

Preparing for Multiple Election Outcomes

A framework for 2021 public affairs planning

Executive Summary

Every election, public affairs professionals spend time and money developing strategies to immediately make an impact when the new term begins. However, during the 2016 election, many organizations presumed a Clinton presidency and singularly focused their strategy on that expected outcome.

The actual results of the election—a Republican trifecta—left many corporate and association public affairs teams unprepared and at a severe disadvantage. The speed of legislative action at the beginning of 2017 left many teams playing catch up.

In order to aid public affairs experts as they plan for 2021, Adfero identified six potential outcomes of the upcoming presidential election. Some of the scenarios are more likely than others. Yet we believe there is tremendous value in considering not only the likely scenarios, but developing multiple strategies for multiple potential outcomes – even if they seem unlikely.

The election-outcome scenarios we outline in this report are based largely on Adfero's own primary research. We surveyed 1,000 Likely Voters on their attitudes on the economy and the likely outcome of the election. Each of the six scenarios includes details on the overall agenda and the likely policy focus in seven major policy areas.

Key Objectives

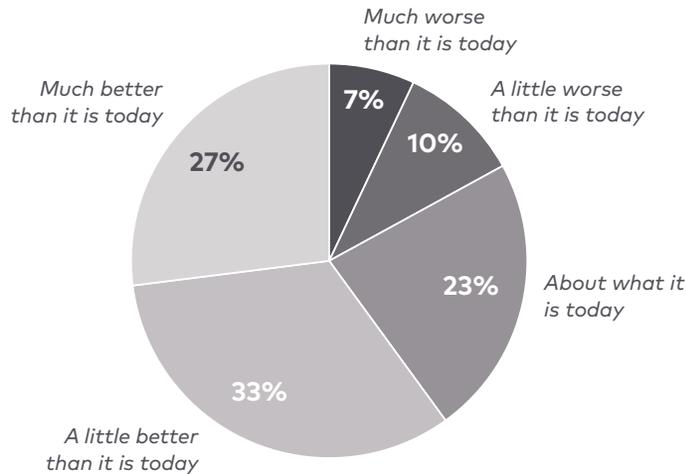
This report will help public affairs professionals conduct 2021 strategic planning by:

- 1** Providing insight into the current thinking of Likely Voters on the economy and the outcome of the election.
- 2** Identifying six potential scenarios for the composition of government in 2021.
- 3** Outlining a framework for the likely policy environment and agenda for each scenario.

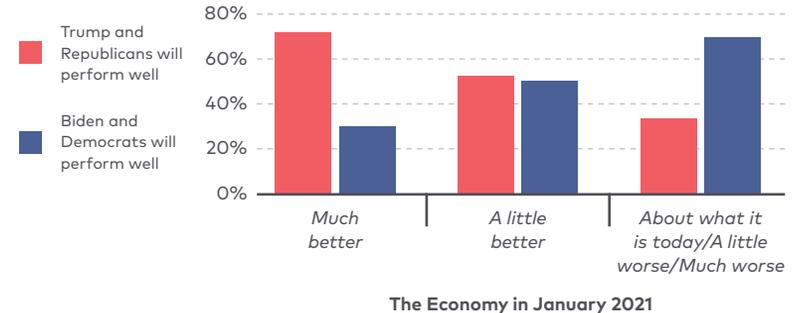
Survey Results

Adfero conducted a survey of 1,000 Likely Voters, asking them about the economy and how they would predict the outcome of the 2020 Election. Two findings stand out among the rest:

- 1 Americans are Optimistic on Economic Recovery**
We asked Likely Voters: What do you expect the state of the national economy to be like in January 2021, when the president is inaugurated and new members of Congress take office?"



- 2 Voters who are optimistic on the Economy are also Bullish on Trump and Republicans in the 2020 Election**
We also asked those same Likely Voters who would perform better in the 2020 election—Trump and Congressional Republicans or Biden and Congressional Democrats. Likely Voters who thought the economy would strongly improve by January of 2021 were also much more likely to think Trump and Congressional Republicans would perform well in the upcoming election. Likely Voters that thought that the economy would slightly improve were split almost evenly. The Likely Voters that thought the economy would stay the same or decline were more likely to think Biden and Congressional Democrats would perform well in the election.

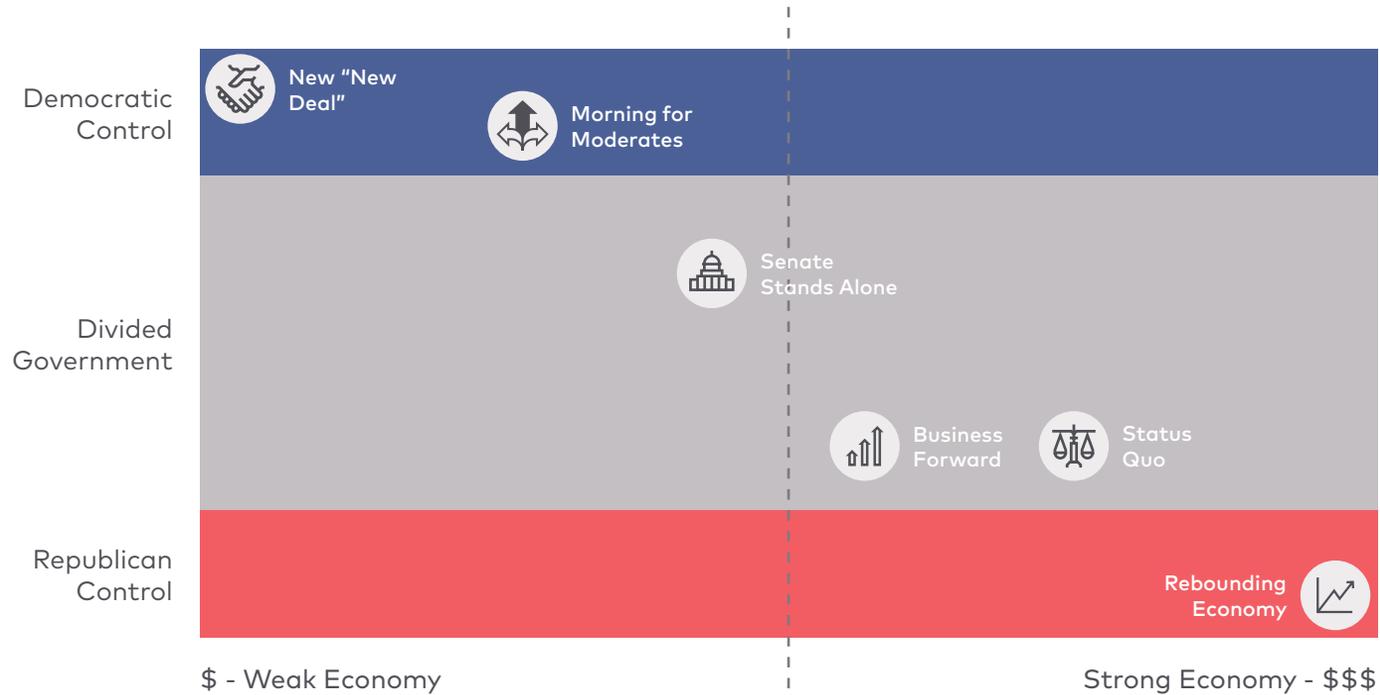


Key Insights

- Current economic conditions strongly suggest, and our survey of voters shows, Democrats are poised for gains in November.
- Yet, most voters retain tremendous optimism in the country's ability to stage a quick economic recovery, which would immediately and dramatically benefit a Republican comeback.
- With only a few months left until Election Day, and the economy and pandemic continuing to create uncertainty, public affairs professionals benefit from considering the six potential scenarios for January 2021 outlined on the next two pages.



2020 Potential Election Outcomes



2020 Potential Election Outcomes

Our six scenarios are based on the state of the economy, the level of united or divided party power in government and the strength of governing coalition unity. Additionally, we have used ratings from the Cook Political Report, polling averages from Real Clear Politics and the prediction markets to provide a base likelihood rating for each scenario as of July 2020.

	White House	Senate	House	Likelihood
New "New Deal"	Dark Blue	Dark Blue	Dark Blue	Increasing Chance
Morning for Moderates	Light Blue	Light Blue	Dark Blue	Good Chance
Senate Stands Alone	Light Blue	Light Red	Dark Blue	Decreasing Chance
Business Forward	Light Red	Light Red	Dark Blue	Not Likely
Status Quo	Light Red	Light Red	Light Blue	Not Likely
Rebounding Economy	Red	Red	Red	Not Likely

September 10th, 2020 - We will update this outlook every thirty days until the election.

Detailing the Six Scenarios



Rebounding Economy

Republicans seize the moment to push forward a bevy of long-term policy priorities.



Economy

A fast, V-shaped recovery takes effect and losses are largely reversed by the end of Q3



Party Control

White House: President Trump maintains his coalition and wins re-election

Senate: Republicans command a less than 60-vote majority in the Senate

House: Democrats lose their 2018 gains



Agenda

- Little-to-no major legislation
- Continued Senate focus on judicial nominations and likely expansion of conservative Supreme Court
- Active executive branch rulemaking/reform in regulatory, environmental, infrastructure and financial spaces

Not Likely



Status Quo

With the White House and Senate likely emboldened by victory, there will be a continuation of the previous two years of playing hardball with the Democratic House.



Economy

A small recovery begins



Party Control

White House: President Trump maintains his coalition and wins re-election

Senate: Senate commands a less than 60-vote majority in the Senate

House: Democrats maintain their 2018 gains or slightly exceed them with the addition of more moderates to their caucus



Agenda

- Little-to-no major legislation
- Continued Senate focus on judicial nominations and likely expansion of conservative Supreme Court
- Active executive branch rulemaking/reform in regulatory, environmental, infrastructure and financial spaces

Not Likely



Business Forward

Led by Treasury Secretary Mnuchin and others, the administration supports broad tax cuts and spending targeted to the business sector in efforts to further spur the economy; additional individual stimulus expected. Negotiations largely occur one-on-one, sidelining House rank and file.



Economy

The economic crisis worsens, and unemployment remains high



Party Control

White House: President Trump wins a narrow victory

Senate: Republicans successfully defend their majority

House: Democrats maintain their majority



Agenda

- Limited stimulus (including infrastructure) likely to be the only bicameral efforts
- Continued Senate focus on judicial nominations and likely expansion of conservative Supreme Court
- Active executive branch rulemaking/reform in regulatory, environmental and financial spaces

Not Likely



The Senate Stands Alone

Senate Republicans return to familiar messaging on deficit spending and reduction, looking to curtail or even block many of the stimulus programs that will be offered by the White House.



Economy

Recessionary effects continue due to the ongoing COVID-19 pandemic and market uncertainty



Party Control

White House: Vice President Biden wins election

Senate: Ticket-splitting results in a small Republican majority

House: Democrats largely hold their 2018 gains and expand with some additional new seats, mainly increasing moderate ranks



Agenda

- Moderate levels of stimulus spending and business-friendly reforms likely to move forward
- Senate is likely to block or prevent most judicial nominations; A Supreme Court vacancy may create an explosive event
- Active executive branch rollback of much of the Trump executive order regime; very active rulemaking and executive orders to restore and expand upon long-term Democratic Party objectives

Decreasing Chance



Morning for Moderates

Stimulus bills and spending will increase, but a moderate Senate and House will restrain much of the more radical impulses of House progressives. Reconciliation will be central to any major reform between 2021-2022.



Economy

Recessionary effects continue due to the ongoing COVID-19 pandemic and market uncertainty; optimism and confidence continue to plummet



Party Control

White House: Vice President Biden wins election

Senate: Democrats hold a small majority

House: Democrats expand their 2018 gains in swing districts greatly increasing the share of moderate/Blue-Dog "frontline Democrats" in their ranks



Agenda

- Expanded economic stimulus
- Centrist Democratic policy
- Expect trade-offs between ownership and labor, i.e. \$15 minimum wage in exchange for tax reform or liability reform
- Health care spending reform, Medicare expansion, age lowering
- Increased attention to environmental issues
- Tax increases at highest earner levels; corporate tax reform
- Increased scrutiny of financial markets, but likely no further than Dodd-Frank

Good Chance



New “New Deal”

The Democratic party largely moves left seeking not to repeat the mistakes of 2009. Senate Democrats invoke the nuclear option or use reconciliation broadly to quickly pass a series of recovery bills with highly increased stimulus spending and likely major reforms to employment, labor and health care.



Economy

The economic crisis worsens and unemployment remains high—combined with dissatisfaction of President Trump—creates the conditions for a wave election



Party Control

White House: Vice President Biden wins a 350+ electoral vote election

Senate: Democrats hold a 55-or-greater majority

House: Democrats expand their majority



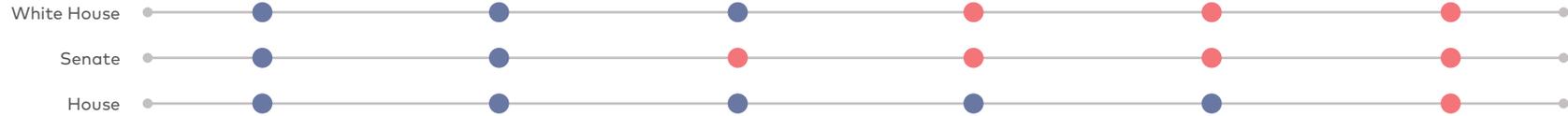
Agenda

- Major economic stimulus, welfare expansion, potential paycheck/jobs guarantee
- Minimum wage increases to \$15, health care expansion, attempt at single payer, drug prices, tax increases to top of bracket
- Financial system reform

Increasing Chance

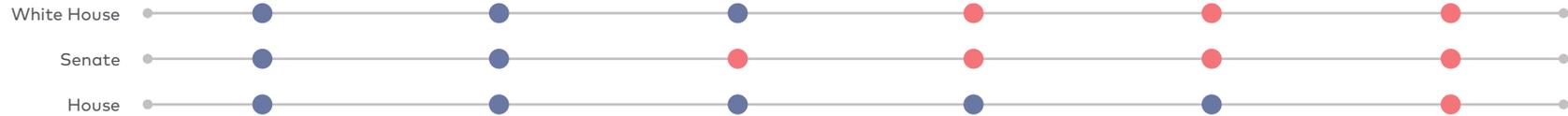
Likely Policy Focus for Each Scenario

Likely Policy Focus



	New "New Deal"	Morning for Moderates	Senate Stands Alone	Business Forward	Status Quo	Rebounding Economy
Energy	Pursuit of Green New Deal	Readmission to Paris Accords; support for Green Energy – but not severe limitation	Increased investment in alternative energy, without cuts to fossil fuel sources	Continued support of pipeline and development projects		Expansion of all energy acquisition policies
Taxes	Income and business tax increases for top earners; movement on repatriation of money from U.S. companies holding abroad	Repeal of cuts for highest earners and corporations	Middle class tax relief	Additional stimulus off-set by business tax relief	Payroll tax holiday	Additional business and income tax cuts
Health	Pursuit of single-payer system or Medicare Opt-In	Medicaid reform to lower age; expansion of CHIP	Reform to Drug Pricing, Surprise Billing and other broadly unpopular practices		Repeal and replace ACA	
Finance/ Stimulus	Expansive stimulus throughout economy; guaranteed income during the crisis	Expansion of payroll maintenance and enhanced UI benefits; increased minimum wage	Return of deficit control politics; continued stimulus to households and businesses	Infrastructure; continued stimulus to households and businesses		Infrastructure; stimulus targeted toward major corporations

Likely Policy Focus



	New "New Deal"	Morning for Moderates	Senate Stands Alone	Business Forward	Status Quo	Rebounding Economy
Technology/ Telecom	Antitrust scrutiny and increased regulation	Investment in broadband infrastructure (i.e. rural broadband)		Opening and easing of ability for individual groups to invest and fund technology		Review of Section 230 on social media targeted at social media companies
Education	Public colleges made tuition-free; broad student loan forgiveness	Grant program expansion for some free public college; student loan forgiveness for some borrowers	Student loan program reforms	Reforms to student loan programs; holding of current interest rates	Expansion of school choice policies	
Foreign Affairs	Trade programs with increasingly numerous contingencies and requirements; efforts to spur American investment	Coordination among key powers to spur a global recovery	Free market trade agreements return for ratification; reengagement with Europe	Negotiations for Canada and Mexico to reopen trade borders	Coordination among key powers to spur a global recovery	Increased Protectionism; remaking of existing compacts

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