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In September, 2011...there were 208 TSP millionaires.

It was rare.

By September 30, 2024...155,334.

That's a 746-fold increase...most of you have been on this incredible TSP ride and land somewhere above or below the magic threshold.

The new high...is double the 76,889 millionaires in 2022 and significantly beyond last year's 116,827 total.

In fact...there are now more in the million dollar club than in \$750,000-\$999,000 bracket, which counts 122,002 participants.

Average participant who has arrived at \$1 million...began the long journey back in the summer of 1996, (28.35 years ago).

What is your allocation breakdown?

The three overwhelming choices:

#1...The C (stock) fund is far ahead with 35.5% of participants. Its assets total over \$335 billion.

#2...All lifecycle funds. At 24.8% and \$235B, they're neck-and-neck with the next runner-up.

#3...The rock-solid, sleep well in market tumults, G (gov't) fund. At 24.6% - it totals \$233B.

Far below them:

- S (small-cap) fund...at 9.5%.
- I (internat'l) fund...at just 3.4%, it has never really caught on.
- F (bond) fund...brings up the rear at 2.2%.

Keep in mind...it's never too late to turbo charge the possibilities.

Catch-up contributions...are not allowed before age 50 but at that point you can add to the normal contribution limit of \$23,500 (the new limit in 2025) with the annual catch-up of \$7,500...total being \$31,000.

Moreover...starting on January 1, the Secure Act 2.0, section 109 - allows for a 50% increase in the annual catch-up contribution limit, but only for those 60-63 years old. That figure will be \$11,250 in 2025 - allowing a total contribution ceiling of \$34,750. This does not apply for 64 or older.

The DJIA (44,910) and S&P 500 index (6,032)...just notched record closes. As for November, it was the biggest monthly gainer of 2024. Year-to-date returns:

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|----------------------------|----------------------------|
| - C (stock) fund...+28.02% | - Lifecycle 2065...+20.05% |
| - S (small-cap)....+25.80% | - Lifecycle 2050...+17.14% |
| - I (internat'l)...+ 7.30% | - Lifecycle 2040...+15.51% |
| - G (gov't) fund...+ 4.03% | - Lifecycle 2030...+13.63% |
| - F (bond) fund....+ 3.09% | - L (income).....+ 8.09% |

Mr. Musk...has not yet submitted a detailed list of positions that he feels should be eliminated.

However - in the overall...he believes that the federal gov't should focus on their underlying core roles - while reducing slots he considers redundant.

In a general sense...he has indicated potentially what jobs tied to bureaucratic functions he is looking at. Here are a few of them:

- Positions in energy & environmental agencies - areas he views as not having effectively pushed for efficient renewable energy systems. Higher-up positions in charge of decisions may be on the radar - as are those in administrative positions.

- As founder of Space X...he has a deep-rooted interest in outer space and its exploration. His belief is that space agencies should be more concentrated on public-private partnerships - and less on federal hierarchical frameworks. As such, the possibility for cuts at NASA exist within its various bureaucratic positions.

- Dept of Defense...is a massive organization. Central to his thinking is productivity, it underscores everything. Increasing it, while reducing the FTE counts who are not directly involved in the operation and implementation of central DOD mission areas...could be coming.

What you face...is his strong belief that federal departments should operate much more like businesses - and that each employee should be significantly involved in reaching clear objectives.

It means...in your job - there will be a whole new leadership to contend with. Many will be businessmen or may think in that vein.

Some of the newcomers...may feel many gov't workers are unproductive or that their jobs are unnecessary - expendable.
Weathering that initial attitude will be crucial.

The majority of the new appointees...will have never seen a really first-class staff job - as it relates to the public sector, and the relevance of the work done. As always...it will be important to have the answers - know the details - articulate the critical specifics that may be largely unknown to them - in those first contacts.

The next few months could potentially be key...to your agency and your career.

In the immediate...transition landing teams have now been green-lighted to physically enter departmental HQ offices as President-elect Trump has signed a Memorandum of Understanding (MOU) with the White House to allow their deployment. At the same time...there has been no signing of an MOU with GSA - which would allow the transition teams to have gov't office space and access to IT services such as official .gov email addresses.

These groups are set to meet with designated career executive staff, receive drafted briefings and begin the back-and-forth of information on policy & project matters.

Among many looks...ideas that encourage the private sector to take action rather than the gov't, will be more focused on in the new Administration. As you prepare for the transition...keep this in mind.

It could pay dividends...when the new team takes over.

An Israel-Lebanon cease-fire...commenced this past week.

That development...changes the dynamic that President-elect Trump will face, dampening the prospect of a wider war in the Middle East. Hezbollah - which has been devastated, finally agreed to it...and also dropped its demands that the war in Gaza end prior to such an agreement.

The move allows the Israeli military...to rest, re-arm and focus on Hamas in the enclave once again - where it has survived despite a year of intense bombings and a land invasion.

Drones.

Taking a page from Ukraine - the U.S. Army is now buying thousands of them. In this case...they are 3-lb, folding backpack-size surveillance drones for our infantry platoons.

The program...reflects a 15-year period from idea (observing terrorist groups in the Middle East using small, cheap drones) - to actual contract.

Army...says it needs nearly 12,000 of them for its Short-Range Reconnaissance program.

The drone - called the "Black Widow" - can fly autonomously without using GPS via an internal map to navigate and target. Moreover, it is outfitted with anti-jamming features - can stay airborne for 40 minutes.

The unnoticed, tiny company that won the contract (Teal) - actually tested them in Ukraine.

In true-comparable Ukraine lore...this company was founded by a high-school sophomore drone racer a decade ago.

Tied to this...the Defense Innovation Unit works with start-ups trying to sell to the U.S. military.

From one of its directors - "The Department of Defense does not have a holistic strategy for small drone systems." Presently...the Pentagon accounts for only 2% of all commercial & government drone purchases in the United States.

As the importance of them - is now inescapable...Ukraine's fast-moving - decision to battlefield approach - is paying off.

Currently...its suppliers are ramping up output of robot attack drones to an industrial scale - mass producing them.

And they are doing it...at noticeably far less cost.

The latest leap forward...is assimilation of cheap minicomputers into high-level compact systems that prior to this only existed in far pricier models.

How cheap?

The backdrop...is that a sea of innovators has evolved across Ukraine from many garage-sized workshops and coordinated with gov't help.

In this case...a skeletal rough prototype was from a young man in his 20s who developed software allowing a tiny off-the-shelf computer costing about \$15 to fly a drone, while using a camera to help in targeting - another \$15.

Evolving into first-person view drones...this strike version is an important advancement as it contains autopilot software in it. A few hundred yards out from the intended target - while still out of Russian electronic jamming range - the human controller who sees the terrain from a live camera feed, switches the drone over to the autopilot mode and thus evades any jamming signals.

The reason...is that no radio signals via an antenna are being sent to the drone from that time on and as a consequence, it can't be electronically jammed causing it to crash. Instead, it can proceed to the target - impacting with explosives that have been attached to it.

Ukraine factories...are churning out tens of thousands a month at a cost of about \$500 apiece.

This development...is also pointing to near-immediate possibilities of unleashing swarms of them while under the control of a single controller.

As is it...skilled aerial-drone pilots have evolved as the deadliest soldiers on the battlefield - new age snipers, which greatly help in holding back waves of infantry and armor assault. The whoosh of an approaching small drone is described by some as the most terrifying sound on the battlefield for infantrymen - who are targeted with shrapnel. To destroy armor such as tanks...high-explosives are used.

A new Dept of Gov't Efficiency caucus in the Senate...is to be led by Joni Ernst, (R-Iowa).

It will include seven other Senators - although it's presently unclear how it will function - what powers it would be granted.

In announcing it...Ms. Ernst said it would "serve as the bite" to partner with the "bark" of Trump.

Immediately provided...was a "blueprint" of \$2 trillion of savings "nearly immediately."

They range from relatively obscure and small (all linked to actual reports) concerning \$50M/year from U.S. mint paying more than 3 cents to produce a penny and over 11 cents for a nickel - up to \$200B in annual savings if the 5,480 of GAO outstanding "open" recommendations were implemented.

Concerning the sphere of project management...it makes the case that for every \$1 billion in federal spending...\$102M is wasted - as projects go over budget, are delayed or fail to meet targets. From there..."implementing the most basic management systems - like establishing scopes and goals - could have saved taxpayers \$688 billion from the \$6.75 trillion the federal government spent this past year."

That would equate to roughly 10%.

How hard to do?

Consider the "Penny Plan" in 2011, that sought a one penny cut on every federal dollar for six years - in the 7th it would cap spending at 18% of GDP - and balance the budget by 2019. The fact that no baseline increases - inflationary or otherwise would have occurred, was the hidden reduction power of the proposal.

At the time...some experts were cited as agreeing with the math.

The bill...never made it out of committee.

A further look at President-elect Trump's cabinet picks and other high officials:

- Attorney General...Pam Bondi, who served as Florida's Attorney General from 2011-2019. The first woman to hold that office, she was a prosecutor prior to that. Received her Juris Doctor from the Stetson University College of Law in 1990. Of note, Secretaries of Defense, State, Treasury & the Attorney General are considered the four most important Cabinet posts because of the size & importance of their respective departments.

- Interior Secretary...Gov. Doug Burgum (R-ND), who was on the short list for vice-president, being beat out by JD Vance. Graduated in 1980 with an MBA from Stanford University. Has been governor of North Dakota since 2016. Views energy independence as a national security issue - and key to fending off China & Russia. Mr. Trump also named him as his new "energy czar" to handle deregulation & private investments - which will give him a seat on the National Security Council. Has also supported carbon capture pipelines while governor, including allowing the use of eminent domain to install pipelines that would transport excess CO2 captured from ethanol production plants in Iowa...to facilities in N.D. to store them deep underground.

- Labor Secretary - Lori Chavez-DeRemer (R-Ore), who lost her House reelection race after serving just a single term. Graduated with a bachelor's degree in business administration from California State University, Fresno.

- NIH director...Stanford professor, Jay Bhattacharya. Received a Doctor of Medicine (M.D.) in 1997 and PhD in 2000 from the Stanford University School of Medicine. Currently, he is the director of Stanford's Center for Demography and Economics of Health and Aging - which researches the health and well-being of populations, with emphasis on the role of gov't programs, biomedical innovations and economics. During Covid-19, he was critical of lockdown/masking protocols.