Washington Is Staffing Up in Rare Earth Minerals—Investors Should Take Notice

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Key Takeaways

- Washington's move to hire up to 400 critical minerals specialists at market-level pay underscores the growing strategic importance of rare earths and strategic metals to U.S. economic and national security priorities.
- A series of executive actions, trade initiatives and Project Vault investments show the U.S. is moving beyond policy announcements toward building long-term critical minerals capacity.
- With China dominating rare earth processing and demand rising from AI, electrification and defense, WisdomTree Efficient Rare Earth Plus Strategic Metals Fund (WDIG) offers diversified exposure to a powerful long-term supply-chain reshoring theme.

On May 29, 2026, President Trump signed a memo authorizing federal agencies to hire up to 400 specialists in investment, engineering, finance and legal disciplines, specifically to advance the federal government's critical minerals investments. The pay ceiling: $400,000 annually, justified in the memo's own language as "consistent with market comparability and national security urgency."1

That last phrase warrants closer attention. Governments do not pay private-sector compensation packages for government work unless they are competing urgently with the private sector for scarce talent. The administration is, in effect, declaring that it needs the same caliber of professionals that Wall Street, Silicon Valley and major mining houses employ, and is willing to pay for them. That is not the language of routine procurement. It is language signaling a fundamentally different level of priority.

Another Step on an Aggressive Policy Journey

The memo is the latest, and in some ways most revealing, action in what has become the most sustained and aggressive critical minerals policy push in American history. Over the past 14 months, the Trump administration has issued a cascade of executive orders, trade investigations, international agreements and multibillion-dollar financial commitments, all converging on a single strategic conclusion:2

The United States cannot afford to remain dependent on a geopolitical adversary for the materials that underpin its economy, its military and its technological future.

The May 29 memo signals that Washington is now moving from declaring the problem to building the institutional machinery to solve it.

Assembling a 'Policy Cascade'

The architecture of this effort has been assembled piece by piece. In March 2025, the administration invoked wartime powers under the Defense Production Act to accelerate domestic mineral extraction, directing the Department of Defense to formally designate mineral production as a priority industrial capability. Five developments were particularly important:

1. **March 20, 2025—Defense Production Act Executive Order.** Trump invoked wartime powers under the Defense Production Act to accelerate domestic mineral extraction, formally designating mineral production as a priority industrial capability within the Department of Defense, compressing permitting timelines and directing the DFC to establish a dedicated mineral production fund.3
2. **April 22, 2025—Section 232 Investigation Initiated.** The Commerce Department's Bureau of Industry and Security launched a formal national security investigation into U.S. reliance on imported processed critical minerals and derivative products—covering rare earths, tungsten, gallium, semiconductors, EV components and high-performance magnets—with a 180-day deadline for findings.4
3. **January 15, 2026—Section 232 Proclamation.** Following the Commerce Department's conclusion that critical mineral imports threatened national security, Trump issued a Presidential Proclamation directing negotiation of bilateral supply agreements with trading partners rather than immediately imposing tariffs, while reserving the option of minimum import prices and tariffs if negotiations stall within 180 days.5
4. **February 2–4, 2026—Project Vault + Critical Minerals Ministerial.** Trump announced Project Vault—a $12 billion strategic civilian minerals reserve combining $1.67 billion in private capital with a $10 billion Ex-Im Bank loan, with participation from Boeing, General Motors, GE Vernova, Google and others. Two days later, Secretary Rubio hosted the first Critical Minerals Ministerial, attended by representatives of more than 50 nations, proposing a preferential allied trading zone for critical minerals.5
5. **May 29, 2026—Critical Position Pay Authority Memo.** Trump directed the Office of Personnel Management to approve critical position pay authority for up to 400 federal positions supporting national security investment programs in critical minerals and advanced materials, with pay ceilings of $400,000—explicitly to recruit investment, engineering, financial and legal professionals at market-competitive rates.6

Project Vault: The Strategic Petroleum Reserve for the Industrial Age

This development warrants further discussion. Trump drew the analogy himself:8

"Just as we have long had a strategic petroleum reserve and a stockpile of critical minerals for national defense, we're now creating this reserve for American industry, so we don't have any problems."

The comparison is instructive. The Strategic Petroleum Reserve was created after the 1973 Arab oil embargo revealed the fragility of energy supply chains. Project Vault is being created in direct response to China's export controls on seven rare earth elements, a deliberate act of geopolitical leverage that forced some U.S. manufacturers to curtail output and scramble for alternatives.

The February 2026 Critical Minerals Ministerial, attended by representatives of more than 50 nations, added a diplomatic dimension, outlining a preferential trading zone for critical minerals open to U.S. allies and designed to insulate members from price volatility driven by Chinese supply decisions.

The May 29, 2026 Memo: Turning Policy Into Institutional Capacity

What distinguishes the May 29 memo from the executive orders and proclamations that preceded it is its focus on execution rather than intent. The administration has spent over a year building the policy framework. Now it is building the team.

The 400 specialists being recruited span the full professional range required to actually deploy capital at scale in critical minerals:

- Investment professionals to structure and evaluate project financing
- Engineers to assess technical feasibility and production economics
- Financial analysts to model commodity markets and supply chains
- Legal experts to navigate the permitting, environmental and contractual complexity that surrounds large-scale mining and processing projects

The $400,000 salary ceiling is itself a signal. It reflects an acknowledgment that the scarcity constraining the U.S. critical minerals build-out is not just geological or financial, but rather, it is human. A February 2026 Foreign Policy investigation found that mining engineering programs collectively graduated roughly 300 engineers annually at the height of the domestic mining industry, a number that collapsed as environmental pressures and depressed commodity prices hollowed out the sector over decades.9 The administration is now competing directly with private employers for the analytical and technical talent needed to reverse that trend.

China's Role: The Catalyst That Changed the Calculus

Any honest accounting of this policy environment has to begin with China. The country dominates not just rare earth mining, but far more decisively the processing and refining stages, which transform ore into the permanent magnets, battery chemicals, and specialty alloys that advanced technologies actually require. When Beijing imposed export controls on seven rare earth elements in 2025,10 in retaliation for U.S. tariffs, the ripple effects were immediate and visible.

The administration noted that roughly 70% of U.S. rare earth imports come from China.11 That single dependency has driven the entire policy architecture, which goes from the Defense Production Act invocations, to the Section 232 framework, to Project Vault, to the minerals deals with Ukraine, Australia,

Japan, Pakistan and Malaysia, and to the May 29, 2026 workforce memo. Each is a thread in the same tapestry:

Systematically reducing the leverage that an adversarial supplier holds over the U.S. industrial and defense base.

What makes this moment different from prior cycles of concern is the breadth of affected industries. Rare earths are not just a defense story. They are an AI story, an electrification story and an advanced manufacturing story, simultaneously. The same neodymium-iron-boron magnets in missile guidance systems also go into the electric motors of EVs and the actuators of industrial robots. The copper essential to every data center and grid upgrade is the same copper that underpins defense platform electrification. Demand is rising structurally from multiple independent technology cycles at the same time that supply is geographically concentrated and geopolitically contested.

From Policy Signal to Investment Reality: WDIG

The WisdomTree Efficient Rare Earth Plus Strategic Metals Fund (WDIG) was built around exactly this dynamic. The strategy combines two forms of exposure:

- Equity positions in global companies primarily engaged in strategic metals and rare earth mining.
- Futures contracts on commodity metals including copper, nickel, aluminum, silver and others.

The dual structure is deliberate. It captures both the equity upside in mining companies as their strategic value is repriced, and the commodity price dynamics as supply-demand imbalances tighten.

As of May 29, 2026, WDIG did not have exposure to any metals, mining or rare earth companies domiciled within China.

A fund providing structured access to this complex—not through a single commodity or geography but through the full ecosystem of materials and miners—has the potential to benefit from several converging forces simultaneously:

- Policy-driven demand signals
- Supply chain reshoring investment
- Commodity price appreciation as geopolitical risk premiums are repriced
- Long-duration structural demand from AI infrastructure, electrification, and advanced defense

The Longer View: Why Institutional Commitment Matters

A fair question is whether any of this outlasts the current administration. The May 29 memo is part of a meaningful answer. Executive orders can be reversed. Specialists who have been hired, institutions that have been built, capital that has been deployed and international agreements that have been signed are substantially harder to unwind. The administration is creating durable institutional capacity.

History also offers some comfort, and mineral supply chain concerns have bipartisan roots. The Biden administration invoked the Defense Production Act for EV minerals in 2022.12 The first Trump administration began the push to reduce rare earth dependence from China in 2020.13 Congress passed the Securing America's Critical Minerals Supply Act in February 2026.14 The specific policy instruments evolve; the underlying imperative—that the United States cannot afford strategic dependence on a geopolitical adversary for the inputs to its most critical industries—has proven durable across administrations of both parties.

What this administration has added is scale, urgency, and now institutional infrastructure. Project Vault represents a quantitatively different level of financial commitment than anything that preceded it. The Critical Minerals Ministerial created an allied trading framework that future administrations can build on. And the May 29 workforce memo signals that the administration understands what every serious capital allocator knows: strategy without execution capacity is just a document. Four hundred specialists, paid at market rates, focused exclusively on building America's critical minerals position, represent real execution capacity.

For investors, the implication is that the rare earth and strategic metals space is entering a period of elevated policy attention, capital investment, institutional capacity and supply chain restructuring that will play out over years, not months. WDIG offers investors structured access to that thesis, diversified across metals and mining equities, with the capital efficiency of a dual-exposure design.

Washington has decided these materials are strategic assets. It is now staffing up to prove it means it.

1 Source: Trump, D. J. (2026, May 29). *Approving critical position pay authority for national security investment workforce*. The White House.

2 Source: Trump Administration Charts Ambitious Path Toward US Critical Mineral Dominance. (2026, March 5). WilmerHale.

3 Source: Baskaran, G., & Schwartz, M. (2025, March 24). *Unpacking Trump's new critical minerals executive order*. Center for Strategic and International Studies.

4 Source: White & Case. (2025, April 17). *President Trump orders Section 232 investigation on critical minerals and derivative products*.

5 Source: White & Case. (2026). *President Trump orders critical minerals trade negotiations in Section 232 action*.

6 Source: Supply Chain Dive. (2026, February 3). *Trump launches $12B critical mineral reserve to curb foreign reliance*.

7 Source: Trump, D. J. (2026, May 29). *Approving critical position pay authority for national security investment workforce*. The White House.

8 Source: CNBC. (2026, February 3). *Rare earth stocks jump after Trump launches $12 billion critical minerals stockpile*.

9 Source: Mackinnon, A. (2026, February 19). *Trump's critical minerals, rare earths push highlights U.S. workforce, education gap*. Foreign Policy.

10 Source: Baskaran, G. (2025, October 14). *China's new rare earth and magnet restrictions threaten U.S. defense supply chains*. Center for Strategic and International Studies.

11 *Trump takes immediate action to increase American mineral production*.

12 Source: The White House. (2022, March 31). Fact sheet: *Securing a Made in America Supply Chain for Critical Minerals*.

13 Source: Trump, D. J. (2020, September 30). *Executive Order 13953: Addressing the threat to the domestic supply chain from reliance on critical minerals from foreign adversaries and supporting the domestic mining and processing industries*. The White House.

14 Source: U.S. House of Representatives. (2026, February 11). *H.R. 3617 — Securing America's Critical Minerals Supply Act, 119th Congress*. Congress.gov.

Important Risks Related to this Article

There are risks associated with investing, including possible loss of principal. The Fund is actively managed and invests in commodity metals futures contracts from an eligible exchange, and equity securities issued by global companies primarily involved in strategic metals and rare earths mining activities.

The value of metal commodities, such as various mined metals and commodity-linked derivative instruments, such as commodity metals futures contracts, typically is based upon the price movements of the physical commodity or an economic variable linked to such price movements. Price movements in metals and commodity metals futures contracts may fluctuate quickly and dramatically, have a historically low correlation with the returns of the stock and bond markets, and may not correlate to price movements in other asset classes.

By investing in the equity securities of metal miners, the Fund may be susceptible to financial, economic, political, or market events that impact the metal mining industry. Derivatives are used by the Fund to gain exposure to strategic metals and rare earth mining activities. Derivative investments can be volatile and may be less liquid than other investments. As a result, the value of an investment in the Fund may change quickly and without warning you may lose money. A fund that has a portfolio that is concentrated in the securities of issuers in a particular industry or group of related industries, may be adversely affected by the performance of those securities, and more susceptible to adverse economic, market, political, or regulatory occurrences affecting that industry or group of related industries.

While the Fund is actively managed, the Fund's investment process is heavily dependent on quantitative models and the models may not perform as intended. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.