

OUR TAKE ON THE 2020 ELECTION



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INTRODUCTION

So much for the experts. This election defied the consensus opinion of a big shift to Democrats. Only a few of the pundits predicted a close election and identified the “shy Trump votes” (who we now know were educated white males) that undermined the polls.

We saw that the noise does not reflect reality. For example, Twitter does NOT reflect the rest of the country. Just 10 percent of Twitter users produced 92 percent of all tweets from U.S. adults since last November, and 69 percent of these highly prolific users identify as Democrats or Democratic-leaning independents.

We also saw that Biden was perceived as more centrist than Hillary Clinton, and that may have been the deciding factor. Clinton lost independents by four points; Biden won them by 14. Clinton got 52 percent of moderates, Biden got 64 percent.

The obvious conclusion is that Americans are bitterly divided, but a “civil war” is not a real threat, and Wall Street’s take is that divided government is good for business.

Our take is that by necessity, moderation is back. Moderate policies, moderate rhetoric, and moderate politicians will rule the next few years. Policies will be influenced by centrists working together and trying to get votes from both parties. Washington advocacy groups and special interests will have to adjust accordingly. Businesses that understand the new environment can have influence over regulatory and legislative initiatives.



WINNERS

JOE BIDEN

Yes, Joe Biden won the election, but middle-of-the-road Joe is the real winner here. The electorate sent a clear signal there is little interest in a progressive agenda. Catering to vocal Progressives on issues such as “defund the police” will be a recipe for a midterm election (2022) Red wave, and Biden knows it. A Republican Senate, a loss of Democratic seats in the House, and a tight victory for the White House allows team Biden to prioritize moderate, centrist policies, which has been Joe Biden’s style of governing all along.

MITCH MCCONNELL

All roads run through the Senate Majority Leader. He has already said he will only approve “centrist” Biden Cabinet appointments and judges. *This, of course, all hinges on the two run-off senate races in Georgia.*

MODERATES

Americans are deeply divided, and the Left certainly was voting for significant changes on the policy front. It is not going to happen. The slim majority held by House Democrats will negotiate with the slim Republican Senate majority of Republicans and with a President who won one of the tightest races in history. Look for Democratic Senators Joe Manchin (WV) and Kyrsten Sinema (AZ) and Republican Senators Susan Collins (ME), Mitt Romney (UT) and Lisa Murkowski (AK) to play big roles.

HOUSE REPUBLICANS

They were expected to lose as many as 10 seats, shrinking their minority status. Instead, while the final count is not in, they have gained several seats. The odds of Republicans taking over the House in the midterm elections looks very good.

AMPW (ARIZONA, MICHIGAN, PENNSYLVANIA, WISCONSIN)

These four states will be ground zero for the 2024 presidential election. Pick an issue – fracking, trade, climate change, taxes, health care – campaigns will be looking through the AMPW lens as they build their candidate’s strategies.

EARLY VOTING

More than 140 million votes were cast in this election, exceeding 2016 numbers, all BEFORE election day. States will work on improving the counting of these votes so that Election Day does not become Election Week.

BIG MEDIA

Comcast/NBC Universal saw a 70 percent jump in political advertising. FoxNews helped its parent company see an 18 percent revenue increase. The New York Times Company doubled profits in the third quarters, and revenue from digital subscribers exceeded that from the print subscribers for the first time.

FACEBOOK

This platform has become the place for political advertising because its data collection is at times more sophisticated than other social media platforms. Twitter banned political advertising altogether, after CEO [Jack Dorsey](#) proclaimed last October that “political message reach should be earned, not bought.” [TikTok](#) also forbids political ads, and Snap has promised to [fact check](#) them.

WALL STREET

This post-election has showed that political gridlock is good for the stock market, and a tax on stock transactions and/or other draconian measures pushed by Sen. Elizabeth Warren to tax wealth are likely dead.

DONALD TRUMP

Despite what the pollsters and pundits said, the election was winnable for him. He probably wished he did not insult John McCain, which pushed Cindy McCain to endorse Biden. While he drove up his share of minority votes, the gender gap was insurmountable. When he said at a debate “Bad things happen in Philadelphia,” he was not kidding - Philadelphia pushed Pennsylvania into the blue.

BLUE WAVE

With Republicans gaining seats in the House and maintaining control of the Senate, Democrats have a lot of soul searching to do before the 2022 midterms. Rank-and-file House Democrats lost seats because of the divide in their party with Progressives. The Green New Deal and “defund the police” narratives squashed support for traditional Dems, leading the way for stronger Republican Minority.

THE POLITICAL PARTIES

Democrats are in bad shape. The Leftward tilt hurt them in the Midwest and Florida, but that faction will continue to push their leadership on policy issues. The good news is that the Latino vote is growing in swing states - Arizona, Texas and Florida - and will improve their chances dramatically going forward. Republicans are not growing voters at the same rate, are bitterly divided between the populists and the establishment, and they have a big problem with the youth vote. Can they overcome this, or is the brand too damaged? Although they will likely win back the House in the midterms, we will see these factors play out in the 2024 presidential election.

UNITED STATES POSTAL SERVICE

Missing ballots everywhere. They even missed a November 3rd court-ordered deadline to canvas their facilities to find ballots in Arizona, Florida, Georgia, Pennsylvania, Texas and Wisconsin.

MICHAEL BLOOMBERG AND OUTSIDE BIG SPENDING

Bloomberg poured \$100 million into Florida to help Biden, but it was not enough to counteract the Trump Campaign and its PAC allies’ campaign to tie Biden to socialism in communities with large Cuban and Venezuelan populations. Further, Democrats spent \$315 million on six senate races that they lost handily.

POLLSTERS

“The political polling profession is done,” Frank Luntz told Axios early on November 4; “It is devastating for my industry.” We now know that Trump supporters cannot really be polled; how the industry shifts to stay relevant remains to be seen.

THE PUNDITOCRACY

Should we begin with the bad polls or the lack of understanding with what was happening in Wisconsin, Michigan and Pennsylvania? How about pundits’ relentless assertion that Trump couldn’t move the minority vote? He was up with Hispanics, Black men and slightly with Black women. Whatever way they spun it, pundits missed the mark.

JOURNALISM

Extraordinary investigative journalism has occurred in the past few years, but it does not matter much. Americans are getting their news elsewhere.

WHAT'S NEXT?



While people have speculated that Bernie Sanders and Elizabeth Warren are likely Cabinet secretaries (Sanders Labor and Warren at Treasury), there is one problem, both their states have Republican governors, who will choose their replacement. Further, there seems to be little appetite from Americans to have progressives in top jobs.

There is pressure on Biden from the Left not to pick lobbyists for top jobs. We are betting the Left does not get its way on this. It is hard to build a cabinet with academics, activists, and political pros.

Not to mention, Mitch McConnell will block anyone he perceives as too far Left. Will Biden appoint “acting” Cabinet secretaries like Trump? It would go against his message of “normalizing” governance, but in the face of Republican opposition to his cabinet choice, **who knows?**

WHAT TO EXPECT FROM A BIDEN ADMINISTRATION

From Ryan Lizza in a POLITICO column titled “[Biden Looks Screwed Even if He Wins:](#)”

“A President Biden’s agenda would be defined by his ability to win over the entire Senate Democratic caucus, from Bernie Sanders to Joe Manchin, and then as many as 10 Republicans. Ultimately, Biden would have to deal with McConnell, who would undoubtedly reprise the role he played in the Obama era when he had no incentive to help Obama rack up legislative achievements.”

Ultimately, Biden is boxed in by pressure from his Left, along with the reality of dealing with what will most likely be a Republican Senate. He will cover his Left flank with executive orders and overturning of Trump regulations and legislative through compromise with the Republican Senate.

With moderates’ rising power, it will be a 51 majority Senate one way or the other – Biden will be negotiating with Manchin/Sinema/Collins/Romney/Murkowski/etc., as deciding votes and seeking out consensus builders among the moderates in the House. It will be interesting to see who emerges.

We also need to see how the Left responds. Congresswoman Alexandria Ocasio Cortez is now a proxy for the Left. Biden will need a strategy to appease her without losing moderates. There is speculation that Biden may appoint New York Senator Kirsten Gillibrand to the cabinet and let New York Governor Cuomo appoint Ocasio Cortez to her seat.

BIDEN'S *first* 100 DAYS

EXECUTIVE ORDERS AND REGULATIONS



Rejoining...

PARIS CLIMATE ACCORDS IRANIAN NUCLEAR AGREEMENT

HEALTH CARE AND COVID-19



New COVID-19 task force- With talks of a nationwide mask mandate, expansion of free testing, and the increased mobilization of the manufacturing sector to assist with building out the infrastructure for an eventual vaccine.

Normalizing the U.S. relationship with WHO. In July 2020, the Trump administration began the process of formally withdrawing from the WHO, and the Biden administration has vowed to reverse that decision on day one. Many are unsure how or if the handling of the COVID-19 pandemic has altered this relationship.

IMMIGRATION



It is likely that the Biden administration will reinstate Obama-era immigration policies, such as **Deferred Action for Childhood Arrivals (DACA)**, and reverse some of President Trump's religious freedom policies, such as **the U.S. Muslim ban**.

NATO



The Department of State is most likely going to emphasize foreign cooperation again, starting with a NATO alliance.

ETHICS GUIDELINES



Biden has pledged to sign an executive order saying that no member of his administration could influence any Justice Department investigations.

LEGISLATION

ECONOMIC STIMULUS BILL



McConnell is already discussing this. Caveat is that this may happen in a lame duck session and deprive Biden of the credit. However, there is also rumblings of waiting until after January 20, so the debt goes on Biden's ledger and not Trump's.

INFRASTRUCTURE

Might be the one thing the parties can come together on and can be masked as more economic stimulus.



Not happening...

INSTITUTIONAL REFORMS

(end of filibuster, electoral college, court packing)

REPEAL OF TRUMP'S TAX CUTS

HEALTH CARE



Surprise medical billing and pre-existing conditions are likely to top any bipartisan healthcare push, especially with the Supreme Court set to hear arguments about Obamacare in November.

WILD CARDS

TRADE



There is tension between the workers of the Midwest and the free-traders of Wall Street, and one of Biden's biggest challenges will be to thread this needle. The COVID-19 crisis has also increased the pace of broad distrust of China with adversarial positioning toward them becoming an increasingly popular stance on both sides of the isle. Trump's trade war under Biden might cool down, but things are not over between the two largest economies in the world.

ATTACK ON BIG TECH



Both parties are fed up with Big Tech for different reasons. However, beating up on CEOs at hearings is a far cry from coherent and justifiable legislation to curtail their practices.

HEALTHCARE REFORM



"Medicare for All" is dead, but Biden has to do something. He will be looking for executive orders to sign, as well as potential legislation that takes a whack ensuring coverage of pre-existing conditions, cutting costs, and targeting pharmaceutical companies.

STUDENT LOANS



This was a gigantic issue during the primaries, and the pressure from the Left to do something about student debt is huge. The "cancel the debt" approach is dead, so what will he do?