



# *Navigating the Age of Disruption*



## **Winning Amidst the Chaos**

**#1**

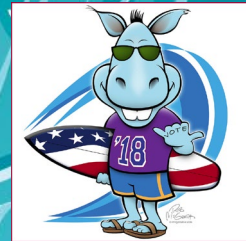
**It's An Age of Disruption**

# ELECTION 2018: SPLIT DECISION, DIVIDED NATION

## Senate GOP

	<u>U.S. HOUSE</u>	<u>U.S. SENATE</u>	<u>GOVs</u>	<u>STATE LEGISLATIVE SEATS</u>
<b>2018</b>	<b>-40</b>	<b>+2</b>	<b>-7</b>	<b>-313*</b>
<b>2014</b>	<b>-12<sup>+</sup></b>	<b>-9</b>	<b>-2</b>	<b>-311<sup>+</sup></b>
<b>2010</b>	<b>-63</b>	<b>-6</b>	<b>-6</b>	<b>-708</b>
<b>2006</b>	<b>-31</b>	<b>-6</b>	<b>-6</b>	<b>-322</b>
<b>1994</b>	<b>-52</b>	<b>-10</b>	<b>-11</b>	<b>-514</b>

\* Some close races not called + Previous wave left far fewer seats to lose



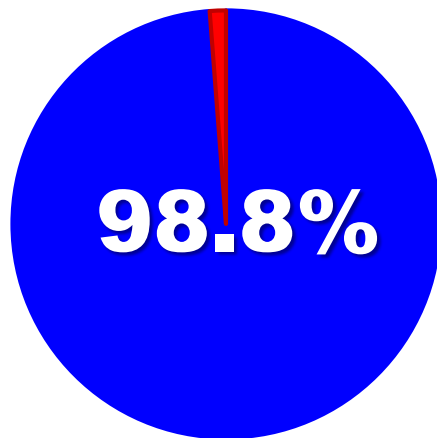
## House GOP

# GEOGRAPHY WAS DESTINY

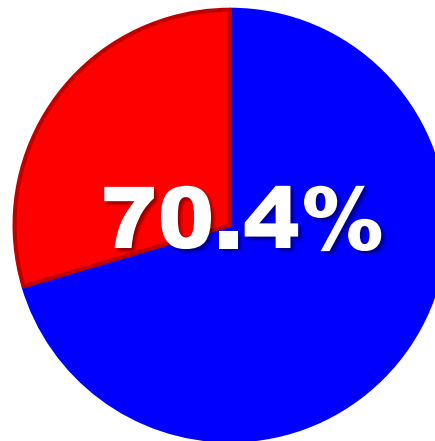
***Dems Won Clinton Country, GOP Won Trump Territory***

Democrats' Winning Percentage by House District Type

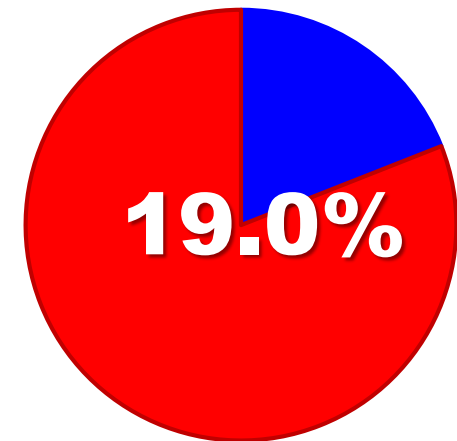
**URBAN**



**SUBURBAN**



**RURAL**



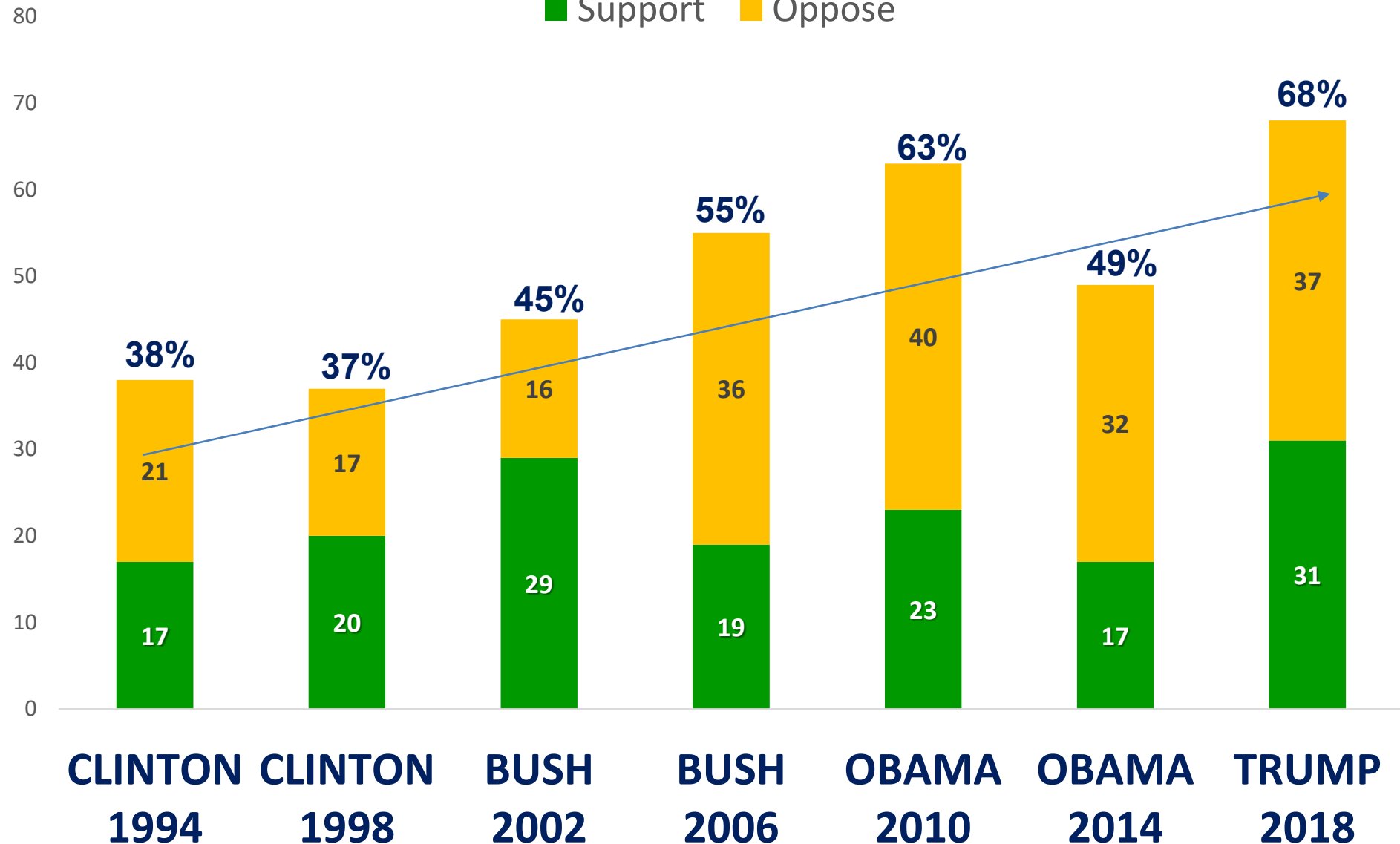
***GOP Lost 22 / 25 Districts Won by Hillary Clinton in 2016***

~~AZ-2~~   ~~CA-10~~   ~~CA-21~~   ~~CA-25~~   ~~CA-39~~   ~~CA-45~~   ~~CA-48~~   ~~CA-49~~   ~~CO-6~~  
~~FL-26~~   ~~FL-27~~   ~~IL-6~~   ~~KS-3~~   ~~MN-3~~   ~~NJ-7~~   ~~NY-24~~   ~~PA-1~~   ~~PA-5~~  
~~PA-6~~   ~~PA-7~~   ~~TX-7~~   ~~TX-23~~   ~~TX-32~~   ~~VA-10~~   ~~WA-8~~

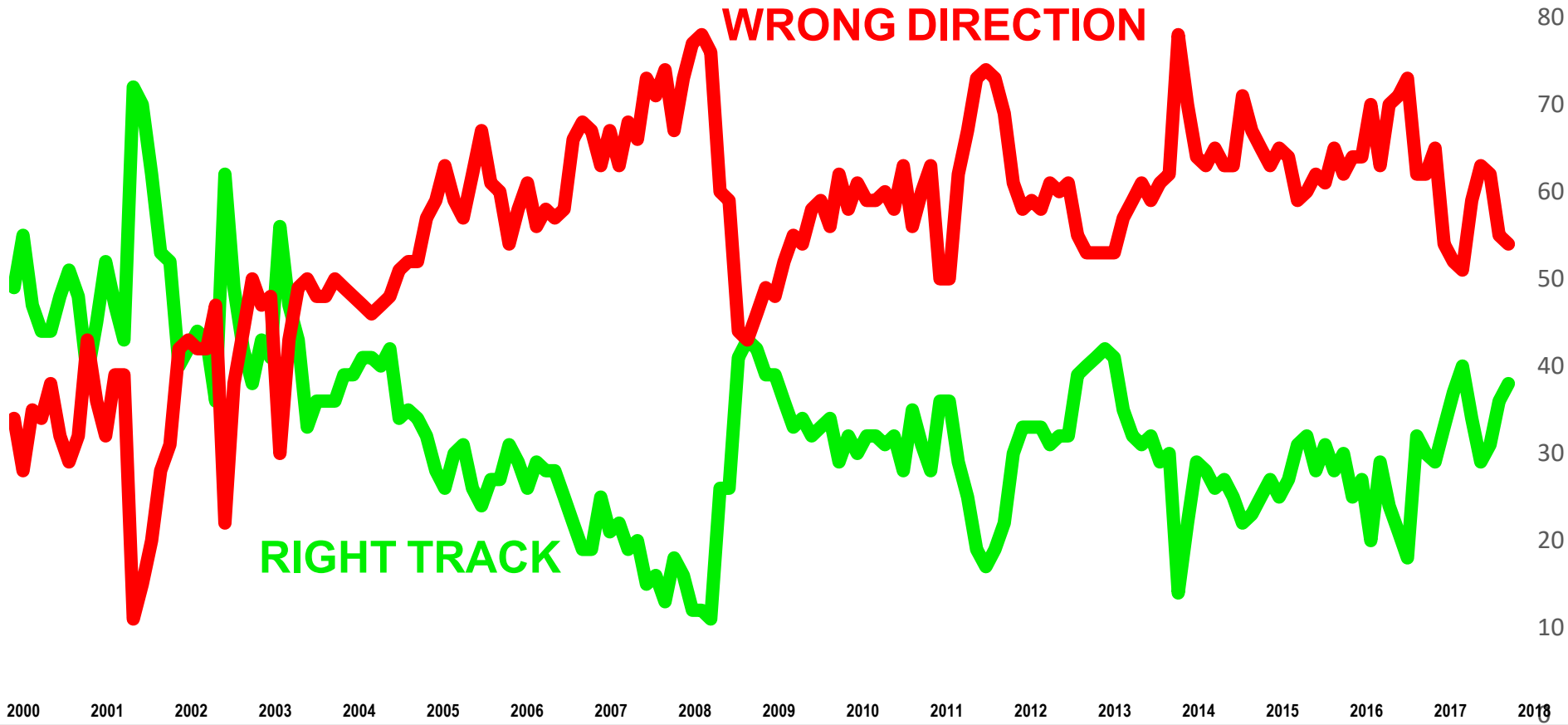
# 2018 WAS ALL ABOUT TRUMP

**Record 2/3rds Voters Sending a Message about the President**

■ Support ■ Oppose



# BUT TRUMP IS JUST A SYMPTOM...



**8 of Last 10 Elections Changed Control of WH, House and/or Senate**



2000



2002



2006



2008



2010



2014



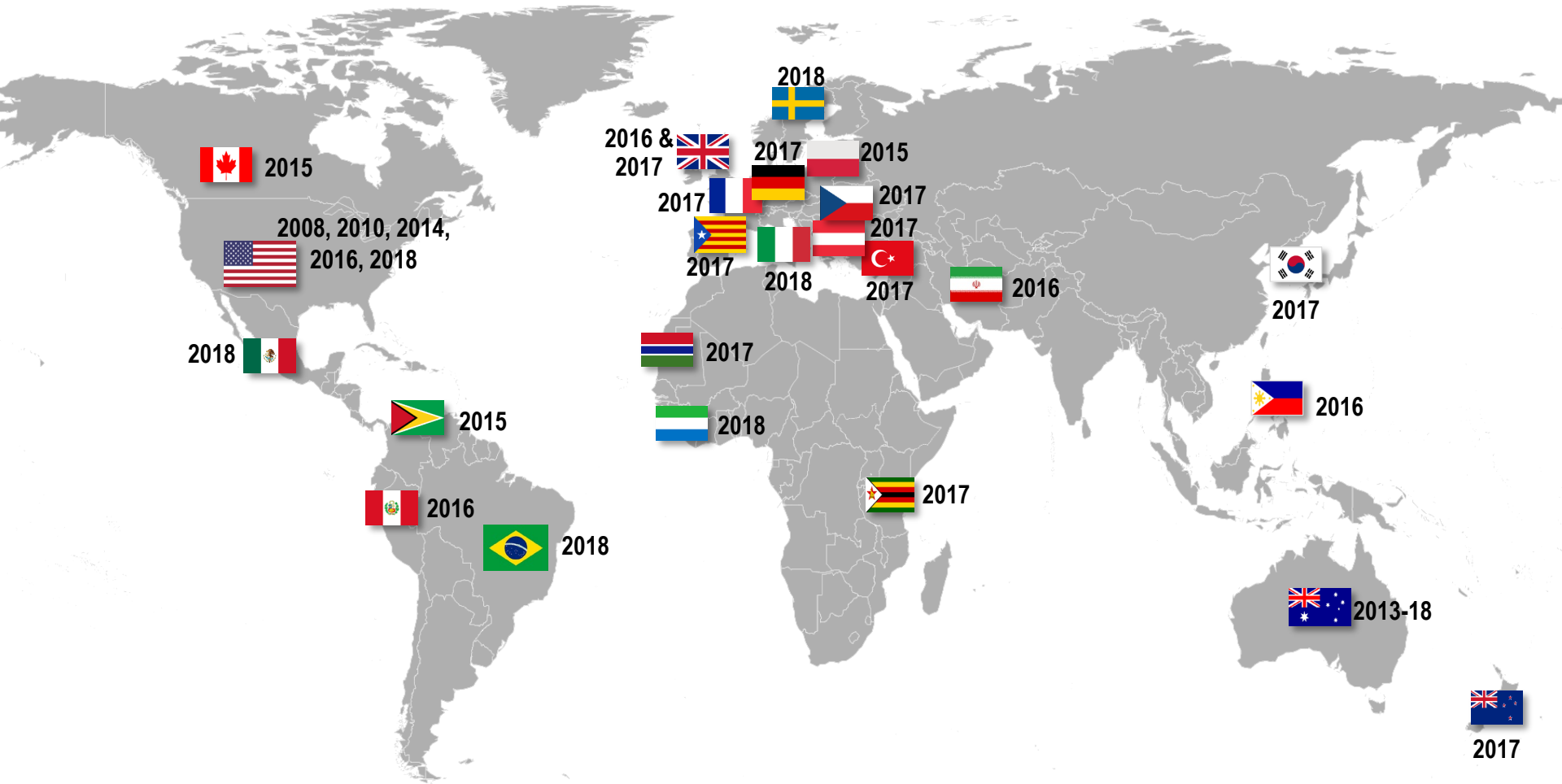
2016



2018

# ...IT'S NOT UNIQUE TO AMERICA...

## *Change Elections Are the New Global Norm*



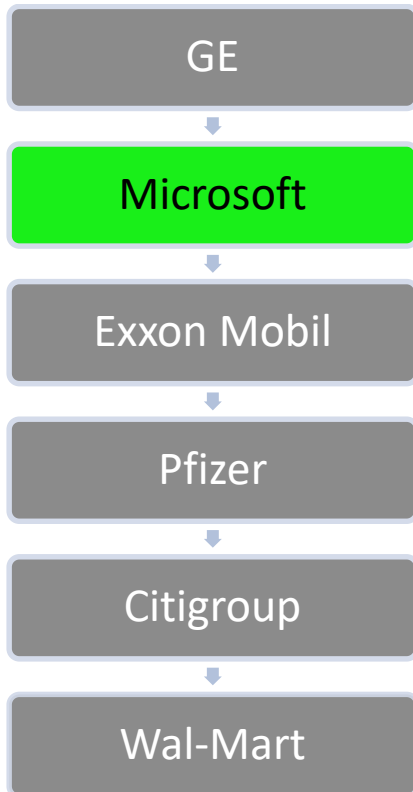


# ...AND IT'S NOT JUST POLITICS

## *Data Is The New Oil*

(Largest Global Companies by Market Cap)

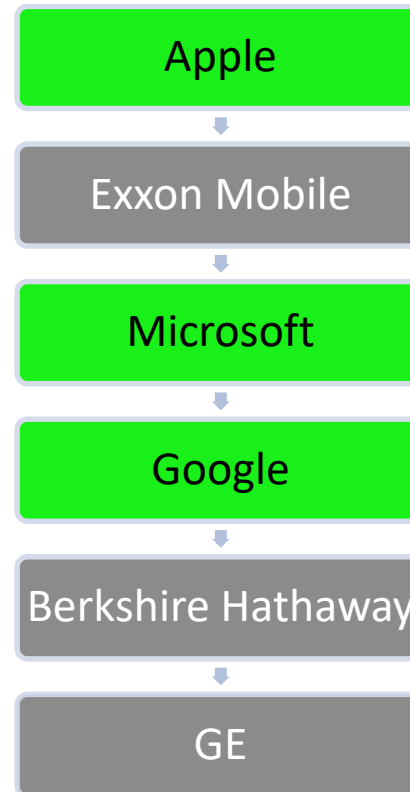
2003



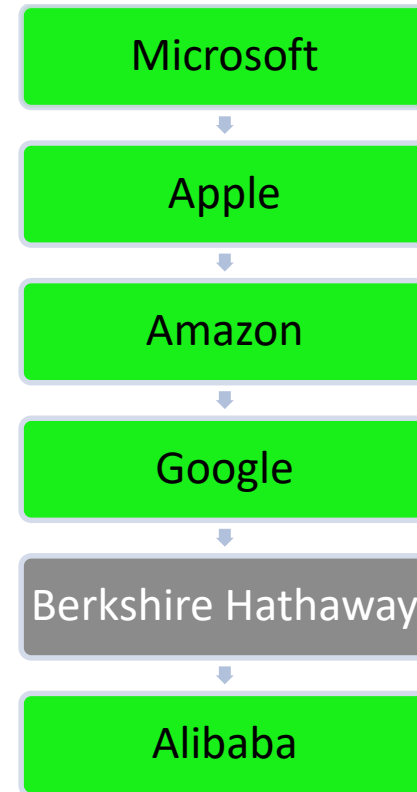
2008



2013



2018





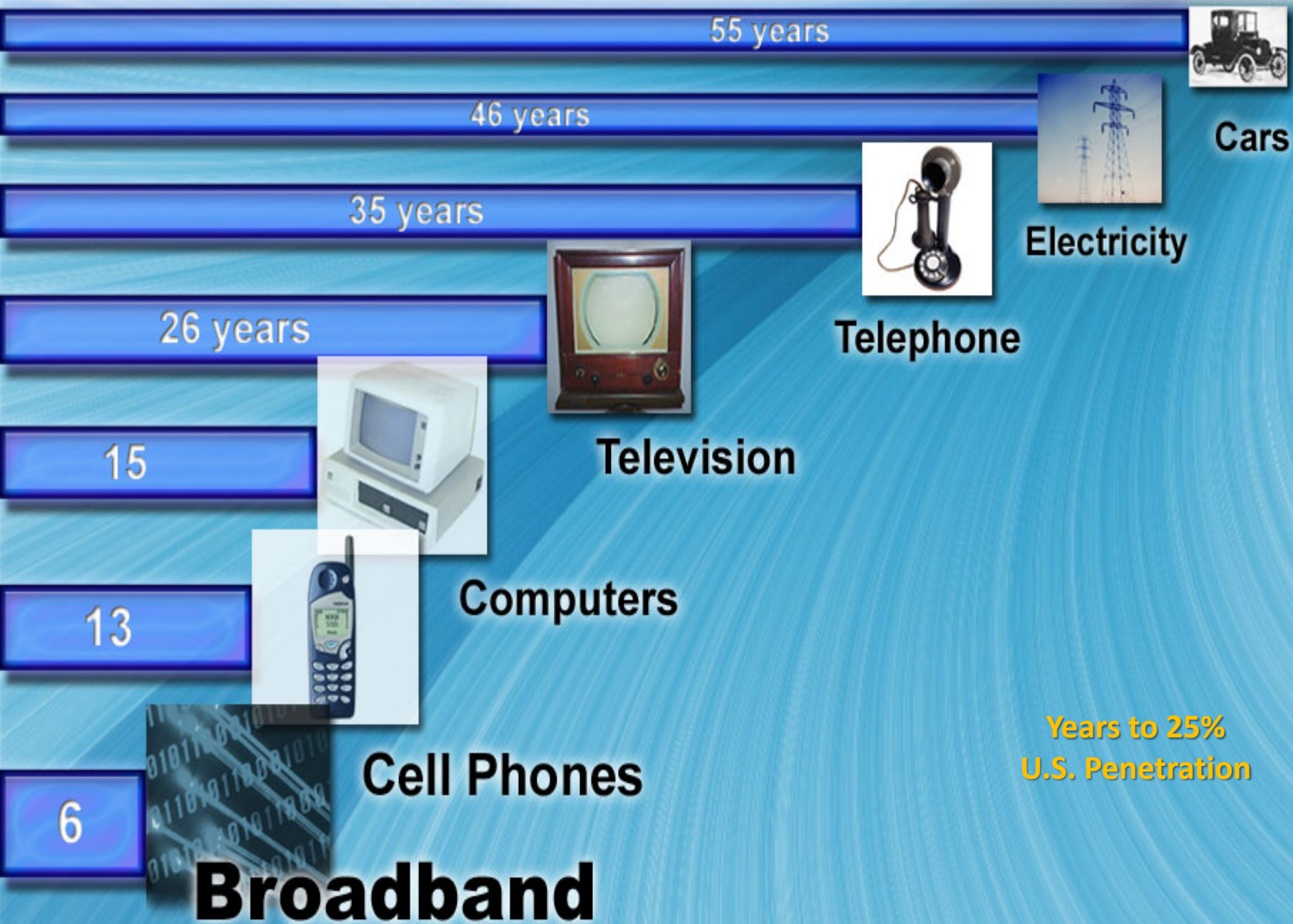
# WELCOME TO THE AGE OF DISRUPTION



**#2**

**HOW'D WE GET HERE?**  
***7 Trends Driving Disruption***

# #1. THE PACE OF CHANGE IS ACCELERATING



Years to 25%  
U.S. Penetration

# #1. THE PACE OF CHANGE IS ACCELERATING



FATHER  
KNOWS  
BEST

modern  
family



**1967**

**2017**

**27%**

**MANUFACTURING**

**8.5%**

*(as a share of the U.S. workforce)*

**9.7%**

**TRADE**

**26.6%**

*(as a share of U.S. GDP)*

**4.9%**

**FOREIGN-BORN**

**14%**

*(as a share of the U.S. population)*

**75%**

**WHITE NO COLLEGE**

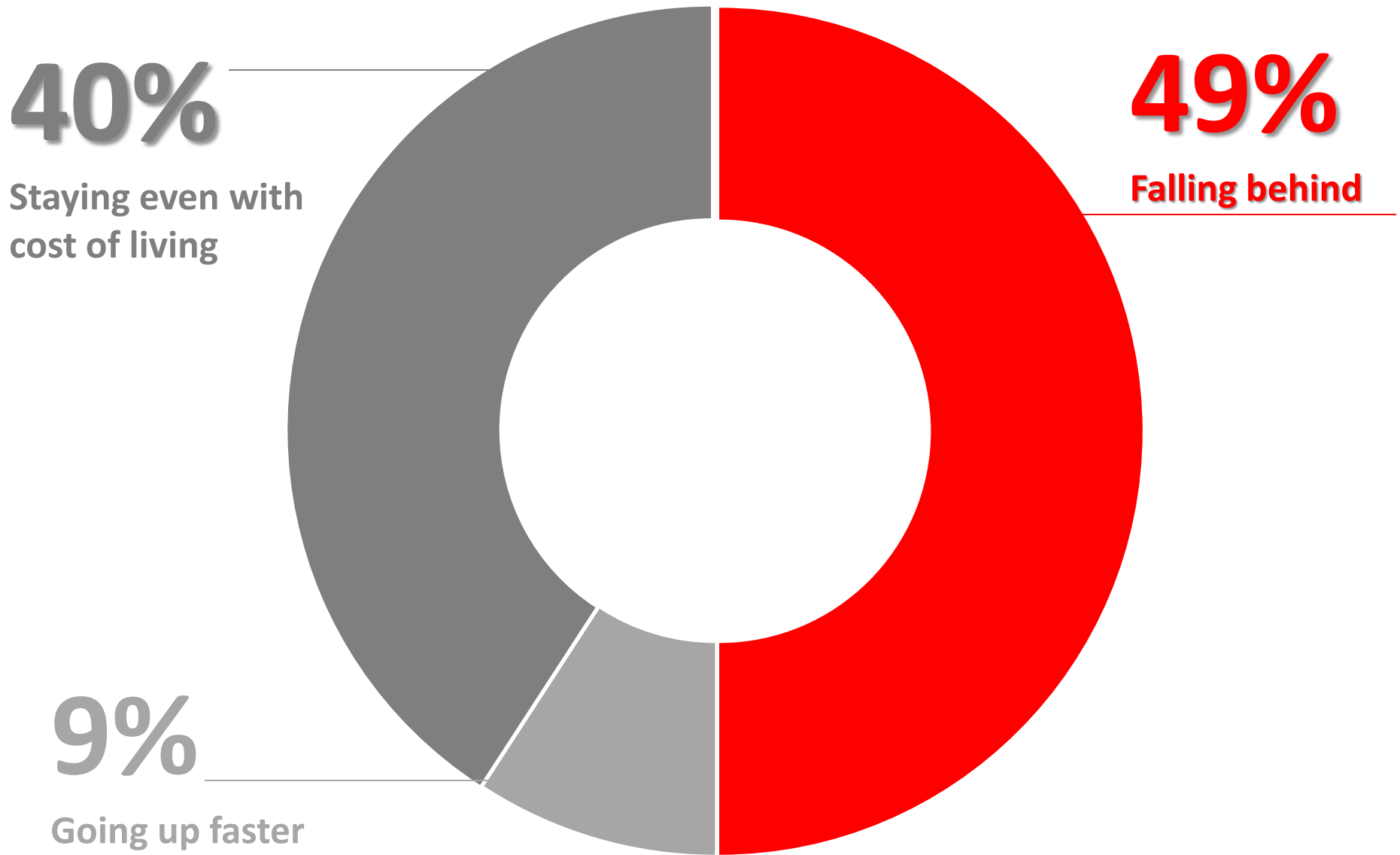
**39%**

*(as a share of the U.S. population)*

ECONOMY

SOCIETY

## #2. MOST PEOPLE FEEL THEY CAN'T KEEP UP





# #2. MOST PEOPLE FEEL THEY CAN'T KEEP UP

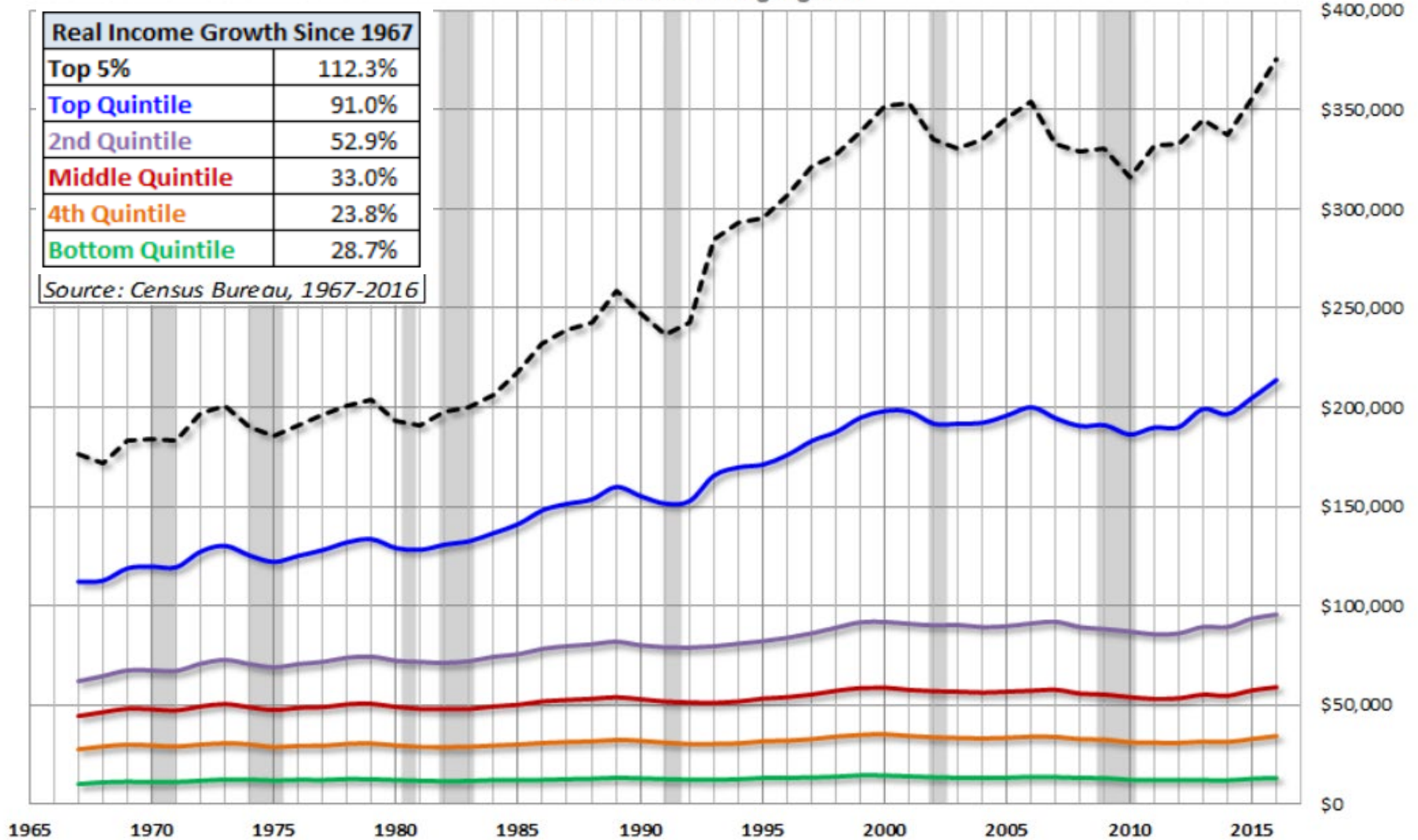
## Real (Inflation-Adjusted) Average Household Income By Quintile and Top 5 Percent

With Recessions Highlighted

### Real Income Growth Since 1967

Top 5%	112.3%
Top Quintile	91.0%
2nd Quintile	52.9%
Middle Quintile	33.0%
4th Quintile	23.8%
Bottom Quintile	28.7%

Source: Census Bureau, 1967-2016



# #3. THE HONEST BROKERS ARE GONE

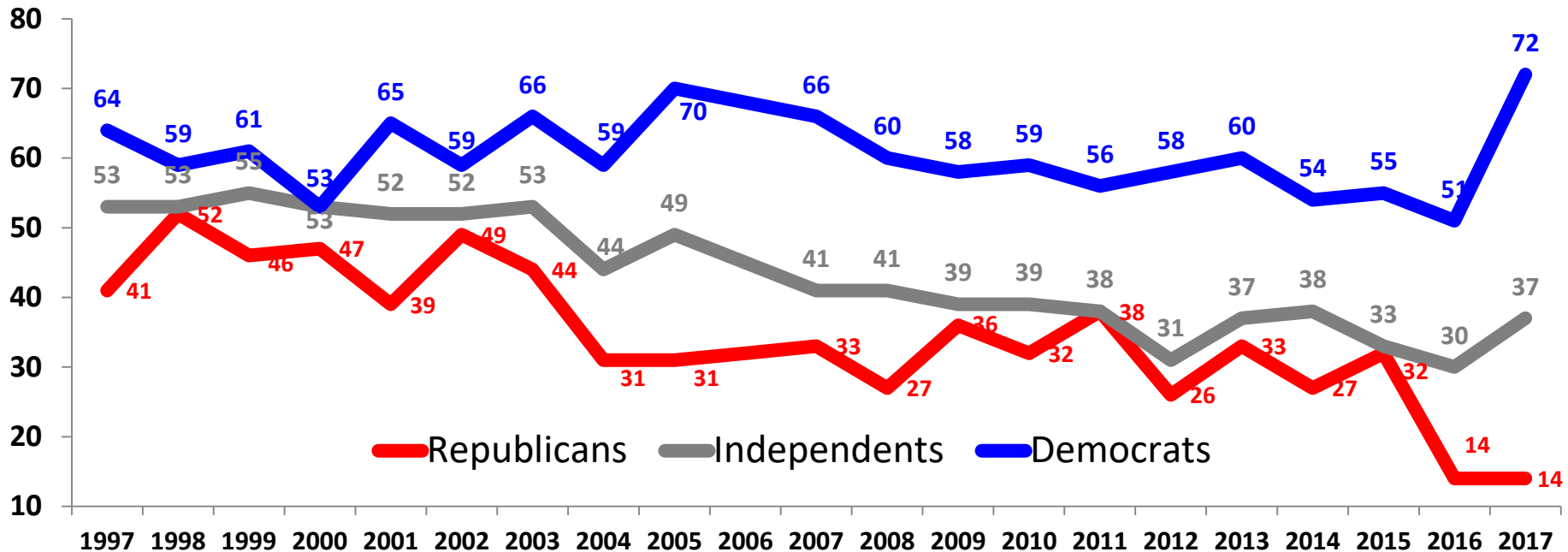
INFORMS



AFFIRMS



Great Deal / Fair Amount of Trust in Media





# #4. WE LOST FAITH IN INSTITUTIONS

## MEDICAL ESTABLISHMENT



## THE CHURCH



## WALL STREET



## HOLLYWOOD



## POLICE



## PUBLIC SCHOOLS



# #4. WE LOST FAITH IN INSTITUTIONS

*Great Deal / Fair Amount of Trust in...*



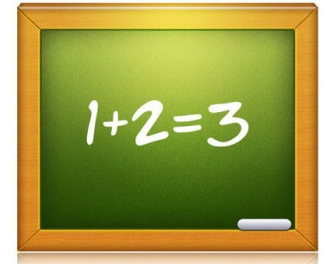
Medical System



Banks



Church /  
Org. Religion



Public Schools

**1977**

**80%**

**60%**

**64%**

**53%**

**2017**

**37%**

**32%**

**41%**

**36%**

# #5. WE LOST CONFIDENCE IN LEADERS

06/15/2009



FLASHBACK

PRES OBAMA: YOU CAN KEEP YOUR  
H'CARE PLAN UNDER NEW LAW

FOX NEWS  
channel

BULLS®  
BEARS

LING OF SEMI-PRO FOOTBALL PLAYER ODIN LLOYD FOX NEWS TROPICAL 5

## #5. WE LOST CONFIDENCE IN LEADERS

“...we will be greeted  
as liberators...”

FACE  
OF THE NATION



## **#5. WE LOST CONFIDENCE IN LEADERS**

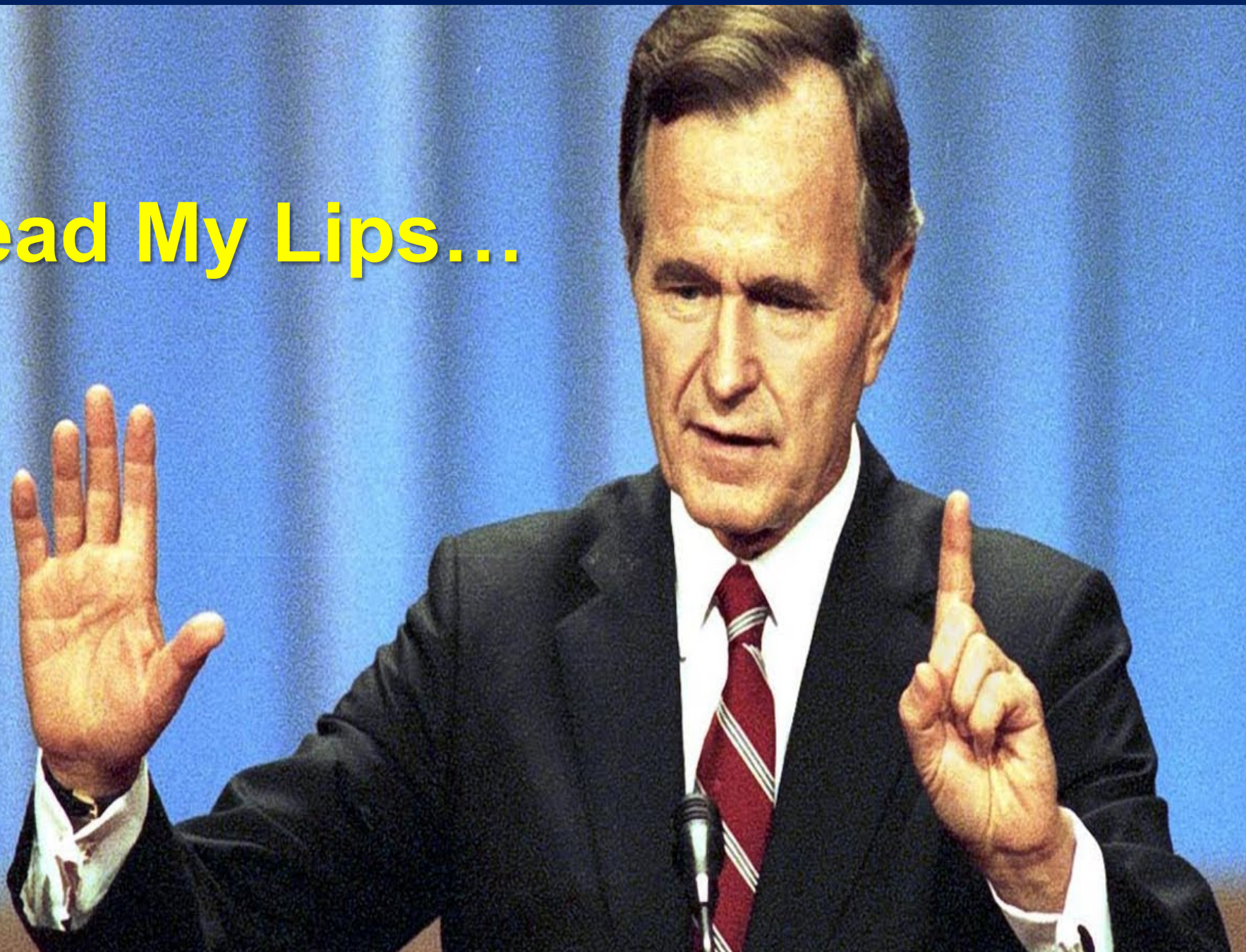
**I did not have...**





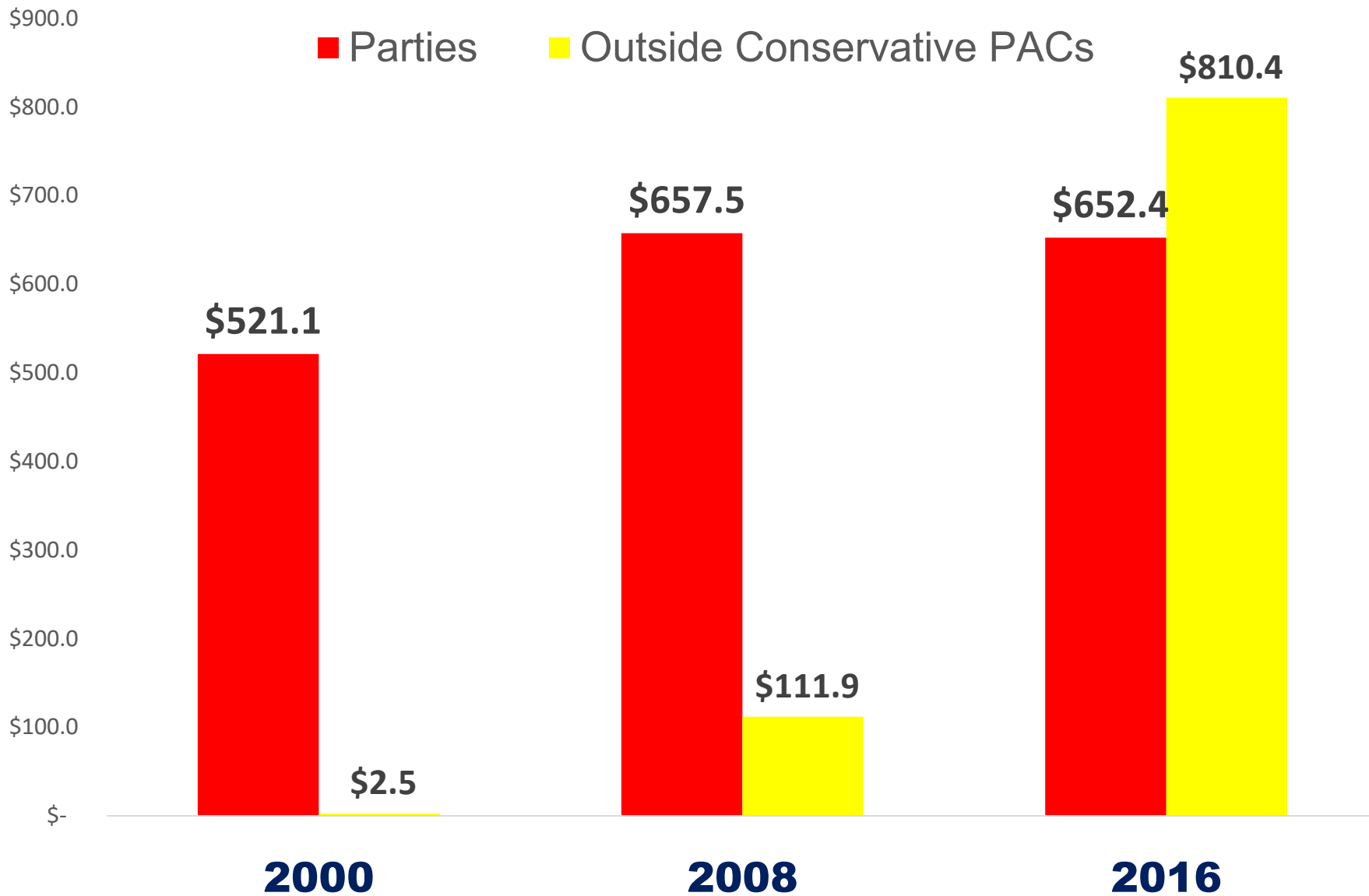
## #5. WE LOST CONFIDENCE IN LEADERS

Read My Lips...



# #6. PARTIES LOST PRIMACY

*Outsiders Now Wield More Influence*



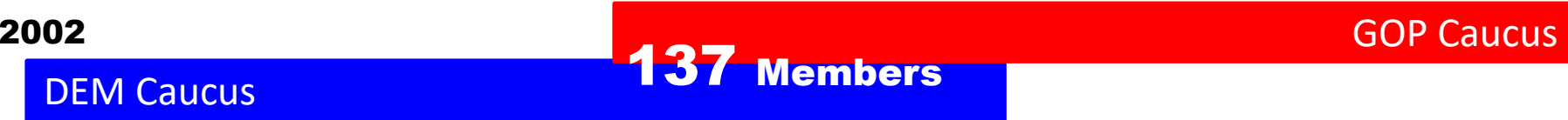
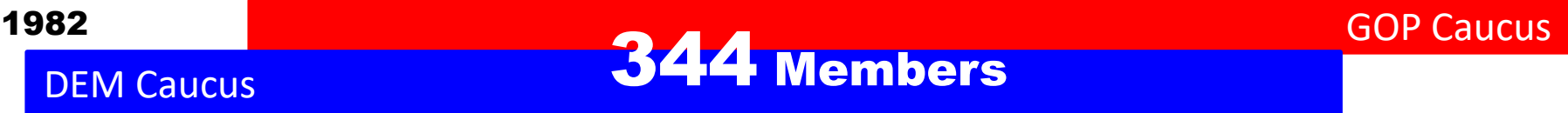


# #7. THE MIDDLE DISAPPEARED

IDEOLOGICAL OVERLAP IN THE HOUSE

Most Liberal Republican

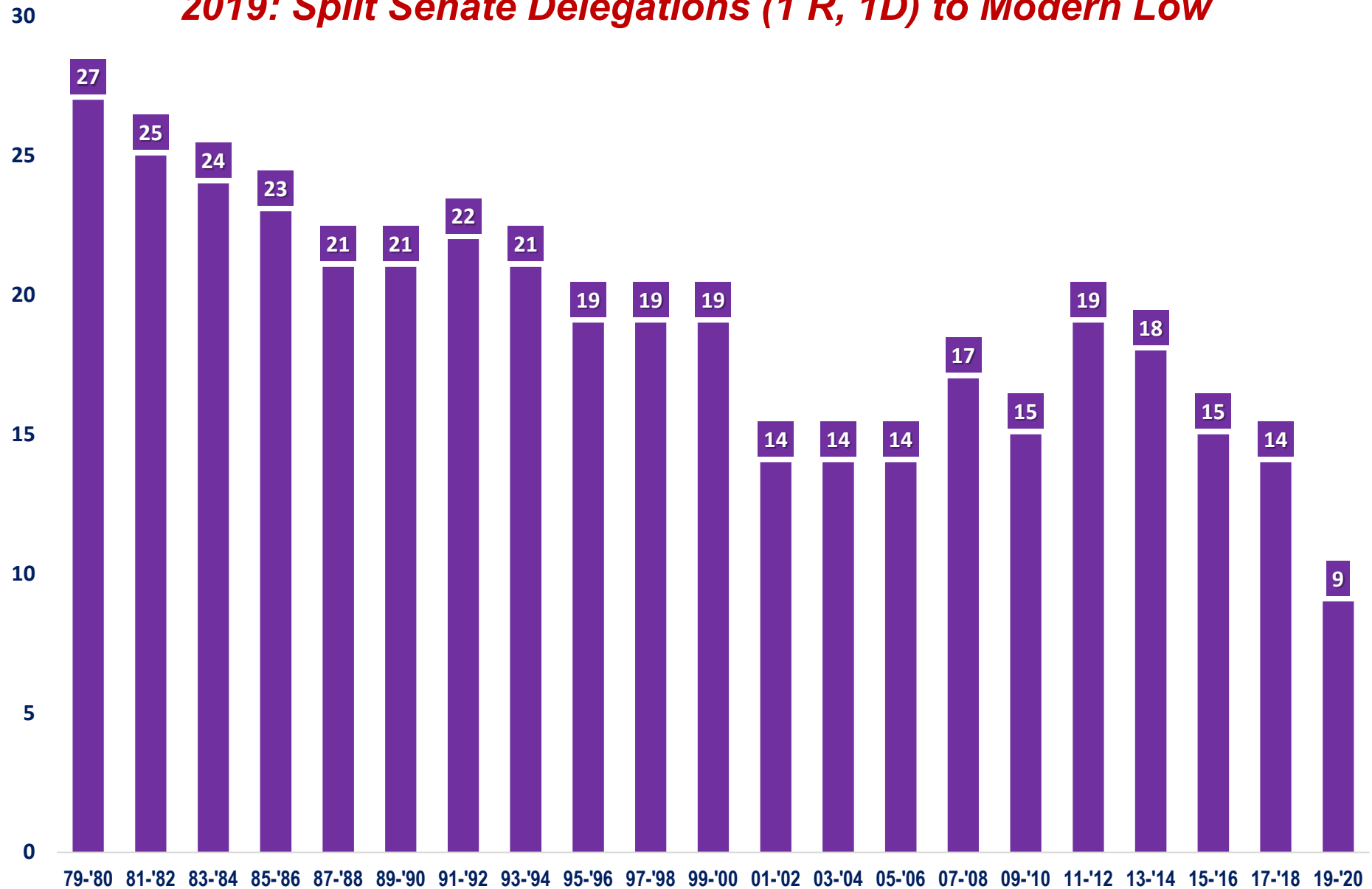
Most Conservative Democrat



***...It's Not Just Gerrymandering...***

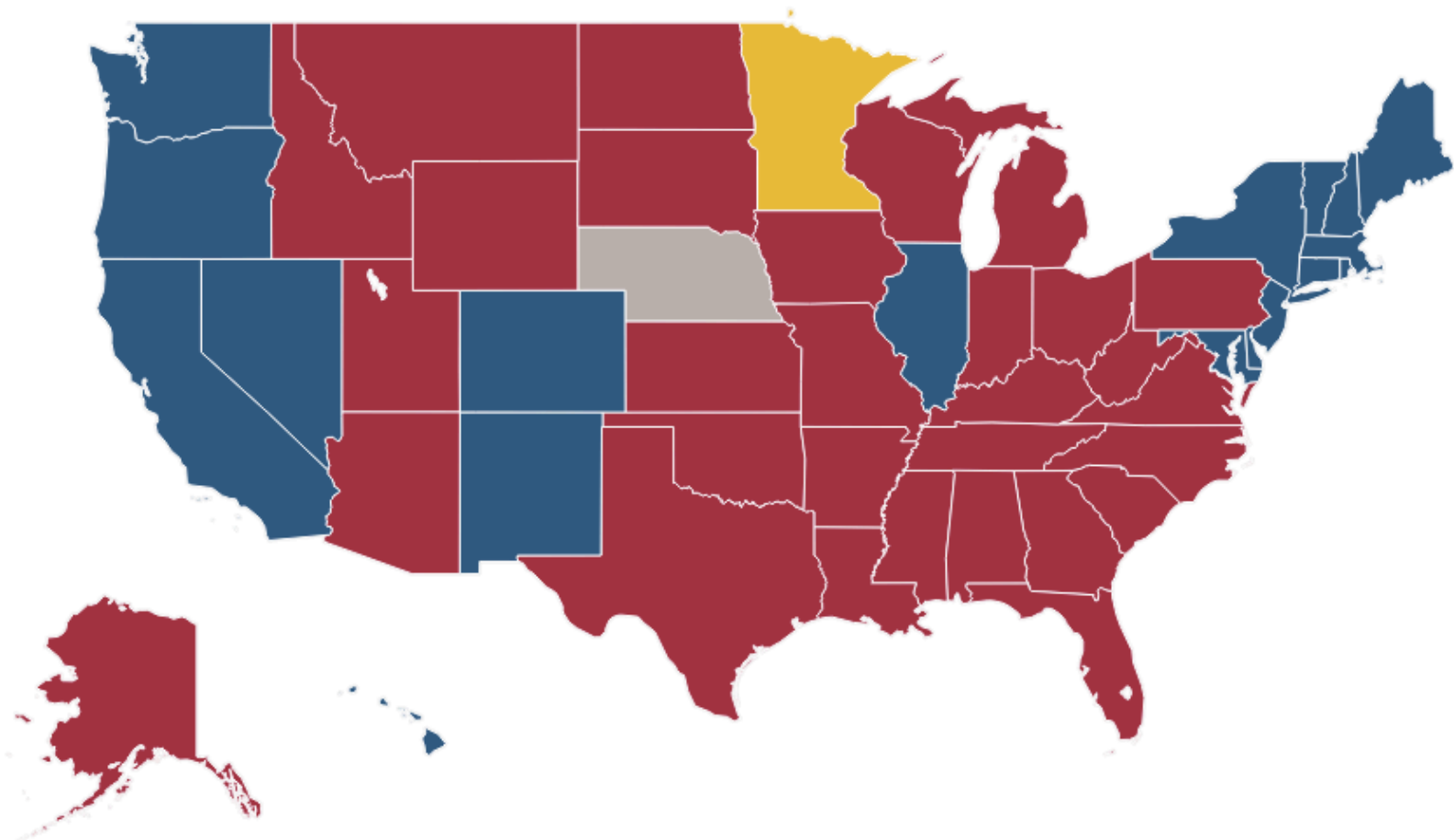
# FEWER "PURPLE" STATES...

*2019: Split Senate Delegations (1 R, 1D) to Modern Low*



# NOT JUST THE FEDERAL GOVERNMENT

***2019: Fewest States With Split State Legislatures Since 1914***



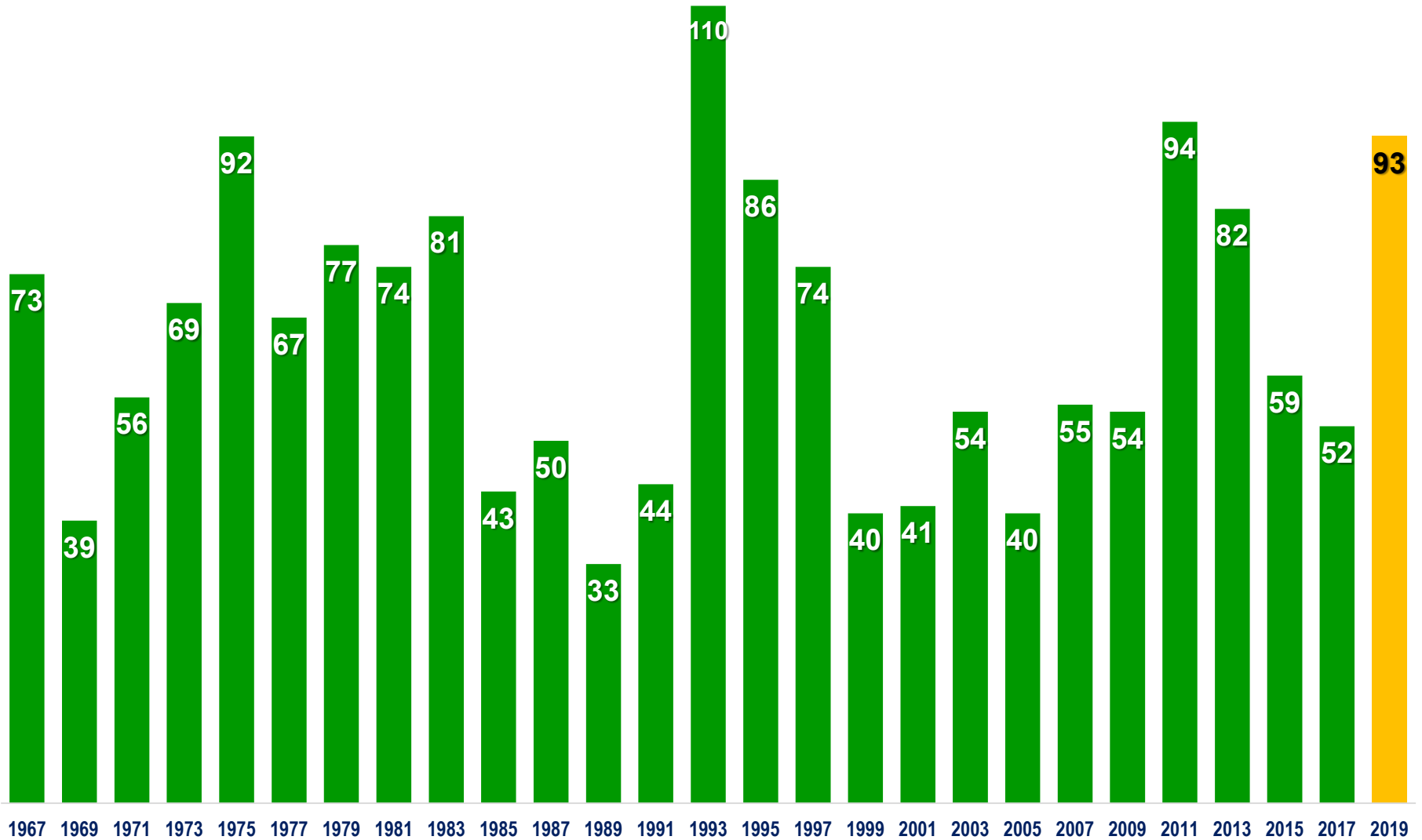
■ Democratic-controlled ■ Republican-controlled ■ Split Legislature ■ Nonpartisan

# #3

## Why Disruption Will Accelerate

# 21% OF HOUSE WILL BE NEW

## Freshmen Classes 1967-2019



Size of Freshman Classes in the House of Representatives, 1967-2019

# EXPECT MORE EXECUTIVE ACTION

## *President Obama's "Phone & Pen" Remain in the Oval Office*





# HOUSE WILL BE AGGRESSIVE

## *What We Expect from House Democrats in 2019-20*

### *Rally the Base*

- Immigration/ Dreamers
- Ethics Reform
- Gun control
- Pay Equality
- Voting Rights
- Medicare for All



### *Stop Trump*

- Endless Oversight
- Block Deregulation
- Protect / Save ACA
- Undo Tax Cuts



### *Potential Deals*

- Infrastructure
- Rx Prices
- Trade
- Tax Reform-Reform
- Data Privacy, Antitrust
- Criminal Justice Reform



# 2020 IS LOOMING

↑  
DISRUPTERS



B. Sanders



E. Garcetti



B. O'Rourke



T. Steyer



M. Bloomberg



K. Harris



J. Castro



H. Schultz



J. Delaney



E. Warren



S. Brown



O. Winfrey



T. Ryan



S. Bullock

↓  
ESTABLISHMENT



C. Booker



A. Klobuchar



M. Landrieu



J. Hickenlooper



E. Holder



K. Gillibrand



D. Patrick



J. Biden



T. McAuliffe

MEHLMAN CASTAGNETTI

← MORE

PROGRESSIVITY

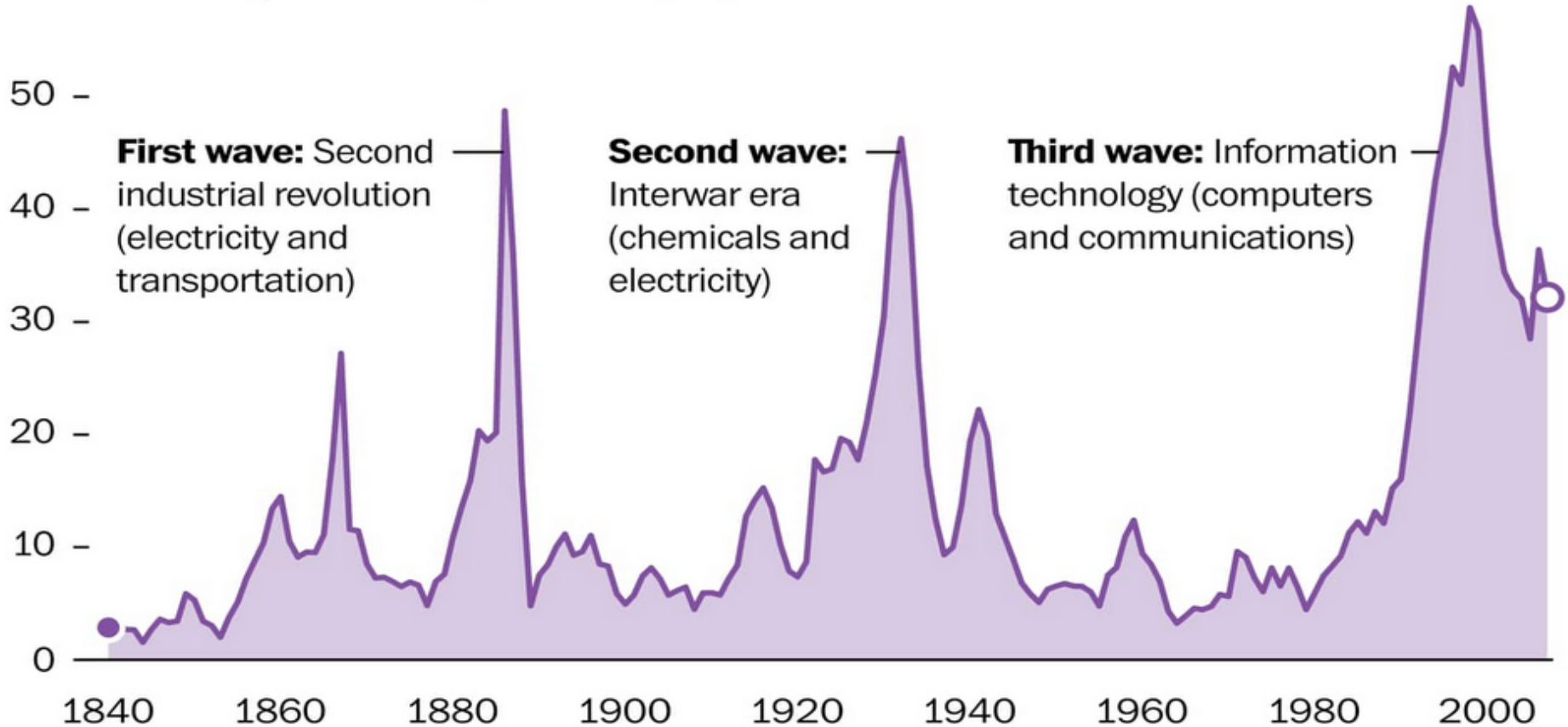
LESS →

# MEANWHILE... 4<sup>TH</sup> INDUSTRIAL REVOLUTION IS HERE

## When the most influential U.S. inventions were patented

Annual count of breakthrough patents, adjusted for population

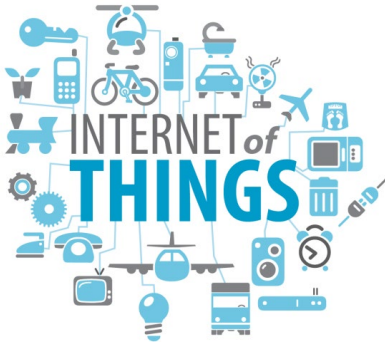
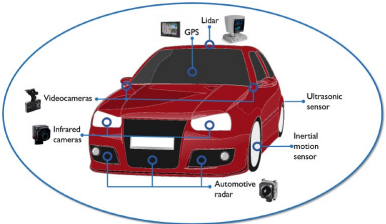
60 breakthrough inventions per million people



Source: Analysis of U.S. Patent Office data by Bryan Kelly, Dimitris Papanikolaou, Amit Seru, Matt Taddy  
THE WASHINGTON POST

# TECH DISRUPTION IS ACCELERATING

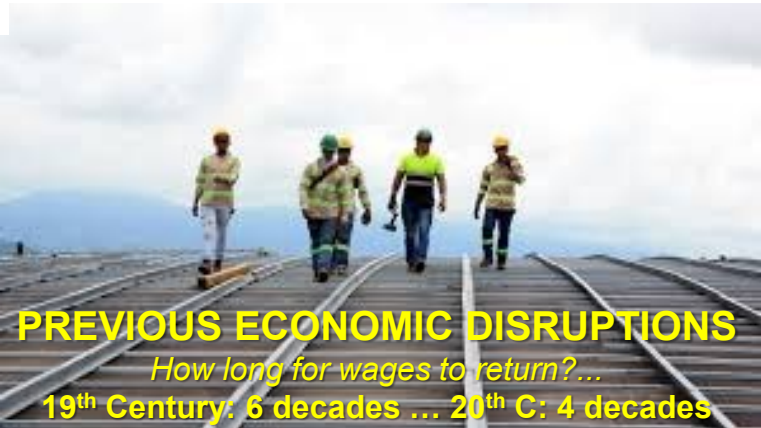
AVs



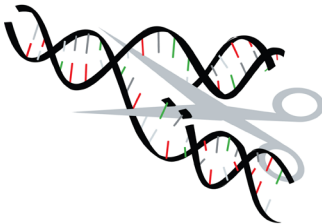
Blockchain



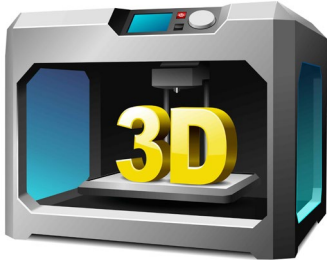
AI



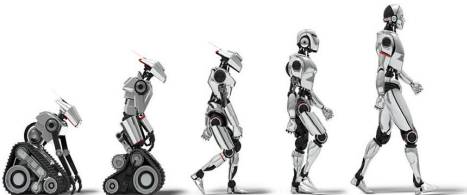
Gene Editing



3D Printing



Robots



VR

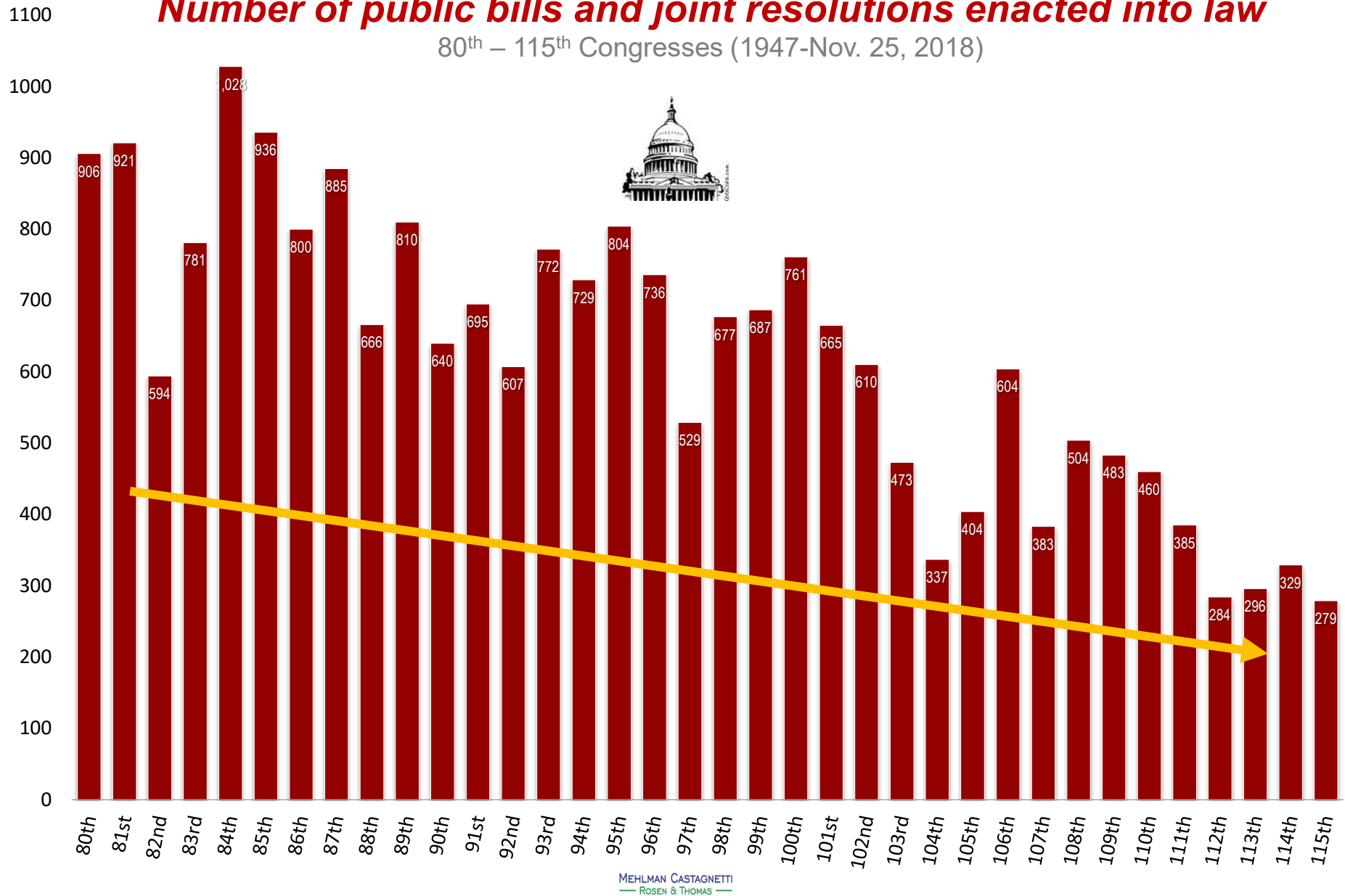


Source: Economic disruption, time for wages to return (Axios Future of Work)

# THE WORLD NO LONGER WAITS FOR WASHINGTON

## *Number of public bills and joint resolutions enacted into law*

80<sup>th</sup> – 115<sup>th</sup> Congresses (1947-Nov. 25, 2018)



MEHLMAN CASTAGNETTI  
— ROSEN & THOMAS —



# LEADERSHIP VACUUM BEING FILLED

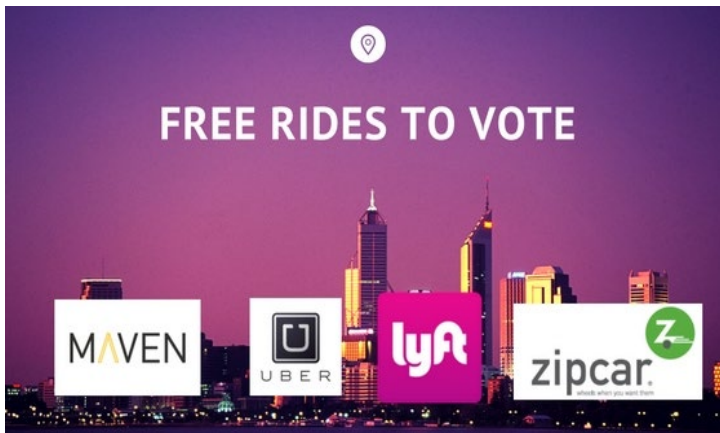
## STATE & LOCAL LEADERS



## OTHER NATIONS



## INNOVATORS

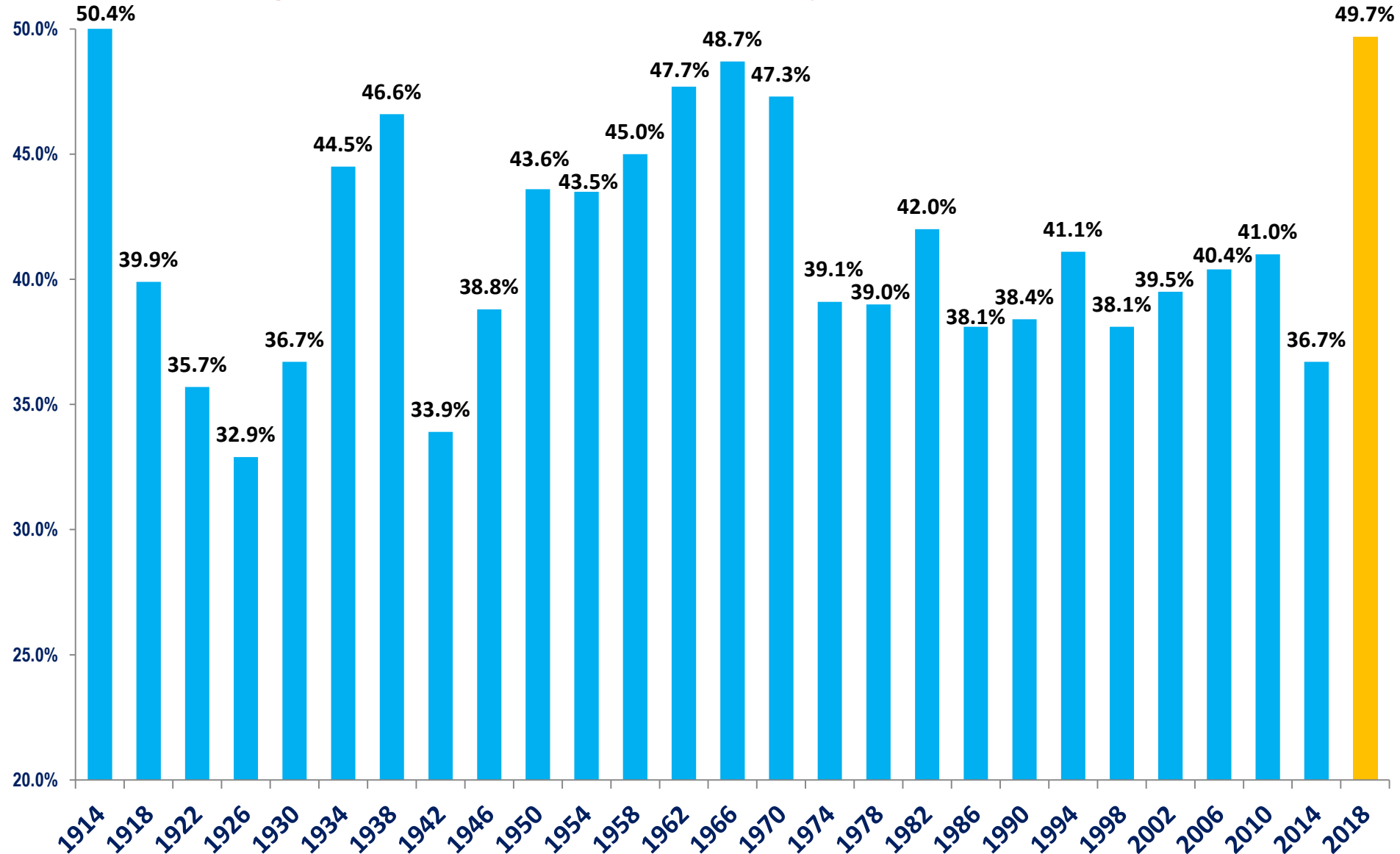


## NGOs



# PEOPLE ARE GETTING OFF THE COUCH..

## Highest Midterm Voter Participation in 104 Years



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ROSEN & THOMAS

# ...DRIVING CHANGE...

## *Not Waiting on Politicians*



**CO, MI, MO & UT**



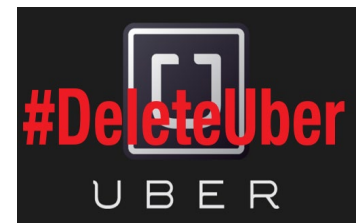


# NEW TOOLS EMPOWERING NEW ACTIVISM

*Everyone's a Witness... Everyone's a Publisher...*



*... Everyone's an Activist...*



**#4**

**What Does This Mean for the  
Future?**

# WE'VE BEEN HERE BEFORE

*Anger at Inequality...*



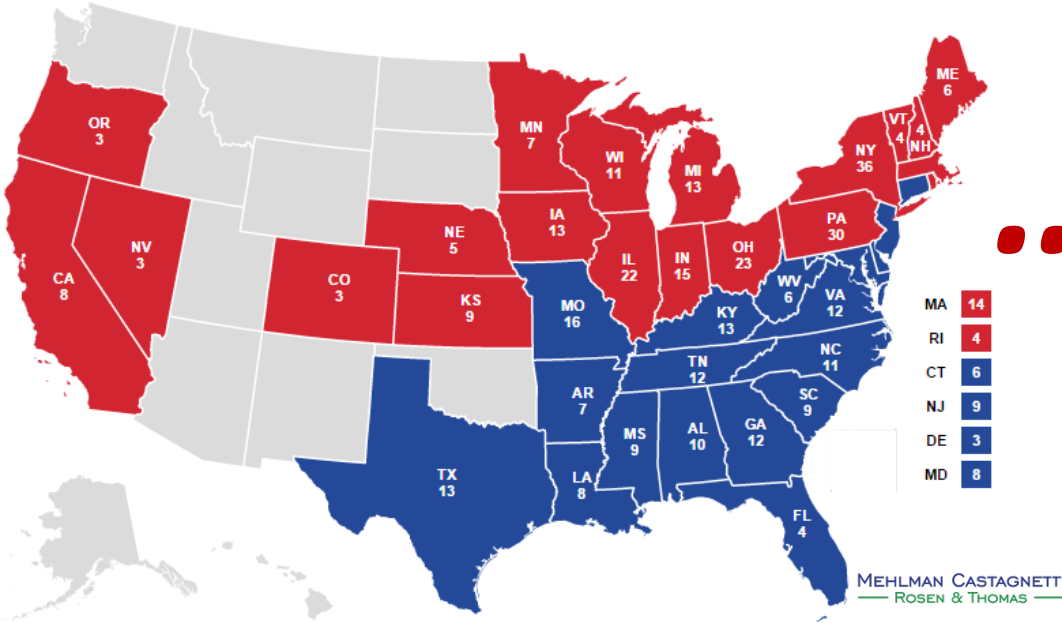
*...accelerating innovation...*



*...concern about recent immigration...*

*...plutocrats increasingly playing politics...*

*... in divided Red States & Blue States...*



*... in 1888!*

# CHANGE CAME

## *Economic Reforms*



## *Social Reforms*



## *Political Reforms*





# NEW REFORMS ARE NEEDED



**Expanding the  
Winner's Circle**



**Restoring Public  
Trust**



**Enabling Principled  
Compromise**



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