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The Puzzle of Midterm Loss

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This paper examines midterm election results since 1902, in order to account for the regularity with which the party controlling the presidency suffers an electoral decline at midterm. Standard interpretations account for midterm loss in terms of withdrawn presidential coattails (or regression-to-the-mean), surge-and-decline, or a negative referendum on presidential performance. None of these explanations is compatable with the historical data. A "presidential penalty" explanation, however, fits the data nicely. By this explanation, the midterm electorate penalized the president's party for being the party in power: holding constant the presidential year House vote, the president's party does much worse at midterm than it would if it did not control the presidency. Some implications of this finding are examined.

In midterm elections, the president's party almost always suffers a decline in its share of the congressional vote and a net loss of House seats. The congressional elections literature has had considerable success at accounting for variation in the *size* of this midterm slump—based on variables like presidential popularity, economic conditions, and the strength of the withdrawn presidential coattails (Tufte, 1975, 1978; Hibbs, 1982; Lewis-Beck and Rice, 1984; J. E. Campbell, 1985; Oppenheimer, Stimson, and Waterman, 1986; Abramowitz, Cover, and Norpoth, 1986; Born, 1986). Yet this growing literature has added more confusion than clarity regarding the question that motivated the study of midterm elections in the first place: namely, why does the president's party lose seats at midterm instead of gaining or maybe holding its own?

Any satisfactory explanation of midterm loss must take into account that the phenomenon is more than a mere *tendency*. Midterm loss is an almost invariable historical *regularity*. In terms of seats, the one recorded midterm gain for the presidential party was the Democratic gain of 1934. Even this instance of a seat gain was accompanied by a slight vote loss for the president's party. In terms of votes, the twentieth century shows but one very modest instance, in 1926, of midterm gain by the presidential party.[1]

[1] As Niemi and Fett (1986) show, different accounts of the historical time series of the national two-party vote vary somewhat. This paper uses what Niemi and Fett call the Stokes-Iverson

EXPLANATIONS OF MIDTERM LOSS

By definition, midterm loss regularly occurs because the vote share for the president's party almost always declines between the presidential election year and midterm. This regular vote loss could be the natural drop following an abnormally *high* vote for the winning presidential party in the previous *presidential* year. Or, the drop could result from an abnormally *low* vote for the president's party in the *midterm* year. Congressional election scholars disagree on which version of the story is correct, even though the matter seemingly could be settled by a careful examination of the historical record. To complicate matters further, each version comes in two distinguishable forms, so that we have four competing explanations for midterm loss.

The simplest and perhaps the most naive explanation for midterm loss would be the possibility that electorates are biased or predisposed to vote against the presidential party, regardless of the objective circumstance. This possibility can be labelled the "presidential penalty" explanation for midterm loss. But this notion of the midterm electorate punishing the presidential party solely for being the party in power has not appealed to all scholarly tastes. Political scientists have introduced several plausible theories that might account for midterm loss without requiring the awkward baggage of a punitive electorate. Below, I attempt to revive the case for the "presidential penalty" explanation. But first, let us consider the more popular alternatives.

Midterm Loss as Regression to the Mean. One prevalent way of explaining midterm loss is in terms of the midterm withdrawal of presidential coattails. The stronger the presidential victory margin (Hinckley, 1967; J. E. Campbell, 1985) or the more seats won in the presidential year and therefore "at risk" (Oppenheimer, Stimson, and Waterman, 1986), the greater will be the subsequent midterm seat loss. Although it is rarely stated as such (one exception is Kiewiet and Rivers, 1985, pp. 211–12), this explanation in terms of withdrawn coattails is an example of statistical "regression to the mean"—the same phenomenon which causes students who perform well on midterm exams to do more poorly on the final exam (D. T. Campbell and Stanley, 1963).

The coattails or "regression to the mean" explanation supposedly works as follows. Helped by presidential coattails, the winning presidential party does better than usual in the on-year House election. For the following off-year, the presidential party's expectation is only an average outcome, so its vote share is likely to decline from its on-year high.

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time series, first reported in Stokes and Iverson (1966). This is the same time series reported in Ornstein et al. (1982, pp. 38–39) and in the various *Statistical Abstracts of the United States*. For recent elections, the vote for Washington, DC delegate must be excluded from the *Statistical Abstract* computations.

Midterm Loss as Surge and Decline. Angus Campbell's (1966) theory of "surge and decline" takes the withdrawn coattails argument one step further. "Surge and decline" posits a basic difference between on-year and off-year election outcomes: With even peripheral voters stimulated by the presidential race, on-year congressional election outcomes surge in favor of the victorious presidential party. In contrast, off-year midterm elections are "low-stimulus" affairs, largely decided by core partisan voters voting for their party's ticket. The midterm outcome therefore is something close to the "normal vote" of about 54% Democratic, 46% Republican.

"Surge and decline's" notion of a stable normal vote at midterm would handily account for midterm loss. With the vote for the president's party returning predictably to normal following the on-year surge, the net change is a decrease in the fortunes of the presidential party.

Midterm Loss as a Referendum on Presidential Performance. Rather than inflated support in the presidential election year, the source of midterm loss could be abnormally low voter support for the in-party at midterm. The possibility of the "presidential penalty" explanation has already been mentioned. But poor midterm support for the president's party does not necessarily require that the electorate is motivated to penalize the presidential party under all circumstances. Conceivably, the midterm electorate punishes the president's party only when the president performs poorly or at least is perceived to do so. Thus, another explanation of midterm loss attributes the midterm verdict as a negative "referendum" on poor presidential performance.

Recent research shows economic conditions and presidential popularity to be important predictors of the size of midterm loss (Tufte, 1975, 1978; Born, 1986). Thus, midterm election outcomes contain a referendum component. To the extent that presidents are unpopular and the economy is slumping at midterm, the "referendum" explanation could account for midterm loss.

Midterm Loss as a Presidential Penalty. To these three possible explanations of midterm loss we can add a fourth, which was introduced above: the seemingly "punitive" response of an electorate that penalizes the presidential party regardless of the quality of its performance or standing with the electorate. If midterm electorates punish the presidential party for being the party in power, this would handily account for midterm loss. But why would midterm electorates behave in such a manner?

One reason for a "presidential penalty" could be a general propensity toward "negative voting" that has been observed in several survey analyses of the midterm electorate. At midterm, citizens are more likely to vote when they hold negative views of the president. And when citizens vote at midterm, they respond more to negative cues than to positive cues regarding

presidential performance (Kernell, 1977; Lau, 1985; but see Cover, 1986). A midterm electorate that is particularly responsive to negative cues would give the appearance of punishing the presidential party rather harshly, as if it held the in-party to extremely high expectations. The skewed result would be the appearance of a "protest vote," even when the electorate as a whole has little to protest.

A "presidential penalty" at midterm could also be the result of the electorate's rational calculation instead of negative voting. Suppose that a significant share of midterm voters see themselves as in between the Republican and the Democratic positions on policy issues. On policy grounds, such voters would prefer split partisan control of the presidency and Congress to either party controlling both. To create a balance of power between the two parties, these voters would be motivated to oppose the presidential party at midterm.

This simple "balance" theory receives little or no discussion in the literature on congressional elections. However, a similar "balance" theory is familiar to students of Canadian politics, as an explanation of why the ruling party at the national level generally suffers in provincial elections (Underhill, 1955; Wrong, 1957; but see Scarrow, 1960). For American elections, Fiorina (1988) offers a relevant speculation to account for the declining coattails in presidential years. Fiorina suggests that when American parties differ ideologically from one another, voters in the middle will split their presidential-congressional tickets as an ideological hedge. It is an easy step to carry Fiorina's argument forward to midterm elections, when the party controlling the presidency is known in advance. That is, according to the balance theory, the midterm electorate gives what seems like an excessive share of its vote to the "out" party as a moderating corrective to the ideological excesses of the presidential party.

In sum, a "presidential penalty" explanation for midterm loss has more theoretical support than one might suppose. The midterm electorate's penalizing of the "in" party is the expectation from both the theory of "negative voting" and a simple "balance" theory of midterm elections. This explanation does not depend on the regularity of withdrawn coattails, "surge and decline," or the exact political circumstances of midterm years. But is the "presidential penalty" explanation correct? The answer to that question depends on the analysis of national election returns.

MIDTERM LOSS AND THE ON-YEAR OFF-YEAR VOTE SCATTERPLOT

Consider a scatterplot, where the vertical axis represents the Democratic percent of the national vote at midterm and the horizontal axis represents the Democratic percent of the vote in the previous presidential year. Consider also a diagonal line, representing the values at which the presidential (or on-) year vote and the midterm (or off-) year vote divisions are identical.

Given midterm loss, observations are below this line under Democratic presidents (Democratic loss) but above this line under Republican presidents (Democratic gain).

Accounting for midterm loss can be understood as identifying the process that produces a scatterplot with cases below the diagonal line under Democratic presidents but above it under Republican presidents. Each of the four possible explanations of midterm loss implies a particular pattern to the off-

FIGURE 1.

FOUR MODELS OF MIDTERM LOSS

● Democratic President

○ Republican President
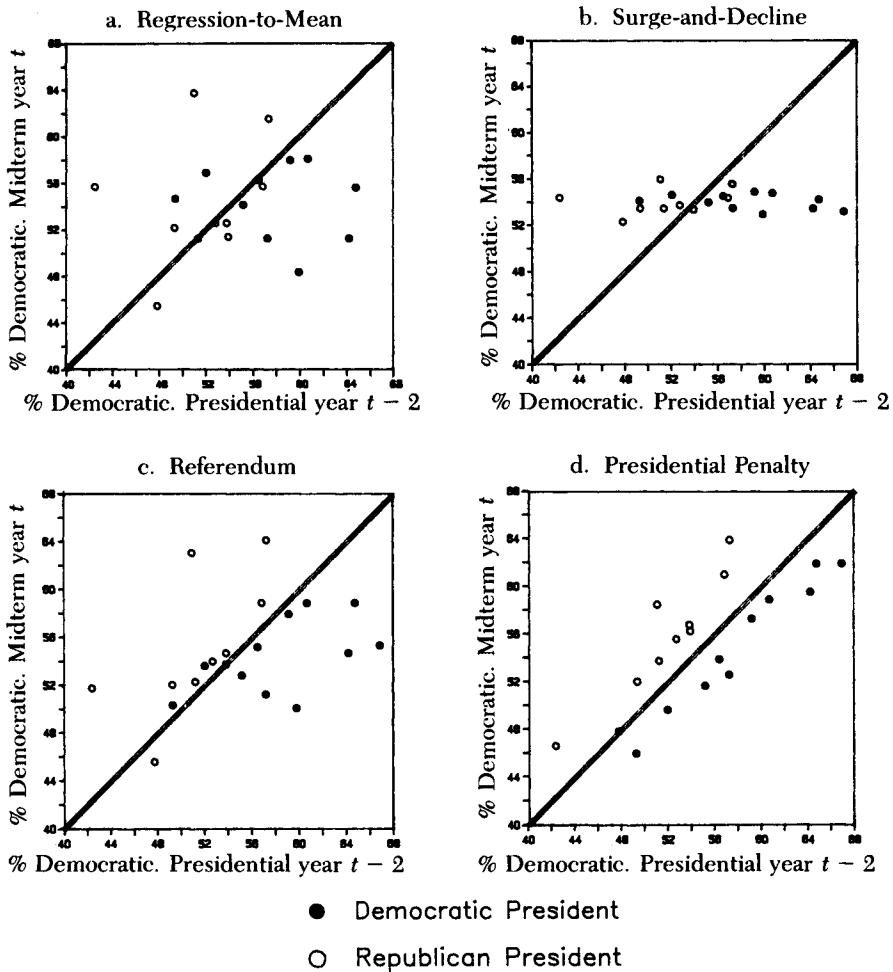
year on-year scatterplot, so it should not be difficult to determine which ex-
planation is correct. Let us now consider the four possible explanations for
midterm loss once again, to see how each might produce the required scat-
terplot of the off-year on-year vote—below the diagonal under Democratic
presidents and above under Republican presidents. The predicted scatter-
plots from these explanations are shown, in stylized form, in figure 1.

Regression to the Mean. The "regression to the mean" explanation in-
volves strong coattails in presidential years that are withdrawn at midterm.
The magnitude of any regression toward the mean depends mathematically
on the size of the lagged effect of prior observations on current observations.
To the extent that successive observations are statistically independent (the
smaller the lagged effect), the greater will be the regression toward the mean.
Here, let us consider the best scenario for "regression to the mean" as the
explanation for midterm loss: the extreme case of totally independent obser-
vations, whereby on-year results are uncorrelated with the next off-year
result. In other words, consider election outcomes as the result of truly short-
term forces that are independent of the short-term forces of the prior election.

Figure 1a shows an example of the on-year off-year scatterplot when there
is no lagged effect. In this example, the correlation between the off-year vote
and on-year vote is zero, with the same standard deviation for the on-year
and for the off-year vote. Here, most of the hypothetical cases show midterm
loss. But the difficulty is that there are so many exceptions. Mathematically
it can be shown that even with independent time 1 and time 2 scores and a
constant standard deviation, the time 2 score will regress toward the mean
(i.e., be on the meanward side of the time 1 score) only 75% of the time.[2]
Thus, "regression to the mean" may be unable to account for the overwhelm-
ing regularity of midterm loss.

Surge and Decline. With "surge and decline," the off-year on-year scat-
terplot would be something like figure 1b—a fluctuating on-year vote and a
stable, normal, off-year vote. "Surge and decline" presents the image of na-
tional congressional election results that are close to "normal" in midterm
years but bounce about for presidential years. This implies that the standard
deviation of the national congressional two-party vote would be considerably
larger for presidential years than for midterms. As Jacobson and Kernell
(1983, p. 63) point out, however, this image is decidedly incorrect. Jacobson
and Kernell report the standard deviation of the congressional vote to be
4.9 percentage points for midterms from 1946 to 1978 and 2.4 percentage

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[2]*Proof:* Assume independent samples of time 1 and time 2 scores, each with mean 0 and vari-
ance 1. Half the cases will have time 2 scores in the same direction from the mean as their time 1
scores. Of these, half (or one-quarter overall) will have a time 2 score more extreme than the
time 1 score.

points for presidential years from 1944 to 1980. Thus, contrary to "surge and decline," the national congressional vote actually is more volatile in midterm years than in presidential years! Since midterm outcomes are not predictable returns to normal following presidential year surges, we probably need to look elsewhere to understand midterm loss.

Referendum on Presidential Performance. Suppose midterm loss represents the electorate's negative reaction to unsuccessful or unpopular presidents. Could poor presidential performance at midterm, as measured by adverse economic conditions and low popularity readings, be responsible for the regularity of midterm loss? If so, we would find presidents to be unpopular and the economy to be sliding at midterm, resulting in the president's party being punished for poor performance.

But are midterm readings of presidential popularity and economic conditions unusually low? The evidence is mixed. Presidential approval ratings are noticeably lower at midterm than at either early or late in the president's term (Stimson, 1976). Tufte (1978) suggests that late-term surges in popularity may be the result of presidents manipulating the timing of business cycles for maximum political advantage in the presidential year. But if presidents do manipulate the business cycle, they do not time the low points for midterm elections. According to Tufte (1978), midterm years actually tend to be more prosperous than odd-numbered, non-election, years.

With presidential popularity usually down but the economy usually looking up at midterm, a referendum explanation is a questionable way to account for midterm loss. Still, there is some evidence that the electorate punishes the "in" party with low support at midterm. Based on seven recent elections, Jacobson and Kernell (1983) find that each party tends to do better in midterm elections when it does *not* control the presidency.

If midterm losses represent negative referendum verdicts on presidential performance, how would this be reflected in the on-year off-year scattergram? The result would have to be the appearance of a mild penalty for being the party in power. Figure 1c shows one example. Holding the on-year vote constant, each party tends to do worse when it controls the presidency. There would be no clear requirement for the slope predicting the off-year vote from the on-year vote, so figure 1c shows a middle-of-the-road slope of about .50. The result is a scatterplot with most—but not all—election outcomes showing midterm loss.

Presidential Penalty. The explanation of a "presidential penalty" of course also implies that the midterm electorate penalizes the presidential party. But unlike with negative midterm referendum verdicts, the potential size of this in-party penalty is not limited by the measurable range of presidential strength and weakness. If the midterm electorate punishes the presidential

party for the reason that it is the party in power, it would punish even the most popular and successful presidents at midterm.

Punitive voting could most clearly account for midterm loss if the presidential penalty is accompanied by a steep slope predicting the off-year vote from the on-year vote. Figure 1d shows a midterm verdict about the same as the previous on-year verdict—except for the inevitable penalty for the president's party. When the Democrats control the presidency, the midterm Democratic vote is the prior on-year vote minus the Democrats' presidential penalty. When the Democrats are out of power, the midterm Democratic vote is the prior on-year vote plus the Democrats' gain from the Republicans' presidential penalty. In every instance, the in-party loses strength at midterm.

THE DATA: 1946–1986

Analyses of midterm elections typically restrict their data base to post-WWII elections. One reason is that monthly economic data first became available in time for the 1946 election. A more important reason for our purposes is that the post-WWII period supposedly is one of stable equilibrium with a fairly constant normal vote. Therefore, our first glance at the data is for the eleven post-WWII midterm elections, 1946–1986.

Figure 2 shows the actual scatterplot, predicting the midterm Democratic vote from the Democratic vote in the prior presidential election. The figure shows parallel, but distinctly separate slopes for Republican and Democratic administrations—as if the same on-year outcome leads to a party getting almost nine percentage points more of the vote when out of power than when it is in power. The separate vote-on-vote slopes for Democratic and Republican administrations are quite steep—above 1.00. The fit of the cases around the slopes is snug, but with room for variables not taken into account to also do their work. The exact equation for the scatterplot is:
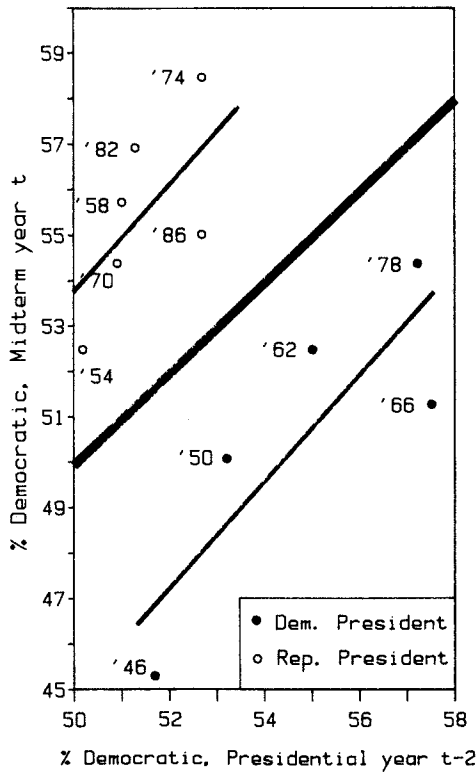
$$\text{Midterm vote}_t = -4.92 \tag{1}$$
$$(16.66)$$
$$+1.17 \times \text{Presyear vote}_{t-2}$$
$$(0.32)$$
$$-8.78 \times \text{Party}$$
$$(1.54)$$

$$N = 11; \quad \bar{R}^2 = .75; \quad SEE = 1.78.$$

where Midterm vote$_t$ is the Democratic percentage of the midterm vote in year t; Presyear vote$_{t-2}$ is the Democratic percentage of the House vote in the previous presidential year two years earlier; and Party is a dummy vari-

FIGURE 2.

MIDTERM VOTE BY PRESIDENTIAL YEAR VOTE, 1946–1986

able, 1 if a Democratic president at midterm, and 0 if a Republican president at midterm. The numbers in parentheses are standard errors.

Figure 2 provides a clear victor in the contest to explain midterm loss. Of the four hypothetical scatterplots introduced above, the actual scatterplot clearly fits the pattern of a presidential penalty. That is, national electorates give about the same two-party vote division in the off-year as they had in the prior on-year, except for strongly penalizing the in-party and reward the out-party. Consistently, with the House vote in the previous presidential year held constant, the president's party loses almost 9% of the midterm vote that it would have won if it did not control the presidency.

Not only does the "presidential penalty" explanation fit the data, all other explanations clearly fail the empirical test. Consider first the fate of "regression to the mean." According to the "regression" or "coattails" argument, midterm loss results when strong on-year showings by the winning presi-

dential party are followed by more normal on-year results. The strongest presidential year triumphs should be followed by the greatest falls. But contrary to this expectation, the data show no tendency for the strongest on-year showings to be followed by the greatest midterm loss. Actually, the off-year vote is strongly responsive to the on-year vote. In fact the slope of greater than 1.00 suggests that the strongest on-year vote outcomes are followed by the *least* off-year losses. If it were not for the presidential penalty, presidential parties would actually *gain* slightly at midterm. For whatever reason, there exists no on-year to off-year regression to the mean.

"Surge and decline" fares no better. "Surge and decline" fails not only because the off-year vote is so strongly determined by the previous on-year vote, but also because midterm outcomes vary so much. As Jacobson and Kernell were the first to point out, midterm verdicts are even more variable than House election results in presidential years.

The "referendum" explanation also fails. The size of the penalty given the presidential party is far too large and far too regular to attribute to a pattern of persistently adverse circumstances for presidents at midterm. To see why, consider the answer to the following question: How strong must the president's popularity and the economy be in order for the president's party to overcome the penalty for being the presidential party?

Born's (1986) recent update of the Tufte model for 1946–1982 shows coefficients of $+.086$ for presidential approval and $+.692$ for percentagized income change. We can interpret these coefficients to mean that a ten percentage point increase in presidential approval adds almost one percentage point to the administrative party's vote while a 1% annualized gain in per capita income means about seven-tenths of a percentage point gain.

How much of an increase in presidential approval or income gain would be enough to void the in-party penalty of about nine percentage points? Clearly, the thresholds are in the impossible range. A fifty percentage point increase in presidential approval would only gain 4.3% of the vote ($.086 \times 50$). Similarly, a "record" 6% increase in annual income would only add an additional 4.2% of the vote ($.692 \times 6$) over what a no-growth economy would provide.[3] Extrapolating, even the combination of near universal presidential popularity plus unreachable levels of economic growth would not allow the president's party to attain the same degree of midterm support as it would get if it were out of power! In sum, the electorate's imposition of an in-party penalty on the presidential party at midterm is as if the electorate imposes standards of performance on the president's party that are so high as to be impossible

[3] This updated equation is based on Tufte's specification of change in annual income from one year to the next. Other specifications of the time interval have been suggested based on quarterly data (Jacobson and Kernell, 1983; Born, 1986). Also, the discussion above of how prior voting should be placed in the regression model implies that Tufte's (and others') control for the "standardized" past vote is the inappropriate specification. However it is not necessary to consider these side-issues here.

to fulfill. Put another way, no matter how popular or successful, the president's party gets fewer votes at midterm than it would if it had not won the presidency.

THE DATA: 1902–1986

Of course one must be cautious about making bold claims based on only eleven electoral observations. Despite the comfort of small standard errors for the coefficients of equation 1 (indicating significance at .01 or better), one might still consider the possibility that the configuration of eleven observations in figure 2 is nothing more than a chance occurrence. Fortunately, however, there is no compelling reason to stop with eleven cases. There is no reason why the "presidential penalty" explanation must depend on the presence of a stable normal vote or party alignment. Therefore, the presidential penalty explanation can be put to an additional test by doubling the number of cases to consider all twenty-two midterms of the twentieth century, from 1902 through 1986.

FIGURE 3.

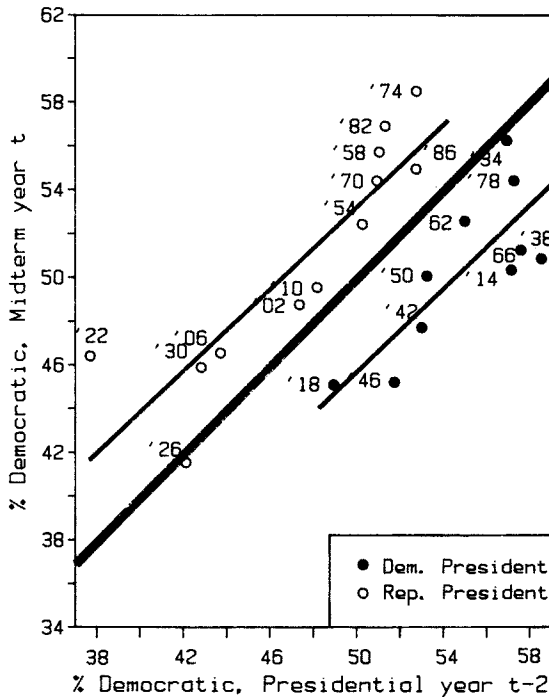MIDTERM VOTE BY PRESIDENTIAL YEAR VOTE, 1902–1986

Figure 3 shows the picture. Now, with cases from the pre-New Deal Republican era, a broad range of observations is obtained. Again, the data compel the explanation of a presidential penalty. The midterm vote approximates the previous presidential year vote, except for the presidential penalty. The result is all cases (save the slight 1926 exception) on their appropriate side of the diagonal, signifying midterm loss for the president's party.

With twenty-two cases, the equation is:

$$\text{Midterm vote}_t = 6.20 \qquad\qquad\qquad\qquad (2)$$
$$(6.18)$$

$$+0.94 \times \text{Presyear vote}_{t-2}$$
$$(0.13)$$

$$-7.50 \times \text{Party}$$
$$(1.40)$$

$$N = 22; \quad \bar{R}^2 = .71; \quad SEE = 2.41.$$

Based on twenty-two cases instead of the original eleven, the regression coefficients decline slightly but retain their statistical vigor. The slope for the presidential year vote is now very close to the theoretically pleasing value of 1.00. The in-party penalty now appears to be about seven and one-half percentage points, with a statistical significance exceeding .001.

FIGURE 4.

MIDTERM SEATS BY PRESIDENTIAL YEAR SEATS, 1902–1986
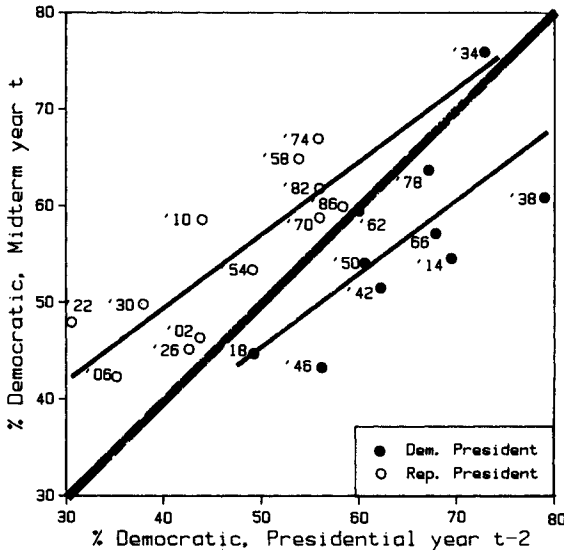
To summarize, the regularity of midterm loss is not function of regression to the mean, surge and decline, or a negative referendum verdict on presidential performance—all rather popular explanations. Instead, figures 3 and 4 reveal an electoral pattern consistent only with the explanation of a presidential penalty. At midterm, the national electorate acts as if it chooses to give less votes than it otherwise would to the presidential party, simply because it is the party in power.[4]

LONG-TERM VS. SHORT-TERM PARTISAN EFFECTS

The national congressional vote is generally thought to be a combination of the normal vote and short-term forces specific to the particular election. Because the normal vote cannot be measured directly, studies of midterm elections commonly measure the normal vote indirectly from prior election returns. Following Tufte (1975, 1978), it has become conventional to measure the normal vote as the average of the immediately prior eight national election verdicts. The dependent variable—the national vote—is "standardized" with the intent to measure only short-term forces: as the deviation of the vote from the "normal vote" of the eight prior election outcomes (Hibbs, 1982; Jacobson and Kernell, 1983; Born, 1986).

This conventional assumption of a stable or slowly-moving normal vote does not fit comfortably with the steep slopes of figures 2 and 3, representing the regression of the off-year vote on the on-year vote. The steep slope suggests the contrary interpretation that the midterm vote may be a first-order autoregressive process: that is, dependent only on the prior on-year vote, with earlier vote outcomes having no additional impact or predictive power.

This possibility of a first-order autoregressive process can be tested by regressing the midterm vote on the prior two election outcomes (two and four years earlier), the prior three election outcomes (two, four, and six years earlier), and the prior on-year vote plus the "standardized" average Democratic vote of the eight immediately prior elections. The results follow.

Adding the midterm results four years earlier:

$$\text{Midterm vote}_t = 5.27 \tag{3}$$
$$(6.88)$$

$$+0.90 \times \text{Presyear vote}_{t-2}$$
$$(0.18)$$

[4] Even with the strong presidential penalty and the steep slope for the on-year House vote, the strength of presidential coattails in the on-year can influence the following off-year vote. When the on-year presidential vote is added to the midterm equation, it yields a negative (but nonsignificant) coefficient while lowering the magnitude of the party coefficient by about two percentage points. This result suggests that the size of the midterm presidential penalty may be partially determined by the electoral magnitude of the earlier presidential victory.

$$+0.06 \times \text{Midterm vote}_{t-4}$$
$$(0.17)$$

$$-7.28 \times \text{Party}$$
$$(1.57)$$

$$N = 22; \quad \bar{R}^2 = .70; \quad SEE = 2.47.$$

Adding the presidential year results six years earlier:

$$\text{Midterm vote}_t = 4.43 \qquad\qquad\qquad\qquad (4)$$
$$(7.36)$$

$$+0.91 \times \text{Presyear vote}_{t-2}$$
$$(0.18)$$

$$+0.02 \times \text{Midterm vote}_{t-4}$$
$$(0.20)$$

$$+0.05 \times \text{Presyear vote}_{t-6}$$
$$(0.13)$$

$$-7.45 \times \text{Party}$$
$$(1.66)$$

$$N = 22; \quad \bar{R}^2 = .68; \quad SEE = 2.53.$$

Inserting the eight-year average, or "standardized" vote:

$$\text{Midterm vote}_t = 2.65 \qquad\qquad\qquad\qquad (5)$$
$$(9.28)$$

$$+0.90 \times \text{Presyear vote}_{t-2}$$
$$(0.15)$$

$$+0.11 \times \text{Standardized vote}_{(t-16\ldots t-2)}$$
$$(0.21)$$

$$-7.25 \times \text{Party}$$
$$(1.58)$$

$$N = 22; \quad \bar{R}^2 = .70; \quad SEE = 2.46.$$

The evidence could not be clearer. Election results four and six years earlier have no predictive power and their inclusion in the equation actually causes the adjust R^2 to decline from the .71 of equation 2's simpler model. Adding the average of the prior eight elections (equation 5) also causes the adjusted R^2 to drop. Only the vote in the immediately prior presidential election and the party in power are useful as predictors of the midterm verdict.

The implication is important. The last on-year House election result—not some semi-static normal vote—is what is important for predicting the next

midterm verdict. Put another way, changes in the congressional vote are not short-lived phenomena but rather carry forward to the future. At least this is the case between presidential and midterm years.

Predicting Presidential Year Outcomes from Midterm Verdicts

The surprising results when we predict midterm results from presidential year results provide strong reason to examine the other side of the process: predicting the congressional vote in presidential years from the prior midterm vote, plus the usual dummy variable for the party controlling the presidency. This equation, for elections 1900–1984, is:

$$\text{Presyear vote}_t = (11.88 \tag{6}$$
$$(11.75)$$

$$+0.76 \times \text{Midterm vote}_{t-2}$$
$$(0.23)$$

$$+0.89 \times \text{Party}$$
$$(1.98)$$

$$N = 22; \quad \bar{R}^2 = .30; \quad SEE = 4.62.$$

Note that when we switch the dependent variable to be the congressional vote in presidential years, the party-in-power dummy variable has a negligible coefficient. The president's party therefore does not gain back in the next presidential year what it lost at midterm. Instead, the midterm in-party penalty carries forward to the next presidential year.[5]

Therefore, being the party in power hurts in presidential years as well as at midterm. We can see this directly from the equation predicting the presidential year House vote from the House vote in the previous *presidential* year plus the party control dummy:

[5]The coefficients of equation 6 help solve two minor puzzles. First, if the slope predicting the next election result from the previous election result is about 1.0, as it is for the equation predicting the midterm vote, then over time the variance of the vote division must keep increasing. (The variance would equal the previous variance plus the error variance.) Ever-increasing variance is avoided because the slope of about 1.0 for the midterm equation is balanced by a slope of .76 for the presidential year equation.

A second minor puzzle is why the variance of the vote division is actually greater for midterms than for presidential years, so contrary to the prediction of "surge and decline." Equation 6 reveals why. The predicted presidential year vote divisions are relatively compact, due to both the relatively low coefficient for the midterm vote and the negligible coefficient for the party term.

Still, as indicated from the standard error of estimate for equation 6, the *unexplained* variance for presidential years remains relatively high. But much of this variance that is unexplained by the previous vote can be accounted for by the vote for president. Including the presidential vote division in the right-hand side of the equation reduces the standard error of estimate to 2.37, slightly lower than for midterms.

$$\text{Presyear vote}_t = (11.42 \qquad\qquad\qquad\qquad\qquad (7)$$
$$(12.47)$$

$$+0.83 \times \text{Presyear vote}_{t-4}$$
$$(0.26)$$

$$-5.68 \times \text{Party}$$
$$(2.86)$$

$$N = 22; \quad \bar{R}^2 = .28; \quad SEE = 4.70.$$

With the in-party penalty of about six points in presidential years, we would expect the president's party generally to decline in its share of the vote from the year of the presidential victory to the next presidential year. Over the twenty-two, four-year intervals between presidential election years of the twentieth century, the administration party has lost congressional vote strength eighteen times and gained only four times (1904, 1936, 1948, and 1964).[6]

THE 'SEATS' EQUATION

So far, this paper has addressed the midterm loss only in terms of changes in the national two-party vote, but not in terms of seat changes. The reason for stressing votes instead of seats is that the vote division is the variable that voters affect directly. The seat division is determined by the vote division, via the swing ratio and its momentary aberrations (Ferejohn and Calvert, 1984). Some scholars, however, prefer the seat division as the dependent variable on the grounds that seats and not votes determine policy (Lewis-Beck and Rice, 1984; Campbell, 1985; Oppenheimer et al., 1986). In consideration of this preference, I briefly explore the parallel equation and its scatterplot, predicting the midterm two-party *seat* division from the prior on-year two-party *seat* division.

In terms of seats, the relevant equation for 1904–1986 is:

$$\text{Midterm seats}_t = 19.10 \qquad\qquad\qquad\qquad (8)$$
$$(6.89)$$

$$+0.76 \times \text{Presyear seats}_{t-2}$$
$$(0.14)$$

$$-11.42 \times \text{Party}$$
$$(3.50)$$

$$N = 22; \quad \bar{R}^2 = .56; \quad SEE = 5.72.$$

[6] As for midterms, the presidential year House vote does not appear to be directly affected by previous House voting except for the immediately preceding election. With the presidential vote, the party in power, and the prior midterm vote all on the right-hand side of the equation predicting the presidential year House vote, adding the House vote for earlier elections lowers rather than raises the adjusted R squared.

Figure 4 presents the scattergram. The results essentially mirror the picture in terms of votes but with some slight differences. The relatively low R^2 and standard error of estimate reveal that seat divisions are less predictable than the vote division. In terms of seats, the slope predicting the off-year division from the on-year division is less than unity, but still a hefty .76. Of greatest interest is the size of the in-party penalty. In terms of seats instead of votes, the in-party penalty increases to a whopping 11.5%—which translates into about 50 seats. The interpretation of course is the same as from an analysis of votes. The presidential party loses seats (as it does votes) because the electorate exacts a strong penalty on the party controlling the presidency for being the party in power.[7]

THE PRESIDENTIAL PENALTY: A DISCUSSION

The electorate's punishment of the presidential party at midterm bears some kinship to the tendency of the electorate to withdraw its support for sitting presidents. The usual downward slide of presidential popularity suggests a cycle of unrealistically high expectations about an incoming president followed by inevitable disillusionment (Stimson, 1976). But the presidential penalty at midterm appears to reflect more than voters' unhappiness with their president. Seemingly, even a president who maintains his initial high approval rating would see his party suffer greater electoral adversity at midterm than if his party were out of power.

The reason why the midterm electorate punishes the in-party so harshly is not immediately evident. Negative voting is one possibility, presenting the constant appearance at midterm of a "protest" vote. The presidential penalty could also be the calculated hedge by a rational electorate that chooses to balance off a president of one ideological persuasion with a Congress tilted in the opposite ideological direction.

The aggregate evidence regarding midterm elections cannot distinguish among these important nuances in the interpretation of the presidential penalty. Further analysis is required both of survey data and of aggregate data in other electoral contexts beyond that of the midterm election. For instance, do electorates tend to exact mischief on the party in power only from the safe haven of midterm elections, or is being the party in power a universal handicap in elections generally?

CONCLUSION

This article has been motivated by the familiar purpose of trying to account for why the president's party almost invariably suffers losses in mid-

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[7] In terms of seats, the slope for the presidential year result is less than 1.0. This implies some regression to the mean and is consistent with Oppenheimer et al.'s (1986) seat equations interpreted in terms of "exposure." But as an explanation for midterm loss, this modest role for regression to the mean (or "exposure") in terms of seats is overwhelmed by the size of the incumbency penalty.

term House elections. The goal was to identify which explanation of midterm loss is compatible with the historical record. Despite their plausibility or theoretical charm, standard interpretations in terms of withdrawn coattails (or regression to the mean), surge and decline, or a negative referendum verdict on presidential performance are all incompatible with the empirical evidence from the historical time series. On-year vote surges for the winning presidential party carry forward to midterm rather than fade with the withdrawal of coattails. Midterm outcomes do not hover around a normal vote baseline. At midterm, the president's party always performs poorly—even when the president is popular and the economy is thriving. The one explanation that does fit the data is that of a presidential penalty. At every midterm, the electorate turns against the presidential party for being the party in power.

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