

Four ways Trump's criminal trials could shape the 2024 elections

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Everybody's cards are finally on the table.

Prosecutors have been contemplating a wide range of charges against former President Donald Trump, and they've now filed most or all of them in four separate criminal cases. Economists and political analysts are now trying to figure out what it all means to the country as Trump continues his 2024 presidential campaign — with some unsettling possibilities.

“The economy may be far more vulnerable as the 2024 race gets underway,” **Bernard Baumohl of the Economic Outlook Group** wrote to clients on Aug. 15. “We can't rule out anything, not massive social unrest, not a crippling cyber attack against the US to sway the election, or even political operatives using artificial intelligence to create disinformation and distort reality on an unprecedented scale. Can the US economy withstand such mayhem?”

Normally, markets tune out the vicissitudes of a presidential election, especially more than a year in advance. As Election Day nears, markets may begin to price in the odds of one candidate or the other winning, if it might involve major policy changes involving taxes, regulation, or something else that affects stock prices and economic growth. Markets jumped after Trump's surprise win in 2016 because tax cuts Trump had promised suddenly seemed more likely.

But there's no template for the 2024 presidential election.

Trump, who's leading the GOP field by a mile, is a defendant in four criminal trials: one in New York City, two under federal special counsel Jack Smith, and the latest led by the Fulton County, Ga. district attorney. Everything about Trump's 2024 candidacy is unprecedented: the criminal charges, Trump's unflagging popularity within his party, and, not incidentally, the chutzpah of the candidate.

Trump's trials could kick off in the first half of 2024. Judges can agree among themselves to sequence them so one doesn't overlap with the others, which means

some of the trials will probably go on well after the 2024 election. The matrix of outcomes is intriguing. Here are four ways it could go:

Trump quits the campaign. Trump insists he'll see the 2024 election through, but the personal strain of managing four criminal trials seems certain to test even the indefatigable Trump. Many political analysts say there's no way Trump will be able to run a coherent campaign while constantly huddling with lawyers and flying to court appearances in four different venues.

He may not have to run a normal campaign. It's well known by now that Trump benefits more than any candidate in memory from the media circus that surrounds him. He'll be the focus of attention whether he shows up at debates or not. His outlandish statements will keep him in the news and his 63% approval rating within the Republican party is a formidable bulwark against other candidates.

Trump runs short of money. Assuming he stays in, Trump could run short of the money needed to run a modern presidential campaign. Trump's main super PAC is already bleeding because it's funding much of the legal defense for Trump and others charged with him. This isn't the money used to run normal campaign operations, which comes from small donors subject to donation limits. That funding seems solid, especially since the Trump indictments have, paradoxically, been a fundraising boon for Trump. Super PACs, however, provide much of the funding for media ads and campaign activities deemed crucial to win.

Could Trump win without that? Maybe, at least in the Republican primaries. But a sharp funding shortfall in the general election would be a stark liability against what is sure to be a well-funded Democrat. Super PAC money can be crucial for targeting swing voters in tossup states with messaging that persuades them to vote in the first place, and vote for the preferred candidate. Democrats may already have an edge because their voters are fired up about abortion rights and eager to vote. Trump would need plenty of money to counter that.

Trump bows out as part of a plea deal. This would probably only be plausible in one of the two federal cases. Jack Smith, the federal prosecutor, hasn't suggested any interest in such a deal, and it would certainly give Trump even more fuel for his claim that the federal charges against him are politically motivated.

But that logic doesn't hold up. Biden's chances of winning in a general election would probably be better against Trump than against somebody younger, fresher, and untarnished by scandal. For Trump, on the other hand, his 2024 presidential bid is a potential bargaining tool. He might be willing to stand down if it allows him to evade a possible guilty verdict and a prison term.

If Trump withdraws, the whole outlook changes. "If there is no Biden or there is no Trump, that would be an immediate market-moving event," David Kotok, chief investment officer at investing firm Cumberland Advisors, wrote in an Aug. 13

newsletter. A Trump withdrawal would do two things on the Republican side: Lift some of the other candidates already running, and open a door for new contenders to jump in.

Some Republicans have been hoping Florida Gov. Ron DeSantis could be the party's Trump-slayer, but DeSantis has actually lost ground to Trump since entering the race in May. His stiff personality and obsession with "woke culture" seem to leave voters cold, and big donors deeply disappointed. DeSantis might not get much of a bump if Trump departs.

Virginia Gov. Glenn Youngkin could promptly enter the race. Youngkin has earned conservative cred by fighting some of the same culture war issues as DeSantis, with a softer edge and less Trumpiness. Youngkin might have a better shot beating Biden or another Democrat in the general election.

Trump hangs in there and becomes president, again. Needless to say, this is the craziest scenario. Trump has broadly hinted he'd pursue an agenda of retribution against his enemies and try to gut key elements of the US government. He's far less focused on economic issues such as trade deficits or taxes this time around.

Trump could probably pardon himself if he's been convicted in either of the two federal cases, or order his Justice Dept. to withdraw all charges if they're still ongoing, and close the cases down. He can't do that with the New York City or Georgia case, since the president doesn't have jurisdiction over those. But a second Trump presidency would undoubtedly be an epic battle for the survival of the US justice system. If Trump impaired US legal standards in ways that affected market transparency, it could have devastating consequences for financial assets and growth.

There's also uncertainty on the Democratic side. Whoever the Republican nominee is, Joe Biden is his presumed challenger. But Biden isn't a lock, either. First is the possibility of a health scare, given that Biden is 80. Also keep in mind Biden said his rationale for running in 2020 was to save America from Trump. If Trump were out of the picture, Biden might be more tempted to contemplate retirement.

There's also the chance Biden does plan to drop out, but just hasn't announced it yet. That would make sense, since the moment a president is no longer running for reelection he becomes a lame duck with diminished political power. If Biden does plan to drop out, he'd have to do so soon if he wants to leave an ample on-ramp for other candidates to prepare for the Democratic primaries, which start in early February of 2024.

That might be cutting it close, but in this election season, anything is possible.

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