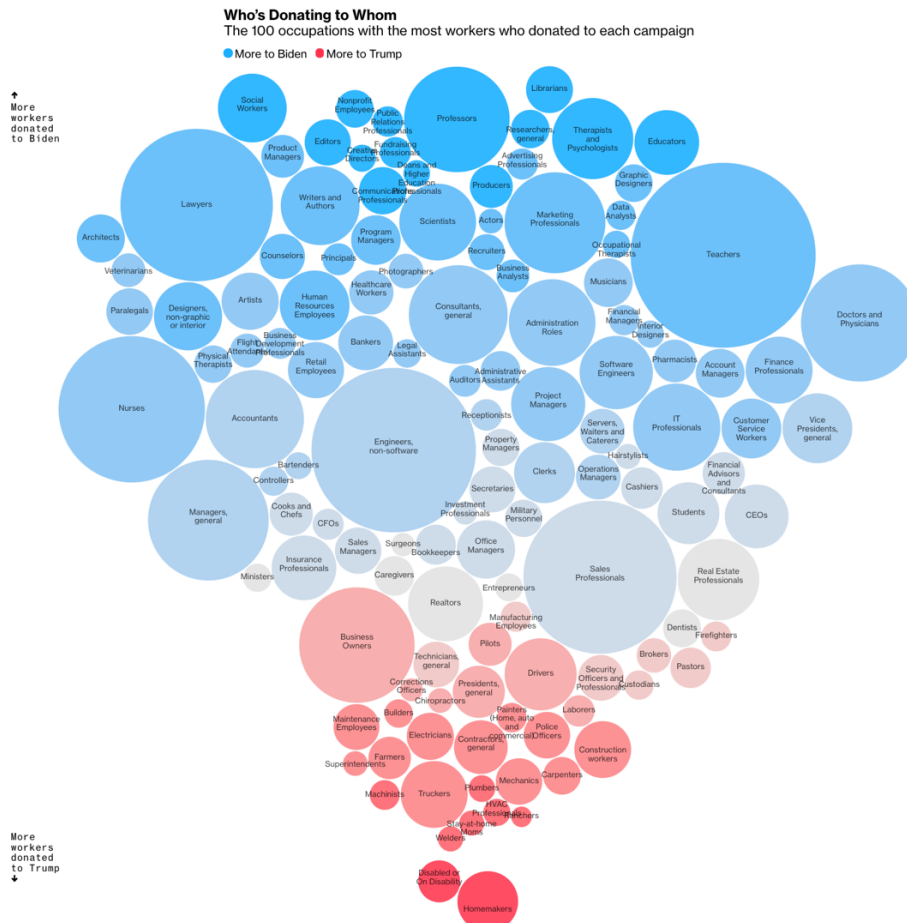


To: Kevin McCarthy
From: Jim Banks
Date: March 30, 2021
RE: URGENT: Cementing GOP as the Working-Class Party

Executive Summary:

President Trump gave the Republican Party a political gift: we are now the party supported by most working-class voters. The question is whether Republicans reject that gift or unwrap it and **permanently become the Party of the Working Class.**

Donald Trump won the Presidency in 2016 by drawing working-class voters into the GOP. During the 2020 race, he drew on the same base of support, receiving an unprecedented number of votes and boosting Republican candidates across the country.



Certain occupations overwhelmingly supported President Trump in 2020. Of those who donated to a presidential campaign: 79% of mechanics donated to Trump and 21% gave to Biden; 60% of small business owners donated to Trump and 40% donated to Biden; and 59% of custodians donated to Trump while 41% gave to Biden.

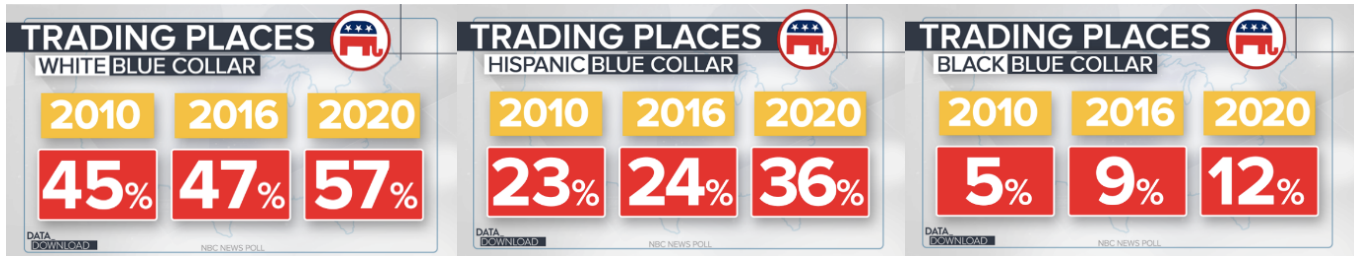
Republicans must know their electorate. They must be able to explain the X-factor. What do janitors, restaurant owners and car repairmen have in common that motivated each group to donate their hard-earned income to the Republican presidential candidate?

This could help: 94% of college professors donated to Biden while 6% donated to Trump; 86% of marketing professionals donated to Biden and 14% donated to Trump; and 73% of bankers donated to Biden while 27% donated to Trump.

Especially on the last data point, things have changed. In 2012, Wall Street contributed roughly \$6 million to Barack Obama’s re-election campaign, and gave more than three times that amount to Mitt Romney.

In 2020, Wall Street donated four times more to Joe Biden than Donald Trump. President Trump didn’t just shift each party’s role—he caused a **paradigm reversal**.

After five years, it’s clear this reversal isn’t a temporary realignment contingent on Donald Trump’s presence in the White House--both parties are undergoing **coalitional transformations**.



There is an embittered and loud minority in the GOP that finds our new coalition distasteful, **but President Trump’s gift didn’t come with a receipt**. Members that want to swap out working-class voters because they resent President Trump’s impact on the GOP are wrong. In fact, they are intentionally sabotaging Republicans’ political future.

The vast majority of the Republican conference doesn’t want to return to a GOP era that neglects working class voters. Those that do are a *miniscule minority* in our conference, but they risk undoing the gains we *all* made with working-class voters. That’s why their behavior should be condemned by party leaders.

Our electoral success in the 2022 midterm election will be determined by our willingness to embrace our new coalition. House Republicans can broaden our electorate, increase voter turnout, and take back the House by enthusiastically rebranding and reorienting as the **Party of the Working Class**. This is how we do it:

- Hug the agenda that differentiated President Trump in 2016 *and supplement it with new, relevant ideas*.
- Highlight the *cultural and economic elitism* that animates the Democrat Party.
- GOP Members must bring this message home to their constituents through *tangible action items*.

The Agenda: House Republicans need to consciously promote policies that appeal to working-class voters.

Immigration: President Trump differentiated himself from the Republican field in 2016 by taking a hard line on immigration and promising to “Build the Wall.”

Opposition to illegal immigration and increased legal immigration remains popular among both working-class Americans and the electorate at large.

In early February, *before the border crisis intensified*, five of the Biden administration’s seven least popular Executive Actions either relaxed border security or increased the amount of legal immigration. 73% of voters now recognize the Border Crisis as an issue, so Biden’s immigration agenda is likely even more unpopular now than it was in early February.

The GOP should continue highlighting Biden's Border Crisis by contrasting Democrats' open-border policies with successful, GOP-backed, border security policies like the Wall, Remain in Mexico, and opposition to amnesty.

Trade: The second issue that President Trump used to win the White House in 2016 was opposition to the Chinese Communist Party's predatory trade practices and support for trade policies that promote American industry and create American jobs.

75% of Republicans and Democrats rank "protecting the jobs of American workers," as their top foreign policy priority. That makes "protecting American jobs," the single most agreed upon long-term foreign policy goal among U.S. voters.

"Limiting the power and influence of China" is tied for 6th overall, with support from 48% of voters.

President Trump's push to take on the Chinese Communist Party resonated because voters felt, correctly, that the Communist Party harmed American jobs more than any other foreign government. In fact, more voters say it's important to "get tougher with China on economic issues," than favor improved economic relations. When Americans are opposed to *stronger* economic relations, we'd be wise to take note.

The Chinese Communist Party's abhorrent human rights record and military aggression are unacceptable, and we should continue to stand against both, but the China threat is primarily an economic threat to America's working class.

Republicans should state clearly: *Our opposition to China is a corollary of our support for working Americans.* The reverse is also true: Democrats' coziness with China results from their coziness with Wall Street.

Anti-Wokeness: Wokeness was cooked up by college professors, then boosted by corporations, which is why it's now an official part of the Democrat Party platform. Nothing better encapsulates Democrats' elitism and classism than their turn towards "wokeness." Wokeness and identity politics aren't pro-Hispanic, pro-African American or pro-LGBTQ; they're anti-American, anti-women, and most of all, anti-working class.

President Trump won a higher share of the Hispanic vote in 2016 than Mitt Romney in 2012. Contrary to past conventional wisdom, *support for tighter immigration restrictions and support from Hispanic voters are compatible.*

Conventional wisdom also holds that the GOP can't criticize wokeness and appeal to minority voters. There is little evidence to support this.

Hispanic and especially African American voters are even more put-off by Democrat efforts to redefine sex than your average voter. Hispanic and African American voters oppose the Equality Act by 10 and 5 more points than the average voter. And amazingly, 42 % of Hispanic Biden voters have a negative opinion of the Black Lives Matter movement, and their opposition to the nuclear family and support for "defunding the police," compared to just 6% of white Biden voters.

Republicans should oppose initiatives like "Defund the Police" and the Equality Act because Republicans are unapologetic defenders of working Americans' values.

Main Street vs Wall Street: Republicans should use the regressive coronavirus lockdowns to illustrate how Democrats harm working-class Americans.

Republicans opposed draconian coronavirus lockdowns because we knew that small, independent businesses and working Americans would be hurt the most. Democrats supported them because their donors would profit. And that's exactly what happened.

From February 2020 to May 2020, the unemployment rate for high-wage workers rose by 3.6% while the unemployment rate for medium and low wage workers rose by 14.2% and 19.8%.

Between April and September 2020, 45 of the 50 most valuable publicly traded U.S. companies made money. By December this year, nearly 20% of U.S. restaurants had shut down permanently due to the pandemic.

Government COVID regulations had the same effect on our economy as most Democrat supported regulations. Small businesses couldn't afford them, were forced to shut down, and their larger competitors profited.

Republicans are pro-business and pro-worker, not pro-corporation. Senator Rubio said it well in an op-ed supporting Amazon workers' unionization efforts: "When the conflict is between working Americans and a company whose leadership has decided to wage culture war against working-class values, the choice is easy — I support the workers."

The GOP supports free-market principles *because* the free-market allows Americans to make a living and support their families without state intervention.

Big Tech: Republicans should continue to promote policies that curb Big Tech's egregious suppression of conservative speech. But Big Tech isn't *only* guilty of ideologically motivated censorship. The GOP should expand its legislative effort to counter Big Tech's tolerance of illegal content like child pornography, Big Tech's abuse of our immigration and patent systems and its anti-competitive practices.

An expanded Big Tech agenda would be both *popular* and *politically effective*.

45% of Americans now have a negative view of Big Tech, up from 33% in 2019. And most Republicans, Democrats and Independents support more regulation of Big Tech companies

As Jerry Nadler explained before a hearing on content moderation, "Let's see what happens by just pressuring them." Democrats successfully used the *credible threat of regulation* to pressure Big Tech into censoring President Trump and countless other conservatives.

Republicans can protect free speech with the same tactics Democrats used to abridge free speech rights. And because we aren't bank-rolled by Big Tech, those tactics will carry more weight.

Action Items:

1.) Hold Working Class Roundtables:

You should direct all Republican Members to immediately begin holding roundtables or townhalls featuring natural members of our working-class coalition like electricians, nurses, factory workers and police officers.

These conversations will allow Members to highlight the specific Republican-backed policies that will improve the lives of working-class Americans and serve as a useful gut-check and learning opportunity.

If Republicans are selling something that doesn't appeal to our working-class coalition, then we shouldn't be selling it at all. And to be frank, our conference would learn from talking to *and listening to* working Americans' concerns.

2.) Create a Working Families Task Force:

You should create a “Working Families Task Force,” modeled on the House China Task Force and made up of House Republicans from blue-collar districts like mine.

Congressional Republicans quickly coalesced around President Trump’s tough on China message, and voters now see us as the tough-on-China party. Much of our success is attributable to your House China Task Force, which produced a set of policies to crackdown on the Chinese Communist Party for House Republicans to rally behind.

The Working Families Task Force could produce a definitive report on GOP-endorsed policies to protect American jobs, promote working-class values and assist working families.

All Republican Members could point to these policies as evidence of Republican support for working-class voters.

3.) Focus on Individual and Digital Donations:

Members should use corporations’ preference for the Democrat Party to drive individual donations. It worked for me.

When Eli Lilly and several other corporate PACs blacklisted me for objecting to the unconstitutional election rule changes in 2020, I reached out to individual donors, explained the situation, and asked for their support.

Once my supporters learned that liberal corporations blacklisted me because I refused to cave to their demands on January 6th, they were happy to make up the difference. That’s how, in the first quarter of this year, I regained every penny of the \$241,000 I lost in corporate money through individual donations.

You’re right to encourage Members to grow their digital fundraising operations. But our digital fundraising efforts should be paired with an explicit message: ‘I’m asking for a small donation, so I can continue to represent your values, not the values of liberal multinational corporations who are determined to replace conservatives like me.’

Our constituents have a right to know which party represents their interests, and which party lives off donations from Wall Street and Big Tech.

Every Republican Member in a competitive district should know exactly how much corporate cash their opponent received in 2020, and they should relay those numbers to their constituents. The NRCC should arm Members with that information and commission advertisements that contrast Republican challengers with corporate-backed Democrat incumbents.

4.) GOP Needs to Embrace Made in America Agenda:

Republicans should use committee markups to highlight Democrat opposition to policies that would reshore American manufacturing and create American jobs.

In February, during a markup of the Democrats’ \$1.9 trillion stimulus package, I offered an amendment that would direct 1% of VA’s funding to cover the cost of buying American medical supplies. Every Democrat on the committee voted against it, besides Elissa Slotkin.

For far too long both parties supported outsourcing working-class jobs overseas in the name of economic growth. The truth is that working Americans lost their jobs, while an already wealthy few profited off their decline. We need to expose Democrats’ fealty to the wealthy few.

And we need to contrast Democrats’ embrace of globalism by developing a serious and expansive Made in America policy agenda.

Conclusion

The Democrat Party today is more vulnerable than it's been in modern history. Democrats' agenda is now shaped entirely by corporate interests and radical, elite cultural mores, but they still rely on many blue-collar voters.

Democrats rely on labor votes but support open-border policies that undercut American workers. They rely on Christian Hispanic voters but want to repeal the Hyde Amendment. After their push to "Defund the Police" the murder rate jumped more in a single year than it has in U.S. history, and urban, poor, blue areas were hardest hit.

The Republican Party's electorate grew over the past five years, because President Trump drew working-class voters in, and Democrat elitism drove them away.

Democrats will keep alienating working-class voters because that's what their donors demand, and Republicans should welcome them with open arms by fully embracing an agenda that's worthy of their support.