

COVID-19 Upends the 2020 Presidential Election

Agenda

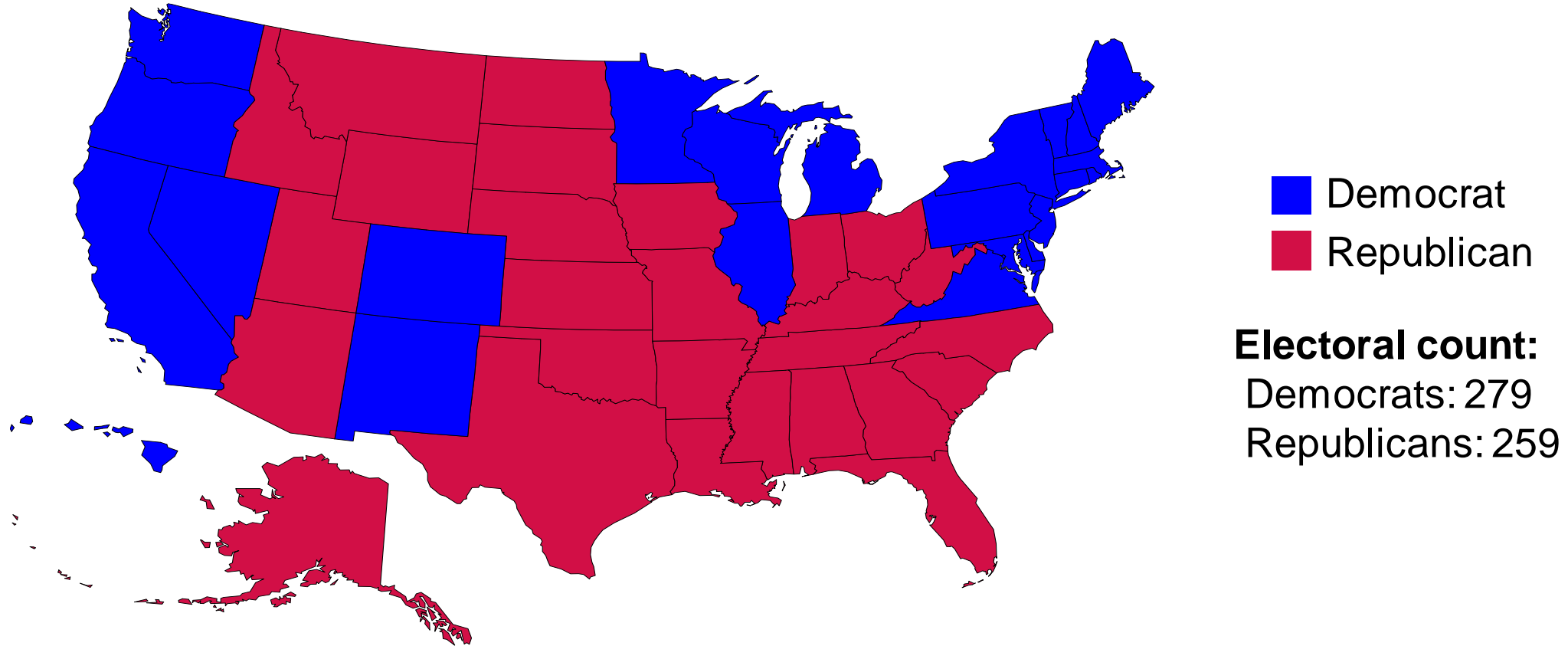
1. Who Will Be the Next President?
2. Which State Will Determine the Presidency?
3. Wildcards

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Who Will Be the Next
President?

Biden Will Win a Nailbiter

How states will vote if nonincumbent turnout is typical

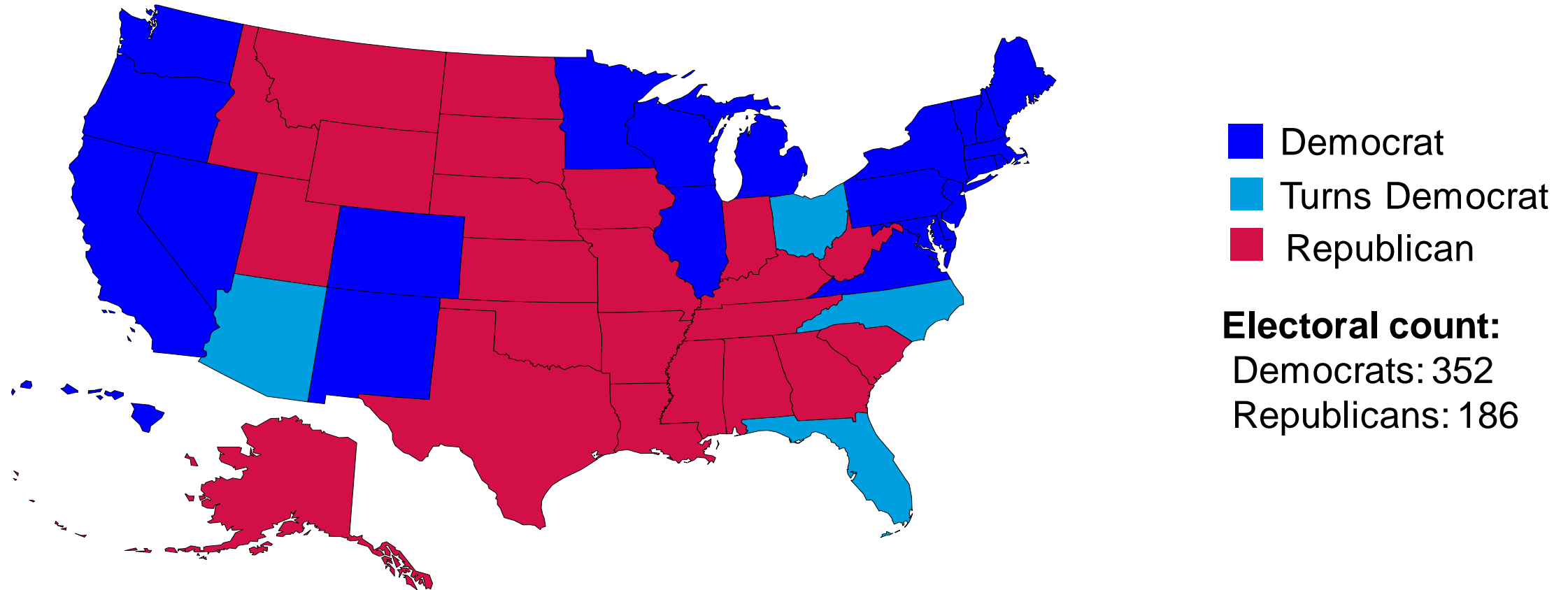


Source: Moody's Analytics

Note: Results reflect Oct 2020 forecast

How a Biden Blowout Would Look Like

How states will vote if nonincumbent turnout is high

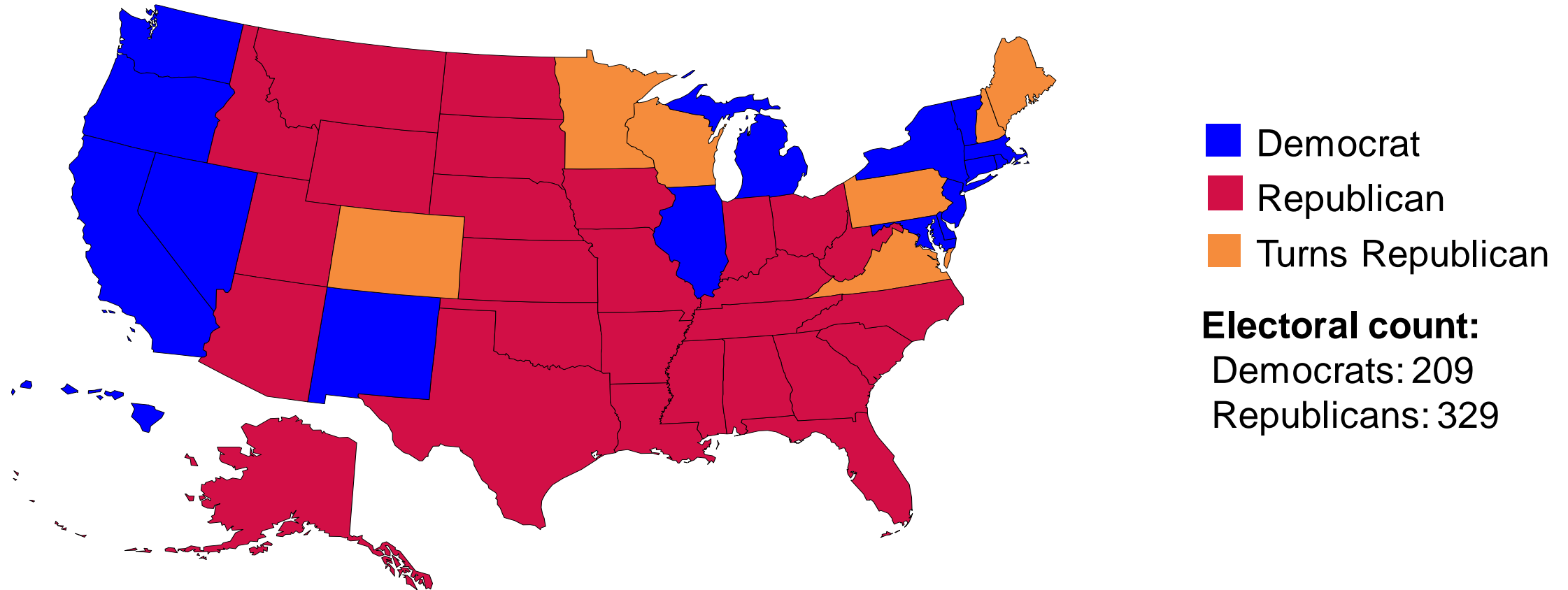


Source: Moody's Analytics

Note: Results reflect Oct 2020 forecast

Trump Can Still Win if Nonincumbent Turnout Is Low

How states will vote if nonincumbent turnout is low

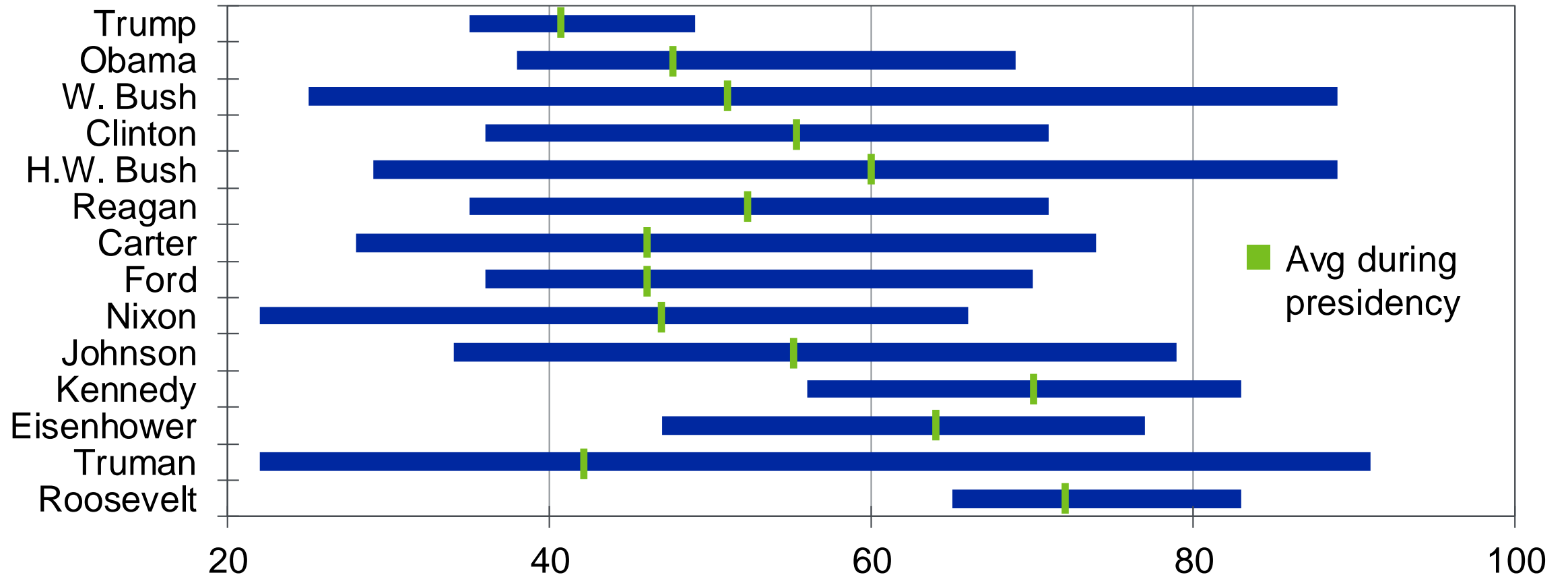


Source: Moody's Analytics

Note: Results reflect Oct 2020 forecast

President Trump's Approval Is Low but Stable

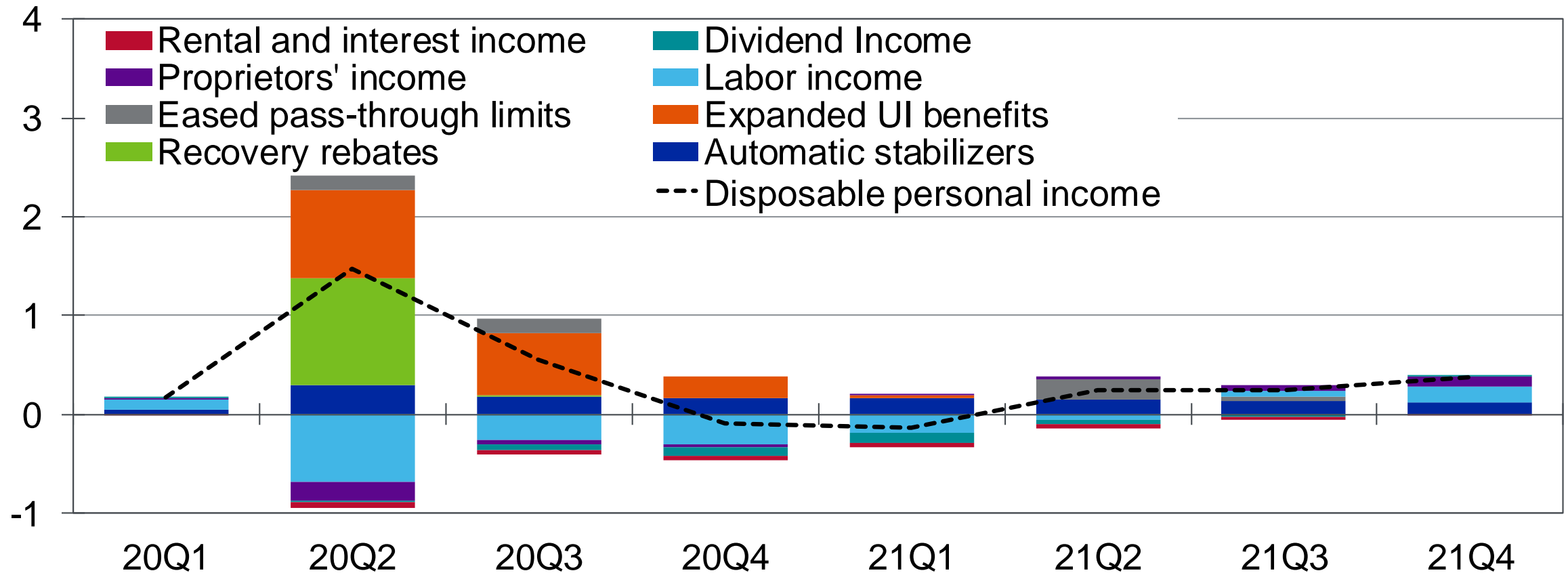
Historical range of approval ratings for U.S. presidents, %



Sources: Gallup, Moody's Analytics

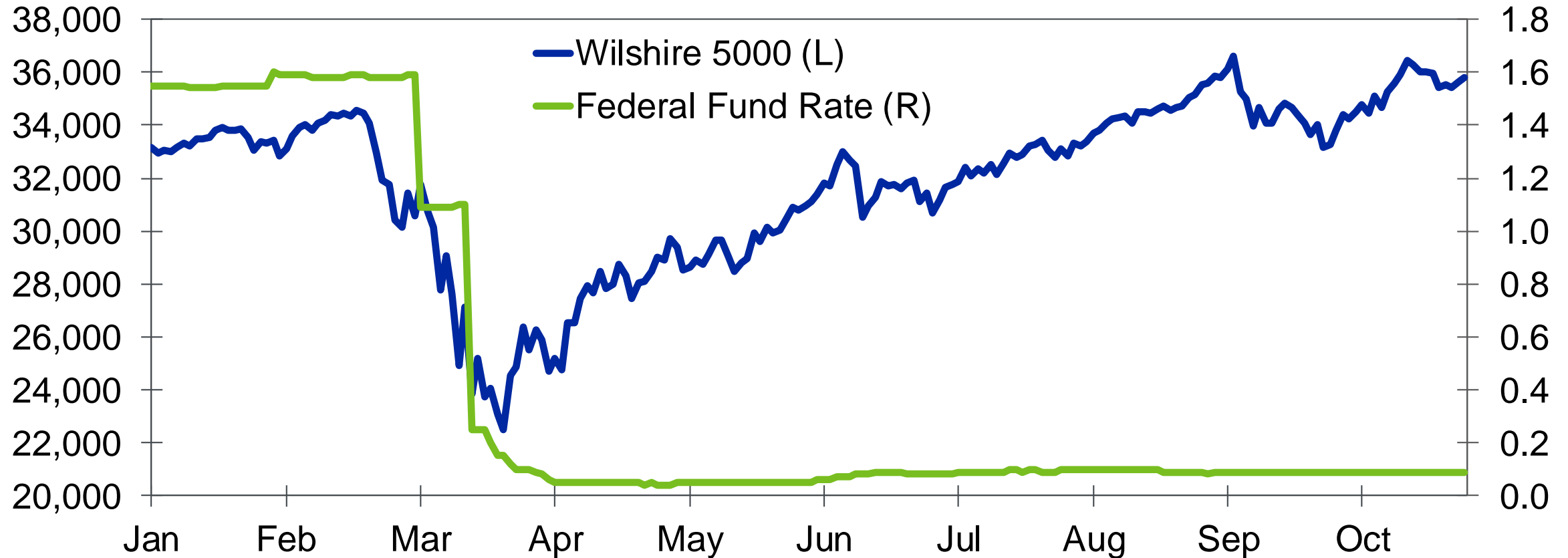
Voters Head to Polls With Aggregate Incomes Mostly Intact

Disposable personal income, \$ tril, SAAR, change from 2019Q4



Sources: BEA, CBO, JCT, Moody's Analytics

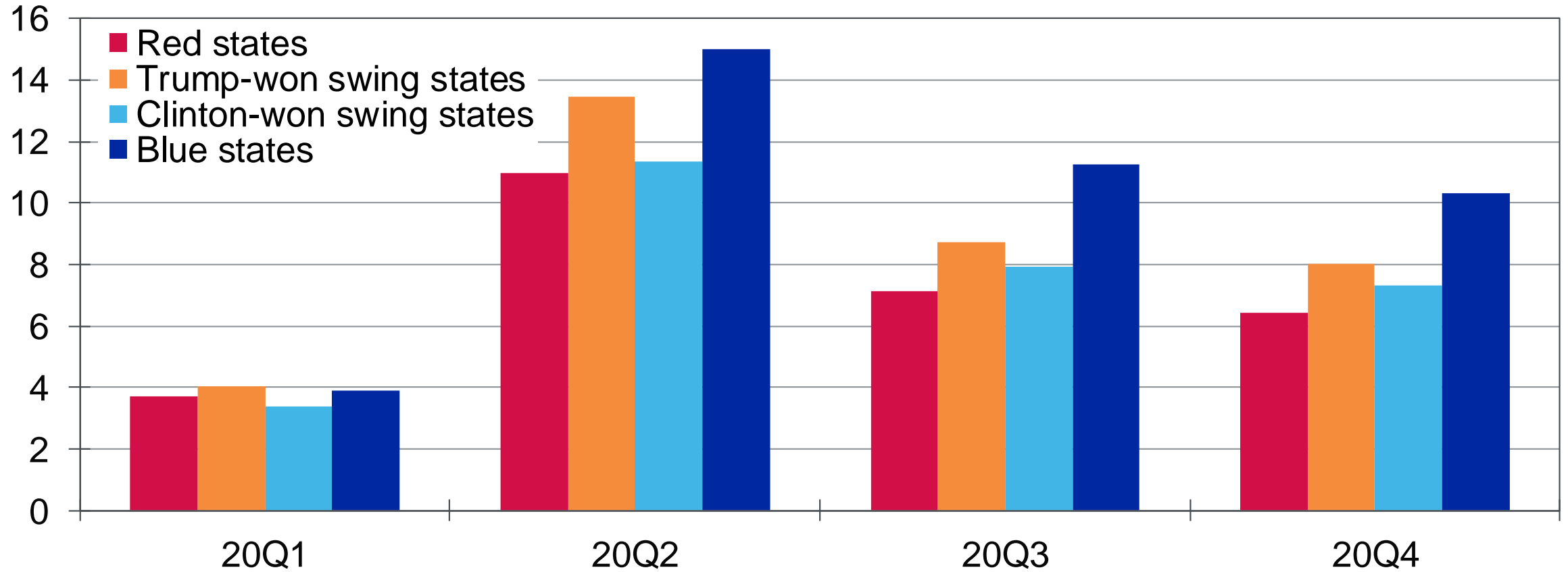
Older Voters Are Paying Close Attention to Stock Prices



Sources: Federal Reserve, SIX Financial, Moody's Analytics

Unemployment Crisis Is Still Severe...

Unemployment rate, %, SA



Sources: BLS, Moody's Analytics

Note: 20Q3 and 20Q4 values reflect Oct 2020 forecast

...And Will Cast a Long Shadow on the 2020 Election

Presidential elections in which incumbent ran for re-election within two yrs of a recession

Election Yr	Incumbent	Recession	Unemployment Rate, %	Outcome
1912	William Taft	January 1910 to January 1912	5.2	Loss
1924	Calvin Coolidge	May 1923 to July 1924	5.5	Win
1932	Herbert Hoover	August 1929 to March 1933	23.6	Loss
1976	Gerald Ford	November 1973 to March 1975	7.7	Loss
1980	Jimmy Carter	January 1980 to July 1980	7.2	Loss
1992	George H.W. Bush	July 1990 to March 1991	7.5	Loss
2020	Donald Trump	March to April 2020	8.5	?

Sources: BLS, Census Bureau, NBER, Moody's Analytics

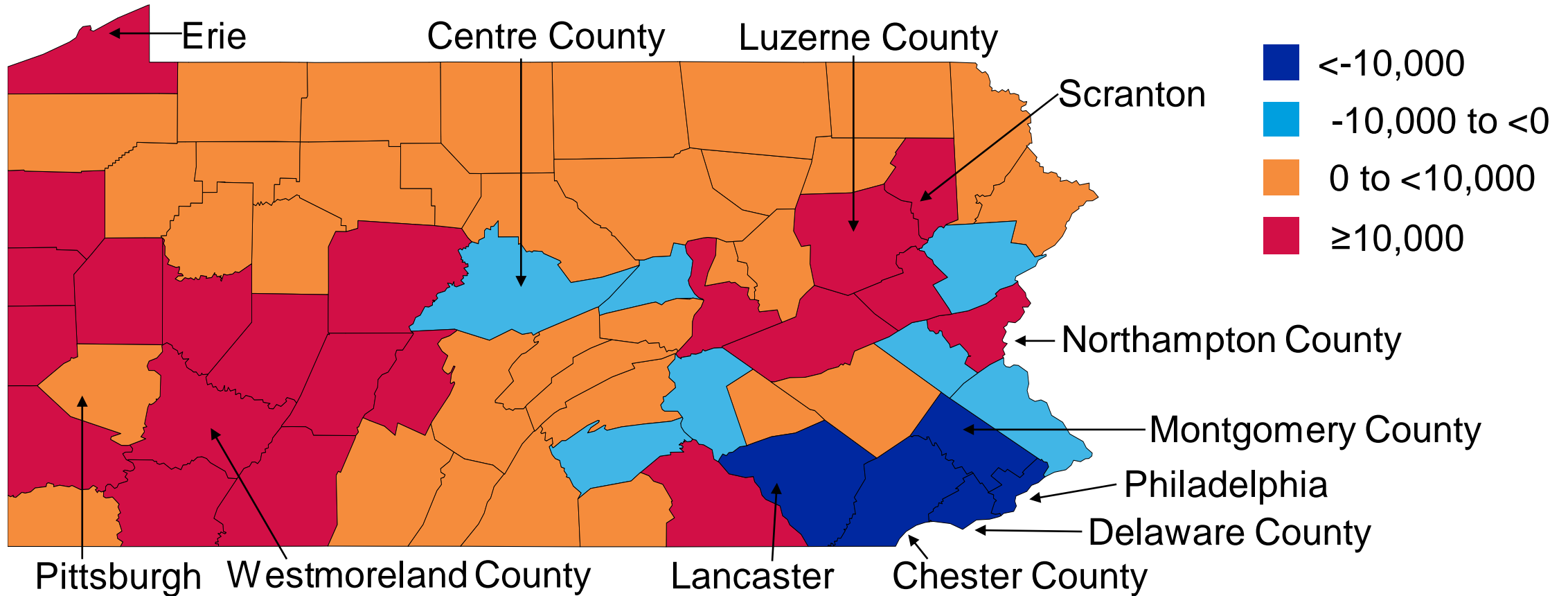
Note: Unemployment rate is annual avg

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Which State Will Determine
the Presidency?

Major Shifts in Pennsylvania's Political Geography

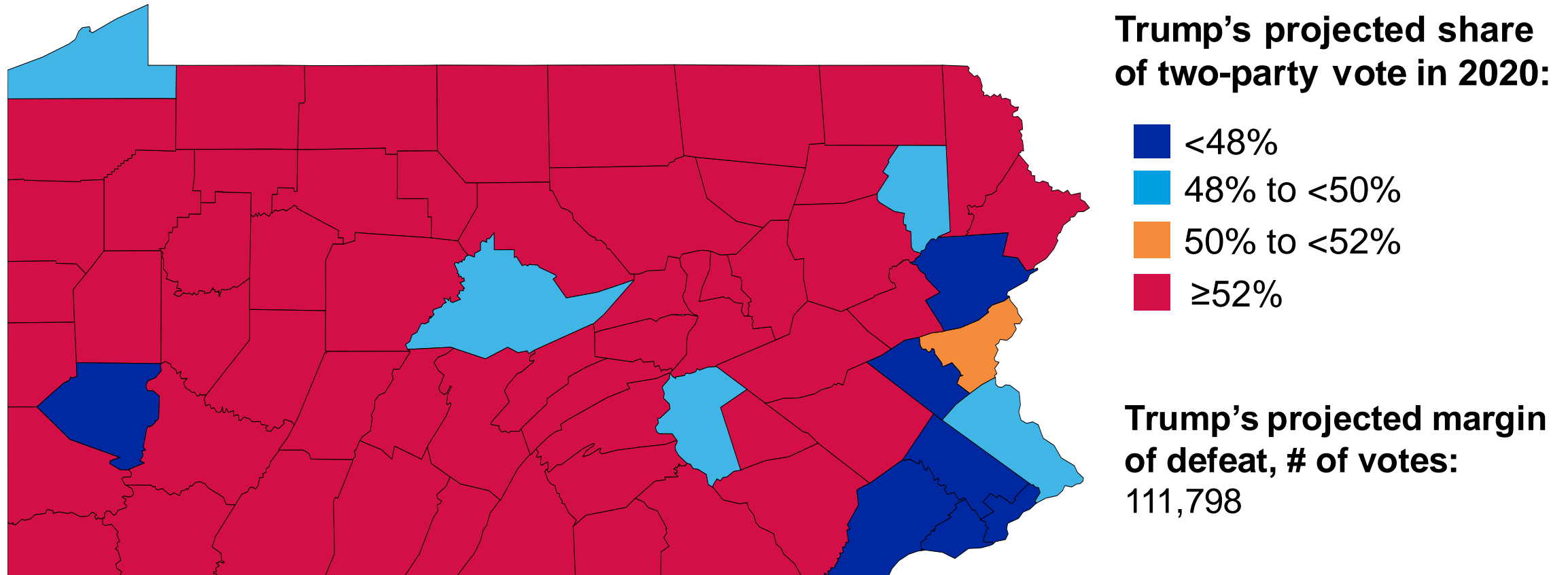
of votes Trump received more/less (+/-) than avg Republican from 1988 to 2012



Sources: Pennsylvania Department of State, Moody's Analytics

Biden Is Favored to Win Back the Keystone State

How counties will vote during pandemic if nonincumbent turnout is avg

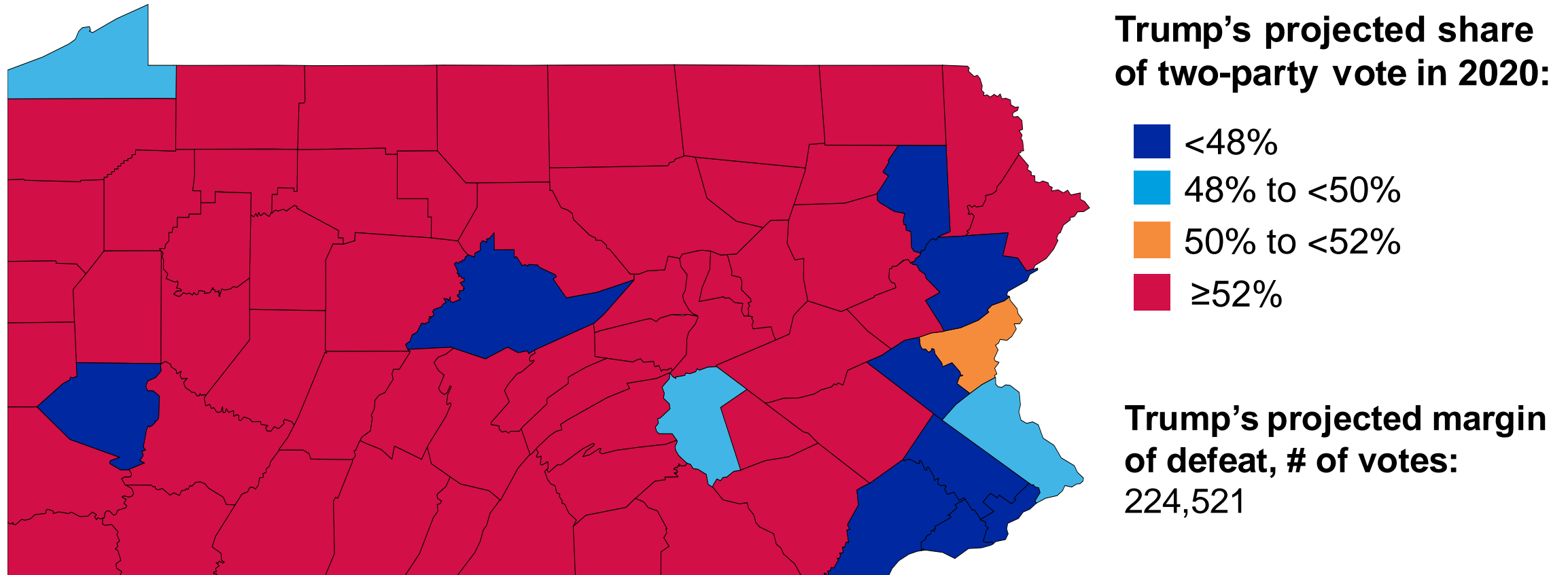


Source: Moody's Analytics

Note: Results reflect Sep 2020 forecast

How a Biden Blowout Would Look Like in Pennsylvania

How counties will vote during pandemic if nonincumbent turnout is high

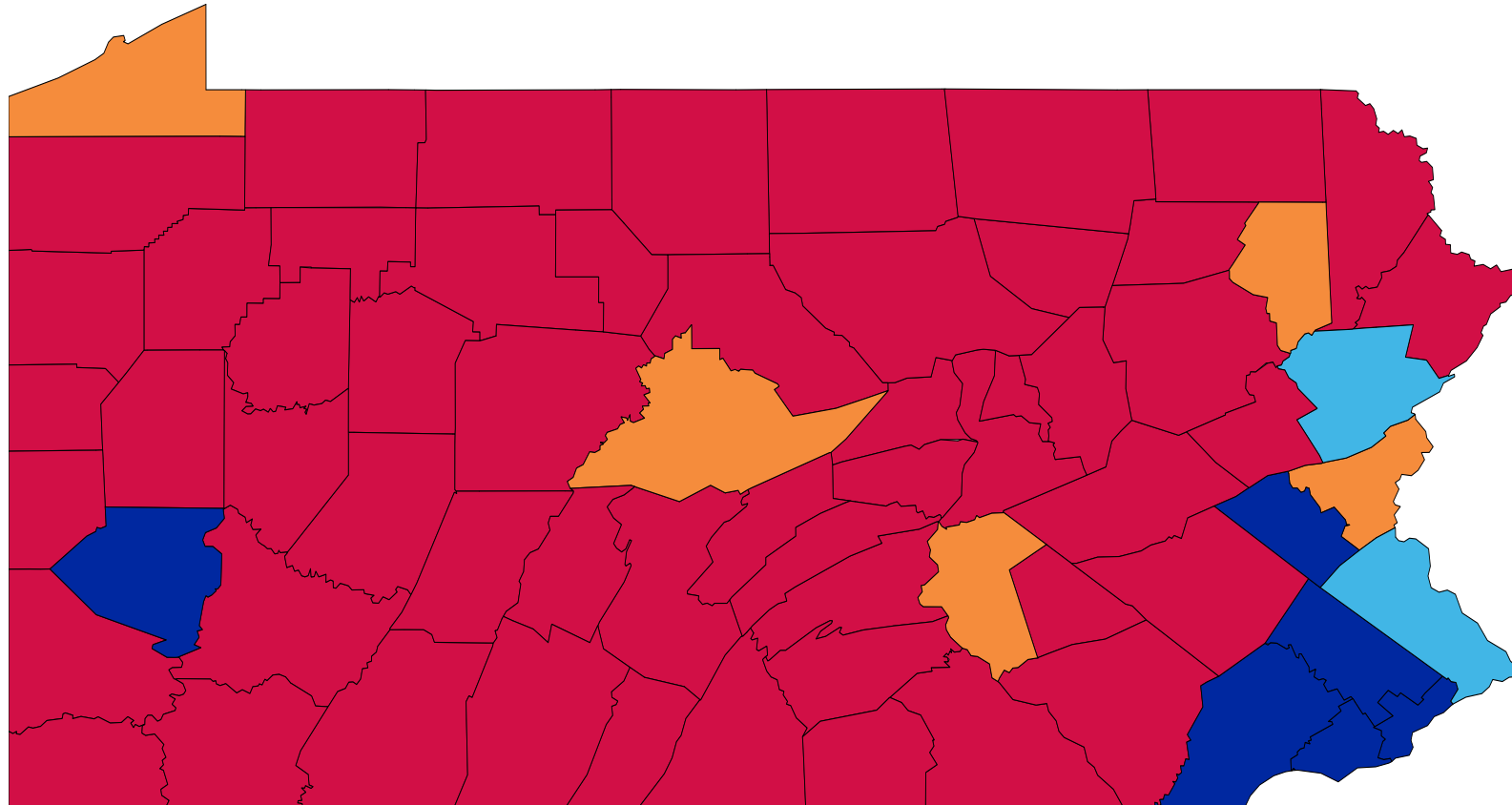


Source: Moody's Analytics

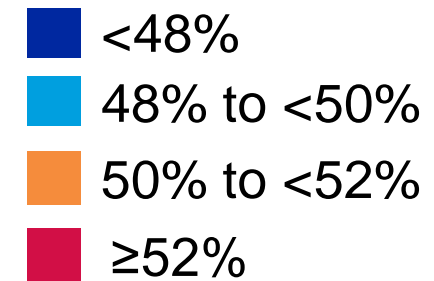
Note: Results reflect Sep 2020 forecast

Trump Can Still Win If Nonincumbent Turnout Is Low

How counties will vote during pandemic if nonincumbent turnout is low



**Trump's projected share
of two-party vote in 2020:**



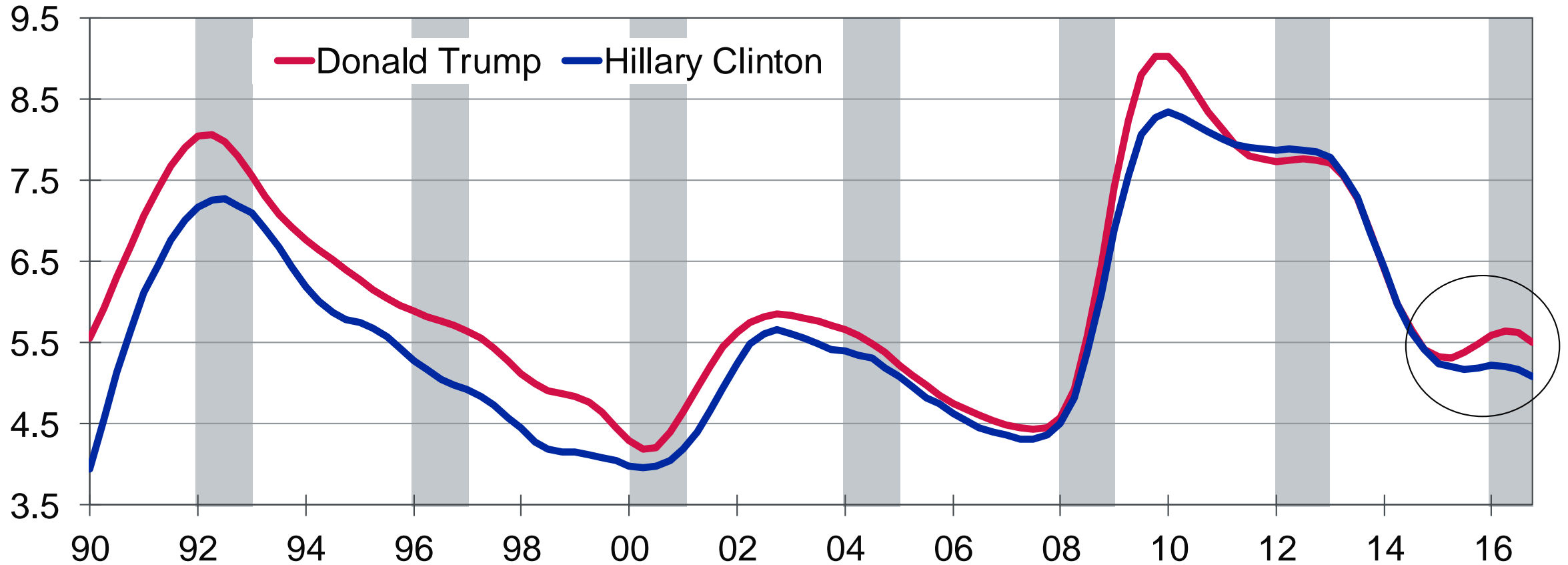
**Trump's projected margin
of victory, # of votes:
38,187**

Source: Moody's Analytics

Note: Results reflect Sep 2020 forecast

The Economy Still Matters to Pennsylvanian Voters

Unemployment rate, %, in Pennsylvania counties won by...



Sources: BLS, Moody's Analytics

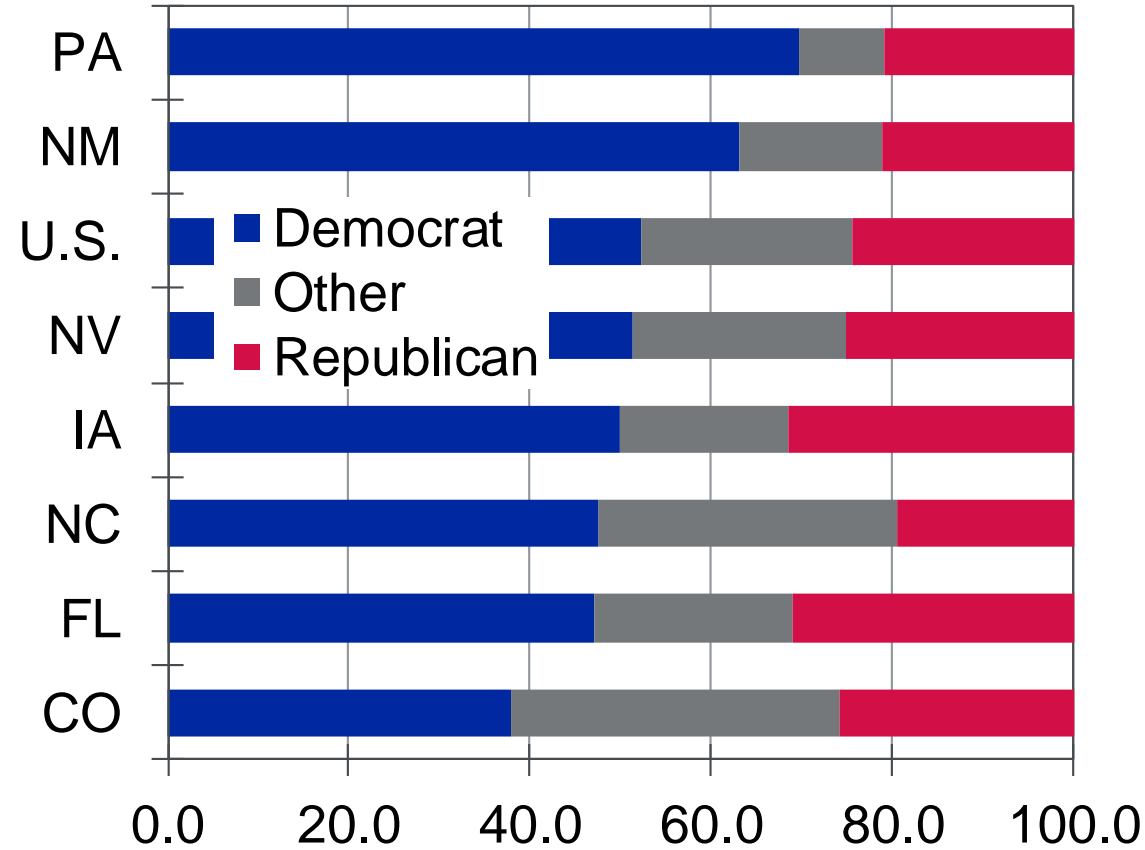
Gray bars: presidential election yrs

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Wildcards

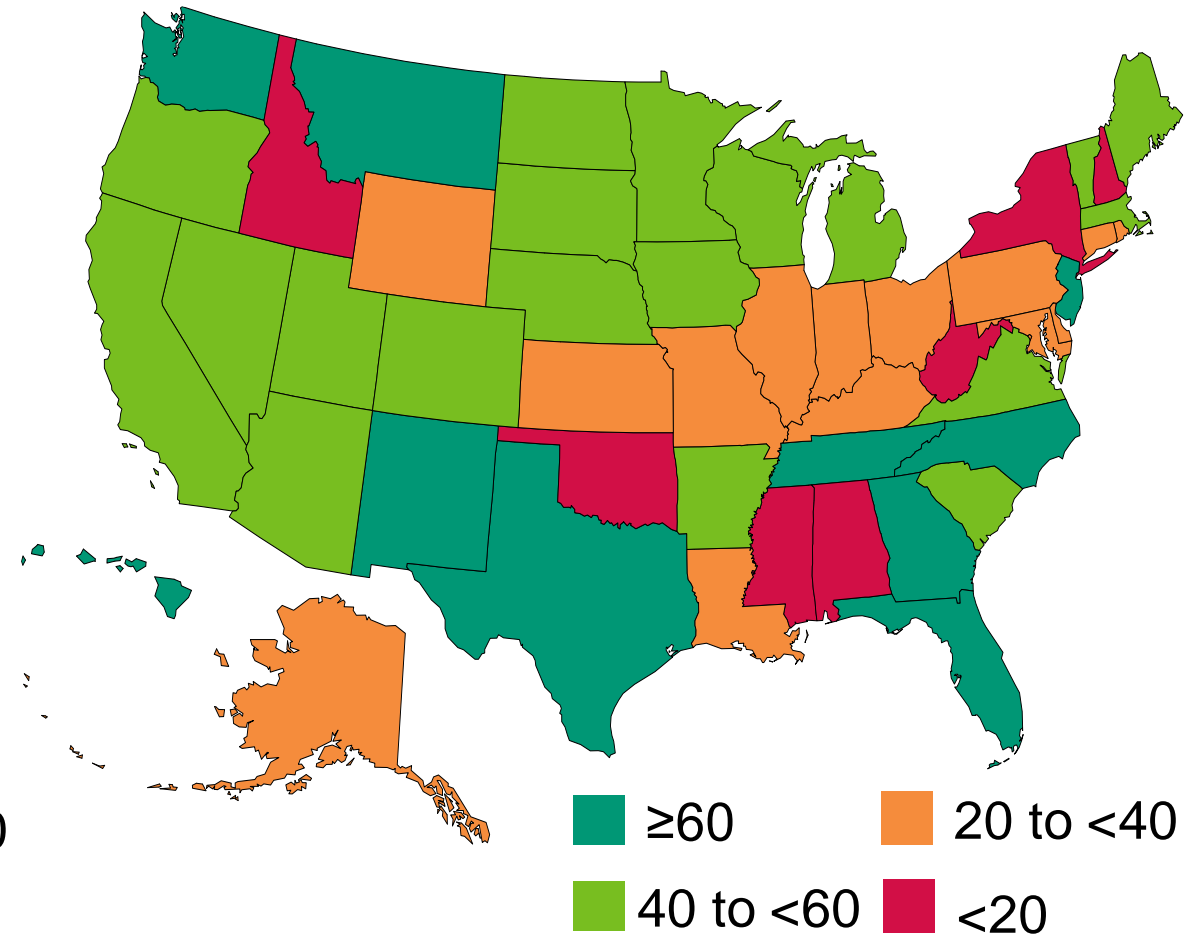
Wildcard #1: Early Voting

% of mail ballots returned by party



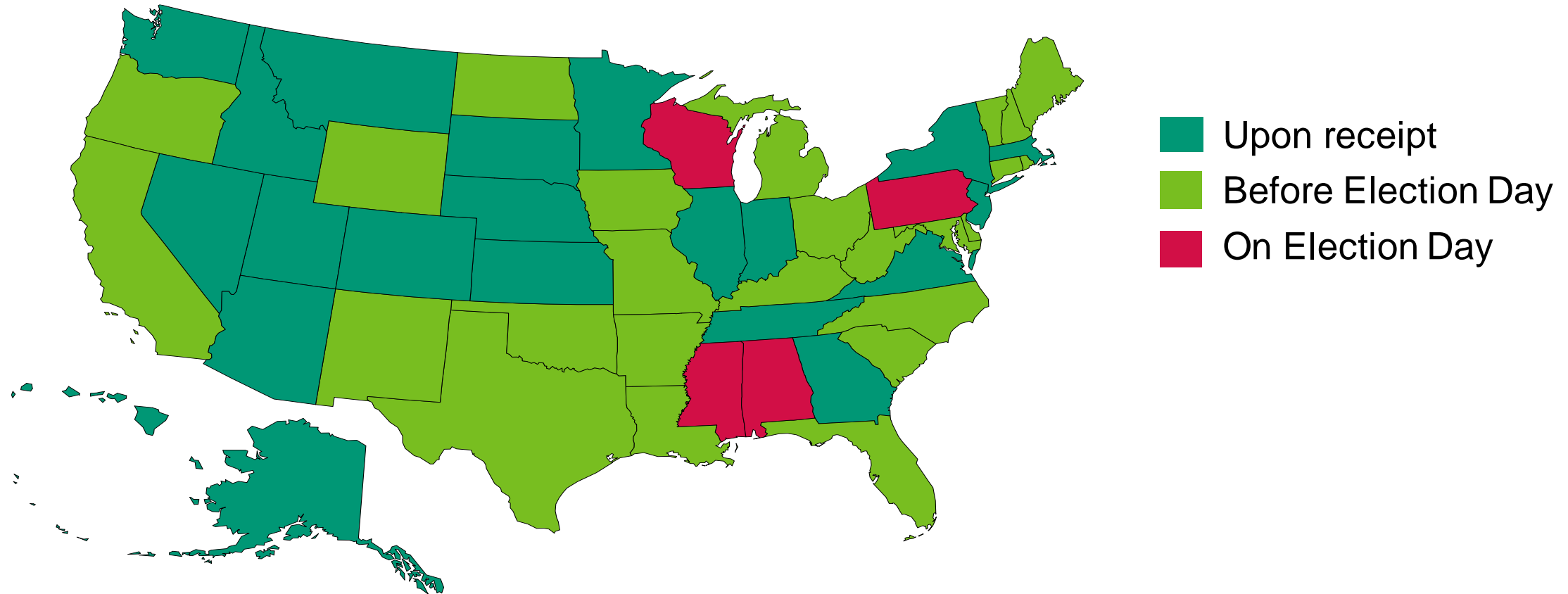
Sources: U.S. Elections Project, Moody's Analytics

Early voting, % of 2016 turnout, as of Oct 26



If Pennsylvania Is the Decider, Buckle In

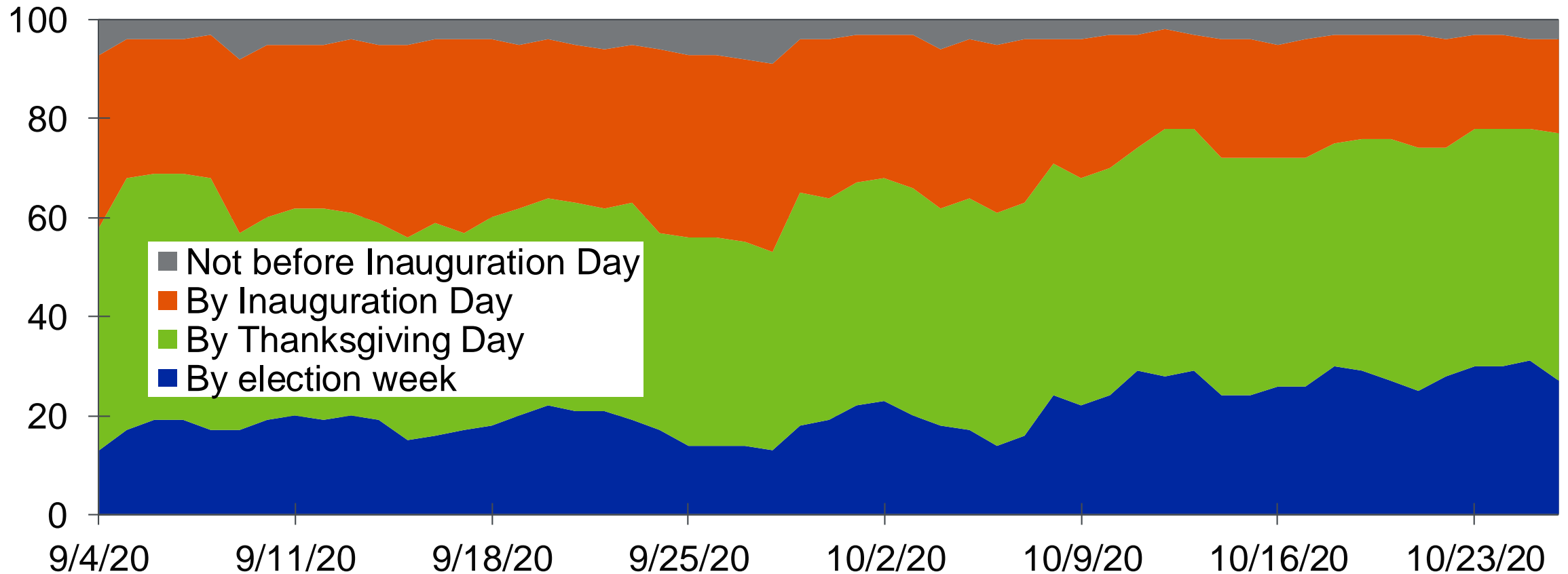
When mail and absentee ballots are pre-processed



Source: New York Times, Moody's Analytics

Election Night Could Morph into Election Month

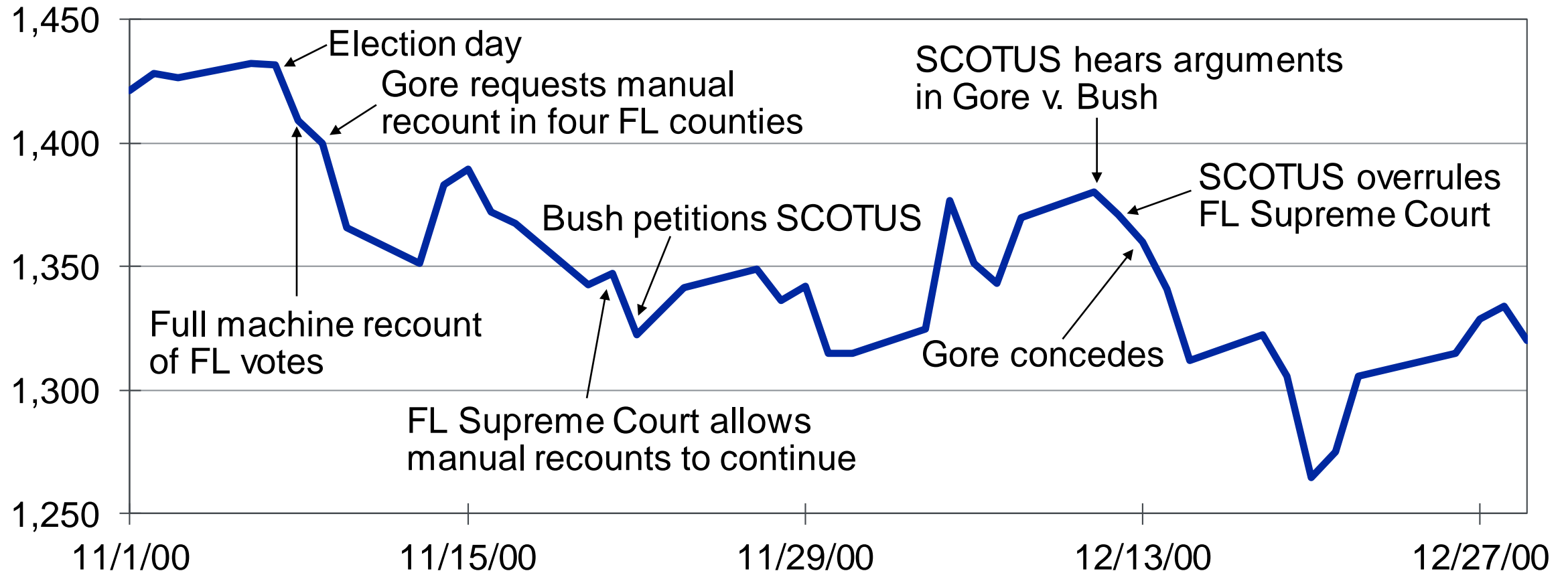
Probability, %, a major party's presidential campaign concedes defeat in the 2020 election



Sources: The Good Judgement Project, Moody's Analytics

Election Disputes Could Be Messier Than Gore v. Bush

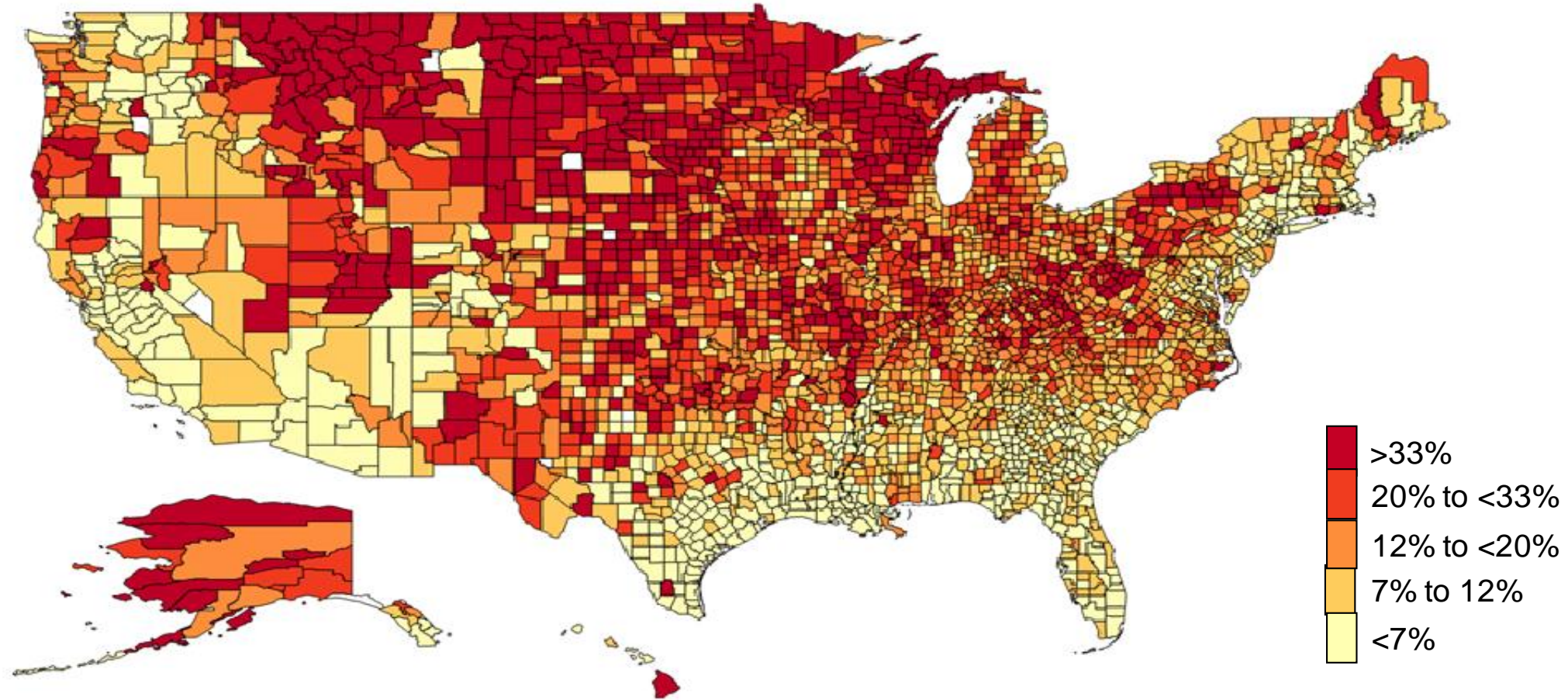
S&P 500 Index



Sources: S&P Dow Jones Indices LLC, Moody's Analytics

Wildcard #2: COVID-19

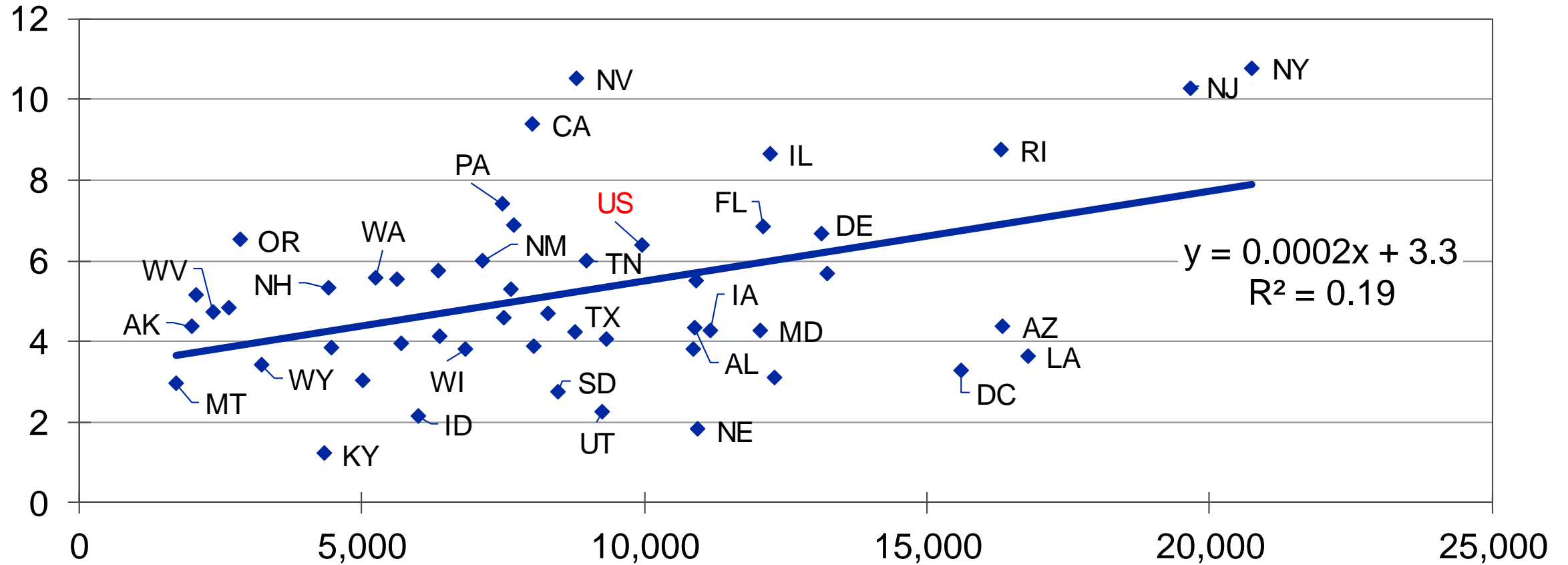
14-day change in confirmed COVID-19 infections, %



Sources: CDC, Moody's Analytics

More Infections...Weaker Economy

Y-axis: Change in unemployment rate, 3 mo ended Aug 2020 to 2019Q4

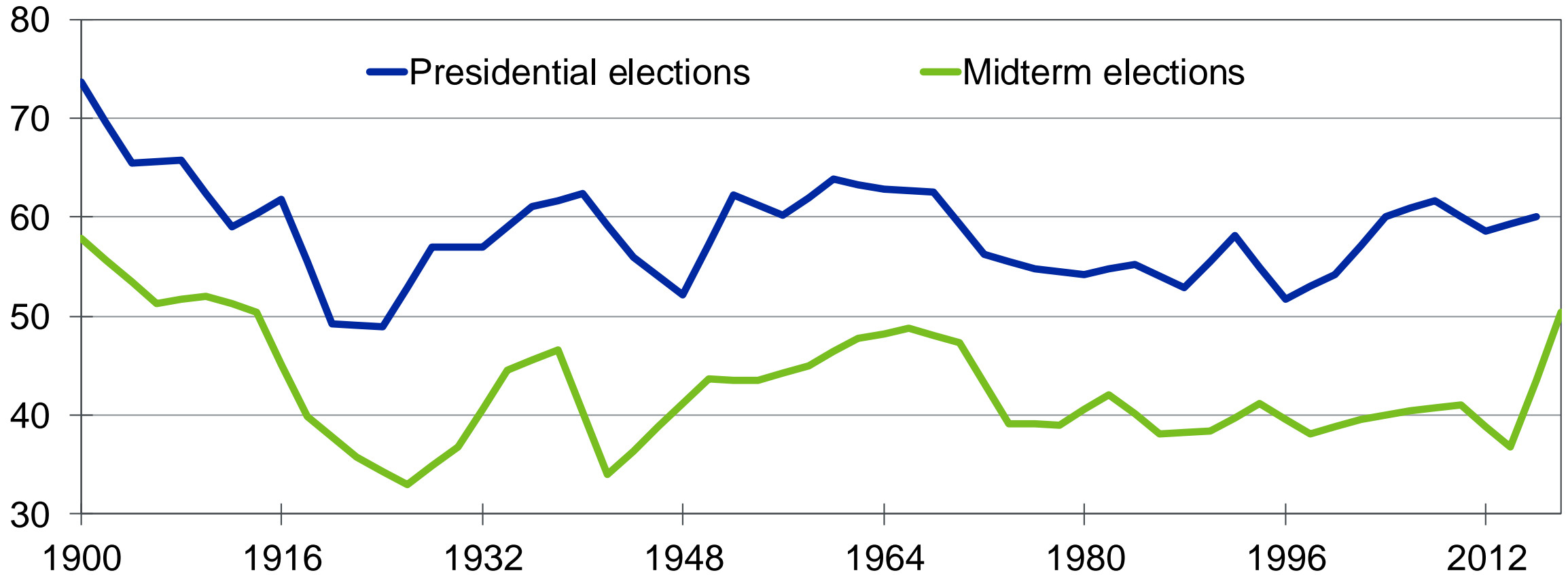


Sources: CDC, BLS, Moody's Analytics

X-axis: Infections per mil inhabitants in Jul

Wildcard #3: Voter Turnout

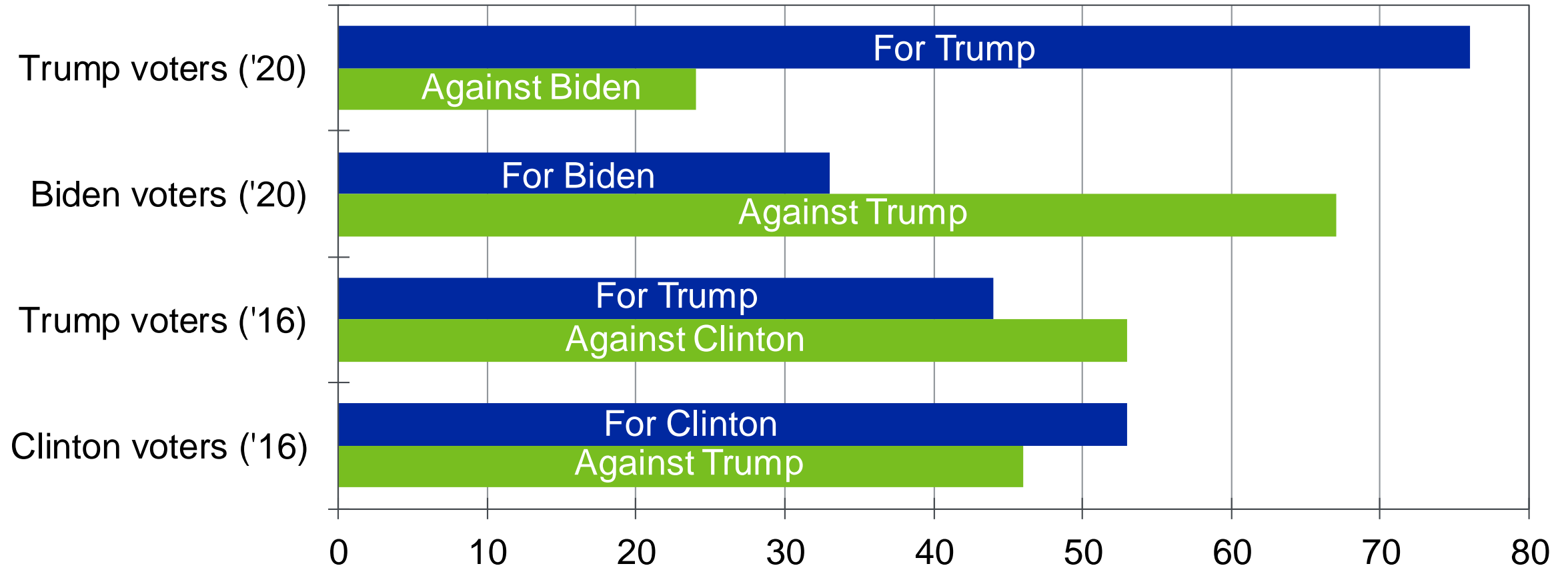
U.S. voter turnout, % of voting-eligible population



Sources: U.S. Elections Project, Moody's Analytics

Enthusiasm for Candidate Versus Negative Partisanship

% of voters who say their choice is more a vote...



Sources: Pew Research Center, Moody's Analytics

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