

## **Q: Are there unintended consequences of the impeachment hearings?**

**Brian Lockhart, CFP®:** If there are, they are relatively miniscule in my opinion. While the die may seem cast today, I expect the drama in the House to play out differently than the consensus view of the political elite. I think the Democrats running the House will not take a formal vote on Articles of Impeachment. I believe the “inquiry” has really been an attempt to publicly repudiate the President and damage him politically, but they never intended to actually force an impeachment vote.

There are many reasons for this view, but two really stand out. First, there are 31 Democrats running in districts Trump won in 2016 that do not want to have to abandon the party or alienate voters. It is a political nightmare for them that Pelosi will likely not make them endure. Second, a trial in the Senate would likely be a disaster for Democrats, especially those running for President in 2020. Since Republicans control the Senate, they will be able to call whomever they wish as witnesses, and they will not hesitate to call Hunter Biden, the whistleblower, and many members of the Obama administration. Forcing impeachment into a Senate trial would be a miscalculation of massive proportion I believe.

The markets have ignored impeachment as evidenced by hitting a new all-time high on the same day as the first public hearings. It is a situation where the highly partisan nature of politics today actually provides a level of stability.

**Clint Pekrul, CFA:** My thought from the beginning is that the impeachment proceedings might very well backfire on the Democrats during next year’s election. First, as I’ve mentioned before, I don’t think the Democrats will have enough senators get on board (they need a two-thirds majority, which is highly unlikely at this point). So from the very beginning, I thought the impeachment proceedings were a non-starter. In other words, impeachment would never actually lead to legal proceedings that could force Trump out of office. Second, if the impeachment proceedings do fizzle in the Senate, Trump could make the campaign into a single polarizing issue - the Democrats, after spending countless hours and resources on the impeachment process, failed in their “witch-hunt.” I think Trump will ultimately use a failed impeachment effort to his advantage, and that’s the unintended consequence for the Democrats come the election.