THE WALL STREET JOURNAL.

DOW JONES | News Corp ★★★★★ MONDAY, NOVEMBER 8, 2021 ~ VOL. CCLXXVIII NO. 110 WSJ.com ★★★★ $5.00

Last week: DJIA 36327.95 ▲ 508.39 1.4% NASDAQ 15971.59 ▲ 3.1% STOXX 600 483.44 ▲ 1.7% 10-YR. TREASURY ▲ 30/32, yield 1.451% OIL $81.27 ▼ $2.30 EURO $1.1568 YEN 113.40

What's News

Business & Finance

The global economy's comeback from last year's deep contraction is approaching a delicate juncture, as policy makers and executives grapple with the transition from the post-pandemic reopening to a more normalized pace of growth. **A1**

◆ **Twitter users said** Musk should sell 10% of his Tesla stock, valued at about $21 billion, after the CEO polled them and pledged to abide by the outcome of the vote. **A1**

◆ **BHP said** it would sell its controlling interest in two metallurgical coal mines to Stanmore for up to $1.35 billion. **B4**

◆ **Blackstone is investing** up to $250 million in U.K. biotech company Autolus to fund the final stages of development of a new drug to treat a serious form of leukemia. **B9**

◆ **FiscalNote**, a provider of services used to track government policy, is in talks to go public through a merger with a blank-check company at a valuation of $1.3 billion. **B3**

◆ **Disney's** Marvel film "The Eternals" opened to a healthy $71 million at the box office in the U.S. and Canada. **B3**

◆ **Berkshire said** net earnings fell after paper gains from its stock investments declined from a year earlier. **B9**

World-Wide

◆ **Biden notched** a big win with the House passage of the $1 trillion public-works bill, but political obstacles loom for the White House as attention shifts to an even bigger spending bill and next year's midterm elections. **A4**

◆ **The infrastructure** package passed Friday will modestly help the economy in the short run while priming the country for slightly stronger growth in coming decades, economists say. **A4**

◆ **An appeals court** temporarily blocked the Biden administration's new rules that require many employers to ensure that their workers are vaccinated or tested weekly for Covid-19. **A3**

◆ **An explosives-laden** drone attacked the residence of Iraq's prime minister in Baghdad in what Iraqi security officials said was an assassination attempt. **A7**

◆ **Ethiopian rebel forces** advanced toward Addis Ababa, threatening to widen a civil war marked by allegations of ethnically motivated atrocities and man-made famine. **A7**

◆ **Nicaraguans cast** ballots in an election expected to cement Ortega's hold on power amid an overwhelming police presence in the capital. **A18**

INVESTING IN FUNDS
Does sustainable investing really help the environment? **R1-8**

CONTENTS

46136>
0 78908 63141 1

Kenyans Break the Tape as New York City Marathon Returns


FROM LEFT: CARLO ALLEGRI/REUTERS; SETH WENIG/ASSOCIATED PRESS

MAKE HERS A DOUBLE: Kenya's Peres Jepchirchir became the first woman to win the New York race after taking the Olympic gold in the same year. The men's finish held less drama, with Albert Korir of Kenya taking the lead after mile 19. A14

Global Economic Recovery Is Facing Big Tests

Post-pandemic upturn reaches a crossroads as supply-chain snags, inflation add to risks

The global economy's comeback from last year's deep contraction is approaching a delicate juncture, as policy makers and executives grapple with the bumpy transition from the post-pandemic reopening to a more normalized pace of growth.

By Tom Fairless, Mike Cherney and David Harrison

Central banks in the U.S. and elsewhere are trying to chart a path that will curb inflation but not choke off growth as they navigate the process of weaning economies off the extraordinary measures—including rock-bottom interest rates and enormous bond-buying programs—deployed to support their economies.

The surge in U.S. consumer demand over the past year—turbocharged by trillions of dollars in stimulus—has ricocheted outward and caused disruptions to global supply chains that are now worsening and might stretch through 2022, executives said. The resulting higher prices and the

Please turn to page A2

◆ The Outlook: New Zealand seeks to cool housing....... A2

Government-Bond Swings Burn Wall Street Investors

By Gregory Zuckerman And Julia-Ambra Verlaine

A rapid U-turn in government-bond markets has sparked deep losses for some of Wall Street's biggest investors, a stark demonstration of how even small shifts in expectations for economic growth and central-bank policy can upend the most carefully laid bets.

Behind the losses are recent abrupt moves in government-bond prices. With central banks signaling plans to end their extraordinary stimulus measures, short-term bonds have declined in price, sending yields—which rise when prices fall—to touch their highest levels since March 2020.

At the same time, yields on longer-term bonds, which tend to fall when investors expect slowing growth, have retreated from near their highs for the year. The gap between the two narrowed sharply, a phenomenon known as a flattening yield curve. That upset popular bets that a gradual return to normal levels of growth and inflation would push interest rates higher in the years to come.

Hedge funds and others who make big bond bets "were caught offsides" by the recent price moves, said Steve Kane, who helps run TCW Group Inc.'s $86 billion **MetWest Total Return Bond Fund**, which has also seen losses. "They're getting squeezed," he said.

A Bloomberg Treasurys index has lost about 1.5% since early August.

While the percentages are small relative to the recent swings in bitcoin or stocks such as Avis Budget Group Inc., many hedge funds and others borrow large amounts of money to amplify their bond bets, so mistaken trades can be painful. London-based Rokos Capital, run by the in-

Please turn to page A2

Twitter Tells Musk to Sell 10% of His Tesla Stock

By Rebecca Elliott And Laura Saunders

Twitter users said Elon Musk should sell 10% of his Tesla Inc. stock, a stake valued at about $21 billion, after the chief executive polled them and pledged to abide by the outcome of the vote.

Voters backed the share sale by a wide margin, with 58% in favor of a sale and 42% opposed, according to the polling data posted on Twitter. More than 3.5 million votes were cast.

"I was prepared to accept either outcome," Mr. Musk tweeted after the poll closed.

Mr. Musk on Saturday put the potential share sale up for popular vote on the social-media platform as he waded back into the debate over how some of the wealthiest people in the U.S. should be taxed.

"Much is made lately of unrealized gains being a means of tax avoidance, so I propose selling 10% of my Tesla stock," he tweeted as he launched the poll, adding, "I will abide by the results of this poll, whichever way it goes."

Mr. Musk holds more than 17% of Tesla, a stake worth more than $200 billion, according to the most recent available data in FactSet. One-tenth of that stake could be valued at $21 billion based on the stock's Friday closing price of $1,222.09.

Mr. Musk and Tesla didn't

Please turn to page A6

INSIDE

ROBERT BUMSTED/AP

U.S. NEWS
Houston tragedy prompts new questions for concert industry. **A3**

EDUARDO SOTERAS/AFP/GETTY IMAGES

WORLD NEWS
Supporters of Ethiopia's government rally as the country moves closer to war. **A7**

Help Really Wanted: Firms Ease Hiring

By Lauren Weber And Chip Cutter

U.S. companies are downsizing the hiring process.

Beauty product retailer The Body Shop is dropping educational requirements and background checks for job applicants. United Parcel Service Inc. is making some job offers in as little as 10 minutes. CVS Health Inc. no longer requires college graduates to submit their grades.

In a labor market where job openings outnumber applicants, companies are brainstorming how to get more candidates in the door and to the floor. The hiring overhaul signals a potentially broad rethink of job qualifications, a change that could help millions of people enter jobs previously out of reach, according to economists and workforce experts.

Employers added 531,000 jobs in October and the unemployment rate fell to 4.6% from 4.8%, the Labor Department reported Friday, indicating that companies are filling openings at a faster clip than

Please turn to page A8

Chicken Nuggets Fly Off the Shelves at Latest World's Fair

* * *

Past events made burgers, ketchup a hit; this year, Saudi chain draws long lines

By Rory Jones

DUBAI—For more than 170 years, World's Fairs have introduced technological marvels such as the Eiffel Tower, the telegraph and the mobile phone. They have popularized ice cream cones, hot dogs and tomato ketchup.

One of the hottest showpieces at this year's event is chicken nuggets from Saudi Arabia.

Amid the hundreds of national pavilions, the fast food, made by the 47-year-old chain Al Baik, is drawing some of the longest lines at the fair, which began on Oct. 1.

Al Baik, roughly translated as "The Chief," already has a following across the Muslim world among pilgrims who have visited its branch in Mecca. It has grown to around 130 outlets in the Gulf, including two added in Dubai and Bahrain in the past year. Social-media posts about its chicken nuggets, fries and burgers are helping to bring visitors to its pop-up site at the Dubai Expo 2020.

"It's all word-of-

Wait for it

Please turn to page A8

Alleged Bribery Case Roils Mexican Politics

◆

Opponent of country's president says he is being prosecuted on fabricated charges

By José de Córdoba And Juan Montes

NEW YORK—Three years ago, conservative Mexican politician Ricardo Anaya was running for president, aspiring to spend the next six years issuing orders from the sumptuous presidential residence in Mexico City.

Instead, he found himself recently standing on a crowded New York City street, waiting for an Amazon van to deliver a mattress to a tiny, unfurnished utility apartment with two windows looking out on a brick wall. He wore dark glasses, a surgical mask and a blue baseball cap.

Having placed second in the 2018 election to current Mexican President Andrés Manuel López Obrador, Mr. Anaya recently fled Mexico to escape what he says is a political vendetta by the leftist leader after a bruising presidential campaign.

"López Obrador is authoritarian, he is vengeful, and he wants to destroy me," Mr. Anaya said in his first inter-

Please turn to page A10

U.S. NEWS

THE OUTLOOK | By Mike Cherney and Stephen Wright

A Nation Goes All In to Cool Housing

New Zealand is emerging as a test case of whether authorities can restrain rising home prices without tanking the market and destabilizing the economy at the same time.

The South Pacific nation's efforts could offer a blueprint for the many other countries facing a similar dilemma after the coronavirus pandemic. A combination of low rates, economic stimulus and changes in buying patterns as people work remotely is pushing real-estate values higher all over the world, pricing out many first-time home buyers.

The problem is particularly acute in New Zealand, where housing supply failed to keep up with population growth over much of the past decade. Home prices have risen more than 30% in the past year, according to a property-price index from the Real Estate Institute of New Zealand.

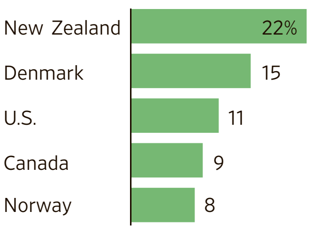
The country's home-price-to-income ratio, a measure of affordability, is the highest compared with the long-run average among 30 key economies analyzed by research firm Capital Economics. For each economy, the firm created an index setting at 100 the long-term average of the ratio of home prices to incomes. New Zealand's score on the index was 178, or well above its long-term average. By comparison, the U.S. score of 93, or just below its average, was the sixth-lowest on the list.

Governments have several tools at their disposal to influence real-estate prices, including boosting housing supply either through direct investment or changing land-use regulations, restricting mortgage lending and offering financial assistance to first-time buyers.

Economists and policy makers debate whether central banks should use interest rates to try to rein in housing prices by influencing the cost of borrowing. Higher rates could make mortgages more expensive and cool demand for housing, but they could also have unwanted impacts on inflation or employment, the traditional areas of focus for central banks.

New Zealand is pulling every lever. In October, the country's central bank raised its benchmark interest rate to 0.5% from a record-low 0.25% and signaled more increases over the next year, in part because of skyrocketing home prices.

Change in real house prices since fourth quarter 2019



Source: Capital Economics

And earlier in the year, New Zealand's government, in a novel move, directed the central bank to consider home prices when making decisions about monetary policy, even though bank officials warned that would have little impact on the market and could lead to lower employment and below-target inflation.

New Zealand has also restricted low-deposit lending, a move designed to reduce risky mortgages and lower the chance of a damaging housing market correction, which could destabilize the broader economy. Starting Nov. 1, only 10% of lending to owner-occupiers can have a loan-to-value ratio of more than 80%, down from the 20% of lending that is allowed now. It is working on debt-to-income restrictions as an additional tool.

The government also plans to make higher-density housing easier to build in cities and limit the deductibility of interest costs on residential property investments. The tax change aims to stem investor demand for existing residential properties, a dynamic that has contributed to higher real-estate prices in the past and made it more difficult for first-time buyers to get on the property ladder.

Whether New Zealand's efforts have a measurable impact on housing prices, without any unwanted economic or social side effects, isn't yet clear.

In September, the latest month for which data is available, property prices in seven of New Zealand's 16 regions reached record median levels, according to the Real Estate Institute. Prices in Auckland, the country's biggest city, declined 4% from August to September, but a Covid-19 lockdown in the city had curtailed buying and selling. The institute said it expects activity to pick up when the lockdown lifts.

Gareth Kiernan, chief forecaster at Infometrics, doesn't expect New Zealand home prices to fall soon. All the government and central-bank measures combined might succeed in slowing price increases, he said, but that still means a grim outlook for first-time buyers.

Demand is also likely to increase, Mr. Kiernan said. The government recently decided to allow residency for tens of thousands of people on temporary visas, which means more people will be looking to buy homes. And the construction industry is still struggling to build houses fast enough to meet existing demand.

Mr. Kiernan said interest rates would need to rise by quite a bit more than currently expected to bring about a fall in prices. New Zealand's central bank in August projected that the cash rate would reach 1.6% by the end of 2022 and 2% in the second half of 2023.

Even if home prices stopped rising, and assuming incomes grow 3% a year, the home-price-to-income ratio would take until 2050 to decline to its level in 2000. Mr. Kiernan said.

"It's going to remain very painful I think, very difficult for people wanting to get into the housing market, for a long time," he said.

ECONOMIC CALENDAR

Monday: Federal Reserve Chairman Jerome Powell and Fed Vice Chairman Richard Clarida kick off a full week of remarks from **central-bank officials** as they wind down aggressive, pandemic-driven stimulus. Mr. Clarida's remarks, on inflation and prospects for monetary policy, could draw special attention.

Wednesday: **China's producer-price index** rose at the fastest pace in 25 years in September as the costs of coal and some energy-intensive products show big increases. Economists expect an even larger PPI jump for October.

U.S. consumer prices this year have been rising at the fastest rate in more than a decade, complicating efforts to get the economy back on track after Covid-19-related disruptions. Economists forecast yet another pickup for inflation in October.

U.S. jobless claims have been on a steady downward march as employers do their best to hold on to workers in a tight labor market. Economists forecast that applications for unemployment benefits, a proxy for layoffs, will show a fresh pandemic low for the week ended Nov. 6.

Thursday: **U.K. economic growth** is expected to have slowed in the third quarter. Gross domestic product is estimated to be up 1.5% from the prior quarter as supply-chain bottlenecks hamper recovery.

Global Recovery Faces Test

Continued from Page One

struggle to secure raw materials and labor are piling the pressure on some companies and weighing on major economies such as Germany.

Meanwhile, China is in the midst of an ambitious effort to reform its economy, including reining in household and corporate debt, particularly in the country's housing market, clamping down on the technology sector and pursuing ambitious climate goals—factors that could slow growth there and globally.

As a result, the global recovery—while still robust—is at a precarious point, with the risk of missteps.

"This is the hard part of the recovery," said Neil Shearing, chief economist at Capital Economics in London. "Policy makers need to work out what's permanent and what's likely to be short-lived."

If central banks move too slowly, inflation could continue to rise, with price increases and higher wages feeding off each other. But if they increase rates too quickly, that could choke off the economic recovery in a world of high debt.

"It's very, very difficult to forecast and not easy to set policy," Federal Reserve Chairman Jerome Powell said on Wednesday after unveiling plans to begin scaling back its $120-billion-a-month bond-buying program this month.

"Inflation has come in higher than expected and bottlenecks have been more persistent and more prevalent," he said. "We see that they're now on track to persist well into next year. That was not expected by us, not by other macro forecasters."

The challenges are especially stiff in the U.S., where fiscal stimulus worth almost $6 trillion has driven consumer spending about 9% above its pre-pandemic level and where supply bottlenecks helped push inflation up to 5.4% in September, a 13-year high.

Some moves are catching investors by surprise.

The Bank of England's decision on Thursday not to raise interest rates triggered the biggest moves in U.K. bond yields in years. The same day, the Czech central bank lifted its key rate by much more than expected, to 2.75% from 1.5%.

Only about a fifth of businesses judge that the worst of the supply-chain disruptions has passed, according to an October survey of large businesses by Oxford Economics. A third of respondents said the disruption would likely extend through the end of next year or beyond.

At ports along the east and west coasts, container volume was almost one fifth above its 2019 level in the three months through June, according to Fitch Ratings.

"In the spring I was pretty sure things would start to free up in the fall. What happened is things actually got worse," said Lars Mikael Jensen, head of network at containership giant A.P. Moller-Maersk A/S. "So I've stopped forecasting."

The U.S. economy produced more than half a million new jobs in October as businesses sprang back from a summer slowdown caused by the Delta variant of Covid-19, the Labor Department said on Friday. It also said about a quarter million more jobs were added in August and September than it had previously estimated. The average hourly wage for private sector workers rose by 4.9%, about double the annual average wage gain in the 15 years before the pandemic.

In China, growth is likely to slow to an annualized rate of 3% or 4% over the next few quarters, according to Nomura, as the world's No. 2 economy is throttled by energy and material shortages and government crackdowns on key industries like real estate.

"This slowdown is going to be bigger and longer than any one we have seen in the past 10 years" in China, according to Kevin Lai, chief economist for Asia excluding Japan at Daiwa Capital Markets.

Sluggish domestic demand and shipping bottlenecks have resulted in many order cancellations at a small motorcycle parts factory in the southern Chinese city of Dongguan, said the woman who runs the plant, Ms. Luo, who asked to be identified only by her surname.

The factory is dealing with soaring prices for raw materials such as steel, Ms. Luo said. Moreover, in October, Ms. Luo's factory was forced to operate only during late hours for three weeks when local authorities in Guangdong Province limited power consumption because of widespread power crunches in the country.

She said she expected demand to cool next year "as the overall economic condition is worsening, not just manufacturing."

In Southeast Asia, Covid-19 outbreaks have receded and factories have reopened, restoring some key links in global supply chains. But the region continues to face labor shortages, high shipping prices and Covid-19 outbreaks.

Germany's economy, Europe's largest, is expected to stall over the coming months as supply bottlenecks weigh on the nation's powerful manufacturing sector.

Companies are grappling with how to plan given such poor visibility into when supply-chain disruptions will lift.

In Madison, Wis., Josh Glenn is caught between booming demand and constrained supply. Mr. Glenn, who owns an appliance-repair company, said his technicians are booked more than two weeks out, up from three or four days before the pandemic. But a shortage of parts has made it hard for him to meet the demand.

"I've had a guy that's been waiting for a part for his refrigerator for two months," he said.

—Grace Zhu and Jon Emont contributed to this article.

KEVIN J. BEATY/COLORADO PUBLIC RADIO/ASSOCIATED PRESS

Supply-chain bottlenecks have left racks mostly empty at Wheel Pros in Greenwood Village, Colo.

If central banks move too slowly, inflation could continue to rise.

Investors Burned On Bonds

Continued from Page One

vestor Chris Rokos, for example, has lost 27% in 2021 as of the end of October, according to people close to the matter, in part from bond trades. The fund is on track for its worst year ever.

Multistrategy hedge funds, including ExodusPoint Capital Management LP and Balyasny Asset Management LP, also lost money from recent government-bond moves, according to people familiar with the trades.

For months, investors had been preparing for the Federal Reserve to step down its role in the economy by reducing its bond-buying stimulus program, now scheduled to end in June. The investors also anticipated a gradual move by the Fed to raise interest rates in the next couple of years, while becoming more concerned about rising inflation. As a result, many wagered that short-term Treasurys would do better than 10- and 30-year bonds—which usually suffer most when long-term inflation rises—steepening the yield curve.

Instead, the opposite is happening, as prices for long-term bonds climb, flattening the curve. This same flattening is happening in British, Australian, Canadian and other government-bond markets. Such moves usually happen at the end of interest-rate cycles, as investors anticipate an end of interest-rate increases by monetary officials, not as investors prepare for the beginning of rate increases.

The recent moves underscore how challenging it has been for bond investors to anticipate inflation, central-bank policy and resulting market moves after an era of unprecedented stimulus ushered in to avoid an economic crisis. Traders said some of the recent moves are spurred by big investors acting to unwind, or exit from, existing positions, to stem their losses.

While inflation worries have racked markets for months, the recent price action suggests that the bond market is now preparing for lingering inflation over the next few years, in tension with the Fed's view that easing supply-chain bottlenecks will soon slow rising consumer prices.

Bond prices now suggest inflation will be 3% over the next five years, up from 2.5% a month ago, traders said. Investors are anticipating a series of interest-rate increases over the next couple of years, which will crimp the economy and eventually reduce inflation, explaining why long-term bonds are doing better than short-term bonds. Bond prices indicate that the Fed will raise interest rates five times by the end of 2023, resulting in a slowdown of the global economy.

Investors in stocks and riskier bonds show less concern about the outlook for the global economy. Stocks have been surging in recent weeks, with the Dow Jones Industrial Average closing above 36,000 for the first time, while junk-bond prices have also been climbing.

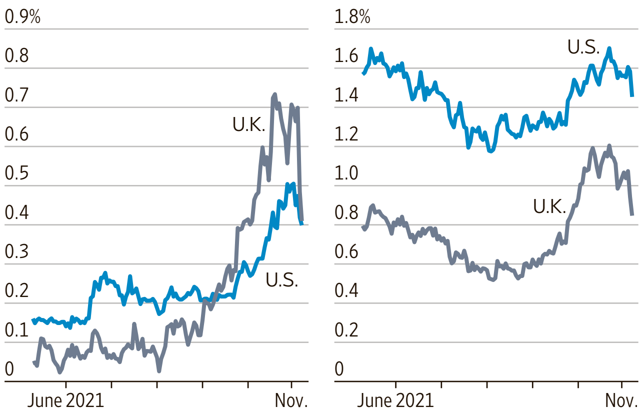
Longer-term yields slumped again at the end of last week after a better-than-expected U.S. jobs report and the Bank of England's surprise decision to hold rates steady. The 10-year yield settled Friday at its lowest level in six weeks.

"Conviction in the path of rates has declined substantially," said Gennadiy Goldberg, U.S. rates strategist at TD Securities in New York. "Global hike expectations have been yanked forward in the most unceremonious of ways, and many people are waiting on the sidelines trying to figure out what their next move should be."

Investors expect more swings ahead as economies recover, supply chains normalize and central banks begin raising rates.

"As we get closer to fully departing this [quantitative easing] regime, around mid-next year, we would expect to see market volatility increase," said Rick Rieder, chief investment officer of global fixed income at asset manager BlackRock. "This will likely be a healthy evolution and not a disruptive one."

Government bond yields



Source: Tullett Prebon

CORRECTIONS & AMPLIFICATIONS

A photo in some editions Saturday with a Page One article about McAfee Corp. was by David Paul Morris/Bloomberg News. The photo credit incorrectly read "heavy check mark."

Notice to readers

Some Wall Street Journal staff members are working remotely during the pandemic. Please send reader comments only by email or phone, using the contacts below, not via U.S. Mail.

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

THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters:
1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays.
Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal,
200 Burnett Rd., Chicopee, MA 01020.

Letters to the Editor: Fax: 212-416-2891; email: wsj.ltrs@wsj.com

Need assistance with your subscription?
By web: customercenter.wsj.com; By email: wsjsupport@wsj.com
By phone: 1-800-JOURNAL (1-800-568-7625)

Reprints & licensing:
By email: customreprints@dowjones.com
By phone: 1-800-843-0008

WSJ back issues and framed pages: wsjshop.com

Our newspapers are 100% sourced from sustainably certified mills.

GOT A TIP FOR US? SUBMIT IT AT WSJ.COM/TIPS

P2JW312000-0-A00300-1--------XA

Officials Seek Answers After Tragic Concert

Investigation into surge at Texas venue that left eight dead examines security measures

By Neil Shah

The casualties at the Travis Scott show in Houston are prompting the concert business to search for what went wrong and raising fresh questions about the adequacy of security at music festivals.

At least eight people died and many were injured Friday night following an apparent crowd surge during Mr. Scott's headlining set at the Astroworld Festival, making it one of the deadliest concert disasters in years. Authorities have launched an investigation into the surge, security measures and reports that someone was injecting fans with drugs. It remains unclear how potential safety lapses or criminal activity might have been connected to the crowd surge.

Much as they did after other recent tragedies—including the mass shooting at Route 91 Harvest Festival in 2017 which left 58 dead—music executives and concert-safety experts are debating the appropriate level of safety at festivals, which have been a financial bright spot for the concert business in recent years.

Questions being asked include whether the Houston festival should have been designed differently to mitigate risks associated with a packed crowd, and whether security staff were adequately prepared, especially given Mr. Scott's record of raucous shows. Executives and security experts are also debating whether Mr. Scott and his team should have moved faster to end the show.

Most say it is too early to assign blame given the host of factors involved and a dearth of knowledge about what sparked the reported crowd surge. A spokeswoman for Live Nation Entertainment Inc., which owns the festival's promoter, couldn't immediately be reached for comment.

"The bottom line is no one should be getting crushed at music festivals," said Mike Luba, senior vice president of global touring at AEG Presents, the world's No. 2 concert promoter after Live Nation. "If it happens, something went wrong somewhere in a pretty fundamental way."

ROBERT BUMSTED/ASSOCIATED PRESS

People grieved at a memorial on Sunday following a deadly crowd surge at the Travis Scott show Friday night in Houston.

Michael Downing, security chief for Prevent Advisors, a security-consulting arm of live-entertainment company Oak View Group, said barriers or pens could have been erected to segment Mr. Scott's fans into groups, facilitating the entry and exit of security staff in the event of medical emergencies or threats like an active shooter.

Another music-industry security consultant said past major festivals have on occasion split the crowd into six or eight sections, divided by barriers. By contrast, Mr. Scott's fans were packed tight near the front in a large mass.

During a press conference on Saturday, Houston officials defended the security at the event, saying the police department had 528 police officers and that Live Nation had 755 private security officers there.

In a video posted on Instagram on Saturday night, Mr. Scott said he could never have imagined anything like this happening. "Any time I can make out anything that's going on, I stop the show," he said. A spokeswoman for Mr. Scott said he had no further comment.

Timothy Epstein, who runs the entertainment and sports practice at law firm Duggan Bertsch and represents promoters of festivals including Pitchfork, Riot Fest and Life Is Beautiful, said Astroworld Festival didn't have a glaring security deficit and that if lack of security were a chronic problem in the industry, such disasters wouldn't be so rare.

Mr. Epstein played down suggestions that Mr. Scott's decision to perform unopposed—no other acts were playing during his set—played a role. However, he said, it was possible the sheer number of concertgoers requiring help simultaneously overwhelmed security. "The more people that have issues or go down or become in need of help, the more strain it puts on any type of security system," he said.

—Corinne Ramey contributed to this article.

Growing California Towns Prove Susceptible to Fire

By Jim Carlton And Christine Mai-Duc

GRIZZLY FLATS, Calif.—Don Lee and his wife, Amanda, moved to this small town in the foothills of the Sierra Nevada last year for a simple reason: They found a four-bedroom house for $200,000, less than half what it would cost in nearby cities like Sacramento.

Early last month, Mr. Lee picked through the ashen ruins of the home—one of more than 600 destroyed here in August when the 222,000-acre Caldor Fire roared through the town of 1,195 residents. Most of the town's residences burned to the ground.

"We were warned it could happen, but everybody up there said it was no big deal," Mr. Lee said of his move from Yuba City, where he and his wife paid $2,000 a month in rent, compared with the $1,700 mortgage for their home.

The Caldor Fire destroyed a total of 1,003 buildings. Statewide, wildfires so far this year have destroyed more than 3,600 structures, according to the California Department of Forestry and Fire Protection, or Cal Fire.

Many were homes in towns like Grizzly Flats that urban planners call the "wildland-urban interface," where human communities sit on the edge of flammable forests and brush.

JIM CARLTON/THE WALL STREET JOURNAL

Don Lee, whose four-bedroom home in Grizzly Flats, Calif., was destroyed in this year's Caldor Fire.

Millions of people have poured into such communities over the past few decades, often in search of more affordable housing than can be found in cities and suburbs. The population of Grizzly Flats grew 88% between 2000 and 2020.

El Dorado County, where Grizzly Flats is located, added 656 new homes in 2020, compared with 115 in 2010, according to building-permit data from the Construction Industry Research Board, a service provided by the California Homebuilding Foundation. Just over 90% of the homes built there last year were in unincorporated areas such as Grizzly Flats.

Firefighters and researchers say that population shift is an important reason 15 of the 20 California wildfires that destroyed the most structures have occurred in the past decade. Between 2000 and 2013, three-quarters of homes destroyed by wildfires in California were in the wildland-urban interface, according to research studies.

Climate change and associated drought, along with poorly managed forests, have made the fires more frequent and difficult to control, but they pose the most danger when they come close to communities where people live.

"People move out into these areas because they have historically been cheaper," said Ken Pimlott, the former director of Cal Fire who retired in 2018 and now resides in El Dorado County near Grizzly Flats. "If you start building into some of these areas, there just isn't infrastructure and support in place to protect them."

New-home construction in the wildland-urban interface grew 41% between 1990 and 2010, the most recent year for which national data is available. That is the fastest for any land category, according to a study headed by the University of Wisconsin. Some of the biggest growth has come in California, where a U.S. Geological Survey analysis of data through 2015 showed the development continued spreading at a high rate.

This year's wildfire season appears to be over in Northern California and the Pacific Northwest but will likely continue in Southern California until December. The threat could re-emerge as soon as next spring, since the drought and rising temperatures have expanded fire seasons that used to last for just a few months starting in summer. California fire officials estimate the state will spend more than $3.3 billion fighting wildfires this fiscal year ending next June, up 50% from five years earlier.

To fully address the problem, the state needs to keep more people from moving in harm's way, researchers say.

"Builders are being allowed to build. But are we asking is it appropriate to live out there?" said Kelly Turner, assistant professor of urban planning at the University of California, Los Angeles.

There has been growing momentum among California political leaders for fewer restrictions on construction in order to alleviate the state's housing shortage. Gov. Gavin Newsom in 2019 set a goal of building half a million new homes annually. Over the past five years, the state has averaged 109,000 homes a year, according to the Construction Industry Research Board.

In Grizzly Flats, people who moved there in recent years said they knew wildfires were possible, but didn't take the threat too seriously.

"I had it in the back of my mind this might burn, but I didn't think it would be this soon," said Ozzi Butcher, who with his wife in 2019 bought a four-bedroom home with a five-car garage and 2 acres for $380,000. Mr. Butcher is among the minority of Grizzly Flats residents whose homes didn't burn.

Mr. Lee hasn't decided yet whether he will rebuild. Much, he said, depends on how much he gets from insurance and other sources.

"We might stay, or we might move," Mr. Lee said. "It is what it is."

Vaccine Rules for Firms With At Least 100 Workers Halted

By Brent Kendall And Sabrina Siddiqui

A federal appeals court on Saturday temporarily blocked the Biden administration's new rules that require many employers to ensure that their workers are vaccinated or tested weekly for Covid-19.

A three-judge panel on the New Orleans-based Fifth U.S. Circuit Court of Appeals granted an emergency stay prohibiting enforcement of the rules for now, saying they raise "grave statutory and constitutional issues."

The Fifth Circuit said it would quickly consider whether to issue an injunction against the vaccine and testing requirements, ordering the Biden administration to file initial legal papers by late Monday afternoon.

The rules, issued by the Labor Department on Thursday, apply to employers with at least 100 workers. Lawsuits challenging the requirements have been filed in courts around the country. Challengers in the case before the Fifth Circuit include both private employers and a group of Republican state attorneys general.

Seema Nanda, the Labor Department's top legal adviser, said the administration was confident in its authority to issue the standard and was fully prepared to defend it in court.

The White House said the legal justification for the mandate was sold.

"The Occupational Safety and Health Act explicitly gives OSHA the authority to act quickly in an emergency where the agency finds that workers are subjected to a grave danger and a new standard is necessary to protect them," Ms. Nanda said.

White House chief of staff Ron Klain said Sunday he thought the administration's legal justification for the vaccine mandate was solid and that he was "quite confident that when this gets fully adjudicated" in court, the administration's order would stand.

"It's common sense," Mr. Klain said on NBC. "If OSHA can tell people to wear a hard hat on the job, to be careful with chemicals, it can put in place these simple measures to keep our workers safe."

Brandon Trosclair, a litigant in the case who employs nearly 500 workers in 15 grocery stores, said Saturday's decision was "a great first step" that "realized that the Biden employer vaccine mandate would cause great harm to businesses like mine."

Challengers are mounting several different legal arguments against the requirements, including a claim that OSHA is improperly exercising powers that can only be invoked by Congress.

The Fifth Circuit is one of the nation's most conservative appeals courts. The three judges who issued Saturday's ruling were appointed by Republican presidents.

Shots' Tie to Heart Issues Probed

By Peter Loftus

As U.S. health authorities expand use of the leading Covid-19 vaccines, researchers investigating heart-related risks linked to the shots are exploring several emerging theories, including one centered on the spike protein made in response to vaccination.

Researchers aren't certain why the messenger RNA vaccines, one from **Pfizer** Inc. and partner **BioNTech** SE and the other from **Moderna** Inc., are likely causing the inflammatory heart conditions myocarditis and pericarditis in a small number of cases.

Some theories center on the type of spike protein that a person makes in response to the mRNA vaccines. The mRNA itself or other components of the vaccines, researchers say, could also be setting off certain inflammatory responses in some people.

One new theory under examination: improper injections of the vaccine directly into a vein, which sends the vaccine to heart muscle.

To find answers, some doctors and scientists are running tests in lab dishes and examining heart-tissue samples from people who developed myocarditis or pericarditis after getting vaccinated.

Myocarditis describes inflammation of the heart muscle, while pericarditis refers to inflammation of the sac surrounding the muscle.

Covid-19 itself can cause both conditions. They have also been reported in a smaller number of people who got an mRNA vaccine, most commonly in men under 30 years and adolescent males.

About 877 confirmed cases of myocarditis in vaccinated people under 30 years have been reported in the U.S., out of 86 million mRNA vaccine doses administered, according to the Centers for Disease Control and Prevention.

The risk is higher within seven days of the second dose of the Pfizer-BioNTech and Moderna vaccines, the Food and Drug Administration says. Most myocarditis cases in vaccinated people are relatively mild, and patients get better on their own or with minimal treatment, doctors say.

The CDC recommends that anyone 5 and older should get vaccinated, saying the benefits of preventing Covid-19 illness, hospitalizations and death far outweigh the risk of myocarditis, even in younger males.

Researchers have been trying to understand the link between the cases and vaccination, as health authorities expand the vaccination campaign by recommending boosters and broadening use of the Pfizer-BioNTech vaccine to younger children. The FDA has, however, held up authorizing use of the Moderna vaccine in adolescents while it investigates the risk.

Some theories about the vaccines' link to myocarditis center on the spike protein on the surface of the coronavirus. The spike protein helps the virus gain entry into human cells to replicate. The mRNA vaccines are designed to cause the body to make a certain version of the spike protein, which then sets off an immune response.

Some doctors have theorized that improper injections of the vaccines may be contributing. The shots are supposed to be injected into the shoulder muscle. If the injection accidentally reaches a vein, it could lead to delivery of some of the vaccine to the heart through blood vessels.

—Felicia Schwartz contributed to this article.

Pelosi Shifts Focus to Next Bill

After Friday's passage of infrastructure, Democrats move to social, climate package

By Natalie Andrews

WASHINGTON—For Democrats, it's roughly $1 trillion down, about $2 trillion to go.

Even as Speaker Nancy Pelosi celebrated the House's approval of a generational infusion of funding for roads, bridges, broadband and water systems on Friday, delicate negotiations were taking place within her caucus over the separate social-spending and climate bill she had wanted to pass the same day.

The California Democrat is leading the narrowest House majority in decades as she works to deliver key planks of President Biden's agenda. On Friday, the House passed the bipartisan infrastructure bill, sending it to the White House. Mrs. Pelosi settled for a procedural vote on the second bill, short of final passage, as she works to bring her members on board by later this month.

"Welcome to my world," she told reporters Friday evening. "This is the Democratic Party."

Mrs. Pelosi has 221 members to 213 for the Republicans and can only lose three votes if all Republicans are opposed. She is navigating demands from centrists facing tough re-election races, progressive s who see Democratic control of Washington as a time to be bold, and concerns from Black, Hispanic and Asian members about how the bills would affect minority communities.

Should the speaker succeed in bringing her caucus together to pass the social-spending bill, it is likely to be changed significantly in the Senate, and then return to the House where she will have to rally support again.

Friday marked a day of shifting plans for the speaker and some risky bets. While she had intended to hold final votes on both bills, that morning the votes were still not there to pass the education, healthcare, child care and climate package, according to people familiar with the count. All Republicans oppose that legislation.

The main hurdle was a handful of centrists who had dug in against sending the bill to the Senate with no estimate from


JOSE LUIS MAGANA/ASSOCIATED PRESS

House Speaker Nancy Pelosi

the Congressional Budget Office on how much the roughly $2 trillion package would actually cost or how much new revenue it would bring in. Party leaders have said the package is fully paid for.

The eight or so centrist members were also still pushing for the infrastructure vote to be first, rather than the social-spending bill. All day Friday, lawmakers from different factions went into Mrs. Pelosi's office in the center of the Capitol.

"This is the most difficult thing that I can think of that she's had to do, even more than the Affordable Care Act, because of the number of different angles that she's had to solve," said Daniel Weiss, Mrs. Pelosi's former chief of staff.

Progressives had vowed to block the infrastructure vote until the social and climate bill moved, and had done so successfully twice.

As the day wore on, she announced in the afternoon that Democrats would vote on the infrastructure bill and then take a procedural vote on the social-spending bill, holding it for final passage until there was a CBO score. It was a suggestion offered by Majority Whip Jim Clyburn (D., S.C.) and members of the Congressional Black Caucus.

Progressives fumed at the change and marched into a meeting room in the Capitol complex. Congressional Progressive Caucus Chair Pramila Jayapal (D., Wash.) lamented that she was no longer at the negotiating table with the speaker, according to a person inside the room. At least 20 members appeared ready to vote against infrastructure.

Mrs. Pelosi would need to win many of them over. She carried a list of names around the House floor, utilizing her "secret whip count," she called it, and she was seen furiously texting and making calls. Late Friday, during a meeting of progressive lawmakers, Rep. Alan Lowenthal (D., Calif.) answered his phone, inadvertently set on speaker and blared to the hallway, that it was Mrs. Pelosi's office trying to reach him.

After hours of huddling, calls from President Biden, a statement from moderates emerged saying they would back the social-spending bill should the CBO numbers match the White House estimates. Rep. Josh Gottheimer (D., N.J.), one of the centrist holdouts, and Ms. Jayapal gave a final statement of unity on the steps of the Capitol, a sign of all but the furthest left in the caucus coming on board. The bill passed 228 to 206, with the help of 13 Republicans, more than offsetting six Democratic defectors.

"She took a risk and it worked, and it worked quite well," said Rep. Emanuel Cleaver (D., Mo.). "I think people are going to be a bit more careful in their assessment of her, and I don't think anybody wants to underestimate her."

Economists Predict Modest Boost to Growth

By Josh Mitchell

The infrastructure package just passed by Congress will modestly help the economy in the short run while priming the country for slightly stronger growth in coming decades, economists say.

The law includes roughly $550 billion in additional spending on top of what the government already planned to spend over the next decade on infrastructure. About a fifth of the new spending is earmarked for building and repairing roads. Smaller components will be used to improve broadband networks, subway systems, passenger railways, airports, ports and power facilities.

Economists generally agree that federal spending on infrastructure helps the country become more efficient because it affords workers greater mobility and improves transportation of goods. As a result, U.S. productivity rises, enabling the economy to grow faster and improving Americans' living standards.

"The infrastructure bill should increase labor productivity in the long term in the exact ways the American economy needs," said Adie Tomer, a transportation expert at the Brookings Institution, a center-left think tank.

Economist Mark Zandi of Moody's Analytics estimates that by 2031, the law will have improved labor-productivity growth by 0.03 percentage point a year. As a result, the economy could sustainably grow at 1.93% a year, instead of the Congressional Budget Office's estimate of 1.9%, he said.


JOE RAEDLE/GETTY IMAGES

The Signature Bridge under construction in Miami. The infrastructure bill passed Friday includes about $550 billion in additional spending.

Those benefits often take years to materialize, partly because of planning and procedural hurdles. Analysts expect the money to start flowing in the second half of 2022, though the biggest chunks will be spent in 2024 and beyond.

The new spending approved by the law is small compared with the economy, representing about half a percentage point of U.S. gross domestic product over the next decade, according to University of Pennsylvania economist Kent Smetters.

Moody's estimates the law will raise U.S. output by 0.17%, or $34 billion, by year-end and by 0.5% by year-end 2026, with the effect then fading as spending winds down. By late 2031, Moody's expects GDP to be $39 billion, or 0.12%, larger than if the bill hadn't been passed. Average annual growth would be 0.02 percentage point faster through 2031.

"I'd say it's a slam-dunk positive—a small positive because the numbers are small," Mr. Zandi said, contrasting it with the infrastructure spending in the period after World War II, when the federal government built the interstate highway system.

Economists say the law isn't likely to increase inflationary pressures. Most pandemic-related bottlenecks will be sorted out by the time spending begins, and activity will be spread over a decade or more, long enough to absorb the additional spending without straining the economy's capacity.

In a few years, the economy is expected to be at or near full employment. Mr. Smetters believes that instead of creating many new jobs, the plan will largely pull workers from other construction projects or industries.

"It's one thing if you're in this really deep recession where you have a lot of people who really want to come back to work and can't find jobs," Mr. Smetters said. "That actually is not the current situation. People who aren't coming back—it's often they don't want to come back."

Vehicle-Charging Stations Win Jolt of Electricity in Congress

By Jennifer Hiller

The infrastructure package passed Friday provides a spark to efforts to build a national network of electric-vehicle charging stations.

The bipartisan measure touches on nearly every aspect of the electric-vehicle industry and eclipses previous efforts in the U.S. It also includes funding to help transform the nation's aging electric grid by upgrading high-voltage transmission lines and other infrastructure set to become even more crucial as the country electrifies more of its transportation system.

It directs $5 billion to expanding electric-vehicle highway charging, which once in place would let drivers take longer road trips without the fear of running out of power. Proponents consider long-distance charging networks a critical missing ingredient for wider adoption of EVs.

A further $2.5 billion in federal grant funding could go toward electric-vehicle charging or alternatives such as hydrogen-fueling infrastructure, while $2.5 billion is set aside for electrifying school buses. Even more money for EVs could come through a separate $2.5 billion for low-emissions school buses, or measures such as $2.25 billion for ports that could be tapped for electrification projects.

CRAIG HUDSON/BLOOMBERG NEWS

An electric-vehicle charging station in Washington, D.C., last month.

"These are big, big numbers relative to what's happened in the United States," said Nick Nigro, founder of Atlas Public Policy, a Washington, D.C., research firm that tracks the EV market. "This is transformational for electric vehicles."

So far, less than $5 billion has been committed to electric-vehicle charging infrastructure collectively in the U.S., and that has happened over many years, Mr. Nigro said.

While the funding represents an unprecedented level of government support for electrifying transportation, analysts say far greater sums would be needed to build a national network of charging stations. Government officials hope to build a more robust network of chargers capable of powering all types of electric vehicles. One of the most expansive networks is the one **Tesla** Inc. built to support its vehicles.

Many EV charging stations are unprofitable, and the industry faces a chicken-or-the-egg dilemma: Consumers are wary of buying EVs without sufficient stations, and companies are reluctant to build stations without sufficient customers.

Auto makers have started to offer more electric-vehicle options, and the U.S. is beginning to develop the ecosystem, but the efforts remain a work in progress. Convenience stores have started to sample the business, though many don't view the market as viable yet.

Biden Gets A Down Payment On Agenda

WASHINGTON—President Biden notched a big win with the House passage of the $1 trillion public-works bill late Friday, but political obstacles loom for the White House as attention shifts to an even bigger spending bill and next year's midterm elections.

By Nick Timiraos, Natalie Andrews and Ian Talley

Congress is set to take a weeklong recess and return on Nov. 15 with a litany of items to complete in short order to avert a government shutdown and move forward on Democrats' roughly $2 trillion education, healthcare and climate package that has proved difficult to negotiate with the party's slim majority.

Economic headwinds pose another complication. Despite a strong rebound in hiring this year, public opinion over the administration's handling of the economy has been hit by concerns over rising prices, with inflation running at its strongest 12-month pace in more than a decade.

Voters delivered a warning shot to Democrats last week, with Republicans winning three statewide races in Virginia, a state Mr. Biden handily won one year ago.

Congress is set to take a weeklong recess and return on Nov. 15.

"I do think voters sent a message on Tuesday. They wanted to see more action in Washington. They wanted to see things move more quickly," said White House chief of staff Ron Klain on NBC on Sunday. "And three days later, Congress responded."

Mr. Klain was referring to the infrastructure bill passed late Friday. The bill fuels the biggest federal infrastructure investment in more than a decade, with money to repair aging roads and bridges, expand internet access and upgrade the nation's power grid, among other projects.

"Finally, infrastructure week," Mr. Biden said at the White House on Saturday. He will travel Wednesday to the port of Baltimore to trumpet how the bill would make the nation's supply chains more resilient.

The infrastructure bill is expected to play a prominent role in Mr. Biden's pitch to voters ahead of next year's midterm elections, in which Democrats will attempt to maintain their narrow majorities in the House and Senate.

Maryland Gov. Larry Hogan, a Republican, said Friday's vote was a big win for Mr. Biden, but "it could have been a much bigger win" if it had happened sooner—specifically, before last week's elections in Virginia, where Republican Glenn Youngkin defeated former Gov. Terry McAuliffe in the gubernatorial race.

Sens. Tim Kaine and Mark Warner, both Virginia Democrats who previously served as governor, agreed. "Democrats blew the timing," said Mr. Kaine on CBS. "I wish the House would have moved earlier," Mr. Warner said on CNN.

Mr. Biden's approval ratings have sagged in recent months. A strong recovery in hiring this year pushed the unemployment rate to 4.6% in October. But public opinion over the administration's handling of the economy has lagged behind because of concerns over rising prices.

Republican opponents warned the bill wasn't fully paid for—the Congressional Budget Office estimated it would increase the federal borrowing by $256 billion over 10 years—and said only a small portion of the legislation was devoted to rebuilding roads and bridges.

A handful of centrist Democrats blocked passage of the larger, $2 trillion bill last Friday and said they would support it should the cost estimates match the details from the CBO.

P2JW312000-0-A00500-1--------XA

U.S. NEWS

Natural-Gas Exports Lift Prices for Utilities

By Collin Eaton And Katherine Blunt

American utilities are facing the highest natural-gas prices in years as they build stockpiles for winter. The reason: Exporters are sending more gas than ever to countries starved for the fuel.

Pipelines to Mexico and Canada and tankers traveling to Europe and Asia have moved record amounts of U.S. gas out of the country this year as parts of the world fall short of supplies. American frackers, meanwhile, are holding the line on new drilling as investors pressure them to maintain capital discipline and return money to shareholders.

The result is that natural-gas exports are pushing domestic prices higher—only the second time this has happened since companies began shipping shale gas from the Gulf Coast to other countries in 2016, other than a brief period during the February freeze in Texas, analysts say.

U.S. Henry Hub gas prices closed Friday at \$5.516 per million British thermal units. That is up from just over \$3 per million BTUs a year ago.

The pinch shows a growing tension between exporters and buyers who have enjoyed cheap gas for more than a decade. Some manufacturing and chemical companies have built entire businesses around low U.S. gas prices.

Utilities from the Pacific Northwest to New England have filed regulatory requests to raise rates for natural gas this winter, citing a supply squeeze as a result of higher global demand. The Energy Information Administration has forecast that the average U.S. household that relies on natural gas for heating will pay 30% more for the fuel this year.

Eversource Energy, a utility that serves 3.6 million electric and natural-gas customers in Connecticut, Massachusetts and New Hampshire, warned this month that average natural-gas customers in Connecticut can expect to see their bills increase by about 14% this month. In Massachusetts, customers may see bills increase by as much as 21%.

James Daly, Eversource's vice president of energy supply, said the company typically stores enough gas to meet about a third of its winter needs and relies on the market for the remainder. He said the cost of natural gas has increased by about 20% compared with a year ago, when prices were at historic lows. That has also affected wholesale electricity prices, which are up about 50% in the New England market, Mr. Daly said.

"Demand for natural gas and power is increasing substantially over where it was a year ago," he said. "We're seeing a bit of upward pressure on natural gas prices here to respond to the very high demand and the prices in Europe."

CMS Energy Corp., a utility serving 6.7 million people in Michigan, is largely insulated from winter price swings because it already has enough gas parked in storage fields. But the surge in exports has made the procurement process more difficult this year, as utilities grapple with short supplies, said Greg Salisbury, the company's vice president of gas supply and engineering. Already, his team is thinking about next year's procurement strategy.

"Suddenly, we have a global market that used to be much more regionalized," Mr. Salisbury said. "It's a much more complex equation to solve than it was a few years back."

As utilities prepare for a surge in demand, the U.S. is exporting a larger share of its natural gas than ever, and shale producers aren't quickly ramping up.

MADDIE MCGARVEY FOR THE WALL STREET JOURNAL

Shale company EQT's fracking site in Mannington, W.Va.

In August, the nation's gas production was only about 4% off its all-time peak in November 2019. With the exception of February, U.S. gas exports via pipelines and tankers, which carry liquefied natural gas, were equivalent to about 19% to 21% of output each month from last November to August, data from the EIA show.

Those exports hit a record 19.2 billion cubic feet a day in March, up about 71% from the onset of the pandemic and up about 17% from the pre-pandemic peak. The volumes have stayed close to that high mark since then as LNG export facilities have kept shipments near maximum capacity.

Shipments are expected to keep rising. Cheniere Energy Inc., the largest U.S. LNG exporter, set a record for shipments in the third quarter, with 141 LNG cargoes between its two Gulf Coast facilities. Next year, Cheniere is set to open a sixth liquefaction facility at Sabine Pass, La., while privately held Venture Global LNG Inc. is set to begin shipping gas out of a new facility in Louisiana.

Meanwhile, some big natural-gas producers have vowed to keep investments in production growth low. Shale companies EQT Corp., Chesapeake Energy Corp., Antero Resources Corp. and others recently told investors high prices haven't tempted them to spend a lot more to boost production.

"We're staying away from growing," Antero Chief Executive Paul Rady said on a recent earnings call.

Battle Looms Over Bank Overseer

By Andrew Ackerman

WASHINGTON—President Biden's nominee to oversee large national banks is engaged in a contentious battle with those who want to sink her nomination.

Mr. Biden this month nominated Saule Omarova, a Cornell University law professor, to be comptroller of the currency, which supervises many of the biggest U.S. lenders including **JPMorgan Chase** & Co. and **Wells Fargo** & Co. Ms. Omarova's earlier calls for shrinking big banks and creating a much bigger role for the Federal Reserve in consumer banking has encountered a backlash from industry advocates and Republicans who have said she is antibank and envisions an overly large role for the government that would crimp business, even at community lenders.

Ms. Omarova said there is a misperception. There is an "unfortunate misunderstanding of my position with respect to community banks," she said in an interview. "I actually am a huge supporter of community banks that channel credit to American families and businesses in their communities."

While speaking by video chat from her home in Ithaca, N.Y., she said she supports free markets but wants to prevent banks from reaping all of the gains from their risk-taking while "socializing" losses on taxpayers, a reference to the bank bailouts during the 2007-09 financial crisis.

"I want to protect the American taxpayer, basically, from holding the bag," she said.

Ms. Omarova's defenders, including liberal-leaning Democrats, say she is an accomplished banking expert who will stand up to the industry. They say that Washington regulators have been too deferential to big banks and that Ms. Omarova would work to make the financial system more inclusive for consumers.

SENATE BANKING COMMITTEE

Saule Omarova, a Cornell University law professor, has been nominated to be comptroller of the currency.

With objections coming from the financial industry, including community bankers who hold sway with some key moderate Democrats, and likely unified opposition from Republicans, Ms. Omarova faces an uncertain path to the job in a narrowly divided Senate, which has approved Mr. Biden's picks for other top regulatory posts. She could have a confirmation hearing as soon as this month.

Before becoming a professor, Ms. Omarova worked at a large law firm and had a stint as an adviser at the Treasury Department during the George W. Bush administration. She left the department for her first teaching job in North Carolina.

Despite her background, banks fear Ms. Omarova would carry out a progressive agenda if confirmed, imposing undue restrictions on their business, according to bankers and their lobbyists. They cite a 2019 article in which she argued that the Fed should shrink large banks in certain circumstances. Another recent paper envisioned shifting consumer-bank deposits from private firms to the Fed, a structural change she described as radical to help make finance more inclusive.

Ms. Omarova said in the article that shifting all consumer deposits to the Fed could boost, not harm, community banks, because they could charge fees for hosting the accounts on behalf of the Fed. They would also have a large pool of customers with which to offer investment advice and other financial services, she says.

The Office of the Comptroller of the Currency is an independent bureau of the Treasury Department. It oversees about 1,200 banks with total assets of \$14 trillion, about two-thirds of the total in the U.S. banking system. The agency is one of the most powerful bank regulators in Washington, alongside the Fed and the Federal Deposit Insurance Corp. While the bulk of the job revolves around supervising the day-to-day operations of the world's largest banks, its leader can't order changes at the Fed.

Banking advocates are also rankled by Ms. Omarova opinions on Twitter, where she has repeatedly attacked the industry. She criticized merger activity at JPMorgan that would expand the U.S.'s largest lender, as well as this summer's end to pandemic-related restrictions on big-bank share buybacks and dividends.

The Biden administration has struggled to find a comptroller nominee who would be embraced by its Democratic allies on Capitol Hill. Earlier this year the White House abandoned an Obama-era Treasury Department official it had considered for the post after he drew opposition from progressive Democrats.

U.S. WATCH

IVY LEAGUE

Bomb Threats Made At Three Universities

Three Ivy League schools said they had received bomb threats Sunday, prompting evacuations of some university facilities. There were no reports of explosions.

Columbia University in New York City issued a campuswide emergency alert after receiving bomb threats involving several of its buildings, a spokeswoman said. She said the university immediately evacuated those buildings. The New York Police Department determined the threats weren't credible, she said.

Cornell University in Ithaca, N.Y., said on Twitter it had received a call of bombs being placed in its law school and three other facilities. The university said no credible threats were found.

A Brown University spokesman said that after receiving a bomb threat by phone, the university evacuated several buildings near its College Green in Providence, R.I. Authorities found no evidence of a credible threat.

—Corinne Ramey

CALIFORNIA

Stray Bullet Kills Sleeping Toddler

A freeway shooting in Oakland killed a toddler who may have been hit by a stray bullet while sleeping in his car seat, authorities and friends of his family said.

The nearly 2-year-old boy was riding in a Lexus sedan on Interstate 880 Saturday afternoon when the car was struck by gunfire, the California Highway Patrol said. The family apparently wasn't targeted, a CHP statement said.

—Associated Press

SOUTHEAST

Unusually High Tides Cause Coastal Floods

A strong storm off the Southeast coast combined with periodic higher tides Sunday, causing coastal flooding that approached levels rarely seen outside of hurricanes along the South Carolina and Georgia coasts, officials said.

Sunday morning's high tide reached 10.45 feet at Fort Pulaski, just east of Savannah, Ga., the National Weather Service reported. The water shut down several roads, including U.S. Highway 80 from Savannah to Tybee Island, officials said.

The Sunday high tide in Charleston Harbor reached 8.51 feet, the 10th-highest level in the century of recording at that site, the weather service said.

—Associated Press

APPALACHIAN TRAIL

Man, 83, Is Oldest To Complete Trek

An 83-year-old from Alabama strode into the record books Sunday as the oldest hiker to complete the Appalachian Trail.

M.J. "Sunny" Eberhart, known by the trail name Nimblewill Nomad, hiked the trail out of order, in sections, to take advantage of optimal weather. He completed his final section in Massachusetts.

Jordan Bowman, of the Appalachian Trail Conservancy, confirmed that Mr. Eberhart is the oldest to finish the 2,193-mile trail that runs between Georgia's Springer Mountain and Maine's Mount Katahdin. He started his hike in February at his home in Flagg Mountain, Ala., adding hundreds of extra miles to the route.

—Associated Press

FROM PAGE ONE

Tesla Stock Sale Backed On Twitter

Continued from Page One

respond to requests for comment after polling closed.

Mr. Musk doesn't accept a cash salary from Tesla. His compensation package entitles him to stock awards. He typically doesn't sell stock, though he has done so to cover taxes on past stock options. Tesla's performance has entitled Mr. Musk to additional stock options this year. Selling shares he already holds could help the cash-poor billionaire exercise some of his vested options.

If Mr. Musk were to sell stock, now could be a good time. The current top tax rate on long-term capital gains is 23.8%, but Congress has been considering raising it. Changes in capital-gains tax rates often take effect immediately, to prevent gamesmanship.

Tesla shares have risen about 75% over the past three months.

Investors sometimes interpret stock sales by corporate insiders as a sign that leadership lacks confidence in the company. Neither Mr. Musk nor Tesla has said when a share sale would take place.

People who said they voted on the issue voiced myriad reasons for their decision. Luke Ma, a Tesla investor in the San Francisco Bay Area, said he took Mr. Musk's willingness to sell shares as a sign that the billionaire is confident the stock can weather such a sale. "For shareholders, I think this is a test," said Mr. Ma, a 45-year-old engineer who said he voted in favor of a sale.

Tesla investor Brian Teeter of Irvine, Calif., said he voted Sunday against a stock sale in part out of concern that if Mr. Musk were to unload shares, it could sink the company's stock price. "I don't necessarily like to see an artificial stimulus suddenly disrupt a stock's price," said Mr. Teeter, who is 68 and writes travel guidebooks.

Mr. Musk routinely makes unusual pronouncements on Twitter, where he now has more than 62 million followers.

Last week, the Tesla boss raised doubt about a deal between the car maker and Hertz Global Holdings Inc. when he tweeted that no contract had been signed in connection with the car-rental company's announcement of a 100,000-car order. Last year, he tweeted that he thought Tesla's stock was too high, sending shares lower. In 2018, he tweeted he might take Tesla private and had "funding secured" for the deal, spurring a Securities and Exchange Commission investigation. Mr. Musk agreed to pay a \$20 million fine and relinquish his chairman title.

"Some people use their hair to express themselves. I use Twitter," Mr. Musk said at a recent conference.

MATT ROURKE/ASSOCIATED PRESS

Elon Musk put a potential share sale up for a vote on Twitter.

Mr. Musk, considered the world's richest person after a surge in the value of his Tesla stock, previously blasted a proposed tax on billionaires that would have subjected some holdings of about 700 Americans to annual capital-gains taxes on increases in value.

"Eventually, they run out of other people's money and then they come for you," Mr. Musk wrote on Twitter last month.

The plan would have taxed the billionaires' unrealized gains on publicly traded assets, so they would have owed tax annually on rising values whether the assets were sold or not. (Losses would have offset gains.) This change would have effectively eliminated the billionaires' ability to defer capital-gains taxes indefinitely.

The plan drew strong opposition and was dropped soon after it was proposed in late October. Opponents feared that the tax could be broadened to apply to the assets of less-wealthy taxpayers, among other things.

In a tweet Saturday, Mr. Musk said, "The only way for me to pay taxes personally is to sell stock."

Mr. Musk's poll drew a response Saturday from Sen. Ron Wyden (D., Ore.), chairman of the Senate Finance Committee. "Whether or not the world's wealthiest man pays any taxes at all shouldn't depend on the results of a Twitter poll," he said in a statement in which he voiced support for a tax on the income of billionaires.

Mr. Musk in September said he "would prefer to stay out of politics" after Texas Gov. Greg Abbott, a Republican, said the billionaire supported the state's social policies. Mr. Musk, who has since said he would move Tesla's corporate headquarters from California to Texas, has become increasingly critical of the Biden administration after his car company wasn't invited to a White House event aimed at accelerating the adoption of electric vehicles.

Selling shares could weaken Mr. Musk's control over Tesla. Unlike Facebook parent Meta Platforms Inc. and Google parent Alphabet Inc., Tesla lacks a dual-class of stock ownership that gives founders supervoting power over common shareholders.

—Richard Rubin contributed to this article.

P2JW312000-0-A006A0-1--------NS

P2JW312000-2-A00700-1--------XA

WORLD NEWS

Rebels Advance Toward Ethiopian Capital

Move toward Addis Ababa by forces loyal to former rulers marks a widening of civil war

By Gabriele Steinhauser And Nicholas Bariyo

EDUARDO SOTERAS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Demonstrators in Addis Ababa on Sunday rallied in support of Prime Minister Abiy Ahmed, who expanded security forces' powers.

Ethiopian rebel forces advanced toward the country's capital, threatening to widen a civil war raging in Africa's second-most populous nation marked by allegations of ethnically motivated atrocities and man-made famine.

Fighters from the Tigray People's Liberation Front and allied militias in recent days have captured two strategic towns about 230 miles from Addis Ababa, expanding a conflict that for the past year had largely been confined to Ethiopia's north.

Ethiopian Prime Minister Abiy Ahmed ordered citizens to sign up for military training and gave security forces authority to detain without a warrant anyone they suspect of cooperating with rebel forces, which the government describes as terrorist groups.

In a speech on Wednesday marking the first anniversary of the start of the conflict, Mr. Ahmed, who won the 2019 Nobel Peace Prize, promised to reverse the rebels' progress and said he would bury his government's enemies "with our blood and bones."

Any rebel assault on the capital would likely face strong resistance from government troops and residents who remain largely hostile to the Tigray People's Liberation Front, which led an authoritarian regime in Ethiopia for nearly three decades until the 2018 rise to power of Mr. Ahmed.

On Sunday, tens of thousands of people marched in Addis Ababa, whose gleaming skyscrapers testify to the country's rapid economic growth, in support of Mr. Ahmed, accusing foreign media and the U.S. of trying to undermine the prime minister and his government.

"We support our government in its struggle to defend Ethiopia's sovereignty and territorial integrity," said Yohannes Aschalew, a taxi driver who joined the demonstrators. "The TPLF will never rule Ethiopia again."

The U.S. has called on both sides to agree to an immediate cease-fire and dial down inflammatory rhetoric. On Saturday, the State Department ordered the departure of nonemergency staff and their families and urged all American citizens to leave Ethiopia.

Senior U.S. officials have in recent days warned that the expansion of the conflict is putting at risk millions of lives in this country of more than 110 million people that has been a Washington ally in the fragile Horn of Africa region.

For members of the Tigrayan ethnic group living in Addis Ababa and other Ethiopian cities, the expansion of the conflict has meant an escalation of a crackdown by police and government security forces.

Several Tigrayan people interviewed by The Wall Street Journal said they went into hiding after relatives and friends were detained in recent days and weeks and struggled to find lawyers to represent them.

"We are being terrorized all over the country," said one man who has been staying at a friend's house in Addis Ababa after police raided his workplace and arrested several Tigrayans. "I have two brothers and an uncle in jail. We can't find where to hide anymore," he said. "It's a very scary situation."

Hundreds of Tigrayan staff at the state-run Ethiopian Broadcasting Corp. were put on indefinite leave, an employee said. Police, who have been going house-to-house in some neighborhoods saying they are looking for illegally acquired guns and foreign currency, have also detained Tigrayan priests, deacons and administrative staff at Coptic churches in central Addis Ababa.

Billene Seyoum, a spokeswoman for Mr. Ahmed, didn't respond to a request for comment on the detentions. She has previously said the government was pursuing TPLF collaborators to preserve national security.

A joint report by the United Nations human-rights agency and the government-affiliated Ethiopian Human Rights Commission said all parties to the conflict have committed grave human-rights abuses, including potential crimes against humanity and war crimes.

Iraq Prime Minister Targeted in Assassination Attempt

By Ghassan Adnan And Jared Malsin

BAGHDAD—An explosives-laden drone attacked the residence of Iraqi Prime Minister Mustafa al-Kadhimi in Baghdad Sunday in what Iraqi security officials said was an assassination attempt, marking an escalation of tensions between the government and Iran-backed militia groups.

Mr. Kadhimi, who addressed the nation on television shortly after the attack, said he wasn't hurt.

The attack followed threats against Mr. Kadhimi from an Iran-backed militia leader, though the armed groups denied responsibility and no one immediately claimed the attack.

The apparent assassination attempt adds to political turmoil in the aftermath of Iraq's parliamentary election last month in which Iran-backed militias claimed without evidence that the vote was rigged. Tehran-allied parties suffered a rebuke as voters favored nationalist and other forces in the country.

Iran-backed paramilitary groups have turned to drones in a series of attacks on U.S. forces in Iraq and Syria in recent months, prompting the U.S. military to shore up protective measures on its bases.

A senior official in the Iraqi interior ministry, Maj. Gen. Saad Maan, said two drones were involved in the attack. One of the drones carried two rockets, including one that exploded on impact.

Seven security officers were injured in the strike, Gen. Maan also said.

Qais Khazali, the leader of one of Iraq's largest pro-Iran militias, Asaib Ahl al-Haq, accused Mr. Kadhimi of directing the use of live ammunition at the protesters. Mr. Khazali said that Mr. Kadhimi needed to face legal consequences for the death of the protester and said the prime minister should "pay the price" for the killing.

Mr. Kadhimi has vowed to constrain the paramilitaries but his attempts have fallen short as the armed groups have embedded themselves deeper within the Iraqi state.

The militias are part of a broader movement that organized to fight Islamic State when it overran much of Iraq and Syria in 2014.

Iraq's largest militia groups played down Sunday's attack and denied responsibility for the incident.

An Iranian foreign ministry spokesman condemned the attack, saying Tehran supported security and stability in Iraq.

Fast Food Wins Over Dubai Fair

Continued from Page One

mouth that you should try Al Baik," said Ronald Joseph, an Indian student, who was queuing up for the outlet at the fair before midday to skip the lunch rush. The previous week, he had waited in line for an hour and a half at Al Baik's other Dubai outlet.

Usman Khan, a 34-year-old Pakistani-American working in Dubai, tried to place an order on the first day of the exposition, but he said the line was too long. He returned a few days later to order a double fried chicken patty burger for 9.50 U.A.E. dirhams, or $2.60.

"It's the KFC of the Middle East," he said.

Delayed a year because of the pandemic, Expo 2020 is the first World's Fair to be held in the Middle East. The United Arab Emirates hopes to draw 25 million people to the six-month event, organized by the Paris-based Bureau International des Expositions at a multibillion-dollar site.

Previous fairs in the U.S. include Seattle 1962, when the Space Needle was unveiled; 1876 in Philadelphia, where Alexander Graham Bell demonstrated the telephone; and Chicago 1893, which featured George Ferris' Big Wheel for the first time.

The food has often been among the most memorable attractions.

At the 1876 event in Philadelphia, the H.J. Heinz Co. introduced tomato ketchup to the world, according to the Bureau International des Expositions. In 1904 in St. Louis, an ice cream vendor ran out of dishes and turned to a nearby concessionaire selling waffles, combining the two into ice cream cones, according to the Washington, D.C.-based International Dairy Foods Association—though a New Yorker had independently patented the cone a year earlier. World's Fairs helped popularize the hamburger, hot dog, club sandwich and peanut butter.

The Dubai Expo features plenty of food, along with exhibits on subjects like artificial intelligence, tourism presentations and even a replica of Michelangelo's David.

There's a dining hall designated to African food, an onsite kitchen delivering dozens of brands, and Michelin-starred chefs cooking in pop-up restaurants across the site.

Al Baik is one of the few with a roped-off queuing system, with security staff at the restaurant door. In recent weeks, patrons have lined up for up to an hour in temperatures of 100 degrees.

Al Baik founder Shakour Abu Ghazalah began frying chickens in Jeddah on the Red Sea in 1974, before expanding to the holy city Mecca, according to the company.

In 2008, the fast-food chain was featured in an episode of Anthony Bourdain's culinary show "No Reservations," in which the U.S. celebrity chef described the chicken as "Saudi Arabia's far superior alternative" to KFC, which also has locations around the Middle East.

Commuters recall the aroma of Al Baik's fried chicken wafting through airline cabins as passengers ferried boxes of the stuff back to the Saudi capital, Riyadh, where the brand launched in 2018.

Karim Hajjali, chief executive of ServQuest, which owns the U.A.E. Al Baik franchise, said the response to the stall at the Dubai Expo is leading him to think it could be a springboard for the brand in the rest of the world, too.

"It's just mind-boggling, really," said Mr. Hajjali, who also runs Gourmet Burger Kitchen and Denny's in the country. "At Al Baik, we intend to serve the world one day," the company said in a written statement.

On social-media platforms such as TikTok, people post videos of themselves waiting in line for Al Baik, trying it for the first time, or splitting pieces of chicken to show the oozing secret sauce underneath the crust.

"It definitely deserves the hype," said Tejaswi Nagaram, an 18-year-old Indian student, whose best friend dragged her to Al Baik at the Expo to taste the nuggets and burger for the first time.

Firms Ease Hiring Process

VEASEY CONWAY FOR THE WALL STREET JOURNAL (2)

Employees at The Body Shop distribution center in Wake Forest, N.C., above. The company has loosened hiring requirements, including around drug tests, background checks, education and work experience.

Continued from Page One

in recent months.

A lot has changed since the aftermath of the 2008-09 recession, when high unemployment and a flood of applicants provided companies with their pick of candidates. Many employers raised job qualifications—for instance, asking for bachelor's degrees for IT help-desk jobs and construction supervisors, work historically held by high-school graduates. Some bumped up minimum work-experience requirements.

New data from labor-market analytics firm EMSI Burning Glass and the Conference Board, a private research group, suggest that 1.4 million jobs will open to people without college degrees in the next five years if employers continue to lower educational requirements at the current rate. In January 2019, 42% of employment ads for insurance sales agents called for a bachelor's degree, the data show. In September 2021, 26% did.

Loosening requirements opens opportunities to some of the nearly two-thirds of American adults who don't have bachelor's degrees but may have the skills or aptitude to perform many well-paying jobs.

The shift may already be narrowing the gap in unemployment rates between college graduates and those without degrees. In October, the jobless rate for workers with only a high-school diploma fell to 5.4% from 5.8% in September, according to the Labor Department. The rate for college graduates dropped to 2.4% in October from 2.5% a month earlier.

Lasting changes

Employers and economists are divided over whether the changes are temporary. "When you have a labor market like this, it's not uncommon for employers to start relaxing hiring requirements," said Jason Tyszko, vice president of the U.S. Chamber of Commerce Foundation's Center for Education and Workforce. "When the market tightens up, and they can reintroduce some of those additional requirements, that tends to happen."

On the other hand, a shrinking American workforce could recast hiring practices. The U.S. labor force has declined by millions since the Covid-19 pandemic, and some economists say workforce participation rates will never return to pre-pandemic levels. At the same time, more employers have reconsidered the value of college-degree requirements, focusing instead on skill-based hiring.

One consequence of such a shift would be to draw formerly overlooked applicants into the workforce. "That's the silver lining in all this," Mr. Tyszko said.

Companies absorbing workers with little experience may have to spend more time on training. And some of the newly hired may find they don't like the work. Yet in the tight labor market, businesses already struggling with employee turnover may have little choice.

In retail and fast-food industries, keeping employees for even 90 days is difficult, human-resources executives said, one reason some companies offer bonuses to workers who stay on the job that long.

In 2019, when the U.S. unemployment rate hovered around 3.6%, The Body Shop introduced a pilot program at a distribution center in Wake Forest, N.C., to remove nearly every hiring requirement, from drug tests and background checks to education and work experience.

The company said it was trying to address inequality by opening positions to workers seeking a second chance or needing extra support. It consulted with Greyston Bakery, a business in Yonkers, N.Y., that has used open hiring for decades. More than 200 seasonal employees came aboard.

Last year, The Body Shop expanded open hiring to all seasonal entry-level retail jobs. Since its launch, the rate of performance-related terminations of people hired in the pilot program has been about the same as the rate among people hired through the routine screening process, said Nicolas Debray, The Body Shop president for the Americas.

Open hiring became the model for all of the company's entry-level retail and warehouse hires this year. By mid-September, 733 employees had joined the company this way, and 80 joined the company's permanent staff. Under the system, recruiters ask candidates only if they are legally authorized to work in the U.S.; whether they can lift 25 pounds (50 pounds for distribution center work) and work an 8-hour shift. For retail jobs, applicants are asked why they want to work with customers.

The retailer, owned by Brazilian beauty conglomerate Natura & Co., recently held a holiday-jobs fair for the Wake Forest distribution center. A good turnout and speedy hiring allowed recruiters to close the fair early.

Companies often worry that loosening job requirements will create a perception among customers or employees that businesses are lowering standards, said Alicia Sasser Modestino, a labor economist at Northeastern University.

"The biggest challenge is that people second-guess a person's ability to do the job, and maybe they have some doubt or suspicion and biases also because we don't do the background check," The Body Shop's Mr. Debray said. Though some managers worried that instances of employee stealing or fighting would increase, he said, "We have not seen any pickup of incidents at all."

Joshua Taybron was arrested in 2019 and charged with the murder of a man in his hometown of Durham, N.C. Prosecutors dropped the charges, court records show, but Mr. Taybron worried his job prospects were ruined.

Last year, he saw a billboard advertising openings at The Body Shop's Wake Forest distribution center. He applied and, despite his lack of work experience or high-school diploma, he was hired to pull items off shelves and prepare them for delivery. He was terminated soon after because of poor attendance.

A few months ago, his former supervisor called and asked him to reapply. He was rehired at $16 an hour and promised to do better. Mr. Taybron, 33, said he hoped to be hired for a permanent position after the holidays.

"They take a chance on people," he said, "and it works out as long as you do your part."

City councils and state legislatures in the past few years have passed dozens of ban-the-box laws, eliminating a box to check on job applications for those with a criminal record. The laws are intended to let employers consider an applicant's qualifications before deciding if past convictions disqualify them. Employers can still make background checks before hiring anyone.

Staff shortages are hobbling growth at residential cleaning company 00 Clean Inc. in Tampa, Fla. The company is trying to increase its 21-person workforce by 50% and sign up new clients while demand for its services is soaring, Chief Executive Ole Bredberg said.

> 'If you don't make a job offer to someone somewhat quickly, someone else will.'

Yet the company won't compromise on a requirement that candidates have a year or more of professional cleaning experience, even though it could take as long as 18 months to hire 10 experienced cleaners.

"In the past we have tried to hire people who show a good attitude and good character when we interview them," Mr. Bredberg said. "Then they start working and completely underestimate how tough this job really is."

Mr. Bredberg is trying other hiring strategies: spending more on recruiting services, raising the average hourly rate above $14, adding paid vacation time and a bonus plan for cleaners. Meanwhile, his staff is working overtime.

Skill set

Job seekers still run up against requirements they say are unnecessary. Cara Stotler, 43, of Westminster, Colo., has more than a decade of experience selling telecommunications services to business clients. But when she returned to the job market in May, she saw that even entry-level sales jobs called for a college degree.

Ms. Stotler, who had attended community college but didn't finish, said she submitted many applications but was invited to only a few interviews. In August, she enrolled in an online bachelor's program in business administration. After adding that to her résumé, she landed a sales position last month.

"Most of my career, they wanted experience," Ms. Stotler said. "They didn't focus on degrees, which is probably why I put off going to school for so long."

The move to ease education requirements dovetails with skill-based hiring, an employer strategy gaining momentum. It reduces reliance on degrees as a proxy for skills, and instead bases hiring decisions on demonstrable abilities.

Earlier this year, CVS scrapped requirements for a high-school diploma or the equivalent for most entry-level roles. The company also no longer requires grade-point averages when recruiting college students.

Jeff Lackey, a vice president of talent acquisition at CVS, likened the company's recruiting approach to that of a Nascar team, stripping out every unnecessary element that slows down a race car.

"If it's not needed," he said, "you cut it out."

The company found that a higher grade-point average didn't always equate to better job performance. "So why are we using it?" Mr. Lackey said.

CVS in recent years also expanded its use of virtual-job tryouts for customer-facing roles. The aim of the role-playing exercise is to give entry-level applicants a realistic view of the work, and to let hiring managers assess the aptitude and skills of applicants. That made it easier to cut the high-school education requirement.

"If you can pass the virtual job tryout...then why isn't that good enough?" Mr. Lackey said. "It is good enough."

Fast applications

Darden Restaurants Inc., the parent of Olive Garden, rolled out a new tool this year to allow people to apply for a job and schedule an interview at its restaurants within five minutes. Waste Management Inc. this year retooled job applications for truck drivers and others that takes three minutes to fill out instead of as long as an hour. The goal is to prevent potential hires from walking away.

"If an application gets complicated or complex, they drop it, they're not interested," said Shweta Kurvey-Mishra, vice president of organizational and talent development at Waste Management.

Southwest Airlines Co. is making some on-the-spot offers for ramp workers and other positions. Chief Executive Gary Kelly said on a call with analysts last month that the company had turned to new hiring techniques. Southwest aims to hire 5,300 people this fall and 8,000 next year.

At shipping giant UPS, human-resources executives realized months ago that the company would need to streamline hiring practices if it hoped to bring on 100,000 seasonal workers for the holidays. After study, UPS eliminated job-application questions and hiring steps unless they were required for payroll purposes and government audits, said Matt Lavery, the company's global director of sourcing and recruiting.

To broaden the applicant pool, the company eliminated extended questions about an applicant's employment history for the seasonal jobs. Human resources executives tallied the number of trips job seekers made to company buildings before landing an offer, seeking another way to lower hiring hurdles.

A two-week hiring process for seasonal UPS workers now takes less than 30 minutes, in certain cases. For some jobs, such as driver helper, there is no interview at all. Applicants answer online questions and can get a conditional job offer in as little as 10 minutes.

Successful applicants hear from a UPS employee after they pass the online screening. Then they are welcomed to UPS and told where to report for work.

"In the market that we're in, if you don't make a job offer to someone somewhat quickly, someone else will," Mr. Lavery said.

RACHEL WOOLF FOR THE WALL STREET JOURNAL

Cara Stotler ran up against job requirements that even entry-level candidates have a college degree.

P2JW312000-0-A00900-4--------XA

PAID ADVERTISEMENT

McDonald's President & CEO Chris Kempczinski Perpetuates Toxic Racist Culture with Latest Revealed Comments About Parents of Slain Chicago Children and Must Be Fired Immediately!!!

McDonald's Board of Directors,

We consider McDonald's culture to be horrible and racist, as detailed in our lawsuit against the company. It is indefensible and unacceptable. The headlines below and many others prove that you are not doing your jobs and you continue to perpetuate and support racism.

Protesters condemn McDonald's CEO texts on shooting deaths

- Chicago Tribune

McDonald's faces racial discrimination suit from 52 Black Franchisees

- USA Today

African American executives file lawsuit alleging racial discrimination at McDonald's

- ABC News

Media Mogul Byron Allen Hits McDonald's with a $10 Billion Lawsuit

– LA Mag

Even under all this scrutiny, this behavior continues. As we sit here today, the presiding judge in our $10 billion racial discrimination lawsuit against McDonald's has set a trial date and the case has entered the discovery phase and we are highly confident much more will be revealed.

McDonald's Board of Directors including **Enrique Hernandez, Jr., Lloyd H. Dean, Robert A. Eckert, Catherine M. Engelbert, Margaret H. Georgiadis, Richard H. Lenny, John J. Mulligan, Sheila A. Penrose, John W. Rogers, Jr., Paul S. Walsh, Miles D. White** and **Andrew J. McKenna** must make sweeping changes immediately and **remove Chris Kempczinski from his role as President & CEO now** or resign yourselves because you are on the wrong side of history!!!

Byron Allen
Founder, Chairman & CEO
Allen Media Group, LLC

AMG
ALLEN MEDIA GROUP

Paid for by Allen Media Group, LLC
entertainmentstudios.com

Bribery Case Roils Mexico

Continued from Page One
view since leaving Mexico in July to a previously unknown location in the U.S.

The 42-year-old former congressman, whose wire-rim glasses give him the look of an intense accountant, faces charges in Mexico of racketeering, bribery and money laundering, linked to an alleged 2014 bribe, that could land him in prison for 30 years. If convicted, he would be ineligible to run for president again.

Many legal experts, political analysts and human-rights observers say the government's case against Mr. Anaya is weak and part of a broader offensive by the president to use corruption charges against those who stand in the way of his agenda, including rival politicians, business leaders and scientists. They see the prosecution as a test of Mexico's judiciary, which has grown increasingly independent over the past two decades as the country became a fledgling democracy.

"The handling of the...case seems pretty odd and irregular to me," said Diego Valadés, a former attorney general and supreme court justice during the Institutional Revolutionary Party's long run in power.

"It's incredibly worrisome for Mexico's democracy," said Shannon O'Neil, a Mexico expert at the Council on Foreign Relations in New York.

Election polls

The Mexican constitution prohibits Mr. López Obrador from seeking a second term. Most polls show Mexico City Mayor Claudia Sheinbaum and Foreign Minister Marcelo Ebrard, both members of the president's National Regeneration Movement, or Morena party, well ahead of other potential candidates, including Mr. Anaya, in elections that are still three years away. Mr. Anaya, however, does top most opposition figures in polls.

The Attorney General's Office alleges that in 2014, Mr. Anaya was given half a million dollars in cash to help pass a constitutional amendment that opened Mexico's oil industry to private firms. A hearing is scheduled for Monday before a Mexican judge, who will decide whether there is enough evidence against Mr. Anaya to proceed with an arrest warrant.

"He is crooked, a hypocrite," Mr. López Obrador said at one recent press conference, calling Mr. Anaya a "lesson" to Mexican youth of what happens if a person sacrifices his moral scruples to get ahead.


THALIA JUAREZ FOR THE WALL STREET JOURNAL

Ricardo Anaya recently fled Mexico to escape what he says is a political vendetta after a bruising presidential campaign.

Mr. López Obrador, a populist who has vowed to root out corruption, has denied the case against his former presidential rival is politically motivated and said Mr. Anaya should face Mexican justice if he considers himself innocent. He even suggested that prison time could give his opponent a political boost.

"If your conscience is clear, it doesn't affect you much to go to prison," he told a recent news conference.

Attorney General Alejandro Gertz has also denied that the accusation against Mr. Anaya is politically motivated. Attorney general spokesman Raúl Tovar declined to comment further, citing the continuing investigation.

A review of the charging documents suggests that the case against Mr. Anaya is based almost entirely on the testimony of Emilio Lozoya, a former chief executive of state-run oil giant Petróleos Mexicanos, or Pemex. Mr. Lozoya, the scion of a former energy minister under the longtime ruling PRI, once told a local journalist that he could be trusted not to steal from Pemex because he was already wealthy enough to own a Picasso painting.

In 2016, Mr. Lozoya was caught up in Latin America's biggest-ever corruption scandal. Brazilian construction giant Odebrecht SA pleaded guilty and agreed to pay $3.5 billion to settle a case brought by the U.S., Brazil and Switzerland, in one of the largest international bribery scandals.

In 12 countries, most of them in Latin America, Odebrecht admitted it bribed top public officials, including Mr. Lozoya, in exchange for public works and infrastructure contracts.

In sworn testimony given to Brazilian prosecutors as part of his plea bargain, Luis Alberto de Meneses Weyll, the official in charge of Odebrecht's Mexico office, said the company paid some $10 million in bribes to Mr. Lozoya, and in exchange won a contract to upgrade Pemex refineries. Odebrecht made a profit "of more than $39 million as a result of these corrupt payments," the U.S. Justice Department said in its findings.

Mr. Lozoya fled Mexico shortly after the Odebrecht case broke and was a fugitive until 2020, when he was arrested in Spain. He was extradited to Mexico in July of that year. When he arrived, Mr. Lozoya offered to provide testimony to Mexican prosecutors in exchange for leniency, according to the attorney general's office. He told a different story than that of Odebrecht and the U.S. Department of Justice.

Mr. Lozoya admitted in testimony to receiving money in offshore accounts from Odebrecht. But he said that under orders from then-President Enrique Peña Nieto and then-Finance Minister Luis Videgaray he handed out the bulk of the money to a slew of mostly conservative lawmakers from the National Action Party, or PAN, including Mr. Anaya, to vote in favor of the energy reform.

The former president and finance minister have denied Mr. Lozoya's allegations against them. A Mexican judge turned down the attorney general's request for an arrest warrant on the charge of "treason" for Mr. Videgaray, citing insufficient evidence. Neither man has been charged in the case.

> 'It's incredibly worrisome for Mexico's democracy.'

One former conservative senator, Jorge Luis Lavalle, was indicted earlier this year based on Mr. Lozoya's testimony and jailed while awaiting trial. His lawyers have denied he received any bribes.

In the case of Mr. Anaya, the prosecution alleges that one of Mr. Lozoya's bodyguards drove a black athletic bag stuffed with 6.8 million pesos in cash—then the equivalent of about $500,000—from his Pemex office to the basement parking lot of Mexico's congress, where Mr. Anaya and an aide were waiting.

"This comes from Boss Videgaray," the bodyguard said in handing over the money, according to the bodyguard's testimony.

Two other witnesses, whom Mr. Lozoya said would corroborate his account of the money for Mr. Anaya, denied knowledge of it in testimony to prosecutors, according to court documents reviewed by The Wall Street Journal. The two included Mr. Lozoya's personal secretary, who, according to the former Pemex chief, gave the sports bag to the bodyguard for delivery to Mr. Anaya in the parking lot.

In a statement outlining the charges against Mr. Anaya, Mexican prosecutors said Odebrecht gave Mr. Lozoya the money to "ensure the privatization of Mexico's oil production, in favor of foreign companies like Odebrecht."

Oil-industry analysts say Odebrecht wouldn't have stood to gain from allowing private oil companies to operate in Mexico. In its case against Odebrecht, the U.S. said the Brazilian company "systematically paid hundreds of millions of dollars" in bribes to get lucrative construction contracts from state-run firms. Such a strategy would be undermined by foreign competition in the energy market, these analysts said.

"It doesn't make any sense. Odebrecht was never interested in energy reform, but in construction contracts," said Carlos Elizondo, a former Pemex board member.

Mr. Weyll, the Odebrecht official in Mexico, declined to comment. His lawyer told a Mexican investigative news cooperative called Quinto Elemento Lab that Odebrecht had never had an interest in the proposed energy reform or any contract associated with it. "If there was no interest...then [Odebrecht] would not pay legislators to vote on the reform," Carlos Kauffmann, the lawyer, said. He declined to comment further.

In a radio interview, Mr. Lozoya's former lawyer said he believes his ex-client is lying in the Anaya case. "From what I saw of the case, no way" does it stand up in court, said Javier Coello Trejo, who was Mr. Lozoya's attorney while he was a fugitive. The two parted ways when his client decided to become a cooperating witness for the government.

Mr. Lozoya's current lawyer, Miguel Ontiveros, didn't respond to requests for comment.

Plea bargain

In exchange for his testimony, Mr. Lozoya initially avoided prison. He wore an ankle bracelet and was spotted on camera dining with a small group of Mexican society figures at an expensive and crowded Chinese restaurant in mid-October.

But at a court hearing on Wednesday, prosecutors said Mr. Lozoya hadn't provided enough evidence to uphold his end of a plea bargain and successfully petitioned the judge to send him to jail while their investigation continues.

Among others Mr. Lozoya has accused of corruption are the third-place finisher in the 2018 elections, PRI candidate José Antonio Meade, as well as prominent adversaries including PAN member Felipe Calderón, who bested Mr. López Obrador in the 2006 presidential election. Neither has been charged and both have denied wrongdoing in public statements.

Political analysts and legal scholars, including two allies of Mr. López Obrador currently serving in official legal capacities, say the case against Mr. Anaya is riddled with inconsistencies. Among them: The alleged bribe, in August of 2014, took place eight months after the constitutional reform passed, and five months after Mr. Anaya left congress.

"It would have been the stupidest bribe in history," said Mr. Anaya. "Either they bought the vote of somebody who didn't have a vote, or paid for a vote that I cast months earlier."

Mr. Anaya and many political analysts say the allegations make little sense given that he and his conservative party pushed for decades to end the government monopoly on oil exploration, and never put the outcome of their votes in doubt.

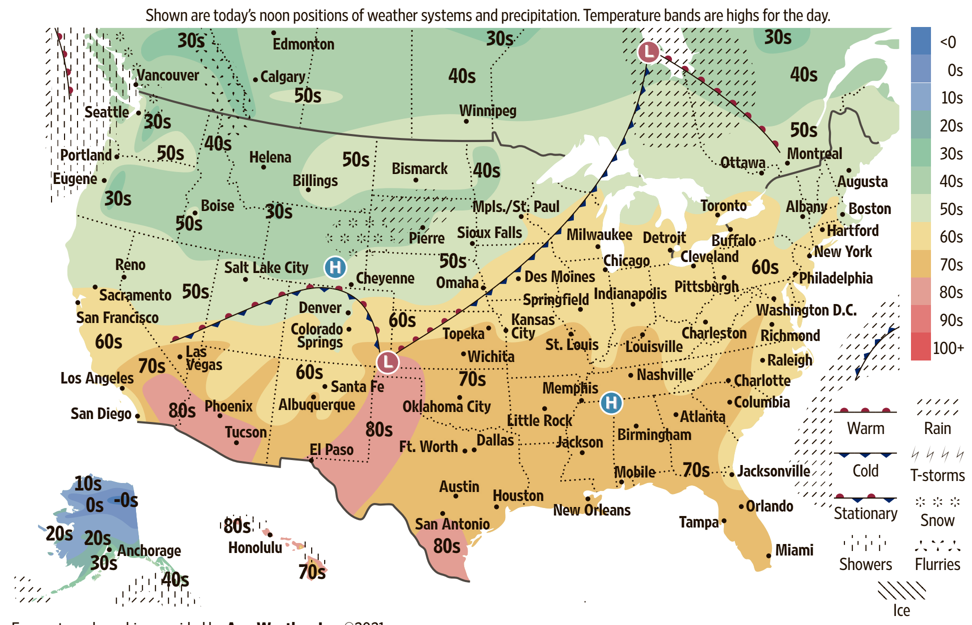
"If I had voted against that reform...people would have thought I'd gone nuts," said Mr. Anaya.

—Luciana Magalhaes contributed to this article.

Weather

AccuWeather | Go to AccuWeather.com

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



Forecasts and graphics provided by AccuWeather, Inc. ©2021

U.S. Forecasts

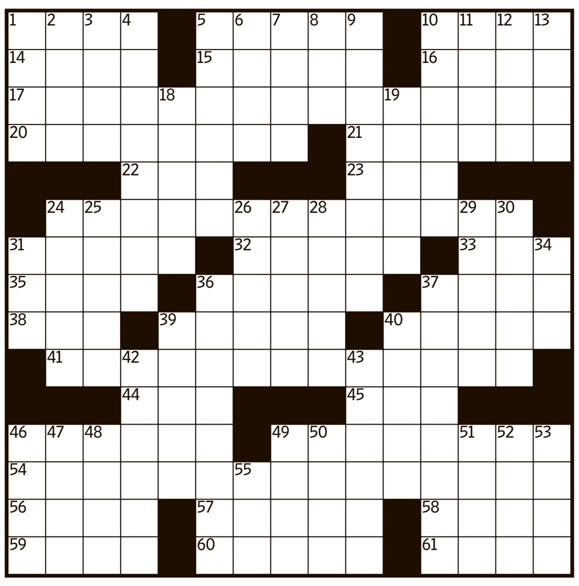
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	31	22	pc	26	24	pc
Atlanta	72	45	s	75	49	s
Austin	74	54	s	78	57	pc
Baltimore	67	42	s	70	46	s
Boise	51	43	pc	55	37	r
Boston	57	44	s	61	47	s
Burlington	57	41	pc	56	44	pc
Charlotte	72	42	s	77	44	s
Chicago	64	49	s	59	45	c
Cleveland	67	46	s	63	47	pc
Dallas	72	57	s	74	59	pc
Denver	58	33	pc	63	38	pc
Detroit	63	45	s	58	42	c
Honolulu	85	72	pc	85	72	pc
Houston	75	53	s	77	58	pc
Indianapolis	66	45	s	62	47	c
Kansas City	69	53	s	63	52	pc
Las Vegas	77	57	pc	75	54	pc
Little Rock	72	44	s	71	47	pc
Los Angeles	69	52	pc	68	54	c
Miami	78	63	s	80	68	pc
Milwaukee	64	50	pc	57	45	c
Minneapolis	59	40	pc	56	40	c
Nashville	72	41	s	71	47	pc
New Orleans	72	53	s	73	57	s
New York City	60	48	s	66	51	s
Oklahoma City	74	56	s	69	56	s
Omaha	62	45	pc	58	44	pc
Orlando	74	55	s	78	62	pc
Philadelphia	65	45	s	68	49	s
Phoenix	86	60	pc	83	58	s
Pittsburgh	62	40	s	65	44	s
Portland, Maine	57	36	s	58	42	s
Portland, Ore.	56	47	c	53	45	r
Sacramento	60	51	c	60	52	sh
St. Louis	73	51	s	68	51	c
Salt Lake City	53	41	pc	53	42	sh
San Francisco	61	55	sh	64	55	sh
Santa Fe	69	36	pc	65	38	pc
Seattle	53	45	c	50	42	r
Sioux Falls	58	35	pc	55	43	c
Wash., D.C.	67	46	s	71	49	s

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	54	42	c	52	45	pc
Athens	70	60	pc	72	62	pc
Baghdad	82	52	s	82	54	pc
Bangkok	89	75	t	86	73	pc
Beijing	36	27	s	44	33	s
Berlin	49	42	c	50	37	pc
Brussels	52	39	c	52	40	pc
Buenos Aires	80	63	s	72	62	pc
Dubai	90	76	s	86	74	s
Dublin	59	52	sh	55	46	sh
Edinburgh	59	52	r	54	46	sh
Frankfurt	49	39	c	50	34	pc
Geneva	49	36	pc	47	34	pc
Havana	78	62	s	80	62	s
Hong Kong	70	60	pc	70	62	pc
Istanbul	64	55	pc	64	53	c
Jakarta	91	77	t	89	77	t
Jerusalem	75	59	s	77	58	s
Johannesburg	72	51	t	77	54	s
London	53	49	pc	59	52	pc
Madrid	64	36	pc	62	37	pc
Manila	92	80	t	93	80	pc
Melbourne	61	45	pc	66	53	c
Mexico City	72	46	pc	72	44	s
Milan	54	37	pc	55	40	pc
Moscow	43	30	r	32	25	pc
Mumbai	94	77	c	94	76	pc
Paris	53	35	pc	53	35	pc
Rio de Janeiro	76	70	pc	74	69	r
Riyadh	82	61	s	82	58	s
Rome	68	54	r	69	53	c
San Juan	88	76	s	89	77	s
Seoul	54	39	r	51	36	r
Shanghai	48	38	s	54	45	s
Singapore	87	77	c	88	77	t
Sydney	74	65	pc	72	66	c
Taipei City	68	60	r	63	60	c
Tokyo	68	60	pc	67	59	r
Toronto	62	45	s	57	42	pc
Vancouver	48	43	c	47	43	r
Warsaw	49	32	c	43	32	pc
Zurich	48	30	c	47	30	pc

The WSJ Daily Crossword | Edited by Mike Shenk



LADIES' NIGHT | By Billy Ouska

Across

1 Ready for picking
5 Statement of beliefs
10 Surrounding glow
14 Portentous sign
15 High respect
16 It's anything but basic
17 First lady Washington's winemaking operation?
20 Overtime reward
21 General assemblies?
22 Before, in poetry
23 Longtime Chinese leader
24 Author Brontë's section of the internet?
31 Bluish-gray
32 Sierra ___ (African nation)
33 Additionally
35 Distinctive donkey features
36 Incline
37 Pork portion
38 Phone download
39 Official state dish of Texas
40 Flash of light
41 "Game of Thrones" co-star Turner's interpretation of her character?
44 Tyler of "Armageddon"
45 Charged particle
46 Outrageous, as an amount of money
49 NBC soap opera until 2007
54 Spice Girl Beckham's bit of juicy information?
56 Additive to some tissues
57 Bert's buddy on kids' TV
58 Taj Mahal site
59 Brooklyn basketballers
60 "Dancers at the Barre" painter
61 Uber alternative

Down

1 Colosseum setting
2 Big-screen movie format
3 Saucy
4 Implores
5 Wedding site
6 Civil rights pioneer Parks
7 Covetous feeling
8 "___ make myself clear?"
9 Jaguar on a hood, for example
10 Barn area
11 Berry in smoothies
12 Old Italian coins
13 Gambler's calculation
18 Debbie of Blondie
19 Make blank
24 Sounds of thunder
25 Brother of Groucho and Chico
26 Basic skateboarding trick
27 Ducks with brightly colored markings
28 It's often paired with gin
29 Set of principles
30 "The Blacklist" star Megan
31 Porpoise's place
34 Make a pick
36 Reacted to a scare or cold air
37 Like some trials
39 Durable pants material
40 Gander's mate
42 Weights for barbells, in gym slang
43 Reacts like an angry cat
46 Physiologist Pavlov
47 It flows through Sudan
48 Glaswegian or Aberdonian, e.g.
49 Sign of hunger
50 Pakistan's place
51 Bacchanalian party
52 Brand of foam projectiles
53 Surgeon's "Pronto!"
55 Furious feeling

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

Previous Puzzle's Solution

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

The contest answer is BOOK TOUR. The four words in each theme answer can form a three-by-three mini-crossword with its center letter missing

A	T	E
B	E	E
S	A	L

(like the one shown). Putting E, W, A and U in their centers creates eight words in the newly-formed crossing words that sound like letters: BEE/TEA, OWE/EWE, EAU/KAY and AUX/OUR. Arranging those letters using the clues' parenthetical numbers spells the contest answer.

P2JW312000-0-A01100-1--------XA

ILLUSTRATIONS BY MITCH O'CONNELL

Don't Be That Awkward Colleague

As people go back to offices, they find the rules and boundaries have changed. Here's a guide to the new workplace etiquette.

WORK & LIFE
RACHEL FEINTZEIG

Well, this is awkward. We're back at the office, yet our social skills seem to have stayed home. Or maybe it's just that the rules and boundaries have changed.

Before, it was automatic to reach for someone's hand when meeting, or grab a seat next to a co-worker in the conference room, says Dana Brownlee, founder of Professionalism Matters, a corporate-training company in Atlanta. Now, daily office interactions have the potential to seriously offend. "Like where's my 3 feet?" she says.

Some of us harbor anxiety about being back, are scared of making at-risk family members sick, or are just rusty at being around people. While we were at home, our professional networks shrank and our worlds got smaller.

"Are your relationships the same? Are they somehow different after not seeing them for so long?" asks Heather Vough, a management professor at George Mason University who has studied social gaffes in the workplace. "We're not used to hanging out with our co-workers anymore."

And yet, we've got to figure it out. Here's your guide to deftly, politely, persuasively navigating the thorniest return-to-work moments.

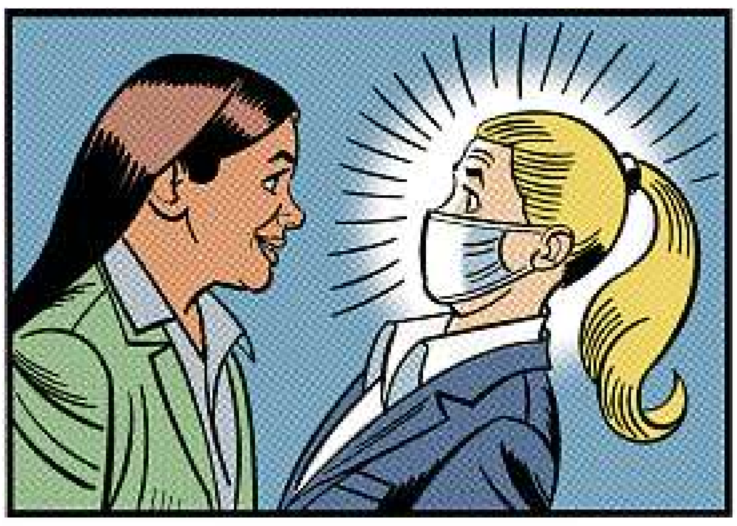
Saying Hi

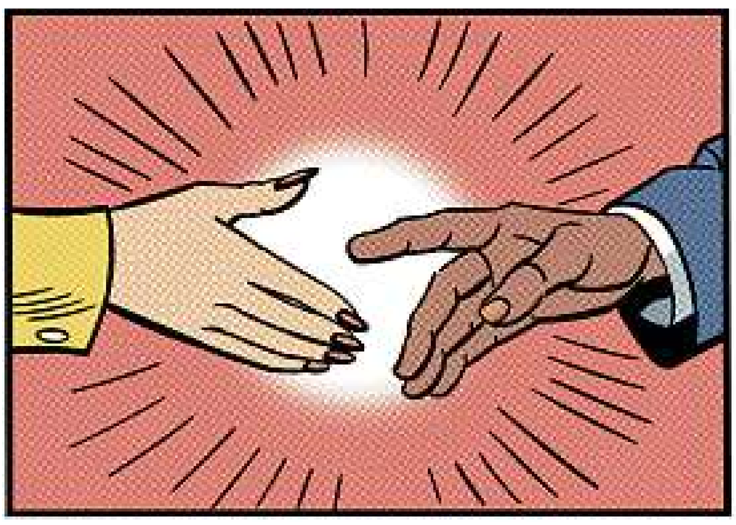
Don't assume someone wants a hug or even a handshake, says Daniel Post Senning, author of several etiquette books and the great-great-grandson of manners guru Emily Post. Instead, ask: "It is so good to see you. Are we shaking hands?"

If you go in for a handshake, and the other person pulls back, apologize. Explain that you didn't mean to make them feel uncomfortable. And don't fret too much, Mr. Senning says.

Another option: confess your own awkwardness.

"It makes the other person feel better," says Vanessa Bohns, a professor of organizational behavior at Cornell University and author of "You Have More Influence Than You Think." "When the other person feels better, they like you more."





Too Close

Comfortable social distance is about a foot-and-a-half, Mr. Senning says—at least it was, pre-Covid. How to handle a close talker now? It's completely appropriate to take a step back and explain that you're getting used to being around people again, he says.

Say, " 'I'm more comfortable if we can stand a little further apart,' " he advises, adding that people are used to hearing that these days.

Watch for how the other person reacts. If they seem annoyed, say, " 'Oh gosh, can I just pause?' " says Megan Reitz, a professor of leadership and dialogue at Holt International Business School. " 'Can I just check, what did you think of what I just said? Are you OK with that?' "

Masking Up

If you're asking someone to put on a mask in the office during a meeting, make clear that you aren't rejecting them in any way or singling them out, says Dr. Bohns. Explain that you told yourself you'd say something to anyone who wasn't following workplace or local rules.

> Don't assume someone wants a hug or even a handshake, says an etiquette expert.

Or go with the it's-not-you-it's-me approach. Note that you're being especially careful because a family member is immunocompromised, or whatever you're personally concerned about. Or emphasize that you're trying to protect office mates from your own kids' school exposure.

"It's not like, 'I feel you're the germy one.' I might be the germy one," Dr. Bohns says.

If your request doesn't land well, offer alternatives. You understand they don't want to wear a mask and that it's frustrating. Maybe you two could try for a Zoom call from your separate offices instead of meeting in person?

The Big Question

Yes, you can ask a co-worker if they're vaccinated. Doing so isn't a violation of the Health Insurance Portability and Accountability Act, or HIPAA, says Kate Bischoff, a Minneapolis employment lawyer and founder of human-resources consulting firm K8bisch.

More complicated is when an employee asks a manager about a colleague's vaccination status. In that case, the manager must stick to Americans with Disabilities Act provisions that prohibit disclosing a specific employee's individual health information, Ms. Bischoff says.

Managers can say, " 'You are in a safe environment, your co-workers are vaccinated,' " she adds.

And managers can ask employees their vaccination status if there's a business necessity, which could include keeping people safe at the office. Ms. Bischoff recommends bosses tee up the conversation by explaining how the pandemic has affected the organization. They can also explain that they anticipate the company will be subject to a mandate soon, and that they want to keep workers safe. She also recommends that human-resources workers are the ones who ask to see vaccine cards during one-on-one meetings.

Mr. Senning says that from an etiquette perspective, talking about vaccines isn't taboo.

"It's a public-health crisis," he says. If you want to soften the approach, first ask for permission to ask them about it. Something like: " 'I'm curious. Are you willing to talk about your vaccination status?' "

Are You Having Fun Yet?

It's the first team happy hour since March 2020. Everyone's finally together. And they all seem miserable.

What's a boss to do?

"You've got to be willing to change on a dime," says Ms. Brownlee, the corporate trainer.

If co-workers are standing apart and staring down at their drinks, tell them you're picking up the vibe that this isn't quite working. What do they think? Would they rather shift outdoors? Is the timing off?

Prevent future mishaps by chatting with a couple of plugged-in teammates before the next event to get a sense of how people are feeling, Ms. Brownlee suggests. They may need a more serious group conversation instead of a party, or a daytime event instead of a dinner that scrambles their evening family time. Use anonymous surveys to gather honest opinions.

If you're the one for whom small talk feels strange, mimic others' cues—for example, don a mask if your conversation partner does—and ask people questions rather than deliver a monologue. You can also just be honest, Ms. Brownlee says.

"There's nothing wrong with saying, 'I'm a little rusty. How about you?' "

How Much M.B.A. Debt Should Students Take On?

By Patrick Thomas

M.B.A. GRADUATES from U.S. business schools are among the most likely to make enough to pay off their federal student loans within a few years, with most such alumni earning sufficient income to do so two years after graduating, The Wall Street Journal has reported.

For business-school candidates aiming for that outcome, the key is to align the level of borrowing you can shoulder while studying with the earnings potential you can reasonably expect after graduating, career coaches and admissions experts say.

Choice of program is a big factor, as not all M.B.A. programs generate comparable income payoffs. For elite M.B.A. programs—such as those at Harvard Business School or the Wharton School of the University of Pennsylvania—it can make sense for some people to take on a six-figure debt load to help finance tuition, fees and living expenses, admissions coaches say. That is because those graduates tend to make more than $150,000 a year after earning their degrees, with signing and annual bonuses on top of that.

That isn't always the case for M.B.A.s with less name-brand recognition, says Kofi Kankam, co-founder and former chief executive of admissions-focused social network Admit.me.

"Once you start going outside of the top 50 and borrow 50% of your future earnings, you have to highly scrutinize your decision," Mr. Kankam says.

> First consider whether you can stomach a two-year career break to begin with.

Take stock of your personal situation, and first consider whether you can stomach a two-year career break to begin with. If you're looking outside the top 50 ranked M.B.A. programs, a good rule of thumb is to borrow only about half the amount you know you can earn in a new job right after graduation, several admissions experts say.

BROOKS KRAFT/CORBIS/GETTY IMAGES

For an elite program, such as at Harvard Business School, it can make sense for some people to take on a six-figure debt load, admissions coaches say.

To get a sense of how much to borrow, consider your age, job experience, where you live and where you want to attend business school, says Jeremy Shinewald, founder and president of admissions-consulting firm mbaMission. A grad candidate's family status—such as having a partner to help pay bills or children to provide for—and existing debts, including mortgages and loans taken out to pay for an undergraduate degree, can also play a role.

Prospective students in their 20s might be comfortable borrowing up to three-quarters of their potential income postgraduation, but they would be wise to do so only to attend schools with strong name recognition and robust alumni networks, says Alex Leventhal, who founded admissions-consulting firm Prep MBA.

Even people without dependents and a mortgage who are considering borrowing more than half their expected income could be in for years of debt repayment, Mr. Leventhal adds.

"If a grad will have to maintain that ratio for quite some time, then that kind of financial pressure may not be sustainable," he says.

For federal student loans, the lowest interest rate—currently about 5%—is available for the first $20,500 borrowed a year. After that, rates rise. Some M.B.A.s have better options, says Nikhil Agarwal, co-founder of the startup Juno, which helps M.B.A. candidates pool their loans to negotiate for lower interest rates from private lenders. Mr. Agarwal says some students can get more attractive rates when they have longer work histories and better credit scores.

"They have confidence in themselves to pay back these loans fairly quickly," he says.

Midcareer professionals who aren't comfortable with a debt-to-salary range of 50% to 75% for an M.B.A. program outside the top 100 rankings still have options, says Paul Bodine, president of Admitify, who coaches M.B.A. prospects.

More affordable alternatives to full-time, two-year M.B.A.s include one-year master's programs tailored to high-demand skills such as data analytics, as well as all-online M.B.A.s for working executives, he says. The Gies College of Business at the University of Illinois and Boston University's Questrom School of Business both launched fully digital M.B.A.s before the pandemic for a total cost of less than $30,000.

FAMILY & TECH
JULIE JARGON

Schools, Clubs Add to Social-Media Pressure

When coaches, teachers ask kids to join apps, parents face tough situation

PHOTO ILLUSTRATION BY JOHN KUCZALA; GETTY IMAGES

IT'S HARD ENOUGH to keep kids off social media when their friends all have accounts. But when the pressure comes from school clubs, sports teams and even churches, parental efforts to delay the leap can feel futile.

The convenience and popularity of group chats and social media have led many coaches, teachers, club supervisors and youth-group leaders to suggest kids join apps like Instagram, WhatsApp and Discord. It's a tough situation when children become too old to have mom and dad handle every school and team communication, yet are still too young, in their parents' eyes, for social media. Yet it's not like kids are going to respond to email—or even read it.

Michael Kaufman, a customer-service representative in New York City, said he had a firm rule with his three children: No social media until age 13, when kids are technically old enough to sign themselves up for apps.

So when his oldest daughter's middle-school science teacher asked the students, then 11 years old, to take photos of their projects and post them on Instagram, he alerted the principal, who put an end to that effort. More recently, the same daughter, now in high school, joined a school photography club where the students were told they'd be sharing their photos on Instagram. She chose to leave the club instead. "She has very little interest in social media," Mr. Kaufman said. "I know she's the outlier."

Mr. Kaufman's younger daughter, however, really wanted TikTok but only got it in April, when she turned 13. She wanted to join the video-sharing app because all the girls in her dance team were posting videos of themselves practicing their routines to provide feedback to one another.

In the years since his oldest daughter was first encouraged to join Instagram, the risks that social media poses to kids have become clearer, giving parents like Mr. Kaufman greater pause before allowing their kids to sign on.

Cyndi Schmitt, a mother of four in Tampa, Fla., doesn't allow her kids to be on Instagram. However, their church youth groups have used Instagram to post photos and updates about events. As a result, she said, "We missed out on a few things or were a little out of the loop at times."

She said that, while she would like it if the church continued putting events on websites as well as social feeds, she didn't raise her concerns because she wanted the youth-group leaders to be able to reach the kids who were already on Instagram. "I'm super-excited that the church is reaching out to students where they are," she said.

One mother in a small town near Seattle told me that her daughter's school band group joined Discord and that her 16-year-old ended up communicating with a stranger who solicited nude photos from her.

"We can't sacrifice privacy and safety and kids' mental health just for the convenience that the ubiquity of these platforms offer," said Bethany Robertson, co-director of ParentsTogether, a nonprofit family-advocacy group in Washington, D.C.

Kids use tech to socialize even without social media. A mom in Vancouver, British Columbia, said after her daughter's sixth-grade class began using the chat function in Microsoft Teams during remote school, drama quickly ensued. Her daughter and a classmate got into an argument in the chat and others joined in. The mom said she notified the school, which disabled the chat function.

What You Can Do

So how can parents handle the pressure their kids face to join group chats and social media?

▶ **Develop a social-media agreement.** Laura Tierney, founder of the Social Institute, a company that partners with schools to teach students how to navigate social media and technology, said it's best to start discussing responsible social-media use with kids early. "Because social media is not going away, you can't restrict it and then throw them in at age 13," she said.

Ms. Tierney suggests families develop a social-media agreement to lay out rules such as whether a child's account is set to public or private, who gets to approve friend requests and how often parents can monitor the account. The Social Institute offers a template on its website (thesocialinstitute.com).

▶ **Create a shared account.** Instead of letting kids loose with their own account, you can create one that you control and let them use it only for the purpose of communicating with the school club.

You can set up two-factor authentication so that a code gets sent to your email address or cellphone every time your child wants to log in. My editor did this when family friends wanted their preteen sons to communicate over Discord. Just make sure your child logs off when the activity or communication is done.

> There are ways to restrict content and direct messages on TikTok and Discord.

▶ **Take advantage of app settings.** If you feel your child is ready to use social media, you can still enact app settings to help protect them. Some teens find they enjoy Instagram more when they turn off the comments and likes.

There also are ways to restrict content and direct messages on TikTok and Discord, and to control who can add your children to groups and view their profile information on WhatsApp.

▶ **Suggest alternatives.** There's no reason for students to be limited to communicating on Big Tech's biggest platforms. There are plenty of apps designed for students to receive reminders, schedule practices, share videos and photos and communicate in small, private groups.

Alternatives used by many teachers and sports teams include Remind, GroupMe, Flipgrid, Band and PhotoCircle.

More Job Postings Require Covid Shot

By Kathryn Dill

People looking for jobs are increasingly finding employers requiring vaccination against Covid-19, with a small but growing percentage flagging those rules to prospective hires from the outset.

Nearly 5% of U.S. and Canadian postings for jobs paying $80,000 a year or more now mention vaccine mandates, double the rate from the previous month, according to research released Wednesday by the Ladders, a job-search site for positions paying north of $100,000 annually. The findings are based on an analysis of millions of high-paying jobs posted between June 2019 and October 2021.

While must-be-vaccinated postings remain fairly rare, the rise signals job seekers could soon start seeing workplace mandates on job boards more regularly, hiring experts say. Employers are preparing to comply with new federal rules for Covid-19 vaccination and testing set to take effect Jan. 4, as many struggle to fill roles and seek to attract staffers back to offices. Friday's federal jobs data showed labor-force participation remains flat and beneath pre-pandemic levels, even as the jobless rate has fallen over the past month.

The Ladders data primarily capture office workers, as opposed to front-line consumer-facing staff, suggesting that the move reflects employers' desire to bring people safely back to working in person, said Marc Cenedella, Ladders founder and chief executive.

"We'll see [vaccine requirements] in more job posts throughout the fall and winter, and I expect we'll see it through the next year until it kind of becomes assumed, in the way that job postings no longer mention 'must be able to type,' " he said.

Not all job seekers welcome employers' vaccine rules, just as many employers object to federal directives to impose them. For people who want to work among fully vaccinated colleagues, knowing a company's expectations early could avoid a sticking point later in the hiring process. Employers putting their rules in job posts are gambling that the risks of alienating any prospective hires are outweighed by the chance to secure the right fits quickly in a tight labor market.

"The more data there is in a job posting, it enables a job seeker to look at a job posting and have a clear idea of what to expect," said Rohan Rajiv, group manager of talent solutions at LinkedIn. "You're more likely to find people who are interested."

New job postings on LinkedIn listing vaccine requirements increased 120-fold between July and October, according to the company. Last week, the site introduced a field on company profile pages allowing employers to list workplace policies including vaccine requirements. Of the thousands of companies that made policy entries, 33% added a vaccine policy, and nearly half of those indicated that vaccines are required for on-site work, LinkedIn said.

For job seekers who don't want to get vaccinated, the early transparency could flag which roles to avoid. In a survey of more than 1,300 U.S. employees last month by software maker Qualtrics, three-quarters of unvaccinated workers said they were considering leaving their jobs when mandates take effect. A little more than a third of the unvaccinated workers surveyed reported fear of being fired for noncompliance. If terminated, 22% said they would look for a job at a smaller company.

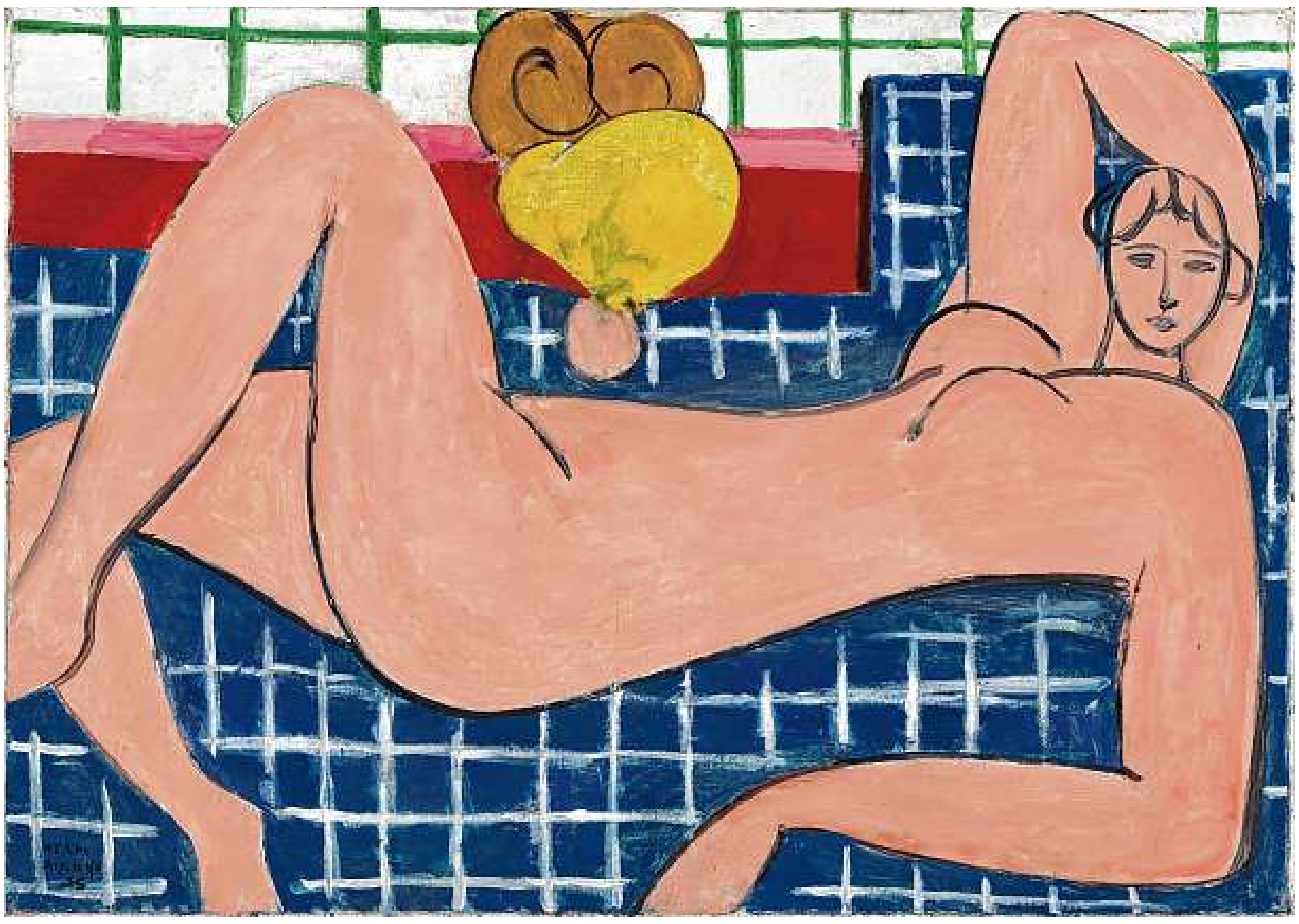
The Biden administration's new rules (temporarily blocked this weekend) require vaccinations or weekly testing at private companies with 100 or more workers, and larger U.S. employers have begun implementing vaccine mandates in recent weeks. Those that opt to highlight such requirements in job posts might trigger a snowball effect, said Sevin Yeltekin, macroeconomist and dean of the University of Rochester's Simon Business School.

"If you think about a particular employee you'd like to retain and the vaccine requirement is the only sticking point, they're going to go to the next available job," Ms. Yeltekin said. "But if that company is now requiring it too, companies now feel more confident in being able to make that call if they think that's the right call."

JUSTIN SULLIVAN/GETTY IMAGES

A job seeker met recruiters at a recent fair in California. A small but growing number of job postings are requiring Covid-19 vaccinations.

ARTS IN REVIEW



SUCCESSION H. MATISSE/ARS, N.Y./BMA (4); THADDEUS MOSLEY/KARMA, N.Y.

Henri Matisse's 'Large Reclining Nude' (1935), left

ART REVIEW

A Collector Out of the Shadows

Exploring the legacy of Etta Cone, one of two Baltimore sisters who bought Matisse early and often

By Eric Gibson

Baltimore

The Cone Collection at the Baltimore Museum of Art has long been a required destination for anyone wanting to understand, or simply enjoy, the art of Henri Matisse (1869-1954). Formed by two Baltimore sisters, Dr. Claribel Cone (1864-1929) and Etta Cone (1870-1949), it comprises some 600 works in all media by the artist as well as some of his illustrated books.

The Cone sisters first came into contact with modern art in Paris in the early years of the 20th century through their friendship with the writer Gertrude Stein and her family, who were some of the earliest collectors of Matisse and Picasso. The received wisdom has been that Claribel was the more adventurous of the two. Yet Etta lived for 20 years after her sister's death, during which time she continued to acquire Matisses, enlarging the collection and working closely with the artist in deciding what to purchase.

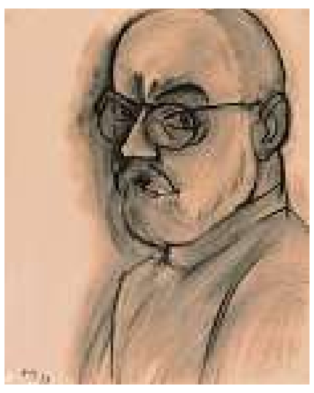
"A Modern Influence: Henri Matisse, Etta Cone, and Baltimore" invites us to reconsider the standard view, bringing Etta out of her sister's shadow to explore her role in making the Cone Collection what it is today. Jointly organized by Katy Rothkopf, senior curator of European painting and sculpture at the museum, and Leslie Cozzi, associate curator of prints, drawings and photographs, it consists of 167 paintings and sculptures; the preliminary studies for Matisse's first illustrated book, "Poems" by Stéphane Mallarmé; and abundant works on paper, among them portrait drawings of Etta and a Matisse self-portrait. Some works have rarely been seen, while others are on view for the first time. Though marred by one large missed opportunity, it is an important, even revelatory, exhibition that shines a bright light not just on Etta but on the way Matisse thought and worked. And it inaugurates the new Ruth R. Marder Center for Matisse Studies at the museum, which Ms. Rothkopf heads.

The exhibition opens with Etta's earliest purchases, made in 1906. The most striking is "Yellow Pottery From Provence" (1905), a painted still-life whose eponymous jug is not just yellow but green, purple, ochre and red, and casts brown shadows. The work is loosely brushed in and there are patches of unpainted canvas, leaving one to wonder if Matisse abandoned it or considered it in some sense finished.

In works like this Matisse was forging a new direction in painting, where color wasn't used descriptively but expressed the painter's emotional response to the subject before him. It was a turn that famously elicited strongly negative reactions from most of those who saw Matisse's work at the time. Therefore, for Etta Cone—newly exposed to the avant-garde and with no deep background in art—to have bought "Yellow Pottery" was bold and visionary.

As we move through the show we learn that it was Etta who was responsible for acquiring works that are not just masterpieces of the collection but of Matisse's art generally: "The Yellow Dress" (1929-31) in which he upends convention by making the sitter's attire, not her physiognomy or character, the focus of his attention; and "Interior, Flowers and Parakeets" (1924), considered a keystone work of that decade.

One of the highlights of "A Modern Influence" is a show-within-a-show. "The Yellow Dress" is displayed surrounded by over a dozen preparatory drawings recently donated by the Matisse family and another benefactor. In the painting the model is shown seated in hieratic frontality before an open window. The drawings show Matisse beginning by studying the isolated figure in a variety of poses and attitudes, then situating her in an interior before finalizing the pose, after which he was ready to begin the hard work of painting.



Henri Matisse's 'The Yellow Dress' (1929-31), left, and 'Self-Portrait' (1937), above

But while "A Modern Influence" tells us a great deal about what Etta bought, it tells us almost nothing about why she did so—in other words, about her taste. Almost the only insight we are offered is that, as one wall text reports, "Cone appreciated Matisse's celebration of the female body and all of its postures. This subject may have resonated with her own intimate same-sex relationships." (Etta never married and had a longtime female companion.)

This reading strikes me as owing more to the zeitgeist than to a close study of Etta's actions and artworks. The reality is subtler and more interesting. For all the breadth and representativeness of Etta's acquisitions, there is none of the Cubism-inspired work of the years 1913 to 1917, in which Matisse's art came as close as it ever would to pure abstraction. The absence of such work suggests that while Etta was willing to follow almost wherever Matisse led, her taste was circumscribed by the need to remain tethered, how-

> It shines a bright light on both Etta and the way Matisse thought and worked.

ever tentatively, to what she knew, the world of visual appearances. This is no judgment against her—she was hardly the only modern art collector of the time who felt Cubism asked of them more than they could give.

There are exceptions to this rule, notably "Large Reclining Nude" (1935) with its radically simplified figure and pancake-flat pictorial space. More's the pity, then, that "A Modern Influence" does not take the opportunity to explore the relationship between audacity and conservatism in Etta's collecting. Perhaps the new study center can put it on the agenda.

* * *

PRIOR TO THE 20TH century, sculpture was made by modeling or carving. Then Picasso invented assemblage, the practice of attaching disparate elements together. Thaddeus Mosley does both: He carves and shapes pieces of felled timber and then assembles them into abstract sculptures. The magical results of this effort can be seen in "Thaddeus Mosley: Forest," a show of just five works. It was organized by Jessica Bell Brown, the museum's associate curator of contemporary art, who has displayed them closely grouped together on a single, low platform.

Mr. Mosley (b. 1926) is largely self-taught, and this redounds to his benefit—he never became hostage to any particular aesthetic dogma. Thus his sculptures, vertical and mostly human-scaled, blend the innocence of folk art, the forms and textures of African art and the formal language of modernism. They are equally wide-ranging in what they evoke: bodies in motion as well as physical forces such as weight and balance. This is a buoyant, deeply engaging display by an artist who deserves to be far better known.

A Modern Influence: Henri Matisse, Etta Cone, and Baltimore
Through Jan. 2, 2022
Baltimore Museum of Art

Thaddeus Mosley: Forest
Through March 27, 2022
Baltimore Museum of Art

Mr. Gibson is the Journal's Arts in Review editor.

Henri Matisse's 'Yellow Pottery From Provence' (1905), above, and Thaddeus Mosley's 'Aero Intersectional' (2018), right

SPORTS

SETH WENIG/ASSOCIATED PRESS

Olympic marathon champion Peres Jepchirchir of Kenya, above right, won the women's division of the New York City Marathon in 2:22:39 on Sunday. Albert Korir of Kenya won the men's race in 2:08:22.

A Historic Finish at NYC Marathon

Kenya's Peres Jepchirchir became the first woman to win in New York after taking Olympic gold in the same year

By Laine Higgins

Just three months ago, Kenya's Peres Jepchirchir survived the sweltering heat of the Japanese summer to notch a surprise win in the Olympics over a country-woman who holds the world record at the distance. On Sunday, she won the 2021 New York City Marathon to become the first woman to break the tape in the iconic race in the same year as winning Olympic gold.

It was a historic finish for the race making its return after a one-year pandemic hiatus. And the dramatic finish on the women's side, which saw Jepchirchir sprint away from fellow Kenyan Viola Cheptoo, matched the energy of the throngs of fans lining the streets in the city's five boroughs for the marathon's 50th running.

Jepchirchir's victory on Sunday showed her tactical mettle: She lurked in the lead pack of women until reaching the Bronx and stayed with a breakaway trio of East Africans until the final stretch up Central Park's west side. She held off Cheptoo to win by four seconds in a time of 2:22:39. Ethiopia's Ababel Yeshaneh finished third in 2:22:52.

"I knew myself. I have a finishing kick because of the way I used to train in Kenya," said Jepchirchir after the race. "When I see the finishing line, I get this extra energy and I don't know where it comes from."

The men's finish held less drama, with 2019 runner-up Albert Korir taking the lead after mile 19 as the runners charged up the Willis Avenue Bridge into the Bronx. Korir never relented en route to a 2:08:22 finish.

The men's podium was rounded out by Morocco's Mohamed El Aaraby, one of the two runners who paced the field through the first 90 minutes of the race, held on to finish second in 2:09:06, followed by Italian Eyob Faniel in 2:09:52.

Americans finished just off the podium in both professional races, with 2021 Olympic bronze medalist Molly Seidel taking fourth for the women in 2:24:42 and Elkanah Kibet doing the same for the men in 2:11:15. Kibet, who was training part-time while working as a financial planner with the U.S. Army, surprised even himself to finish 16 seconds faster than his personal best.

The women's race also featured a shocking debut from runner-up Cheptoo. The 32-year-old ran at Florida State, having followed in the footsteps of older brother Bernard Lagat by coming to the U.S. to run in college. Like her brother, a five-time Olympian and current American record holder in several distances between 1,500 and 5,000 meters, she focused on shorter distances early in her professional career. She raced her first half marathon in February 2020.

As Cheptoo crossed the finish line, her older brother shed tears from the broadcasting booth at the finish line, where he was commentating on the race.

"I think I should have moved up a little bit earlier," she said jokingly when asked after the race whether she regretted waiting so long to race 26.2 miles. " I've watched my brother race here and I knew New York was so fun."

For Seidel, Sunday's fourth-place finish in the marathon cemented her status as an emerging star in the sport. She was a surprise qualifier for Team USA in the marathon after taking second at U.S. Olympic Trials in her first attempt at the distance in February 2020. She surprised again at the Olympics, when she hung with a pack of decorated Kenyans, including Jepchirchir, in hot and humid conditions to win bronze.

Sunday's race marked the completion of a tight double for Seidel and Jepchirchir. Most marathoners don't race more than twice per calendar year due to the toll the 26.2-mile race takes.

"It was my plan and preparation was short, but I tried my best to see if I could fit all of my own preparation in," said Jepchirchir. "I like running in cool conditions rather than hot conditions."

Congress Calls for Transparency From the NFL

By Andrew Beaton And Louise Radnofsky

Washington

The first volleys between the National Football League and a congressional committee seeking to investigate the Washington Football Team emails that got Las Vegas Raiders coach Jon Gruden fired—as well as other related documents—show that the congressional probe is likely to be a drawn-out affair.

The House Oversight and Reform Committee indicated last month that it intends to mount an investigation of the leaked emails that were part of an NFL probe into the Washington Football team. The emails showed Gruden making racist and anti gay comments and resulted in his resignation.

The committee on Friday called on the NFL to lift restrictions on people who might have information in the league's investigation of the workplace culture at the team owned by Dan Snyder. The league, meanwhile, said it had responded to the committee's initial inquiry, and that it intended to cooperate.

The back-and-forth came a day after a deadline the committee had given the league to respond to its demand for documents related to the league.

It marks the beginning of what effectively amounts to a negotiation over which documents the league will turn over.

"The NFL on Thursday submitted responses to the Committee's October 21 letter," NFL spokesman Brian McCarthy said. "As we have discussed with the Committee, we are in the process of identifying responsive documents while working through issues of privilege and anonymity promised to participants in the investigation."

Rep. Carolyn B. Maloney (D., N.Y.), the oversight committee chairwoman, said on Friday that she wanted to see the league reflect other public statements by commissioner Roger Goodell and "honor the Commissioner's public statement that witnesses to the team's hostile workplace culture are 'welcome' to come forward."

The original investigation into the Washington Football Team was launched in 2020 after the Washington Post reported 15 women were sexually or verbally harassed while working for the club. Further reports emerged of wrongdoing inside the franchise, including incidents and a 2009 settlement involving Snyder. He has denied wrongdoing and apologized for the workplace culture.

P2JW312000-0-A01500-1--------XA

OPINION

A Long Time Since 'Zeppelin IV'

INSIDE VIEW
By Andy Kessler

"It's been a long time since" . . . 1971. Fifty years ago on Nov. 8, the album "Led Zeppelin IV" was released, which included the eight-minute classic "Stairway to Heaven." It was a year of transition from turmoil to modernity, a songwriter's paradise. And yes, I'm a sucker for anniversaries.

Back in 1971 we listened to music on LP records—for the uninitiated, 20 or so minutes of music pressed into vinyl, spun at 33 1/3 rpm and amplified from a scratchy needle to giant speakers. Without TikTok, my generation wasted time poring over album-cover art in search of hidden meaning and reading the liner notes printed on the album sleeves.

More legacy-defining albums were released in 1971 than in any other year by my count. As proof, let's play a game: I name the album, you name the artist, and no googling. "Sticky Fingers," "Who's Next," "L.A. Woman," "Aqualung," "Tapestry," "What's Going On," "Fragile," "Imagine," "At Fillmore East," "Madman across the Water," "Pearl," "Anticipation," "Shaft," "The Low Spark of High Heeled Boys," "The Concert for Bangladesh." How many did you get? Now add the Grateful Dead's first gold album, and of course "Led Zeppelin IV," sometimes known as Zoso.

Nineteen seventy-one is still considered "the '60s," which started when JFK was assassinated and ended with Watergate. The antiwar Democratic Convention riots defined chaotic 1968. Woodstock embodied 1969. In 1970, the Beatles disbanded and Apollo 13 proved failure wasn't an option. But what was it about 1971?

The sound of Vietnam protests and smell of tear gas still hung in the air, along with a hippy-dippy free-love ethos perfectly parodied by the TV show "Rowan & Martin's Laugh-In," which ran until 1973. Although Richard Nixon was in the White House, there were hints of modernity. U.S. astronauts landed on the moon six times between 1969 and 1972. Nineteen seventy-one was the perfect segue between past despair and future hope and dreams, which were sadly delayed by the inflation and smog-filled skies of the 1970s.

Led Zeppelin captured this transition. Singer Robert Plant's lyrics had mystical musings and a Tolkienesque feel—"bustle in your hedgerow." Meanwhile, Jimmy Page's guitar often sounded like it came from the future. Come to think of it, when I saw them at Madison Square Garden, Mr. Page played a Gibson double-neck guitar, one for the past and one for the future.

So what did "Stairway to Heaven" even mean? Trippy lyrics are usually over my head, but I've had 50 years to think about this song. "There's a lady who's sure all that glitters is gold." The obvious interpretation is that you can't buy your way into heaven, but that's too easy. "Sometimes all of our thoughts are misgiven" captured the malaise of relatively immobile times. "There's still time to change the road you're on," meant changing from Timothy Leary's "Turn on, tune in, drop out" to "Plug in, turn out, ramp up." And especially relevant given today's dictionary hijackers: " 'Cause you know sometimes words have two meanings."

Even now, half a century later, there's still time to change the road you're on.

The final bridge of the song ends with "When all are one and one is all . . . to be a rock and not to roll." Maybe that is about the dreamy collectivism still percolating in 1971, not unlike today. Or maybe it means society advances when each individual does his part to solve complex problems. Even better, it is a preview to the declaration of both the Blues Brothers and United Airlines Flight 93 hero Todd Beamer: "Let's roll." I like that.

Twenty twenty-one is different from 1971, not quite hippy-dippy but more wokey-tokey as we slowly evolve toward some ill-defined neural-automated metaverse-enabled world order.

But it's also similar. We now have shortages. Inflation is coming back. Labor unrest and strikes have begun. Both sides of the aisle are constantly bickering and talking past each other. Meet the new boss. Same as the old boss. Feels familiar, no?

In 2071, when my cryobot writes my column about what's happened since 2021, what will I say? First, I will notice that the era began with legalizing pot and paying people not to work—the '60 dreams finally came true!

Insta-vaccines mean disease became rare. Capitalism again beat socialism. We hardly notice robots anymore, which took over many low-end jobs. Artificial intelligence never quite became sentient, but it helped take much of the drudgery out of work. Yes, there's still work, but there's no Holodeck yet. Cars became autonomous, and space resorts opened, though we still can't grow potatoes on Mars like Matt Damon did in "The Martian." But humans are better off by a factor of 50, our never-ending stairway toward heaven. Oh, so *that's* what the song means!

Write to kessler@wsj.com.

Argentina's Welfare Warning to America

AMERICAS
By Mary Anastasia O'Grady

Voters in U.S. state and local elections last week told Democrats to end the overreach of government into their lives. But if the progressive wing of the party has anything to say about it, the Democrats' expansionist agenda isn't likely to change.

Socialist ideologues know that the welfare state is addictive. New entitlements create dependencies that, once born, demand to be fed and to grow no matter the party in power.

Argentina proves the rule. The Argentine electorate may be about to throw out the hard-left Peronists in what could be historic midterm elections on Nov. 14. That's the good news.

The bad news is that even if *peronismo* loses its unchecked power in Argentina's National Congress, it's probably too late to avoid another fiscal and monetary crisis. The bigger job of restructuring the Argentine economy in a way that respects entrepreneurial freedom won't be easy either. Both legislative chambers are likely to remain heavily populated by advocates of European socialism.

One hundred years ago Argentina was one of the world's most prosperous nations. But as the roaring '20s wound down, continental fascism gained cachet. A military coup in 1930 suspended the 1853 constitution, modeled after the U.S. Constitution, and ushered in Argentine corporatism. Gen. Juan Perón, who ruled from 1946 through 1955 and again briefly in 1973-74, was especially fond of Benito Mussolini's Italy.

Repeated bouts of hyperinflation and debt crises haven't been enough to change the political culture. This shows how, short of war, statism sticks once it's in place. Even while Argentina experimented with limited free-market reforms in the 1990s, fiscal profligacy endured and support for rigid labor laws remained intransigent.

The ruling Peronists have again run out of other people's money. The government of President Alberto Fernández is broke. It cannot access international capital markets. High taxes and peso-printing to pay its bills have driven the economy into a ditch.

This is expected to cost the incumbent parties in the Peronist Front for All coalition when voters go to the polls to renew roughly half the seats in the lower house and one-third of the Senate.

The best indicator of brewing change is the results from the September primary, which acts as a dry run of the election because voters cast ballots for their preferred candidate across all parties. The main opposition coalition, Together for Change, won a plurality of votes cast for what will be contested seats with some 42%, while the Peronists came in a distant second with around 30%.

Despite mandatory voting, turnout was a low 67% nationwide. A better showing in the real election could alter the outcome. But for now polls suggest that the coalition behind *peronismo* might lose its plurality in the lower house and could even lose its majority in the Senate for the first time since Argentina returned to democracy in 1983.

Yet even with Argentine inflation above 50%, widespread price controls and the economy sputtering for a decade, a viable alternative to populism hasn't emerged. Together for Change, which contains many politicians on the moderate left, seems to be not much more than a milder version of the status quo. It also includes some politicians from the free-market right, like Ricardo López Murphy, but they will have trouble influencing policy unless the Peronists are fully discredited and their coalition breaks apart. That could happen but is far from certain.

The Peronists may lose the midterms but a populist political culture will survive.

When the new Congress is sworn in next month, it will meet a set of problems similar to what Argentina faced in 2001. That was the year the government announced it would default on $132 billion of debt to the cheers of Congress. In January 2002, the government ended the successful 11-year, one-to-one peg of the peso to the U.S. dollar.

Having wiped the debt slate clean, the ruling Peronists doubled down on spending. Despite some renegotiations, the country was still in default in 2016 when President Mauricio Macri, an opponent of *peronismo* elected in 2015, settled a standoff with remaining creditors.

Mr. Macri seemed to offer hope. His We Change coalition ate into Peronist domination in the 2017 midterm elections. But he failed to make the case for limited government and economic freedom, preferring instead to focus on a gradualist approach to shrinking the size of government. By 2018 he had run out of time and money. In 2019 he lost reelection.

Argentina owes the International Monetary Fund $45 billion. A principal repayment of some $17 billion is due next year. Another of the same size is due in 2023. Argentina doesn't have the money for either.

Somewhat encouraging is the fourth-place primary finish of a libertarian coalition supported by many young Argentines. It shows that ideas around personal freedom and responsibility are percolating. Hope springs eternal that Argentina may finally be hitting rock bottom but experience suggests something less optimistic.

Write to O'Grady@wsj.com.

The Republican Future Begins in Virginia

By Larry Hogan

Annapolis, Md.

The Republican Party after 2020 faced a "time for choosing," to borrow a phrase from President Reagan. Were we going to be a party that can't win national elections, or were we willing to do the hard work of building a durable coalition to shape our nation's destiny?

Last week Republicans showed they have the capacity to build that coalition and win national elections again. We swept the three statewide offices and made dramatic gains down ballot in my neighboring Virginia, and we nearly captured the New Jersey governorship.

I was proud to support all three of the Republican candidates and campaign for Gov.-elect Glenn Youngkin and Attorney General-elect Jason Miyares because I saw firsthand that they were making inroads by focusing on the issues that matter to voters. With Americans worried about crime, inflation, and the consequences of distance learning, these candidates put forward common-sense solutions to reduce taxes, secure communities and expand school choice. Instead of divisive rhetoric, they offered a hopeful and unifying message for the future.

Glenn Youngkin won over swing voters at the same time as he fired up the base.

Their success should put to rest the myth that the only way to fire up the base is by alienating swing voters or swearing blind allegiance to a former president. Mr. Youngkin outperformed Donald Trump even in many rural Republican areas. Something similar happened in Maryland when I sought election in 2014 and re-election four years later: Our ticket made dramatic gains in Democratic parts of the state while achieving historic numbers in Republican areas.

As former Mississippi Gov. Haley Barbour likes to say, successful politics is addition and multiplication, not subtraction and division. If we recognize that, 2022 could be a historic wave for Republicans. There's no doubt the opportunity is real. President Biden wasn't elected to move the country to the far left. He was elected because voters hoped he would lower the political temperature and seek common ground.

That should have been obvious. Though the country rejected Mr. Trump a year ago, Republicans gained seats in the U.S. House and state legislatures. Mr. Biden misread his narrow victory as a mandate for far-left policies. Instead of quickly passing the bipartisan infrastructure bill and finding other common ground with Republicans, he let the far left hold his party hostage in an effort to jam through their partisan and extreme agenda. Instead of addressing the issues voters are concerned about, the Democratic majority is narrowly focused on spending as much of our money as quickly as possible.

America is on the wrong track, but the 2022 election can and should be a change in direction. If our election wins in 2014 and 2018 in Maryland, one of America's bluest states, weren't proof enough, Virginia and New Jersey demonstrated again that common-sense conservatives who focus on issues and solutions can compete and win anywhere. The country is hungry for leadership. The question is whether the Republican Party is willing and able to provide it. After last week, there is more reason to hope that the answer is yes.

Mr. Hogan, a Republican, is governor of Maryland.

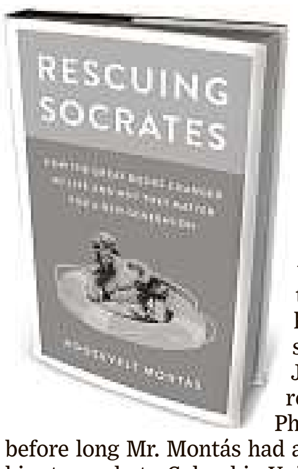
BOOKSHELF | By Martha Bayles

Great Books, Greatly Missed

Rescuing Socrates
By Roosevelt Montás
(Princeton, 328 pages, $24.95)

In 1985, when Roosevelt Montás first arrived in New York, he was an 11-year-old Dominican "with a head full of lice and a belly full of tropical parasites." By his own account, he didn't seem destined for a brilliant future and was "an unlikely candidate for the Ivy League." Almost 40 years later, it's clear that this wide-eyed immigrant has ended up blessing one particular Ivy League school as abundantly as it has blessed him.

The cover of "Rescuing Socrates" shows a marble statue of the philosopher improbably stuck in a plastic life preserver, a pop-art image that does little justice to this remarkable book. A better image would have been a photograph or drawing of a teenage boy on a busy street in Queens, N.Y., taking a volume of Plato from a stack of books thrown in the trash—because that is how young Mr. Montás first discovered the bedrock thinker of the Western philosophical tradition.



Some time after finding that volume, Mr. Montás was leafing through it in the hallway of hishigh school when he was spotted by a teacher named John Philippides. As Mr. Montás recalls, the "teacher-fire" in Philippides's eyes lit up, and before long Mr. Montás had a mentor who would encourage him to apply to Columbia University.

Admitted through a state program for students with "financial need and academic under-preparedness," Mr. Montás arrived on the Columbia campus acutely aware that he was "one of *those* students." But rather than being allowed to languish on the margin, he was required to join his fellow freshmen in a two-year sequence of small, discussion-based, non-disciplinary classes reading major thinkers like the four profiled in these pages: Plato, Augustine, Freud and Gandhi.

Neither coldly academic nor hotly confessional, "Rescuing Socrates" is a warm, appealing narrative of how it feels to be "thrust into a conversation" with fellow students about life's most "serious and unsettling questions." Because it is a narrative, the book does not impose what Mr. Montás calls "an artificial compression" on the subtle and cumulative workings of this type of education. Instead he gradually reveals how the process worked. "Many of the conversations . . . went over my head," the author writes, "but like a recurring tide that leaves behind a thin layer of sediment each time it comes, eventually forming recognizable structures, the intensive reading and twice-weekly discussions were coalescing into an altogether new sense of who I was."

Having taught for several years in a similar program, I admire this account and appreciate the irony of Mr. Montás's quip that foundational education—a term of art for a tradition-based core curriculum or Great Books program—is "typically most appreciated by those who least need it." Today the shrillest reason for eliminating such programs is the claim that they promote a white-supremacist version of history and culture that oppresses all but the male, pale and privileged.

Mr. Montás is a living rebuke to this claim, as are the hundreds of black, Latino, immigrant, and low-income men and women who have benefited from Columbia's Core Curriculum, which he directed for 10 years. At the same time, Mr. Montás is a realist. While crediting the survival of the Core to the sustained dedication of many educators whose epidermis is paler than his, he admits that his background helps to remove the air of snobbery that some Great Books programs exude.

A remembrance of things past—reading major thinkers, asking serious questions, learning from devoted teachers.

Another oft-cited reason for ending foundational education is the transformation of colleges in recent decades, from places where students are taught the wisdom of the past into research universities where the frontiers of knowledge are aggressively expanded. As Mr. Montás laments, this "research ideal" has caused "the humanities and humanistic-social sciences" to lose all purchase on "the human questions that breathe life and meaning into the liberal arts."

Today, the same research ideal makes it hard to find people like Mr. Montás's freshman instructor Wallace Gray, an English professor who published only one book but possessed a magical ability "to animate what might be alien to the student and evoke, from what might at first look like a carcass, a vital and compelling voice." Stressing the need for such teachers, Mr. Montás recalls a comment by Janine deNovais, another Core graduate who served as his associate director: "If the Core is not taught well, the Core is not taught."

Finally, Mr. Montás confronts Friedrich Nietzsche's explosive challenge to "the very category of truth." Appearing unexpectedly in the chapter on Gandhi, this confrontation includes a cogent summary of Nietzsche's thought, leading up to the conviction that, in Nietzsche's words, "this world is the will to power—and nothing besides!" The same intellectual current, ridden exhaustively by such 20th-century figures as Antonio Gramsci, Michel Foucault and Jacques Derrida, has lately congealed into the proto-ideology known as wokeness.

I can only guess why Mr. Montás avoided the topic of wokeness. But I do wish that he had made Nietzsche one of the four thinkers who changed his life. "My crush on Deconstruction and Postmodernism was real," he reports, adding that "the ripping open of conceptual categories, canons, and hierarchies has an intoxicating quality." But then he continues: "I ran out of patience with the evasiveness, obfuscation, and intellectual vacuity of many of the leading voices in the field. I felt confident enough in my background in philosophy and theory to call bulls— where I saw it." Maybe in his next book, Mr. Montás will elaborate more richly on this crucial part of his journey.

Returning to that image of Mr. Montás pulling Plato out of the trash: At one point he recalls his young Dominican self thinking, "this was one of the many weirdnesses of Americans: they threw away perfectly good stuff." Not a bad description of what has happened to American higher education.

Ms. Bayles teaches at Boston College, where for 18 years she was an instructor in the Honors Program, a four-year sequence of foundational courses that was recently eliminated.

REVIEW & OUTLOOK

Republicans Rescue Biden's Agenda

The press is full of triumphant accounts of how Speaker Nancy Pelosi and President Biden saved their party, the country, and maybe the future of mankind by passing the $1 trillion infrastructure bill through the House late Friday night. It's more accurate to say their divided party was rescued by 13 Republicans who voted with the Democrats.

Will the infrastructure bill grease the wheels for the $4 trillion blowout?

With their narrow House majority, Democrats couldn't pass the bill themselves after six left-wing Members voted no. Without those GOP votes, the bill would have failed and Democrats would have suffered another political defeat and more recriminations. Instead, Democratic leaders are moving ahead fast to focus on their $4 trillion entitlement spending and tax bill that is now more likely to pass.

The country needs spending on such public works as roads and bridges, and some projects will offer an economic return on the investment. But this bill throws money at far more than that, with only $110 billion reserved for this traditional infrastructure.

The bill includes tens of billions in public broadband subsidies that will pre-empt private investment. Amtrak gets a $66 billion bailout that should be enough to build a high-speed line in the Northeast corridor but almost certainly won't because of union and political stipulations. Some $16 billion will go to a national rail network that is unnecessary and bleeds money.

The bill is also a large down payment on the Green New Deal. There's $7.5 billion for electric-car charging stations that the Transportation Department will allocate. Energy Secretary Jennifer Granholm gets $21.5 billion for a new Office of Clean Energy Demonstrations, which will pass out subsidies to favored projects. This will be a festival of corporate welfare serving political interests rather than the best return on investment. Think Solyndra, the sequel.

Though the bill doesn't include a broad tax increase on individuals, it does include $14 billion in new Superfund excise taxes on 42 chemicals, minerals and metallic elements that will be passed along to consumers. The Congressional Budget Office (CBO) found the bill will add $256 billion to the federal deficit over 10 years, plus another $196 billion over the 2021 budget baseline in the government's contract authority.

The 13 Republicans (see nearby) who voted for this are mostly from swing districts and no doubt want to associate themselves with a bill labeled bipartisan. Nineteen GOP Senators voted for the infrastructure bill, and their boast is that passing the bipartisan bill would make it more difficult for Democrats to pass the partisan budget bill.

"I weakened their hand. They have no leverage now," New York Rep. Nicole Malliotakis told Axios after she voted for the infrastructure bill. "I voted against AOC and the squad tonight." She's referring to Rep. Alexandria Ocasio-Cortez and her progressive allies who voted against the public-works bill.

Not so fast. To appease the left, Mr. Biden linked the infrastructure and entitlement bills. Progressives and Mrs. Pelosi extracted a written promise from swing-district Democrats to vote for the budget blowout after CBO publishes its cost estimates for the bill. House Democratic "centrists" have rolled over again, and Ms. Malliotakis has strengthened Mrs. Pelosi's hand in the House. Her political rationalization now hangs on the willingness of West Virginia's Joe Manchin to hold the line against the $4 trillion in the Senate.

The 13 House Republicans who voted to pass the $1 trillion infrastructure bill

Don Bacon, Neb.	David McKinley, W.Va.
Brian Fitzpatrick, Pa.	Tom Reed, N.Y.
Andrew Garbarino, N.Y.	Chris Smith, N.J.
Anthony Gonzalez, Ohio	Fred Upton, Mich.
John Katko, N.Y.	Jeff Van Drew, N.J.
Adam Kinzinger, Ill.	Don Young, Alaska
Nicole Malliotakis, N.Y.	

The 13 Republicans resisted the pleas of Minority Leader Kevin McCarthy and whip Steve Scalise. The GOP leaders couldn't even get the defectors to hold their votes to see if Democrats could pass the bill themselves. Failure would have given them leverage to get something from Democrats in return. That's what Mrs. Pelosi did when Republicans ran the House and the Freedom Caucus created problems for GOP leaders. Mr. McCarthy has a long way to go to prove that he's an effective legislative leader.

* * *

The silver lining of the infrastructure bill is that some projects will be worthwhile while most of it is one-time spending that will end. Not so the $4 trillion Democratic plan that would create new cradle-to-grave entitlements that are designed to make American families even more dependent on the government. It would corrode the incentive to work and build in new demands for higher taxes, which the middle class will eventually pay.

Voters last week sent a message that they don't want more taxes and spending amid rising inflation and shortages across the economy. If Democrats pass this monstrosity anyway, the Republicans who voted for the infrastructure bill will share the responsibility.

A Tax Break for Trial Lawyers

The House Democrats' 2,100-page budget bill is chock full of goodies for liberal special interests, and one of the worst is a tax break for their dear friends in the plaintiffs bar. While raising taxes on businesses, Democrats want to subsidize more frivolous lawsuits against business.

The House budget bill would let them write off contingency-fee costs.

The IRS generally bars lawyers working on contingency-fee cases from deducting expenses such as depositions, expert testimony and discovery until a case resolves. In contingency-fee arrangements, attorneys front the costs of a lawsuit in return for some share—usually 30% to 40%—of the client's eventual settlement or award.

Under longstanding IRS rules, these expenses are treated like non-deductible loans to clients since they may eventually get reimbursed at the end of a case when their client settles or wins. In the rare case there's no recovery, they can write them off like a bad loan.

Tax courts and federal appellate courts have consistently upheld this interpretation dating to the 1930s. The Ninth Circuit Court of Appeals in 1995 created a carve-out for a certain type of contingency contract. But the IRS has limited this interpretation to states in the Ninth Circuit, which is a mecca for contingency-fee lawsuits.

Under the House bill, trial attorneys nationwide would be allowed to deduct contingency-fee expenses "disregarding the possibility that such amount will be repaid." The bill also says "income attributable to any related recovery shall not be reduced by such amount.'' The deduction would cost $2.5 billion over a decade, according to the Joint Committee on Taxation.

By reducing trial lawyers' legal costs, it would effectively subsidize contingency-fee cases. Lawyers will be more likely to file dubious lawsuits and drag out cases if they can immediately deduct their expenses. This is a direct income transfer to plaintiffs' lawyers, who will turn around and finance Democratic election campaigns. It's the definition of a corrupt political bargain.

Read My Lips, Says Kathy Hochul

Voters have won at least one small political victory in the wake of last week's thumping of Democrats. To wit, New York Gov. Kathy Hochul has vowed not to raise taxes.

Now that the top rate is 14.8%, she vows not to raise taxes again.

Ms. Hochul swore off near-term tax hikes Thursday in an interview with local magazine City & State. "I'm not interested in driving people out of the state," she said, noting the loss of New Yorkers to Florida and other low-tax climes. She said she wants to attract business to refill empty offices, and "raising taxes right now will not accomplish that."

You can bet her pledge was inspired by the election in neighboring New Jersey, where Democratic Gov. Phil Murphy was nearly thrown out after raising the state's nation-leading tax rates, no matter that he had promised not to do it again. Ms. Hochul, who took over this year from defrocked Andrew Cuomo, is running for a full term in 2022.

The promised tax freeze might be a relief to New Yorkers if not for recent memory. Mr. Cuomo also pledged his opposition to tax increases when he ran in 2010, only to turn around in office and renew a "temporary" tax increase on high earners.

Never known as the begging sort, Mr. Cuomo downright pleaded with wealthy residents to return to the state in August 2020. "You gotta come back, when are you coming back?" he asked in a press conference, adding "I'll buy you a drink. Come over, I'll cook."

Mr. Cuomo knows that high taxes are driving people out of the state. "A single percent of New York's population pays half of the state's taxes, and they are the most mobile people on the globe," he said.

That rare flight of sanity soon crashed when Mr. Cuomo was under siege from the left for sexual harassment allegations. This year Mr. Cuomo signed New York's largest-ever budget, including $212 billion of spending backed by multiple tax increases. The income-tax rate on earnings above $1 million rose to 9.65% from 8.82%. He also added two higher brackets, slapping a 10.3% rate on incomes above $5 million and 10.9% on incomes above $25 million. The top combined tax rate for New York City and state is now 14.8%, highest in the U.S.

Ms. Hochul hasn't objected to that tax increase, as far as we've seen, so her tax epiphany is sudden. What New York state really needs is a tax cut and wholesale economic reform to stop its economic decline. A no-new-taxes pledge is better than nothing, but it won't stop the rich and mobile from leaving.

LETTERS TO THE EDITOR

Stuck Between Zoom School and High Tuition

As the editorial board notes in "School Choice Showdown in Michigan" (Nov. 2), five families are part of a lawsuit challenging a provision in Michigan's constitution that prohibits state aid to parents who enroll their children in private K-12 schools. One of those families is mine.

Unfortunately, our twin boys were part of the 60% of Michigan public-school students who started last school year with remote or hybrid instruction. They spent their first day of kindergarten in front of a computer and remained there for most of the year. My sons went from happy little guys who liked school and learning to being sad and frustrated. Every morning I had to watch my two boys cry because they didn't want to do school on computers anymore.

We watched as some of our friends who lived in different districts or could afford private schools enjoyed in-person school. Our sons had to endure long hours in front of a screen, unable to meet new friends face to face. Before the school year started, I searched for private schools that planned to open in person. After being furloughed due to the pandemic, however, we were not able to afford tuition for our two boys.

Both the lawsuit and the opportunity scholarship bills the Michigan Legislature recently passed are efforts to help families like mine be able to send our kids to the schools that best fit their needs. By easing the financial burdens associated with private school, these measures would make it possible for us and so many other parents to give our kids more opportunities to learn and thrive and succeed in the future.

Jessica Bagos
Royal Oak, Mich.

Limiting Chinese Steel Imports Will Do Little

In "The U.S. and EU Shake Up Global Trade" (Global View, Nov. 2), Walter Russell Mead overcelebrates the U.S.-EU steel agreement concluded at the Group of 20 summit in Rome. He says that for U.S. labor the deal "can be packaged as 'foreign policy for the middle class,' limiting low-wage competition from China." He cites President Biden, who flagged in Rome that the agreement will limit access to U.S. markets for "dirty steel from countries like China."

Both the president and Mr. Mead would have been well served by looking at the hard facts of trade before going overboard with sweeping statements about market and climate impacts of Chinese steel imports. There is actually little room to constrain Chinese steel exports to America: China does not even make the top-10 list of foreign steel suppliers to the U.S. Last year, by volume, China accounted for less than 2% of our global steel imports. Blind anti-China policy reflexes can unwittingly result in much ado about (almost) nothing.

Istvan Dobozi
Sarasota, Fla.

Mr. Dobozi was a lead economist at the World Bank.

Artificial Intelligence Is Still No Match for Us

Eric Schmidt was executive chairman while I was in the trenches at Google in 2012, but I know better than to claim—as he does with Henry Kissinger and Daniel Huttenlocher—that GPT-3 is "producing original text that meets Alan Turing's standard." The GPT-3 program hasn't passed the Turing test, and it seems nowhere near doing so ("The Challenge of Being Human in the Age of AI," op-ed, Nov. 2).

Compared with earlier text-generation systems, the output generated by GPT-3 looks impressive at a local level; individual phrases, sentences and paragraphs usually demonstrate good grammar and look like normal human-generated text. But at a global level—considering the meaning of multiple sentences, paragraphs or a back-and-forth dialogue—it becomes apparent that GPT-3 doesn't understand what it's talking about. It doesn't have common-sense reasoning or the ability to keep track of objects over time in a discussion. One example, published in August 2020 in MIT Technology Review: GPT-3 was asked, "Yesterday I dropped my clothes off at the dry cleaner's and I have yet to pick them up. Where are my clothes?" Its response: "I have a lot of clothes."

GPT-3's seeming fluency is a façade, albeit an impressive one, that doesn't stand up to the serious scrutiny that Turing envisioned, in which a human inquisitor could ask questions in a back-and-forth chat session. I look forward to the day when we have AI systems that can pass the Turing test, but we're not there yet.

Eric Nichols, Ph.D.
Bellevue, Wash.

The article on AI errs in treating human intelligence as a mere advanced case of animal intelligence. For most of human history, "intelligence" referred to abstract knowledge and reasoning, a power unique to human beings. Other animals possess what is known as estimative power through their senses. Distinguishing sensory knowledge through bodily organs from the mind's power of abstract knowledge has value. It tells why we humans alone develop art, literature, science, engineering, games and politics, while animals with comparable sensory organs are simply incapable of basic intellectual operations of counting or naming things.

Such a distinction could have cleared the hype surrounding AI. Vastly underestimating human intellectual reasoning, AI pioneers equated human intellectual powers to machine intelligence. No doubt, we have produced a great science. But only a narrowly materialist philosophy would argue the human mind is reducible to an automation software.

The successes of DeepMind and halicin are within a highly specific domain of human knowledge, and, as with any engineering discipline, we engineered them to go beyond our human limitations. The science has yet to understand how human reason itself operates.

Xavier Abraham
Livonia, Mich.

This Is Your Pilot Speaking

I have been an airline pilot for 32 years. In that time I have stared down SARS, MERS, bird flu, Ebola, H1N1 and other traveling bugs without the benefit of a single flu shot. When Covid-19 came along, pilots were deemed too indispensable to remain bunkered at home, so I put on my uniform and kept the metal moving.

Now, I am faced with the Hobson's choice of an inoculation I prefer to live without and a premature end to my career ("U.S. Advances Private-Sector Vaccine Mandates," U.S. News, Nov. 2). Since President Biden's vaccine proclamation, I have gone from "essential" to "expendable" in short order. I long for the days when I was merely "deplorable."

John Wittnebel
Beloit, Wis.

Sen. Whitehouse, Virginia's Dirty Trick and Dark Money

Your editorial identifies Lauren Windsor as a co-conspirator in the Lincoln Project's attempt to fan the flames of racism and deceive voters in Virginia's gubernatorial contest ("A Dirty Campaign Trick in Virginia," Nov. 1). Ms. Windsor is executive director of American Family Voices, a "dark money" nonprofit that has for years received much of its revenue from the Center for Media and Democracy (CMD), Internal Revenue Service filings reveal.

Yet Sen. Sheldon Whitehouse (D., R.I.), America's leading denouncer of "dark money," has repeatedly cited CMD's attacks on his enemies and invited its leader to testify before him. Perhaps the senator should investigate his friends' dark financial ties to this ugly, race-baiting interference in an election.

Scott Walter
Capital Research Center
Washington

CORRECTION

New York's Mayor-elect Eric Adams has served as a state senator and not as a city councilman. This was misstated in the Nov. 2 Upward Mobility column (Notable & Quotable, Nov. 3).

Letters intended for publication should be emailed to wsj.ltrs@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

"This is a family company, sir. I'll need your DNA."

Ron Wyden's Plan to Gut Capital Markets

By Hal Scott
And John Gulliver

Sen. Ron Wyden's proposed "billionaires tax" on accumulated capital gains got thrown out of the latest version of the massive spending bill—but not before winning the endorsement of President Biden and Treasury Secretary Janet Yellen. It's disturbing that they would even consider a plan that would put a stake in the heart of U.S. capital markets, dwarfing whatever benefit it might provide for social programs.

His 'billionaire's tax' would encourage private investment at the expense of the middle class.

American public capital markets have been shrinking for decades. There are half as many public companies today as there were in the late 1990s. The costs of going public and being public are high and being pushed higher by an ever-increasing panoply of disclosure and governance requirements. Although initial public offerings have surged recently, in part because of high valuations and the rise of blank-check companies, Mr. Wyden's "billionaire" tax would put a quick end to any long-term comeback by imposing, for the first time in U.S. history, a capital gains tax on assets' unrealized gains. Since the country's founding any capital gains taxes have applied only when an asset is sold.

The fundamental flaw in Mr. Wyden's approach is that it penalizes stock holdings in public companies but leaves other types of investments largely untouched. Billionaires would pay a 23.8% tax on unrealized gains in the value of their public stocks. But on privately held companies or real estate, they'd face only an annual interest tax of approximately 1.25%, which wouldn't be due until the asset is sold. Mr. Wyden's bill is designed this way because public stocks are actively traded and therefore taxes on them are easier to calculate. The result would be the discouragement of public investment.

How Mr. Wyden's tax would apply to other financial assets, such as debt and cryptocurrency, would be left to the Treasury secretary to determine. If she concludes they are actively traded and readily valued on an annual basis, they'd be subject to the 23.8% tax as well. This isn't an easy task and would surely face implementation challenges.

In this sort of environment, why would entrepreneurs take their companies public? Billionaires who invest in venture capital will be asking the same question. The benefits of potentially larger multiples in the public market would be nullified by the prospect of annual payments of the Wyden tax, which could otherwise be avoided. The cost to the U.S. economy would be notable. In 2021 American IPOs, including GitLab and Robinhood, have minted at least 19 new billionaires so far.

J. SCOTT APPLEWHITE/ASSOCIATED PRESS

Senate Finance Chairman Ron Wyden with Sen. Elizabeth Warren.

Many public companies are controlled by billionaire founders through dual-class share structures. In recent years nearly 20% of all U.S. IPOs have resulted in founder-controlled companies. Those billionaires might seek to delist their companies to avoid the Wyden tax.

Private markets are increasingly able to support the capital needs of large startup private companies with $1 billion or $10 billion valuations, often referred to as unicorns or decacorns. Today, there are 472 unicorns and 14 decacorns in America. Close to $2.7 trillion was raised in private markets in 2019, more than twice as much as was raised in public markets. The returns from private equity and venture capital have historically beaten those from public markets.

But a further shift toward private markets would shut out the more than 90% of U.S. investors and retirees who don't meet the minimum wealth and income requirements for private investment. Mr. Wyden would enhance the opportunities exclusively available to the wealthy while severely limiting the options of middle-class savers.

Aggravating this effect, many billionaire owners would have to sell large numbers of shares to pay their annual tax bill. The stock sales would be particularly large for the first few years after enactment, because the bill is designed to apply retroactively. Elon Musk and Jeff Bezos would be required to pay the Wyden capital gains tax of 23.8% on the total appreciation of value for Tesla and Amazon from the date their companies were founded. Given that U.S. billionaires own more than $3.4 trillion in stock, or more than 7% of total American equity market capitalization, these massive sales would negatively affect all investors, including 401(k) and retail-account holders.

This supposed tax on the rich would in fact hit everyday investors and companies, punishing Americans who depend on public capital markets that were once the envy of the world.

Mr. Scott is an emeritus professor at Harvard Law School and director of the Committee on Capital Markets Regulation. Mr. Gulliver is the committee's research director.

A Simple First Step for Youngkin to Stop Leftist Tyranny

By R.R. Reno

Glenn Youngkin was elected Virginia's governor in large part because of the uproar over extremist ideologies that promote racial division under the guise of "antiracism." But what can he do about the problem? The first step is simple: Prohibit the use of "diversity, equity and inclusion" statements in any state government or government-funded agency.

The anger about critical race theory in schools reflects a larger frustration. In the past two years, the diversity regime has hardened. Its proponents have adopted more-strident rhetoric. Some speak openly of quotas. The range of permitted opinion has narrowed.

Anyone who works in a large bureaucracy knows that DEI has become a powerful tool for cultural radicals. In the hiring process, DEI statements serve as ideological litmus tests. Martin Luther King Jr. famously said that we should judge others by the content of their character, not the color of their skin. Imagine someone applying for the job of Fairfax County Schools Superintendent and featuring King's exhortation prominently in his DEI statement. It would almost certainly be considered disqualifying. Today's radicalism regards colorblind justice as a tool of white supremacy.

DEI statements also function as loyalty oaths. Requiring them sends a message to job applicants and employees who seek promotion: You better be on board—or else. The more widespread their use, the more pervasive the atmosphere of ideological intimidation.

State universities in Virginia make DEI ideology a veritable condition for employment. The University of Virginia's McIntire School of Commerce seeks a professor of organizational behavior. The candidate for this job must submit a "statement highlighting knowledge, skills, abilities, and experiences that support excellence through diversity, equity, and inclusion." The School of Education and Human Development at the same state university is seeking an instructor in athletic training. Among the job requirements: "Explicit evidence of commitment to diversity and of advanced understanding and outcomes for underrepresented groups."

There should be no illusions about the kind of statements and "evidence of commitment" required. In a 2016 essay for Inside Higher Ed, University of California, Merced sociologist Tanya Golash-Boza gives advice to applicants. Don't be naive, she says; this is no time to think for yourself: "Write about racial oppression, sexism, homophobia, transphobia, ableism or some other commonly recognized form of oppression." If you're a scholar, not a progressive activist, take remedial action: "Sign up to be a tutor at an underperforming school, build a house for Habitat for Humanity or incorporate antiracist pedagogy in your teaching." And be sure to signal your commitment to serving as a foot soldier: "Mention your willingness to contribute to pre-existing [DEI] programs or you can express your interest in creating new programs."

Prohibit 'diversity, equity and inclusion' statements at public universities and other institutions.

Most people want to do their jobs without interference. But those who seek "transformative justice" want to assign everyone to do their bidding. In the Soviet Union, each Red Army military unit had a party commissar who monitored operations to ensure ideological conformity. The same system was in place for industrial and agricultural operations, as well as youth and cultural organizations. In American universities and other institutions, an ad hoc system has evolved with similar qualities. Required DEI statements allow a radical element in every organization to monitor hiring and promotion across entire departments and divisions.

Conservative and moderate Americans may grimace when their neighbors put up "Hate has no home here" yard signs, regretting the implied moral denunciation of anyone who disagrees with progressive politics. But it's a free country. A live-and-let-live sentiment has long played an important role in the civic culture. Tolerance is hard to sustain, however, when one faction gains control of the institutions and jams its self-righteous programs down everyone's throats.

If private companies want to empower unpopular radicals to hector their employees, ruin the careers of dissenters, and hire in accord with strict ideological standards, then so be it. If advocates of critical race theory and other unpopular notions want to run for public office, they should by all means do so. But there is nothing in the U.S. Constitution that gives radicals a right to capture public and publicly funded institutions. This capture, if unchecked, will undermine freedom.

It is already doing so. DEI statements are a powerful tool for imposing an ideological agenda hostile to the interests and convictions of most Americans.

With victory comes responsibility. Mr. Youngkin was elected with a mandate to stop progressive tyranny. Prohibiting the use of DEI statements is a place to start.

Mr. Reno is editor of First Things.

A New Iran Deal Could Be an Occasion for Bipartisan Unity

By Joe Lieberman

The effort to bring bipartisan unity back to our government in Washington received an unexpected boost from an unlikely place last month. Iran's new foreign minister, Hossein Amir-Abdollahian, said that if talks on restarting the nuclear agreement between Iran and the P5+1 begin (as appears likely later this month), Tehran would demand assurances that "Washington will not renege on the deal again."

The only way to assure that is for President Biden to submit an agreement with Iran to the Senate as a treaty, needing 67 votes to be ratified. That would require support from members of both political parties. It would bring Washington, for a moment, back to bipartisanship in foreign policy.

What the Iranian foreign minister doesn't understand is that in our country the president can't bind our government to a policy beyond his term, without a vote by Congress enacting that policy into law. Achieving an agreement with Iran that could get 67 votes in the Senate wouldn't be easy, but it is worth the effort. It would restore the longtime bipartisan consensus in Washington about Iran that was broken during consideration of the Iran nuclear agreement in 2015.

Mr. Biden has conducted his policy toward Iran in a way that relies solely on the authority of the executive branch. Previous international agreements have been negotiated and implemented this way, like the Rome Statute of the International Criminal Court, the Paris Agreement on climate change, and the Joint Comprehensive Plan of Action, as the Iran agreement is officially styled. All were signed by American presidents without the consent of the Senate. Today America is no longer a party to any of those agreements. In each instance, the administration chose the easier political and diplomatic path over a more difficult but durable constitutional process. In each instance, the policy change didn't last long once the other party controlled the White House. President Trump withdrew the U.S. from the JCPOA in 2018 as unilaterally as President Obama had entered it in 2015.

That hasn't been the historical pattern. Over the past 60 years, most major arms-control agreements have been submitted to the Senate as treaties. Article II, Section 2 of the Constitution states that the president "shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided that two thirds of the Senators present concur." No international agreement can have the full force of law in the U.S. unless it is submitted to the Senate and ratified as a treaty. Moreover, shared responsibility among the political parties and branches of government on international agreements guarantees that those agreements have broad public support and will last longer.

The involvement of the Senate mandated by the Constitution is no accident. As Alexander Hamilton explained in Federalist No. 75, "It would be utterly unsafe and improper to entrust the power to enter international agreements to the president alone because interests of so delicate and momentous a kind, as those which concern [a nation's] intercourse with the rest of the world should not be at the sole disposal of a single individual. . . . The joint possession of the power in question, by the president and Senate, would afford a greater prospect of security."

The Constitution doesn't require minor international agreements to receive Senate approval, but the JCPOA is no small issue. It covers some of the most important strategic security threats that the U.S. is facing, and it affects international trade and foreign alliances. It also imposes multiyear obligations on the signatory countries. Whether to enter a new agreement with Iran is an important decision for the U.S. with major consequences for Americans.

There are supportive examples of presidents seeking the engagement of the Senate on international agreements. In 1985, when Ronald Reagan was president, Senate Majority Leader Bob Dole and Minority Leader Robert Byrd established the Arms Control Observer Group, a bipartisan body of 12 senators that, with the approval of the Reagan administration, joined U.S. diplomats as observers of America's nuclear negotiations with the Soviet Union. The members were able to present their views, ask questions, and engage in candid and confidential exchanges of ideas and information. After negotiations with the Soviets concluded successfully, the Reagan administration sent the Intermediate-Range Nuclear Forces Treaty to the Senate, which ratified it 93-5 in 1988.

To make it stick, Biden can follow the Constitution and submit it to the Senate for ratification as a treaty.

The Congressional Commission on the Strategic Posture of the United States recommended in 2008 that "the practice and spirit of executive-legislative dialogue on nuclear strategy that helped pave the way for bipartisanship and continuity in policy should be renewed. The Senate should revive the Arms Control Observer Group." That would strengthen the Senate's unique constitutional responsibility to ratify important international agreements, and make it much more likely that the deals they passed would remain for a long time.

President Biden now has a great opportunity. If he engages members of both parties in the Senate in the negotiating process with Iran, and agrees to submit a potential agreement for ratification by the Senate, he will restore bipartisanship to national-security policy and maximize the chances for an agreement that could end the Iranian nuclear threat.

Mr. Lieberman was the Democratic vice-presidential nominee in 2000 and a U.S. senator from Connecticut, 1989-2013. He is chairman of United Against Nuclear Iran and of No Labels.

THE WALL STREET JOURNAL.
PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch
Executive Chairman, News Corp

Matt Murray
Editor in Chief

Neal Lipschutz, *Deputy Editor in Chief*
Karen Miller Pensiero, *Managing Editor*

Jason Anders, *Chief News Editor*

Thorold Barker, *Europe;* **Elena Cherney,** *Coverage;* **Andrew Dowell,** *Asia;* **Anthony Galloway,** *Video & Audio;* **Brent Jones,** *Culture, Training & Outreach;* **Alex Martin,** *Print & Writing;* **Michael W. Miller,** *Features & Weekend;* **Emma Moody,** *Standards;* **Shazna Nessa,** *Visuals;* **Matthew Rose,** *Enterprise;* **Michael Siconolfi,** *Investigations*

Paul A. Gigot
Editor of the Editorial Page
Daniel Henninger, *Deputy Editor, Editorial Page;*
Gerard Baker, *Editor at Large*

DOW JONES | News Corp

Robert Thomson
Chief Executive Officer, News Corp

Almar Latour
Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:
Daniel Bernard, *Chief Experience Officer;* **Mae M. Cheng,** *SVP, Barron's Group;* **David Cho,** *Barron's Editor in Chief;* **Jason P. Conti,** *General Counsel, Chief Compliance Officer;* **Dianne DeSevo,** *Chief People Officer;* **Frank Filippo,** *EVP, Business Information & Services;* **Robert Hayes,** *Chief Business Officer, New Ventures;* **Aaron Kissel,** *EVP & General Manager, WSJ;* **Josh Stinchcomb,** *EVP & Chief Revenue Officer, WSJ | Barron's Group;* **Christina Van Tassell,** *Chief Financial Officer;* **Suzi Watford,** *EVP, Consumer & Chief Marketing Officer*

EDITORIAL AND CORPORATE HEADQUARTERS:
1211 Avenue of the Americas, New York, N.Y., 10036
Telephone 1-800-DOWJONES

Notable & Quotable: Reagan on Comebacks

John Fund writing on the Journal's website:

Peter Hannaford (1932-2015), who worked for Reagan for 30 years as a communications and media adviser, was a friend of mine. He would often tell me after a disastrous election for conservatives that Reagan had the wisdom to put it into perspective and the ability to inspire optimism about the future. . . . In [a] 1977 speech, Reagan noted that Democrats controlled the White House and held wide majorities in both houses of Congress. . . . In Hannaford's paraphrasing, Reagan then said:

Conservatives lose when two things happen at the same time. When the people we elect disappoint us and go in a direction we did not elect them to go in. That happened with Richard Nixon. The second is when liberals are smart enough to run someone as a moderate even when he is liberal.

Jimmy Carter, a Southern governor and evangelical Christian, ran as someone who claimed to be a moderate. But even if Jimmy Carter wants to be moderate, he can't be. His congressional leadership and the Democratic Party will not let him. He will govern from the left. If he governs from the left, he will fail. Liberalism always fails. That is why we believe in our principles and the Constitution.

So Carter will fail. People will notice; they will get upset and concerned. They may get angry and form groups and protest in the streets.

When that happens, we will be able to have another conversation with them. We will be able to open a dialogue and say, "We made mistakes, but we are renewing ourselves. We will deliver on the promises we make to the American people." I do not guarantee we will win, but we will be able to make our case.

WORLD NEWS

Ortega Set to Cement Power in Nicaragua

President who ousted dictator follows his lead by repressing dissent ahead of Sunday vote

Nicaraguans cast ballots in an election whose result the opposition says is preordained: President Daniel Ortega was expected to win an overwhelming majority, completing his transformation into a 21st century version of the dynastic dictator he helped overthrow as a guerrilla revolutionary more than 40 years ago.

*By **José de Córdoba** in San José, Costa Rica, and **Julián Navarrete** in Managua*

Mr. Ortega, 75 years old, who is running with his wife, Vice President Rosario Murillo, was expected to win a fourth consecutive term after he imprisoned seven would-be presidential candidates and 32 other leading businessmen, journalists, political foes, student and peasant leaders. The U.S. and European Union have described the elections as a sham.

On the streets of the capital Managua on Sunday, there was an overwhelming presence of police. Paramilitary supporters of the presidential couple were deployed at poll sites where there were few voters.

After eliminating all of his main competitors, Mr. Ortega faces only token opposition from five small satellite parties called "zancudo"—or mosquito parties—he controls.

"I came because I'm afraid they will give my ballot to somebody else," said a woman at a polling station, implying she was casting a blank vote.

At another polling station, Sandinista militant Fabio Hernández, 46, flashed two fingers to indicate he had voted for Mr. Ortega, who occupies the second spot on the election ballot. Mr. Hernández, a security guard, said the election was "just and clean."

In a statement late Sunday, President Biden condemned what he called "a pantomime election that was neither free nor fair, and most certainly not democratic." He promised to "use all diplomatic and economic tools at our disposal" to restore democracy.

Mr. Ortega's triumph would deepen Nicaragua's isolation. The U.S. government has said it is preparing new sanctions aimed at the country's leadership. His victory would risk increasing a migrant exodus to the U.S. and neighboring Costa Rica, where more than 100,000 Nicaraguans have asked for refuge since 2018, when 328 Nicaraguans were killed, almost all by security forces who suppressed protests that rattled Mr. Ortega's regime.

In a speech broadcast on television on Sunday from his home, Mr. Ortega said the political foes he has imprisoned were terrorists responsible for the 2018 protests. "The vote does not kill anyone," he said, urging listeners to vote for peace and against "terrorism, confrontation and death."

Historically, Nicaragua has sent few migrants to the U.S. But the latest wave of political repression sparked a wave of migrants to the U.S. Nearly 50,000 Nicaraguans were stopped on the U.S. southern border in the first nine months of the year, a record, according to U.S. government statistics.

In 1979, Mr. Ortega was one of the Sandinista guerrilla leaders who overthrew Anastasio Somoza, whose family had controlled the country for decades.

"Between Somoza and Daniel there is a competition to see which man will leave the deepest mark on the history of the country," said Eliseo Núñez, a Nicaraguan political consultant and former congressman who now lives in exile in Costa Rica.

A senior U.S. official said key decisions in Nicaragua are made together by Mr. Ortega and his wife, the 70-year-old vice president.

The presidential couple are also preparing their children, four of whom are under U.S. sanctions, along with Ms. Murillo, for more prominent public roles. "I think of it as a dynastic project," the U.S. official added.

From exile, Nicaraguan opposition parties have called for voters to boycott the polls. "I am not going to participate in this electoral circus," a woman who sells plastic products at a market said.

"My candidate is in prison," she added, referring to Cristiana Chamorro, who has been under house arrest since she was detained in June and charged with money laundering, an accusation she denies.

At the time of her arrest in June, Ms. Chamorro enjoyed the highest favorability rating of any politician in the country, with 53% approval, compared with 39% for Mr. Ortega.

Ms. Chamorro is the daughter of Violeta Barrios de Chamorro, who unexpectedly defeated Mr. Ortega in a 1990 presidential race, paving a way out of the decadelong civil war between the Sandinista army and U.S.-backed Contra rebels, a proxy Cold War conflict that killed thousands.

REUTERS

Voters lined up Sunday in the Nicaraguan capital Managua, where there was a strong police presence.

Breakthrough Cases Hinder Fight

By Denise Roland

LONDON—Covid-19 infections among vaccinated people are complicating the fight to bring the coronavirus under control. And in the U.K., where the path of the disease has been more closely tracked than just about anywhere in the world, they are on the rise.

Breakthroughs happen because vaccines, while still offering strong protection against severe illness and death, aren't bulletproof. The virus can in some cases infect the body and replicate, causing illness, before the immune response can tackle it. Immunity also wanes over time, prompting many countries, including the U.K., to roll out booster-shot campaigns.

Breakthrough infections are expected to become more common as more people get vaccinated: if 100% of the population were vaccinated, every infection would be a breakthrough infection. However, U.K. data also suggest that among vaccinated people, the chances of getting a breakthrough infection are up.

The rise in breakthroughs in the U.K. is being driven in part by children, still largely unvaccinated in the U.K., passing on the virus to their vaccinated parents. A detailed study on household transmission in the U.K. suggests a vaccinated person who shares a home with somebody with symptomatic Covid-19 has a 25% chance of catching the virus.

> **In the U.K., infections in fully vaccinated people are increasing.**

In addition, breakthrough infections contribute to the spread of the virus, posing a risk to vulnerable and unvaccinated people. The household-transmission study also found that a vaccinated person with symptomatic Covid-19 is as likely to pass the virus to someone who shares their home as an unvaccinated one.

Also contributing to stubbornly high numbers in the U.K. are the tenaciousness of the fast-transmitting Delta variant and, some scientists say, the lack of social-distancing and other measures aimed at curbing transmission. Still, thanks to the vaccines, hospitalizations and deaths are a fraction of what they were in previous phases.

In most age groups in England, breakthrough infections are higher now than they were in mid-August, according to data from the U.K. Health Security Agency, formerly Public Health England. That rise has been especially stark in people in their 40s. In the four weeks to Oct. 31, 2.1% of fully vaccinated 40-to-49-year-olds tested positive for the virus. That is up around 90% from a four-week infection rate of 1.1% in mid-August. Other age groups have seen more modest increases—between 22% and 56%—in the rate of breakthrough infections. In under-30s, the rate is now lower than it was in mid-August.

Ajit Lalvani, chair of infectious diseases at Imperial College London and lead author of the household-transmission study, said people in their 40s were at higher risk of breakthrough infection for two reasons. "Waning immunity plus pools of unvaccinated people acting as vectors of infection into the household where it transmits effectively to vaccinated parents," he said. "Both are happening."

Most people in their 40s received their second vaccination at least four months ago. A recent study from UKHSA found that vaccine effectiveness started to wane as early as 10 weeks after the second dose for the vaccines developed both by Pfizer Inc. and BioNTech SE, and by AstraZeneca PLC and the University of Oxford, the two most common in Britain.

They are also the most-likely age band to share a home with teenage children, a group that is still mostly unvaccinated in the U.K. and in which case numbers have been surging.

WORLD WATCH

SAIDU BAH/AGENCE FRANCE-PRESSE/GETTY IMAGES

A fuel tanker collided with another vehicle in Sierra Leone's capital of Freetown, causing an explosion that left dozens dead.

SIERRA LEONE

At Least 99 Dead In Fuel Tanker Blast

The death toll in a fuel tanker explosion in Sierra Leone's capital rose to at least 99, authorities said. Dozens were injured.

The explosion happened after a fuel tanker collided with another vehicle in Freetown's eastern suburb of Wellington, causing a large spill that ignited, officials said. Residents had gathered with plastic containers to collect the spilled gasoline, rescue workers and city authorities said.

By Saturday afternoon, 99 bodies had been recovered.

Such deadly explosions are common in sub-Saharan Africa, where residents living in impoverished cities and along highways converge around fuel tankers involved in accidents to steal gasoline and sell it

Sierra Leone, a major producer of gold and diamonds, has suffered from a prolonged economic downturn. The Covid-19 pandemic has aggravated the crisis.

—*Nicholas Bariyo*

ITALY

Hundreds of Rescued Migrants Reach Land

A German humanitarian ship with more than 800 rescued migrants, including 15 very young children, steamed into a Sicilian port on Sunday after being given permission after days of waiting in the Mediterranean Sea.

The charity group Sea-Eye said the vessel Sea-Eye 4 was assigned to the port of Trapani, in western Sicily, on Saturday.

Many of the passengers came from West Africa, Egypt or Morocco, according to an official from Save the Children in Italy.

—*Associated Press*

SUDAN

Dozens of Anti-Coup Protesters Arrested

Sudanese security forces dispersed demonstrators and rounded up more than 100 people Sunday in the capital of Khartoum, in the latest crackdown on pro-democracy protesters after last month's military coup.

The military seized power Oct. 25, dissolving the transitional government and arresting dozens of officials and politicians. The coup has drawn international criticism and protests across the country.

The takeover has upended a planned transition to democratic rule, more than two years after a popular uprising forced the removal of longtime autocrat Omar al-Bashir and his Islamist government.

—*Associated Press*

FRIEDEMANN VOGEL/SHUTTERSTOCK

Steam rises from a coal-fired power plant in Datteln, Germany.

Climate Negotiators Weigh New Tactics

By Matthew Dalton

GLASGOW—After a week of climate talks here at the COP 26 summit, negotiators are grappling with a fundamental math problem: The commitments governments have collectively made to slash greenhouse gas emissions don't add up to what scientists think is needed to avoid the most destructive effects of global warming.

Addressing that shortcoming is one of the main tasks of the summit's second week. Negotiators from key governments, including the U.S. and the European Union, are no longer banking on a few developing countries to come up with deeper cuts during the summit itself, officials say. Instead, they plan to negotiate how to push governments to make new, more ambitious pledges in the near future.

Officials are discussing ways to encourage governments to revisit their emissions plans more frequently than every five years, a schedule set by the Paris climate accord of 2015. That, they hope, could create a mechanism to embolden countries to continue reducing emissions more quickly.

The challenge is that most governments, including all the world's major emitters, have recently updated their emissions plans, and are expecting to spend the next few years passing them into law. The Biden administration is waging domestic political battles to adopt its proposals. Other governments such as China have just submitted updated plans under the Paris accord after rebuffing pressure by the West to be more ambitious.

While scientists say all countries are affected by climate change, pressure to cut emissions more quickly is coming from poorer countries that are particularly vulnerable to its impacts, such as rising sea levels and drought. The Climate Vulnerable Forum, a coalition of developing countries that includes Bangladesh, Ethiopia and the Maldives, last week asked governments to reexamine their emissions plans every year.

They want to make sure the plans are in line with the Paris accord's goal: cutting emissions to levels scientists hope will limit global warming to 1.5 degrees Celsius above preindustrial era temperatures by the end of the century.

The summit's first week delivered some important climate agreements, including pledges to stop deforestation and slash methane emissions. Dozens of countries said they would stop funding new coal-fired power plants, including some like Poland and Vietnam that rely heavily on coal to generate electricity.

India announced a long-awaited update to its climate-change plan. Prime Minister Narendra Modi said the country is aiming to generate half of its electricity from non-fossil fuel sources by 2030 and achieve net-zero greenhouse gases by 2070, meaning its emissions would be low enough that they can be completely offset by natural and artificial means of absorbing them.

The International Energy Agency said that with India's new announcement, the world is on track for 1.8 degrees of warming by the end of the century, the first time the agency's analysis has put Earth's temperature trajectory below two degrees. But the IEA also cautioned that governments' plans don't outline enough emissions reductions by 2030 to keep the 1.5-degree target within reach.

Governments face a daunting timeline. At current emissions levels, warming above the 1.5-degree threshold will be inevitable in less than 12 years, according to the Global Carbon Project, a collective of scientists that provides climate data to the United Nations. The U.N. says annual carbon-dioxide emissions need to fall 45% by 2030 compared with 2010 to hit the target.

To bridge the gap quickly, Western officials say they are discussing the idea of a more frequent examination of Paris accord plans. That could also be paired with an annual assessment of the plans conducted by the U.N., they say.

TECHNOLOGY: WIND-TURBINE MAKERS FACE DELIVERY WOES B9

BUSINESS & FINANCE

THE WALL STREET JOURNAL.

Last Week: S&P 4697.53 ▲2.00% S&P FIN ▼0.63% S&P IT ▲3.34% DJ TRANS ▲5.89% WSJ $ IDX ▲0.15% LIBOR 3M 0.143 NIKKEI 29611.57 ▲2.49% See more at WSJ.com/Markets

Business Grapples With Inventories

Companies deliberate just-in-time or just-in-case stockpiles as conditions normalize

By Alistair MacDonald And Georgi Kantchev

JASON HENRY FOR THE WALL STREET JOURNAL

Gilead Sciences is increasing its inventory of auxiliary products and tools, such as syringes, glass vials and filters.

Companies are wrestling with how big their inventories should be, since the pandemic highlighted the dangers of having both too much and too little stored away.

When the pandemic first struck and demand for many goods dived, some companies were left holding large, costly inventories. But closed borders, strained supply chains and rebounding demand meant bigger stock buffers can prove positive.

Now, the question of whether to maintain costly extra stockpiles or risk getting caught out again by disruption has emerged among the host of dilemmas businesses face, from whether to reshore production to how to best transport goods.

Companies on the S&P 500, excluding sectors that have few physical stockpiles like finance, increased their inventories by an average of 15% in the second quarter versus the comparable period in 2019, according to S&P Global Market Intelligence. Those inventories were 53% higher than the 10-year pre-Covid quarterly average.

Businesses from Nissan Motor Co. to PepsiCo Inc. say the decadeslong trend of hyper-efficient supply chains, often referred to as "just in time" manufacturing, could be ending. In a speech in October, President Biden said the world needed to take a longer-term view, as he unveiled measures to help alleviate port congestion.

However, many companies say they will likely return inventories to pre-Covid levels when trading conditions normalize. Holding large inventories ties up capital, requires extra space and people to manage it and needs to be insured. It is also a problem for companies selling products with a sell-by date.

Since the start of the pandemic, Austrian construction giant Strabag SE squirreled away so much extra building material, like steel and lumber, that rivals sometimes accused it of buying up everything, said Thomas Birtel, its chief executive. But that move isn't a lasting change in strategy.

"Our margins are so, so narrow that as soon as the situation and the ability to deliver has normalized, we will come back to a normal rhythm," said Mr. Birtel.

Kevin Keegan, an inventory-planning expert at consulting firm PricewaterhouseCoopers, said his clients tell him they will draw down inventories once supply chains recover. "Cost is still the driver for companies," he said.

Others worry stockpiling products could leave them sitting on goods that expire.

Incyte Corp.'s inventory of finished products was 156% higher in the second quarter than in the same period of 2019, partly because the drugmaker was seeking protection against supply-chain disruption. Finance chief Christiana Stamoulis said she expected inventories to return to pre-pandemic levels next year, once supply-chain strains ease.

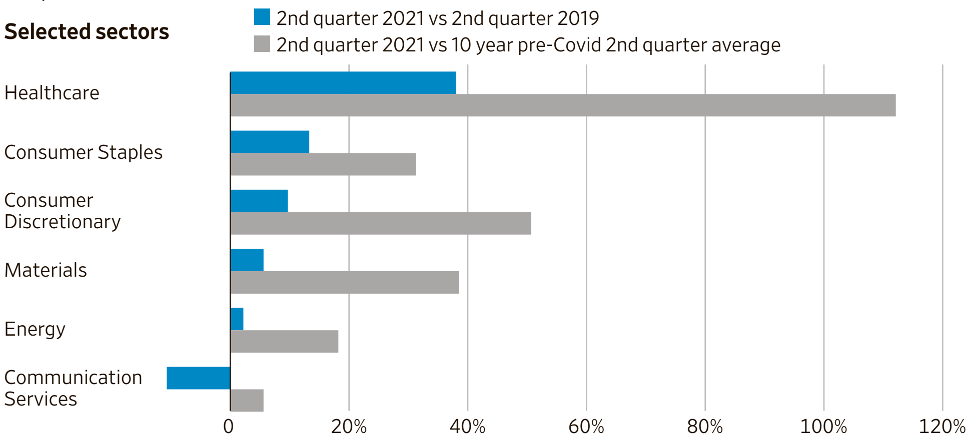
"We had an approach [pre-pandemic] that worked well," she said. "You don't want inventory that would expire."

Inventories can be problematic going into a demand shock like a pandemic. Companies like car makers and luxury-goods brands were left sitting on stockpiles they couldn't use when demand collapsed last year. Drinks companies including Guinness maker Diageo PLC and Budweiser brewer Anheuser-Busch InBev SA shared the cost of undrunk beer with their distributors to spare bars and restaurants from picking up the tab during lockdowns.

In the first four months of

Please turn to page B2

Several S&P 500 sectors have increased the size of their physical inventories since the pandemic started.



Source: S&P Global Market Intelligence

Pension Funds Face Narrower Investing Prospects

By Heather Gillers

State and local pension funds are reaping a historic windfall thanks to billions of dollars in record market gains and surplus tax revenues. Now they need to decide what to do with the money.

It is a bittersweet dilemma that the chronically underfunded retirement systems share with many household and institutional investors around the country. Just when they finally have cash to play around with, every investment opportunity seems perilous.

Leave the money in stocks, and a pension fund becomes more vulnerable to the type of losses suffered in the 2008-09 financial crisis. Move the money into bonds for safekeeping, and the fund risks losing even minimal gains to inflation. Seek out alternative assets to help diversify and drive up returns, and the fund enters a crowded competition for private equity and real estate where it can take years for money to be put to work.

Pension funds and other institutional investors lost 0.06% for the quarter that ended Sept. 30, according to Wilshire Trust Universe Comparison Service data released last week, their first negative return since the early days of the pandemic. After a year of stimulus-fueled economic gains on the heels of a decade-long bull market, it is hard to find bargains anywhere. That means investment chiefs are choosing where to park their unprecedented windfall in an increasingly volatile and unpredictable world.

"There are things going on that I've never seen, ever—people leaving the labor market, office buildings being vacant, ships in the middle of the ocean with cargo," said Angela Miller-May, chief investment officer for the $55 billion Illinois Municipal Retirement Fund. "Even if you've had years and years of investment experience, you've never experienced anything like this."

Ms. Miller-May's fund swelled by more than $10 billion over the past fiscal year, between market gains and contributions from the towns, cities, school districts and other governments it serves. The fund has bought close to $1 billion worth of bonds and, since a board decision to increase alternative investments in December, allocated an additional $1.54 billion to private equity and real estate, Ms. Miller-May said. She said about $140 mil-

Please turn to page B6

Retailers Answer Shortages With Substitutes

By Charity L. Scott And Suzanne Kapner

Retailers are pushing holiday shoppers to accept substitutions for items that are out of stock or in limited quantities due to supply-chain woes. Some consumers aren't quite sold on the idea.

Chains from **Foot Locker** Inc. to **Home Depot** Inc. have long sought to prevent shoppers from leaving their stores or websites with empty carts. But this type of suggestive selling took on greater urgency during the pandemic, when overseas factories temporarily shut, making many items scarce.

As factories have reopened, a shortage of available shipping containers, dock workers and truckers have also conspired to slow product deliveries. The resulting limited selection has made some consumers more open to alternatives, executives said.

Out-of-stock messages to online consumers have risen 32% since June, with August levels being highest for apparel, followed by sporting goods, baby products and electronics, according to the Adobe Digital Economy Index.

"We are seeing more of an opportunity for substitutions," Jared Briskin, chief merchant of sporting goods and apparel chain **Hibbett** Inc., said in August. "But at the same time, consumers frequently want what they want."

That is the case for Jamie Hobbs of Denver, who said substitutes won't cut it for her husband's Christmas gift. The 28-year-old publicist said that even though she is having trouble finding **Sony Group** Corp.'s PlayStation 5 game console, she won't purchase a similar item from another brand. "It's not like I'm going to buy him an Xbox," she said of the **Microsoft** Corp. videogame system.

Retailers have been working overtime to try to avoid problems in the first place.

Walmart Inc. Chief Executive Doug McMillon said the company's merchants are working with several suppliers to find alternatives for items that are out-of-stock. "When supplier A has an issue, they can move to supplier B, C, D, E, F to try and compensate in some way," he said at a September industry conference.

Suggesting alternatives is more straightforward when shoppers are in a physical store and can interact with a salesperson. It is harder online, but retailers are using data science to try to divine what customers are really looking for when they type in search words.

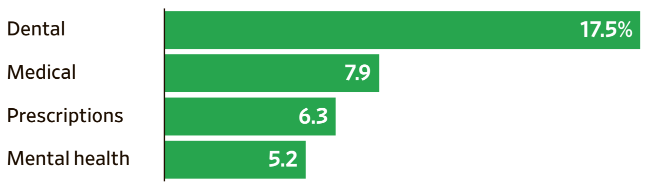
"When people search for latex gloves, they don't literally

Please turn to page B2

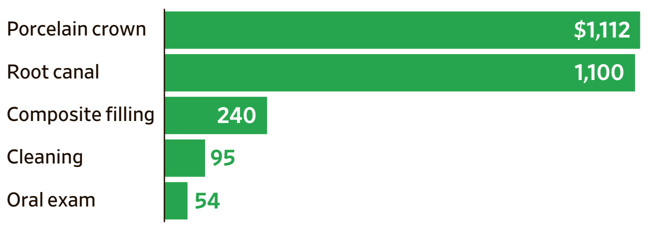
Lenders Find Dental Niche

By Orla McCaffrey

Share of adults skipping care because of cost within the previous 12 months, 2020



Median cost of dental treatments, 2020*



*Figures represent full procedure cost before insurance is applied. Procedure fees can vary based on the tooth, number of surfaces and materials used.

Sources: American Dental Association Health Policy Institute analysis of the National Health Interview Survey (share of adults); American Dental Association (treatment cost)

Linda Stultz learned last fall that she needed a $1,100 dental crown, but she didn't have the money.

So Ms. Stultz instead financed the treatment with CareCredit, a credit card offered by Synchrony Financial for healthcare and pet expenses. She first learned about the card from her veterinarian's office during a visit for her cat, Tinky.

Ms. Stultz, a 72-year-old retired social worker, has dental insurance through Medicare Advantage, but she can't find a local dentist who accepts it. She paid off the cost of the crown but used the card again this year for about $700 of fillings. She has a balance of about $580; if she doesn't pay it off by February, the bank will start charging about 27% interest.

Millions of Americans, including many who have dental insurance, have to take out personal loans or dig into slim savings to pay for dental care. Many forgo treatment altogether. A previous version of President Biden's proposed economic package would have given dental benefits to people on Medicare, but that measure was dropped from the pared-back version of the legislation.

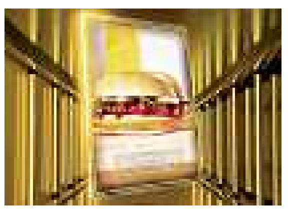
Covid-19 turbocharged investors' interest in medicine

Please turn to page B9

INSIDE

MARVEL STUDIOS-DISNEY/AP

BOX OFFICE
'Eternals' takes in $71 million, the fourth best debut during the pandemic. **B3**



TECHNOLOGY
McDonald's is among the companies using NFTs as a tool for marketing. **B4**

Amazon Cloud's Boss Readies to Defend Turf

By Aaron Tilley

Adam Selipsky has taken over at **Amazon.com** Inc.'s cloud-computing unit this year as it faces the biggest challenge ever to its dominance in the industry. To stay on top, he is taking a page from the playbook of his fast-growing rivals.

Microsoft Corp. and **Alphabet** Inc.'s Google have come on strong in recent years by offering customers not just the cloud infrastructure that Amazon Web Services pioneered, but also sophisticated and popular end-user software programs, such as those that help turn companies' pools of data into charts or tools for employee collaboration.

Mr. Selipsky said Amazon Web Services plans to maintain its lead by offering more applications that can help organizations take advantage of the cloud. For example, it developed a cloud tool that uses artificial intelligence to digitize and categorize physical documents, and another that monitors the health of the expensive equipment used in the agriculture and energy industries.

"We're still probably not close to where customers need us to be at the end of the day," said Mr. Selipsky, who became chief executive of Amazon Web Services, or AWS, in May. "We need to build a lot of services. We need to build a lot of capabilities."

At stake is one of the largest and fastest-growing markets in technology. Cloud services are worth more than $700 billion. AWS has led and been expanding with the industry for years, but its market share has been slipping, according to research firm Gartner Inc.

Microsoft increased its share of total cloud-computing revenue to 19.7% as of last year,

Please turn to page B6

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

INDEX TO PEOPLE

BUSINESS & FINANCE

Retailers Adapt to Shortages

Continued from page B1
need gloves made of latex," said Peter Curran, general manager of digital commerce at Lucidworks Inc., which uses machine learning to help retailers identify substitutes. "They need something to protect their hands." Lucidworks will suggest alternatives such as nitrile gloves made of synthetic rubber, as opposed to the natural rubber used for latex.

He said suggesting substitutes can lift purchase rates to levels similar to those for in-stock items, but added that customers are less likely to accept them for more-expensive goods.

The success of the strategy also varies depending on the item, said Patrice Louvet, chief executive of **Ralph Lauren** Corp. Shoppers are more likely to substitute coats, for instance, than dresses, where they might be more wedded to a particular style or pattern, he said.

Ms. Hobbs, who wouldn't substitute a pricey videogame console, felt differently about the out-of-stock jeans in a pale-blue wash she was eyeing at **Abercrombie & Fitch** Co. The retailer offered the same style in a slightly darker, more distressed finish, which she opted for instead.

Some online retailers rely on personalization algorithms that scour browsing and purchase histories to suggest similar items to customers, said Faisal Masud, CEO of e-commerce platform Fabric Inc., who has worked on inventory and fulfillment projects at Amazon.com Inc., eBay Inc. and Alphabet Inc.

While these recommendation engines—primarily meant for upselling—will offer shoppers similar alternatives to desired items, they might be more expensive or take longer to ship. "You may be on Wayfair buying a chair that should have shipped today, and now you're being sold on an upsell that won't arrive for another 10 days or might not have good ratings or might be a very high price," he said.

Consumers shopping for home goods care more about finding the perfect item than fast delivery and tend to browse different price points before settling on an item, a Wayfair representative said.

Wayfair CEO Niraj Shah told analysts in August that the home-decor retailer is using its selection of 22 million items to suggest substitutions for popular, yet unavailable goods. Out-of-stock listings are pushed to the end of a user's search results, and product pages offer a carousel of similar items to try instead.

Dropshippers like Wayfair, which has its suppliers send orders directly to customers, have more flexibility to make substitutions because they aren't sitting on inventory, according to Oppenheimer & Co. analyst Brian Nagel.

This approach doesn't mean Wayfair can find a viable alternative for every customer, which Mr. Shah acknowledged during the company's earnings call Thursday. "This is not a new feature and does not totally absolve us of losing out on some revenue if a customer decides to look elsewhere when faced with elevated out-of-stock levels on bestselling products," he said.

32%
Rise in out-of-stock messages to online customers since June

Avigail Lev of San Francisco, recently turned to another online retailer to find a teal-colored dresser when the one she wanted to buy at Wayfair wasn't available. "A lot of stores serve up substitutions," said the 40-year-old psychotherapist. "It's a great way to see other things you might like."

Retailers might be overselling the potential of substitutes to prevent lost sales from supply-chain shortages, said Sucharita Kodali, an e-commerce analyst at Forrester Research Inc. "If a consumer were open to a substitution in the first place, they didn't know what was available to them to start with and what's out of stock."

The National Retail Federation forecast holiday sales—those in November and December—could reach $859 billion, a 10.5% increase from the comparable 2020 period. More of those dollars could end up going to sales of secondhand goods and gift cards, as shoppers take the search for viable alternatives into their own hands, analysts and industry executives said.

Americans are expected to spend roughly $69.2 billion on previously owned items between October and December, up 24% from a year ago, according to research from online marketplace Mercari and research firm GlobalData PLC. Shoppers are expected to spend 27% more on gift cards this year, compared with a year ago, according to payments provider Blackhawk Network Holdings Inc.

Jared Rohrer, a 29-year-old Atlanta resident, said his wife wants a Louis Vuitton Speedy Bandoulière handbag that he has had trouble finding. While he plans to hunt for her gift, he will get gift cards for friends. "Any time I can't find a specific item that someone wants for the holidays, I'll get them a gift card instead," he said.


MAURITZ ANTIN/EPA/SHUTTERSTOCK
Since the start of the pandemic, construction giant Strabag squirreled away extra building material.

Inventories Pose a Dilemma

Continued from page B1
2020, as the virus took hold, shares of S&P 500 companies that had higher inventory levels fell much further than those with slimmer stockpiles, according to a study by New Zealand's Auckland University of Technology.

"The costs of carrying inventory during the period of depressed consumer demand and sales outweigh the benefits of inventory holdings as a buffer against supply-chain disruptions during this pandemic," the research paper concluded.

Still, some companies say their inventories will remain higher or be spread across locations. For years, German forestry-equipment seller BaSt-Ing GmbH used to order parts around a week before needing them, but the pandemic left the company struggling to secure what it needed. It increased inventory of some parts to levels that will cover it for the next six months, up from the usual one- to two-month coverage.

"We always used to order just-in-time, now we had to shift to just-in-case," said managing director Josef Strobl, adding that he would wait to see how supply-issues shake out before deciding whether to resume his previous strategy.

Gilead Sciences Inc. said it was significantly increasing its inventory of auxiliary products and tools, like syringes, glass vials and filters, which were suddenly in shortage during the pandemic.

"If you don't have them, you can't make the product," said Ken Kent, who manages manufacturing operations at the U.S.-based pharmaceutical company. Previously items like syringes were "kind of ubiquitous," he added.

"Accountants love [just in time], but the end, buyers don't like it. I call it just-not-in-time," Mr. Kent said.

Other companies say they will likely go back to normalized inventory levels, but will change how they manage them. Some multinationals—including Incyte—plan to decentralize stocks to place them closer to customers, giving them localized stockpiles to dip into during supply-chain strain.

Swiss drug maker Novartis AG is working to ensure each country it sells to has a second supply point for key products.

"One thing we learned last year was to have strategic inventory in more places...decreasing the dependency on single locations," said Amit Nastik, head of operations for Novartis' manufacturing and supply organization.

Abrdn Seeks Online-Broker Deal

By Julie Steinberg
And Ben Dummett

Scottish fund manager **Abrdn** PLC is in talks to acquire online broker **Interactive Investor**, the companies said Saturday, the latest bet on the growth of individual-investor trading.

The companies didn't disclose a possible sale price. According to a person familiar with the matter, any deal could value U.K.-based Interactive Investor at around £1.5 billion, equivalent to $2 billion. The companies are still discussing terms, and the talks could still collapse.

A tie-up would give Abrdn, with £532 billion in assets, a stronger foothold in individual investing, which took off during the pandemic as people day-traded their way out of boredom.

Interactive Investor, majority-owned by U.S. private-equity firm **J.C. Flowers** & Co. since 2016, has more than 400,000 customers and around £55 billion in assets. It is the second-largest retail-brokerage platform in the U.K. The largest, Hargreaves Lansdown, has 1.5 million clients.

A spokesperson for Interactive Investor said the platform has attracted interest from a number of parties. It is also considering an initial public offering, the spokesperson said.

Sky News reported earlier about the talks.

Abrdn changed its name from Standard Life Aberdeen this year, part of a revamp under Chief Executive Stephen Bird. He is looking to shake up the firm, whose share price has languished in recent years.

Abrdn dipped a toe into the consumer sector last month with its purchase of Finimize, an information service for individual investors that has more than one million subscribers to its daily newsletter.

Abrdn's interest in Interactive Investor is part of a broader trend in the financial-services sector to win business from individual investors who have gravitated toward surging markets.

BUSINESS NEWS

MARVEL STUDIOS/ASSOCIATED PRESS

The movie failed to meet expectations set by the comic-book epics, perhaps a result of the film's poor reviews and tepid audience response.

'Eternals' Leads at Box Office

Disney's Marvel epic is fourth-highest debut since pandemic began, boosting theaters

By Erich Schwartzel

Walt Disney Co.'s Marvel superheroes again rescued the nation's struggling theater chains at the box office over the weekend, with the studio's "The Eternals" opening to a healthy $71 million in the U.S. and Canada.

While a much-needed jolt of revenue for exhibitors, the opening failed to meet the sky-high expectations set by the comic-book epics, perhaps a result of the film's poor critical reviews and tepid audience response. The movie collected an additional $90.7 million from international ticket sales, according to preliminary studio estimates.

As the nation's entertainment industries try to encourage consumers to venture back to concerts and theme parks, the movie business has struggled to see consistent returns from weekend to weekend.

Estimated Box-Office Figures, Through Sunday

	Film	Distributor	Sales, in millions: Weekend*	Cumulative	% Change
1.	**'Eternals'**	Disney	$71	$71	—
2.	**'Dune'**	Warner Bros.	$7.6	$84	-51
3.	**'No Time to Die'**	United Artists Releasing	$6.2	$143.2	-20
4.	**'Venom: Let There Be Carnage'**	Sony	$4.5	$197	-22
5.	**'Ron's Gone Wrong'**	20th Century	$3.6	$17.6	-4

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

Big-budget offerings like "The Eternals"—the second Marvel film in two months to fill auditoriums—have been the consistent driver of ticket sales, and this most recent opening should give studios a dash of optimism ahead of the all-important holiday film season.

"The Eternals" opening puts it behind Marvel's Labor Day release, "Shang-Chi and the Legend of the Ten Rings," which made its debut to $95 million, or March's "Black Widow," which opened to $80 million. Still, "The Eternals" had the fourth-highest opening since the pandemic began, behind those two films and another comic-book adaptation: "Venom: Let There Be Carnage," released by **Sony Group** Corp.'s Sony Pictures Entertainment.

The strong performances of these big-budget, youth-oriented movies bodes well for the Christmas season, which exhibitors will be counting on to make up for months of empty seats. "Spider-Man: No Way Home" and a new installment in the "Matrix" franchise, both of which are scheduled to hit screens in late December, are considered the most likely candidates for blockbuster sales.

Directed by Chloé Zhao, this year's Academy Award winner for best director for her film "Nomadland," "The Eternals" follows a band of superheroes who have lived in secret but must come together to battle a new foe.

The movie is the 26th film in the hugely successful series of films known as the Marvel Cinematic Universe, and was repeatedly delayed as Disney waited for auditoriums around the world to reopen and return to fuller capacity.

"The Eternals" could struggle with the word-of-mouth needed to parlay its opening-weekend performance into a strong showing in the weeks to come.

The movie received harsher critical reviews than is typical for a Marvel film, and opening-weekend audiences gave it a "B" grade, according to the CinemaScore market research firm, a lower-than-usual grade for a Marvel movie. "Shang-Chi" received an "A," and "Black Widow" an "A-."

Media Company FiscalNote Seeks Listing Via SPAC

By Ben Dummett And Julie Steinberg

FiscalNote Holdings Inc., a Washington, D.C.-based provider of services used to track government policy, is in talks to go public through a merger with a special-purpose acquisition company at a valuation of $1.3 billion, according to people familiar with the matter.

The company, owner of Washington political publication CQ Roll Call, plans to merge with **Duddell Street Acquisition** Corp., the people said. The SPAC is listed on Nasdaq and is backed by Hong Kong hedge fund **Maso Capital.**

Companies and lawmakers use FiscalNote's software tools and information to navigate changes in legislation and government regulation in the U.S., European Union and other jurisdictions. Customers include the U.S. Securities and Exchange Commission, Southwest Airlines Co., Nestlé SA and Tesla Inc.

FiscalNote's backers include Mark Cuban, Jerry Yang and S&P Global Inc. They will remain shareholders as part of the merger plan, the people said.

FiscalNote and Duddell could announce the deal as soon as Monday, the people said.

Co-founded in 2013 by Chief Executive Tim Hwang, FiscalNote is raising a separate $100 million private investment in public equity, or PIPE, from investors as part of the merger plan, the people said. Those include Maso and others.

FiscalNote will get a total of $275 million from the Duddell merger. The company, whose competitors include the much larger Bloomberg LP and the London Stock Exchange Group PLC's Refinitiv, plans to use the new sources of money for product development and to help fund acquisitions.

Bloomberg and Refinitiv compete with Dow Jones & Co., the parent company of The Wall Street Journal.

Already this year, FiscalNote has struck nine deals to add products and expand geographically. That includes the September acquisition of Cambridge, Mass.-based Forge.AI Inc. Banks, asset managers and hedge funds use Forge's technology to identify and model risk.

FiscalNote targets customers affected by new regulations such as cryptocurrency, autonomous and electric vehicles, and the gig economy, the

> The owner of CQ Roll Call and other products aims for a $1.3 billion value.

people said. It also serves organizations looking to improve environmental, social and governance performance metrics.

SPACs, also known as blank-check companies, raise money by going public. They then have a set period, usually two years, to hunt for an acquisition target. They often appeal to companies as a faster way to gain a public listing and raise money than through a traditional initial public offering.

The structure, though, also allows investors to pull money out of a blank-check company before the merger goes through. That can leave the company going public with much less cash than expected.

Duddell raised $175 million in its SPAC IPO in October 2020. To offset the possibility of withdrawals before completion of the FiscalNote merger, Maso has agreed to backstop the full amount, the people said.

P2JW312000-2-B00400-1--------XA

Marketers Add NFTs to Toolbox

Brands are using nonfungible tokens to explore new strategies, engage new audiences

By Megan Graham

MARKETING & MEDIA

State Farm Mutual Automobile Insurance Co. rolled out an augmented-reality treasure hunt last week targeting football fans, the latest company to use nonfungible tokens as a way to reach potential customers with a new medium.

In the State Farm quest, fans can use mobile phones to search college campuses and other locations for more than a million virtual footballs that may contain prizes, including NFTs to keep or sell. NFTs are vouchers of authenticity for digital assets that can be traded and tracked indefinitely with blockchain technology.

Interest in NFTs is exploding, generating $10.67 billion in trading volume in the third quarter, up 704% from the second quarter, according to digital analytics firm DappRadar. There have been a number of headline-grabbing NFT deals, including the sale of a digital image by an artist in March for $69.3 million through Christie's.

Some marketers are experimenting with NFTs. Last week, fashion retailer American Eagle Outfitter Inc. put a collection of 120 NFTs up for sale at $1 each, and fast-food chain McDonald's Corp. began a sweepstakes giveaway of 10 McRib-themed NFTs. Brands including Campbell's, Pizza Hut, Taco Bell, Charmin and Pringles launched NFT-related promotions this year.

Last month, skin-care and cosmetics maker **Clinique Laboratories** LLC, part of global beauty brand Estee Lauder Cos., invited consumers to enter contests to win one of three NFTs inspired by its products.

"We started to see consumers shift into the NFT space. And for us, we just really wanted to explore," said Roxanne Iyer, Clinique's vice president of global consumer engagement.

MCDONALD'S USA, LLC

Fast-food chain McDonald's Corp. began a sweepstakes giveaway of 10 McRib-themed NFTs.

Clinique plans to continue investing in the area, Ms. Iyer added. "All of the things that we are able to work with the consumer on in the physical world is something that we are thinking about potentially in the digital world as well," she said.

But NFTs face criticism for the amount of energy used to authenticate them and their transactions. These tokens usually are bought with cryptocurrencies, which likewise consume high amounts of electricity and produce carbon emissions.

The environmental impact of many NFTs may be at odds with sustainability pledges many brands have made, said Mike Proulx, research director at Forrester Research Inc., in an email. "This could result in consumer backlash of brands that purport to be green."

NFTs have been called a fad, and, as marketers have moved in, the value of owning a brand's virtual slice of pizza or virtual football may not be obvious to many consumers.

"Brands that are getting into the NFT space have headwinds to contend with," Mr. Proulx said. "Blockchains, cryptocurrency, and digital wallets are still foreign territories to the everyday consumer."

He added: "Plus, legal ambiguity exists on whether NFTs grant 'ownership' of the actual digital asset or simply the token associated with the asset."

NFT advocates say the digital assets could play a role in future virtual platforms.

Interpublic Group of Cos. digital-ad firm R/GA in London is working with brands to help create virtual stores in metaverse platforms, including one that will launch next month for British clothing brand Vollebak on the virtual platform Decentraland. The store's digital merchandise can be bought and worn in the digital environment and are affixed with NFTs.

"These NFTs become assets, digital artifacts that you can then bring into your kind of virtual worlds that you're exploring, living in, playing in," said Tiffany Rolfe, R/GA's global chief creative officer.

Brands are exploring linking NFTs to the real world. Clinique's NFT sweepstakes promised winners a selection of the beauty brand's physical products for the next decade. American Eagle's NFTs come with woven patches with a corresponding image and a gift card.

"Over the past few months, many of the successful projects have had that element of utility really underpinning the value," said Avery Akkineni, president of consulting firm VaynerNFT, a division of communications company VaynerX that worked with American Eagle on its NFT promotion.

Many brands dabbling in NFTs are doing so hoping to earn media coverage, but they should be taking a longer view, Ms. Akkineni said. Brands could give owners of their NFTs the ability to get early access to merchandise, enter conferences, or even to vote on certain company matters, she said.

"I do think that the collectible market is a niche use case for NFTs. It's one that is resonating right now, and I think will continue to resonate," Ms. Akkineni said. "But it's not ultimately a game-changing opportunity."

Some consumers may feel more invested in a brand, both emotionally and financially, if they own its NFTs, said Craig Elimeliah, executive creative director at WPP advertising agency VMLY&R. Owning NFTs is like investing in "cultural stock," he said. "It's kind of like you have skin in the game, right?" Mr. Elimeliah added.

For State Farm, the NFT treasure hunt was a way of getting in front of those under the age of 40 and pursuing its project of using technology to pull consumers closer, said Alyson Griffin, the company's head of marketing. "It's around being able to continuously tell our story to that person over time," she said.

WSJ .COM CMO TODAY wsj.com/news/cmo-today

BHP Sells Two Mines For $1.35 Billion

By Rhiannon Hoyle

ADELAIDE, Australia—**BHP Group** Ltd. said it would sell its controlling interest in two metallurgical coal mines to **Stanmore Resources** Ltd. for as much as $1.35 billion, shifting focus to high-quality coal that it expects to be in demand as the global steel industry decarbonizes.

BHP said Stanmore will buy its 80% stake in BHP Mitsui Coal, which operates the South Walker Creek and the Poitrel coal mines in Queensland, a coal-rich Australian state located in the northeastern part of the country. Japan's **Mitsui** & Co. owns the remaining stake.

BHP will receive $1.1 billion when the deal is completed and an additional $100 million six months later. The world's biggest mining company by market value could receive as much as $150 million more in 2024 depending on movements in the price of metallurgical coal, an ingredient in steel manufacturing. BHP said profit from the deal could be used for future dividends, buybacks or both. It expects the deal to be completed in the middle of next year.

"As the world decarbonizes, BHP is sharpening its focus on producing higher-quality metallurgical coal sought after by global steelmakers to help increase efficiency and lower emissions," said Edgar Basto, president of BHP's minerals business in Australia. The miner began to seek a buyer for the mines last year.

BHP remains Australia's largest producer and exporter of metallurgical coal as an equal partner in a separate alliance with Mitsubishi Corp. That joint venture operates seven mines and owns and operates the Hay Point Coal Terminal in Australia.

AWS Boss Girds to Defend Turf

Continued from page B1

from 8.7% in 2016, while Google more than doubled to 6.1% in that period. AWS's share of 40.8% last year is still the largest, but it is down from 53.7% in 2016, Gartner said.

Amazon's rivals have been investing to gain market share. In 2019, Microsoft said it would invest $1 billion in the artificial-intelligence firm OpenAI LP, in part to get its advanced AI capabilities onto its cloud.

This month, Google's cloud unit struck a deal with **CME Group** Inc. that coincided with its $1 billion investment in the futures-exchange company.

Mr. Selipsky returned to AWS after a roughly five-year hiatus to take over the cloud giant from Andy Jassy, who helped start AWS in 2006 and built it into a profit juggernaut before being promoted to replace founder Jeff Bezos as Amazon's CEO in July. The cloud unit generated $4.9 billion in operating income in the latest quarter, more than the amount for Amazon as a whole.

Mr. Selipsky thinks there is still a lot of room for growth in the cloud, giving him a chance to make his own mark on the company. "Something on which I want to be very focused is figuring out more ways to make AWS easier to consume for more sets of customers," Mr. Selipsky said.

He brings experience that could help the company springboard into more businesses. Mr. Selipsky started in the early days of AWS, working with Mr. Jassy for about 10 years. He left in 2016 to take over as CEO of Tableau Software, a Seattle firm whose software helps organizations better interpret their data by turning it into charts they can tinker with. He helped shift Tableau's business model from selling software for a one-time fee to a subscription model in which software is delivered over the cloud. In 2019, **Salesforce.com** Inc. bought Tableau for more than $15 billion.

AWS built its head start in the cloud by investing in server farms and renting out that remote computing power to clients. Microsoft and Google have eaten into its lead, in part because they both have large end-user bases and popular cloud-software tools—such as Microsoft Word, Excel and Teams, and Google Docs, Sheets and Gmail—which they can use to lure business customers and pair with their own cloud infrastructure.

AWS offers basic services to store, manage and process data, but it hasn't succeeded much with applications higher up the cloud value chain that non-engineers can use. The lower-level, basic-infrastructure parts of the cloud will likely be commoditized in time, so AWS needs more higher-level services to keep cloud profits up, analysts said. It offers a videoconferencing app called Chime, although it hasn't gained much market share.


JOVELLE TAMAYO FOR THE WALL STREET JOURNAL
Adam Selipsky worked at Amazon in the early days of AWS.

"Amazon has always had a void in the application space as a whole," said Sid Nag, vice president at Gartner.

AWS needs to pivot to new and sophisticated tools to make the cloud more powerful for different types of businesses and easier to use, said Matt McIlwain, managing director at Seattle venture-capital firm Madrona Venture Group, an early investor in Amazon. "If AWS doesn't move up the stack and simplify it, they're going to be outmaneuvered by somebody," he said.

The pandemic accelerated demand as companies use the cloud to connect with remote workforces and customers. Total cloud spending, including from infrastructure services as well as applications such as videoconferencing and customer-management tools, will grow from $706.6 billion in 2021 to $1.3 trillion by 2025, estimates research firm International Data Corp.

Mr. Selipsky said he is striving to make AWS more accessible to employees inside organizations who aren't software engineers. He said AWS has some early success here. One example is Amazon Connect, a cloud-based contact-center system that lets customers such as **Barclays** PLC shift thousands of its contact-center workers to working from home.

AWS is rolling out tools designed for specific industries such as financial services, automotive, telecom and media.

At AWS's annual cloud conference in Las Vegas starting later this month, the company will launch more of these higher-level services that Mr. Selipsky has hinted at, a person familiar with the company's plans said.

"I think it's really important that we remember that we're still at the very beginning of the journey," the person said.

Investments Narrow for Pensions

Continued from page B1

lion of that money has been put to work so far.

Around the country, pension managers are competing to reinvest blockbuster gains from the 2021 fiscal year, which injected around $800 billion into state retirement systems alone, according to an estimate by the Pew Charitable Trusts. The funds, which serve police, teachers and other public workers, still have hundreds of billions of dollars less than needed to cover promised benefits. Even so, they grew more in the 12 months ended June 30 than in any of the past 30 years.

Some pension funds are also getting injections of cash from 2021 state tax collections supercharged by federal stimulus programs.

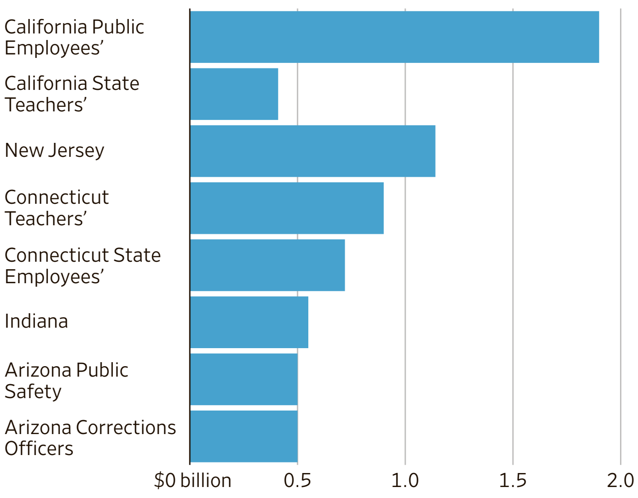
California transferred an extra $2.31 billion to its teachers' and public workers' pension funds after stock gains and the economic recovery bolstered income tax collections, according to budget documents. Connecticut Treasurer Shawn Wooden is transferring an additional $1.62 billion to that state's teachers' and workers' pension funds in accordance with a mandate that excess revenue be used to pay down debt.

This year New Jersey is making the full pension payment recommended by its actuaries for the first time since 1996, plus an extra half-billion dollars, funneling a total of $6.9 billion to the state's deeply underfunded retirement plan, the New Jersey treasurer's office said.

Asked how the money would be used, a spokeswoman for the state's division of investment said it "will continue to move forward toward the previously established allocation targets." The $101 billion fund's private equity, private credit, real estate and real assets portfolios each contained between $1 billion and $3 billion less than the goal amount as of Aug. 31, records show.

Some states funneled surplus 2021 revenues from income tax collections and other sources into their pension funds.

State funds received beyond expected pension payments



Source: State financial reports, treasurers' offices and finance departments

New Jersey's investment division said this fall that it intended to start reinvesting gains from one of its private-equity investments as a way to deploy capital into the asset class more quickly after the fund earned nearly 48% on its private-equity portfolio for the year ended June 30.

Some funds are branching out into new assets. In May, the Jacksonville, Fla., Police and Fire Pension Fund approved the first investment in a recently created $200 million private credit portfolio, a $100 million allocation to Ares Management Corp. The Houston Firefighters' Relief and Retirement Fund in October bought $25 million worth of bitcoin and ether.

One of the most common moves pension funds are making amid the current windfall, however, isn't an investment at all. Instead, retirement systems from South Carolina to Idaho are surveying the market landscape and lowering their investment-return projections at a pace never seen before, said Keith Brainard, research director of the National Association of State Retirement Administrators.

Pension funds have been slowly rolling back those targets for years as a decades-long drop in bond rates has driven down the amount they can earn on safe fixed-income investments. Several pension officials also said the pandemic-prompted federal funding and market intervention early last year accelerated stock-market gains that otherwise would have unfolded more slowly, reducing expectations for the coming decade.

"There are a lot of questions as to whether the returns are front-loaded and whether they can be sustained," said Kevin Olineck, director of the **Oregon Public Employees Retirement System**, which lowered projections to 6.9% from 7.2% last month.

MARKETS DIGEST

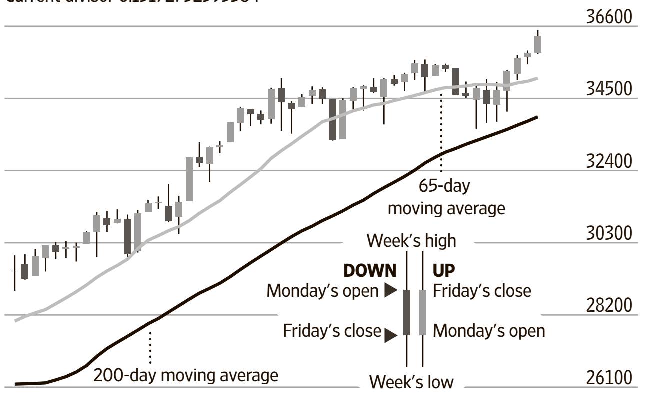
Dow Jones Industrial Average

36327.95 ▲508.39, or 1.42% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	22.65	28.15
P/E estimate *	18.89	23.46
Dividend yield	1.87	2.18
All-time high	36327.95, 11/05/21	

Current divisor 0.15172752595384



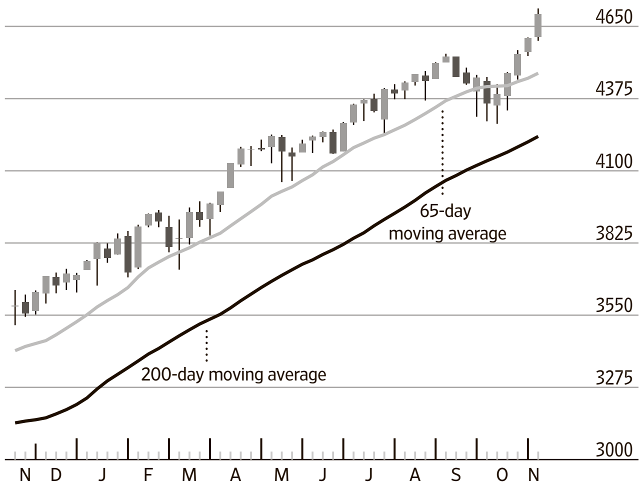
Bars measure the point change from Monday's open

S&P 500 Index

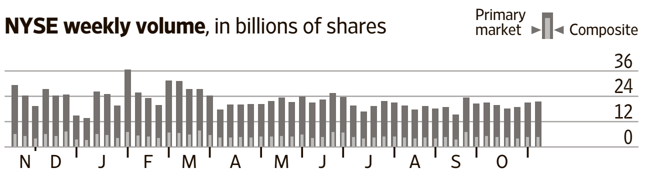
4697.53 ▲92.15, or 2.00% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	29.05	39.81
P/E estimate *	22.45	25.15
Dividend yield *	1.27	1.74
All-time high	4697.53, 11/05/21	



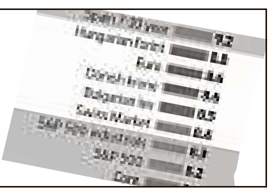
NYSE weekly volume, in billions of shares



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Track the Markets

Compare the performance of selected global stock indexes, bond ETFs, currencies and commodities at **wsj.com/graphics/track-the-markets**



Major U.S. Stock-Market Indexes

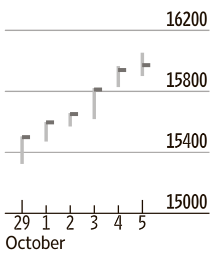
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	% chg YTD	3-yr. ann.
Dow Jones											
Industrial Average	36484.75	35797.97	**36327.95**	508.39	**1.42**	28323.40		36327.95	**28.3**	18.7	**12.6**
Transportation Avg	18246.51	15859.14	**16843.98**	937.40	**5.89**	11614.65		17039.38	**45.0**	34.7	**17.6**
Utility Average	924.81	902.84	**918.63**	2.72	**0.30**	795.61		952.62	**4.2**	6.2	**7.7**
Total Stock Market	48971.62	47636.01	**48742.86**	1071.96	**2.25**	36050.46		48742.86	**35.2**	24.3	**19.9**
Barron's 400	1113.82	1084.99	**1110.29**	41.20	**3.85**	765.78		1110.29	**45.0**	30.3	**16.7**
Nasdaq Stock Market											
Nasdaq Composite	16053.39	15470.82	**15971.59**	473.20	**3.05**	11553.86		15971.59	**34.3**	23.9	**29.6**
Nasdaq-100	16454.48	15785.31	**16359.38**	508.91	**3.21**	11624.29		16359.38	**35.3**	26.9	**33.1**
S&P											
500 Index	4718.50	4595.06	**4697.53**	92.15	**2.00**	3509.44		4697.53	**33.9**	25.1	**19.7**
MidCap 400	2923.06	2794.11	**2905.11**	111.00	**3.97**	2026.95		2905.11	**43.3**	25.9	**15.8**
SmallCap 600	1470.67	1380.64	**1465.74**	89.28	**6.49**	925.22		1465.74	**58.4**	31.0	**14.6**
Other Indexes											
Russell 2000	2449.14	2298.08	**2437.08**	139.89	**6.09**	1644.16		2437.08	**48.2**	23.4	**16.3**
NYSE Composite	17306.21	17016.41	**17242.36**	225.95	**1.33**	13218.68		17242.36	**30.4**	18.7	**11.5**
Value Line	696.62	671.18	**694.85**	23.67	**3.53**	490.07		694.85	**41.8**	22.2	**8.8**
NYSE Arca Biotech	5816.38	5573.19	**5616.46**	-60.38	**-1.06**	5329.50		6319.77	**2.5**	-2.1	**5.4**
NYSE Arca Pharma	794.33	776.66	**787.81**	9.63	**1.24**	657.84		811.41	**19.8**	14.3	**10.5**
KBW Bank	142.57	137.93	**139.18**	0.55	**0.39**	78.52		142.61	**77.3**	42.2	**11.6**
PHLX§ Gold/Silver	135.00	127.81	**134.09**	4.48	**3.46**	117.06		166.01	**-13.7**	-7.0	**25.9**
PHLX§ Oil Service	63.77	60.58	**61.56**	1.052	**1.74**	28.76		69.77	**114.1**	38.9	**-20.5**
PHLX§ Semiconductor	3789.59	3451.68	**3756.55**	305.28	**8.85**	2422.33		3756.55	**48.5**	34.4	**45.1**
Cboe Volatility	17.70	14.73	**16.48**	0.22	**1.35**	15.01		37.21	**-33.7**	-27.6	**-6.2**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

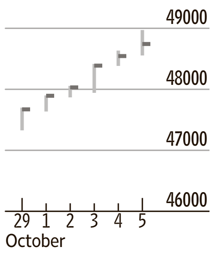
Nasdaq Composite

▲ 473.20, or 3.05% last week



DJ US TSM

▲ 1071.96, or 2.25% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	% chg	52-Week Range Low	Close	High	YTD % chg
World	**MSCI ACWI**	757.13	**1.60**	592.76		757.13	17.2
	MSCI ACWI ex-USA	351.02	**1.12**	294.24		359.82	7.5
	MSCI World	3232.26	**1.81**	2470.05		3232.26	20.2
	MSCI Emerging Markets	1264.07	**–0.05**	1176.36		1444.93	–2.1
Americas	**MSCI AC Americas**	1817.00	**1.89**	1359.63		1817.00	23.8
Canada	**S&P/TSX Comp**	21455.82	**1.99**	16282.83		21455.82	23.1
Latin Amer.	**MSCI EM Latin America**	2154.48	**2.18**	2007.37		2687.02	–12.1
Brazil	**BOVESPA**	104824.23	**1.28**	100925.11		130776.27	–11.9
Chile	**S&P IPSA**	2868.51	**6.87**	2625.86		3396.76	0.38
Mexico	**S&P/BMV IPC**	51977.96	**1.30**	38530.50		53304.74	18.0
EMEA	**STOXX Europe 600**	483.44	**1.67**	366.40		483.44	21.2
	STOXX Europe 50	3758.32	**1.90**	2900.41		3758.32	20.9
Eurozone	**Euro STOXX**	483.56	**2.43**	358.26		483.56	21.6
	Euro STOXX 50	4363.04	**2.65**	3204.05		4363.04	22.8
Austria	**ATX**	3881.93	**4.32**	2153.23		3881.93	39.6
Belgium	**Bel-20**	4385.57	**2.50**	3191.33		4402.32	21.1
France	**CAC 40**	7040.79	**3.08**	4960.88		7040.79	26.8
Germany	**DAX**	16054.36	**2.33**	12480.02		16054.36	17.0
Greece	**Athex Composite**	906.85	**0.98**	588.10		929.26	12.1
Israel	**Tel Aviv**	1887.24	**2.04**	1373.98		1887.24	25.9
Italy	**FTSE MIB**	27795.93	**3.42**	19682		27796	25.0
Netherlands	**AEX**	819.72	**1.09**	572.90		820.38	31.2
Portugal	**PSI 20**	5644.63	**–1.52**	4040.86		5826.31	15.2
Russia	**RTS Index**	1848.10	**0.23**	1178.28		1919.58	33.2
South Africa	**FTSE/JSE All-Share**	67825.34	**0.53**	56387.04		69617.16	14.2
Spain	**IBEX 35**	9130.57	**0.80**	6870.4		9281.1	13.1
Sweden	**OMX Stockholm**	996.43	**2.73**	728.53		1003.75	29.7
Switzerland	**Swiss Market**	12321.85	**1.76**	10305.52		12545.35	15.1
U.K.	**FTSE 100**	7303.96	**0.92**	5910.02		7303.96	13.1
Asia-Pacific	**MSCI AC Asia Pacific**	198.52	**0.66**	182.5		220.6	–0.7
Australia	**S&P/ASX 200**	7456.90	**1.82**	6190.2		7628.9	13.2
China	**Shanghai Composite**	3491.57	**–1.57**	3310.10		3715.37	0.5
Hong Kong	**Hang Seng**	24870.51	**–2.00**	23966.49		31084.94	–8.7
India	**S&P BSE Sensex**	60067.62	**1.28**	41340.16		61765.59	25.8
Japan	**NIKKEI 225**	29611.57	**2.49**	24325.23		30670.10	7.9
Malaysia	**FTSE Bursa Malaysia KLCI**	1531.73	**–1.96**	1489.80		1684.58	–5.9
Singapore	**Straits Times**	3242.34	**1.38**	2578.68		3242.34	14.0
South Korea	**KOSPI**	2969.27	**–0.05**	2416.50		3305.21	3.3
Taiwan	**TAIEX**	17296.90	**1.82**	12973.53		18034.19	17.4

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	948.50	-9.57	**-1.00**	29.65
Refinitiv/CC CRB Index	235.00	-2.69	**-1.13**	40.05
Crude oil, $ per barrel	81.27	-2.30	**-2.75**	67.50
Natural gas, $/MMBtu	5.516	0.090	**1.66**	117.25
Gold, $ per troy oz.	1816.40	33.40	**1.87**	-4.05
U.S. Dollar Index	94.22	0.10	**0.10**	4.77
WSJ Dollar Index	88.51	0.13	**0.15**	4.14
Euro, per dollar	0.8645	0.000	**-0.04**	5.60
Yen, per dollar	113.40	-0.62	**-0.54**	9.77
U.K. pound, in dollars	1.35	-0.019	**-1.41**	-1.23

	52-Week Low	Close (●)	High	% Chg
DJ Commodity	643.76		972.68	**47.34**
Refinitiv/CC CMD	147.70		241.18	**59.11**
Crude oil, $ per barrel	37.14		84.65	**118.82**
Natural gas, $/MMBtu	2.305		6.312	**91.00**
Gold, $ per troy oz.	1677.70		1952.70	**-6.87**
U.S. Dollar Index	89.44		94.52	**2.16**
WSJ Dollar Index	84.56		88.90	**1.52**
Euro, per dollar	0.8112		0.8672	**2.66**
Yen, per dollar	102.72		114.38	**9.72**
U.K. pound, in dollars	1.31		1.42	**2.62**

New to the Market

IPO Scorecard B8

Public Offerings of Stock

IPOs in the U.S. Market

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

Expected pricing date	Filed	Issuer/business	Symbol/ primary exchange	Shares (mil.)	Pricing Range($) Low/High	Bookrunner(s)
11/9	10/1	Rivian Automotive Inc Automobile manufacturer producing electric utility and adventure vehicles.	**RIVN** Nq	**135.0**	57.00/ 62.00	MS, GS, JPM, Barclays, DB, Allen & Co LLC, BofA Securities, Mizuho, WFS
11/10	10/12	Lulus Women's online clothing.	**LVLU** Nq	**5.8**	16.00/ 19.00	GS, BofA Securities, Jefferies
11/8	10/15	Third Coast Bancshares Inc Bank holding company.	**TCBX** Nq	**3.0**	24.00/ 26.00	Stephens, Piper Sandler, DB
11/9	10/15	CI&T Inc Software-Computer, Traditional & Other. Software company engaged with providing software development and consulting services.	**CINT** N	**19.4**	17.00/ 19.00	GS, Citi, JPM, MS
11/9	10/15	Expensify Inc Software-Financial Technology company engaged with the operation of an online expense management service platform.	**EXFY** Nq	**9.7**	23.00/ 25.00	JPM, Citi, BofA Securities
11/10	10/18	Weave Communications Inc Software-Computer, Traditional & Other. Software company engaged with providing communication integration solutions.	**WEAV** N	**5.0**	25.00/ 28.00	GS, BofA Securities, Citi
11/10	10/18	Backblaze Inc Software services provider.	**BLZE** Nq	**6.3**	15.00/ 17.00	Oppenheimer Inc, W. Blair LLC, Raymond James & Associates Inc, JMP Securities LLC, B Riley Securities Inc

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.

Lockup expiration	Issue date	Issuer	Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Nov. 10	May 14, '21	E-Home Household Service Holdings	**EJH**	4.50	22.0	**–39.3**	180 360
Nov. 13	Feb. 16, '21	Virpax Pharmaceuticals	**VRPX**	10.00	15.0	**–58.6**	270 days
	May 11, '21	IPOWER	**IPW**	5.00	24.0	**–44.2**	180 days
	May 13, '21	Vera Therapeutics	**VERA**	11.00	65.3	**79.5**	180 days

Sources: Dealogic; Dow Jones Market Data

Other Stock Offerings

Secondaries and follow-ons expected this week in the U.S. market

Expected	Issuer/Business	Symbol/ Primary exchange	Amount ($mil.)	Friday's price ($)	Bookrunner(s)
Nov. 8	**Hertz Global Holdings Inc** Transportation	**HTZ** Nq	1002.0	34.39	GS, JPM, MS, Barclays, Deutsche Bank

Off the Shelf

None expected this week

Public and Private Borrowing

Treasurys

Monday, November 8

Auction of 13 and 26 week bills;
announced on November 3; settles on November 15

Auction of 3 year note;
announced on November 3; settles on November 15

Tuesday, November 9

Auction of 10 year note;
announced on November 3; settles on November 15

Wednesday, November 10

Auction of 4 and 8 week bills;
announced on November 9; settles on November 16

Auction of 30 year bond;
announced on November 3; settles on November 15

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 507.61 points, or 1.42%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $35,527, or a gain of 18.42%, on the $30,000 investment, including reinvested dividends.

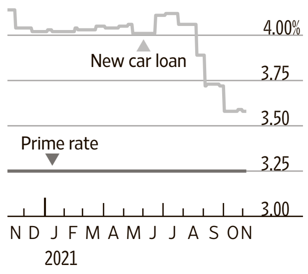
The Week's Action Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '20)
8.42	17.43	114.83	**Boeing**	BA	$224.46	**$1,049**
6.76	3.18	20.94	**Walgreens**	WBA	50.20	**1,295**
6.11	10.22	67.32	**Nike**	NKE	177.51	**1,262**
4.18	2.34	15.40	**Dow**	DOW	58.31	**1,085**
3.92	1.92	12.64	**Intel**	INTC	50.92	**1,048**
3.88	6.56	43.23	**Walt Disney**	DIS	175.63	**969**
3.73	9.16	60.34	**McDonald's**	MCD	254.71	**1,208**
3.45	4.12	27.73	**IBM**	IBM	123.61	**1,066**
3.40	7.44	49.01	**Honeywell**	HON	226.06	**1,076**
3.29	6.80	44.74	**Amgen**	AMGN	213.77	**950**
2.52	7.56	49.80	**salesforce.com**	CRM	307.25	**1,381**
2.31	4.90	32.32	**Visa**	V	216.67	**995**
2.13	3.05	20.09	**Procter & Gamble**	PG	146.04	**1,076**
1.97	1.10	7.24	**Cisco**	CSCO	57.07	**1,313**
1.75	3.12	20.54	**3M**	MMM	181.80	**1,065**
1.67	2.91	19.19	**American Express**	AXP	176.69	**1,478**
1.34	4.44	29.25	**Microsoft**	MSFT	336.06	**1,521**
0.99	1.48	9.74	**Apple**	AAPL	151.28	**1,147**
0.92	1.87	12.33	**Caterpillar**	CAT	205.88	**1,155**
0.83	0.47	3.10	**Coca-Cola**	KO	56.84	**1,061**
0.54	0.81	5.33	**Walmart**	WMT	150.23	**1,055**
0.34	0.55	3.61	**Johnson & Johnson**	JNJ	163.43	**1,058**
0.22	0.25	1.66	**Chevron**	CVX	114.74	**1,414**
–0.80	–1.28	–8.43	**Travelers**	TRV	159.60	**1,156**
–0.90	–3.34	–21.99	**Home Depot**	HD	368.40	**1,410**
–1.01	–4.66	–30.69	**UnitedHealth Group**	UNH	455.81	**1,314**
–1.08	–1.84	–12.13	**JPMorgan Chase**	JPM	168.05	**1,355**
–1.42	–0.75	–4.94	**Verizon**	VZ	52.24	**930**
–1.52	–6.27	–41.36	**Goldman Sachs**	GS	407.08	**1,562**
–7.31	–6.44	–42.45	**Merck**	MRK	81.61	**1,074**

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	**3.58%**
Truist	**2.05%**
Charlotte, NC	844-487-8478
First Command Bank	**2.49%**
Fort Worth, TX	888-763-7600
First Savings Bank of Hegewisch	**2.75%**
Chicago, IL	773-646-4200
PNC Bank	**2.97%**
Washington, DC	888-PNC-BANK
Chase Bank	**3.19%**
New York, NY	800-CHA-SE24

Interest rate	Yield/Rate (%) Last (●)	Week ago	52-Week Range (%) Low	0 2 4 6 8	High	3-yr chg (pct pts)
Federal-funds rate target	0.00-0.25	0.00-0.25	0.00		0.25	**-2.00**
Prime rate*	3.25	3.25	3.25		3.25	**-2.00**
Libor, 3-month	0.14	0.13	0.11		0.25	**-2.45**
Money market, annual yield	0.07	0.07	0.07		0.21	**-0.42**
Five-year CD, annual yield	0.41	0.41	0.41		0.59	**-1.48**
30-year mortgage, fixed†	3.19	3.16	2.83		3.37	**-1.77**
15-year mortgage, fixed†	2.49	2.45	2.28		2.63	**-1.82**
Jumbo mortgages, $548,250-plus†	3.20	3.16	2.85		3.41	**-1.79**
Five-year adj mortgage (ARM)†	2.88	2.86	2.83		3.43	**-1.86**
New-car loan, 48-month	3.58	3.59	3.58		4.14	**-1.05**

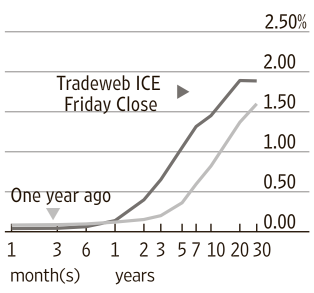
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

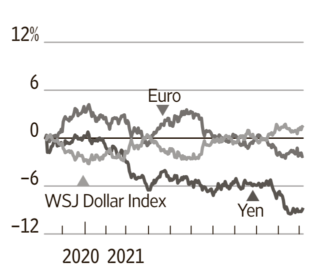
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	1.060	1.140				-2.31	5.33
U.S. Treasury Long, Bloomberg	1.870	1.940				-6.25	11.66
Aggregate, Bloomberg	1.580	1.660	34	29	52	-0.52	5.91
Fixed-Rate MBS, Bloomberg	1.810	1.890	26	7	52	-0.27	4.27
High Yield 100, ICE BofA	3.755	3.762	279	247	383	7.093	6.225
Muni Master, ICE BofA	0.955	0.995	9	7	37	1.921	5.130
EMBI Global, J.P. Morgan	4.785	4.850	329	303	366	2.437	6.518

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0100	99.9035	18.8
Brazil real	.1805	5.5413	6.7
Canada dollar	.8027	1.2458	–2.2
Chile peso	.001232	811.40	14.2
Colombia peso	.000258	3872.50	13.2
Ecuador US dollar	1	1	unch
Mexico peso	.0492	20.3418	2.3
Uruguay peso	.02273	43.9900	3.9
Asia-Pacific			
Australian dollar	.7401	1.3512	3.9
China yuan	.1563	6.3989	–2.0
Hong Kong dollar	.1285	7.7829	0.4
India rupee	.01348	74.191	1.6
Indonesia rupiah	.0000698	14328	2.0
Japan yen	.008818	113.40	9.8
Kazakhstan tenge	.002328	429.57	1.9
Macau pataca	.1247	8.0205	0.4
Malaysia ringgit	.2404	4.1600	3.4
New Zealand dollar	.7118	1.4049	0.9
Pakistan rupee	.00588	170.005	6.0
Philippines peso	.0199	50.222	4.6
Singapore dollar	.7407	1.3500	2.2
South Korea won	.0008463	1181.60	8.8
Sri Lanka rupee	.0049628	201.50	8.8
Taiwan dollar	.03591	27.845	–0.9
Thailand baht	.03017	33.150	10.4
Vietnam dong	.00004409	22681	–1.7
Europe			
Czech Rep. koruna	.04583	21.820	1.6
Denmark krone	.1555	6.4298	5.5
Euro area euro	1.1568	.8645	5.6
Hungary forint	.003221	310.46	4.5
Iceland krona	.007701	129.86	1.6
Norway krone	.1169	8.5577	–0.2
Poland zloty	.2516	3.9748	6.5
Russia ruble	.01406	71.149	–3.9
Sweden krona	.1167	8.5710	4.2
Switzerland franc	1.0963	.9122	3.1
Turkey lira	.1032	9.6935	30.3
Ukraine hryvnia	.0382	26.1500	–7.8
UK pound	1.3497	.7409	1.2
Middle East/Africa			
Bahrain dinar	2.6525	.3770	–0.01
Egypt pound	.0637	15.6983	–0.3
Israel shekel	.3216	3.1094	–3.2
Kuwait dinar	3.3116	.3020	–0.7
Oman sul rial	2.5974	.3850	...
Qatar rial	.2735	3.656	0.4
Saudi Arabia riyal	.2666	3.7510	–0.02
South Africa rand	.0665	15.0475	2.4

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	88.51	–0.13	–0.15	4.14

Sources: Tullett Prebon, Dow Jones Market Data

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-ends 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: Lipper

Friday, November 5, 2021

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Equity **ADX**	25.14	21.66	-13.8	36.4
Boulder Growth & Income **BIF**	16.39	13.56	-17.3	42.5
Central Secs **CET**	53.15	44.80	-15.7	58.4
CohenStrsCEOppFd **FOF**	14.37	14.34	-0.2	41.7
EVTxAdvDivIncm **EVT**	28.90	29.36	+1.6	57.1
GabelliDiv&IncTr **GDV**	30.34	27.37	-9.8	51.3
Gabelli Equity Tr **GAB**	6.68	7.06	+5.7	36.0
GeneralAmer **GAM**	55.33	46.41	-16.1	42.2
JHancockTaxAdvDiv **HTD**	25.27	24.66	-2.4	34.4
Liberty All-Star Equity **USA**	8.50	8.45	-0.6	49.4
Liberty All-Star Growth **ASG**	9.16	9.70	+5.9	36.0
Royce Micro-Cap Tr **RMT**	14.28	12.38	-13.3	56.7
Royce Value Trust **RVT**	21.94	19.86	-9.5	53.5
Source Capital **SOR**	48.94	46.06	-5.9	30.4
Sprott Focus Trust **FUND**	9.87	9.15	-7.3	57.1
Tri-Continental **TY**	39.75	35.45	-10.8	38.1
Specialized Equity Funds				
Aberdeen Glb Prem Prop **AWP**	6.94	6.58	-5.2	51.0
Adams Natural Resources **PEO**	20.21	17.38	-14.0	92.5
ASA Gold & Prec Met Ltd **ASA**	25.03	21.20	-15.3	-3.5
BR Enh C&I **CII**	21.93	21.64	-1.3	43.1
BlackRock Energy & Res **BGR**	10.98	10.19	-7.2	86.0
BlackRock Eq Enh Div **BDJ**	10.61	10.27	-3.2	47.9
BlackRock Enh Glbl Div **BOE**	13.36	12.28	-8.1	33.4
BlackRock Enh Intl Div **BGY**	6.83	6.33	-7.3	25.2
BlackRock Hlth Sci Tr II **BMEZ**	29.35	27.70	-5.6	13.8
BlackRock Hlth Sciences **BME**	47.80	47.84	+0.1	13.8
BlackRock Innov and Grow **BIGZ**	20.17	18.98	-5.9	NS
BlackRock Res & Comm **BCX**	10.00	9.49	-5.1	67.1
BlackRock Sci&Tech Tr II **BSTZ**	44.35	43.02	-3.0	50.5
BlackRock Sci&Tech Trust **BST**	58.23	55.55	-4.6	22.1
BlackRock Utl Inf & Pwr **BUI**	25.83	26.28	+1.7	21.2
CLEARBRIDGE ENGY MDS OPP **EMO**	NA	23.94	NA	176.2
ClearBridge MLP & Midstm **CEM**	NA	29.91	NA	169.8
ChnStrInfr **UTF**	27.76	28.29	+1.9	22.8
Cohen&SteersQualInc **RQI**	17.11	16.95	-0.9	64.4
Cohen&Steers TotRet **RFI**	15.78	17.42	+10.4	56.4
CohenStrsREITPrefInc **RNP**	28.10	27.83	-1.0	42.8
Columbia Sel Prm Tech Gr **STK**	35.69	37.62	+5.4	70.1
DNP Select Income **DNP**	9.53	10.81	+13.4	16.7
Duff&Ph Uti&Infra Inc Fd **DPG**	14.01	14.25	+1.7	46.7
EtnVncEqtyInc **EOI**	19.62	19.81	+1.0	42.4
EtnVncEqtyIncoII **EOS**	24.10	24.59	+2.0	34.5

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
EVRskMnDvsEqInc **ETJ**	10.44	11.49	+10.1	26.2
ETnVncTxMgdBuyWrtInc **ETB**	16.31	16.69	+2.3	31.8
EtnVncTxMgdBuyWrtOpp **ETV**	16.10	16.67	+3.5	28.5
EvTxMnDvsEqInc **ETY**	14.45	14.87	+2.9	40.7
EtnVncTxMgdGlbB **ETW**	10.92	11.16	+2.2	34.8
EVTxMnGblDvEqInc **EXG**	10.52	10.69	+1.6	48.6
First Trust Energy Inc G **FEN**	14.45	14.54	+0.6	68.4
First Tr Enhanced Eq **FFA**	21.22	21.41	+0.9	47.4
FirstTrEnergyInfra **FIF**	15.52	13.62	-12.2	56.0
FirstTrMLPEner&Inc **FEI**	8.27	7.76	-6.2	73.3
Gabelli Healthcare **GRX**	15.59	13.53	-13.2	31.5
Gab Utility **GUT**	4.32	8.17	+89.1	22.4
GAMCOGlGold&NatRes **GGN**	3.95	3.92	-0.8	24.7
J Han Finl Opptys **BTO**	41.75	45.31	+8.5	108.9
Neuberger Brmn MLP & EI **NML**	6.86	5.47	-20.3	129.9
Neuberger Nxt Gen Conn **NBXG**	21.60	19.62	-9.2	NS
NubrgrRlEstSec **NRO**	5.34	5.07	-5.1	44.1
Nuv Dow 30 Dyn Overwrite **DIAX**	18.32	17.78	-2.9	39.5
NuvCorEqAlpha **JCE**	17.24	17.22	-0.1	44.3
Nuveen Nasdaq 100 Dyn Ov **QQQX**	30.22	30.50	+0.9	33.9
Nuv Real Est **JRS**	12.72	11.81	-7.2	68.4
Nuveen Rl Asst Inc & Gro **JRI**	17.52	15.79	-9.9	40.5
NuvS&P500DynOvFd **SPXX**	NA	18.20	NA	41.4
NuvSP500BuyIncFd **BXMX**	15.35	15.03	-2.1	37.3
ReavesUtilityIncome **UTG**	33.32	33.86	+1.6	10.5
Tortoise Enrgy Infra Crp **TYG**	37.89	30.11	-20.5	105.7
VAGIAI & Tech Opptys **AIO**	30.89	28.48	-7.8	36.0
VDivInt&PremStr **NFJ**	NA	15.86	NA	37.6
Income & Preferred Stock Funds				
CalamosStratTot **CSQ**	19.15	19.40	+1.3	49.9
CohenStrsLtdDurPref&Inc **LDP**	26.07	27.21	+4.4	20.5
CohenStrsSelPref&Income **PSF**	26.91	29.22	+8.6	21.0
CohenStrsTaxAvPreSecs&I **PTA**	26.02	24.92	-4.2	5.3
Dividend and Income **DNI**	20.86	14.73	-29.4	71.0
FirstTrIntDurPref&Inc **FPF**	24.89	25.25	+1.4	21.6
JHanPrefInc **HPI**	20.83	21.84	+4.8	26.9
JHPrefIncII **HPF**	20.57	21.94	+6.7	32.0
HnckJPfdInco III **HPS**	18.39	19.72	+7.2	28.9
J Han Prm **PDT**	14.94	17.17	+14.9	42.9
LMP CapInco **SCD**	NA	14.87	NA	54.1
Nuveen Pref & Inc Opp **JPC**	9.89	9.85	-0.4	22.0
Nuveen Fd **JPS**	9.83	9.85	+0.2	14.7
Nuveen Pref & Inc Term **JPI**	25.19	25.65	+1.8	20.1
Nuveen TxAdvDivGr **JTD**	18.39	17.21	-6.4	47.5
TCW Strat Income **TSI**	5.93	5.79	-2.4	6.4
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	20.53	19.12	-6.9	42.0
CalamosConvHi **CHY**	16.89	16.96	+0.4	48.6
CalmosConvOp **CHI**	15.96	16.25	+1.8	49.5
VAGI Conv & Inc II **NCZ**	5.90	5.48	-7.1	39.8
VAGI Conv & Inc **NCV**	6.58	6.39	-2.9	44.4
VAGI Dvs Inc & Conv **ACV**	38.51	37.11	-3.6	43.9
VAGI Eqty & Conv Inc **NIE**	35.75	31.78	-11.1	28.8
World Equity Funds				
Aberdeen Emg Mkts Eq Inc **AEF**	9.29	8.53	-8.2	28.5
Aberdeen Tot Dyn Div **AOD**	11.14	10.12	-9.2	36.7
BlackRock Capital Alloc **BCAT**	21.39	20.15	-5.8	3.9

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
Calamos GloDynInc **CHW**	10.45	10.54	+0.9	33.1
China **CHN**	29.47	25.96	-11.9	-7.3
EV TxAdvGlbDivInc **ETG**	23.14	22.59	-2.4	52.9
EtnVncTxAdvOpp **ETO**	32.13	33.12	+3.1	62.9
FirstTr Dyn Euro Eq Inc **FDEU**	15.03	13.22	-12.0	39.1
Gabelli Multimedia **GGT**	9.02	9.22	+2.2	48.5
Highland Global Alloc **HGLB**	11.88	9.43	-20.6	109.0
India Fund **IFN**	25.53	22.78	-10.8	46.9
Japan Smaller Cap **JOF**	10.10	8.85	-12.4	8.2
Korea **KF**	NA	40.91	NA	27.3
LazardGlbTotRetInc **LGI**	22.03	20.66	-6.2	40.2
Mexico **MXF**	NA	15.17	NA	38.0
MS ChinaShrFd **CAF**	24.33	21.12	-13.2	1.1
MS India **IIF**	32.81	27.75	-15.4	53.4
New Germany **GF**	22.56	20.30	-10.0	41.7
Templeton Dragon **TDF**	19.84	18.07	-8.9	-6.1
Templeton Em Mkt **EMF**	19.56	17.60	-10.0	9.0
Wells Fargo Gl Div Oppty **EOD**	NA	5.81	NA	45.7

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	5.82	6.05	+4.0	6.7
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	NA	17.04	NA	7.6
BlRck Core Bond **BHK**	15.84	16.52	+4.3	5.4
BR Credit Alloc Inc **BTZ**	15.36	15.22	-0.9	6.6
InvescoBond **VBF**	21.01	20.51	-2.4	3.3
J Han Income **JHS**	16.03	15.53	-3.1	5.4
MFS Intmdt **MIN**	3.66	3.61	-1.4	8.9
Western Asset Inf-Lk Inc **WIA**	NA	14.03	NA	6.4
Western Asset Inf-Lk O&I **WIW**	NA	13.79	NA	3.0
Loan Participation Funds				
Apollo Senior Floating **AFT**	NA	16.14	NA	6.4
BR Debt Strategy **DSU**	11.68	11.70	+0.2	6.2
BR F/R Inc Str **FRA**	13.98	13.67	-2.2	6.0
BlackRock Floatng Rt Inc **BGT**	13.57	13.72	+1.1	5.7
Blackstone Strat Cr **BGB**	14.67	13.97	-4.8	6.3
Eagle Point Credit **ECC**	NA	14.81	NA	7.5
EtnVncFltRteInc **EFT**	14.56	15.22	+4.5	5.4
EV SenFlRtTr **EFR**	14.32	15.29	+6.8	5.7
FT/Sr Fltg Rte Inc 2 **FCT**	12.37	12.19	-1.5	9.5
FT/Sr Fltg Rte 2022 TgTr **FIV**	9.74	9.71	-0.3	1.4
Highland Income **HFRO**	13.77	11.31	-17.9	8.1
InvDYCrOpp:AX **VTA**	12.47	NA	NA	NA
InvSnrIncTr **VVR**	4.70	4.50	-4.3	5.6
Nuveen Credit Strat Inc **JQC**	6.93	6.60	-4.8	11.1
NuvFloatRateIncFd **JFR**	10.51	10.34	-1.6	6.4
NuvFloatRteIncOppty **JRO**	10.42	10.06	-3.5	6.4
High Yield Bond Funds				
Aberdeen Inc Credit Str **ACP**	10.52	11.28	+7.2	10.6
AllianceBernGlHiIncm **AWF**	12.93	12.40	-4.1	6.3
Barings Glb SD HY Bd **BGH**	17.98	17.15	-4.6	7.3
BR Corporate HY **HYT**	12.13	12.27	+1.2	7.6
BlackRock Ltd Dur Inc **BLW**	16.69	17.30	+3.7	6.8
Brookfield Real Asst Inc **RA**	20.46	22.13	+8.2	10.8
CrSuisHighYld **DHY**	NA	2.53	NA	7.6
DELAWARE IVY HIGH INCOPP **IVH**	15.01	14.24	-5.1	6.2
DoubleLine Inc Sol **DSL**	17.94	17.51	-2.4	7.7
DoubleLine Yld Opps **DLY**	NA	19.56	NA	7.2
First Tr Hi Inc Lng/Shrt **FSD**	16.24	15.81	-2.6	8.2
First Trust HY Opp:2027 **FTHY**	20.55	20.87	+1.6	7.1
KKR Income Opportunities **KIO**	NA	16.80	NA	7.5
NexPointStratOppty **NHF**	22.65	14.66	-35.3	3.9
Nuveen Global High Inc **JGH**	16.86	16.00	-5.1	7.8
PGIM Global High Yield **GHY**	16.52	15.62	-5.4	8.0
PGIM High Yield Bond **ISD**	17.22	16.48	-4.3	7.6
PGIM Sh Dur Hi Yld Opp **SDHY**	NA	18.77	NA	NS
PioneerHiIncm **PHT**	9.64	10.32	+7.1	7.8
Wells Fargo Income Oppty **EAD**	9.22	8.90	-3.5	7.6
WstAstHIF II **HIX**	NA	7.22	NA	8.0
Western Asset Hi Inc Opp **HIO**	NA	5.28	NA	7.0
Western Asset Hi Yld D O **HYI**	NA	16.45	NA	7.0
Other Domestic Taxable Bond Funds				
Apollo Tactical Income **AIF**	NA	15.98	NA	6.6
Ares Dynamic Crdt Alloc **ARDC**	NA	16.15	NA	7.1
BlackRock Mlt-Sctr Inc **BIT**	18.01	18.95	+5.2	7.8

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
BlackRock Tax Muni Bd **BBN**	25.65	25.94	+1.1	5.3
DoubleLine:Oppor Crdt Fd **DBL**	NA	19.46	NA	8.7
EVLmtDurIncm **EVV**	13.39	13.33	-0.4	9.0
Franklin Ltd Dur Income **FTF**	9.12	9.07	-0.5	9.6
J Han Investors **JHI**	18.79	18.74	-0.3	7.6
MFS Charter **MCR**	8.49	8.60	+1.3	8.0
Nuveen Taxable Muni Inc **NBB**	22.99	23.05	+0.3	5.2
PIMCO Corp & Inc Oppty **PTY**	14.30	18.54	+29.7	8.4
PIMCO Corp & Inc Strat **PCN**	14.53	18.61	+28.1	7.3
PIMCOHiInco **PHK**	5.87	6.43	+9.5	8.9
PIMCO IncmStrFd **PFL**	10.53	11.34	+7.7	9.4
PIMCO IncmStrFd II **PFN**	9.31	10.09	+8.4	9.3
Putnam Prem Inc **PPT**	4.44	4.46	+0.5	7.3
Wells Fargo Multi-Sector **ERC**	12.66	13.40	+5.8	8.3
Western Asset Dvsfd Inc **WDI**	NA	19.38	NA	NS
World Income Funds				
Abrdn AP IncFd **FAX**	4.34	4.08	-6.0	7.8
MS EmMktDomDebt **EDD**	6.47	5.80	-10.4	6.7
PIMCO Dyn Crd & Mrt Inc **PCI**	20.36	21.72	+6.7	9.7
PIMCO Dynamic Income **PDI**	NA	27.12	NA	9.8
PIMCO Dynamic Inc Opp **PDO**	20.26	20.82	+2.8	NS
PIMCO Income Opportunity **PKO**	23.60	25.25	+7.0	9.2
PIMCO Stratg Inc **RCS**	6.38	7.54	+18.2	8.4
Templeton Em Inc **TEI**	7.87	7.60	-3.4	8.1
Templtn Glbl Inc **GIM**	5.54	5.42	-2.2	5.5
WstAstEmergDebt **EMD**	NA	13.59	NA	7.9
Western Asset Gl Cr D Op **GDO**	NA	17.88	NA	6.6
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	15.29	14.78	-3.3	4.3
BlckRk Inv Q Mun **BKN**	16.38	17.39	+6.2	4.7
BlackRock Muni 2030 Tgt **BTT**	26.70	25.88	-3.1	2.9
BlackRock Muni **BFK**	14.54	15.04	+3.4	4.7
BlackRock Muni II **BLE**	14.89	15.49	+4.0	4.9
BlckRk Muni Inc Qly **BYM**	15.65	15.39	-1.7	4.5
BR MuniAssets Fd **MUA**	14.93	15.55	+4.2	4.1
BR MuniHoldings Qly **MFL**	15.10	14.71	-2.6	4.0
BR MH Qly 2 **MUE**	14.09	13.91	-1.3	4.4
BR MuniHoldngs **MHD**	17.06	16.71	-2.1	4.4
BR MuniVest Fd **MVF**	9.89	9.52	-3.7	4.3
BR MuniVest 2 **MVT**	15.40	15.12	-1.8	4.7
BR MuniYield Fd **MYD**	15.07	14.74	-2.2	4.6
BR MuniYield Qlty **MQY**	16.31	16.28	-0.2	4.9
BR MuniYld Qlty2 **MQT**	14.36	14.66	+2.1	4.5
BR MuniYld Qly 3 **MYI**	15.23	14.65	-3.8	4.2
BNY Mellon Muni Bd Infra **DMB**	14.54	15.14	+4.1	3.9
BNY Mellon Str Muni Bond **DSM**	8.35	8.22	-1.6	4.4
BNY Mellon Strat Muni **LEO**	8.71	8.45	-3.0	4.9
DWS Muni Inc **KTF**	12.65	12.22	-3.4	4.3
EVMuniBd **EIM**	13.96	13.45	-3.7	4.4
EVMuniIncm **EVN**	14.19	13.78	-2.9	4.2
EVNatMuniOpp **EOT**	22.00	22.62	+2.8	3.4
InvAdvMuIncTrII **VKI**	12.11	12.09	-0.2	4.8
Invesco MuniOp **OIA**	7.84	8.01	+2.2	4.7
InvescoMuOppTr **VMO**	13.57	13.72	+1.1	4.7
InvescoMuTr **VKQ**	13.59	13.33	-1.9	4.8
InvescoQual Inc **IQI**	13.67	13.20	-3.4	4.7
InvTrInvGrMu **VGM**	14.00	13.66	-2.4	4.8
InvescoValMunInc **IIM**	16.62	16.47	-0.9	4.7
MAINSTAY:MK DEFTR MUN OP **MMD**	20.93	21.43	+2.4	4.8
NeubrgrBrm **NBH**	14.98	15.52	+3.6	4.9
Nuveen AMT-Fr Mu Val **NUW**	17.43	16.66	-4.4	2.7
Nuveen AMT-Fr Qlty Mun I **NEA**	15.82	15.46	-2.3	4.6
Nuveen AMT-Fr Mu CI **NVG**	17.43	17.56	+0.7	4.6
Nuveen Dyn Muni Opp **NDMO**	15.75	15.93	+1.1	5.8
Nuveen Enh Muni Val **NEV**	15.91	15.66	-1.6	4.6
Nuveen Int Dur Mun Term **NID**	14.91	14.96	+0.3	3.6
Nuveen Mu Crdt Opps **NMCO**	15.65	15.41	-1.5	4.9
Nuv Muni Credit Income **NZF**	17.13	17.22	+0.5	4.7
NuvMuniHiIncOpp **NMZ**	14.67	14.80	+0.9	5.2
Nuveen Muni Val **NUV**	10.67	11.19	+4.9	3.2
Nuveen Quality Muni Inc **NAD**	16.22	15.91	-1.9	4.5
Nuveen Sel TF **NXP**	16.35	16.70	+2.1	3.2
Nuveen Sel TF 2 **NXQ**	15.59	15.69	+0.6	3.2
PIMCO MuniInc **PMF**	13.28	14.65	+10.3	4.6
PIMCOMuniIncII **PML**	12.33	14.27	+15.7	5.1
Pimco Muni III **PMX**	11.35	12.16	+7.1	4.6
PioneerHiIncAdv **MAV**	12.16	12.03	-1.1	5.0
PionrMuniHiIncOppty **MIO**	19.61	19.25	-1.8	NS
PioneerMunHiIcm **MHI**	13.10	12.33	-5.9	4.6
Putnam Mgd Inc **PMM**	8.25	8.40	+1.8	4.6
Putnam Muni Opp **PMO**	13.78	13.70	-0.6	4.9
RiverNorth Flx Mu Inc II **RFMZ**	20.13	20.61	+2.4	NS
RiverNorth Mgd Dur Mun I **RMM**	20.09	19.74	-1.7	5.6
Western Asset Mgd Muni **MMU**	NA	13.41	NA	3.9
Single State Muni Bond				
BlackRock CA Mun **BFZ**	15.87	14.84	-6.5	3.3
BR MH CA Qly Fd Inc **MUC**	15.72	16.02	+1.9	4.2

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
BR MH NJ Qly **MUJ**	15.80	15.40	-2.5	4.9
BR MH NY Qly **MHN**	14.88	14.73	-1.0	4.6
BR MuniYld CA **MYC**	16.16	15.42	-4.6	3.4
BR MuniYld CA Qly **MCA**	16.01	15.86	-0.9	4.2
BR MuniYld MI Qly **MIY**	15.61	15.50	-0.7	4.4
BR MuniYld NJ **MYJ**	15.91	15.72	-1.2	4.8
BR MuniYld NY Qly **MYN**	14.27	14.09	-1.3	4.4
BlackRock NY Mun **BNY**	14.85	14.86	+0.1	4.9
EVCAMuniBd **EVM**	12.48	11.95	-4.2	4.2
Eaton Vance NY Muni Bd **ENX**	13.29	12.41	-6.6	4.0
InvCaValMuIncTr **VCV**	13.59	14.18	+4.3	4.0
InvPAValMuIncTr **VPV**	14.26	13.41	-6.0	4.5
InvTrInvGrNYMu **VTN**	14.43	13.81	-4.3	4.2
Nuveen CA AMT-F Qual MI **NKX**	16.67	16.45	-1.3	4.0
Nuveen CA Val **NCA**	10.76	10.43	-3.1	3.0
NuveenCAQtyMuInc **NAC**	16.04	15.70	-2.1	4.2
NuvNJ Qual Muni Inc **NXJ**	16.47	15.42	-6.4	4.5
Nuveen NY AMT/Fr Qual MI **NRK**	14.96	13.91	-7.0	4.2
Nuveen NY Qual Muni Inc **NAN**	15.46	14.48	-6.3	4.3
Nuveen OH Qual Muni Inc **NUO**	17.46	16.12	-7.7	3.6
Nuveen PA Qual Muni Inc **NQP**	16.07	15.12	-5.9	4.5
Nuveen VA Qlty Mun Inc **NPV**	15.25	15.92	+4.4	3.7
PIMCO CA **PCQ**	14.03	19.51	+39.1	4.1
PIMCOCAMuniII **PCK**	9.03	9.70	+7.4	4.0

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	6.81	NA	NA	45.8
BOW RIVER CAPTL EVGN;I	NA	NA	NA	N
Specialized Equity Funds				
Aspiriant Rsk-Mgd RA	NA	NA	NA	NS
Bluerock Total Inc+ RE:A	32.96	NA	NA	18.8
Bluerock Total Inc+ RE:C	31.16	NA	NA	17.9
Bluerock Total Inc+ RE:I	33.67	NA	NA	19.1
Bluerock Total Inc+ RE:L	32.60	NA	NA	18.5
Broadstone Rl Est Acc:I	1.31	NA	NA	6.0
Broadstone Rl Est Acc:W	1.30	NA	NA	5.9
CBRE GlbRlEst **IGR**	10.10	9.28	-8.1	47.1
CIM RA&C A	26.09	NA	NA	10.5
CIM RA&C C	25.78	NA	NA	9.7
CIM RA&C I	26.17	NA	NA	10.7
CIM RA&C L	25.98	NA	NA	10.2
GS Real Est Div Inc:P	NA	NA	NA	NS
NexPointRlEstStrat;A	19.64	NA	NA	39.7
NexPointRlEstStrat;C	19.87	NA	NA	38.8
NexPointRlEstStrat;Z	19.85	NA	NA	40.1
PREDEX;I	27.94	NA	NA	15.9
PREDEX;T	28.09	NA	NA	15.8
PREDEX;W	28.09	NA	NA	15.8
Principal Dvs Sel RA A	28.44	NA	NA	20.5
Principal Dvs Sel RA Ins	28.51	NA	NA	20.6
Principal Dvs Sel RA Y	28.64	NA	NA	20.9
StoneCastle Financial Co **BANX**	NA	22.58	NA	NA
The Private Shares;A	45.47	NA	NA	38.3
The Private Shares;I	45.91	NA	NA	38.7
The Private Shares;L	45.04	NA	NA	37.9
Thirdline Real Estate I	10.03	NA	NA	NS
USQ Core Real Estate:I	27.15	NA	NA	14.1
USQ Core Real Estate:IS	27.17	NA	NA	14.1
Versus Cap MMgr RE Inc:I	29.89	NA	NA	NE
Versus Capital Real Asst	26.74	NA	NA	10.5
Wildermuth Endwmnt:A	14.10	NA	NA	6.9
Wildermuth Endwmnt:C	13.48	NA	NA	6.1
Wildermuth Endowment:I	14.21	NA	NA	7.2
Income & Preferred Stock Funds				
A3 Alternative Inc	9.40	NA	NA	-4.6
Calamos L/S Eqty and DI **CPZ**	22.20	20.75	-6.5	31.3
Destra Multi-Altrntv;A	11.61	NA	NA	5.5
Destra Multi-Altrntv;C	11.03	NA	NA	4.7
Destra Multi-Altrntv;I	11.88	NA	NA	5.8
Destra Multi-Altrntv;T	11.22	NA	NA	4.9
Flat Rock Opportunity	22.92	NA	NA	42.7
Lord Abbett Spec Sit I:A	10.00	NA	NA	NS
Lord Abbett Spec Sit I:I	10.00	NA	NA	NS
The Relative Value:A	NA	NA	NA	NS
Variant Altrntv Inc:Inst	28.00	NA	NA	12.1
Variant Impact;Instl	25.04	NA	NA	NS
Zell Capital	NA	NA	NA	NS
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	32.83	33.22	+1.2	31.7
World Equity Funds				
ACAP Strategic:A	25.68	NA	NA	-2.8
ACAP Strategic:W	19.06	NA	NA	-2.0
Aspiriant Rsk-Mgd Cap Ap	NA	NA	NA	NS
CalamosGlbTotRet **CGO**	16.33	16.13	-1.2	35.2
Primark Priv Eq Inv:I	13.56	NA	NA	35.7
Thornburg Inc Bldr Opps **TBLD.O**	20.64	20.07	-2.8	NS
VirtusTotalRetFd **ZTR**	9.46	9.66	+2.1	15.3

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	0.0

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	NS
1WS Credit Income;Inst	NA	NA	NA	5.5
AlphCntrc Prime Merid In	9.66	NA	NA	10.1
Axonic Alternative Inc	NA	NA	NA	8.4
Blackstone FR EI D	24.14	NA	NA	5.4
Blackstone FR EI I	24.11	NA	NA	5.6
Blackstone FR EI T	24.07	NA	NA	5.1
Blackstone FR EI T-I	24.66	NA	NA	5.1
Blackstone FR EI U	25.13	NA	NA	5.1
Blstn Commnty Dev	9.98	NA	NA	2.6
BNYM Alcntr Glb MS Cr Fd	104.80	NA	NA	6.7
CliffwaterClFd;I	10.73	NA	NA	7.9
CliffwaterElFd;A	10.49	NA	NA	NS
CNR Strategic Credit	10.94	NA	NA	9.4
FedProj&TrFinanceTendr	9.98	NA	NA	2.0
Flat Rock Core Income	20.80	NA	NA	NS
Invesco Sr Loan A	6.59	NA	NA	3.4
Invesco Sr Loan C	6.61	NA	NA	2.6
Invesco Sr Loan IB	6.59	NA	NA	3.6
Invesco Sr Loan IC	6.59	NA	NA	3.5
Invesco Sr Loan Y	6.59	NA	NA	3.6
OFS Credit Company **OCCI**	NA	13.39	NA	NA
Yieldstreet Prism	NA	NA	NA	7.9
High Yield Bond Funds				
Griffin Inst Access Cd:A	NA	NA	NA	6.1
Griffin Inst Access Cd:C	NA	NA	NA	6.1
Griffin Inst Access Cd:F	NA	NA	NA	6.1
Griffin Inst Access Cd:I	NA	NA	NA	6.1
Griffin Inst Access Cd:L	NA	NA	NA	6.1
PIMCO Flexible Cr I;A-1	9.62	NA	NA	NS
PIMCO Flexible Cr I;A-2	9.62	NA	NA	7.3
PIMCO Flexible Cr I;A-3	9.62	NA	NA	NS
PIMCO Flexible Cr I;A-4	9.62	NA	NA	7.2
PIMCO Flexible Cr I;Inst	9.62	NA	NA	7.9
WA Middle Mkt Inc	NA	NA	NA	5.1
Other Domestic Taxable Bond Funds				
AFA MMC;Inst	10.00	NA	NA	NS
AFA MMC;Inv	9.99	NA	NA	NS
Alternative Credit Inc:A	11.09	NA	NA	6.3
Alternative Credit Inc:C	11.21	NA	NA	5.5
Alternative Credit Inc:I	11.12	NA	NA	6.5
Alternative Credit Inc:L	11.09	NA	NA	6.0
Alternative Credit Inc:W	11.09	NA	NA	6.3
Angel Oak Str Crdt:Inst	23.22	NA	NA	8.5
BR Credit Strat;A	10.12	NA	NA	5.3
BR Credit Strat;Inst	10.11	NA	NA	6.1
BR Credit Strat;U	10.12	NA	NA	NS
BR Credit Strat;W	10.12	NA	NA	NS
BlackRock Mlt-Sctr Oppty	86.38	NA	NA	7.0
BlackRock Mlt-Sec Opp II	89.57	NA	NA	7.0
Carlyle Tact Pvt Cred:A	NA	NA	NA	6.8
Carlyle Tact Pvt Cred:I	NA	NA	NA	7.3
Carlyle Tact Pvt Cred:L	NA	NA	NA	6.8
Carlyle Tact Pvt Cred:M	NA	NA	NA	6.5
Carlyle Tact Pvt Cred:N	NA	NA	NA	7.3
Carlyle Tact Pvt Cred:Y	NA	NA	NA	7.0
CION Ares Dvsfd Crdt;A	NA	NA	NA	5.4
CION Ares Dvsfd Crdt;C	NA	NA	NA	5.4
CION Ares Dvsfd Crdt;I	NA	NA	NA	5.3
CION Ares Dvsfd Crdt;L	NA	NA	NA	5.4
CION Ares Dvsfd Crdt;U	NA	NA	NA	5.4
CION Ares Dvsfd Crdt:U2	NA	NA	NA	5.4
CION Ares Dvsfd Crdt;W	NA	NA	NA	5.3
CNR Select Strategies	12.21	NA	NA	0.0
First Eagle Crdt Opps A	26.38	NA	NA	NS
First Eagle Crdt Opps I	26.41	NA	NA	7.1
FS Credit Income;A	NA	NA	NA	5.3
FS Credit Income;I	NA	NA	NA	5.5
FS Credit Income;T	NA	NA	NA	5.0
FS Credit Income;U	NA	NA	NA	4.8
FS Credit Income;U-2	NA	NA	NA	NS
GL Beyond Income	0.47	NA	NA	NE
KKR CREDIT OPPTY;D	NA	NA	NA	NS
KKR CREDIT OPPTY;I	NA	NA	NA	5.7
KKR CREDIT OPPTY;T	NA	NA	NA	5.0
KKR CREDIT OPPTY;U	NA	NA	NA	5.0
Lord Abbett Cred Opps Fd	11.10	NA	NA	6.0
Lord Abbett Cred Opps Fd	11.11	NA	NA	6.7
Lord Abbett Crd Op:U	11.11	NA	NA	6.0
Palmer Square Opp Inc	18.90	NA	NA	4.7
Thrivent Church Ln&Inc:S	10.61	NA	NA	2.5
World Income Funds				
BlueBay Destra Itl E:A	29.68	NA	NA	3.3
BlueBay Destra Itl E:I	29.69	NA	NA	3.5
BlueBay Destra Itl E:L	29.65	NA	NA	3.1
BlueBay Destra Itl E:T	29.61	NA	NA	3.0
Oaktree Dvsfd Income;D	10.02	NA	NA	NS
National Muni Bond Funds				
Ecofin Tax-Adv Soc Impct	9.51	NA	NA	4.0
Nuveen En HY Muni Bd:A	9.97	NA	NA	NS
Nuveen En HY Muni Bd:I	9.97	NA	NA	NS
PIMCO Flex Mun Inc;A-3	11.85	NA	NA	1.7
PIMCO Flex Mun Inc:A1	11.85	NA	NA	1.9
PIMCO Flex Mun Inc;A2	11.85	NA	NA	2.0
PIMCO Flex Mun Inc;Inst	11.85	NA	NA	2.4

IPO Scorecard

Performance of IPOs, most-recent listed first

Company **SYMBOL** IPO date/Offer price	Friday's close ($)	% Chg From Offer price	% Chg From 1st-day close
7 Acquisition **SVNAU** Nov. 5/$10.00	10.08	**0.8**	...
Intelligent Medicine Acquisition **IQMDU** Nov. 5/$10.00	10.10	**1.0**	...
IO Biotech **IOBT** Nov. 5/$14.00	15.65	**11.8**	...
Mainz Biomed **MYNZ** Nov. 5/$5.00	9.99	**99.8**	...
Mountains & I Acquisition **MCAAU** Nov. 5/$10.00	10.17	**1.7**	...
Rigel Resource Acquisition **RRAC.UT** Nov. 5/$10.00	10.06	**0.5**	...
The Real Good Food Company **RGF** Nov. 5/$12.00	11.00	**–8.3**	...
Talon 1 Acquisition **TOACU** Nov. 4/$10.00	10.12	**1.2**	0.1
Spindletop Health Acquisition **SHCAU** Nov. 4/$10.00	10.15	**1.5**	0.9
Sizzle Acquisition **SZZLU** Nov. 4/$10.00	10.07	**0.7**	0.1

Sources: Dow Jones Market Data; FactSet

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on November 5, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Nov. 1	**Liberty Media**	**LSXMA**	R. Weschler	**BI**	5,347	50.02	**267,449**	55.00	27.3
Oct. 28-29	**Xerox Holdings**	**XRX**	C. Icahn	**BI**	972	17.83-17.93	**17,377**	19.53	-15.8
Oct. 28	**NextNav**	**NN**	N. Subin	**BI**	1,105	10.00	**11,050**		
Nov. 1-3	**Archer Aviation**	**ACHR**	M. Lore	**B**	482	6.46-6.55	**3,136**	6.29	-37.5
Oct. 27-29			M. Lore	**B**	444	5.59-5.67	**2,504**		
Oct. 29	**RenaissanceRe Holdings**	**RNR**	K. O'Donnell	**CEO**	15	142.45-145.78	**2,162**	152.55	-8.0
Oct. 29			R. Curtis	**O**	7	142.45-145.78	**995**		
Oct. 29			I. Branagan	**O**	3	142.13-145.54	**495**		
Oct. 29			R. Qutub	**CFO**	3	142.45-145.78	**490**		
Nov. 1	**Fiserv**	**FISV**	D. O'Leary	**D**	16	99.35	**1,560**	100.36	-11.9
Nov. 3	**OP Bancorp**	**OPBK**	O. Kim	**D**	80	12.55-12.90	**1,011**	12.55	63.0
Nov. 2	**Blackstone Mortgage Trust**	**BXMT**	H. Nassau	**D**	30	32.73	**982**	33.70	22.4
Oct. 28	**Intel**	**INTC**	O. Ishrak	**D**	20	48.02	**960**	50.92	2.2
Oct. 28			G. Smith	**D**	10	47.96	**501**		
Oct. 28			D. Weisler	**D**	10	48.05-48.18	**498**		
Oct. 28	**Calix**	**CALX**	D. Listwin	**D**	15	60.00	**900**	71.18	139.2
Oct. 29	**Kirby**	**KEX**	B. Davis	**DI**	10	52.88	**529**	58.87	13.6
Nov. 2	**Affiliated Managers Group**	**AMG**	R. Jeffery	**D**	3	188.39	**509**	186.04	82.9
Sellers									
Nov. 1-2	**Amazon.com**	**AMZN**	J. Bezos	**H**	256	3284.57-3372.00	**844,176**	3518.99	8.0
Nov. 1			J. Bezos	**H**	176	3325.98-3368.23	**589,009**		
Nov. 1			J. Bezos	**H**	126	3293.35-3324.38	**417,334**		
Nov. 2			J. Bezos	**H**	50	3313.38-3329.14	**166,085**		
Nov. 2-4	**Danaher**	**DHR**	M. Rales	**OD**	1226*	304.24-314.69	**377,906**	292.08	31.5
Nov. 2	**ZoomInfo Technologies**	**ZI**	T. Crockett	**DI**	1,613	70.15	**113,121**	73.65	52.7
Nov. 1	**Upstart Holdings**	**UPST**	D. Girouard	**CEO**	125	323.99-342.88	**42,119**	331.56	713.6
Nov. 1-3	**A10 Networks**	**ATEN**	E. Singer	**DI**	2,500	15.34-16.01	**39,342**	16.57	68.1
Nov. 1	**Affirm Holdings**	**AFRM**	L. Michalek	**OD**	235	151.53-162.91	**36,139**	164.23	
Nov. 1			S. Martincevic	**O**	150	151.52-162.92	**23,084**		
Nov. 1	**Unity Software**	**U**	J. Riccitiello	**CEO**	229*	147.70-154.72	**34,371**	151.96	-1.0
Nov. 1-2	**Thermo Fisher Scientific**	**TMO**	M. Stevenson	**CO**	54	628.61-642.26	**34,214**	616.80	32.4
Nov. 1	**Tesla**	**TSLA**	R. Denholm	**D**	25	1130.93-1147.31	**28,541**	1222.09	73.2
Nov. 1	**Roku**	**ROKU**	A. Wood	**CEOI**	85	304.32-317.92	**26,749**	278.62	-16.1
Nov. 2-4	**Credit Acceptance**	**CACC**	D. Foss	**B**	39	670.94-691.76	**26,670**	685.90	98.2
Nov. 1-2	**Coinbase Global**	**COIN**	F. Ehrsam	**DI**	78	326.28-344.33	**25,855**	337.05	
Nov. 3	**Meta Platforms**	**FB**	M. Zuckerberg	**CEOI**	77	324.04-332.02	**25,463**	341.13	24.9
Nov. 1			M. Zuckerberg	**CEOI**	72	326.37-333.08	**23,822**		

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	116,236	12,564,497	**Finance**	7,513,693	156,187,888
Business services	1,693,918	30,399,476	**Health care**	752,618	72,561,705
Capital goods	0	0	**Industrial**	190,897	43,263,124
Consumer durables	314,203	4,934,031	**Media**	30,850	3,735,064
Consumer nondurables	46,426	37,196,268	**Technology**	1,830,912	294,661,884
Consumer services	750	20,629,046	**Transportation**	528,818	5,468,210
Energy	356,860	17,638,539	**Utilities**	0	1,630,630

Sources: Refinitiv; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

November 5, 2021

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Sept. index level	Chg From (%) Aug. '21	Chg From (%) Sept. '20
U.S. consumer price index			
All items	**274.310**	0.27	5.4
Core	**279.884**	0.13	4.0

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**3.25**	3.25	3.25	3.25
Canada	**2.45**	2.45	2.45	2.45
Japan	**1.475**	1.475	1.475	1.475
Policy Rates				
Euro zone	**0.00**	0.00	0.00	0.00
Switzerland	**0.00**	0.00	0.00	0.00
Britain	**0.10**	0.10	0.10	0.10
Australia	**0.10**	0.10	0.10	0.10
Overnight repurchase				
U.S.	**0.04**	0.04	0.12	-0.04

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount				
	0.25	0.25	0.25	0.25
Federal funds				
Effective rate	**0.0800**	0.0800	0.1000	0.0500
High	**0.0900**	0.0900	0.2000	0.0700
Low	**0.0500**	0.0300	0.0900	0.0000
Bid	**0.0700**	0.0700	0.7000	0.0300
Offer	**0.0800**	0.0900	0.1200	0.0500
Treasury bill auction				
4 weeks	**0.040**	0.055	0.085	0.000
13 weeks	**0.050**	0.055	0.100	0.015
26 weeks	**0.065**	0.060	0.110	0.030

Secondary market

	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	**2.501**	2.602	2.710	1.838
60 days	**2.534**	2.641	2.754	1.875

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money				
	2.00	2.00	2.00	2.00
Commercial paper (AA financial)				
90 days	**0.13**	0.12	0.25	0.04
Libor				
One month	**0.08863**	0.08750	0.15863	0.07263
Three month	**0.14275**	0.13225	0.25388	0.11413
Six month	**0.22088**	0.20100	0.26663	0.14663
One year	**0.35750**	0.36113	0.37063	0.21950
Euro Libor				
One month	**-0.577**	-0.571	-0.569	-0.607
Three month	**-0.566**	-0.562	-0.533	-0.574
Six month	**-0.547**	-0.536	-0.512	-0.548
One year	**-0.480**	-0.462	-0.453	-0.511
Secured Overnight Financing Rate				
	0.05	0.05	0.11	0.01

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	**0.060**	46.100	0.127	-0.008
MBS	**0.063**	13.450	0.137	0.002

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 16, 2020. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective March 16, 2020. **Secured Overnight Financing Rate** is as of November 4, 2021. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Cash Prices | wsj.com/market-data/commodities

Friday, November 5, 2021

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	**79.050**
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	**14.400**
Metals	
Gold, per troy oz	
Engelhard industrial	**1797.00**
Handy & Harman base	**1801.85**
Handy & Harman fabricated	**2000.05**
LBMA Gold Price AM	***1778.10**
LBMA Gold Price PM	***1796.15**
Krugerrand,wholesale-e	**1888.54**
Maple Leaf-e	**1906.70**
American Eagle-e	**1906.70**
Mexican peso-e	**2197.43**
Austria crown-e	**1782.95**
Austria phil-e	**1906.70**
Silver, troy oz.	
Engelhard industrial	**23.9000**
Handy & Harman base	**24.0450**
Handy & Harman fabricated	**30.0560**
LBMA spot price	***£17.4400**
(U.S.$ equivalent)	***23.7300**
Coins,wholesale $1,000 face-a	**19995**
Other metals	
LBMA Platinum Price PM	***1042.0**
Platinum,Engelhard industrial	**1040.0**
Palladium,Engelhard industrial	**2040.0**
Aluminum, LME, $ per metric ton	***2643.0**
Copper,Comex spot	**4.3490**
Iron Ore, 62% Fe CFR China-s	**92.8**
Shredded Scrap, US Midwest-s,m	**n.a.**
Steel, HRC USA, FOB Midwest Mill-s	**1880**
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,k	**30025**
BMI Lithium Hydroxide, EXW China, =56.5% -v,k	**29675**
BMI Cobalt sulphate, EXW China, >20.5% -v,m	**13816**
BMI Nickel Sulphate, EXW China, >22%-v,m	**5652**
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	**585**
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	**0.8100**
Cotton,1 1/16 std lw-mdMphs-u	**1.1487**
Cotlook 'A' Index-t	***127.95**
Hides,hvy native steers piece fob-u	**n.a.**
Wool,64s,staple,Terr del-u,w	**n.a.**
Grains and Feeds	
Barley,top-quality Mnpls-u	**n.a.**
Bran,wheat middlings, KC-u	**170**
Corn,No. 2 yellow,Cent IL-bp,u	**5.3600**
Corn gluten feed,Midwest-u,w	**167.1**
Corn gluten meal,Midwest-u,w	**535.1**
Cottonseed meal-u,w	**300**
Hominy feed,Cent IL-u,w	**165**
Meat-bonemeal,50% pro Mnpls-u,w	**228**
Oats,No.2 milling,Mnpls-u	**7.2100**
Rice, Long Grain Milled, No. 2 AR-u,w	**27.75**
Sorghum,(Milo) No.2 Gulf-u	**n.a.**
SoybeanMeal,Cent IL,rail,ton48%-u,w	**344.20**
Soybeans,No.1 yllw IL-bp,u	**11.8200**
Wheat,Spring14%-pro Mnpls-u	**10.9450**
Wheat,No.2 soft red,St.Louis-u	**n.a.**
Wheat - Hard - KC (USDA) $ per bu-u	**n.a.**
Wheat,No.1soft white,Portld,OR-u	**10.8750**
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	**230.06**
select 1-3,600-900 lbs.-u	**209.09**
Broilers, National comp wtd. avg.-u,w	**1.0202**
Butter,AA Chicago	**1.9350**
Cheddar cheese,bbl,Chicago	**150.25**
Cheddar cheese,blk,Chicago	**158.50**
Milk,Nonfat dry,Chicago lb.	**193.50**
Coffee,Brazilian,Comp	**2.0843**
Coffee,Colombian, NY	**2.6804**
Eggs,large white,Chicago-u	**0.8650**
Flour,hard winter KC	**22.60**
Hams,17-20 lbs,Mid-US fob-u	**n.a.**
Hogs,Iowa-So. Minnesota-u	**78.22**
Pork bellies,12-14 lb MidUS-u	**n.a.**
Pork loins,13-19 lb MidUS-u	**0.9091**
Steers,Tex.-Okla. Choice-u	**128.00**
Steers,feeder,Okla. City-u,w	**161.00**
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	**56.5900**
Grease,choice white,Chicago-h	**0.6100**
Lard,Chicago-u	**n.a.**
Soybean oil,crude;Centl IL-u,w	**0.7049**
Tallow,bleach;Chicago-h	**0.7050**
Tallow,edible,Chicago-u	**n.a.**

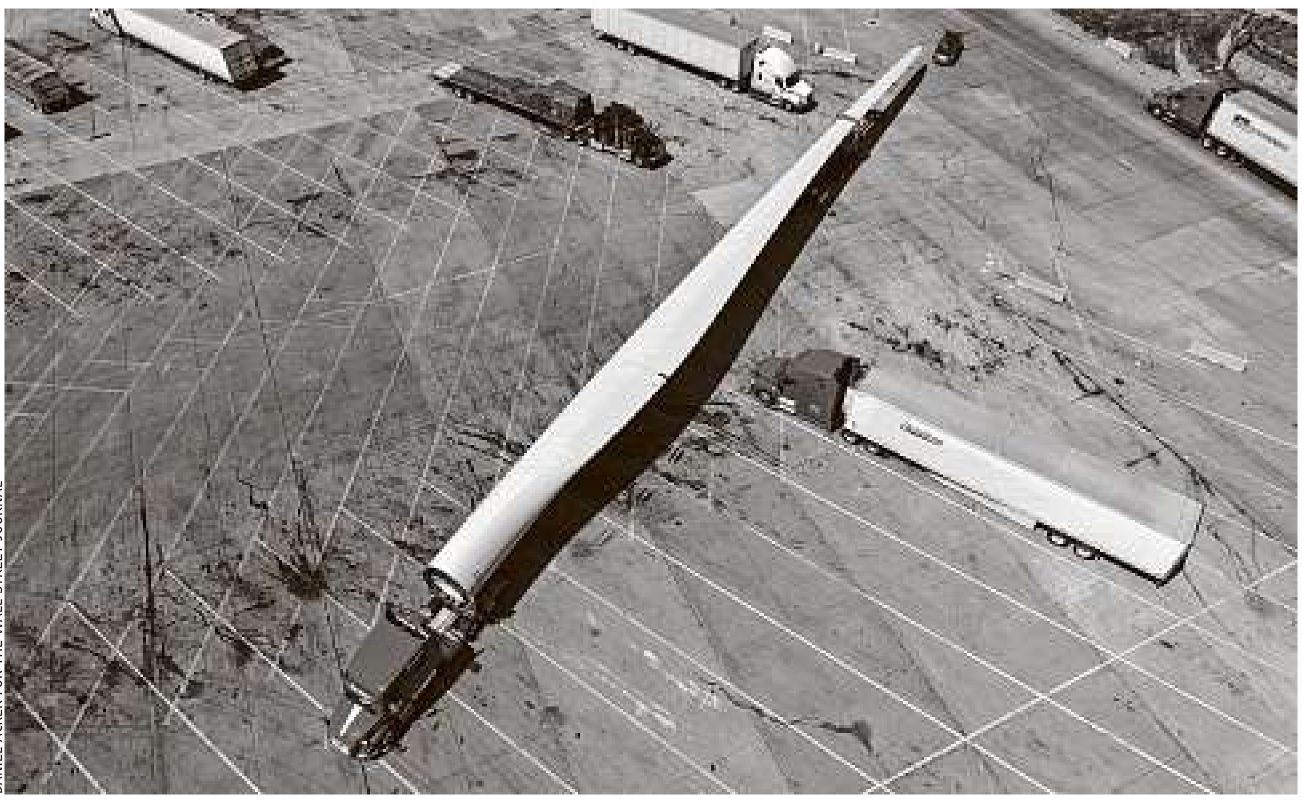
KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Z=not quoted. *Data as of 11/4

Source: Dow Jones Market Data

P2JW312000-0-B00900-1--------XA

Wind Turbines Face Delivery Woes

By Jennifer Hiller



DANIEL ACKER FOR THE WALL STREET JOURNAL

Most onshore blades span more than 200 feet, while the largest offshore blades can span a football field.

Wind-turbine makers continue to struggle due to supply-chain woes and uncertainty over the future of federal tax credits, so much so that analysts are projecting slowing growth for U.S. wind power next year.

Despite strong demand amid a shift toward renewable power, many companies are having a hard time delivering turbines on budget and on schedule due to shipping delays, rising steel costs and other problems.

Shares of **Vestas Wind Systems** AS fell 18% on Wednesday after the turbine maker said supply-chain problems would slice into margins. **Siemens Gamesa Renewable Energy** SA said on Friday that it expects shortages and bottlenecks to extend into next year and have an impact on operations. Its shares fell 3% on Friday and were down 20% for the week.

Global transportation jams are getting worse, not better, said Vestas Chief Executive Henrik Andersen, who said improvements will take "quarters" into 2022 to see. "The visibility is relatively low," Mr. Andersen said.

"The market is expecting the situation will change and will go back to normal," Siemens Gamesa Chief Executive Andreas Nauen told analysts on Friday, "but we surely don't know exactly when this will happen."

The companies face uncertainty over the timing of future orders because Congress has yet to pass a spending bill that includes an extension of wind tax credits. General Electric Co. said last week that the lack of clarity on credits has cut into orders. It expects negative free cash flow for its renewables business this year.

As a result of these and other issues, new onshore wind-power installations in the U.S. are set to tumble nearly 30% next year, according to research and consulting firm Wood Mackenzie.

Builders of wind farms have been watching port backlogs and raw materials prices and wondering if costs might come down in a few years. The thinking for some is, "Why bother" paying higher costs today, said Shashi Barla, principal analyst for global wind supply chain and technology at Wood Mackenzie.

Wood Mackenzie expects global installations for onshore wind to dip about 1.6% next year, while global offshore wind installations are expected to grow about 7%.

"Onshore has been by far the market with the strongest impact from supply-chain bottlenecks, late deliveries on specific components and also the increase of the freight cost and the lack of capacity," said Beatriz Puente, chief financial officer of Siemens Gamesa, on Friday.

While wind's long-term outlook remains bullish, General Electric Chief Executive H. Lawrence Culp Jr. told analysts that uncertainty around tax credits "hit us hard" because the U.S. onshore market is its best globally.

The U.S. onshore wind market is the second-largest in the world after China and has an outsize impact on sentiment about the industry, said Sean McLoughlin, director of industrials and clean technology research at HSBC Global Research.

Supply-chain problems and raw-materials price increases have hit many other businesses, including solar and battery storage, but wind has proven particularly susceptible, said Sophie Karp, equity research analyst at KeyBanc Capital Markets.

"The heavier, the bigger the equipment, the more challenges you're going to have," Ms. Karp said. "Wind turbines are huge and more difficult to ship."

Most blades for onshore projects span more than 200 feet apiece, while the largest offshore blades can span a football field. Moving such equipment requires special trucks, large cranes and big ships. But even the transportation costs for what can be moved in a container—a much simpler logistics job—have increased as much as eight to 12 times this year, Mr. Andersen said.

Steel, resins and aluminum prices have surged in unexpected ways. "It's the instability that is damaging. It is the volatility," Mr. Andersen said. "We are talking about double-digit, three-digit percentage changes within quarters. That's unprecedented."

Lenders See Niche in Dental Care

Continued from page B1

broadly, and some lenders are betting that rising out-of-pocket costs for dental work will create a niche but lucrative financing market. CareCredit is a major player in the fractured field, but it accounts for about 2% of an estimated $500 billion U.S. market for personal-health and pet-industry expenditures, according to Wolfe Research.

Some companies are tapping into the market with buy-now-pay-later offerings. Those plans let people pay for specific items in installment loans; lenders are often willing to approve borrowers who wouldn't qualify for credit cards.

One buy-now-pay-later lender, Sunbit, began by teaming up with auto-repair shops, giving customers the option to pay for brake repairs or new batteries in installments. The company says the dental-finance offering it added this year is its fastest-growing segment.

"There is a big difference between if you go to the dentist and need a loan or you go to the jewelry store in the mall and need a loan," Sunbit Chief Executive Officer Arad Levertov said. "One is nice to have, and one is something that you need."

That is another draw for lenders: People are less likely to default on healthcare purchases compared with travel or consumer goods, in part because they tend to have established relationships with their dentists or doctors, said Brian Shniderman, CEO of buy-now-pay-later lender Opy USA Inc. Opy started offering financing at healthcare providers and veterinary offices this year.

In July, **Citizens Financial Group** Inc. joined with patient-financing platform PrimaHealth Credit to offer buy-now-pay-later financing for dental work. The bank said it plans to expand into other healthcare offerings, including eye care.

Many patients first hear about the financing options through their doctor's or dentist's office and can apply on the spot.

Synchrony, a consumer lender based in Stamford, Conn., says CareCredit enables people to get treatment they might have skipped. CareCredit is offered at more than 250,000 locations, including nearly 116,000 dental offices.

Some dentists, vets and doctors prefer steering patients to CareCredit over setting up a payment plan directly with the office. That way, if a person stops paying, Synchrony is on the hook.

Most purchases are eligible for six to 24 months of interest-free payments. Synchrony says nearly 80% of customers pay off their balances in full before the interest-free period ends.

Ms. Stultz, who lives outside Chico, Calif., considered using CareCredit again when her dentist told her this summer that she needed another $1,100 crown. But her card has a credit limit of $1,500, and she used it to pay for the $700 in fillings.

She opted for a cheaper filling that her dentist says is only a temporary fix. To make it last, she avoids sticky foods and chewing on her left side.

Ms. Stultz said she thought CareCredit was a miracle when she first heard about it, but now she is just worried about the bills coming due. She doesn't believe she will be able to pay off the card by February, when interest from the previous six months will be added to her unpaid balance.

Dental insurance typically covers far less than traditional medical insurance. Many plans will pay for only $1,000 or $2,000 of dental work in a year.

"Dental insurance is not true insurance in the sense that it protects you from catastrophic costs," said Marko Vujicic, chief economist of the American Dental Association's Health Policy Institute. "It's more of a prepaid benefit."

Last month, nearly 1,000 people filed through Pittsburgh's convention center for Mission of Mercy Pittsburgh, a free, two-day dental clinic. Organizers said in past years, about a third of attendees had dental insurance.

When Jerry Stephens needed major dental work last year, he and his wife, Carolyn, pulled $6,000 from their IRA to pay for it.

The couple, who live outside Las Vegas, have dental insurance, but it covered only a small portion. This year, the dentist told Ms. Stephens, 77, that she needed $3,000 of work. For now, it isn't in the couple's budget.

"At my age," she said, "I have to get a good return on investment on this money."

Blackstone Buys Into Leukemia-Drug Maker

By Miriam Gottfried

Blackstone Inc. is investing up to $250 million in U.K. biotechnology company **Autolus Therapeutics** PLC to fund the final stages of development of a new drug to treat a serious form of leukemia, the companies said.

Of the total investment, up to $150 million will support the development and commercialization of obecabtagene autoleucel, a cell therapy that targets a condition called acute lymphoblastic leukemia. London-based Autolus will receive $50 million of that up front, with the rest to be paid as the company achieves certain milestones. In return, Blackstone's life-sciences unit will receive a portion of the drug's royalties.

Blackstone will also buy $100 million worth of Autolus's American depositary shares, taking a significant stake in a company whose market capitalization stood at $404 million as of Friday's close following a fairly steady decline since its 2018 IPO. The private-equity giant will get a seat on Autolus's board.

The investment is a bet on Autolus's model of cell therapy, which could be applied to other forms of cancer. It is also indicative of a broader bullishness on the part of Blackstone on investing in the U.K., where it has found lower valuations and less competition.

"There's simply a lot less capital available in Europe and the U.K., specifically for life sciences, than in the U.S.," said Nicholas Galakatos, global head of Blackstone Life Sciences.

Blackstone believes its investment in Autolus is the largest by a single investor in the U.K. biotech sector, he said. The firm's real-estate business has also invested significantly in lab space in the Cambridge area through its BioMed Realty business.

Blackstone Life Sciences, which the firm launched in 2018, invests in pharmaceuticals, biotech and medical devices that need additional capital to get to market. The unit exemplifies Blackstone's push into faster-growing areas of the economy as it pursues its goal of reaching $1 trillion in assets by 2026.

Autolus Chief Executive Christian Itin said Blackstone's investment will provide the company with crucial funding to get the leukemia therapy across the finish line and expand into international markets.

On average, patients diagnosed with acute lymphoblastic leukemia only live a year, but about 80% of those in the company's trials have no detectable sign of the disease after receiving the treatment, he said. The therapy is also less toxic than other treatments, allowing patients to take it for longer periods.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday

Earnings expected*

	Estimate/Year Ago
AMC Entertainment Holdings	**(0.53)**/(8.41)
International Flavors & Fragrances	**1.37**/1.40
PayPal Holdings	**1.07**/1.07
Trade Desk	**0.15**/0.13
Viatris	**0.88**/1.31

Tuesday

Short-selling reports

Ratio, days of trading volume of current position, at Oct 15

NYSE	3.8
Nasdaq	2.7

Producer-price index

All items, Sept.	up 0.5%
Oct., expected	up 0.6%
Core, Sept.	up 0.2%
Oct., expected	up 0.4%

Earnings expected*

	Estimate/Year Ago
D.R. Horton	**3.39**/2.24
Palantir Technologies	**0.04**/0.05
Sysco	**0.87**/0.34
Unity Software	**(0.07)**/(0.09)

Wednesday

Consumer-price index

All items, Sept.	up 0.4%
Oct., expected	up 0.6%
Core, Sept.	up 0.2%
Oct., expected	up 0.4%

EIA status report

Previous change in stocks in millions of barrels

Crude-oil stocks	up 3.3
Gasoline stocks	down 1.5
Distillates	up 2.2

EIA report: natural-gas

Previous change in stocks in billions of cubic feet

up 63

Initial jobless claims

Previous	269,000
Expected	260,000

Mort. bankers indexes

Purch., previous	down 2%
Refinan., prev.	down 4%

Treasury budget

in billions

Oct., '20	$284 deficit
Oct.,'21, exp.	N/A

Wholesale inventories

Aug., previous	up 1.2%
Sept., expected	up 1.0%

Earnings expected*

	Estimate/Year Ago
Affirm Holdings	**(0.35)**/(0.22)
Royalty Pharma	**0.70**/0.48
Walt Disney	**0.52**/(0.20)

Thursday

Bond market is closed for Veterans Day (stocks remain open)

Earnings expected*

	Estimate/Year Ago
Celsius Holdings	**0.06**/0.06
Jamf Holding	**0.01**/0.07
Tapestry	**0.70**/0.58
Wix.com	**(0.41)**/(0.14)
YETI Holdings	**0.60**/0.61

Friday

U.Mich. consumer index

Oct., final	71.7
Nov., preliminary	72

Earnings expected*

	Estimate/Year Ago
RBC Bearings	**1.05**/0.93

JOE BURBANK/ORLANDO SENTINEL/ASSOCIATED PRESS

Disney is expected to post per-share earnings of 52 cents.

Berkshire Net Falls On Lower Investment Earnings

By Justin Baer

Warren Buffett's **Berkshire Hathaway** Inc. said net earnings fell after paper gains from the conglomerate's vast portfolio of stock investments declined from a year earlier.

Berkshire's third-quarter net earnings fell 66% to $10.34 billion, or $6,882 per Class A share equivalent, from $30.14 billion, or $18,994 a share, in the year-earlier period. Investment gains totaled $3.88 billion in the most-recent period; a year ago, Berkshire reported gains of $24.77 billion.

Operating earnings, which exclude some investment results, rose to $6.47 billion from $5.5 billion a year ago.

The conglomerate runs a large insurance operation as well as a railroad, utilities, industrial manufacturers, retailers and auto dealerships. It holds large investments, especially in the stock market.

An accounting-rule change in recent years has meant that Berkshire's earnings often reflect the larger performance of the stock market, while Mr. Buffett has said operating earnings more accurately reflect the firm's vast business operations.

On an operating basis, Berkshire earned $2.87 per Class B share equivalent, short of the $2.93-a-share profit Wall Street expected, according to Cathy Seifert, an analyst with CFRA Research.

'It was an OK quarter versus expectations,' said CFRA's Cathy Seifert.

"It was an OK quarter versus expectations," Ms. Seifert said. "Berkshire is a microcosm of the broader economy, and what we saw from the businesses is a reflection of the economic activity that has been constrained by supply-chain issues."

Losses from Berkshire's insurance underwriting business widened to $784 million in the third quarter from $213 million a year ago. Like many insurers, the company sustained losses from Hurricane Ida.

Insurance investment income rose to $1.16 billion from $1.02 billion.

The railroad, utilities and energy units earned $3.03 billion, up from $2.74 billion in the year-earlier period.

American Express Co., Apple Inc., **Bank of America** Corp. and Coca-Cola Co. were the top holdings in Berkshire's equity portfolio, the company said Saturday in a securities filing.

Berkshire's Class A shares closed Friday at $434,000. They have climbed 26% so far this year.

The company remained an active buyer of its own stock during the third quarter, spending about $7.6 billion on share repurchases. For the first nine months of the year, buybacks totaled $20.2 billion.

Mr. Buffett's investments have made Berkshire one of Wall Street's most enduring successes. The company produced annualized gains of 20% from 1965 to 2020, outperforming the S&P 500's 10.2% gains, including dividends. In recent years, Berkshire's performance has slipped. The company's annualized total returns over the past five years were about 15%, compared with 20% for the S&P 500.

Mr. Buffett has continued to stockpile cash for future acquisitions. Berkshire held more than $149 billion in cash, cash equivalents and short-term Treasury bills at the end of the third quarter, up from $144 billion in June.

"The blockbuster acquisition everyone has been waiting for has been happening in front of our eyes, gradually and slowly," Ms. Seifert said, referencing Berkshire's recent stock buybacks.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Business Is the Game-Changer at COP26 in Glasgow

The 2015 Paris climate conference mostly involved governments pushing businesses to cut emissions. In Glasgow, businesses are the ones pushing governments to act.

From a low base, expectations for the COP26 summit that kicked off last week have been boosted by a flurry of promises. While skeptics grumbled that some were recycled commitments, by Friday the International Energy Agency said that, if delivered, the updated pledges would likely limit global warming to below 2 degrees Celsius—the first time it has fallen below that benchmark. New national commitments from China and India were central to the new IEA analysis, even if they disappointed some.

Government negotiations continue, yet the real game-changer has arguably been corporate muscle.

Exhibit A is the $130 trillion in private capital promised for the energy transition by the Glasgow Financial Alliance for Net Zero, a group of 450 financial institutions from 45 countries. However, the associated plan to reform the financial system warns that governments need to provide the "commitment, clarity, and coordination required to accelerate progress."

Regulations are often disparaged as red tape that slows innovation. But decarbonizing economies requires massive changes that create great uncertainty about future markets and industries. Businesses and investors, many with newly minted net-zero commitments, need governments to create a plan and some rules to reduce the unknowns.

"If there is a framework and pathway that shows how the pieces fit together, that is what will really mobilize investment," says Lucy Heintz of Actis, a veteran energy-transition investor in high-growth markets.

Investors are also pushing governments to set standards for climate reporting and carbon-credit markets. In both areas, a host of voluntary measures have filled the void left by regulators grappling with if and how to set official rules. The resulting Wild West of different benchmarks makes it hard to compare companies and can enable so-called greenwashing—talk not matched by action.

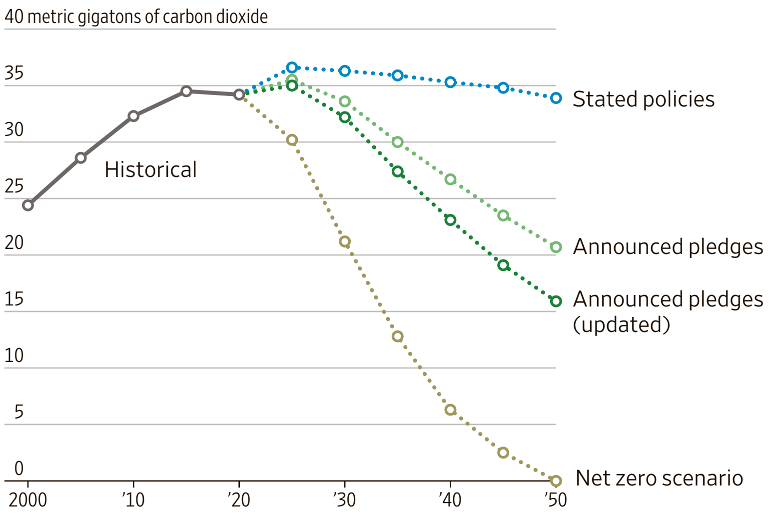
This will change. A new International Sustainability Standards Board, announced last week in Glasgow, expects to publish mandatory climate reporting standards by the end of next year for countries to implement. National negotiators are also working on a carbon accounting rulebook, which together with private initiatives should provide the base needed to scale up the market for carbon credits.

To be sure, most COP26 commitments are pledges, not legal requirements, raising the risk that they aren't delivered. But as last week's protests in Glasgow indicate, public pressure is high and scrutiny is rising. The world has changed since 2015: Extreme weather events are shifting public opinion and costing businesses, while renewable energy has become cost competitive. Standardized reporting also should add some teeth.

Governments, industry and the financial sector are mostly now pulling in the same direction, creating a powerful growth platform for companies that are exposed to the right areas. Investors still need to be wary of the waves of hype and disappointment that ripple out from any megatrend, but climate action is increasingly looking like a subject they can't afford to ignore.

—Rochelle Toplensky

CO_2 emissions in World Energy Outlook scenarios over time, 2000-2050



Source: International Energy Agency

Driverless 'Robotaxis' Arrive at the Stock Market

Driverless vehicles have a new public face: **Aurora Innovation**. Its stock will be a barometer of investor sentiment toward a technology that seems likely to change the world, albeit slowly.

The company, which is working on hardware and software to automate driving, made its market debut Thursday following the closure of its merger with a special-purpose acquisition company. The deal raised $1.8 billion before fees, slightly less than hoped when it was announced in July, to fund Aurora through the final two years before its targeted commercial launch. The stock fell 3% on its first trading day but rebounded to close up 4% on Friday.

Aurora isn't the first company to go public with hopes of delivering a technology expected to upend the multitrillion-dollar market for moving goods and people—if and when it can be made to work at scale. A truck-focused rival called TuSimple held a conventional initial public offering in April, and two other SPAC deals with trucking startups are waiting to close. But Aurora, valued at $10.6 billion in the merger, is the largest to date, and the only one working on "robotaxis" as well as driverless big rigs.

The company was launched in 2017 by three industry veterans: Chris Urmson spearheaded Google's pioneering driverless-car project before it became Alphabet subsidiary Waymo; Sterling Anderson ran Tesla's autopilot; and Drew Bagnell was a founding member of Uber's team charged with developing the technology. Aurora agreed to acquire Uber's autonomy business last December in a deal that made the ride-hailing giant a big shareholder.

Despite their background in passenger vehicles, the founders' more immediate focus is heavy trucks. Freight routes are usually less complex driving environments than urban centers, but a bigger reason is that highways tend to be similar across the U.S., making the technology potentially easier to roll out at scale.

Scalability seems to be a problem with driverless taxis. Waymo made history by opening its robotaxis to the public in an Arizona suburb more than a year ago, but has been cautious about expanding to potentially more lucrative markets.

Aurora wants to launch driverless trucks in late 2023 and robotaxis a year later. Mr. Urmson envisages using the experience of hauling freight to drive Ubers on highways before taking them into city centers. He touts the advantage of being able to integrate robotaxis gradually into a wider human-driven fleet, rather than trying to create an entirely automated taxi service capable of handling all journey types from the get-go.

The company expects roughly $2 billion in revenue in 2027, the last year in its public business plan, which seems tiny compared with General Motors' hope for $50 billion of revenue for its robotaxi business Cruise by 2030. Since the technology isn't there yet, any such numbers are more or less cautious guesses. Timelines for mass delivery of driverless vehicles have been continually pushed back and could be again.

The longer the technology takes to work at commercial scale, the longer investors will have to bankroll it. Waymo and Cruise have both considered going public, according to press reports, only to turn to private funding rounds for extra cash. Argo AI, backed by Ford and Volkswagen, is also exploring an IPO. Aurora's competitors will be among the closest followers of its newly listed stock.

—Stephen Wilmot

INVESTING IN FUNDS & ETFS

THE WALL STREET JOURNAL. Monday, November 8, 2021 | R1

Does Sustainable Investing Really Help the Environment?

Tariq Fancy says Wall Street, his former home, benefits more than the planet does. Alex Edmans says that criticism goes too far.

By William Power

Sustainable investing has been a wild success. For Wall Street, at least.

But whether Wall Street or Mother Nature will be the ultimate beneficiary of all of the money flowing into ESG (environmental, social, and governance) mutual funds and exchange-traded funds is a difficult question to answer.

We asked two experts to weigh in.

Tariq Fancy, CEO of the Rumie Initiative, an education-technology nonprofit, has been a critic of ESG investing since leaving his job as chief investment officer for sustainable investing at **BlackRock**. In his writings including an online essay in August, "The Secret Diary of a Sustainable Investor," he argues that funds that focus on ESG are profitable for Wall Street—but amount to a "dangerous placebo" that doesn't cure the planet's problems.

Alex Edmans, professor of finance at London Business School and an adviser on responsible investing to Royal London Asset Management and other investment firms, says that while he sees merit in some of Mr. Fancy's criticisms, they are more sweeping and blanket than justified.

Here are edited excerpts of the discussion, conducted by email:

• WSJ: You both have been advocates of sustainable investing, though you disagree about Wall Street's role. Do you feel better about the fate of the planet now that Wall Street has carved a niche for ESG?

• **MR. FANCY:** Unfortunately, I feel worse about it. Is ESG good for

Please turn to page R4

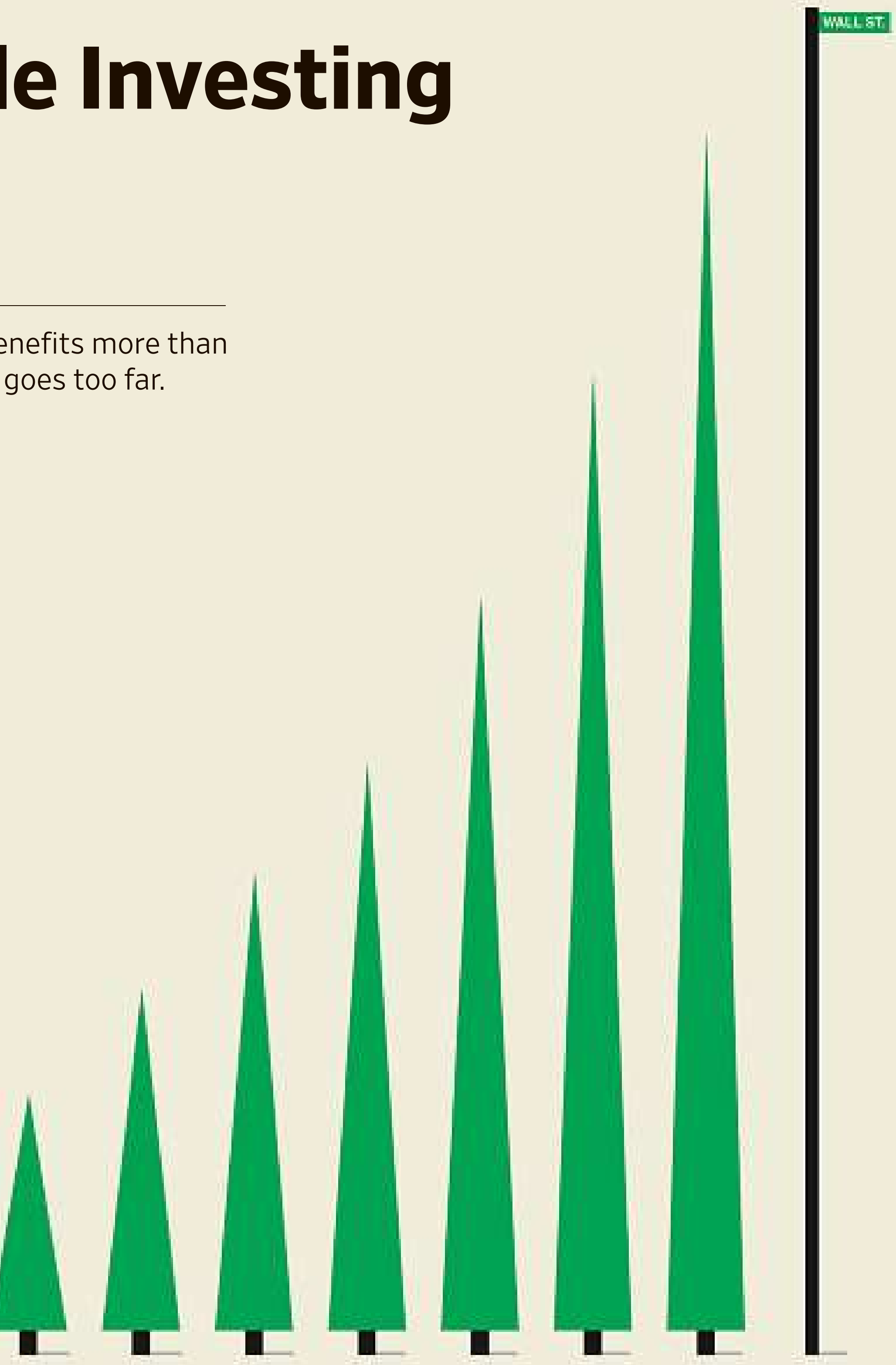


ILLUSTRATION BY TYLER COMRIE

Inside

Ask Encore

Paying off your house before you retire seems like a logical goal. But perhaps not in every case. **R7**

Boo 2022?

Will stocks suffer the "sophomore slump" next year? Here are some of the issues that investors can watch out for. **R3**

Saving for College

It's Fafsa time for parents (and the college-aid filing might feel different). **R8**

SCOREBOARD

October 2021 fund performance, total return by fund type. More on R2.

U.S. stocks*	Intl. stocks*	Bonds (intmd.)
▲ 5.7%	▲ 2.9%	▼ –0.1%

*Diversified funds only, excluding sector and regional/country funds Source: Refinitiv Lipper

Pick a Fund Manager: Rookie or Veteran?

By Derek Horstmeyer

Fund investors often debate: Should I entrust my money to an experienced fund manager with a record over many different market cycles, or should I go with an upstart manager who might have fresh ideas on how to generate gains?

My research suggests that if you want a fund that will track an index better and provide superior posttax returns, the more-seasoned fund manager is likely your best bet. If, on the other hand, you are looking for outsize bets and potential home runs, a short-tenure manager may be the way to go.

To examine the relationship between fund-manager tenure and performance, my research assistant, Ioana Baranga, and I collected data on all actively managed mutual funds between 2010 and 2020. We then partitioned all fund managers by their tenure at the fund, using a range of zero to three years to define "short tenure" managers, and six years and greater to define the "long tenure" managers. If there were multiple fund managers within the same fund, we opted to use the oldest fund manager's tenure to define our partition.

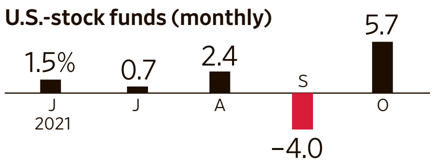
Longer-tenure fund managers are more reliable than rookies, but hit fewer home runs, research shows.

Next, we explored how these fund managers differ in their returns and investment decisions. The results associated with managers in the

Please turn to page R2

JR.

A Journal Report special look at the **numbers** and **news** about this month's investing



● **Insight**

10/6/21 Turkeys at Park Farm in Knutsford, England, where high demand and supply-chain issues abound.

19% The year-to-date gain for the Dow Jones Industrial Average. It set a closing record of 36327.95 last week.

-20% Percentage change in stockpiles of turkey meat in cold storage, compared with the year earlier, as disclosed by the Agriculture Department's October report (August data).

Gobble Up the Stocks

You wouldn't know it from the stock market's rally, but supply-chain issues are bedeviling businesses and consumers around the world. As Western economies emerge from lockdowns, demand is out of sync with many suppliers. That's why some operators of U.S. supermarkets started buying turkeys early this year, trying to avoid shortages.

'Great investors do not suffer from "the recency effect," or the tendency to get swept up in the euphoria or depression of the moment. As investors make big bets in areas of excess like FAANG stocks, I'm reminded of the importance of thinking long-term.'

John W. Rogers Jr.
Chairman and co-CEO, Ariel Investments

● **Monthly Monitor** William Power

U.S.-Stock Funds Jumped 5.7%

Investors are looking on the bright side of life.

U.S.-stock mutual funds and exchange-traded funds in October logged their best monthly percentage gains of the year as a variety of worries—from inflation to the virus—failed to keep the market from hitting more records.

"The fact we're still bumping up against records is emblematic of the rose-colored lens that investors are looking through," says Greg Bassuk, chief executive officer of AXS Investments in New York.

There was anticipation that October could be a time for market corrections, but instead, the market powered on—and has continued to do so in November.

"Since about mid-May we were in a trendless market and we've broken out of that," says Brent Schutte, chief investment strategist at Northwestern Mutual Wealth Management in Milwaukee.

Mr. Schutte says investors have shaken off three summertime issues that he labels as: "Too Much" (worries about inflation and the Fed), "Too Little" (worries about the Covid lockdowns' effect on economic growth) and "Too Expensive" (worries about stock valuation).

Instead of that "Too" trio, says Mr. Schutte, "You're really seeing a market driven by economic and earnings fundamentals which are strong, and those are joined at the hip."

The average U.S.-stock fund rose 5.7% in October, according to Refinitiv Lipper data. That boosted the year-to-date advance to 21.1%.

International-stock funds were up 2.9% in the month, boosting their year-to-date gain to 10.3%.

And even as companies report strong earnings—the underpinning of the market rally—Mr. Bassuk notes that executives are warning there could still be supply-chain issues. Yet even that is being viewed favorably. "That could be a benefit to stocks since it lessens the Fed's speed and extent of tapering," or reducing its pandemic-era stimulus, says Mr. Bassuk.

Bond funds tied to intermediate-maturity, investment-grade debt (the most common type of fixed-income fund) slipped 0.1% in October, to leave them with a 1.2% decline so far this year.

Mr. Power is a Wall Street Journal features editor in South Brunswick, N.J. Email him at william.power@wsj.com.

● **In Translation**

'Carry' In Investing

Sometimes Wall Street veterans use the term "carry" when referring to the attributes of different asset classes. But to make matters more confusing, the term also refers to a type of sophisticated trading strategy.

In its simplest form, used to describe attributes, an asset has a positive carry if it generates a profit just from owning it. Likewise, negative carry means the investor has real and implied costs to cover when owning the asset.

In today's economic climate, "Commodities definitely have positive carry because the prices are going up," says Keith McCullough, founder and CEO of markets-research company Hedgeye Risk Management.

Commodities also can incur a negative carry, since buyers typically need to pay for storage and insurance for the materials or foodstuffs that they buy.

However, investors can offset those costs with the gains from an upward price trend, such as the one over the past year and a half. Starting in April 2020, the CRB Index, which tracks a basket of commodities prices, has more than doubled. In other words, overall, commodities were a good bet because of overall positive carry.

That is in contrast with February 2012-April 2020, when the CRB fell by almost two-thirds. Storage and insurance costs would have added to commodities investor losses in that period.

Recently, part of the bond market switched from positive to negative carry, Mr. McCullough says. Even while some countries, such as France and Germany, had negative-yielding debt, he says it was worth buying those securities. Investor losses from the negative interest rates were more than offset by the rallying bond prices, resulting in an overall positive carry.

—Simon Constable

Rookies vs. Veterans

Continued from page R1

large-cap U.S.-stock category highlight the results well. On a pretax basis, the average long-tenure manager underperforms the average short-tenure manager by 0.03 percentage point a year (12.39% average annual return for long-tenure managers versus 12.42% average annual return for short-tenure managers). Yet this result flips when we examine posttax returns—it is actually long-tenure managers outperforming short-tenure managers by 0.14 percentage point a year, on average (9.15% average posttax annual return for long-tenure managers versus 9.01% average posttax annual return for short tenure managers).

by 0.24 percentage point a year on a pretax basis (10.03% versus 9.79%), but outperforming by 0.09 point on a posttax basis (7.04% versus 6.95%). Similarly, we see that spread between the 95th percentile and fifth percentile in annual returns is 16.46 percentage points for long-tenure managers and 17.59 points for short-tenure managers, averaged over all asset classes.

Too much trading?

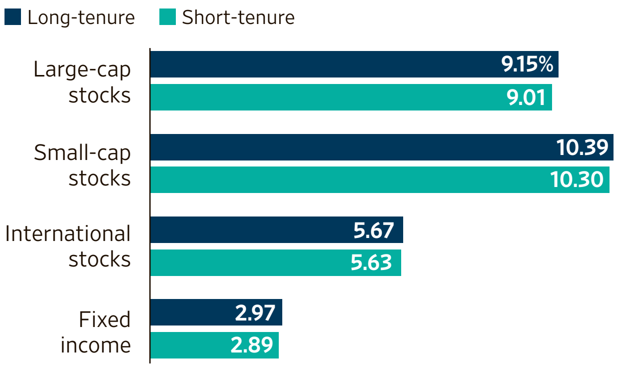
Two other interesting features of note are how trading and fees relate to performance.

We also observed across all asset classes and managerial types a negative relationship between fees and

Experience Counts

Returns for actively managed mutual funds between 2010 and 2020

Posttax Average Return (Annualized)



Source: Derek Horstmeyer, George Mason University

Larger tax bills

Why does this reversal happen? The answer is that short-tenure managers are trading much more often than long-tenure managers. The average long-tenure large-cap manager has an asset turnover ratio of 54.89% while the average short-tenure large-cap manager has an asset turnover ratio of 84.90%. For investors, more trading means a much larger tax bill at the end of the day.

We also observed much greater dispersion in the results for short-tenure asset managers compared with long-tenure ones. Again, looking at the results for large-cap stock managers, we see the spread between the funds in the 95th percentile and fifth percentile in annual returns is 13.22 percentage points for long-tenure managers and 14.66 for short-tenure managers. By going with a short-tenure manager you have a better chance of hitting it out of the park, but you also have a better chance of striking out.

All these results persist across all asset classes investigated: small-cap U.S. stocks, international equities and fixed income. Across all groups we see the average long-tenure manager underperforming the short-tenure manager

performance, as well as turnover and performance. That is, the more your managers charge you in fees, or the more they trade, on average the worse your performance will be (no matter what type of manager you go with).

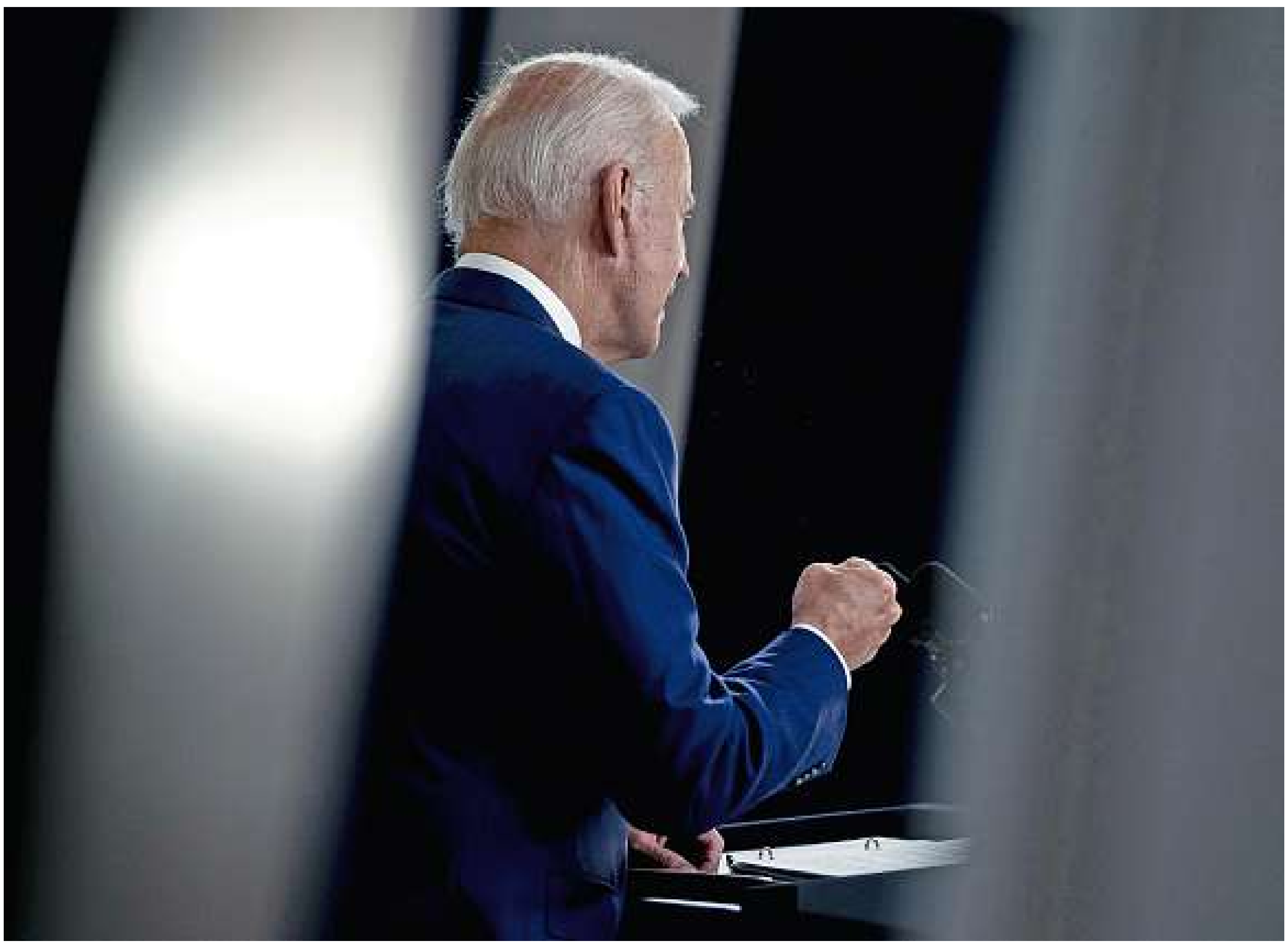
Short-tenure managers are trading much more often than long-tenure managers.

So, what is the key takeaway from all of this? If you are going to hold mutual funds run by short-tenure managers, it may be best to hold them in tax-advantaged accounts such as IRAs or 401(k)s, since their excessive trading and higher tax bills can be shielded in such accounts. Otherwise, holding mutual funds run by short-tenure managers might hurt your returns if you are holding such assets in a taxable account once the tax bill comes in.

Dr. Horstmeyer is a professor of finance at George Mason University's Business School in Fairfax, Va. He can be reached at reports@wsj.com.

FROM TOP: NATHAN STIRK/GETTY IMAGES; AP PHOTO; MONITOR: GIACOMO BAGNARA; IN TRANSLATION: PAUL BLOW

P2JW312000-0-R00300-1--------XA



◀ Stocks have often been weaker in the second year of a new U.S. president's term.

5 Reasons Why Stocks Might Be Weaker in 2022

History could wind up repeating itself next year

By Michael A. Pollock

Can U.S. stocks avert a "sophomore slump" in 2022?

Over the past 75 years, in the second year of a new U.S. president's term, stocks have tended to fall short of their long-term average annual performance. The pattern, evident in data from S&P Global Market Intelligence, may reflect a tendency by the party that holds the White House to enact—or try to enact—less-market-friendly policies well in advance of the elections midway through each presidential term.

Some researchers doubt that this finding is statistically meaningful. But whether or not this particular bit of history is a good forecasting tool, there are reasons why the market's performance next year may be far less impressive than it has been since the low reached in March 2020, a period in which the S&P 500 index has about doubled.

Among the headwinds the market faces are the expiration of government aid programs to offset the impact of Covid-19, rising interest rates, and supply-chain glitches that have caused shortages of goods and helped fan inflation.

For those who want a better understanding of what might drive returns just ahead, here is a list of issues to track.

1. The rush from Covid relief programs is fading.
Although Congress enacted trillions of dollars in pandemic relief programs, those are expiring. The result will be "a radical downshift in income growth for pretty much the whole country" in 2022, says Brad McMillan, chief investment officer of Commonwealth Financial Network, an adviser and broker-dealer.

Because consumers amassed savings during the pandemic and have shown signs of being eager to spend, analysts see scant risk of a recession. Still, next year's U.S. GDP growth, which is projected at around 3% to 4%, might feel tepid after an estimated expansion this year of about 6%.

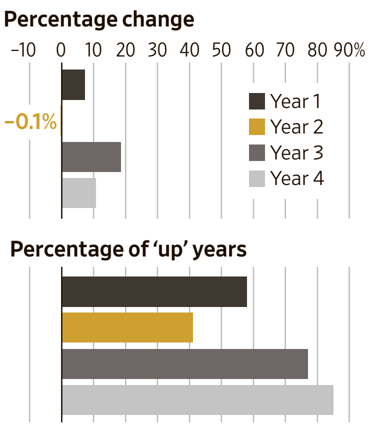
2. Fed policy probably won't be as easy.
To keep the economy from going into a tailspin, the Fed last year cut its benchmark interest rate to near zero and began large purchases of government bonds. Bond yields move the opposite way as bond prices, so the buying depressed yields, making it cheaper to borrow.

But inflation in recent months has been hanging around 5% annualized. And although Fed officials say that pace will slow, they have announced a tapering of bond purchases. Markets also expect the Fed to raise its benchmark bank lending rate twice next year, perhaps by a total of 0.5 percentage point, further tightening policy.

These steps would remove a large amount of liquidity from the financial system, says Steve Sosnick, chief strategist at Interactive Brokers. It remains to be seen how the bond market reacts, he adds. But in recent months, rises in bond yields have sparked selling in equities.

Presidential Cycle

Average S&P 500 changes for each year of a first-term president since 1945



Source: S&P Global Market Intelligence

3. Corporate profit growth may lose steam.
Corporate profits—a key ingredient in investor enthusiasm for stocks—are estimated to surge about 43% for 2021 versus last year. That has helped propel the market. But profit growth is slowing because of rising wages, soaring freight costs and higher materials prices. It is estimated at only around 7% for 2022, says Sam Stovall, chief investment strategist at data provider CFRA.

"Virtually every company will experience some form of cost pressure," says Eddie Perkin, chief equity investment officer at Eaton Vance Management, an asset-management company. He adds that the impact could vary significantly for different sectors and companies, making stock selection a challenge.

4. Market valuations are lofty.
After recent gains, the S&P 500 has a broad valuation of around 22 times 12-month forward earnings, 30% above the average of the past two decades, according to Mr. Stovall of CFRA.

Investors tend to ignore such flags when underlying conditions are favorable and there's a lot of willingness to take risk. But next year, with inflation possibly lingering and the Fed draining liquidity from the economy, investors may decide that stocks are overly expensive, says Timothy Murray, a capital-markets strategist at T. Rowe Price.

Investors tend to ignore stock valuations when underlying conditions are good and there's appetite for risk.

The market also may prove less resilient in the face of new shocks, such as the possible emergence of a more virulent version of Covid-19. So while there's a chance that 2022 could be a "decent" year for stocks, any flare-ups of the virus clearly pose a risk to the market, says Ryan Detrick, chief market strategist for LPL Financial, an investment-advisory firm and broker-dealer.

5. Stocks simply may be unable to repeat.
So far this year, the S&P 500 is up 25%. But when analysts track how the market has fared on a rolling basis in past decades, the data shows that strong stretches usually are followed by more-lackluster periods, says Mr. Stovall of CFRA. Based on how the market has been doing recently, the odds favor a gain of perhaps just 6% in 2022, he says.

Mr. Pollock is a writer in Pennsylvania. He can be reached at reports@wsj.com.

A Multiplier Effect in the Stock Market

A study finds that for every $1 that goes into the stock market, prices go up by $5

By Mark Hulbert

A new study shows how much the flows of money into and out of the stock market affect stock prices—perhaps more than many investors realize.

Specifically, a dollar of cash from outside the stock market that is invested in equities will cause the combined market cap of all stocks to rise by about $5, while a dollar withdrawn from the market will have the opposite "multiplier effect," the study says.

This doesn't mean that each individual stock will go up when new cash comes into the market. Some stocks and sectors will rise more than others. But overall, according to the study, investors as a group are reluctant to sell their equities when cash comes in from outside the market. Their price insensitivity can be understood intuitively by imagining a market in which there are just two investors: If the first wants to buy stocks with cash from outside the market, and the second wants to continue owning equities, prices have to go up a lot to convince the second to sell.

This multiplier effect doesn't exist when the cash used to buy a stock comes from *inside* the market—from the proceeds of selling another stock, in other words. Any increase in market cap that comes from such a purchase will be offset by the decrease caused by the sale.

The reigning academic theory of the market up until now, in contrast, has insisted that investors are extremely sensitive to price, very willing to sell when prices go up. As a result, flows into the market that have no relevance to a company's fundamentals should play no role.

The stock-market research casts new light on what happens during share-buyback programs.

The new study that finds to the contrary, titled "In Search of the Origins of Financial Fluctuations: The Inelastic Markets Hypothesis," was written by Xavier Gabaix, a professor of economics and finance at Harvard University, and Ralph Koijen, finance professor at the University of Chicago's Booth School of Business.

They aren't denying that traditional forces related to earnings, dividends, cash flow and risk appetite also play a role, Prof. Gabaix says. One of the contributions of their new research is to show that flows also play a significant role in explaining the market's volatility, though they don't yet have an estimate of just how significant that role is.

Cash and fundamentals

One reason investors collectively are price-insensitive, according to the professors, is that large institutional investors typically operate with mandates specifying their equity-exposure levels.

Most are constrained to maintain a more or less constant proportion of their portfolios in equities. So, in contrast to what would be expected if these investors were price-sensitive, they don't significantly cut their exposures when new cash comes into the market and drives up prices.

Another reason is investor psychology: We become more bullish as prices rise—not less. An illustration is how much stock market timers' recommended equity-exposure levels have risen since the March 2020 bottom. According to my tracking of nearly 100 such timers, they on average were completely out of the market at that bottom, when the Dow Jones Industrial Average was below 19000. Today, with the DJIA nearly double where it stood then, the average exposure level is 63%. If these timers were more price-sensitive, you would expect their equity-exposure levels today to be a lot less.

A 'multiplier effect' unrelated to the latest news can move stock prices.

Explaining phenomena

Meanwhile, this new research provides a new perspective on a number of market phenomena that up until now have been the source of controversy, including:

• **Share repurchases.** Though many on Wall Street already believe that repurchases are bullish, others insist that they have no price impact. The professors show why repurchases could have a multiplier effect on the combined market cap of all stocks.

• **Government stimulus.** This new research identifies a potentially powerful tool that governments could use to stimulate the market: direct purchases of stocks, which could increase the combined value of the stock market upward by five times the dollar amount allocated to such purchases. Though the U.S. government hasn't yet employed such a tool, it wouldn't be a surprise—especially in light of this new research—that the government is seriously considering it.

Mr. Hulbert is a columnist whose Hulbert Ratings tracks investment newsletters that pay a flat fee to be audited. He can be reached at reports@wsj.com.

STEFANI REYNOLDS/BLOOMBERG; SPENCER PLATT/GETTY IMAGES

◀ Clearing the Air? A wind turbine in Huxley, Iowa

Who Benefits From ESG?

Continued from page R1

the industry? Undoubtedly yes. It presents a lucrative new opportunity to raise funds and fees. And as an added bonus, it keeps government regulation to address the climate crisis at bay through feeding us yet another narrative in which our answers are solved by the "free market" magically self-correcting.

But good for the planet? I think even Alex would agree that there is no compelling empirical evidence that ESG investing mitigates climate change. Outside of a very small minority of private, long-term funds, such as venture-capital funds that back promising technological solutions to the climate crisis, the vast majority of funds marketed as ESG and sustainable funds today—as well as the nonbinding practice of ESG integration into existing investment processes—can't point to any real-world impact that would not have otherwise occurred.

• **DR. EDMANS:** I feel modestly better about it. Only modestly better, because Tariq is right that divestment has negligible effect on company behavior. But still better, because Tariq's essay in August ignored the key mechanism through which sustainable investing has impact—engaging with companies on ESG issues. We've seen such impact with upstart hedge fund Engine No. 1 getting three climate-conscious directors appointed to Exxon's board, and this isn't just an isolated case. Indeed, careful research shows that engagement by index funds, hedge funds and investor collective-action groups creates shared value for both shareholders and society. In particular, activism on ESG issues creates shareholder value as a byproduct, and activism to enhance long-term shareholder value ends up improving ESG.

• **MR. FANCY:** Given the scale of the challenge presented by the climate crisis, we need to stay focused on the bigger picture: The ESG industry may be developing data sets, standards, and ushering in a wave of talented young people to work with them, but these tools are clearly not being combined in the right way right now—given that ESG assets and marketing spin are increasing rapidly alongside carbon emissions, inequality and a host of problems they're meant to do something about. Are there a few isolated areas where ESG can create win-wins? Sure. But overall, the ESG industry today consists of products that have higher fees but little or no impact and narratives that mislead the public and delay the government reforms we need.

Tariq Fancy

Alex Edmans

The small wins that Alex highlights, insofar as they exist, are nowhere near sufficient to rapidly decarbonize our economy on the timeline required, which only governments can catalyze through rapidly adjusting the incentives of all the players in the system, for example through a price on carbon. I refer to ESG's small, mainly marketing wins as "giving wheatgrass to a cancer patient." And there is now evidence emerging that they may be a giant societal placebo that lowers the likelihood of us following expert recommendations to address the climate crisis. In that sense, the wheatgrass isn't harmless; it's delaying the chemotherapy that science tells us we need immediately.

If you sell people a win-win fantasy, they're less likely to accept the truth: Fighting climate change is going to require an economic transformation that will of course 100% involve the private sector, but must be sparked by government, including through taxes and regulation, and is going to be very difficult and cost us a lot of money.

• **WSJ: Dr. Edmans, you seem to have more faith than Mr. Fancy in the role of investors in helping the planet.**

• **DR. EDMANS:** Tariq is correct that government intervention is key. However, it's not either/or. Investors launching sustainable funds does not prevent government action; in contrast, doing so encourages action by shifting the so-called Overton window—the range of ideas that is currently acceptable in the political mainstream. Moreover, many investors directly call for government action. In July, investors representing over $6 trillion in assets called for a global carbon price.

• **MR. FANCY:** The only people shifting the Overton window toward a robust response to the climate crisis are brave activists, climate scientists, climate economists and other experts who are telling us that saving the planet will involve taking sacrifices, and needs to happen quickly. The Overton window wasn't shifted by the ESG industry; on the contrary, today it's unfortunately being wasted by it by diverting the growing momentum for climate action into yet another dodgy free-markets-self-correct fable.

• **WSJ: Mr. Fancy in his August essay made the analogy that capitalism is like a basketball game: Each is a competition to score (whether points or profits), and sportsmanship happens only when it's required under the rules. The implication is that Wall Street doesn't really have its heart in helping the planet.**

• **DR. EDMANS:** Many ESG advocates immediately got on the defensive and started arguing why Tariq's essay is wrong. But we should first consider the possibility that it might be right. Relying on companies/investors to do the right thing without government action is as naive as having a professional basketball league without rules or referees, but clubs writing glossy purpose statements promising to play fair.

However, the analogy is imperfect in two ways. First, basketball is a zero-sum game. One team can only win if the other loses, and so instances of sportsmanship will be limited. But, in many cases, business is a positive-sum game. Rigorous evidence shows that "sportsmanship" to your stakeholders can also benefit shareholders, so it's in investors' own interest to take stakeholders seriously. For example, companies that treat their employees well outperformed their peers in total shareholder returns by a range of 2.3 to 3.8 percentage points a year over a 28-year period—that's 89 points to 184 compounded. Similar results hold for companies that deliver value to customers, the environment and material stakeholders. Second, many key ESG dimensions can't be regulated, such as corporate culture—hence the role for investors to hold companies to account.

There are certainly institutional investors who claim that their sustainability actions are a substitute for government action, and who launch ESG products with bold claims of impact to dupe unsuspecting clients to pay fat fees for them. Tariq's essay has a lot of value in calling them out. However, most true ESG investors don't do this. They don't make unsupported claims of impact; their marketing argues that ESG's main effect is to improve long-term returns rather than change company behavior. Investors who are late to the ESG game are suddenly jumping on the bandwagon and making a lot of noise in a desperate attempt to play catch-up. Tariq is right to expose them, just like those who promote faddish weight-loss programs should be exposed—but this doesn't mean the entire weight-loss industry is a ruse.

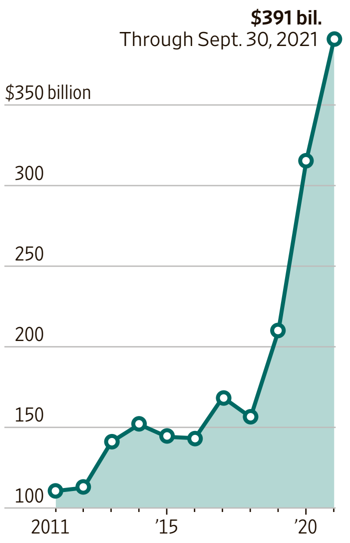
Mr. Fancy calls all the ESG-focused mutual funds and ETFs a 'dangerous placebo.'

• **MR. FANCY:** There are indeed areas where small win-wins exist, and where shareholder value can be enhanced by serving all stakeholders. I used to eagerly trumpet these areas in my previous role in sustainable investing. I've received an avalanche of messages from people thanking me for saying something they also felt needed to be said. Yet few want to say that out loud themselves, which I understand: I couldn't have said the same things while I was still in the industry.

I think the ESG industry has the potential to move from serving as a dangerous placebo to playing a leading role in this change, but that requires us having an open and honest debate about how to arrive at a more rigorous and honest ESG 2.0.

Do-Good Investing

Total assets for responsible-investing funds*



*Includes traditional social-aware funds, ESG and impact-investing funds registered for sale in the U.S.
Source: Refinitiv Lipper

Mr. Power is a Wall Street Journal features editor in South Brunswick, N.J. Email him at william.power@wsj.com.

'Gender Lens' Funds Let Investors Put Their Money on Women Leaders

The funds invest based on whether a company has women in leadership roles or is committed to their advancement in some other way

By Bailey McCann

If you are an investor who wants to support the advancement of women, there's a category of investments for that: gender-lens funds.

These mutual funds and exchange-traded funds are part of the environmental, social and governance, or ESG, investing movement, and they specifically invest based on whether a company has women in leadership roles or is committed in some other way to women's advancement and equity.

Morningstar Direct includes gender-lens funds in a group of 52 funds that seek to make a measurable impact on gender and diversity disparities. The research firm says $4.9 billion has flowed into this fund category this year through Sept. 30, up from $2.9 billion in the same period a year ago.

Parallelle Finance, a gender-lens advisory firm, says assets in the group of gender-lens stock funds it tracks rose 8% in the second quarter from the first quarter.

For investors who may be interested, here are funds to consider.

Mutual funds

Pax Ellevate Global Women's Leadership Fund (PXWEX). Pax Ellevate is one of the oldest offerings in the gender-lens category. It tracks the Impax Global Women's Leadership Index, which includes the highest-rated companies in the world for advancing women's leadership. The fund also seeks to invest in companies that have gender parity in pay policies and are transparent about gender diversity.

The fund, which has an expense ratio of 0.78%, gained 17.58% this year through Oct. 30, according to data from Morningstar. The S&P 500, by comparison, rose 22.6%.

Fidelity Women's Leadership Fund (FWOMX). This fund, which Fidelity Investments launched in 2019, invests in companies that either have a woman as a member of the senior management team, are governed by a board where women represent at least one-third of all directors, or have policies designed to attract and retain women employees. The fund has a 0.90% expense ratio and was up 20.74% for year through October.

Index funds

Barclays Women in Leadership Total Return Index (WIL). This exchange-traded note, launched in 2014, invests in companies that have either a female chief executive or a board that is at least 25% female. The fund has an expense ratio of 0.45% and was up 22.91% this year through October.

SPDR SSGA Gender Diversity Index ETF (SHE). Launched in 2016 by State Street Global Advisors, SHE doesn't have a quota for the number of women in leadership positions but invests in companies that exhibit greater gender diversity than peers. The fund was up 20.21% this year through October and has an expense ratio of 0.20%.

Impact Shares YWCA Women's Empowerment ETF (WOMN). This fund invests in 200 companies that have shown a commitment to gender diversity, based on criteria of the Morningstar Women's Empowerment Index. The fund donates its advisory fees to the YWCA. The fund has an expense ratio of 0.75% and was up 21.18% through October.

IQ Engender Equality ETF (EQUL). This fund is part of a suite of ESG ETFs launched by New York Life Investments and Index IQ in October. EQUL invests in companies that have demonstrated a commitment to gender equity throughout their organizations based on data from Equileap, a provider of gender-equality data. The fund also will make contributions to nonprofit Girls Who Code. The management fee is 0.45%.

Several mutual funds and ETFs are tied to pro-women investments.

Ms. McCann is a writer in New York. She can be reached at reports@wsj.com.

FROM TOP: BRYON HOULGRAVE/THE DES MOINES REGISTER/AP; SPENCER PLATT/GETTY IMAGES

JOURNAL REPORT | INVESTING IN FUNDS & ETFS

Category Kings in 16 Realms

Top-performing funds in each category, ranked by year-to-date total returns (changes in net asset values with reinvested distributions) as of Oct. 29; assets are as of Sept. 30. All data are final.

Large-Cap Core

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Pacer Lunt LC MF Alt	103.8	8.4	39.9	57.0	N.A.
Pacer Lunt LC Alt	185.1	5.5	37.3	81.4	N.A.
HCM Defender 500 Idx ETF	258.3	10.1	33.7	62.7	N.A.
HCM Defender 100 Idx ETF	279.2	11.1	31.9	62.5	N.A.
FIIG US LC Eq Env SV	0.2	7.6	31.4	52.5	N.A.
Meehan Focus Fund	100.7	7.8	30.0	49.1	20.4
Prov Trust Strat	263.8	6.7	29.6	45.1	21.4
2ndVote:Society Defended	22.3	5.7	29.5	N.A.	N.A.
BlackRock:Exchange;BR	202.9	8.2	29.4	47.6	16.9
Xtrackers MSCI USA Ld Eq	3,692.4	9.4	28.5	47.9	N.A.
Category Average:	1,823.2	6.7	22.6	40.9	17.7
Fund Count	694	691	661	650	519

Small-Cap Core

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Vulcan Val PSC;Inst	1,291.1	5.2	54.7	107.9	N.A.
Hodges Sm Intr Val;Rtl	16.0	6.0	37.9	69.5	13.4
Pacer US SC Csh Cws 100	440.6	1.3	37.9	71.2	N.A.
DWS Sm Cp Core;A	431.4	3.9	37.3	73.0	15.8
Private Cap Mgmt Val;I	36.9	5.5	36.9	80.8	16.7
Auer Growth	23.2	7.1	36.8	56.9	13.3
Aegis Value;I	171.4	5.5	36.0	67.4	17.5
PENN:Cap SS SC Eq;Inst	17.2	3.8	35.9	86.9	20.3
Fidelity Sm Cap Val	4,422.2	3.9	35.8	75.8	14.4
Applied Finance Exp;Inst	155.5	4.8	35.2	68.0	19.1
Category Average:	615.4	4.3	23.0	54.4	13.1
Fund Count	852	850	840	834	712

Large-Cap Value

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Natixis VN Select	5.1	8.8	34.3	53.7	N.A.
Invesco Comstock;A	9,559.6	5.4	30.3	59.8	13.2
Invesco Comstock Slct;A	648.8	6.7	29.5	59.1	12.8
Thrivent Fds:LC Val;S	1,710.6	6.0	29.3	55.4	14.6
Matrix Adv Value Fund	67.1	4.6	29.0	52.2	14.8
Transam:Large Cp Val;I2	2,411.1	7.5	28.8	56.4	11.4
T Rowe Price Val;Z	36,035.4	6.9	28.7	50.9	N.A.
Barrett Opportunity	62.1	7.7	28.4	48.0	13.1
BrndywnGLB Dv USLCV;IS	311.9	5.1	27.6	49.2	13.7
Neuberger LC Value;Inst	6,563.6	4.5	27.3	61.3	17.4
Category Average:	1,477.1	5.4	22.7	45.1	13.4
Fund Count	368	363	351	348	307

Small-Cap Value

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Bridgeway:Sm Cp Val	350.2	6.4	66.7	112.8	18.8
Invesco S&P SmallCap VM	365.1	4.5	51.7	93.2	18.1
Invesco S&P SC 600 Rev	643.8	2.8	48.9	97.2	17.5
Perritt Ultra MicroCap	20.8	3.3	46.9	91.2	12.5
Invesco S&P SC600 PV	274.1	4.0	46.2	88.0	11.0
Bridgeway:Omni SCV	1,279.7	4.3	46.1	88.4	12.3
Bridgeway:Omni TxMgSCV	868.2	4.1	44.4	86.6	11.6
Rydex:S&P SC 600 P Val;H	15.5	3.8	44.0	84.1	8.7
PIMCO:RAE US Sm;Inst	338.8	4.6	43.7	86.5	15.7
PIMCO:RAE PLUS Sm;Inst	398.7	3.7	40.8	88.8	17.0
Category Average:	483.3	3.6	30.0	66.0	11.8
Fund Count	241	241	235	234	198

Large-Cap Growth

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Grandeur US Stlwrts;Inst	160.7	7.4	29.2	54.4	N.A.
Baron Durable Adv;Inst	41.1	8.0	28.5	42.7	N.A.
Fidelity Stocks for Inf	59.5	6.6	28.2	44.3	N.A.
Nuveen ESG Large-Cap Gro	817.8	10.0	27.8	49.0	N.A.
Fidelity Fund	7,250.3	7.6	27.7	42.4	21.1
Fiera Cp US E LT Ql;Inst	93.4	8.5	27.7	46.1	N.A.
SPDR Ptf S&P 500 Growth	13,453.1	9.1	27.0	44.9	23.7
Vanguard S&P 500G;ETF	6,505.0	9.1	26.9	44.9	23.6
NuveenWinslow LCGESG;I	862.8	8.8	26.9	44.1	26.2
iShares:S&P 500 Gro	35,047.6	9.1	26.8	44.8	23.6
Category Average:	2,929.4	7.2	21.2	38.9	23.5
Fund Count	683	680	673	672	560

Small-Cap Growth

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Kinetics:Paradigm;NL	816.2	8.3	42.7	92.6	19.8
Oberweis:Micro-Cap;Inv	117.9	6.1	42.4	89.2	23.5
Hodges Small Cap;Retail	231.5	5.0	37.6	75.2	14.8
Oberweis:Sm-Cap Opp;Inst	23.4	5.6	37.0	69.2	N.A.
Congress SmCp Gro;Inst	188.1	6.8	36.1	74.0	26.4
AdvisorShs Dorsey W M-C	9.6	5.0	35.7	80.7	N.A.
Ranger:Micro Cp;Inst	15.0	9.2	32.6	72.5	N.A.
Fidelity Flex Small Cap	12.3	5.0	31.3	67.2	N.A.
Fidelity Adv Srs Sm Cp	514.8	6.2	31.3	61.3	17.4
TIAA-CREF:Qnt SMCE;W	1,133.3	5.3	31.2	63.5	N.A.
Category Average:	946.3	5.3	14.9	43.4	20.3
Fund Count	712	711	705	704	592

Midcap Core

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
BMO:Md Cap Value;A	41.1	5.5	30.7	58.8	11.1
Fuller&Thaler BMCV;R6	187.0	5.3	28.1	58.4	N.A.
Vanguard Strat Eqty;Inv	7,865.7	5.0	27.7	54.1	15.2
Victory:Estab Val;R6	15,707.3	4.5	27.7	52.6	15.0
Arrow Reverse Cap 500	20.6	4.1	27.4	57.3	N.A.
Diamond Hill Mid Cap;I	274.6	4.6	27.4	52.4	11.3
Goldman:Sm/Md Cap V;P	217.8	5.6	27.1	57.8	N.A.
DFA US Vector Eqty;I	4,967.3	4.9	26.8	55.0	14.1
Principal:MCV I;R-6	2,833.5	4.6	26.6	50.4	N.A.
Thrivent Fds:MC Stk;S	3,512.8	6.2	26.3	53.4	18.1
Category Average:	959.5	5.0	21.2	44.6	13.3
Fund Count	332	332	325	325	266

Multicap Core

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
TANAKA:Growth Fund;R	23.7	5.9	45.1	106.9	18.3
One Rock Fund	8.4	18.7	37.7	67.1	N.A.
Natixis:VN Select;Y	224.0	8.8	34.3	53.6	19.9
Morg Stan I:US Core;I	76.4	8.4	32.1	54.2	19.9
Nuveen LC Core;I	448.7	6.3	30.6	51.1	16.0
Invesco S&P 500 GARP	640.0	6.7	29.5	56.4	24.1
Hennessy:Crnst LG;Inv	154.4	5.4	29.2	48.0	14.8
MainStay:WMC End C;A	642.7	8.4	28.9	48.5	17.9
Victory:Dvsd Stock;A	312.7	7.6	28.5	46.5	16.7
Mirova US Sust Eq;N	5.0	9.1	28.4	N.A.	N.A.
Category Average:	3,085.1	5.9	21.0	40.5	16.5
Fund Count	691	693	663	653	516

Midcap Value

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Frst Tr VI:DW Mom&Value	25.9	4.1	37.5	64.4	N.A.
Ballast Small/Mid Cap	37.5	2.2	36.9	N.A.	N.A.
iShares:Focused Val Fctr	32.9	3.7	36.5	73.9	N.A.
Hotchkis:Mid Cap Val;I	413.3	5.1	34.1	81.2	9.3
Monteagle Select Value;I	16.2	5.0	33.4	69.7	12.8
Rndhll Acquirers Dp Val	48.6	5.5	32.4	67.8	12.0
GoodHaven Fund	100.5	8.2	32.2	51.4	10.5
Ariel:Fund;Investor	3,050.8	4.8	31.9	69.6	15.2
Nuveen Mid Cp Value;I	383.4	6.5	31.8	56.4	14.1
Fidelity Value Fund	9,022.5	5.1	31.2	65.9	14.3
Category Average:	914.8	4.7	25.7	53.3	11.3
Fund Count	193	193	188	186	158

Multicap Value

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
BM&O Partners	60.5	6.2	51.5	84.7	17.4
Smead Value;I1	2,457.8	6.8	40.8	68.4	18.7
Invesco S&P500 Hi Be	1,286.5	7.4	39.5	88.1	21.6
Poplar Forest Prtnrs;I	313.6	4.5	36.1	68.1	9.4
ProShares:Eqts for RR	7.7	6.4	35.9	77.8	N.A.
Oakmark Fund;Inv	16,969.7	5.8	35.6	68.7	17.5
Pacer US Cash Cows 100	795.8	3.0	35.6	66.3	N.A.
Natixis:Oakmark;A	322.9	5.7	35.4	67.8	17.3
Oakmark Select;Adv	5,425.3	4.1	35.0	67.9	N.A.
Hotchkis:Value Opps;I	544.7	4.8	34.9	73.3	15.5
Category Average:	907.1	4.7	23.0	46.5	12.5
Fund Count	639	633	623	621	517

Midcap Growth

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Tidal:SoFi Social 50	24.4	6.9	45.0	80.6	N.A.
Congress MC Gro;Inst	1,612.4	8.0	30.1	52.3	22.1
Govt Street MdCp	61.8	8.3	27.5	47.6	18.7
RMB Inv:SMID Cap;I	261.2	7.2	26.8	51.8	19.4
CB Mid Cap Growth;A	178.0	7.2	26.5	50.7	23.7
ALPS Barron's 400 ETF	144.3	6.5	26.0	49.4	15.8
Alger:Mid Cap Fcs;Z	843.1	8.8	25.2	57.8	N.A.
Federated Hrms MDT MG;A	661.3	7.7	24.8	49.1	23.3
Champlain Mid Cap;Inst	7,095.9	5.8	24.3	46.4	21.6
Driehaus:SMC Gro;Inst	23.3	7.6	24.0	51.2	N.A.
Category Average:	1,357.7	6.5	16.1	39.0	22.3
Fund Count	392	389	377	361	306

Multicap Growth

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Baron Partners Fund;Inst	7,145.7	26.0	38.8	110.3	47.5
Midas Magic	19.7	6.8	34.4	60.7	18.0
Delaware Gr Eq;A	601.1	7.0	33.4	54.0	22.9
HCM Tactical Growth;A	1,048.1	10.2	32.8	65.0	27.4
Schwartz Inv:Val Focused	22.8	6.7	31.7	60.9	13.9
Hennessy:Focus;Inv	1,145.8	6.8	30.8	52.9	15.8
Brown Adv Sust Gro;Inst	6,393.3	9.2	30.3	47.2	26.7
Invesco S&P500 Pr Gr	3,238.4	10.0	30.0	52.4	21.5
Rydex:S&P 500 Pure Gro;H	65.5	9.9	28.6	50.3	19.9
Emerald Insights Fd;A	23.2	7.5	28.4	53.9	25.1
Category Average:	925.0	7.0	18.4	39.6	23.3
Fund Count	496	493	482	479	400

Balanced Funds

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
MF&Var:Rtnl St All;A	8.8	7.9	28.6	51.7	9.2
CGM Tr:Mutual Fund	324.1	2.6	26.6	43.8	9.3
Cantor FBP Apprec & IncO	35.8	4.7	24.8	44.7	10.9
Buffalo:Flex Inc;Inv	428.7	5.7	23.5	43.0	9.9
Oakmark Eqty & Inc;Inv	7,844.3	2.6	20.4	39.2	11.6
Dodge & Cox Balanced	15,156.0	2.5	18.3	36.7	11.9
USAA Target Mgd Alloc	526.0	8.3	18.2	34.5	11.4
Boston Trust Asset Mgmt	651.7	6.1	17.5	29.6	13.6
Fidelity Puritan K6 Fund	629.9	5.4	17.3	28.7	N.A.
Fidelity Puritan	33,400.3	5.4	17.0	28.6	14.6
Category Average:	1,510.4	3.2	11.2	23.1	10.1
Fund Count	549	545	536	534	478

Natural Resources

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Frst Tr:Natural Gas	351.1	8.9	110.4	210.3	−3.0
Invesco Dyn Enrgy	93.3	10.2	107.2	192.6	2.5
iPath Bloomberg Nat Gs B	13.0	−9.8	91.4	38.4	N.A.
Invesco DWA Energy	70.5	8.1	90.7	171.2	−1.4
Invesco S&P SC Enrgy	119.5	6.6	84.8	170.8	−13.1
SPDR S&P Oil&Gas Exp	3,872.9	9.9	84.0	166.4	−4.1
iShares:US O&G E&P ETF	293.4	10.0	81.5	160.4	4.1
Frst Tr VI:NASDAQ Oil&Gs	49.3	9.6	81.0	129.4	2.4
Invesco S&P500 EW En	187.6	10.3	63.0	137.6	−0.1
Hennessy:BP En Tran;Inst	13.3	8.0	61.9	110.2	0.4
Category Average:	732.3	9.1	53.5	109.5	−2.6
Fund Count	65	65	65	65	62

Real Estate Funds

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Nuveen Short-Term REIT	75.8	8.0	42.8	69.9	N.A.
MainStay:CBRE Rl Est;I	434.2	8.3	40.8	62.3	10.7
PIMCO:RE Rl Rtn;Inst	1,189.9	8.4	40.7	62.8	12.1
Terra Firma US CRE;Open	34.9	7.8	38.0	54.8	11.4
DoubleLine:Col RE Inc;I	15.7	8.8	37.6	51.4	N.A.
Invesco S&P 500 EWRE	87.1	6.7	37.6	62.0	12.5
PGIM US Real Est;Z	56.6	7.5	37.3	52.2	12.9
iShares:Res & Mltsctr RE	1,073.4	7.4	37.2	56.1	11.8
T Rowe Price RE	1,604.0	8.0	36.6	58.0	7.9
Virtus:D&P RE Secs;I	535.9	8.6	36.4	57.6	11.7
Category Average:	786.0	6.7	29.2	45.7	9.9
Fund Count	259	259	252	246	200

Sector Funds

	Assets ($ millions)	Total return (%) Oct	YTD	1-yr	5-yr*
Emerald:Fin&Bnk Innv;Ins	245.4	19.4	61.7	127.5	20.7
RMB Inv:Fnl Svc;I	280.6	6.9	52.5	89.0	N.A.
Frst Tr VI:NASDAQ Bank	231.4	4.5	44.9	84.5	12.8
iShares:US BD & SE ETF	876.3	9.2	44.5	86.1	24.4
Fidelity Sel Brkg & IM	793.7	11.9	44.5	77.2	24.3
Invesco KBW Bank	3,269.8	6.4	44.1	84.1	15.9
SPDR S&P Cap Mkts ETF	178.6	12.0	43.3	80.0	25.1
Nuveen Short-Term REIT	75.8	8.0	42.8	69.9	N.A.
iShares:US Rgnl Bnks ETF	1,250.1	5.5	42.8	78.6	14.4
Fidelity Sel Banking	599.4	5.4	41.4	81.5	13.8
Category Average:	750.7	6.0	27.5	48.8	11.0
Fund Count	412	414	398	392	311

N.A.: Not applicable; fund is too new * Annualized Note: For funds with multiple share classes, only the largest is shown. Source: Refinitiv Lipper

Leaders and Laggards

Performance numbers are total returns (changes in net asset values with reinvested distributions) as of Oct. 29; assets are as of Sept. 30. All data are final.

Best-Performing Stock Funds

Fund	Ticker	Assets ($ millions)	Total Return (%) October	YTD	1-year	Annualized 3-year	5-year
VelShs 3x Long Nat Gas		146.7	−38.4	353.0	39.1	−71.4	−64.2
ETF Mgr:Brkwv DB Shppng	BDRY	110.4	−15.0	281.9	340.5	13.1	N.A.
MS US BO Idx 3X Lvrgd	NRGU	539.7	32.1	210.3	687.3	N.A.	N.A.
iPath ETN S&P GSCI CTR A		51.0	20.5	209.7	916.0	−18.8	−5.3
ProShs II:Ult Blm Nat Gs	BOIL	132.5	−22.9	206.4	51.1	−42.6	−38.3
Direxion:S&P OG EP Bl 2X	GUSH	849.6	19.8	189.4	465.9	−76.6	−61.6
MS US BB Idx 3X Lvrgd	BNKU	124.5	22.3	166.2	478.6	N.A.	N.A.
ProShs II:Ult Blm CrO	UCO	1,107.5	14.4	165.7	323.3	−48.7	−27.6
Direxion:Finl Bull 3X	FAS	3,367.7	25.0	138.7	332.3	36.2	38.5
Direxion:S&P 500 HB Bl3X	HIBL	126.6	23.1	132.0	423.3	N.A.	N.A.
Direxion:Retail Bull 3X	RETL	116.9	12.0	131.9	389.1	42.9	23.5
iPath Bloomberg Energy A		0.4	2.6	131.5	142.1	−5.2	1.3
ProShares:Ult Oil & Gas	DIG	188.2	21.7	131.1	290.6	−18.5	−12.1
Direxion:EnergyBull 2X	ERX	552.2	20.9	124.3	283.3	−49.0	−35.3
DB Commodity Db Lng ETN		0.6	12.3	122.0	206.9	10.3	13.6
iPath Bloomberg Tin A		0.8	10.1	117.7	153.3	34.7	18.5
Direxion:Reg Bnk Bull 3X	DPST	468.8	13.7	113.9	290.1	−18.7	−4.9
Frst Tr:Natural Gas	FCG	351.1	8.9	110.4	210.3	1.0	−3.0
Direxion:MSCI RE Bull 3X	DRN	134.0	22.0	108.8	192.7	12.6	7.4
NorthShore Gl Urnium Min	URNM	608.7	16.2	108.5	235.8	N.A.	N.A.
iPath Bloomberg Tin B	JJT	15.1	9.7	108.4	139.5	32.5	N.A.
Invesco Dyn Enrgy	PXE	93.3	10.2	107.2	192.6	−0.9	2.5
United States Nat Gas	UNG	413.7	−10.7	97.0	42.6	−11.9	−11.0
ProFunds:Oil & Gas;Inv	ENPIX	25.4	16.0	91.6	188.2	−9.0	−5.7
iPath Bloomberg Nat Gs B	GAZ	13.0	−9.8	91.4	38.4	−13.5	N.A.
Invesco DWA Energy	PXI	70.5	8.1	90.7	171.2	−1.6	−1.4
Direxion:Transport Bl 3X	TPOR	81.8	45.4	90.5	168.5	22.1	N.A.
Invesco S&P SC Enrgy	PSCE	119.5	6.6	84.8	170.8	−14.4	−13.1
SPDR S&P Oil&Gas Exp	XOP	3,872.9	9.9	84.0	166.4	−7.9	−4.1
Victory:Global En Tran;Y	RSNYX	270.0	4.1	82.5	146.5	9.4	0.9

Best-Performing Bond Funds

Fund	Ticker	Assets ($ millions)	Total Return (%) October	YTD	1-year	Annualized 3-year	5-year
ETFis:Virtus InfCp US PS	PFFA	502.5	1.8	22.6	41.5	11.0	N.A.
UBS AG Enh Eur Gl HY ETN	FIHD	23.7	5.1	22.4	61.2	13.0	13.8
ProShs II:UlS Yen	YCS	23.3	4.7	20.3	16.8	1.8	4.7
Frst Tr VIII:CEF Inc Opp	FCEF	37.2	4.18	18.2	40.9	13.9	11.5
Saba Closed-End Funds	CEFS	81.5	2.4	17.3	30.5	13.8	N.A.
AlphaCentric Inc Opps;I	IOFIX	4,177.7	1.3	14.2	18.7	4.2	6.6
Rareview Dynamic Fxd Inc	RDFI	67.8	1.0	13.6	25.3	N.A.	N.A.
Robinson Opptnstc I;Inst	RBNNX	23.1	1.8	12.2	22.1	5.4	4.8
Fidelity Convertible	FCVSX	2,153.9	4.2	12.0	36.2	25.7	17.8
ProShares:Inflation Expc	RINF	36.6	−0.2	11.1	15.4	2.6	3.0
ProShs II:UlS Euro	EUO	48.6	0.4	11.1	0.9	0.6	0.1
Franklin Inv:Cv Sc;Adv	FCSZX	5,153.7	3.7	11.0	28.3	25.2	20.2
Fidelity Capital & Inc	FAGIX	15,407.3	1.2	11.0	22.5	11.6	9.3
Fidelity Adv HI Advt;I	FAHCX	2,162.5	1.1	10.9	22.3	10.6	9.0
HCM Income Plus;A	HCMEX	606.8	4.8	10.7	26.9	19.8	N.A.
MainStay:MK Convert;I	MCNVX	1,925.5	3.0	10.6	30.4	20.5	16.2
Victory:INCORE Iv GC;I	VICIX	404.9	2.8	10.1	21.2	13.2	12.8
Lord Abbett Inf Foc;F	LIFFX	2,850.1	1.4	10.0	15.3	6.2	4.7
Msrw High Yld;Inst	MFHIX	72.8	0.4	9.9	19.1	N.A.	N.A.
Manning&Napier:HY Bd;W	MHYWX	233.0	1.6	9.8	17.0	N.A.	N.A.
Matisse Disc Bd CEF;Inst	MDFIX	30.6	0.3	9.8	23.7	N.A.	N.A.
MF&Var:Rtnl/P 88 CS;Inst	PBXIX	99.4	4.6	9.6	20.6	N.A.	N.A.
SEI Inst:High Yield;F	SHYAX	1,621.5	0.4	9.3	17.6	7.7	6.9
SEI Inst Inv:Hi Yld Bd;A	SGYAX	2,782.2	0.4	9.2	17.0	8.1	7.3
VanEck:Pref Secs ex Fin	PFXF	1,039.4	3.0	9.2	18.1	10.8	7.3
VA Cnvrtbl;Inst	ANNPX	3,013.4	4.7	9.1	32.2	27.3	21.5
Intrepid:Income;Inst	ICMUX	264.3	0.4	9.0	15.5	7.3	5.3
Am Beacon:SiM HYO;Y	SHOYX	1,446.0	0.03	9.0	17.0	8.0	7.1
Invesco Senior Flt;A	OOSAX	3,749.0	1.1	8.8	13.8	0.8	2.2
Tidal:Sound Enh Fxd Inc	SDEF	11.9	1.7	8.8	N.A.	N.A.	N.A.

Worst-Performing Stock Funds

Fund	Ticker	Assets ($ millions)	Total Return (%) October	YTD	1-year	Annualized 3-year	5-year
VelShs Dly 2x VIX ST ETN		14.0	−41.3	−93.2	−97.4	−84.8	−84.3
MS US BO Idx -3X Inv Lev	NRGD	25.9	−28.7	−87.9	−97.8	N.A.	N.A.
ProShs II:UltVIX STF ETF	UVXY	1,047.7	−32.6	−84.6	−92.4	−70.0	−75.0
ProShs II:UlS Blm Nat Gs	KOLD	138.5	5.0	−84.5	−74.7	−37.8	−26.8
Direxion:S&P OG EP Br 2X	DRIP	88.1	−19.3	−81.7	−93.2	−48.6	−45.6
MS US BB Idx -3X Inv Lev	BNKD	5.1	−20.5	−77.3	−91.9	N.A.	N.A.
Direxion:S&P 500 HB Br3X	HIBS	28.5	−20.4	−72.9	−91.0	N.A.	N.A.
ProShs II:UlS Blm CrO	SCO	93.6	−13.8	−71.9	−83.5	−41.8	−40.1
ProShares:UlS Oll Gas	DUG	18.0	−19.3	−68.8	−84.9	−37.7	−28.1
Direxion:Finl Bear 3X	FAZ	131.2	−21.7	−68.3	−84.5	−65.4	−56.9
ProShs II:VIX ST Fut ETF	VIXY	368.8	−22.9	−68.2	−79.9	−48.1	−47.9
Direxion:EnergyBear 2X	ERY	32.0	−18.9	−68.2	−85.1	−37.1	−30.1
iPath ETN SP500 VIX ST B	VXX	1,033.2	−22.9	−68.1	−79.8	−47.9	N.A.
VelShs VIX ShTm ETN		5.2	−22.8	−68.1	−79.8	−47.9	−47.7
Direxion:Semicnd Bear 3X	SOXS	124.1	−18.9	−68.0	−84.7	−84.6	−77.0
Direxion:CSI Ch Int Bl2X	CWEB	277.4	0.1	−68.0	−64.0	−4.7	N.A.
DB Commodity Db Sht ETN		0.1	−14.3	−62.6	−75.8	−30.3	−24.8
MS FANG+ Idx -3X Inv Lev	FNGD	59.4	−27.4	−61.5	−78.6	−81.6	N.A.
Direxion:MSCI RE Bear 3X	DRV	22.4	−19.3	−60.1	−73.2	−56.3	−43.3
ProFunds:UltraChina;Inv	UGPIX	18.4	8.9	−58.9	−50.2	−3.9	−0.7
Direxion:Tech Bear 3X	TECS	71.8	−22.1	−57.2	−74.9	−74.3	−66.9
ProShares:UltP Sht QQQ	SQQQ	1,779.3	−21.4	−55.3	−73.0	−70.7	−63.6
MS Gold Minrs 3X Lv	GDXU	36.2	26.3	−55.1	N.A.	N.A.	N.A.
ProShares:UltPSh MdCp400	SMDD	6.9	−16.6	−53.7	−75.4	−59.0	−49.8
ProShares:UlS Semicond	SSG	3.1	−17.5	−53.5	−69.2	−65.0	−56.2
Direxion:S&P 500 Bear 3X	SPXS	457.4	−19.0	−52.0	−69.2	−58.1	−50.5
ProShares:Ul PrSh S&P500	SPXU	602.7	−19.0	−51.8	−69.1	−57.9	−50.4
ProShares:UltPSh Rus2000	SRTY	146.6	−13.0	−51.8	−78.7	−61.5	−53.7
Direxion:Sm Cap Bear 3X	TZA	476.0	−12.9	−51.2	−78.4	−61.1	−53.2
Direxion:DJ Int Bear 3X	WEBS	6.0	−11.9	−49.1	−67.5	N.A.	N.A.

Worst-Performing Bond Funds

Fund	Ticker	Assets ($ millions)	Total Return (%) October	YTD	1-year	Annualized 3-year	5-year
Direxion:20+Y Trs Bl 3X	TMF	343.0	6.9	-20.1	-19.9	22.8	4.2
ProShs II:Ult Yen	YCL	2.5	-4.8	-19.1	-17.2	-4.1	-7.0
Cambria Global Tail Risk	FAIL	7.0	-4.1	-15.8	-9.9	-0.4	-0.4
Direxion:7-10Y Trs Bl 3X	TYD	23.7	-1.5	-12.6	-12.6	14.1	4.0
ProShares:Ult 20+ Yr Tr	UBT	57.2	4.5	-12.5	-12.9	18.7	5.4
ProShs II:Ult Euro	ULE	3.5	-0.6	-12.4	-4.1	-2.4	-2.1
Frst Tr III:EM LocCur Bd	FEMB	264.4	-1.5	-11.8	-1.5	1.6	0.2
Invesco Intl Bond;Y	OIBYX	2,281.0	-2.4	-10.7	-3.1	2.5	1.6
Rydex:Wkn Dlr 2x Str;H	RYWBX	1.4	-0.1	-10.7	-2.8	-1.9	-2.1
Ashmore:EM Sht Dur;Inst	ESFIX	157.7	-5.7	-10.2	-3.8	-5.4	-1.0
Invesco:Japanese Yen	FXY	198.0	-2.2	-9.9	-8.9	-0.9	-2.2
Direxion:M7-10Y T 2x;Inv	DXKLX	20.3	-1.1	-9.7	-9.9	8.2	1.7
Invesco EM Loc Db;Y	OEMYX	152.1	-0.5	-9.4	-1.4	3.7	1.9
Ashmore:EM LC Bd;Inst	ELBIX	8.2	-1.2	-9.1	1.1	2.8	1.5
Gallery Mndrn Int Gov FI	MPIFX	16.4	-1.1	-9.0	-4.9	3.9	2.1
DoubleLine:EM Local CB;I	DBELX	9.5	-1.0	-9.0	-1.6	N.A.	N.A.
Lazard:Glbl Fxd Inc;Inst	LZGIX	8.9	-1.3	-8.7	-5.5	3.2	1.5
SPDR Bbg EM Local Bd	EBND	1,325.4	-1.1	-8.6	-1.7	2.6	1.1
Voya:EM Loc Curr Debt;P	ILCDX	75.7	-1.0	-8.5	0.2	2.8	1.1
ProShares:Ult 7-10 Yr Tr	UST	20.4	-1.0	-8.4	-8.6	10.1	2.9
Rydex:Gv LB 1.2x Str;H	RYHBX	117.4	3.9	-8.4	-7.7	12.6	3.8
ProFunds:US Gov Pl;Inv	GVPIX	24.7	4.1	-8.4	-7.9	12.7	3.9
T Rowe Price Int:EM LC;I	TEIMX	200.1	-1.1	-8.4	1.3	4.2	2.1
iShares:Itl Trs Bd	IGOV	1,167.5	-0.4	-8.2	-3.7	2.6	1.5
SPDR Bbg Intl Treas Bd	BWX	977.9	-0.6	-8.1	-3.8	3.0	1.5
PGIM EM Dbt Loc Curr;Z	EMDZX	57.0	-1.2	-8.0	2.6	4.9	2.2
Ivy:Pictet EM LC Db;I	IECIX	52.4	-1.7	-8.0	1.8	3.0	0.1
VanEck:JPM EM LC Bond	EMLC	3,505.7	-1.3	-7.9	0.6	2.6	0.8
Goldman:Loc EM Dbt;R6	GIMSX	78.0	-1.1	-7.9	2.4	4.0	N.A.
TCW:Em Mk Loc Cur Inc;I	TGWIX	241.7	-1.2	-7.8	1.3	3.1	1.5

Note: For funds with multiple share classes, only the largest is shown. N.A.: Not applicable; fund is too new or data not available Source: Refinitiv Lipper

PAUL BLOW

Ask Encore • Glenn Ruffenach

Pay Off Your Mortgage Before Retiring (Usually)

There are some exceptions to the conventional wisdom

I would like to get your thoughts about the pros and cons of paying off a mortgage before retiring. I think the conventional wisdom is to pay it off, if possible. Are there any exceptions?

You're right about the "conventional wisdom." And I happen to agree with it. But yes: There can be exceptions.

Let's start with some unsettling numbers. A report published in April by the Government Accountability Office found that the median amount of debt among older households with debt (where the household head or a spouse/partner is 50 or older) was about three times as high in 2016 ($55,300) as it was in 1989 ($18,900).

To be more specific, the percent of older households with home debt (mortgages, home-equity loans and home-equity lines of credit) rose to 43% from 30% over the same period.

So...this is where the conventional wisdom kicks in. Remember: Once you're retired, your income, in large part, comes from your investments and the returns on those investments. If the economy and markets stumble, your returns and income could fall—but your debt payments, typically, will remain fixed. That means a greater percentage of your income will go toward paying your mortgage or credit-card bills and a smaller percentage will be available for, say, travel or spoiling grandchildren.

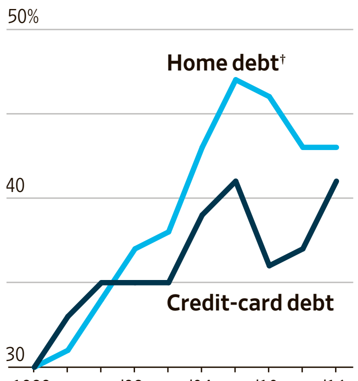
So, yes: I think it's prudent to reduce—and, ideally, eliminate—debt before retiring, including paying off one's mortgage. Doing so, in short, makes it easier for retirees and their nest eggs to ride out downturns in the markets. That, in turn, tends to give one peace of mind. And we have emphasized many times in this space the importance of having a financial plan that allows you to sleep soundly at night.

The exceptions? Here, we turn, primarily, to the idea of opportunity costs.

Mortgage rates today remain low by historical standards—about 3% for a 30-year loan. Your question didn't include particulars about your mortgage; in theory, though, you could earn a higher

Household Debt

The percentage of older households* with:



*Household head or a spouse/partner is age 50 or older. †Includes mortgages, home-equity loans and home-equity lines of credit used to purchase a primary home.
Source: Government Accountability Office, 'Retirement Security,' April 2021

return over time by investing your money in, say, dividend-paying stocks or mutual funds than you could by using that same money to pay off (or accelerate payments on) your mortgage.

Indeed, an interesting article published earlier this year by the Wharton School at the University of Pennsylvania, titled "Think Twice Before Paying Off Your Mortgage Early," questions whether the conventional wisdom is right for everyone. (Go to knowledge.wharton.upenn.edu and search for: mortgage.)

The author, Michael Roberts, a professor of finance, acknowledges that there are "psychological benefits" in avoiding debt. But he adds that "the financial ones are less clear." More to the point, he argues that "many homeowners may be better off investing any extra money, as opposed to using that money to pay their mortgage off early."

Prof. Roberts offers a detailed example of how a hypothetical homeowner might fare by chipping away at her mortgage with extra money, compared with placing that money in various investments with various returns. His findings: The latter strategy, in some instances, proves to be the wiser move financially—although he notes that older homeowners, with a shorter investment horizon, "may have less appetite" for steering extra money, if available, into the markets.

He concludes: "Ultimately, paying off your mortgage is not necessarily a financially wise decision for everyone; making an informed decision is."

That's tough to argue with. All of us should run the numbers before making big financial decisions in later life. And decisions about mortgages, in particular, seem to involve more variables. These include: your life expectancy, how your assets are invested, your tolerance for risk, tax issues, the size of your mortgage, the value of your property, whether you might move in retirement, interest rates and more.

In fact, to show you how tricky this decision can be, let me argue against myself for a moment. Yes, I believe strongly that people should do their best to eliminate debt before retiring. But I also believe (again, strongly) that retirees must account for the possibility of needing, and paying for, long-term care. So, if a person has funds that could be used to help pay off a mortgage before retiring, a better use of those funds might be to buy long-term-care insurance.

Again, tricky.

If you lean toward Prof. Roberts's arguments, check out a spreadsheet at Mortgage Professor (mtgprofessor.com), an educational website developed by Jack M. Guttentag, professor emeritus of finance at Wharton. Titled "Loan Repayment Versus Investment," this tool helps users see what might happen to their finances in the long run if they liquidate assets to pay off a mortgage, or if they retain both the assets and the mortgage. (At the top of the website's home page, click on "Other Tools" and, then, "Spreadsheets.")

Paying off a mortgage can give you peace of mind. But is it always the best choice for financial planning?

Also spend some time with Prof. Guttentag's articles—almost four dozen in all—about the merits and mechanics of paying off a mortgage early. Several of the pieces are somewhat dated (about 10 years old), but the insights remain invaluable. (At the top of the website's home page, click on "Articles" and look for the category: "Prepayment of Mortgage Balance.")

For my part, peace of mind still plays a significant role. Yes, there will always be exceptions to the conventional wisdom. But when the next big bear market rolls around (and it will), retirees without debt should have an easier time sleeping through the night.

Mr. Ruffenach is a former reporter and editor for The Wall Street Journal. Ask Encore looks at financial issues for those thinking about, planning and living their retirement. Send questions and comments to ***askencore@wsj.com****.*

Mutual-Fund Yardsticks: How Fund Categories Stack Up

Includes mutual funds and ETFs for periods ended Oct. 29. All data are final.

Investment objective	October	YTD	1-yr	5-yr*
	Performance (%)			
Diversified stock & stock/bond funds				
Large-Cap Core	6.7	**22.6**	40.9	17.7
Large-Cap Growth	7.2	**21.2**	38.9	23.5
Large-Cap Value	5.4	**22.7**	45.1	13.4
Midcap Core	5.0	**21.2**	44.6	13.2
Midcap Growth	6.5	**16.1**	38.9	22.3
Midcap Value	4.7	**25.7**	53.3	11.3
Small-Cap Core	4.3	**23.0**	54.4	13.1
Small-Cap Growth	5.3	**14.9**	43.4	20.3
Small-Cap Value	3.6	**30.0**	66.0	11.8
Multicap Core	5.9	**21.0**	40.5	16.5
Multicap Growth	7.0	**18.4**	39.6	23.3
Multicap Value	4.7	**23.0**	46.5	12.5
Equity Income	5.5	**20.8**	39.9	12.5
S&P 500 Funds	7.0	**23.6**	42.3	18.4
Specialty Divers. Equity	7.4	**19.0**	39.0	20.2
Balanced	3.2	**11.2**	23.1	10.1
Stock/Bond Blend	3.4	**11.5**	25.1	10.4
Avg. U.S. Stock Fund†	5.7	**21.1**	45.3	16.8
Sector stock funds				
Science & Technology	6.6	**17.4**	43.1	27.2
Telecommunication	0.6	**10.5**	28.3	11.2
Health/Biotechnology	2.7	**8.2**	24.6	16.9
Utility	4.8	**9.9**	16.2	9.3
Natural Resources	9.1	**53.5**	109.5	−2.6
Sector	6.0	**27.5**	48.8	11.0
Real Estate	6.7	**29.2**	45.7	9.9
World stock funds				
Global	4.9	**15.6**	36.4	14.4
International (ex-U.S.)	2.9	**10.3**	31.8	10.2
European Region	4.1	**16.1**	42.2	11.2
Emerging Markets	1.3	**2.2**	20.7	9.8
Latin American	−5.4	**−11.2**	18.7	0.5
Pacific Region	1.4	**−2.7**	11.3	11.2
Gold Oriented	9.1	**−9.5**	−6.4	5.3
Global Equity Income	3.7	**14.2**	32.9	9.5
International Equity Income	2.2	**10.2**	30.6	7.3
Taxable-bond funds				
Short-Term	−0.2	**0.1**	0.9	2.0
Long-Term	0.2	**−0.8**	2.4	4.5
Intermediate Bond	−0.1	**−1.2**	0.7	3.3
Intermediate U.S.	0.6	**3.0**	5.0	3.5
Short-Term U.S.	−0.3	**−0.8**	−0.6	1.3
Long-Term U.S.	0.3	**−2.9**	−2.6	2.6
General U.S. Taxable	−0.04	**0.3**	3.2	4.4
High-Yield Taxable	−0.1	**4.4**	10.5	5.6
Mortgage	−0.3	**−0.5**	0.3	2.0
World Bond	−0.5	**−1.9**	3.5	3.1
Avg. Taxable-Bond Fund**	−0.1	**0.9**	3.8	3.4
Municipal-bond funds				
Short-Term Muni	−0.3	**−0.8**	−0.6	1.3
Intermediate Muni	−0.2	**0.5**	2.4	2.5
General & Insured Muni	−0.2	**1.2**	4.0	3.3
High-Yield Muni	−0.3	**4.1**	8.3	4.4

Stock & Bond Benchmark Indexes All total return unless noted

Investment objective	October	YTD	1-yr	5-yr*
	Perfomance (%)			
Large-cap stocks				
DJIA	5.9	**18.8**	37.7	17.2
S&P 500	7.0	**24.0**	42.9	18.9
Midcap stocks				
S&P MidCap 400	5.9	**22.3**	48.9	14.9
Small-cap stocks				
Russell 2000	4.3	**17.2**	50.8	15.5
Broad stock market				
DJ U.S. Total Stock Market	6.7	**22.9**	44.1	18.9
Russell 3000	6.8	**22.8**	43.9	18.9
Stock indexes				
DJ U.S. TSM Growth	8.5	**24.3**	44.7	24.5
DJ U.S. TSM Value	5.2	**21.6**	43.4	12.7
Taxable bonds				
Barclays Agg. Bond	−0.03	**−1.6**	−0.5	3.1
Municipal bonds				
Barclays Muni. Bond	−0.3	**0.5**	2.6	3.4
International stocks				
MSCI EAFE†† (price return)	2.4	**8.8**	31.2	7.0
Dow Jones World (ex. U.S.)	2.1	**8.8**	30.2	10.0

*Annualized †Diversified funds only **Excludes money-market funds ††Europe, Australia, Far East

Source: Refinitiv Lipper

How the Largest Funds Fared

Performance numbers are total returns (changes in net asset values with reinvested distributions) as of Oct. 29; assets are as of Sept. 30. All data are final.

Stock Mutual Funds and ETFs

Fund	Ticker	Assets ($ billions)	October	1-year	3-year	5-year	10-year
			Total Return (%)		Annualized		
Vanguard TSM Idx;Adm	VTSAX	1257.97	6.7	44.1	21.7	18.9	16.1
Vanguard 500 Idx;Adm	VFIAX	770.17	7.0	42.9	21.4	18.9	16.2
Vanguard Tot I S;Inv	VGTSX	404.28	2.6	30.5	12.4	9.9	7.1
SPDR S&P 500 ETF	SPY	386.35	7.0	42.8	21.4	18.8	16.1
Fidelity 500 Index Fund	FXAIX	350.33	7.0	42.9	21.5	18.9	16.2
iShares:Core S&P 500	IVV	286.93	7.0	42.9	21.4	18.9	16.2
Vanguard Instl Indx;InsP	VIIIX	281.28	7.0	42.9	21.5	18.9	16.2
American Funds Gro;A	AGTHX	278.75	8.7	44.9	26.4	22.2	18.0
American Funds Bal;A	ABALX	208.93	3.7	23.6	13.2	11.4	10.9
American Funds EuPc;R6	RERGX	190.04	1.9	28.4	17.7	13.1	9.8
Invesco QQQ Trust 1	QQQ	182.46	7.9	44.1	32.5	28.0	22.1
Vanguard Gro Idx;ETF	VUG	169.08	8.3	43.4	30.1	24.8	18.9
Vanguard Dev Mkt;ETF	VEA	157.66	3.1	35.6	12.6	10.4	8.0
Vanguard Md-Cp I;Adm	VIMAX	154.61	6.6	45.2	20.7	16.8	14.9
American Funds Wash;A	AWSHX	153.90	6.8	40.9	16.5	15.6	14.0
American Funds NPer;A	ANWPX	140.97	7.2	42.7	25.1	20.1	15.1
Fidelity Contrafund	FCNTX	139.46	7.0	37.4	25.2	22.6	17.6
Vanguard S-C Id;Adm	VSMAX	134.39	4.9	48.2	17.9	16.0	14.3
American Funds FInv;A	ANCFX	127.23	5.9	39.4	18.0	16.2	14.7
Vanguard Val Idx;ETF	VTV	126.34	5.5	42.7	13.7	13.6	13.6

Bond Mutual Funds and ETFs

Fund	Ticker	Assets ($ billions)	October	1-year	3-year	5-year	10-year
			Total Return (%)		Annualized		
Vanguard Tot Bd;Adm	VBTLX	315.73	0.1	−0.2	5.7	3.1	3.0
Vanguard Tot Bd II;Inv	VTBIX	251.85	0.1	−0.3	5.5	3.0	2.8
PIMCO:Income;Inst	PIMIX	144.57	−0.1	6.6	5.7	5.2	7.0
Vanguard Tot Itl BI;ETF	BNDX	117.61	−0.5	−1.9	3.8	2.8	N.A.
iShares:Core US Agg Bd	AGG	89.48	−0.1	−0.5	5.6	3.0	2.9
Vanguard Int-Tm TxEx;Adm	VWIUX	87.88	0.01	2.5	5.0	3.2	3.6
MetWest:Total Rtn;I	MWTIX	87.75	0.04	0.5	6.4	3.7	4.1
Vanguard Sh-Tm Inv;Adm	VFSUX	79.65	−0.4	0.9	3.9	2.6	2.5
Vanguard Sh-Tm B;ETF	BSV	75.95	−0.5	−0.4	3.4	2.1	1.7
American Funds Bond;A	ABNDX	75.70	0.2	0.8	6.6	3.6	3.3
Dodge & Cox Income	DODIX	72.27	−0.3	1.8	6.4	4.2	4.1
PIMCO:Tot Rtn;Inst	PTTRX	71.33	−0.1	0.6	5.9	3.7	3.8
Vanguard Tot Itl B2;Inst	VTILX	70.52	-0.6	N.A.	N.A.	N.A.	N.A.
Lord Abbett Sh Dur;F	LDLFX	62.89	−0.1	2.7	3.5	2.7	2.9
Fidelity US Bond Index	FXNAX	59.89	0.1	−0.3	5.7	3.1	3.0

Note: For funds with multiple share classes, only the largest is shown. N.A.: Not applicable; fund is too new or data not available

Source: Refinitiv Lipper

Penn State in 2017

Saving for College

It Will Be a Tricky Year for Fafsa

The economy, plus some rule changes, make it crucial for families to understand the process

By Cheryl Winokur Munk

It is Fafsa time again, when parents and students fill out the required financial disclosure for college financial aid. For some parents, the economic environment—as well as various changes in the rules—makes it especially important that they understand the process this year.

The 2022-23 Free Application for Federal Student Aid, or Fafsa, opened to families on Oct. 1. It uses financial information from applicants' 2020 tax returns, but some families' financial circumstances may have deteriorated since then due to the pandemic and lockdowns, various weather-related disasters or other factors. If that's the case, families should contact the financial-aid office of schools they're applying to or attending and ask that their changed financial circumstances be taken into account.

It's advisable for these families to contact the aid office soon after filing the Fafsa, so the aid calculation isn't delayed—especially if a prospective student expects to weigh offers from several colleges.

Changes in situations

Families should be prepared to provide supplemental information that can detail their change in circumstances. The type of documentation will vary depending on what has changed, but can include things like bills, signed letters from caregivers or medical providers, court documents, termination letters, proof of unemployment benefits, pay stubs, and out-of-pocket repair costs after a natural disaster.

Families should also contact the aid office if a parent or parents collected unemployment due to the pandemic and filed their 2020 taxes before Congress changed the rules to allow them to keep some of that income out of their adjusted gross income. Families should ask their student's school or prospective schools if their aid award can be adjusted favorably, says Karen McCarthy, vice president of public policy and federal relations at the National Association of Student Financial Aid Administrators.

Also this year, there are a few other important considerations for families seeking financial aid. Males no longer have to register with the Selective Service System to be eligible for federal financial aid. In addition, having a drug conviction will no longer affect a student's ability to seek financial aid.

Other Fafsa modifications that families might have heard of are coming but won't affect applicants for aid in the 2022-23 school year. The Consolidated Appropriations Act of 2021 authorized significant changes to federal student-aid policy, including Fafsa simplification, but many of the bigger changes, including a streamlined form and expanded federal Pell grant eligibility, have been pushed back a few years.

Some families' financial outlooks have deteriorated in the pandemic and lockdowns.

Worth filling out

Experts say families should fill out the Fafsa even if they think they won't qualify for aid. Only 68% of families with undergraduate students completed the Fafsa for academic year 2020-21, a decline from the prior two years, according to Sallie Mae's How America Pays for College report.

Families may opt not to fill out the Fafsa for any number of reasons. A recent poll from LendingTree's Student Loan Hero unit found that 85% of undergrads polled didn't know that the Fafsa determines eligibility for aid like grants and work-study in addition to loans.

"The Fafsa unlocks the gateway to millions of dollars in federal student aid, including scholarships, grants and student loans," says a spokeswoman for ECMC Group, a nonprofit corporation that focuses on student success.

Though the latest Fafsa application doesn't close until June 2023, applying sooner can have benefits in terms of awards from states and colleges that have limited funds to dole out. "Applying sooner versus later is a good idea—much of the aid available is awarded on a first-come, first-served basis," the ECMC spokeswoman says.

Ms. Winokur Munk is a writer in West Orange, N.J. She can be reached at reports@wsj.com.

Avoid These Financial-Aid Strategies

They might sound good. But if you do them, you've committed fraud.

Can students boost their financial aid for college by getting married? Yes, but it probably isn't worth the risk.

Social-media chatter has increased the awareness of potential maneuvers like marrying to get more need-based aid, or transferring legal guardianship of a college-bound child to relatives or friends who are less well off so the teen can seek more financial aid, according to Elaine Rubin, director of corporate communications at Edvisors Network Inc., a provider of financial-aid information and advice.

Married students can qualify for more financial aid, Ms. Rubin says, because their parents' income isn't considered in the calculation.

But she advises students and their families against either marrying or transferring guardianship solely to qualify for additional aid, pointing out that both tactics have at least one big problem: They're financial fraud. And the penalties for getting caught can go way beyond missing out on financial aid. Aid officers who suspect fraud must report their suspicions to the Office of Inspector General at the Education Department, which can pursue criminal charges.

Stealing financial aid is a crime.

"Stealing student aid is a crime—be it through identity theft, or applying for student aid without any intention of attending classes, or providing false information on a Fafsa to get more aid than you are entitled to receive," says Aaron Jordan, assistant inspector general for investigation services at the Education Department. "It's a crime with real repercussions, like prison and financial penalties."

Depending on the amount of aid fraudulently received, a person could be sentenced to up to five years in jail, fined up to $20,000 or both.

—Cheryl Winokur Munk

Alternative Investing

The Risks and Rewards Of Angel Investing

The risk is straightforward: You very well could lose all your money. But you could possibly make a lot of money, and have fun while doing it.

By Dan Weil

It isn't easy being an angel.

Angel investing—taking an equity stake in a startup company—is coming back after a pandemic-induced slowdown last year. But there is a lot you should consider before joining the crowd.

For the chance at a big reward, you have to accept a lot of risk up front, and the chances of a payout are slim. Also, even if an investment does pay off, it will likely be years down the road.

On top of all that, it can be tricky to figure out how much to invest in the first place and, of course, which companies to bet on.

With low interest rates pushing investors to riskier plays, they poured $2.7 billion into angel commitments this year through September, according to data company PitchBook. This pace would produce a 2021 total of $3.6 billion, up from $2.5 billion last year and $2.7 billion in the pre-pandemic year of 2019.

While an overwhelming majority of startup companies fail, a return on a successful one can be huge—say, 10 times the initial investment. "It's like buying a lottery ticket," says Robert Siegel, a venture-capital investor who teaches at Stanford University's Graduate School of Business.

Locked in

To become an angel, you must be an accredited investor. That requires earned income over $200,000 ($300,000 for couples) for each of the past two years, or net worth over $1 million, excluding a primary residence. Whoever receives investors' money, whether it's an angel-investing fund or the company itself, is responsible for making sure investors meet the requirements. The recipients may face regulatory fines if they let a nonaccredited investor through.

Angel investors interested in startups must be designated as accredited.

You also have to consider how angel investing might play out. If you make 10 investments and get lucky, five may fail, two may return even money, and two may return two to three times your initial investment, says David S. Rose, an entrepreneur and investor. "That puts you back where you started," he says. "All your profit will come from the last one—hopefully it's 30 times."

Waiting for investments to play out takes patience. It generally takes seven to 12 years for a startup to sell itself or go public, which is how investors usually get a payout, if one is coming. Until then, your investment is generally locked up.

"I act to myself like the money I have invested is worth zero," says veteran angel investor Ellen Levy, a former LinkedIn executive. "The mind-set of saying it could go to zero helps."

Importance of research

So, how exactly should you make such a risky bet?

Start by thoroughly researching companies in which you might invest, and their founders. There are three main areas you want to judge, says Avy Stein, an angel investor and co-chairman of wealth-management firm Cresset Capital. That includes the dynamics of the company's industry, the company's competitive position in the industry and the strength of the company's management team.

"It's more about the founder than the idea," Dr. Levy says. You should meet with the founders if possible.

The money question

When you're ready to start writing checks, remember not to commit too much. Dr. Levy says the most she could lose is 2% to 3% of her net worth, though thanks to the appreciation of some of her investments, they now make up 7% to 8% of her portfolio.

The size of individual investments in a company often ranges from $15,000 to $100,000, but sometimes you can get in through an investing group for as little as $1,000. But realize if you go small, your investment might be diluted to a small percentage of the company as others join the party.

Mr. Weil is a writer in West Palm Beach, Fla. He can be reached at reports@wsj.com.

GENE J. PUSKAR/AP; GETTY IMAGES/ISTOCK