



Navigating the Intersection of Politics and Economics: *The Economic Implications of the Upcoming U.S. Elections*

Danny Pugh
Sr. Vice President

Gary Greene
Managing Director



24th Annual Executive Educational Conference



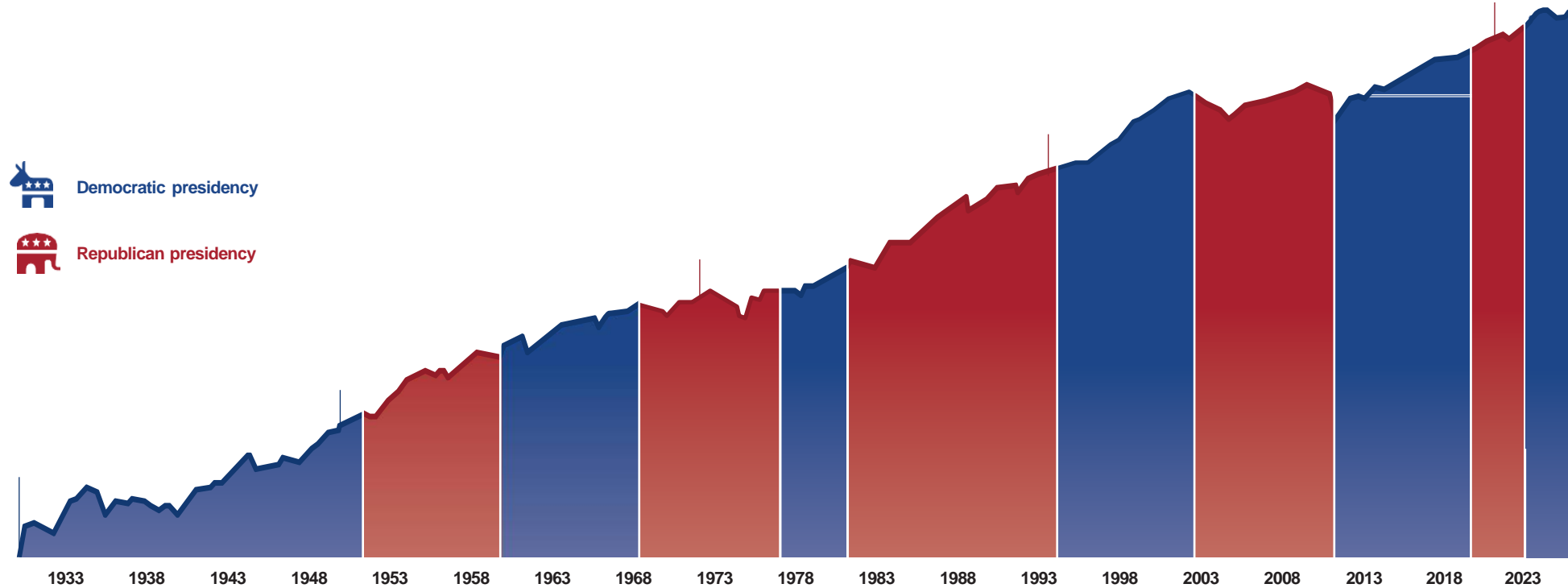
THREE QUESTIONS

1. Which party is better for the markets/economy?
2. What is the likely outcomes of the election?
3. What are the economic policy implications of the potential election outcomes?



S&P 500 RETURN BY PRESIDENTIAL PARTY

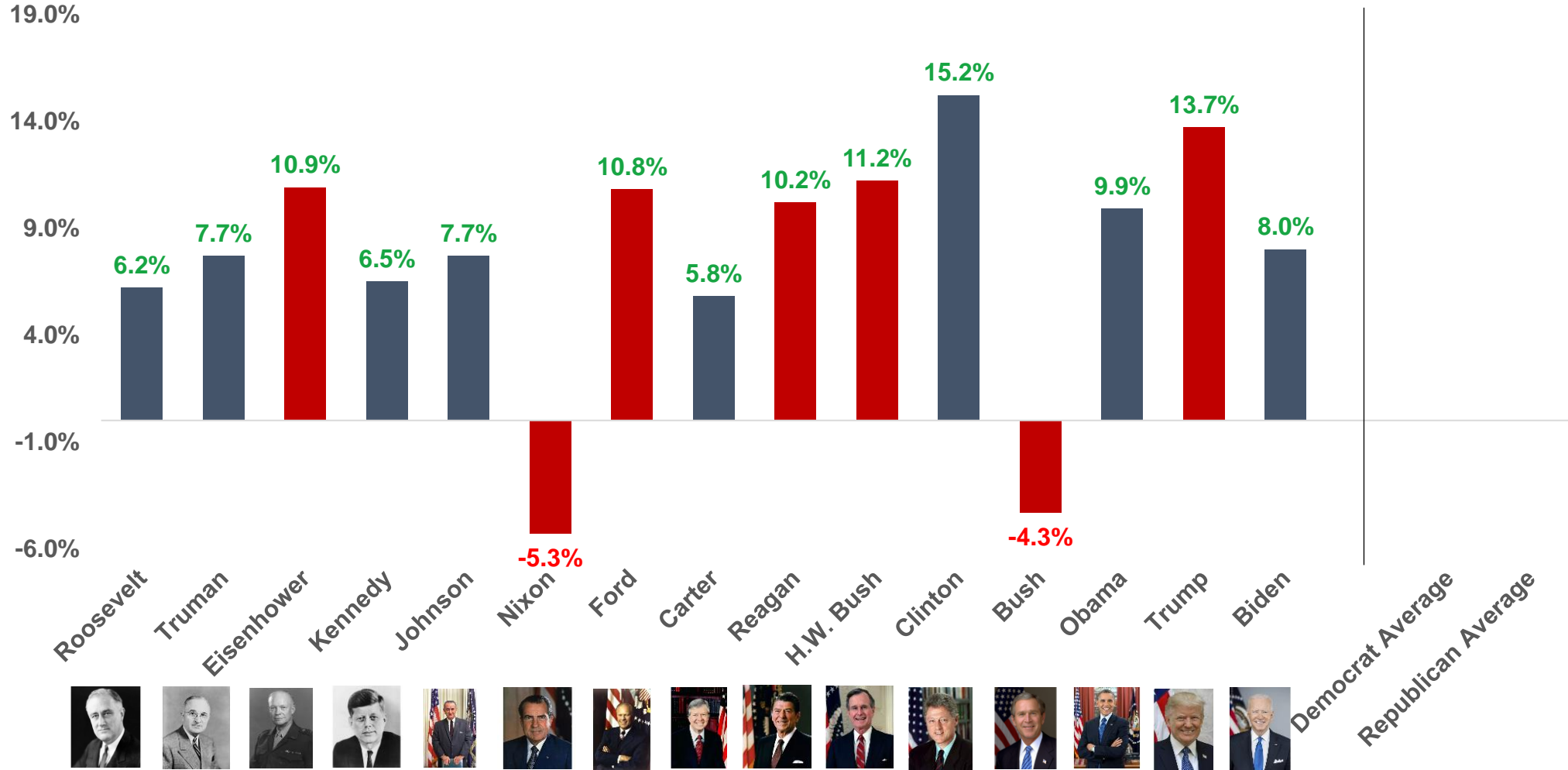
Growth of a hypothetical \$1,000 investment in S&P 500 Index



sources: Capital Group, rIMes, Standard & Poor's. Chart shows the growth of a hypothetical \$1k investment made on March 4, 1933 (the date of Franklin D. Roosevelt's first inauguration) through June 30, 2023. Dates of party control are based on inauguration dates. Values are based on total returns in USD. Shown on a logarithmic scale. Past results are not predictive of results in future periods.

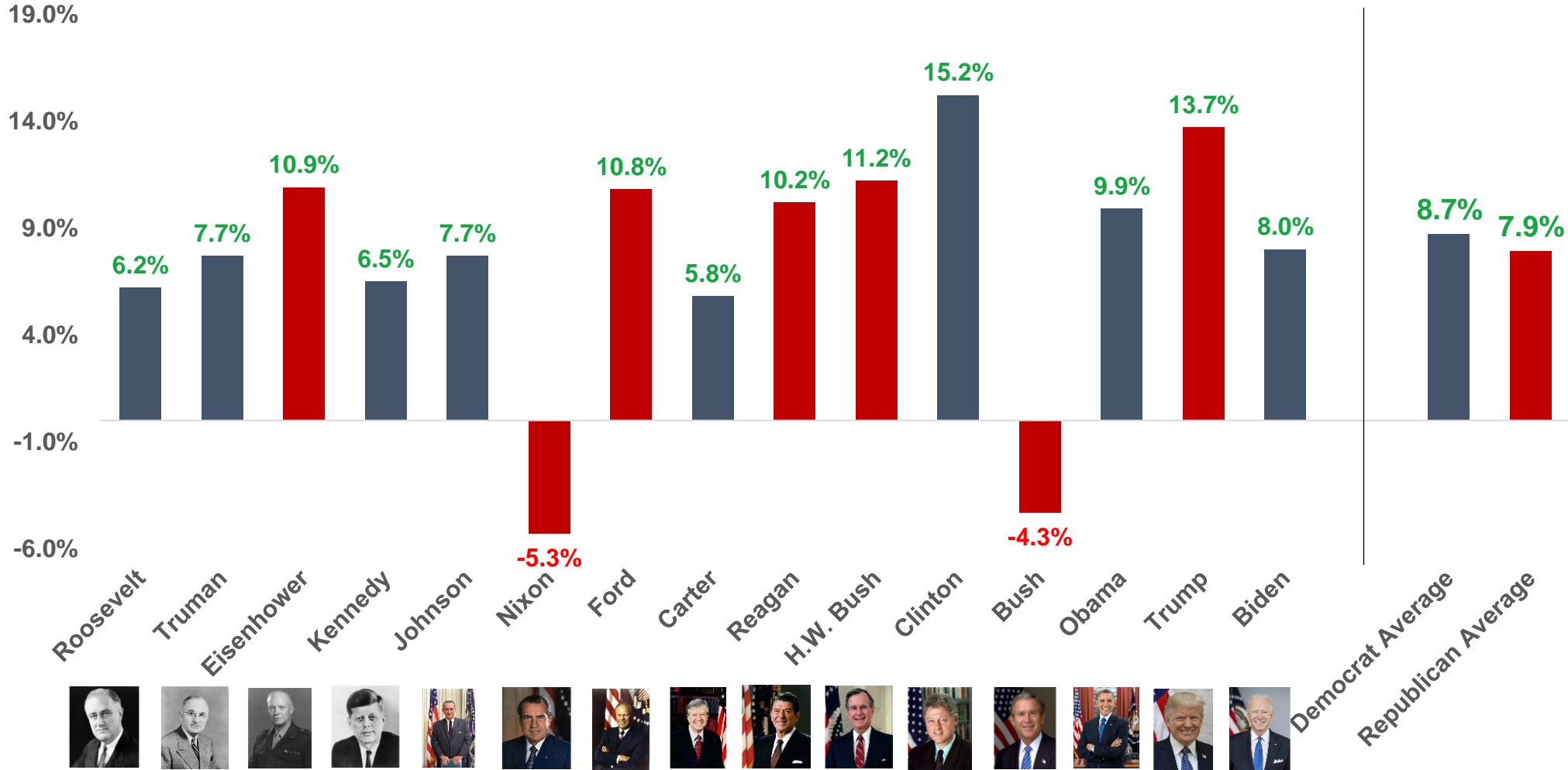


S&P Index Returns by President



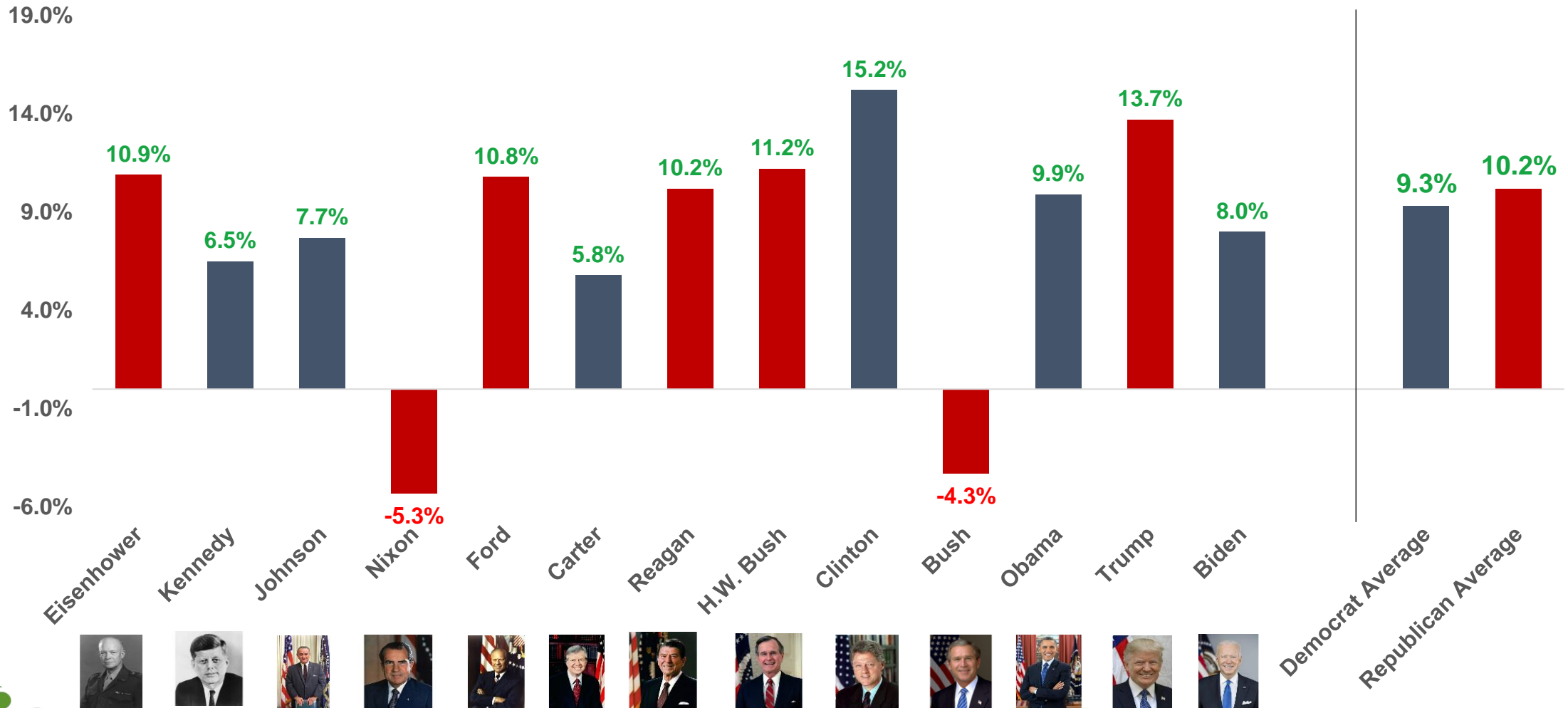


S&P Index Returns by President





S&P 500 Index Returns by President





S&P 500 Returns in the Presidential Cycle: 12/31/1944 – 12/31/2022

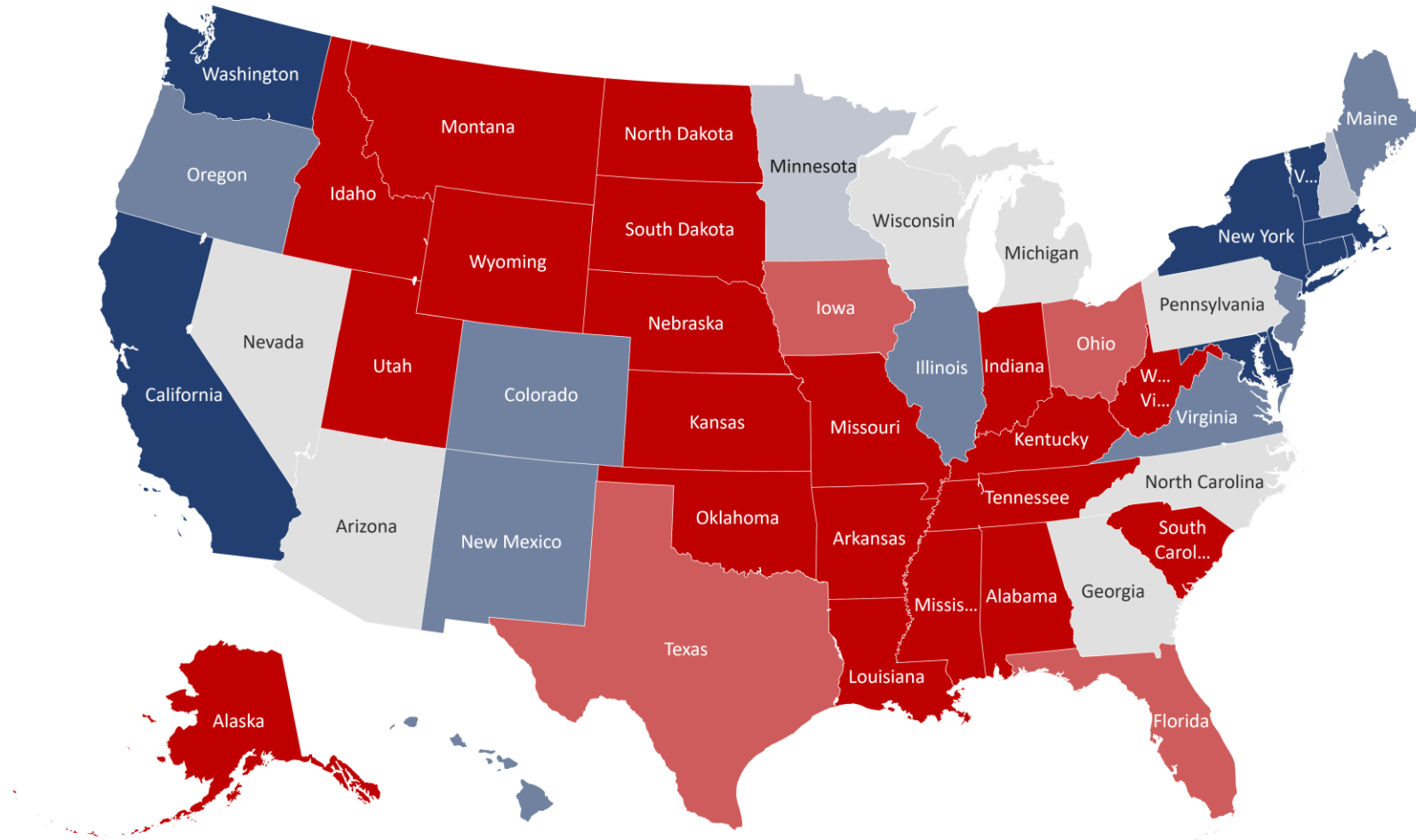
Year of Presidential Cycle	Q1	Q2	Q3	Q4	Year
Year 1	0.2%	2.8%	1.2%	4.2%	9.2%
Year 2	1.1%	-1.8%	-0.6%	6.4%	5.0%
Year 3	7.0%	4.6%	0.6%	3.4%	15.9%
Year 4	0.1%	3.3%	0.9%	2.3%	6.9%
All Years	2.0%	2.2%	0.5%	4.0%	9.2%



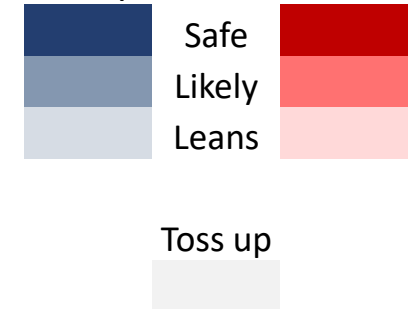
2024 PRESIDENTIAL ELECTION MAP

Harris 226

219 Trump



Map Color Palette



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2024 BATTLEGROUNDS STATES (LIKELY VOTERS)



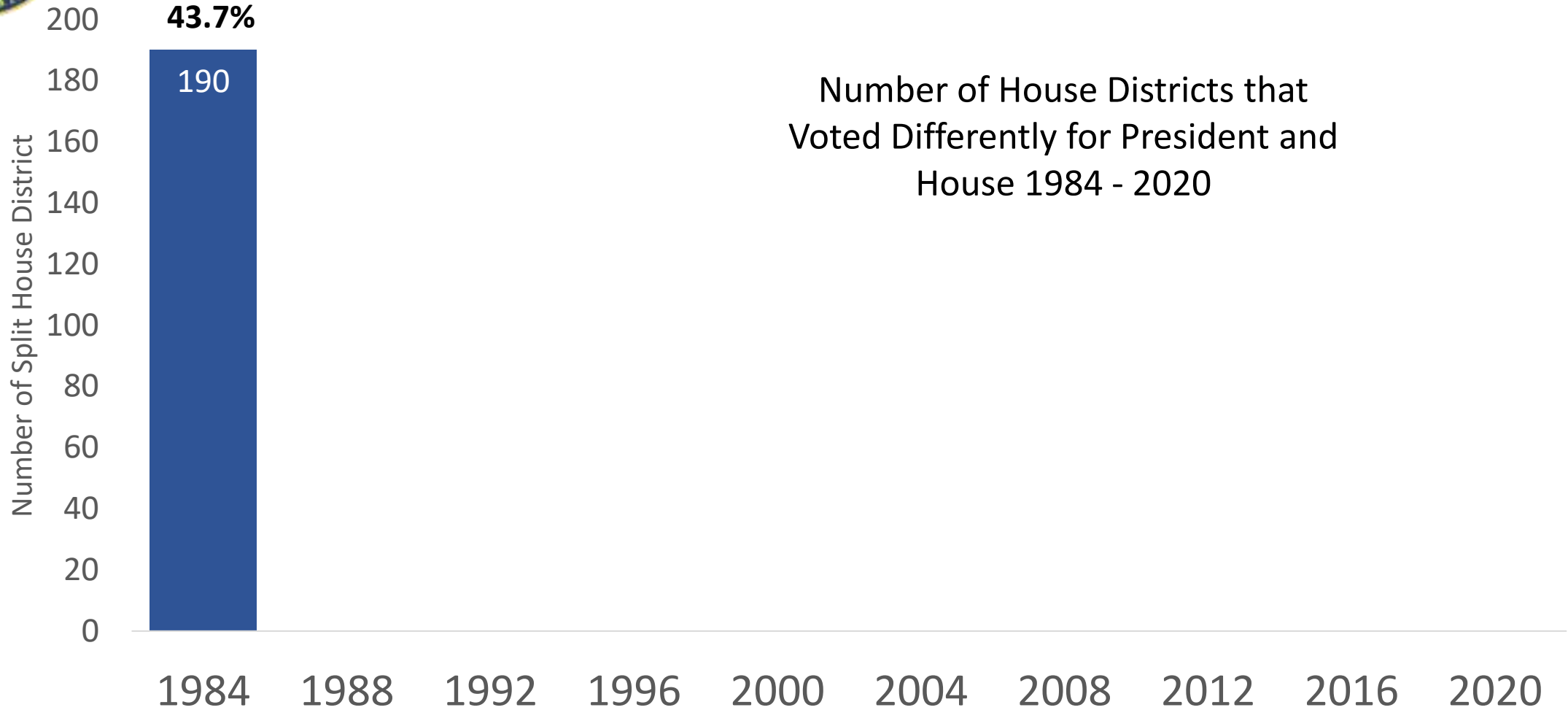
+/- 3.8 PTS

Michigan (15)	47%	45%
Pennsylvania (19)	47%	47%
Wisconsin (10)	48%	46%
Arizona (11)	46%	48%
Nevada (6)	48%	47%
Georgia (16)	47%	47%
North Carolina (16)	47%	48%

Source: 270 to Win – Average of most recent 5 polls



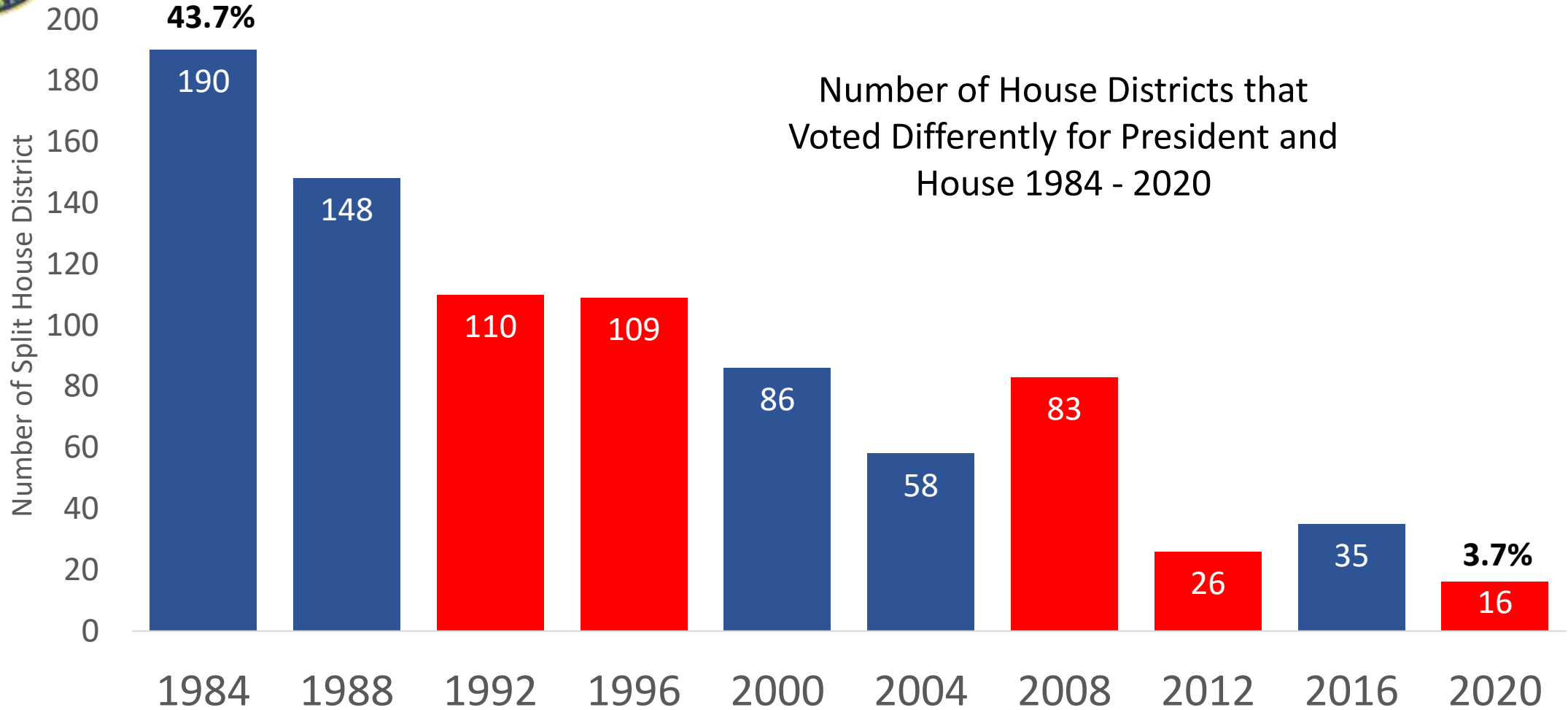
WILL 2024 BE A WINNER TAKE ALL ELECTION



Number of House Districts that Voted Differently for President and House 1984 - 2020



WILL 2024 BE A WINNER TAKE ALL ELECTION





2024 SENATE RACES

Blue States

- California
- Connecticut
- Delaware
- Hawaii
- Maryland
- Massachusetts
- New Jersey
- New York
- Rhode Island
- Vermont
- Washington

Purple States

- Arizona
- Maine
- Michigan
- Minnesota
- Nevada
- New Mexico
- Pennsylvania
- Virginia
- Wisconsin
- Florida

Red States

- Montana
- Ohio
- West Virginia
- Indiana
- Mississippi
- Nebraska (2)
- North Dakota
- Tennessee
- Texas
- Utah
- Wyoming



2024 SENATE RACES

Blue States

- California
- Connecticut
- Delaware
- Hawaii
- Maryland
- Massachusetts
- New Jersey
- New York
- Rhode Island
- Vermont
- Washington

Purple States

- Arizona (Gallego +8%)
- Maine (King*)
- Michigan (Slotkin +11%)
- Minnesota (Klobuchar* + 7%)
- Nevada (Rosen* +12%)
- New Mexico (Heinrich* +10%)
- Pennsylvania (Casey* 11%)
- Virginia (Kaine*)
- Wisconsin (Baldwin* +8%)
- Florida (Scott* +2%)

Red States

- Montana (Sheehy +8%)
- Ohio (Brown* +2%)
- West Virginia (Justice +34%)
- Indiana
- Mississippi
- Nebraska (2)
- North Dakota
- Tennessee
- Texas
- Utah
- Wyoming



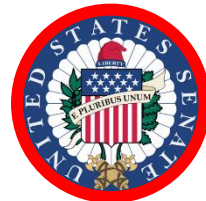
ODDS ON UNITED STATES ELECTION RESULTS

GOP
Sweep:
30 - 35%

GOP
President
DEM/Split
Congress:
10 - 15%









DEM
President
GOP/Split
Congress:
30 - 40 %

DEM
Sweep:
5 - 10%













ECONOMIC POLICY IMPLICATIONS OF A GOP SWEEP



More Likely: Market & Policy Impact	Less Likely: Market & Policy Impact
<p> 2017 TCJA extended</p>	<p> Reduction of Inflation Reduction Act</p>
<p> Aggressive stance towards China</p>	<p> Corporate tax cut</p>
<p> Reform Medicare / ACA</p>	<p> Reduction of individual tax rates</p>
<p> Reduced regulatory emphasis</p>	
<p> Close Mexico “back door”</p>	









ECONOMIC POLICY IMPLICATIONS: HARRIS LED SPLIT GOVERNMENT



More Likely: Market & Policy Impact	Less Likely: Market & Policy Impact
 Allow 2017 TCJA to sunset	 Major increase in corporate taxes
 Minor increase in corporate rates	 Increase defense spending
 Targeted trade barriers	 Tax on Unrealized Capital Gains
 Active antitrust enforcement	 Opportunity Economy
 Closure of Mexico back door	
 Debt limit drama	







ECONOMIC POLICY IMPLICATIONS: TRUMP LED SPLIT GOVERNMENT



More Likely: Market & Policy Impact	Less Likely: Market & Policy Impact
<p> Extend TCJA with provisions</p>	<p> IRA remain with provisions</p>
<p> Higher tariffs</p>	<p> USMCA renegotiation challenges</p>
<p> Executive Order powers</p>	<p> Corporate tax rate change</p>
<p> Debt limit drama</p>	<p> Dispute on “Impoundment”</p>

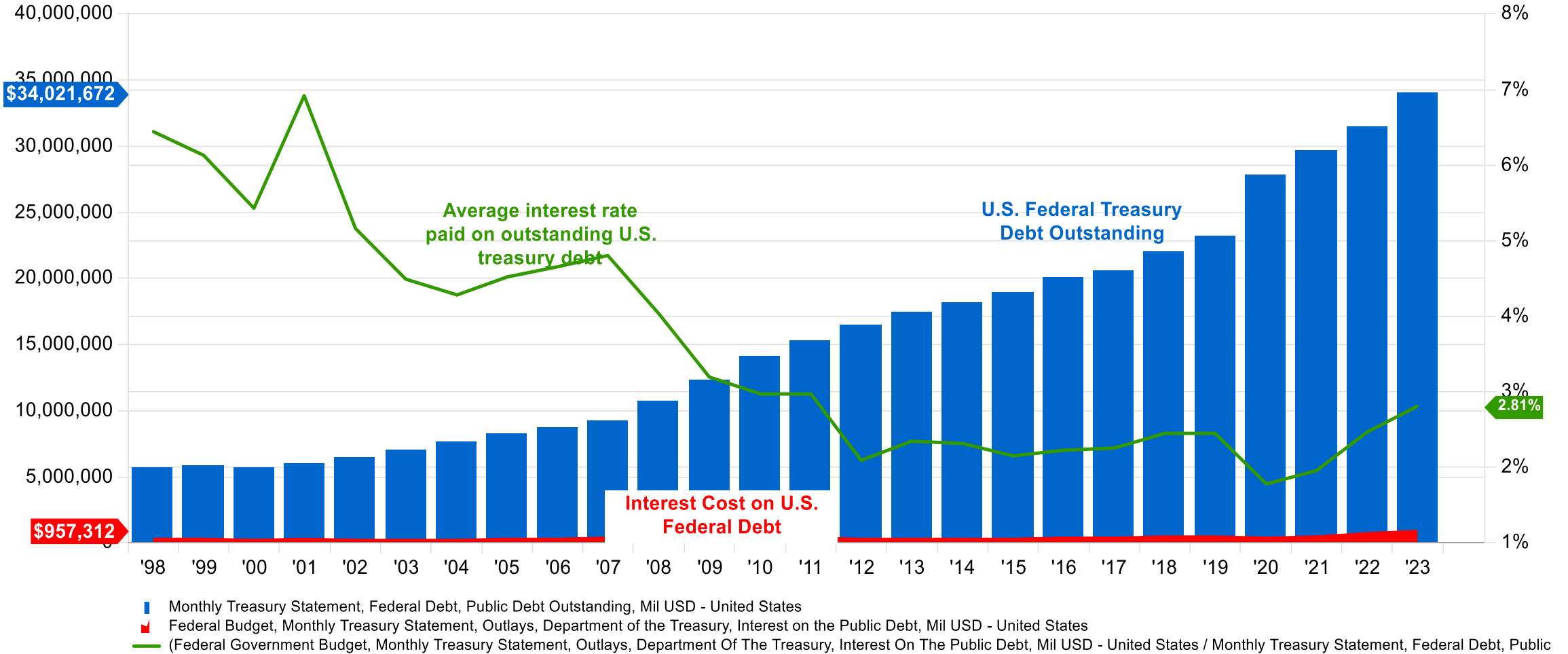
ECONOMIC POLICY IMPLICATIONS OF DEMOCRAT SWEEP



More Likely: Market & Policy Impact	Less Likely: Market & Policy Impact
<ul style="list-style-type: none"> Comprehensive tax conversation Robust regulatory agenda Reconciliation path to policy change Opportunity Economy	<ul style="list-style-type: none"> Tariff Increase Tax on Unrealized Capital Gains

U.S. OUTSTANDING GOVERNMENT DEBT

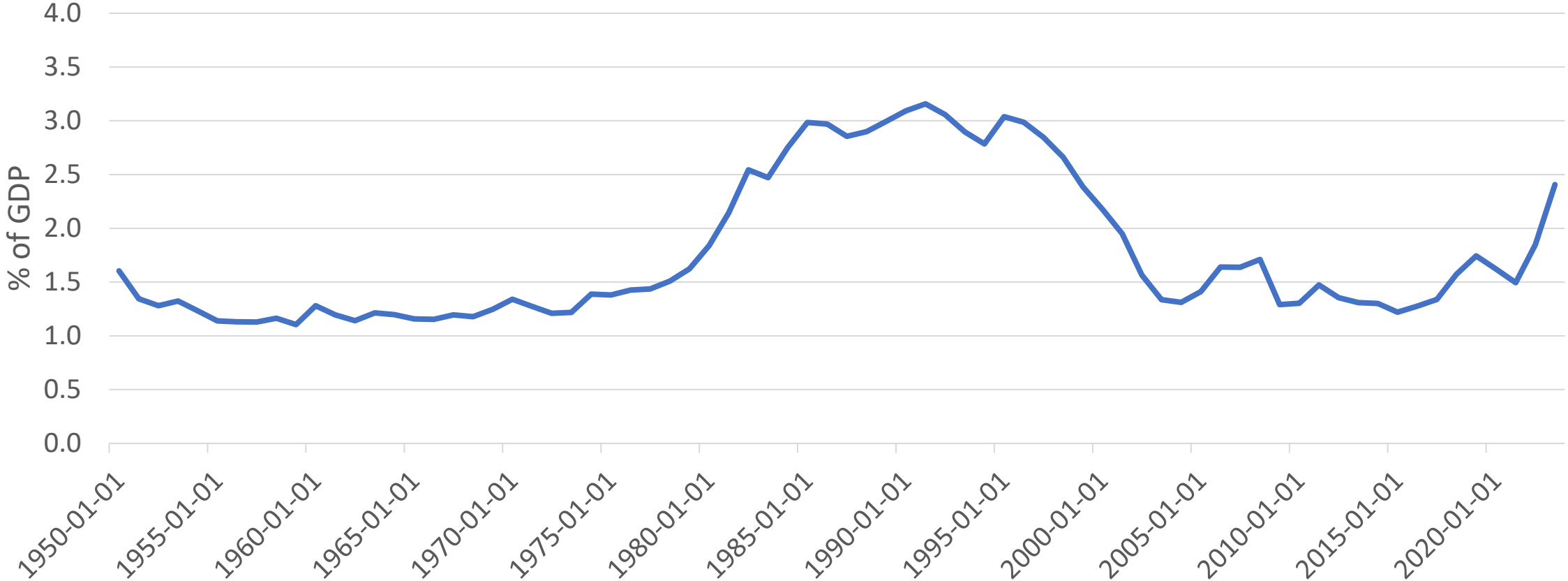
US Government Finances



Source: Factset, Wellspring Financial Solutions

NEW ERA: FROM FISCAL CANDY TO FISCAL LIMITS

Federal Net Interest (% of GDP)



Source: Office of Management & Budget; Bureau of Economic Analysis

