Political Update – 2020 Elections and Potential Impacts

August 26, 2020
Presentation Overview

• In this presentation, we will discuss the current political environment in Washington D.C., and review the upcoming House, Senate, and Presidential elections.

• As we discuss, we will provide intelligence and analysis based on our ongoing discussions with senior political and campaign staff – as well as our own insight based off of our collective experience.

Sources for the presentation: Bloomberg Government; Cook Report
Senate Elections
Senate Balance of Power

• Trump’s re-election outlook and each party’s ability to field strong candidates are key
  – If Democrats net four seats they would take control of the Senate; netting three seats would result in a presumptive tie; the Vice President casts a deciding vote in the Senate where a majority vote is required
  – Democrats last defeated more than two Republican senators in 2008, when Barack Obama’s victory helped Democrats beat five GOP incumbents

Notes: Two independent senators (Bernie Sanders (VT) and Angus King (ME) caucus with the Democrats.
Note: *Georgia’s regular election is rated a toss-up, the special election is rated Leans Republican
Source: Race ratings from Cook Political Report; as of July 23
House Elections
House Balance of Power

The four vacancies are in CA-50, due to the resignation of Duncan Hunter (R); GA-05, due to the death of John Lewis (D); NC-11, due to the resignation of Mark Meadows (R); and TX-04, due to the resignation of John Ratcliffe (R). Chris Jacobs (R) was elected in NY-27 to replace Chris Collins (R), who resigned last year.
Presidential Elections
Major Dates on Presidential Calendar

- Sept. 29: 1st presidential debate (Cleveland, Ohio)
- Oct. 7: Vice presidential debate (Salt Lake City, Utah)
- Oct. 15: 2nd presidential debate (Miami, Fla.)
- Oct. 22: 3rd presidential debate (Nashville, Tenn.)
- Nov. 3: Election Day
Electoral College Math Matters Most

- 538 Total Electoral College Votes; Need majority to win (270 votes)
- In 2016, Trump won electoral vote 304-227, lost the popular vote by 2.1 points

Cook’s Latest Scenario: 308 – Biden/Democratic | 43 - Toss Up | 187 - Trump/Republican

<table>
<thead>
<tr>
<th>SOLID DEMOCRAT</th>
<th>LIKELY DEMOCRAT</th>
<th>LEAN DEMOCRAT</th>
<th>TOSS UP</th>
<th>LEAN REPUBLICAN</th>
<th>LIKELY REPUBLICAN</th>
<th>SOLID REPUBLICAN</th>
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<td>14 States (+ ME-01 &amp; DC)</td>
<td>4 States</td>
<td>6 States (+ NE-02)</td>
<td>3 States (+ NE-02)</td>
<td>Arizona (11)</td>
<td>Iowa (6)</td>
<td>13 States (+ NE-01 &amp; NE-03)</td>
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<td>188 Electoral Votes</td>
<td>30 Electoral Votes</td>
<td>90 Electoral Votes</td>
<td>43 Electoral Votes</td>
<td>New Hampshire (4)</td>
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<td>Delaware (3)</td>
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<td>Washington DC (3)</td>
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Possible Scenarios for Election Results
Biden Wins The Presidency, And --

- House Stays Democratic
- Senate Stays Republican

- This is a very likely outcome.
- Divided government with a difficult path for Biden to implement his agenda.
- Will highlight inter and intra party divisions
- Focus on agency rulemaking

- House Stays Democratic
- Senate Flips Democratic

- Also a likely scenario.
- United government—Biden administration will have a very effective first 100 days as Democratic party will be united (at least initially)
Trump Wins Re-election, And --

• House Stays Democratic
• Senate Stays Republican

• The most likely scenario IF Trump wins reelection.
• Continued divided government.
• Focus shifts to the agencies since Congress will be bitterly divided.

• House Stays Democratic
• Senate Flips Democratic

• Potential scenario if Democrats flip seats in battleground states that vote for Biden.
• Divided government
• Strong emphasis on national debates over policy.
Biden or Trump Wins Presidency, And --

**House Stays Democratic**

**Senate goes 50-50 – Deadlock**

There is a good chance that the Senate will go even, and that the chamber is split. This has happened in the past – most recently in the 2000 election.

This would introduce uncertainty into Congressional policymaking because the Democrats and Republicans would have to create a “power sharing” arrangement.
Thank You