

# Center for the Study of the Presidency & Congress

Fellows 2023-2024

## Table Top Exercise: 2032 Financial Crisis

### Section 1: Introduction and Overview

Time Allotted: 65 minutes

Agenda:	11:00-11:10	Introduction, Organizing into Teams, Reading Briefing Materials
	11:10-11:25	Turn 1
	11:25-11:30	Turn 1 Recap / Turn 2 Intro
	11:30-11:45	Turn 2
	11:45-11:50	Turn 2 Recap / Turn 3 Intro
	11:50-12:05	Turn 3
	12:05-12:15	Turn 3 Recap / Hot Wash

Purpose of the Game:

The 2008 Financial Crisis represented the closest that the U.S. financial system came to unraveling since the Great Depression. Between widespread foreclosures for homeowners, the destruction of savings for older workers and retirees, and an appalling dismal labor market for both new entrants and people who had lost their jobs, the ripple effects of this collapse are still being felt more than a decade later. In the end, however, the system worked. Bipartisan support allowed the U.S. government to act to prevent massive bank closures, the Federal Reserve engaged in massive quantitative easing, and Congress passed stimulus packages in 2008 and 2009. In short, the crisis could have been much worse. How much of the improvement over the worst case scenario can be explained by the fact that President Bush was both unpopular and not running for reelection and both Houses of Congress had Democratic majorities? How would the pressures of a financial crisis map onto the heightened partisanship of a presidential election in which the president was on the ballot?

Teams:

1) President Gretchen Whitmer

President Whitmer was elected 4 years ago after a primary campaign in which she won over the Democratic primary electorate on the strength of her sharp political acumen, compelling messaging, and populist campaign platform. She defeated the Republican nominee to become the first woman to serve as president by narrowly winning North Carolina and Arizona while outperforming among white working class voters who pushed her over the top in Minnesota, Wisconsin, and her native Michigan, giving her a total of 301 electoral votes. Since taking office, she has retained most of her coalition, but her favorability is slipping as the economy slows.

## 2) Governor Josh Hawley (R-MO)

Governor Hawley served one term in the Senate before leaving in 2028 to run for governor of Missouri. He is young, has impeccable conservative bona fides, and has structured his campaign on one simple message: President Whitmer has become too establishment and it has blinded her to the economic realities facing regular Americans. He wrapped up the nomination on Super Tuesday and has been running a focused campaign against President Whitmer since early spring focused on a slowing economy and the need to protect American workers.

## 3) GOP Congressional Leadership including Speaker of the House Tom Emmer (R-MN) and Senate Minority Leader John Barrasso (R-WY)

Republicans won back the gavels in the House of Representatives in the 2030 midterms and have a narrow 223-212 majority. In the Senate, the GOP controls 48 seats. GOP leadership is particularly concerned about the ballooning national debt and have introduced bills in both chambers demanding spending cuts as tax revenues shrink due to a slowing economy. Political prognosticators believe that the GOP's brand of economic populism and cultural conservatism has the potential to make further inroads among swing voters if they can find a charismatic conveyer of their messaging, but the Republican coalition is under increased strain as demographic shifts threaten to turn frontline GOP districts in the suburbs and Sunbelt blue. If GOP leaders cannot keep everyone in the big tent, they could be washed out in 2032.

## 4) Democratic Congressional Leadership include House Minority Leader Hakeem Jeffries (D-NY) and Senate Majority Leader Chris Coons (D-DE)

Demographic shifts and the strong performance of President Whitmer in 2028 allowed the Democrats to bring a narrow 52-48 majority into the 2032 campaign season. In the House, growing economic concerns cost the Democrats their majority in the 2030 midterms, holding a 212-223 minority. The Democratic Party remains fractious, however, with growing strength on the political left who are not enamored of the kinds of horse-trading that make deals in Washington work. Political prognosticators believe that the Democrats are just now beginning to benefit from strong demographic tailwinds that should make the party more competitive all across the country in 2032 and beyond, but turnout remains a problem. If Democratic leaders can satisfy the left wing of the party without alienating the center, they stand to make substantial gains. If they cannot walk this tightrope, they could suffer a serious defeat.