

THE US ELECTION PRIMER

In 2016, the citizens of the US stunned the world when they elected Republican candidate, Donald Trump, into the White House. Almost four years later, President Trump is again trailing in the polls as election day approaches. The race is sufficiently tight, and the incumbent's unpredictable conduct is signaling that the outcome will not be known until well after the 03-Nov-20 election date. Nevertheless, looking past the disruption, we know each party's policies will impact players differently. The content below discusses several issues that are top of mind for NHLers.

 <p>Democratic presidential nominee, Joe Biden, has recommended a comprehensive plan with five basic elements; (1) test-and-trace, (2) sufficient personal protective equipment (PPE) for all, (3) science-based treatments and vaccines, (4) steps to reopen safely and effectively, and (5) protecting those at high-risk, including older Americans.</p>	<p>COVID-19 PANDEMIC</p>	<p>Trump's program is unlikely to differ from the approach adopted throughout the year.</p> 
 <p>Biden has supported proposals to steer federal money and tax credits to small business and economic development programs for minority-owned firms and disadvantaged neighborhoods. Biden has asserted that the Federal Reserve and the nation's banking system will be used to implement home ownership policies that are needed to close the wealth gaps among minority communities and to more directly address economic inequality.</p>	<p>INEQUALITY & RACE ISSUES</p>	<p>Trump has not outlined a broad policy plan to address racial inequity. However, he has hinted at expanding the Opportunity Zone investment program, increased support for minority-owned small businesses and dealing with the health care disparities.</p> 
 <p>Biden has declared that he will restore the 39.6% top marginal tax rate. It was previously reduced to 37% by Trump's 2017 Tax Cuts & Jobs Act. Further, Biden also wants to impose an additional 6.2% levy for Social Security on incomes above \$400,000. Biden intends to apply a 39.6% tax rate on capital gains for people who make more than \$1,000,000. Currently, the rate is set at 20%, along with 3.8% for the net investment income tax.</p>	<p>TAX RATES</p>	<p>Trump has not provided any specifics on a plan for personal income taxes.</p> 
 <p>Biden has proposed capping the value of itemized deductions at 28%. When taxpayers prepare their taxes, they can choose between a standard deduction or itemized deductions. Higher income earners overwhelmingly choose itemized deductions to subtract items such as state and local taxes, mortgage interest, charitable contributions, and medical expenses. In 2020, the standard deduction for single taxpayers is \$12,400. For those married, filing jointly, the deduction is \$24,800.</p>	<p>PERSONAL TAX DEDUCTIONS</p>	<p>Trump has not offered any details on a plan for deductions.</p> 
 <p>Democratic vice president nominee Kamala Harris said marijuana would be decriminalized at a federal level. Further, the SAFE Banking Act that would protect banks that service marijuana businesses from being penalized by federal regulators has been included in Democratic COVID-19 relief proposals.</p>	<p>CANNABIS</p>	<p>Advocates for cannabis reform have struggled to determine Trump's position on legal-cannabis programs. Trumps "law and order" stance and the Republican party's traditional opposition to advances in cannabis legislation suggest there would be less progress.</p> 
<p style="text-align: center;">IMPACT ON INVESTMENTS</p>  		

Investors are naturally curious about the possible implications of the two parties on their investments. The impact of the regime change will not be known for years, if not decades. Accordingly, it is consistent with our philosophy to maintain suitable diversification and not speculate on industries, asset classes or strategies that will benefit or suffer over the short-term. For more insight, please read our [quarterly newsletter](#).