
Epilogue; Strategy and Choice in 1982

The real world of electoral politics rarely offers clear tests of competing theories. For the election years covered in the first edition of this book, both our theory and the more orthodox economic voting theories predicted the same aggregate results. Only the mechanism was different: Economic conditions and evaluations of the president's performance might operate directly on individual voting decisions or their effects might be mediated through elite strategies, but the outcome would be the same. The alternative theories predict different aggregate outcomes only if congressional elites were to act in ways that countered rather than reinforced electoral prophecies.

This is, remarkably enough, exactly what happened in 1982. Although a great deal of the strategic behavior evident in the 1982 midterm election conformed to customary patterns, some important departures occurred. The most striking and, we will argue, consequential differences were the direct result of the Republican party's newly developed institutional strength. Because national-level Republican committees had the acumen and resources to pursue a strategy aimed at maximizing the party's collective success, its congressional losses were much smaller than should have been expected. Democratic candidates continued to pursue individually rational strategies that, in the end, diminished their party's aggregate gains.

THE 1982 ELECTIONS: WHAT MIGHT HAVE BEEN

Had the 1982 election been a referendum on Reagan and Reaganomics, and had the electorate responded as it has in pre-

vious postwar midterm elections to economic conditions and its assessment of the president's performance, Republican losses in the House would have rivaled those of 1958 and 1974. The economy was in its deepest recession since before the war. By election day, unemployment exceeded 10 percent, highest in more than forty years. Businesses were failing at the highest rate since 1933. The only bright spot for the administration was the inflation rate, which fell sharply as the recession took hold. This, and the July tax cut and social security increases, kept real disposable income from falling, although it did not increase appreciably, either. President Reagan's approval-rating in the Gallup polls stayed below 50 percent for the entire year; it stood at 42 percent in the October poll. Only President Truman had a lower preelection rating (32 percent approving in 1946).

Under these conditions, the referendum model of midterm elections predicts a Republican loss of more than 50 House seats. Tufte's original equation, updated to cover the period 1946 to 1978, is

$$\begin{aligned} \text{standardized vote loss} = & -10.37 + .678 \text{ change in real income} \\ & (2.46) (.164) \\ & + .127 \text{ presidential popularity} \\ & (.045) \end{aligned}$$

N=9 R²=.81 SER= 1.40 (standard errors are in parentheses)

This equation estimates the vote percentage, which is easily converted into an estimate of the number of seats won, for there is a strong linear relationship between the proportions of votes and seats won by parties in postwar elections:

$$\begin{aligned} \text{percentage of seats} \\ \text{held by Democrats} = & -42.5 + 1.9 \text{ percentage of votes won} \\ & (.16) \quad \text{by Democrats} \\ N=18 \quad R^2=.90 \quad SER=2.09 \end{aligned}$$

The average Republican share of the aggregate two-party House vote over the past eight elections was 46.2 percent. With real income unchanged and Reagan's approval-rating at 42 percent, Tufte's equation predicts the Republicans to win 41.2 per-

cent of the vote. This is a drop of more than 7 percentage points from 1980. The seats/votes equation translates it into a loss of about 58 seats, giving them a projected total of 134 House seats for the 98th Congress.* Such results would have resembled those of 1974, when Republicans won 41.5 percent of the vote and 144 seats.

The 1982 election was, in fact, nothing like the kind of Republican disaster this model predicts. Republicans won 43.5 percent of the two-party House vote,³ higher than predicted by about 2.3 percentage points. The result is one that Tufte's equation would have predicted only if, given the state of the economy, Reagan's approval-rating had been at 60 rather than 42 percent or, given Reagan's approval-rating, real income had grown by 3-4 percent rather than remaining unchanged, Democrats actually picked up only 26 seats, less than half the number predicted.

If the 1982 elections were indeed a referendum on Reagan and Reaganomics, voters certainly did not respond to national conditions as they had in previous postwar midterm elections, Neither did congressional elites. The pattern of strategic decisions taken by congressional candidates and those who supply them with campaign resources was unusually complicated in 1982; the strategic choices of candidates and contributors, within and between parties, did not converge as they had in the past. And herein lies an explanation of why the Republicans suffered moderate rather than overwhelming losses.

REPUBLICAN STRATEGIES IN 1982

The system of electoral politics depicted in this book is driven by the strategic choices of individual political entrepreneurs in a decentralized political marketplace. Politicians adapt their behavior to national political conditions and, in doing so, multiply the effect of these conditions on aggregate election results. When a party is expected to have a bad year, the strategic decisions of its candidates and contributors multiply the ex-

pected effects. Their individually rational behavior magnifies the collective damage suffered by their party. It is a classic example of the familiar collective goods problem—a problem with institutional solutions. As we pointed out in chapter 3, a strong party might be able to deploy candidates and campaign resources to counteract rather than reinforce the effects of negative national conditions. To an important extent, this is what the Republican party managed to do in 1982.

National-level Republican organizations—the party’s National Committee (RNC) and National Senatorial and Congressional Campaign Committees (NRSC and NRCC)—have, over the past decade, gradually become major forces in congressional election politics. One reason is money; Republicans have perfected a direct mail fund-raising system, tapping millions of donors who regularly contribute small amounts of money, that provides them with a steadily growing, predictable income quite independent of fluctuations in the political environment. In 1980, a year of great Republican enthusiasm, national Republican organizations raised \$111 million for the campaign. In 1982, with much to dampen Republican spirits, they raised more than \$180 million.

Republican strategists have also figured out how to use the money effectively within the structure of regulation established by federal campaign finance legislation.⁴ Although direct party contributions to candidates are strictly limited (the law in this respect treats parties like political action committees), parties are allowed to spend additional money on behalf of candidates as part of a coordinated campaign. In 1982, a party could, in various ways, legally put \$56,900 into a House campaign and between \$91,260 and \$1,349,416 into a Senate campaign, depending on the population of the state.

Party officials also had the foresight to use the party’s resources to recruit and train high-quality congressional candidates. Much of the recruiting for 1982 took place in 1981. Joe Gaylord, the NRCC’s campaign director, said his organization’s “main priority” in 1981 was “the identification of good, quali-

fied Republicans” and that they “spent almost all of 1981 carrying out that **priority**.”⁵ It was, for most of the year, a splendid time to be recruiting Republican candidates. Reagan’s approval rating hovered near 60 percent from March through October as he won major legislative victories with a program that promised prosperity without inflation. Surveys taken in late spring showed a significant shift of voters to the Republican column; an Associated Press-NBC News poll taken in May found Republicans ahead for the first time in almost thirty years on the question of which party people wanted to win the next congressional **election**.⁶ Republicans also anticipated gains from reapportionment, which shifted 17 House seats from the Northeast and Midwest to the presumably more conservative South and West. Talk was of realignment and perhaps a Republican House after 1982.

By the fall of 1981, however, these grand hopes began to fade. The economy slid deeper into recession. Reagan’s approval rating in the Gallup poll began to sag. By November it had dropped below 50 percent for the first time. Polls showed voters returning to their traditional Democratic preferences both in party identification and for congressional candidates. By the beginning of 1982, the picture for Republicans began to look bleak indeed.

Republican party officials were understandably worried that the good candidates they had recruited would be scared off; “I’d check every day,” said Nancy Sinnott, the NRCC’s executive director, “but it wasn’t **happening**.”⁷ Thus the party’s early work paid unexpected dividends. Republican consultant Eddie **Mahe** said in March that “we had so many candidates out so early, we’re in pretty good shape. If the heavy decision making was going on now, we might be suffering” because of the expected impact of the recession. He compared 1982 with 1974, when Watergate and another recession scared off good Republican candidates: “the candidates we had that year couldn’t even be the drivers for this year’s bunch.”*

Republican recruitment did not, to be sure, survive the

recession unscathed. Three midwestern Republican governors chose not to seek reelection and a fourth declined to challenge a Senate incumbent. The economy was a factor in all of these decisions; all of them weakened the Republican ticket. Late in the spring, a few strong House candidates the party had worked to recruit dropped out, particularly in states in which late re-districting heightened uncertainty [and prevented early commitments].⁹ But there was no sign that the damage was widespread, “no evidence of the sort of panicky rededication to the practice of law”¹⁰ observed among potential Republican candidates in 1974.

Republican leaders invested heavily in recruitment because they have become convinced that strong candidates are crucial to their party’s overall success. Representative Vander Jagt, chairman of the NRCC, said in February that “just as they say pitching is 80 percent of baseball, in a Congressional race the candidate is 80 percent of winning. A good candidate can win it, no matter how bad the conditions, and a bad candidate can lose it, no matter how good the conditions.”¹¹ He was of course trying to encourage candidates the party had recruited to stay in the race despite disheartening trends, but national party efforts clearly reflected this kind of thinking.

The success of these efforts is evident not only in the comments of Republican officials but also in our simple measure of candidate quality: 24 percent of the Republican challengers in 1982 had previously held elective office.¹² This is a higher proportion of experienced Republican challengers than appeared in 1972 or 1980. They were a significantly more experienced group than would be expected under conditions holding early in the election year;¹³ Republican candidates’ career-decisions did not, in aggregate, reflect the strategic orientations of the past. This is one important factor distinguishing 1982 from other postwar midterm elections. It cannot, by itself, explain why Republicans’ net losses were smaller than expected, for only one Republican challenger (a state senator, to be sure) defeated a Democratic incumbent. But it did affect the strategic deci-

sions of other activists, which ultimately limited Democratic gains.

Why, if Republicans managed to recruit so many good challengers, did only one of them win? Part of the reason is that, although Republican candidates did not adapt their strategic decisions to strongly negative national trends, Republican campaign contributors ultimately did. The director of political education for the Business-Industry PAC (BIPAC), Bernadette Budde, tried to convince contributors that “the economy matters for a party only if its candidates think it matters”;¹⁴ they were evidently not persuaded.

For several reasons, business-related PACs, which had generously funded Republican challengers in 1980, turned this time to defending incumbents. For one, the deepening recession and decreasing public support for Reagan and Reaganomics encouraged traditional defensive strategy along the lines described in chapter 4. Given Democratic control of the House, business PACs were especially sensitive to the political breezes; simply stated, they were reluctant to contribute against Democratic incumbents with whom they might have to do business as the odds on defeating them appeared to lengthen. “PACs looked at the candidates and concluded by last June that this would not be a year to sacrifice their position with certain incumbents,” according to Vincent J. Breglio, the NRSC’s executive director.¹⁵

Moreover, in a sense, their success in 1980 dictated a defensive posture in 1982. Business PAC officials concluded that most of the easy targets among Democratic incumbents had been picked off in 1980; and now they had an unusually large number of freshman Republicans who seemed to be at risk. Thus a strategy of protecting recent gains evolved. “The PACs were so successful in 1980 that they’re not taking risks on challengers,” noted the editor of a newsletter on PACs during the campaign. “They’re focusing on vulnerable freshmen they helped elect two years ago.”¹⁶ BIPAC’s president, Joseph Fanelli, said his group “was in a hold position. If we can just hold the gains we made

in 1980, we'll be doing well."¹⁷ The 1982 Republican challengers were, paradoxically, victims of their party's success in 1980.

Redistricting was given as one more reason for protecting incumbents. Lines drawn late in the election year made it more difficult to choose which challengers' races to target. And, as a PAC spokesman explained it, "some districts have been reshaped so drastically that the incumbent has, in essence, a new district. Incumbents, in effect, will have to run as hard as challengers, and they'll need extra help."¹⁸

Republican incumbents, worried about voters' possible reactions to the deep recession, naturally encouraged the PACs' defensive disposition. As usual, their own reelection needs took precedence over the collective interests of their party. A nice example is provided by Representative James Hansen of Utah, whose narrowly successful challenge in 1980 had benefited from more than \$80,000 in PAC money. His 1982 solicitation letter to PACs urged them to "shift gears in the changing climate." "It is clear," he wrote (quite groundlessly), "that 1982 will not have as many attractive challengers as the last two elections. ...I would hope that my friends would budget a substantial amount for incumbents," and, more to the point, send \$1,000.¹⁹

Deteriorating economic conditions and the decline in Reagan's approval-ratings eventually pushed Republican party organizations into a defensive stance as well. Although party committees were wealthy enough to support to the legal limit any challenger with a plausible chance of winning, explicit priorities were established for focusing party efforts during the latter stages of the campaign. Freshmen and other potentially vulnerable incumbents were given top priority; next were candidates for open seats; challengers were last in line. Offering common sense as the basic rationale for a defensive posture, the RNC's communications director argued that "more often than not, it's easier to protect what you've got than go after something else."²⁰ More than a few challengers who had succumbed to the party's blandishments in the heady days of 1981 evidently had reason to regret it.

DEMOCRATIC STRATEGIES IN 1982

Republican contributors, then, generally behaved as expected when conditions are unfavorable, but Republican candidates did not. Among Democrats a different pattern emerged that, in its own way, was also at variance with the market model advanced in chapter 3. Democratic candidates were of the quality expected when national conditions strongly favor a party; but contributions to Democrats were decidedly more defensive than past patterns of support would lead us to expect. As a result, many of these promising candidacies were inadequately financed and so ultimately came up short.

As it had in previous election years, Democratic recruitment reflected developing national conditions. Representative Tony Coelho, chairman of the Democratic Congressional Campaign Committee, said in March that Democrats had found it hard to attract good candidates during most of 1981 but that things began to improve in the fall. "Now they're coming to me because they smell victory in 1982."²¹ Earlier, with recruitment going poorly, he had rationalized that "a national atmosphere, or a regional atmosphere, that is conducive to your party" is more important to electoral success than recruiting strong candidates.²² But as Democratic recruitment picked up he shifted to the view that "the critical time for the November elections is November through February, when candidates decide to run or not. Whoever has the best candidates usually still wins."²³

In the end, Democrats fielded an exceptionally attractive group of challengers. About 43 percent of them had previously won election to public office, a very high proportion by historical standards—higher, indeed, than in 1974. Republican freshmen attracted especially strong opposition; nearly 60 percent of their challengers had held elective office, a figure much more typical of candidates for open seats. But, like Republican challengers, many high-quality Democratic challengers found it difficult to raise adequate campaign funds.

One reason was that much of the money available to Democrats was absorbed by incumbents who did not, as things turned

out, need it. This is one important way in which Republican fund-raising and recruitment successes paid off. Many Democratic incumbents who might otherwise have expected weak, underfinanced challengers in a year like 1982 had to be prepared for potentially formidable opposition. Memories of the 1980 election, in which a considerable number of apparently “safe” senior Democratic incumbents fell victim to lavishly financed Republican challenges, were still fresh enough to recommend caution. Caution occasionally reached absurd proportions. As of June 30, Stephen Solarz of New York had \$657,364 on hand; Charles Schumer of New York reported \$480,711; Dan Rostenkowski of Illinois, \$396,332.²⁴ All three of these incumbent Democrats had won by large margins in 1980 (the lowest with 74 percent of the vote); all three won more than 80 percent of the vote in 1982.

Even if strong opposition did not materialize—and Coelho claimed in September that Republican campaigns against incumbent Democrats had definitely “slowed down”²⁵—enough uncertainty was created to prevent incumbents from relaxing their fund-raising efforts until well into the campaign. Challengers were thus starved for funds during the crucial summer months. At midsummer, the average Democratic incumbent had raised seven times as much money as the average Democratic challenger.

Democratic fund-raising in 1982 provides a particularly clear illustration of how the individual electoral interests of incumbents can conflict with the collective electoral interests of their party. Each incumbent wants campaign resources distributed in a way that minimizes his or her own risk of defeat. The party is better off, collectively, distributing resources in a way that maximizes its aggregate gains. Rationally, it should redirect resources to nonincumbents up to the point where expected gains match expected losses among incumbents. In the abstract, it does not matter to a party which specific candidates win; what counts is the total number of seats it takes. Individual candidates, on the other hand, care very much who the particular winners are. Given any influence in the matter, incumbents will

cultivate a distribution of campaign resources that reduces their own electoral risk even though it diminishes their party's overall success.²⁶

Democratic challengers faced another special fund-raising problem. Incumbents, Democrats and Republicans alike, have little difficulty raising money from business-oriented PACs, the most rapidly growing source of campaign funds.²⁷ The many groups that give to ensure "access" find it wise to invest in their campaigns regardless of partisanship or ideology. Such PACs also contribute, for ideological reasons, to nonincumbent Republicans they think have a shot at winning [and a number of them take cues from Republican party organizations in making their choices). They rarely finance nonincumbent Democrats, who are neither ideologically congenial nor in Congress. This means that, on the Democratic side, business PAC money is not distributed in a way that reflects election year conditions; Democratic challengers are the poorer for it.

Many nonincumbent Democrats did eventually receive significant PAC support, much of it from organized labor but also from newly organized liberal PACs, many focusing on specific issues like women's rights, the environment, and the nuclear freeze.²⁸ The 22 victorious Democratic challengers raised on average, more than \$96,000 from PACs, about a third of the average \$287,600 they raised. But data on campaign contributions through mid-October suggest that labor PACs, which remain the most important source of PAC money for Democrats, were contributing more cautiously than conditions warranted. Table E.1 shows the percentage of labor PAC contributions made to congressional candidates from 1972 through 1982 according to the incumbency status of the candidate. Keep in mind that 95 percent of labor contributions go to Democrats. The distribution of contributions in 1982 is much closer to that of 1976 or 1978 than to that of 1974, the year with conditions most similar to 1982. At the same time, labor PACs were clearly more willing to support nonincumbents in 1982 than they had been in 1980, when their pattern of contributions was decidedly defensive.

TABLE E.1. Labor PAC Contributions, 1972–1982 (in percentages)

Year	Incumbents	Challengers	Open Seats
1972	53	28	19
1974	49	30	23
1976	63	21	16
1978	63	21	16
1980	74	16	11
1982*	59	26	15

SOURCE: 1972–80, Joseph E. Cantor, *Political Action Committees: Their Evolution and Growth and Their Implications for the Political System*, Report No. 81-246, Congressional Reference Service, Library of Congress, 6 November 1981, p. 121; 1982, FEC News Release, 7 January 1983.

*Through 13 October 1982.

Democratic challengers' financial problems were compounded by their party's relative poverty. Republican House candidates received more than \$7.3 million from party sources (including coordinated expenditures), Democrats less than \$1 million.²⁹ The candidacy of Paul Offner, a Wisconsin state senator challenging a Republican elected to his first term in 1980 with 51 percent of the vote, illustrates the problem. "They tell me I'm the party's third-highest priority challenger this year," he said in October. "But if you add up all the money I've gotten from the national committee, from the congressional campaign committee, from the state party, it comes to \$1,000."³⁰ Thus the organizations with the strongest direct concern with encouraging successful Democratic challengers simply lacked the resources to help them take advantage of Republican difficulties.

CASHING IN: THE ELECTION RESULTS

Neither party followed, collectively, a strategy that would have consistently reinforced the electoral effects of the deep recession and unpopular administration. Republicans deployed their centrally controlled resources to counter the effects of bad times, inducing Democrats to operate more defensively than condi-

tions would warrant. The aggregate result was that Republican losses were much smaller than past patterns would lead us to predict. A detailed breakdown of House seats won and lost in 1982 is presented in table E.2. These data show that the Republicans cut their losses by saving threatened incumbents and by almost breaking even in contests for open seats. A comparison with 1974 is instructive; that year, Republicans lost 36 incumbents (32 net) and 13 open seats (11 net).

These results reflect the strategic priorities established by Republican officials as election day approached. During the final weeks of the campaign, Republican committees poured money and technical assistance into those races that their frequent tracking surveys told them would be very close. Nearly all of them involved Republican incumbents or candidates for open seats. The NRCC paid about \$2 million in bills, for its House candidates in tight contests during this period. The postelection consensus among Democratic and Republican campaign officials was that this work saved the Republicans from 10 to 20 seats.³¹

The logic of investing heavily in open seats is clear; the Republican candidate is not saddled with responsibility for national conditions, and the Democratic candidate does not enjoy the advantages of incumbency. But so is the logic of working to shore up vulnerable incumbents in tight races. As we pointed out in chapter 4, even though the marginal return (in terms of votes) on campaign spending for incumbents is very small relative to that for challengers, a party is better off raising an incumbent's vote from 49 percent to 51 percent than raising a challenger's vote from 30 percent to 45 percent. Furthermore, there is statistical evidence that campaign spending does make a difference to incumbent candidates whose party is at a serious disadvantage because of election year conditions. Campaign spending by Republican incumbents in 1974 was positively and significantly related to how well they did in that election; this is the only instance since data on campaign money have been available in which incumbent spending made a statistically significant difference.³²

TABLE E.2. Results of the 1982 Elections for U.S. Representative

Type of Race	Won by		Net Republican Change
	Democrat	Republican	
Democratic incumbent vs. Republican challenger	208	1	1
Republican incumbent vs. Democratic challenger	22	140	- 22
Democratic incumbent vs. Republican incumbent	4	2	- 2
Open seats:			
Formerly Democratic	18	3	3
Formerly Republican	5	10	- 5
New	12	10	- 1
Total	269	166	- 26

SOURCE: C.Q. Weekly Report 40 (6 November 1982); 2780-84.

There are reasons to think that campaign money would be more important to disadvantaged incumbents in a bad year. In this situation, the campaign is more than simply an extension of the reelection work they have been doing all along. New messages may have to replace old ones. A member who has been celebrating his budget-cutting prowess suddenly has to show he has compassion too. One who has made a point of his support for the administration finds it wise to separate himself from a few of its less popular policies; support for Ronald Reagan is balanced by criticism of James Watt, for example. Money is useful in the battle to define what the contest is about, in trying to cast it as a local rather than national event. The abundant funds available to Republican incumbents in 1982 could indeed be put to good use.

SENATE ELECTIONS IN 1982

As usual, our analysis has focused on the House elections. But the Senate elections, though distinguished by the usual profusion of idiosyncratic factors, are also of some theoretical

interest. Although neither party made a net gain of Senate seats—the Democrats failed, by this measure, to take advantage of national conditions-patterns of competition in Senate contests were actually closer than those in House contests to what we would expect to follow from traditional career and contribution strategies.

Democrats held an unusually large share of the seats up for election in 1982; 19 Democratic Senators sought reelection; 18 of them were successful. The only loser (Senator Cannon of Nevada) was brushed by scandal. Although Republican strategists had hoped to fortify their majority in the Senate as insurance for 1984 and 1986, when a disproportionate number of Republican seats are up, they could not. In a number of states Republicans had trouble recruiting able candidates; only three or four of the incumbent Democrats were ultimately challenged by attractive, well-financed Republicans.

A majority of the 11 Republican incumbents was strongly challenged, although only one of them was defeated. In 6 other cases the vote was close; a switch of fewer than 35,000 votes, properly distributed, would have given the Democrats control of the Senate. No doubt this would have been interpreted as a decisive repudiation of Republican leaders and policies.³³ In all but a couple of these contests the Republican incumbent enjoyed a very large financial advantage—generally on the order of two-to-one-to help stave off defeat.

CONCLUDING OBSERVATIONS

Our theory of congressional elections offers, we believe, a compelling explanation of why Republican losses in the 1982 mid-term congressional election were half what the referendum model predicted. National political conditions are translated into aggregate election outcomes through the medium of elite decisions and strategies. In past elections, these decisions have reinforced the expected effects of national conditions; in 1982, in some important respects, they did not. Republicans were the

beneficiaries. Republicans showed how centralized control over abundant resources, shrewdly exploited, can serve a party's collective interests; the Democrats showed how the usual electoral individualism can damage them.

A central argument of this book has been that the quality of candidates is an important electoral variable. Fully 17 of the 23 House incumbents who lost in 1982 were defeated by candidates who had previously held elective office (and this does not count the 6 who lost to other incumbents they faced because of redistricting). A majority of the 81 House freshmen in the class of '82 had served in state legislatures. Republican officials have, in recent years, discovered that state legislators comprise the most promising pool of potential congressional candidates and have worked accordingly to recruit, train, and elect them. These efforts continued in 1982.³⁴ This suggests that the development of the national party's institutional capacity for effective involvement in congressional election politics has by no means reached its limit. Neither, then, has its capacity to alter the strategic environment of congressional elections,