What is on tap for the election homestretch? And will there be an ‘October Surprise’?

With the conventions over and the Democratic VP nominee announced, we are ending the summer fanfare and are entering the home stretch for the election. Each campaign outlined their core messages at the convention and now, with just about 60 days to go, they are stepping up the pace of actual in person campaigning. There are critical milestones that are predictable – three Presidential debates and one Vice Presidential debate, two months of jobs numbers, and data points about the trajectory of the virus.

Then, there is what is known among avid campaign followers as the ‘October Surprise.’ These are either entirely unpredictable events like the killing of George Floyd that can refocus the country on an issue or events that are intentional efforts by campaigns or their supporters to shift the race in the final days (e.g., the drunk driving arrest that surfaced against George W. Bush days before the 2000 election). Whether intentional or not, they can swing the race at a critical moment and, in a closely divided country, change the outcome.

As next week marks the beginning of the final and critical phase of what we believe will be very close election, it is worth considering what events to watch for that could alter the trajectory.

The Republican and Democratic conventions framed the core arguments each campaign will make for the next couple months.

1) **Democrats argued that Trump’s divisiveness and denial made COVID-19 and the economy far worse than it had to be.** The Democrats criticized President Trump for his management of the COVID crisis, which they argued caused deaths to be higher and the economy to be worse. They underscored that Biden would get the country back on track – just as he and Obama had before. The Democratic convention also sought to portray Biden as a sympathetic genuine leader with empathy and with a history of getting the job done. Democrats were a bit light on their own policy proposals until the final night’s speech where Biden outlined his economic recovery plan as well as other plans. The convention was more about rallying and exciting a diverse base and encouraging turnout in uncertain times.

2) **Republicans claimed Trump is the best leader to rebuild the economy and argued that Democrats will be weak on China and crime.** The Republican convention made an effort to answer the diverse slate of speakers offered by Democrats with a few key speeches, such as that by Republican Senator Tim Scott. But their focus was more to outline their case that Biden is weak on issues like crime and China and what Americans need is a tough approach to bring back the economy. They also outlined contrasting views on the economy – arguing that Trump made the greatest economy of all time and that Biden would raise taxes and hurt the economy.
Looking forward, there are some important moments that can alter the race – some are more predictable while other some surprises.

1) **The four debates can be pivotal moments:** There are three Presidential debates currently scheduled – September 29, October 15 and October 22 and one on October 7 for the Vice Presidential candidates. Some Democrats are worried about Biden’s performance given some of his showings at the primary debates but at the same time it is possible the Trump campaign has set expectations so low for Biden – with ‘Sleepy Joe’ who is not up for the job rhetoric – that it will easy to scale the low bar. Either way, debates can move polls. For example, in 2000 Al Gore led Bush in the polls by 8 points before the first debate but was behind by 4 points after the last debate. Vice Presidential debates are usually less impactful, although interestingly Biden’s debate against Paul Ryan in 2012 proved to be critical to stalling Obama’s drop in the polls after his own lackluster performance in the first debate.

2) **Plain old mistakes:** Debates are a concentrated opportunity for missteps, but there are also plenty of mistakes that are made by candidates during the last sprint on the campaign trail. For instance, in 2012 Mitt Romney commented that there “47 percent of Americans” that will vote for Obama no matter what because they are dependent on the government, believe they are victims, or pay no income taxes. This fueled the perception that Romney was an out of touch wealthy businessman. Obama’s comment “if you've got a business—you didn't build that” was used by Republicans to paint him as anti-business and a believer that the government created all the jobs in America. Surely both Biden and Trump will make statements during the marathon of last 60 days that will be used against them. The question is how much damage they will cause. In general, the gaffes that are the most damaging are the ones that fuel the negative perception that the other side is driving.

3) **Numbers that help frame whether voters feel the nation is on the right track:** There will another set of jobs numbers that will come in early September and October that will help inform how Americans are feeling about the economy. These numbers could provide Trump with evidence that he is doing well and that the economy and the country are bouncing back or they will hurt him by fueling a perception that there is no clear path out. This, of course, will be set to some degree by how the next stimulus package resolves which now looks more likely to take until the end of September. And of course, the virus itself, school closings and other metrics that are new to this election cycle will help frame the general mood going into Election Day.

4) **An eruption of tensions:** The fight over voting and the post office and mail-in ballots is already well underway, but there no doubt will be friction around voting, whether it is the post office or states not ready to handle mail-in ballots or long lines and shuttered polling locations. Trump has been setting up a narrative that mail-in voting leads to fraud which could lead to fights over ballot validity given the expected surge in mail-in ballots. And of course, the underlying tensions in the killing of George Floyd and the continued violence in cities is fueling the debate. Each event will be framed by either side to drive their own arguments – with Trump arguing this reflects Biden’s vision for American and Biden claiming that this is all occurring on Trump’s watch and it is the President’s job – not his – to take the temperature down.

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The October surprise: Then, there are the true surprises – the moments that aren’t anticipated. In 2016, Trump’s comments about women on the Access Hollywood tape caused widespread handwringing in Republican circles early in October. Jim Comey’s letter on Secretary Clinton’s emails provided a change in momentum a few weeks later, just a few days before the election. In 2004, Osama Bin Laden provided commentary on the American election reminding voters about the national security threat facing the nation, which ended up playing to the Republican’s advantage.

What are the possibilities for this year? Well, they are surprises of course. But, in this case, it is difficult to think we haven’t heard most things about each candidate given how long they have been in the public eye, but these are some possible candidates:

1) **A COVID Vaccine**: The President obviously is looking to fast-track a vaccine as a cure-all for the COVID pandemic. The FDA has set the date of October 22 to discuss the development and authorization of COVID vaccines. This could be a chance for the Administration to try and declare mission accomplished against COVID-19 which could resonate with a weary public even though even when a vaccine is approved there is a long way to go. The FDA may also authorize emergency approval of a vaccine, as it has for treatments like hydroxychloroquine and plasma, though the scientific community is concerned about moving too quickly in this process and approving a vaccine that is not fully tested. We saw with hydroxychloroquine that the approval had to be revoked as it was not an effective treatment and could pose some danger to patients. Regardless of the facts on the ground, we expect the Trump Administration will announce some form of good news and will seek to paint the vaccine as a binary moment that would end the pandemic, even though it will take months to produce and distribute enough doses for enough people to be immune and to provide herd immunity.

2) **Prescription drugs**: A big strategy for the Administration has been to be proactive in lowering prescription drug costs. This is core to the Republican strategy to win more seniors where they have been lagging in the polls in the wake of the COVID response. This is a popular issue with voters and there are some areas where Trump could act with another executive order that could boost him right when he needs it. Even if the order is struck down later, it could serve as a key announcement at the right time. The Trump campaign has been advertising on this issue already saying that the President is stronger on prescription drugs so additional movement may not be possible. In a recent ad buy, Trump *touts* his plan to lower prescription drug prices and paints Biden as Big Pharma’s preferred candidate. These ads ran on social media sites in swing states including Florida, North Carolina, and Nevada since August 18, according to Facebook’s Ad Library.

3) **Action against China**: Trump’s reputation of being tough on China is core to the campaign’s strategy. Because of this we could see more action on China from the administration in the fall to boost this argument. This could be action on Huawei or a range of other things. We have already seen the Administration crack down on WeChat and TikTok, threatening to ban the apps if they are not purchased by a US company. This has been further complicated by new export *rules* on technology from China that could slow the process. If a deal to acquire TikTok does not go through before the October 18 deadline, Trump could move to ban it in order to stick to his guns in the crackdown on China. However, while President Trump will want to take
action to look strong on China, we do not believe that Trump will want to undermine the trade deal, as that is his key achievement with China.

4) **Anti-trust cases against big-tech**: The DOJ is moving along on anti-trust cases particularly investigating big tech. Charges against Google’s parent company Alphabet can be announced soon for anti-competitive behavior and reports are likely to come out of the House Judiciary Committee following their hearing and investigation into big tech. Both Trump and Biden have hit big tech, but Trump’s DOJ acting on it could signal that he is serious about being tough on corporate accountability.

5) **Role of foreign interference**: There is always the possibility of news of Russian or Chinese interference in the election. Over the weekend, news that the Director of National Intelligence would no longer be providing election interference briefings to Congress raised concerns on this front. Late breaking word that there are serious foreign efforts to undermine American democracy could also cause angst.

6) **Surprises are just that – surprises**: At the end of the day we can’t truly know what the October surprises this year will be and whether they will matter. The electorate may be largely set, but we think this election will be much closer than polls suggest, and that in close elections where the key states can be turned by a few thousand votes, it doesn’t take much to impact the outcome.
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