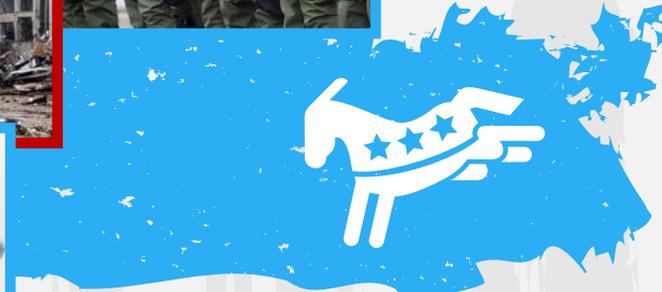
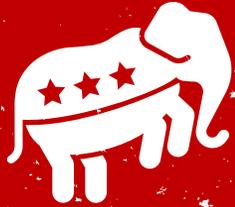


EGA BRIEFING:

Politics, Policy and Elections in an Era of Distrust

OFFICIAL BALLOT



YES
 NO

Issues Driving the 2022 U.S. Midterm Elections



Politics, Policy and Elections in an Era of Distrust

It's anyone's election. On Tuesday, November 8, the United States will hold the 2022 midterm elections in which all 435 seats in the House of Representatives and 34 seats in the Senate will be up for grabs. With the razor-thin control the Democratic party has in Congress, this election has the potential to significantly reshape the trajectory of the last two years of President Biden's first term.

U.S. politics are polarized. Stakeholders on both sides of the aisle are at odds in defining the direction of our economy and our country. This hyper-partisan divide is underscored by the historic trust gap identified by Edelman's 2022 Trust Barometer — trust in government dropped 3 points from Jan. 2021 to Jan. 2022 — and as of May 2022, only **45 percent in the U.S. trust government.**

Want to know what issues will drive the mid-term elections and their potential impact on corporations? Read on.

THE ISSUES WE'RE WATCHING IN THE MIDTERMS

- Inflation
- Economy
- Gun Control
- Safety & Security
- Healthcare
- Future of U.S. Political System
- Education
- Abortion
- U.S. Geopolitical Risks
- Climate
- COVID-19 Pandemic





The Trust
Numbers are
Not a Good Sign
for the Party in
Power



No trust in government across race and ethnicity:

- White 42% (+4 since Jan. 2022)
- Black 48% (+8)
- Hispanic 43% (+2)
- Asian 47% (-1)

(2022 Edelman Trust Barometer May Update)

Trust in government has dropped 3 points in just two years — down from 48% in May of 2020. Now **only 45% of the U.S. general population trust government.**

57%

see government as a dividing force in society

2022 Edelman Trust Barometer

68%

believe government is not doing well on climate solutions

2021 Edelman Trust Barometer May Update

63%

are worried they are being lied to by government leaders

2022 Edelman Trust Barometer

Only 33%

believe government gets results

2022 Edelman Trust Barometer

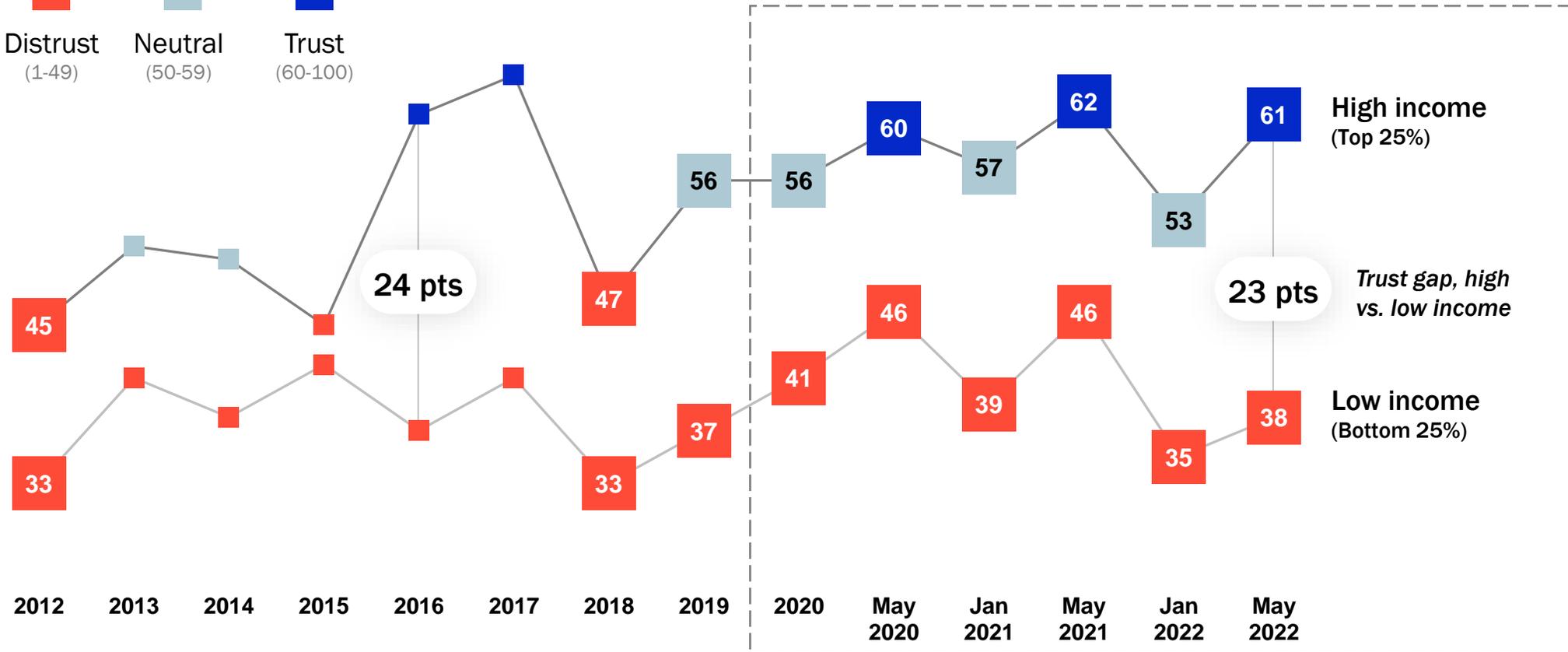
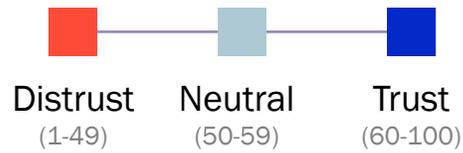
Only 42%

trust government leaders

2022 Edelman Trust Barometer May Update

Income-Based Trust Gap in the U.S.

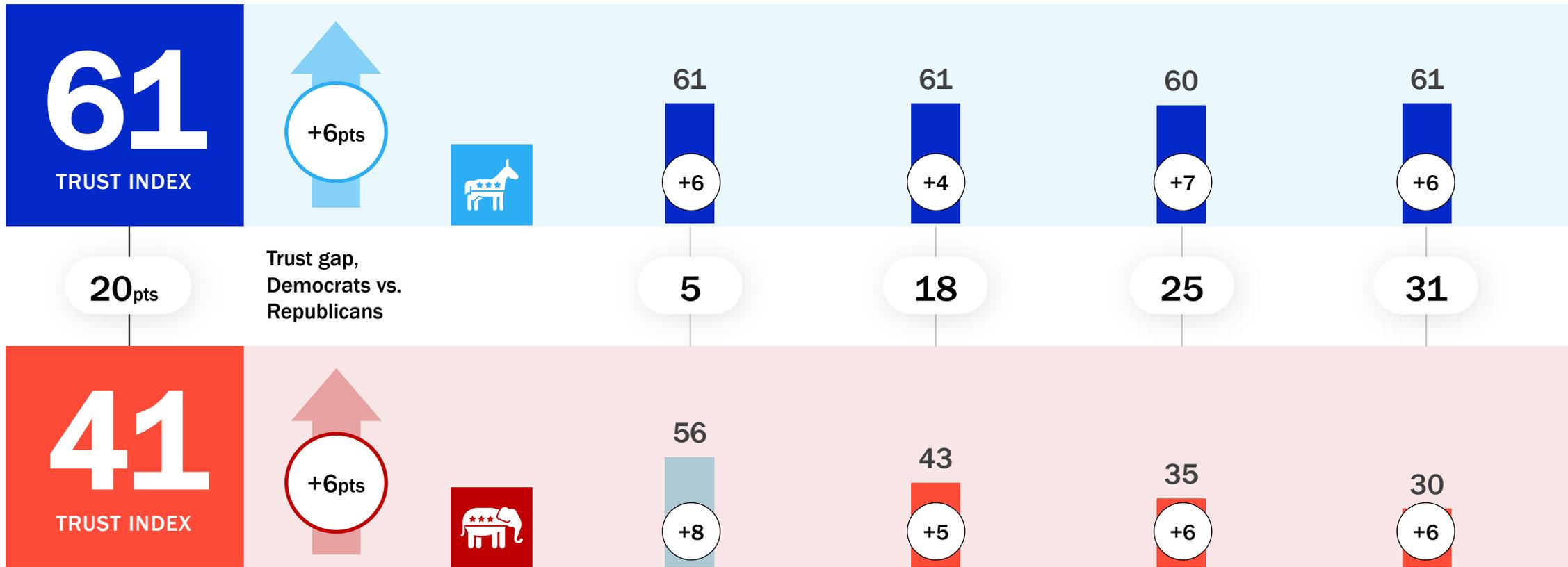
TRUST INDEX



2022 Edelman Trust Barometer Special Report: May Update. The Trust Index is the average percent trust in NGOs, business, government and media. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, U.S., by income.

U.S. Political Chasm Widens

PERCENT TRUST



2022 Edelman Trust Barometer Special Report: May Update. The Trust Index is the average percent trust in NGOs, business, government and media. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, U.S., by political affiliation.

U.S. Political Chasm Widens

- The two major political parties are undergoing deep transformations.
- In Jan. 2022, for the first time since we've tracked political data in the U.S., business was distrusted (**48 percent**) by **Republicans**, after a massive **12-point drop** in trust year over year. At the same time, **39 percent** of Americans said capitalism does more harm than good in its current form.
- As of May 2022, **Democrats** (**61 percent**) continue to be more trusting of business than **Republicans** (**56 percent**). And there is a **23-point trust gap** between high-income (**Trust Index of 61**) and low-income individuals (**Trust Index of 38**).
- **Republicans** are trending toward a working-class party; the **GOP** base is moving down the income scale and **Republican** voters are becoming more populist. While **Democrats** shift toward a “laptop class” party, the **Democratic** base is moving up the income scale and **Democrat** voters are becoming more progressive.
- By an average of **three-to-one**, U.S. respondents want business to play a larger role on **climate change**, **economic inequality**, **workforce reskilling** and **addressing systemic injustice**.

The average approval
rating for a first term
president at midterms is
50.08 percent

Biden's FiveThirtyEight average
is currently **42.7 percent***

Presidents with an approval
rating **below 50 percent** have
lost an average of

43 seats

A Course Correction Election



The script is familiar.

- Americans are not satisfied with the way things are going in the U.S.
- After the first two years of a new president, voters want a course correction.
- Since WWII, the new president's party has lost an average of 28.6 seats in the House of Representatives.
- Only once has a new president's party gained seats — in 2002 in the wake of 9/11.
- If 2002 is removed, the average loss is 33 seats.
- It's worse when the president's party controls both the House and the Senate — as is the case in 2022. The average loss in that scenario is 43 seats.

Americans' Satisfaction With the Way Things Are Going in the U.S.



Gallup

The ISSUES Set Favors a “Course Correction Election”



Inflation



Economy



Gun Control



Safety & Security



Health Care



Future of U.S.
Political System



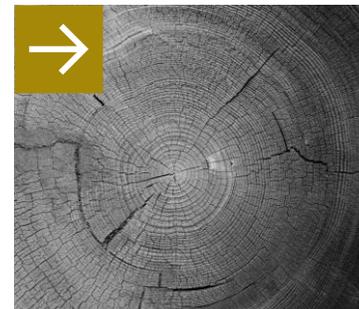
Education



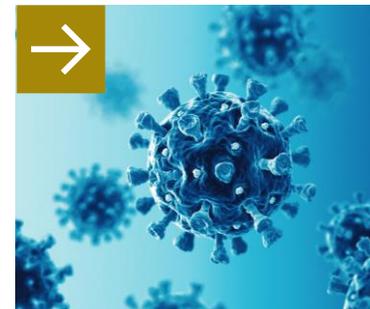
Abortion



U.S. Geopolitical
Risks



Climate



COVID-19
Pandemic

POSITIVE

The positive story that Democrats will tell voters

Democrats are Fixing a Broken Economy and are making progress.

While the economic environment is rocky at best, Democrats will adapt and say their economic progress has been advantageous. Unemployment is at 3% and while inflation is high, salaries and workers' rights are continuing to make gains.

We're Focused on Solving America's Problems

Democrats have had a uniquely aggressive Congressional calendar in 2022. With the passage of CHIPS, Inflation Reduction Act, Gun Safety Law, Toxic Burn Pit Law and the Infrastructure Bill (to name a few), Democrats will remind voters of these accomplishments as they campaign into the fall and will, where strategically appropriate, force Republicans to defend voting against what they believe the American people want and need.

A Bipartisan Agenda for the Future

Moderate Democrats will point to the bipartisan successes that have occurred over the past year. While not necessarily a strong message for all Democrats, those running close to Joe Biden will point to this track record of reaching across the aisle and shunning partisan politics, a message that has the potential to appeal to independents in swing states.

COMPARATIVE

The story Democrats will tell to set up a clear choice for voters

Protecting American Democracy and Our Way of Life

Democrats will speak about the importance of voting rights, and their fight against perceived Republican efforts to weaken American democracy at every level.

Democrats are the Party of Adults while Republicans are the Clown Car

The nation is at odds. Democrats must remind their base what is at stake, while convincing those voters who switched from Trump to Biden that the Republican party is a threat to American democracy. Democrats still have a rogues' gallery to choose from to highlight extremism (Greene, Hawley, Lake, among many others). When paired with the party's messages such as support for reasonable law enforcement, combating inflation and helping Americans who are most vulnerable, Democrats can appeal to a conflicted electorate.

The Last Defense for Reproductive Rights

Probably a wild card in actual effectiveness, many Democrats have made reproductive justice the center of their platform, insisting that Republicans will continue to erode reproductive rights around the nation. While reproductive issues have generally been a driving point for conservatives, we have yet to see if it will drive turnout in Democratic strongholds – though the turnout for the Kansas ballot initiative indicates this year it may do so.



The specific case **Democrats** will make to voters:

DEMOCRATS ARE DELIVERING RELIEF AND PROGRESS FOR THE AMERICAN PEOPLE, WHILE REPUBLICANS ARE ERODING DEMOCRACY, IGNORING REAL ISSUES & EMBRACING EXTREMISM

- Democrats have led the charge for and passed comprehensive legislation that tackle inflation, veteran health care, prescription drug costs and other critical issues.
- Wage growth, low unemployment, and open schools suggest that America is getting back to work.
- Republicans have embraced extremism to regain power and are actively working to weaken democracy at all levels.





The specific case **GOP** will make to the voters:

JOE BIDEN HAS FAILED TO DELIVER

- President Biden has lost ground with seniors, independents, Hispanics and young voters.
- There is a sense he is too old and relies too much on the progressive wing of the party.
- He didn't govern as a moderate as promised.
- He caused the highest inflation in 40 years.
- He is raising taxes in a recession and spending during inflation.
- America is less secure.

NEGATIVE

The story the GOP will tell voters is that President Biden and Democrats have a failed record

73 percent of Voters Believe the Country is on the Wrong Track

These are historically bad numbers and have endured for over a year. With Democrats in complete control of government, the GOP case is simple: If you don't like the direction of the country, it is the Democrats' fault.

The American People are not Happy with the Economy, and It Is the Democrats' Fault

President Biden's approval on the economy (34.3) is even worse than his overall approval (40.1).

Prices at the Grocery Store and the Gas Pump are up, and It Is the Democrats' Fault

Prices are rising faster than wages. Average cost of a mortgage is up 76% from a year ago. The GOP will argue Democrats talking up the economy shows how out of touch they are with what Americans are living through.

Crime is exploding, and It Is the Democrats' Fault

Philadelphia, Portland (OR), Louisville and Albuquerque had their **deadliest years on record in 2021**.

Democrats care more about "wokeness" than educating our kids, securing our border, and growing our economy.

COMPARATIVE

The story the GOP will tell voters is that there is a clear choice — status quo or change

Solutions to Issues Facing the American People

House Republicans have formed seven issue-specific task forces designed to identify and develop policy solutions to the issues facing the American people.

- Jobs and the Economy
- Big Tech Censorship and Data
- Future of American Freedoms
- Energy, Climate and Conservation
- American Security
- Healthy Future
- China Accountability

Capitalize on a First Term President's Midterm Blues

The GOP is not looking to make history so much as follow it. They want to capitalize on a first term president's midterm blues and show the voters the status quo is not working.

Education Matters

Following a wave of discontent with Democratic policies on divisive subjects like school reopening and mask and vaccination policies through the most intense phases of the COVID-19 pandemic, Republicans want to reclaim the mantle of being a party focused on promoting individual freedoms, standing for low government interference in citizens' daily lives (especially on low taxes), and challenging government spending policy.





Inflation is the number one issue on voters' minds.

POLL HIGHLIGHTS

- ✓ Nearly **70% of Americans** said they were concerned their income is falling behind inflation.
- ✓ **92% of Americans** believe that the cost of groceries has increased recently.
- ✓ Only **17% of workers** say their pay has kept pace with inflation.
- ✓ **56% of voters** said inflation was causing them major or minor financial strain.
- ✓ **84% of those surveyed** said the prices they see for everyday goods are higher than they were a year ago, while just **19%** report earning more income over the same period.

WHY IT MATTERS

- **For the first time in 40 years voters will go to polls with inflation at the top of their mind.** Inflation is impacting the lives of all Americans. Voters blame federal spending for driving inflation higher and corporate price gouging for higher retail prices, both of which are impacting American's daily lives.
- **Wages fell.** The data shows that real average hourly earnings (adjusted for inflation) [fell 3.6 percent](#) from July 2021 to July 2022 thus driving voter anxiety and action.

HOW IT MATTERS

- **The two parties see the economy through different lenses.** The GOP base is trending toward lower income, and Democratic base toward higher income.
- **American confidence is low.** Just 34% of Americans approve of Biden's handling of the economy (RCP average).
- **Low-income families are hit the hardest.** Rising inflation hits low-income families hardest — a growing part of the new GOP base.

KEY STATS/DATES

- **CPI**
 - CPI for January 2022 at 7.5%
 - Food prices up 10.4%
 - Energy prices up 41.0%
 - Gas prices up 70%
 - New cars up 11.4%
 - Average mortgage costs up 76%
- **Monthly CPI release dates by Labor Department**
 - 9/13
 - 10/13
- **Monthly Job Numbers**
 - 9/2
 - 10/7
 - 11/4



The state of the economy...it's complicated.

POLL HIGHLIGHTS

- ✓ A majority of voters (59%) said the economy will be extremely important to their congressional vote this year.
- ✓ 35% of independents approve of Biden's handling of the economy.
- ✓ Republicans are more trusted to handle economic growth — 47% to 41%.
- ✓ Biden's [approval rate](#) is significantly lower among lower income Americans. 45% approval among \$75k and up, 38% approval among \$75k and lower.
- ✓ 73% of voters say the U.S. economy is in "poor" or "not so good shape," up 17 points from a year ago.

WHY IT MATTERS

- **By many indications, the economy is humming.** Unemployment rate is at 3.5%. Nominal wages are rising (4%). But there are signs of a slowing economy.
- **A growing economic divide exists.** More Americans than ever are working two jobs, while others join in the "Great Resignation."
- **Inflation is out pacing wages.** Overall wages fell by 3.6 percent when adjusted for inflation.
- **A healthy economy is good for unions.** U.S. support for unions at an all-time high. That support typically increases when unorganized workers feel economically secure.

HOW IT MATTERS

- **Jobs.** "Many higher-earning workers, for example, continued in their jobs through telework, while 80% of job losses after the pandemic were concentrated in the lowest quarter of wage earners." [Economic Report of the President](#), April 2022.
- **"Great Unease"** The number of employees who are considering quitting their jobs right now is around 40% — underscoring the "Great Unease."
- **Economy top of mind.** Concern about the economy hasn't been this widespread in any midterm-year since 2002 and only reached similar levels in the summer of 2010 (56%, CNN Poll).
- **Unions.** Driven in part by economic uncertainty caused by the pandemic, per a Gallup poll. 71% of Americans approve of unions, the highest rating since 1965.

THINGS TO WATCH

- **Jobs Numbers:** Monthly jobs reports and Consumer Price Index from U.S. Bureau of Labor Statics will both be closely monitored and leveraged during the midterm campaign cycle.
- **Economic Outlook:** Federal Reserve announcements on adjusting interest rates will play an instrumental role in the Administration's narrative and has the potential to have outsized influence in the elections.
- **Federal Funding:** Ongoing short-term continuing resolutions to fund federal government programs further delay investment in new priorities. With the potential of the balance of power shifting in Congress, long-term appropriations to fund new initiatives are in the balance, impacting the overall outlook for the U.S. economy.



Most Americans want background checks, but progress against gun violence is slow.

POLL HIGHLIGHTS

- ✓ The majority of Americans want stricter gun laws (71%) including half of Republicans and a majority of gun-owning households ([University of Chicago Harris School of Public Policy and The Associated Press-NORC Center for Public Affairs Research](#), August 2022).
- ✓ 8 in 10 believe U.S. gun violence is increasing.
- ✓ 1 in 5 Americans say they have, or someone they know has, experienced gun violence
- ✓ 4 in 10 believe it is possible they will be a victim of gun violence in the next five years.
- ✓ 3 in 10 Americans support permitless carry laws.
- ✓ 6 in 10 voters believe gun policy and violent crimes are very important issues affecting their midterm vote ([Pew, August 2022](#)).
- ✓ The Centers for Disease Control found that homicides involving firearms increased by 35% from 2019 to 2021, the greatest increase in 25 years. ([CDC, June 2022](#))

WHY IT MATTERS

- **Bipartisan bill.** The Biden administration was able to secure the first bipartisan bill on gun control in decades in response to the mass shootings in Uvalde and Buffalo.
- **SCOTUS.** However, the U.S. Supreme Court decision in *New York State Rifle & Pistol Association v. Bruen* limits the abilities of states to restrict guns under the Second Amendment.

HOW IT MATTERS

- **Talking point.** President Biden has made guns a key talking point in the midterm elections, calling for a ban on assault weapons.
- **Central issues.** Abortion and guns become central issues to Democratic candidates seeking to turn out the base and independents.
- **Legislation matters.** In 2021, Texas Governor Greg Abbott signed legislation that creates [special protections](#) for guns to ensure that companies remain “neutral” on guns or risk losing contracts with the Texas state government, including financial services firms that manage state pensions and bonds. Depending on the mid-term results, this tactic could be modeled in other states.

KEY DATES/ INFLECTION POINTS

- May 14: A mass shooting takes place in a Topps grocery store in Buffalo with a 18-year-old self-identified White supremacist targeting Black customers. 10 people died, 3 injured. It is widely described as racially-motivated domestic terrorism.
- May 24: Nineteen elementary school children and two children are killed in the worst school shooting since Sandy Hook in 2012. Security tapes later revealed a breakdown in police protocol.
- June 23: U.S. Supreme Court strikes down NY state gun restrictions in a 6-3 decision. The ruling will affect laws in other states.
- June 25: President Biden signs a landmark bipartisan bill to address gun violence, a measure that passed in the House at the end of July.



With violent crime rising, Americans are thinking about safety now, more than ever.

POLL HIGHLIGHTS

- ✓ **Gallup poll:** 61% of Americans said violent crime was “a very big problem” in the U.S. today – a roughly 20% jump from 2020.
- ✓ Worry about crime in U.S. is at [Highest Level](#) since 2016.
- ✓ Biden [approval](#) on crime is at 36%.
- ✓ Biden [approval](#) on immigration is at 34%.
- ✓ The public is largely opposed to cutting law enforcement budgets.
- ✓ Most Americans want fairer policing, not less.
- ✓ **Reuters poll:** Immigration and border security are prime motivators for likely Republican voters.

WHY IT MATTERS

- **Violent crime is up, Americans feel less safe.** When asked, voters said crime in America is a “very big problem.”
- **Separate issues.** Independents [view](#) gun violence and crime as separate issues, favoring Democrats on gun violence and Republicans on crime.
- **Staggering statistic.** A record number of children have been killed by gun violence, which both parties will blame on each other.
- **Party division.** Democratic voters are divided on the issue, giving Republicans an opportunity to gain ground.

HOW IT MATTERS

- **Defund the police.** Calls to “Defund the Police” have almost entirely subsided when polls suggested it was not effective with voters.
- **Front and center.** “For the better part of two years now, crime and gun violence have consistently been in the news and on the minds of Americans.” ([FiveThirtyEight](#))
- **Border security.** The GOP is already airing immigration-themed/border safety commercials, a likely preview of what Democrats can expect in the coming weeks.

KEY POLICIES IN 2021/2022

- NY Mayor releases ambitious plan to confront gun violence
- LA state senators push policy to add accountability for Louisiana State Police
- CA launches police reforms to hold law enforcement accountable for misconduct, limit police use of violence at protests and create a more comprehensive education for incoming police officers
- Washington State GOP announce bills targeting Washington’s “anti-policing” laws



Health Care remains an important issue for voters, but the priorities have shifted.

WHY IT MATTERS

- **The health care debate.** The health care debate has moved past The Affordable Care Act, also known as "Obamacare." Newer GOP members of Congress and incoming members have ditched party efforts to "repeal and replace."
- **The costs of the COVID pandemic persist.** The federal government continues to carry a significant portion of the costs for testing, treatment and vaccination efforts. Backlogged health visits and pandemic-era behaviors (e.g., lack of exercise, nutrition, preventive care) led to a worsening overall health population. Demand for mental health and substance abuse services show no signs of slowing.
- **Deeply flawed.** Many Americans believe that the CDC and FDA response to the pandemic was deeply flawed. The debate over the role of public health agencies has continued to contribute to political divisions.
- **Drug pricing reform.** Drug pricing reform allows Medicare to now directly negotiate drug prices with manufacturers — but it excludes the commercial market and is initially limited to negotiating only a handful of drugs (10) beginning in 2026.
- **SCOTUS.** The *Dobbs v. Jackson Women's Health Center* decision has ignited debate among voters and forced companies to consider how it implements employee health benefits programs.

HOW IT MATTERS

- **Health care remains an important issue for voters, but the priorities have shifted.** According to the August Kaiser Family Foundation, abortion is now a top health care concern among voters (56%) and is a major motivating issue among women between the ages of 18 and 49 (73%), second only to inflation and gas prices (74%).
- **Growing concern.** Despite the recent passage of the Inflation Reduction Act (IRA), and provisions to lower prescription drug pricing, rising out-of-pocket costs for health care remains a major concern among voters (55%) — especially among the millions of Americans with private insurance.
- **Health insurance premiums to skyrocket.** Health insurance premiums are expected to rise by 10% next year — with rates coming out before the election. GOP candidates will look to connect rising premiums to inflation messages. Democrats will tout the successful passage of the IRA and drug pricing provisions and point to the unanimous Republican opposition to co-pay caps in the commercial market for drugs like insulin.

KEY STATS/DATES

- September 30, 2022: Reauthorization of the Prescription Drug User Fee Authorization (PDUFA) Act.
- January 1, 2023: First prescription drug provisions of the Inflation Reduction Act take effect. Within Medicare, price increases tied to inflation and insulin co-pays capped at \$35/month in Part D.
- The U.S. death toll from COVID-19 reached just over 1 million.
- 6 in 10 women are motivated to vote because of abortion. Of these, 88% support candidates that protect access to abortion.
- \$257,000 is the median annual price of 13 novel drugs approved by the FDA in 2022 (up from \$180,000 during the first half of 2021).
- Spending on medicines in the U.S. increased 12% in 2021, reaching a record 194 billion daily doses ([IQVIA 2022 report](#)).



The future of the U.S. political system has never been more uncertain than it is now.

WHY IT MATTERS

- **President Biden iterates that voting is “the heart and soul of our democracy.”** However, despite former President Trump’s own Department of Homeland Security declaring that the [2020] election was the most secure in American history, several Republican-led states have put more laws on the books that would limit access to the polls, especially among traditionally disenfranchised communities. To make things more complicated, Trump has made the “big lie” one of his major talking points as he teases a potential run for 2024, which is being echoed by local candidates running in the 2022 midterms.
- **Big lie.** Because of this landscape, many political candidates at all levels are running successfully with the big lie as a core pillar of their political platform.
- **Election denial.** Candidates running for governor, like Kari Lake, Greg Abbott and Tim Michels, have made election denial core to their campaign, and Republicans in primaries are voting for these candidates and against those who disagree.

HOW IT MATTERS

- **Campaign issue.** Voting “rights” and election security have become a critical talking point for those running with Trump’s 2022 endorsement.
- **Voter trust is in freefall.** Many candidates running for Secretary of State and Governor use the “big lie” as justification, which further erodes trust in the electoral system — a system that’s supposed to be secure and safe and non-partisan. This creates a domino effect where voters, regardless of political party, begin to distrust election safety, legitimacy and security.
- **Corporations have updated policies to counteract the new, often restrictive laws.** While it increasingly becomes less likely that sweeping federal legislation will be passed, election law legislation will be passed. Businesses have taken the lead in adopting measures, with new PTO policies and urging legislatures to stand up for voting rights.

KEY STATS/DATES

- October 2020: The Senate confirms Amy Coney Barrett to the U.S. Supreme Court, roughly one week prior to the presidential election and following the death of liberal Justice Ruth Bader Ginsburg. Her confirmation secures a significant conservative majority on the court.
- January 6, 2021: U.S. Capitol is attacked by those hoping to stop the electoral count of the 2020 election.
- 147 Republican members of Congress, including the House GOP Leadership, voted to not certify the 2020 Presidential election, thus cementing the “Big Lie” in the Republican platform.
- Majority of Americans favor several policies to ease voting — and a requirement for voters to show photo ID (Pew, 2022).
- In 2021, 19 states passed 34 laws restricting access to voting and/or placing election overview in the hands of partisan legislatures. Over one-third of all restrictive voting laws on the books were passed in 2021 (Brennan Center, 2022).
- Instances of voter fraud in the United States sits between .0003%–.0025% (2017).
- In June 2022, the first House Select Committee investigating January 6 was held during primetime.



Education, while generally a local issue, is tinting the national conversation.

WHY IT MATTERS

- **The other side.** As the fall marks what is hopefully the first year of school without COVID disruptions, almost all facets of the education system are emerging scarred from the most intense phases of the pandemic.
- **Educator crisis.** Teacher vacancies are at all-time highs in some regions as the 2022-23 school year begins, prompting an August 2022 White House announcement of more resources for teacher training and hiring.
- **Divisive debate.** Increasing political divisions and in-school conflicts on issues like closures and distance learning, mask and vaccination requirements, book banning, and transgender rights have left teachers, administrators, and school boards exhausted.
- **Learning loss.** Student learning also significantly decreased throughout the pandemic, and disproportionately affected Black and Hispanic students. Recently released 2022 national test results highlight that performance of 9-year-olds in math and reading dropped to the levels from two decades ago, with declines markedly worse for the lowest performing students and a widening gap between Black and White students.

HOW IT MATTERS

- **Key voter issue.** 81% of voters said that education was extremely or very important to them leading up to the midterms.
- **Ongoing concerns.** Schools have been an epicenter of the divide, such as those that worry about childcare, teacher safety and ventilation versus those concerned with students falling behind academically and socially.
- **Parent voices.** Parents concerned with the ideological representation of issues like transgender rights in athletics and other sexual and gender identity issues have been galvanized into voting in more conservative directions for local candidates. This has also led to increasingly partisan and divisive school board debates.
- **Education front and center.** Off-cycle races prior to 2022, as well as primary races, have seen education issues dominate and motivate the electorate. In the Virginia Governor's race in 2021, a Republican candidate campaigning with a strong emphasis on parental discontent with education won in a previously blue state.
- **Targeting universities.** State legislatures have been taking aim at public universities when they do not agree with their agendas.

KEY STATS/DATES

- 62% of Americans said that the federal government is placing too little priority on meeting the educational needs of K-12 students.
- Nationwide, 38% of K-12 parents believe that schools are headed in the right direction.
- Confidence in public schools has grown increasingly partisan, with 43% of Democrats supporting public education, while only 14% of Republicans support the public education system.
- Over 4 in 5 parent voters said that education has become a more important political issue to them than it was in the past.



After the *Dobbs* decision (2022), abortion and reproductive health care rise as a critical issue.

POLL HIGHLIGHTS

- ✓ Two-thirds of the public (65%) disapprove of the SCOTUS decision to overturn *Roe v. Wade* including large majorities of women ([Kaiser Family Foundation](#) July 2022).
- ✓ Half (51%) of those living in states with abortion bans or trigger laws in place say they want their state to guarantee abortion access, while one-third (32%) say they want abortions to be banned. Half of Republicans want states to pass laws banning abortion.
- ✓ A majority of registered voters (56%) say abortion will be a “very important issue.” This is up from 43% in March (pre-SCOTUS decision). Majority change is reflected on the Democratic side. Republican levels of engagement on abortion remain virtually the same as March (40%) ([Pew](#) [August 2022](#)).
- ✓ 6 in 10 women voters are now more motivated to vote because of the SCOTUS decision ([Kaiser Family Foundation](#) [July 2022](#)). Key battleground states like Pennsylvania have seen a surge in female voter registrants ([New York Times](#), [August 2022](#)).
- ✓ In August, Kansas voters roundly rejected a ballot measure by 18 percentage points that would have removed abortion protections from the state constitution and allowed lawmakers to ban abortion. Voter turnout far exceeded predictions, reaching levels normally seen in presidential election years.

WHY IT MATTERS

- **Legal precedent overturned.** The U.S. Supreme Court decision strikes down the 1973 Supreme Court ruling *Roe v. Wade*, a 50-year legal precedent. For the first time, the Court has eliminated a previously recognized fundamental Constitutional right and returned the issue to the states.
- **Impact felt beyond abortion.** Justice Clarence Thomas issued a concurrent opinion arguing that the Supreme Court should in future cases reconsider past landmark decisions such as *Lawrence v. Texas* (banned laws against same-sex intimacy), *Griswold v. Connecticut* (the right to contraception), and *Obergefell v. Hodges* (the right to same-sex marriage).

HOW IT MATTERS

- **Patchwork of laws.** Up to 26 states are expected to ban abortion.
- **Energized voter turnout.** Abortion and LGBTQ+ rights have energized voter registration for Democratic voter turnout. Democratic House leadership put Republican lawmakers on record regarding contraceptive access and same-sex marriage. Senate votes expected by November.
- **Politicians v. Business.** Texas state legislators threaten legal action against companies for providing insurance and travel for employees accessing care.
- **Federal Abortion Ban.** Congressional Republicans have signaled support for a federal abortion ban should they win in the mid-terms and the 2024 presidential election.

KEY DATES/ INFLECTION POINTS

- September 2021: Texas SB8 (fetal heartbeat) law takes effect and the Supreme Court declines to intervene. The law is the first to contain “aid and abet” provisions to make it illegal to assist someone accessing abortion.
- December 1, 2021: U.S. SCOTUS hears oral arguments in *Dobbs v. Jackson*.
- May 3: Politico publishes a leaked draft of the *Dobbs v. Jackson*.
- June 24: The U.S. Supreme Court rules on *Dobbs v. Jackson* (6-3) and overturns *Roe v. Wade*.
- August 2: Kansas voters oppose a ballot initiative that would have allowed lawmakers to ban abortion, delivering a landslide victory to abortion-rights groups and energizing Democrats.
- August 5: Indiana Governor Eric Holcomb signs into law a near-total ban on abortion, the first law to be passed out of a special legislation session since SCOTUS overturned *Roe v. Wade*.
- Michigan and several other states are expected to have abortion ballot initiatives in November.



U.S. Geopolitical Risks

WHY IT MATTERS

- **Impact of voters.** As the U.S. enters the 2022 midterm cycle, several factors outside of the United States are impacting voters' views on economic and national security.
- **Headwinds.** U.S. politicians will invoke challenges abroad, and their influence at home, as campaign issues.
- **Global economic threat.** 63% of Americans now describe the condition of the global economy as a major threat to the U.S.
- **U.S. China relations.** Addressing challenges presented by China is one area of general bipartisan consensus. The Biden administration has maintained, and even expanded, his predecessor's China policies across trade, national security and human rights.
- **Global competition.** Making America run faster to compete with China has been a rhetorical driver for major elements of the Biden administration's domestic economic agenda.
- **But there are other concerns.** Since Russia's invasion of Ukraine, 70% of Americans now consider Russia an enemy.

HOW IT MATTERS

- **U.S.-China Relations**
China remains a significant concern with 67% of Americans viewing China's power and influence as a major threat to the United States. Increased tensions over Taiwan could inflame political rhetoric and spur additional actions as both political parties jockey to demonstrate who is tougher on China leading to the midterms.
- **Russian-Ukrainian Conflict**
As the Ukraine-Russian conflict continues, its impact on European and global energy and food prices could worsen through the 2022/23 winter. In addition to the migration and conflict issues within Ukraine and Russia, the lack of grain production could lead to as many as 21 million people in the Horn of Africa to face acute food insecurity.
- **Border Security**
As Mexico, some Central American neighbors and Haiti's internal violence levels and instability continue to rise, they could spark intensified refugee and humanitarian crises that could elicit strong reactions from midterm candidates and U.S. voters. Afghanistan has also seen one million refugees exit the country since the return of the Taliban and over five million refugees have fled Ukraine since the invasion – both of which will impact Europe.

THINGS TO WATCH

- **U.S.-China-Taiwan:** With diplomatic discourse at a new low, the potential for rapid deterioration of U.S.-China relations or a military miscalculation over Taiwan is increased.
- **COVID-19 Effects:** Effects of COVID-19 variants could cause further slowdowns in global supply chains.
- **OCTOBER SURPRISE**
 - Taiwan invasion
 - SCS naval/aerial military mishap
 - Escalation of Russia-Ukraine conflict, spilling into neighboring countries



Voters agree: Climate policy must be addressed.

POLL HIGHLIGHT

Pew

- ✓ 78% of Democrats think climate change is a major threat to the U.S.; 23% of Republicans see climate change as a major threat.
- ✓ 79% of Democrats think Biden is moving the country in the right direction on climate policy vs 82% who believe he is moving the country in the wrong direction.
- ✓ 64% of Democrats say climate change is an important issue in their vote vs 14% of Republicans.
- ✓ 79% Democrats say stricter environmental laws and regulations are worth the economic cost vs 25% of Republicans.
- ✓ 88% of Democrats favor tax credits for carbon capture vs 70% Republicans.
- ✓ 90% of Democrats favor requiring power companies to use more energy from renewable resources vs 49% of Republicans.
- ✓ 86% Democrats favor taxing corporate emissions vs 46% Republicans.
- ✓ 84% of Democrats favor providing incentives for electric vehicles vs 46% of Republicans.

WHY IT MATTERS

- **Polarizing issues.** Climate and energy policy remain polarizing issues amongst Americans, beyond political affiliations; demographic factors like geography, age and education also influence views.
- **Weather matters.** Recent extreme weather patterns and climate-induced disasters across America are impacting views, but not necessarily in the same direction.

HOW IT MATTERS

- **We agree, climate should be addressed.** Voter agreement that climate should be addressed breaks down on what the right policy response should be: more regulation (i.e., carbon taxes) vs support for private market solutions (i.e., tax incentives, subsidies for new technologies). The issue will matter most in areas most impacted economically, but the policy drivers will differ based on demographic makeup.
- **Climate policy legislation.** Congressional enactment of sweeping climate policy legislation before midterm elections is unprecedented, and perceptions could impact voter turnout, but, historically, local jobs and economic arguments usually drive the day.

KEY DATES/ INFLECTION POINTS

- Biden's climate energy agenda
- Voter perception of the climate provisions of the recently passed Inflation Reduction Act
- Energy price fluctuations
- State-level push on clean energy infrastructure / EV charging stations and adoption (VT, HI, IN, WI)
- Executive / EPA rules on emissions standards
- Unpredictable climate events: hurricane season (June-Nov), wildfires (May-Oct)



COVID-19 impacted Americans differently and, as a result, impacts both sides of the electorate differently.

WHY IT MATTERS

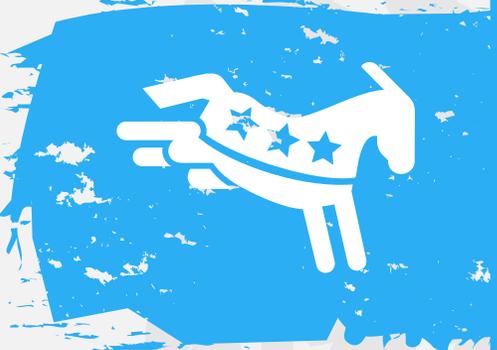
- **Political divide worsens.** The COVID pandemic exposed and intensified political divisions.
- **America at odds.** Many Americans opposed lockdowns, remote schools, mandates, and perceived government censorship.
- **Disinformation campaign.** On the other hand, many Americans fault conspiracy theorists and anti-science propaganda for prolonging the pandemic.
- **Decline in trust.** The public health community's credibility has declined significantly.
- **In person learning.** Education and whether schools should be fully open or remote has become an intense political debate.
- **Working-class vs "laptop class."** The pandemic created a fault line between those who can work remotely and those who were in-person throughout the pandemic.

HOW IT MATTERS

- **Who is in the driver's seat.** COVID has driven economic policy since March 2020, resulting in historic inflation.
- **Class divide.** Accelerated trend of lower income voters shifting toward GOP – they disproportionately had to work in-person and are hurt more by inflation.
- Accelerated trend of higher income "laptop" workers shifting toward Democrats, in opposition to Republican anti-mask, anti-vaccine, anti-government rhetoric.
- Country experiencing rapid drop off in vaccination rates – and very low uptake of vaccines for children under 5.

KEY STATS/DATES

- Half of American adults have had, or believe they have had, COVID-19 at some point since [the pandemic began](#).
- 68% of Americans who have had COVID-19 and are vaccinated say they had a breakthrough infection.
- More than 7 in 10 said they didn't take precautions like wearing masks or limiting socializing to reduce the risk of getting COVID-19 before vacation.
- Biden is recovering with Independents on his COVID-19 handling, with his net approval among independent voters for his handling of the coronavirus climbing 11 points in a month to (-13), with 39% approving and 52% disapproving of his COVID-19 management. Among all voters, Biden has a net approval of (-1) on COVID-19.

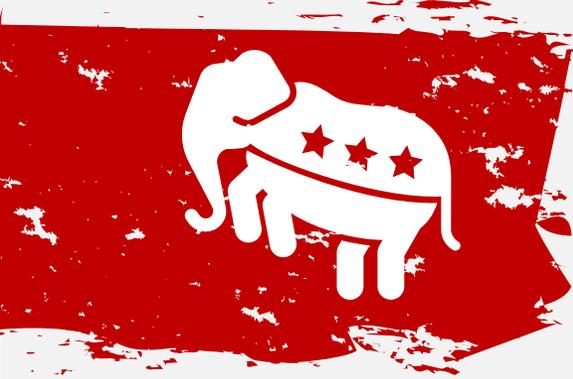


YES
 NO

OFFICIAL BALLOT



Conclusion



With history as a guide, the 2022 midterm elections paint a less than ideal picture for the party in power. The main issues shaping the election point to a divided electorate focused on core economic and cultural issues. No matter which party wins control of the House and Senate, they are set to govern a divided nation, leaving corporations to continue navigating sensitive conversations around social, economic and cultural issues.





Political Snapshots



**In 2022,
candidates
and issue
groups have
spent over
\$4.5 billion.**



As of August 2022, Republicans lead spending with \$1.8 billion compared to Democrats' \$1.7 billion.

But Democrats across the 10 most competitive Senate races are out-raising Republicans by more than \$75 million among small-dollar donors — those giving less than \$200 — according to an Axios analysis of Federal Election Commission records.

The top issues candidates and organizations are spending on include abortion, crime, character and Donald Trump.

Congressional Snapshot



- **House Republicans** are looking to make history, so much as to repeat history by riding the historical tide of a first term president's midterm blues.
- **House Democrats** hope to make the election a choice, not a referendum. They want former President Trump on the ballot. Additionally, Democrats believe the Dobbs decision will motivate base voters and turn independents in swing districts against Republicans.

In a closely divided country, both sides have reason to believe they have the right strategy

Republicans remain the favorite to regain the House majority. The economy and the mood of the country favors the party out of power – but the advantages are narrowing.
- The **Senate** history in midterm elections is more complicated:
 - Only one-third of Senate seats are up for elections.
 - The mix of Republican/Democrat seats up for election vary.
 - A bad year for one party can be softened if a larger number of the other party's seats are up for election.
- That said, since WWII, the president's party has lost an average of 2.54 seats in a president's first mid-term election.
- When the president's party controls both Houses of Congress, the average loss since WWII has been four senate seats.
- **Key Senate races to watch:**
 - Georgia, Pennsylvania, Arizona, Nevada, Ohio, Wisconsin, Colorado and Washington

Gubernatorial Snapshot



- **36 states** are hosting gubernatorial elections in 2022.
- Republicans are defending **28 seats**, and Democrats are defending **22**. However, even though Democrats flipped seven governorships in the 2018 midterms, this is likely to be a better cycle for Republicans.

Media Snapshot



- **2022 is on track to be the most expensive midterm in history.** Ad spending is already over \$5 billion and projected to eclipse \$9 billion by November.
 - Ad spending is primarily targeting TV, with 54% to broadcast and 21% to cable, but only 13% to digital ads.
 - 2022's top four issues in ads so far are: Abortion (\$116M/13% of spending), Crime (\$83M/9%), Character (\$80M/8%) and Donald Trump (\$53M/6%).
- Companies should gauge the impact of their ads in this crowded landscape and be attentive to ways their corporate advertising or other actions could be pulled into the controversial and hyper-partisan environment.



About **Edelman Global Advisory**



Edelman Global Advisory At a Glance



Edelman Global Advisory (EGA) is a boutique firm providing business, government and advisory services to navigate today's changing geopolitical and economic landscape. Headquartered in Washington, DC, we have deep expertise on the ground in the U.S. and Canada, APAC, MENA, Europe, Latin America, and India. Our teams work seamlessly with Edelman's 6,000+ world-class communications professionals to deliver truly integrated client services.

Our Globally Integrated **Services**

Government Affairs

**Market Entry,
Expansion and Exit**

Integrated Campaigns

**Political Risk and
Crisis Management**

**Issues Management and
Policy Communications**

Sustainability Strategies

Economic Security

6

Regions
Covered

25+

Countries
Globally

67

International
Offices

190+

Advisors
Worldwide

A specialty advisory
house within a
global network



What We Do

Trusted Guide in C-Suite Diplomacy

We are executives, diplomats, regulatory wonks and industry experts. We've worked in government systems, so we know how to demystify government systems for our clients. We design innovative strategies, we build trusted partnerships, and we get things done.

Local Expertise, Global Network

We are a startup within the world's largest PR agency. Our nimble advisory team works fluidly across every key market, while leveraging the trusted relationships of our 6,000 employees worldwide. We are the new guard — entrepreneurs with fresh insights and tailored strategies to achieve your goals.

Seamless Services in One Stop

We start with strategy guided by our best-in-class public affairs teams. Then we integrate Edelman's unparalleled suite of services — public relations, communications, marketing and digital advocacy — to earn the trust of your stakeholders. All in one seamless package.

**We help clients build trust
in today's evolving
geopolitical environment**

As the nation heads towards the next election, the issues organizations and companies will be facing will become more complicated and delicate. However, understanding your audience, the issues and their relationship together, you can be fully prepared to move forward in the right direction.

For a more in-depth analysis of the topics, we covered here, please feel free to open a discussion with the Edelman Global Advisory Thought Leadership team at EGAThoughtLeadership@edelmanEGA.com.

