

The State of Politics In Washington & An Assessment Of The Political Landscape In **2021**

- Macro Political Environment
- Elections: White House, Senate, House of Representatives, Governors

Virginia Bankers Association

September 2020

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VIRGINIA BANKERS
ASSOCIATION

Alex Vogel



Alex Vogel, Chief Executive Officer



- Consistently ranked as one of America's top lobbyists, Alex started The Vogel Group after founding and leading Mehlman Vogel Castagnetti for a decade, one of the most successful lobbying and government affairs firms in Washington, D.C.
- Alex has spent decades at the highest levels of business, politics and government. In the years prior to launching The Vogel Group, Alex served as Chief Counsel to the Senate Majority Leader, Bill Frist, M.D. Prior to his service in the Senate, Alex was General Counsel for the National Republican Senatorial Committee (NRSC), Deputy Counsel for the Republican National Committee (RNC), Counsel for former Vice President Dan Quayle and an attorney in private practice at Wiley Rein & Fielding.
- In his role as one of the top staffers in the United States Senate, Alex was instrumental in crafting many successful bipartisan legislative strategies and maintains close relationships with both leadership and rank and file Senators to this day.
- Alex's expert commentary and analysis can be viewed weekly on networks including Fox News, Fox Business, and NBC. He is widely regarded as one of DC's leading voices in strategic advocacy. Alex received his B.A. from The University of California at San Diego and his law degree from The George Washington University

2020: The Most Uneventful Year...

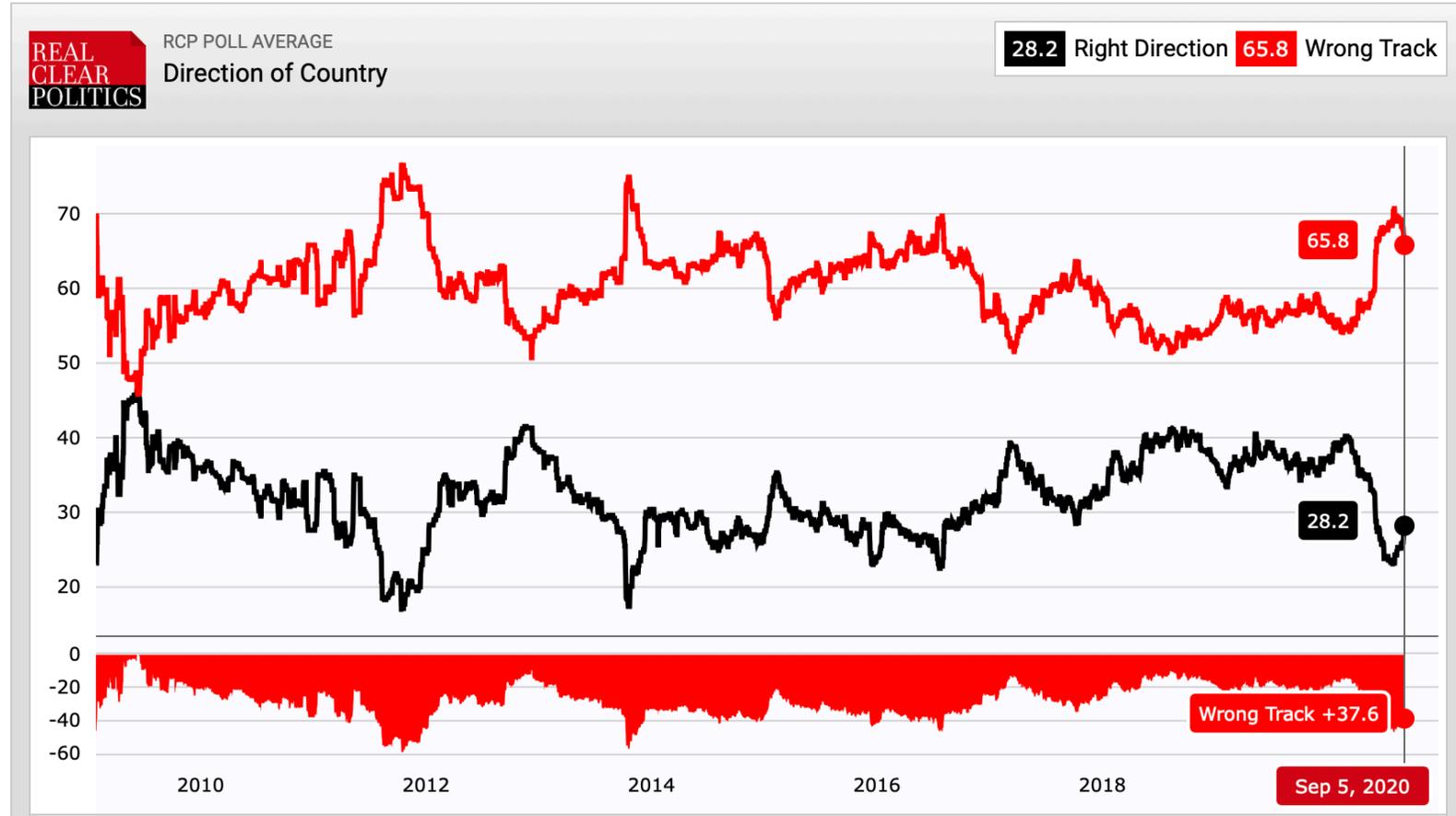
- We are in day **1,330** of the Trump Presidency (as of September 11th).
- The elections are **53** days away.
- The **first debate** between President Trump and Biden is **18 days away (September 29th)**.
- There are **35 Senate seats up for election** in 2020 — including special elections in Arizona and Georgia. GOP is defending **23** seats while Democrats are defending **12** seats.
- In the **Senate, Democrats** will need to gain **3 or 4** seats to take control.
- **All 435 seats in the House** will be up for election. **Democrats** have a **37-seat** advantage in the House.
- If **Republicans** hold onto 4 vacant but solidly red seats they previously controlled, they will need to **pick up 18 seats to retake the House**.
- There are **6.3 million cases of COVID-19** and **189,000 Americans have died**.
- Approximately **32 million Americans** are currently receiving unemployment benefits.
- Federal Reserve has authorized nearly **\$6 trillion in economic support** and **disbursed roughly \$2.2 trillion**. Another **\$3.7 trillion of support** has been authorized through legislation, of which **\$2.2 trillion has been either disbursed or committed**.



Is The United States Headed In The Right Direction?

Years Presidency Flipped	Right Direction	Wrong Track	Net
1980	20%	79%	-59
1992	17%	75%	-58
2000	39%	57%	-18
2008	11%	76%	-65
2016	31%	62%	-31
Average	24%	70%	-46

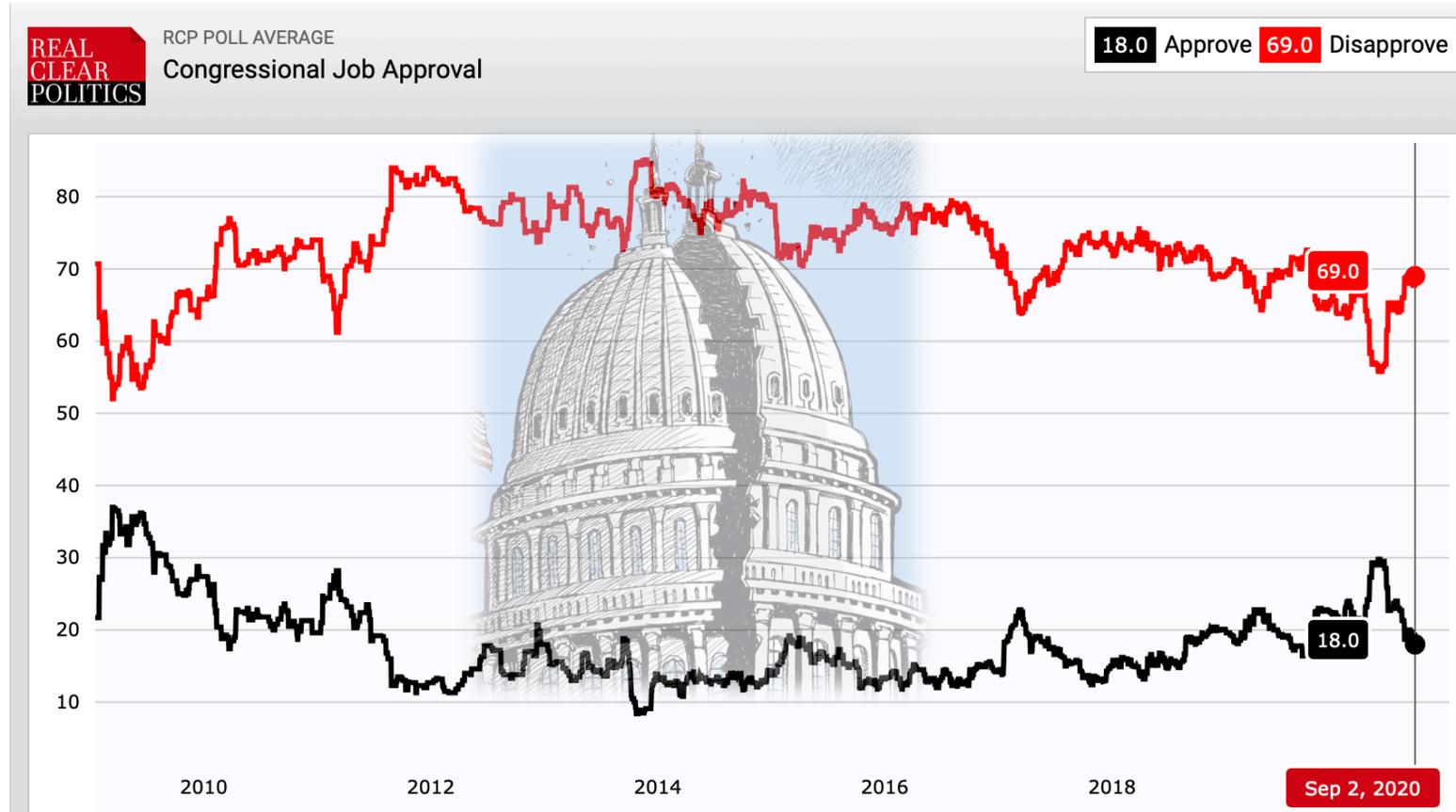
Years Incumbent Party Held	Right Dir	Wrong Track	Net
1984	47%	48%	-1
1988	41%	54%	-13
1996	39%	44%	-5
2004	41%	47%	-6
2012	42%	53%	-11
Average	42%	49%	-8



- Trump’s presidency began on January 20th 2017. On that day, **56% of Americans said the country was headed in the wrong direction and 32% said the country was on the right track.**
- The electorate voted for a new party in the White House: 1980, 1992, 2000, 2008, and 2016. **Average right direction polling was 24% compared to 70% on the wrong track.**
- The electorate voted for the incumbent : 1984, 1988, 1996, 2004, and 2012. **Average right direction polling was 42%, compared to 49% on the wrong track.**

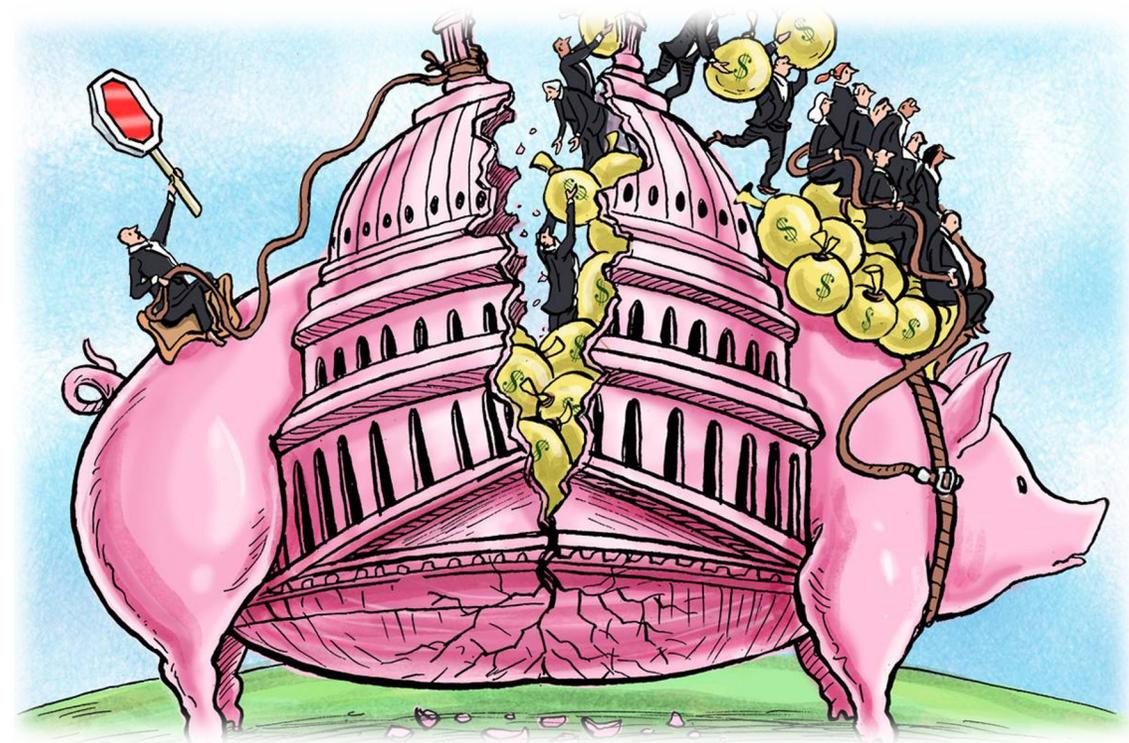
Congress Job Approval

- **Congress achieved a 30% approval rating** in the Spring because that both parties came together to fight COVID and pass the economic relief packages.
- *"The Senate has pivoted from one of the most contentious partisan periods in the nation's history to passing this rescue package 100 to nothing."* – **Leader McConnell** after passing the CARES Act.
- *"The Democratic leaders insist publicly they want an outcome, but they work alone behind closed doors to ensure a bipartisan agreement is actually not reached."* - **Leader McConnell** after Phase 4 relief talks broke down.
- The public has taken notice of the **familiar gridlock** surrounding **police reform, COVID-relief packages, and reopening the economy.**
- Despite touching a **10-year high approval** rating in the Spring, **Congress'** approval has **reversed** course.



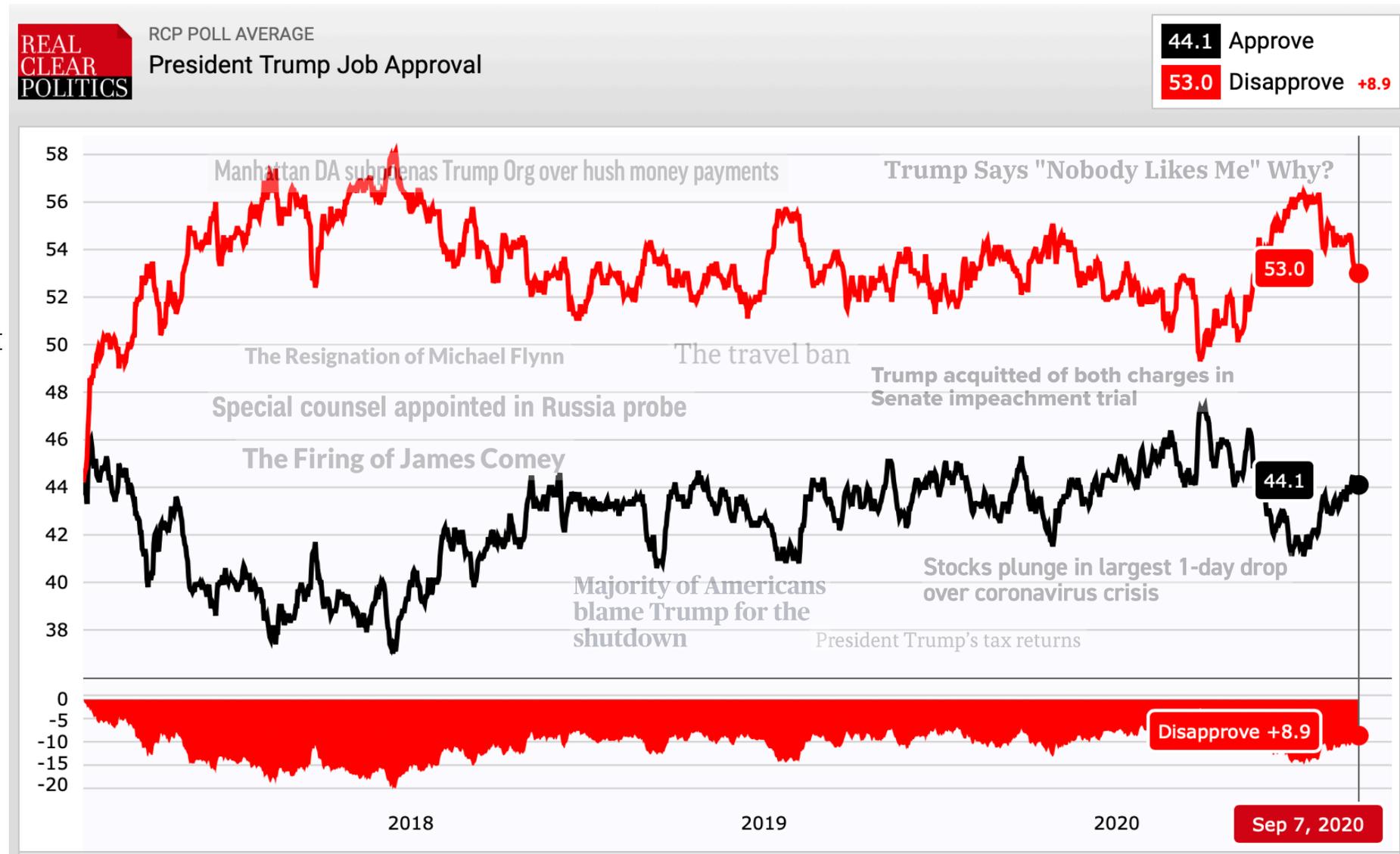
Congress' Remaining Agenda For 2020

- **Congress has a busy agenda before the election.**
- **Both chambers are expected to return on September 8th.**
- **Beginning September 8th, the House** will be in session for **13 days** before election day and the **Senate** will be session for **22 days**.
- During this period, Congress will be focused:
 - Appropriations bills for FY2021
 - Surface transportation reauthorization - expires September 30th.
 - National Defense Authorization Act (NDAA)
 - Water Resources Development Act (WRDA)
 - If Democrats and Republicans can reach an agreement, a COVID relief package may also be addressed.
- Very likely that Congress will continue to fund the government through a continuing resolution.



President Trump's Approval Rating

- Trump's average approval rating on **January 28, 2017** – a week after he took office - was **43.3%**.
- Trump's approval has remained **remarkably stable** and in recent days has even ticked **upward**.



President Trump's Approval Rating

As of September 8th, Trump had a 50% approval rating according to polling from Rasmussen. This figure is 1 point **higher** than former President Obama's approval rating on the same day in 2012.



Incumbents that have won reelection generally have final job approval ratings above 40%.

Presidential Job Approval Ratings of Incumbents Seeking Reelection

	Year	June of reelection year % Approve	Final measure before election % Approve	Won reelection
Obama	2012	46	52	Yes
G.W. Bush	2004	49	48	Yes
Clinton	1996	55	54	Yes
G.H.W. Bush	1992	37	34	No
Reagan	1984	54	58	Yes
Carter	1980	32	37	No
Ford	1976	45	n/a	No
Nixon	1972	59	n/a	Yes
Johnson	1964	74	n/a	Yes
Eisenhower	1956	72	68	Yes
Truman	1948	40	n/a	Yes

For context, polling from Rasmussen during the 1st week of September 2016 showed Clinton leading Trump by 4 points. Rasmussen consistently and correctly indicated that the 2016 race was much closer than what other pollsters predicted.

Irrespective of other polls showing a Biden lead, November 3rd is 53 days away and voter momentum can swing in either party's favor.

Dissecting Trump's Approval Rating

- According to Gallup, as of August **Trump commanded a 90% approval rating among Republicans.**
- In August, Trump's approval **rating among Democrats stood at 5%**, a slight uptick from the **2% approval rating** in June.
- Trump's approval ratings are the **most polarized** along party lines in the modern era, however this divide represents a **continuation of a trend** seen in assessments of recent former presidents, including **Barack Obama and George W. Bush.**
- In May, Trump commanded a **14% approval rating with Democrats – his highest since he took office.**
- Trump has a **39% approval rating among Independents**, up from 34% in early July.
- Generally, the **strength of the economy** is correlated with the electoral strength of the incumbent president.
- Prior to COVID, **Trump started 2020 with the highest economic approval rating in an election year of any president seeking reelection** since Gallup began measuring economic approval in the current approve/disapprove format.
- While the economy remains far from normal, it is substantially **better** than the darkest days of the pandemic in March and April.
- As November 3rd approaches, **the stock market** has seen **record highs** – this is a **significantly positive and timely development** for Trump and helps his narrative that he can rebuild the economy.



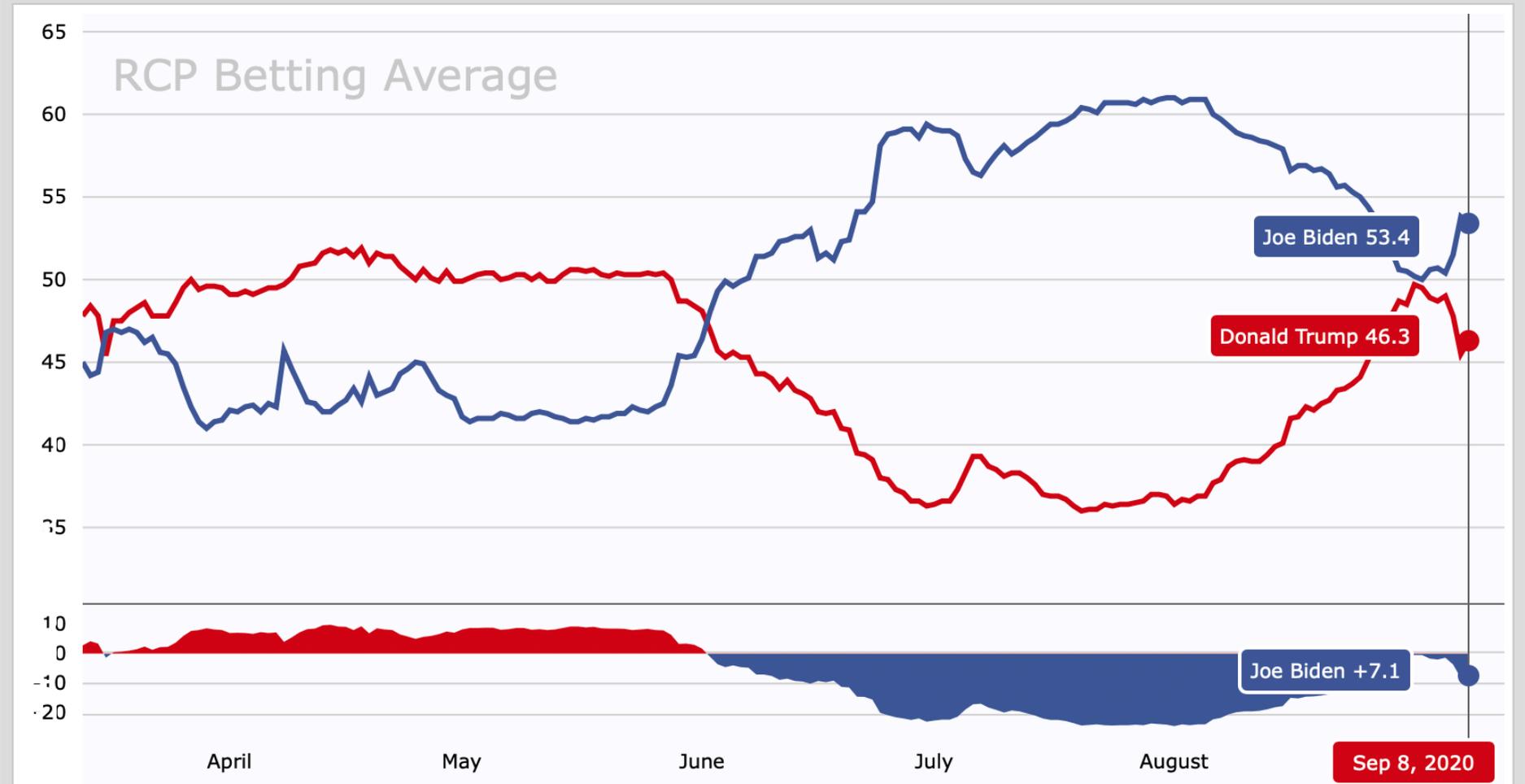
Betting Odds Have Significantly Shifted

For context, Biden was leading by 19 points on August 11th



RCP BETTING AVERAGE
Betting Odds: Trump vs. Biden

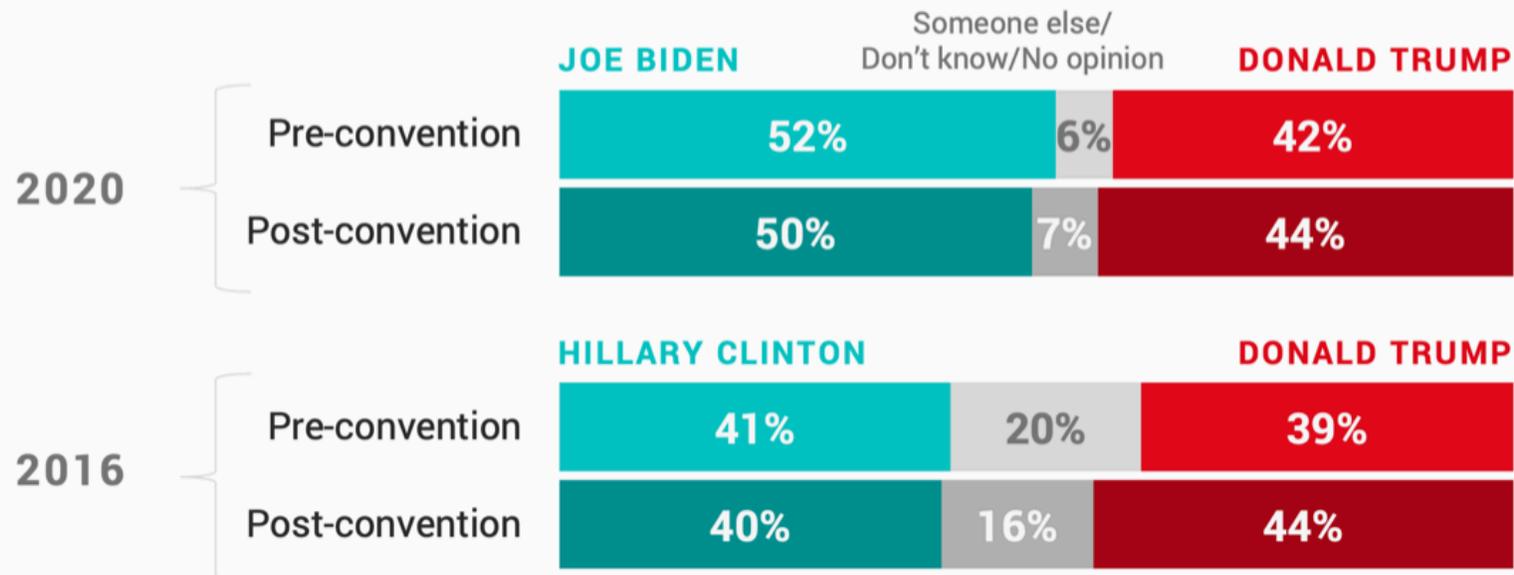
53.4 Biden (D)
46.3 Trump (R)



POLITICAL INTELLIGENCE: PRESIDENTIAL ELECTION

Biden's Lead Slightly Diminished Following RNC

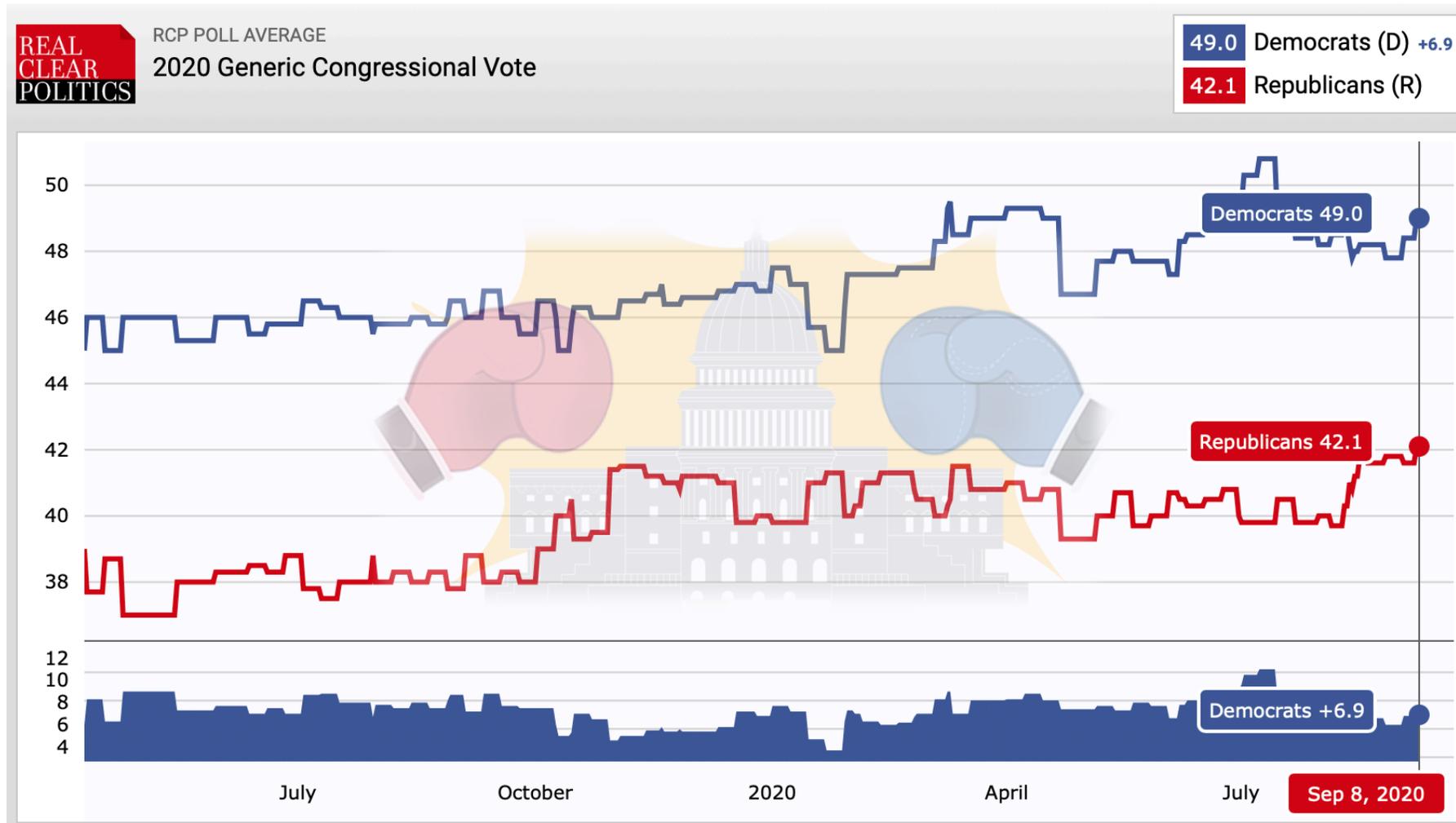
Voters were asked whom they would vote for if the presidential election were held today



The Generic Ballot – Who is Winning?

The generic ballot poll asks whether someone will vote for the Republican or the Democrat in their Congressional district. This poll has been used as a bellwether to understand voter sentiment.

As of September 8th, **49% of voters would vote for a Democrat while 42% would vote for a Republican.**

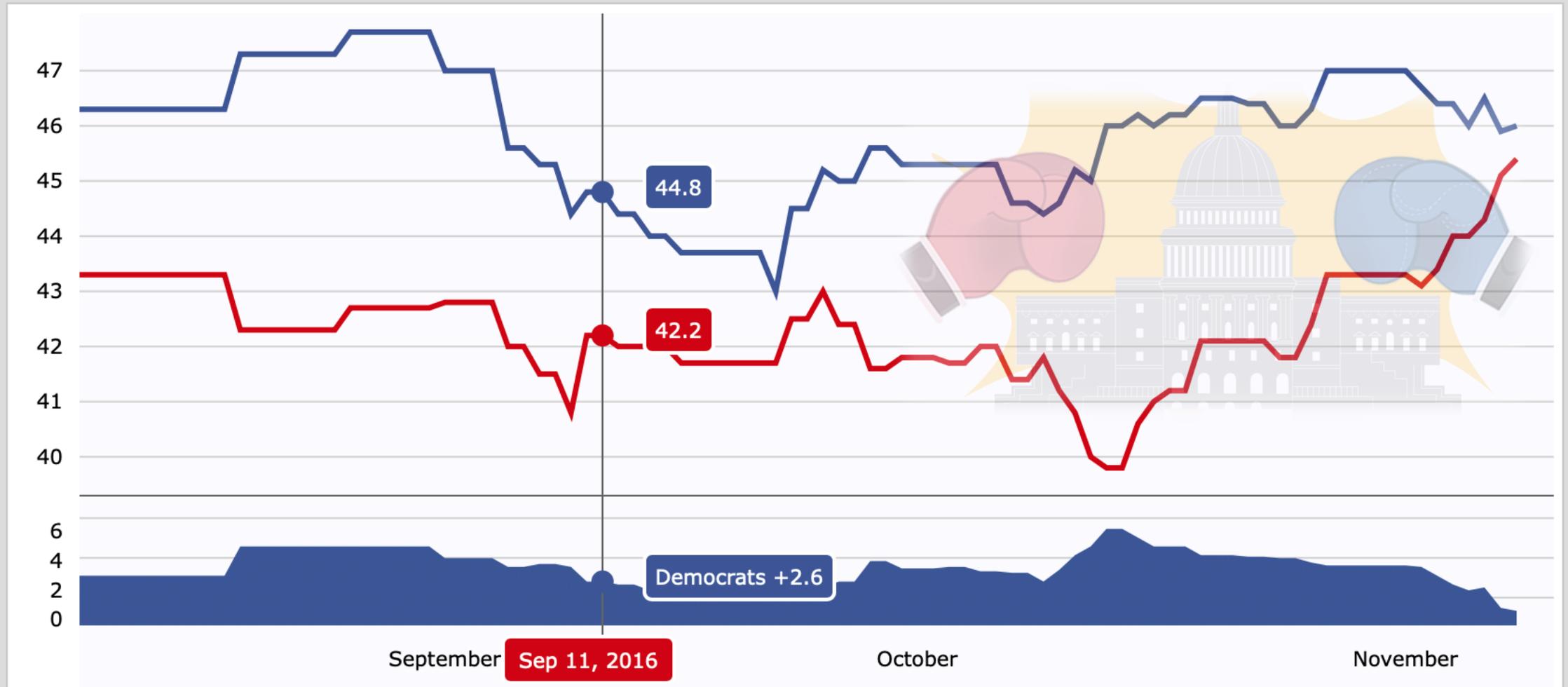


Democrats were favored in the generic ballot in 2016, *How did that turn out?*

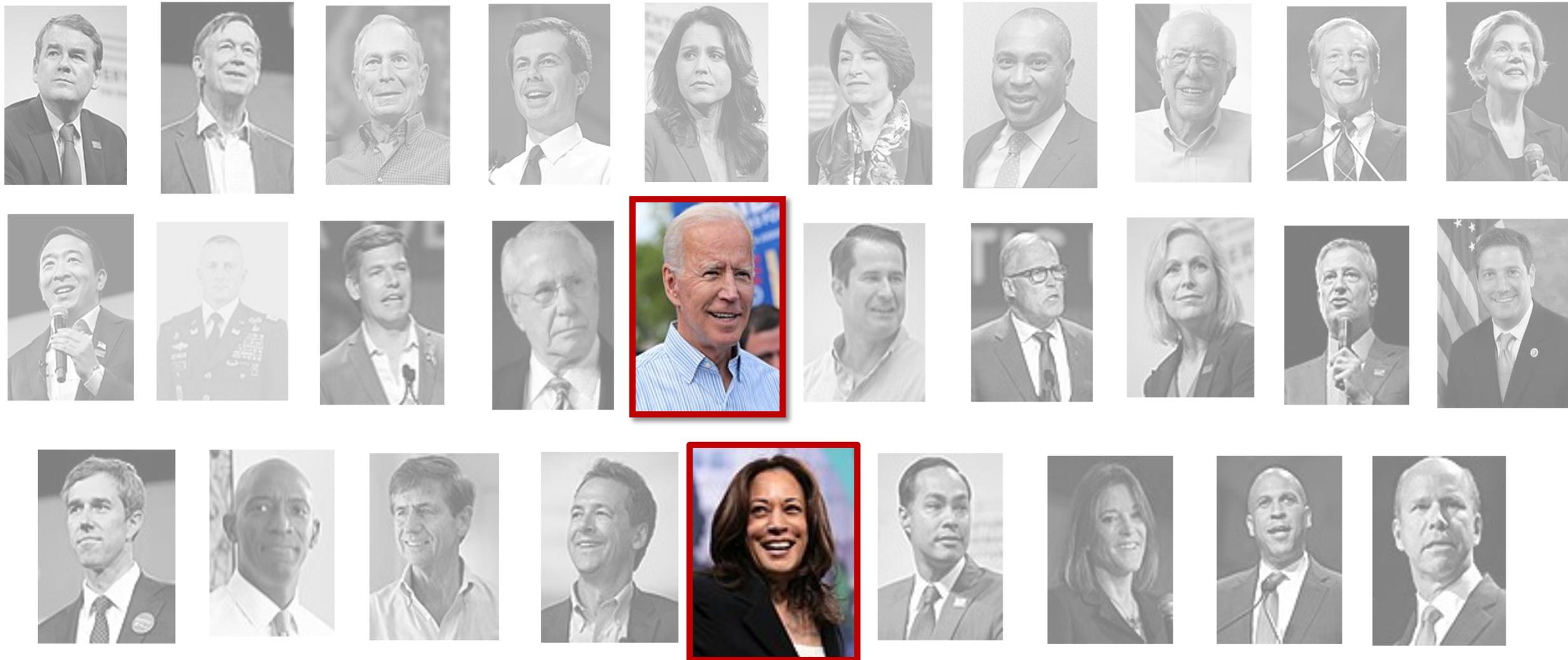
REAL CLEAR POLITICS

RCP POLL AVERAGE
2016 Generic Congressional Vote

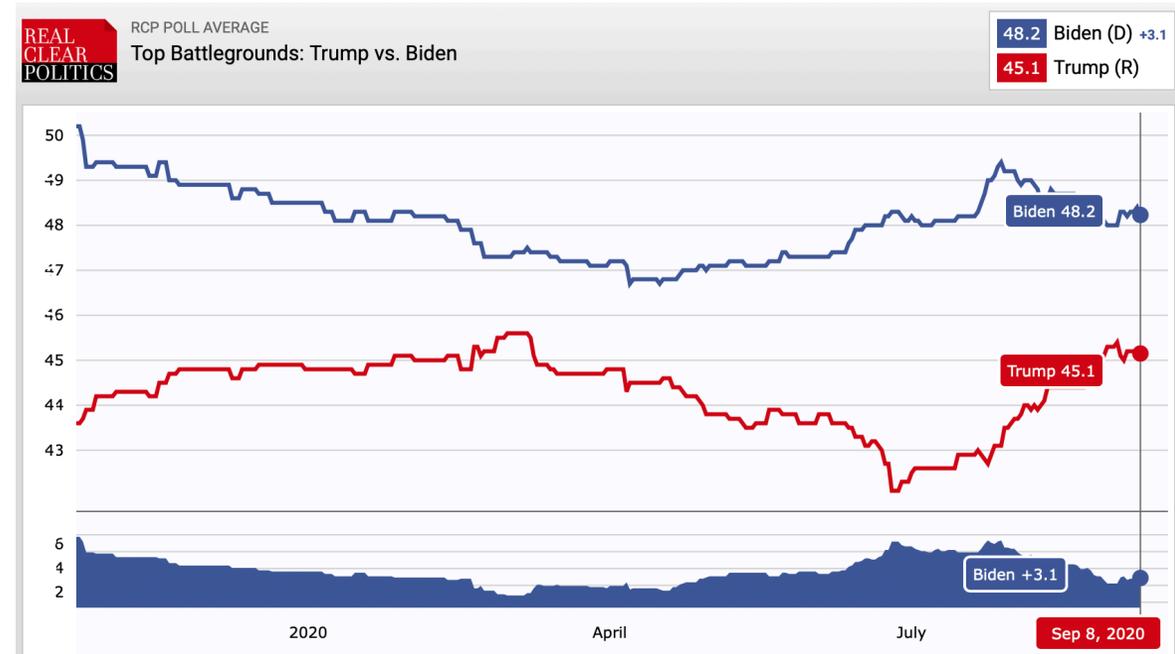
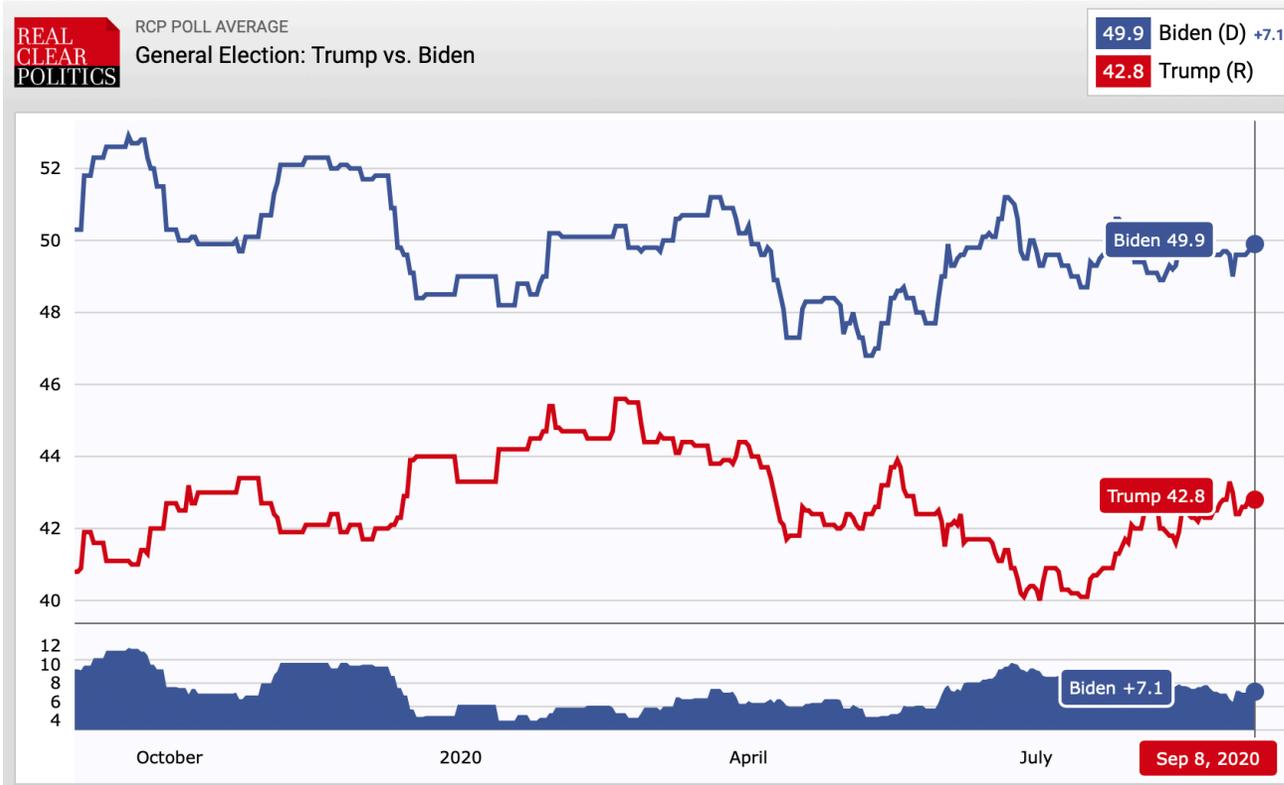
46.0 Democrats (D) +0.6
45.4 Republicans (R)



And Then There Were Two...

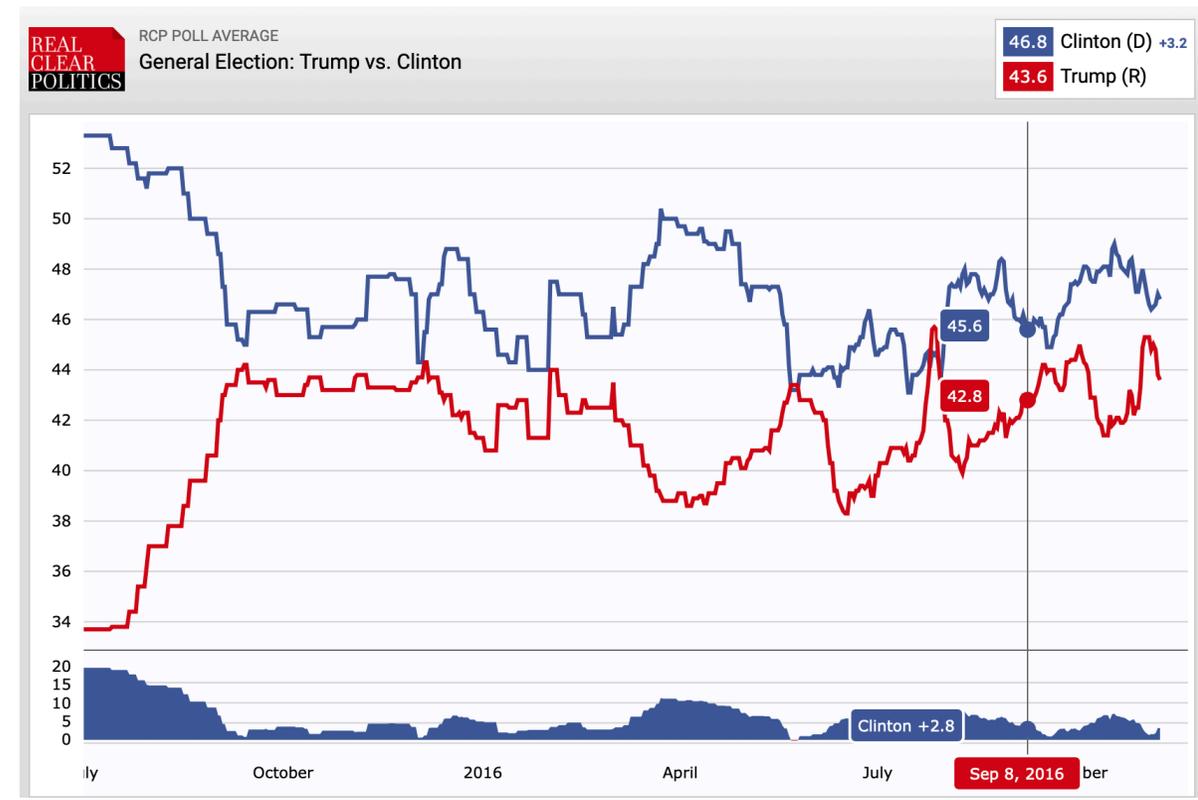
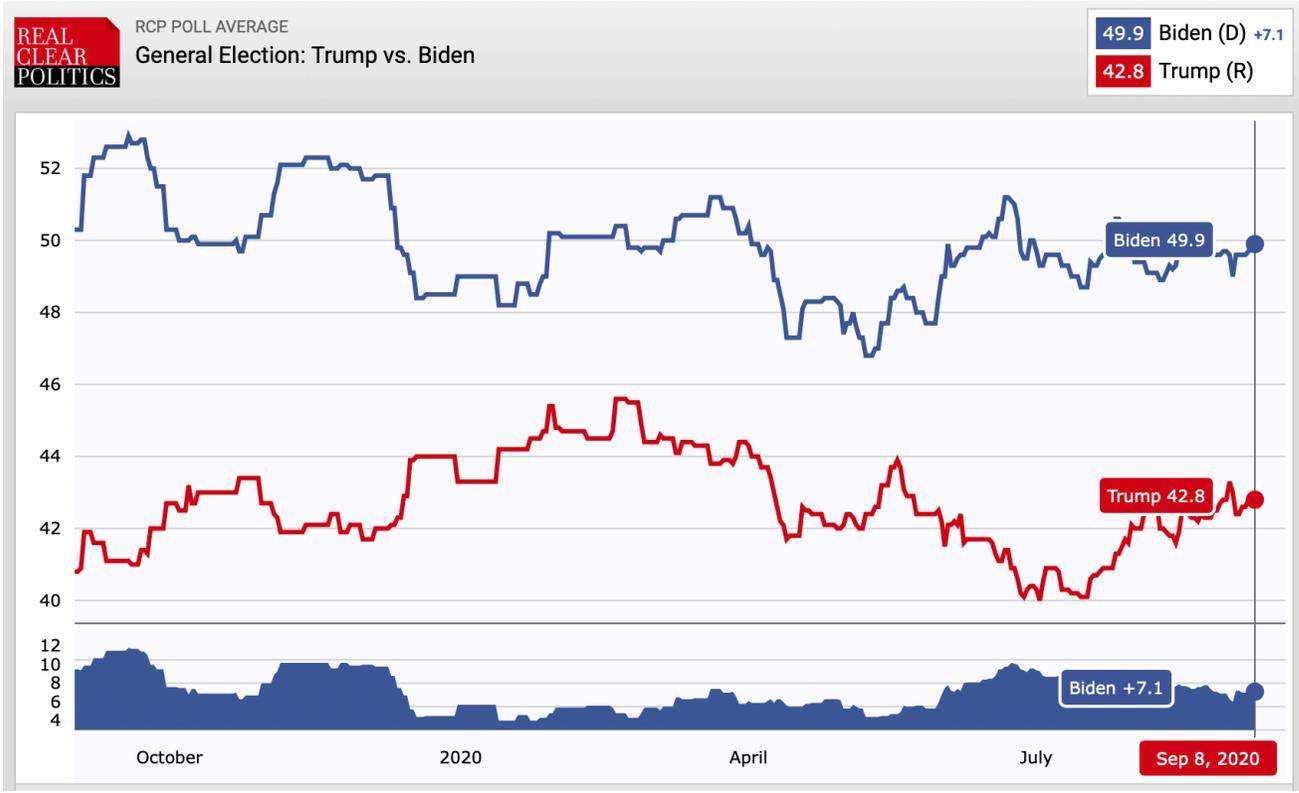


Polls: Trump V. Biden



President Trump's ballot test in six swing states has risen over the last two weeks.

Trump V. Biden & Trump V. Clinton *(53 Days Out)*



- Clinton led Trump in most of the final polls before the 2016 election, **but still lost.**
- Polling trend lines can also shift significantly as Election Day draws near — **no guarantee Biden's lead will continue through the fall.**
- 53 days left until November 3rd – A LOT CAN HAPPEN.**



SILENT MAJORITY!

11:18 AM · Jun 2, 2020 · Twitter for iPhone

Can Trump Repeat History?

- Polls are showing Biden leading.
- Political pundits and reporters saying Trump can't win and sneering at his voter base...

HOWEVER....

- The stock market has hit record highs in recent weeks.
- Trump is doing better in swing states.
- Aggressive messaging from the Trump campaign highlighting Biden's lack of achievements and Kamala Harris' leftist policies.
- *"If you look at **Joe Biden's** goals and **Bernie Sanders's** goals, they're not that different, from a forty-thousand-foot level."* – **Former President Obama, August 23rd**
- Trump's base continues to support him.

Some differences between the 2016 race and the 2020 race:

- Biden is viewed more favorably than Clinton.
- Trump can still count himself as the outsider – but he now **has a record to defend**
- **A poll conducted by WSJ in August found 13% of voters remain "in play," enough to tip the election.**
- **The same poll also found that also found Trump's standing with Hispanics is as good if not better than 2016 – and had improved his image by 20 points among whites, who are more than 70% of the electorate.**



Frank Luntz ✓

@FrankLuntz

Swing state polls on August 25th:

Pennsylvania

- 2016: Hillary +9.2
- 2020: Biden +5.7

Michigan

- 2016: Hillary +9.0
- 2020: Biden +6.7

Wisconsin

- 2016: Hillary +11.5
- 2020: Biden +6.5

Florida

- 2016: Hillary +2.9
- 2020: Biden +4.8

Potential Outcomes On January 2021...

White House

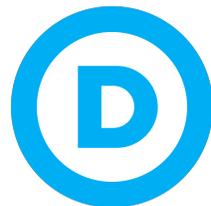
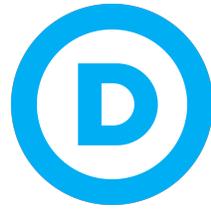
BIDEN
HARRIS

BIDEN
HARRIS

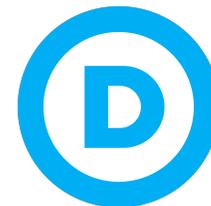
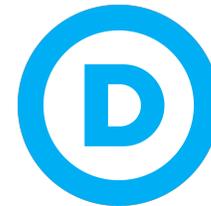
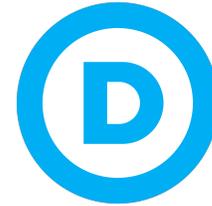
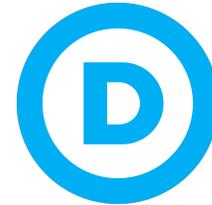
TRUMP
PENCE
KEEP AMERICA GREAT!
2020

TRUMP
PENCE
KEEP AMERICA GREAT!
2020

Senate



House of Representatives



The Senate – Overview & Assessment

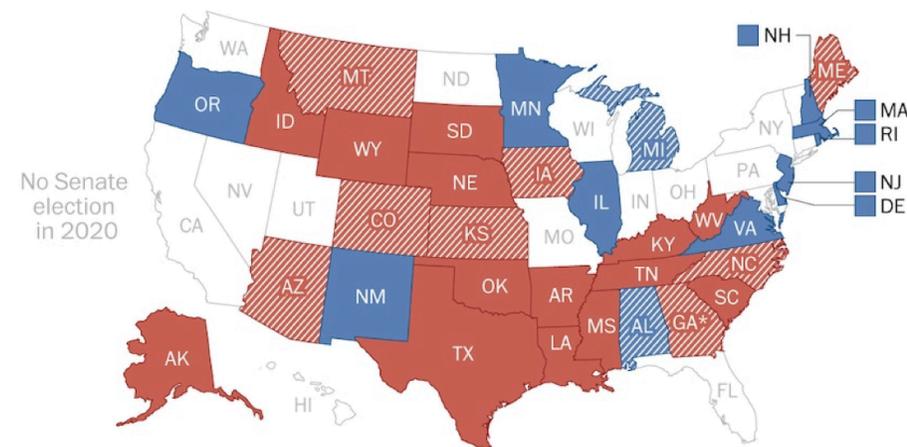
- The Senate currently **has 47 Democrats and 53 Republicans.**
- **35 seats up for election. Republicans are defending 23 seats and Democrats are defending 12 seats.**
- To retake the Senate, **Democrats need to net 3 seats if Joe Biden wins, and 4 if President Trump is reelected.**
- **Toughest races for Republican incumbents:** Arizona, North Carolina, Georgia, Colorado, Iowa, Maine, Montana.
- **Toughest races for Democrat incumbents:** Alabama
- Alabama, Kentucky, Texas and South Carolina — are viewed as long-shots by Democrats. Instead, **Democrats are focused on winning seats of vulnerable Republicans: Sen. Collins, Sen. Gardner, Sen. McSally, and Sen. Tillis.**
- A difficult electoral map and **President Trump's poll numbers threatens to drag down vulnerable GOP incumbents.**

The next President's policy agenda is ultimately contingent on which party controls the House and Senate. Given the Democrat's strength in the House, a chance to re-take the Senate could make all the difference for a potential Biden Administration to implement its policy agenda.

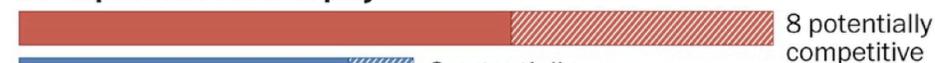
Which Senate seats are in play in 2020?

Democrats need to pick up four seats to gain a majority in the Senate.

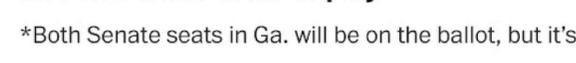
● Democrat-held seat ● Republican-held seat ● Potentially competitive



23 Republican seats in play



12 Democratic seats in play



*Both Senate seats in Ga. will be on the ballot, but it's possible only one is competitive.

THE FIX



Most Competitive Senate Seats

Martha McSally (R)



Mark Kelly (D)



Susan Collins (R)



Sara Gideon (D)



Cory Gardner (R)



John Hickenlooper (D)



David Perdue (R)



Jon Ossoff (D)



Thom Tillis (R)



Cal Cunningham (D)



Steve Daines (R)



Steve Bullock (D)



Most Competitive Senate Seats

Joni Ernst (R)



Theresa Greenfield (D)



Tommy Tuberville (R)



Doug Jones (D)



Georgia Special Election



Sen. Kelly Loeffler



Rep. Doug Collins



Georgia Special Election



Rev. Warnock



Matt Lieberman



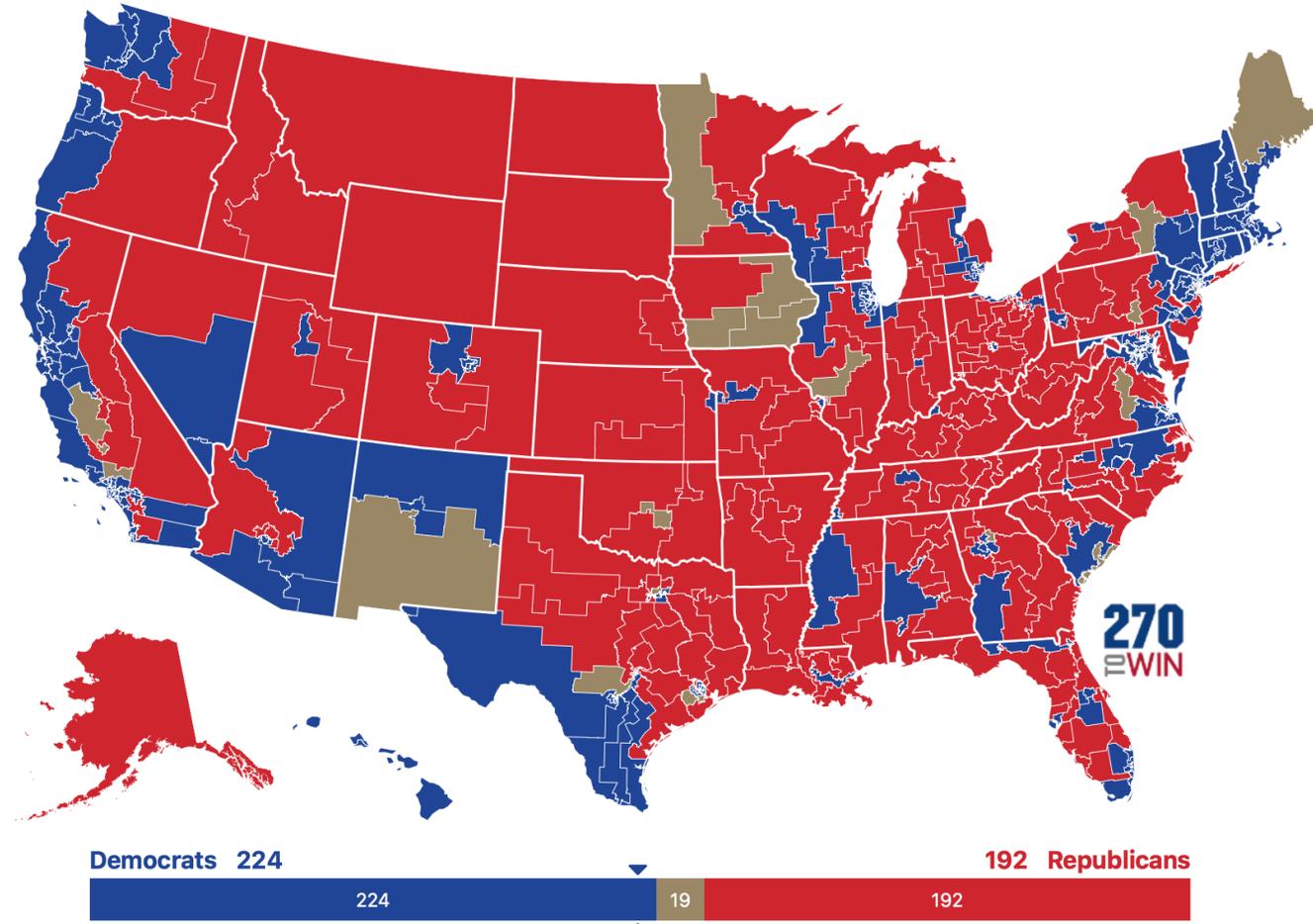
Ed Tarver

The House – Overview & Assessment

- All 435 House seats are up for election.
- At present, **232 Democrats** in the House, **196 Republicans**, **1 Libertarian**, and 4 vacancies.
- **218 seats needed for a majority in the House.**
- **Republicans** need to pick up **18 seats to win a majority.**
- **Republicans have gained 18 House seats or more in just one presidential election in the last 50 years.**
- Republicans picked up 34 seats in 1980 but still remained in the minority because their numbers were depressed coming into that election.
- **222 seats are safely Democrat or lean Democratic.**
- **193 seats are safely Republican or lean Republican.**
- **Democrats have fewer incumbents retiring (only 11 compared to 31 Republicans).**

2020 House – Consensus Forecast

(Based on current ratings of Sabato's Crystal Ball, The Cook Political Report, and Inside Elections)

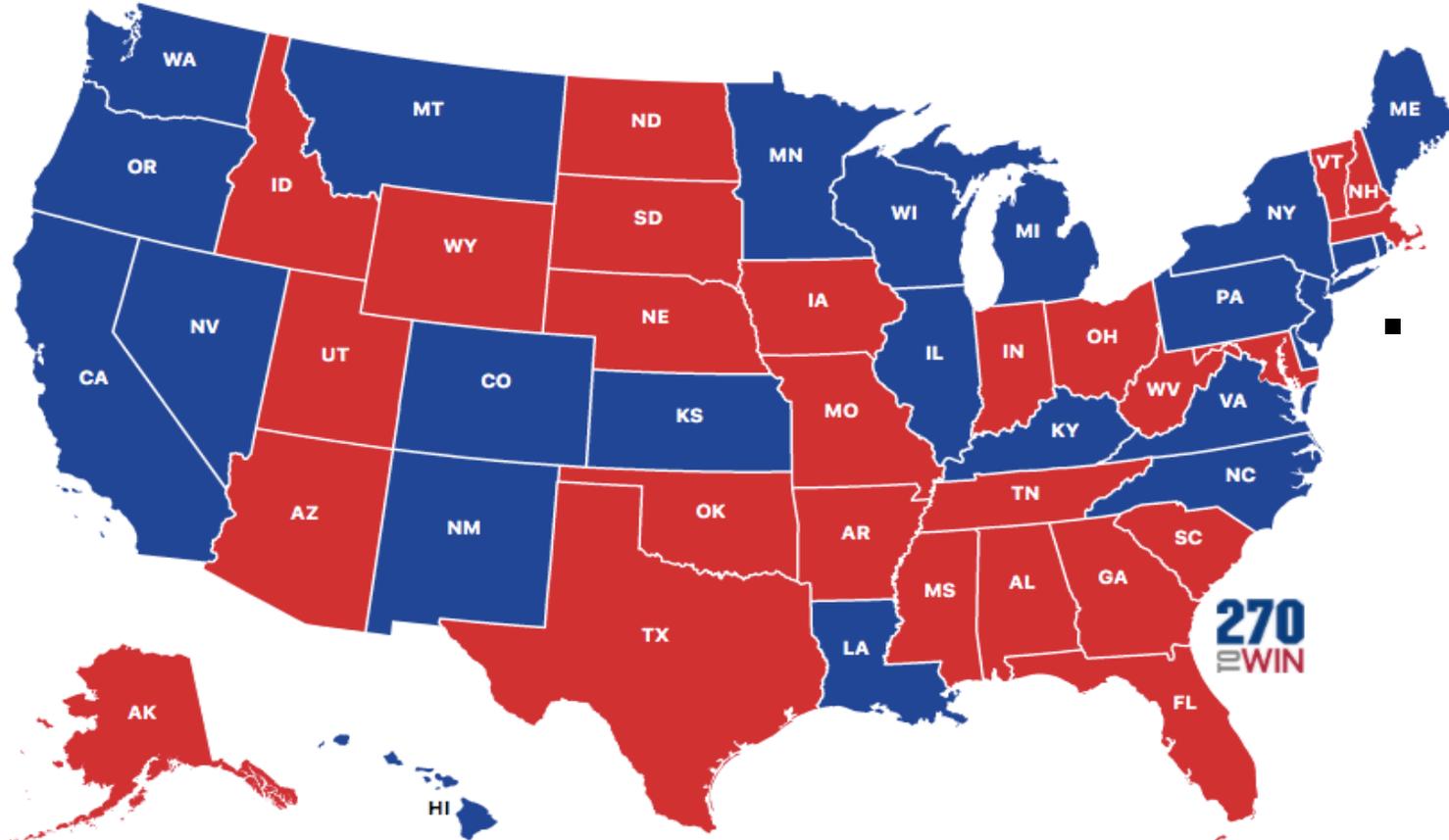


Democrats are expected to maintain their majority in the House.

Governor's Races and Competitive Landscape

Democrats 24

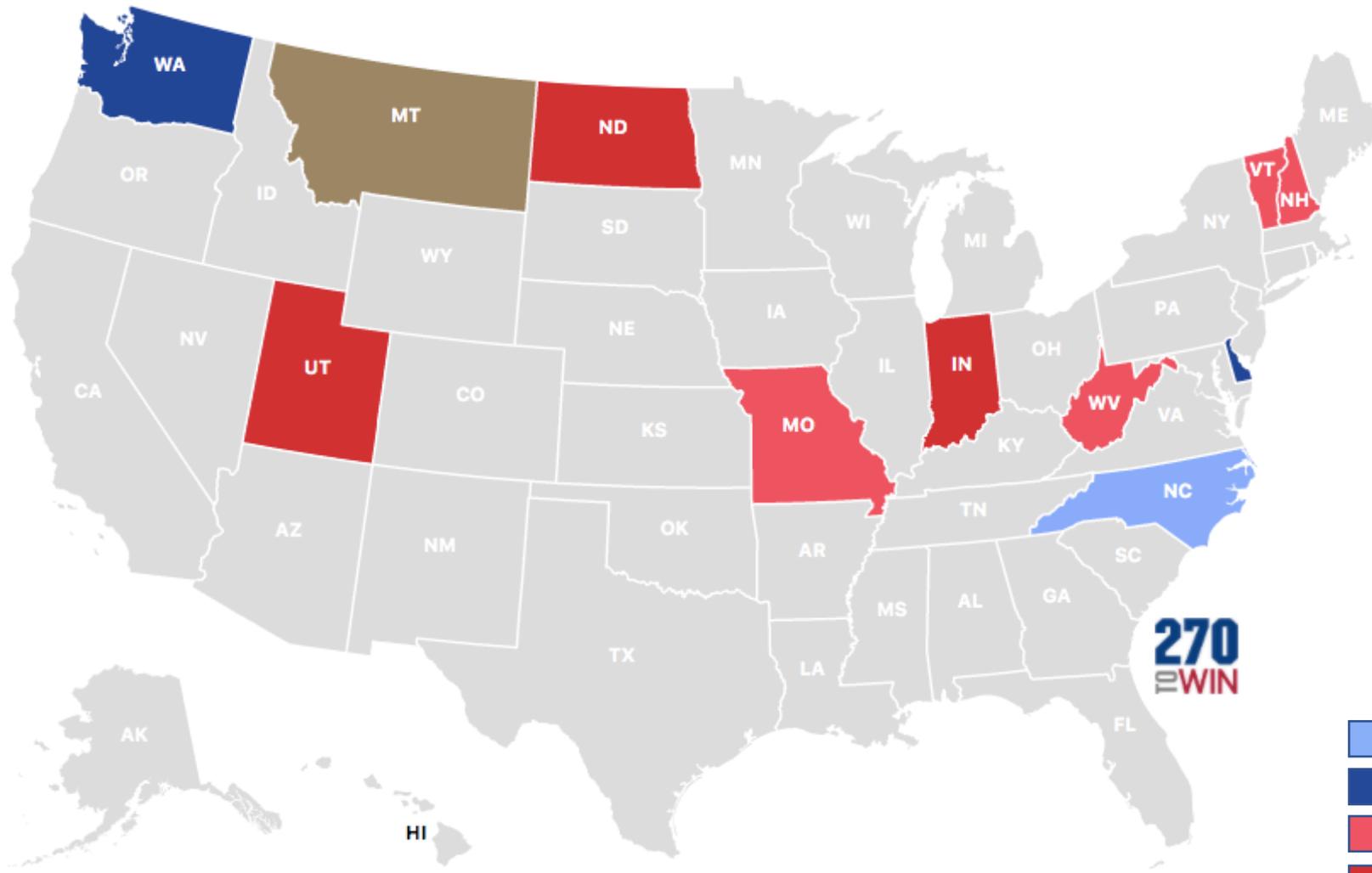
26 Republicans



- Of the 50 states, **26 are governed by Republicans**, compared to **24 by Democrats**

- 7 Republican seats and 4 Democrat seats are up for election in 2020.**

Governor's Races and Competitive Landscape



Based on the public consensus, **7 states are projected for Republicans and 3 for Democrats.**

Montana remains a toss up.

- Leans Democrat
- Strong Democrat
- Leans Republican
- Strong Republican
- Toss up

Thank you



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