

2024 Policy and Election Outlook

Navigating a challenging environment and looming election to advance Free Enterprise



U.S. Chamber of Commerce

The 118th Congress



	White House	U.S. Senate	U.S. House	State Leg.	Governors
Before Nov. 8, 2022	Pres. Biden (D)	50 D – 50 R	220 D – 212 R * 3 vacancies	37 D – 61 R	22 D – 28 R
Current	Pres. Biden (D)	51 D – 49 R	212 D – 220 R * 3 vacancies	40 D – 57 R	23 D – 27 R
Net	-	D+1	R+9	D+4	D+2

Highlights:

- Large freshman class (82 / 15% of Congress)
- Motion to Vacate
- Rules Committee
- HFC vs. Moderates

118th Congress: 1st Session Recap

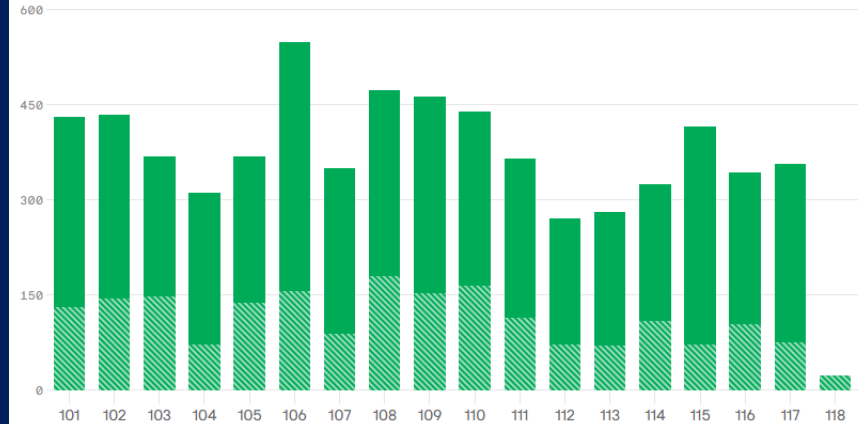
Major Accomplishments:

- Fiscal Responsibility Act
- Avoided Government Shutdown
- NDAA

Bills enacted, by congressional session

101st Congress (1989) to 118th Congress (2023); As of Dec. 18, 2023

Enacted in first year of two-year session



Data: Quorum; Chart: Simran Parwani/Axios

Just 22 bills signed into law in 2023

Least productive session in modern history

7 rules voted down



118th Congress: 2nd Session Outlook

Accomplishments:

- FAA Reauthorization

To-do List:

- Tax Relief for American Families and Workers
- FY 2025 Government Funding – September 30, 2024
- Farm Bill – Expires September 30, 2024

Other Issues:

- Border Security / Asylum reform
- Permitting Reform
- Retail Crime Legislation
- Debt Ceiling – Jan 1, 2025



Analyzing Election Trends

The New Normal: Change Elections & Narrow Majorities

Frequent shifts in power has increased policy risk for companies



Changes in control of House, Senate and the White House 1920-2022

■ Unified Democratic ■ Unified Republican ■ Divided control
 Senate started 50/50 then changed to Democratic Status quo
 P = Presidency S = Senate H = House

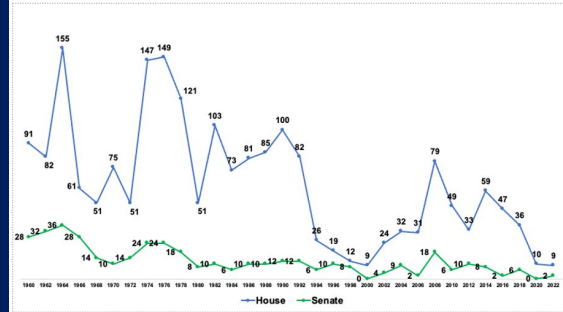


Source: U.S. Chamber of Commerce



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Party Advantages in the House and Senate 1960-2022



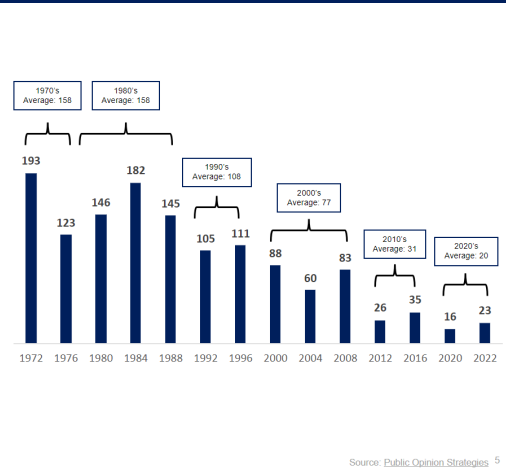
Split-ticket Voting Steadily Dropping

2000s
An average of 77 districts voted for a presidential nominee from one party and a Congress member from another

2020s
An average of 20 districts are split-ticket

2020
37 House seats decided within a five-point margin

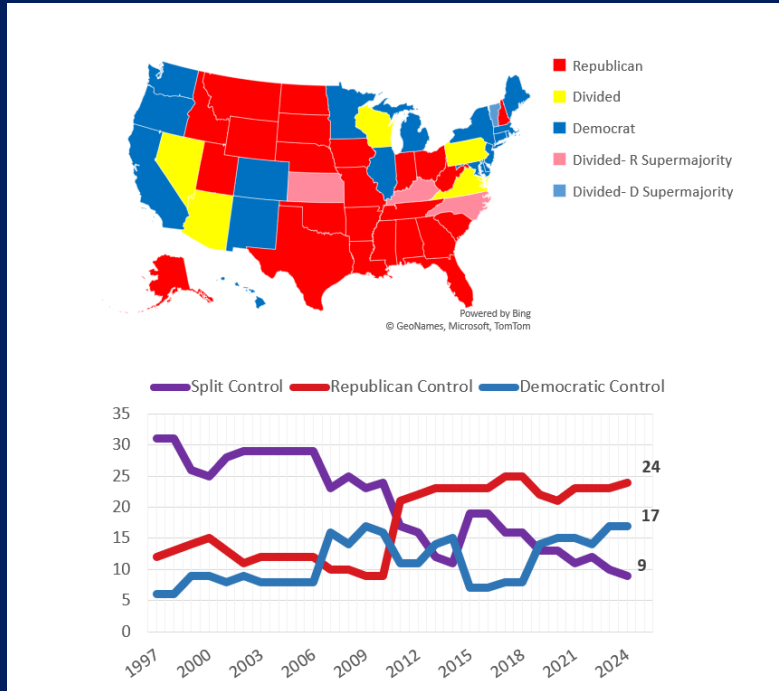
2022
41 House seats decided within a five-point margin



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Political Affairs and Issue Advocacy

Recent Election Trends: Growing Policy Risks

Growing partisanship in the states



Supermajorities =

- Challenging policy patchwork
- Increasingly partisan Congress

Analysis of SEC 10-K filings:

- 27% increase in mentions of “public policy” since 2011
- 67% increase in mentions of IP
- 576% increase in mentions of data privacy
- 265% increase in mentions of immigration

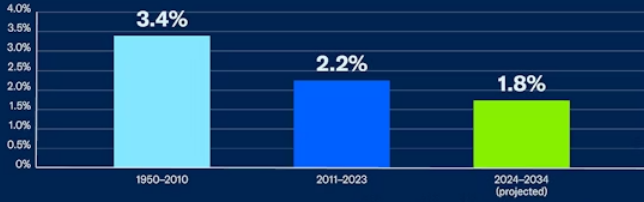


The Growth and Opportunity Imperative

Growth and Opportunity Imperative

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Annual Real Economic Growth



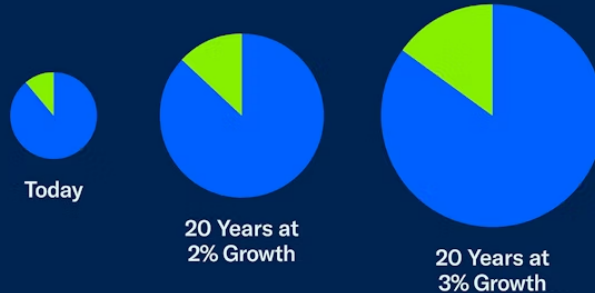
Source: U.S. Bureau of Economic Analysis; Congressional Budget Office

Why Faster Economic Growth is Essential:

- Fulfill the American Dream
- More choices at lower prices
- Tame our national debt
- Maintain America's global status

Growth and Opportunity Imperative

The Faster the Pie Grows, the Faster Our Slice Grows



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Pro-growth policy agenda:

- Taxes
- Regulations
- Immigration & Workforce
- Trade
- AI
- Antitrust
- Energy
- Federal Debt
- Intellectual Property



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The Growth and Opportunity Imperative

Tax Policy

- Tax Relief for American Families & Workers Act
- 2025 Tax Cliff Approaching
- TCJA Sunsetting Provisions (\$4 trillion):
 - Individual rates
 - 199A Deduction
 - International tax relief (GILTI)
 - Estate tax relief
 - Increased standard deduction & CTC
 - SALT
 - Increased AMT exemption

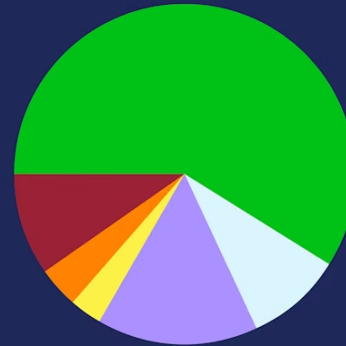
2025 Tax Cliff: Business vs. Individual



10-Year Net Budgetary Cost

Source: Congressional Budget Office, May 2024

● Individual Tax Provisions ● Business Tax Incentives ● Pass-through Provisions
● International Tax Provisions ● Estate & Gift Tax Relief ● Other Expiring Provisions



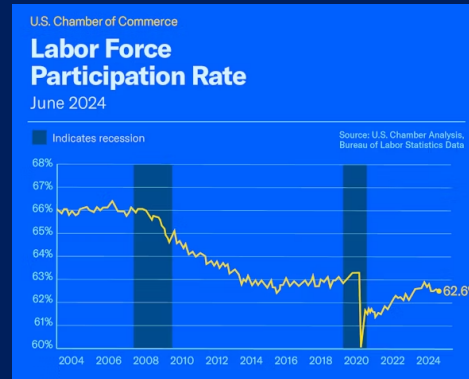
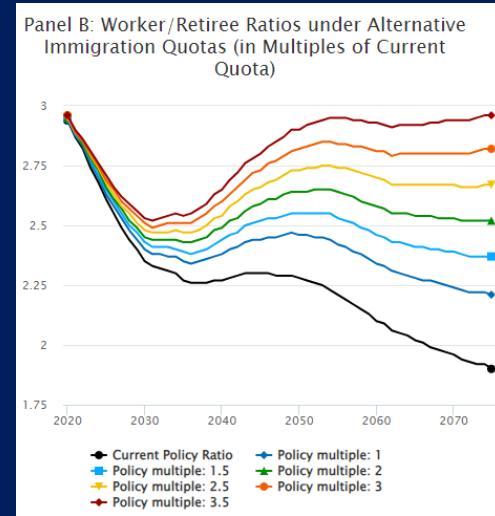
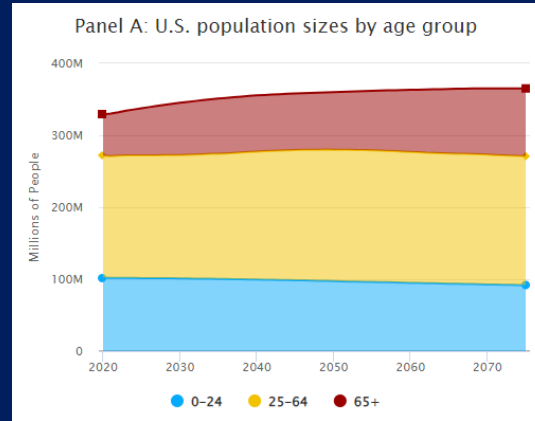
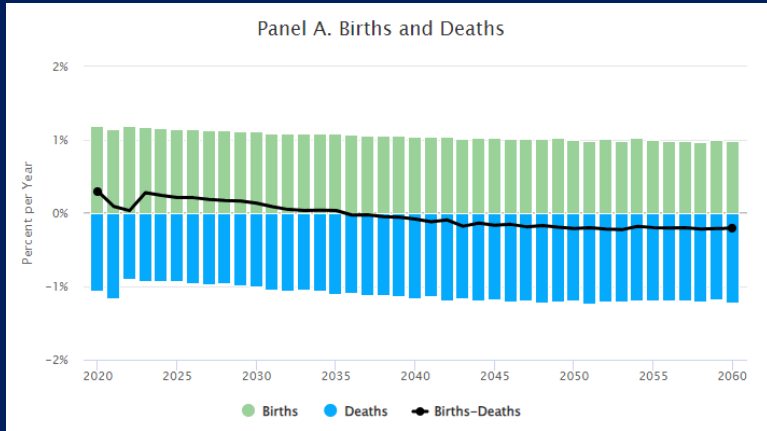
199A Tax Benefit in UT: \$2.16 billion
Pass-through employment in UT: 55%



The Growth and Opportunity Imperative

Immigration & Workforce

- Challenges: declining birthrates; declining workforce participation
- Opportunities: immigration reform; childcare policy



Current U.S. birth rate: 1.6/woman

Population stagnation or decline = lower economic growth / more pressure on entitlements

Defending the Neoliberal Consensus

The New Deal Consensus (1940-1980)

- Heavy handed government regulation
- Taxes: top personal/pass-through rate of 70%; corporate rate at 48%
- Trade: no bilateral trade agreements
- Anti-trust: essentially no horizontal mergers

The Neo-Liberal Consensus (1980-present)

- Deregulation of air travel, telecom, railroads, banking, etc.
- Taxes lowered
- Trade: over a dozen FTAs with 20 countries
- Anti-trust: Consumer welfare standard adopted
- “the era of big government is over”

Attacks mounting from the Left and Right

- Biden regulatory agenda
- Right’s embrace of populism, tariffs, industrial policy



2024 Elections: Maximum Uncertainty



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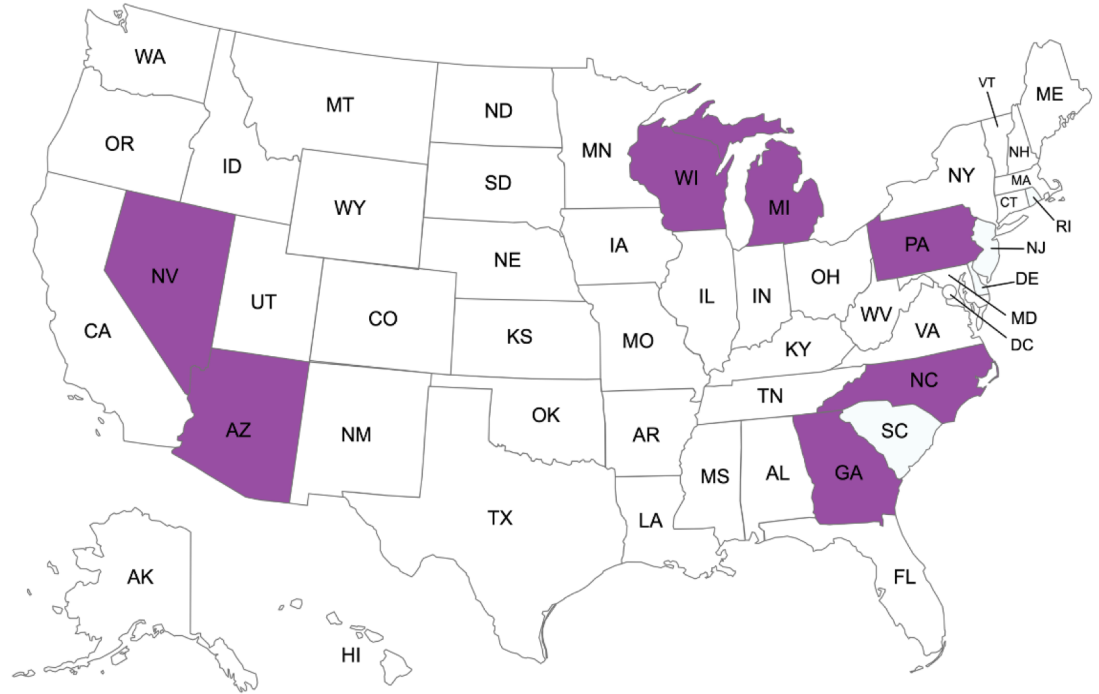


Pathway to 270

As of August 20, 2024:

State & EC Votes	Trump	Harris	Spread
AZ - 11	47.3%	47.1%	DJT +0.2%
GA - 16	48.1%	47.1%	DJT +1.0%
MI - 15	46.6%	48.6%	KH +2.0%
NV - 6	47.3%	46.0%	DJT +1.3%
NC - 16	47.6%	46.4%	DJT +1.2%
PA - 19	47.7%	47.5%	DJT +0.2%
WI - 10	48.2%	48.0%	DJT +0.2%

Seven Presidential Battlegrounds 93 Competitive Electorates



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2024 Senate Map

33 Races – 8 opens (AZ, CA, DE, MD, MI, IN, UT, WV)

Democrats on Defense

Toss Up:

- Michigan (Open, D)
- Montana (Tester, D)
- Ohio (Brown, D)

Lean Democratic:

- Arizona (Open, I)
- Nevada (Rosen, D)
- Pennsylvania (Casey, D)
- Wisconsin (Baldwin, D)

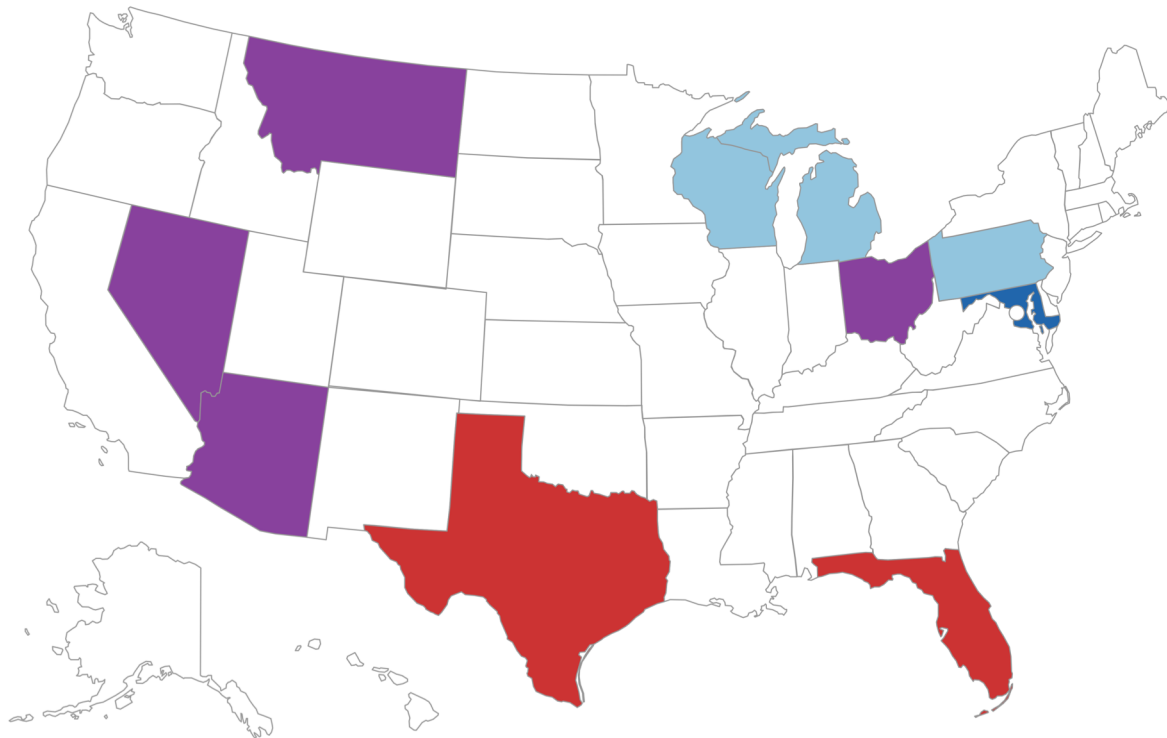
Likely Democratic:

- Maryland (Open, D)



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Battleground Senate Races



2024 House Map

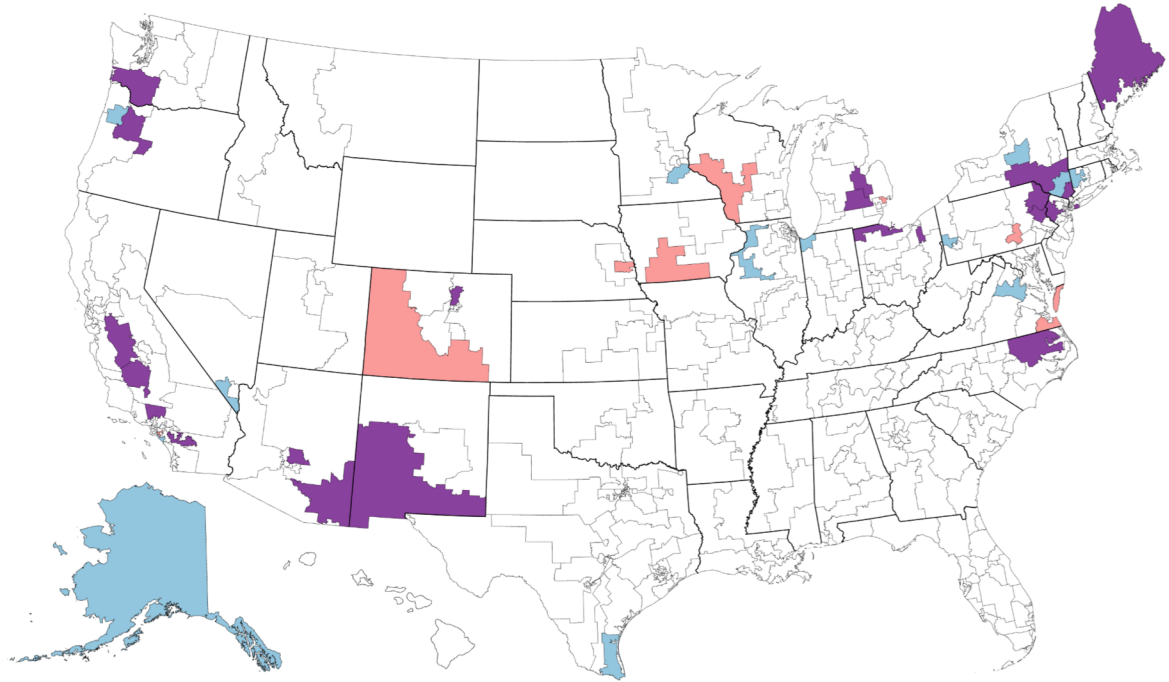
22 Toss Up Races

- 11 Republican Seats
- 11 Democratic Seats

17 Republicans in “Biden”
Districts

5 Democrats in “Trump”
Districts

52 Retirements to date



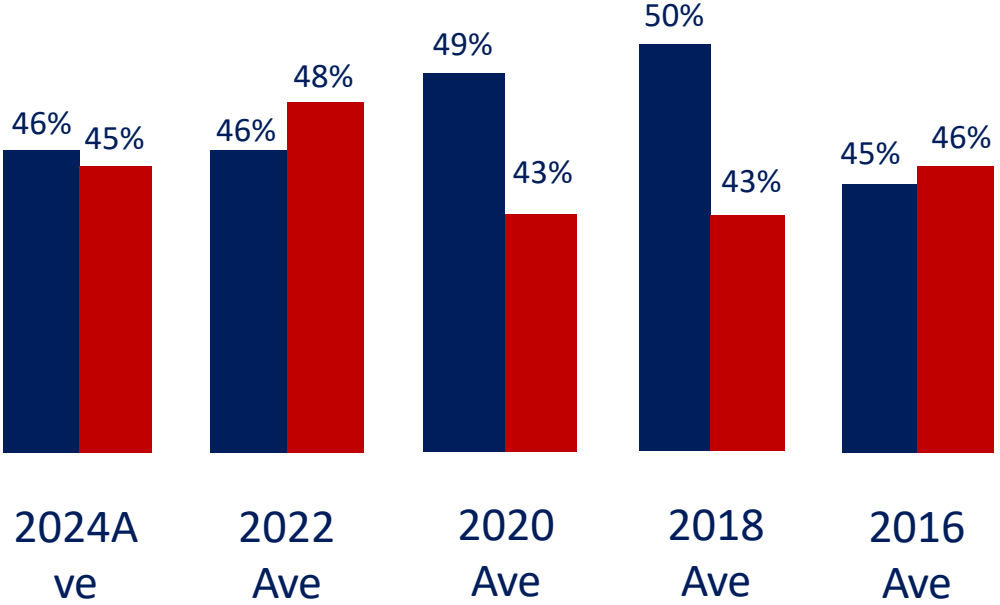
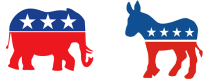
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Generic Congressional Ballot

Through mid August, the generic ballot is effectively tied within the margin of error.

	Senate	House
2022	No Change	Rep +9
2020	Dem +3	Rep +16
2018	Rep +3	Dem +40
2016	Dem +2	Dem +6

If the election were held today, would you vote for the Democratic or Republican party to be in control of Congress?



Six Possible Outcomes

	House	Senate	White House
<i>Congressional Switcheroo</i>	Democrat	Republican (outright majority)	Democrat
<i>Total Switcheroo</i>	Democrat	Republican (either outright majority or VP)	Republican
<i>GOP Sweep</i>	Republican	Republican (either outright majority or VP)	Republican
Democrat Sweep	Democrat	Democrat (50-50 with VP giving Ds majority)	Democrat
Status Quo	Republican	Democrat (50-50 with VP giving Ds majority)	Democrat
Maximum Conflict	Republican	Republican (outright majority)	Democrat



Implications of Most Likely Scenarios

	H	S	WH	
Congressional Switcheroo	D	R	D	<ul style="list-style-type: none"> Continued Congressional gridlock; debt limit and expiration of much of 2017 tax bill will be flash points Policy principally through regulations which will be even more aggressive More difficult for President to get new nominees confirmed
Total Switcheroo	D	R	R	<ul style="list-style-type: none"> Continued Congressional gridlock; expiration of much of 2017 tax bill will be flash point Policy principally through regulations and appointments (executive branch and judicial)
GOP Sweep	R	R	R	<ul style="list-style-type: none"> Rollback of Biden regulatory agenda (CRA and via new regulations) and efforts to rollback provisions of the Inflation Reduction Act (reconciliation) 2017 tax provisions should largely be extended, but there will be flash points, including SALT cap, the deficit, and competing demands in reconciliation Pressure to limit application of filibuster on priority items (e.g., border / immigration policy)



Thank you

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