

April 10th: Day 100 of 2021

A deeply divided country
during a period of turmoil and
political instability

By Doug Sosnik
Senior Advisor

April 7, 2021

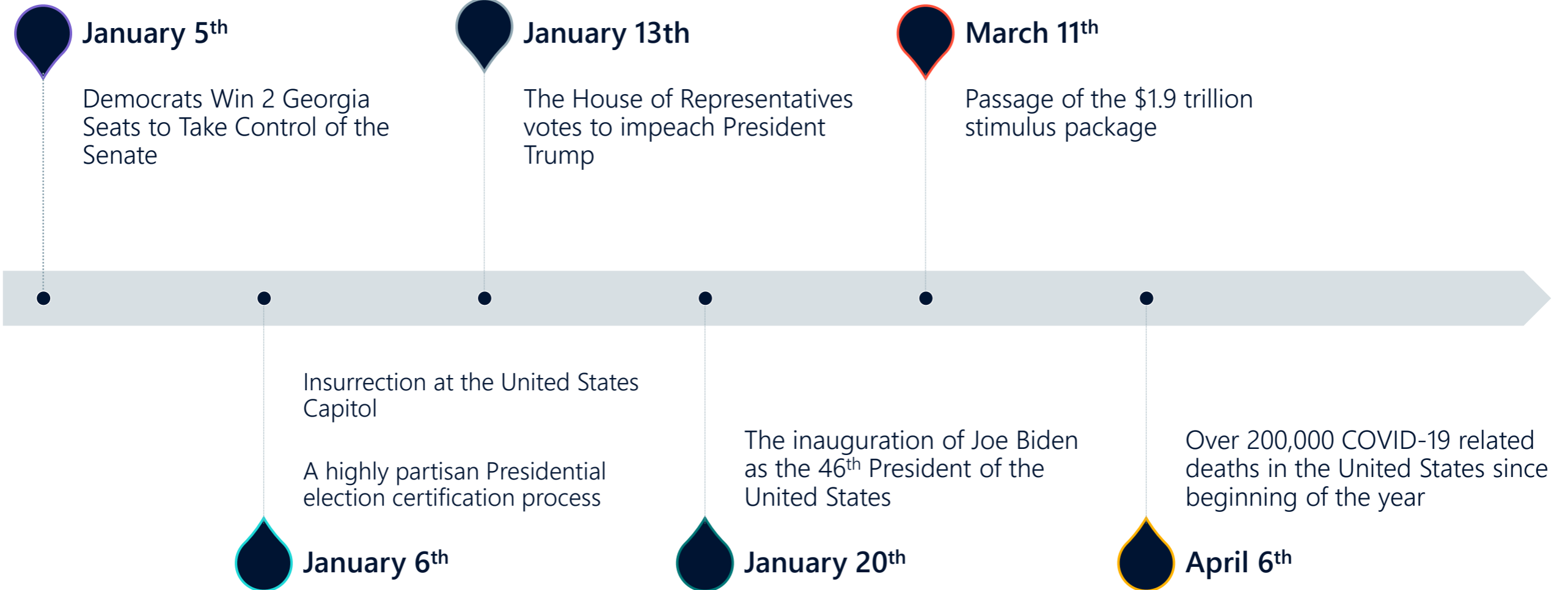




There are **decades** when nothing happens; and there are **weeks** where decades happen."

-Vladimir Lenin

Historic 1st 100 Days of 2021

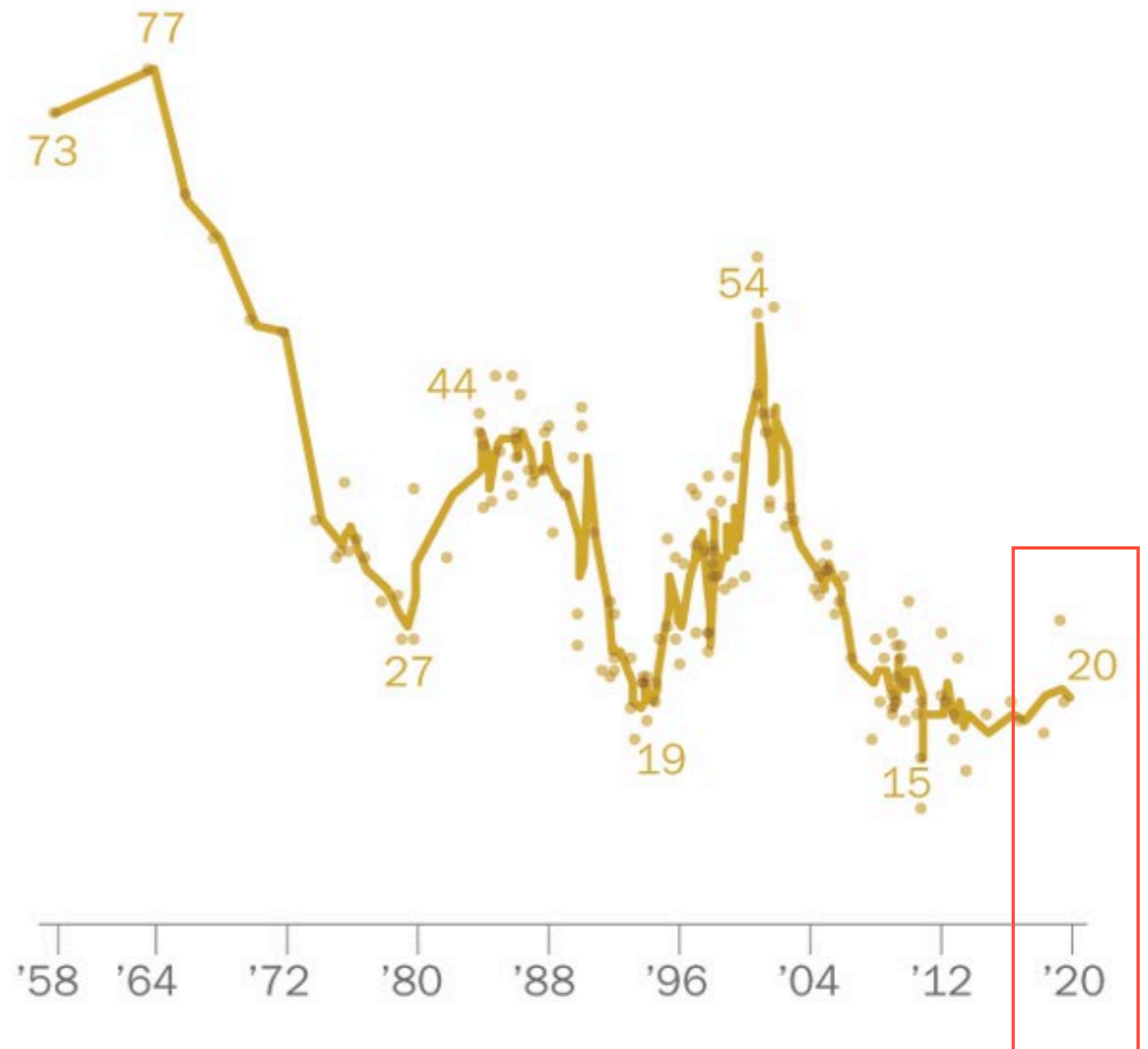




Americans Continue to Feel Alienated from the Federal Government and its Elected Officials

Public Trust in the Federal Government Nears Historic Lows

Percent who say they trust the federal government to do what is right just about always/most of the time



In 7 out of the Last 8 Elections, the Public Voted for Change

2012 was the only election when the country voted to maintain the status quo.

Administration	Job Approval	Senate	House	Governors	State Legislators
Bush - 2006	38%	-6	-30	-6	-334
Bush - 2008	25%	-8	-21	-1	-89
Obama - 2010	45%	-6	-63	-6	-729
Obama - 2012	52%	+2	+8	-1	+168
Obama - 2014	44%	-9	-13	-3	-312
Obama - 2016	53%	+2	+6	-2	-13
Trump - 2018	40%	+2	-40	-6	-323
Trump - 2020	45%	-3	+13	+1	+141



The Country Remains Evenly Divided

Narrow Margins in a Handful of States Determined the Outcome of the 2016 and 2020 Presidential Elections

2016 Election		
Trump 306 – 232 Clinton		
State	Vote Margin	EV
MI	10,704	16
WI	22,746	10
PA	44,929	20
Total	78,379	46

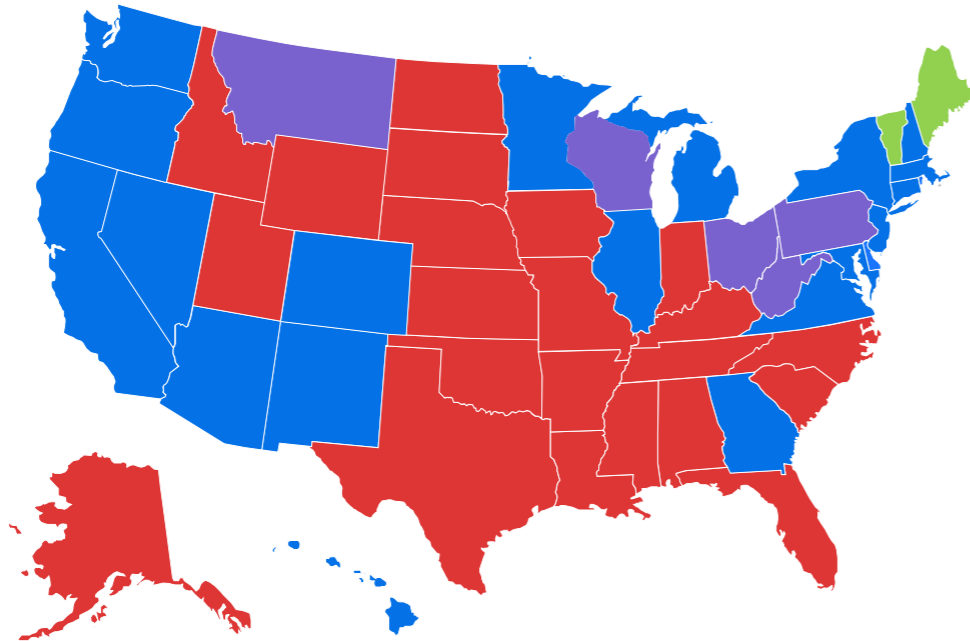
2020 Election		
Biden 306 – 232 Trump		
State	Vote Margin	EV
AZ	10,457	11
GA	12,670	16
WI	20,565	10
Total	43,692	37

A change in 78,379 votes in 2016 would have given an electoral college victory to Clinton (278-260), while a change in 43,692 votes in 2020 would have given Trump an electoral college victory with the House electing him President (269-269).

Democrats Control the Senate and House by the Narrowest Margin for Either Party in 20 Years

■ Republican ■ Democrat ■ Republican + Democrat ■ Independent

Senate



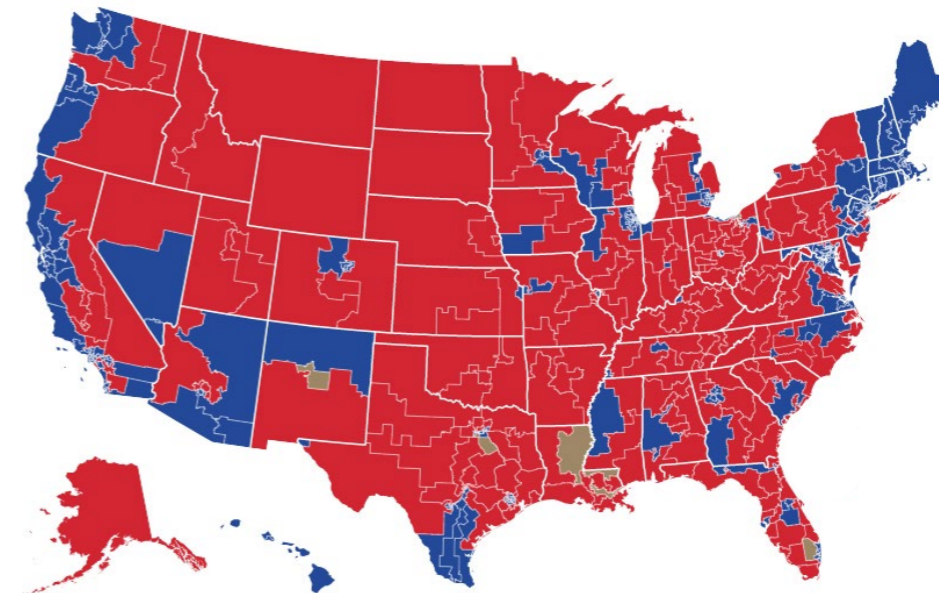
50*

Democrats

50

Republicans

House



218

Democrats

211

Republicans

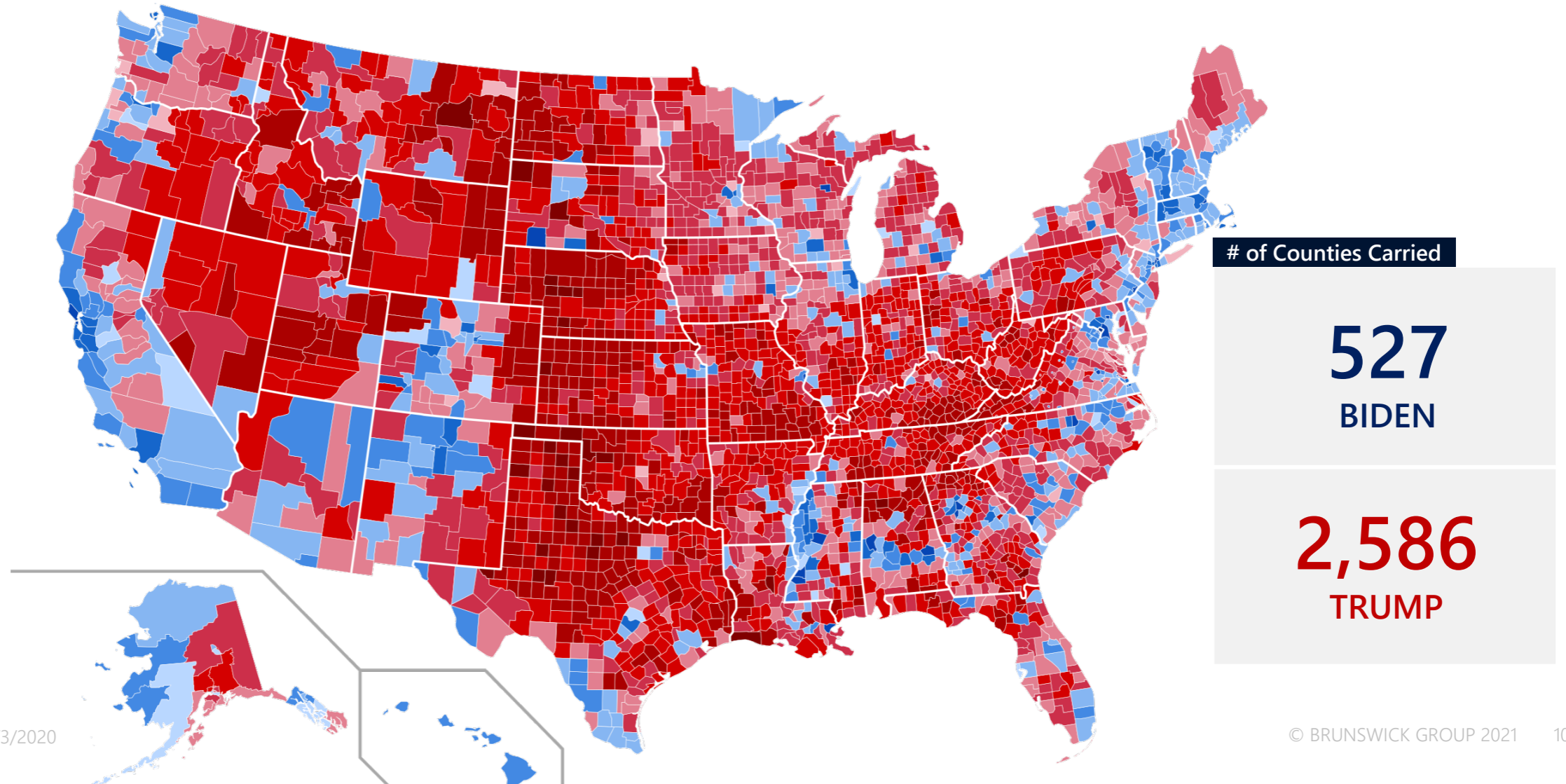
6

Vacancies

Note: *2 Independent senators caucus with Democrats.

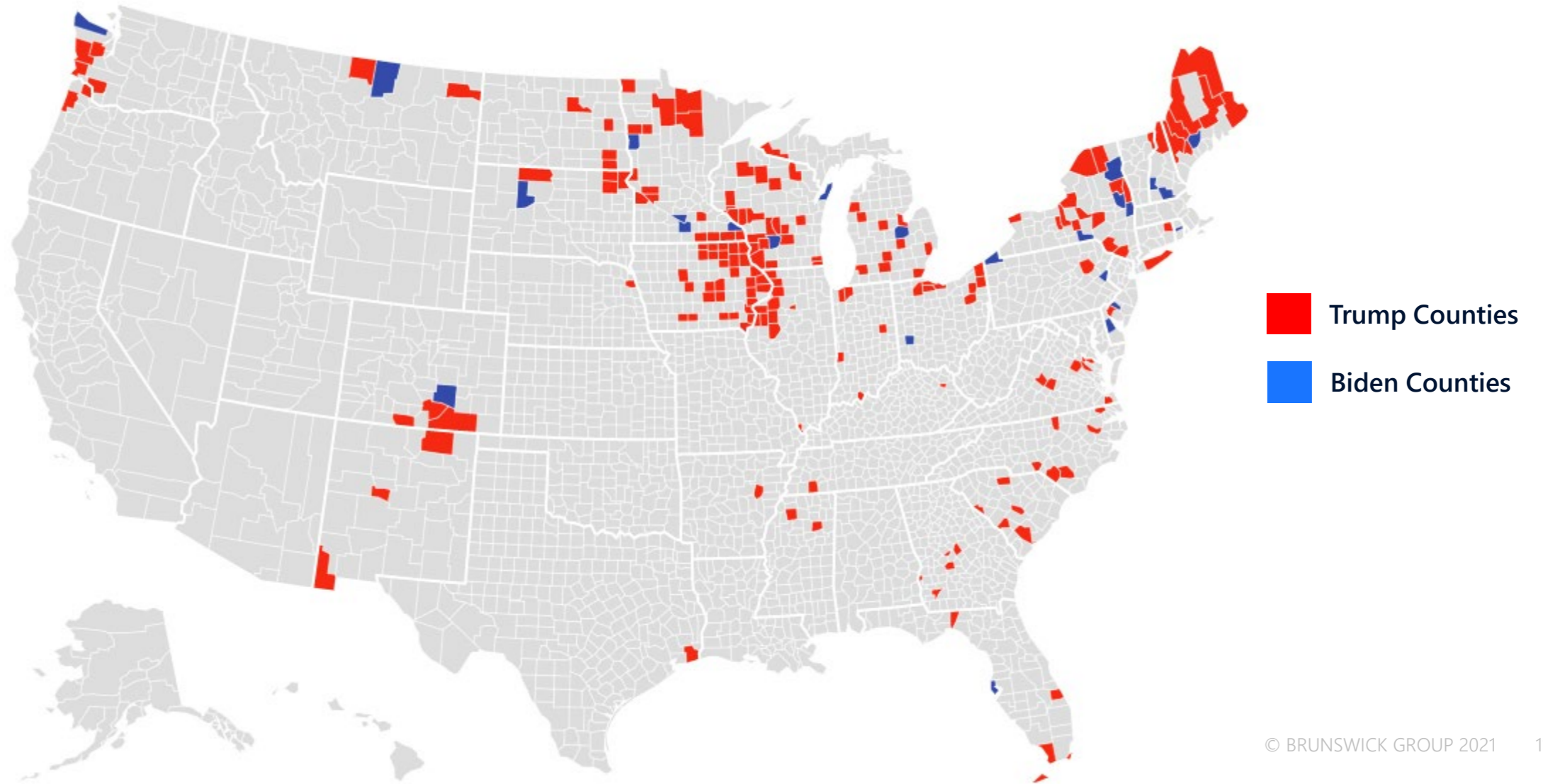
Trump Carried 84% of U.S. Counties, While Biden Won the Counties that Created 70% of GDP

Trump counties had a disproportionate number of less educated, white, blue collar voters, while Biden counties had a greater number of non-white and educated voters.



Biden only Carried 25 of the 206 Counties that Flipped from Obama to Trump in 2016

Trump held on to white, working class counties, while Biden picked up educated suburban areas.



Tribal Politics with Straight Party Voting is the New Norm

Culture wars are driving this tribalism.

In federal and state elections:

- **94 out of 100 U.S. Senators** – 94% – are of the same party as the Presidential candidate who carried their state in 2020
- **419 out of 435 members** of the U.S. House – 96% – are of the same party as the Presidential candidate who carried their district in 2020
- **38 states** – 76% – have single party state government



Events Over the Past 6 Months have
Led to Increased Partisanship

Recent Events Have Led to Even More Hyper-Partisanship

- A Supreme Court confirmation less than 2 weeks before the 2020 elections
- A Presidential election in which the loser disputed the results
- Highly partisan presidential transition
- 147 Republican members of Congress voted to overturn the election results
- A largely Democratic partisan vote to impeach Trump
- A Democratic party line vote for a \$1.9 trillion-dollar COVID relief package

The Current Political Structure Rewards Partisanship

- Unifying force in American politics is the opposition to the other political party
- The vast majority of seats in the House and Senate are not competitive
- Republicans are more likely to lose a primary from the right – and Democrats are more likely to lose a primary from the left – rather than being defeated in a general election
- The 2022 congressional elections have already begun, with Democrats clinging to narrow control of the Senate and House
- Republicans are jockeying for the 2024 Presidential nomination
- Increased polarization of the news media

The Democratic Party's Ascendent Left and a Republican Party Dominated by Trumpism Will Increase Partisanship

- The left is driving the political, appointment, and policy agenda of the Biden-Harris Administration
- Progressive trends are accelerating in the 15 states where Democrats have total control of state government
- Trumpism now dominates Republicans in the House and controls the party apparatus at the state and local level across the country
- The GOP conference in the Senate will likely become the party of Trump following the retirement of 5 Republican members from the "governing wing" of the Republican Party

Differences between the Parties Will Come to a Head at the End of September

- Infrastructure package will likely come to a final vote
- End of the fiscal year on September 30th requires funding approval for 2022
- Debt ceiling will need to be increased
- 2015 Surface Transportation Act needs to be reauthorized
- National Flood Insurance Program needs to be reauthorized
- Benefits from the December COVID relief package for tax credits, emergency paid leave, temporary assistance for families in need, childcare entitlements for states and increased monthly food stamp benefit increases are all due to expire

Governing in a Hyper-Partisan and Bitterly Divided Country

- Republicans are favored to retake control of Congress after the 2022 midterm elections
- Democrats will use the reconciliation process to pass legislation on a partisan basis in anticipation of the likely outcome of the upcoming midterm elections
- The Biden-Harris administration will aggressively pursue executive orders to enact their policy agenda
- The center of opposition will come from Republican Attorneys General across the country, who will challenge the Biden's administration's executive orders in the courts
- Voting rights will be the central battleground across the country between the political parties in the upcoming election cycle, with Georgia and Texas at the epicenter of this fight

America Going Forward in the 2020's

- America is going through the biggest transformation since the dawn of the industrial revolution in the late 1800's
- We are transitioning from a 20th century top-down industrial economy to a 21st century digital and global one
- At the same time that we are going through this economic transformation, we are approaching a tipping point in the next 20 years to becoming a multiracial society, with whites comprising less than 50% of our population
- During this period of transition, half of the country thinks that we are changing too fast while the other half believing that we are not changing fast enough
- The culture wars that are now driving American politics are bleeding into corporate America as businesses are increasingly forced to pick a side
- Political outcomes are a lagging indicator of the mood of our country, and the current period of turmoil and chaos that began in the early 2000's will likely continue throughout this decade

One firm.
Globally.

BRUNSWICK

Abu Dhabi
Beijing
Berlin
Brussels
Chicago
Dallas
Dubai
Frankfurt
Hong Kong
Johannesburg
London
Milan
Mumbai
Munich
New York
Paris
San Francisco
Sao Paulo
Shanghai
Singapore
Stockholm
Vienna
Washington, D.C.