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2:49 pm ET
Jul 3, 2015 **BANKING**

Opinion: U.S. Expats Could Make a Difference in 2016 Presidential Race

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COMMENTARY By DAVID MCKEEGAN



U.S. Capitol building in Washington, D.C. — iStock Photo

When it comes to how a Presidential election can be won, all we ever hear is “Florida, Florida, Florida,” with “Ohio” and “Pennsylvania” occasionally thrown in. But in 2016 there could be one more way. Because in addition to these critical states and the electorate across the entire U.S., there’s actually another group of eligible voters who collectively make up a larger population than Rhode Island, Montana, Delaware, South Dakota, North Dakota, Alaska, the District of Columbia, Vermont and Wyoming *combined*. This group of 7.6 million people, called U.S. expats (aka Americans living abroad), comprise a significant voting population that could have a material impact on the 2016 Presidential election. Here is who they are and why they could matter—a lot.

U.S. expats are Americans who have made a conscious decision, whether personal or professional, to live off U.S. soil. Whether they are global nomads seeking adventure, have careers at companies which require them to live abroad or just wanted a change, they are U.S. citizens who have the right to participate in elections, just like U.S. residents. Last month, my company [surveyed](#) nearly 2,000 U.S. expats and found close

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Expat is The Wall Street Journal’s hub for expatriates and global nomads – spanning the globe in expat hotspots like London, Paris, Hong Kong, Beijing, Sydney and many more.

Here you’ll find stories about expat living – housing, education, healthcare and more – expat jobs and managing your finances abroad. Whether you’re an expat in Dubai or Delhi, Sao Paulo or Singapore, Tokyo or Tel Aviv we’ll bring you stories the world over.

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to 60% voted in the 2012 presidential election (comparable to the U.S. voter turnout that year). We believe this to be a clear indicator of the total U.S. expat population behavior and that translates into a lot of potential swing voters: 4.6 million to be exact. For the candidates who decide to campaign to this group as purposefully as they might seniors or soccer moms, they'll need to identify and offer solutions to the issues that are important to them, as it very well could be a factor on election day.

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So what are the critical issues that 2016 Presidential candidates should address? The largest concern for U.S. expats is Fatca (the Foreign Account Tax Compliance Act). Fatca is part of the U.S. initiative to thwart tax cheats hiding assets overseas but it's having unintended consequences. In addition to the U.S. taxpayer requirement to report certain financial assets if they exceed the thresholds, foreign financial institutions are now required to report on the accounts of their American clients. As a result, many banks are choosing *not* to work with Americans who live and work there—either summarily closing their

accounts or simply refusing their business outright. This is reportedly a huge issue for expats who need access to a foreign bank for their daily activities. Not only is this tremendously frustrating but it's having a direct, negative impact on their lives.

The latest data on the [number of Americans who renounced their citizenship](#) in 2014 should be all the proof we need to know something is going wrong; a record 3,415 Americans handed over their passports last year. We don't know the exact reasons why they did so, but it can't be a huge stretch to connect the dots. The cost to file U.S. taxes, as well as the burden of filing, has risen in recent years due to initiatives such as Fatca—but not as sharply as the renunciation rate. Perhaps if candidates were more actively addressing the concerns of this group, we could actually reverse the trend and find more Americans retaining their citizenship.

Rules like Fatca and Fbar (Foreign Bank Account Report) are causing significant pain to those living overseas and are serving as a wake-up call. U.S. expats now realize that with their right to vote comes the power to change the system. In our survey, nearly 20% of the expats who didn't vote in the past election didn't believe it was important to vote or that their vote would make a difference. If a candidate addresses the primary pain points for expats, they may just give the other 40% of expats a real reason to vote—and possibly swing a swing state!

In the past, few candidates (if any) have considered overseas Americans an important demographic. But the candidate who *does* see the value of addressing the expat concerns may just find themselves with the ability to make real change for all Americans—from the campaign trail to behind the desk in the Oval Office.



David McKeegan is Co-Founder of [Greenback Expat Tax Services](#), which specializes in the expert preparation of U.S. federal tax returns for Americans living abroad.

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