

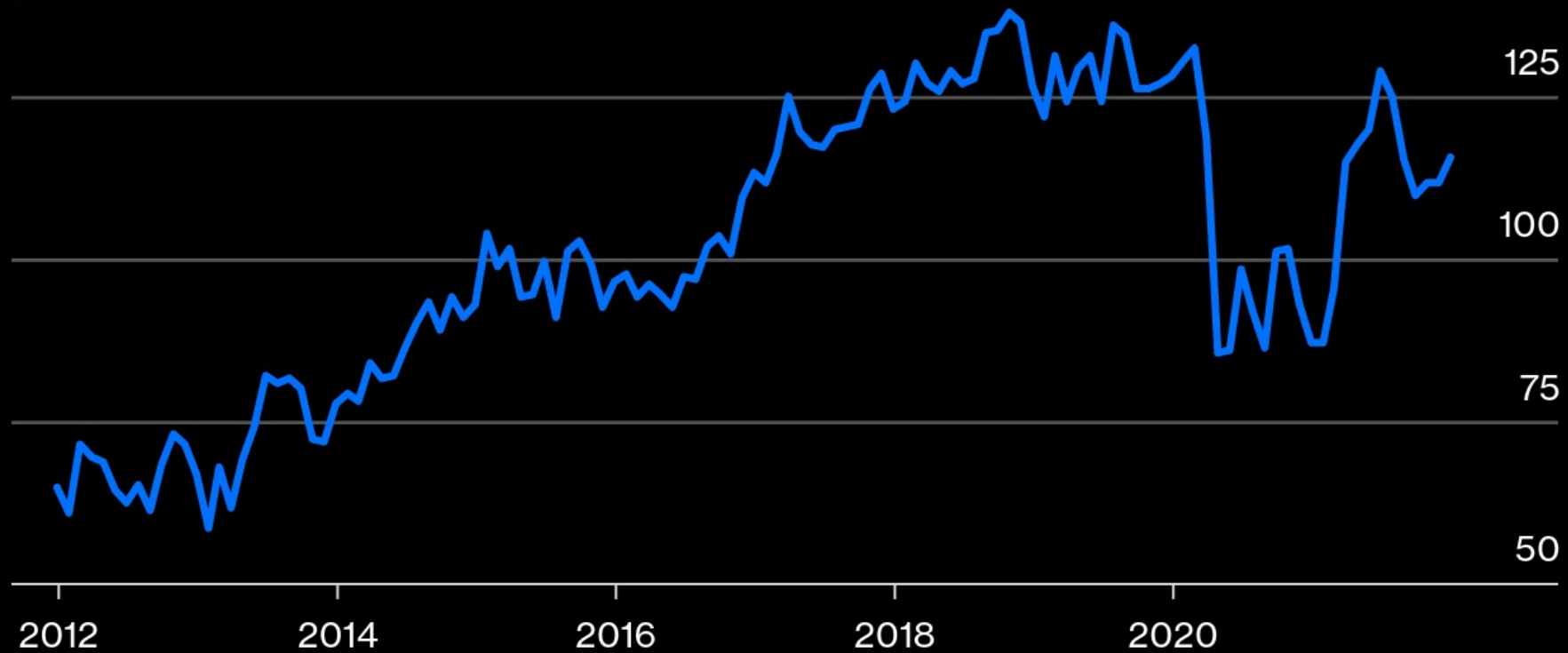
Biden's First Year: The International and Domestic Implications for 2022

It's the Economy, Stupid!

Feeling Good

Consumer confidence is on the rise despite higher rates of inflation

Consumer Confidence Index



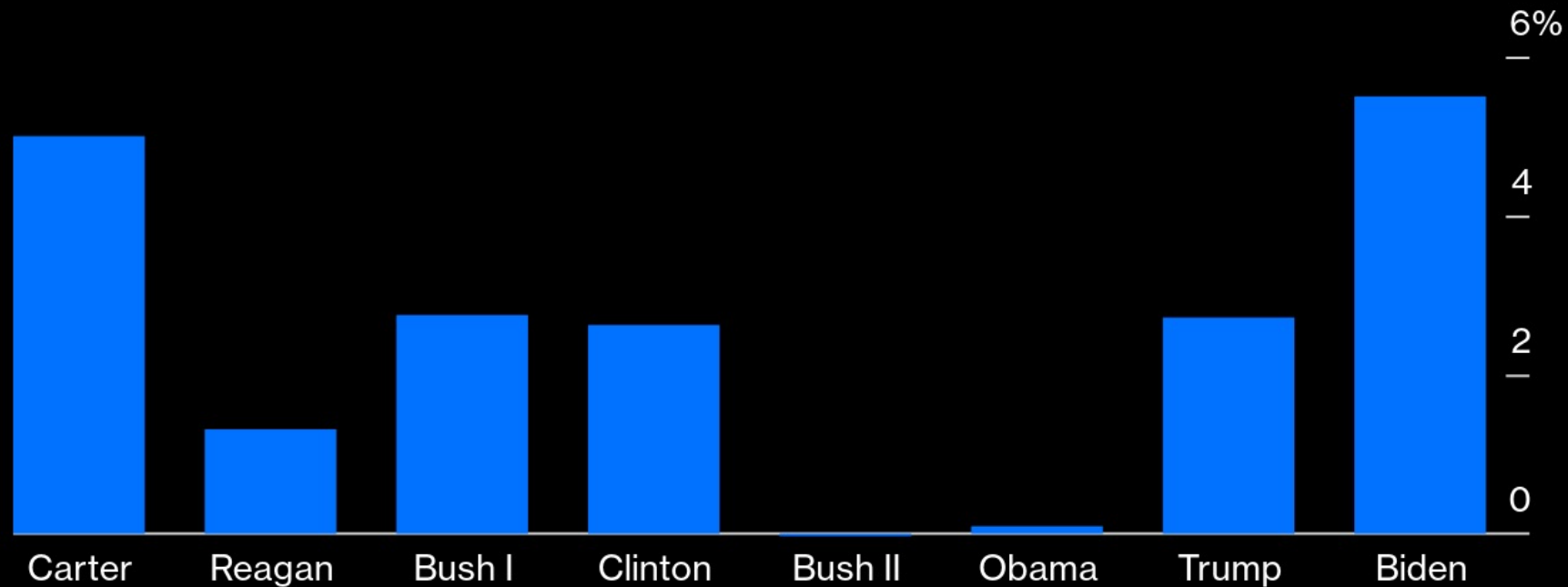
Sources: Conference Board, Bloomberg

BloombergOpinion

Leading the Pack

The economy is poised to expand 5.5% in Biden's first year as president

■ GDP Growth



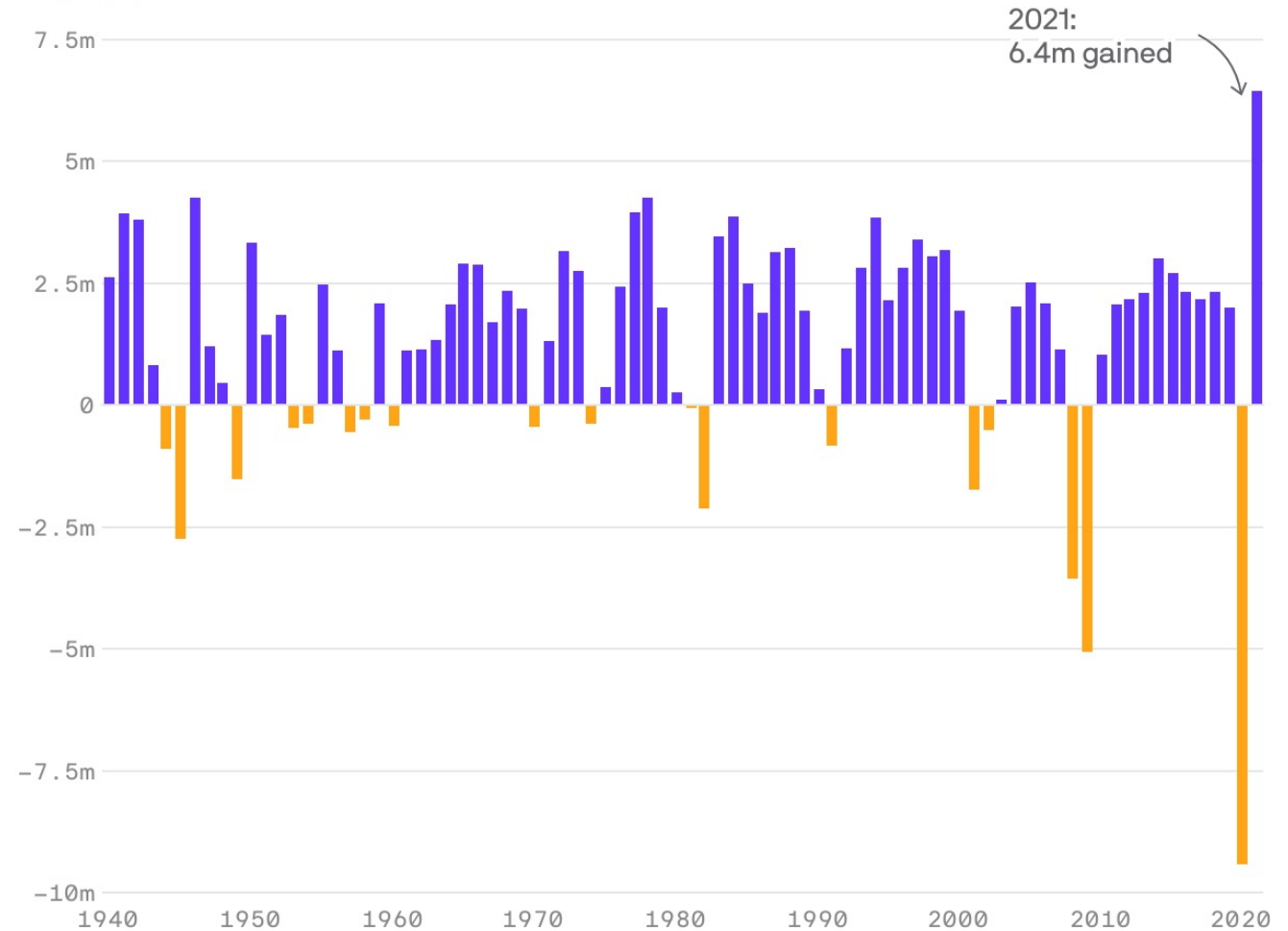
Sources: Commerce Department, Bloomberg

The forecast for Biden is the median estimate of more than 80 economists surveyed by Bloomberg.

BloombergOpinion

Annual job gains and losses

1940-2020



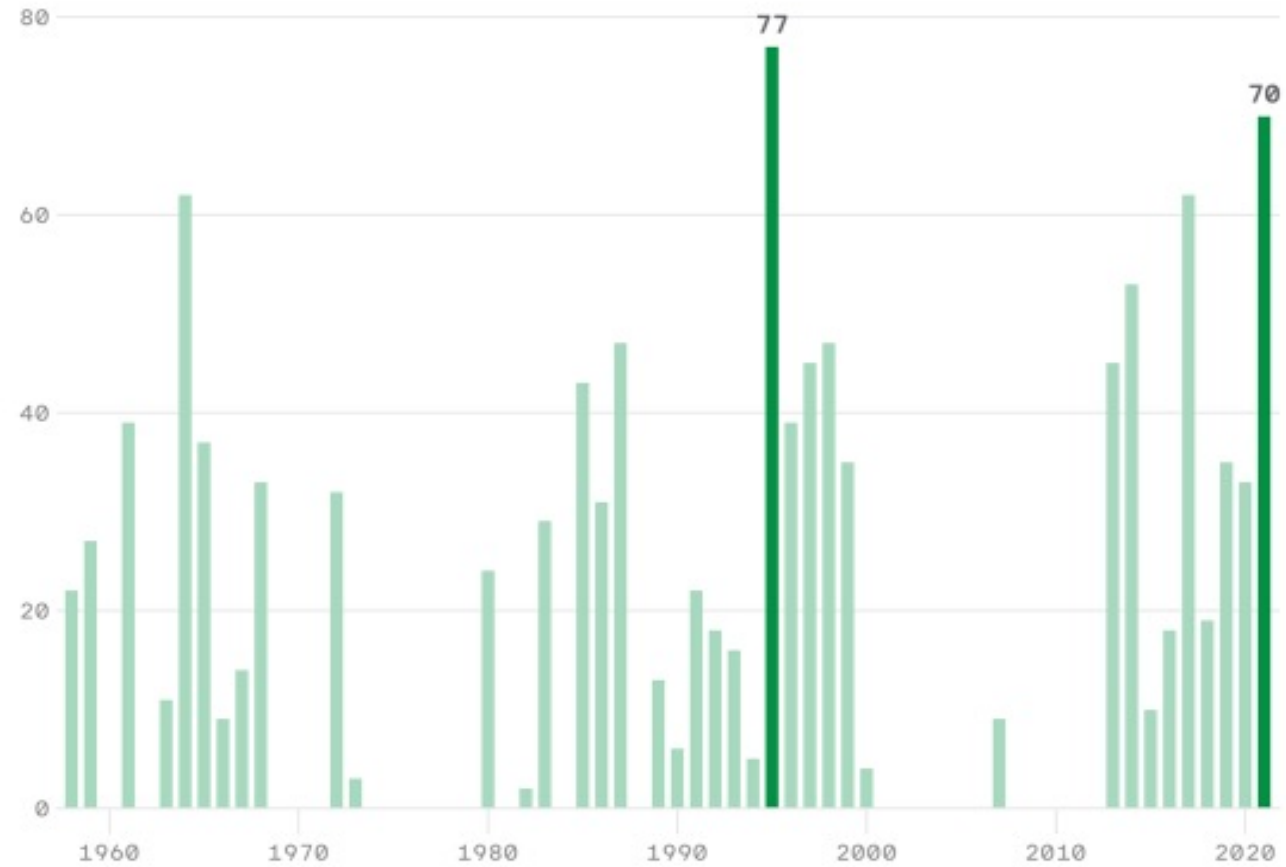
More Jobs
Have Been
Created Than
In Any Year
Since 1939

Unemployment at 3.9% is Near a Record Low



S&P 500 closing highs, by year

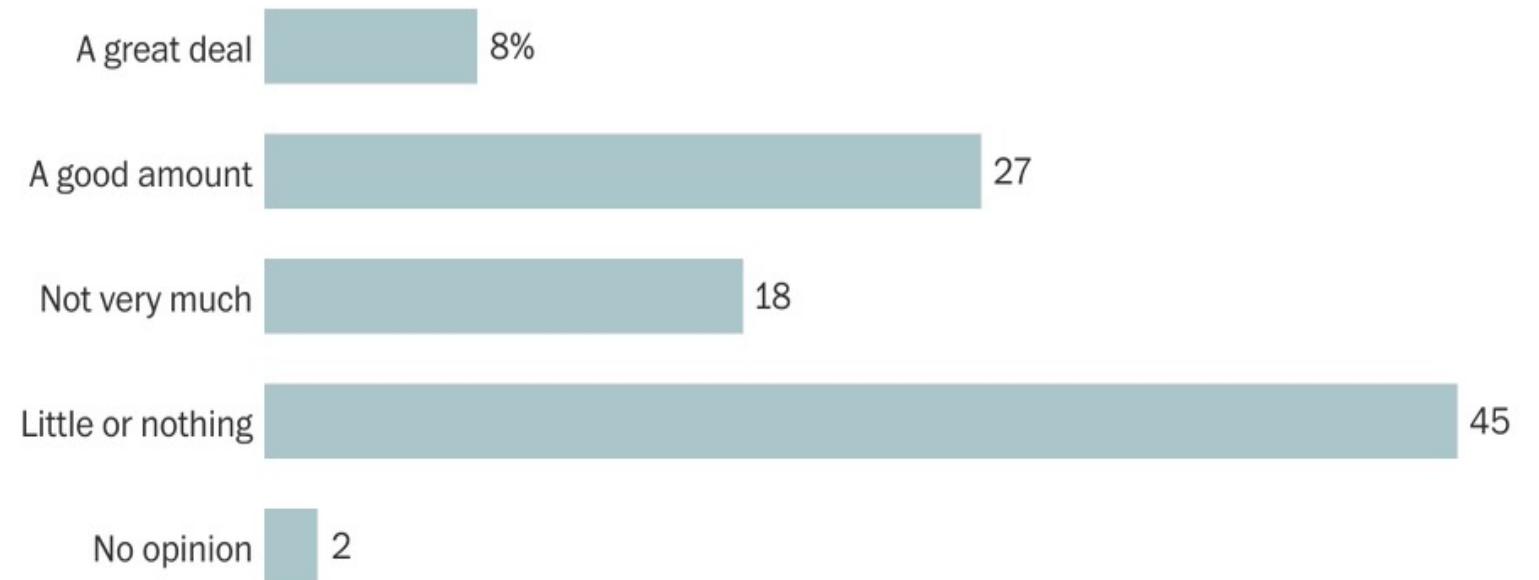
1958 to 2021



Nevertheless,
Most
Americans
Think Biden
Has
Accomplished
Nothing

Majority of Americans say Biden has not accomplished much or has accomplished little or nothing

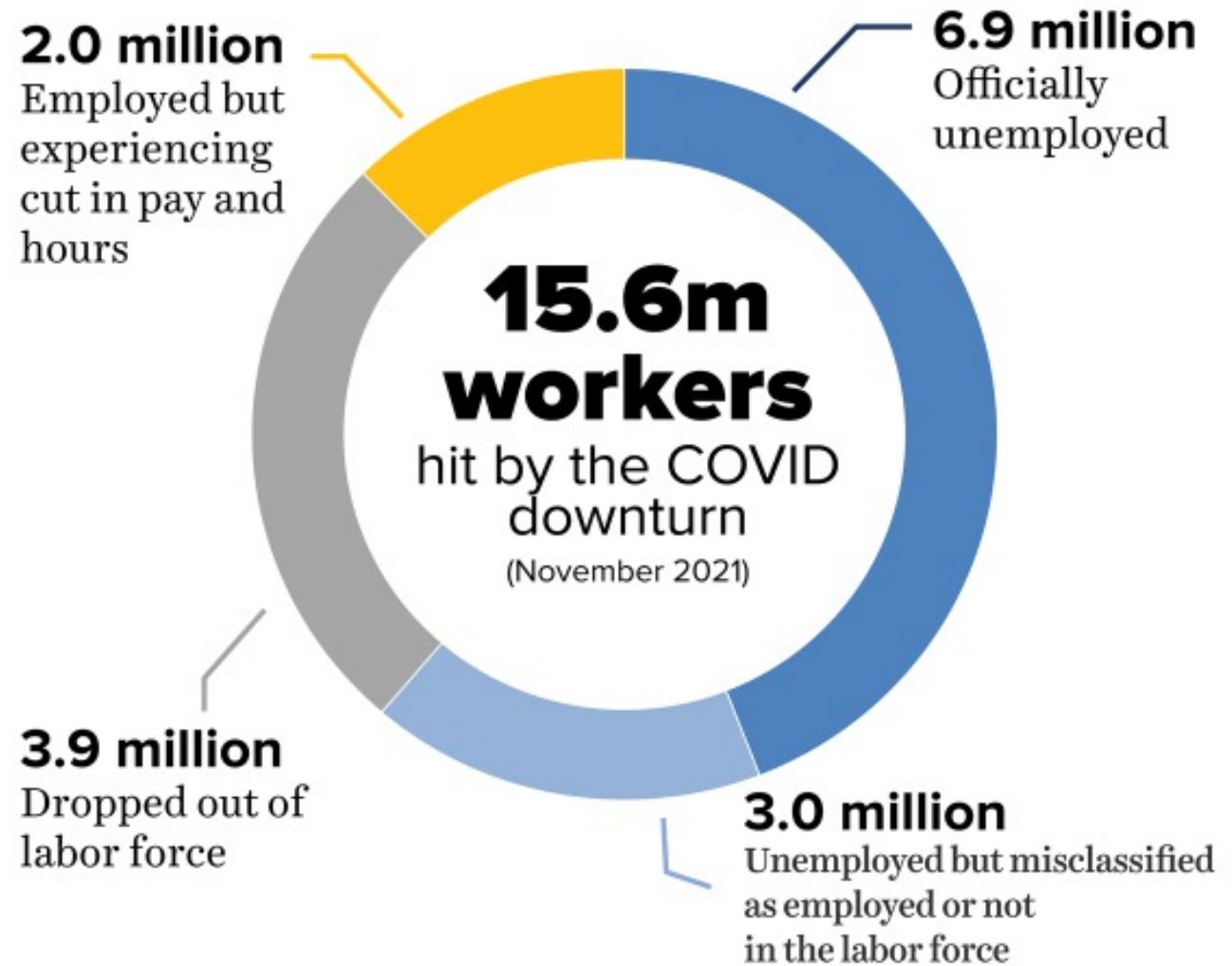
Q: Biden has been president for about 10 months. Would you say he has accomplished...



Source: Nov. 7-10, 2021, Washington Post-ABC News poll of 1,001 adults with an error margin of +/- 3.5 percentage points.

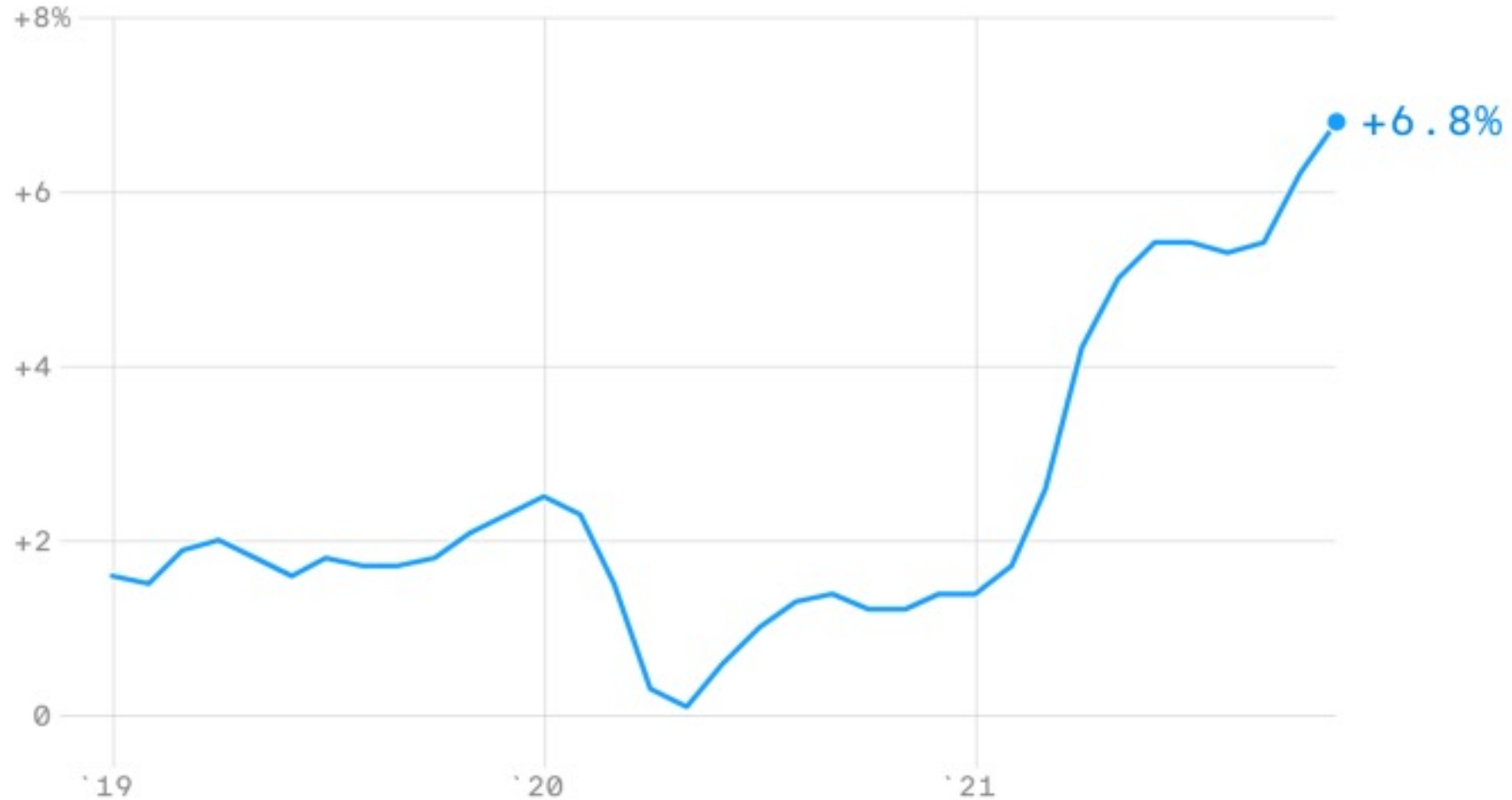
EMILY GUSKIN / THE WASHINGTON POST

One Reason:
Covid
Devastated
the Workforce



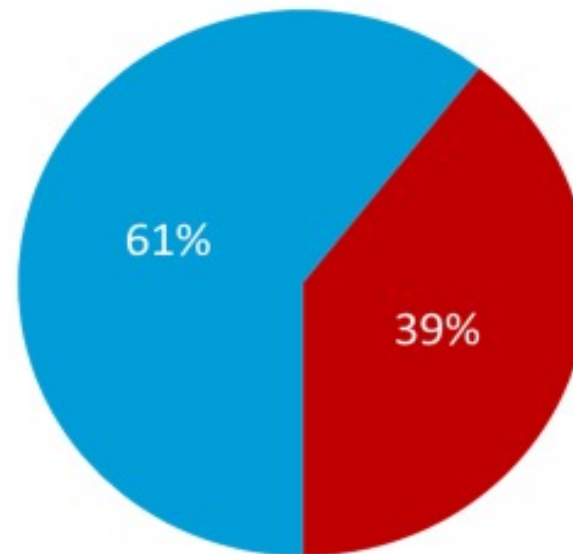
12-month change in Consumer Price Index

January 2019 to November 2021



The Public Blames Biden for High Gas Prices

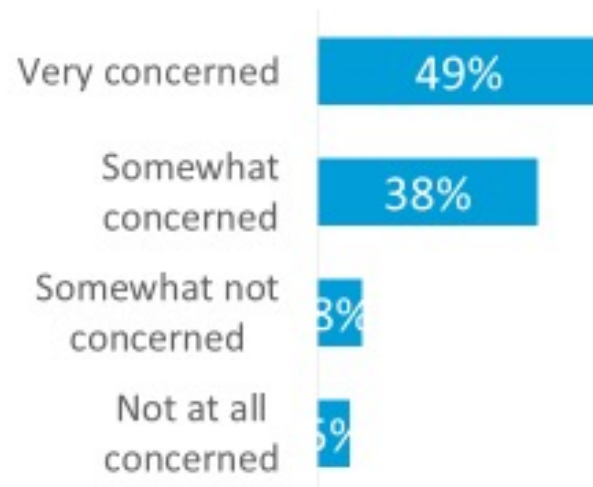
Do you think that the increase in the price of gasoline has been caused by the Biden administration policies or do you think that the increase is not due to their policies?



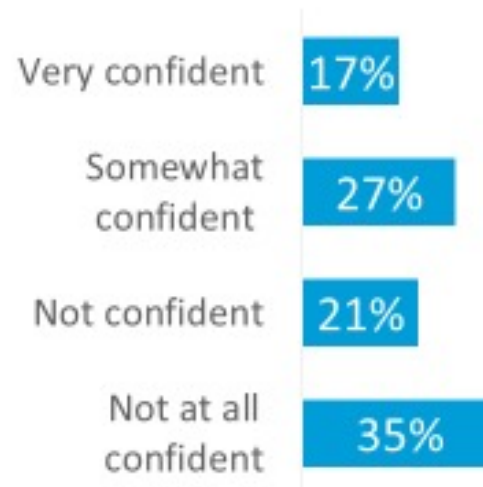
■ Biden administration ■ Not due to their policies

VIRTUALLY ALL VOTERS ARE AT LEAST SOMEWHAT CONCERNED WITH INFLATION, BUT HAVE LITTLE CONFIDENCE IN BIDEN ADMIN AND THE FED TO KEEP IT BAY

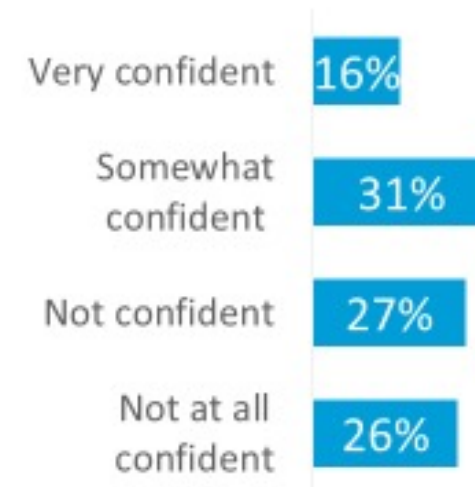
Are you concerned or not concerned about increased inflation?



How confident are you in the Biden Administration's ability to keep inflation at bay?



How confident are you in the Federal Reserve's ability to keep inflation at bay?



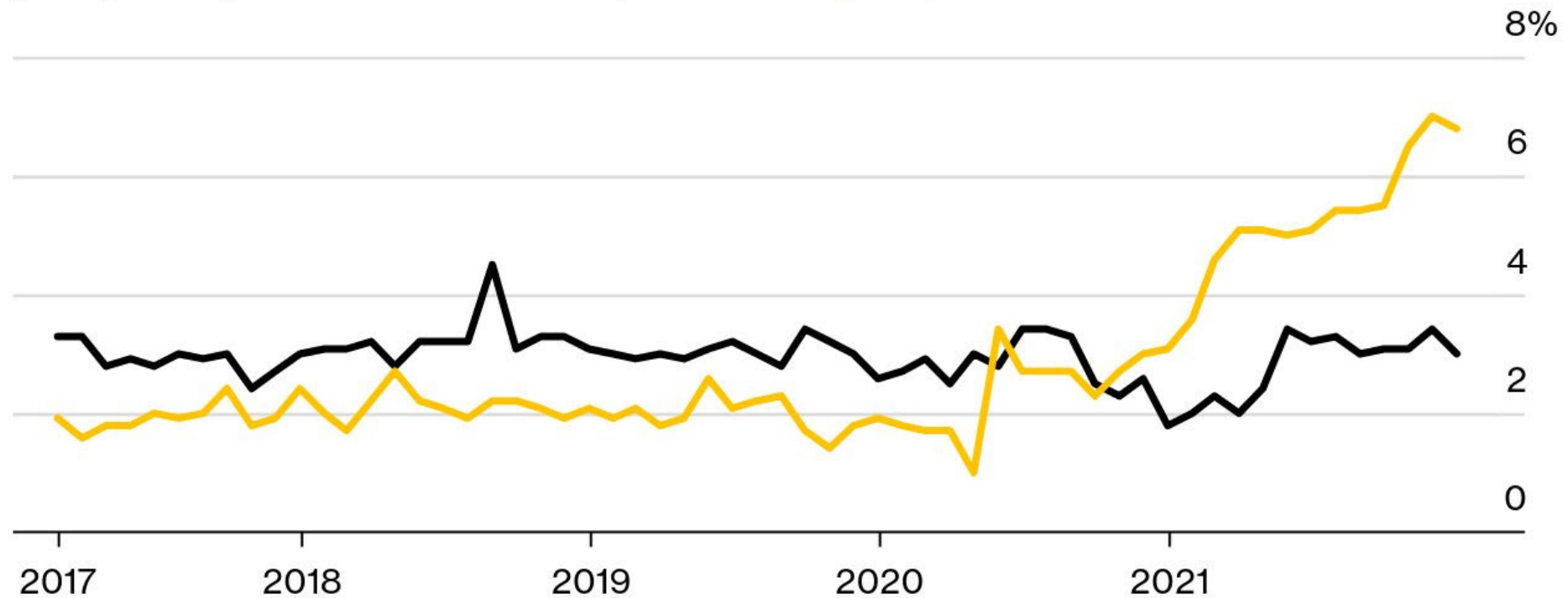
TAX16: Are you concerned or not concerned about increased inflation?

TAX17: How confident are you in the Biden Administration's ability to keep inflation at bay?

Political Economy

Republicans anticipate a year-ahead inflation rate of 6.8%, over double the expected 3% rate among Democrats

Expected year-ahead inflation rate, Democrats Republicans



Source: University of Michigan

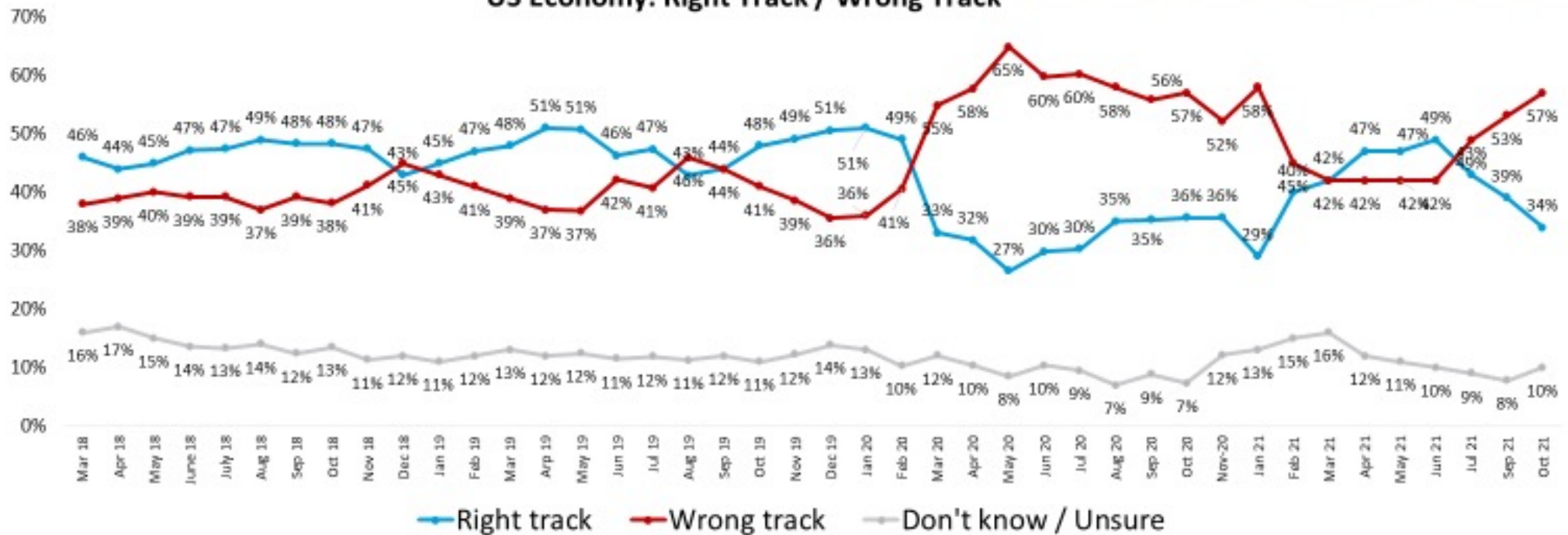
Bloomberg

A MAJORITY OF VOTERS ALSO SAY THE ECONOMY IS ON THE WRONG TRACK

% Who Say "Right Track"

	01/21	02/21	03/21	04/21	5/21	6/21	7/21	9/21	10/21
GOP	39%	26%	25%	28%	27%	29%	28%	20%	11%
DEM	25%	60%	64%	70%	76%	71%	67%	66%	60%
IND	23%	34%	34%	39%	36%	45%	30%	29%	27%

US Economy: Right Track / Wrong Track



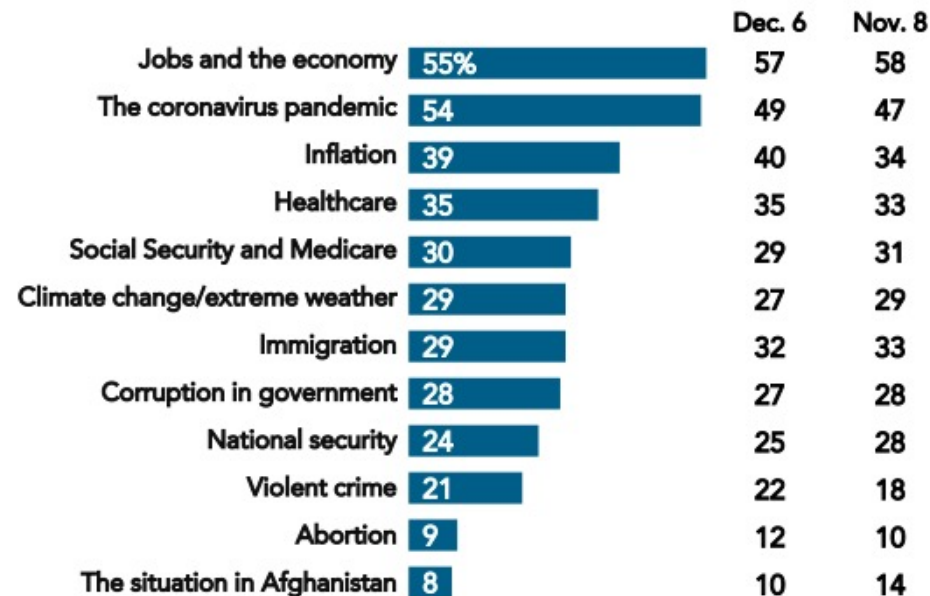
M2. In general, do you think the American economy is on the right track or is it off on the wrong track?

Views on the major International Challenges Facing the Country

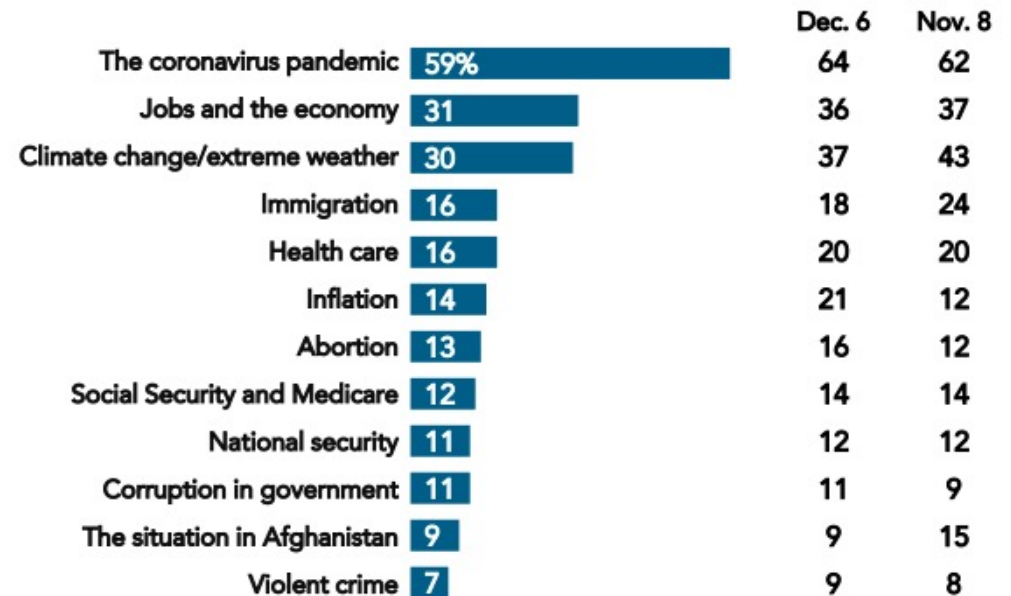
Jobs & the Economy and the Pandemic Remain Top Priorities for Americans, But They Want a Focus on the Economy

Majorities say “jobs and the economy” (55%) and the pandemic (54%) are top priorities for Biden and Congress; 59% say they see Biden and Congress focusing on the pandemic, though just 31% say the same of the economy.

Select the top four issues that you feel are most important for President Joe Biden and Congress to focus on.



Which of these issues do you feel President Joe Biden and Congress are actually most focused on?



Nationwide surveys of registered voters; Each wave represents approximately 1,000 interviews taken over the prior three-five days. Latest wave conducted January 6-January 10, 2022. For more info, visit navigatorresearch.org

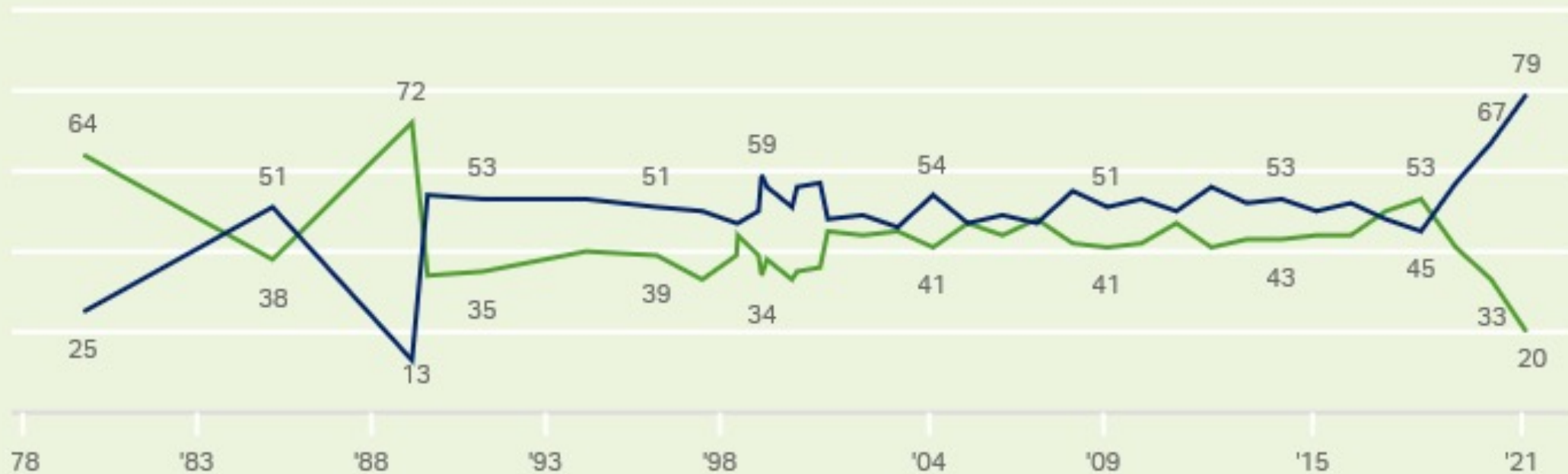


International Issues Are of Relatively Low Importance

How Important Are the Following Issues	Very Important
Jobs and the economy	66%
Immigration	43%
Climate Change/Environment	45%
Foreign Policy	39%
National Security	51%
Education	56%
Health Care	64%
Taxes/Govt Spending	57%
Abortion	45%
Civil Rights	54%
Civil Liberties	55%
Guns	52%
Crime	59%

Is your overall opinion of China very favorable, mostly favorable, mostly unfavorable or very unfavorable?

— Total % favorable — Total % unfavorable



GALLUP

But, Only a Plurality Support Helping Taiwan

	%
Keep a low profile	18
Continue to help Taiwan defend itself against a possible attack	38
Improve relations first with the PRC to improve leverage	16
Not sure	28

- Economist/YouGov December 12-14, 2021

Americans Are
Ambivalent About
Developments in
Ukraine

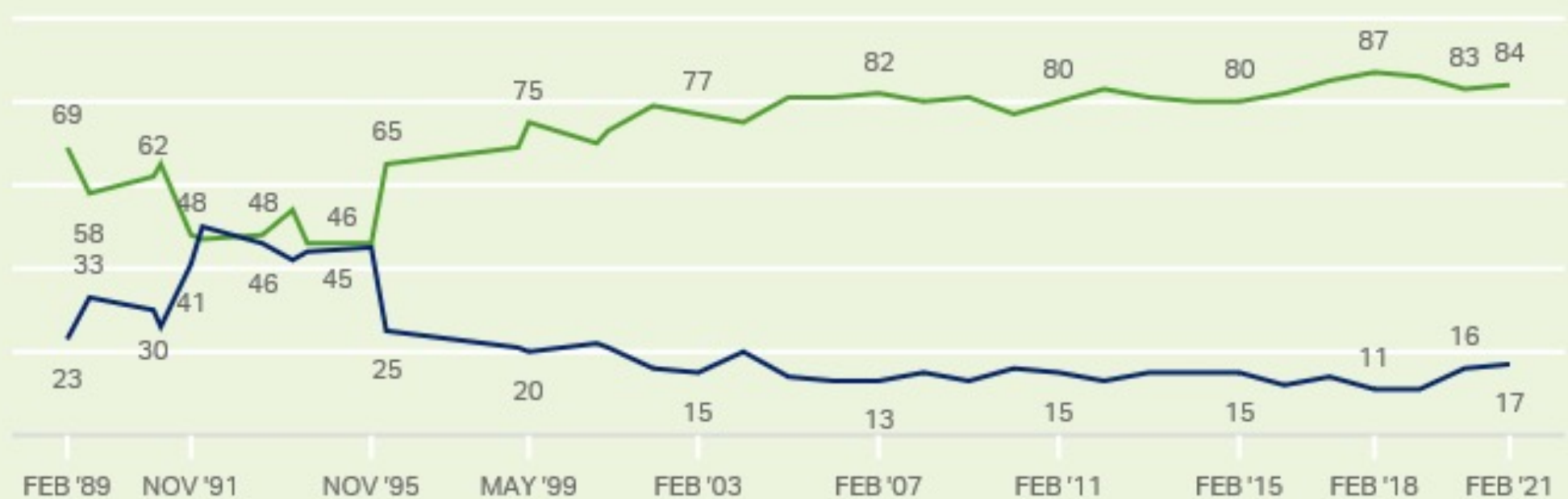
**If an armed conflict were to arise between
Russia and Ukraine, should the U.S. help
protect Ukraine militarily from Russia**

Help protect Ukraine with military force	34%
Do not help protect Ukraine with military force	22%
Do not know enough about the topic to say	44%

Americans' Views of Japan Largely Stable in the Past 20 Years

Next, I'd like your overall opinion of some foreign countries. What is your overall opinion of Japan? Is it very favorable, mostly favorable, mostly unfavorable or very unfavorable?

— % Very/Mostly favorable — % Very/Mostly unfavorable

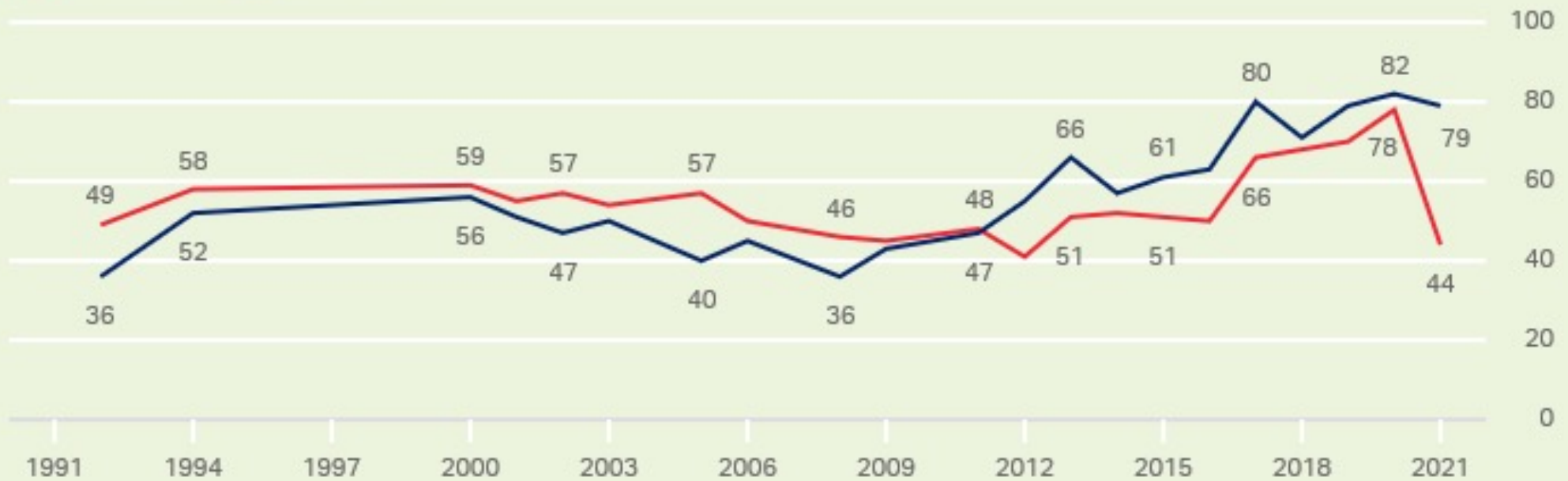


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Percentage of Americans Who View Foreign Trade as Economic Opportunity, by Party

What do you think foreign trade means for America? Do you see foreign trade more as an opportunity for economic growth through increased U.S. exports or a threat to the economy from foreign imports?

— % Republicans — % Democrats

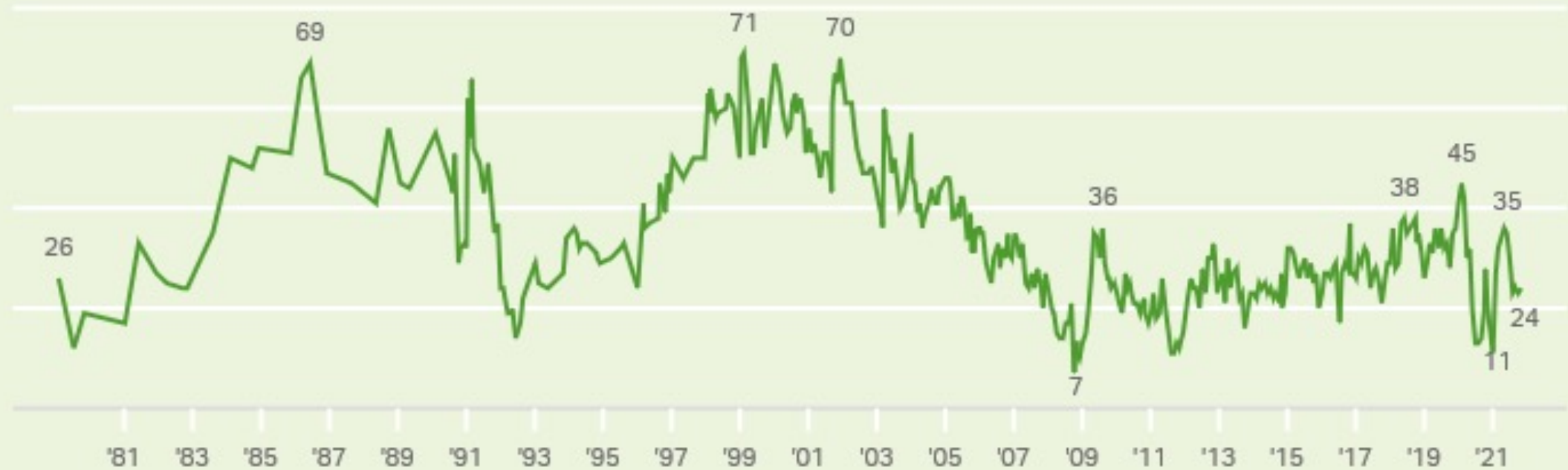


Percentages for Republicans and Democrats are based on unleaned party identification. Trend among political independents not shown.

The Overall Political Mood of the Country

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

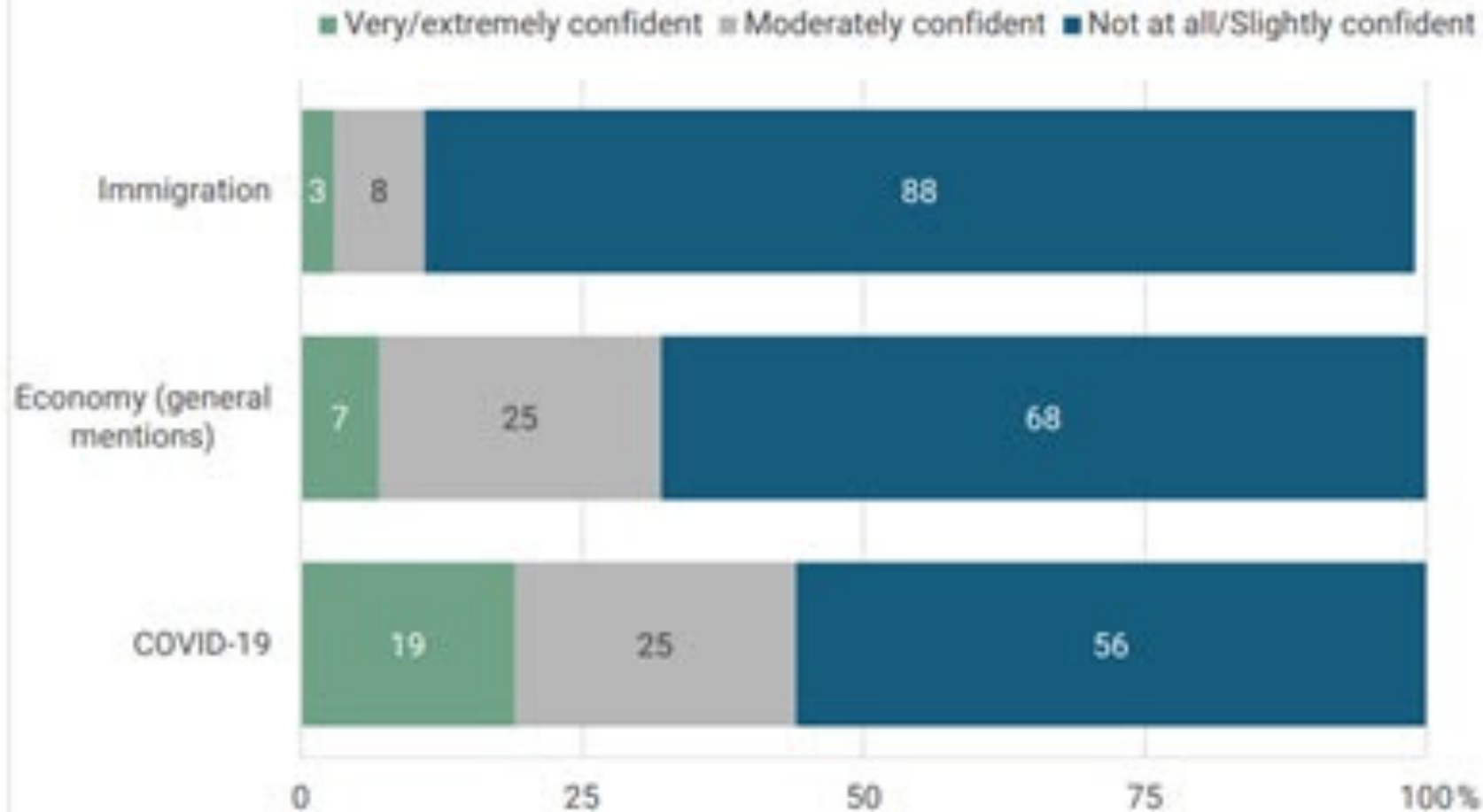
— % Satisfied



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How confident are you in the ability of the federal government to make progress on these policy problems in 2022?

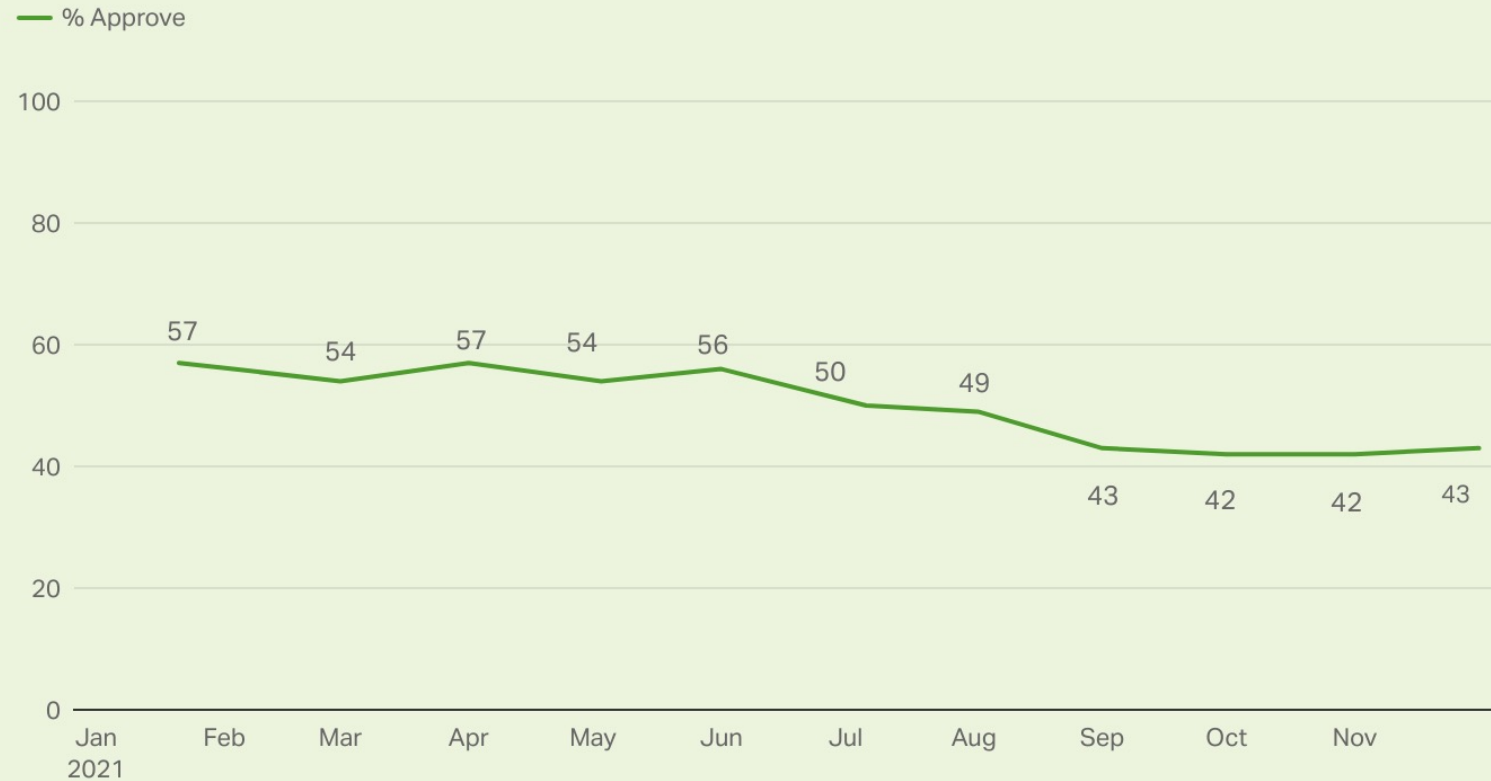
Percent of Americans who mentioned each problem



AP-NORC December 2021

President Joe Biden's Job Approval Ratings

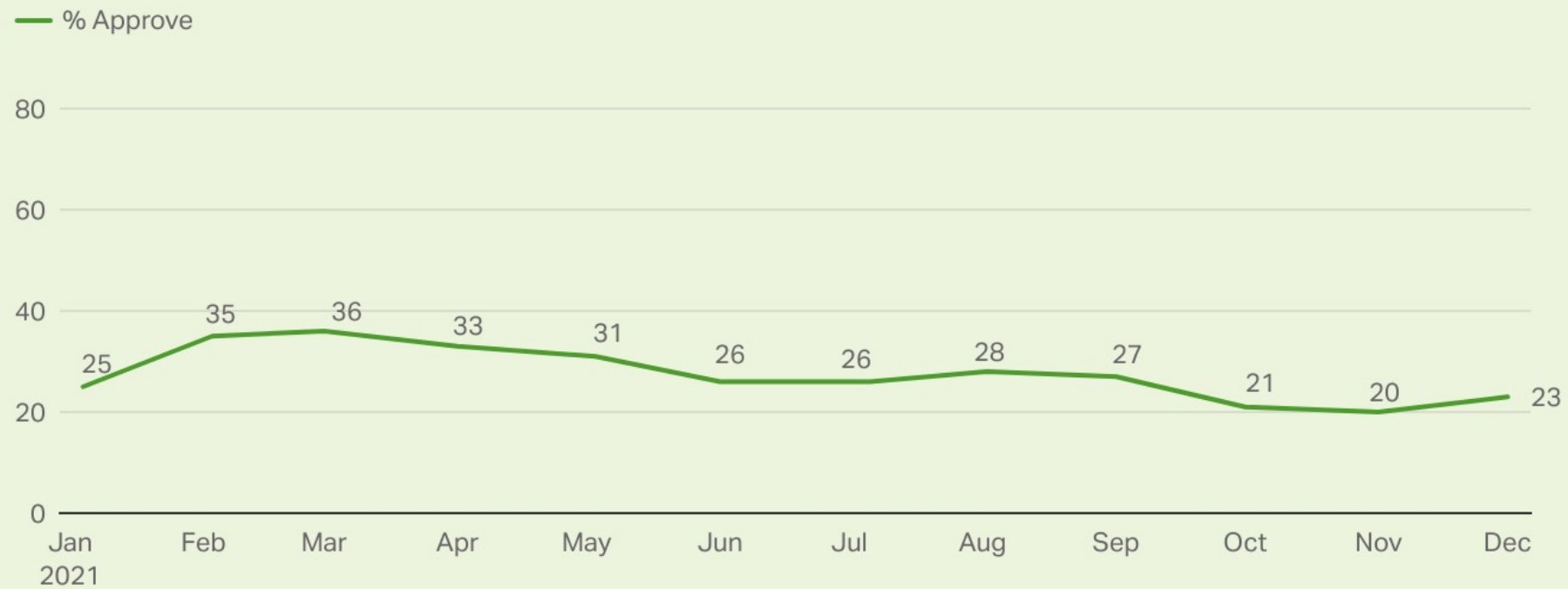
Do you approve or disapprove of the way Joe Biden is handling his job as president?



GALLUP

Congressional Job Approval, 2021

Do you approve or disapprove of the way Congress is handling its job?



GALLUP®

The Outlook for the 2022 Congressional Elections

AMERICA IS AN INCREASINGLY UNSTABLE DEMOCRACY ELECTORATE VOTING FOR CHANGE

Change in Control of House, Senate and/or White House

1952 1954 1956 1958 1960 1962 1964 1966 1968 1970 1972 1974

1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998

2000 2002 2004 2006 2008 2010 2012 2014 2016 2018 2020 2022



A REPUBLICAN WAVE ELECTION LOOKING LIKELY



Senate Dems
(-1 seat flips control)

SENATE
Toss-Up / Lean seats:
4 Dem, 5 GOP

HOUSE
Toss-Up / Lean seats:
13 Dem, 3 GOP



House Dems
(-5 seats flips control)

GOP Wave Coming...

Generic Ballot (R+3.1% per RCP)
House Retirements (19D, 12R)
POTUS Net Approval
(-9.9% per RCP)

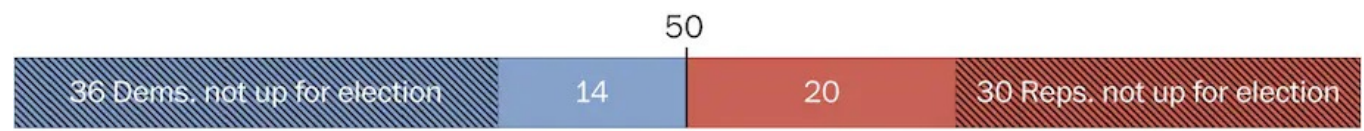
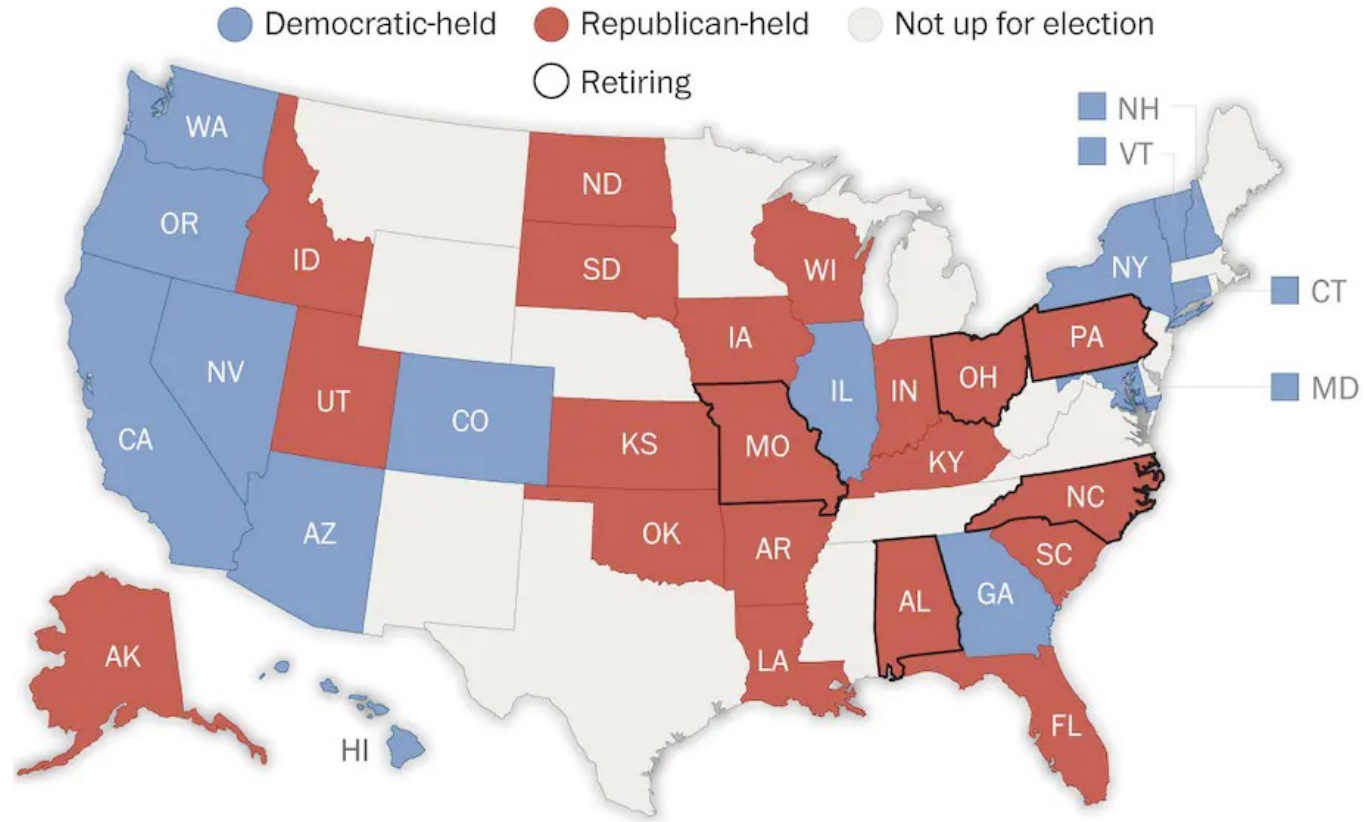
Satisfaction with "Way Things Going" (23% per Gallup)
History (WH party losses avg. 26.8 seats in 1st midterm since
1946)

Will it be big enough to win the Senate?

GOP WAVE



2022 Senate map



Any losses or gains in seats may alter the narrow Democratic majority in the Senate.

On average, since the Truman Era, a president's party loses more than 29 House seats in his first midterm election. (This year, Republicans need to pick up just 5 seats to win back the House.) But in the seven times when that president's job-approval rating was below 50 percent, his party lost an average of 43 House seats

In the House of Representatives: Thanks to Population Shifts Alone: States with More Dem Than GOP Reps. Lose 3 seats, Gain 2; States with More GOP Than Dem Reps. Lose 3 Seats, Gain 8

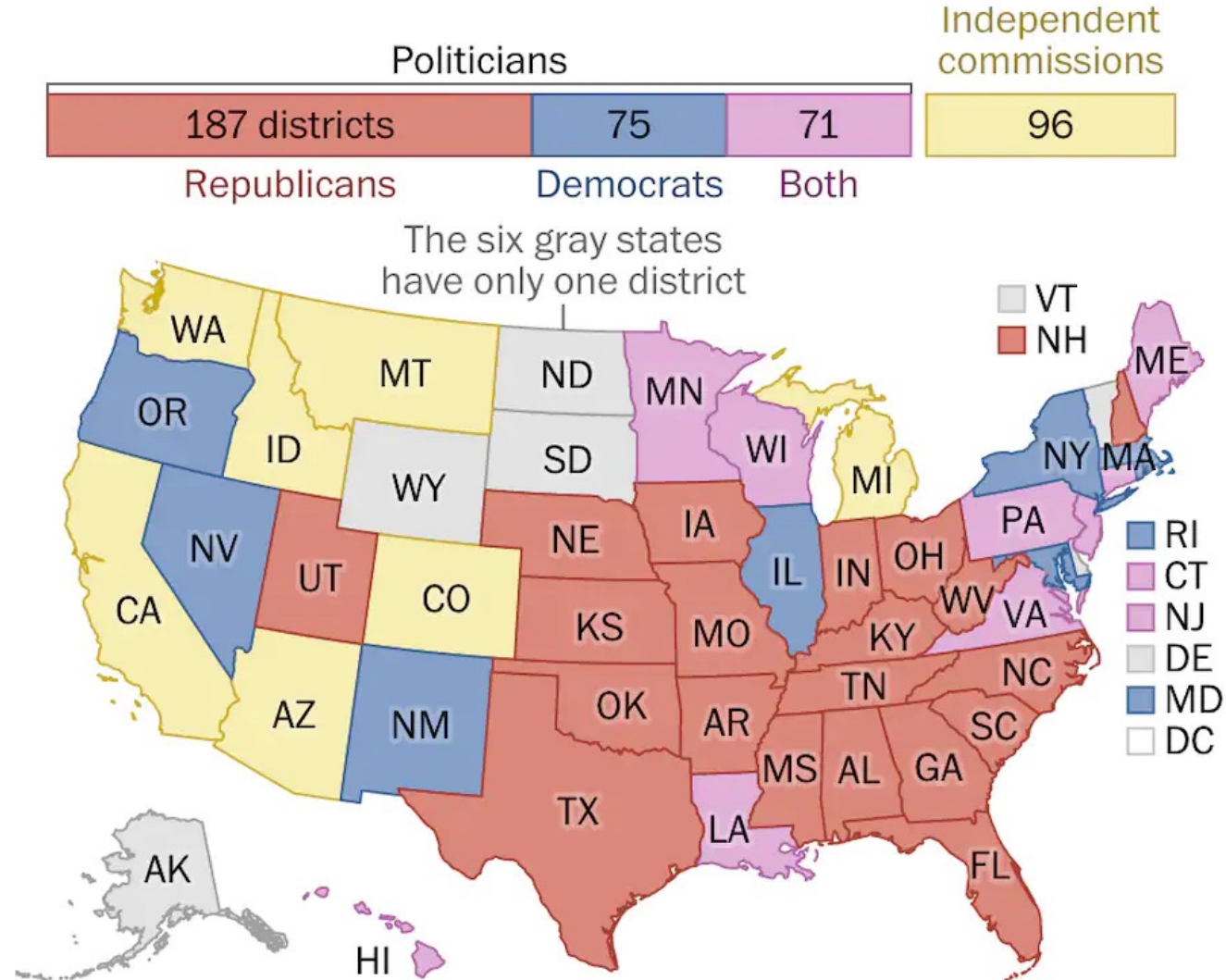
BY STATE, WITH PROJECTED NUMBER OF HOUSE REPRESENTATIVES AFTER 2022

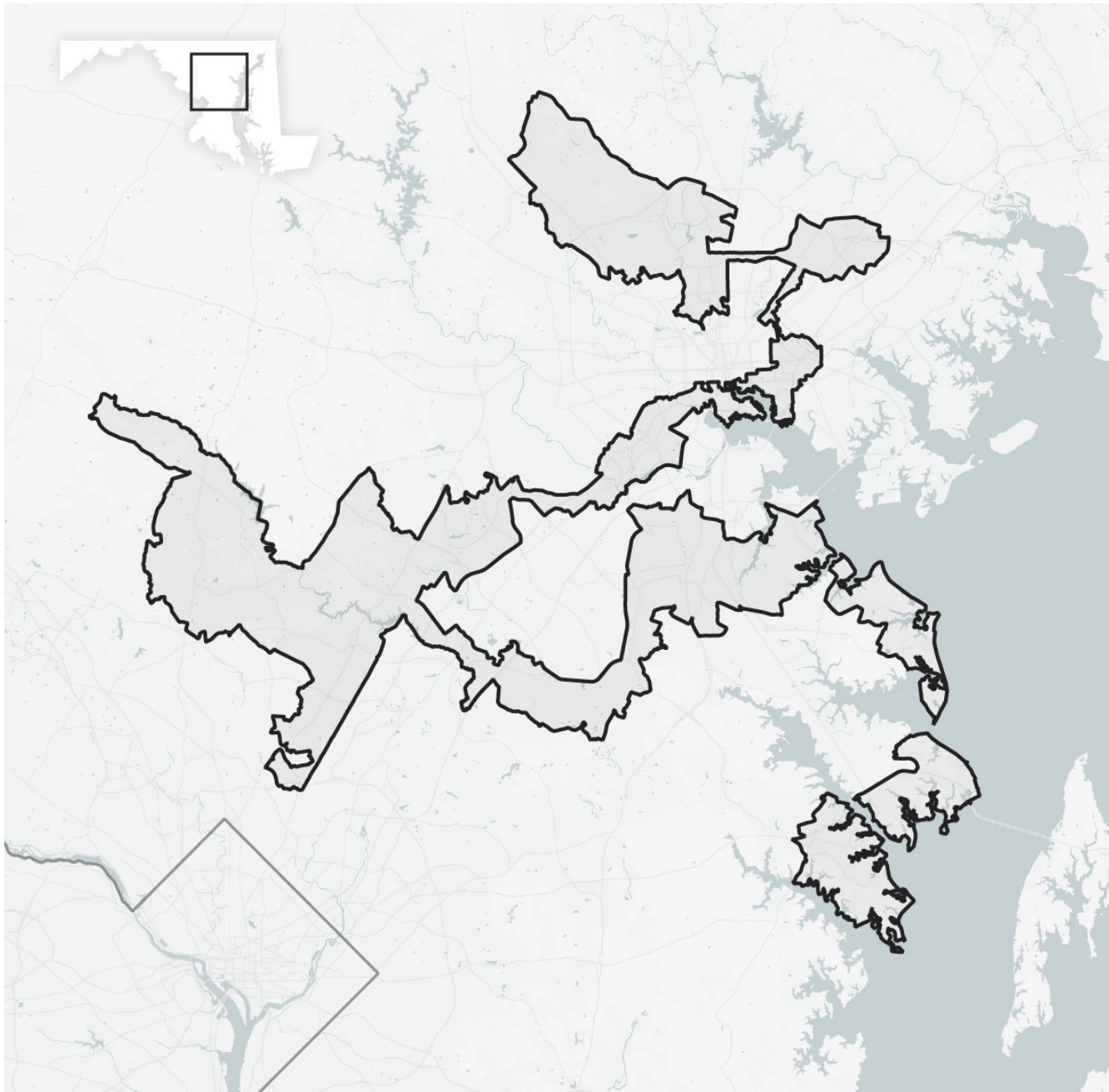
Lose 1	No change			Gain 1	Gain 2	Gain 3
AL (6)	AK (1)	MD (8)	SD (1)	AZ (10)	FL (29)	TX (39)
CA (52)	AR (4)	ME (2)	TN (9)	CO (8)		
IL (17)	CT (5)	MO (8)	UT (4)	MT (2)		
MI (13)	DE (1)	MS (4)	VA (11)	NC (14)		
MN (7)	GA (14)	ND (1)	VT (1)	OR (6)		
NY (26)	HI (2)	NE (3)	WA (10)			
OH (15)	IA (4)	NH (2)	WI (8)			
PA (17)	ID (2)	NJ (12)	WY (1)			
WV (2)	IN (9)	NM (3)				
	KS (4)	NV (4)				
	KY (6)	OK (5)				
	LA (6)	RI (2)				
	MA (9)	SC (7)				

SOURCE Cook Political Report.

MICHELLE SCHRIER 10/22/20

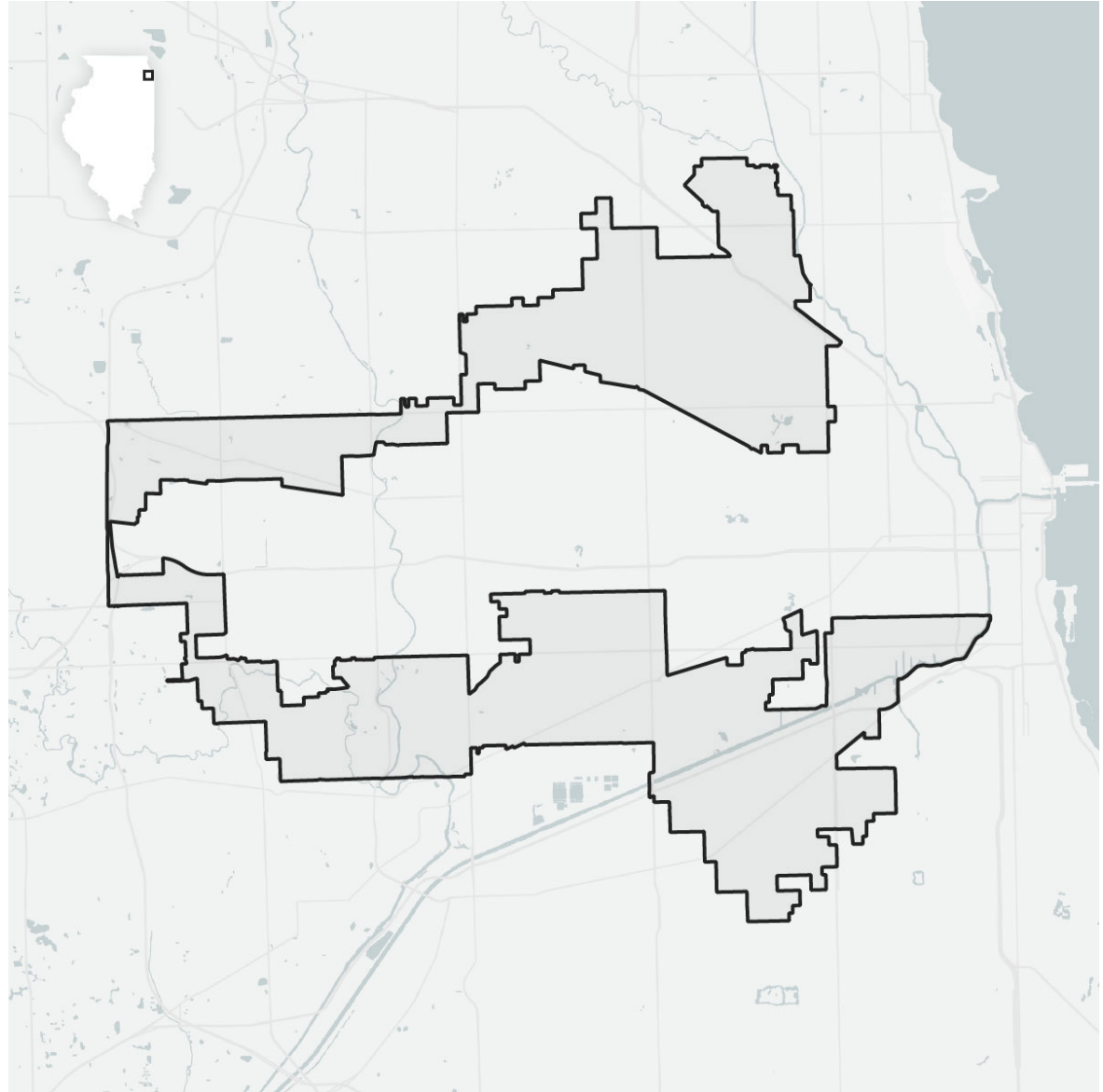
Who controls how the U.S. House districts are drawn?





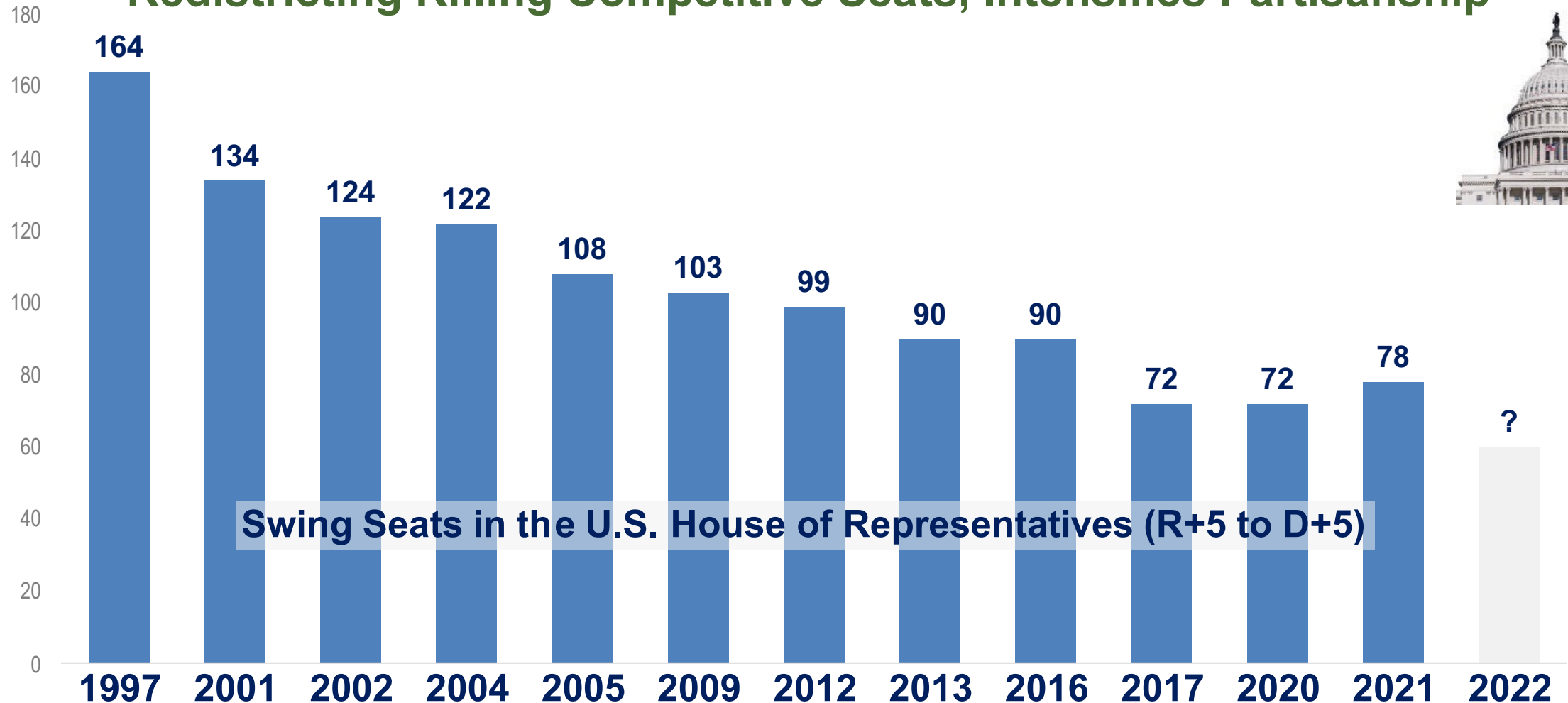
Politicians Drawing Boundaries Leads to This:

The Current Third District in
Maryland



GERRYMANDERING HAS ALSO MEANT FEWER SWING SEATS DISAPPEAR DISAPPEARING

Redistricting Killing Competitive Seats, Intensifies Partisanship

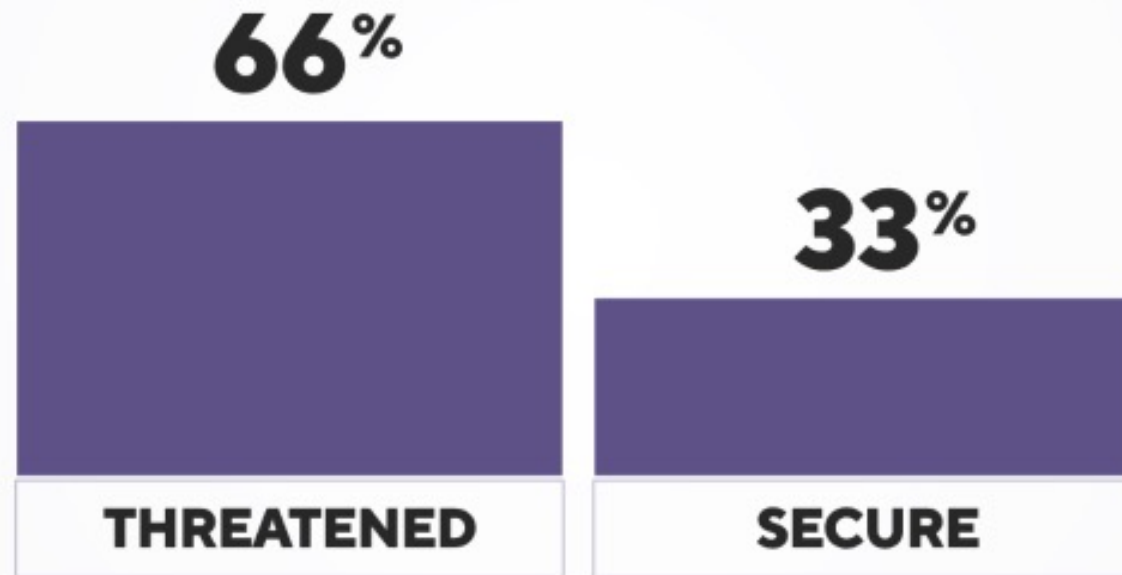


Source: [Dave Wasserman](#), Cook Political Report, 2021

The Future of American Democracy

© CBS NEWS POLL | YouGov

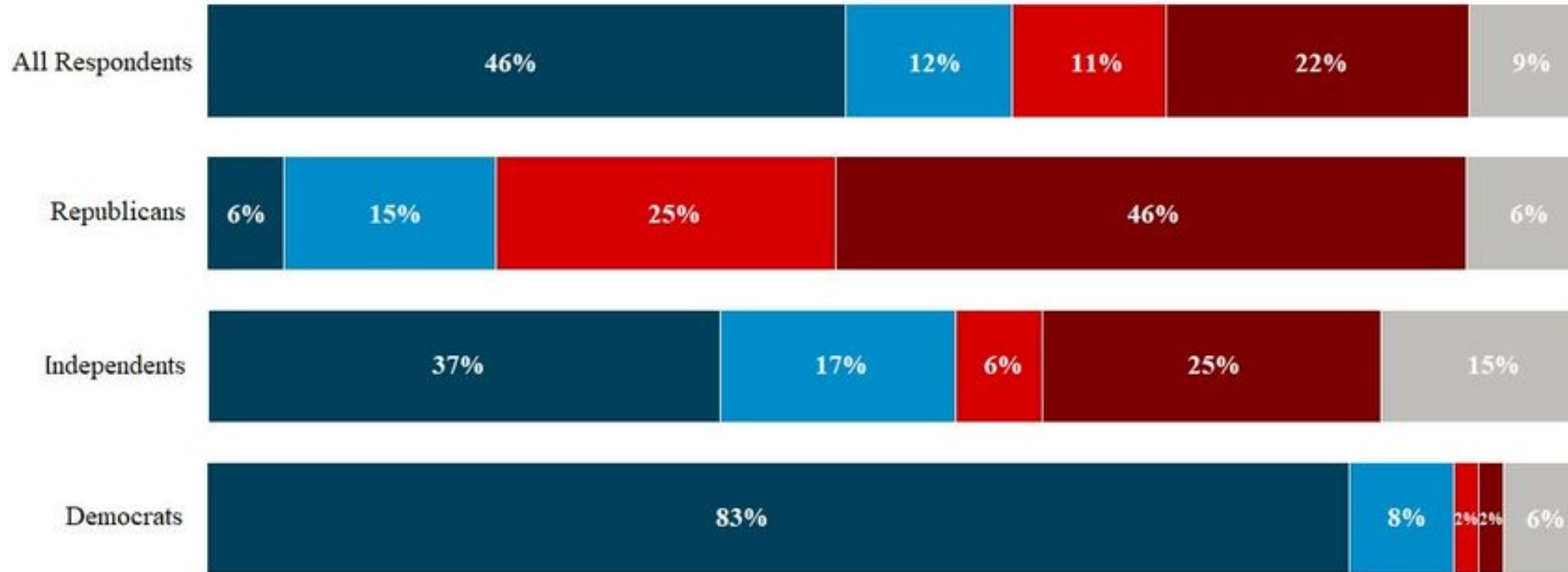
U.S. DEMOCRACY TODAY IS...



DECEMBER 27-30, 2021 | MOE: +/- 2.6 PTS

Do you believe that Joe Biden's victory in the 2020
presidential election was legitimate or not legitimate?

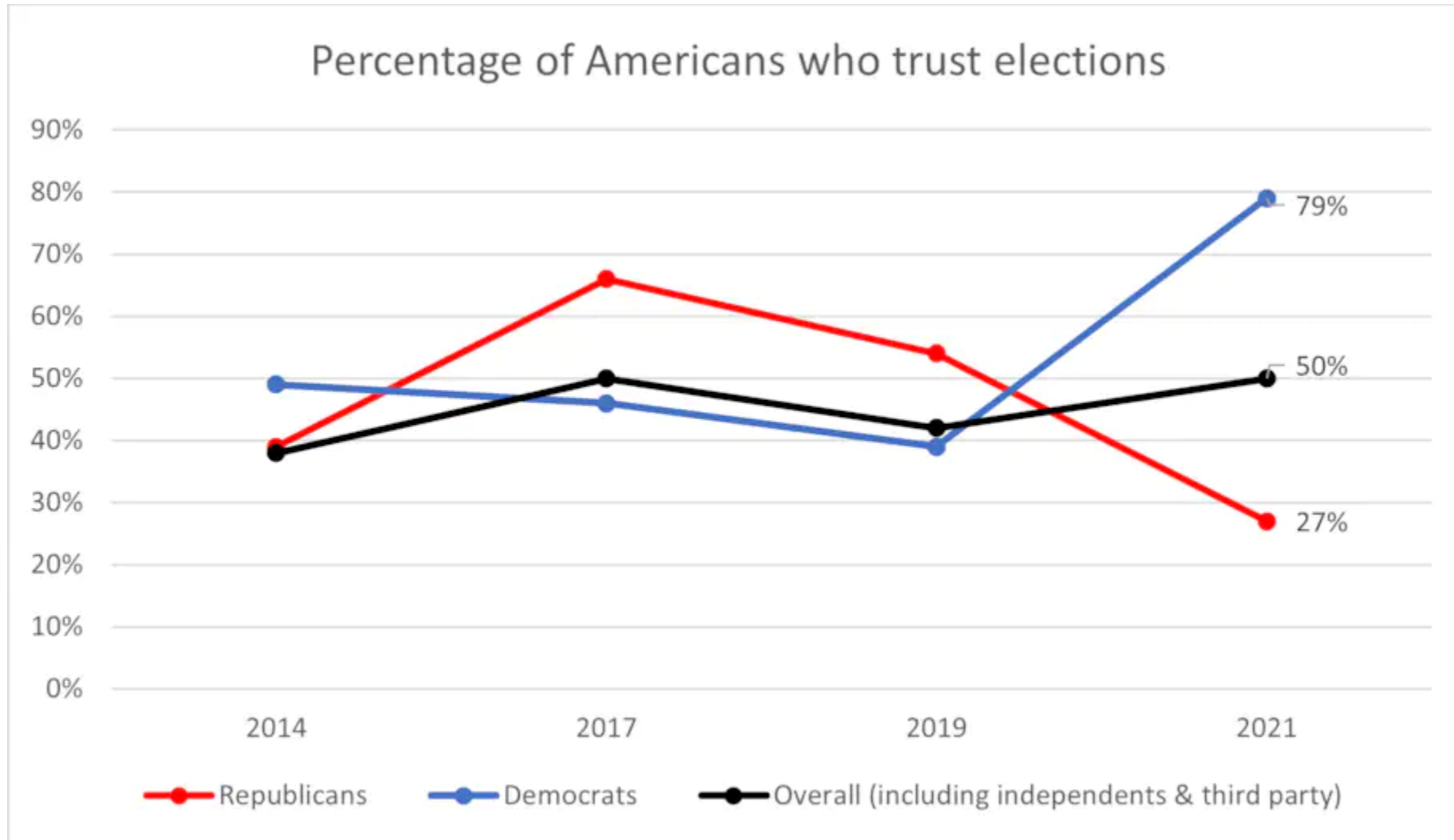
■ Definitely legitimate
 ■ Probably legitimate
 ■ Probably not legitimate
 ■ Definitely not legitimate
 ■ I'm not sure



UMassAmherst

UMass Poll

*Poll conducted online December 14-20, 2021 by YouGov.
Nationally representative sample of 1000 respondents.*

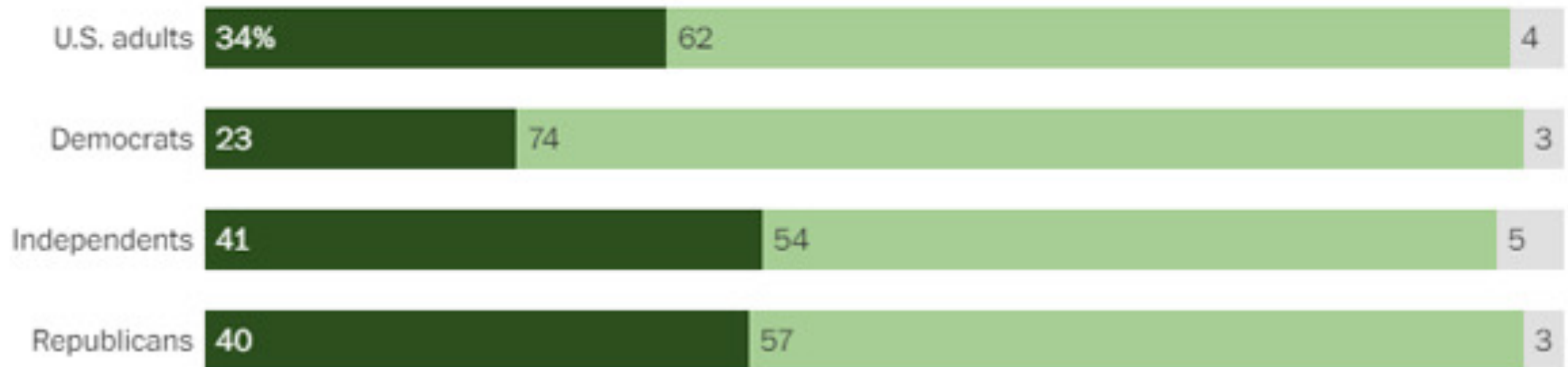


Noam Lupu, Luke Plutowski & Elizabeth J. Zechmeister
(VanderbiltUniversity)

About 4 in 10 Republicans and independents say violent action against the government is sometimes justified

Q: Do you think it is ever justified for citizens to take violent action against the government, or is it never justified?

■ Justified ■ Never justified ■ No opinion



Source: Dec. 17-19, 2021, Post-UMD poll of 1,101 U.S. adults with an error margin of +/- 4 percentage points. Error margins larger among subgroups.

EMILY GUSKIN / THE WASHINGTON POST

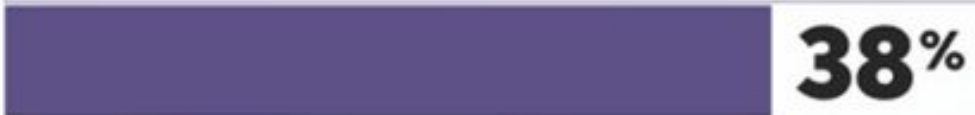
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IN FUTURE PRESIDENTIAL ELECTIONS - DO YOU EXPECT...?

VIOLENCE OVER LOSING



LOSING SIDE WILL CONCEDE PEACEFULLY



DECEMBER 27-30, 2021 | MOE: +/- 2.6 PTS

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G | M | F The German Marshall Fund
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STRENGTHENING TRANSATLANTIC COOPERATION