

Monday, October 19th, 2020

To Hawthorn Friends & Family -

Tomorrow we will be two weeks from election day . . . although with voting having started in North Carolina on September 4th and with more states starting almost daily, it is not election DAY this year, but election MONTHS. Indeed, more than 28 million people have already voted . . . and if, in fact, Vice President Biden is leading, time is running out for President Trump to close the gap (IF there is a gap).

And, in a further departure from Election “Day,” absentee/mail/early vote counting won’t start (and certainly won’t be completed) in some states, including some battleground states, until three, four, or even seven days after the election.

A number of you have asked for an update on our predictions. Indeed, interest this year is so intense – the political and policy stakes so high – that we’re swamped with requests for Zoom presentations, across the U.S. and abroad.

Late last week we did a presentation for an old friend and hunting buddy, former FERC Commissioner **Jerry Langdon**, and his colleague Larry Maddox for a group of their business associates in Houston. It was an opportunity for a great exchange, not only because of Jerry, Larry and their guests, but because we had the honor to share their platform with a dear friend and very smart politico, **David Bates**, of San Antonio, who spent decades in service to President George H. W. Bush and served as his Secretary of the Cabinet.

It provided a chance for this old Missouri Democrat and an old Texas Republican – both of whom still strive to continue to be ever-learning students of this game – to compare notes and discover that we agreed on how we view most of what is happening.

A copy of our presentation is available [HERE](#).

In summary, we were both struck by:

- the staggering amount of **money** being contributed, especially to **Democrats**, with their Senate nominee in South Carolina bringing in \$57 million last quarter (breaking the record of Beto O'Rourke in Texas in 2018 . . . whom, I would note, still LOST). Democrats in hotly contested Senate races are out-raising the Republican opponents (largely incumbents) 2-to-1 and Biden has consistently outspent Trump in media advertising.

The Democrats' ActBlue has raised \$2.49 BILLION this quarter, \$1.5 billion of it in the third quarter this year (compared to \$385.1 million in 2018). The average contribution was \$47 . . . and first-time donors were 70% of total contributions. By comparison, the GOP's WinRed raised \$623.5 million in Q3.

At \$11+ billion and counting, this will be the most expensive political campaign year in American history.

- massive **early voting**, with, as noted, more than 28 million already voted. Almost one million votes poured in on the first day of voting in Texas, mail-in and in-person. What is not clear is whether these are just people who would normally have voted later (which does seem clear in California) and whether or not we'll see a surge of "new" voters late or whether late turnout will be lighter than usual. All the "experts" (us included) agree we're headed for the **largest voter turnout** in American history, possibly with the highest percentage of **straight ticket** voters (although governors races in New Hampshire and North Carolina will make for more split tickets in those states).
- the undiminished enthusiasm of **Trump supporters** at rallies with the President and hometown of their own local creation, none of which the Biden campaign will/can match, coupled with concerns for Biden's support among the Hispanic/Latino voters in Florida and Arizona and whether his African-American turnout will match Clinton's, let alone Obama's.

- the superior **GOP voter registration** efforts, especially in Florida, Pennsylvania, and North Carolina, which one has to assume is, based on their targeting, to Trump's advantage.
- the emergence of **Georgia** as a battleground state for two U.S. Senate seats and, possibly, the presidency . . . something I thought, after 44 years of working in Georgia, I would never see (and of which I'm still not totally convinced). Of course, one – maybe both – of those Senate seats won't be decided until a January run-off in what will surely be a VERY different political environment. But given the President's appearance in Macon, Georgia, last week, HE clearly considers it a battleground. That shows the time he is having to spend defending his base in the Sunbelt states when he desperately needs to be in the Great Lakes states.

We're still not counting **Nevada** as a battleground and it appears **Minnesota** may be slipping away from the GOP. Neither David nor I see **Texas** as a presidential (or even Senate) battleground state this year, but that day may be coming. That said, Democrats should hold their 2018 House victories in Texas and have an outside chance of flipping control of the Texas State House.

- **Biden's** lead in the **national polls** and his more marginal lead in **battleground state polls** . . . while noting some "outlier" polls that show Trump much stronger, especially polls from Trafalgar, which were singularly right in 2016. We also noted that while Biden has consistently led Trump in the battleground states, four years ago Senator Clinton led Trump in the battleground states by a slightly LARGER margin than Biden's this year, only to lose enough of them to lose the Electoral College and the Presidency.

So, based on all that and all the other factors, data, and distractions, what are we – as of last Thursday – predicting?

- We would give odds of **65-35 Biden wins**. That reflects a split in our team between more GOP-leaning (both pro- and anti-Trump) Hawthorn colleagues who are at 60-40 and my own view which is at least 70-30. But

there IS still opportunity for Biden to lose/Trump to win, although with more than 28 million votes cast and numbers holding in the Great Lakes states, the window for Trump to “snatch victory from the jaws of defeat” is closing.

- ABSENT a Biden landslide – which IS certainly possible, perhaps more possible than a Biden collapse – we think the **Republicans will hold the U.S. Senate** by one seat. Given a Biden landslide/collapse of Senate campaigns in South Carolina, Texas, and Georgia, the Democrats COULD win a three or four seat majority in the U.S. Senate.
- We agree with conventional wisdom that **Democrats will gain five to 10 seats in the U.S. House**, continuing their octogenarian leadership, but under growing pressure from young progressives.
- With only 11 **governors** up this year (nine incumbents seeking re-election), we see little change, with **Republicans likely to pick up one**, Montana.

But these could be the most surprising two weeks in American campaign history. And no one should be surprised if they are.

John