad person. So that's one example of like where the verdict may be still up for some consumers on like whether or not that's actually helpful. But do you think that there are some things that we've been sold on that might actually not be the best way to make an impact? If you're going to pick your one thing, should it be recycling?

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MW: You should recycle, and recycling is real, and recycling is a commodities market like anything else. It's a really interesting business story, actually, recycling. But there was just some – there was like this week as we are recording, in the first week of June, a whole study came out that said like, “Yes, curbside recycling really does matter, and it matters to varying degrees based on the price of aluminum, the price of gas, the price of some of the materials in the recycled items.” But overall, yes, like it really matters. If you have curbside recycling, and your city wants to get rid of it, please tell them not to, and it is, in fact, impactful.

Is it the only thing you should do? Ideally, you might want to layer some stuff on top of that. Maybe what you do actually is like when you're going to go buy a new fleece, you look for one that's made with recycled plastic because then you help that commodity price stay high. You show – you prove a market. But those things are getting easier to do too. Those products are

becoming more available. You can choose a little less meat sometimes. You can turn your thermostat down.

There are sort of like easy ways that consumers are being rewarded. If you have a Nest Thermostat, for example, you can opt into a program where it'll sort of automatically adjust your temperature based on peak energy usage, and then you get rewards. Are there things we're doing that are counterproductive? Yes, always. I mean, greenwashing is real, and it works. I interviewed somebody recently who said that if you just put something in a brown package, then people will buy it, thinking it's more sustainable. That sucks. That should stop.

It's not ideal that we are transitioning people to electric vehicles that are also huge, like seven-seater SUVs. That's a ton of raw material to make. Because they have huge batteries in them, they're way heavier and more dangerous than other vehicles on the road, and they don't need to be that big. That's like – and we're focused on electric vehicles to the exclusion of e-bikes which are actually a great solution for a phenomenal number of people and safe energy-efficient public transportation. Also, there's like no solution that I'm kicking out of bed for eating crackers right now because we need them all.

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FT: Yes, yes. 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? 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 – like 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 00:25:36]**.

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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. Like using – 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?” Like 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 will always – 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. Like 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: Are capitalists eager to invest in these ideas?

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MW: Yes and also fickle. Capitalism is a fickle beast. But we have seen a huge boom in private investment, in venture capital, and also private equity coming into the climate space in the last three to five years. I don't see that slowing down primarily because, again, in VC, we talk about TAM or total addressable market. This is a total addressable market of the entire planet. It's a big, big opportunity. I do think – I keep talking about the climate economy, and I think that's what we're in now.

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FT: Well, will you come back when you have done even more of an exploration? Your podcast is now – we are taping in the beginning of June. You're at the beginning of this.

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MW: Three episodes as of today.

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FT: Yes. You can go and listen to me talk to Molly about my reporting on the cost of climate change and all that I've learned in terms of like the decisions that we make, not just at the grocery store but where we bank, how we invest, how we life plan through the lens of what is going to be the climate impact not just only on my life but the community that I live in.

So thank you for the work that you're doing, Molly, and I want to send everybody over to you. Tell us where the show exists and all this. I actually just signed up for your newsletter too. I'm excited for that. Tell us about all the things.

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MW: Thank you. Yes, the newsletter goes with the podcast. Mollywood.com right now is where you can find it all. By the time I come back, I will have some content at everybodyinthepool.com. I have the domain. I'm getting closer. This is startup life.

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FT: Nice.

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MW: Yes. Mollywood.co is the home for everything that I'm doing. Thanks for listening.

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FT: Thank you, Molly.

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MW: Thanks, Farnoosh.

[END OF INTERVIEW]

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FT: Thanks to Molly Wood for joining us today. Check out Mollywood.co. I'll put that link in our show notes to sign up for her newsletter, and be sure to subscribe to Everybody in the Pool, Molly's fantastic podcast about climate solutions and the people who are building them. See you back here on Friday for Ask Farnoosh. I hope your day is So Money.

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