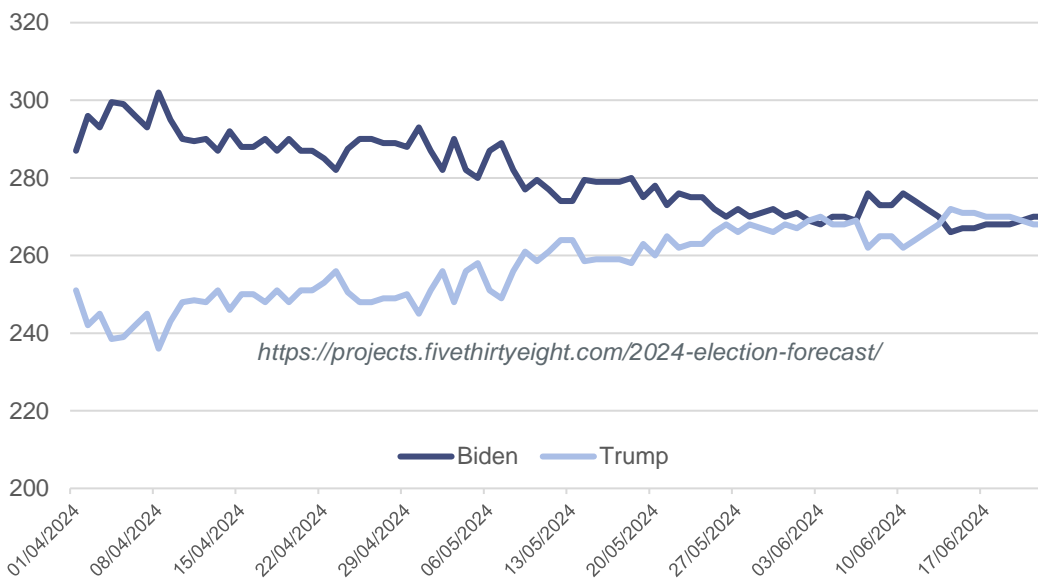


Focus

US ELECTIONS

What if...? Potential Outcomes of the US Elections and What Might Follow Them

How has the forecasted winner changed over time?



Introduction

The first Presidential debate is set to take place in the upcoming days and world will be watching. As the 2024 US election approaches it is important to note that given the current state of global and US affairs, the impact that the elections results hold on the future cannot be overstated. The Democratic and Republican parties face off for control over congress while Presidential nominees Joe Biden and Donald Trump, alongside others, will take part in what has kicked off as an unusual Presidential race to win control of the White House.

The presumptive Grand Old Party (GOP) Presidential candidate, Donald Trump recently flooded headlines after he became the first former US President to be

convicted of felony charges. After being convicted on thirty-four felony counts, Trump is set to hear his sentence on July 11th and will have to battle another 57 other felony counts thought it seems that most if not all of them will not be dealt with in court before the November, 5th elections. On a different note, Trump and Biden are both set to break the record for the oldest Presidential nominees from the two major parties, which is a record they in fact set four years ago. The cognitive health of both Donald Trump and Joe Biden has regularly been questioned and slandered by media and voters, and the candidates will look to use next couple months to prove to voters that they are capable of another four years as President. To put it into perspective, the Pew research center conducted a survey on adult voters in April, and

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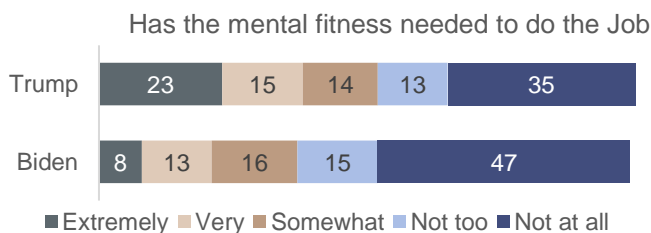
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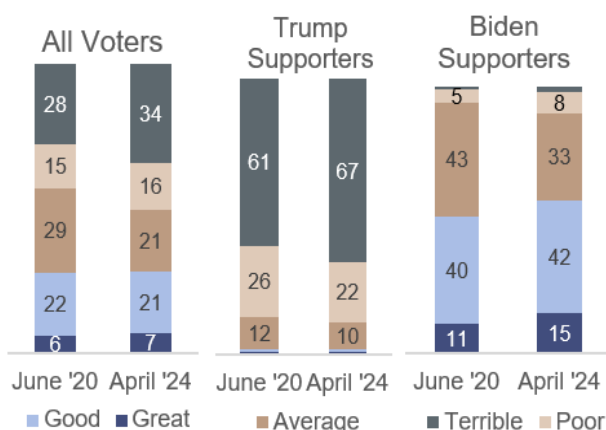
the results were quite shocking. According to the survey, a measly 21% of voters feel extremely to very confident that Biden has the mental fitness to be President while a better but still low 38% of voters are extremely or very confident in Trump’s mental fitness for the job.



<https://www.pewresearch.org/politics/2024/04/24/voters-views-of-biden-and-trump/>

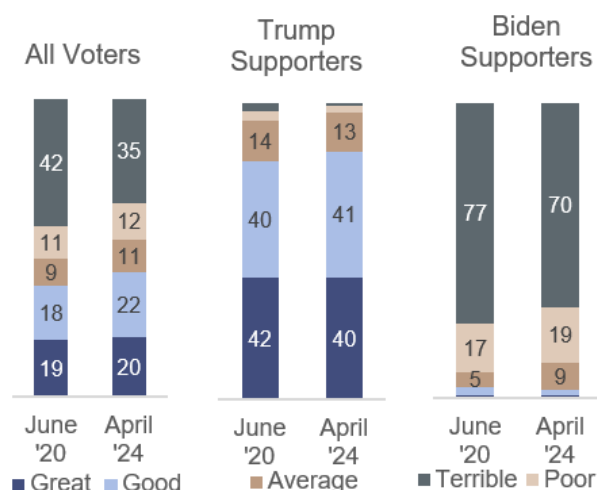
Another factor that is important to point out for the upcoming election is how polarized voters are about the candidate’s fundamental capabilities to perform as Presidents. The Pew research survey found that 70% of Biden supporters found Trump was a terrible president and an additional 19% found him to perform poorly. On the other side, 67% of Trump supporters believe Biden is a terrible president and 22% say he is a poor president. Neither side is content with the opposing choice as president which will likely result in another national outcry by the losing party, similar to what occurred after the 2020 and 2016 election results. After the 2016 election results, Hillary Clinton and fellow supporters claimed Russian interference won Trump the election, and it even went far enough where Democratic representatives in the House tried to block the certification of the election results. After the 2020 election, the infamous January 6th insurrection occurred where extremist Republicans violently stormed the capital in an attempt to block

% who say Biden would be/is a ____ President



Congress from certifying the election results. This occurred after Trump repeatedly called the election

% who say Trump would be/was a ____ President



<https://www.pewresearch.org/politics/2024/04/24/voters-views-of-biden-and-trump/>

fraudulent and a threat to democracy and is now on trial for his role in sparking the attack.

Notable events and dates to watch out for concerning the upcoming election includes the first presidential debate hosted by CNN that is taking place on June 27th. The Republican Convention where the GOP candidate is officially selected will occur from July 15th to the 18th. Since Trump has practically secured the nomination already, the convention will serve more as an opportunity for Trump and his campaign team to announce policies and address issues faced in the upcoming election. The Democratic Convention will take place from August 19th to the 22nd and will serve a similar purpose for Biden and his campaign team since they have also secured the Democratic nomination. The second presidential debate will then occur on September 10th and be hosted by ABC. Finally, on November 5th, elections will officially take place and on December 17th electors will officially select the 47th President of the United States.

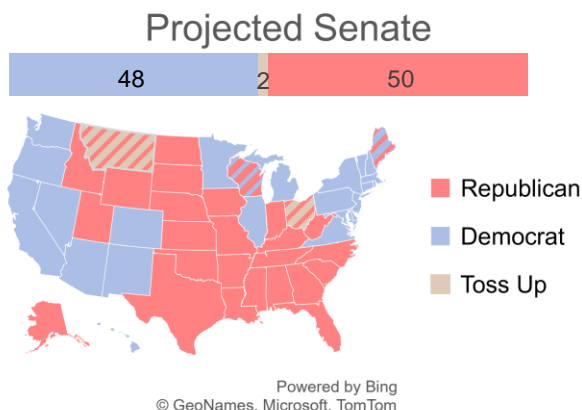
This focus will aim to provide up to date insights into projections for results of congress and the Presidential elections and then attempt to predict what potential election results would have in store for US policy over relevant issues. The topics that will be discussed in this focus include immigration, international trade, abortion, NATO and Ukraine, taxes, healthcare, and climate change. The focus will not claim to have secret insights

about the parties' goals but instead try to provide an overview based on articles, sources, and quotes. It is important to keep in mind that many of the promises and vows Trump makes during election campaign speeches end up being empty promises, so some of the claims about what a Trump administration would look like must be taken with a grain of salt. It is also important to note that the Republican views presented in the focus are derived from the Heritage Foundation and Project 2025 and are not a complete representation of what all Republicans believe. However, the Heritage Foundation has historically given conservative policy recommendations to Presidents and Republicans that do end up being carried out. The Reagan administration implemented nearly two-thirds of their policy recommendations from their first ever "mandate for leadership", and the Trump administration embraced 64% of their policy recommendations during his 2016 Presidency. Therefore, the 2024 policy agenda booklet that they released called "Project 2025" could be used to infer a general outlook about Republican party policy beliefs.

Projections

The Democrats and Republicans also battle for majority control within the House of Representatives and the Senate. A vital race for both parties who hope to win a congress that could potentially support their Presidential nominee in passing Democratic or Republican legislation or block the opposing sides legislation if their nominee fails to win the Presidential race. Currently, Congress is split between the two parties with the Democrats having a slight majority in the Senate, and the Republicans have a 218 to 213 (four vacancies) seat lead in the House.

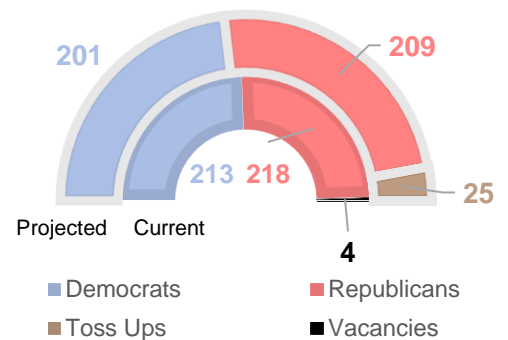
In the Senate, Democrats currently possess a 51 to 49 seat lead, but 23 Democratic seats and 11 Republican seats are going to be up for new elections in 2024. A current consensus forecast made by 270 To Win, which



incorporates various projection sites, has Republicans at the very least splitting the Senate with Democrats. More specifically, Republicans are forecasted to end with 50 seats while Democrats are projected to end 48 seats, and the remaining two seats are considered toss ups between the parties. In the upcoming months, the Democratic party will likely focus on heavily campaigning in Montana and Ohio, the two toss up states, in hopes to avoid a flip in control of the Senate.

Unlike the Senate, The House of Representatives undergoes a full reelection every two years meaning that all 435 seats will be up for grab in the upcoming election. 270 To Win has released a similar forecast for the House, and in the forecast, Republicans are expected to win at least 209 seats. Democrats are projected to control at least 201 seats, and 25 seats are considered too close to create a projection.

HOUSE OF REPRESENTATIVES CURRENT VS PROJECT SEATS



The projected winner of the Presidential race has gone through a turnaround in the recent months. Biden started out as the consensus favorite and was considered ahead with an encouraging margin, but recent projections consider the race to essentially be fifty-fifty. The Presidential debate that will take place on June 27th will probably have a strong effect on voter opinions especially since viewers see it as an opportunity to evaluate the candidate's mental states, which means a favorite could once again emerge after the debate takes place. Over the next couple of months, candidates will also release more information about policy agendas which will continue to shift the projections.

Immigration

Immigration is set to be one of the pivotal issues in the 2024 election, reflecting deep-seated and often contentious debates about national identity, security, and

economic policy. During Trump's 2016 election campaign, he used the "build a wall" slogan and strong anti-immigration minded policies to gain a large share of voters and will similarly try capitalizing on the issue in this year's campaign. He recently voiced out strong words of concern and criticism in regard to Joe Biden's recently passed executive order, which many characterize as the most restrictive migration order of any modern Democrat. During a Trump rally in Las Vegas, the former President said, "Last week, crooked Joe signed an executive order that is pro invasion, pro child trafficking, pro woman trafficking, pro human trafficking and pro drug dealers." Trump then continued speaking about the dangers of illegal migration, calling immigrants criminals and mentally ill, and then stated they have no future in his vision for America.

Trump has also not given up on his dreams of building a wall that would span across the US and Mexico border. In a recent interview with Time Magazine, Trump said, "I built much more wall than I ever thought necessary. But as you build it, you find out that you need it." According to U.S. News, Trump accomplished building 458 total miles since 2016 and would continue provide funding for the creation of the wall in a reelection. Along with the wall, Trump has also promised to carry out a vast number of deportations of illegal immigrants. During his Time magazine interview, he set a goal figure for 15-20 million deportations. To assist in accomplishing this feat, Trump has proposed a few measures he would implement to make conducting these deportations an easier reality. The first measure would be to enlist help from law enforcements including state and local police as well as the national guard and if necessary, even the military. In his Time interview, he mentioned that local law enforcements have a better grasp over their local criminals, which is the type of undocumented immigrants he aims to deport first out of the country. He would also grant the police immunity from prosecution because "we have to give the police back the power and respect that they deserve". However, he did not mention a plan for how he would accomplish granting them immunity.

Trump will also look to bring back the "Remain in Mexico" policy that requires Mexican immigrants to stay in Mexico while their asylum application are processed. He first created this policy back in 2019, but it was then removed by Biden in 2022. Moving on from Mexico, another policy he will look to reinstate from his 2016 Presidential term is his travel ban on seven Muslim majority countries and would expand it to include Afghanistan and Gaza. Undocumented immigrants who came to the US as children will also face new issues as Trump would try to

end the DACA programs that assures them of protection against deportation and provides them secure access to a social security number, driver's license, and work permit. Undocumented children who were born in the US would also face new challenges as Trump would attempt to take away their right to citizenship which is normally guaranteed by the 14th amendment. Another situation that is important to point out is that national immigration policies cannot be blocked by lower courts, which means the supreme court is the only court that can rule against new policies. Favorably for Trump, he appointed three of the current judges in the Supreme court and six right leaning judges make up the nine total judges, which means courts are probably not going to block policies that would be set forth by Trump.

Project 2025 has outlined several proposals they recommend Trump should consider implementing. They suggest merging the immigration agencies ICE, USCIS, and CBP to streamline operations and increase funding for the unified entity. Additionally, they advocate for legislation that would facilitate the identification and removal of undocumented immigrants by agents and law enforcement. A major reform proposed for the asylum system is to replace the current "random selection" process with a "merit-based system" where asylum officers would grant the "best and brightest" applicants to grant asylum. On the other hand, Biden has not mentioned big plans for what his migration policy would look like if he were to be reelected. However, his recent executive order that he passed can tell us he does plan to take a more conservative approach than what many of his hard left-leaning followers would like. To put it into context, his recent order implemented a full shut down of the border if illegal crossings into the US surpass a 7-day average of 2,500. At the time when Biden passed the order, the 7-day average was already above the 2,500 number which means the border was immediately shut down. The border will not be reopened until this average gets brought down to 1,500, which has not been accomplished since the peak of covid in July of 2020. It can be then assumed that Biden would enter the 2024 Presidency looking to increase control in asylum process and aim to protect the borders from illegal crossings.

All in all, the anti-immigration stance might be harmful for the economy. Part of the unexpected strength of the labor market has been due to the immigration boom. In 2023 an estimated number of 3.3 million people entered the US on a net basis (arrivals minus departures), while a few years ago the estimated number was in the range of 1 million. We would expect the anti-immigration stance

to be much more harder under a President Trump than under a President Biden.

International Trade Policy

As it currently stands, the US is the largest player in international trade in terms of the sum of exports and imports but at the same time, supports the largest trade deficit of any country by an incredible margin. To be exact the US trade deficit reached \$948.1 billion for the year 2022 and when compared to Japan who had the next highest trade deficit for that year with \$125.4 billion, it becomes clear there is an issue. How the next President and congress want to approach international trade will have major implications on not just the US economy but also the economies all over the world. During his 2016 term, Trump laid on major tax hikes against competitors and allies and used the US's power in international trade to retreat from previously made treaties and trade agreements. His "America first" mentality towards trade policy would be carried with him into this next term. If he were to be elected, he has promised voters to implement a 10% tariff on all goods imported into the US and a 60% tariff on imports coming from China. Trump has not yet clarified whether that 10% tariff would be applied to the nearly two dozen countries that the US have made free trade deals with, but if it does, it will likely stir up tension between the US and those countries. Trump also has mentioned "a four-year plan to phase out all Chinese imports of essential goods—everything from electronics to steel to pharmaceuticals" which he would carry out as President. To sum it up a Trump Presidency would mean the US economy will attempt to become more self-reliant with respect to goods and services.

The trade policy under a Biden administration would likely consist of very similar goals in many aspects. Biden has not released any exact goals for what he would look to accomplish if he were to be re-elected, but if we look at how he has handled international trade in the recent year, it can give us an idea. This past month, the Biden administration passed a variety of tariff increases on products ranging from medical supplies, EVs, batteries, steel, and aluminium to ship-to-shore cranes. Notably the tariff increases were applied to goods typically imported out of China, which can tell us Biden would agree with Trump about trying to create more independence for the US economy and de-risking away of China. However, Biden would take a less aggressive approach to achieving this goal and would also be more considerate about allied nations and previous trade agreements when addressing international trade policy.

If Republicans were able to win congress, according to Project 2025, their goal would consist mainly of strengthening trade relationships with other regions as a way for the US to de-risk out of China. They highlighted advancing the bilateral relationship with India a "crucial objective" for the US, specifically for countering the Chinese. However, this is a long way given that less 2% of imported goods are coming from India while China provides around 16% of total US imports. Transatlantic trade was also mentioned as a target to amplify trade with because it could lead to weakening Europe's dependance on trade with China. Latin America, Japan, Australia and South Korea were regions also identified where joint cooperation through trade and investments would bring benefits to the US. The booklet also mentioned calling out to the United States Department of Agriculture (USDA) to remove trade barriers that are giving US farmers a tough time to bring their product onto the global market.

Summing up, we expect trade policy under both presidents to be protectionist. However, under Trump it will be much more unpredictable and harmful for those countries with which the US has trade agreements.

Abortion

The debate over abortion rights has intensified after the overturning of Roe vs Wade in 2022 followed by state legislation enforcing varying degrees of restriction or protections over abortion rights. Voters now have identified it as one of their more important issues in the upcoming election since abortion is no longer a guaranteed federal right after Roe vs Wade was overturned. If Biden were to be elected, he would not be able to individually restore Roe vs Wade but has stated "If Americans send me a Congress that supports the right to choose, I promise you: I will restore Roe v. Wade as the law of the land again". If the Democrats fail to win congress, Biden will still have the power to pass legislation that can make abortions more accessible and affordable for women. States like Alabama and Idaho where abortion has been banned are threatening to prosecute women who travel to another state to receive an abortion. To help protect these women, Biden recently passed legislation which now prohibits medical providers and health insurers from divulging a patient's record of an abortion to criminal investigators who look to prosecute women who underwent these interstate abortions.

On the other hand, Trump has taken the passive approach to this issue. Trump's stance on abortion has

jumped around over years, but it is important to note that if elected, Trump would not instate a country wide ban on abortion, like many of his voters are calling for. Instead, he plans to give states the freedom to choose whether they want to pass legislation to ban or allow abortions themselves. Project 2025 also is not calling for a nationwide abortion ban but has proposed various measures that limit abortion rights for women. One act would be for the government to rescind Biden's progress in protecting medical records related to abortion that was mentioned above. More policy changes would include the FDA to reverse their approval of chemical abortion drugs, specifically Mifepristone which is the pill that cuts of hormone production in the inborn fetus and is also the first pill taken during an abortion pill process. The right to mail abortion pills which women living in pro-life states rely on to undergo abortions, would also likely be challenged by Republicans in congress.

Ukraine War and US's future with NATO

The war in Ukraine continues to throw American politics in a swirl. Politicians debate how much responsibility the US holds in the aid for Ukraine, and also how the US can help navigate the situation to ideally bring a peaceful end to the war. Interpreting what a Trump presidency would have in store for foreign policy and Russia's assault in Ukraine has been difficult to decipher. Trump has already claimed multiple times that this war would have never happened had he been President when it began. He promised back in January 2023, that he could negotiate for a peace resolution within 24 hours. A Washington post article came out in April of this year and described what his plan for peace would consist of according to people familiar with the plan. Trump's proposal would push Ukraine to cede Crimea and the Donbas border region to the Russian regime to bring the war to an end. However, we cannot be certain that this is the plan he was referring to since the article mentioned his campaign's spokeswoman Karoline Leavitt said in a statement that, "Any speculation about President Trump's plan is coming from unnamed and uninformed sources who have no idea what is going on or what will happen,". A month later, the Washington Post published another report that during a fundraising event Trump had, "suggested that he would have bombed Moscow and Beijing if Russia invaded Ukraine or China invaded Taiwan.". Based on these conflicting reports and also no public indications from Trump himself about how he wants to handle Ukraine, it is impossible to predict exactly what to expect from a Trump presidency. However, Trump has made one thing clear about national policy. If elected, Trump would push for NATO

allies to take on more responsibility in the aid of Ukraine. In February of this year, Trump had mentioned that he plans to pull the US out of NATO if countries fail to meet the 2% defense spending requirements, and even went on to encourage Russia to "do whatever the hell they want" if NATO countries do not meet the quota. However, he has since rescinded these statements, and labeled them as "negotiation tactics" employed to encourage NATO allies to increase their defense spending. Trump has also already criticized the US, saying they have provided too much in aid, and now calls on the US to grant Ukraine aid in the form of a loan.

It is also difficult to predict what a Republican stronghold in congress would mean for Ukraine. Project 2025 did mention Ukraine, but they did not mention a specific approach they advise conservatives should take. Instead, the book outlined various scenarios and trails of thought on how to approach Ukraine dependent on someone's interpretation of what the war could mean for the US. Along the line of NATO, the book did end up mentioning a similar outlook as Donald Trump that NATO allies need to adopt more responsibility in the defense of Ukraine. To quote from the book, the US government should "Transform NATO so that U.S. allies are capable of fielding the great majority of the conventional forces required to deter Russia while relying on the United States primarily for our nuclear deterrent, and select other capabilities while reducing the U.S. force posture in Europe". On the other side, a Biden administration would keep US foreign policy like how it is now. Ukraine would continue to receive aid and support from US government which recently allowed Ukraine to use U.S. weapons inside Russia's border for defensive purposes. Biden has also yet to mention how he would approach finding an end for the war if he remains the president for a second term.

From the European perspective, the future policy of the US towards NATO and Ukraine is the most important issue. Less support for NATO and Ukraine would mean in our view, that the probability of Russia attacking a NATO member would increase. Economic uncertainty would spike, while it is unclear if Europe would unite by getting serious about military spending or if deciding on the best reaction to the change of US policy would divide Europe more.

Taxes

The implications of the election on taxes is much easier to define than some of the other topics discussed in this focus. In recent months, Biden submitted a proposal for

increasing the corporate income tax to 28% and raising taxes for individuals with incomes above \$400,000. The proposal will not be put in effect due to Republicans having control over the House, but it did let us know what Biden's tax policy will look like for a potential second term. Trump on the other hand would look to maintain the corporate income tax at the 21% level it sits at now. During a Trump rally in Nevada, he also proposed the idea to eliminate tips from being considered as a taxable form of income. The conservative thinktank, the Heritage Foundation, has advised Republicans and Trump to reduce the corporate income tax to 18%. They have also advised that the capital gains and qualified dividends tax be lowered to 15% and that all the tax increases that came with the Inflation Reduction Act be repealed.

Healthcare

Healthcare policy is a topic that will have direct effects on American citizens and residents, so it often heavily weighted by voters when making their decision. Trump's overarching policy for healthcare in his second term would be to repeal the Affordable Care Act (Obamacare) and install his own healthcare system. However, he has not mentioned specifically what improvements would come with his new healthcare system, but of course he has claimed that it will be a "brand new, beautiful health care". In his previous term as the President, he did attempt to pass acts and bills aimed at lowering drug costs for customers and increasing the transparency of hospital and insurance bills for patients and would likely look to propose legislation with similar goals in a second term. He would also like to bring the production of all essential medicines into the US, which would require more tariffs and trade restrictions with China. Not surprisingly, a Biden administration would try to expand the Affordable Care Act which Biden did help pass as Vice President and also likely reinstate the increased premium subsidies that are set to expire in 2025. The increased premium subsidies were a result of a policy that the Trump administration passed during his term that was supposedly going to cause Obamacare to be "dead" and "gone", but ironically ended up strengthening it, according to many observers.

Biden also proposed a series of initiatives regarding healthcare in March of this year. One of the initiatives included allowing Medicare to negotiate the price of at least 50 drugs a year as opposed to the current 20 allowed by the system. He also proposed that the \$2000 out-of-pocket limit on prescription drugs that will be applied to Medicare in 2025 be expanded to include all private insurance, which would ease medical costs for

Americans. Biden knew the proposal would not pass through the Republican dominant House of Representatives, so it likely served as a way for Biden to push forward a template for what he would try to accomplish, if he and the Democrats win the November election.

As opposed to Donald Trump, Project 2025 is calling for conservatives to consider a less radical approach for healthcare. In their policy booklet, they proposed reforms to Obamacare and Medicaid, but they would act more as tweaks aiming to improve upon the current policies. For example, they want to improve upon the hospital price transparency rules to provide consumers with more tools for saving money. They also want patients who are under traditional insurance to be financially rewarded when they choose the lower cost care option. Some of the other proposed reforms would aim to give more flexibility to patients about what coverage they want under Medicaid, but it is difficult to tell whether Trump would be able to actually get a Republican congress to pass his desired elimination of Obamacare. Based on Project 2025, there is no indication that most conservatives would agree with him, but it is too early to rule it out as a possibility.

Climate Change

The two parties and Presidential candidates have complete lopsided views when it comes to the importance of fighting climate change. Trump has made it clear that climate change is just a hoax and already spent his first term as President undermining environmental regulations and climate change policies. A second term for Trump would mean four years of the US President ignoring climate change needs which could be catastrophic considering how important every year is for reversing climate change effects. Project 2025 does not state the same belief that climate change is a hoax, but it is still incredibly low on their priority list. They ask that Republicans try to withdraw from climate change agreements including the U.N. Framework Convention on Climate Change and the Paris Agreement and repeal the 'extreme "green" policies' that Biden implemented under his administration. They also mentioned a number of programs with initiatives against climate change that they want to be eliminated or at least given a smaller allocation of funding. The booklet also asks conservatives to reinstate Trumps plan to open most of the National Petroleum Reserve of Alaska for leasing, development, and drilling. A Biden administration would continue to support climate change policies as they attempt to reach a net zero carbon economy by 2050

and cut carbon levels in half by 2030 which are goals the Biden administration initiated. Biden considers investments into research and development programs for climate change as strong opportunities for job creation and would likely increase spending into existing programs as well as look to create more programs as President.

Conclusion

Ultimately, many of the agendas outlined in the focus will face trouble when the winning parties attempt to implement them. Unless a party can gain control of both chambers in congress and win the Presidential election, lots of the policies mentioned above will likely be watered down to impose less radical changes or fail to pass. However, the parties will still find ways to maneuver around this obstacle, just like Biden managed to accomplish with the legislation he passed about abortion.

A Republican win over the White House could also potentially mean trouble for the US's foreign relationships. If Trump can pass the 10% tariff that he plans to impose on all nations, countries that had previously negotiated free trade deals with the United States will likely be upset. The US potentially leaving the Paris climate agreement and the U.N. Framework Convention on Climate Change would also stir up tensions between US and allies, especially allies in Europe where fighting climate change has been one of the top agendas in recent years. Governments across the globe will spectate this election with interest and concern as the winner of the election will dictate US policies that concern the global well-being.

In terms of the fiscal risks, both campaigns will most probably reduce the budget deficits at a very sticky pace if at all. With a budget deficit of 6.5% of GDP and gross public debt of 123% of GDP, there is some risks that a lack of consolidation could provoke some worries among investors. Continued high deficits could mean that long term interest rates will rise as otherwise investors are not willing to absorb additional debt.

It is also important to remember that the first presidential debate will take place on this Thursday. The debate will give voters and spectators the first chance to hear Biden and Trump speak in a controlled setting where someone will directly challenge their agendas and statements. Biden and Trump will be tested to see how they can respond to opposition and provide voters concrete reasoning to why their policies and agenda should be supported. Trump and Biden are likely to repeat many of

the statements mentioned in this focus during the debate, but viewers will also hear policies and agendas that the campaigns and candidates have not yet mentioned, which will shed a greater light on what people can expect from them as presidents.

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