

A Shock, But Not a Surprise

On November 5, Americans went to the polls and re-elected Donald Trump to a second, non-consecutive term as the 47th President of the United States. There is no way around it: Trump bested Vice President Kamala Harris not only in the electoral college 312 to 226, but also won the popular vote by almost 2.5 million – not a landslide, but a clear victory. He cleaned up in the midwestern Rust Belt, in the southwestern and southern swing states and he did so by making gains in nearly every geographic area that Biden won in 2020, including those determinant swing states. Trump won the majority of the white vote and made gains among Latinos (particularly men), Black men and young voters across the board. And he did this having survived two assassination attempts, felony charges and a cringeworthy debate performance, among other setbacks.

Democrats were quick to point fingers as they cycled through the stages of grief: Biden never should have run; there should have been a proper primary to determine Biden's successor; Vice President Kamala Harris was unable to distinguish and distance herself from Biden; emphasizing abortion rights to motivate women voters did not work and failed to mobilize men; the Democratic Party took the support of Latinos, unions and other traditionally blue voting groups for granted. Creating a "coalition of conscience", i.e. rolling out prominent Republicans for Harris and the biggest celebrities of the moment did not work. Women found ways to vote for abortion rights – that were on the ballot at the state level – and still vote for Trump. Many Muslim Americans were angry with the Biden Administration about its unwavering support for Israel in the conflict in Gaza and many Jewish Americans doubted Democrat's dedication to staying that course. Meanwhile, ideological arguments about existential threats to democracy were overshadowed by the exorbitant price of eggs, milk and bread.

But it is the latter that came up repeatedly in poll after poll as the top issue of this campaign cycle: it's the economy, stupid. Overall, the post-COVID-19 U.S. economy growth has continued to surpass that of most industrialized nations. The economy is adding jobs, consumer spending is growing and GDP continues to boom. But Americans are not feeling the effects of this when the cost of housing is at a new record high, grocery prices have remained at the same bloated levels, and the wealth gap continues to expand. Although inflation reached its height in 2022 at 9%, the highest rate in over 40 years, prices are still currently about 20% higher now than they were when Biden took office. And so when Americans were asked that rhetorical question, "Are you better off today than you were four years ago?", they answered with their vote.

This should not come as a surprise. Historically, incumbent presidents who face high inflation, recessions or high unemployment do not fare well in national elections. In 1976, President Gerald Ford could partially attribute his loss to a stubbornly high inflation that was the result of the post-price control Nixon years and the OPEC oil price shock. In his 1980 re-election bid, Jimmy Carter also faced rapid inflation fueled by the second OPEC oil price shock as well as significantly higher unemployment. Ronald Reagan beat him in a landslide. George H.W. Bush's presidency was marred by an exacerbated unemployment rate – he was defeated by Bill Clinton.

And therefore it was shocking but not surprising that Vice President Harris, an arm of the Biden Administration, took the blame at the voting booth. Despite Biden's impressive list of accomplishments during his sole term in office, he could not escape the reality at the check out counter. The Inflation Reduction Act, the CHIPS Act, and the Bipartisan Infrastructure Deal are all

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legislative policy wins that will impact the lives of millions of Americans – particularly those in rural areas that are often solidly red – for decades to come. But these programs take time to implement and it can be difficult to communicate their benefits to the public – especially when those benefits take years to kick in. Biden extolled these programs but could not communicate the ways in which they would change lives. Likewise economists, with their positive data and rosy outlooks, only served, perhaps counterintuitively, to make matters worse. Voters were angered by experts and an administration that seemed out of touch at best, condescending and dismissive of their hardships at worst.

As the initial shock of the electoral outcome wears off, the Democrats are being jerked out of their self-pitying navel-gazing and brought back to reality. The Trump transition team has wasted no time putting together a cabinet of prospective nominees that appears focused on revenge, dismantling institutions and cutting staff and budgets. Trump's picks are a diverse and somewhat random group of individuals whose sectors of expertise range from an executive from professional wrestling and a news anchor to investment bankers and congressional representatives. But what they all have in common, aside from questionable applicable experience and potential conflicts of interest, is their loyalty to Trump. This is a group of people who have proven themselves to Trump by refusing to accept the election results of 2020, ignoring the insurrection that occurred at the Capitol on January 6, 2021, and for those who were once critical, apologizing and admitting they were wrong.

But what is more concerning than his nominees' lack of experience or character is what their selection says about Trump's plans for his second term. Trump's supporters often dismissed his rants and chants as part of his show. But his selection of ideological extremist Stephen Miller, border czar Tom Homan and Homeland Security Secretary Kristi Noem show that he is serious about keeping his promise about mass deportations on Day 1. Trump's second nominee to run the Justice Department, Pam Bondi, has said she would use her position to go after Trump's enemies and open an investigation into the results of the 2020 election. And Robert F. Kennedy Jr., a conspiracy theorist with no formal background in medicine, would advocate for making vaccines optional should he be confirmed as Health Secretary.

Trump's cabinet selections also provide clues as to what direction his administration would take on foreign policy issues. Trump is expected to pick up his "America First" agenda where he left off, including a return to greater isolationism and less international collaboration. His pick for Secretary of State, Senator Marco Rubio, who is known as a foreign policy hawk, was a close advisor on the campaign trail who has taken a hard line on China and agrees that the war in Ukraine needs to come to an end. Trump's nominee to lead the Treasury, Scott Bessent, a former hedge fund manager and, perhaps surprisingly for the MAGA constituency, investment manager for George Soros, has cautioned against introducing tariffs too rapidly for fear of provoking inflation.

His pick for Secretary of Defense Pete Hegseth, a Fox News anchor, does not have the management nor military experience to lead a department with three million employees worldwide and nearly a trillion dollar budget. Trump is known to have been agitated by the pushback he received from Pentagon officials in his first term and Hegseth is considered to be an obedient servant. As head of the Environmental Protection Agency, former Representative Lee Zeldin is poised to gut landmark climate regulations, including those that combat global warming, leaving the international community without a strong partner in climate solutions.

Trump's campaign rhetoric, lust for revenge and disdain for regulation combined with an absolute majority in both chambers of Congress and presidential immunity bestowed by the Supreme Court last year indicate that the country and the world are in for an administration without precedent. Trump voters are hopeful, Democrats are resigned and the world sits in waiting.