

What's News

Business & Finance

- ◆ Kelly Ortberg, Boeing's new CEO, is taking steps to slim down the aircraft maker to improve its perilous financial situation...
◆ Jefferies has climbed the ranks to become the seventh largest U.S. investment bank...
◆ Starboard has a sizable stake in Kenvue...
◆ Artificial intelligence search company Perplexity began fundraising talks...
◆ A new alliance between shipping giants Maersk and Hapag-Lloyd...
◆ Adidas is betting that Kansas City Chiefs quarterback Patrick Mahomes will be the marketing catalyst...
◆ Car owners in hurricane-prone regions could see auto-insurance premiums rise further...



With a little over two weeks left in the campaign, Donald Trump handed food to prescreened customers at a McDonald's drive-through in Pennsylvania on Sunday, and Kamala Harris greeted a parishioner at a church service in Georgia.



Israel Forced Sinwar From His Tunnels

Hamas leader's killing was enabled by skills of war and aided by chance

In the hunt for Hamas militants in the tunnels beneath southern Gaza, Israel's 98th commando division found a compound in February with a kitchen, sleeping quarters and a bathroom with a tiled wall depicting a beach sunset.

By Rory Jones, Dov Lieber, Summer Said and Anat Peled

Whoever was staying there had recently fled, one of several times Israeli soldiers came in striking distance of Hamas leaders. For the next nine months, Israel's number one target, Yahya Sinwar, architect of the Oct. 7 attacks last year, remained elusive, a ghost in the subterranean darkness. "It doesn't matter how many tunnels there are," said then-Brig. Gen. Dan Goldfus at the time. Israel would get him, he said. The Wall Street Journal found that even before the Oct. 7 attacks, Israel considered killing Sinwar, who was seen as a national-security threat, according to people involved in the plans. Israel at Please turn to page A10

Harris, Trump Sharpen Jobs With Little Room for Error

BY TARINI PARTI AND ALEX LEARY

ATLANTA—Democrat Kamala Harris is courting a narrow slice of undecided, GOP-leaning voters while trying to turn out her party's base in the final stretch of the presidential campaign, as Republican Donald Trump doubles down on his strongest supporters with off-script moments that have threatened to overshadow his closing arguments. People close to the campaigns believe the race is still too close to call a clear leader, with early voting under way.

Across the seven most watched battleground states, more than 4.8 million people have already cast ballots, according to a University of Florida database. Polls show a neck-and-neck race just over two weeks until Election Day, after Trump clawed back a polling advantage Harris enjoyed in the wake of their only debate. The former president's strategy has been to use a series of events that can be unconventional, often mixing humor and tough, sometimes crude, talk that plays to his most ardent backers, particularly men. Vice

President Harris's tack, meanwhile, seeks to peel away Republicans and independents from Trump by calling him unfit to serve while also corralling a fractious Democratic coalition that has spent much of the year divided over Israel. Harris, who sharpened her criticisms of Trump over the weekend, is expected to hold events on Monday with former GOP Rep. Liz Cheney in suburbs in Pennsylvania, Michigan and Wisconsin that have been shifting away from the Republican Party. She is also hosting separate get-out-

the-vote rallies later in the week with former President Barack Obama and former first lady Michelle Obama in Georgia and Michigan—swing states where Harris needs to run up large margins in the urban centers and suburbs. Her objective is rooted in the campaign's analysis that Please turn to page A4

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◆ Musk offers a \$1 million daily prize to voters..... A5
◆ On the trail, Harris shows her personal side..... A6

World-Wide

- ◆ Democrat Harris is courting a narrow slice of undecided, GOP-leaning voters while trying to turn out her party's base as Republican Trump doubles down on his strongest supporters with off-script moments that threaten to overshadow his closing arguments in the presidential race. A1, A4-6
◆ Elon Musk stepped up efforts to boost Trump's prospects, saying that he plans to award \$1 million a day to a randomly chosen voter who has signed the Tesla chief's petition pledging to uphold the rights to free speech and to bear arms. A5
◆ Israel's destruction of tunnels under Gaza that provided hiding places for Yahya Sinwar forced the Hamas leader to spend more time at the surface, an exposure that led to his killing last week. A1, A8
◆ The U.S. is investigating the leak of top-secret American documents that show Israeli military preparations for an expected strike on Iran. A8
◆ William "Rick" Singer of the Varsity Blues college admissions cheating scandal is out of prison and laying the groundwork for a new college counseling company, one he says will be legitimate. A3
◆ Girl Scouts of the USA is raising its annual membership dues from \$25 to \$65 in a two-step increase to be spread across two years. A3
◆ The U.S. is bringing back into service World War II-era airfields in the Pacific as part of a sweeping shift in how the military would respond to a possible conflict in Asia. A7

Boeing CEO Seeks To Shrink Jet Maker

BY SHARON TERLEP

The airline industry's biggest names donned gowns and tuxedos and filed into a Manhattan ballroom Friday for a night of cocktails and fretting about the future of Boeing. One group was conspicuously absent. After sponsoring six tables, Boeing scrapped plans to send its usual contingent to the annual Wings Club fundraising gala. The company gave away most of its gala tickets to customers. The chief executives of Lufthansa and United Airlines were there. So was the chief executive of GE Aerospace, one of the world's largest makers of commercial jet engines. Boeing's new CEO, Kelly Ortberg, wasn't there. He was hammering out a labor deal to

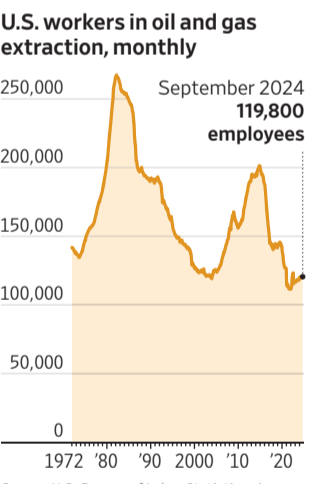
end a damaging strike. The tentative agreement reached Saturday between Boeing and leaders of its largest union would give machinists a 35% raise over four years. Even if the deal is ratified on Wednesday and union members go back to work, the company remains in a perilous financial position. Industry insiders and analysts have begun to ponder something previously unthinkable: whether a breakup or bankruptcy is in Boeing's future if it remains on its current trajectory. Boeing is exploring asset sales that could bring in much-needed cash while shedding noncore or underper-

◆ Greg Ip: Boeing's and Intel's woes are America's..... A2

U.S. Oil Boom Fuels Bust Fears

BY DAVID UBERTI

HOBBS, N.M.—Chip Low's drive through one of the richest corners of the U.S.'s hottest oil field takes him past all the telltale signs of an economic boom. His mind is on the next bust—and whether it could be the big one. The local-government finance official steers his BMW onto State Road 18, the main drag in this city of about 40,000, where workers' pickup trucks cram into parking lots of chain hotels. Workers who have punched out trickle into a nearby casino with pockets full of money from surrounding drilling projects. Down the road, the county recently hosted an annual fair and rodeo where officials shelled out \$900,000 for a performance by country-music star Kane Brown. Low reaps benefits of the good times. He works out at a gleaming new rec center close



Source: U.S. Bureau of Labor Statistics via the Federal Reserve Bank of St. Louis

country, he also knows that a day will come when the wells run dry or crude prices crater. Preparing for those unknowns is a key part of Low's job as an assistant county manager for administrative services. These days, the biggest unknown is when local energy production will peak and public spending will catch up with all the money flowing in. "We know that this production can't grow forever," he said. "When you hit that wall, then you're gonna have to start making changes." The history of oil is littered with cities that sprang up practically overnight and just as quickly crumbled. Scars from decades-old downturns are still etched into the collective memory of the mostly small towns speckling the Permian Basin that straddles West Texas and New Mexico. Some analysts are now be-

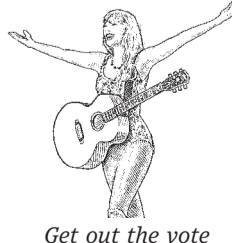
Please turn to page A2

Swifties' Ground Game: Phones, Fundraising, Lots of Bracelets

BY JOE BARRETT

When Marley Gibson heads to the women's restroom these days, the 57-year-old Taylor Swift fan brings a stack of Post-its and places a handwritten note below the toilet-paper dispenser in each stall. "I make it a little treasure hunt" for the next woman to happen along, said Gibson, a small-business owner and concierge in Savannah, Ga. As for what the notes say: "The theme is women's rights. Nobody needs to know how you vote. Use the positiveness that Taylor Swift has built, you

know, be like Tay Tay." Swift last month endorsed Vice President Kamala Harris in a post featuring the singer with one of her cats, trolling a certain vice-presidential candidate's dig at childless cat ladies. Since then, pundits have been trying to assess what the nod from the world's biggest pop star means for Harris's race with former President Donald Trump. Swift's Sept. 10 post to her 283 million Instagram followers sent 405,999 people to a government website with information on how to register to vote, according to the General Services Ad-



Get out the vote

INSIDE



PERSONAL JOURNAL Who matters more in a move? Couples are more likely to relocate when it benefits the man. A12



SPORTS The Yankees went all-in on Juan Soto. He's taking them to the World Series. A14

Wall Street Underdog Bets on Leap to No. 5

BY LAUREN THOMAS

Many investment banks thinned their ranks as deal-making sputtered in the past few years. Jefferies took the opposite approach. The bank is spending hundreds of millions of dollars to lure top bankers from competitors. The goal: become the world's fifth-largest investment bank and maintain the spot year after year. So far this year, Jefferies is the seventh-largest by investment-banking revenue, up from 11th a year ago, making the goal sound relatively modest. But achieving it would require unseating a giant. The top five list for years has included JPMorgan Chase, Goldman Sachs, Bank of America and Morgan Stanley, along with either Citigroup or UBS. Jefferies's push has drawn

skepticism from competitors on Wall Street, who say similar quests have been tried time and again, including by Jefferies. It also comes as peers ranging from Lazard to UBS have their own ambitious plans to move up on industry league tables. Citigroup, currently No. 5, is attempting its own revival. It hired Vis Raghavan from JPMorgan this year to run its corporate and investment bank as part of a broad restructuring plan to revive its fortunes. Jefferies Chief Executive Richard Handler and Sargent Brian Friedman said their big bet is already paying off and will continue to do so as deals return in full force. The strategy, they said, is a continuation of what Jefferies has been quietly doing since the two of them took the reins more than 20 years ago. Please turn to page A6

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U.S. NEWS



CAPITAL ACCOUNT | By Greg Ip

Boeing, Intel Woes Are America's Too

A generation ago, any list of America's most admired manufacturers would have had Intel and Boeing near the top.

Today, both are on the ropes. Intel has suspended its dividend, slashed jobs and capital spending, and is a takeover target. Boeing has been hobbled by investigations into crashes and a midair mishap, production delays and a strike. A breakup or bankruptcy are no longer unthinkable.

In the past five years the combined market value of the two has fallen by half. More than just an ordeal for shareholders, this is a potential disaster for the nation.

The U.S. is in a geopolitical contest with China defined not just by military power but economic and technological prowess. Leaders from both U.S. political parties say they're on the case, pushing for tariffs and subsidies.

Whatever their merits, these measures don't address the fundamental problem that Boeing and Intel represent. The U.S. still designs the world's most innovative products, but is losing the knack for making them.

At the end of 1999, four of the 10 most valuable U.S. companies were manufacturers. Today, none are. The

lone rising star: Tesla, which ranked 11th.

Intel and Boeing were once the gold standard in manufacturing groundbreaking products to demanding specifications with consistently high quality. Not any longer.

Neither fell prey to cheap foreign competition, but their own mistakes. Their culture evolved to prioritize financial performance over engineering excellence.

Intel passed on making the chips for Apple's first iPhone, thinking it wouldn't be profitable enough. It was late to adopt the latest technology for etching the tiniest circuits, and it missed the boom in artificial intelligence.

Boeing thought it would be cheaper and faster to add more efficient engines to its bestselling 737 with the help of software rather than completely redesign or replace the plane. That contributed to two fatal crashes. Outsourcing of its supply chain and an exodus of experienced machinists during the pandemic contributed to quality problems and delays.

Since their problems are of their own making, it's tempting to leave them to their fates. Investors would likely shrug: Intel is worth less than \$100 billion while Microsoft, Apple, and Nvidia are together worth \$10 trillion.

The problem: those tech gi-

ants' software and devices are useless without the advanced semiconductors whose fabrication they contract out, especially to Taiwan Semiconductor Manufacturing. If China makes good on its threat to subjugate Taiwan in the coming years, the entire U.S. tech sector could be at Beijing's mercy.

TSMC is building fabrication plants in the U.S. with the help of \$6.6 billion in subsidies from the Chips Act. But it will be years, if ever, before U.S. tech companies are no longer reliant on Taiwan. Intel is the only U.S.-based company capable of competing with TSMC, and it is struggling to do so.

While Elon Musk's SpaceX has outclassed Boeing when it comes to space transport, there are no homegrown alternative suppliers of large commercial airliners. Without Boeing, that business would go to Airbus and, eventually, China's state-owned Comac.

The loss of either company would have industry-wide repercussions. Each supports a multilayered ecosystem of designers, workers, managers and suppliers. Once that ecosystem moves offshore, it is almost impossible to bring back.

Rob Atkinson, president of the Information Technology and Innovation Foundation,

notes Boeing is the largest U.S. manufacturing exporter, and "is also one of the most engineering-intensive companies in the world, so it is a large R&D spender." Intel's failure would deal a body blow to U.S. efforts to shore up the semiconductor ecosystem and reclaim market share from East Asia.

So, much as national leaders would like to ignore these companies' woes, they can't. National security dictates the U.S. maintain some know-how in making aircraft and semiconductors.

Both political parties have bought into the idea that manufacturing is special and thus deserving of public support. That begs the question: which manufacturing, and what kind of support?

The goal of manufacturing strategy should not be just producing jobs but great, world-beating products. Washington can help by encouraging the world's best manufacturers to put down roots in the U.S. That forces American companies to raise their game and nurtures the workforce and supplier network that serves all companies.

The Chips Act, by encouraging TSMC and Samsung to build or expand fabs in the U.S., indirectly helps U.S.-based Intel, Global Foundries and Micron (all of which

have received subsidies).

In the early 1980s, with domestic automakers reeling from Japanese imports, President Ronald Reagan negotiated export restraints on automakers like Toyota which went on to set up assembly plants in the U.S. The benefits went beyond the workers they hired and the consumers they served; Detroit was forced to adopt Toyota's lean manufacturing and continuous improvement system.

In the final analysis, manufacturing greatness is foremost a mission for the companies' leaders and shareholders. They could learn from Musk's willingness to sleep on factory floors and prioritize product development over earnings per share. When Boeing said last week it would sell new shares to shore up its finances, the stock rallied—a sign that investors understand its future is at stake.

Labor has a role here, too. Boeing's union, whose leaders reached a new, enriched deal this past weekend, blamed the company's woes on management—as did the auto workers who struck Detroit last year. But they are all in this together. Workers should weigh not just what Boeing pays in the next few years, but whether it will be around a generation from now.

U.S. WATCH

GEORGIA

Dock Gangway Collapses, Kills 7

Georgia authorities said on Sunday they are investigating the "catastrophic failure" of a dock gangway that collapsed and killed seven on Sapelo Island, where crowds had gathered for a fall celebration by the island's tiny Gullah-Geechee community of Black slave descendants.

"It is a structural failure. There should be very, very little maintenance to an aluminum gangway like that, but we'll see what the investigation unfolds," Georgia Department of Natural Resources Commissioner Walter Rabon said at a news conference.

The gangway was installed in 2021, authorities said.

Rabon said "upwards of 40 people" were on the gangway when the "catastrophic failure" occurred, and at least 20 people fell into the water.

—Associated Press

HEALTH

Walmart in Opioid Lawsuit Settlement

Walmart has reached a proposed settlement agreement in connection with three shareholder lawsuits regarding its distribution of prescription opioids, adding to a yearslong saga of opioid-crisis lawsuits.

The settlement doesn't include any admission of liability and is subject to court approval, the retailer said in a Securities and Exchange Commission filing Friday.

Under its terms, insurance carriers would pay the \$123 million in cash, minus any fees awarded to plaintiffs' counsel and litigation expenses, to an escrow account.

The settlement comes after three shareholders in 2020 filed a derivative action in the Delaware Court of Chancery. The plaintiffs alleged that certain current and former Walmart directors and officers didn't act in the best interests of shareholders by failing to adequately oversee the company's distribution and dispensing of prescription opioids.

If approved, the settlement would resolve certain shareholder derivative actions and release other potential derivative claims, Walmart said.

—Connor Hart

CORRECTIONS & AMPLIFICATIONS

Erez Liebermann's name was misspelled as Lieberman in some editions Saturday in an Exchange article about the use of self-driving cars in San Francisco.

A close call between a Cessna plane and a Boeing 737 jet that was preparing to land at Austin-Bergstrom International Airport occurred on Wednesday morning. A U.S. Watch brief on Saturday incorrectly said it occurred on Friday.

Readers can alert The Wall Street Journal to any errors in news articles by emailing wsjcontact@wsj.com or by calling 888-410-2667.

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Liberty Are WNBA Champions

The New Yorkers defeated the Minnesota Lynx 67-62 in overtime of a decisive Game 5 on Sunday night in New York.

Jonquel Jones scored 17 points to lead New York, which was one of the original franchises in the league. The Liberty made the WNBA Finals five times before, losing each one, including last season.

The Lynx were trying for a record fifth WNBA title, breaking a tie with the Seattle Storm and Houston Comets. Minnesota won four titles from 2011-17.

The first three games each had over a million viewers on average, with the audience growing for each contest. They also have had huge crowds in attendance.

—Associated Press



Prospect Of Peak Oil Fuels Fears

Continued from Page One

ginning to project what could be the ultimate, slow-motion bust after U.S. shale peaks and producers increasingly look elsewhere to drill. A shift away from fossil-fuel production—the speed of which could hinge on November's election—has inspired warnings that the U.S.'s oil patch might follow coal country's footsteps down a long road of disinvestment.

"In Appalachia, the coal economy has been declining for decades," said Daniel Raimi, a fellow at the research institution Resources for the Future, who studies fossil-fuel communities. "It has resulted in really entrenched poverty and really big problems."

Forecasters have tried and failed and tried again to call peak oil, projecting either global supplies maxing out or the energy transition whittling down worldwide demand. In the U.S., where the shale boom has created an oil-and-gas superpower, a key inflection point will come when the meteoric production growth of the past 15 years morphs into long-term decline.

Estimates of that happening as soon as the end of this decade are increasingly informing investments by oil giants, policy moves in Washington and trading strategies on Wall Street. They are also starting to shape government planning in places like New Mexico.

Even as the prospect of weaning the world from oil ap-

pears far off, signs of change in the U.S. shale patch are getting harder to ignore. Companies are pumping more crude with fewer workers, and Lea County's employment hasn't returned to prepandemic levels. Less speculative drilling and more maintenance of existing production might mean additional full-time residents in need of government services.

"We've taken the big jump, and now it looks like it's beginning to level off," Low said. "I'm kind of wondering if we're hitting the peak."

A onetime oil worker and son of a drilling superintendent, Low budgets conservatively, advising elected officials with models that include oil prices far below their current value and a plunge in production similar to the pandemic. "You don't know how long the boom is going to last and you don't know how long the bust is going to last," he said. "And how low is the bust going to go?"

The complicating factor is that U.S. oil production continues to defy expectations. Federal officials project domestic output will average 13.2 million barrels a day in 2024, more than any other country, ever.

Michael O'Donnell, an economist who has helped officials game out the twilight of the boom, likened the task to the notoriously hit-or-miss art of predicting oil prices.

"At some point, [Lea County] will stop breaking records. But how do you build that into models you're developing?" said O'Donnell, director of the University of New Mexico Bureau of Business & Economic Research. "It's virtually impossible to do in a credible way. That's part of the dilemma they're in."

People in southeast New



In Hobbs, N.M., Chip Low, shown at a restaurant with his wife, Tafta, says he knows the energy boom can't last forever.

Mexico have ridden out the energy market for a century. Wildcatters that rushed into Lea County in the 1920s skipped town when the Great Depression took hold. Then-record drilling in the early 1980s collapsed with a price plunge that ravaged Hobbs and many of the other communities linked by dusty highways cutting across the Permian.

Now 66 years old, Low saw the resulting misery up close when he lived across the Texas border near Odessa. Friends lost jobs. Home values imploded.

Seeing no future in the industry, he eventually became an accountant.

The fate of oil country reversed in the 2010s, when mostly independent frackers tapped shale formations in North Dakota, Texas and elsewhere, reshaping energy markets in America's image. That growth has continued in recent years, in large part because of southeast New Mexico.

Home to some of the most prized shale rock in the world, Lea County crude production surged as much as eightfold

over the past decade, reaching 1.2 million barrels a day in May. The gusher is greater than the output of six of 12 members in the Organization of the Petroleum Exporting Countries.

Low arrived as finance director in 2014, just as New Mexico's oil-and-gas production was beginning to take off. Working out of an Art Deco courthouse in the county seat of Lovington, his team grappled with market crashes in 2015 and 2020 that hammered public finances.

They now face a different puzzle. Lea County held nearly \$673 million in cash on hand in June, Low said, even after hiring dozens for public safety and repairing hundreds of miles of roads battered by semitrailers each year. The stash includes 15 months of operating funds in reserve and earned about \$30 million in interest in the latest fiscal year alone.

State and local officials have worked for years to diversify the economy in preparation for if and when the oil fields slow down. But residents know drilling is what puts food on the table. Jennifer Grassham

recalled an early lesson from her mother: "If you cut hair, you work for the oil company."

Grassham, the chief executive of the Economic Development Corp. of Lea County, said she believes the area is better positioned to weather the next bust. "I don't know a person who thinks we should ride this wave forever," she said.

There have been some successes in attracting new businesses. But as officials courted big-ticket projects such as solar-panel manufacturers and data centers in recent years, Grassham said higher interest rates and greater electricity needs left plans in limbo. The magnitude of the current boom is also pressuring other companies' ability to hire.

Few analysts expect the market to turn drastically soon. The Saudi-led OPEC and its Russia-led allies supported prices by cutting output in recent years and have delayed plans to dial up production going forward. Industry consolidation stateside has shifted power to old-guard producers that have slowed drilling investments to satiate Wall Street's thirst for returns.

Some local leaders are skeptical of projections of an eventual downturn in production—innovations by U.S. drillers have shocked the world before. But residents, long accustomed to far-off wars or OPEC decisions changing their fortunes, are now also sizing up the impact of climate policies in Washington, Brussels and Beijing.

"It's mind-boggling to me what oil has done in this area," Low said. "I wish it could hold on forever, but I don't know that it will. All we can do is go with what we see in front of us."

U.S. NEWS

Girl Scouts to Increase Dues to \$65 Over 2 Years

Girl Scouts of the USA is raising its membership prices from \$25 to \$65, a two-step increase that will be spread across two years.

The organization held a National Council Session on Saturday with more than 800 delegates to debate the dues increase, which initially had been proposed at \$85 a year.

After discussion with the delegates, the National Council approved the new price of membership dues at \$65 for girls. Dues will remain at \$25 for the next year, then rise to \$45 for the 2026 membership year and to \$65 in 2027, the organization said.

The steeper fees will help GSUSA avoid having to scale back or eliminate some of the organization's services, according to the delegate workbook for the Saturday session.

"Girl Scouting must invest today to better serve our current members and to reach girls who are currently missing out on the Girl Scout experience," said a delegate workbook.

Loretta Graham, a delegate from southern Illinois who joined the Girl Scouts out of college and remains a member, said she voted yes because the organization has to grow. "The future of our girls is invaluable, and we will invest in every way we can," said Graham.

Saturday's decision marks the first time in eight years that GSUSA has opted to increase its membership dues.

The organization generated roughly \$38 million from such fees in 2023. The Girl Scouts has about two million members, including adults. (At right: Scouts at the Girl Scouts Pinewood Derby held in April in Marietta, Ga.)

Despite the popularity of its famous Girl Scout Cookies, which generate about \$800 million annually, the national organization projected an net operating loss of roughly \$5 million for fiscal year 2024.

Girl Scout Cookie earnings go directly to regional councils, which rely on sales of the treats for roughly 70% of their operating revenue.

Each Girl Scout troop de-



MIKE STENHART/ASSOCIATED PRESS

cesides how to spend its cookie earnings, with the money typically going to Scout activities, charitable projects and financial aid.

The membership increase is in line with what similar organizations charge, GSUSA

said. Boy Scouts of America's membership fee is \$85, according to its website.

GSUSA said it would have financial aid available to all who need it.

The organization is "committed to ensuring that any

girl who wants to be a Girl Scout is able to do so," a spokesperson said.

The dues increase will help the Girl Scouts improve programs and technology for training and offer more assistance and opportunities to

councils, according to the organization. Girl Scouts earn badges on topics that can range from financial literacy, technology and entrepreneurship to outdoor and first-aid skills.

—Ginger Adams Otis

Netflix Puts Focus on Menendez Brothers

Hollywood spotlight of 1990s murder case generates buzz, draws new attention

By ERICH SCHWARTZEL

LOS ANGELES—It was a case made for the Hollywood treatment: Two handsome brothers, Erik and Lyle Menendez, had loaded shotguns and shot their parents dead in their Beverly Hills mansion. They were sentenced to life without parole in 1996 and largely forgotten.

Then TV hitmaker Ryan Murphy stepped in. His show "Monsters: The Lyle and Erik Menendez Story," which premiered on Netflix in September and dramatized the slayings of Jose and Kitty Menendez, has opened a strange new chapter, prompting calls for a re-examination of the case that may lead to a surprising twist.

Could a Ryan Murphy show on Netflix get them out of prison?

An unexpected coalition of teenage TikTok users, Menendez family members and Los Angeles officials think so, urging a reconsideration of the murder trial that sent the brothers to prison for life. They say Murphy's "Monsters" shines a light on sexual-abuse allegations that should have been more fully addressed during the trial and taken into account during sentencing.

The off-screen campaign highlights Murphy's continued ability to generate buzz and attention even as the media landscape fragments, particularly when it comes to re-examining the rigid morality of the nation's recent past. The



RONALD L. SOBLES/LOS ANGELES TIMES/GETTY IMAGES

Erik, left, and Lyle Menendez, seen on the steps of their Beverly Hills home in 1989.

show's popularity echoes other hit true-crime stories—such as the podcast "Serial" or the HBO series "The Jinx"—that have challenged verdicts and led to releases or convictions.

Yet few megaphones have the reach of Netflix, which this month said it had 282.7 million subscribers globally as of this most-recent quarter.

Another Netflix documentary, "Surviving R. Kelly," detailed allegations of sexual abuse by the rapper, and its 2019 debut was credited with leading to Kelly's arrest and eventual conviction; he is serving a 31-year sentence.

The Los Angeles District Attorney's Office last week

said it is reviewing the evidence for a possible resentencing in the Menendez case and signaled acknowledgment for what the brothers' advocates have said: that their abuse should be considered in more contemporary terms.

"Our office has developed a more modern understanding of sexual violence since the Menendez brothers first faced prosecution," the district attorney's office said. "Today, our office acknowledges that sexual violence is a pervasive issue affecting countless individuals—of all gender identities."

The Los Angeles district attorney, George Gascón, is locked in a tight race for re-

election. His primary opponent, Nathan Hochman, said in a debate earlier this month that Gascón's interest in the case was "incredibly suspicious" and timed to direct voters' attention to the buzz of the show instead of his failing performance.

Other Menendez defenders have included Kim Kardashian and Rosie O'Donnell.

Grislier the better

Murphy, who rose to fame as a TV hit whisperer with shows like "Glee," has entered a phase of his career that focuses on topics that aren't gleeful: murder and horror, the grislier the better.

"Monsters" follows other Murphy treatments of major 20th century crimes, including the O.J. Simpson trial and the murder of fashion designer Gianni Versace. As part of his Netflix deal, he has developed the "Monster" franchise, which has also told the story of Jeffrey Dahmer, the cannibalistic serial killer, and will soon feature Ed Gein, the so-called Butcher of Plainfield said to have inspired Alfred Hitchcock's "Psycho."

"Monsters" has been a hit on Netflix since it first aired, and its success has been complemented by a documentary about the case, titled "The Menendez Brothers."

Both productions focus on the repeated sexual abuse that the brothers say drove them to murder their mother and father, a music executive.

The details of the Menendez case made it a perfect candidate for the Murphy treatment. The first trial ended in a hung jury unable to agree on whether the self-defense argument warranted first-degree murder charges or manslaughter.

A second trial gave less airtime to the abuse claims, and the brothers were both convicted of first-degree murder. They were sentenced to life in prison without the possibility of parole.

Last month, Erik Menendez criticized what he saw as the show's sensationalist portrayal of his case, which includes suggestions of incest. Murphy's depiction had taken "the painful truths several steps backward," he said in a statement shared on X by his wife.

Murphy recently defended his show from such criticism, telling The Hollywood Reporter, "The Menendez broth-

ers should be sending me flowers."

Evolving views

The initial trial and the re-interpretation of it now serve as markers in a shifting understanding of how public thinks about child abuse, said Marcia Clark, the former Los Angeles prosecutor best known for leading the case against Simpson.

At the time of the Menendez trial, there was a limited understanding of child-abuse trauma and incest, she said, "and even whether children should be believed."

The case was further complicated by the fact that the Menendez brothers were young adults in the courtroom whom the public saw as "rich spoiled brats," she said. Juries today, she said, are "shading the culpability more finely than I've ever seen before," and not as frequently interpreting their decisions as so black-and-white.

At a news conference in recent days, the Menendez brothers' aunt, Joan Vander Molen, said her nephews' case also warrants a re-evaluation. She now sees that her nephews' actions, "while tragic, were the desperate response of two boys trying to survive the unspeakable [cruelty] of their father," she said.

On the streets outside of the Beverly Hills mansion where the Menendez murders occurred, social-media influencers have congregated to show their followers the home.

"People said they saw things in the windows. How creepy would that be?" asked Instagram user Michael Pavano as he zoomed in on the house's facade in one video.

Released Admissions Ringleader Starts College Company

By MELISSA KORN AND JENNIFER LEVITZ

William "Rick" Singer, the mastermind behind the Varsity Blues college admissions cheating scandal, is out of prison and ready for his next act. Which looks a lot like his old act: helping families navigate the high-stakes, stressful college admissions process.

Singer, who served 16 months in a federal prison camp for a sprawling scheme that sneaked children of business moguls and Hollywood celebrities into elite schools, has been finishing out his term since August at a halfway house in the Los Angeles area. There, he is laying the groundwork for a new college counseling company. This one, he says, will be entirely legitimate.

"I am not living in the gray anymore. The gray is over. I was the all-time Mr. Gray," Singer, 64 years old, said in a recent interview with The Wall Street Journal. "Now, I've made a concerted effort to live in black and white."

The Varsity Blues scandal

erupted in spring 2019, exposing the ease with which America's college-admissions process could be corrupted.

Singer pleaded guilty to four felonies. He infiltrated the ACT and SAT testing process. He paid college coaches or their programs to tag the teens as recruited athletes, virtually guaranteeing their admission to top schools. Additionally, parents often funneled payments through Singer's sham charity, enabling them to take tax write-offs.

The conspiracy, which prosecutors said netted \$25 million, led to guilty pleas or convictions of more than 50 people, including Division I college coaches, actresses Felicity Huffman and Lori Loughlin and private-equity manager William McGlashan Jr.

Singer coached college basketball in the 1980s before transitioning to admissions counseling. His traditional suite of service helped teens narrow down their target schools, advised on extracurriculars and classes, and polished essays.

Some early clients say he

also recommended they embellish details on those essays or fudge aspects of their backgrounds.

Singer attributed his trajectory in part to his own hyper-competitiveness. "I think everybody's issues, and definitely mine, all come back to our egos. And as things start to roll and you start being more successful," he said, "your ego grows—your desire grows."

He thought he so dominated the field that he recalled being surprised to learn during the FBI sting that one of the coaches "had other Rick Singers that were in Europe or other places."

Though he professes contrition, Singer contends he was, at least in part, merely working within a system that was already broken and full of willing partners.

From his coaching days, Singer said, he knew college coaches faced tremendous pressure to fundraise for their programs. So he offered families access through what he called a "side door," essentially purchasing walk-on spots on



BRIAN SINGER/REUTERS

William 'Rick' Singer

teams for six-figure sums. Coaches and an athletic department administrator from the University of Southern California, as well as coaches at Yale University, Georgetown University and Stanford University, pleaded guilty to colluding with Singer, taking money for their programs or themselves.

Singer said coaches pursued him to find families willing to play along.

Singer and his staff would fabricate sports résumés for students, including staging one as a water-polo player in the family pool, and submit them to coaches who would then flag

the kids as prospective players. "Some coaches wanted the kids to at least play the sport, but other coaches were like, 'I don't care if they play, I don't care what they do,'" Singer said.

"It wasn't like I made up the process. This goes on at every school in America," Singer claimed. "It's just the nature of the beast."

Singer said he always viewed the money as donations, not bribes, and pointed to the cases of two parents who had their convictions overturned by a federal appeals court as justification for that outlook.

Singer said he had many legitimate clients, as well as parents who heard about his shadier offerings but declined. He said those who did participate did so for the sake of their own egos. "We want to live our lives, the parents, through our kid and be able to go to the Saturday night party and say, 'Oh, Jennifer, she's gonna go to Harvard.'"

Singer spent the first portion of his sentence in a federal prison camp in Pensacola, Fla., where he secured what he

called "the greatest job" on site: He worked at the fitness center and helped coordinate recreational activities such as pickleball. He officiated league play and taught entrepreneurship classes.

Singer said families never stopped demanding his college-counseling services. "I'm like, that's B.S. People are gonna still wanna work with me," he said. He continued working—for free—while awaiting sentencing and even during incarceration.

Now he's ready to monetize the business again. The company is called ID Future Stars, which incorporates the name of his early college-counseling business from Sacramento decades ago.

Singer also has a plan to help young adults who don't want to go to school evaluate their skills and find jobs and apprenticeships.

"I'm not dwelling on what already happened. I've had four that," he said. "I've had four and a half, five years to eat my humble pie and move on. I'm all about moving forward."

U.S. NEWS

Investors Place Their Election Bets

By JACK PITCHER

Investors are ramping up their bets on the U.S. presidential election.

Financial advisers caution against making any major investment decisions related to an election—and history shows the market consequences of a certain candidate's or party's victory are unpredictable.

"When Trump was elected, expectations were that technology would underperform and financials and energy would outperform," said Nancy Tengler, chief executive of Laffer Tengler Investments. "The exact opposite was true."

That isn't stopping investors from trying to get an edge. Here are some of the ways they are trying to profit from—or hedge against—the outcome.

Prediction markets

Betting markets that let people wager on election outcomes aren't new. A recent court ruling legalized them in the U.S.

Prediction markets such as Kalshi and Interactive Brokers' ForecastEx let investors purchase contracts that pay out about \$1 if a chosen candidate wins, or nothing if the bet is wrong. Contract prices fluctuate based on demand and the perceived odds of a candidate's winning.

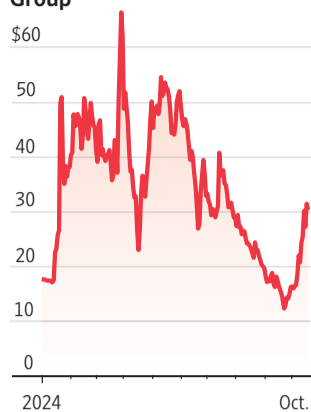
Some prediction markets have shifted sharply in favor of

S&P 500 Utilities Sector Index



*Continuous contract
Source: FactSet

Trump Media & Technology Group



Gold futures prices*



former President Donald Trump since the beginning of October, when they showed the presidential race was nearly deadlocked. On Polymarket, a platform that isn't open to Americans, a contract that pays out if Trump wins cost around 60 cents on Friday, compared with 40 cents for one that pays if the winner is Vice President Kamala Harris.

In theory, betting markets offer a real-time look at election-outcome expectations, with real money on the line. But a recent flurry of wagers among four big accounts on Polymarket is raising questions about who is behind them. The latest polls show the two candidates are nearly deadlocked in the key swing states that will decide the election.

DJT shares

Shares of Trump Media & Technology Group, the Trump-backed parent company of Truth Social, have been a volatile playground for traders who are trying to predict the outcome of the race.

Often referred to by the ticker symbol DJT, the company has a market value of nearly \$6 billion—despite fundamentals that include reported revenue of less than \$2 million in the most recent quarter.

DJT has achieved meme-stock status, attracting day traders, and its performance has often been tied to Trump's perceived election chances.

The shares have doubled since mid-September, moving up in line with Trump's odds

on betting-market sites. Trading volume has soared.

The concurrent moves have prompted some traders to speculate that big-money investors have made large wagers on Trump in betting markets in an attempt to push up the shares of DJT or other stocks tied to Trump's prospects, such as Coinbase Global.

Hedging for volatility

Some investors are looking for ways to damp the volatility associated with elections, or find trades that look set to win regardless of the outcome.

UBS has recommended several short-term trades for its wealth-management clients who want to play the election.

Within the stock market, the financial and utilities sectors both look poised to perform well under either administration, said Kurt Reiman, chief of fixed income for the chief investment office at UBS Global Wealth Management.

A classic hedge for an investor worried about upheaval or volatility in the event of a contested election is gold. The precious metal has been on a tear this year, a potential sign that investors are hedging their exposure to traditional financial assets.

Currencies

Wall Street appears to be bracing for the possibility that Trump's proposed tariffs could disrupt global trade.

Hedge funds have increased bearish bets against the Chinese yuan and Mexican peso in recent weeks, according to Commodity Futures Trading Commission data, in a bet that a Trump presidency could dent demand for the currencies of the biggest U.S. trade partners.

Implied volatility for both currencies against the dollar—a measure of how much options traders expect them to move in the future—has soared over the past two weeks. "The possibility of higher important tariffs looms large," analysts at Lazard Asset Management wrote in a recent report.

ELECTION 2024

Harris Goes After The Union Vote

Vice President Kamala Harris took a few minutes from her speech at a union hall in Lansing, Mich., on Friday evening to play some videos of her opponent Donald Trump, highlighting clips where he complained about paying overtime, said that U.S. autoworkers' jobs could be done by children and said United Auto Workers leader Shawn Fain should be fired.

"Listen to his words," Harris said to several hundred union workers gathered at the UAW hall Friday evening. "He's got his club, and I'm going to tell you, union workers are not part of his club."

The pitch was made to a group of supporters but underscores the importance of working-class voters in the coming election. Republicans have made steady inroads with this traditionally Democratic voting bloc, and those voters helped fuel Trump's rise in the 2016 election.

Union workers typically provide an army of people to knock on doors and phone-bank for Democrats as part of the critical get-out-the-vote operation.

—Annie Linskey

Trump Revises Pitch in Detroit

Former President Donald Trump wrapped up a day in Detroit with a rally in the city's downtown, telling supporters that he'll "return Detroit greater and stronger than ever."

This month, the Republican candidate called the city a developing nation, while speaking to its economic council. "Our whole country will end up being like Detroit" if Kamala Harris is elected president, he said then.

On Friday, Trump blamed Harris for problems the city has faced, such as poverty and crime, though the problems started long before Harris became vice president. "The Democrats have been wreaking havoc on this place," he said. The city was hit hard during the Covid pandemic, just as it was recovering from bankruptcy and the 2007-09 recession. The city's poverty and unemployment rates are higher than the national average.

While most of the seats were full at the rally, the standing-room-only spaces were largely empty. Supporters waved signs that read, "Make Detroit great again" and "Build it in America." At one point, Trump's microphone stopped working and he stood on stage for more than 10 minutes while it was fixed.

—Natalie Andrews

Senate Hopefuls Square Off

Coming into Friday's debate, Democratic Sen. Tammy Baldwin had work to do. The three-term Wisconsin senator's healthy lead in the polls had shrunk to a near tie and the nonpartisan Cook Political Report changed its rating of the race to a "toss-up."

Baldwin leaned on her 25 years of experience in Congress during Friday night's matchup against GOP challenger Eric Hovde to showcase her history of working through partisan gridlock and preserving her party's values.

Baldwin pointed to her support of Affordable Care Act provisions and efforts to curb the opioid crisis. She defended her support of a failed immigration bill that Hovde and other Republicans have said didn't go far enough, and she pointed to her backing of the Bipartisan Infrastructure Bill passed in 2021.

For his part, Hovde leaned heavily on his promise to cut government spending and decrease regulation if elected. He accused Baldwin of supporting reckless immigration and fiscal policies. The Republican said he supported an expanded "right to decide" on abortions, but only early in a woman's pregnancy.

—Xavier Martinez



Crowds Saturday at a Donald Trump rally in Latrobe, Pa.—where the nominee gave a ribald tribute to golfer Arnold Palmer—and at a Kamala Harris event in Atlanta.



Candidates Sharpen Attacks

Continued from Page One

has found a chunk of remaining undecided voters to be

soft GOP-leaning voters and moderate independents, according to a person familiar with the data. Those include voters who backed former South Carolina Gov. Nikki Haley over Trump in the GOP primaries. Harris's advisers believe drawing a sharper contrast with Trump—including warning against the dangers of giving him a second term—can pull in those unde-

ecided voters while also exciting liberals.

This continues the vice president's tactic in recent days to try to court GOP-leaning voters and independents, which is one reason she sat for a Fox News interview that featured a heated back and forth on immigration.

Pointing to the Republicans who have endorsed her, Harris said Saturday at a rally in Atlanta: "Folks are exhausted with someone trying to have Americans point their fingers at each other."

Democrats said Harris's outreach to Republicans could prove worth it—as long as it doesn't take away from the core Democratic coalition. Some polls have shown a lack of enthusiasm for Harris among Black and Latino men in particular.

"Overall, her strategy is to build an even bigger tent," said Quentin James, founder and president of the Collective PAC, which is working on getting Black men to the polls in swing states. "She is doing both well at the moment," but needs to home in on base Democratic voters in coming days, James said.

Trump campaigned at a McDonald's in Pennsylvania on Sunday, trying to raise doubts over Harris saying she worked at a McDonald's in her youth. He removed his suit jacket, donned an apron and made french fries, then poked his head out of a drive-through window to serve prescreened customers. "I wouldn't mind this job," he said.

The Harris campaign has said she worked at an Alameda, Calif., McDonald's over the summer while in college.

The visit was part of a string of stops Trump has made—he was at a barbershop in the Bronx, N.Y., on Thursday—designed to show him as relatable to everyday people. His campaign banks in the unpaid media attention generated by the events. Later Sunday, Trump attended a Pittsburgh Steelers game.

This coming weekend, Trump has a rally at Madison Square Garden in New York City. New York isn't a battleground, but Trump has long wanted to hold a rally in the famed arena, and aides are planning a blockbuster with special guests.

Even as Harris recently tried to characterize Trump as exhausted, he has an increasingly packed schedule and this week will court religious leaders and Hispanic voters while stopping in several swing states, including North Carolina, Georgia, Arizona, Nevada and Michigan. His campaign has flooded the airwaves with ads criticizing Harris for past comments about taxpayer-funded surgeries for transgender prisoners. And it is banking on his continued advantage over Harris on the economy, the top issue for voters.

In a sign of the manic nature of the campaign, over the weekend Trump ally Elon Musk unveiled a \$1 million day lottery for registered voters in key states who sign his free-speech and gun-rights petition. Critics said the effort could run afoul of federal law by offering an inducement for people to register. A Musk attorney didn't respond to a request for comment about the matter.

The former president has been doubling down on catering to his base on issues like immigration while continuing to provide flashes of controversy and oddity. Though the Trump campaign, according to aides, has been in conversations for a joint appearance with Haley, Trump has instead reminded voters in recent days about how he defeated her resoundingly.

Trump also began a Saturday rally in Latrobe, Pa., with a ribald tribute to the late golfer Arnold Palmer, who was born

in the city. "When he took showers with the other pros, they came out of there, they said, 'Oh, my God, that's unbelievable.'" The crowd behind him snickered.

Aides said Trump would use the event to begin making his closing argument, that Harris hasn't earned a promotion. "You have to tell Kamala Harris that you've had enough, that you just can't take it anymore, you can't stand you anymore, you're a s— vice president," Trump said. "The worst. You're the worst vice president. Kamala, you're fired. Get the hell out of here."

The episode came on the heels of another odd campaign event last Monday in Pennsylvania. After audience members needed medical attention, Trump decided to turn the event into a concert, ordering some of his favorite songs to be played while he listened and danced a little.

To Trump's supporters these off-script moments—often delivered during long, meandering speeches—are evidence he isn't a cookie-cutter politician and can show a sense of humor.

"The media can pick it apart," House Speaker Mike Johnson (R., La.) said on CNN. "But people are going to vote. They're going to vote what's best for their family, and they see that in Trump."

But some Republican allies are concerned he is creating distractions at a crucial time, while Harris has used the moments as an opportunity to portray Trump as unstable.

"Have you noticed he tends to go off script and ramble and generally for the life of him can't finish a thought?" Harris said in Atlanta over the weekend. "He has called it a weave. We here call it nonsense."

—Annie Linskey and Jimmy Vielkind contributed to this article.

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U.S. NEWS

Musk Tries to Boost Trump With \$1 Million Daily Prize

By TIM HANRAHAN
AND DANA MATTIOLI

Billionaire Elon Musk said he plans to award \$1 million a day to a randomly chosen voter who has signed his petition pledging to uphold the rights to free speech and to bear arms, stepping up efforts by his America PAC political group to boost Donald Trump's presidential prospects.

The world's richest man founded the super political action committee this spring to register voters in swing states and persuade them to vote for the Republican over Democrat Kamala Harris. The splashy move by the Tesla chief executive and SpaceX founder stakes out uncharted territory in American politics and renewed critics' questions about whether such tactics were legal.

Musk made the announcement at a rally Saturday in Harrisburg, Pa., and gave the first check to an audience member. "One of the challenges we're having is, like, how do we get people to know about this petition?" Musk said. "This news I think is going to really fly."

In a video posted by America PAC, winner John Dreher sat next to an oversize version of his million-dollar check. "Pennsylvania, everyone needs to get out and vote early," he said.

Swing states

America PAC said the winner will be drawn from Pennsylvania voters until Monday and then will be open to participants in other swing states through Nov. 5. The group had previously unveiled an offer of \$100 for Pennsylvania voters who signed the petition and \$47 for voters from other battleground states including Michigan and Wisconsin. The petition reads: "By signing below, I am pledging my support for the First and Second Amendments."

The presidential race is centered on Pennsylvania and about a half dozen other competitive races, where polls show the candidates neck and neck.

Musk, who is actively stumping for Trump, has framed the stakes of the election as "the fate of Western civilization," predicting runaway crime and illegal immigration if Harris wins. Musk endorsed Trump this summer and poured \$75 million into America PAC in the three months through September, according to federal filings.

"Trump is bought and paid for by Elon Musk, and he is literally hoping he can buy off the electorate," said United Auto Workers President Shawn Fain in Allentown, Pa. "That's all the rich know: If you can't beat it, buy it," he said. Attendees booed when Stefanie Rafe, a Democrat running for Pennsylvania state legislature, alluded to Musk's move.

Ahead of the new \$1 million announcement, election-law specialists had been divided on whether offering rewards for signing the petition overstepped the law by providing an incentive to register. A Musk attorney didn't respond to a request for comment about the matter.

Legal questions

It is a federal crime to pay people with the intention of inducing or rewarding them to cast a vote or to get registered, an offense punishable by prison time. The prohibition covers not only monetary expenditures, but also anything of monetary value like "liquor, lottery chances, and welfare benefits," a Justice Department election-crimes manual says.

Josh Shapiro, Pennsylvania's Democratic governor, was asked on NBC if he believed Musk's \$1 million-a-day lottery was legal. The former state attorney general responded that Musk "obviously has a right to be able to express his views...But when you start flowing this kind of money into politics, I think it raises serious questions that folks may want to take a look at."

The \$1 million-a-day lottery marks yet another unconventional step Musk has taken in his support of Trump. Until recently, Musk said he had exclusively voted for Democrats, and he initially didn't want to be the face of the pro-Trump super PAC. He lined up initial donors to get the PAC off the ground so that he wouldn't show up in the

first set of federal filings.

In meetings with vendors this spring, Musk told them he wanted to create a "red wave" of voters in swing states. He learned that the Democrats typically outperform Republicans on its ground-game efforts of door knocking in districts to register voters and educate them on candidates. Musk decided that his super PAC would largely take on this issue, with the goal of nudging 800,000 "low-propensity voters" to go to the polls in support of Trump, urging them to vote

early and register voters.

But repeated problems with America PAC's operations, including a number of vendor firings, caused swing state Republicans to worry about the efficacy of the PAC's operations. At one point America PAC was paying its door knockers \$30 a door, an astronomical rate for a job that typically pays low single-digit dollars a door.

—Jacob Gershman,
Ginger Otis Adams
and Jimmy Vielkind
contributed to this article.



Trump supporter Elon Musk signs a cap during an America PAC Town Hall in Folsom, Pa.

An advertisement for Pratt 100% Recycled Pizza Boxes. The background is a light green pattern of recycling symbols. In the center is a large, open, brown cardboard pizza box. On the inside of the top lid, there is a green recycling symbol with the text "PRATT 100% RECYCLED" in white. A large, diagonal watermark reads "For personal, non-commercial use only." At the bottom, there is a green banner with the text "WE MAKE 100% RECYCLED PIZZA BOXES" in white. In the bottom right corner, there is a small asterisk and the text "* Check your local recycling guidelines".

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* Check your local recycling guidelines

U.S. NEWS

Harris Tries To Show Her Personal Side

One in five voters in battleground states say they need to learn more about VP

By ANNIE LINSKEY

DETROIT—Vice President Kamala Harris sent out Grammy award-winning singer Lizzo, clad in suffragist white, to jazz up a crowd gathered in a high-school gym here Saturday, before many of them cast their ballots early.

When Harris took the stage, she called Lizzo “phenomenal” and ticked through record-breaking early-voting data from some states. Then the music-loving vice president put her right hand on her hip and made a quip.

“Now who is the capital of producing records?” she said, smiling broadly at her Motown joke.

The crowd pleaser was the latest musical reference aimed at showcasing a more personal side as the Democratic nominee races to overcome a central challenge of her candidacy: Many voters say they still don’t know her. Throughout her career, she has appeared guarded and changed her stance on some issues. Her unexpected ascent to the top of the presidential ticket months before Election Day has made for a rushed introduction to the electorate.

Harris, who turned 60 on Sunday, has worked in recent weeks to fill out that picture by parceling out details of her life and insights into her personality during interviews and smaller campaign stops. She surprised some of her own allies by calling herself a gun

owner in the presidential debate. The vice president described making french fries during a college summer job at a McDonald’s. She told voters that she collects vinyl records with her stepson and that she watches Formula One auto racing.

Nearly one in five voters said they need to learn more about Harris’s career and policy positions, according to a recent Wall Street Journal poll of voters in the seven swing states. Among the independents who are most important in determining the election’s outcome, nearly 40% said they need to know more, the poll found.

Young voters also pose a problem: More than a quarter of Gen Z voters said they need to know more about her, according to the survey.

This poses a potential liability for her candidacy given the flood of negative advertisements that Republicans are rolling out in an effort to define her in the campaign’s final stretch. Former President Donald Trump, by contrast, is well known to voters not just from his presidency but from thrusting himself into the spotlight for decades. Tabloids brimmed with Trump’s antics in the 1980s and 1990s, and a feature film on this period of his life is playing now in theaters. His showmanship landed him on network television. An NBC reality show, “The Apprentice,” featured Trump from



Vice President Kamala Harris posed for a photo during a visit to Norwest Gallery of Art in Detroit this month.

the early 2000s until he started running for president in 2015, bolstering the idea that he is a successful businessman. The real-estate tycoon relished the attention and displayed a knack for grabbing unscripted moments.

Harris has said she isn’t always comfortable putting her personality on display. “It feels immodest to me to talk about myself, which apparently I’m doing right now,” she told the radio host Howard Stern in a recent interview. To the radio host Charlamagne tha God, she acknowledged the problem she faces: “Some people are just getting to know me.”

Her critics say she is overly scripted on the campaign trail, a notion bolstered during the early weeks of her candidacy when she avoided interviews. “That would be called disci-

pline,” Harris responded when Charlamagne tha God needed her on her tendency to stick to her lines.

During a blitz of public appearances in recent weeks, she has been carefully doling out more personal details. She told CBS News’s “60 Minutes” that her firearm is a Glock and that she has used it at a shooting range. During a recent fundraiser in Arizona, she meditated a bit on her leadership style. “I don’t want any ‘yes’ people,” Harris said.

In particular, she has detailed her tastes in music. Favorite Bay Area artists include Tupac Shakur and Too Short, she said on the “All The Smoke” podcast. She singled out the Prince album “1999” as “spectacular” in her conversation with Stern, and told the late-night host Stephen Colbert that Aretha Franklin and Eminem are among her top artists with Michigan ties. To Justin Carter of “The Shade Room,” she revealed that she is in touch with the mother of Beyoncé, Tina Knowles. “She’s been support-

ing me for years,” Harris said.

Harris collects vinyl records, a passion she now shares with her stepson, Cole Emhoff, she told Stern. “Wherever I am, I try to swing into the record store,” she said. “And then I’ll pick up vinyl for him and bring it back for him.” A few days later, she stopped at Legenderie Records & Coffee House, where she purchased a Marvin Gaye record.

She isn’t a golfer, but she does watch Formula One with her family, she has revealed in recent weeks. Her favorite driver is Lewis Hamilton, the Briton sponsored by Mercedes-Benz.

She works out every morning, she said during several recent interviews. The routine can be 30 to 45 minutes on an elliptical machine, and she passes the time by watching MSNBC’s “Morning Joe.” She enjoys family-size bags of Doritos and sipped a beer with Colbert. The beverage sets her apart from Biden and Trump, neither of whom drink alcohol.

The challenge Harris faces

was apparent to some of the supporters who gathered in Lansing, Mich., at a union hall Friday to hear her. “For four years I don’t think she was out there engaging the base,” said Aaron Nowland, president of the International Brotherhood of Electrical Workers Local 665. “Did they get to hear what she was saying each week? No.”

Several others in the audience said that as they were phone-banking for Harris, they found younger voters to be a particular challenge, largely because they are consuming so much news through social media and aren’t reading political articles. One person lamented that if Harris could package all of her ideas and personality into a videogame, she would break through more effectively with the younger generation.

And unlike most Americans, who feel they know Trump, the vice president told voters at a Univision town hall that she doesn’t.

“I only met him one time,” she said. “On the debate stage.”

A challenge of her candidacy: Many voters say they still don’t know her.

Jefferies Sets Sights On No. 5

Continued from Page One

“We try to do nothing stupid or arrogant during the good times and then play offense during the bad times,” Handler said in an interview at Jefferies’s Manhattan headquarters. “As we’ve built the firm, we’ve always prioritized what will be best for the firm over the next 10 years, not just the next year.”

Jefferies started as a small equities-trading shop in 1962 and over time became known for its leveraged-finance business and work on smaller mergers and acquisitions. It has been the go-to bank for activist investor Carl Icahn and smaller private-equity firms.

Deal volumes collapsed in the past few years after a pandemic-induced frenzy in 2021. Early signs of a recovery have propelled the stocks of deal-focused banks, including Jefferies and Evercore. Both banks’ shares are up more than 60% so far this year.

The momentum has swelled Jefferies’s market value to \$14 billion. But it is still dwarfed by the bigger banks it hopes to challenge, all of which do much more than investment banking.

Since 2020, Jefferies has increased its number of managing directors—the most senior bankers—by about 70% to around 360. The majority came through hiring as a deal slowdown, stumbles at competitors and the collapse of Credit Suisse meant that more seasoned bankers were receptive to overtures.

The hiring spree has been fueled in part by Sumitomo Mitsui Banking Corp. The Japanese bank invested in Jefferies in 2021 with the goal of expanding its business globally. It became one of Jefferies’s biggest shareholders this year when it boosted its stake to 15%. Analysts have speculated that SMBC could eventually buy Jefferies outright.

Handler and Friedman are set to update investors on their progress Monday when



CEO Rich Handler, left, and President Brian Friedman.

the firm holds its annual investor day.

Jefferies attracted recruits with eye-popping numbers, in a few cases offering superstar dealmakers’ salaries of more than \$10 million a year for the first three years, according to people familiar with the matter. It also promised bankers greater autonomy to pitch clients, free from the pressure at larger banks to constantly sell services from other parts of the firm.

Competitors, including several who have been approached by Jefferies, are quick to point out that the paydays come with fine print. Jefferies’s clawback model asks bankers to pay back their salaries if they leave within a certain number of years for a competitor. Plus, the pay can drop significantly after the guaranteed period if a banker hasn’t brought in a lot of work.

Rivals also knock Jefferies’s reputation for having a competitive, eat-what-you-kill culture.

Bank insiders said the constraints have lightened up and the culture has improved since Ben Lorello, known for his aggressive managing style, retired as global head of investment banking and capital markets in 2020.

Friedman said Jefferies has managed to maintain a workplace known for its entrepreneurship despite the bank’s rapid global expansion in recent years.

One of Jefferies’s biggest gets came after Barclays stumbled in its own attempt to challenge the banking industry’s biggest players. Jefferies soon hired more than a

dozen bankers from Barclays, including John Miller, who had been co-head of the investment bank.

When Barclays reshuffled its ranks with new leadership, Miller said Friedman, whom he had never met, called him “within moments.” His pitch: Jefferies was the “last frontier” on Wall Street for those who wanted to work at a stand-alone investment bank, without the complications of bigger institutions.

Miller was installed as the global head of Jefferies’s investment-banking and capital-markets unit, leading the division alongside Raphael Bejarano, a Jefferies veteran.

Miller said in an interview the vibe at Jefferies reminds him of his time at Lehman Brothers in the early 2000s, when the firm was driven by an entrepreneurial culture and a “take the hill” mentality. (Barclays bought a big piece of Lehman after it filed for bankruptcy in 2008, which is how alumni including Miller landed at the British bank.)

Miller said the bank is hiring surgically based on the industries and specific clients they expect to do deals. Part of his strategy involves encouraging bankers to win more private-equity work, especially from bigger firms such as Apollo and Carlyle.

Handler and Friedman had also hired a swath of bankers from Credit Suisse after it faced a forced sale in March 2023 and was folded into its Swiss rival UBS.

Other recruits have included Ron Eliasek, a technology banker from BofA.

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WORLD NEWS

New U.S. Pacific Strategy Is to Spread Out

China challenge has America upgrading far-flung runways, reviving '40s airfields

The remote Pacific airfield used to launch the atomic bombings of Japan during World War II is being brought back to usefulness with a different foe in mind: China.

By Niharika Mandhana at North Field, Tinian, Mike Cherney in Tindal, Australia, and Camille Bressange in New York

Runways emerging from the encroaching jungles on the tiny island of Tinian, a U.S. territory, are part of a sweeping shift in how America's military would respond to a possible conflict in Asia.

Instead of relying on a few large air bases, the U.S. would disperse warplanes to make them less vulnerable to China's missiles. The rebuilding on Tinian is a key piece.

In recent months, Air Force crews have trudged through the foliage with machetes and GPS devices to mark the boundaries of the erstwhile runways, based on images and maps from the 1940s.

"The density was tough, very tough," said Master Sgt. Jody Branson, the operations superintendent, who belongs to the Air Force's 513th Expeditionary Red Horse Squadron. "If me and you walked back there, we could be 10 feet apart and not even see each other."

Island hopping

For decades, the U.S. didn't need the airfield. It consolidated its presence at a small number of large air bases. It can no longer afford to do so. In a conflict, China could direct its significant firepower at those well-known bases.

To prevent that, the U.S. would switch to a different posture during a crisis. Aircraft would scatter across an array of airfields in the Indo-Pacific, hopping between locations to keep China guessing.

"We're interested in any runways, basically," said Michael Winkler, deputy director of air and cyberspace operations for the Pacific Air Forces. "If you've got 7,000-plus feet of runway, we'll look at that as a potential operating base."

That list consists of several dozen sites across the vast region, he said. Some are on U.S. territories, such as Tinian, but most aren't—including vital places close to Taiwan, the region's most dangerous potential flashpoint. Japan and the Philippines, for instance, are home to a number of military installations and commercial runways to which aircraft could potentially disperse.

That means in a conflict, Washington would need to have tricky discussions with allies and friendly governments for wartime access.

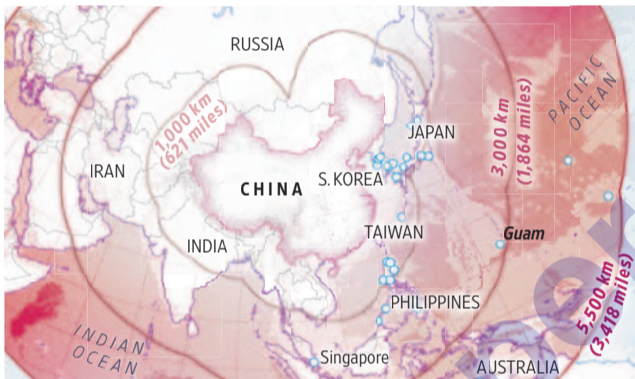


North Field on Tinian in the Northern Mariana Islands had been abandoned since World War II.

The U.S. military is back on Tinian in a big way. This little island is part of regional military strategy.

U.S. presence in Asia-Pacific

- Select sites where U.S.-funded airfield upgrades are under way or planned
- Select U.S. Air Force bases and airfields



China's missile arsenal*

- Short-range (1,000 missiles)
- Medium-range (1,000)
- Intermediate-range (500)

- Select sites where the U.S. military has enduring or rotational access

*Maximum ranges, calculated from the borders of mainland China. Affected areas may be smaller. Sources: Congressional Research Service (U.S. bases); Defense Department (missile arsenal); staff reports

Winkler said the U.S. military has decided not to push those conversations "until the moment of that crisis."

For now, the U.S. is sending its airmen out to as many potentially useful sites as possible to get a lay of the land. At a number of spots, it is laying the groundwork to make facilities more suited for U.S. use.

On Basa Air Base in the Philippines, the U.S. is financing a taxiway and a parking apron, after upgrading the runway and building a warehouse. On Tinian, in addition to rebuilding North Field, the U.S. is bulking up the international airport with new taxiways and parking space for up to 12 refueling aircraft, budget documents show. The site is intended as a secondary fuel hub if the large U.S. base on the island of Guam is damaged.

On Guam itself, military crews are rehabilitating another World War II-era airfield so aircraft can spread out across different points on the island. About 500 miles southwest on Yap, a Micronesian island, the Air Force has proposed a \$400 million runway extension, according to budget documents. Airfield improvements are planned on the tourist island of Saipan and on at least two sites in the archipelago nation of Palau.

Much of the digging and paving at the moment is taking place in an arc called the Second Island Chain, which includes a smattering of territories the U.S. controls as well as countries where the U.S. has military access. For American forces, upgrading infrastructure and positioning supplies at these locations is

easier than in the First Island Chain, which spans Japan, the Philippines and Taiwan. The First Island Chain lies closer to China, but the U.S. is more dependent on foreign governments there and political winds can more easily shift.

Farther out, Washington is pumping money into two northern Australian air bases. At Darwin, it has built fuel storage and is making a squadron operations facility. U.S.-funded fuel storage is also going up at a base at Tindal, and infrastructure us planned so that the base—which until now has catered to fighters—can accommodate B-52 bombers.

Positioning bombers in Australia would force Beijing to decide whether to use its costlier long-range missiles—and possibly draw another U.S. ally into conflict.

One Scattered-Forces Complication

Aside from getting access from allies, the Air Force dispersion strategy's biggest issue is logistics—getting equipment, parts, fuel, munitions and support crew to scattered locations, possibly under attack—said Jacob Heim, a senior policy researcher at Rand, an American think tank.

"In theory, from a survivability standpoint, you might want to be so dispersed you have two aircraft at every base, but there's no way you could actually have the logistics to support the aircraft when they're that widely

dispersed," he said.

Part of the solution is to stock materiel ahead of time. But if hostilities broke out, supplies would still need to get to the right place at the right time.

"Having aircraft at an airfield doesn't do me much good unless I've got maintainers to support those aircraft, potentially weapons to load on those aircraft in a combat scenario, gas to put in those aircraft and everything else," said Michael Winkler, deputy director of air and cyberspace operations for the Pacific Air Forces.

Airmen are trying to get the hang of the new location-hopping reality. In February, U.S. and allied aircraft bounced between six airfields on three islands: Guam, Saipan and Tinian. For the first time this year, the U.S.-led Valiant Shield exercises included U.S. fighters operating from the Japanese bases of Matsushima and Hachinohe. In August, the U.S. deployed B-2 stealth bombers to an Australian air base near Brisbane.

Beijing's military modernization has eroded U.S. dominance. If China moved to invade democratically governed Taiwan—which it has vowed to take, by force if necessary—it could send volleys of missiles at the U.S.'s main air bases in the region. For the U.S., this means the era of sanctuary at those bases is over.

Gas and go

Andersen Air Force Base on Guam is a strategic U.S. node. As many as 150 aircraft can park there, and it houses the Air Force's largest fuel-storage capacity anywhere.

On rotation at nearly all times are three or four tanker aircraft that can refuel other planes midflight. In the past 12 months, B-52 bombers have come to Andersen twice, for several weeks at a time. In February, more than 80 U.S. and allied aircraft descended on the base for exercises.

The U.S. military is developing more options to spread out aircraft—on Guam itself, and on nearby Tinian and Saipan.

It recently rehabilitated a short airstrip at the U.S. Navy base on Guam and uses the island's airport for exercises. At another site on Guam, Northwest Field, Air Force crews are rebuilding taxiways, clearing overgrown parking surfaces and throwing up a shelter that can double as a hangar. Northwest Field won't have all the facilities of a base. Mobile air-

traffic-control teams will come out as needed.

"We want to stay flexible, stay agile," said Capt. Luke Eckstein, who is part of the team rehabilitating the airfield. "Two is better than one, six is better than five."

Some analysts say the U.S. isn't investing nearly enough in infrastructure. Fiscal constraints mean many projects sit on unfunded wish lists, competing priorities pit buying new aircraft against pouring concrete, and far-flung locations raise hurdles.

"What we're trying to do is hard," said Andrew Huntoon, deputy director of logistics, engineering and force protection for the Pacific Air Forces. He pointed out that the Air Force must navigate local rules around environment and cultural heritage and the remote locations of some bases.

The Air Force teams out on Tinian have glimpsed the difficulties. The island is less than 40 square miles and is home to around 2,000 people. It has a school, a library and one gas station. Rental equipment needs to be shipped or flown in.

When flying into Tinian, it is hard to imagine the scale of the U.S. mobilization eight decades ago. Thousands of Navy Seabees carved what became a sprawling airfield, along with supporting infrastructure. At North Field, the Air Force crew of around 30 has spent months clearing out the jungle.

"We're writing the next chapter in history," said Maj. Blake Rothschild, commander of the squadron clearing the northern airfield. "We're not sure what the end of that's going to look like, though."

Watch a Video

Scan this code to watch a video on U.S. plans to revive a WWII airfield.

Behind the Mystery of China's Missing Minister

For the past year, there has been one China story I haven't been able to get out of my head: the sudden disappearance of Foreign Minister Qin Gang in the summer of 2023.

Qin was a trusted aide to Chinese leader Xi Jinping and a rising political star. What went wrong? To find out, I joined forces with the team at our flagship podcast, "The Journal." It has been one of the hardest stories to report in my career.

In September last year, I reported that, based on what people briefed on the matter told me, an internal Communist Party investigation found Qin had an extramarital affair while serving as China's ambassador to the U.S.

And it wasn't just any affair, they said. Senior Communist Party officials were told that this affair threatened China's national security. The party explained Qin's downfall as rooted in "lifestyle issues."

I thought there was more to it. The undoing of Qin was one of the most intriguing political mysteries since Xi came to power in 2012.



Our three-part podcast series on the missing foreign minister is based on interviews with officials and others briefed on Beijing's probe into Qin and people who said they knew about his affair with a glamorous Chinese TV host, as well as intelligence and foreign-policy experts inside and outside China.

Reporting on China has always been challenging, and

these days more so than ever. Officials and others rarely want to talk about matters as sensitive as this, let alone going on the record. They could lose their careers—or worse.

What we learned will give you a peek behind the curtain of one of the most opaque and powerful governments in the world.

Listen to episode one,

which examines how Qin became one of the youngest foreign ministers in the history of the People's Republic.

—Lingling Wei

Listen to a Podcast

Scan this code to listen to Episode 1 of 'The Missing Minister' series.

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WORLD NEWS

Mideast Shifts in Unintended Ways

Israel was wounded but didn't fold, and Palestinian statehood is exceedingly remote

By YAROSLAV TROFIMOV

Hamas leader Yahya Sinwar sought to remake the Middle East with last year's attack on Israel, dragging Iran, Lebanon's Hezbollah and much of the region into what he foresaw as a decisive battle ending in the Jewish state's demise.

The region, and the world's balance of power, have indeed been decisively altered in the aftermath of that carnage, which killed some 1,200 Israelis.

The Israeli response since then has caused tens of thousands of deaths in Gaza and Lebanon, including of Sinwar and Hezbollah's chief, Hassan Nasrallah, along with countless Palestinian and Lebanese civilians. For the first time in its history, Israel now is involved in a direct military conflict with Iran.

But, like the Sept. 11, 2001, attacks—in which Osama bin Laden aimed to destroy American power in the Middle East and spearhead an Islamist takeover of the region—Sinwar's bloody gambit didn't quite go according to plan. In the short term, it has showcased Israel's military strength, defanged the Iranian-led "axis of resistance" and made the aspirations of Palestinian self-determination more remote than ever.

In part, that is because, instead of facing a concerted attack from its foes, Israel has



The Oct. 7 attacks planned by Yahya Sinwar, center, in 2021, resulted in catastrophic devastation for Gaza and ordinary Palestinians.

managed to go after them sequentially.

It first conquered Gaza, flattening much of the area to remove Hamas as the enclave's de facto government. In a series of intelligence-driven strikes, Israel then decapitated Hezbollah's leadership—removing the Lebanese militant group's ability to serve as Iran's strategic deterrent—and started a ground operation in border areas of southern Lebanon. And now, with U.S. support, Israeli Prime Minister Benjamin Netanyahu is planning a strike on targets in Iran, a response

to an Iranian ballistic-missile attack. All the while, Israel's society and economy have continued operating with few major disruptions.

How it will play out over the longer term is still an open question, and will depend on whether Israel manages to translate its recent military successes into lasting political achievements.

"Iran is clearly on the back foot. Israel has neutralized some of the strategic threats that it faced, but in doing so may have also created new ones," said Emile Hokayem, director of regional security

and the Middle East at the International Institute for Strategic Studies in London. "Despite the defeat of the resistance movements, the resistance mindset has not been neutralized—also because now there is more to resist against."

Sinwar's Oct. 7, 2023, plan has resulted in catastrophic devastation for Gaza and horrendous suffering by ordinary Palestinians who never asked for or assented to a war against a much stronger foe. Yet the crisis Sinwar precipitated also punctured the illusion, long nurtured by Netan-

yahu, that Palestinian aspirations to statehood could be ignored forever as Israel pursued normalization with other Arab nations.

"Sinwar certainly achieved his goal of bringing the Palestinian issue to the center of geopolitics," said Nancy Okail, chief executive of the Center for International Policy, a progressive think tank. "But this came at a very high cost and in reality hasn't moved the United States an inch in its support of Israel. And if the U.S. policy doesn't change, the situation for Palestinians won't change."

U.S. Looks Into Leak Of Israel's Plans to Strike Iran

By MICHAEL R. GORDON AND DUSTIN VOLZ

WASHINGTON—The U.S. is investigating the leak of top-secret American documents that show Israel military preparations for an expected strike on Iran, U.S. officials said Sunday.

The two leaked reports were prepared last week by the National Geospatial-Intelligence Agency, which analyzes imagery gathered by U.S. reconnaissance satellites and other intelligence.

Neither document indicates Israel's potential targets, and one cautioned that the agency's analysts "cannot definitively predict the scale and scope of a strike on Iran."

The reports describe the types of aircraft and munitions the Israeli military is expected to use in an attack, which the documents say could come without additional warning.

Adding to U.S. concerns, the classified assessments were disseminated by a pro-Iran site, Middle East Spectator, which says it received them from an anonymous source. Middle East Spectator describes itself as an "open-source news aggregator" that is staffed by independent journalists.

Among the concerns for U.S. investigators is "the potential for further leaks of highly classified documents," said Jamil Jaffer, a former senior official in the Justice Department's national-security division.

The National Security Council referred questions to the Office of the Director of National Intelligence, which declined to comment. House Speaker Mike Johnson (R., La.) told CNN he has been informed a U.S. government investigation is under way.

The leak comes as Israeli officials say they are planning a retaliatory attack on Iran and the Biden administration is renewing its push to bring an end to the fighting in Gaza.

Israeli Prime Minister Benjamin Netanyahu's office didn't respond to a request to comment on whether the disclosures might affect Israel's plans for its strike, which is intended as a response to an Iranian attack against Israel this month with about 120 ballistic missiles.

The U.S. has urged Israel to avoid targeting Iran's oil and nuclear infrastructure and has moved to buttress Israel's defenses by sending its ally an advanced antimissile system.

The leak raised concerns among some Israeli officials about the U.S. ability to protect closely held information that affects its ally.

Israel Targets Hezbollah-Tied Bank in Lebanon

By ANAT PELED AND JARED MALINS

The Israeli military launched airstrikes on branches of a bank in Lebanon that the U.S. and Israel have linked to Hezbollah, escalating its military campaign to strike institutions that are part of the group's far-reaching network of economic and social influence.

The Israeli air force hit branches of Al-Qard Al-Hassan, a U.S.-sanctioned bank that was established in the 1980s and that offers financial services, including loans and ATM deposits and withdrawals, to the Shiite community in Lebanon. The Israeli military says the bank is also central to Hezbollah's economic functioning.

Lebanon's state-run National News Agency said a series of Israeli strikes hit Beirut's southern suburbs and elsewhere in the country Sunday night, including three strikes on branches of the bank.

The strikes mark an expansion of Israel's offensive against Hezbollah to target an institution that has no overt military purpose. In the past Israel has said its strikes focused on Hezbollah's military infrastructure, though its attacks have also destroyed residential buildings and hit municipal and other civilian infrastructure.

Israeli officials said the strikes aimed at harming Hezbollah's financial assets as well as weakening its ties with the community. The strikes took place on Sunday evening, when the bank branches were likely empty.

"The purpose of the strike is to target the ability of Hezbollah to function both during the war but also afterwards to rebuild and to rearm the organization on the day after," a senior Israeli military official said in a briefing to reporters before the strikes.

The bank didn't respond to a request for comment on the strikes. Hezbollah didn't respond to a request for comment on the strikes.



Smoke rose after Israeli airstrikes near Beirut on Sunday.

ment on the strikes.

The Israeli official said another purpose of the strikes was to diminish trust between Hezbollah and the Lebanese population. "The main objective is to affect the trust between Hezbollah and a lot of the Shiite community that uses this association as a banking system," the intelligence official said.

Al-Qard Al-Hassan says it has 31 branches across Lebanon, many of them in Beirut's Shiite-majority southern suburbs, which have been depopulated by the Israeli bombing campaign. Other branches are scattered elsewhere, including one in the heart of the city.

The Israeli military said that 300,000 people had used the bank as recently as a few

years ago and that the bank was used to pay the salaries of Hezbollah operatives.

The strikes will pile more pressure on Hezbollah and Lebanon, a country that is in the grip of an economic crisis that began in 2019 and pushed millions of people into poverty in what the World Bank has described as one of the worst economic contractions of the last 150 years.

Al-Qard Al-Hassan is a central part of Hezbollah's sprawling network of social services and economic interests, which also include a medical services and a construction company. The group is also a political party.

"The main loss for the people using its services will be the destruction of family gold they pawned in exchange for loans," said Lina Khatib, director of the SOAS Middle East Institute and author of a study of Hezbollah's influence networks.

—Adam Chamseddine contributed to this article.

FROM PAGE ONE

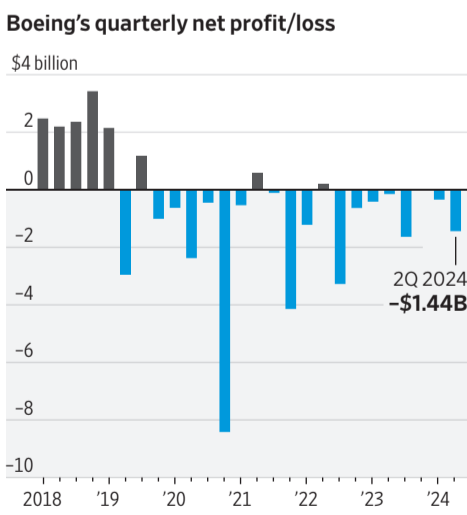
New CEO Puts Boeing On a Diet

Continued from Page One forming units, according to people familiar with the discussions. Days before the gala, the company's board met at Boeing's Arlington, Va., headquarters, where directors quizzed division heads and combed through reports on the state of each unit, mulling next steps for the beleaguered plane maker.

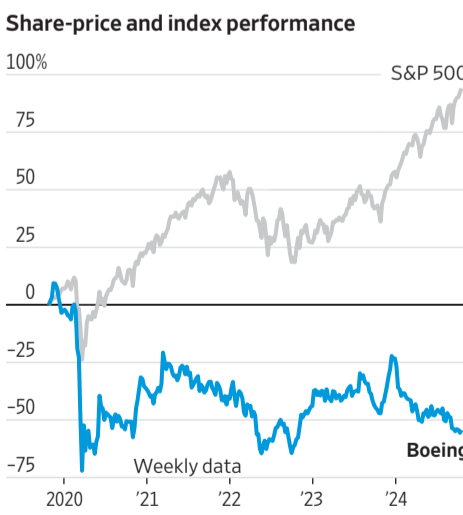
Boeing has spread itself too thin and must shrink, Ortberg wrote in a note to employees earlier this month. "We need to be clear-eyed about the work we face," he wrote. "We also need to focus our resources on performing and innovating in the areas that are core to who we are."

Ortberg has managed to raise at least \$10 billion in cash and slash thousands of jobs to stem losses that have exacerbated Boeing's manufacturing woes and damaged a complex supply chain.

Boeing has tried unsuccessfully to sell a rocket joint venture it shares with Lockheed Martin and remains saddled



Sources: the company (profit/loss); FactSet (performance)



with U.S. government programs like a troubled military refueling tanker and Air Force One replacement jets. Last week, the company reached a deal to unload a small defense subsidiary that makes surveillance equipment for the U.S. military, people familiar with the deal said.

Ortberg took the helm of the company in August. He will make his first public comments as CEO on Wednesday, when the union is set to vote on the new contract and Boeing will detail its financial results for the period ended Sept. 30. The company has warned that it will book billions of dollars in charges and report a \$6 billion

quarterly loss.

Broken trust

Ortberg is tasked with revamping a manufacturing behemoth that has shaken the public's trust.

In January, a door plug blew out on an Alaska Airlines flight after Boeing's factory failed to replace critical bolts. In July, Boeing agreed to plead guilty to a criminal charge that it misled air-safety regulators before two deadly 737 MAX crashes in 2018 and 2019. And Boeing's Starliner spacecraft now faces an uncertain future after technical issues left two astro-

nauts stuck on the International Space Station.

Scott Kirby, CEO of United Airlines, said he was pleased Ortberg aimed to raise equity to stabilize Boeing's finances, a move which Kirby said was a change from past leaders who employed buybacks and other mechanisms to boost the stock price. "The old Boeing would never have done that," Kirby said Friday night on the sidelines of the Wings Club gala.

The machinists strike, which began on Sept. 13, has halted production of most of Boeing's airplanes. Credit-rating firms have warned that the company needs to preserve cash and could be down-

graded to junk levels. Boeing was burning through cash before the union walkout. Analysts estimate the strike is costing the jet maker at least \$1 billion a month.

In recent financial-performance meetings, Boeing's CEO has asked heads of the company's units to lay out the value of those units to the company, according to people familiar with the discussions.

Ortberg, who moved to Seattle from Florida when he took over, is also pressing the company's famously far-flung executives to follow suit and move closer to the units they run.

Former CEO Dave Calhoun took heat for running Boeing largely from his homes in New Hampshire and South Carolina. Finance chief Brian West lives in Connecticut.

Airlines wait

The trouble at Boeing is reverberating throughout the industry.

Legions of parts makers and excess inventory. Boeing said last month it would cut back orders from suppliers for its 737, 767 and 777 jets. Fuse-plate maker Spirit AeroSystems said on Friday it would furlough 700 workers. A U.K.-based part maker, Senior, announced job cuts earlier this month, citing production

problems at Boeing and its European rival, Airbus.

Other big suppliers are trying to avoid layoffs as long as possible because it could take a year to rehire and train new workers.

This presents a risk for Boeing, which will need parts when its striking machinists go back to work and it restarts production.

Airlines, already short on planes they need to meet travel demand, face longer delays both on existing models and new models they have been counting on. Boeing said last week it would further delay the launch of the 777X, already years behind schedule.

Lufthansa CEO Carsten Spohr, a three-decade industry veteran, expressed dismay at Boeing's latest deferral of the plane, which the jet maker initially promised to deliver in 2021 and has now pushed back to 2026.

"And we need it," Spohr said Wednesday at a news briefing in Brussels. "I've never seen anything like it in our industry."

In a speech at the Wings Club gala Friday night, Spohr told the audience that Boeing's survival was vital for the entire industry. The crowd broke into loud applause.

—Alison Sider and Benjamin Katz contributed to this article.

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The World's Identity Company

FROM PAGE ONE

Sinwar Was Forced To Surface

Continued from Page One turns failed to find the right moment or pulled their operations when officials disagreed on the mission, the people said.

After Hamas militants killed 1,200 people and kidnapped around 250 others in October last year, there was no longer disagreement.

So began one of Israel's biggest military and intelligence operations, led by Israel's internal security agency, Shin Bet, and carried out by the Israeli military with help from U.S. intelligence.

Sinwar for months blunted the technological and intelligence-gathering prowess of Israel and its allies. He used rudimentary communications and trusted only people closest to him. Sinwar also commanded miles and miles of subterranean tunnels.

Arab negotiators offered Sinwar an escape in exchange for allowing Egypt to negotiate for the release of the hostages on behalf of Hamas, but he declined.

Sinwar clung to the hope that the conflict he ignited might draw in Iran and its proxy in Lebanon, Hezbollah, setting off a regional war against Israel—a possibility that remains.

"I'm not under siege, I'm on Palestinian soil," Sinwar told Arab mediators in a defiant message, previously unreported, soon after the war began.

The conflict has yielded more than 42,000 deaths in Gaza, according to Gazan health authorities, whose figures don't say how many were combatants.

In the months that followed, Israel's military closed in on Hamas's underground labyrinth, destroying strategic tunnel complexes. The Journal found that the tactic forced Sinwar to surface.

With ever-fewer places to hide, he spent more time above ground, in the Tel al-Sultan area of Rafah in southern Gaza, according to Israeli officials and Arab mediators.

Israel didn't know Sinwar's exact location but it deployed forces to hunt him there. On Oct. 16, Israel's strategy to flush Sinwar out of the tunnels led to his killing, enabled by the skills of war and aided by chance.

This account is based on interviews with Israeli, U.S., Hamas and Arab officials, as well as documents and footage the Israeli military found in Gaza, books written by Sinwar, and his communications over a year with Arab mediators and Hamas officials.

Gathering storm

Israel's leaders for years had viewed Sinwar as a bombastic figure but not an imminent threat. That changed in late May 2021. Hamas had fired missiles at Israel from Gaza for days, and Israel retaliated with airstrikes.

Some Israeli leaders suggested killing Sinwar, who was then-head of Hamas's Gaza wing, along with his military chief Mohammed Deif, according to Israeli officials familiar



Israeli soldiers in an underground tunnel in Khan Younis, Gaza. Below, image from Israeli army it identified as Yahya Sinwar.

with the decision. Prime Minister Benjamin Netanyahu authorized attempts to kill the two men in airstrikes, but the efforts failed.

After a cease-fire in the 2021 conflict, Sinwar was photographed on a sofa in the rubble of his home with a grin, a scene published in Israeli newspapers.

In June that year, Netanyahu's government collapsed, and Naftali Bennett, a right-wing former Israeli commander, became leader. He, too, was eager to launch an operation against Sinwar, people familiar with the matter said.

But officials were split. Israeli officials largely believed that Hamas was deterred, and Sinwar was focused on governing Gaza.

In April 2022, after clashes between Israeli police forces and Palestinians in Jerusalem, Sinwar called on Arab citizens of Israel to prepare for a religious war and to kill Israeli Jews—with cleavers, axes and knives if necessary.

Again, Bennett proposed killing Sinwar, telling security agencies to plan for an operation that summer, one of the people aware of the discussions said. In June, Bennett's government collapsed, and many top Israeli leaders concluded that Sinwar could be contained.

After Oct. 7, Israel put every available resource into the hunt for Sinwar. He had moved many of the kidnapped hostages to the subterranean maze beneath Gaza—hundreds of miles of concrete-reinforced tunnels built by Hamas before the war.

Footage released by the Israeli military later showed Sinwar taking his wife, daughter and two boys—both dressed in soccer jerseys—into a tunnel in Khan Younis, Sinwar's hometown. They carried bedding and bags of food.

Margalit Moses, a 78-year-old hostage who was later released, told the Journal that Sinwar appeared where she was being held underground in Khan Younis during the early days of the war. She recalled him telling captives



that he meant them no harm and that they served as his bargaining chips to free Palestinian prisoners from Israel.

Israeli forces leveled buildings and deployed soldiers to find tunnel entrances.

In the dark

On Jan. 2, Saleh Aroui, the deputy head of Hamas's political bureau, was killed in an Israeli strike in Beirut. To better cloak his movements, Sinwar began changing the way he communicated.

He used aliases and relayed notes only through a handful of aides and via codes, switching between audio messages to intermediaries and written missives.

Shin Bet detained relatives of Hamas commanders in Gaza on suspicion of militant activities, and they provided intelligence about Sinwar. Soon, Israeli forces went below ground in Khan Younis, raiding Hamas's tunnel network.

Israeli troops battled Hamas soldiers to gain entrance to the tunnels. They sent in dogs with cameras to sniff out humans and to catch sight of bombs or drones operating in the subterranean spaces.

Troops arrived at one underground complex moments

after Sinwar had fled. He left behind a cup of coffee, still hot. Raids found safes holding the equivalent of \$1 million.

"We are learning, feeling our way in the dark," said Goldfus, the Israeli commander who led the underground offensive in Khan Younis.

"Our enemy is fleeing," he said at the end of January.

Israel began to understand that some tunnels were more important to Hamas, Goldfus said, either because they formed crucial links to other parts of the labyrinth or because they held underground compounds.

If soldiers reached those tunnels, he said, they would find Sinwar and the hostages.

"They thought we wouldn't have the means, capability or audacity to enter these tunnels," he said, "but we did."

In March, Israeli commandos seized another compound connected to Sinwar. They found uniforms, vests, submachine guns and a laptop.

Sinwar messaged Hamas officials, urging them to refuse a hostage deal. Hamas had the upper hand in negotiations, Sinwar said, citing internal political divisions within Israel, cracks in Netanyahu's wartime coalition and mounting U.S. pressure to al-

leviate the suffering in Gaza.

From spring through summer, the hunt for Sinwar appeared to stall.

In July, Israel received intelligence that Deif, the head of Hamas's armed wing, had emerged from the tunnels. He was killed in a massive airstrike in western Khan Younis that included eight 2,000-pound bombs.

Later that month, Israel killed Ismail Haniyeh, the head of Hamas's political bureau with a bomb in Tehran.

In August, Sinwar became overall leader of Hamas, a role he had played since Oct. 7. He immediately pointed the group toward a more violent ideology.

Chased out

In September, Israeli soldiers found six dead hostages, including an Israeli-American, in a tunnel in the Tel al-Sultan neighborhood of Rafah. Nearby, the Israeli military said it found traces of Sinwar's DNA in an underground room with a TV and sofa.

To Israel, that meant Sinwar wasn't far. Israeli officials believe he had fled Khan Younis after the Israelis destroyed many of the city's tunnels.

Also in September, Israel intensified an air campaign

against Hamas's ally, Hezbollah, mounting an attack with exploding pagers and later launching a strike that killed the Lebanese militia's leader, Hassan Nasrallah.

Soon after the killing, Sinwar delivered a message to Hamas's political leadership outside of Gaza.

He said the group was likely to now face greater pressure to compromise but shouldn't, according to Arab mediators.

He also began preparing for his death, advising Hamas members that Israel would likely offer concessions to end the war after he was gone.

In negotiations with Israel, he said, Hamas would be in the stronger position, according to Arab mediators familiar with his messages.

He recommended that Hamas appoint a council of leaders to govern and manage the transition following his death, the mediators said.

Endgame

On Oct. 1, Iran launched a ballistic missile assault on Israel in retaliation for the attacks on Hezbollah. Israel promised to respond.

The regional war that Sinwar hoped would ignite when he launched the Oct. 7 attacks appeared closer than ever—if he could stay alive.

Two days after the Iran attack, an Israeli airstrike targeted an underground compound in northern Gaza, killing Rawhi Mushtaha, Sinwar's closest confidante. The two men had set up Hamas's internal security force in the 1980s and later shared a cell in an Israeli prison. In 2011, they were released in a prisoner swap and rose together rising through the ranks of the militant group.

Mushtaha's killing was a sign the Israelis were getting close to Sinwar.

This month, Israel's disruptions of Hamas's tunnel network forced Sinwar to go above ground, according to Israeli and Arab officials, making him more vulnerable.

On Oct. 16, a group of Israeli soldiers training to be squad leaders spotted three Hamas militants trying to walk without being seen. The soldiers engaged in a firefight with the men, who scattered for cover in bombed-out buildings. The militants fired bullets and grenades, injuring one Israeli soldier.

One militant fled to a building where soldiers sent in a reconnaissance drone.

In a scene captured on video, a man sat in a chair for a bit and then threw a block of wood at the drone.

A tank accompanying the soldiers fired on the building, and it collapsed.

Other soldiers returned the following morning. They found the man half-buried in rubble, wearing sneakers, civilian clothes and a combat vest. On his neck, he wore a kaffiyeh, the symbol of the Palestinian cause. He looked like Sinwar, and Israel's top military brass was summoned.

At around 5:30 p.m., Israeli military chief Herzi Halevi visited the site. The body hadn't been moved, according to an Israeli army reservist who saw it.

By then, it was clear: Israel had killed Sinwar.

—Warren P. Stobel, Nancy A. Youssef and Carrie Keller-Lynn contributed to this article.

Swifties Mobilize For Harris

Continued from Page One ministration.

It also energized Swifties to use her music, cover art and folklore to get out the vote in battleground states and beyond. They are phone-banking, canvassing, crafting, sending postcards, wearing their gear as a sign of support and finding each other through online groups like Swifties for Kamala and Swifties for Harris.

"We're this little silent army," said Gibson. "We wear pearls. We wear the Chuck Taylor All Stars. People are painting their fingernails blue. They're wearing friendship bracelets. It's just all these little things, but it seems to be bringing people together."

The Harris campaign embraced the endorsement, selling

"Harris-Walz" friendship bracelets for \$20 on its official website. Minnesota Gov. Tim Walz wore two ("Joyful Warrior" and "Coach") and mentioned Swift during his vice-presidential debate with Ohio Sen. JD Vance.

Trump, who has reveled in the support of rock rapper Kid Rock, posted on Truth Social: "I HATE TAYLOR SWIFT!"

It might not be so easy for Trump to shake off her fans. "Swifties are very good at solving collective action problems," said Jeff Harden, a professor of political science at the University of Notre Dame, who co-wrote a paper on how Swifties took on Ticketmaster after the botched rollout of presale tickets for the Eras Tour.

The Trump campaign cited a poll in which more respondents said they were less enthusiastic about Harris after Swift's endorsement than those who said it made them more enthusiastic. "Americans are smart enough not to take political advice from a popstar who doesn't understand the economic suffering they've endured from Kamala's terrible economic poli-

cies as vice president, and the safety concerns they feel every day due to Kamala's wide open border crisis," said Karoline Leavitt, national press secretary for the campaign.

Swifties for Kamala has more than 3,700 members on Discord and has raised more than \$226,000 for the Harris campaign, topping its goal of \$220,000 in honor of Swift's song "22," said co-founder Irene Kim, 29.

The group is organizing text-banking during the livestreams of the remaining U.S. Eras Tour concerts, with a goal of reaching 13 million Swifties to take action during a time we know they are going to be online anyway," Kim said.

Swifties for Harris has around 12,000 members and has raised more than \$6,700, said founder Tammy Searle, 58. With Facebook groups in every

state, the group has inspired phone-banking, postcard writing and bead-making events, she said.

In the crucial swing state of Pennsylvania, Mary Ullman, 44, a Swifties for Harris member in a Pittsburgh suburb, has turned her dining room table into an assembly line where she and her children have cranked out more than 600 election-themed bracelets.

Pundits are trying to assess what Swift's nod means for Harris's race.

Ullman ran a bracelet-making table at a recent Democratic event. In a cavernous room with a thunderous PA system, children and adults picked through tubs of colorful beads, and spelled out

messages like "Miss AmeriKamala," referencing a documentary on Swift called "Miss Americana."

In red parts of Michigan, Converse sneakers, pearls and friendship bracelets serve as subtle ways for Swifties to show

support for Harris and identify each other. "We don't put bumper stickers on the car, because the car will get scraped up at the Walmart," said Charla Arnold, a 50-year-old retiree in Port Sanilac, Mich.

Elizabeth Paulson, 43, a freelance writer in Green Bay, Wis., has been canvassing with her 10-year-old son, Rory, who likes politics but not Swift. She usually wears five bracelets and carries more to give away to possible supporters.

"Swifties are pretty good about identifying themselves," she said. "There's no real code to break if you're meeting a kindred spirit."

Abby Mozenter, 56, a fifth-grade teacher in Mesa, Ariz., has jewelry pens, bag tags and keychains with Harris and Swiftie themes from her kitchen table. She ordered 200 beads that say "Swifties for Harris—look what you made us do" and is looking for more. "I'm making the whole world shimmer," Mozenter said.

When she gets in the bracelet-making mood, Meredith Tillery, a 37-year-old paralegal in

Garland, Texas, watches the Eras Tour movie, then works her way backward through the Swift discography.

"When there is wine involved, bracelets get messed up, so it's better to have only one glass," she said.

She and her friends place the bracelets on the Taylor Swift display at places like Target. "They're always gone, so I think people like them," she said.

Tami Piscotty warned her Swiftie gear around her conservative Nevada retirement community in defiance.

"I'm not afraid to start a conversation," said Piscotty, 60, a lifelong Republican who started to turn when Swift came under attack for supporting Joe Biden in 2020.

Gibson, who festoons bathroom stalls with Post-its, said she brought 55 bracelets to a Harris rally in Savannah in late August, hoping to trade them. When she went to the restroom at one point, a woman asked for a bracelet and suddenly everyone wanted one. "They were gone in a minute and a half," she said. "It was crazy."



WORK & LIFE
RACHEL FEINTZEIG

Connectors always know just who you should talk to. They send the perfect introductory emails: warm, crisp, direct. And they make it look so effortless.

"It's almost like music or something," says David Dewane, a Chicago architect who loves introducing contacts from all parts of his life. "If you do it right, what you get is a little flash of possibility for both people."

And possibility for the connector, too. Call it karma, the power of networks, or even just luck. If you become that hub for your friends and colleagues, it will come back to you, enriching your circles.

I think of people I know in my own life, the ones I speed text when I need a doctor for my kid. I feel so grateful, like they're these lifebuoys that help keep me afloat. I wonder: Can the rest of us do that?

"We all develop a point at which the network that we're in can't satisfy our needs anymore," says Brian Uzzi, a professor at Northwestern's Kellogg School of Management who studies social network science.

When we become brokers, dipping in and out of various groups, we have access to all kinds of new information: little tips, fresh opportunities. Synthesizing multiple viewpoints, we're better able to solve problems in innovative ways, Uzzi says. People love us for it.

Getting ahead

Connectors are more likely to get promoted and win bigger bonuses, Uzzi says. In one study of MBA students, those who acted as brokers between cliques were twice as likely to get the best job offers upon graduating, he adds.

The key is to give before you ask.

"The idea of reciprocity is very powerful," says Greg Pryor, a long-time human-resources executive who now researches organizational psychology topics.

Need a favor while you're building a relationship, and you're automatically in debt, he says. Instead, his career has been guided by a pay-it-forward mentality. He ends most calls by asking, "Is there anything I can do to help you?"

One time, a colleague asked if Pryor could get an acquaintance of hers up to speed on the topic of corporate culture and values. He spent a day with the friend-of-a-friend and connected her to others in the industry he thought could help.

The woman ended up becoming the chief human resources officer at software company Workday. When Pryor was looking for his next job, he reached out to her. A



◀ **Greg Pryor's pay-it-forward approach has led to surprises.**

few weeks later, he was the new head of talent at Workday.

He spent a decade there, the best stretch of his career, he says.

The email formula

There's an art to crafting the perfect email intro. Dewane, the Chicago architect who's orchestrated thousands of introductions, is constantly scanning his mental rolodex for pairs of contacts who can solve each other's problems. He usually gets pre-approval to reach out from both parties, then turns to his formula.

There's two paragraphs—one for each person. He describes what they do, why he thought of them, and how they're perfect to connect on this particular thing. He includes hyperlinks to both LinkedIn profiles. And he always puts



◀ **David Dewane says connecting people is a joy, and an obsession.**

the person who stands to gain more from the interaction last, queuing them up to initiate contact.

"I get kind of paranoid if intros just hang there," he says.

If there's a big difference in power between the two people, he choreographs the thread even more intricately. When connecting architecture students with professionals he knows at design studios, he'll inform the students that he's sending the email at 8 a.m. They are to reply by 8:04 a.m.

"I am going to open the door and then you are going to walk through it," he says.

Oftentimes people freeze as they sit down to pen an email, scared of overpromising, says Erica Dhawan, a St. Petersburg, Fla.-based leadership consultant and author of a book about digital communication. Sliding into someone's inbox involves risk.

Dhawan recommends using the phrase, "no guilt, no obligation," when asking people if they're open to connecting.

▶ An introduction brought Khaled Bashir a friend, and a business deal.

"I want them to feel like there's mutual benefit," she says, not like they're doing her a favor.

Worst intro ever

Being on the receiving end of an introduction can also leave your stomach in knots, if it's not done right.

"I'm in an email thread and I'm like, I don't know why I'm here," says Khaled Bashir, the founder of a marketing agency and AI startup in Toronto. "What am I supposed to do?"

Fellow founders will often connect him with potential clients. At least he thinks that's what they are. The context is sometimes missing, and he'd appreciate a funny icebreaker so he can slide into the conversation without it having to be all business.

Bad intros can have happy endings, though.

Years back, Bashir was thrown into a random WhatsApp group by a client. No explanation, just him and one other guy. It turned out



the other person was a fellow agency owner.

The pair became fast friends. They bonded over the synergies in their work and a love of Japanese comics.

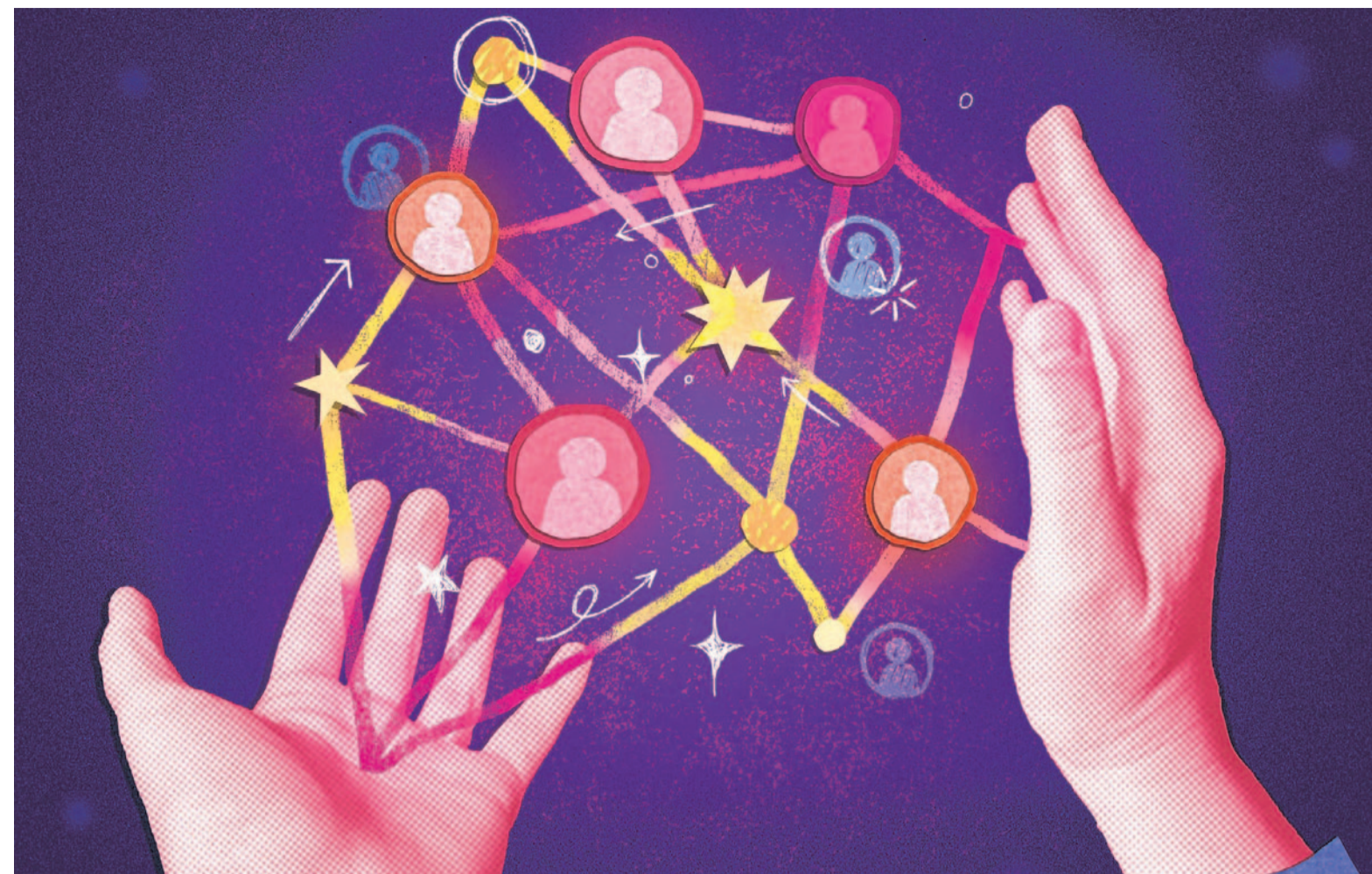
Now, Bashir is selling the marketing part of his business to the friend, a move that will let him focus on growing his AI offerings.

Bon appétit

To make connections less awkward, add food. Michael Magdelinskis, who works in government affairs for a consulting firm, hosts frequent dinner parties at his Manhattan apartment. Over sous-vide pork chops and cognac ice cream, he brings together everyone from former colleagues to acquaintances visiting from overseas.

He crafts guest lists by thinking about common hobbies, hometowns and the ratio of introverts to extroverts. Recently, a group of attendees formed their own Instagram chat thread, bonding over an inside joke. They didn't even think to include Magdelinskis.

"That's a good thing," he says. "That means the process is working."



Be That Person Who Makes The Connections in Your Group

You'll enrich the lives of those around you—and find opportunities come back to you, too

Who Wants to Be a Mill... No, Billionaire

By KATHERINE HAMILTON

Who wants to be a millionaire? Not enough lottery ticket buyers.

Mega Millions is raising ticket prices next year from \$2 to \$5 to boost more jackpots well over the \$1 billion mark.

People play the lottery for the fleeting fantasy of instant riches, the American daydream. These days it takes more zeros to deliver that rush.

A billion dollars has become the new benchmark of life-changing wealth in the popular imagination, lottery officials say. People buy more tickets when billions are involved—and they are betting people are also willing to pay more per ticket.

"It's really fun to dream about something like that," said Joshua Johnston, lead director of the Mega Millions Consortium. The bigger jackpots should help Mega Millions differentiate itself from Powerball, the other big multistate lottery, and from other forms of betting.

Billions and billions

Ticket sales rise significantly when jackpots close in on \$1 billion, sales

data shows. But the novelty has worn off somewhat.

The first time the Mega Millions jackpot hit \$1 billion in 2018, people bought more than \$739.4 million in tickets, according to sales data from Lotto Report. When it happened again in 2023, half as many tickets were sold.

"Think of it as a drug. You need bigger and bigger doses of the drug to get the same high as we become accustomed to larger and larger jackpots," said Victor Matheson, an economics professor at the College of the Holy Cross in Worcester, Mass. Record jackpots bring in new players in part due to the media frenzy that helps advertise it.

Player psychology plays a role, too. There is no logical reason why \$900 million should be less of an incentive than \$1 billion. Many players post online that they wait until the jackpot hits \$500 million or \$1 billion. It makes buying a ticket feel more worthwhile and gives them something to fantasize about, they say.

"I only play for the fun of the dream, so yes, I only play when the jackpot is really high," one person wrote on Reddit.



Powerball broke the jackpot record most recently when it surpassed \$2 billion in 2022. The advertised jackpot is the total that would be spread out over 30 years of increasing payments. The lump sum cash prize in this case was nearly \$1 billion.

This has been the trend throughout the lottery's history. Early on, lotteries assumed players would prefer games with a better chance of winning, even if the prizes were smaller. But it turned out players cared more about the oversize jackpots—even if the odds of winning became more and more microscopic, said Jonathan Cohen, a historian who wrote a book on the growth of American lotteries. Mega Millions is relying on that trend.

"They want to offer being a billionaire, not just being rich, as the ultimate jackpot," Cohen said. The band Barenaked Ladies sang

▲ Mega Millions expects the rise in ticket prices to generate more billion-dollar jackpots.

about all the absurd ways one could spend a seven-figure windfall, including exotic pets and real estate. The hit song, "If I had \$1000000," was released on their 1992 debut album and later used in lottery commercials. "The average house price was around \$200,000 in Toronto back then, so you could still have a bunch left over. Now I would buy a house and the song would be over," said former member Steven Page, now 54.

What's a million?

Pity the poor millionaire. A million bucks has half the value it did when "Who Wants to Be a Millionaire" made its debut in 1998.

Nearly one in five U.S. households had a net worth of at least \$1

million in 2022, counting home equity, up from 7% two decades earlier, according to the Survey of Consumer Finances. That is about 23 million American families.

Many now consider \$1 million as a baseline for success, rather than something that would transform their lives. In a Charles Schwab survey from August, Americans said they need \$2.5 million to be considered wealthy.

Billionaires are a rarer breed: In the U.S., there are fewer than 1,000.

Until 1980, the word billionaire didn't often appear in books and printed publications, according to Google's Ngram Viewer, which tracks the use of words over time. It showed up in printed publications almost 340% more in 2022 than it did in 2000.

Billionaires may suffer a similar fate with the rise of the first trillionaires. Apple became the first company valued at \$1 trillion in 2018. Seven other U.S. companies have since joined Apple's ranks and some of the world's wealthiest executives are a quarter of the way to trillionaire status.

"That has a trickle-down effect," said Samita Malik, chief insurance officer at Arta Finance. "People now feel like they need to be a billionaire to have really made it because Jeff Bezos is going to be a trillionaire."

—Jeremy Olshan contributed to this article

PERSONAL JOURNAL.

Who Matters More in a Move: The Husband or the Wife?

New research finds that couples are more likely to relocate when it benefits the man



Some 26% of men and 15% of women who took new jobs said they were required to relocate, a ZipRecruiter survey from earlier this year found.

In some industries, frequent moves are the norm. Military families often relocate every few years, which can disrupt the career of the nonmilitary spouse.

Kathryn Zahm, who worked in programs and services for older adults, saw her salary drop more than a third when relocating from Washington, D.C., to San Diego in 2015 for her husband's military post.

To remain competitive, she earned a professional certification and volunteered as a long-term care ombudsman. The experience helped her secure a job with a significant raise when they later moved to Chicago. "I could say, 'I've done this as a volunteer,' and that gave me an edge," she said.

When the couple relocated again to San Diego in 2021, her Chicago employer allowed her to work remotely, she said. She and her family are now back in the Washington, D.C., area. It took her nearly five years to get back to her 2015 D.C. salary.

"We always said we'd invest in his career until he could retire, and then focus on mine," she added. He is eligible for retirement in four years.

This pattern of losing ground on earnings is common for women, who more often relocate for their partner's job, according to Jeremy Burke, a senior economist at the University of Southern California.

His 2018 study on military families found that nonmilitary spouses typically face a 15% reduction in earnings after a move, with losses persisting for at least two years.

Women earned 84 cents for every dollar a man earned in 2023, according to Labor Department data. That gap can be self-reinforcing in relocation decisions because couples often give priority to the partner with higher earnings potential or more immediate career opportunities.

Careers across borders Johnsen, who moved from Denmark to England in 2001, said the challenges of relocation went beyond career disruption. She expected an exciting new adventure, but she wasn't prepared for how isolating it would be.

While her husband had built-in connections through work, Johnsen had to start from scratch. Her qualifications as an accountant and teacher didn't transfer. She decided to become a personal trainer. While her husband's earnings increased, her salary was only a quarter of what it had been.

The emotional toll of the relocation contributed to the breakdown of her marriage. She has since returned to Denmark, where she now works as a psychotherapist for people who move abroad.

"It can take years to dawn on you that you're not just on holiday," she said. "Putting myself and my career on the back burner for too long turned into a crisis."

BY DALVIN BROWN

Couples are moving again for better job opportunities. They are more likely to make those moves when the husband's earnings stand to benefit.

Men's earnings increase 5% to 10% after a move, while women's earnings tend to stagnate, according to a September study of opposite-sex couples led by economist Seema Jayachandran of Princeton University.

The study finds that they are more likely to go through with it to improve the man's earnings—even in cases when the woman's career stands to benefit more by moving. The cooling job market makes the dinner-table deliberation over a move more challenging.

"There's some psychological pressure to be a supportive wife," said Henriette Johnsen, who restarted her career after moving from Denmark to England for her husband's finance job.

The relocation penalty for women is a rarely examined factor of why women's earnings often lag behind men's. While more women are working than ever before,

► Kathryn Zahm saw her salary drop more than a third when relocating from Washington, D.C., to San Diego for her husband's military post.

some of what's holding them back professionally comes from decisions made inside the household.

"This imbalance is a hidden factor that keeps women from advancing as quickly as men in their careers," Jayachandran said. "It's rooted in household decisions rather than workplace bias."

Shanika Boyd had to take a \$10,000 pay cut after moving from Northern Virginia to Miami for her husband's new airline job. Though



◀ Shanika Boyd took a \$10,000 pay cut after moving from Northern Virginia to Miami for her husband's job.

he nearly doubled his salary, she settled for a marketing job nearly identical to the one she had in Virginia. It wasn't the win-win move she imagined.

Her career progress stalled, and after three years getting passed over for promotions, she moved back to Virginia with her son. "If I had stayed, my career

► Henriette Johnsen said the emotional toll of the relocation contributed to the breakdown of her marriage.

wouldn't have recovered," she said.

Her husband, who got free flights through work, commuted. She worked two jobs to gain experience that helped her make up for lost time, she said. He recently retired and moved back to Virginia.



Frequent moves

Job relocations declined for years, and fell in particular during the pandemic when many people worked remotely. But the trend may be reversing. The share of job seekers relocating for new positions was up in the first two quarters of 2024 after hitting a record low last year, according to a survey by outplacement firm Challenger, Gray & Christmas. The firm expects relocations to keep rising across all wage levels as fully remote work declines.

The share of postings on jobs website Indeed that mention remote or hybrid terms peaked at 10.4% in early 2022 but has since declined to 7.8% at the end of September. Remote job postings in sectors like finance, education and government have been declining, according to ZipRecruiter.



October Is The Time To Reset Your Goals

BY ANN-MARIE ALCÁNTARA

October is traditionally the time to break out the cozy sweaters and consume as many pumpkin-spice drinks as possible. Instead, people are now using it to reset their goals.

Dubbed "October Theory," these people are rethinking their approach to the last three months of the year. They're using it as a time to set goals, pick up new habits and reflect—essentially taking on the role New Year's plays.

October Theory is the latest "theory" social media has latched onto. Between the uneven job market, inflation, and the usual daily grind, people are looking for something they can control. Setting goals and improving their lives—whether it's their health, finances or mindset—is something they are gravitating toward.

Sarah Stone, a 35-year-old Realtor in Kansas City, Mo., says October is a better time to reflect on the previous nine months and also home in on what she wants to achieve in the last few months of the year. This month, she's declut-

tering her home and purging habits such as too much impulse shopping at TJ Maxx. "It feels almost like the beginning of the year is in the wrong place on the calendar," says Stone.

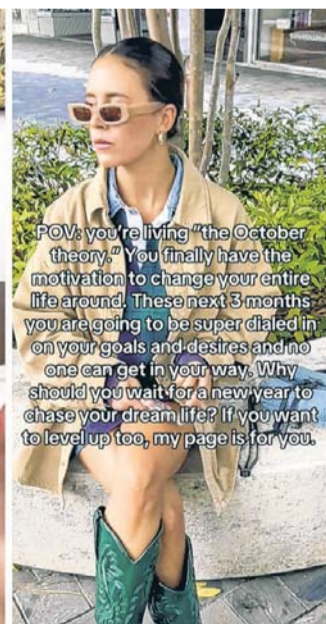
October can feel like an introspective time for people since the seasons are changing, a new academic school year has started and the current year is on its way out, says Laurie Kramer, a licensed clinical psychologist and a professor of applied psychology at Northeastern University. October also is when the Jewish new year—Rosh Hashana—takes place, giving millions a time to reflect.

Start now, win later

October Theory is catching on partly because it sets someone up for success by the time January rolls around, say fans of the trend. Instead of picking up a new habit in the dead of winter—at the same time everyone else is trying to make it to the gym, for instance—it has already been in place for three months.

Every new year, Allison Buchelers, a 30-year-old lifestyle and fashion content creator in Miami, tries to set new goals. Often, she fails because she doesn't have a routine in place to make it happen.

Most of her goals this month revolve around setting new daily rou-



tines, such as waking up at 7 a.m., journaling her thoughts and writing self-affirmations to reframe her thinking. Around the middle of the day, she'll repeat her positive phrases—at times over 100 of them—and will sometimes write one on a sticky note on her bathroom mirror. Her newest self-manttra: "I can control my work and my self belief, but not the timing."

Simple behaviors that are easy to repeat could take as few as 30 times to become a habit. More complex ones could take up to three months of daily practice, says Wendy Wood, professor emerita of

▲ From left: Mateo Pérez, Kelly Sites and Allison Buchelers are using October Theory to switch up their usual goals and routines.

psychology and business at the University of Southern California.

The best time to change behavior is during a big life change, such as moving to a new house or starting a new job or relationship—regardless of whether it's in January or October, she says.

Last chance

Others view October as a last chance to fulfill the goals and aspirations

they set months ago.

That includes Mateo Pérez, who is in the final stretch for his weightlifting and running regimen. The 19-year-old sophomore majoring in creative advertising at the University of Miami is also working on an application to transfer to New York University for the fall 2025 semester. Perez wants to finish the application by the end of this semester in December.

"Right now, it's like a reflection of this whole year and how can we make the most of the last three months," Perez says.

Psychologists say being introspective—at any time of the year—helps people develop habits and routines. It is often the key to following through on your goals.

Two Octobers ago, Kelly Sites, a 38-year-old customer support manager and content creator, decided to stop living overseas. By February, she had moved to Kansas City, Mo.

In a TikTok post on Oct. 2, Sites encouraged people to go to their photo albums and type in October to see how much their lives have changed in the 10th month.

"It's this idea of hibernation, seasons changing," Sites says. "There's always seeds of my life that were planted in October that changed the rest of the year."

CLOCKWISE FROM TOP: WSJ; ISTOCK; HENRIETTE JOHNSEN; KATHRYN ZAHM; SHANIKA BOYD

MATEO PÉREZ, KELLY SITES, ALLISON BUCHELERS

ARTS IN REVIEW

ART REVIEW

Visions of a Storied City

Showcasing the London paintings of Claude Monet and Frank Auerbach

BY DOMINIC GREEN

The most significant and sustained visions of modern London in paint are Claude Monet's views of the Thames flaming in the fog and Frank Auerbach's vistas of the fractured post-war city. Both bodies of work are now on view at the same time. The Courtauld Gallery's "Monet and London: Views of the Thames" is the first large-scale exhibition of Monet's iconic images in London. "Frank Auerbach: Portraits of London," exhibited in the adjoining Mayfair premises of Offer Waterman & Francis Outred, is the first show to focus on Mr. Auerbach's harshly tender views of his adoptive city.

The first, and perhaps only, tourist to come for the winter weather, Monet set up in a sixth-floor suite at the Savoy Hotel in September 1899 and made two more visits in 1900 and 1901. Seeking "some fog effects on the Thames," he was delighted to find his view occluded by the London "pea-souper," a smog of rain, coal soot and industrial pollution. Whistler's "Nocturnes" of the 1870s were, Oscar Wilde wrote, the first to depict the "mysterious loveliness" in this toxic murk, though Dickens described it first. In "Bleak House," he imagined people "peeping over the parapets" as they crossed the bridges and looking down "into a nether sky of fog, with fog all around them, as if they were up in a balloon and hanging in the misty clouds."

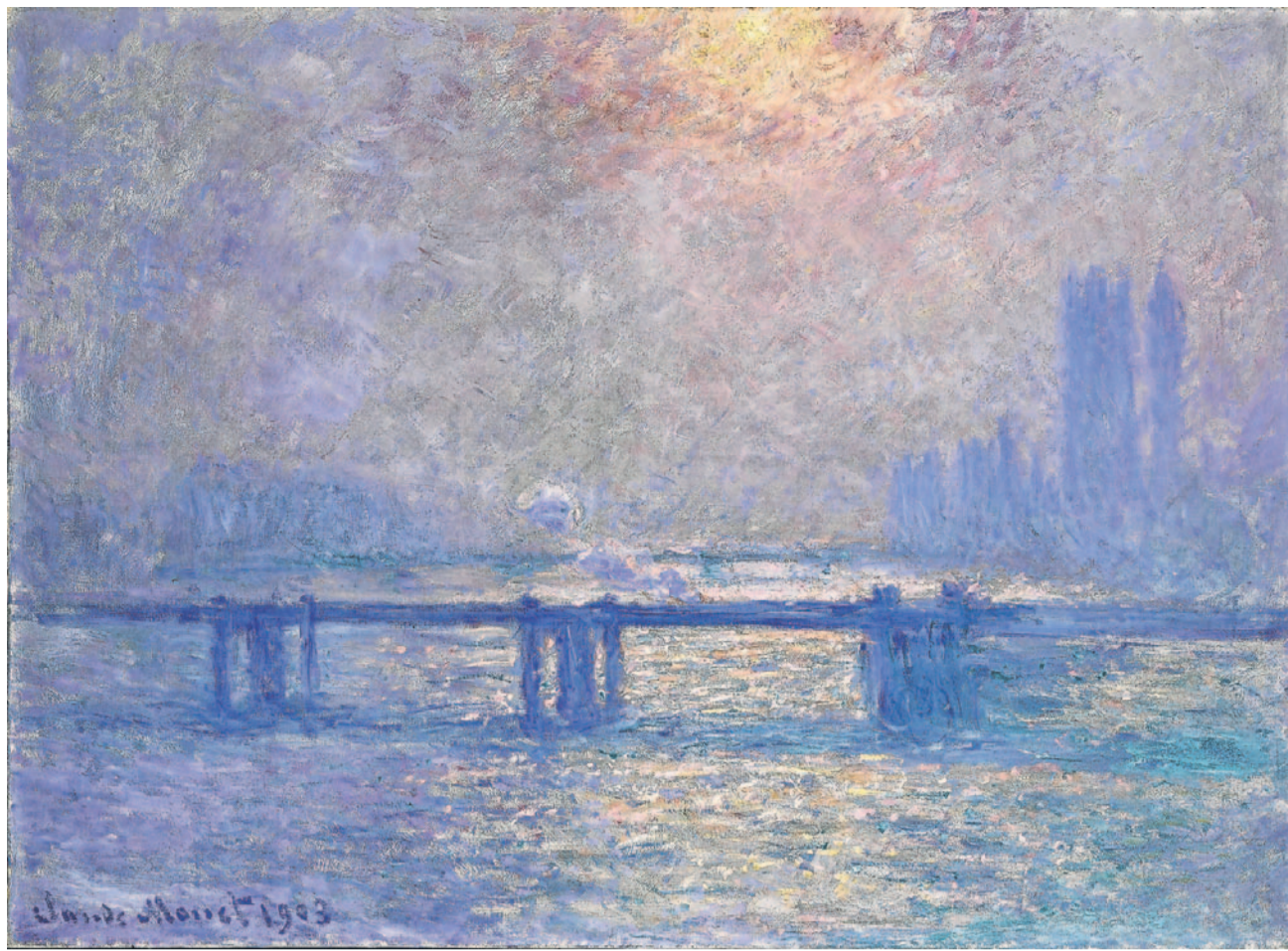
Avoiding Whistler's vagueness and pursuing Dickens's reflections, Monet structured his paintings around three landmarks in daylight: Waterloo Bridge in the morning, and Charing Cross Bridge and the Palace of Westminster in the late afternoon. He placed the sun behind them, creating three zones: a sunlit background, often with a vertical architecture of factory chimneys; the bridge or building that supplies a title; and a foreground flux of water and reflected light which, as Dickens saw, is often the main topic.

As with his earlier "Haystacks" and "Rouen Cathedral" series, Monet said that the "full value" of the paintings lay in the

"comparison and succession of the entire series." Curated by Karen Serres of the Courtauld Gallery, "Monet and London" presents 18 of the 37 finished canvases that Monet exhibited in Paris in 1904, plus another three. Six of the eight canvases in the first of this exhibition's two rooms show Charing Cross railroad bridge. In "Charing Cross Bridge. Smoke in the Fog; Impression," the sun is a smear of pale orange. Puffs of white, purple-tinged steam suggest two trains, crossing the river. The bridge bisects the canvas but the fog blurs its iron edges. It seems to be floating, its triple-stilted legs melting into the churning lilac water. "Fog on the Thames" has the greenish serenity of Whistler's Venice at dusk, but the sun explodes through "Charing Cross Bridge. The Thames," casting ripples of yellow, orange and white on the water, and exposing Big Ben and the Houses of Parliament beyond.

The second room looks downriver to Waterloo Bridge, then upriver. Monet offsets Waterloo Bridge from the horizontal axis, and never shows us all nine of its arches. Instead, he floats it on the incoming tide, its foreshortened arches emerging from the water like the stylized humps of a medieval sea monster. The staging and the shifting weather allow Monet to dissolve the bridge into a sea of fire ("Waterloo Bridge, Effect of Sunlight in the Fog"), to turn the Waterloo Flour Mill on the south bank into an ocean liner ("Sunlight Effect"), or to pick out the Doric entablatures on the bridge's pillars and the red livery of the double-decker buses on its roadway ("Veiled Sun").

The late afternoon view upriver is fiery then desolate. The mock-Gothic spires resemble cliffs caught between a flaming sky and its furiously liquid refractions ("The Houses of Parliament"), but the stones can also become almost transp-



Monet's 'Charing Cross Bridge. The Thames' (1903), above, and 'Waterloo Bridge. Veiled Sun' (1903), left.

"Mornington Crescent With the Statue of Sickert's Father-in-Law III, Summer Morning" (1966), a pale-blue tangle of barriers and traffic lights obscures the statue in the foreground. An unsteady blue-and-red grid of Victorian terracing floats in the middle ground, before a glaring mustard yellow light. The structure is flatter—the sun is somehow both at the rear and doubled within a Victorian lantern in the foreground—and the incandescence is almost frazzling, but Mr. Auerbach keeps the architectural balance that Lucian Freud compared to "a waiter pretending to slip while carrying a huge pile of plates."

Mr. Auerbach's later canvases become increasingly tender and autobiographical. In "Park Village East—Winter" (1998-99), the wind sways tree branches into curves. The fragmenting clouds cast pink on the stucco and warm blue into a puddle. These prosaic scenes have the subtle grandeur of Constable's country scenes, a snatched sense of person and place, weathered by time.

Monet and London: Views of the Thames
 Courtauld Gallery, through Jan. 19, 2025

Frank Auerbach: Portraits of London
 Offer Waterman & Francis Outred, 17 St. George St., London, through Dec. 7

Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.

parent ("Effect of Fog"), or tip slightly leftward as the tide runs out and Monet's long purple strokes pull at their foundations.

Frank Auerbach escaped to Britain from Germany in April 1939 as a 7-year-old refugee; the Nazis later deported and murdered his parents. London was battered by the Luftwaffe in World War II and despoiled by postwar reconstruction. The light grew harsher after the Clean Air Act of 1956, too. The 25 canvases from 1959 to 2020 in Offer Waterman & Francis Outred's nine-room sequence show a dislocated, dank, yet luminous city in the age of its reinvention, its capacity for romantic effects undimmed and even heightened.

Mr. Auerbach discovered, he says in the show's catalog, a "raw thing," an "extraordinary, marvellously unpainted city" whose Victorian sightlines were interrupted by bomb sites, demolitions, reconstructions, and garish street furniture. Monet's light and his gracious touch refract from the solid and secure Edwardian world. Mr. Auerbach pursues light into the crevices of the earth and up into the churning air with the weight and force of high explosive. In "Maples Demolition—Euston Road" (1960), the thick brown impasto of excavated clay forms an inverted architecture, churned with black

Mr. Auerbach's 'Primrose Hill, Hot Summer Evening' (1974-75), right, and 'Mornington Crescent With the Statue of Sickert's Father-in-Law III, Summer Morning' (1966), below.



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SPORTS

Juan Soto Lifts the Yankees to World Series

The 25-year-old star's home run in the 10th inning propelled New York to a series-clinching win in Game 5 of the ALCS

By JARED DIAMOND AND ROBERT O'CONNELL

Cleveland

The New York Yankees traded for Juan Soto for one reason: to bring them their first championship since 2009, a drought long enough to qualify as an emergency in the Bronx.

They were so certain that Soto was the missing piece that they were willing to part with five players in exchange for just one guaranteed season with him in their outfield.

"That was the whole purpose," Yankees general manager Brian Cashman said, "of going all-in."

The result turned out to be exactly what the Yankees dreamed about when they acquired Soto, a 25-year-old superstar whose rare combination of contact and power at the plate has drawn comparisons to Ted Williams. They are back in the World Series, four victories away from a record 28th title in franchise history after clinching their 41st pennant with a 5-2 win over the Cleveland Guardians.

They will square off against the Los Angeles Dodgers, who secured their spot Sunday with a 10-5 win over the New York Mets in Game 6 of the National League Championship Series. Game 1 is set for Friday at Dodger Stadium.

Perhaps more than anything else, Soto is the reason, and he demonstrated why once again in Game 5 of the American League Championship Series on Saturday night. In the 10th inning, he blasted a three-run homer to center field, propelling the Yankees to their first Fall Classic in 15 years.

"What we intended to happen has definitely happened," Cashman said.

But Soto's own astronomic stats and season-altering highlights only tell part of the story. It turns out pairing Soto with slugger Aaron Judge created a two-headed monster that amounted to more than either player could produce on his own—and transformed the Yankees into a juggernaut.

Judge hardly needed any help



Yankees star Juan Soto blasted a three-run home run in the 10th inning of Game 5 of the ALCS to beat the Cleveland Guardians.

striking fear in opposing pitchers. The 6-foot-7 behemoth has hit 43 more home runs than anybody else in baseball since he burst onto the scene in 2017.

There had just been one problem: Even with the most powerful hitter in the sport, the Yankees hadn't won anything with Judge. When Judge hit 62 homers in 2022, the Yankees were swept in the ALCS. Last year, they finished 82-80 and missed the playoffs altogether, their worst performance in more than three decades.

Enter Soto. The Yankees put him in the No. 2 spot in the batting order, directly in front of Judge. Suddenly, Judge had help—and the numbers speak for themselves. With Soto offering protection, Judge led the major leagues in home runs (58), RBIs (144), on-base percentage (.458) and slugging percentage (.701), to go along with a .322 batting average.

It was, by any measure, one of the greatest offensive seasons of all time.

"Judge realized, 'I'm not alone,'" said Scott Boras, Soto's agent. "How relaxing is that?"

Given Judge's sudden resemblance to Babe Ruth, you might think opponents would respond by never throwing him a pitch he could possibly hit. Except they can't—because Soto is constantly on base whenever Judge steps up to bat, leaving pitchers with no choice but to close their eyes and pray.

So while Judge will almost certainly win his second MVP award next month, it's Soto who deserves an assist.

Soto was as spectacular as the Yankees' could've imagined in 2024. He posted a .419 OBP, blasted 41 homers and paced the AL with 128 runs scored. Judge hit with a runner on base about half the time, up

from 40% without Soto last season. 49.5% of the pitches he saw this year were in the strike zone, nearly three percentage points up from his career average.

In other words, despite having a season for the ages, he saw more pitches to hit than ever before.

"Ooh, it's been a treat," Judge said. "Definitely been a treat."

Sitting beside one another in the lineup, Soto and Judge also exert a hard-to-quantify but inarguable effect on pitchers.

During this postseason, nobody has been more important to the Yankees than Soto—even before the home run Saturday night that serves as his signature moment in New York so far. Judge has struggled this month, hitting just .161 and striking out 13 times in 31 at-bats. But Soto has stepped in to carry the load, putting up a .333 batting average with three homers.

The idea of the Yankees winning

consistently while Judge was mired in a slump was unfathomable before Soto.

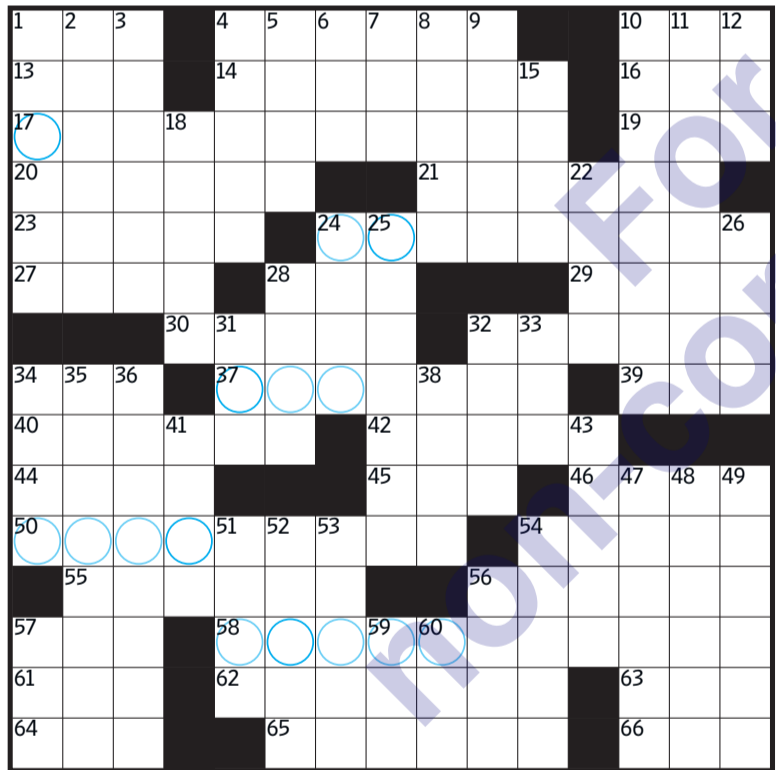
"Thank you," Soto said, "to everybody who was involved with this trade."

Soon, the Yankees will have to turn their attention to the question that has hung over them practically from the second they finalized the deal for Soto: Will they be able to keep him in pinstripes?

Soto will be a free agent this winter and could command a contract of \$600 million or more on the open market. The Yankees will be one of his primary suitors. This is a franchise that has had other great pairings, from Ruth and Lou Gehrig to Mickey Mantle and Roger Maris.

Soto and Judge belong alongside them. "It's just a dynamic duo that we're currently lucky to have," Cashman said. "Who knows if it'll last?"

The WSJ Daily Crossword | Edited by Mike Shenk



- 26 Good lookers?
- 28 Ballet bend
- 31 Fitting
- 32 Meathead
- 33 Mouse spotter's cry
- 34 Pointed part of a molar
- 35 Not required
- 36 Some wedding hires
- 38 Still unpaid
- 41 Poker payment
- 43 Take to the soapbox
- 47 Hang up one's spurs
- 48 Patch type
- 49 Joined the highway flow
- 51 Tentative tastes
- 52 Elba of "Luther"
- 53 Democratic Republic of the Congo, before 1997
- 54 Clog-clearing brand
- 56 Forget to say
- 57 Word before a maiden name
- 59 MLB div. that includes the Mets and Braves
- 60 Cargo unit

PRESS RUN | By Mike Shenk

- Across**
- 1 Garment under a blouse
 - 4 Milk choice
 - 10 Be inquisitive
 - 13 Part of a race or a table
 - 14 Tendency to stay in place
 - 16 Letter after epsilon
 - 17 Alignments in which the running backs line up behind the quarterback
 - 19 Poker prize
 - 20 Soup-serving dish
 - 21 Sister's son
 - 23 A bunch
 - 24 Basically
 - 27 "What ___ is new?"
 - 28 Player in the majors
 - 29 Call it ___ (knock off)
 - 30 NBC legal drama from 1986 to 1994
 - 32 Bright shade of 45-Across
 - 34 Robber's foe
 - 37 Aperture in a rudimentary camera
 - 39 Marks a ballot, say
 - 40 Burning the midnight oil
 - 42 Furry creatures in the "Star Wars" universe
 - 44 Baseball great Musial
 - 45 One of the primary colors
 - 46 Stiffly formal
 - 50 Very small
 - 54 Big name in farm machinery
 - 55 New York lake named for an Iroquois tribe
 - 56 Person on a soapbox
 - 57 Direction opposite SSW
 - 58 Craft using inked blocks, and a hint to the circled words
 - 61 Spot for an AirPod
 - 62 Prime cut
 - 63 Fish eggs
 - 64 Golfer Ernie
 - 65 Taken care of
 - 66 Conclude
 - 9 Fork features
 - 10 Back-of-the-book section
 - 11 Jewelry store fixture
 - 12 Young fox
 - 15 Nile vipers
 - 18 Drive back
 - 22 Get wind of
 - 24 Neighbor of Turkey
 - 25 The boondocks, figuratively
 - 60 Cargo unit

Down

- 1 Casually indifferent
- 2 Something racers do at pit stops
- 3 Ancient Greek markets
- 4 Bartender's bowlful
- 5 "___ unrelated note..."
- 6 Sopping
- 7 Work wk. finish
- 8 Be penitent

Previous Puzzle's Solution

A	C	T	V	D	E	M	S	N	A	K	E
L	O	R	I	A	R	E	B	E	I	R	U
S	L	O	V	E	N	I	A	R	W	A	N
O	O	P	G	L	E	N	D	A	G	O	U
P	R	I	M	O	T	E	S	L	A		
C	A	T	E	R	C	H	A	R	G	E	D
S	L	A	T	L	I	M	O	L	A	N	A
L	O	L	A	L	G	E	R	I	A	O	R
A	L	T	E	N	I	M	U	P	T	S	P
P	L	A	N	T	E	D	M	A	D	A	T
			C	H	I	L	E	I	W	I	S
S	I	T	H	D	Y	N	A	M	O	C	O
M	C	H	A	L	E	J	O	U	S	T	I
E	E	R	I	E	R	O	N	S	A	S	T
W	R	U	N	G	Y	E	T	O	M	A	N

The contest answer is SPAIN. You can change two consecutive letters in each of the five countries in the grid to get the name of another country that also satisfies its clue: SLOVENIA/SLOVAKIA, RWANDA/UGANDA, ALGERIA/NIGERIA, CHILE/CHINA, OMAN/IRAN. Find five-letter words in the grid using those four letters plus one extra: SNAKE, PRIMO, LANAI, ALIEN, WRUNG. The unused letters from those spell the contest answer.

Another No. 1 Bites the Dust

By JOSHUA ROBINSON AND LAINE HIGGINS

Austin, Texas

The bottles from the Texas student section were raining down on the end zone faster than anyone could pick them up.

In their biggest game of the season, against No. 5 Georgia, the home fans were furious about a botched pass interference call. And now, as Texas clung to its No. 1 ranking, the Longhorns were voicing their anger with a game-stopping barrage of airborne plastic and liquid and trash.

The game had ground to a standstill, as stadium staff and cheerleaders scrambled to clear the field. Even Texas coach Steve Sarkisian ran across to beg his own fans to hold their fire. Only the confusion was just beginning. As the Longhorns crashed to a 30-15 defeat here on Saturday night, one thing became abundantly clear to the 100,000 supporters inside this hulking stadium: The 2024 college season had spiraled

completely out of control.

"Nobody gave us a chance," Georgia coach Kirby Smart said. "Nobody believed in us."

Before a single football was snapped, this season was already shaping up to be more unpredictable than usual. Conference realignment had redrawn the map of the sport. Player transfers had yet again shuffled the pack. And the game's most powerful coach, Nick Saban, had ridden off into retirement, leaving a power vacuum behind him.

But now, with the season in full swing, what's happening on the field is somehow even crazier.

The top team in the country was Georgia, until it lost to Alabama. Then Alabama lost to lowly Vanderbilt, bumping Texas up to the top spot. Then on Saturday, 6-0 Texas suffered its first setback of the season—and opened a can of worms in the process, when it briefly replaced its Heisman-contending starting quarterback Quinn Ewers with the most

famous backup in football, Arch Manning.

There's madness all over the map, and it could hardly come at a better time. This winter, college football is heading for its first ever 12-team playoff, which gives teams a little more breathing space—and ramps up the potential for upsets.

"The beauty of this format is that losing a game like this doesn't kill you," Sarkisian said.

Which is handy because this season, teams that look like potential national champions one week usually go to pieces the next.

There isn't a single undefeated squad left in the beefy Southeastern Conference as Georgia, Alabama and Texas have all taken turns at No. 1 before losing. The Crimson Tide, 5-2, hasn't dropped this many games this early since Saban's first season in 2007.

All told, nine undefeated teams are still out there. Yet even with one loss, Texas remains the betting favorite to win the national title.



Georgia running back Trevor Etienne ran for three touchdowns in a 30-15 win over Texas.

OPINION

AI Can't Teach AI New Tricks



INSIDE VIEW
By Andy Kessler

Artificial intelligence is our economy's next productivity power pack. It better be—OpenAI just raised \$6.6 billion, the largest venture-capital

funding of all time, at a \$157 billion valuation. Oh, and the company will lose \$5 billion this year and is projecting \$44 billion in losses through 2029.

We are bombarded with breathless press releases. Anthropic CEO Dario Amodei predicts that “powerful AI” will surpass human intelligence in many areas by 2026. OpenAI claims its latest models are “designed to spend more time thinking before they respond. They can reason through complex tasks and solve harder problems.” Thinking? Reasoning? Will AI become humanlike? Conscious?

Not so fast. Large language models are impressive, but they are still statistical models mimicking human thinking. You can't just throw cheaper chips at the problem and expect growth. More than Moore's Law (chips doubling in density every 18 months) is in play. I hate to be the one to throw it, but here's some cold water on the AI hype cycle:

Moravec's paradox: Babies are smarter than AI. In 1988 robotics researcher Hans Moravec noted that “It is

comparatively easy to make computers exhibit adult level performance on intelligence tests or playing checkers, and difficult or impossible to give them the skills of a one-year-old when it comes to perception and mobility.” Most innate skills are built into our DNA, and many of them are unconscious.

Mr. Moravec went on: “Encoded in the large, highly evolved sensory and motor portions of the human brain is a billion years of experience about the nature of the world and how to survive in it.” DNA is the carrier of life's success signals. Yes, since we were fish.

AI has a long way to go. Last week, Apple AI researchers seemed to agree, noting that “current LLMs are not capable of genuine logical reasoning; instead, they attempt to replicate the reasoning steps observed in their training data.”

Summing up the paradox, Harvard psychology professor Steven Pinker told me last week, “Things that are easy for us, like manipulating the 3-D world, are hard for AI. We're not going to get an AI plumber anytime soon. Things that are hard for us, like diagnosing disease or writing code, may be easy for AI.”

Linguistic apocalypse paradox: As I've noted before, AI smarts come from human logic embedded between words and sentences. Large language models need human words as input to become more advanced. But some re-

searchers believe we'll run out of written words to train models sometime between 2026 and 2032.

Remember, you can't train AI models on AI-generated prose. That leads to what's known as model collapse. Output becomes gibberish. Think of it as inbreeding—AI needs new human input to provide fresh perspective. One study suggests if even 1% of data is

A lack of human prose leads to what's called 'model collapse' and pure gibberish.

synthetic, it's enough to spoil training models. More humans are needed—which is precisely why OpenAI cut a content deal with Dow Jones, and another last week with Hearst for more than 60 magazines and newspapers.

Current models train on 30 trillion human words. To be Moore's Law-like, does this scale 1000 times over a decade to 30 quadrillion tokens? Are there even that many words written? Writers, you better get crackin'.

Scaling paradox: Early indications suggest large language models may follow so-called power-law curves. Google researcher Dagang Wei thinks that “increasing model size, dataset size, or computation can lead to significant performance boosts, but with diminishing returns as you scale

up.” Yes, large language models could hit a wall.

Spending paradox: Data centers currently have an almost insatiable demand for graphics processing units to power AI training. Nvidia generated \$30 billion in revenue last quarter and expectations are for \$177 billion in revenue in 2025 and \$207 billion in 2026. But venture capitalist David Cahn of Sequoia Capital wonders if this is sustainable. He thinks the AI industry needs to see \$600 billion in revenue to pay back all the AI infrastructure spending so far. Industry leader OpenAI expects \$3.7 billion in revenue this year, \$12 billion next year, and forecasts \$100 billion, but not until 2029. It could take a decade of growth to justify today's spending on GPU chips.

Goldman Sachs's head of research wrote a report, “GenAI: Too much spend, too little benefit?” He was being nice with the question mark. Nobel laureate and Massachusetts Institute of Technology economist Daron Acemoglu thinks AI can perform only 5% of jobs and tells Bloomberg, “A lot of money is going to get wasted.” Add to that the cost of power—a ChatGPT query uses nearly 10 times the electricity of a Google search. Microsoft is firing up one of the nuclear reactors at Three Mile Island to accommodate rising power needs. Yikes.

I'm convinced AI will transform our lives for the better, but it isn't a straight line up. Write to kessler@wsj.com.

BOOKSHELF | By Jordan Chandler Hirsch

Pipe Dreams And Progress

The Long History of the Future

By Nicole Kobie
Bloomsbury Sigma, 368 pages, \$28

A video flickers to life as Dave Brubeck's “Take Five” begins to sound. A long-haired man appears on screen. You might expect a jazz concert, but the man fiddles with a cabinet-like, camera-laden machine on wheels. As he steps away, a buzzer sounds, the machine slowly rolls forward, and the narrator announces its name: Shakey the Robot.

In the demo that follows, Shakey pushes boxes here and there and navigates around obstacles. This robot debuted more than 50 years ago. A 1970 *Life* magazine profile proclaimed it the “first electronic person.” Although the project of which it was part ended in 1972, when its Stanford progenitors ran out of money, Shakey's technology would later undergird Siri's use of human language, the Mars rover's navigational machinery and many other innovations. Yet Shakey's success raises a nagging question:

Why, half a century later, do we still not have the fully functioning, Jetsons-like electric person heralded in that *Life* profile?

Shakey's largely forgotten tale is one of many mined by Nicole Kobie in “The Long History of the Future.” Ms. Kobie, a technology writer and contributing editor at *Wired*, offers an enriching and largely celebratory jaunt through a century of big ideas and consequent technologies. The book blends sketches of key innovations and innovators

with her own reporting. In San Francisco she takes a ride in a self-driving car with her toddler in tow, and in the Andalusian hills of Spain she observes experiments with Vertical Take-Off and Landing crafts, or VTOLs—vehicles that combine the functionalities of helicopters, drones and airplanes. Ms. Kobie explains complex technical concepts in cogent terms and helps readers grasp the meaning of innovations most people find scary or mysterious, chief among them artificial intelligence.

Ms. Kobie's central argument is that many moonshot technologies haven't yet arrived because they are hard, if not impossible, to build—and that our failure to build them should not be cause for despair. The first driverless car was tested in Nebraska in 1957, for example, but the technology involved embedding circuits under the road, which rendered scaling infeasible. And as Ms. Kobie recounts, a later, more advanced system developed in Germany—a closer ancestor of today's semi-automated cars—successfully ferried notable guests from Charles de Gaulle Airport but struggled with everything from potholes to computing power. “We had 95 per cent—that's nothing,” one of the German researchers tells Ms. Kobie. “You need 99.999 percent—every decimal takes another five to ten years.”

Given those challenges, she ponders whether we should abandon full autonomy and instead bolster the existing improvements—assisted parallel parking, hands-free highway driving—now incrementally working their way into our cars. Such an outcome, she writes, is not the “driverless” moonshot we dreamed of, “but it's not so bad, either.”

Even when innovations misfire, Ms. Kobie insists on their value. She notes that although Shakey's demise arrested robotics momentum, the project inspired a new generation of programmers and engineers, including Bill Gates, who drove from Seattle to see it live. While VTOLs may not be the flying cars we hoped for, she suggests, they can modestly improve traffic jams and piloting safety by ferrying passengers to and from airports in fully automated craft; and, like fully electric machines, they can reduce noise and smoke pollution.

We don't have flying cars or Jetsons-like robots to cook our meals. What we have is better: constant incremental progress.

The book's most refreshing quality is its optimism. Unlike many technology writers of late, Ms. Kobie is no doomsayer. She revels in the gusto, creativity and eccentricities of the pioneers she writes about. I did not know, for instance, that Jaron Lanier, the so-called father of virtual reality, collected obscure string instruments and “spent time amid New York's avant-garde music scene and worked as a midwife's assistant” before building the first commercial VR headset. Ms. Kobie also understands the vitality and importance of America's tech sector: the interplay of universities, companies and entrepreneurs constantly exchanging failures, ideas and talent. Mr. Lanier, she notes, was one of several to lose their jobs at the gaming company Atari before working for or with NASA, Google, Apple or LucasFilm.

What irritates Ms. Kobie is the way in which technological innovation oscillates between sensationalism and disenchantment. Several chapters begin with a kind of knowing sigh: We dream too big, we overhype early developments, and when progress stalls we abruptly and bitterly move on. This cycle, she argues, undermines interest in, and funding for, key technologies—and ultimately technological progress itself. Inventors, investors and the public flit from one shiny object to the next, abandoning measurable progress along the way. Ms. Kobie also veers into familiar tropes about tech billionaires and their toys when she suggests that their failure to fully achieve certain hoped-for breakthroughs, such as colonizing space, is probably for the best, since such dreams are costly distractions from more earthly concerns.

To some extent, Ms. Kobie's call to gird ourselves against undue techno-optimism is salutary. She is right to urge us to appreciate what we have achieved rather than succumb to impatience. Yet she frequently confuses hype with wonder. And wonder, for all its hazards, fuels innovation. She argues that by tempering our dreams, we can focus on making genuine improvements rather than chasing impossibilities. But, as her book perhaps unwittingly demonstrates, it's the prospect of overcoming those impossibilities, and of achieving attendant wealth and glamour, that drives so much of the practical advancements we enjoy today.

Mr. Hirsch is senior counselor at Palantir Technologies and senior fellow at the Strauss Center for International Security and Law at the University of Texas.

Trump's Trade Threat to Mexico



AMERICAS
By Mary Anastasia O'Grady

New York Donald Trump is a trade protectionist and proud of it. During a sit-down at the Journal's offices on Thursday, he said he thinks

“tariff” is “the most beautiful word in the dictionary . . . more beautiful than any word I can think of, other than ‘faith’ or ‘love.’ And it's close.”

Mr. Trump describes taxes on U.S. imports as his go-to solution for almost any problem he might confront as president, including Chinese aggression against Taiwan. He likes the U.S.-Mexico-Canada Agreement, completed in 2020. It “has turned out to be a very good trade deal,” he said. But he quickly added: “Frankly, if I had my choice, I'd have no trade deal. I really think we'd do much better.”

Statements like that from the self-described “tariff man” keep investors up at night. A rules-based trade pact institutionalizes openness and provides legal certainty to those willing to commit capital. Continental free trade since 1994 has been a boon to all three countries, with an estimated \$1.8 trillion in U.S. goods and services trade with its USMCA partners in 2022, according to the U.S. trade representative. Mexico is

now the largest U.S. trading partner and Canada a close second.

Mr. Trump would like to have a loaded tariff gun by his side at all times so that his itchy finger could pull the trigger whenever he sees some country getting out of line.

When I asked the GOP candidate if he's committed to respecting the USMCA, he said “The answer is 100% yes,” but with a caveat—“unless Mexico is going to allow these massive factories owned by China to make cars and then go around the horn and sell them through China or some other country where they can avoid” the rules of the USMCA.

China makes no vehicles in Mexico and it hasn't broken ground to build any plants there. But even if it does at some point, it can't send those autos to the U.S. duty-free unless they comply with the “rules of origin” laid out in the USMCA.

Those rules say that 40% to 45% of the content of an auto must be produced by workers paid at least \$16 an hour—in other words, in the U.S. They also stipulate that 75% of vehicle content and 70% of the steel used has to be made in North America. So Trump alarmism about China using USMCA as a back door for getting its products into the U.S. is nonsense, though I admit it's a good way to ignite indignation at a campaign rally.

China could try to access the U.S. market under its most-favored-nation status as a member of the World Trade Organization, subject to a 2.5% tariff. Mr. Trump would likely invoke “national security” to impose steep tariffs on Chinese vehicles coming from Mexico just as

He says he'd rather have 'no trade deal' than his own USMCA. 'We'd do much better.'

the U.S. has done with vehicles made in China. So that too sounds like exaggerated, nativist hype. More worrying is Mr. Trump's warning to Mexico that if it allows China to invest next door, even to produce cars for sale in Mexico, all USMCA bets are off.

The Mexican peso weakened last week as the former president rose in the polls, and that's likely no coincidence. Mexico may in the end cooperate with the U.S. on China, but Mr. Trump's antitrade ideology remains a deeper concern. It conflicts with what we know to be true: To boost the global competitiveness of U.S. firms, capital needs to be allocated to its highest use.

Mr. Trump's hardball tactics could be helpful to the USMCA if he chooses to use U.S. power to enforce Mexican compliance with the agreement. That would be a

change from Biden policy. Mexico has been discriminating against U.S. energy investors and destroying institutional independence. Recently it seized the property of a U.S. company on the Yucatán Peninsula.

But on the campaign trail Mr. Trump spends his time complaining about the shift in some aspects of auto production to Mexico since continental free trade was launched in 1994, and he promises to bring those jobs back to the U.S. Last week, John Rakolta Jr., chairman of the construction company Walbridge, told the *Detroit News* that “seven automotive plant projects in Mexico have been ‘shelved’ ” since Mr. Trump “began vowing to slap new tariffs” on Chinese vehicles assembled in Mexico.

Mr. Rakolta said that only two of those projects belonged to non-U.S.-based companies. The *Detroit News* speculated that they were Chinese. That leaves five others that put on the brakes, in Mr. Rakolta's opinion due to the uncertainty that Mr. Trump represents.

That isn't good for American workers who innovate and produce high-tech components that go to Mexico for final production. Less work in Mexico is less work for better-paid employees in the U.S. And nearshoring weakens China's edge. All reasons to get closer to Mexico, not push it away.

Write to OGrady@wsj.com.

Last Call for a Real Presidential Debate

By Clea Conner

Before Americans cast their votes, they deserve at least one meaningful debate between the presidential candidates. As CEO of one of America's leading debate forums, Open to Debate, I can confidently state that we haven't yet seen a real presidential debate this year.

Debates have devolved into political theater, with combative candidates, biased media, agenda-driven moderators and a fixation on social-media sound bites. This structure fails to deliver the substance voters need. Debates resemble fact checking Mr. Trump and asking questions designed more for headlines than policy exploration.

Many Americans now accept this dysfunction as normal. But the absence of civil discourse is dangerous, weakening the fabric of democracy. Candidates like Mr. Trump and Ms. Harris refuse to debate on

networks they view as partisan. But the core problem isn't partisanship—it's that no proper, nonpartisan debates have been offered.

My organization has a format, a venue and a moderator who is scrupulously fair.

That's why the Open to Debate Foundation, in partnership with Norfolk State University, proposes to host a real debate before Election Day. Over the past nearly 20 years, we've produced hundreds of policy debates using a nonpartisan format free from outside pressures. Our Oxford-style debate ensures both candidates address the same topics, argue their positions and hold each other accountable for their claims.

The format would feature six segments with preagreed questions, uninterrupted opening remarks, moderated rebuttals and muted microphones to ensure fairness. The moderator would challenge evasive answers, but factual challenges would be left to the candidates—restoring integrity to the institution of debate.

Norfolk State University, a historically black institution with a long history of civic engagement, is an ideal setting. Hosting the debate there would symbolize the depth and diversity of American democracy. World-class moderation is crucial. John Donovan, an Emmy Award-winning journalist and expert debate moderator, would lead. His reputation for maintaining civility and order while ensuring substantive exchanges is unmatched. He has moderated debates with public officials spanning five U.S. administrations.

With the future of our country at stake, it's time for a real debate in which candidates can fairly present their visions for the country. Open to Debate and Norfolk State University are ready to make that happen. The stage is set; now we just need the candidates to step up.

Ms. Conner is CEO of the Open to Debate Foundation.

OPINION

REVIEW & OUTLOOK

The 'Fascist' Meme Returns

No doubt it was inevitable. As Election Day nears, and the progressive panic over Donald Trump escalates, Democrats are closing their campaign with a favorite theme: Mr. Trump is a threat to the Constitution, to democracy itself, and is even a "fascist." But is this true, and could he really impose authoritarian rule in the U.S.?

Why the public isn't buying this Democratic claim about Trump.

The fascist meme is all over the place, an upgrade from President Biden's description of the MAGA movement in 2022 as "semi-fascist." MSNBC interviews earnest academics who draw a straight historical line between mid-20th-century Europe and the 21st-century GOP. A writer for The Atlantic takes the hyperbole prize with a headline that says Mr. Trump is talking like Hitler, Stalin and Mussolini. Why leave out Chairman Mao?

Kamala Harris is also hitting the theme. Mr. Trump "is seeking unchecked power," she told a crowd this week in Pennsylvania. "Listen to General [Mark] Milley, Donald Trump's top general. He has called Trump, and I quote, 'fascist to the core,' and said, quote, 'No one has ever been as dangerous to this country.'"

Let's stipulate that there are many reasons to be wary of handing Mr. Trump power again. His rhetoric is often coarse and divisive. His praise for the likes of Vladimir Putin and Xi Jinping is offensive, and betrays his view that he can by force of personality cut favorable deals with them. He indulges mediocrities who flatter him, and his attempt to overturn the 2020 election was disgraceful. These columns preferred any other Republican nominee.

Yet despite it all he won the GOP nomination for the third time, was headed toward victory over Mr. Biden, and is essentially tied with Ms. Harris. Are tens of millions of Americans really falling for a fascist takeover?

The answer is that most Americans simply don't believe the fascist meme, and for good reasons. The first is the evidence of Mr. Trump's first term. Whatever his intentions, the former President was hemmed in by American checks and balances. Democrats, the press and the federal bureaucracy were relentlessly opposed to all his works, as they would be again.

Mr. Trump's worst attempt at stretching executive power—reallocating military construction money to build the border wall—was small beer compared with Mr. Biden's lawless \$400 billion student loan forgiveness.

Fascism historically was "national socialism"—government control over much of the economy. By that definition, Democrats today are the national socialists—using regulation, mandates, law enforcement, and trillions of dollars in subsidies to coerce Americans to fol-

low their dictates on climate and culture. Mr. Trump was a deregulator in his first term and promises to be more so in a second.

Ms. Harris is making much of Mr. Trump's comments on Fox last Sunday that "we have some very bad people. We have some very sick people, radical left lunatics. And I think they're the—and it should be very easily handled by—if necessary, by National Guard or, if really necessary, by the military, because they can't let that happen."

It was a typically grandiose and self-defeating statement, but when we asked about it Thursday in an interview, Mr. Trump made clear after some rambling that he was talking about destructive riots. He said he'd "certainly not [use force] against my opponents—it's against civil unrest."

Even if Mr. Trump doesn't mean this, he'd have to face the obstacles built into the American system. His own judicial nominees rejected his claims about a stolen election, and Republicans in and outside his Administration blocked his attempt to overturn the election.

JD Vance is no Mike Pence, but the Electoral Count Act makes a replay of 2020 more difficult. We have confidence that American institutions—the Supreme Court, the military, Congress—would resist any attempt to subvert the Constitution.

This gets to another reason most Americans don't think Mr. Trump is a unique threat to democracy. They have seen Democrats break all sorts of political norms to defeat him.

Democrats exploited the Russia collusion narrative in 2016 until it was exposed as a lie financed by Hillary Clinton's campaign. Democrats tried to keep Mr. Trump off the presidential ballot this year. Democrats have used the law in no fewer than five cases to disqualify him—and New York's Attorney General campaigned explicitly on a promise to find something, anything, to charge him with. This subverts a basic principle of American justice.

Democrats—including Ms. Harris—are also candid in saying they want to compromise the independence of the Supreme Court with new political rules and supervision. If they get even narrow control of the Senate, along with the House and White House, they say they will break the 60-vote filibuster rule to do it. That in our view is a greater threat to the Constitution than anything Mr. Trump might be able to do in a second term.

All of which is to say that the fear of fascism would have more credibility if Democrats didn't abuse power themselves. If they lose the election against a flawed Mr. Trump, it won't be because he is a wannabe Mussolini. The reason will be the Biden-Harris record.

Cuba Can't Keep the Lights On

In the socialist and healthcare paradise that is Cuba, the regime can't keep the lights on. Another failure of the electricity grid struck Saturday evening and continued into Sunday, blacking out much of the island including the capital of Havana.

The country has been enduring weeks of periodic blackouts that can last for 10 to 20 hours at a time, as the Communist government struggles to provide even basic services. The regime blames deteriorating equipment, fuel shortages and rising electricity demand. It also blames the U.S. trade embargo, as it al-

ways does for every ill on the island.

But nothing stops Cuba from importing the parts it needs from the rest of the world. The real problem is a regime that can't make much of anything work except exporting its people. Russia and Venezuela have reduced fuel sales to the island, which can't pay its bills. Shortages of food and medicine are rampant.

Cuba's dictatorship is a human tragedy and its people deserve much better. But they won't get it as long as Communists run the place and enrich themselves at the expense of the people they impoverish.

The socialist model is beset by constant food and energy shortages.

After Sinwar, the ICC Stands Exposed

The death of Hamas leader Yahya Sinwar has left many so-called moderates in grief. The Palestine Liberation Organization's executive committee, led by President Mahmoud Abbas, offered condolences on Sinwar's "martyrdom," calling the mastermind of the Oct. 7 massacre a "great national leader." Does anyone think this group, which the Biden Administration would have rule postwar Gaza, would thwart terrorism?

Turkish President Recep Tayyip Erdogan also saluted Sinwar—while receiving Iran's foreign minister and Hamas's top terrorists-in-suits for meetings. Another day in the life of a NATO ally.

Hardest hit by Sinwar's death, however, should be Karim Ahmad Khan, the prosecutor of the International Criminal Court. Recall that Mr. Khan had claimed to be evenhanded by seeking arrest warrants for a trio of Hamas leaders—Yahya Sinwar, Ismail Haniyeh and Mohammed Deif—alongside Israel's Prime Minister and Defense Minister.

The moral equivalence was offensive, but now that all three Hamas chiefs have been killed, Israel has stripped Mr. Khan of his fig leaf. He is prosecuting Israelis alone for their defensive war to free hostages and defeat the death squads who want to repeat their Oct. 7 attack.

There was never any chance of Sinwar standing trial in The Hague or being deterred by the prospect. While an ICC indictment means something to a democracy like Israel, it is meaningless to terrorists who have no respect for international opinion, and already live in hiding to

escape being killed as illegal enemy combatants under the traditional rules of war.

Mr. Khan knows all of this. He rushed to seek arrest warrants, before seriously investigating or even talking to the Israelis, as he had promised U.S. Senators he would, for its effect on Israel. When Mr. Khan was dangling his threat, the goal seemed to be to deter Israel from entering Hamas's stronghold of Rafah. After Israel went in, Mr. Khan made his announcement to try to stop the tanks.

Prime Minister Benjamin Netanyahu proved him wrong by safely evacuating Rafah's civilians. Then Israel uncovered tunnels to Egypt, hostages and now Sinwar in Rafah. The Hamas No. 1 seems to have been flushed out of his tunnels by Israel's military pressure.

Mr. Khan was wrong about Rafah, as were President Biden and Vice President Kamala Harris, who said she had "studied the maps." They blocked arms to Israel over it. But Rafah's centrality to Israel's mission and to the chance of peace in postwar Gaza is now clear.

Yet the White House is still protecting the ICC. Over Mr. Biden's objections, 42 House Democrats joined Republicans in early June to pass a bill sanctioning the ICC. The measure likely could pass the Senate, but Sens. Chuck Schumer and Ben Cardin have done the White House's bidding and sat on it, despite pressure by Sen. Jim Risch and other Republicans.

Mr. Schumer promised bipartisan negotiations on an ICC sanctions bill. He never delivered, so the U.S. does nothing as the ICC expands its jurisdiction and stands poised to take up Hamas's political struggle against Israel.

Israel has stripped the International Criminal Court of its fig leaf.

LETTERS TO THE EDITOR

Readers Debate the Uses and Abuses of Tariffs

In their op-ed "No, Tariffs Don't Fuel Growth" (Oct. 17), Phil Gramm and Donald J. Boudreaux don't mention the basic evil of tariffs: that they negate comparative advantage. If Product A can be produced cheaply or efficiently in Location 1 and Product B in Location 2, each location should concentrate on its speciality and trade to the benefit of both.

Imagine Massachusetts enacting a tariff on oranges to protect an industry of heated orange groves and Florida a tariff to support air-conditioned cranberry bogs. State politicians could trumpet creating a new industry, but OJ would be \$25 a glass in Boston and cranberry sauce would be \$10 a scoop in Miami. Tariffs amount to a "beggar thyself" policy. The Constitution's framers recognized this and crafted the Commerce Clause to forbid restriction of trade by states. The same principle applies to trade between nations.

JOHN GODFREY Marblehead, Mass.

Whether or not a tariff is appropriate should be governed by an overarching principle articulated by the president. In my view, this principle should be: "No tariffs unless necessary for our national security." I don't

mean "national interest," that polysemous phrase favored by politicians incapable of defining a governing principle. "National security" means things like ensuring that medicine for the sick can be obtained domestically, that raw materials needed for industrial production are available under all scenarios, that our industrial infrastructure can quickly respond to replenish our armaments and that all technology and components needed to react to an adversary can be obtained under all scenarios.

GEOFF SMITH Vale, Colo.

If you haven't bought Donald Trump's "God Bless the USA" Bible yet, you'd better get busy. In an effort to spur manufacturing in the U.S., Mr. Trump plans to impose a 10% across-the-board tariff on all imports. Consumers, not other nations, will end up paying this tax.

Economists estimate it would cost households several hundred, if not thousands, of dollars annually. One of the items that would likely get more expensive: Mr. Trump's Bible. According to some reports, thousands of copies were printed in China.

LYNDA HAMBLEN Union City, Tenn.

The Many Unlearned Lessons of Oct. 7, 2023

I'd like to add two notes to your editorial, "The Lessons of Oct. 7 a Year Later," (Oct. 7):

First, if Hamas, whose charter vows to obliterate Israel and kill Jews, hadn't invaded Israel, attacked peaceful kibbutzim and an outdoor music festival on the Jewish holiday of Simchat Torah, this war wouldn't have happened. If the terrorists hadn't butchered, burned alive, raped, beheaded and kidnapped hundreds of innocent people, including infants, toddlers, young women and men, the death toll on both sides would be zero.

Second, because Israel had the chutzpah to take the post-Holocaust vow of "never again" seriously and tried to defend itself from this genocidal barbarity, while Hamas cynically used Israeli hostages and Palestinian civilians as human shields, the world quickly forgot the terror

group's atrocities and united to condemn Israel.

STEPHEN A. SILVER San Francisco

Your thesis that Hamas's massacre has "taught the West forgotten lessons about deterrence, political will, and the illusions of a liberal, peaceful world" isn't quite right. The lessons are there, but they remain unlearned.

The Biden administration, echoed by the United Nations (or is it the other way around?), reacts to every Israeli strike against Iranian proxies with calls for a cease-fire that, if implemented, would benefit the terrorists and hamstringing the Jewish state.

While the lessons arising from the horror of Oct. 7 should be apparent to all, the West seems determined to remain behind the learning curve.

THOMAS OSBORNE Wicomico Church, Va.

Where Does Lawfare Lead? Ask Ecuadorians

David B. Rivkin Jr. and Elizabeth Price Foley get it exactly right when they conclude that the presidential immunity doctrine "prevent[s] constant legal harassment from enfeebling the presidency" ("What Jack Smith Gets Wrong About Immunity," op-ed, Oct. 15). For proof, look to many of America's southern neighbors, where lawfare has long been practiced.

Since Ecuador's president Rafael Correa left office in 2017, the country has been engaged in repeated cycles of lawfare. Whether one agrees with the merits of any given corruption case, one of the effects has been a

fear of prosecution that cripples the government's ability to bring urgently needed infrastructure projects to fruition. This has contributed to an almost total paralysis of the large public works the country sorely needs.

Ecuadorians are now living with the results: 10-hour blackouts across the country, thanks in part to the failure of successive administrations in bringing new energy-generation capacity online. A second effect, less manifest but not less pernicious, is to drive competent and experienced people from public service, especially high office.

The last presidential election was characterized by the near total absence of any political or policy heavyweights and resulted in the election of Daniel Noboa, a 36-year-old who despite showing much promise lacked any experience in running any sort of large organization.

JESÚS M. BELTRÁN Quito, Ecuador

A New Technology Every Day Keeps the Doctor Away

Regarding Meghan Cox Gurdon's review of Christine Rosen's "The Extinction of Experience" (Bookshelf, Oct. 8): Much like the harp in Ireland, the role of traditional surgery in America never received a proper eulogy.

Although the marvelous technological advances in surgery—laparoscopy, robotics, interventional techniques—have benefited millions of patients, one is obligated to pay homage to those physicians who paved the way for years in the laboratory, at the bedside, on the wards and in the operating room.

New technology has replaced prior experience and pushed the surgeon further and further from the bedside and from the operating-room table. The surgical experience before the advent of this technology provided a backup plan should the technology fail. As classically educated surgeons retire and die, that backup plan will become unavailable. Their efforts and successes have become extinct.

Like the beautiful instrument in Ireland, traditional surgery never got the eulogy and proper praise it deserves.

LEO A. GORDON, M.D. Los Angeles

CORRECTION

Danny Cullenward is affiliated with the University of Pennsylvania's Kleinman Center for Energy Policy. The Oct. 17 editorial "Gavin Newsom Raises Gas Prices Again" misstated the university.

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Let's figure out how to monetize this."

OPINION

Donald Trump Has the Edge for Now

By Mark Penn

The question is simple: Who is going to win in November? The answer is complex, because it derives from a mix of many different trends and campaign efforts that must come together to produce a single result.

The reason Mr. Trump has a slight edge is straightforward: He dominates on the core issues that people say they care about most. He holds a 12-point lead over Kamala Harris on which candidate would do a better job on immigration, and a 4-point lead on both inflation and crime, according to the October 2024 Harvard CAPS/Harris poll.

Voters think he did a better job on the economy and foreign policy. But don't count Harris out.

The second reason for Mr. Trump's advantage is that voters have more confidence in him on the issues of war and peace. Seventy percent of voters believe he has sufficient experience in foreign affairs, and he leads significantly in polling about which candidate would do a better job on the war in Ukraine, re-



Early voters in Cobb County, Ga., a suburb northwest of Atlanta.

lations with China, and the war between Israel and Hamas.

Mr. Trump also has an edge over Ms. Harris because he has reduced the Democrats' lead among black and Latino voters, especially among men. He has adopted a successful strategy of finding niche issues in key swing states—no tax on tips in Nevada, fracking in Pennsylvania and saving auto-manufacturing jobs in Michigan.

But you can't count Ms. Harris out. She has moved her favorable rating from 38% to 49% while persuading many voters to think of Mr. Trump, not her or Joe Biden, as the incumbent.

Her campaign strategy has been clear—identify her weaknesses and

confront them. Not doing well with black men? Unveil a program for black men. Getting hit for past positions on the border and healthcare? Change those positions. After being criticized for avoiding interviews, she began giving interviews. She has narrowed Mr. Trump's lead significantly on the economic issues with her opportunity-economy platform and proposed tax breaks for small businesses. It may be fluff, but it's appealing fluff.

Perhaps most important, she has elevated the abortion issue and convinced 54% of voters that Mr. Trump would push for and sign a national abortion ban, even though he has said he wouldn't. This has widened the lead among women she already enjoyed.

Another major factor is the media spin that is obviously in Ms. Harris's favor. She viciously attacks Mr. Trump, and the headline is

"Harris sharpens her attacks on Trump." Mr. Trump goes after her, and the headline is "Trump escalates threats to political opponents." The mainstream media continues to do its part to earn the complete distrust of the electorate with its lowest recorded trust ratings in the new Gallup poll.

One area that may make a critical difference is whether Mr. Trump has closed the mail-in vote gap with Ms. Harris. In swing states he seems to be narrowing that disparity, which means he will suffer less fall-off on Election Day. Mail-in votes are 100% in the bank. Election Day votes are less certain, because things come up in people's lives and opinions change. In recent elections, Republicans have been experiencing 1 to 2 points of "leakage" by relying on Election Day ballots for most of their vote.

Overall, Ms. Harris is running a strong campaign, firming up the Democratic base, showing an even-handed temperament, and confronting her weaknesses. The election may come down to the mail-in ballots and whether the Republicans, as in 2022, win in the polling but fall short in the final tally. Nonetheless, Mr. Trump still has a slight edge—because people think he did a better job than Mr. Biden has, and they believe he would be better at solving the key domestic and foreign-policy issues.

Mr. Penn was a pollster and adviser to Bill and Hillary Clinton, 1995-2008. He is chairman of the Harris Poll and CEO of Stagwell, Inc.

Harris Still Aims to Hold Police Back

By Heather Mac Donald

Kamala Harris has avoided talking about crime and law enforcement on the campaign trail. No surprise there. Since the George Floyd race riots, many American cities have descended into public disorder. Surveillance videos routinely document flash mobs invading businesses, assaulting employees and stealing whatever participants can carry, including cash registers. Customers bear the brunt of stores' defenses against runaway shoplifting—such as toothpaste locked behind a plexiglass barrier. Drive-by shootings mow down innocent civilians. Urban violent crime has surged 40% between 2019 and 2023.

In an interview on 'The Breakfast Club,' she calls for more federal control of local law enforcement.

Instead of discussing her plans for public safety, Ms. Harris has relied on friendly media to trumpet her alleged crime-fighting successes—as one New York Times headline put it, "Her Experience Fighting Cross-Border Crime." In an interview last week on a black-oriented radio show, "The Breakfast Club," however, she made clear that she remains committed to her previously stated view that systemic racism "seeps into every part of American life" and "racial injustice" is rampant in policing.

This understanding of law enforcement led Presidents Barack Obama and Joe Biden to routinely characterize police officers as threats to black children. It led their administrations to put police departments under consent decrees—court-enforced plans to decrease alleged bias. If elected, Ms. Harris appears poised to inject this negative view of policing further into local law enforcement.

A caller to the show asked Ms. Harris what she would do "to make sure that there's a stop to police brutality and murders that have been going on viciously." The question was based on the false premise that police officers routinely murder blacks. On average, a little over a dozen unarmed black men are killed each year by police officers, according to the Washington Post's police shootings database. (The Post's "unarmed" category can include someone trying to grab an officer's gun.) The 15 or so unarmed black victims of police shootings are a fraction of the 8,000 to 10,000 blacks murdered annually by other black civilians.

Yet Ms. Harris accepted the questioner's premise that police murders "have been going on viciously." She replied that as a U.S. senator she had tried to pass the George Floyd Justice in Policing Act, a bill that would have restricted the use of certain police tactics and eliminated qualified immunity for law-enforcement officers, thereby opening them to financial liability for contested enforcement actions. Ms. Harris said the Biden administration has "been trying to make these things national so that everyone would have to do it." In other words, the federal government would set the rules for local policing.

What might those rules entail? During the interview, Ms. Harris claimed that Donald Trump's plan "for black America" is spelled out in Project 2025, the blueprint for the next administration that Mr. Trump has consistently repudiated. Ms. Harris said—falsely—that the project would require police departments to adopt stop-question-and-frisk policies. Project 2025 is in fact silent about these and any other local law-enforcement tactics.

More troubling than Ms. Harris's misinformation is the possibility that her administration may—in the name of racial justice—ban local police departments from making police stops. (These are brief detentions of pedestrians or drivers who have raised a reasonable suspicion that they are involved in criminal activity.) No tactic has proven more effective in getting illegal guns off the street than police stops in crime hot spots.

Ms. Harris said that she stands for the "freedom" to be "free" from police brutality. Police brutality is a sickening abuse of government power. But the police training and accountability revolution in recent decades has made such abuse rare. Democrats' near-exclusive focus on police contracts ignores the real source of violence against blacks—crimes committed by other blacks—and makes such violence harder to combat.

Ms. Mac Donald is a fellow at the Manhattan Institute and author of "The War on Cops: How the New Attack on Law and Order Makes Everyone Less Safe."

Democrats Make California a Battleground State



LIFE SCIENCE By Allysia Finley

from Joe Biden's 52-point margin in 2020.

What's spurred the shift? Crime, vagrancy, and astronomical energy and housing costs—all exacerbated by Democrats in Sacramento. While lawmakers are rarely held accountable by voters for their policies, three Democrats running for competitive House seats find themselves having to defend their records in the state Legislature.

Adam Gray and Rudy Salas, who are challenging Republican Reps. John Duarte (13th District) and David Valadao (22nd District) in the Central Valley, voted to increase gasoline prices as state Assembly members. Mr. Gray in 2017 voted to raise the state gasoline tax by some 30 cents a gallon. Mr. Salas the same year backed legislation to extend the state's cap-and-trade program and low-carbon fuel standard, which add a combined 40 cents a gallon to the price. GOP billboards and ads encourage voters to thank the Democratic candidates for pricier fuel.

After losing to Mr. Duarte by 564 votes in 2022, Mr. Gray is trying to woo moderates by touting endorsements from local law-enforcement officials. Mr. Salas promises to "ramp up domestic energy production to drive down the costs." Voters could easily mistake them for Republicans.

In Southern California, the GOP sees an opportunity to pick up two seats in coastal Orange County, which Democrats flipped in 2018 as suburban college-educated voters moved left. Republicans last week overtook Demo-

crats in voter registration in the county's 47th District, which Rep. Katie Porter is vacating after an unsuccessful run for Senate.

Republican former Assemblyman Scott Baugh is seeking the seat again after coming up short against Ms. Porter two years ago. His Democratic opponent, state Sen. Dave

Min, has a target-rich record. GOP ads highlight Mr. Min's drunk-driving arrest last year, as well as his support for bills to limit cash bail and prohibit state prisons from providing Immigration and Customs Enforcement with information on the release dates of detainees eligible for deportation. Mr. Baugh doesn't miss an opportunity to lambaste Mr. Min for rising crime in the district's affluent neighborhoods.

"People don't like the proliferation of crime in our neighborhoods—from shootings at South Coast Plaza, the murder at Fashion Island, and other murders," Mr. Baugh told KABC-TV last week, referring to the county's upscale malls. A New Zealand tourist was killed in a violent robbery at Fashion Island in July.

Mr. Min tries to parry the attacks by touting his efforts to create "a

safer Orange County." He presents himself as conservative on taxes and regulation. Like other Democrats running for competitive districts, he's falsely accusing his Republican opponent of supporting a nationwide abortion ban with no exceptions.

This has been the fallback attack of Democrats around the country because every other major issue—inflation, immigration and crime—plays to the GOP's advantage. This year's issue set is why Democratic Rep. Mike Levin, whose 49th District spans southern Orange and northern San Diego counties, faces an unexpected dogfight against Republican Matt Gunderson.

Democrats are blitzing the airwaves with ads that smear Mr. Gunderson for being endorsed in a previous campaign by the California Pro-Life Council, "which opposes all abortions with no exceptions." Mr. Gunderson makes clear in an ad featuring his daughters that he is "pro-choice" but believes that "abortion should be safe, legal and rare."

He continues: "You might disagree, and that's OK, but I bet there's more that unites us—like lowering housing, grocery and gas prices, securing the border, and protecting Social Security." The problem for Democrats is that this year abortion isn't as salient as economic and quality-of-life problems—especially in California, where voters are suffering the effects of Sacramento's progressive rule. As the state has gone to ruin, they don't want the country to follow.

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I Can't Back Trump, Who Only Has I's for America

By Joseph Epstein

A little over two weeks before the presidential election and many independent voters, myself included, still haven't decided how they will vote.

I can't vote for Kamala Harris. I find many of Donald Trump's policies—his stand on closing the borders, his economic programs, his unflinching support for Israel—appealing but for one thing: the man who holds them. A friend of mine, also an independent voter, recently told me that on Election Day he thought he would probably hold his nose and vote for Mr. Trump. For others, even with noses held, the smell remains too strong to do likewise.

What, precisely, is wrong with

Donald Trump? To start with the obvious, his vanity: his preposterously bleached and elaborately coiffed hairdo, his sprayed-on tan, the lengthy neckties to cover his avoirdupois. Add to this his propensity for insulting his political enemies. (He calls Gavin Newsom, governor of California, "Gavin Newscum.") Then there's his hyperbole, everywhere adding to his opponents' misdeeds, building up his own achievements.

Still, why can't I live with all this and vote for the man based on the general soundness of his policies? What I can't live with, what I can't vote for, is Mr. Trump's relentless immodesty. Perhaps no one who seeks the presidency of the United States qualifies as modest, but Mr. Trump is also altogether devoid of

modesty's first cousin, humility. No other politician has so thoroughly availed himself of the first-person singular.

"I," he tells us, had inflation to its lowest point in history. "I" had the border under control. "I" gave the states the right to decide on abor-

His policies are generally sound, but his complete absence of humility is dangerously disqualifying.

tion. While "I" was president, Vladimir Putin would never have gone into Ukraine, Oct. 7 would never have happened, Taiwan wouldn't feel so endangered. He makes it sound as if all conflict with America's enemies, Russia, China, Iran, is little more than a poker game in which he holds all the winning cards.

I find his immodesty not only a serious character flaw but a danger to his governing ability. I don't believe he wishes to abolish the Constitution, undermine our democracy, set himself up as dictator. But such full-court immodesty has to work against one's perspective, make impossible anything resembling a sense of history, allow for necessary accommodations with reality. A man who sees no other picture but that of himself in the center is not a man you want to run your nation.

For the immodest leader, complexity doesn't exist. Everything, because

he believes it, is simple, is "common sense." He claims his tariffs are the all-purpose solution to our international economic relations. He says that once re-elected, he will round up and deport millions of unvetted immigrants. Such is his immodesty, nearly four years later, that he still can't bring himself to believe that he lost the 2020 presidential election. What a shock it would be to this most immodest of men to learn that of Joe Biden's more than 81 million votes, most were likely not votes for the drab Mr. Biden but rather against Mr. Trump.

No ex-president has been more harassed than Mr. Trump. The term "lawfare" had to be popularized to describe his unfair treatment by the court system under the Democrats. Yet even here, it's difficult to sympathize much with the man. Not that he asks for sympathy. Overrating his charm, profundity and political acumen, he plunges ahead, never hesitating, brimming with confidence.

This utter confidence, part and parcel of his immodesty, is what I find so off-putting—even dangerous—about the man. But then, I happen to think that one of the qualifications for president of the United States is that one be decent, honorable, fair-minded. Here Donald J. Trump, though he may have been the 45th president of the United States, fails to qualify as a suitable candidate for our 47th president.

Mr. Epstein is author, most recently, of "Never Say You've Had a Lucky Life."

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WORLD NEWS

Brazil Bets on Bioeconomy for Amazon

Bioplastics, fishing and ecotourism are promoted to replace illegal logging, mining

By SAMANTHA PEARSON

CARAJÁS, Brazil—Jefferson Sousa could have been eking out a living at the expense of the Amazon forest, working on a cattle ranch like his father.

“It was all I knew. It was what kept our family alive,” he said.

But now Sousa, who is in his mid-30s, spends his days cultivating jaborandi, a once-endangered shrub used in glaucoma medication and one of the Amazon’s most promising new sustainable industries.

In Brazil’s battle between industries that exploit the rainforest’s riches and environmentalists trying to protect it, a middle way is emerging that fuses business interests to the Amazon’s survival and makes its 400 billion trees worth more money alive than dead.

The idea is to cultivate different industries—the so-called bioeconomy—to lure the Amazon’s 40 million inhabitants away from activities such as logging and mining. The forest becomes so valuable, the theory goes, that there is no economic sense in cutting it down.

The effort comes as the Amazon nears a tipping point when climate scientists say swaths of the forest will turn into savanna with catastrophic effects for global warming.

Some of Brazil’s biggest companies are involved, including the huge mining company, Vale, which runs Sousa’s nursery. As the owner of Carajás, the world’s largest iron-ore mine dug into the middle of the Amazon jungle, the company isn’t a natural beacon in the fight against the mass ex-



Contractors in August managed jaborandi seedlings at a native-plant greenhouse and nurseries near Parauapebas, Brazil.

traction of natural resources.

As part of its pledge to regenerate mined areas and support local communities, the company has become one of Brazil’s biggest private-sector investors in the Amazon’s burgeoning green economy.

Here in the state of Pará, an expanse of jungle almost twice the size of Texas that has seen some of the Amazon’s highest rates of deforestation over the past decade, politicians are turning to the bioeconomy to ensure its protection.

The new agenda is a shift from cattle ranching, which in the Amazon was the primary use of 90% of deforested land between 1985 and 2023, according to a study this month by MapBiomias, a nonprofit

land-use research group.

“If you improve people’s living conditions, they are more likely to help monitor the forest,” said Claudomiro Gomes, mayor of Altamira, the state’s largest municipality. “It’s the best way, the only way to preserve the forest,” said Gomes, who is on a mission to turn the gritty, crime-ridden city into the world’s biggest producer of high-end chocolate.

Pará is Brazil’s biggest grower of cacao, which grows in the shade of native trees, and has long exported much of what it produces. But in a bid to squeeze more value—and jobs—out of the crop, the state in September hosted Latin America’s biggest chocolate festival, drawing some 800 pro-

ducers from across the region.

Government organizations, private philanthropies and bilateral donors such as the U.S. Agency for International Development have poured money into sustainable agriculture and fishing, alongside activities such as the harvest of indigenous remedies and the use of seed oils for everything from lipstick to bioplastics. Other examples include nature-based tourism—from bird-watching to luxury cruises down the Amazon—to lure high-paying visitors to the forest with minimum impact.

Used by indigenous tribes to treat fever and snake bites, jaborandi leaves are the only known natural source of pilocarpine, an important component used in

eyedrops for glaucoma for decades. In addition, the U.S. Food and Drug Administration approved pilocarpine last year for use against presbyopia, or near-vision loss, opening up more of the global eyedrops market that, according to Zion Market Research, is forecast to be worth \$23 billion by 2030.

After attempts to grow jaborandi outside the Amazon produced plants with low concentrations of pilocarpine, a team of scientists in Vale’s research laboratory set about sequencing its genome to understand how it produces the compound. Vale has bought up disused cattle ranches near Carajás for experimental plantations of the shrub.

Centroflora, a São Paulo-

based company that extracts some two-thirds of the pilocarpine for pharmaceutical companies, said it now counts on some 30,000 people to collect the leaves in the forest but expects that to grow with the FDA’s approval for presbyopia.

To get more companies involved, the Inter-American Development Bank along with some 20 development banks from South America have agreed to lend up to \$20 billion to bioeconomy businesses in the Amazon by 2030 as part of the so-called Green Coalition launched last year. By 2030, the global bioeconomy market is expected to reach \$7.7 trillion, according to a report in June by the bank.

Environmentalists warn that developing new industries is no panacea. Their implementation relies on progress in other areas, namely laborious and politically fraught efforts by the government to determine who actually owns swaths of the Amazon.

The push for bioeconomies isn’t without its own risks, its critics say. Too small, and the alternative industries fail to compete with logging and mining. Too big, and the new activities can bring more people into the forest and inadvertently accelerate its destruction, said Ricardo Hausmann, a former minister of planning in Venezuela and professor at Harvard Kennedy School.

Creating new industries in the forest means building more roads, extending the power grid, building schools and health clinics, all of which makes the surrounding land more valuable and susceptible to illegal logging, said Hausmann. “Suddenly you’ve brought economic activity to an area of nature that you supposedly wanted to protect.”

—Paulo Trevisani contributed to this article.

Canadian Voters Increasingly Reject Longtime Leader’s Political Brand

By PAUL VIEIRA

OTTAWA—Justin Trudeau reinvented Canadian politics when he was elected prime minister at the age of 43 in 2015, with a brand built around his good looks and energy.

Almost a decade later, Trudeau is fighting for political survival. About two-thirds of the public disapproves of his performance. His Liberal Party is losing once-safe seats, and some members of his caucus say Trudeau needs to go. And the Trudeau brand is now stubbornly unpopular as Canadians say they are simply tired of him.

“He was youthful, sexy, and you know, Mr. Selfie,” said Andrew Perez, a strategic-communications adviser and Liberal Party backer. “Now there’s a disdain for Trudeau, even among very progressive people.”

After nine years in the political wilderness, opposition parties see a unique opportunity to deal Trudeau a resounding defeat, much like what Britain’s Conservatives sustained this year. An election must be held by October 2025 but could be called sooner if Trudeau’s government loses a no-confidence vote.

“The biggest issue is voter fatigue,” said Lori Turnbull, a politics professor at Dalhousie University in Halifax, Nova Scotia. “It’s kind of the benefit cost of investing the whole brand of the Liberal Party in Trudeau. Because when the person becomes unlikable, that’s it. It’s very hard to pivot.”

Trudeau’s drop in popularity was years in the making, political analysts and pollsters say, in part because of scandals and a failure to connect with voters on so-called kitchen-table issues.

The country’s ethics watchdog ruled in 2019 that Trudeau broke conflict-of-interest laws by trying to steer the attorney general away from criminally prosecuting a Montreal company. During an election that year, images emerged of him wearing blackface and brownface, damaging his reputation as a progressive champion of diversity. Trudeau apologized. His Liberals won re-election in 2019 and again in 2021, but each time returning with minority



Prime Minister Justin Trudeau, seen in September, must stand for election by next October.

governments and a smaller share of the popular vote.

Trudeau’s big bet on immigration to spur economic growth has backfired, policy analysts and economists say, as it led to higher housing costs and imposed a strain on social services and infrastructure. Environics Institute, which has polled Canadians about immigration since 1977, on Thursday said nearly 60% believe the country accepts too many immigrants, or the highest share in a quarter-century. Public opinion on immigration “has effectively

flipped from being acceptable, if not valuable, to problematic,” Environics said.

Sean Casey is one of two Liberal Party lawmakers who have publicly called on Trudeau to step down. Casey, who represents a district on Prince Edward Island, said an increasing share of voters he speaks to dislike the prime minister. “This isn’t about policy,” he said, adding voters’ opposition to Trudeau “is more emotional than it is rational and logical.”

He said at least 20 of his colleagues are planning to confront Trudeau at Wednesday’s Liberal Party caucus meeting about the

need to quit and give Liberals a fighting chance in the next election. “I’m frankly pessimistic that this will make a difference, because he has been absolutely steadfast in basically rebuffing all approaches,” Casey said.

A spokeswoman for Trudeau referred to the prime minister’s comments this past week, in which he said “there will be other days to talk about internal party processes” when asked about caucus discontent.

Like him or not, Trudeau has said he isn’t going away, at least not quietly. The longest-serving leader of a Group of Seven country, Trudeau is trying to hang on until October 2025, when elections must be held. That will buy him time to pass new measures to address ris-

ing housing prices and the cost of living, while also casting doubt among Canadians about the Conservatives, whose leader, Pierre Poilievre, has vowed to roll back large chunks of the Liberal government’s progressive policy agenda.

In recent appearances, Trudeau said the Liberals need to be brash in defending their record and targeting the Conservatives. He has accused

Poilievre of being “a liar” and “gaslighting” Canadians, when discussing the government’s policies on carbon taxes and dental benefits. “I’ve got to fight to lead against people who want to hurt this country,” Trudeau said, about why he intends to stay on.

Poilievre, 45 years old, has proved to be a combative figure and effective communicator, political watchers say. His main mantra is that “Canada is broken” under Trudeau’s watch, focusing on the impact households face from inflation, a carbon tax and higher interest rates. “Taxes are up, costs are up, crime is up and now time is up,” Poilievre has said of life under Trudeau.

Trudeau said recently that Poilievre and the Conservatives offer nothing more than slogans and personal attacks.

That Trudeau’s political magic is fading was hammered home over the summer by stunning losses in special elections to fill vacancies in Toronto and Montreal—once considered bedrocks of Liberal Party support—after Trudeau-appointed cabinet ministers left the legislature.

“There is no geographic area or voter base that offers a promising starting point for a Liberal resurgence. Safe Liberal seats are now few and far between,” said Darrell Bricker, head of the polling firm Ipsos Public Affairs.

WORLDWATCH

CUBA Hurricane Strikes Amid Big Outage

Hurricane Oscar brought heavy rains and winds to Cuba, an island beleaguered by a massive power outage, late Sunday after striking the southeastern Bahamas earlier in the day, the U.S. National Hurricane Center said.

The hurricane center said the storm made landfall in the eastern Cuban province of Guantanamo, near the city of Baracoa.

Thunderstorms and rain, along with moderate flooding in low-lying areas, were reported in the country’s eastern provinces.

The Category 1 hurricane weakened to a tropical storm after making landfall.

—Associated Press

INDONESIA Subianto Sworn In As New President

Prabowo Subianto was inaugurated on Sunday as the eighth president of the world’s most-populous Muslim-majority nation, completing his journey from an ex-general accused of rights abuses during Indonesia’s military dictatorship to the presidential palace.

The former defense minister, who turned 73 on Thursday, was cheered through the streets by thousands of waving supporters after taking his oath on the Quran in front of lawmakers and foreign dignitaries. Banners and billboards filled the streets of the capital, Jakarta, where tens of thousands gathered for festivities.

—Associated Press

JAPAN, U.K., ITALY Defense Ministers Plan Jet Fighter

The defense ministers of Japan, the U.K. and Italy agreed to accelerate the joint development of a next-generation jet fighter, and said a trilateral government organization would be established by year’s end to work with the parties producing the aircraft, Japanese officials said on Sunday.

The three countries agreed in 2022 to jointly produce a new combat aircraft that will be ready for deployment in 2035, under the Global Combat Air Program to strengthen cooperation amid growing threats from China, Russia and North Korea.

Japanese Defense Minister Gen Nakatani said the GCAP International Government Organization will be set up to oversee the jet’s development.

—Associated Press

OBITUARY Israeli Scholar Studied Holocaust

Yehuda Bauer, one of Israel’s foremost Holocaust scholars who shaped the way people around the world study and learn about the Holocaust, has died in Jerusalem. He was 98.

Bauer published dozens of books and founded numerous Holocaust education initiatives over a career that spanned more than 60 years.

“One of his important points was that the Holocaust is not only a particular event that affected particular people, but that the Holocaust was also universal,” said Dr. David Silberklang, a senior historian at the International Institute for Holocaust Research at Yad Vashem who worked closely with Bauer for years.

—Associated Press



KEY VOTE: Moldovans cast ballots for president on Sunday.

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Last Week: S&P 5864.67 ▲ 0.85% S&P FIN ▲ 2.43% S&P IT ▲ 0.81% DJTRANS ▲ 0.89% WSJ\$IDX ▲ 0.53% 2-YR. TREAS. yield 3.952% NIKKEI 38981.75 ▼ 1.58% See more at WSJ.com/Markets



Maersk and other shippers have been plagued by vessel diversions from the Red Sea and the Suez Canal since late last year.

Starboard Acquires Big Stake In Maker Of Tylenol

BY LAUREN THOMAS

Activist investor **Starboard Value** has a sizable stake in **Kenvue**, the consumer-products giant that makes Tylenol and Listerine, according to people familiar with the matter.

Starboard wants Kenvue, which was spun out of Johnson & Johnson last year and has a market value of over \$40 billion, to make changes to boost its share price, the people said.

The hedge fund believes Kenvue has some of the best consumer brands in its industry, but its stock has underperformed peers and the broader market since its debut over a year ago, the people added.

Kenvue's share price is little changed so far this year, compared with the S&P 500 index's rise of about 23% over the same period.

The exact size of Starboard's position in Kenvue and specific ideas couldn't be learned.

Starboard founder and Chief Executive Jeff Smith is set to appear Tuesday at an activist investing conference, the 13D Monitor Active-Passive Investor Summit in New York, and is expected to detail the firm's thesis on Kenvue then, the people said.

Skillman, N.J.-based Kenvue's other brands include Aveeno, Band-Aid, Zyrtec, Neosporin and Neutrogena. The company, run by Chief Executive Thibaut Mongon, booked over \$15 billion in net sales in 2023.

Kenvue's biggest competitors include Advil-parent Ha-

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Two Shippers Aim to Speed Cargo

Hapag-Lloyd and Maersk, in new alliance, plan bigger ships, fewer stops

BY COSTAS PARIS

Two of the world's biggest shipping companies have a new plan to reduce cargo delivery delays. The answer, they say, is to use bigger ships and cut the number of port calls each ship makes.

Shippers have been plagued by vessel diversions from the Red Sea and the Suez Canal since late last year after a series of attacks on commercial vessels by Iran-backed Houthi rebels in Yemen. The longer routes around South Africa have added at least two weeks of sailing time and pushed freight rates higher.

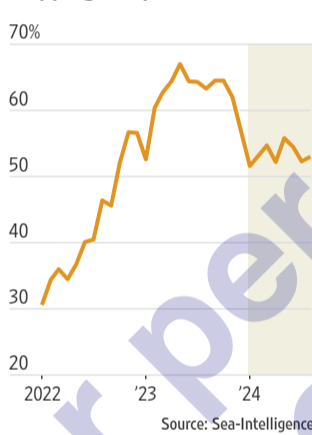
Gemini—a new alliance be-

Global average shipping delays



Note: 2024 is through August

Global service reliability for shipping companies



Source: Sea-Intelligence

tween Denmark's **A.P. Moller-Maersk** and Germany's **Hapag-Lloyd** that is set to become operational in February—aims to improve on-time performance. The move comes as shipping companies brace for a decline in freight rates and pre-

pare to compete more fiercely for business.

Hapag-Lloyd and Maersk are at the top of recent rankings for service reliability, with on-time rates of around 55%. A Hapag-Lloyd executive called that unacceptable and said that

Gemini's target is to reach 90% reliability.

The cost to send a container from China to California is now \$4,834, still far below the heights seen during the pandemic but higher than the \$2,440 price at the start of the year. The rate to move cargo from Asia to Europe has fallen to \$3,850 from \$4,040 at the start of the year.

Big shipping companies ordered a flotilla of new ships during the pandemic, when consumers in the U.S. and Europe spent heavily on manufactured products and there weren't enough vessels to move them. But the surge in demand proved temporary. Now that a surplus of new ships has begun sailing, operators expect a sharp downward correction in freight rates—and shipowners' profits—when the Red Sea reopens and they have more capacity than they need.

Gemini has prepared two-route scenarios: an eventual return to the Red Sea and the continued use of the alternative Cape of Good Hope route.

"We will return to the Red Sea when it is sufficiently safe to do so," Maersk said.

Officials involved in setting up Gemini say they hope to keep customers or attract new ones who are willing to pay a premium for better on-time performance. Their plan is to gradually cut by around half the current 10 port calls for a vessel sailing from Asia to Europe.

Gemini will use ships that can move more than 20,000 containers, compared with their current mix of ships that can hold between 14,000 and 20,000 containers, officials from the alliance said.

Gemini vessels will mainly sail from ports on China's Pa-

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Japan's Next Global Champion Is Anime

BY JACKY WONG

Move over, Marvel. The next blockbuster entertainment franchise might come from Japan.

Anime is shaping up as the country's next big export industry, beyond cars and electronics. This once-niche entertainment form is entering the worldwide mainstream, and its growth could light up investors' portfolios.

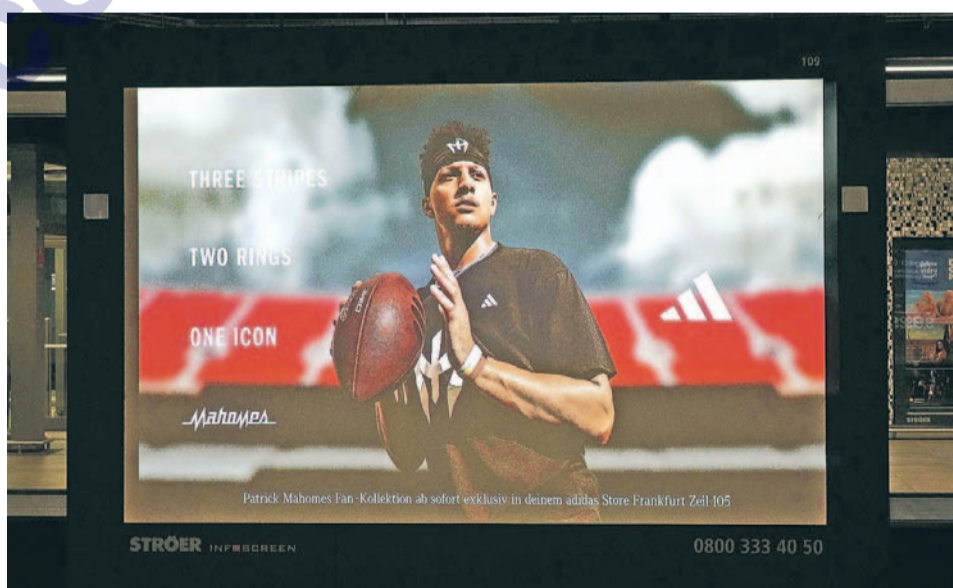
The global market for Japanese animation, known as anime, and its related products has more than doubled between 2012 and 2022 to 2.9 trillion yen, equivalent to \$20 billion, according to the Association of Japanese Animations. The overseas market has

been driving that growth. Markets outside of Japan made up around half of the total in 2022, compared with around 18% a decade earlier.

Streaming companies such as **Netflix** are certainly taking notice. Its live-action series "One Piece," based on a Japanese comic, was its most-watched show in the second half of 2023. In fact, anime content on Netflix in the period logged 14% viewing growth from the first half of 2023, compared with a 4% drop overall, according to Jefferies. These streaming platforms will continue to introduce more anime-related content to their global audiences.

Japan's anime and manga, the Japanese word for comics, have created many well-known

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A new line of Adidas sneakers is branded with NFL star Patrick Mahomes. An ad in Germany.

Adidas Pins Hopes on Appeal Of NFL 'Global Icon' Mahomes

BY TREFOR MOSS

Patrick Mahomes is a marketing dream. He is arguably the biggest name in football after leading the Kansas City Chiefs to a third Super Bowl triumph, and they are undefeated so far this year. His wife is even besties with Taylor Swift.

But can Mahomes actually sell shoes?

Adidas is betting not only that he can, but that he will be the catalyst for the company to finally pose a formidable challenge to **Nike** in the coveted U.S. market.

The Chiefs quarterback "is a fantasy athlete that we haven't activated enough in the past," Adidas CEO Bjørn Gulden said during an earnings presen-

tation earlier this year.

Adidas last Tuesday raised its earnings guidance, citing positive brand momentum, and released a new line of Mahomes-branded sneakers.

The challenge, though, has less to do with Mahomes and more with the sport he plays.

While giants on the field, football players have long been relative weaklings where it matters most to commercial partners: their ability to sell replica shirts, shoes and other products to the broadest possible audience.

Though they take part in the country's most popular sport, players wear a helmet during most of the action. And their gear doesn't easily translate to everyday wear.

Adidas is pitching Mahomes

as a transcendent star who can break the mold, emulating the likes of Michael Jordan and soccer icons who have energized swaths of global consumers.

"He's probably partner No. 1 for us," said Chris Murphy, the senior vice president for North American brand marketing at Adidas, in an interview.

The brand also counts Inter Miami's Lionel Messi among its roster of sponsored athletes, and Murphy argues that Mahomes has "transcended into that global icon status" just like the soccer legend.

The Messi comparison is instructive. In 2020, the year after Mahomes won his first Super Bowl MVP, Messi came first in a Nielsen ranking of the most marketable global ath-

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Hurricanes Fuel Rise In Auto Insurance

BY JEAN EAGLESHAM

Bryan Kerr and his wife watched from their Asheville, N.C., home as Hurricane Helene downed a towering oak tree in their backyard, crushing the Ram cargo van they used for their woodworking business.

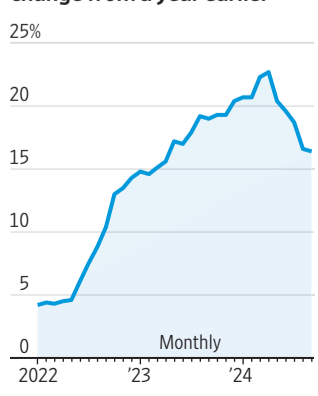
"I saw the tree start to lean, and I was putting my boots on to move the van when it crashed over," Kerr said. "Thirty seconds later and I might have been in the van."

The Kerrs are among tens of thousands of drivers whose cars, vans and trucks were flooded, battered or burned in the back-to-back hurricanes Helene and Milton. In Florida alone, more than 80,000 auto-insurance claims have been filed since the two storms, according to the state's insurance regulator.

The hurricanes dealt a multibillion-dollar blow to auto insurers just as they were becoming profitable again and easing up on the pace of premium increases in many states. Now car owners in areas hit by Helene and Milton

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Auto-insurance prices, change from a year earlier



Source: Labor Department

INSIDE



BUSINESS NEWS

Logistics operators, fulfillment providers set cautious seasonal hiring plans. **B3**



TECHNOLOGY

Autonomous AI agents can do more than answer queries. **B4**

AI Startup Perplexity Seeks To Raise Valuation to \$8 Billion

By BERBER JIN AND TOM DOTAN

Artificial-intelligence search company **Perplexity** has begun fundraising talks in which it is looking to more than double its valuation to \$8 billion or more, as startups try to ride the coattails of OpenAI's recent big investment.

Perplexity has raised three rounds of funding in the past year—an unusually fast pace even by Silicon Valley standards. In January, it was valued at \$520 million. By this summer, its valuation grew to \$3 billion.

Its efforts to raise more money so soon at a substantially increased valuation will be a test of how eager investors are to own a piece of buzzy AI startups showing signs of market traction.

OpenAI, whose ChatGPT dominates the market, recently closed one of the largest funding rounds in Silicon Valley history, raising \$6.6 billion at a valuation of \$157 billion.



Perplexity raised three rounds of funding in the past year.

Perplexity has told investors it is looking to raise around \$500 million in the new funding round, according to people familiar with the matter.

The terms could change and the funding may not come together.

The startup's annualized revenue—an extrapolation of the next 12 months' revenue based on recent sales—is cur-

rently about \$50 million, the people familiar with the matter said. In March, its annualized revenue was a little over \$10 million.

Founded two years ago and backed by Jeff Bezos, Perplexity is a combination search engine and AI chatbot. It scours the web for current information like Google and provides answers to questions like ChatGPT.

Perplexity currently earns money by selling premium subscriptions to consumers. It recently launched an enterprise version for corporate customers that searches their internal files and will soon start selling advertisements, broadening its sources of revenue.

The consumer search engine is getting around 15 million queries a day, according to one of the people familiar with the matter.

Perplexity has been criticized by a host of web publishers that have accused it of using their material without permission to generate AI search results. The **New York Times** recently sent Perplexity a "cease and desist" notice demanding the startup stop accessing its content.

Perplexity Chief Executive Aravind Srinivas said his company isn't ignoring the Times' attempts to block access to its website and doesn't want to have an antagonistic relationship with news publishers.

Shippers Look to Speed Cargo

Continued from page B1

cific Coast and will stop at ports where Maersk or Hapag-Lloyd own container terminals. There, Gemini ships will have lower docking costs and get priority handling for faster cargo deliveries, the officials said. Gemini ships will skip ports such as Hong Kong, Busan in Korea, Singapore, Antwerp in Belgium and Le Havre in France. The move isn't expected to have a negative impact on those.

Gemini's plan to cut port calls is expected to boost the charter market as smaller ships will be needed to feed cargo to the big ocean liners sailing

from Asia to Europe. The new partnership will be the second-largest shipping alliance, representing 22% of the global shipping market.

The biggest shipping partnership, called the Ocean Alliance, includes France's **CMA CGM**, China's Cosco Shipping and Taiwan's **Evergreen Marine**. That group will continue to represent around 29% of the shipping market.

Gemini is expected to come under scrutiny by global regulators, such as the U.S. Federal Maritime Commission, which will monitor the partnership for price fixing or other anti-competitive practices.

The commission's chairman Daniel Maffei, said he has asked his staff "to engage in immediate and ongoing rigorous monitoring of the Gemini Cooperation Agreement to ensure that it doesn't illegally impact U.S. importers, exporters, covered service providers, and consumers."

Adidas Pins Hopes on Mahomes

Continued from page B1

letes. Mahomes was the top-ranked National Football League player, at No. 26. (The survey hasn't been updated in recent years.)

Mahomes's star has continued to rise, with his appearance in commercials making him borderline ubiquitous during football season.

Still, his off-field earnings—accrued through longstanding partnerships with Hunt's Ketchup, Oakley and State Farm, among others, in addition to Adidas—came in at \$25 million last year, according to Forbes. While more than twice the off-field earnings of the nearest NFL player, the haul lags far behind LeBron James's \$80 million or Messi's \$70 million.

While American basketball stars such as Jordan, James and Shaquille O'Neal broke through

to "signify something beyond their sport" via their commercial and cultural achievements, Mahomes hasn't yet gotten there, says Marcus Collins, a marketing professor at the University of Michigan's Ross School of Business.

But he said he thinks Mahomes is getting close.

Mahomes's representatives declined to comment. The 29-year-old quarterback has talked for years about wanting to build an off-the-field financial empire that will far outlast his playing career. "Football is first, but I want to maximize the opportunities I have and keep building my brand," he told Forbes.

Adidas has long dreamed of securing a bigger slice of the U.S. market, only to be foiled by a combination of Nike's dominance—powered in large part by Jordan's enduring appeal—and its own muddled approach.

Now, the company senses a shift on both fronts. Nike's grip on the American market has weakened, with the company recently replacing its chief executive in a bid to reboot its strategy and re-engage consumers. Nike's share of the U.S. sports-footwear market,

though shrinking, was still about 35% last year, according to GlobalData, ahead of Adidas's roughly 11%.

Adidas, meanwhile, is nearly two years into its own turnaround following the collapse of its successful Yeezy partnership with Kanye West in 2022. That process has included appointing a new president for the North American business and investing in U.S.-based designers and facilities to boost the development of products better tailored to American tastes.

Adidas said last week it expects revenue to grow 10% this year, up from an earlier forecast.

The company's recent success also has been fueled by the trendiness of the Samba sneaker and other retro styles, which Adidas has said inevitably drift in and out of fashion. The company needs fresh designs to continue growing.

Murphy said that is where Mahomes is integral to the game plan.

In September, Adidas launched a new commercial as part of its "You Got This" campaign, in which Mahomes helps a young player calm his nerves before a potentially match-win-

ning kick. He also has been starring in a campaign for Adidas and **Dick's Sporting Goods** alongside basketball star Candace Parker, and recently joined Adidas in launching "Team Mahomes," a student-athlete sponsorship program, at his alma mater, Texas Tech.

Earlier this year, Adidas launched the Mahomes 2 sneaker and training range, which targets a global, non-football audience. The first drop of the Mahomes 2 signature shoe sold out within minutes this year, the company said.

Commercials for a subsequent launch over the summer featured Mahomes sneakers dangling off London landmarks Big Ben and Tower Bridge, in an indication of Adidas's confidence in his international appeal.

The shoes sell for around \$150, slightly less than Nike's LeBron James line.

'Smile 2' Opens on Top



The horror sequel earned \$23 million in its first weekend.

Estimated Box-Office Figures, Through Sunday

Film	Distributor	Sales, In Millions		
		Weekend*	Cumulative	% Change
1. Smile 2	Paramount	\$23.0	\$23.0	—
2. The Wild Robot	Universal	\$10.1	\$101.7	-28
3. Terrifier 3	Iconic Events	\$9.3	\$36.2	-51
4. Beetlejuice Beetlejuice	Warner Bros.	\$5.0	\$284.0	-32
5. We Live in Time	A24	\$4.2	\$4.5	1699

*Friday, Saturday and Sunday in North American theaters Source: Comscore

Starboard Buys Stake In Kenvue

Continued from page B1

leon, Pepto-Bismol owner Procter & Gamble, and Axe deodorant-maker Unilever.

After separating from Johnson & Johnson, Kenvue started trading on the New York Stock Exchange last May and ended its first day of trading up over 20%, with a share price around \$27. But shares have fallen since, closing Friday at \$21.72.

In August, Kenvue said its organic sales—which strip out

certain items such as the impact from changes in foreign currency exchange rates—rose 1.5% in the second quarter from a year earlier, after having grown by 7.7% in the same period in 2023.

As consumers adjust to higher prices for many items, some analysts have predicted shoppers could increasingly opt for private-label items rather than well-known brands to save money.

Mongon said in August that Kenvue wasn't seeing meaningful share increases for private-label competitors in its categories. Consumers are making trade-offs, he said, but "one area where they are not making trade-offs is their health and the health of their loved ones."

Kenvue's recent issues have mostly stemmed from its Skin Health & Beauty division, which posted the weakest results in the latest quarter.

Starboard also recently built a roughly \$1 billion stake in Pfizer as it seeks various changes to turn around the struggling drugmaker's performance, The Wall Street Journal reported this month.

Starboard initially approached former Pfizer executives Ian Read and Frank D'Amelio about aiding in its efforts, before they turned around and pledged their support for current Pfizer CEO Albert Bourla. Starboard then accused the drugmaker of pressuring Read and D'Amelio to remain loyal to their longtime employer.

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650Fifth.com

BUSINESS NEWS

Seasonal Logistics Hiring Holds Steady

Expectations of a muted holiday rush keep staffing plans even with last year

By LIZ YOUNG

Logistics operators and fulfillment providers are largely holding their seasonal hiring plans steady with last year as they prepare for what they expect to be a muted holiday shopping season.

Amazon.com plans to hire about 250,000 workers for the peak season for a second straight year. Target said it will bring on 100,000 additional workers this year across its stores and distribution centers, the same as last year. Walmart didn't disclose an exact number of planned hires, but said its seasonal staffing will be consistent with recent years.

United Parcel Service is an exception to the sector's overall caution, with plans to hire 125,000 workers this year, up from 100,000 seasonal hires in 2023. The delivery giant said it is hiring more people to accommodate a shorter period this year between Black Friday, the day after Thanksgiving that generally marks the start of the holiday shopping rush, and Christmas compared with last year.

"With four fewer operating days during our peak holiday season, we've increased hiring so that we can be even more confident we will meet anticipated customer needs," a UPS spokesperson said.

UPS's labor contract, struck last year—a five-year, \$30 billion pact with the International Brotherhood of Teamsters that covers roughly

330,000 package-delivery drivers and package sorters—includes stricter limits on overtime.

The U.S. Postal Service said it will hire about 7,500 workers, down from 10,000 last year. The agency said it is already well-staffed after making a hiring push over the past four years.

FedEx hasn't disclosed its seasonal hiring plans. The parcel carrier has been working on combining its Ground and Express networks in the U.S., which could affect its seasonal employment plans.

Companies are setting their seasonal hiring in an uncertain retail economy. Retail trade has been volatile this year, with the most-recent government figures showing sales edging up 0.1% in August.

Consulting firm Deloitte projects holiday spending this year will grow between 2.3% and 3.3% from last year, below the 4.3% year-over-year expansion in 2023 and far below the 7.6% year-over-year growth in 2022.

Some companies also are dialing back hiring to fit what they believe will be a longer, flatter period of demand this year rather than a sharp spike leading up to Christmas. Amazon, Target and Walmart each held big sales earlier this month, kicking off the shopping season over a month before Black Friday. About half of shoppers recently surveyed by financial-services company Bankrate said they planned to start buying gifts before Halloween.

Billy Peterson, senior vice president of service-delivery operations at e-commerce fulfillment provider Radial, said the company plans to hire about 7,000 seasonal workers

this year, down from 9,500 last year. Workers will start in phases as they are needed rather than in a single big hiring push as in years past.

"There may be multiple start dates even within a site that would be closer to the time frames that the people would actually be required," Peterson said.

Logistics payrolls were down by 22,300 jobs in September from the previous year to about 4.4 million positions, and well below the peak of nearly 4.7 million workers in June 2022, according to seasonally-adjusted preliminary figures from the Bureau of Labor Statistics.

Satish Jindel, president of



United Parcel Service bucked the trend with plans to hire more seasonal workers this year.

ShipMatrix, which analyzes parcel-shipping data, said he expects parcel carriers will be cautious with their seasonal hiring plans amid a longer shopping season and as more shoppers return to in-person

stores rather than placing orders online.

ShipMatrix estimates that carriers will deliver 106 million parcels a day during the peak holiday season that starts around Thanksgiving

and ends in January. Last year, the industry delivered an average of roughly 83 million to 84 million parcels a day during that period, ShipMatrix said.

—Esther Fung contributed to this article.



The BOS Nation unveiled its new name on Tuesday.

Women's Soccer Team Pulls Ad Campaign

By KATIE DEIGHTON

Boston's National Women's Soccer League team on Tuesday unveiled its new name and branding with a provocative, splashy advertising campaign featuring athletes such as Tom Brady and Jaylen Brown.

A day later the team was apologizing for those ads and scrubbing them from the internet.

The campaign from the newly minted BOS Nation soccer team was named "Too Many Balls"—a cheeky reference to how men's sports have dominated the city's sports scene that was perceived by some as crass or offensive.

BOS Nation's first brand film highlighted various Boston's men's teams—including the Patriots and the Red Sox—noting in a double-entendre that "Boston loves its balls, but maybe there are too many balls in this town." It was accompanied by "Too Many Balls" billboards, T-shirts and a website. Criticism soon abounded.

Some fans expressed disappointment that the team didn't make a cursory nod toward the city's other women's teams, such as the Boston Renegades Women's Football Alliance squad and the Boston Fleet, its new entry into the Professional Women's Hockey League. Others thought the "balls" focus was crass or juvenile.

"It seems to speak to a very narrow audience, with undertones of gender-based anti-

feminism and transphobia, all while ignoring the storied history and present state of women's professional sports in Boston," said T.L. Pavlich, a Boston-based NWSL fan who supported the now-defunct Boston Breakers women's soccer team and has followed the new team since it was announced last September.

The team Wednesday afternoon posted a statement to its social-media channels.

"While we had hoped to create a bold and buzzworthy brand launch campaign, we missed the mark," it read. "We fully acknowledge that the content of the campaign did not reflect the safe and welcoming environment we strive to create for all, and we apologize to the LGBTQ+ community and to the trans community in particular for the hurt we caused."

Colossus, the Boston-based agency hired to work on the debut campaign, declined to comment, directing questions to BOS Nation. BOS Nation confirmed it scrapped the "Too Many Balls" campaign and was pausing marketing activity for the foreseeable future.

BOS Nation in its official statements made no reference to the reaction surrounding its name.

An anagram of "Bostonian" meant to pay homage to the city's airport code and "boss" spirit, the moniker has divided team supporters, some of which had hoped for a name as snappy and powerful as the Breakers.

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TECHNOLOGY

AI Agents Do More Than Answer Queries

Autonomous AI can perform complex tasks, but still must prove its utility

By STEVEN ROSENBUCH

The spotlight in artificial intelligence is moving from chatbots to so-called agents, autonomous AI that can follow complex instructions and perform tasks from checking a car-rental reservation at the airport to screening sales leads.

The first questions about AI agents as they enter the market will focus on how capable the new systems are, including at making decisions with little or no human guidance. If the technology proves itself, they could go a long way toward addressing businesses' frustrations as they try to recoup investments in AI. But other questions will follow.

"It's not clear to me these things will ever effectively stand alone, but the instructions that you will be able to give them will be increasingly high-level," says Martin Casado, a general partner at venture-capital and investment firm Andreessen Horowitz, where he leads the firm's \$1.25 billion infrastructure practice. Big players are betting on agents for a range of uses. An Apple executive used the company's developers' conference in June to paint the picture,

describing the ways an AI-boostered Siri might help during a hypothetical visit from her mom by delving into the executive's email, messages and other apps with minimal prompting.

Dating app Grindr says it is working on an AI-agent wingman that will recommend relationship candidates, help users keep track of conversations, suggest date spots and make restaurant reservations.

Cloud software provider ServiceNow said in September it plans to integrate AI agents into its platform that automates and manages functions such as IT, customer service, procurement, human resources and software development. The first piece ServiceNow is shipping includes the autonomous handling of IT and customer-service-management ticket requests, said Dorit Zilbershot, vice president of platform and AI innovation at ServiceNow.

Catching up

"We're moving into a world where...I oversee the AI, the AI is able to handle all those tickets, and they reach out to me when they need help or they reach out to me when, as part of the policy, they have to get my approval," Zilbershot said.

Data-analytics company Palantir Technologies, which was added to the S&P 500 in September, helps clients develop their own agents and



Palantir Chief Information Officer Jim Siders

also uses them internally for functions such as legal work, human resources and office operations and facilities.

"The places where AI is driving differentiated value go beyond chatbots. Chatbots are table stakes," Palantir Chief Information Officer Jim Siders said this month at The Wall Street Journal CIO Network Summit. "It happened fast and I think...a lot of the industry is catching up to that."

The former co-chief executive of software-as-a-service pioneer Salesforce, Bret Taylor, has started a company called Sierra to help other companies build agents.

Salesforce this summer itself introduced an offering

called Agentforce, which it says can automate customer service, marketing campaigns and business procurement far beyond any chatbot's abilities.

Companies can use Agentforce not only to prequalify business leads, for example, but to then reach out to a promising prospect and set up a meeting on behalf of a human salesperson, according to Salesforce.

BACA Systems, a machine manufacturing company in Orion Township, Mich., began using Agentforce capabilities nearly a year ago, when they were in the pilot stage.

The technology has provided a boost to BACA by en-

abling the company, for example, to handle a growing volume of service calls without adding additional human staff, according to Andrew Russo, enterprise architect at BACA.

Companies are already familiar with other forms of automation, which will help lay the groundwork for trying AI agents, according to research and advisory firm Forrester.

But they will run into challenges, too, because the norms over automation that they have evolved won't translate neatly to the implementation of AI agents.

AI agents will force companies to answer new "hard questions" about balancing the risks and rewards of automation, the proper role of humans and the best way to govern the data that these increasingly powerful agents use, Forrester said in a report this month.

Pricing models

AI providers and their clients may at least be more aligned than before on pricing and incentives. Providers of generative AI tech have often charged on the software-as-a-service model, sometimes pegged to the number of employees with access to the tech.

SaaS in general has been a welcome improvement over previous licensing models that often took many years and billions of dollars for customers

to implement. But it isn't perfect. It's possible to oversubscribe—and pay—for services companies don't wind up using.

Instead of a continuing fee, Salesforce is charging \$2 per conversation or sales lead for Agentforce.

New incentives

That may help attract customers that wouldn't have been ready to sign up for AI agents if it meant a new recurring fee for a service that might not turn out to be valuable enough. For Salesforce, the model creates an incentive to deliver clear value.

The SaaS pricing model won't go away, but the newer alternative makes sense because work tied to agents isn't always linked to an individual human employee, according to Adam Evans, senior vice president of Salesforce AI Platform.

Agents will be able to perform certain kinds of work that humans simply don't have the time to give priority to, such as analyzing all the calls related to an area such as logistics, he said.

"We're teeing this with consumption so that every customer is going to be able to say what job did these agents do, see their bill almost by the job or the campaign," Evans said. "And then they can do their own [return on investment] calculation and drive those decisions they should be making."

THE TICKER

MARKET EVENTS COMING THIS WEEK

Table with market indicators for Monday, Tuesday, Wednesday, Thursday, and Friday, including leading indicators, earnings expected, and various stock indices.

Anime Is A Japanese Champion

Continued from page B1 characters and franchises over the years, such as Pokémon. And it looks to be getting even more mainstream. The anime market in North America has grown from \$1.6 billion in 2018 to \$4 billion this year, according to Jefferies.

And Asia, which has long been more receptive to anime, will likely continue to grow strongly, especially in China. Anime also has been popular on Chinese streaming platforms such as Bilibili.

Apart from streaming, selling merchandise can be even more lucrative. Sanrio, which owns characters like Hello Kitty, has reported record profits, with its share price rising nearly sixfold over the past five years.

Sony would be another major beneficiary of this trend. The company owns animation streaming service Crunchyroll, which had 15 million subscribers as of June. That compared with around 3 million subscribers when Sony announced the acquisition of the streaming service from AT&T for nearly \$1.2 billion in 2020.

This contrasts with Sony's approach in online streaming for other content: It acts more like an "arms dealer," selling movies and shows to platforms such as Netflix and Amazon.com. That means the

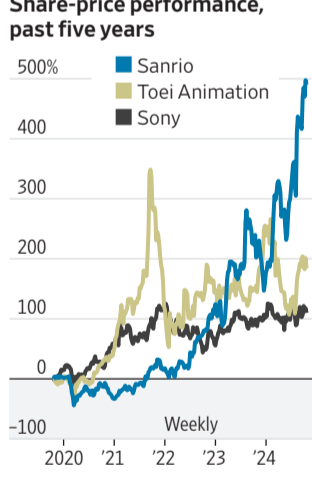
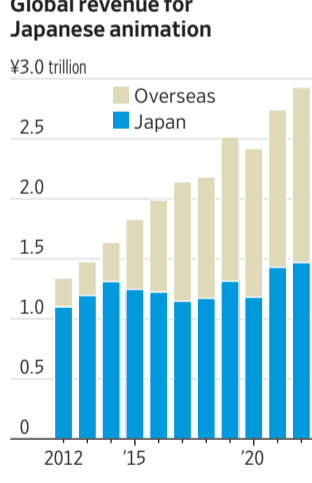


Toei Animation owns popular franchises such as 'One Piece' and 'Dragon Ball.' A 'One Piece' booth.

company could benefit more directly from the anime boom. And anime also has strong synergies with its movie and game businesses.

Anime maker Toei Animation, which owns popular franchises such as "One Piece" and "Dragon Ball," is another listed company that would benefit.

The company makes anime itself, but more important for the overseas markets, it also earns licensing revenue from the copyrights to popular franchises that it owns. Sales outside of Japan accounted for more than half of its total revenue in the latest fiscal year ended in March. The second season of Netflix's "One Piece" is already in production. Toei stock has nearly tripled since



Note: ¥1 trillion = \$6.7 billion. Sources: The Association of Japanese Animations (revenue); FactSet (share price performance)

the end of 2019. Anime has blockbuster po-

tential, not just for audiences but for investors as well.



Coca-Cola will post results on Wednesday.

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ♦ Adjusted for stock split Note: Forecasts are from Dow Jones weekly survey of economists

Advertisement for The Marketplace, including announcements, public notices, and business opportunities.

Storms Fuel Rise in Car Insurance

Continued from page B1 and other hurricane-prone regions could see prices rise further, analysts said.

Josh Esterov, an Office at CreditSights, said many insurers are focused on rebuilding their profitability. "If these recent hurricanes give them ammo to take to regulators to enable higher price increases, they could very much take advantage of that," he said.

The cost of auto insurance nationally is still far outpacing overall inflation, rising 16% in September from a year earlier, according to Labor Department data. But that was down from the infrease of more than 20% at the start of this year.

Milton and Helene aren't expected to have a significant impact on the pace of auto-

premium increases for most of the country, analysts said.

Moody's estimates that insured auto losses from Helene and Milton will total around \$3 billion to \$5 billion, or some 10% of the estimated overall insured damage of \$30 billion to \$50 billion. Inland flooding and storm surge are the main causes of the auto losses, said Firas Saleh, product management director at Moody's.

Unlike home insurance, which typically excludes flooding, auto policies generally cover both water and wind damage from hurricanes.

The Kerrs' work van was declared a total loss by their insurer's claims adjuster and towed away.

They are still waiting to hear about a separate claim for the losses at their wood-working shop after floodwaters inundated Asheville's arts

district.

They fear a flood-zone exclusion in the policy will leave them empty-handed. "We've lost close to \$100,000," Kerr said.

Hurricanes inflict more auto losses if they veer off track or cause greater flooding than expected, which is what happened during Helene's six-state rampage. Drivers can have little, if any, time to move cars and trucks to higher ground or sheltered garages.

Early reports suggest Helene damaged more cars than Milton, despite causing far lower overall insured losses.

Progressive this past week estimated its losses on vehicles, including boats, at \$726 million from both storms, 55% of which was related to Helene.

The hurricane double-whammy already has taken a

bite out of insurers' profits. But big insurers plan for hurricane losses when they set premiums, so Helene and Milton will be a blip for them.

Even after accounting for the storms, insurers' profits for the rest of 2024 should be significantly better than last year, said Tim Zawacki, an analyst at S&P.

Losses from Milton, which hit in early October, will affect results for the final quarter of this year.

Travelers, which sells property and auto insurance, said this past week that its catastrophe losses rose for the three months through September, much of it because of Helene.

The company still made far more money in the quarter than it did in the same period a year earlier.

Insurers are feeling the benefit of big auto-insurance rate increases over the past couple of years.

Since the start of last year, regulators have greenlighted increases averaging 25% nationally, according to S&P Global Market Intelligence.

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FRIDAY	OCTOBER 25	11AM – 6PM
SATURDAY	OCTOBER 26	11AM – 6PM
SUNDAY	OCTOBER 27	11AM – 4PM



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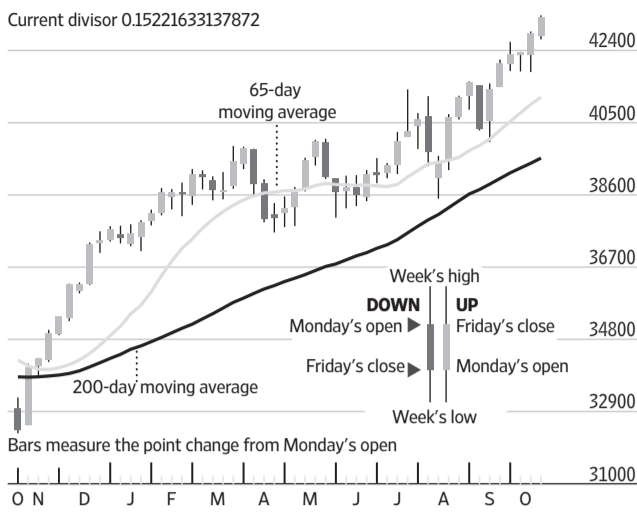
LUXURY BAZAAR



MARKETS DIGEST

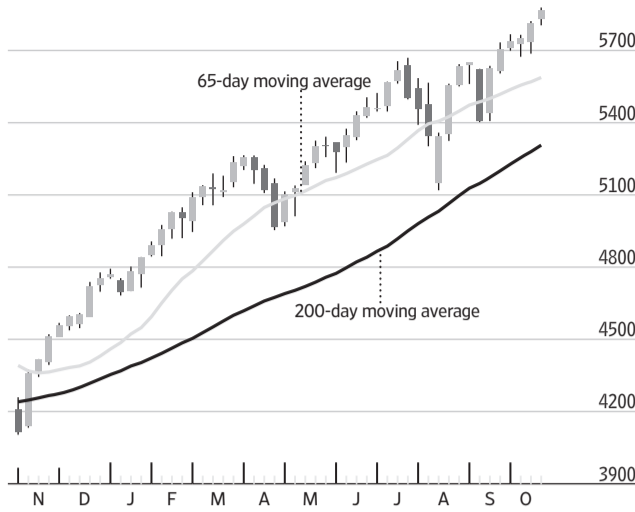
Dow Jones Industrial Average

43275.91 ▲412.05, or 0.96% last week Trailing P/E ratio 26.26 23.01

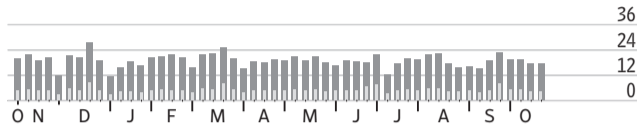


S&P 500 Index

5864.67 ▲49.64, or 0.85% last week Trailing P/E ratio * 25.10 20.14



NYSE weekly volume, in billions of shares



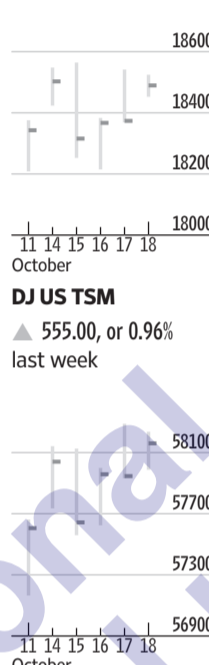
Major U.S. Stock-Market Indexes

Table listing major U.S. stock market indexes including Dow Jones, Nasdaq Composite, S&P 500, and various sector indexes with their latest values and changes.

QR code and text: Scan this code Get real-time U.S. stock quotes and track most-active stocks, new highs/lows, mutual funds and ETFs. Available free at WSJMarkets.com

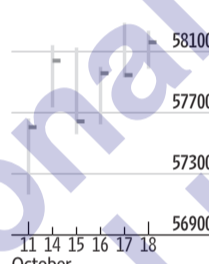
Nasdaq Composite

▲ 146.62, or 0.80% last week



DJ US TSM

▲ 555.00, or 0.96% last week



International Stock Indexes

Table listing international stock indexes by region (Americas, EMEA, Asia-Pacific) with their latest values and changes.

Commodities and Currencies

Table listing commodity prices (Crude oil, Natural gas, Gold) and currency exchange rates (U.S. Dollar Index, Euro, Yen, U.K. pound).

Advertisement for WSJMarkets.com: Go to WSJMarkets.com for free access to real-time market data. Includes a screenshot of the website's market data interface.

New to the Market

Public Offerings of Stock

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Table of public offerings of stock with columns for expected pricing date, issuer/business, symbol/shares, pricing range, and bookrunner(s).

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Table of lockup expirations with columns for lockup expiration, issue date, symbol, offer price, offer amount, through Friday, and lockup provision.

IPO Scorecard

Performance of IPOs, most-recent listed first

Table of IPO performance scorecard with columns for company, symbol, IPO date/offer price, Friday's close, % change from Friday's close, and 1st-day % change.

Public and Private Borrowing

Treasuries

Monday, October 21 Thursday, October 24 Auction of 13 and 26 week bills; announced on October 17; settles on October 24 Auction of 5 year TIPS; announced on October 17; settles on October 24

A Week in the Life of the DJIA

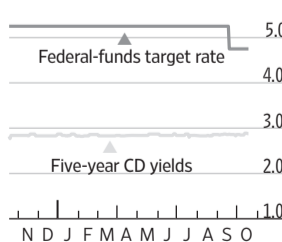
A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 412.05 points, or 0.96%, on the week. A \$1 change in the price of any DJIA stock = 6.57-point change in the average.

Table showing the week's action for various stocks, including the percentage change in stock price and the percentage change in the average price of all stocks in the DJIA.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

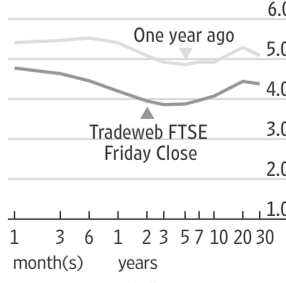
Table of selected consumer rates including 5-year CDs from various banks like Bankrate.com, America First FCU, Merrick Bank, etc.

Table of interest rates for various financial products: Federal-funds rate target, Prime rate, SOFR, Money market, Five-year CD, 30-year mortgage, 15-year mortgage, Jumbo mortgages, Five-year adj mortgage, New-car loan.

Benchmark Yields and Rates

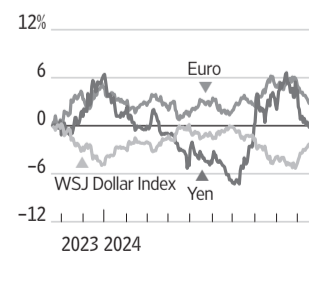
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Table of corporate borrowing rates and yields for various bond categories: U.S. Treasury, U.S. Treasury Long, Aggregate, Fixed Rate MBS, High Yield 100, Muni Master, EMBI Global.

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table of U.S.-dollar foreign-exchange rates for various countries and currencies, including Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Uruguay, Asia-Pacific, and others.

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IT'S YOUR BUSINESS

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities.

Unlike open-end funds, closed-end funds generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, October 18, 2024

52 wk Prem Ttl Fund(SYM) NAV Close/Disc Ret

General Equity Funds

Adams Diversified Equity AXD 24.76 21.92 -11.5 46.5

Central Secs CET 56.87 46.90 -17.5 38.7

Adams Nat'l Resources FOF 12.27 13.20 +7.6 48.0

EV TX Adv Divlncm EVT 27.33 24.85 -9.1 35.5

Gabelli Div & Inc Tr GDV 28.89 24.90 -13.8 41.5

Gabelli Equity Tr GAB 5.60 5.50 -1.8 26.4

General Amer GAM 63.26 54.11 -14.5 41.1

J Hancock Tax Adv Div HTD 25.14 23.58 -6.2 55.6

Liberty All-Star Equity USA 7.28 7.26 -0.3 35.2

Liberty All-Star Growth ASG 6.14 5.75 -6.4 34.0

Royce Micro-Cap Tr RMT 11.08 9.78 -11.7 34.6

Royce Value Trust RVT 17.72 15.83 -10.7 41.7

Source Capital SOR 46.68 44.11 -5.5 24.7

Spotlight Focus Fund FUND 9.25 8.99 -14.8 16.4

SRH Total Return STEW 20.97 16.05 -23.5 33.0

Tri-Continental TY 37.96 33.50 -11.7 35.2

Specialized Equity Funds

abrdn Gbl Prem Prop AWP 4.41 4.49 +1.8 51.4

abrdn Gbl Infra Inc ASGI 20.98 20.21 -3.7 48.0

Adams Nat'l Resources FOF 12.27 13.20 +7.6 48.0

ASA Gold & Prec Met Ltd ASA 25.15 22.37 -11.1 61.8

BR Enh C&I CII 21.65 19.87 -8.2 19.6

BlackRock Energy & Res BGR 14.52 12.81 -11.8 6.0

BlackRock Energy Div BDJ 9.49 8.70 -8.3 32.0

BlackRock Enh Gbl Div BOE 12.77 11.30 -11.5 32.9

BlackRock Enh Intl Div BGY 6.40 5.60 -12.5 25.9

BlackRock ESG Cap All T ECAT 28.41 17.35 -5.8 40.5

BlackRock Hlth Sct Term BME 17.84 15.70 -12.0 26.2

BlackRock Hlth Sct BME 45.14 41.43 -8.2 18.2

BlackRock Hlth Sct Gro Term BIZG 8.55 7.16 -10.1 27.3

BlackRock Res & Comm BCX 10.62 9.39 -11.6 14.5

BlackRock Sci Tech Term BSTZ 22.08 19.50 -11.7 45.1

BlackRock Sci Tech Trst BST 38.27 36.81 -3.8 31.2

BlackRock Util Inf & Pwr BUI 24.44 23.85 -2.4 29.7

CLEARBRIDGE ENERGY MESSOP EMO NA 44.01 NA 51.5

Chn's StrInf UT 25.90 25.05 -1.0 48.7

Cohen & Steers Quality RQI 14.41 14.15 -2.5 61.0

Cohen & Steers Real Est RLTY 17.61 17.02 -3.4 59.0

Cohen & Steers Tech RFI 12.68 12.99 +2.4 43.6

Cohen & Steers Trf Prefnc RPT 22.82 23.74 +0.4 61.1

Columbia Sel Pm Cap Gr STK 33.08 33.44 +1.1 36.5

DNP Select Income DNP NA 9.72 NA 16.3

Duff & Phelps Infra Inc DP 13.12 11.81 -10.0 53.9

Etn Vnc Eqty Inc EOI 20.64 20.30 -3.1 46.8

Etn Vnc Eqty Incol EOS 23.09 22.28 -3.5 44.8

EV Rsk MndvSvEq Inc ETJ 9.85 9.31 -5.5 32.5

Etn Vnc MgdVntWrtHrs ETB 15.62 14.50 -7.2 28.2

Etn Vnc MgdVntWrtHrs ETV 14.76 13.92 -5.7 31.2

Etn Vnc MgdVntWrtHrs ETX 9.57 8.65 -9.6 30.6

EV TX Adv Divlncm EVT 27.33 24.85 -9.1 35.5

Gabelli HealthCare GRX 12.49 10.76 -13.9 41.4

Gab Utility GUT 3.11 5.10 +64.0 9.97

GAMCO Gold & Nat Res BGN 4.33 4.43 +2.3 30.0

J Han Finl Oppty Trst BTO 34.48 34.72 +0.7 53.6

Neuberger Brmn Envy Intl NML 9.20 8.33 -9.5 37.7

Neuberger Nxt Gen Com NBXG 14.74 12.88 -12.6 46.4

Nuv Dow 30 Dm Overwts DMAX 14.72 15.06 -12.0 23.3

Nuv CorEqAlpha JCE 15.47 15.35 -0.8 37.4

Nuveen Nasdaq 100 Dm Ov QQQX 28.44 25.33 -10.9 30.1

Nuv Real Est JRS 9.97 9.07 -9.0 60.1

Nuv VSP500 Dm Ov Fd SPXX 18.41 16.90 -8.2 28.1

Nuv VSP500 Dm Ov Fd BTMX 13.33 13.78 -10.1 22.3

Reaves Utility Income UTY 33.13 32.85 -0.8 49.0

Tortoise Energy Infra Crp TYG 46.31 40.74 -12.0 57.1

52 wk Prem Ttl Fund(SYM) NAV Close/Disc Ret

Tortoise Midstream Energy NTG 57.44 50.43 -12.2 61.3

Ecofin S&S Impact Trm TEAF 14.99 13.29 -11.3 28.2

V Div Int & Prem Strm NFJ 14.91 12.98 -12.9 32.0

V Art Int & Tech Opps AIO 22.61 22.51 -0.4 58.0

Income & Preferred Stock Funds

Dividend and Income BXSX 20.82 13.24 -36.4 40.9

Calamos Strat Tot CSQ 18.07 17.62 -2.5 43.0

Cohen & Steers Ltd Dur Prefnc LDP 22.16 21.36 -3.6 39.1

Cohen & Steers Sel Prefnc PFA 22.08 20.84 -5.6 32.9

Cohen & Steers Trf Adv Prefnc PTA 21.42 20.89 -2.5 35.7

First Trnt Dur Prefnc PFF 19.98 19.35 -3.2 52.0

J Han Prefnc HPI 17.00 18.25 +7.4 51.4

JHPrefnc HPP 16.84 18.63 +10.6 55.6

Hnck J Pfd Incol HPS 15.13 16.61 +9.8 50.5

J Han Pm PDT 13.80 13.21 -4.3 56.9

LMP Caplnc SCD NA 17.34 NA 54.8

Nuveen Pref & Inc Opp JPC 8.21 8.09 -2.1 46.9

Nuveen Pref Sec & Inc Opp JPI 20.44 21.10 +3.2 35.9

Nuveen Var Rate Pbl NPF 20.55 19.80 -8.0 41.0

TCW Strat Income TSI 5.24 5.12 -2.3 19.0

Convertible Sec's Funds

Adm't Cnvtbl Gbl Fd AVK 12.57 11.42 -9.1 34.4

Calamos Conv HI CHY 10.78 12.10 +12.2 23.3

Calamos Conv Op CHI 10.18 11.78 +15.7 28.0

V Conv & Inc NCV 3.83 3.55 -7.3 36.5

V Conv & Inc NCZ 3.42 3.16 -7.6 37.8

V Div Inc & Conv ACV 22.45 21.68 -3.4 38.0

V Eqty & Conv Inc NIE 25.71 23.60 -8.2 31.0

World Equity Funds

abrdn Emrg Mkts Eq Inc AEF 6.56 5.55 -15.4 33.5

abrdn Gbl Dm Div AGD 11.71 10.62 -9.3 38.4

abrdn Tot Dm Div AOD 10.14 9.03 -10.9 37.0

Allspring Gbl Div Oppty EOD 5.66 4.95 -12.5 38.8

BlackRock Cap Alloc Trm BCAT 17.13 16.29 -4.9 37.1

Calamos Gbl Dyn Incm CHW 8.01 7.20 -10.1 49.4

EV TX Adv Divlncm EVT 27.33 24.85 -9.1 35.5

Etn Vnc Tr Adv Opp ETO 28.87 26.34 -8.8 37.1

Highland Global Alloc HGLB 11.83 7.94 -32.9 29.8

India Fund IFN 19.91 18.69 -6.1 24.4

Japan Smaller Cap JGF 9.70 7.87 -18.9 21.0

Lazard Gbl Tot Ret Inc LQI 14.11 12.60 -6.4 47.7

Mexico M&F 18.77 14.84 -20.9 3.6

Miller/Hawford High Inc E HIE 12.58 12.40 -1.4 35.9

MS China Shr Fd CAF 16.24 13.28 -18.2 14.0

MS India IIF 33.97 28.44 -16.3 48.8

New Germany GF 10.40 8.74 -16.0 16.0

Nuveen Multi-Asset Inc NMAI 14.17 13.92 -8.7 38.9

Nuveen Rtl Ag Sct & Gro JRI 14.11 13.22 -8.3 48.2

NYLI CBRE Gbl Inf Mfg MEG 16.06 14.76 -8.1 52.6

Templeton Dragon TDF 16.82 13.03 -16.5 15.6

Templeton Em Mkt EMF 15.67 13.37 -14.7 30.9

52 wk Prem Ttl Fund(SYM) NAV Close/Disc Yld

U.S. Mortgage Bond Funds

BlackRk Income BKT 12.30 12.17 -1.1 8.5

Investment Grade Bond Funds

Angel Oak FS Inc Trm FINS 13.98 13.09 -6.4 9.8

BlRck Core Bond BHK 10.74 11.75 +9.4 7.4

BR Credit Alloc Inc BZI 11.56 11.05 -4.4 8.9

Singlet Select Income INTS 19.72 19.91 +0.1 4.5

Invesco Bond VBF 16.62 16.45 -1.0 5.0

J Han Income JHS 12.30 11.69 -5.0 4.0

MFS Intmdt MMS 2.83 2.71 -4.2 0.0

Westn Asst Gbl Def Opp Tr IGI NA 17.18 NA 4.6

National Muni Bond Funds

AllBer Natl Muni AFB 12.78 11.69 -8.5 3.3

BlackRk Inv Q Mun BKN 10.29 12.93 -1.2 5.0

BlackRock Muni 2030 Tgt BTT 24.16 21.50 -11.0 2.5

BlackRock Muni BFK 11.47 10.57 -7.8 5.3

BlackRock Muni II BLE 12.19 11.23 -7.9 5.2

BlackRk Muni Gbl BYM 12.68 11.91 -6.1 4.9

BR Muni Assets Fd MUA 11.91 12.66 +6.3 5.1

BR MH Qly 2 MUE 11.65 10.60 -9.0 4.7

BR Muni Holdings MHD 13.69 12.74 -6.9 4.7

BR Muni Vest Fd MVF 8.08 7.61 -5.8 4.5

BR Muni Vest 2 MVT 12.44 11.32 -9.0 4.9

BR Muni Yield Fd MYD 12.19 11.62 -4.7 5.2

BR Muni Yield Qly MQY 13.26 13.03 -1.7 5.0

BR Muni Yield Qly 2 MQT 11.71 10.71 -8.5 5.1

BR Muni Yield Qly 3 MYI 12.57 11.85 -5.7 5.3

BNY Mellon Muni Bnd Infra DMB 12.29 11.01 -10.4 3.3

BNY Mellon Str Muni Bond DSM 6.85 6.24 -8.9 3.4

BNY Mellon Strat Muni LEO 7.19 6.50 -9.6 3.5

DWS Muni Inc KTF 10.27 10.20 -0.7 5.3

EV Muni Bnd EIM 11.45 10.77 -5.9 4.9

EV Muni Incm EVN 11.42 10.97 -3.9 4.9

52 wk Prem Ttl Fund(SYM) NAV Close/Disc Yld

abrdn Inc Credit Str ACP 6.65 6.62 -0.5 18.1

AllianceBernHilcm AWF 11.42 10.99 -3.8 7.1

Allspring Income Oppty EAD 7.41 6.95 -6.2 8.6

Bairings Gbl SD HY Bd BGH 16.15 15.37 -4.8 9.6

BR Corporate HY HYT 9.79 9.87 +0.8 9.2

BlackRock Ltd Dur Inc BLW 14.21 14.30 +0.6 9.0

BNY Mellon HI Yield Str DHF 2.77 2.61 -6.0 7.3

Brookfield Real Asst Inc RA 14.96 13.52 -9.6 8.6

Cr Suis High Yld DHY NA 2.21 NA 8.1

DoubleLine Inc Scl DLS 12.67 12.74 +0.6 10.1

DoubleLine Yld Opps DLY 16.26 16.23 -0.2 8.8

First Trust HY Opp 2027 FTHY 15.47 14.89 -3.7 10.3

Franklin Univ FT 8.43 7.59 -10.0 6.7

KKR Income Opportunities KIO NA 14.29 NA 9.8

New Amer Hil Inc HYS 8.41 8.24 -2.0 5.8

Nuveen Global High Inc JGH 13.90 13.02 -6.3 9.2

PGIM Global High Yld GSH NA 12.69 NA 9.8

PGIM High Yld Bond IHD NA 13.96 NA 9.0

PGIM Sh Dur HI Yld Opp SDHY NA 16.58 NA 7.7

Pioneer Hillclm PHT 8.37 7.85 -6.2 8.2

Wst Asst HIF II HIX NA 4.47 NA 13.0

Western Asset Hinc Opp HIO NA 3.98 NA 10.5

Western Asset HI Yld O D HVI NA 12.18 NA 9.2

Other Domestic Taxable Bond Funds

Allspring Multi-Sector ERC 10.02 9.26 -7.6 8.1

Ares Dynamic Credit Alloc ARC NA 15.23 NA 9.2

BlackRock Mkt-Sctr Inc BTD 14.71 14.11 +0.7 9.7

BlackRock Tax Muni Bnd BBN 17.82 17.11 -4.0 6.2

DoubleLine Oppor Crt Fd DLI 15.45 15.49 +0.3 8.3

EV Lmt Dur Incm EVV 10.63 10.35 -2.6 9.0

Franklin Tot Dur Income FTF 7.05 6.55 -7.1 10.9

FS Credit Opportunities FSCO NA NA 11.1

J Han Investors JHI 14.99 14.21 -5.2 7.1

MFS Charter MCR 6.89 6.40 -7.1 0.0

Nuv Core Plus Impact NPCT 12.20 11.50 -5.7 9.9

Nuveen Taxable Muni Bnd NBB 16.85 16.20 -3.9 5.8

Nuv Core Plus Impact NPCT 12.20 11.50 -5.7 9.9

PIMCO Corp & Inc Oppty PTY 11.70 14.54 +24.3 9.9

PIMCO Corp & Inc Strat PCN 11.92 13.91 +16.7 9.5

PIMCO Hincm PHK 4.74 5.09 +7.4 11.5

PIMCO IncmStr Fd PFL 8.18 8.57 +4.8 11.4

PIMCO IncmStr Fd PFT 7.22 7.59 +5.1 11.3

Putnam Prem Inc PPN 3.86 3.66 -5.2 8.3

Western Asset Divd Inc WIA NA 15.50 NA 11.0

Western Asset Inf-Ln Inc WLI NA 8.45 NA 7.0



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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Higher Costs Slam Health Insurers

UnitedHealth, CVS and Elevance all reported earnings below expectations; the trend has investors fleeing the sector

Health insurers have been expressing surprise at rising health-care costs for well over a year, battering their stocks. A complex series of factors are at work, including multiple echoing impacts from the pandemic.

UnitedHealth Group, CVS Health and Elevance Health all reported earnings last week that fell short of Wall Street's expectations, sending their shares tumbling. Over the course of the week, CVS dropped nearly 10%, Elevance fell 14% and UnitedHealth slipped 5%.

This coming week, **Centene** and **Molina Healthcare**, two insurers heavily focused on Medicaid, are scheduled to report their earnings. Both companies' shares also took a hit during the past week, as investors braced for more disappointment.

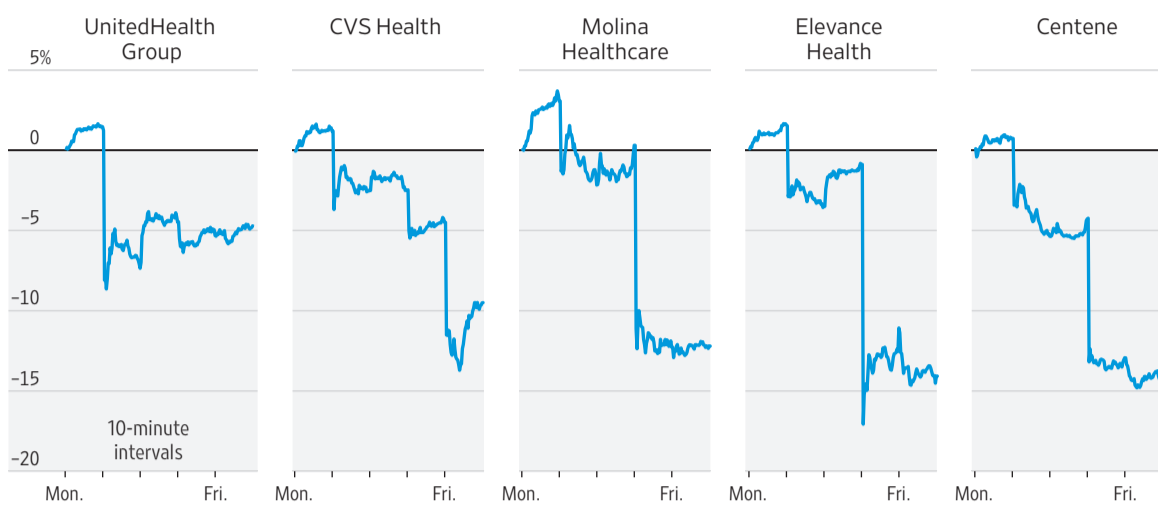
What is going on? Most large health insurers rely heavily on government programs like Medicare and Medicaid. Managing the insurance benefits of low-income and older Americans is generally pretty good business: The government pays a rate per member, and insurers get to keep a small chunk of that in profits.

However, these profits are now under strain, due in part to lingering effects of the Covid-19 pandemic.

The warning signs first emerged in June of last year when UnitedHealth flagged higher-than-expected costs in its Medicare business as seniors sought care they had delayed during the pandemic. Other insurers sounded similar concerns, though they predicted these elevated costs would ease soon.

Yet more than a year after those initial warnings, health insurers are still being surprised by elevated costs in their Medicare

Share-price performance this past week



Source: FactSet

business. Last Tuesday, UnitedHealth projected earnings for 2025 that missed Wall Street's expectations, blaming higher-than-expected costs in both its Medicare and Medicaid programs.

Then, on Friday, CVS shocked the market by replacing its chief executive and warning, once again, that earnings would fall short, citing continuing Medicare struggles at its Aetna insurance unit. Insurers have pointed to various factors, including upcoding by providers such as hospitals seeking higher reimbursements, and increased spending on specialty drugs driven by the Inflation Reduction Act, which lowered out-of-pocket costs for some members. At the same time, they say the government hasn't sufficiently increased their rates to keep up with soaring costs.

The profitability of Medicaid plans also has taken a hit since the pandemic officially ended. In March 2020, the federal government offered states additional

funding, on the condition that they keep people continuously enrolled in Medicaid. Those pandemic years were great for insurers. But once those emergency measures were lifted, states began removing millions of members from Medicaid rolls. And because many of those losing coverage were higher earners and healthier individuals, insurers were left with a sicker and costlier pool of patients, driving up the cost per member.

Elevance blamed disappointing earnings on higher costs in its Medicaid business. Chief Executive Gail Boudreaux described the situation as an "unprecedented challenge," while Chief Financial Officer Mark Kaye noted on Thursday's analyst call that costs are running three to five times the

historical average. While states will eventually increase payment rates to compensate insurers, negotiating these adjustments takes time. Meanwhile, insurers are losing money or making very little in some states, where profit margins are typically a slim 3% to 4%.

The surge in Medicaid costs may go beyond just a mismatch between reimbursement rates and patient health. As is already the case in Medicare, we could be seeing the start of a broader rise in healthcare expenses as more low-income Americans seek treatment for a variety of conditions, many worsened by the pandemic. For example, both UnitedHealth and Elevance have reported higher behavioral-health costs in their Medicaid programs. It has been well documented that low-income

14%
Decline in Elevance shares last week after its results missed estimates

Americans experience higher rates of mental-health issues, and the pandemic likely exacerbated this trend. "Rising behavioral-health costs have been a major driver of medical cost trends since the pandemic, as mental-health conditions worsened and demand for services spiked," said Scott Fidel, an analyst at Stephens.

One bright spot for insurers is the commercial market, where they contract with employers to cover their workers. Unlike government programs, where insurers have limited control over payment rates, in the commercial market, they can "control their own destiny" by raising premiums annually, explains Fidel. In fact, it is possible that working Americans and their employers will be picking up higher bills to make up for losses in other parts of the health insurance system.

Insurers should eventually be able to see improved profits in government-backed programs. In Medicare, that requires patience as insurers cut costs where possible and lobby for better rates from the federal government. In Medicaid, it requires securing better rates from each of the 50 states.

During last week's analyst call, Elevance CEO Boudreaux referred to Medicaid challenges as "short-term headwinds" related to the end of the public health emergency, and she emphasized that Medicaid remains an attractive business.

But what seems to have unnerved investors is how, after consecutive quarters of disappointing results, insurers still don't seem to have a full understanding of what is going on or when it will improve. Many investors will choose to wait on the sidelines until the fog clears.

—David Wainer

When people are fed, futures are nourished.

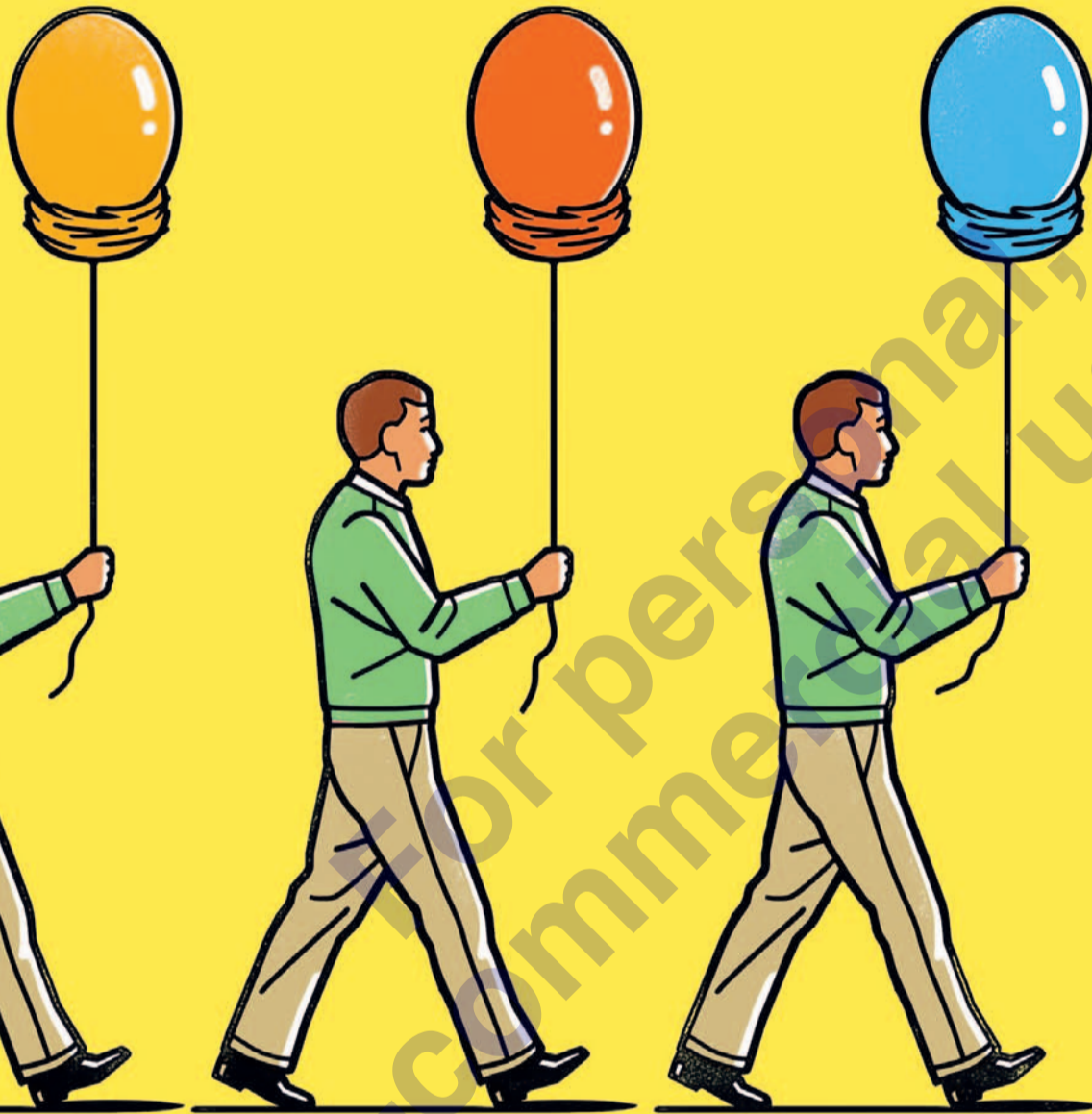
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WEALTH MANAGEMENT

It's Time to Bring 401(k)s Into the 21st Century

The retirement savings plans don't fit the increasingly mobile workforce of today. There's an easy way to fix that.

BY SHLOMO BENARTZI



D DOES THE U.S. retirement-savings system fit the increasingly mobile workforce of the 21st century?

The answer is a definite no. The good news is that it won't be all that hard to fix.

The current system is centered on 401(k) accounts, which were established under a 1978 law. The 401(k) was designed as a supplemental retirement plan for employees who often had a pension that provided for lifetime income in retirement. Since pension plans were paid by the employer, and employees typically had lengthy job tenure, it was natural to link 401(k) accounts to

employers, too.

Almost 50 years later, at least two critical things have changed. First, pensions are virtually gone—just 11% of private-sector workers are now covered by one—which means that the 401(k) has become the primary retirement savings vehicle for Americans.

To address that issue, lawmakers have worked to encourage *Please turn to page R4*

Shlomo Benartzi is professor emeritus at UCLA Anderson School of Management and a frequent contributor to Journal Reports. He can be reached at reports@wsj.com.

I'm Way Too Young for Estate Planning. Or Am I?

I thought planning for death or injury was something I wouldn't have to worry about for years. The truth is that anybody over 18 should consider it.

BY JULIA CARPENTER

EVERYONE IN my family knows about my mother's big blue binder. I jokingly refer to it as her "Book of Life." The binder includes physical copies of important documents, directives for next of kin and information on various accounts, passwords and assets—

all the paper makings of an estate plan.

For years, I thought only older people had to concern themselves with such a project. As a 30-something still renting, paying down debt and slowly growing my savings, I assumed I was far too young for estate planning.

That's a common assumption. A 2024 survey of U.S. adults by Caring.com, the senior commu-

nity platform, found that just 24% of respondents ages 18 to 34 said they had a will.

But when my grandmother died earlier this summer, I started talking more with my parents about their expectations around death and inheritance, which then also prompted me to contemplate my own.

As it turns out, I'm nowhere near too young for this. Someone as young as 18 could benefit from making an estate plan, says Sarah Behr, a financial planner and founder of Simplify Financial Planning in San Francisco.

The reason is as straightforward as it is difficult to think about: The moment someone turns 18, parents no longer have a legal say in financial and health matters without instructions and permissions in place.

Please turn to page R2

Inside

THE GAME PLAN

Advice for a couple seeking to reduce the workload from investment properties. **R2**



YOUNG MONEY

Travel keeps friend groups connected—but the finances can get complicated. **R5**



RISK TOLERANCE

Investors miss the big picture when it comes to their desire to take chances. **R6**



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Why Estate Planning Should Start At Age 18

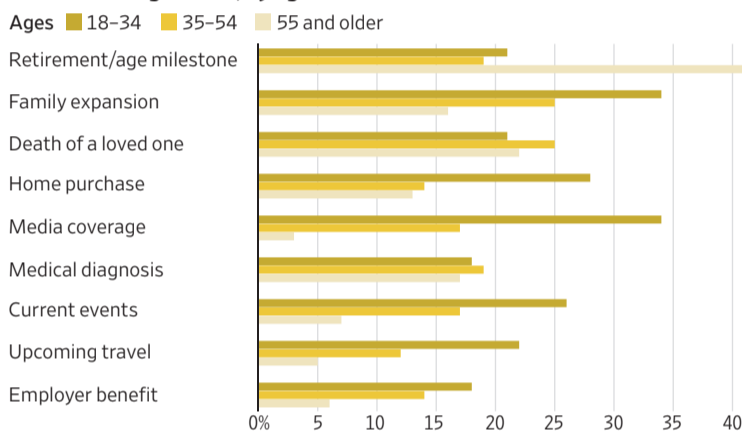
Continued from page R1
As a result, Behr recommends setting up three important documents: an advanced healthcare directive, which allows your loved ones to make decisions about your medical care in the event of a life-changing illness or injury; a power of attorney, which allows others to access your financial accounts should you become incapacitated; and a simple will, clarifying how you'd like your assets to be distributed after death.

Wish fulfillment

One issue for younger people may be that they don't yet feel that they have much to pass on to anyone. But setting down your wishes now for items that might not have great financial value—such as a car or apartment furniture and decor, even tchotchkes or knickknacks—can provide a framework to build on, making it easier to add items as your possessions expand, says Mitch



Motivation to get a will, by age



Source: Caring.com, Wills & Estate Planning Study 2024

Mitchell, an estate-planning attorney and product counsel at Trust & Will, a digital platform for estate planning.

He also encourages people to think beyond physical items, such as leaving a plan of care for a beloved pet so that family know who should be trusted to step up and care for the animal. Also, things like social-media logins, email-account details and more can prove to be a real headache if they aren't spelled out.

You should leave instructions for how loved ones can access your student-loan account, 401(k) and other financial ac-

counts, and make sure they won't have issues accessing phones, laptops and other devices, Mitchell says.

"You can say, 'Oh, I don't have anything,' but you have somebody," says Mitchell. "You have people who are going to want to step in and help" see that your wishes are followed. "Help them help you."

Behr says that creating an estate plan, no matter how small, also opens up a larger conversation with older relatives and parents about their own plans for end-of-life care. "That's an important dialogue to have inter-

generationally, to say, 'We're all grown-ups in the room now. Let's talk about what happens if something unexpected happens,'" she says.

Getting started

Earlier this summer, when my grandmother's health had taken a turn for the worse, I told my parents I wanted to start this conversation with them. They both agreed a discussion would be healthy and necessary for myself and my siblings. But, as the eldest child, I never followed up—the emotions swirling around felt too heavy and dark to hold. I'm hoping that moving forward with my own estate plan—albeit skimpier than theirs—will give me the courage to restart that important dialogue with my parents.

I want to make a plan that provides care instructions for the dog I share with my girlfriend, but I also need to make sure that my partner is the one who benefits from my 401(k) and makes decisions about my health in case tragedy strikes.

It may help to keep in mind that nothing in an estate plan is written in stone. You can change your plan as you go along. If nothing else, you may need to add a new partner or spouse to

Why Americans haven't engaged in estate planning



Source: Caring.com Wills & Estate Planning Study 2024

your beneficiaries list, or remove a deceased parent.

Behr recommends keeping digital copies of estate-planning documents as well as physical ones on paper. I may have laughed at my mother's "Book of Life" as a child, but Behr's insight inspired me to consider making one of my own—and then sharing its contents with

those I trust.

"This is part of being an adult," Behr says. "If you're responsible enough to have a bank account, a retirement account, maybe a pet—you need to have these" plans.

Julia Carpenter is a writer in New York. Email her at reports@wsj.com.

The Game Plan

A Couple Are Tired of Being Landlords. They Need a New Financial Plan.

BY DEMETRIA GALLEGOS

Amy Nagler and Ranie Lynds have accumulated seven homes in Laramie, Wyo., over 26 years. Now they would like to reduce some of the workload.

"We were taking houses that would have been torn down, if anyone else had bought them, and making them nice, livable homes," says Lynds, who is 48 years old.

But now a big goal of the couple is "to wean ourselves off of being landlords," says Nagler, who is 54 years old and tired of "painting houses, dealing with toilets, getting calls about sinks."

Nagler is a part-time research scientist in agricultural economics at the University of Wyoming; Lynds is a geologist for the Wyoming State Geological Survey. Between them, they earn \$128,000 a year.

Real estate has been a wealth-builder for them. The seven homes, all owned outright, were purchased over time for a total of \$745,000. They now have a combined value of around \$1.8 million. The couple claimed \$30,000 in rental income last year, before depreciation. This could increase as rents go up, and most of the renovations are now complete.

Their non-real-estate assets total just over \$1 million, including \$300,000 in ladder certificates of deposit, \$43,000 in personal checking, savings and business accounts, as well as 403(b) and 457(b) retirement plans.

They live frugally, driving old cars and

spending just \$150 a month on gas and auto insurance. About \$500 a month goes to groceries and eating out. Keeping two mules costs them about \$850 a month, and two dogs \$200. Insurance and property taxes on their primary home cost \$650 monthly. They do not have life insurance.

The couple say they are not interested in retiring early. But they would like to work less on their properties and be able to do new things in their free time.

ADVICE FROM A PRO: Nagler and Lynds have done "a really great job accumulating hard assets," says Laura LaTourette, a certified financial planner and founder of Family Wealth Management Group in Dahlonega, Ga.

To reduce some of their daily workload associated with the properties they keep, LaTourette recommends the couple hire professional property managers. This could also help distance them from the emotional investment they made in each home, she says.

The couple also should consider selling homes that have appreciated in value. In fact, as interest rates go down, they might get purchase offers from renters who wish to become homeowners.

If they've documented their rehab costs, they can use that to offset capital-gains taxes. They also can use 1031 exchanges, in which parties, by purchasing a property similar to one being sold, postpone capital-gains taxes.



Ranie Lynds and Amy Nagler want to reduce the workload from investment properties.

Another way to defer taxes, the planner says, is by investing the gains only in a Qualified Opportunity Zone, or economically distressed community. These types of investments are eligible for favorable tax treatment, although the funds invested typically are tied up for 10 years.

Moreover, LaTourette says the couple's money could be performing better than the 2% of asset value generated in rental income last year. She thinks they need diversification outside of local residential real estate, perhaps including bonds and mutual funds. As they age, such investments potentially could give them more flexibility than real estate when it comes to managing taxes in retirement.

"I'm always looking at legacy, no mat-

ter what age the couples are," LaTourette says. For Nagler and Lynds, who care so much about the community, she recommends they explore ESG investing, where their money could be working to support companies that prioritize environmental, social and governance-oriented goals.

LaTourette says the couple's financial path and the need to be present in case issues come up with the rental homes has limited their ability to find new adventures such as travel.

"Now it's time to be responsible with your own dreams and goals," she says.

Demetria Gallegos is an editor for The Wall Street Journal in New York. Write to Demetria.Gallegos@wsj.com.

When Stock Prices Fall, Antidepressant Prescriptions Rise

A new study finds a link between the two, especially for people who are closer to retirement

BY LISA WARD

FEELING depressed when the stock market is down? You have plenty of company. According to a recent study, when stock prices fall, the number of antidepressant prescriptions rises.

The researchers examined the connection by first creating local stock indexes, combining companies with headquarters in the same state. Academic research has shown that investors tend to own more local stocks in their portfolios, either because of employee-stock-ownership plans or because they have more familiarity with those companies.

The researchers then looked at about 300 metropolitan statistical areas, which are regions encompassing a city with 50,000 people and the surrounding towns, tracking changes in local stock prices and the number of antidepressant prescriptions in each area over a two-year period. They found that when local stock prices dropped about 12.8% over a two-week period, antidepressant prescriptions increased 0.42% on average. A similar relationship was seen in smaller stock-price drops as well. When local stock prices fell by about 6.4%, antidepressant prescriptions increased about 0.21%.

Older and sadder

“Our findings suggest that as the stock market declines, more peo-



ple experience stress and anxiety, leading to an increase in prescriptions for antidepressants,” says Chang Liu, an assistant professor at Ball State University’s Miller College of Business in Muncie, Ind., and one of the paper’s co-authors. The analysis controlled for other factors that could influence antidepressant usage, like unemployment rates or the season.

In a comparison of age groups, those aged 46 to 55 were the most likely to get antidepressant prescriptions when local stocks dropped.

“People in this age group may be more sensitive to changes in

their portfolio compared with a younger cohort, who are further from retirement, and older cohorts who may own less stocks and more bonds since they are nearing retirement,” says Mao-yong Fan, a professor at Ball State University and co-author of the study.

Other correlations

When the authors looked at demand for psychotherapy during periods of declining stock prices their findings were similar. When local stock prices dropped by about 12.8% over a two-week period, the number of psycho-

therapy visits billed to insurance providers increased by about 0.32%. They also found a correlation between local stock returns and certain illnesses associated with depression, such as insomnia, peptic ulcer, abdominal pain,

substance abuse and myocardial infarction. But when the authors looked at other insurance claims, like antibiotics prescriptions, they found no relationship with changes in local stock prices.

By contrast, for periods when stocks rise, the authors didn’t see a drop in psychological interventions. They found no statistical relationship between rising local stock prices and the number of antidepressant prescriptions, for example, which the authors believe makes sense.

“Once a patient is prescribed an antidepressant, it’s unlikely that a psychiatrist would stop antidepressant prescriptions immediately,” says Liu.

One practical implication of the study, Liu adds, is that investors should be aware of their emotional state when the market dips before they make investment decisions.

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When share prices fell about 12.8% over a two-week period, antidepressant prescriptions increased 0.42% on average.

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JOURNAL REPORT | WEALTH MANAGEMENT

It's Time We Fit 401(k)s To Today's Workforce

Continued from page R1
savings in 401(k) accounts using behavioral nudges. In particular, the Secure 2.0 Act mandates that all new retirement plans automatically enroll every employee and automatically escalate their saving rates over time. (Employees are always free to opt out.)

Second, it has become much less common for workers to stay with a single employer throughout their careers. In fact, the typical American holds nearly 13 different jobs before retirement, according to the Bureau of Labor Statistics.

However, far less has been done to help workers keep their savings on track when they change jobs.

Multiple small accounts

One major challenge is that millions of Americans end up with multiple small retirement accounts that they have left with former employers. This shouldn't matter in theory: After all, 10 accounts of \$10,000 should be treated the same as one account of \$100,000.

But in practice, that isn't how people react. As Nobel laureate Richard Thaler has written, smaller windfalls—like those left-behind 401(k) accounts—often are treated as income, and are thus far more likely to be spent. Large windfalls, in contrast, are more likely to be seen as assets that need to be saved for the future.

This psychology has a big impact on retirement savings. According to research by Vanguard, about 40% of workers with 401(k) balances between \$1,000 and \$10,000 cash out their accounts upon leaving an employer. In contrast, less than 10% of accounts with balances over \$100,000 are cashed out. These larger accounts were seen as assets worth preserving.

These withdrawals add up, and lead to lost savings of between \$60 billion and \$105 billion a year, according to the Employee Benefit Research Institute. One study found that for every \$1 that goes into retirement accounts, about 40 cents go out as early withdrawals. Those early withdrawals also generate significant tax penalties for workers.

Even if people don't cash out 401(k) accounts between jobs, there's still a potential issue as they approach retirement. A new paper finds that retirees are much more likely to take a lump-sum withdrawal when they have several small accounts and much more likely to invest in an annuity that provides guaranteed income in retirement when they have a single large savings account. Since lump-sum withdrawals can be easily spent, people with multiple small savings accounts—which is to say, most American workers—risk entering retirement unprepared.

The problem, to put it all together, is this: The more mobile the workforce is, the more small accounts workers will have, and the more small accounts people have, the more likely they are to cash them out.

Portable accounts

So, how can we reduce the likelihood of cash-outs?

The most obvious solution is to create lifetime accounts that automatically follow workers from job to job. This would lead to larger balances that don't feel like small windfalls, meaning people would be less inclined to withdraw their retirement money prematurely. What's more, it would eliminate the hassle and paperwork involved in transferring a 401(k) account from one employer to the next, which is required even if both employers use the same plan provider.

While many policymakers and industry leaders believe that a single lifetime account would be challenging to implement, we already have examples of how portable accounts could work.

Consider CalSavers, a retirement-savings program overseen by the state of California that offers workers access to a retirement savings program if they don't have access through their employer. (To date, 17 states have adopted similar programs, mostly aimed at helping employees at smaller companies.) Not only have these programs increased access to retirement plans—CalSavers, for instance, has more than 515,000 participants—they provide a model for how to deal with retirement accounts when workers change jobs.

Because CalSavers is administered by a single retirement plan provider, and not

by different employers, each enrolled worker has just one account. If workers change jobs and their new employer is also enrolled in CalSavers, their account automatically moves with them. The temptation to cash out is dramatically reduced.

The National Employment Savings Trust (NEST), a workplace retirement plan set up by the British government, uses a similar approach. If your former and current employer both use NEST, your savings account is automatically consolidated. No paperwork is required.

Of course, these are effective solutions *only* if both your former and current employer use the same retirement-plan provider, which isn't a given in the fragmented American system. This could be solved by having one provider for all, but that would eliminate market competition, reducing provider incentives to offer better plan features and service.

As such, it might be necessary to replicate the Australian model in the U.S. to deal with situations in which employers use different retirement providers. In Australia, workers remain by default with their first plan provider, even if they change jobs. This approach preserves competition among providers. It also makes it easy for workers to create a lifetime savings account, though they aren't locked in. They have the option of switching plans when they switch jobs if they so desire.

Savings escalators

Cash-outs, meanwhile, aren't the only savings challenge that portable 401(k) accounts could help address.

When workers change jobs, they often experience a sharp decline in

their savings rate regardless of what they do with their old accounts. That's because many benefited from savings escalators at their previous jobs that automatically increased their savings rate by 1% of their salary each year. Unfortunately, workers typically start over at a new job at a low default rate, such as 3% or 5%, wiping out those previous savings increases. In short, unless workers override the standard defaults, their savings history looks less like an escalator gradually going up and more like a stressful roller coaster, full of slow ascents and sudden drops.

A recent study by James Choi and colleagues documented the toll of job changes and showed that auto-escalation isn't nearly as effective as it could be. The main issue isn't the nudge itself, but rather the failure to account for a mobile workforce.

Here again, programs such as CalSavers offer a model for how to create a mobile savings rate so that workers at new jobs don't suddenly start saving less. Because their 401(k) follows them from job to job, their savings escalator is never reset. They automatically keep saving at a higher rate until they reach the top of the escalator.

The appeal of escalators is borne out by extensive field data, so many Americans likely would welcome such a model.

An internal analysis shared by Vanguard finds that 47% of workers choose to remain on a standard auto-escalation path. At first glance, it might seem that a good portion of workers aren't interested in saving more over time.

But closer look at the data suggests that the opposite is true. An additional 17% of Vanguard participants liked the escalator but didn't like the low starting rate. So they opted out of the default setting and picked a higher saving rate to start, and then added the escalator on top. Another 26% increased their savings rate, but dropped auto-escalation. In some cases, that was because they had already reached the maximum escalation rate, and thus couldn't automatically raise their rates any further.

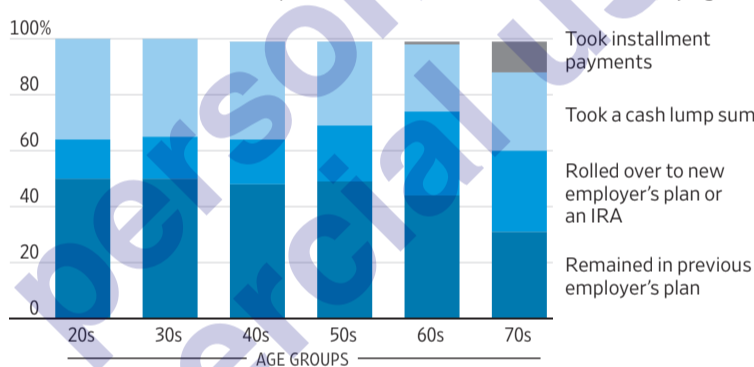
This means that the true percentage of people who opt out of savings escalators is closer to 10%, which indicates many workers want to keep saving more each year and only get kicked off the escalator when they change jobs.

We no longer have jobs for life. As such, we need to develop retirement accounts that fit the way we work and live today.

About 40% of workers with 401(k) balances under \$10,000 cash out accounts when leaving an employer.

Distribution Plan

What workers who ended a job in 2023 did with their 401(k) assets, by age



Note: Doesn't include 'rolled over plan and took cash'; the percentage is equal to or below 1% in all age groups
Source: Vanguard's How America Saves 2024, survey of more than 1,500 qualified plans, nearly five million plan participants

IBD Insights

What Trading Volume Is Telling Investors About the Stock Market

Investors who follow price movements along with spikes or dips in share volume can glean information about indexes' or stocks' direction

BY DAVID SAITO-CHUNG

W ALL STREET veterans have a saying: "Only price pays." Yet volume shouldn't be ignored.

A keen understanding of volume, or the level of trading activity, can give investors a clearer idea of a stock's or market's strength. And unusual changes in volume help point investors to potential changes in price direction.

But first, let's take a step back and explain what volume is, what is typical for the market and where it comes from.

When a trader closes a transaction to sell 100 shares of XYZ stock to a buyer, the trade counts as 100 shares of volume, not 200. Volume on the New York Stock Exchange averaged 3.81 billion shares in the 50 sessions ending Oct. 3. On an average day in the Nasdaq, 5.52 billion shares exchange hands.

Institutional investors like mutual funds or state pension plans account for most volume on a given day. Unusually high volume, thus, is a sign major investors are boosting buying demand or selling pressure.

Generally speaking, stocks rising in heavy, above-average volume indicates abundant demand; higher share prices are likely ahead. Stocks falling in heavy trading suggests selling is bound to continue. So the first rule of volume analysis is to pair it with price moves.

Market volume

Volume can also play a role in helping investors determine when the broader market has bottomed or topped.

A series of declines in the S&P 500 or Nasdaq in higher volume than the previous day often signals that institutional investors are exiting the market. If indexes are rising to new highs but fewer shares are trading hands, that also could indicate that demand is waning. These are known as "distribution days"—Wall Street parlance for selling—and are often a sign for investors to sell before the general market weakens further.

As for major market lows, Investor's Business Daily research going back to 1900 shows that every major bottom featured what's called a follow-through day. Once the market starts to rebound after a correction or bear market, watch for at least one

2.1% and volume spiked by 3 billion shares. That came roughly seven trading days after the bear-market bottom on March 9, 2009, kicking off the second-longest bull market in U.S. history.

The most recent bottoming sign came Aug. 13 with a follow-through in the Nasdaq and S&P 500. Today, about a half-dozen distribution days have piled up in the Nasdaq over the past five weeks. That's starting to look bearish, although signals of a top are far from conclusive.

Stock volume

Volume is also important in understanding individual stock prices. When a stock keeps making new highs while volume trends lower, consider that a bearish sign.

Take consumer appliance maker SharkNinja. When SharkNinja hit new highs in mid-February after going seven weeks without a new high, it came on higher volume.

The week of Feb. 12 saw more than 8 million shares traded, compared with an average of just 3.4 million shares over the prior eight weeks—indicating that major investors were piling into the stock.

SharkNinja then climbed 60% through the week of June 17; that lofty run included multiple up weeks in above-average volume.

David Saito-Chung is deputy markets editor at Investor's Business Daily and co-host of IBD Live. Follow him on X @IBD_DChung or email him at david.chung@investors.com.



ALEX NABAIUM

JOURNAL REPORT | WEALTH MANAGEMENT

Young Money • Isaac Taylor



I Want to Vacation With Friends—But Not All of Us Can Afford It

Our financial lives have diverged since college, when our budgets were the same

FOR MY 30TH birthday, which is a little over a year away, I want to go to Tokyo with my friends. My friend group met freshman year

in college, and we soon started doing everything together—from studying in the library to playing pool. Since graduation, we've made efforts to stay in touch, including regular group chats and doing our best to visit each other.

So celebrating my birthday seems like a great way to keep that connection going.

The problem is that money has introduced some roadblocks to my grand plan. Our financial lives have diverged since those simpler days when we all could afford to do the same things—which wasn't much as self-proclaimed "starving college students." Some of us can afford to take that Japan trip tomorrow. Some people will need a year to save for it. And others might not be able to afford to take the trip at all. After all, that journey halfway around the globe will cost a few thousand dollars at the least.

This is a conundrum facing not only my friend group, but many people in my generation (or any generation, for that matter). The connections we had in college can be harder to maintain in our later 20s and 30s because our careers have taken us in different financial directions.

"It's natural as people evolve in life that they will have different lifestyles," says Yasmine Saad, the founder and chief executive of Madison Park Psychological Services. "So naturally, there's a separation that happens."

The hope, she says, is that there are enough things that bond us, and those foundations can be strong enough to prevent friendships from rupturing.

Easier said than done

In college, most of our bank accounts looked the same: close to empty.

A few of us got jobs doing the same things—working concessions at football games or delivering copies of the school newspaper. We found free things to do like playing sports and videogames. We joke with each other that we all have a minor in playing pool.

is for all of us to continue to do things together. But doing so also has hindered our ability to explore new places as a group—at least places where the budget becomes a factor.

We've been successful going on small trips and visiting each

that everyone has different capabilities at different times," one of my friends says.

Some of us have become so cynical when the topic of a trip comes up that we text each other "I'll believe it when I see it."

Our group was created on the

wait for the entire group to be able or willing to take a trip, I'll never go anywhere. At least one of us will always have a scheduling conflict or expense getting in the way. I believe that we are close enough—and mature enough—that no one would have hard feelings about it.

Redefining our connection

So what will the group do going forward?

We haven't had an official discussion. But from several smaller conversations that have taken place, I believe we've come to the understanding that not everyone will be able to afford—or even want to go—on every trip we plan.

And that's OK. It doesn't mean we are leaving a soldier behind; we are just accepting the reality of the situation.

It also feels like our lives have been diverging in more ways than just financially. The group was tightknit because our past experiences and upbringing were so similar. But as we grow older and create more experiences outside of the college cocoon—with partners, spouses and work friends, for instance—the original connection has become harder to maintain.

Saad suggests that—in addition to video calls and group chats—we agree to visit certain friends in hometowns and go on vacations with others. That solution may be a way to meet everyone where they are. I ran it by the group, and they weren't opposed to it.

And the Tokyo trip? Of course, I would prefer to go with the entire friend group, but the roster is pending. The expense is just too big of an obstacle, especially for a

group of seven or eight people. Instead, a few friends have looked into cheap cruises for early next year.

In truth, it may have always been more important to me to visit Tokyo; I have wanted to go there for years. So I will go on the birthday trip—even if it's by myself.

And, if that turns out to be the case, I'll tell my friends all about my plans when we are on that cheap cruise. Regardless, I'm looking forward to both.

Isaac Taylor is a reporter for The Wall Street Journal in New York. You can reach him at isaac.taylor@wsj.com.



We became such close friends because our experiences and struggles were so similar.

After graduating from college, I moved to New York, but most of my friends stayed in Atlanta. That means we've had to make a conscious effort to stay in touch. We want to continue to make memories together—and, for the group as a whole, travel is enticing because it's a way to continue to share experiences even as our lives have diverged.

While we all are in agreement about travel in theory, however, it has proved to be much more complicated in practice.

The group has tried hard not to exclude anyone. After all, the point

While we all are in agreement about travel in theory, it has proved to be more complicated in practice.

other. But for cost reasons, we've unsuccessfully tried to plan trips to Miami, Las Vegas and Chicago.

For people who have the means to travel, that can be frustrating even if they recognize the reason. "You start to understand

commonality of inclusion and support. Because travel and its costs now would likely exclude some of us, Saad says, it's possible that some people in the group may have hard feelings toward taking vacations because trips would probably exclude some of us.

To be sure, the notion of leaving some people behind can carry guilt for the individuals who can afford it—and those who don't have the funds to travel can sometimes feel like anchors holding others back.

I used to feel guilty about the idea of going places without my friends, but I've realized that if I

The Game Plan

A Librarian Hopes to Retire at 55 and Travel. Can She Afford It?

BY LISA WARD

Deirdre McIntyre, 52 years old, has spent her career working for Ohio's public library system. The Heath, Ohio, resident is eligible to retire in 2027 and hopes to travel and possibly work as a substitute librarian.

But first, she wants to get her finances in order.

McIntyre currently earns about \$67,000 a year. If she retires at 55, she will be eligible for a monthly pension of \$3,900 from Ohio Public Employees Retirement System. As part of her pension plan, she also will start receiving \$900 a month for her health-savings account, a type of investment account that offers tax-free contributions and withdrawals for qualified healthcare expenses. McIntyre for roughly five years has been paying about \$114 from each biweekly paycheck into her HSA, which currently has about \$2,000 in it. She has made withdrawals for check ups and other medical expenses. When she turns 65 and qualifies for Medicare, the monthly HSA payment she gets from the Ohio system will be reduced to \$300. She isn't eligible for Social Security because she is part of the Ohio retirement system.

McIntyre has an \$81,900 mortgage with a 3.87% interest rate on a condo worth about \$220,000. The mortgage is her only debt and she is considering paying it off before retiring. She has a brokerage account valued at about \$90,000 with roughly 85% allocated to stocks and the rest in bonds. She contributes about

\$380 to it monthly. She has \$46,000 in a tax-advantaged 457(b) retirement-savings account to which she contributes about \$60 a month pretax.

Her emergency fund consists of about \$10,000 in a high-yield savings account plus \$6,000 in a three-month certificate of deposit yielding about 5%. Monthly annuity payments of about \$1,400 go into the account as well, although those payments will stop in the middle of 2027. She keeps about \$1,500 in a checking account.

Her monthly expenses include: a \$622 mortgage payment; \$312 homeowners association fee, covering internet, cable and water; \$125 for heat and electricity; \$550 for incidentals; \$250 for groceries; \$60 for gas; \$15 for phone; \$75 for eating out and \$100 for hair care. She pays \$75 a month in car insurance and \$58 is deducted from each biweekly paycheck for health insurance.

ADVICE FROM A PRO: McIntyre's expenses amount to only about 60% of her income, which gives her a healthy cushion to increase the amount of money she is putting into her retirement account, says Shweta Lawande, a certified financial planner and lead adviser at Francis Financial in New York City.

First, Lawande recommends that she not pay down her mortgage since it has a low interest rate and she is likely to earn more by investing that money in either her 457(b) or brokerage account.

McIntyre also should increase her HSA contributions to have \$4,000 in the account, which is enough to cover her deductible.



Deirdre McIntyre hopes to travel and work part time in retirement.

Her emergency fund should have about three to six months of savings, or between \$7,000 and \$14,000. And she should extend the life of the CD to six or nine months to lock in a higher interest rate.

It would be a big jump, but the adviser suggests the librarian maximize her 457(b) contribution. She contributes \$200 a month now, but the limit is \$23,000 for 2024. Contributions and earnings are taxed when they are withdrawn. But there is no penalty for withdrawing the money before age 59½.

Lawande also advises McIntyre to think of her 457(b) and brokerage account as being one portfolio. The two together should be invested about 60% in stock ETFs or mutual funds and 40% in bond ETFs or mutual funds. And if the 457(b) offers low-cost bond ETFs or mutual funds, it might make sense to invest

the fixed-income portion of the portfolio there since she won't get taxed immediately on the dividends. The proceeds can also be reinvested tax-free.

In her retirement, McIntyre should plan to live primarily on her pension and tap her brokerage account only if she needs more, followed by her 457(b).

Lawande recommends that the librarian look into buying long-term-care insurance. She also should plan on buying Medigap to cover expenses, like copays and prescription drugs, not covered by traditional Medicare.

"I like the idea of her working part time in retirement," Lawande says. "It can offset healthcare insurance costs and help pay for travel, too."

Lisa Ward is a writer in Vermont. She can be reached at reports@wsj.com.

JOURNAL REPORT | WEALTH MANAGEMENT



BEN WISEMAN

Investors Spend a Lot of Time Thinking About Risk. But They Do It All Wrong.

By focusing entirely on their tolerance for investment risk, people miss a much bigger picture

BY MEIR STATMAN

What is your risk tolerance?

This is one of the main questions financial advisers want to know from clients. A typical questionnaire asks investors to rate their investment-risk tolerance on a scale from extremely low to extremely high.

The answer will largely determine how investors move forward as they look to increase their wealth. If you say you have high risk tolerance, it is taken to mean you are willing to invest in assets that can potentially bring you big, fast returns, but also bring you big, fast losses. Having a low risk tolerance means you aren't inclined to take big swings, but are happy with slow and steady returns.

What is wrong with this picture? Pretty much everything, if your goal is to increase your wealth and happiness.

That's because we are people before we are investors, and our lives extend beyond investments to careers, social life and more—each with its own risk. People who have high tolerance for investment risk don't necessarily have high tolerance for career risk, such as switching jobs or changing careers. Nor does it mean they have a high tolerance for social risks, such as public speaking or networking.

But by focusing solely on investment risk and financial returns, people often misunderstand the best path to accumulating wealth and emotional satisfaction. Many people, for instance, think that the best way to increase wealth is by tolerating investment risk, perhaps picking stocks with spectacular returns. In truth, wealthy people gain their wealth mostly by tolerating career and social risks—risks that pay great returns in turning them into successful physicians and lawyers or owners of businesses large and small.

My big risk

Let me offer my own experience as an example. I had a job as a financial analyst at a large company in Israel when I completed my undergraduate and M.B.A.

My salary was sufficient to support my family, and a secure pension awaited me in retirement. But my job carried all sorts of negatives. The highest prestige in that company was accorded to its engineers; financial analysts would always be second to them. And my job was boring.

What did I do? I chose to tolerate career risk, coming to the U.S. to study for a Ph.D. I wanted to have a professor's career that would provide a good salary, and emotional returns as a teacher and scholar and mentor.

The career risk I tolerated was great. I was married by then, and we were expecting our first daughter. What if I failed to obtain a Ph.D.? What if I failed to obtain a professor's position? But I knew that the potential returns coming from my tolerance for career risk—financial as well as emotional—would be great. Indeed, that turned out to be true. In my late 70s, I am still a professor engaged in teaching and scholarship, with no plan to retire.

I combined my high career risk with modest investment risk by investing good portions of my income in a diversified portfolio of stock and bond index funds, and that portfolio continues to grow by the magic of compounding.

The willingness to take social risks is also a key to accumulating wealth. I marvel at my wife's tolerance for social risk. She regularly initiates conversations with fellow shoppers at grocery stores, while I keep quiet as I gather my groceries and stand in the checkout line. Yet I have learned to tolerate social risk, overcoming my natural shyness in professional settings, able to speak not only to my many students in classrooms but also to large audiences of investors and investment professionals. Speaking engagements to investment professionals pay handsome fees, adding to my wealth.

Student experiences

I encourage the students who take my investing classes to similarly pay attention to career and social risks, beyond investment risk. And many tell me of their efforts.

One student says she has taken a substantial career risk, moving to a new industry, and from the Midwest to the Bay

Area. Moreover, like many of her classmates, she is pursuing an M.B.A. midcareer. "I believe if there is an opportunity for career growth then it is worth taking a leap now and then!" she says.

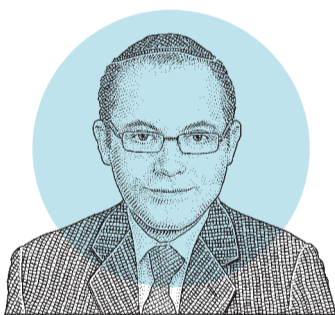
Another student says that the biggest career risk he took recently was to interview for a job offering twice his current salary. "The interview went badly and it was a punch to my ego," he says. But that bad job interview hasn't discouraged him from pursuing good jobs and tolerating the social risk of further bad inter-

views. He has learned that a high tolerance for social and career risks is the surest path to greater wealth.

In the end, the main take-away—which has guided my own life and which I try to impart to my students—is that the combination of risks and potential returns in our life portfolios are similar to their combinations in our investment portfolios. We do well when we have a high tolerance for career and social risks, and a lower tolerance for investment risk. Some returns of indi-

vidual investments in our portfolios, whether investment or life ones, are likely to be exhilarating while others are likely to be disappointing. But it is the returns of the overall portfolios, whether investments or life, that really matter.

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The Experts

Lending Money To Family

WE ALL KNOW the old advice to never lend money to friends and family. It's often just too messy. Is it really a loan or is it a gift? Are you going to resent if you see the borrower taking vacations or leasing a new car rather than repaying the loan more quickly? Will it ruin or help your relationship?

My advice, based on seeing things go sour with many clients: Make it mirror a real, financial-institution loan as much as possible. If you can take the emotional part out of it, it can keep the relationship intact, protect the lender and help the borrower.

• **Make it official:** It is imperative that the arrangement is treated as an official financial commitment. The terms, interest rate, payment schedule and lender's recourse in case of default should be spelled out in a contract that is signed by all parties. It might be prudent to have an indepen-

dent attorney draft the contract.

• **Do your due diligence:** The lender should ask the potential borrower for a full credit report to understand the scope of their financial situation. Family members with a spending problem might not be aware of everything they owe or might try to hide their liabilities to get a temporary bailout. Having the full financial picture will help you understand what you are getting into and help you develop a strategy to get the borrower out of their financial dilemma.

• **Set your interest rate:** Familiarize yourself with the applicable federal rates. AFRs are used for various purposes under the tax code—including the minimum interest rate, based on market loan rates, that the Internal Revenue Service permits for private loans. There could be tax implications if the loan to your family member charges a rate that is less than the AFR, depending on the loan amount. The annual midterm AFR (for a loan period of three to nine years) is currently 3.7%. The IRS publishes updated rates monthly.

• **Establish a repayment plan:** A clear budget should be established by the borrower and shared with the lender. Every dollar of income should be accounted for. The repayment plan should include how much is due each month (or other agreed upon timing) and the due date; how the payments will be made (for instance, bank transfer, Zelle, Venmo, check or cash); and whether there is a grace period and how long it is.

For a family member who has ongoing overspending issues, the lender might want to include a

clause in the loan agreement that requires a therapy component. A mental-health professional, such as a financial therapist, can help the borrower deal with the root causes of their overspending and create a plan going forward.

• **Factor in incentives:** You can consider including incentives in the contract to reinforce positive behaviors. One reward could be forgiving the final few payments of the loan if payments have consistently been made on schedule. There can also be nonfinancial incentives, such as taking the person to a sporting event, if the loan is paid back early. The perks don't need to be financially onerous on the lender, but may help encourage prudent financial habits for the borrower.

• **Know when to say no:** If the borrower does not agree to the terms you establish—and you can't afford or are unwilling to gift the money—then saying no might be the best decision. Yes, it will be difficult to withhold financial support for a loved one who is struggling. But lending to a spendthrift who isn't committed to repairing their finances could also land you in a financially vulnerable situation, which does not help anyone.

This framework might seem onerous, but it protects the lender and offers the borrower a responsible, viable path to recovery.

—Jonathan I. Shenkman, president and chief investment officer of ParkBridge Wealth Management in New York.

The Experts are industry and thought leaders who write about topics of their expertise. Read more posts at WSJ.com/Experts.