Explaining and Predicting the Two-Party Mid-Term House Vote Share: 2026 Prediction

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1 History of Voting Equations

I first estimated an equation explaining the two-party vote share for president in 1978—Fair (1978). The general theory behind the equation is that a voter evaluates the past economic performances of the competing parties and votes for the party that provides the highest expected future utility. Within the context of the theory, one can test both how far back voters look in evaluating the economic performances of the parties and what economic variables they use in their evaluations. Many tests were performed in Fair (1978) using data on U.S. presidential elections beginning in 1916. The results supported the view that voters look only at the economic performance of the current party in power, not also, for example, the performance of the opposition party the last time it was in power. The growth rate of per capita real GDP and the inflation rate were the two economic variables. The theory allows some voters to always vote for only one party. It requires only that there are some "swing" voters who are influenced by the economy.

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I have continued to update this equation. There have been 10 updates, spanning 40 years. Also, in 2009 I added equations explaining the two-party vote share for the on-term and mid-term House elections—Fair (2009). The same economic variables are relevant for the House elections as for the presidential election. The relevant equation for this paper is the mid-term House equation, and this is discussed below. I will not discuss the other two equations. The main reference is Fair (2009) plus the material on my website. The website contains all the updates, all the predictions, and an analysis of the accuracy of the predictions.

It is important to stress that this work is an attempt $explain$ voting behavior—to provide a causal explanation. The theory is that economic conditions cause (swing) voters to vote the way they do. I am not using surveys and polls and betting markets, which are not causal but just what people think at the time. They may be very useful for predictions, but this is not what I am interested in. That said, one can make a prediction of the vote share conditional on forecasts of the economic variables, which is what I have done over time. I first choose values of the economic variables (forecasts, guesses, etc.) and use these values to predict the vote share. Right before an election all the economic values are known, and I can use these values to make my final prediction of the vote share.

Also, note that I am using vote share, not votes in the electoral college or House seats. Vote share is clearly the best measure of overall voting behavior.

2 The Mid-Term House Equation

The sample period consists of 27 mid-term observations, from 1918 through 2022. The relevant period is the 7 quarters after the new president has taken office before the election. This is in contrast to the presidential election and the on-term House election, where there are 15 quarters after the new president has taken office.

Table 1 lists the variables that are relevant for the mid-term equation. V^{cc} is the variable to be explained. The two economic variables are a measure of the

rate of inflation during the 7 quarters, P^{cc}, and a measure of the growth rate of real per capita GDP during the 7 quarters, Z^{cc}. For the presidential and on-term equations the growth rate of real per capita GDP in the three quarters before the election is a significant explanatory variable, but this is not the case for the mid-term equation. The output variable that is significant is Z^{cc}, the number of strong growth quarters out of the 7. It is multiplied by 15/7 to make the units compatible with the presidential and on-term equations. Using the absolute value for P^{cc} assumes that both inflation and deflation are disliked by voters.

The values for the inflation and output variables were taken to be zero for the 1918, 1942, and 1946 elections since these values were strongly affected by the wars. The variable WAR is needed to pick up a different constant term in the equation for these three observations. It is not an important variable.

The estimated equation is presented in Table 2. The coefficients on the two economic variables are constrained to be in the same proportion as the respective coefficients in the presidential equation. This restriction is strongly supported by the data. The absolute size of the coefficients is smaller in the mid-term equation, but the proportion is the same. This is fairly strong support for the economic variables mattering.

The coefficient estimate of I, the party dummy, is -3.36. This says that the party in power has a penalty of 3.36 percentage points, consistent with the common view that the incumbent party on average looses votes in the mid term.

There is some serial correlation in the House vote in that $V^c_{-2} - 50$ is significant with a coefficient estimate of 0.695. The better a party does in the on-term House election, the better it will do in the mid-term House election, other things being equal. This is like an incumbency effect. The presidential vote share in the previous election, $V^p_{-2} - 50$, has a negative coefficient estimate, although it is not significant. The argument for this variable, discussed in Fair (2009), is that it may reflect a "balance" effect. Voters don't want to see one party become more dominate if it has done well in the presidential election.

Predicted values and error are presented in Table 3. The two largest errors in absolute value are -5.1 in 1934 and 5.3 in 2002. The root mean squared error is 2.10 not adjusted for degrees of freedom. In Table 2 the standard error is 2.39, which is adjusted for degrees of freedom.

Finally, Table 4 presents ex ante predictions and errors for the last 4 mid-term elections. An ex ante prediction is a prediction I made in October before the election using at that time the actual values of the economic variables, which were known. The mean absolute error for the four elections is 3.00 ex ante and 1.70 ex post. The ex post predictions have the advantage of using the latest values of the economic variables as opposed to the preliminary values that were available in October. They also have the advantage of being based on coefficients estimated through the entire sample period (ending in 2022).

3 Prediction for 2026

As of this writing data are available for the first six quarters of the second Trump administration. For these six quarters the growth rate of the GDP deflator is 3.90 percent at an annual rate and there are 2 strong growth quarters, 2025.2 and 2025.3.

Forecasts of the U.S. economy for 2026.3–2029.4 using my US macroeconometric model are on my website. There are no more strong growth quarters forecast, and inflation is predicted to be 4.96 percent at an annual rate in 2026.3. Using the actual values for 2025.1–2026.2 and the forecast values for 2026.3, the value of P^{cc} is 4.05 and the value of Z^{cc} 4.286.

The prediction also needs the values of the two-party Democratic vote share in the 2024 election for the president, V^p_{-2} and for the House, V^c_{-2}. The value of the former is 49.25 percent (Harris), and the value of the latter is 48.68 (House Democrats).

The following gives a breakdown of the prediction using the notation in Table 1 and the coefficient estimates in Table 2.

49.04	Constant term
3.36	Coefficient estimate of I times -1 (the Republican party in power in the White House).
-0.92	$0.695 \cdot (V^c_{-2} - 50) = 0.695 \cdot (48.68 - 50)$. House incumbency effect.
0.17	$-0.228 \cdot (V^p_{-2} - 50) = -0.228 \cdot (49.25 - 50)$. Estimated effect from the size of the presidential vote share in the last election (balance effect).
51.65	TOTAL so far
1.50	$-0.370 \cdot P^{cc} \cdot I. Assuming P^{cc} = 4.05$. Inflation effect.
-2.26	$0.528 \cdot Z^{cc} \cdot I$. Assuming 2 strong growth quarters, where $Z^{cc} = (15/7) * 2 = 4.286$.
50.89	PREDICTED VOTE SHARE FOR THE HOUSE DEMOCRATS

The prediction shows that the Democrats lose more from output growth than they gain from inflation (-2.26 versus 1.50). The Republicans benefit from the fact that the second are third quarters of 2025 are strong growth quarters.

The Democrats are hurt somewhat by the House incumbency effect (-0.92). They are helped slightly by the balance effect, but only slightly (0.17). The main positive effect for the Democrats is the estimated 3.36 gain from the fact that the Republicans are the party in power in the White House. The estimated constant term is slightly in the Republican's favor (49.04).

The bottom line is that the election is predicted to be close, with a slight edge for the Democrats.

Table 1
Variables for the Mid-Term Equation

Variable	Definition
V^p	Democratic share of the two-party presidential vote.
V^c	Democratic share of the two-party on-term House vote.
V^{cc}	Democratic share of the two-party mid-term House vote.
I	1 if there is a Democratic presidential incumbent at the time of the election and -1 if there is a Republican presidential incumbent.
WAR	1 for the elections of 1918, 1942, and 1946, and 0 otherwise.
P^{cc}	absolute value of the growth rate of the GDP deflator in the first 7 quarters of the administration (annual rate) except for 1918, 1942, and 1946, where the values are zero.
Z^{cc}	$\frac{15}{7}$ times number of quarters in the first 7 quarters of the administration in which the growth rate of real per capita GDP is greater than 3.2 percent at an annual rate except for 1918, 1942, and 1946, where the values are zero.

• Sample period: 1918, 1922, . . . , 2022.

Table 2
Estimated Equation
The Dependent Variable is V^{cc}

$Index$	0.610
	(2.49)
$P^{cc} \cdot I$	*−0.370*
$Z^{cc} \cdot I$	*0.528*
I	−3.36
	(−3.87)
WAR	0.30
	(0.17)
$CNST$	49.04
	(81.75)
$V^c_{-2} - 50$	0.695
	(4.07)
$V^p_{-2} - 50$	−0.228
	(−1.75)
SE	2.39
R^2	0.763
No. obs.	27

- Estimation method: OLS.
- t-statistics are in parentheses.
- Estimation period: 1918–2022.
- $Index$ is $-0.606 \cdot P^{cc} \cdot I + 0.865 \cdot Z^{cc} \cdot I$.
- The hypothesis that the weights in this index are correct is not rejected: F-value of 0.023, which with 1,20 degrees of freedom has a p-value of 0.878.
- Values in italics are implied values.

Table 3
Predicted Values and Estimated Residuals

t	Act. V^{cc}	Pred. $\hat{V}^{cc}$	$\hat{u}^{cc}$
1918	45.1	44.8	-0.3
1922	46.4	44.6	-1.8
1926	41.6	43.2	1.6
1930	45.7	47.9	2.2
1934	56.5	51.4	-5.1
1938	50.8	52.1	1.3
1942	47.7	46.9	-0.8
1946	45.3	46.3	1.0
1950	50.0	50.7	0.6
1954	52.5	52.7	0.2
1958	56.0	54.6	-1.4
1962	52.5	54.2	1.7
1966	51.2	52.9	1.7
1970	54.4	53.9	-0.5
1974	58.5	57.7	-0.9
1978	54.4	52.2	-2.2
1982	56.0	54.9	-1.1
1986	55.1	56.1	1.1
1990	54.2	55.2	1.0
1994	46.5	48.2	1.7
1998	49.5	47.6	-1.9
2002	47.6	52.9	5.3
2006	54.1	50.6	-3.5
2010	46.6	49.5	3.0
2014	47.0	47.3	0.3
2018	54.4	52.2	-2.3
2022	48.4	47.2	-1.2
RMSE			2.10

- $\hat{u}^{cc} = \hat{V}^{cc} - V^{cc}$.
- RMSE = root mean squared error, not adjusted for degrees of freedom.

Table 4
Ex Ante and Ex Post Predictions
Democratic Share of the Two-Party Vote

Mid-Term House Equation					
		Ex Ante		Ex Post	
	Act.	**Pred.**	**Error**	**Pred.**	**Error**
2010	46.6	49.2	2.6	49.5	3.0
2014	47.0	50.9	3.9	47.3	0.3
2018	54.4	50.7	-3.7	52.2	-2.3
2022	48.4	46.6	-1.8	47.2	-1.2
MAE			3.00		1.70

- Ex Post forecasts from Table 3.
- Ex Ante forecasts explained in the text.
- MAE = mean absolute error.

References

[1] Fair, Ray C., 1978, "The Effect of Economic Events on Votes for President," *Review of Economics and Statistics*, May, 159–173.

[2] Fair, Ray C., 2009, "Presidential and Congressional Vote-Share Equations," *American Journal of Political Science*, January, 55–72.