



2020

Election Results

Post-Election Insight:
What Do Election Outcomes
Mean for the Country, Your
Industry, and Your Company?



NOVEMBER 2020



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Takeaways and Implications from the 2020 Elections

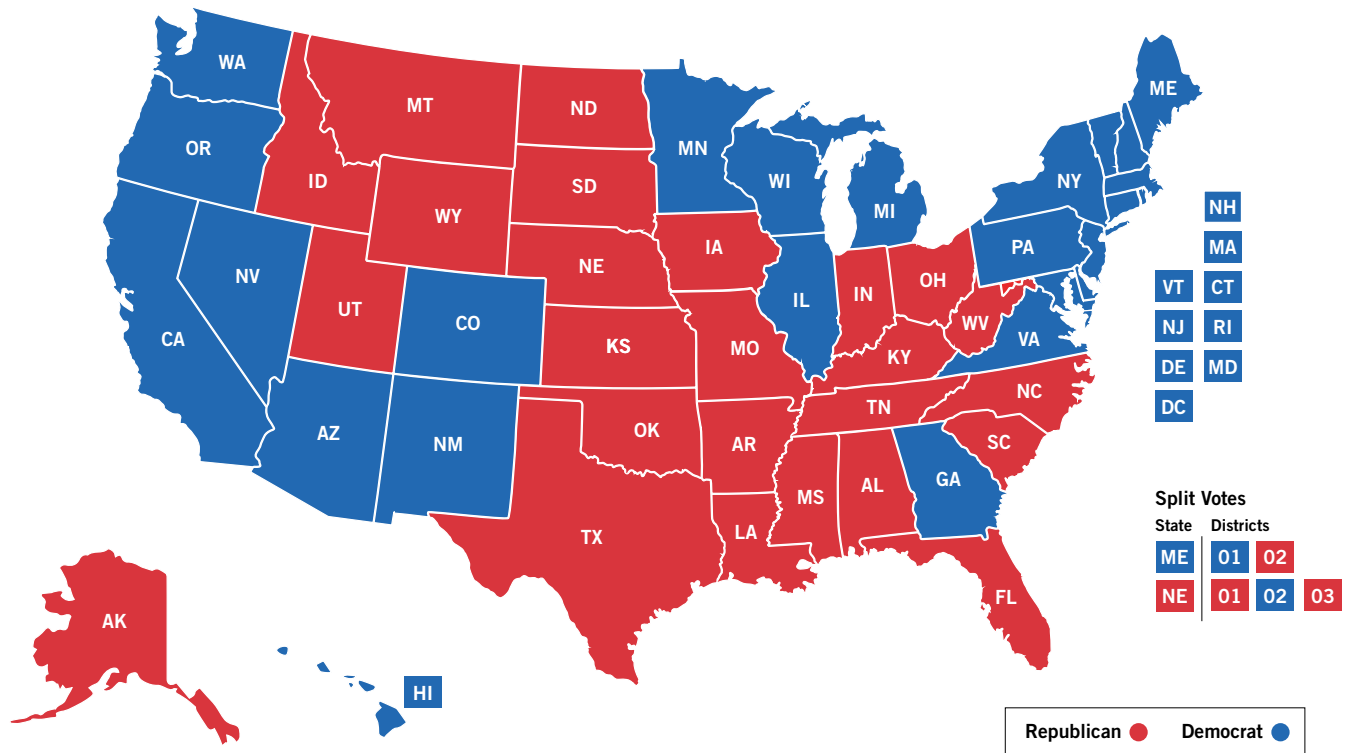
- President-elect Joe Biden flipped Pennsylvania, Wisconsin, and Michigan – the three states that propelled Trump to the presidency in 2016. The Midwest flipped because of several key demographics, including working-class whites, conservatives in the suburbs, and black voters.
- Picking up three seats in Georgia and North Carolina, Democrats will hold their majority in the House of Representatives.
- House Republicans gained a net of at least seven seats to narrow their margins and poise themselves to possibly retake the House in 2022. Many pickups, including that of South Florida (FL-26, FL-27) and several of 2018’s “Blue Wave” seats, came as surprise. Of the new Republican members elected, a record 17 are women.
- The Senate will be decided by two Georgia races, both of which are headed to runoff elections in January. Currently, Republicans hold their majority at 50 - 48. Kelly Loeffler (inc-R) and David Perdue (inc-R) face challenges from Democrats Raphael Warnock and Jon Ossoff, respectively.
- In the first 100 days of the 117th Congress and Biden Presidency, Democrats will prioritize legislation related to: campaign finance/good government reform, transportation stimulus, drug pricing, voting rights, sexual orientation and anti-discrimination, immigration reform, gender pay equity, gun safety, climate action, and healthcare expansion. President-elect Biden is more likely to work with Majority Leader Mitch McConnell (R-KY), as they are friends and worked together in the Senate.
- As the Supreme Court is expected to uphold at least most of the ACA, Democrats will look to strengthening and expanding several key ACA measures, including the inclusion of a Public Option and expanding Medicaid in the 14 states that have not already done so.
- There is bipartisan agreement in Congress that drug pricing must be lowered and surprise medical billing must be put to an end. The 117th Congress will reintroduce H.R. 3 “Elijah E. Cummings Lower Drug Costs Now Act” and H.R. 1425 “Patient Protection and Affordable Care Enhancement Act” to address these issues.
- President-elect Biden ran on a platform for a pro-labor, pro-worker administration. He has pledged to create a Cabinet-level working group comprised of labor representatives to focus on union organizing and collective bargaining. To the extent to which that happens is yet to be determined, especially with control of the Senate being an undecided factor.
- During the lame duck session, Republicans and Democrats in Congress will attempt to compromise on and pass an omnibus package of 12 spending bills in order to fund the government for FY2021 and avoid a government shutdown.
- With the surge of COVID cases across the country and the statements from state and local government officials that they do not have enough money to administer upcoming vaccines, there may be pressure on Congress to act on a COVID relief bill before Biden takes office on January 20, 2021. Democrats continue to hold steady with \$2.4 trillion in spending as their starting point for negotiations with the White House and Republicans. Republican offers remain significantly lower – they cite the growing deficit and many doubt that an additional stimulus package is needed.



POST-ELECTION INSIGHTS

Presidential Race

- Florida (R)
- Iowa (R)
- Wisconsin (D)
- Ohio (R)
- Michigan (D)
- Texas (R)
- Nevada (D)
- Pennsylvania (D)
- Georgia (D)
- North Carolina (R)
- Arizona (D)
- Minnesota (D)



Source: <https://www.politico.com/2020-election/results/president/>



POST-ELECTION INSIGHTS

The Senate

The GOP will likely hold the Senate.

Democrats 48*(+1) Republicans 50 (-1)

Close Races/Party Changes:

AL Tuberville (R) over Jones (inc-D)

AZ Kelly (D) over McSally (inc-R)

CO Hickenlooper (D) over Gardner (inc-R)

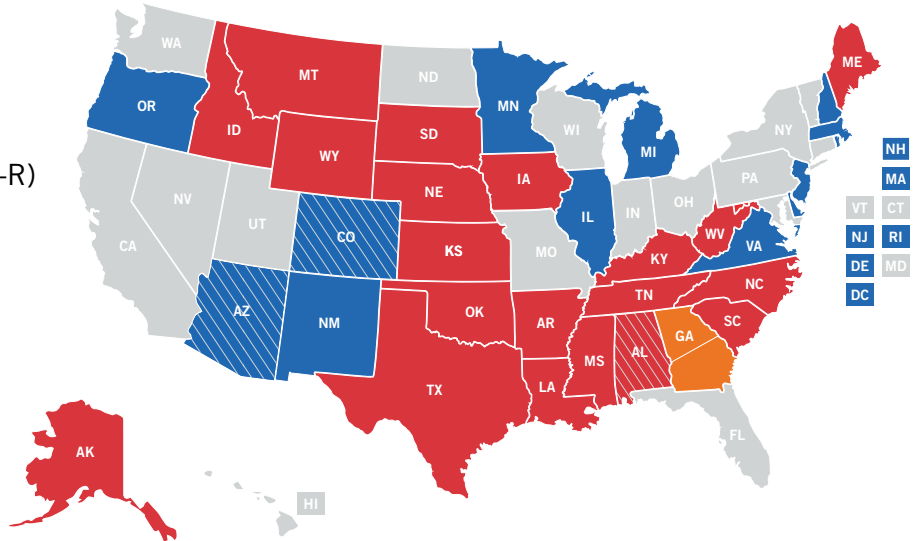
IA Ernst (inc-R) over Greenfield (D)

ME Collins (inc-R) over Gideon (D)

MI Peters (inc-D) over James (R)

SC Graham (inc-R) over Harrison (D)

NC Tillis (inc-R) over Cunningham (D)



Runoff Elections

GA Loeffler (inc-R) v. Warnock (D)

GA Perdue (inc-R) v. Ossoff (D)

Source: https://www.realclearpolitics.com/elections/live_results/2020/senate/

BIG TAKEAWAYS

- There was no blue wave and Majority Leader McConnell will likely remain Majority Leader.
- McConnell's GOP was a major 2020 winner
- Two of the four most vulnerable incumbents, Collins and Tillis, won
- The \$300+ million Democrats spent against Graham, McConnell, and Tillis failed to work
- Republicans are favored to keep their majority going into the runoffs in January
- The Loeffler/Warnock runoff could be the most expensive race ever
- Republican House wins help McConnell in Senate battles

Senate GOP Priorities

- Coronavirus Stimulus Package this year or early next
 - Focusing on aid for schools, hospitals, and small businesses
 - No state bailout
- Protection from the House majority's agenda
 - Increased Republican House minority provides flexibility
 - Prevention of statehood for D.C. and Puerto Rico
- Protect the majority
 - 2022 will be even more challenging than 2020
 - GOP will be defending 20 seats, as opposed to the Democrats' 12
 - NC, WI, and PA are vulnerable
 - This impacts policy positions

Industry Winners

- Health Care and Tech
 - Decreased risk of regulation

Major 2020 Losers

- Pollsters
 - The Washington Post noted: “Blue wave predictions evaporated within minutes of the polls closing”
 - No polls showed Sen. Collins ahead, but she won by 9%
 - Some polls had Biden up as much as 17 percent
 - Media bias was apparent throughout the election and will be a regular conservative theme
 - Social media “editing” will face Senate antitrust and tort liability investigations
- Infrastructure/construction
 - The likelihood of infrastructure legislation has decreased



POST-ELECTION INSIGHTS

The House

Democrats will narrowly hold their majority in the House of Representatives.

PARTY GAINS:

FL-26: **Gimenez (R)** over Mucarsel-Powell (inc-D)

FL-27: **Salazar (R)** over Shalala (inc-D)

IA-01: **Hinson (R)** over Finkenauer (inc-D)

MI-03: **Meijer (R)** over Scholten (D)

MN-07: **Fischbach (R)** over Peterson (inc-D)

NM-02: **Herrell (R)** over Small (inc-D)

NC-02: **Ross (D)** over Swain (R)

NC-06: **Manning (D)** over Haywood (R)

OK-05: **Bice (R)** over Horn (inc-D)

SC-01: **Mace (R)** over Cunningham (inc-D)

CA-39: **Kim (R)** over Cisneros (inc-D)

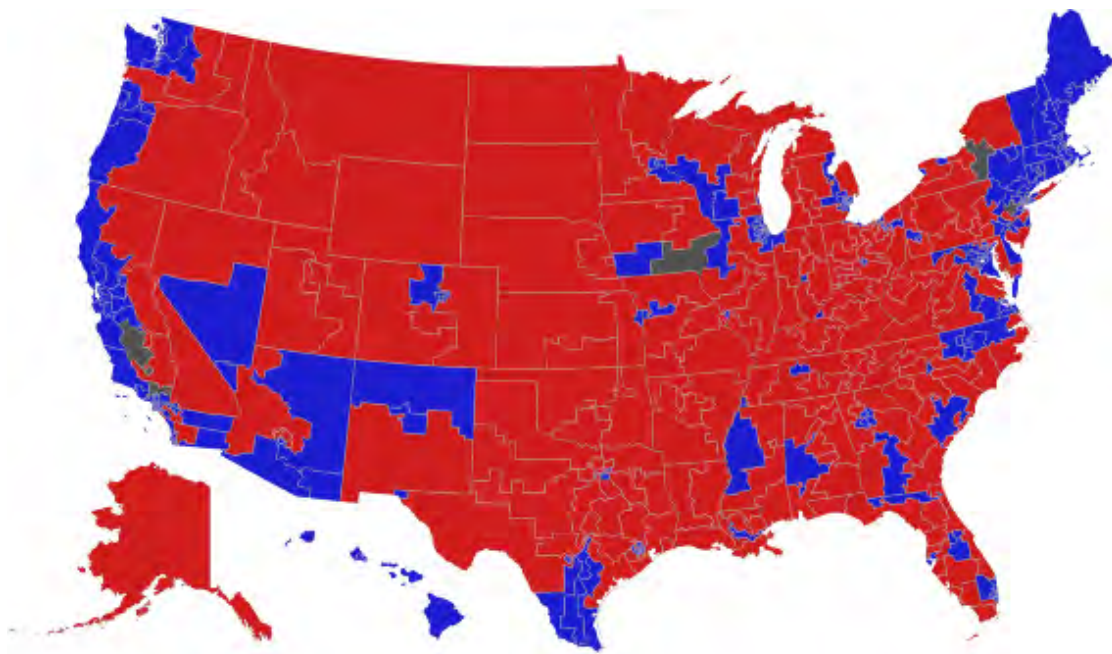
CA-48: **Steel (R)** over Rouda (inc-D)

GA-07: **Bourdeaux (D)** over McCormick (R)

NY-11: **Malliotakis (R)** over Rose (inc-D)

UT-04: **Owens (R)** over McAdams (inc-D)

Democrats 221 (-8) Republicans 209 (+9)



Source: https://www.realclearpolitics.com/elections/live_results/2020/house/

Democratic Priorities

DOMESTIC

- Economy
- Transportation and Infrastructure
- Health Care
- Tax
- Energy and Climate
- Employment and Labor

INTERNATIONAL

- Trade
- Foreign Relations
- Cyber Security and Privacy

H.R. 1

Campaign finance and good government

H.R. 2

Transportation

H.R. 3

Drug prices

H.R. 4

Voting rights

H.R. 5

Sexual orientation anti-discrimination

H.R. 6

Immigration reform

H.R. 7

Gender pay equity

H.R. 8

Gun safety

H.R. 9

Climate action

Re-passage of H.R. 1425 (116th)

State Healthcare Premium Reduction Act



Economy, Transportation and Infrastructure

- COVID Package
 - Unemployment Insurance
 - Main Street business programs
 - Aid for State, Local, Tribal Gvt. aid
- Industries that could see growth:
 - Electric vehicles (Tesla, etc.)
 - Construction / Infrastructure sectors
- Provide much-needed aid to the transportation sector and creating sustainable infrastructure
 - Growing energy grids, creating universal broadband, modernizing roads and bridges



Tax

- Impose a 15% minimum tax on book income so that all corporations pay some taxes
- Increase corporate tax rate from 21% to 28%
- Manufacturing repatriation tax incentives
- Increase income tax rate for the top bracket
- Tax credits for health insurance, child care, long-term care insurance, and home purchasing for the middle class
- For the 14 states that haven't taken up the expansion of Medicaid, offer premium-free access to the public option (4.9 million Americans)



Health Care

- SCOTUS consideration of the legality of ACA in November
- If upheld, strengthening of the Affordable Care Act (H.R. 1425):
 - Auto-enrollment of millions of underserved Americans
 - Extend subsidies to middle-income Americans
 - Reverse administrative changes to undermine the law, including the rule for short-term insurance plans
 - Provide funding for states to develop their own marketplaces and bring costs down through reinsurance or state subsidies
- If overturned, replacement of the ACA with “Biden Care”:
 - Focus on a Public Option
 - Competition in the private marketplace for insurance companies
- Bipartisan support to end Surprise Medical Billing and lower healthcare costs
- Work on passing H.R. 3 to reduce drug prices
- \$10 billion in funding for Health Insurance Affordability Fund, distributed by CMS to each state
- Support for lowering Medicare age from 65 to 60
- For the 14 states that haven't taken up the expansion of Medicaid, offer premium-free access to the public option (4.9 million Americans)



Employment and Labor

- Biden is a strong proponent of unions
 - Biden has a longstanding relationship with union leaders and has already appointed two leaders to his transition team advisory board - from UnitedFarm Workers and IBEW
 - Creation of a Cabinet-level working group comprised of labor representatives to focus on union organizing and collective bargaining
- Passage of the Ledbetter Paycheck Protection Act for equal pay protections
- Universal paid sick leave and an increase in minimum wage
- Vigorous protection against discrimination of those with disabilities, especially in terms of hiring sites
- Civil Rights Act protections for sexual orientation and gender identity
- Additional protections for union members to organize via the PRO Act
 - PRO Act would amend some of the country's decades-old labor laws to give workers more power during disputes at work, add penalties for companies that retaliate against workers who organize, and grant hundreds of thousands collective bargaining rights. It would weaken right-to-work laws in 27 states



Energy and Climate

- Transition to clean energy and net-zero emissions no later than 2050
 - Creation of new jobs and sustainable infrastructure
 - \$2 trillion for infrastructure, auto, transit, power sector, buildings and housing, innovation, conservation
- Rejoin the Paris Climate Agreement
- Restore the full electric-vehicle tax credit
- Institute stricter regulations that would encourage the use of electric-powered autos



Foreign Policy and Trade

- Return to a more traditional approach to foreign policy
- Support for multilateral organizations and long-held alliances
- Bipartisan interest in “Buy American” policies, bringing manufacturing back to the U.S.
- Cyber Security and Privacy



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