

Politics in America 2020- How we Got Here and Where its Going *Implications of COVID-19*

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The U.S in 2020 is Divided. How we Got Here

- Three Major Fissures Over the Last 40 Years
 - Globalization is helping many but leaving some behind
 - Significant increase of immigration
 - Cultural changes in America accepted by most but not by all
- Erosion of Trust in Government
- Erosion of Trust in Mediating Institutions: Religion, Media, Business, Political Parties
- Lower Attachment to Community and Loss of Local Newspapers
- Breakdown of Family Unit, Opioid Epidemic
- Conflagration of conflicts which emerges from multiple news sources and social media
- With one exception since 2004, every Presidential or Congressional election has been one of change from one party to another

COVID-19 was a Shock to a Country Already Frazzled

- Unemployment rates went from 3.5% to 14.7% in four weeks and are not likely to be lower than 12% by the end of the year
- 30 million people receiving unemployment compensation
- 5.7 million people lost their employer-based health insurance for themselves and their families
- 25 million less people have health insurance
- People are burdened educating and caring for their children and aging parents
- 125,000 people have died already with number expected to increase to 225,000 by November
- Much hoped for “the world will come back to normal” will not happen anytime soon

Observations on COVID -19 Response

- Government responded forcefully and averted an economic collapse
- Much authority ceded to the Federal Reserve
- Leadership on public health was ceded to the individual states with mixed results
- Large number of businesses, schools, community organizations will close for good
- First major global crisis in 100 years where the U.S. has not lead
- Economic lessons thus far are:
 - Those who worked digitally did better than those who did not
 - Just in time inventory systems and complicated supply lines did not hold up well
 - Demands have increased for greater business resiliency
 - Exacerbation of economic tensions from working people who feel left behind once again
 - Much hoped for national unity did not happen
 - Federal Reserve has a remarkable ability to influence financial markets

Like other Major Events, the Pandemic will Accelerate Already Existing Change in Our Society

- Civil War
 - World War I and Spanish Flu Epidemic
 - Great Depression
 - World War II
 - September 11th Tragedies
 - Financial Crisis
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- How and where we live, how we raise and educate children, how employers operate, what people expect from their government, how people receive their health care, what happens to colleges and universities, will this portend a movement away from cities

2020 Election

- Trump campaign was intended to be predicated on a great economy, while most expected Bernie Sanders to be Democratic nominee at the start of 2020
 - All things have changed
- President Trump runs best when he is seen as the outsider, but this is much harder when you are the incumbent President in the middle of a crisis
- Trump Approval Rating is currently at 38 percent
- Over 70 percent of Americans believe the country is on the wrong track
- Re-election campaigns are always a referendum on the incumbent President
- Populism is alive in both political parties
 - President Trump plays to his base
 - Vice President Biden is providing some slight distance from his

Republican/Trump Campaign Message

- The Democratic Party holds nanny state socialism values which want to tax you, take away your liberties and dictate what you think or say
- Vice President Biden's advanced age reveals diminished mental acuity and makes it likely he will succumb to the radical elements of the Democratic Party
- The Democratic left wants to defund the police, provide health care to illegal immigrants, forgive student debts and take away private health care
- Democratic tax and spend policies will bankrupt the United States, cause a collapse of the stock market and destroy your 401(k) savings
- Biden's 45-year career in Washington reveals that he is part of the swamp and things are made worse by the fact that upon leaving office he and his wife got rich on speaking fees
- President Trump stood up to China, the EU, and fought for U.S. workers
- Before COVID-19, the economy was great

Republican/ Trump Campaign Message

- “Green New Deal” will cause the de-industrialization of the United States
- Democrats want open borders and no protections against illegal immigrants
- Democrats wish to abandon U.S. cultural traditions, seek to re-write U.S history and are out of touch with average middle-class Americans
- Ukraine & Hunter Biden

Democrats/Biden Campaign Message

- President Trump has sown disunity and exacerbated racial and social tensions
- The United States has done far worse in handling the COVID-19 pandemic than any other prosperous industrial nation
- President's efforts to re-open the economy, hold campaign rallies, offer advice unproven medical treatments, and make the use of facial reveal a political statement reveal a lack of leadership and character
- The status of the United States in the world has diminished
- President has embraced authoritarian leaders while trampling upon traditional allies
- President Trump's failure to secure meaningful trade agreements with China
- Why is so President Trump so intent on being friends with Putin and Russia

Democrats/Biden Campaign Message

- Ukraine
 - President Trump's political pressure on Ukraine to investigate Hunter Biden by leveraging economic assistance
- Expansion of the Obama Affordable Care Act to include a larger number of people and counteract high pharmaceutical prices
- Immigration reform including preserving the legal status for DACA recipients
- No more tweets
- President is emotionally unbalanced
- "Uncle Joe" is nice, reads, tells the truth, apologies when wrong and listens to advice
 - Character matters
- People are tired of the drama, anger and lies and want to be normal again
- Under Trump, the global role of China has vastly expanded and not in a good way

2020

- Where do we stand now?
- What are the key determinants for victory?
- How does the Trump campaign hope to win?
- How does the Biden campaign hope to win?
- What are the actual or potential missteps for the Trump Campaign?
- What are the actual or potential missteps for the Biden campaign?
- What states are now in play and within those states which demographic will play the most important role?

Congressional Elections

- What happens to the House of Representatives?
- What happens to the Senate?
- What are the most competitive states that offer either party the chance to win or lose control of the United States Senate?
- How will COVID-19 impact the physical act of voting?

What Follows Next

- Record setting deficits will eventually compel higher tax rates and new tax sources
- High U.S. deficits and the weaponizing of the dollar to impose sanctions might eventually portend diminishment of the dollar as the international reserve currency
- Much hoped for unity that emerged after the September 11th tragedies did not happen for COVID-19
 - Other existential threats including cyber security breaches might follow and could bring the nation closer
- China continues to emerge as the leading rival to the United States and to counteract it, allies and a coordinated containment is essential
- More societal demand mandates upon business with to go beyond maximizing shareholder values
- Heightened and expensive demands for greater income and health care protections