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Midterm Congressional Elections Revisited: A Test of the Theory

Midterm congressional elections provide an interesting testing ground for theories of voting and elections in America. Free from the contamination of national personalities and stylized issues that epitomize presidential campaigns, midterm elections provide a cleaner issue environment for investigating the effects of systematic short-term forces on congressional elections. The seemingly inevitable Eagleton fiascos and Playboy interviews give way to more stable-and one might add more important-concerns such as the economy and the government's performance.' At the turn of the century James Bryce, in describing American political institutions to his British audience, subscribed to the view that midterm elections provide the citizenry with an opportunity to judge the government:

> the election of every second Congress coincides with that of President; and admirers of the Constitution find in this arrangement another of their favorite "checks," because while it gives the incoming President a Congress presumably, though by no means necessarily, of the same political complexion as his own, it enables the people within two years to express their approval or disapproval of his conduct by sending up another House of Representatives which may support or oppose the policy he has followed.[2]

SURGE AND DECLINE

Following Bryce's reasoning, midterm congressional elections would seem to provide an exemplary demonstration of eco-

nomic voting theory. Yet until recently, the dominant view of midterm elections was much the opposite. If the midterm issue environment is cleaner, it is also more sterile. The absence of presidential contenders barnstorming the country means that midterm elections will generate lower media coverage, lower voter interest, and consequently on election day, lower voter turnout-usually by about 15 percentage points.

According to the "surge-and-decline" theory, under such circumstances the voter returns to the stable cues of party iden- tification and such idiosyncratic local forces as familiarity with the candidates. Rather than Bryce's referendum on the govern- ment's policies, surge-and-decline holds midterm elections to be devoid of issue content and meaning. Turnout is lower be- cause voters who are drawn into the electorate only by the ex- citement of a presidential contest stay home; since these voters are most subject to coattail effects, their withdrawal erases whatever advantage the president's party's congressional can- didates enjoyed from his presence on the ticket. Consequently, the president's party should normally lose votes and seats at the midterm. As shown in figure **6.1** there has been an antiadmin- istration drift in the congressional vote for every midterm elec- tion since 1938. To the degree that this result is an artifact of the preceding presidential election, the greater the victorious party's surge two years earlier, the greater its decline at the mid- term. V. O. Key, who would later defend The Responsible Elec- torate, conceded in 1964 that these "strange consequences lack explanation in any theory that personifies the electorate as a rational god of vengeance and reward."[3]

The surge-and-decline theory contains eminently reason- able hypotheses about voting behavior which, when added up, pose an important dilemma for American democratic politics. Rational, "issue" voting can only occur under conditions of strong stimulation. But within the context of American politics such stimulation is generally associated with the livelier presi- dential campaigns which are likely to distract citizens from their ongoing concerns.

By treating the midterm congressional election as a mirror

FIGURE 6.1   Two-Party Congressional Vote For Winning Presidential Candidate's Party, 1944–1978 (in
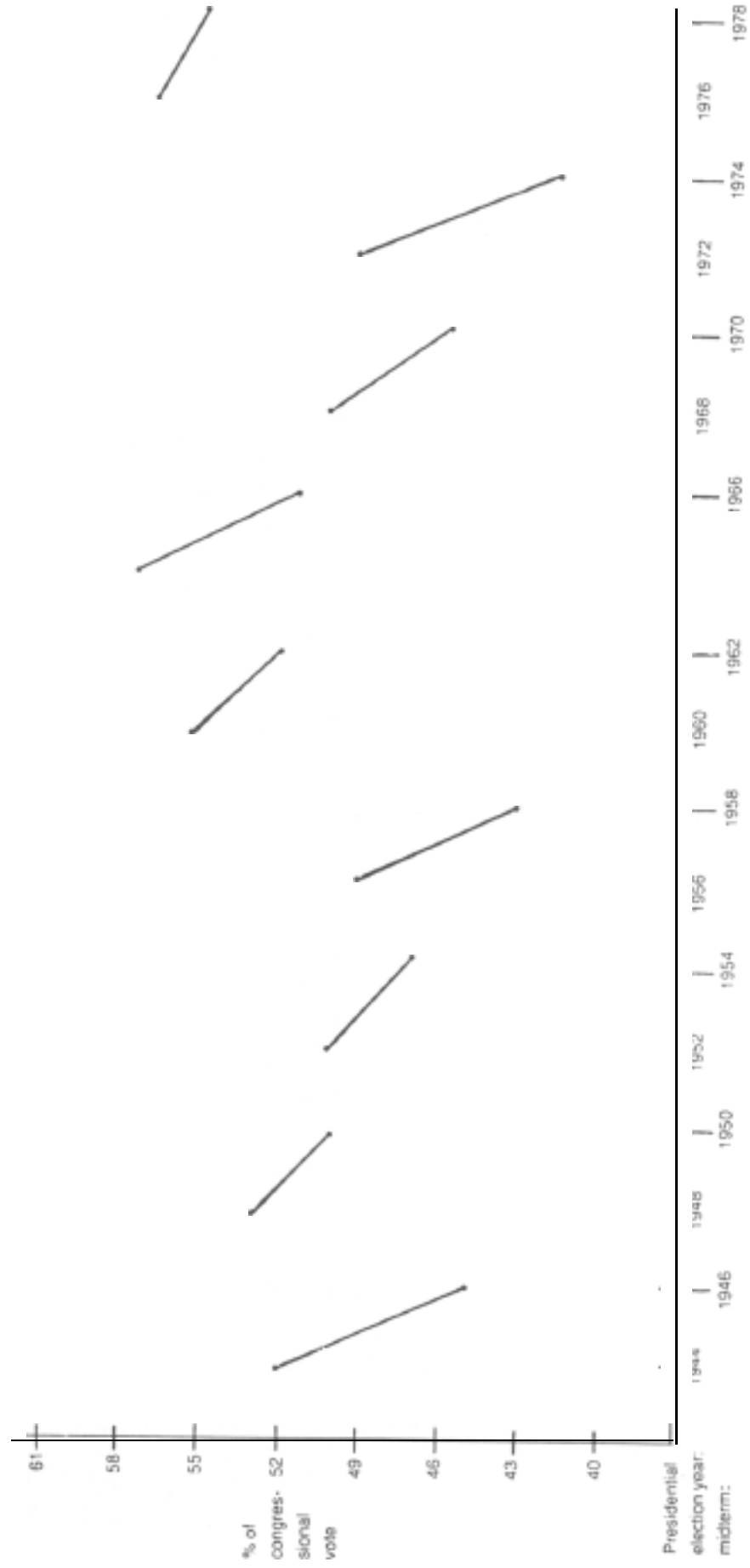
reflection of the preceding presidential election, however, the surge-and-decline theory fails to recognize some distinctive features of the midterm vote. For one, modern midterm elections have as a set exhibited greater variation in the two-party division of the vote than congressional elections during the presumably more volatile, coattailish presidential elections. Since 1944 the standard deviation in the congressional vote has been 8.9 percentage points at the midterm and only 2.4 points during presidential elections. Moreover, the largest electoral swings over the last 30 years (see figure 6.1) were the midterm elections of 1946, 1958, and 1974. What happened to the jejune political environment, the uninspired electorate, and the return of the vote to some static, normal level?

Moreover, both parties' candidates consistently performed more poorly when their party occupied the White House than when in opposition. The evidence is in table 6.1. Observe the ranking of the Republican midterm vote since 1946. Notice also that within this dominant pattern the congressional vote closely follows the public's evaluation of the president. Unpopular presidents make for unpopular political parties. This last relationship contradicts surge-and-decline and appears to rehabi-

TABLE 6.1. Midterm Elections Ranked by Republican Congressional Vote

Republican Vote (% of total)	Year	Party of President	Presidential Popularity (% approving)
41	**1974**	Republican	55
43	1958	Republican	56
45	1970	Republican	56
46	1978	Democratic	50
47	1954	Republican	65
48	1962	Democratic	67
49	1966	Democratic	48
50	1950	Democratic	43
55	1946	Democratic	32

SOURCES: Statistical Abstract of the United States for years 1967 and 1980 (Washington, D.C.: U.S. Bureau of the Census); Gallup Opinion Index, various issues.

litate Lord Bryce. Both the generally poor midterm showing of the presidential party's congressional candidates and the association of the vote with marginal variations in the president's popularity agree with the finding reported in chapter 2 that evaluations of the president's job performance shape some voters' congressional preferences, with negative opinions being the more important determinant of the vote choice.

With such shortcomings the surge-and-decline view of midterm elections has been eclipsed by the more fashionable economic voting theory. But some of the principal observations of surge-and-decline about midterm voting seem to us to remain fundamentally correct. Midterm elections are less stimulating, turnout is dramatically lower, issues are submerged, and the national forces which appear most effective in generating party defections are absent. These observations, which are ignored by the economic voting theory, contribute to the anomaly stated in chapter 1: a great deal of seemingly "meaningless" voting yields meaningful election outcomes.

THE ECONOMIC THEORY OF MIDTERM ELECTIONS

Despite the fact that even a casual inspection of congressional election trends uncovers serious problems for surge-and-decline, it remained the dominant view for nearly 15 years. Then in 1975 with the publication of Edward Tufte's study the once traditional, now modern, economic theory of midterm elections reemerged ascendant. Tufte's analysis is so simple and yet his findings are so statistically powerful that it has been accepted and frequently cited as one of the most convincing demonstrations of economic voting theory. It poses a formidable challenge for better performance to any alternative theory of congressional elections.

Tufte hypothesizes that midterm elections normally turn on two prominent issues, the state of the economy and the performance of the administration. The first variable is, of course,

a sine qua non of such work while the second follows a substantial literature, beginning at least as early as Bryce, suggesting that the president, as the political system's central and most visible actor, is held responsible for government performance by the citizenry regardless of which political party controls Congress. Moreover, the public's evaluations of the president's job performance are conveniently available through the monthly Gallup surveys. Hypothesizing that the relationships will be linear and additive, Tufte estimates the following equation for eight midterm elections from 1938 to 1970:[4]

Equation **6.1**

$$Y_i = B_o + B_1 P_i + B_2(\Delta E_i) + u_i$$

where

Y_i = change in presidential party's congressional vote (V_i) from that party's average vote in the preceding eight congressional elections (NJ. $Y_i = V_i - N_i$.

P_i = percent who approved the president's job performance in September prior to the ith midterm.

ΔE_i = percent change in real disposable personal income per capita from preceding year.

u_i = error term.

Together these two variables explain over 91 percent of the variance in the midterm vote. Moreover, these post hoc estimates better match the actual election results than the Gallup poll predictions based upon preelection surveys. Finally, by serially eliminating observations and reestimating the equation, Tufte demonstrated that despite the small sample size the relationships are not dependent upon the extreme values of any individual election. Clearly, midterm elections during this period have closely tracked changes in real income and presidential popularity.

Despite these impressive results, the economic voting theory is deficient for failing to recognize the prior, independent role of politicians in systematically structuring voters' choices. The sheer statistical power of Tufte's equation does not,

after all, preclude the possibility that some other model will better represent the true underlying relationships.[5] Our theory offers a reconciliation of surge-and-decline's indifferent electorate with what Tufte has shown to be highly responsive midterm results. For with strategic politicians responding to anticipated outcomes in the way they do, voters will contribute to national electoral tides by reflecting in their vote the advantages which accrue to one party's candidates as a result of national political conditions. To be persuasive our theory must do more than simply propose a resolution to these contradictory images of midterm elections, however; it must also improve upon economic theory in explaining election outcomes.

Any direct test of the effects of anticipated strategic responses on elections is seriously hampered by poor systematic information on congressional candidacies and campaigns. We presently know little, for example, about the number and characteristics of unsuccessful challengers, the number of congressmen who strategically retire or seek some higher office, or the flow of money into congressional races (at least prior to 1972). Even were good data available, however, the small population of contemporary midterm elections[6] means that we would quickly exhaust the available degrees of freedom. These problems prevent a direct test at this time, but a more circuitous approach is available. Since strategic planning reflects the political environment in the spring prior to the election, measures of political conditions during that period can be used as surrogates for more direct indicators of elite behavior. This permits a simple, comparative test of the strategic politicians and economic voting theories. If the latter is more accurate, events and conditions contemporary with the election should contribute most to election outcomes. Although voters' assessments of the current environment certainly will be weighed against some earlier benchmark, more distant events and conditions are (justifiably) discounted as they fade from memory. The strategic politicians theory, on the other hand, implies that the spring political environment should contribute independently to the

fall election results, not through the collective memory of the electorate, but through the choices presented to voters which are established by prior elite commitments. To the degree that elite decisions are more important than economic voting, the spring political environment should be more strongly related to the November vote than the contemporaneous fall conditions.

In order to test this prediction against Tufte's formulation of the economic theory we shall modify his analysis in two ways. First, Tufte uses an "annual" real income series to calculate his index of the economic environment at the time of the election. According to Commerce Department procedures, however, the annual figure is simply the real income level as of July 1. This does not provide the most proximate representation of the fall environment. A better series, and one which Tufte himself employs in forecasting the 1974 midterm election from his original estimates, is third-quarter real income (July, August, and September]. We shall use third-quarter rather than July 1 figures, since they also better differentiate the fall from the spring economy as measured by the first-quarter income level.

The second alteration of Tufte's analysis is the addition of the 1974 and 1978 midterm elections and the deletion of 1938. For the latter election neither Roosevelt's spring popularity nor the quarterly income data (in 1972 constant dollars) are available.' Omission of 1938 should not be consequential for the overall relationships since Tufte discovered that the estimates were robust against deletion of individual cases.

The other changes in Tufte's analysis do affect the results, however, since the revised estimates in equation 6.1 of table 6.2 are much weaker than those found by Tufte and presented above. The president's fall popularity and the change in real income remain significantly correlated with the vote, but the overall explanatory power of these variables is reduced from 91 to 65 percent. The coefficient estimated from third quarter income data is substantially weaker than the one estimated from summer income data. The economic voting theory is at a loss to explain why this should be. Not so our strategic politicians

TABLE 6.2. Alternative Theories of Midterm Elections

	Regression Coefficient	t Ratio	Beta[a]
Dependent Variable			
Standardized midterm vote loss by president's party (N = 9)			
Independent Variables			
Equation 6.1 [Tufte, revised]			
% Change in income, fall	.521	3.30	.69
Fall popularity	.125	2.36	.49
Constant	−9.75		
Adjusted R^2 = .65			
Equation 6.2 (strategic politicians)			
% Change in income, spring	.691	4.31	.80
Spring popularity	.065	1.82	.34
Constant	−7.30		
Adjusted R^2 = .72			
Equation 6.3 (combined model)			
% Change in income, fall	.001	.00	.00
% Change in income, spring	.678	2.54	.79
Fall popularity	.099	2.02	.39
Spring popularity	.028	.64	.14
Constant	−10.53		
Adjusted R^2 = .81			

[a]Standardized regression coefficient.

theory, which holds that the political environment prior to the campaign season may have a strong, if indirect, effect on election results.[8]

Regression equation 6.2 of table 6.2 presents strong evidence for the counterintuitive prediction that the more distant spring political environment will have a greater effect on the election. The overall explanatory power of the president's spring popularity [measured as the average approval rating for March, April, and May) and the first-quarter-based income variables together are substantially greater than their corresponding fall variables. The special importance of the spring setting for the fall election can be better appreciated by comparing the spring estimates with those of even earlier political seasons. In table.6.3 the analysis has been extended to include the third and fourth quarter political settings of the previous year. Nei-

TABLE 6.3. Relationship of Political "Seasons" to the Midterm Vote

	Year Preceding Election		Election Year	
Income base	3d quarter	4th quarter	1st quarter March-to-May	3d quarter
President's popularity	September	December	average	September
Adjusted R^2	−.01	−.07	.72	.65
Significance (F-test)	N.S.	N.S.	.01	.01

ther of these earlier "seasons" is related to the midterm vote. But once into the new year, officeholders and aspirants begin making decisions about pursuing their electoral ambitions, soliciting commitments and endorsements in hope of heading off potential opponents, and looking around for money and organizational support. To the degree that their choices and success in securing support are at least partly governed by evaluations of the current political environment, their actions are represented by equation 6.2. The strategic politicians theory explains not only why the spring setting should be vital to fall elections but also why earlier-adjacent, but premature-settings should not.

The findings to this point provide strong circumstantial evidence that the strategic behavior of elites has a greater impact on election outcomes than do voters' reactions to the economy or the president on election day. A more direct test of their relative effects is accomplished by entering both sets of variables into the same regression equation. Without such a comparison it remains unclear, for example, whether the fall relationships explain unique variance in the vote or are simply attenuated echoes of the spring relationships produced by the autoregressive character of the independent variables. The results of the test appear in equation 6.3 of table 6.2. The high collinearity among the entries and the loss of two additional degrees of freedom caution against overinterpretation of the results. Frankly, given such unfavorable conditions the regression coefficients are surprisingly interpretable and suggestive. All

have the correct, positive sign and three are statistically significant. Comparing the standardized regression coefficients, spring real income appears to be the most important variable, but the fall political environment-especially the president's September approval rating-continues to contribute independently to the midterm vote.

The importance of spring income and fall popularity is understandable in light of the behavior of elites and voters. Elites use the current political climate to forecast and therefore anticipate fall political conditions. Between the economy and presidential popularity the former should be a more reliable indicator of its fall counterpart. Because the president's public standing reflects evaluations on many issues some of which can appear quite suddenly upon the political landscape, the president's spring support may bear little relation to his fall popularity. The OPEC boycott notwithstanding, the economy by comparison is generally subject to fewer dramatic, short-term disruptions and should therefore change more sluggishly. This is borne out by the correlations of the spring with the fall variables in our analysis, The cross-seasonal correlation is .80 for real income and a weaker .55 for the president's popularity. Spring income may be strongly related to the vote in equation 6.3 because it better serves the predictive needs of politicians.[9]

While politicians must anticipate the political environment, voters must evaluate it, and for this somewhat different task judgments of the president's performance may be especially attractive. The president dominates the public's perceptions of the government, and as such he serves as an important referent for interpreting politics. Only about half of the citizenry know for sure which party controls Congress, for example, but more than half think they know because many simply assume that it is the president's party.[10] Various recent studies of presidential popularity have found the ebb and flow of the president's public support to be associated with the economy, the presence of international conflict, and other prominent political events and conditions." Evaluations of the president probably link the citizens' satisfaction or dissatisfac-

tion with the politically relevant environment to partisan vote preferences. If presidential evaluations do indeed mediate the environment, this would explain why the president's fall popularity rating is more important than the fall economy in explaining midterm results. Moreover, the greater strength of the fall popularity variable in our analysis coincides with evidence from many of the microlevel studies that presidential evaluations do, on occasion, influence individual voting decisions.

These relationships portray an image of midterm elections which is highly compatible with our theory. Politicians anticipating the effects of economic conditions on the November vote make strategic decisions which structure the choices offered to voters; even voters untouched by national events and conditions can thus contribute to national tides by responding to strictly local, seemingly idiosyncratic cues. The consequence is a strong connection between spring income and the vote even when fall economic conditions are controlled. Other voters make their choices, in part, on judgments of the president's job performance, the net results of which are described in the macrorelationships between fall presidential popularity and the vote. The presence of such "rational" voters who respond to national-level concerns confirms the strategic wisdom of politicians. Together they produce the meaningful pattern of election outcomes.[12]