

KEEN ON RETIREMENT



Hopeful Politics: “Insider” Insights from My Recent Visit to D.C.

Welcome to Keen on Retirement
With Bill Keen and Steve Sanduski

Steve Sanduski: Hey, everybody, welcome back to another episode of Keen on Retirement. I'm your cohost, Steve Sanduski, and with me, as always, is Bill Keen. Bill, we've got another great show lined up today. This is going to be a lot of fun talking about this one, and we also have a special guest.

Bill Keen: Yes we do, Steve. We have got Chris Larkins with us today, who is going to share his wisdom and experience with some of the political issues we have going on in our country today, so it's going to be a great show, Steve.

Steve Sanduski: Yeah, and Chris is a mutual friend of both of ours. I just want to do a little quick introduction of Chris, so all of our listeners know who he is. He is a partner, and he's also a coach at CEO Coaching International. He has a tremendous business background so, for more than 20 years, he's been running and growing businesses in the retail area, consumer services, international business, and manufacturing.

For a long time, he's been a member of YPO, which is the Young Presidents' Organization, been very active in leadership in that organization. He also has a PhD in Public Law from the University of Southern California, and also has an MA and a BA in Political Science. Chris has been a longtime person involved in politics, U.S. politics, international politics, and that's really the gist of today's conversation because, Bill, you and Chris recently took a trip to our nation's capital, Washington, D.C., and really got an insider's look at what's going on there. We really want to share a little bit about your trip there, what you learned, and whether there is hope for our country, when it comes to politics.

Bill Keen: Right. Steve, we've shared on prior episodes our times that we've been at our conferences in Newport Beach with CEO Coaching International, a community I've been involved in, for about seven years now, of CEOs and other folks that

get together and sharing best practices and, frankly, gaining access to each other's thought leadership, and in addition to this trip that they were able to host, about 29 CEOs in Washington, D.C. Chris, welcome to the show, and thank you, sir, for putting that on, and thank you for being willing to be a guest on our podcast today.

Chris Larkins: Hey, well thank you for inviting me. I had a wonderful time on the trip with you and our fellow business leaders, and very excited to be here with you and Steve.

Bill Keen: Yes, sir. Well, what I thought we could do, if you don't mind, is ... I like to, when I go to conferences, whether it's the Barron's Top Advisor Summit or maybe Schwab Impact Summit or some of the other things we go to, we like to bring a report back to our listeners, to our clients, to our friends of the firm. I thought, what a better way to tap you as someone that could walk us through the schedule that you all created and share with our listeners some of the amazing things that you were able to help us gain access to and some of the points, some of the eye-opening points, that we were able to gather from this event.

Chris Larkins: Yeah, absolutely, happy to, happy to. This was an absolute pleasure to attend and also to organize for our community here. We were planning it and organizing it, as you could imagine, for quite some time. We knew, of course, that we would be there a couple months before the midterm elections, so we had intended to put on a nice exposure from D.C. insiders as to what was going on in the political climate in our country at this time, but also a mere six weeks ahead of the next midterm elections, which will determine the control of Congress and a number of State Houses across the country.

Little did we know, we would also be in D.C., and literally inside the U.S. Capitol for one of our events, at the very same time that Dr. Ford and Brett Kavanaugh were testifying in front of the Senate Judiciary Committee. It ended up being an additionally exciting, and at the same time, tense and suspenseful time to be holding this event, but it all contributed, I think, to a spectacular impact, because we were able to have very open, genuine conversations, not only amongst ourselves, but with four terrific resources, who knew D.C. and have known D.C. for their entire professional careers. I'll walk your listeners through what we got an opportunity to do.

Bill Keen: Perfect.

Chris Larkins: We started the morning out with a separate point/counterpoint, let's call it: one from a Democratic perspective and the other from a Republican perspective. Our first speaker was Simon Rosenberg, and he is the CEO of the New Democrat Network, new Democrat, as in the Bill Clinton Democrat Coalition that he ushered in the '90s. In fact, Simon Rosenberg was a member of the War Room of the successful Bill Clinton presidential campaign, both of them, including his come-from-behind win in New Hampshire, which got him the nomination ultimately in 1992, and eventually the general election win.

He was a leading candidate to run the Democratic National Committee, in fact, in the last election. This is a real political insider. He is also, as I've come to know him ... He is also a thoughtful, intelligent analyst, when it comes to politics. He is not a partisan hack, so to speak, as it might be talked about other talking heads. This is a learned, experienced professional in politics. He came to give us the, let's call it, Centrist Democrat view on the political environment.

As you can imagine, he's in opposition, so he has lots of critical things to say about, not just President Trump, but the Republican Congress, and a relatively optimistic outlook on the Democrats' chances in the upcoming midterms. Nonetheless, he was able to give his view of American politics, I think, in a very balanced way, and on the basis of hands-on experience built over the last 20 years. It was a great presentation, great discussion. We had a mixed group of Democrats and Republicans, and both walked away equally happy and disappointed with what they heard, so I guess that's a good measure of success.

Bill Keen: That's right.

Steve Sanduski: Now, was there a counterpoint? Was there a counterpoint on the Republican side to Simon?

Chris Larkins: There was. Just after that ... We did not have point/counter. It wasn't Crossfire, like where you have-

Steve Sanduski: Oh, okay. Oh, I was thinking it was Crossfire.

Bill Keen: Not at this part, at least. There was later, that we'll get into.

Chris Larkins: Not at this part, at least. That's right, we'll get to it. Shortly after that, we took a very short walk. We were staying at the Willard Hotel, which, by the way, has a Lincoln Anteroom in the lobby, and it has a Lincoln Anteroom in the lobby, because literally Abraham Lincoln sat in that anteroom, so it is a very old, historical hotel, across the street from the Treasury Department.

We took a very short walk, about half a mile past the White House to the offices of King and Spalding. King and Spalding is the ... Well, it's an internationally recognized law firm, but it is also consistently rated the number one lobbying/advocacy firm in the United States. From the conference room of King and Spalding, we were the very special hosts, let's say, of former Governor Robert Ehrlich of Maryland. He is a Republican governor elected in Maryland, which is an extraordinary feat, right? Maryland is a solidly blue state, solidly Democrat state. This is someone who you would certainly call conservative, but had a history of reaching across the aisle to attract Independents and Democrats to vote for him, as evidenced by the fact that he served a successful term as Governor of Maryland.

He gave us the counterpoint, and you would not be surprised to learn that he disagreed with many of Simon's points, but it was an equally thoughtful approach from someone who was at certain points inside the Trump Transition Team. He was not a campaigner for President Trump. He's not a member of the Administration, but he formed part of that transition team and was able to see the White House from the inside and is knowledgeable of their dealings with Congress. He was equally optimistic of the Republicans' chances to hold on in the midterms, but he also ... Just like Simon, was critical of his fellow Democrats, to be fair, Governor Ehrlich was also critical of his fellow Republicans, in some cases, and also the Trump Administration, where he felt it was warranted.

Steve Sanduski:

Now, Chris, you mentioned that Simon Rosenberg and Governor Ehrlich were both thoughtful people, when it came to their, how they feel about, Simon on the Democratic side, Governor Ehrlich on the Republican side. Can you give us an example of a policy where Simon has one point of view, Governor Ehrlich has a different point of view, and the thoughtfulness on each side, where they're stating points that are relevant, that maybe are factual, but maybe thoughtful, just so we can get an example of how we take an issue and, depending on what side you're on, obviously you're looking at it differently, but I'm curious if there is an example you can think of where you could maybe state the case on either side?

Chris Larkins:

Yeah, for sure. One example that comes to mind is health care. They both spoke about health care. As we all know, health care is one of those high-powered issues that both parties seem to disagree upon much more than they agree. Simon was much more, let's say, defensive of the Obama Health Care Plan and more critical of the Republican attempts to repeal it or modify it, ultimately modify it, because the repeal failed. Simon approached it, not from a partisan talking points point of view, but rather really on the issue of access to coverage and healthcare costs, and the like.

When we went to Governor Ehrlich and the same topic was raised, he equally went at it, not from a partisan point of view, but saying, "Look, I've spent my lifetime in Washington, D.C. I understand that Washington, D.C., has limits to what it can do. Washington, D.C., is not equipped or not capable," according to Governor Ehrlich, "of solving this problem. I trust in markets." He was able to articulate very specific proposals that he would recommend to increase access to health care and lower costs, that were not partisan talking points or ideological talking points, but specific policy recommendations that were, again, presented in a thoughtful manner.

I would say that, even to the extent that Governor Ehrlich and Mr. Rosenberg took, say, partisan swipes at the other side, it was done in a humorous manner, so this was not flipping on ... Take your choice, MSNBC, Fox News, CNN, where you have people shouting at each other across the table. You had Simon, say, make a joke about certain Republican members of Congress, but a good natured

joke. You had him poke fun at himself, when appropriate. You had him poke fun at Hillary Clinton and even his former boss, Bill Clinton, when appropriate.

You had Governor Ehrlich poke fun or make fun or make jokes about the Trump Administration when appropriate, and when Governor Ehrlich was asked about Simon Rosenberg's complaint that the Republicans passed the new version of health care without allowing the Democrats to read it, Ehrlich's response was, "You're telling me the Democrats are complaining about a healthcare bill that no one read?" but he meant it in a very jocular fashion that even the Democrats in the room laughed at.

Bill Keen: That's right. Speaking of health care I'm in Oberlin Park, Kansas, here, but we're right on the border of Missouri, as well, so Kansas-Missouri politics is at the fore. The Missouri Senator McCaskill is right now, as we speak, just flooding the TV airwaves with ads that the Republicans want to take away coverage for preexisting conditions. That's the new term. It's preexisting conditions. It's just being talked about a lot out there right now as a major, major running point.

Chris Larkins: It is. I think ... I mean, listen. In all due respect to Senator McCaskill and others, they're going to use what they can to attract the votes they can. I would call it disingenuous. I don't know of many Republicans that are arguing to take away protection for preexisting conditions, simply for the fact that it would be political suicide. Not only, I think, many of us would view it as unreasonable, but political suicide to campaign on a platform of removing coverage for those with preexisting conditions.

This would not be the first time that a politician stretched the opinions of his or her opponent to try and get some votes, and McCaskill's running behind. She is certainly rated the underdog in her reelection campaign in a state that voted for President Trump and that is, on the whole, a conservative state. She probably would not have won reelection six years ago, if she weren't running against someone with foot in mouth disease that seemed to commit gaps left and right and helped her coast to reelection, because most thinking people would've considered her the only other thinking person in the race.

It is a topic around the country, right? I mean, health care is a very hot topic. Immigration is a hot topic. Taxes are a hot topic. Jobs are a hot topic. Both Mr. Rosenberg and Governor Ehrlich addressed those from different perspectives, but in a way that didn't make you feel like you had Rachel Maddow shouting at Sean Hannity.

Bill Keen: Right, exactly. It created hope.

Chris Larkins: Yeah, it did.

Steve Sanduski: Which raises a question. Neither Simon Rosenberg or Governor Ehrlich are running for election, and so they don't have a constituency that they have to

please. They don't have a base that they have to play to, necessarily, so it might be easier for them to be a little friendlier, but I think you also may have spoken to some people that are actually in office right now, and so I'm wondering maybe what sense you got from them. What did you take away here, in terms of the current political environment?

Steve Sanduski: ... what kind of ... what did you take away here, in terms of the current political environment? What that means for the economy? Is there hope for our future, when it comes to our political environment? What are some of your thoughts in that area?

Chris Larkins: I've got to say that in general my feeling about American politics today is somewhat pessimistic. I say that simply because what I've witnessed, and I've been active in politics since the 80's, since I was very young, and active throughout my college years, grad school years, and afterwards.

It's been a long time in American history, I believe, since we had another period like this, where civil discourse has so thoroughly broken down.

When people are more interested in calling each other names, be it snowflake or fascist, depending on your point of view, than actually getting into debate and finding common ground, and attempting to be pragmatic about instituting effective public policy, even if it means you didn't get 100% of your program, but you got enough to make you satisfied.

Incrementally, maybe you can get something more next year, in a few years, or what have you. The days of Tip O'Neill working with President Reagan on tax reform, and immigration reform ... The days of even two people at each other's throats, like Newt Gingrich and Bill Clinton in the mid 90's, getting together to balance the budget and pass welfare reform, and so on, and so forth, appear long gone to me. That's something that saddens me, profoundly.

However, what we witnessed that evening, after we had seen Governor Ehrlich and Simon Rosenberg, and we actually had another guest in between, that we can talk about it in a moment. What we witnessed that evening, I think Bill would agree, brought a lot of hope to those of us that feel like civil discourse has broken down.

Steve Sanduski: For sure. Share with our listeners where we were, for that meeting, if you don't mind.

Chris Larkins: We had the wonderful opportunity to enter privately into the U.S. Capitol. We were escorted by a member of Congressional staff, through the inner halls of Congress, past the signs that say, "No visitors beyond this point," which is one of the cooler signs to walk by in life, right?

Steve Sanduski: Chris, I got a picture. Matt Wilson and I got a picture standing behind that sign, on the way down into the hole. We'll post that on this podcast.

Chris Larkins: Yes. And most importantly, you weren't arrested after you did it, right?

Steve Sanduski: Yes, that was a key part of it.

Chris Larkins: That's right. We were entitled to walk past those signs. We walked to one of the rooms inside the U.S. Capitol, on the House of Representatives side of the Capitol.

For those who may not be as familiar with the Capitol itself, other than the dome, the left ... depending on which end of the Capitol you're on, the left side is where the House of Representatives sits, and has its' meeting rooms, and the right side is where the U.S. Senate sits, and has its' meeting rooms.

We were on the House side, in a room used by the House leadership for their press conferences. We sat down and had some appetizers and some drinks. I had arranged for two Members of Congress to come visit us, one Democrat and one Republican.

I'll confess that I knew they were going to show up, but there was no way to guarantee that they would show up at the same time, or even an hour apart. We were fortunate enough that they showed up, virtually, at the same time.

This was a Republican Member of Congress, Morgan Griffith of Virginia, from the Eastern part of the United States, member of the Freedom Caucus, which is one of the most conservative Caucuses in the U.S. House of Representatives, and Representative Mark Takano, Democrat of California, a member of the Progressive Caucus, which is one of the most liberal Caucuses in the House of Representatives, and obviously representing a completely different demographic, on the west coast of the United States.

What was very interesting to me was, Congressman Griffith showed up first, he was giving his opening remarks, maybe 45 seconds into it, and Representative Takano walked into the room, with his Chief of Staff.

They looked at each other, and just had this look of, "Holey Moley, what did we just get ourselves into?"

Steve Sanduski: What have we been set up for? Yes.

Chris Larkins: Yeah, what have we been set up for? Are we on Crossfire? Are there cameras here? Are we being Punk'd? They did not expect to be in the same room, at the same time. I think they individually thought they were going to be addressing a group of CEO's, including some members of their own constituencies.

After about 30 seconds, it calmed down, and they started speaking at the same time, and commenting on the same issues at the same time. What we learned is, we had two members of Congress from polar opposites ideologically, polar opposites geographically, and they agreed with each other much more often than they disagreed.

I would say that on policy, they didn't agree with each other on everything or else they'd be the members of the same caucus, right? But they agreed on enough, and on matters of good governing, how the House of Representatives should run, how checks and balances should work, the U.S. political system, oversight, regulations, those sorts of things ...

Bill, correct me if I'm wrong, but I think they agreed on every single issue that was brought up spontaneously, during the conversation. This is not a scripted event, right?

Steve Sanduski: That's right, they sure did.

Chris Larkins: It was absolutely amazing to me, and they not only agreed, they were very thoughtful. There were no talking points. They didn't have time to prepare talking points. What it made me realize is, you know what? The reason why civil discourse has broken down is because we're not talking to each other any more.

Steve Sanduski: Right. They even mentioned ... We asked them, "Do you know each other? Do you two know each other?" They said, "There's a lot of us, so we don't. We may have passed in the halls, but we've never met."

I think the point we were making was, "Boy, it would be great ..." I guess logistically it would be difficult for all these folks to get together in some social aspect of some kind.

But, it just seemed like if they could know each other more, it could make a difference.

Chris Larkins: No kidding. That's what struck me. They obviously recognized each other, they knew that they were from opposite sides of the aisle, so to speak, but they had never ...

In fact, the exact words used by Congressman Takano were, "We don't socialize."

Steve Sanduski: Mm-hmm (affirmative).

Chris Larkins: That was very saddening, right? I'm in YPO, many of your listeners may be in YPO, or at least familiar with YPO, why is the U.S. filled with other CEO's, and business owners, and presidents who run all sorts of different types of businesses, have different outlooks on life, and certainly is not monolithic

politically, but we attend these social events and educational events, which cause us to come into contact with each other.

Through that, we get to know each other, learn about other types of businesses and, to the extent we disagree, we still get along.

Steve Sanduski: That's right.

Chris Larkins: I have many fellow YPO-member friends that I don't agree with politically, but we socialize, and we get along. And, these two congressmen don't socialize. When we asked, it was apparent that that was not unique.

I think we found, to the extent there's hope, it was not just that we had two polar opposites in Congress, who happened to agree on almost everything spontaneously, because they didn't have time to script it ahead of time, so also that there seemed to be some agreement between the two of them as to how Congress could start to work again.

They brought up two specific examples, which were very interesting, and caused me to think very deeply. I'll give you both of these examples.

One is travel. Congressmen today are, according to both of these Representatives, are extremely paranoid about going on any Congressional trips.

Congress used to go on fact finding trips, which makes sense. If you're on the Agricultural Committee, I'll hop on a plane and go fly out to Kansas, or Nebraska, or Iowa or something, and visit some parks, right?

Steve Sanduski: Sure.

Chris Larkins: If you're in an International Business Committee, fly to one of the U.S.'s biggest markets, right? And do some fact finding.

These have been often termed political junkets, right? Boondoggles? And, opponents have run ads against sitting Congressmen saying, "Oh, Congressman so-and-so, or Congresswoman so-and-so went on a political junket to Colombia, and spent \$300,000 in taxpayer money." Because of this, Congressmen are reluctant to go on these trips anymore.

What does that mean? It means that they're not getting together with their committee members from the other side of the aisle, and they're not spending time getting to know each other, so that they can talk civilly. And, they're not spending time talking about public policy, or the fact that they both happen to agree on certain specific issues, because they never come into contact with each other.

Steve Sanduski: Yeah. Chris, you might be able to correct me on this, but I thought I read one time that in the not-too-distant past, freshman Congressmen, Republicans and Democrats, used to live in the same house together, as a way to save money.

Chris Larkins: Yes.

Steve Sanduski: There'd be a number of men, for example, freshman Congressmen, they'd get a house together, be it Republicans and Democrats. That was one way ... You talk about them not traveling together, that was one way that people got to know each other as humans, not just as, "Well, you're a Republican. Or, you're a Democrat."

It's like, "Well, you're a person, and I know you as a person first, so let's figure out a way to make this work." Today, I don't think any of that is taking place. I think there may be a Republican house where the Republican freshmen Congressmen live, and a Democrat house, where the Democratic freshman Congressmen and Women live.

Is that true? Or, am I just making that up?

Chris Larkins: No. In fact, that's another point that they brought up is it's actually a little bit worse than that, because they're also under pressure to be back in their District, which makes sense, right?

Representative Takano represents Riverside, California. You would imagine that his constituents in Riverside, California would want to see him fairly frequently, right? There's pressure to get back, which means you don't spend as much time in D.C. as Congressmen and Congresswomen did in the past, and the cost of living in D.C. is so high that it becomes very difficult to even maintain a residence, even a temporary residence, in D.C.

So, yes. Where in the past, they used to 'dorm' together, so to speak, right? Or, room together somehow. Most people are not even taking up much of a semi-permanent residence in D.C., because they don't want to be attacked for having gone D.C., right?

Congressman or Congresswoman so-and-so, from North Dakota, they're not a North Dakotan anymore because they live in D.C., and they're hardly ever back here. Mark Takano described a ... Congressman Takano described an existence whereby he flies out here to D.C., attends committee meetings, has a little bit of office hours, rushes to the floor to take some votes, and is on the next plane back to California.

So, he has even less time to socialize. It seems like ... It seemed like that was the reality for a lot of Congressmen. So, they're not socializing in D.C., they're not socializing on trips.

Then the last example that Congressman Takano brought up, and this one was particularly eye-opening to me, there was a reform campaign about 10 years ago, to abolish earmarks. It was a 'good government' campaign. It made sense at the time. It, in a lot of ways, still makes sense. Earmarks were often abused, right?

Steve Sanduski: Mm-hmm (affirmative).

Chris Larkins: This is the famous 'Bridge to Nowhere', in Alaska, that you may remember. They were a major influence in what we considered 'pork barrel', or wasteful spending, so the earmarks were abolished.

Congressman Takano brought up the point that, "Look. Earmarks were wasteful spending, but you don't need to abolish them, you could make them transparent. Publish them on the Congressional web page every day, every time one is included in a piece of legislation."

He said the abolition of earmarks has removed any incentive for Congressmen to get together and talk, because, if Bill and I are Congressmen, whether we're on the same side of the aisle or the opposite side of the aisle, neither of us has any leverage or any motivation to speak to each other, because Bill can't come to me and say, "Chris, would you support my legislation?"

And, I can't say, "I don't really agree with your legislation, but if you can give me something that I have been fighting for, if you can include something I have been fighting for in your bill, then I can bring myself around to support it, because I can at least tell my constituents that I helped repair old bridges in my District, or whatever the initiative is.

In other words, there used to be a lot of log rolling in Congress, right? In D.C. Well, they abolished earmarks, so they took away all the logs. There's no more log rolling, right? Because they tend to be these earmarks.

Chris Larkins: Congressman Takano ... he actually endorsed, this was one of the eye-opening moments, he endorsed transparent earmarks, the return of transparent earmarks. Congressman Griffith a moment after that said, "I actually do support bringing earmarks back, transparently."

Congressman Takano looked at him ... really quick turn to look at him, and said, "Oh, you do support that?"

Steve Sanduski: Right.

Chris Larkins: With sincere surprise. Which again they agreed on something of good governance, which was a signal of hope. It was equally shocking to me that you had two polar opposites in Congress agree on the same thing, and they never

realized, or never even thought, that someone who wasn't a Democrat, in Mark Takano's case, would actually agree with them on this.

I suspect, I wouldn't be surprised, if some time after that meeting, they found occasion to speak to each other and said, "How can we work together on earmark reform?" That's one of the things that gave me hope.

Steve Sanduski: Good, us too. And hey Chris, I would be remiss if we didn't at least loop in that meeting that we had, even if ever so briefly, here at the prestigious Met Club ...

Bill Keen: So briefly here at the prestigious Met Club, where Drew Maloney, the Assistant Secretary of Treasury for the Legislative Policy from '17 and '18, who shepherded the 2017 Tax Reform Act through Congress spoke to us.

Do you have maybe a couple takeaways from Drew's talk? I know Matt and I got him off on the side and we asked him some questions about some of the R&D legislation we're seeing come through, and other things related to our clients. Do you have a point or two you could roll through, with respect to Drew Maloney? That was amazing to get to talk to him as well.

Chris Larkins: Yeah, thank you for bringing that up. That was our lunchtime program, so we had the point-counterpoint in the morning, we had the two Congressmen in the evening, and for lunch, we went to the Metropolitan Club in Washington, D.C. This is one of the oldest and certainly the most exclusive private club in Washington, dating back to the Civil War era. In fact, it was founded by Civil War generals and military officers who were stationed in D.C., back in the 1860s.

We had the opportunity to visit this very private club and we were fortunate to have as our guest Drew Maloney, who, as Bill suggested, is the former Assistant Secretary of the Treasury for Legislative Policy. In that role, what the Assistant Secretary of Treasury for Legislative Policy works on are taxes, trade, and sanctions. That's essentially his or her portfolio, depending on the secretary at the time.

Drew Maloney was the person in the administration, working for Secretary Mnuchin, who was responsible for shepherding the Tax Reform Act through Congress. What an amazing perspective because this is a piece of legislation that evolved quite a bit, right? Negotiated within the Republican caucus. It was unknown, up until almost the end, whether it was even going to pass.

Drew had a front row seat, not just in witnessing it, but in making it happen. It was a tax reform act that was crucially important for a lot of business people, for a lot of businesses, and for a lot of investors. He had that perspective. What I took away from that was this was an approach that was a lot less political for Drew and Secretary Mnuchin. A lot less political, a lot less partisan than it was about policy, than it was about putting together the most effective policy for tax reform that was likely to pass the U.S. Congress.

It was impressive how he was able to maintain the fortitude to get something passed, because there were fervent critics of this legislation from the right and fervent critics from the left. Even though there may be parts in this legislation that any one individual might point to and say, "Hey, I didn't quite agree with that," I think on the whole, the effects of the tax reform package have proved very stimulative for the U.S. economy and for corporate earnings, and have benefited quite a few in the middle class and the working class, as the impact of this legislation is starting to become known and as people are starting to see the withholdings go down in their paychecks.

Bill Keen: Sure.

Chris Larkins: It was fantastic to hear his play-by-play of how this legislation was crafted and negotiated through Congress.

Drew Maloney has since left the administration. He essentially stayed in to do this task, to complete this task. He accepted a position as President and CEO of the American Investment Council. They are the main advocacy lobbying group of the private equity industry. It's clear that he's taking that same passion and I would say, really thoughtfulness, to his new role, to help advocate for continuing reforms of the regulatory environment and of the tax codes for the benefit of investors, businesses, and even reach some middle class investors as well.

Steve Sanduski: Well, Chris, I know you're going to have to run here. I'm curious, can we put you on the spot for a minute first?

Chris Larkins: Please do.

Steve Sanduski: How about some predictions here? We've got an election coming up here in November. Do you have any thoughts or predictions here in terms of what's going to happen in the House and in the Senate? Maybe even if President Trump will run for reelection, and who may oppose him.

Chris Larkins: Well, my first prediction is that there's a 50% chance that my predictions are wrong.

Steve Sanduski: Excellent.

Chris Larkins: Right?

Steve Sanduski: That's very precise.

Chris Larkins: Well, and I may be generous to myself.

I think if the election were held today, I think we have a very curious situation that's brewing here. Listen, the election is not being held today. The election's a

little bit less than a month away and we saw what happened in the 2016 presidential election in the 30 days leading up to that election, and how surprising the outcome is.

I would not want to be in a position where my career were based upon making successful predictions on politics. The way I read it today is that the Democrats are almost certain to take over the House of Representatives. I think if the election were held today, the Republicans probably would pick up a seat or two in the Senate. The reason for that simply being that the Democrats are defending so many more seats than the Republicans in this cycle. They're playing defense, they're spread thin across the entire map.

There are 33 senators up for reelection in this cycle and, if I'm not mistaken, 24 of them are Democrats and only 9 of them are Republicans. There are just a lot more competitive races involving Democrats. Many of them in Republican states, like North Dakota, for example, and Tennessee, for example, that are going to make it hard, I think, for the Democrats to repeat their success on the Senate side.

But, a lot of these races are tight and there's the virtual lifetime left in politics, right? Of the next four weeks or so. I think if we have that, unfortunately, we're probably set up for even more acrimony, right? Probably a little bit of gridlock, as you have a House of Representatives likely run by Speaker Nancy Pelosi, and a Senate continuing to be run by Mitch McConnell. Two people who do not have a stellar history of collaborating.

I'm hopeful that, based on what we witnessed from the two Congressmen, I'm hopeful that we can have a little bit of consensus in Congress. Sometimes divided government produces the best results. If you go back and look at history, this is, again, Newt Gingrich working with Bill Clinton, this is Tip O'Neill working with Ronald Reagan. This is even then-Senate Majority Leader George Mitchell of Maine, on the Democratic side, working with George H.W. Bush in the early '90s. Sometimes that divided government produces really good results. I'm hopeful that there's a possibility for that, or at least it will increase the demand for that.

I do think that if the Democrats take over the House, their base will demand increasing oversight investigations of the Trump administration. I think we've seen that even when the Republicans take over the House and there's a Democratic president. The base usually demands that and we'll probably see it. But, gosh, there's a presidential election two years from now, essentially.

I think a lot of what will happen in the House will probably not be to impeach President Trump, per se, but to continue to help the Democrats position themselves in the 2020 presidential elections. I think that's the likeliest course we're going to see from the party that controls the House. That doesn't mean that individual members of Congress won't be getting their 15 minutes of fame

on camera somewhere, right? Trying to demand impeachment, and so on, and so forth, of President Trump.

Now, on President Trump, it's anybody's guess what he's going to do. I'm not so sure he knows what he's going to do later today. Certainly his staff does not appear to know what he's going to do later today, if you believe some of the books that have come out recently by insiders within the Trump White House, and also journalists.

We did ask Governor Ehrlich, who is knowledgeable of the Trump administration, and worked on the transition team and has high level contacts. We asked if he believed that Trump was going to run for reelection. Governor Ehrlich said absolutely. I don't have any information that would cause me to fail to take Governor Ehrlich at his word. I would predict that he's going to run. I think that he has a path to win.

If the Democrats were to nominate someone divisive, let's say ... President Trump is certainly divisive. I don't think there's anyone who could claim otherwise. I think if the Democrats nominate someone divisive, then it's just going to be a bar fight, right? It's just going to be a brawl to the finish, and probably a very close election outcome. I think whenever you have a brawl, as we saw in 2016, you're going to have a close finish.

I think if the Democrats were to nominate someone from the centrist wing of the party, perhaps a sitting governor or someone maybe who's not often on camera today, being interviewed on one of the networks, they might have a fighting chance of knocking off a sitting president, which is not a common feat in American history.

Steve Sanduski: Chris, what if the Democrats put up somebody like Howard Schultz from Starbucks?

Chris Larkins: You know, I think there's a lot of reason to believe that a Howard Schultz, or a Mark Cuban, or another businessman or businesswoman could step forward and possibly be a compelling alternative to President Trump. It's, in fact, the model that President Trump himself used.

You know, I think anyone with a track record is going to find it difficult. You know, Starbucks has been beaten up a little bit in the news over the past year or so. If I were advising the Democrats, it's something that I would suggest they look into. That they really give some serious thought to.

Now, whichever Democrat runs would have to still go through the primary system, so it's not like there's a smoke-filled room that's going to hand pick the candidate. I think someone pragmatic with a history outside of partisan politics, but still with enough political involvement to be credible is likelier to defeat a President Trump than, for example, a Senator Elizabeth Warren, or a Senator

Kamala Harris, or a Senator Cory Booker, who are certainly thoughtful, and very intelligent, and very capable, but are divisive figures in American politics, or will find it hard not to come off as divisive figures in American politics. They hold deep passion for their beliefs, which causes them to speak with deep passion. It's going to give a lot of ammunition, let's say, to the other side of the aisle.

Versus, whether it's Howard Schultz, or a Senator Gillibrand of New York. She is often seen as much more pragmatic and not necessarily out in the forefront as a talking head on programs. Senator Mark Warner of Virginia is another example. Some people have even said that Michael Bloomberg might be a good choice. Certainly a business background but also has political experience as the former mayor of New York City.

I think there are many candidates the Democrats have who could beat President Trump. Which, again, is no small feat because most incumbent presidents usually win. I think the Democrats, to some extent, have the danger of nominating someone who would be an easier candidate for Trump to campaign against.

Steve Sanduski: Excellent. Well, great.

Well, Bill, do you want to wrap up with some closing comments?

Bill Keen: Chris, thank you so much for taking the time to spend with us here on the podcast today. Steve, as usual, thank you so much for cohosting the show with me.

I think it's just so important that we get our minds around the things that are out there, affecting us, and the economy, and the political markets. I believe that it's our job here at Keen Wealth to be out in the mix. Trying to separate the news from the noise, like we say on prior episodes, and really help folks think through some of these issues.

You know, the question is, yes, are we looking at these things? Of course. Is the next month going to be very interesting? Yes. Is the next two years going to be very interesting? Yes, politically. Again, we're looking at unemployment, we're looking at consumer optimism, we're looking at interest rates, we're looking at the earning season, which is starting now as well. We're always looking at the underlying fundamentals.

And, to Chris' point earlier, the markets seem to prefer a divided government. You know, I know that that might not sound right, but if the government is at more of a stalemate, the markets know what they're dealing with, at least for the short term. I could make a real case for if the House goes Democratic, that the markets potentially could even do better than if it did.

You know, again, we always bring back ... It's interesting talking politics, it really is. We don't want short term political issues to change someone's long term financial plan. We've weathered many unique political environments over the years. The markets have generated positive returns for folks as it's played out over the long term.

Our point today was to bring some really great insight, share our trip to D.C., bring it back to our listeners, and to just try to provide some talking points, and actually provide some hope that we may be able to get together on some things as we move into the future.

With that, I really appreciate both of you gentlemen being on the podcast today. Thank you so much.

Chris Larkins: Thanks, Bill. Well said.

Steve Sanduski: Thank you.

Keen Wealth Advisors is a Registered Investment Adviser. Nothing within this commentary constitutes investment advice, performance data or any recommendation that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person. Any mention of a particular security and related performance data is not a recommendation to buy or sell that security. Keen Wealth Advisors manages its clients' accounts using a variety of investment techniques and strategies, which are not necessarily discussed here. Investments in securities involve the risk of loss. Past performance is no guarantee of future results.