

Scenario Mapping & Philanthropic Levers for Impact: Planning for 2025

Abridged Version

January 2024

Background and Context

This abridged version of a scenario planning exercise illustrates some of the key elements we have found useful in these studies. No scenario is certain, and it is impossible to plan for all contingencies. But these tested methodologies can help one (1) identify which possible futures to give the greatest attention, (2) ask what might be needed in those scenarios, and (3) consider what actions can be taken today to prepare. In a full exercise, one might apply these general findings to a specific issue area, consider implied policy impacts, and help inform appropriate investments.

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Scenario Planning as Practice

GOAL: Consider possible futures to plan for contingencies and inform strategy and decision making.

- Organizations primarily focus on day-to-day battles and status quo state of play in their focal areas – while cognizant that the future could look different.
- Scenario planning provides process for grappling with possible futures that organizations may soon need to work within.
- A scenario planning exercise highlights large-scale forces that push the future in different directions to make these forces visible and inform strategy.
- Scenario planning is used by a range of organizations, including large corporations, government agencies, political organizations, and nonprofits and advocacy groups.

OUR PROCESS



Outline the most relevant potential scenarios



Determine key dynamics at play in potential scenarios



Apply key dynamics across potential scenarios



Develop potential responses and interventions

Research Inputs

Research for this scenario planning exercise which informs our insights and analysis, included:



Analyzing more than 100 different reports, articles, and think pieces



Reviewing over 100 federal bills, rules and programs, with focusing on those up for renewal or expiration post-2024



Internal review and analysis of landscape, including leveraging expertise in Congress, administration and agencies

I. Scenario Planning: Key Findings

Historical Context: Risks of Being Unprepared

Stakeholders haven't always been prepared for every outcome – causing them to scramble to catch up.

U.S. DEVELOPMENTS

Over the past eight years, we have seen:

- **A rise in new NGOs** on multiple topics, including racial equity, climate change, democracy reform, and others - though not without duplication and inefficiencies.
- **Public demonstrations against high-profile, controversial policies** on issues like immigration, climate change policy and reproductive rights.
- A simultaneous combining of left and middle and **growing divide between partisan extremes** (rightward bent of Republican party; rise of far-left groups/factions) that continue to drive tension

GLOBAL DEVELOPMENTS

Populism is becoming more prominent around the world:

- **Seemingly fringe movements have been rising to power** globally in part as stakeholders have not always considered all outcomes nor raised united opposition.
- **In several cases this authoritarian turn runs contrary** to conventional wisdom given that governments and economies are vulnerable to capture by ideologies aimed at disruption of the status quo.
- **American leadership put in question** as a consequence of domestic policy shifts and increased isolationism

For Reference: Current Electoral State of Play

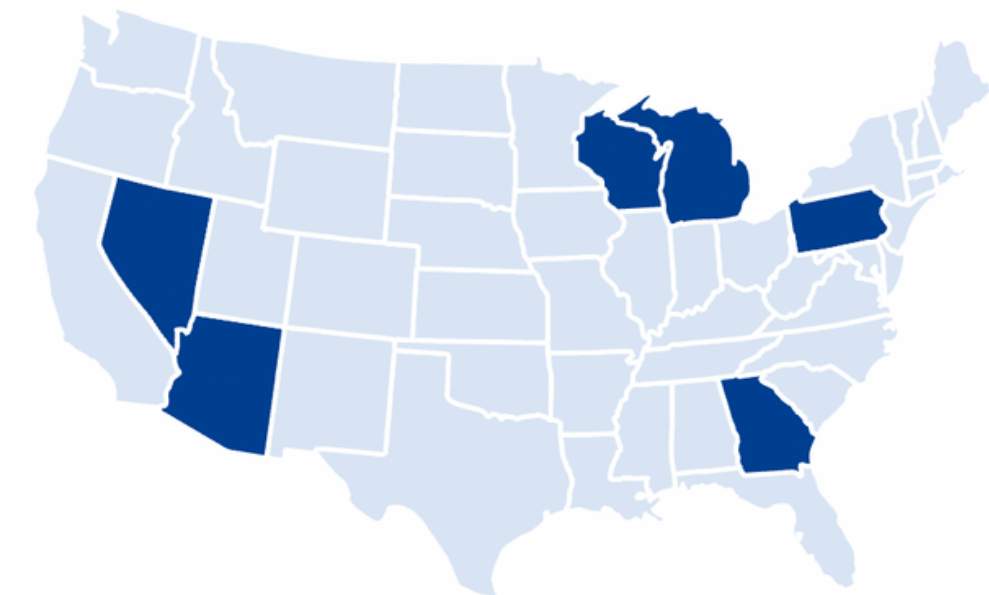
The outcome of a few key races in the House and Senate and the ever-changing dynamics of the Presidential election could significantly alter the Government's approach to addressing pressing issues.

- Due to ongoing Supreme Court trials, international conflicts, and the possibility of more candidates joining the race, it is unclear how the electoral state of play will evolve from the primaries to the general election.
- Partisan control of the Senate and the House will likely be by small margins in either direction, hinging on a few key toss-up races.
- The Republican primary race is ongoing, however Donald Trump has remained the frontrunner throughout.
- Third party candidates could siphon off votes in swing states, potentially tipping the election in a close race.

The numbers are constantly evolving, but currently there are:

24 toss-up races in the House
3 toss-up races in the Senate

*seat ratings according to Cook Political Report, last updated on 12/30/23 (House) and 11/30/23 (Senate)



Key swing states to watch in 2024 include Nevada, Arizona, Wisconsin, Michigan, Pennsylvania, and Georgia

Stability of Democracy at Stake in 2024

1 Voters losing faith in institutions

As much as 51% of U.S. adults say democracy is working “not too well” or “not well at all” according to a recent poll conducted by NORC.

2 Potential for Political Violence

A recent wave of threats against election officials and judges, alongside the enduring memory of January 6th attacks on the Capitol in 2021, foretell an election year that is likely to see ongoing threats of political violence.

3 Unprecedented Indictments

Donald Trump has been charged in four criminal cases, and indicted in one of them, making him the first former President in history to be indicted of a federal crime.

“I think from the side of the left, it’s pretty obvious that they’re concerned about electing a president who is avowedly authoritarian...From the right, the Republicans think about government overreach, big government, threats to freedom and mandates to act a certain way.”

- Americans agree that the 2024 election will be pivotal for democracy, but for different reasons, Micheal Albertus, Political Science Professor at University of Chicago

Outcome Scenarios and Potential Dynamics

Democratic White House

Democratic Trifecta: Finishing the Job

Maximizing impact of policy wins via leveraging authorized funds, completing rulemakings, retaining talent.

Divided Government A: Fighting for Every Inch

Blocking legislative action, resisting nominee confirmation, increasing scrutiny of administration.

Republican White House

Divided Government B: Grind to a Halt

Reversing current administration's policy priorities, slowing implementation, seeding bipartisanship.

Republican Trifecta: Rolling Back Wokeness

Halting deployment of funds/reducing spending, rolling back Biden era legislation, increasing isolationism.

Democratic House/Senate

Republican House/Senate

ADDITIONAL POTENTIAL FACTORS

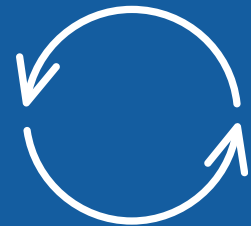
- Dynamics could shift given other major factors, including:
 - Natural disaster
 - A new pandemic
 - An economic recession
 - Other macroeconomic factors (i.e. oil prices)
 - Major international conflicts
- Potential for specific policy priorities to stall in the event of a direct threat to major institutions (military, DOJ, other) due to controversies over administration over the administration or results of the 2024 election.

Outcome Scenarios and Potential Dynamics



Competing priorities with limited fiscal space

Big spending this congressional term, high interest rates, and budget caps leave little room for more spending next term, and significant pressure to cut.



Pressure to roll back policy agenda, though some legislation more durable than expected

Many expect the IRA and other federal investment implementation to halt under various scenarios. However, some experts maintain that most of the IRA and its tax credits are likely durable regardless of who holds power in a future administration.



Government talent and staffing at risk, stalling implementation

Proposals of major changes and cuts to the federal civil service under a new administration, which would make implementing programs difficult and slow down rulemaking and regulation; staffing in a second Biden administration would also be at risk due to a “brain drain” and potential decelerated nominations process.



Deregulatory efforts can halt efforts to advance issue-based work

Dismantling of regulations before they've been finalized, along with inability to efficiently distribute funds from current programs, could stall progress. Litigation fights expected in every scenario, halting application and implementation.



Polarizing messaging can influence stakeholders, slow progress

Constant polarizing messaging impacts public opinion and will for action, which could be exacerbated by waning consensus from either party for proactive policy efforts on several issues.

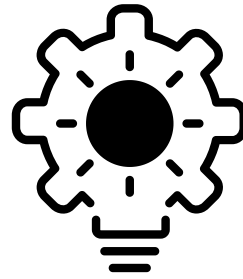
Areas of Consideration for Philanthropy

How might philanthropies consider preparing for these possible scenarios?



Risk Mitigation Strategies

Identify greatest areas of potential risk in 2025+ and consider avenues for building capacities that may be needed in advance of potential threats to key priorities.



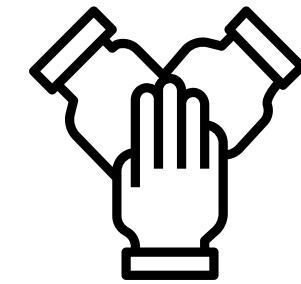
Proactive Efforts

Identify and consider strategies that can help lay the groundwork needed to capitalize on potential opportunities to advance key priorities that might result in 2025+.



Ongoing Monitoring

Track how the scenarios play out, and consider updating analysis closer to November 2024 to understand if particular outcomes or policies seem more or less likely.



Collaboration

Consider if there are other stakeholders or allies that may be worth sharing key insights with, including to understand where opportunities exist to align planning and efforts.

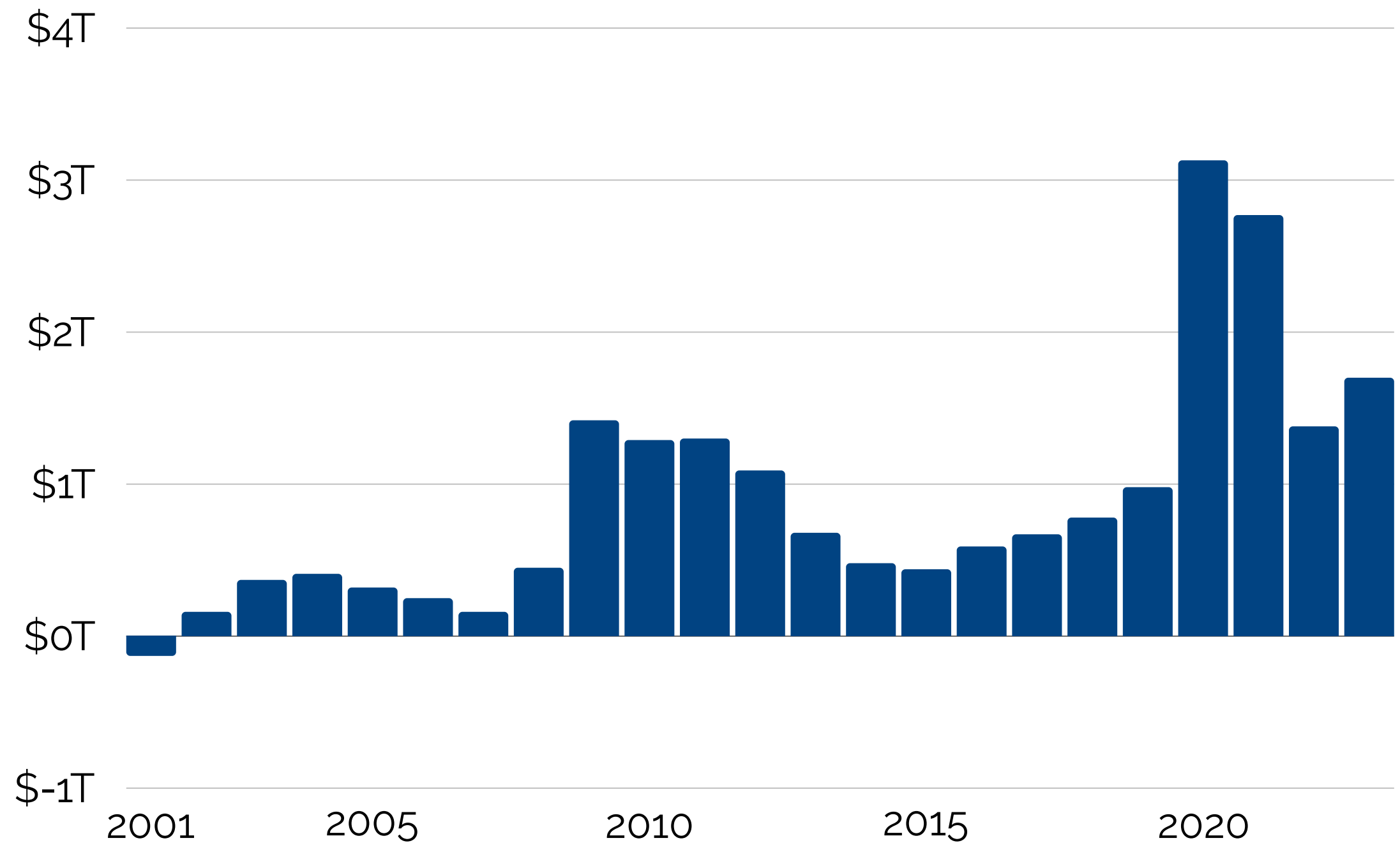
II. Dynamics in Practice



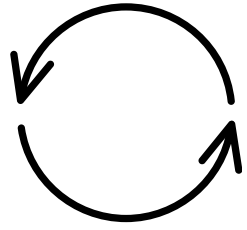
Limited Fiscal Space

- Budget caps and high interest rates on debt creates little room for new spending and pressure to reduce deficit under any scenario.
- Negotiations on debt ceiling raises, federal budget, and other must-pass legislation all will be used as leverage points for concessionary cuts.
- Policy changes likely to be low or no-cost.

FEDERAL DEFICIT OVER TIME (FY 2001-2023)



*data pulled from FiscalData.Treasury.gov



Rollback of Key Legislation & Deregulation

DEREGULATION

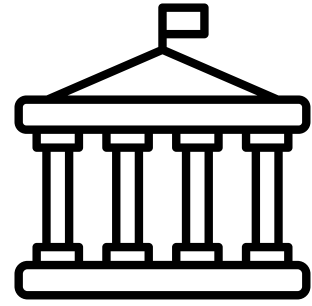
- Many regulations may not be finalized before the next administration begins, making many “dead on arrival.”
- Additionally, recently issued regulations might still be subject to congressional review (CRA) and could be undone by a new Congress.
- Fully finalized regulations — including climate regulations which may be rolled out in spring 2024 — are subject to litigation, which can overturn or delay rules

ROLLBACK

- Rulemaking and program implementation could stall.
- No 60-vote majorities, making it unlikely to see a major repeal without gutting the filibuster.
- Most tax incentives are potentially safe.

Case Study: IRA, BIL, and CHIPS Rollback

- Politics of rollback could be tricky given positive feedback on investments in rural areas and across various states.
- Items subject to reconciliation (with budget implications) are potentially at play, as well as controversial items (i.e. EV credits) and less salient items that might be more easily jettisoned



Drain on Government Talent & Staffing



Cuts to Civil Service

- Significant cuts to the civil service due to uncertainty during transitions and differing views on the role of the civil service are likely in several future scenarios.
- Some more niche but critical issues require experience that could affect policy implementation.



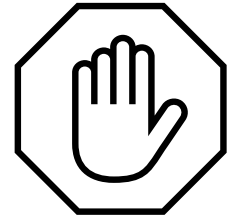
Leveraging Civil Service

- Future administrations would have the experience and a comprehensive transition plan to appoint and install those deeply loyal to the administration more quickly.
- Potential lack of ability to use IPAs to fill critical positions on issues like climate and technology could impact policy options.



Brain Drain

- Current admin finally has the staff to advance several policy priorities; however many might leave in a future administration and appointments could be blocked in the Senate.
- There is a severe need for hiring reform to bring in more talent for specific skill sets, such as technical/technology talent.



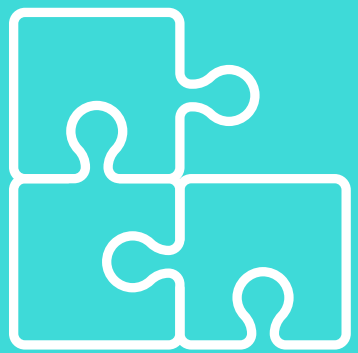
Deregulation in Practice



Many new administrations seek to undo the policies of their predecessors, and Republicans have campaigned on a **platform of deregulation**, promising to roll back Biden-era policies and dismantle the administrative state.



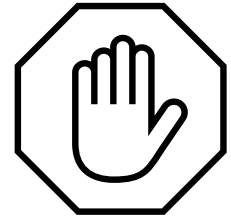
This is easier said than done. Finalized rules require new rules to undo, which takes time. Pending rules or those not yet proposed can be dead on arrival. Regardless, **all rules and regulations are at risk of litigation**, of which there will be plenty.



Many rules and regulations, including those relevant to implementation of key legislation such as the IRA, **will not be finalized in 2024**.



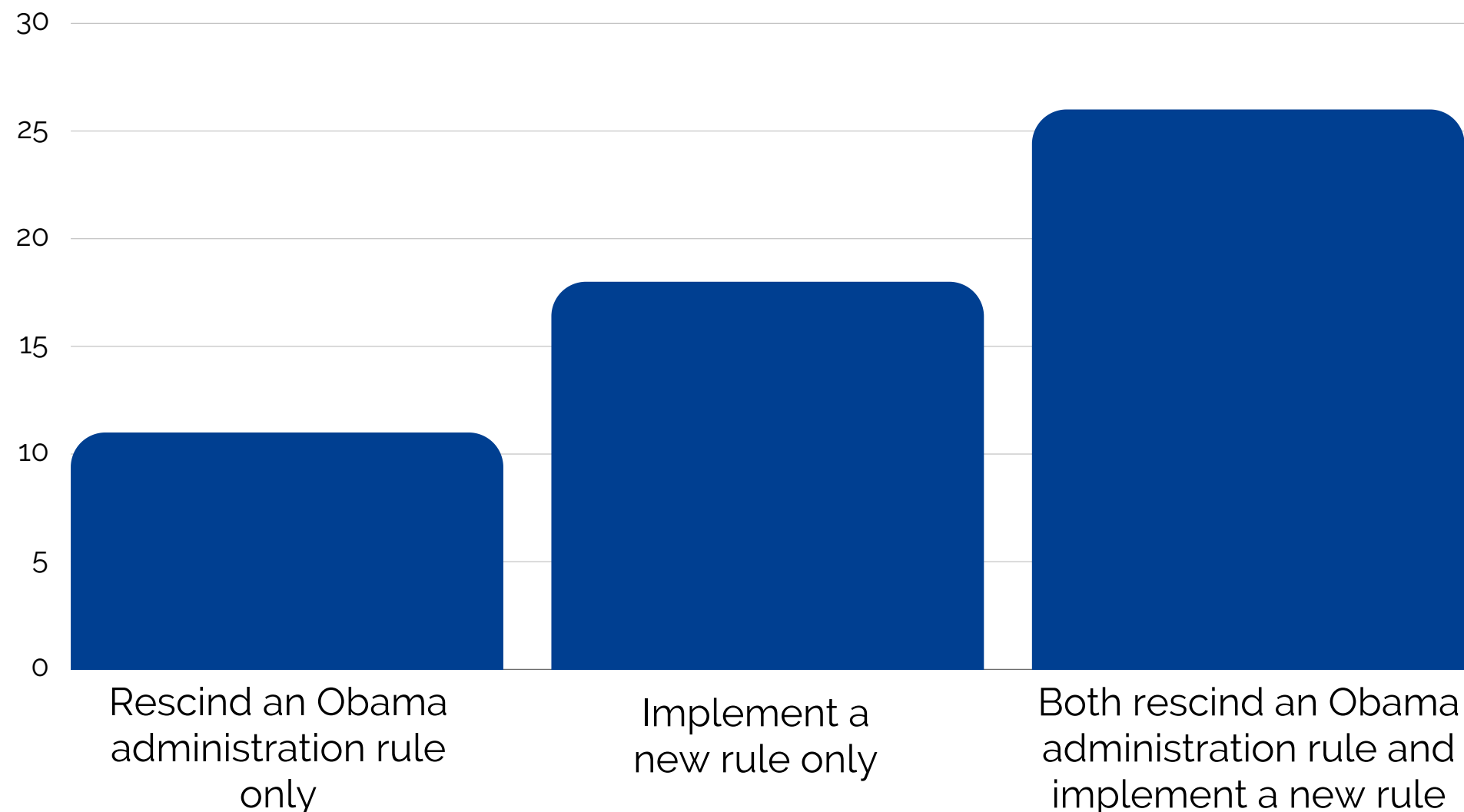
Biden administration **under pressure to propose and finalize rules** in advance of Congressional deadlines (i.e. CRA) or of a new administration.



Deregulation in Practice: A Case Study

Deregulation was a central-priority of the last Trump administration, but wiping regulations from the law books turned out to be more difficult than expected leaving the Biden administration to deal with regulatory gaps.

TRUMP ADMIN'S 55 DEREGULATORY ACTIONS



“Take the Clean Power Plan [rule]... In March 2017 the new president issued an executive order that laid out a roadmap to its reversal. But the procedural work of dismantling the old rule and replacing it with a new one was laborious... As things stand, however... the Biden administration is left with an unfulfilled statutory mandate to regulate power plants’ greenhouse gas emissions under the Clean Air Act.”

-Source: [Brookings](#)



Polarizing Messaging

- Provocative messaging from parties across the political spectrum has had a negative impact on public opinion and stalled progress, even with legislative incentives.
- Example: Policy gridlock has become a regular occurrence in Congress. Since 1997, Congress has failed to pass more than five of its annual appropriation bills on time and has only been on time 19 out of the past 49 fiscal years—including FY 2024.
- Studies have shown political polarization reduction can be addressed by correcting misbeliefs between different parties by sharing evidence that identifies areas of common policy beliefs to develop shared identities.

“...[Most] partisans hold major misbeliefs about the other party’s preferences that lead them to think there is far less shared policy belief...the people who are most involved in civic and political life hold the least accurate views of the other side’s beliefs.”

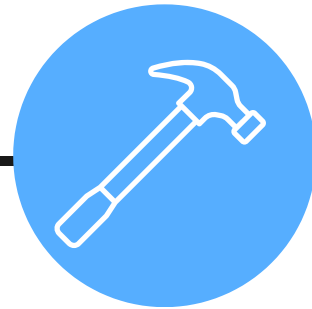
- [Polarization, Democracy, and Political Violence in the United States: What the Research Says](#), Rachel Kleinfeld, Carnegie Endowment for International Peace

III. Levers for Impact and Example Interventions

Roles for Philanthropy

For philanthropic stakeholders interested in supporting continued progress on a range of issues, efforts to prepare for potential post-2024 scenarios could focus on:

- Risk Mitigation Needs: Helping make policy gains more durable over long-term
- Proactive Needs: Promoting further policy progress where possible



Implementation

Advance efficient

implementation to maximize funding out the door or otherwise committed prior to potential rollbacks.



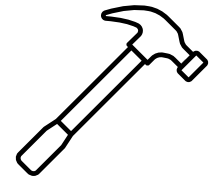
Messaging & Narrative Change

Win the messaging battle to build stronger public support and change political dynamics around policies.



Policy Development & Advocacy

Build coalitions to advance key policies today and across different future political environments.



Roles for Philanthropy: Implementation

THE CHALLENGE

Policies and programs are harder to rollback once rules are finalized, projects are permitted, or funding is committed, but these processes are slow and subject to capacity constraints and other barriers

POTENTIAL TACTICS

- 1 **Advocate for faster rule-making** and program funding decisions prior to a future administration potentially halting implementation (i.e. public and private advocacy efforts, including supporting messengers for within government.)
- 2 **Invest in talent development and bench building** to prepare for expected staffing needs in a future administration.
- 3 **Support on-the-ground implementation work**, including community engagement strategies and partnership development, such as to help shovel-ready projects advance more quickly through the permitting process.
- 4 **Strengthen field litigation capacity** to ensure groups have needed capacity to engage in legal fights around existing and/or future rules/regulations



Roles for Philanthropy: Messaging and Narrative

THE CHALLENGE

Many experts believe advocates are losing the narrative battle for their causes, making strategic communications and narrative messaging efforts that build cohesion on issues critical.

POTENTIAL TACTICS

- 1 Develop stronger centralized field communication capacities**, to ensure needed counterbalance against harmful misinformation.
- 2 Cultivate and elevate new/different voices**, across the media landscape, including in emerging media
- 3 Invest in proactive, dedicated communications campaigns** with a focus on lifting up successes across a range of geographies in the U.S. (i.e. to promote the impact of IRA and BIL on jobs, economic growth, and innovation).
- 4 Engage in message development and testing** to identify what resonates most with voters and builds consensus on policy issues.



Roles for Philanthropy: Policy Advocacy

THE CHALLENGE

A new administration or Congress could potentially roll back existing policies, while opportunities for new proactive policy changes are limited.

POTENTIAL TACTICS

- 1 Invest in feasible opportunity spotting** by supporting prospective development of ideas that could advance in a split government, such as no/low cost policies.
- 2 Identify areas where states may be willing to adopt policies** from other states that have proven to be effective.
- 3 Cultivate issue champions across the ideological spectrum** to promote resilient and compelling support for policy gains.
- 4 Convene funders and other stakeholders**, including private sector leaders, to build and strengthen broad coalitions that can maintain support of key policy goals.
- 5 Create policy roadblocks** to impede potential policy roll backs, such as by supporting legal thinking to identify and promote administrative or legislative policy levers.



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