

Recapping the Democratic National Convention + Emerging U.S. Election Trends & Insights

Top Takeaways

- The Democratic National Convention (DNC) looked very different than it would have a month ago: it was a week to thank President Joe Biden and then turn the page to a new ticket with newfound “joy,” from Vice President Kamala Harris and Governor Tim Walz.
- Democrats succeeded in introducing Harris and Walz to the nation, showing unity within the party, especially from Biden and other influential political, union, veterans and activist leaders and rolling out Republicans and Independents in support of Harris.
- The convention extended a wave of momentum Democrats have been riding since Biden announced his decision to end his campaign for a second term on July 21 and endorsed Harris. This is a major shift from when Republicans wrapped up their convention on July 18 thinking the only thing left to ponder was the margin of victory for former President Donald Trump and Republicans down-ballot.
- Harris used her speech on the final night of the convention to re-introduce herself to the American public. She also began to provide a road map of how she would govern, touting her so called “opportunity economy,” pledging “I will bring together labor and workers, small business owners and entrepreneurs and American companies to create jobs, grow our economy and lower the cost of everyday needs like health care, housing and groceries.” She again vowed to sign legislation to restore reproductive rights, pledged to ensure “that America, not China, wins the competition for the 21st century,” and said the U.S. would not abandon NATO.
- Harris also addressed the Israel-Hamas war, as some groups and uncommitted delegates protested the DNC throughout the week. Harris reiterated her commitment to standing up for Israel and its ability to defend itself while saying what is happening in Gaza is devastating and finished by saying, “President Biden and I are working to end this war such that Israel is secure, the hostages are released, the suffering in Gaza ends, and the Palestinian people can realize their right to dignity, security, freedom and self-determination.”
- Walz, in his acceptance speech Wednesday, admitted that he has given more pep talks as a high school football coach than “big speeches” on the national stage but rose to the occasion, touting his middle-class upbringing and outlining Democratic plans to put workers first, protect reproductive rights, cut taxes and take on “Big Pharma.”
- In addition to speeches from the candidates, the Democratic Party used the convention to remind voters of legislative wins under the Biden-Harris Administration, such as highlighting their support for abortion access and gun violence prevention, investing in U.S. manufacturing and infrastructure, combatting rising drug prices and pushing back on Trump’s comments on issues like immigration and the economy.

Emerging Trends & Insights

- **Populism is driving policy.** The populist streak rising in both parties has left “big business” struggling to figure out what a Harris or Trump administration will mean for their bottom line. Both candidates are aggressively courting the working class and rolling out sweeping policy proposals – with few specifics – on lowering prices, especially for the “big three” of housing, groceries and energy. Whether it’s Harris’ anti-price gouging pledge or Trump’s promises of deflation, both could put larger corporations on defense, especially those in targeted industries. What is clear is where each stand on the corporate tax rate: Trump supports a 15% rate; Harris wants to raise it to 28%.
- **Lofty promises but at what cost.** Both campaigns are making eye-popping, big-ticket spending promises without explaining how to pay for them. Both Democrats and Republicans want to significantly increase the child tax credit. Both candidates have embraced not taxing tips. Harris wants to provide \$25,000 in down payment support for new homebuyers. Trump wants to end all taxes on Social Security income and make his 2017 tax cuts permanent. Economists across the political spectrum are sounding alarm bells for fear of what all these proposals, if enacted, could mean for the economy, not to mention the federal deficit.

- **Businesses are wise to stay the course.** A [recent Gallup poll](#) reveals that fewer Americans than in the past want companies to take a public stand on current events and public policy. The study also finds that consumers are less likely to buy products from companies that endorse political candidates. As Election Day draws nearer, companies, once again, are going to be in the unenviable position of being pushed by their employees to engage in the political process but need to be mindful of the potential negative reaction from their customers.
- **Implications of “America First.”** Many aspects of Trump’s plans for a second term could make the business environment unpredictable and difficult to navigate, especially for global companies. For example, the use of punitive tariffs as a tool for national security and other non-economic purposes could create significant inflationary pressures. The pressure that will be put on companies to relocate production to the U.S. to access the market also could massively disrupt supply and distribution chains. Meanwhile, Harris is advocating for more American manufacturing jobs and lowering trade deficits, both of which will impact trade, strategies for global markets and supply chains. The economic countermeasures by China will only complicate America’s influence and role in the economic world.
- **Potential for massive change in energy policy.** Trump’s plan includes a complete reversal of the massive clean energy and other “Green Deal” subsidies that have created or accelerated the growth of new or emerging industries. He also will press for greater production from traditional domestic energy sources. This could seriously impact climate goals and commitments made by global companies and would be received differently across geographies. Harris is expected to continue to prioritize clean energy investments and fight any attempts to roll back the Inflation Reduction Act. Notably, Harris has announced a change on her previous position to ban fracking, which reflects her efforts to broaden her support in a key swing state such as Pennsylvania.
- **New polls are coming.** A [New York Times/Siena College poll](#) just before the DNC shows Harris now leading in Arizona and changing the dynamics of the race in North Carolina, Nevada and Georgia, which are key swing states the Trump campaign needs in its column. New polls will be out in the field soon after the DNC concludes. Expect to see a slight bump for Harris, which is typical following high-profile, well scripted events like conventions. It will be important to watch what, if any, impact Robert F. Kennedy Jr.’s reported plan to soon end his campaign will have on the race, especially if he endorses Trump.

Whether you are closely engaged in U.S. policy and lobby on issues core to your business priorities or are monitoring these races while keeping a low profile, APCO’s experts can help. This support includes scenario planning sessions, stakeholder mapping, media quality monitoring and real-time or predictive intelligence, strategic messaging and crisis communications.

House & Senate Control in Play

- It’s not just the presidential polls that are fluid. Many House and Senate races are close. While an election “sweep,” where the White House, Senate and House of Representatives is controlled by the same party, is possible for either party – but harder for Democrats due to the electoral Senate map this year – a split government is more likely. A split government will mean that whoever wins the presidency will need to work with the opposite party in Congress to enact their agendas, and therefore the policy promises being made today by both candidates will likely look different once they assume office in January.
- That’s why businesses and organizations need to pay attention to House and Senate races, too. Regardless of who wins control of each chamber, the margins will be extremely narrow, making governing all the more challenging because it will only take a handful of members of Congress to derail legislation. Swing groups in both chambers could finally prove to have more sway. Congressional caucuses like the New Democratic Coalition, Blue Dogs, the Problem Solvers Caucus and the Republican Governance Group are increasingly likely to be pivotal groups in the 119th Congress for getting something done on Capitol Hill, especially for the business community.
- For those actively engaged in lobbying, APCO recommends preparing now for a number of new committee chairs – regardless of who is in control – because of the high number of retirements of senior members. The committees directly impacted touch just about every issue, and other committees are likely to be indirectly affected as there is movement among existing leadership.

- Here are some of the key retirements and committees impacted:
 - Sen. Joe Manchin (I-WV), chair of Senate Energy & Natural Resources
 - Sen. Debbie Stabenow (D-MI), chair Senate Agriculture
 - Sen. Ben Cardin (D-MD), chair of Senate Foreign Relations
 - Rep. Cathy McMorris Rodgers (R-WA), chair of House Energy & Commerce
 - Rep. Patrick McHenry (R-NC), chair of House Financial Services
 - There also will be new Republican leadership in the Senate as Sen. Mitch McConnell (R-KY) steps aside as the top Republican at the end of this year.

For Your Radar: The Debate Schedule & Any Additional Black Swan Events

- Harris and Trump will meet for their first debate on Tuesday, September 10. It will be hosted by ABC News. Trump has called for three debates; Harris has said she will participate in two: one in September and one in October.
- Vice Presidential candidates Walz and JD Vance have agreed to a debate on Tuesday, October 1. It will be hosted by CBS News.
- Outside of debates, we'll be watching for black swan events, which often decide campaigns. There already have been three this summer: Biden's disastrous debate performance, which threw the Democratic Party into a panic; Biden stepping down and endorsing Harris as his replacement at the top of the Democratic ticket; and the attempted assassination of Trump. There are still more than two months to go until the election and other unexpected events could occur. Nothing is written in stone yet, for either presidential candidate or party.
- Finally, Election Day is less than 75 days away so it will be a brisk sprint to the finish line. In addition to prepping for the debates, both campaigns will turn to hitting fundraising targets, allocating their precious time in crucial swing states and convincing swing voters to cast their ballots for them. Every single vote will matter.

Connect with APCO's government relations, geo-commerce and issues and crisis management colleagues at USelections2024@apcoworldwide.com to help you scenario plan and develop an engagement strategy to expand your network of allies and identify unique opportunities and mitigate risks to protect your business objectives.

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