

After Elections: Knowns & Unknowns

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A look at how presidents age from the beginning of their terms to the end.



@beinglibertarian

**I'm giving up drinking
till Christmas.**

Sorry bad punctuation.

**I'm giving up. Drinking
till Christmas**

Election Summary

- **President:** Biden in close race. Official count in mid-December.
- **Trump disputes several states.** Recounts, irregularities, etc.

- **House:** Pollsters wrong. GOP picked up 7-10 seats. 224-211 or 222-213
- **House:** Democrats underperformed Biden in down-ballot races
- **House:** Pelosi expected to remain House speaker, but...

- **Senate:** Close margin either way... 50 GOP to 48 DEM
- **Senate:** 2 Georgia seat runoffs Jan. 5, but Perdue could still get 50%
- **Senate:** 50/50 would be Dem control as VP breaks ties

- **Governors:** GOP picks up Montana... GOP 27 governors vs 23 DEM
- **State Legislatures:** GOP won 3 more... 2 New Hampshire & 1 Alaska

Election Perspective

- **Of 239.2 mil. eligible voters, 66.8% did...** most percentage-wise since 1900
Highest voter turnout: 1876, 82.6% of eligible voters, but...
- **Around 161 mil. voted 2020...** largest number in U.S. presidential election
- **Biden:** Over 75.7 million votes, largest in history
Trump: Over 71.0 million votes, second largest
Obama: 69.5 million in 2008, third largest
- **Biden will win 306 electoral votes if** he wins all the states where he's currently leading — matching Trump's 2016 tally over Hillary Clinton.

Trifecta Needed for Big Changes, But...

- **White House | House | Senate...**
 - ... **How Obama got Affordable Care Act**
 - ... **How Trump got tax cuts**
- **If not, not much from Congress, but changes via regs & executive orders**

Election Insights

- **Trump vastly underestimated** by the polls
- **Biden a liberal...** not far-left, but his party has turned
History shows he can work with opposition party
- **GOP-controlled Senate** can neuter aggressive agenda
- **Biden building White House staff**, then Cabinet in Dec.

Election: Demographics

- **Hispanics/Cubans:** Florida, Texas, House races
- **Blacks:** Trump won 12%, more than 8% in 2016
Key to Biden wins in Mich. & Wis. and perhaps Ga.
- **Trump share of nonwhite vote 26%..** Highest for GOP in over a decade
- **Rural:** Trump won more vs 2016. Factor in Iowa, Maine Senate | House races
- **Suburbs:** Biden won by 3 points after Trump won by 5 in 2016. Suburban & urban counties with majority white educated voters shifted away from Trump, supporting Biden by 4.4 more points than Hillary Clinton in 2016

Election: Swing States

- **Ariz. | Ga. | Mich. | Pa. | Wis**
- **Florida** no longer a swing state
- **Texas** may be swing state ahead, but no time soon

Biden White House

- **Cabinet:** Treasury | State | Transp. | USDA | USTR | EPA
- **Exec orders:** Will abolish most of Trump's executive orders
- **More regs:** Re-regulation... WOTUS return?
- **Big issues:** Infrastructure | Climate change | Health care
- **Other issues:** Farm | Trade | Food Policy

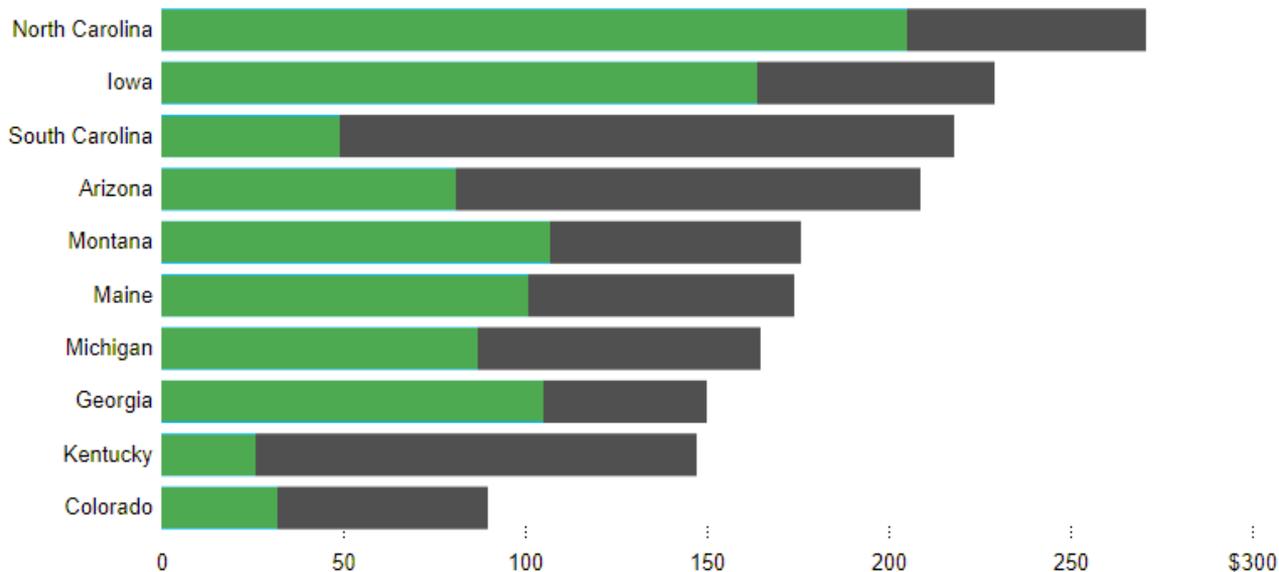
Senate/Georgia: Key to Agenda

- **If GOP wins:**
 - Boozman (Ark.) chairman of Senate Ag Committee
 - Grassley timed off Finance panel... Crapo (Idaho) likely new chair
- **If Dems win:**
 - Do away with 60-vote rule? Pack Supreme Court? DC, PR new states?
 - Sen. Joe Manchin (D-W.Va.) says no to ending filibuster, packing SCOTUS
 - Focus on: Climate change, Transportation, Health care

Top 10 Most Expensive 2020 Senate Races

Four races topped \$200 million; outside spending was at least \$100 million in five races

■ Independent expenditures ■ Candidate spending



Source: Federal Election Commission

Note: Independent expenditures as of Nov. 2; candidate spending as on Oct. 14; dollars in millions; Georgia's race is Republican Sen. David Purdue's bid for re-election against Democrat Jon Ossoff

Senate: Transportation Panel Leaders

- **Commerce, Science & Transportation**
 - Sens. Roger Wicker (R-Miss.) and Maria Cantwell (D-Wash.)
- **Environment and Public Works:**
 - Sens. Shelley Moore Capito (R-W.Va.) and Tom Carper (D-Del.)
 - Capito calls a multi-year highway bill ‘probably my top priority’

House

- **Dems:** Peterson lost race in Minnesota vs Michelle Fischbach
Next House Ag panel chair: David Scott (Ga.), Jim Costa (Calif.), Marcia Fudge (Ohio)... B. Thompson (Miss.) has seniority, but...
- **Transportation and Infrastructure panel:**
Chairman Peter DeFazio (D-Ore.) returns. Wants to reauthorize surface transportation programs.
- **End of ban on earmarks in House?** Yes... but not in Senate if GOP controls

World & U.S. Economy

- **Biggest factor:** Covid-19
- **Timing and distribution of vaccines...** huge market factor
- **Pharmaceuticals:** Some already released
- **Covid aid and stimulus ...** perhaps this year & 2021
- **Trade could increase** after vaccine distribution, ease in policy fights

World Economy

- **IMF revises global GDP higher**, warns economy 'prone to setbacks'
- **China:** Economic recovery, but tensions with U.S.
- **Europe economy faltering** amid surge in Covid cases
- **Drop in oil prices but vaccine news boosting prices**
- **Travel/leisure** (services) heavily impacted around the globe

U.S. Economy

- **Fed:** No change in interest rates through 2023
- **Fed:** GDP plunge of 3.7% in 2020
- **Fed:** GDP bouncing back to 4% gain in 2021
- **Fed:** Unemployment rate under 7% at year's end
- **Fed:** Committed to providing more support to economy
- **What type of U.S. recovery?**
V... L... U... W... K...
- **Dollar** recently at lowest level in two years
- **More stimulus** ahead... when and how much?
- **Business, schools, sports:** Open, shut or end-arounds?

U.S. Economy

- **GDP:** Still 2.8% smaller than cyclical peak in last quarter 2019
- **Housing demand** remains strong, but commercial real estate?
- **Many households in healthy financial condition**, not small business
- **Savings rate** ended summer quarter at 14.3%, below 33% rate April
- **Savings could be unleashed** if conditions return to 'normal'
- **Bottom line next 2 years:** Low growth, slim fiscal support, accommodative monetary policy, and low corporate taxes. Watch bankruptcies, real estate.

U.S. Ag Economy

- **Working capital:** Decline stemmed with recent runup in prices
- **Gov't payments:** Big share of farm income
- **More gov't payments not reflected in farm income estimates**
- **Meat processing plants** getting back to capacity, but...
- **Food service industries** will take longer to return
- **U.S. farmland:** Focus on net farm/cash income, gov't payments, Covid-19

Issues: Trade

- **Not initial focus of Biden:** Will call for study of Trump trade policy
- **China:** Reports say China wants to 'renegotiate'; Biden wants to work with allies
- **WTO:** Trump threatened to leave; Biden wants to reform
- **TPP...** Trump left, Biden wants to rejoin... will take time
- **New trade agreements:** Trump favored bilaterals, Biden more flexible. TPA expires July 2021
- **USTR:** Appointment will signal direction ahead

Issues: Infrastructure & Transportation

- **Focus of both parties and White House**
- **Hurdle:** Funding... any tax boost limited, not enough for big reform
- **Democratic Party platform:** Pledge to “upgrade our nation’s ports, lock and dam systems and freight infrastructure”
- **National plan needed** as boost in exports ahead
- **WRDA:** On the lame-duck session agenda calendar

Spending Bills, Stimulus Top Lame-Duck Agenda

- **Congress returns with packed agenda, few working days**
 - Action needed to keep government open past Dec. 11
 - McConnell and Pelosi agreed to try to pass omnibus appropriations package in December
 - Leaders expressed interest in reaching agreement on Covid stimulus, after negotiations stalled before election
 - Annual defense authorization likely considered in December
- **2021 reauthorizations await new 117th Congress**
 - Surface transportation, TSA authorizations expire Sept. 30, 2021
 - National Flood Insurance Program to expire Sept. 30, 2021

Other Issues

- **State govts face budget shortfall** of \$434 billion from 2020 thru 2022
- **Unemployment claims** have some states borrowing from Treasury Dept.
- **Tax compromise:** Fix some flaws | Extend expensing provision in 2017 tax bill | Child tax credit

Other Issues

- **Deficits and debt:** Senate GOP back to worrying about fiscal issues, but Dems demand higher spending caps every 2 years or they refuse to fund gov't
- **2022 Elections:**
 - Party that controls White House usually loses some congressional seats
 - GOP gains in House set up opportunity to control chamber after 2022
 - Senate 2022 races again has way more GOP seats up than DEM

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