

*The most basic lesson is to make sure you are thinking about the right risk. Pulling the goalie always increases the volatility of numbers of goals scored, and is a negative expectation in terms of the score. For those reasons it is often used as a metaphor for a high-risk, desperation move. However, the point of hockey is not to maximize the differential between the goals your team scores during the season and the goals it gives up (if it were, no one should ever pull a goalie). The point of hockey is to maximize the number of standing points — a team down by a goal with short time remaining gains a lot by scoring, and loses little if the other team scores — which argues for a different measure of risk and return. As we have shown, pulling the goalie actually reduces the risk of losing the game — it's an insurance move — and this is the proper risk measure.*

Pensions are in need of a strategy that increases volatility, and bitcoin is the perfect solution. There isn't much more that should be said as far as allocation goes — it should be 100% given the fact that pensions are a medium-term problem, and most will outlive the next two bitcoin halving cycles (eight years). Pensions are certainly not a long-term issue, but also not impending doom. If there's anything we've learned from the various calamities of the past 30 years, it's that pensions survive and the sky is never really falling. Given everything I wrote about the state of fiat money, however,