After Elections: Knowns & Unknowns

Jim Wiesemeyer
Washington Policy Analyst, Pro Farmer

wiesemeyer@gmail.com
A look at how presidents age from the beginning of their terms to the end.
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


• Florida no longer a swing state

• Texas may be swing state ahead, but no time soon
— **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

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’
• **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
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
Jim Wiesemeyer
Washington Policy Analyst, Pro Farmer

Email: wiesemeyer@gmail.com