

AlphaWeek Q&A: Danielle DiMartino Booth, Money Strong

23 April 2018 [Greg Winterton](#)

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Ahead of Texas Wall Street Women's 9th Annual State of the Markets Event on Thursday, April 26th 2018, where she will be discussing the economic outlook, Money Strong Founder and President Danielle DiMartino Booth took some time to connect with AlphaWeek's Greg Winterton to give her thoughts on a variety of topics.

GW: Danielle, thank you very much indeed for taking the time. To begin, why did you start Money Strong?

DDB: Hi Greg. In my capacity as a close advisor to Richard Fisher at the Dallas Fed, my responsibilities entailed briefing him on every aspect of the financial markets with an eye to how monetary policy and economic data factored in to the dynamic. Not a born bureaucrat, I followed Richard in and followed him out after he retired. I have written my weekly newsletter ever single week since I left in the summer of 2015. It's a continuation of what I used to provide to Richard, but for public consumption. I feel it's necessary for the public to have an opportunity to understand what's going on from an insider's point of view.

GW: You pull no punches with regards to the Fed's culture and operations in your book [Fed Up: An Insider's Take on Why the Federal Reserve is Bad for America](#). Is it really ever going to change?

DDB: Will change ever really take place? That remains the great unknown. Jay Powell is the first non-academic with real world experience to lead the Fed since Paul Volcker in the 1980s. Listening to him, he is clearly a pragmatic departure from the norm in both style and substance. It remains to be seen, though, whether his support for John William's taking over at the New York Fed is sound. Williams has a

solid track record in monetary policy but has no experience in banking supervision and regulation and financial markets, having famously said he does not have a Bloomberg terminal on his desk. Given Williams assumes the second-most important role at the Fed, VC of the FOMC, tasked with policing the biggest banking concentration in the world and ensuring financial stability is maintained, it is a major gamble on Powell's part to sanction William's ascent. The short answer on whether things will change: Things are hopeful but TBD.

GW: Money Strong recently wrote about the public pensions crisis. Can alternative investments strategies really make a dent in these financial black holes?

DDB: As a point of reference, pensions in Great Britain have their rate of return assumptions capped at 3 ½% -- a governor to prevent risk-taking on too great a scale that in turn endangers the retirement assets of pensioners. We have no such safeguards in the United States which has encouraged pensions to pile into alternatives hoping to achieve their return bogies that are closer to 7%. The risk in the next downturn is that cash flows are even more severely hampered as public investment get hit at the same time illiquid alternatives are shut out of credit-constrained markets. Pensions will likely be too far on both the risk and liquidity spectrums causing a severe crisis.

GW: I'd love to know what your thoughts are on crypto / alternative currencies. Game-changing or a bit overrated?

DDB: The blockchain is without a doubt a game-changer. I cannot wrap my mind around any currency that by its design should be a store of value and a medium of exchange being so volatile. That said, central bankers are taking prodigious notes on the functionality of cryptos as many countries – China, Russia and Venezuela – dive into sovereign cryptos. Developed countries will be forced to follow suit and the experience of cryptos will give much in the way of guidance as how to design and implement their own crypto currencies.

GW: Finally, can you tell AlphaWeek's readers why you're a supporter of Texas Wall Street Women and what the organisation means to you.

DDB: Texas Wall Street Women is at the forefront of ensuring that what's been lost on past generations – basic financial literacy – is not lost on future generations. A recognition that any woman can succeed in a the "man's world" of finance is a

critical first step in opening the doors to financial literacy being widespread and therefore that the lack of literacy does not exacerbate future downturns. Extending the organisation's mandate to educating young girls ensures these critical literacy seeds are planted for our collective future benefit.

Danielle DiMartino Booth is the Founder and President of **Money Strong**, which helps investors, companies and clients understand the movements of world markets and the actions of regulators to ascertain how macroeconomics may affect their business, enabling them to make smart decisions given an ever-changing world economy.

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