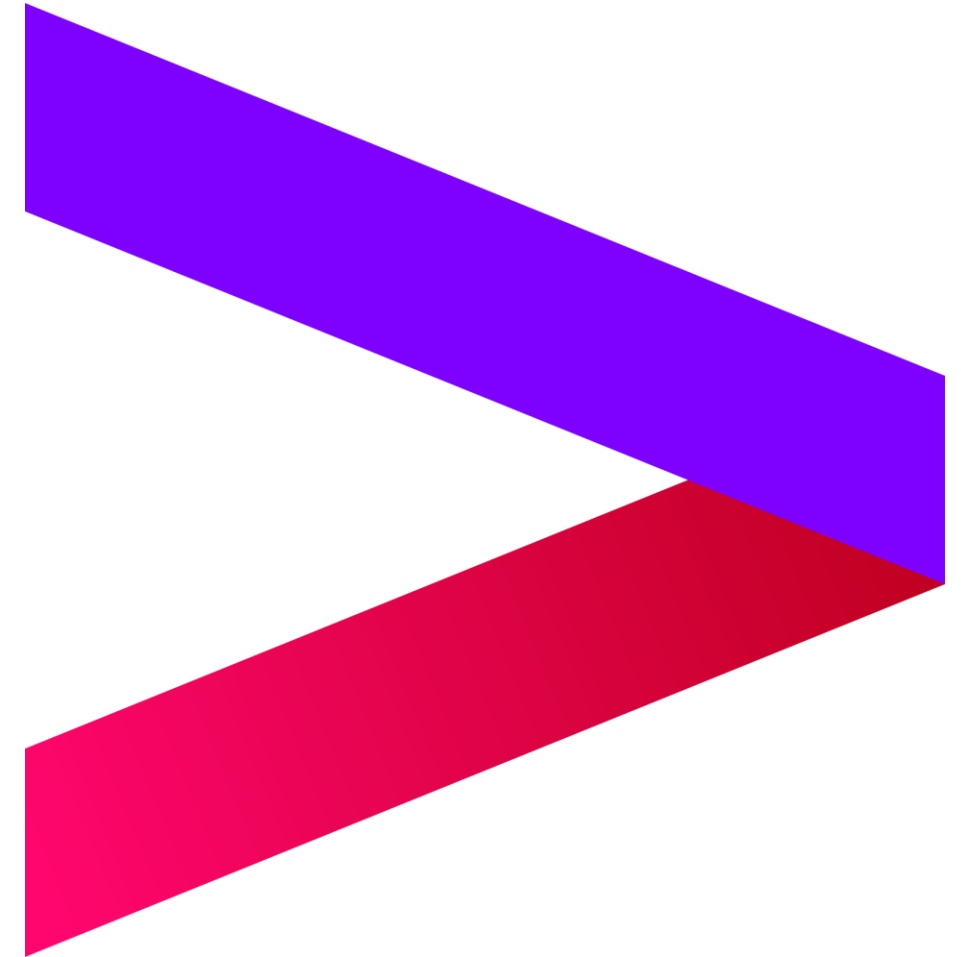


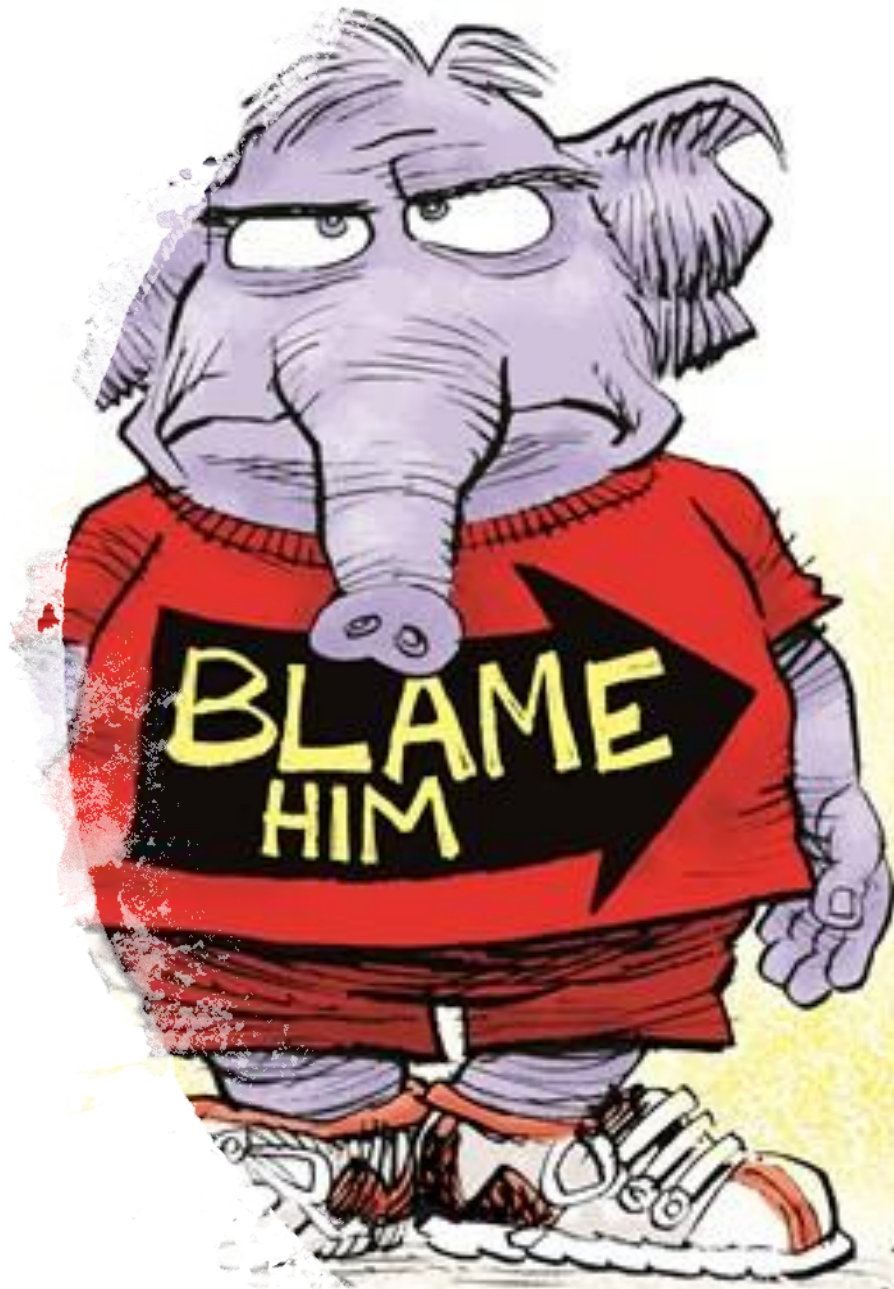
2018 Mid-Terms Preview

15th Annual Corporate Actions Forum

**Ilia Rodriguez
Senior Manager
Advocacy & Outreach
North American Government Relations**



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•House and Senate Overview

Enthusiasm Edge

Early Voting

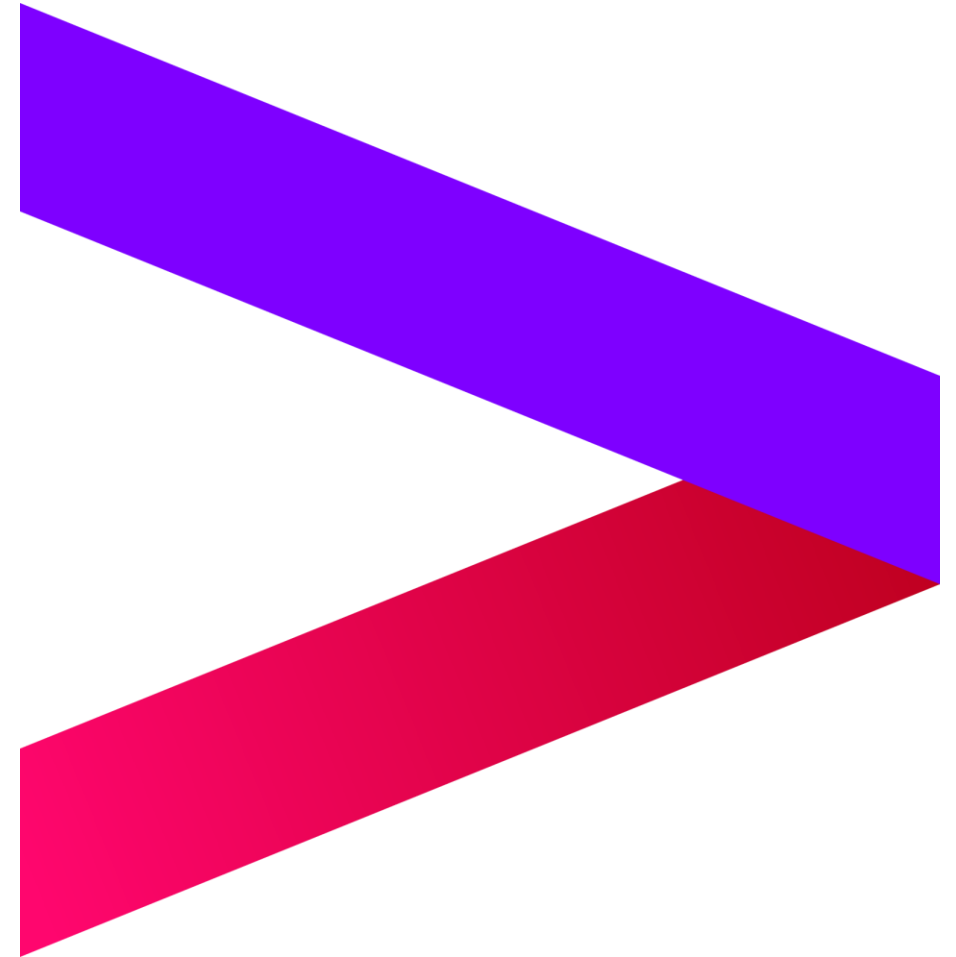
•Diversity Wave

Potential Firsts

•Committee Leadership Overview

•Legislative Agenda

Financial Services Sector



**Will there be a
blue wave?**

**A lot will depend on the
“Enthusiasm edge”**



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House Overview

As of October 11th, in the current Congress, **Republicans hold 235** seats and **Democrats hold 193** seats in the U.S. House of Representatives – a 42 seat Republican majority (with seven current vacancies).

To retain their majority, Republicans could afford **a net loss of 17 seats**

The real question is: how many seats will Republicans lose?

House: Is it Nothin' But Blue Skies...?

History, present circumstances point to a Democrat wave in the House

Broad Field, Less Exposure	Retirements, Open Seats, and Primary Losses
<p>68 seats are competitive, creating a large playing field for Democrats to make gains</p> <p>3 of 68 competitive seats are currently held by Democrats</p>	<p>41 Republicans are retiring from the House, have left their seats to pursue other opportunities, or have lost their primary election.*</p>

Democrats are currently **outraising** their incumbent Republican opponents and consistently leading by **high single digits** in generic ballot polling. While unexpected events can change predictions, there's a strong possibility of a **Democratic majority** in the House.

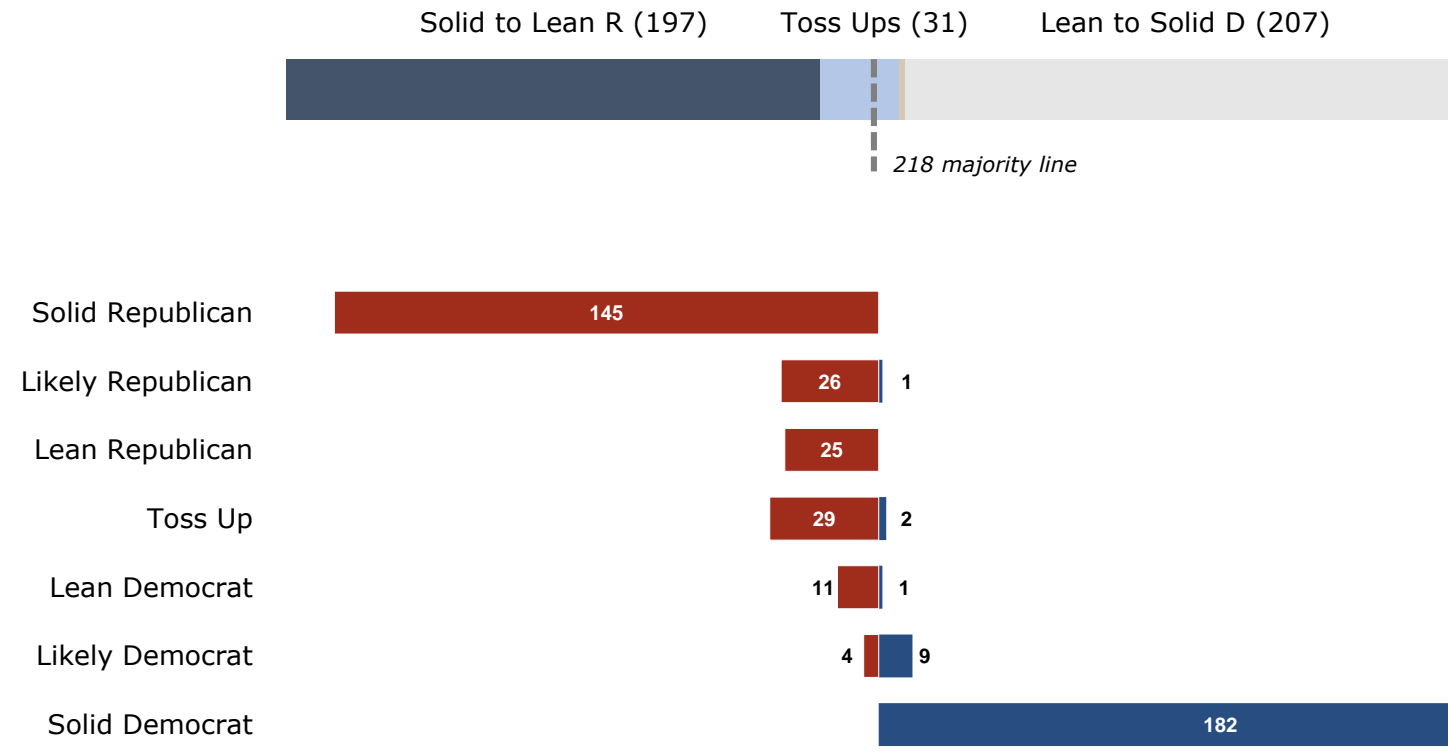
**Excludes seats that have been vacated and since filled.*

It Don't Mean a Thing if You Ain't Got That Swing....

Control of the House depends on whether Democrats can win most "Toss Up" races

Cook Political Report ratings

ALL 2018 HOUSE RACES



Source: Cook Political Report.

Daniel Stublen | Slide last updated on: October 4, 2018

Senate Overview

The current U.S. Senate consists of **51 Republicans, 47 Democrats, and two Independents** (both Independents – Senators King (ME) and Sanders (VT) caucus with the Democrats). The GOP has a narrow two-seat majority.

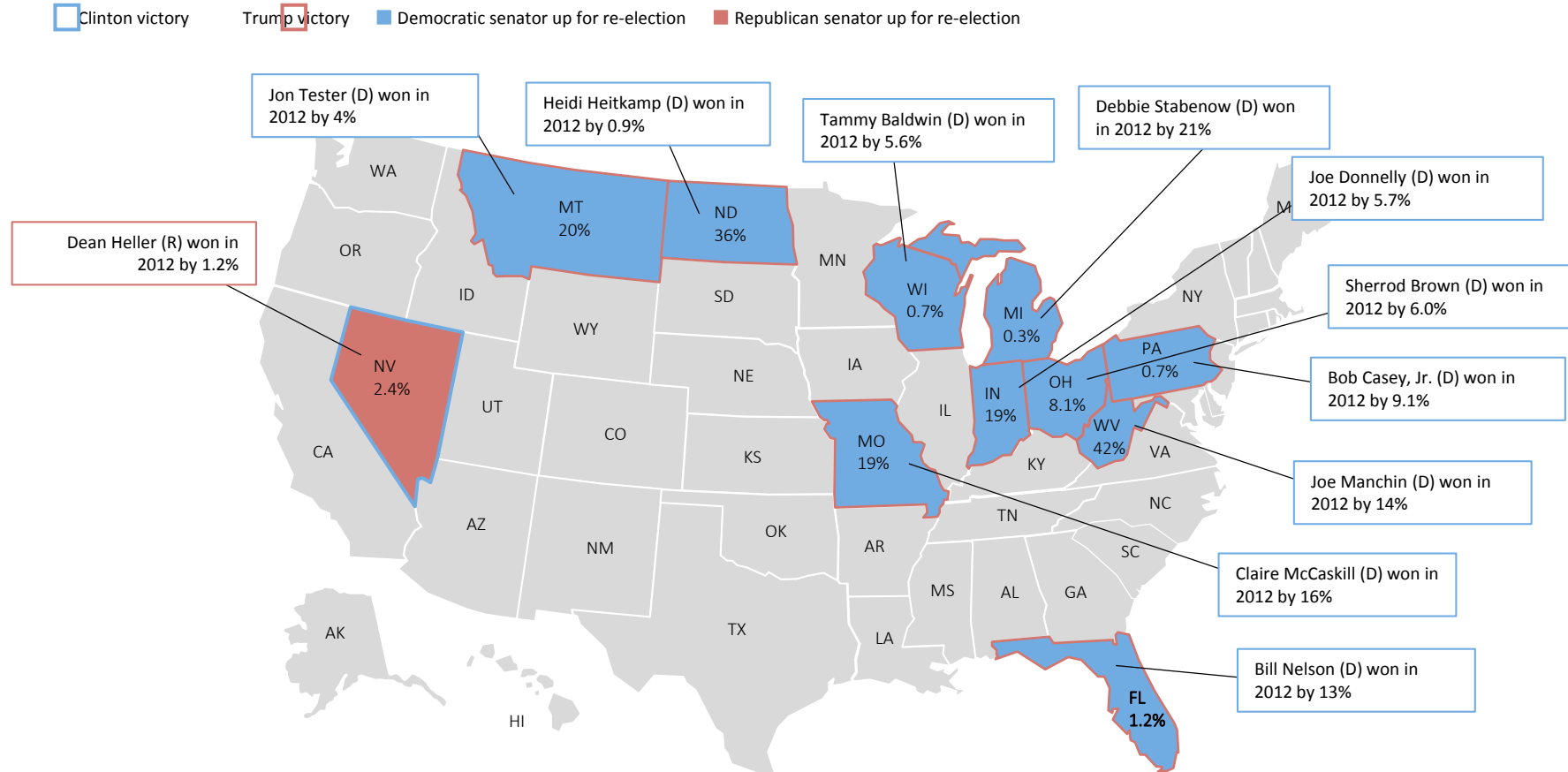
In the 2018 midterm on November 6, 35 Senate elections will be held (33 for a full six-year term, and two special elections (in Minnesota and Mississippi)).

Of those 35 seats up for election, **26 are held by Democrats and 9 are held by Republicans.**

Of the 26 Democratic senators up for re-election, Trump won 10 of their states – and five by double digits

Senators up for re-election in states won by the opposing party's 2016 presidential candidate

PERCENTS INSIDE THE STATE REPRESENT BY HOW MUCH THE OTHER PARTY'S PRESIDENTIAL CANDIDATE WON IN 2016



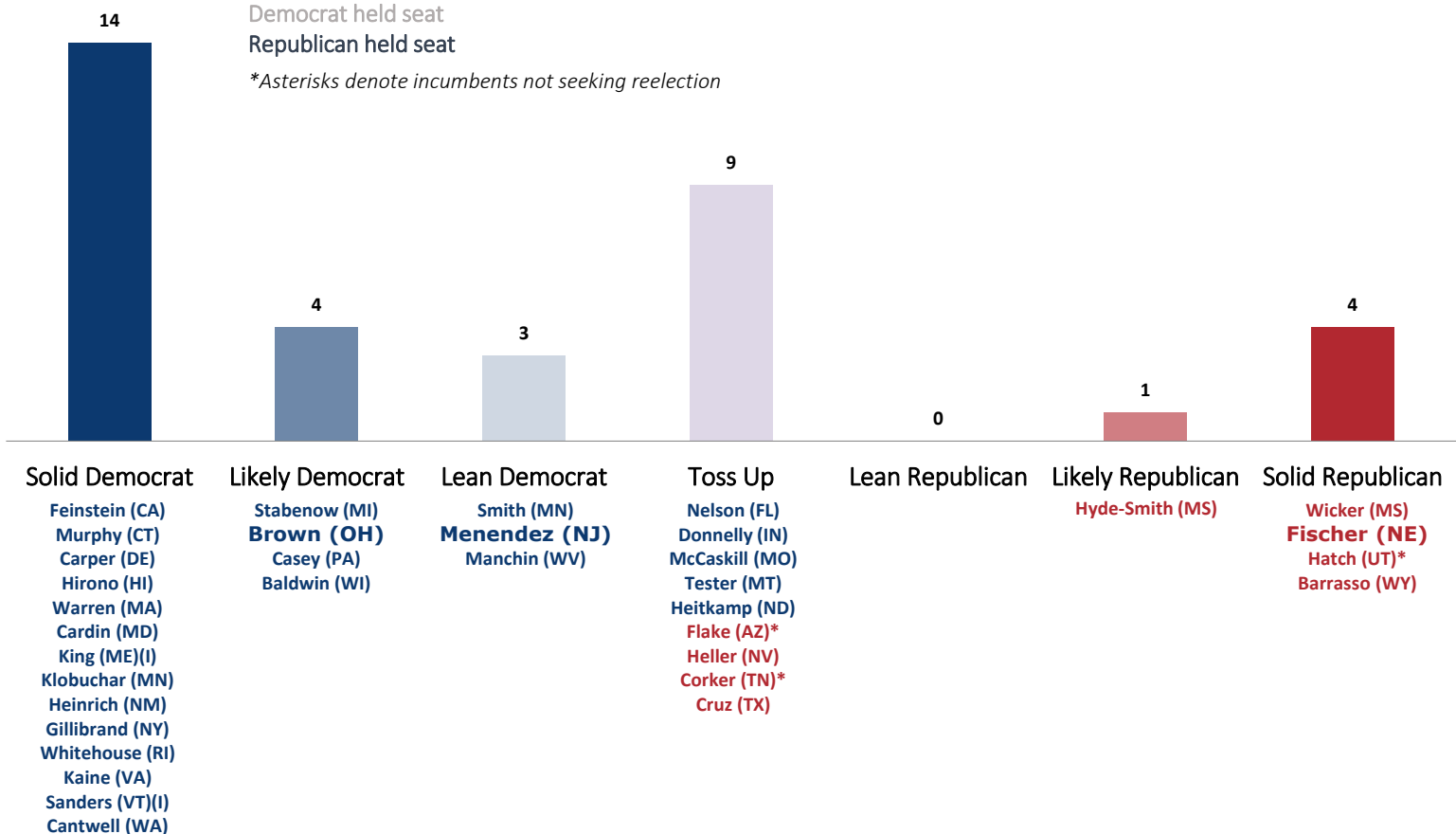
Sources: National Journal Research, 2017.

Slide last updated on September 11, 2018

Control of the Senate will depend on nine “Toss Up” seats

Cook Political Report ratings

ALL 2018 SENATE RACES



Source: The Cook Political Report, 2018.

Slide last updated on October 4, 2018

Who Holds the Enthusiasm Edge?

Before the Kavanaugh nomination controversy, a number of polls showed overall enthusiasm among Republicans and Democrats at higher than normal levels for a midterm election. **Gallup described the level as “significantly higher” than in six prior midterms,” and Pew said it was “at its highest level during any midterm in more than two decades!”**

Gallup: Fifty-eight percent of Republicans compared to 61 percent of Democrats said they were more enthusiastic than usual.

Pew: Sixty-seven percent of them say they are more enthusiastic than usual compared to 59 percent of the Republicans.

CNN (September): 50 percent of Republicans and 55 percent of Democrats said they were extremely or very enthusiastic about voting.

Fox (September): 73 percent of Democrats and 70 percent of Republicans said they were extremely or very interested in the elections.

****NOTE:** All these samples are of people who tell the pollsters they are registered to vote.

Importance of Voting

"You wouldn't give your crazy uncle the power to post a picture to your Instagram feed, so why would you give a stranger the power to make far more important decisions in your life?"

Michelle Obama

Importance of Voting

Remember.....

- A mere **540 votes in Florida** swung the 2000 presidential election for George W. Bush over Al Gore.
- In 2016, it was 79,646 voters in three key states who delivered a victory to President Donald Trump. If that number sounds big, consider that the figure represents less than .0006% of the more than 130 million ballots cast in the election as a whole.

Early Voting: A Significant Part of Our Election Culture

- Early voting will have begun in 15 states by October 10
 - Key states include: Wisconsin, Minnesota, New Jersey, California, Ohio, and Arizona.
- 37 states plus the District of Columbia will have started voting by Election Day
- Early voting has become a significant part of our election culture
 - **Roughly 40 percent of ballots nationwide were not cast in a polling place on Election Day in the 2014 and 2016 elections.**
 - Early voting expert Michael McDonald, an associate professor of political science at the University of Florida says that **when it comes to in-person early voting, Democrats tend to perform better, as opposed to Republicans, who tend to run up their numbers in turnout from mail-in ballots and same-day voting.**
- Want to follow early voting? Check out the United States Early Voting Project:
http://www.electproject.org/early_2018

Diversity Wave



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Potential Firsts

Governors

- Andrew Gillum would be the first African-American to lead his state. (Florida)
- Stacey Abrams would be the first African-American woman to lead any state. (Georgia)
- Jared Polis would become the first openly gay man to be elected governor. (Colorado)
- Christine Hallquist, a Democrat, is the first transgender candidate ever to be nominated for governor by a major party. If she wins she would be the first Transgender elected Governor (Vermont)

Congress

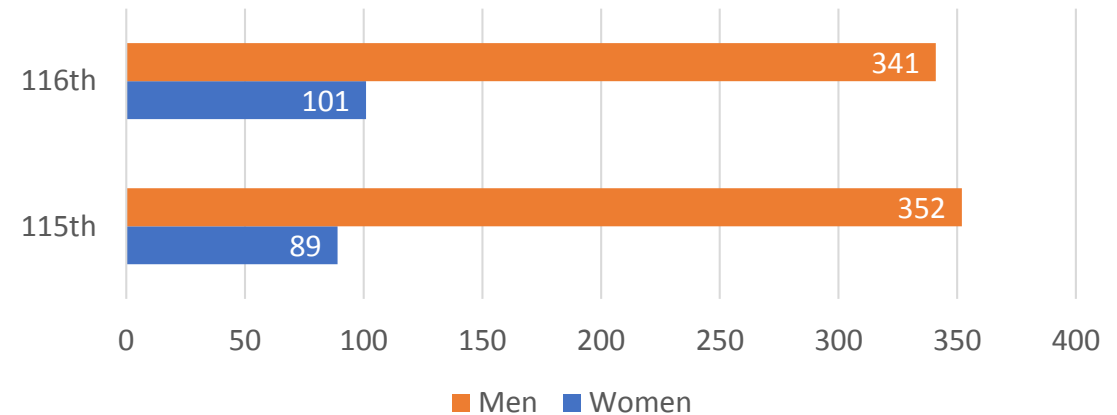
- In Tennessee, Representative Marsha Blackburn, the Republican nominee for an open Senate seat, could become the state's first female senator.
- Rashida Tlaib of Michigan and Ilhan Omar of Minnesota, each seeking House seats, could be the first Muslim-American women in Congress.
**Omar would also be the first Somali-American elected to Congress.
- Deb Haaland of New Mexico could be the first Native American woman elected to Congress
- Ayanna Pressley could be the first African-American woman to represent Massachusetts in Congress
- Either Krysten Sinema or Martha McSally will be the first Arizona woman elected to the Senate

Record-Breaking Gender and Diversity: House

Scenario 1

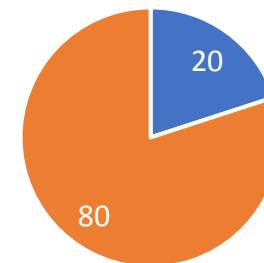
If Democrats hold onto all of their current seats and only win the 13 seats rated as likely or lean Democratic, they won't win a majority, but women will make significant gains in the House.

Number of House Members



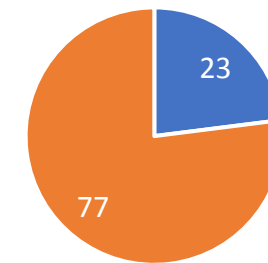
Percentage of House Members

115th Congress



■ Women ■ Men

116th Congress



■ Women ■ Men

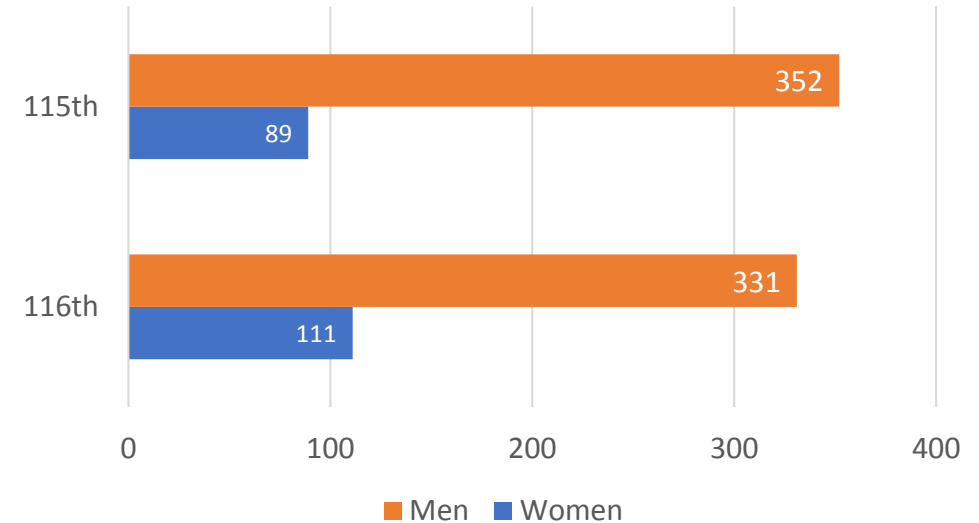
Data Sources: Cook Political Report's House Ratings (9/26/18);
The Raben Group's "A Diversity Wave" Report (10/2/18)

Record-Breaking Gender and Diversity: House

Scenario 2

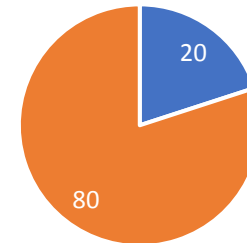
If Democrats hold onto all of their current seats and win the 42 seats rated as likely or lean Democratic and toss-up, they will win the majority. Women will hold one in four House seats.

Number of House Members



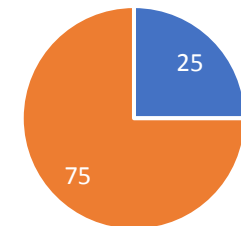
Percentage of House Members

115th Congress



■ Women ■ Men

116th Congress



■ Women ■ Men

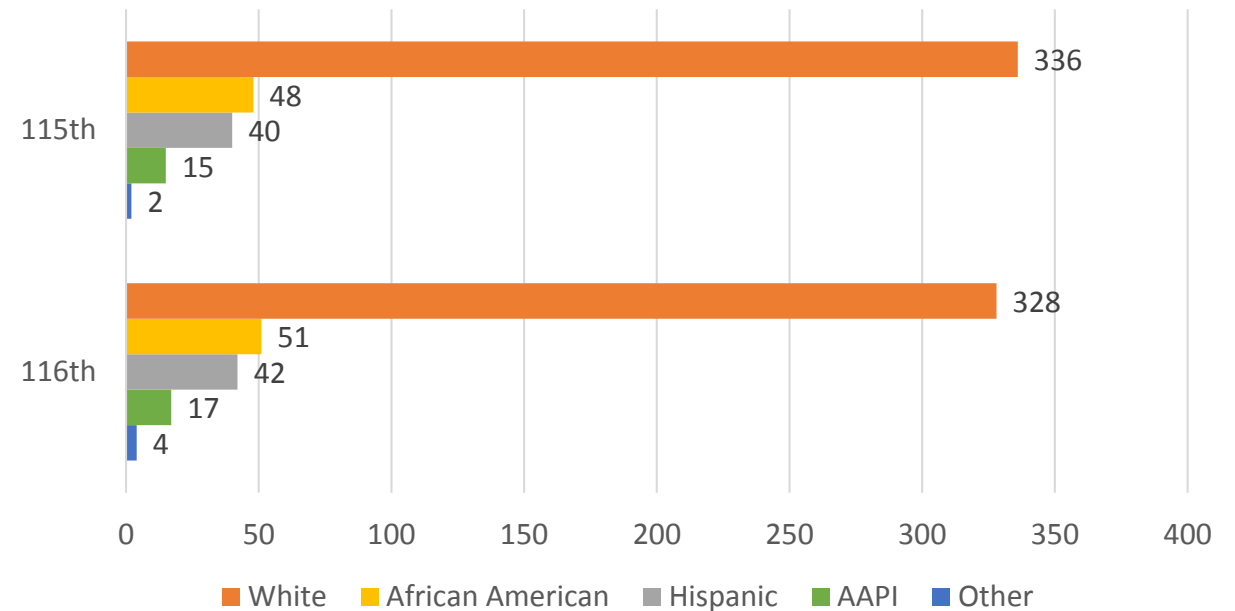
Data Sources: Cook Political Report's House Ratings (9/26/18);
The Raben Group's "A Diversity Wave" Report (10/2/18)

Record-Breaking Ethnicity and Diversity: House

Scenario 1

*If Democrats **hold onto all** of their current seats and only win the 13 seats rated as likely or lean Democratic, they won't win a majority, yet Congress will still become modestly more diverse.*

Number of House Members

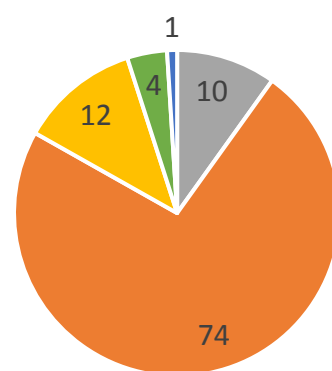
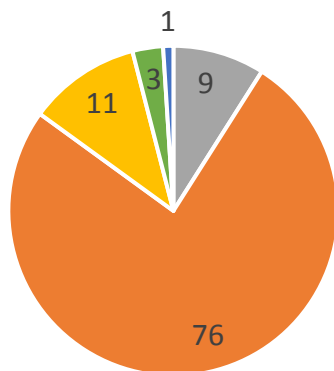


Percentage of House Members

115th Congress

116th Congress

- Hispanic
- White
- African American
- AAPI
- Other



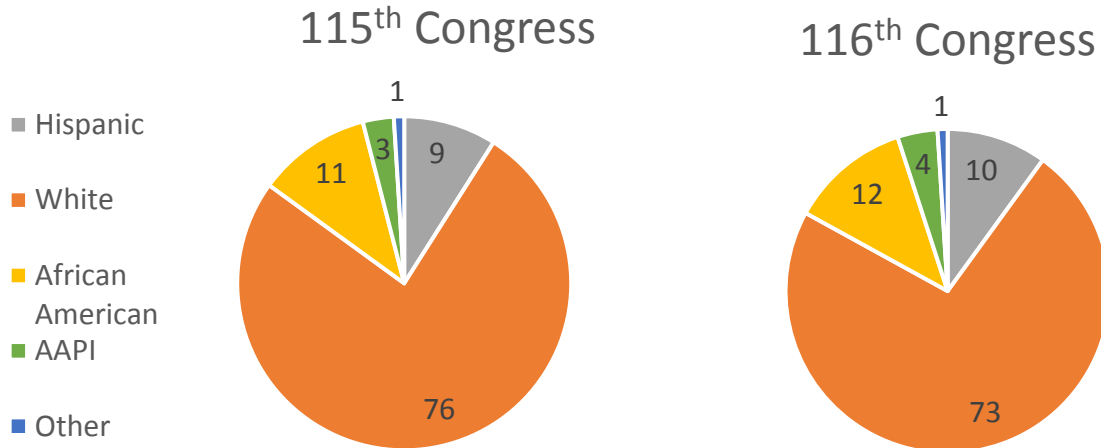
Data Sources: Cook Political Report's House Ratings (9/26/18);
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Record-Breaking Ethnicity and Diversity: House

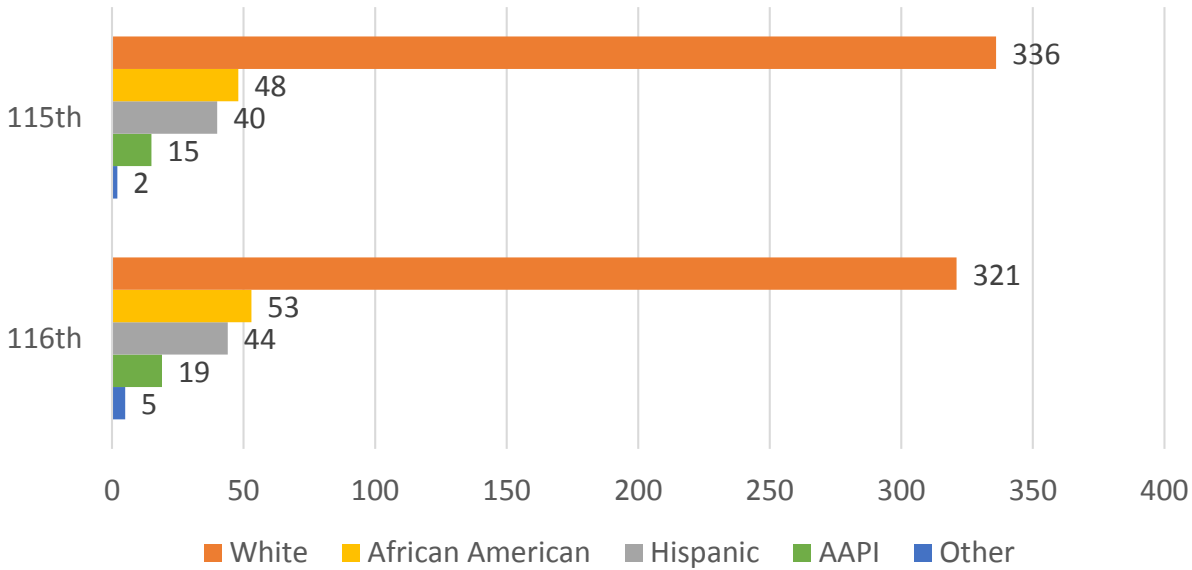
Scenario 2

*If Democrats hold onto all of their current seats and win the 42 seats rated as likely or lean Democratic and toss-up, they will win the majority. The number of **people of color in Congress will jump from 23 to 27%.***

Percentage of House Members

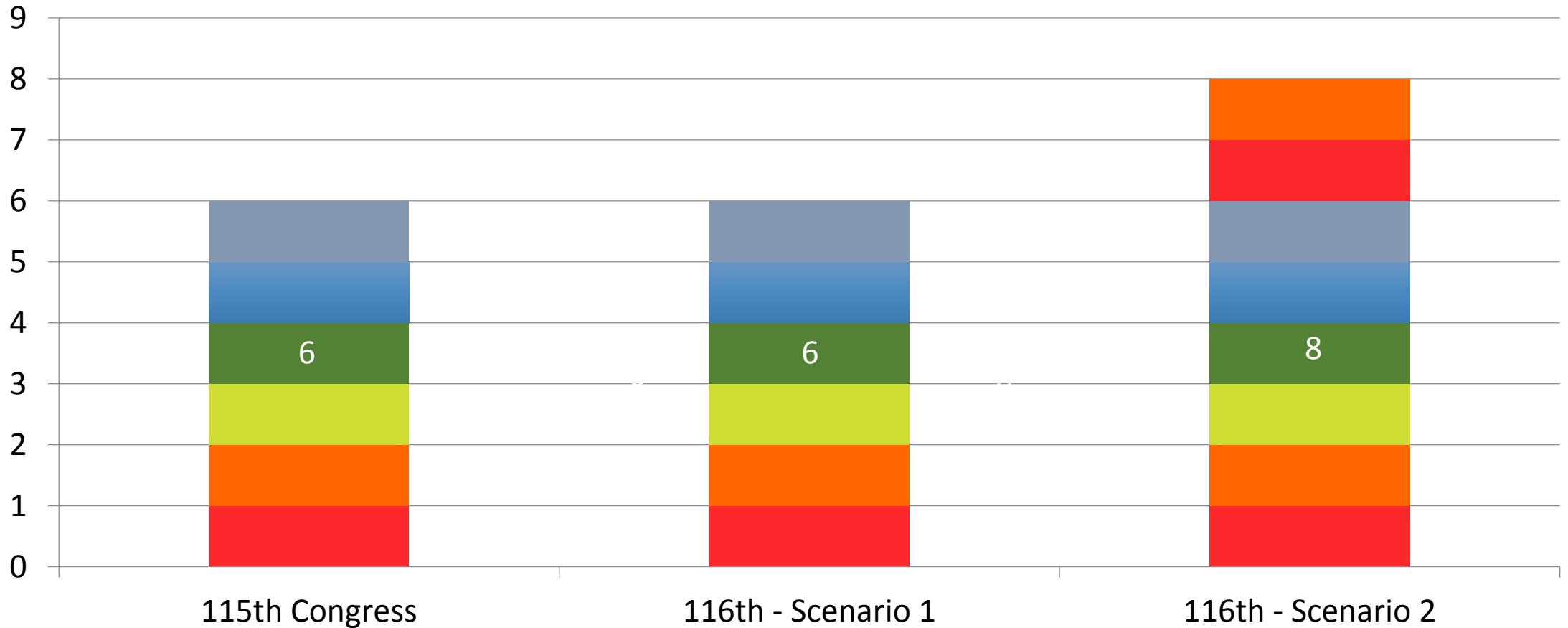


Number of House Members



Data Sources: Cook Political Report's House Ratings (9/26/18); The Raben Group's "A Diversity Wave" Report (10/2/18)

LGBTQ Representation in the House



*Data Sources: Cook Political Report's House Ratings (9/26/18);
The Raben Group's "A Diversity Wave" Report (10/2/18)*

Record-Breaking Diversity: Senate

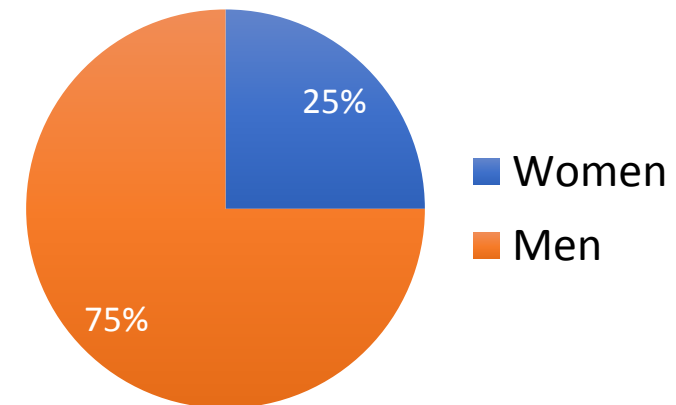
If Democrats hold all of their current seats and pick up Republican-held seats that are rated as toss-ups (AZ, NV, TN, TX) women would likely hold a record one in four Senate seats.

Openly LGBTQ Senators would also stand at a record two.

Congress	Number of LGBTQ Senators
115th	1
116 th	2

Potential Senate Composition Next Congress

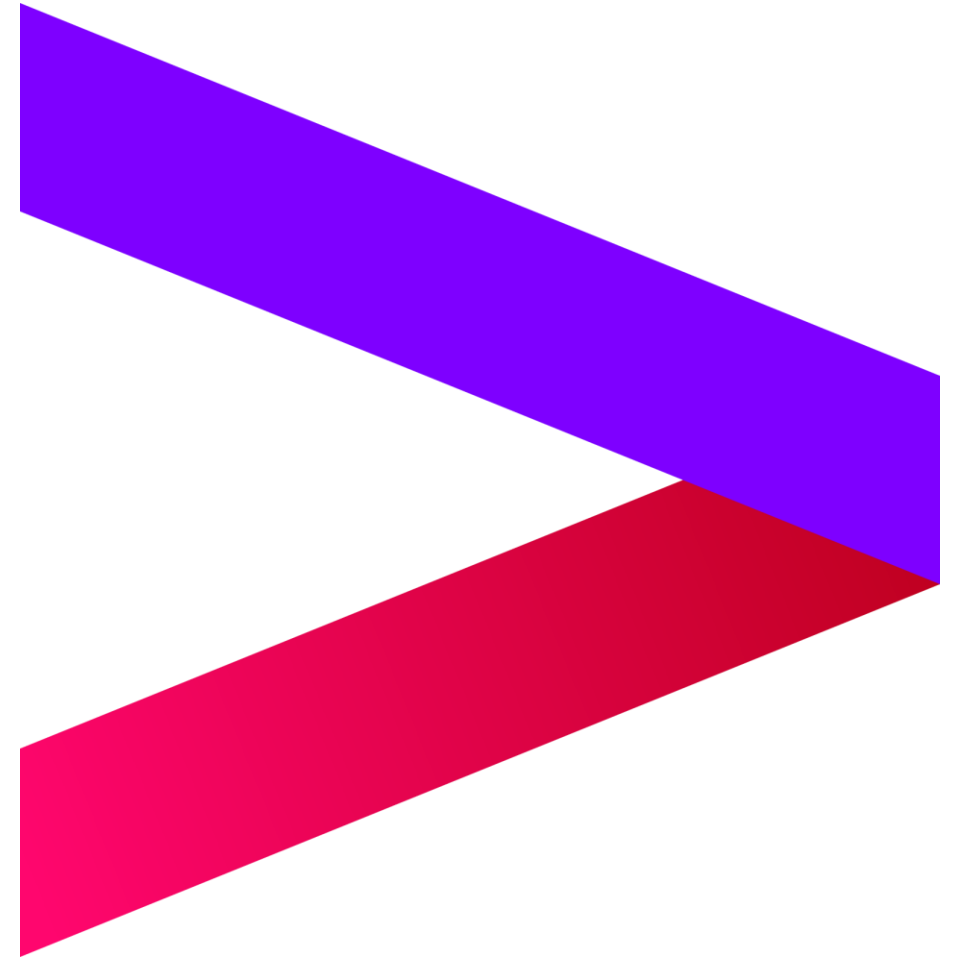
116th Congress



*Data Sources: Cook Political Report's House Ratings (9/26/18);
The Raben Group's "A Diversity Wave" Report (10/2/18)*

Committee and Subcommittee Leadership –

Outlook for the 116th Congress



Possible House Committee Leadership

Under a Democrat Majority

By some projections, of the 21 full committees, 4 could be chaired by women, 8 by people of color, and 1 by an openly LGBTQ Member of Congress.

Committee	Likely Top Democrat	Committee	Likely Top Democrat
Agriculture	Collin Peterson (MN-7)	Intelligence	Adam Schiff (CA-28)
Appropriations*	Nita Lowey (NY-17)	Judiciary	Jerry Nadler (NY-10)
Armed Services	Adam Smith (WA-9)	Natural Resources*	Raul Grijalva (AZ-3)
Budget	John Yarmuth (KY-3)	Oversight & Gov. Reform*	Elijah Cummings (MD-7)
Education & Workforce*	Bobby Scott (VA-3)	Rules	Jim McGovern (MA-2)
Energy & Commerce	Frank Pallone (NJ-6)	Science, Space & Tech*	Eddie Johnson (TX-30)
Ethics	Ted Deutch (FL-22)	Small Business*	Nydia Velazquez (NY-7)
Financial Services*	Maxine Waters (CA-43)	Transportation & Infrastructure	Peter DeFazio (OR-4)
Foreign Affairs	Eliot Engel (NY-16)	Veterans' Affairs*	Mark Takano (CA-41)
Homeland Security	Bennie Thompson (MS-2)	Ways & Means	Richard Neal (MA-1)
House Admin.	Jamie Raskin (MD-8)		

Data Sources: Cook Political Report's House Ratings (9/26/18); The Raben Group's "A Diversity Wave" Report (10/2/18)

Possible House Committee Leadership

(Under a Republican Majority)

Committee	Likely Top Republican	Committee	Likely Top Republican
Agriculture	Mike Conaway (TX-11)	Intelligence	Devin Nunes (CA-22)
Appropriations	Open Race	Judiciary	<i>Doug Collins (GA-9)</i>
Armed Services	Mac Thornberry (TX-13)	Natural Resources	Rob Bishop (UT-1)
Budget	Steve Womack (AR-3)	Oversight & Gov. Reform	Open Race
Education & Workforce	Virginia Foxx (NC-5)	Rules	Pete Sessions (TX-32)
Energy & Commerce	Greg Walden (OR-2)	Science, Space & Tech	Open Race
Ethics	Susan Brooks (IN-5)	Small Business	Steve Chabot (OH-1)
Financial Services	Open Race	Transportation & Infrastructure	Open Race
Foreign Affairs	Open Race	Veterans' Affairs	Phil Roe (TN-1)
Homeland Security	<i>Mike Rogers (AL-3)</i>	Ways & Means	Kevin Brady (TX-8)
House Admin.	<i>Rodney Davis (IL-13)</i>		

Italics indicate members that are likely to become the committee leader, but are not currently

Possible Senate Committee Leadership

Under a Democrat Majority

Based on current ranking member assignments, **eight women** could chair committees – equal to the 113th Congress when Democrats were the Senate majority. **One committee could be led by a person of color.**

Committee	Likely Top Democrat	Committee	Likely Top Democrat
Agriculture*	Stabenow (MI)	HELP*	Murray (WA)
Appropriations	Leahy (VT)	Homeland Security*	McCaskill (MO)
Armed Services	Reed (RI)	Indian Affairs*	Smith (MN)
Banking	Brown (OH)	Intelligence	Warner (VA)
Budget	Sanders (VT)	Judiciary*	Feinstein (CA)
Commerce, Science, Transport.	Nelson (FL)	Rules & Admin*	Klobuchar (MN)
Energy & Natural Resources*	Cantwell (WA)	Small Business*	Shaheen (NH)
Environment & Public Works	Carper (DE)	Veterans' Affairs	Tester (MT)
Finance	Wyden (OR)	Aging	Casey (PA)
Foreign Relations*	Menendez (NJ)	Ethics	Coons (DE)

Data Sources: Cook Political Report's House Ratings (9/26/18); The Raben Group's "A Diversity Wave" Report (10/2/18)

Possible Senate Committee Leadership

Under a Republican Majority

Committee	Likely Top Democrat	Committee	Likely Top Democrat
Agriculture	Roberts (KS)	HELP	Alexander (TN)
Appropriations	Shelby (AL)	Homeland Security	Johnson (WI)
Armed Services	Inhofe (OK)	Indian Affairs	Hoeven (ND)
Banking	Crapo (ID)	Intelligence	Burr (NC)
Budget	Enzi (WY)	Judiciary	<i>Graham (SC)</i>
Commerce, Science, Transport.	<i>Blunt (MO)</i>	Rules & Admin	Blunt (MO)
Energy & Natural Resources	Murkowski (AK)	Small Business	Risch (ID)
Environment & Public Works	Barrasso (WY)	Veterans' Affairs	Isakson (GA)
Finance	<i>Grassley (IA)</i>	Aging	Collins (ME)
Foreign Relations	<i>Risch (ID)</i>	Ethics	Isakson (GA)

Italics indicate members that are likely to become the committee leader, but are not currently

Possible Agenda for the 116th Congress



If Democrats Control House:

- Investigations into Trump and Administration officials' finances
- Aggressive regulatory oversight
- Affordable housing
- Data breach/Data Privacy
- Credit reporting agencies
- Corporate governance reforms
 - Stock Buybacks, executive compensation, board diversity, etc

If Democrats Control Senate:

- Focus on consumer protection
- Aggressive regulatory oversight
- Data breach/Data Privacy
- Credit reporting agencies
- Corporate governance reforms
 - Stock buybacks, possibly elements of bill introduced by Sen. Warren (D-MA) – Accountable Capitalism Act

If Republicans Keep Both Chambers:

- Focus on regulatory oversight (primarily for a pro-business standpoint)
- Capital formation package (if not passed by Senate this Congress)
- Bank Secrecy Act reform
- Data Breach/Data Privacy
- Financial technology (Fintech)
- Cryptocurrencies

Possible Regulatory Agenda:

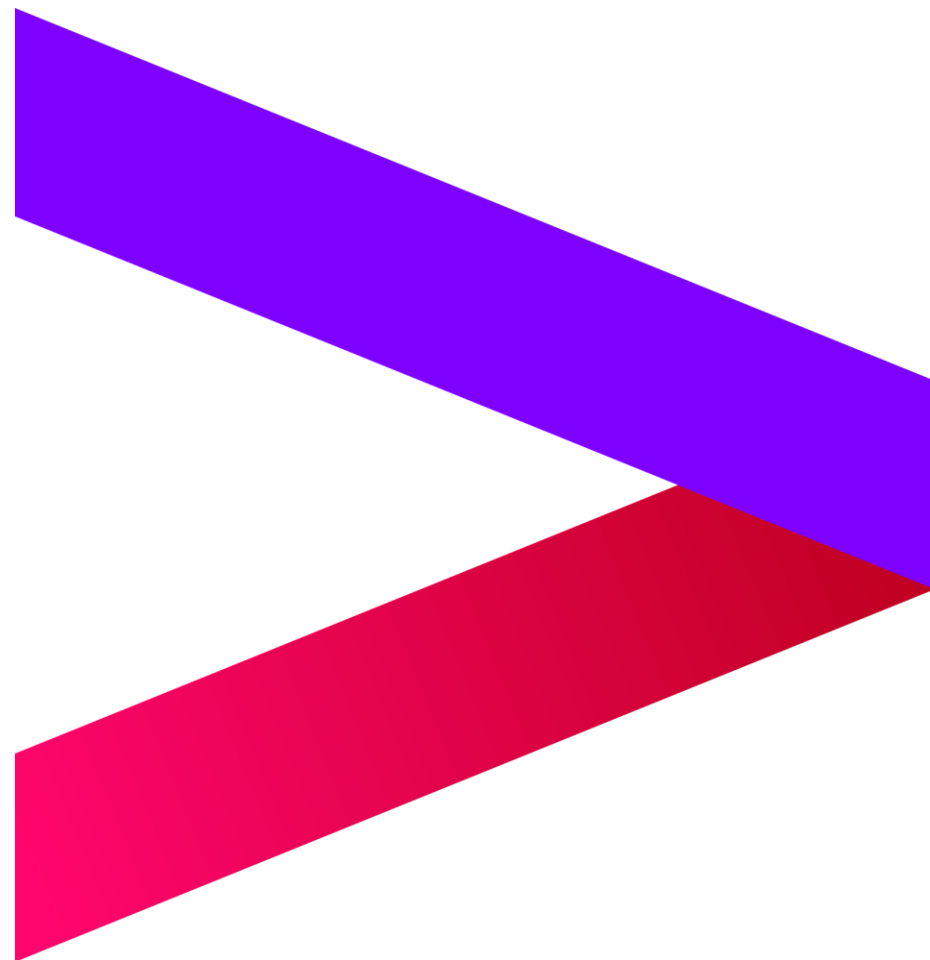
- Implementation of S.2155
 - I.e. – Changes to enhanced prudential oversight, stress testing
- Revised Volcker Rule
- Regulation Best Interest (SEC)

Questions?



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Thank You!



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