

RICH FEUER ANDERSON

# Election Night Analysis

November 4, 2020

<b>INTRODUCTION</b>	<p>Too close to call. Following a global pandemic, economic crisis, and a uniquely complicated election, we've made it to November 4th and, in true 2020 fashion, we're left with an outcome that's still uncertain. Although Vice President Biden shows a slight lead, neither candidate has reached the 270-vote threshold to win in the Electoral College and a handful of states continue to process results. This is largely a result of last-minute influxes of mail-in ballots and counting delays in key battleground states (Michigan, Pennsylvania, and Wisconsin did not start counting mail-in ballots until Election Day). The record-breaking number of absentee ballots cast—after pandemic rules made it easier to vote this way—is also a contributing factor. As we continue to refresh our feeds awaiting final results from Michigan, Pennsylvania, Wisconsin, Georgia, Nevada, and Maine, we've provided our initial analysis on what happened last night and what to expect in the near future.</p>
<b>OVERVIEW OF ELECTION RESULTS</b>	<p>We will continue to provide updates as results become available, but here's what we know:</p> <ul style="list-style-type: none"> <li>• The outcome of the presidential race will come down to mail-in ballots that have yet to be counted in Pennsylvania, Michigan, and Wisconsin (which represent a combined 46 electoral votes). It is unclear at this point when these results will be available (Michigan and Wisconsin election officials expect results this afternoon, while we expect Pennsylvania results could bleed into later in the week), not to mention the expected court challenges on counting these ballots potentially even further delaying the results.</li> <li>• Georgia, North Carolina, and Nevada remain too close to call for either Biden or Trump into early this morning, although officials said they expect results in these key states relatively quickly.</li> <li>• While we are still waiting for results for Senate races in Georgia, Maine, Michigan, North Carolina, and Alaska, the path to a Democratic majority in the Senate has narrowed as President Trump's strength helped Republicans in several key races.</li> <li>• Despite a striking underperformance, Democrats will keep control of the House of Representatives with Republicans expected to pick up seats.</li> <li>• Of the 11 governor seats up for reelection, only Montana saw a gubernatorial party change with the election of Rep. Gianforte (R) to replace Gov. Bullock (D), who ran and lost to incumbent Sen. Daines (R-MT) for one of the state's Senate seats.</li> <li>• The election was closer than most pollsters expected (again), suggesting that the traditional American system of polling is a broken indicator and doesn't accurately reflect voter sentiment in the Trump era.</li> <li>• 2020 was the most expensive election in history – campaign spending approached \$11 billion.</li> <li>• Voter turnout was historically high with 160 million votes and counting (139 million people voted in 2016).</li> <li>• Even though the pandemic initially created concern about how the election would be held, it actually led to more turnout by prompting expansion of voting options in many states (30 states plus DC made changes to ease their voting rules). This resulted in a historic number of absentee and mail-in ballots.</li> </ul>

	<p>Apart from election results, here's a preview of what to expect in the lame duck and going into 2021:</p> <ul style="list-style-type: none"> <li>• If Republican control of the Senate holds through the remaining undecided states, Democrats will have fewer legislative tools to assist a potential Biden Administration. For example, budget reconciliation and use of the Congressional Review Act are likely off the table, and a Republican Senate would look to moderate Biden's Cabinet nominations.</li> <li>• The path forward on government funding and fiscal stimulus are difficult to project until we know who wins the presidency. With a divided government, we expect a smaller fiscal stimulus package in 2021 than if there was a Democratic sweep, though its prospects are unclear until election results are final.</li> </ul> <p>A quick breakdown of what happened in the House, Senate, and White House is below.</p>
<b>WHITE HOUSE</b>	<p>The presidential race is still undecided as we await results from key battleground states Pennsylvania (awards 20 electoral votes), Michigan (16), Wisconsin (10), and Georgia (16). North Carolina (15) is projected to be a win for President Trump. Results from Nevada (6) and Alaska (3) are also yet to be finalized but are relatively less important to reach the crucial 270 Electoral College votes.</p> <p>Maine and Nebraska both follow the Congressional District Method to delegate electoral votes, in which one Electoral College vote is awarded to the winner of each congressional district (2 and 3 total, respectively) while two electoral votes are awarded to the state popular vote winner. Biden has picked up three of Maine's four electoral votes (one undecided) and won the state, as well as an important electoral vote from NE-2 despite President Trump winning Nebraska. These single electoral votes could be significant if there is a 269-269 tie in the Electoral College.</p>
<b>SENATE RESULTS</b>	<p>At this point, it appears that Majority Leader McConnell (R-KY) and Senate Republicans are poised to maintain a slim majority in the Senate, though Democrats still have a narrow path to victory. We continue to wait for results from several states and a January runoff election in at least one Georgia race, but signs point against a Democratic takeover of the Senate as Republican incumbent Sens. Collins (ME) and Perdue (GA) appear to be ahead. But it's not over until it's over – Democrats could still win Maine or push both races into a runoff.</p> <ul style="list-style-type: none"> <li>• Democrats flipped two seats and Republicans flipped one: Gov. Hickenlooper (D) beat incumbent Sen. Gardner (R) in Colorado and Mark Kelly (D) beat incumbent Sen. McSally (R) in Arizona, while Tommy Tuberville (R) beat incumbent Sen. Jones (D) in Alabama.</li> <li>• Republicans also held onto key Senate seats in Iowa (Ernst), South Carolina (Graham), Montana (Daines), and Texas (Cornyn).</li> <li>• Georgia (the only state to hold two Senate races this year) may see two runoff elections held on January 5<sup>th</sup> if no candidate receives 50% of the state's votes. While the Perdue-Ossoff race remains uncalled, Republican Sen. Loeffler, who replaced former Sen. Isakson, will face Democratic challenger Raphael Warnock. We won't hypothesize on the results yet, but it's worth noting that the winner of this special election will be up again in 2022.</li> <li>• In Maine, if neither candidate gets above 50% there will be an automatic "ranked choice" runoff. This will likely help Gideon tighten the gap, but it currently looks like it will still be an uphill battle for her to get above 50% and knock off Sen. Collins.</li> <li>• We continue to wait for final results in Georgia (Perdue vs. Ossoff), Maine (Collins vs. Gideon), Michigan (Peters vs. James), and Alaska (Sullivan vs. Gross).</li> </ul>
<b>HOUSE RESULTS</b>	<p>As expected, and despite a number of unknown results, the House remains in Democratic control. However, the question was not so much on who would control the chamber, but rather how many seats Democrats could pick up and whether they could further expand their majority. So far, here's what we know:</p>

	<ul style="list-style-type: none"> <li>• House Democrats will hold onto their majority despite falling short of expectations. We saw losses in 2018 pickups (NY-11, NY-22 OK-5, SC-1, NM-2, IA-1).</li> <li>• On the other hand, House Republicans outperformed the polls last night, preventing a number of Democratic pick-up opportunities (TX-21, TX-23, NJ-2) in addition to their gains.</li> <li>• As of now, no House Financial Services Committee member lost their seat last night despite an expected close race for Rep. Ann Wagner (R-MO).</li> <li>• Republicans were able to flip several seats so far, including House Agriculture Chair Collin Peterson (D-MN) and Reps. Shalala and Mucarsel-Powell in Florida.</li> </ul>
<b>117<sup>TH</sup> CONGRESS</b>	<p><b>Party Leadership</b></p> <p>Although the final makeup of the Senate is still unknown, we do not anticipate many changes at the top of the ranks regardless of which party is in control, though it appears that Republicans will maintain their majority in the Senate for now.</p> <p>In the House, Democrats are set to hold leadership elections November 18<sup>th</sup> and 19<sup>th</sup>. While the top three positions are currently running unopposed, there are a couple of races for Assistant to the Speaker and Vice-Chair.</p> <ul style="list-style-type: none"> <li>• Speaker: Rep. Nancy Pelosi (D-CA)</li> <li>• Majority Leader: Rep. Steny Hoyer (D-MD)</li> <li>• Majority Whip: Rep. Jim Clyburn (D-SC)</li> <li>• Caucus Chair: Rep. Hakeem Jeffries (D-NY)</li> <li>• Assistant to the Speaker: Reps. Katherine Clark (D-MA), David Cicilline (D-RI), Tony Cardenas (D-CA)</li> <li>• Vice Chair of the Caucus: Reps. Pete Aguilar (D-CA), Robin Kelly (D-IL), Deb Haaland (D-NM)</li> </ul> <p><b>Committee Leadership (Senate)</b></p> <p>While we don't anticipate a shift in GOP party leadership if Republicans keep the Senate majority, we do expect to see some changes reminiscent of musical chairs at the top of key committees. This is due in large part to term limits on Senate chairmanships, irrespective of a member's seniority. And while not set in stone, the most likely depiction of these shifts is listed below:</p> <ul style="list-style-type: none"> <li>• Appropriations – Sen. Shelby (R-AL)</li> <li>• Banking – Sen. Toomey (R-PA)</li> <li>• Commerce – Sen. Wicker (R-MS)</li> <li>• Finance – Sen. Crapo (R-ID)</li> <li>• Small Business – Sen. Rubio (R-FL), though this could change depending on what happens with Sen. Burr (R-NC) and the Intelligence Committee.</li> </ul> <p><b>Committee Leadership (House)</b></p> <p>At the committee level, unlike with Republicans, Democrats currently do not term limit committee chairs. This means that we expect to see, among others, the following maintain their chairmanships for the following exclusive committees:</p> <ul style="list-style-type: none"> <li>• Energy &amp; Commerce – Rep. Pallone (D-NJ)</li> <li>• Financial Services – Rep. Waters (D-CA)</li> <li>• Rules – Rep. McGovern (D-MA)</li> <li>• Ways &amp; Means – Rep. Neal (D-MA)</li> <li>• House Agricultural Committee Chair Collin Peterson (D-MN) lost his seat last night, so there will be a change in leadership here.</li> </ul>

	<p>Committee chairs will be elected the week of November 30<sup>th</sup>.</p> <ul style="list-style-type: none"><li>• The only exclusive committee where we definitely will see new leadership is Appropriations where the race to replace retiring Chair Lowey (D-NY) is on, and Reps. DeLauro (D-CT), Kaptur (D-OH) and Wasserman Schultz (D-FL) are running.</li><li>• Following Chairman Engel's (D-NY) primary loss, the Foreign Affairs Committee gavel is up for grabs. Reps. Sherman (D-CA), Meeks (D-NY) and Castro (D-TX) have announced their candidacy, and if Sherman or Meeks is successful in their bid for Chair, we'll see a domino effect on the House Financial Services Committee, as they would give up their post as a subcommittee chair.</li><li>• In Financial Services, we expect Rep. Cleaver (D-MO) to take over the Housing &amp; Insurance subcommittee from Rep. Clay (D-MO), who also lost his primary creating additional shifts at the subcommittee level.</li></ul>
--	--