

THE BROOKINGS INSTITUTION
Brookings Cafeteria Podcast
Myths about the 2018 midterm elections
October 12, 2018

CONTRIBUTORS

HOST:

FRED DEWS

JOHN HUDAK

Senior Fellow, Governance Studies

Deputy Director, Center for Effective Public Management

DAVID WESSEL

Senior Fellow, Economic Studies

Director, The Hutchins Center on Fiscal and Monetary Policy

DEWS: Welcome to the Brookings Cafeteria, the podcast about ideas and the experts who have them. I'm Fred Dews. This is the first episode in a special Brookings Cafeteria series on issues in the 2018 midterm elections that will air from now through Election Day on November 6. Since we have so many topics to cover, you'll get episodes on Tuesdays, in addition to our usual Friday publication day.

Upcoming episodes will include the shape and state of local races, the extent of Russian interference in the midterms, and whether last year's big tax law change will have any effect on the outcome. To kickoff to special series, I'm joined in the Brookings Podcast Network studio by John Hudak, Senior Fellow in Governance Studies and Deputy Director of the Center for Effective Public Management here at Brookings. He's appeared on numerous episodes of our podcasts to speak on a variety of issues including how to fix America's broken marijuana policies, and why President Trump won't be removed by the 25th Amendment, and today I'll get his analysis of the shape of the 2018 midterms.

Also in today's program, you'll hear another installment of Wessell's Economic Update with Senior Fellow David Wessel, Director of the Hutchins Center on Fiscal and Monetary policy. You can follow the Brookings Podcast Network on Twitter @policypodcasts. To get the latest information about all of our shows and visit us online at [Brookings.edu/podcasts](https://brookings.edu/podcasts). For more analysis from Brookings experts on the upcoming elections, go to [Brookings.edu/2018-Midterms](https://brookings.edu/2018-Midterms). And now on with the interview. John, welcome back to the Brookings Cafeteria.

HUDAK: Thanks for having me.

DEWS: It's great to see you and its great kickoff this special election series with you. So let's talk about myths and the 2018 elections. I heard one of our colleagues talk about the Primaries Project that you, and Elaine Kamarck, and others have been doing. And she said that reality doesn't reflect prevailing narratives based on the data that you and others have discovered. So what is a big misconception or myth that people have now

about the midterm elections?

HUDAK: Well, I think the biggest myth right now is that historical trends that is that the president's party loses seats in a congressional midterm is necessarily predictive of the future. It is true that on average, the President's party loses about 27 seats in the House in a midterm. But that's not necessarily what happens every year, sometimes that number is smaller, sometimes that number is larger. In two fairly recent midterms in 1998 and in 2002, the President's party picked up seats in the House in the midterms. And so I think that for some people they either write off an election as a loss if you're a Republican, or they take for granted an upcoming win if they are Democrats. And the reality is, that on a race by race basis, and even nationally, the sands can shift very quickly, and if a party or a candidate or even a voter is not prepared for that, they can be quite surprised come election night.

DEWS: I want to emphasize to listeners that we're not here to talk about specific races, we're not talking about the horse races or particular candidates. We're talking about data and trends and what they say. Based on what you saw in the primaries, this could be another myth, are Democratic candidates more to the left than they ever have been? We've seen a lot of very pronounced progressive candidates win their races, but is that really what the Democratic Party is offering in 2018?

HUDAK: Well there's two types of candidates in any midterm. There are newcomers or challengers, and there are incumbents. In this year for instance, there are certainly a number of very liberal, very progressive candidates who are further to the left than the average House Democrat is right now. That's not to say the entire pool of Democratic candidates, however, have shifted, nor the House whatever its makeup after this election, is going to be significantly more liberal, at least among Democrats. Now, among the candidates who are the most progressive, we're seeing them popping up in two types of seats. One type of seat are those that are already very liberal, and so I think some people

look at that and say well it's a problem for the Democratic Party if it shifts too far to the left but in reality, many of these seats that have a lot of liberal voters are extremely liberal seats are actually well represented by someone who is extremely liberal.

And so while incumbents are doing very well this year, only two House Democratic incumbents and two House Republican incumbents have lost primaries, it is true that there have been a lot of open seats and those are being filled or will likely to be filled by people who pretty well reflect those districts. The other type of district are ones that are a bit out of reach for Democrats that is seats that are pretty solidly Republican. We are actually seeing a lot of very liberal candidates running in those seats, that is not characteristic, that is not necessarily even a path to victory for those Democrats. But the reality is, these are seats that are going to be really tough for Democrats anyways, and so the likelihood that those Democrats, those very liberal Democrats end up getting elected is pretty low.

That said, there are a lot of establishment Democrats running for office and succeeding in running for office and will likely win their races come November, and so because of that, while there are a lot of more liberal candidates running than traditionally, I don't think that that's necessarily going to reflect what the House Democratic Caucus looks like in January.

DEWS: Now on the Republican side, some people have looked at the outcome of the primaries and suggested that the candidates who fully embraced Donald Trump are the ones who did really well, that the GOP is really now becoming the party of Trump. Now those are maybe two separate issues, but can you comment on that proposition that the GOP is the party of Trump?

HUDAK: I think we have a lot of high profile, anecdotal evidence that the candidates who embrace Trump or the reverse, the candidates who Trump embraces, are the ones who are most successful. However, there are a lot of races going on, right. 435 House seats are up this year, a third of the Senate is up this year. And what we found in The

Primaries Project is that the President is actually mentioned on campaign Web sites far less than you would anticipate. And people who embrace Trump, win elections and people who reject Trump among Republicans also win elections. And so I think you're right, there are two separate issues. Is the Republican Party the party of Trump? And that is separate from what are the candidates doing and how are they talking about the president. Surely, there are candidates who are hitching themselves to the President, hoping to ride his coattails, recognizing that he is very popular in their congressional districts or in a few cases in their states, among senators, and that their path to success runs through the White House.

For many, many others, however, the President is unpopular in many states across the country and in many congressional districts, and there is a risk. Even if you like the President, if you're a Republican candidate for office and you like the President, even if you agree with him on a lot of policies, even controversial ones, your path to victory may not run through the White House. And in that case, you either distance yourself from the president or you act like someone else as President. You never bring his name up.

DEWS: So I know I didn't want to talk about specific races, but there is one that comes to mind because that's pretty close to where I live. It's not my district, but it's the Virginia 10th, a Democrat running against an incumbent Republican and a new survey just came out and it suggested that one of the top issues for people supporting the Democrat is that they don't like President Trump. So it has a suggestion that at least in that district, that that race is a referendum on President Trump. Do you think it's fair to extend that out to kind of the overall landscape, especially from the Democratic point of view that the House races maybe the Senate races maybe not so much are a referendum on President Trump?

HUDAK: Well Virginia's 10th District is a unique district. There's a lot of federal employees there. It is a district that has become increasingly Democratic over time, even though it is currently held by a Republican member of Congress. And I think the reflection

there of Democratic voters who were voting because of the President, is certainly not necessarily a unique trend. There are a lot of Democrats who are going to the polls to vote against the President. But, most of these races deal with a lot of local issues or issues of personal interest to that district and in the absence of those, yes, the President can play an extraordinarily powerful role, positively or negatively in a race.

That said, any midterm election is a referendum on the president. What the president has done in this case, in his first two years in office, the types of policies that he supports, the types of policies that he rejects, his handling of the job more generally all factors in the way in which voters assess the state of affairs in the United States right now. So that's not necessarily saying that people go in and say I love Trump, I'm voting Republican or I dislike Trump, I'm voting Democrat, but it offers a lens through which individuals evaluate contemporary policy and whether those are policy successes or whether they are policy challenges. I think for a lot of voters, especially voters in the middle who often get lost in the conversation, but its voters in the middle who will decide this election, who will decide control of the Congress. For them, there are a lot of them who voted for the President who listened to the rhetoric in the 2016 presidential campaign and believed both the President and his campaign promises. And as they go back and see whether he has delivered on those promises, whether he has been the President who he promised to be, and whether they like who that President is, is going to be pretty determinative of both how an individual moderate voter votes, and ultimately how a lot of races across the country go.

DEWS: Now we've given a lot of thought in the conversation over the last few weeks to the House races because that seems to be the one chamber of Congress that Democrats have the best chance of taking over in the election. The dynamics in the House races are then much different than the dynamics that affect the Senate races. Can you talk about your thoughts about the shape of the races for the U.S. Senate?

HUDAK: Sure. So first off, you're absolutely right. The House is much more competitive. The Democrats need 23 seats to flip this year in order to take control of the House. If you are a Democratic voter or a Democrat in Congress, you would probably much prefer somewhere in the range of 35 to 40 seats flipping so that you have a more comfortable majority, but 23 seats is all that it will take. The entire House of Representatives is up for re-election. There are somewhere in the neighborhood of 70 competitive House seats this year, and about 63 to 65 of them are held by Republicans, and Democrats are favored in most of those races, in fact almost all of them. So that makes the House competitive.

The Senate is different because the Senate elects a third of its body every two years. The group of Senators who are up for re-election this year in 2018 were the Senators who were elected when President Obama was re-elected. And so because of that, there is a bit of a Democratic hue to the candidates who are up this year in the Senate. Because of that, there are 10 Democratic incumbent senators or 10 Democratic seats up for election this year in states that President Trump won. Now, some of those are not competitive like Pennsylvania, that's just not a competitive race this year for a variety of reasons. But others are more competitive in more swing states, like Florida. Incumbent Senator Bill Nelson is running against Governor Rick Scott, that's essentially a tied race. In other states, Democrats hold Senate seats in very Republican states like North Dakota or Missouri, and in those states, there is a real risk that Democrats will lose seats. The expectation right now I would say is that if the Democrats maintain the number of seats that they have currently, that would be a win for them given how vulnerable several incumbent Democratic senators are.

Now, all that said, the competitive seats are not just ones in Democratic held states. Texas has a competitive Senate race this year. Beto O'Rourke, who's a Congressman from the El Paso area is taking on incumbent Senator Ted Cruz, that race is a tie. There is

a Senate race in Arizona, there's actually two in the next couple of years, but one Senate race this year is Jeff Flake retires, that is competitive, that's essentially a tie. There's a Senate race in Nevada where Dean Heller is running in a close re-election fight with Congresswoman Jacky Rosen that is a very close race. And then finally, in Tennessee which is a Republican held seat Senator Bob Corker is retiring, Congresswoman Marsha Blackburn is taking on former Governor Phil Bredesen. These are four seats that could flip from Republican control to Democratic control. And if that happens, it makes the Senate tossup more interesting. That said, it would require probably a massive blue wave in the House, massive by the standards that we are just not seeing in the data right now in order for the Senate to move in a Democratic direction.

HUDAK: Well let's stick with the idea of data and I think that's so interesting to try to explore, if you would, some other myth or misconception that people have about the 2018 midterms that you can analyze with the data that you have.

HUDAK: Sure. So I won't say this is necessarily a myth, but one of the storylines that has been in the media for the past couple of months is about the number of women running for office. Our data suggest that not only have a lot of women chosen to run for office in Congressional primaries, but a lot of women have won their primaries. We have races in places that have never seen a woman elected to the office that is up for election this year where two women are running against each other. So it will absolutely be a female holding that seat. In other cases, you are seeing very well-funded, very well prepared, very effective, female candidates for office challenging incumbents and doing very well in the polls. This is in part, I think growing out of a backlash against the President and his policies and frankly personal behavior towards women, and I think that this becomes more intense given the recent Supreme Court nomination battle.

At the same time in sort of spring boarding off of that, you've heard a lot about the fall out of the Supreme Court nomination of Brett Kavanaugh. There's this idea that the

fight energized Republicans, and while early on, there were suggestions that there was a mobilization among Republicans, the first polls that we're seeing after the fight is suggesting exactly the opposite. That Democrats, and particularly single Democratic women have been moved and inspired by Dr. Ford in her testimony before the Senate Judiciary Committee. And both Brett Kavanaugh's testimony and the President and other elected Republicans responses to this fight has really become a rallying cry for women.

If that is the case, and not only if women are voting in higher numbers for Democrats than they normally do, and of course they almost always do. But if turnout among women is significantly higher in this race, that is something that will likely translate into a very good night for Democrats. And so I think, as I said it's not really a myth, but it's been a series of stories about the role of women and the role of women's issues in this election, and what it points to has been a roller coaster so far, and a rollercoaster that I think still probably has a couple of more bumps and spins and twists between now on October 11th when we're taping this and Election Day on November 6th.

DEWS: Well you just mentioned voter turnout, and that always strikes me as one of the big ifs. Now while single women might turn out in much larger numbers, what about the younger voters who tend not to turn out as much anyway, and this is the midterms and we've seen voter turnout is usually lower in midterms than in general election year. So what are your expectations about voter turnout in 2018 what's going to drive voter turnout?

HUDAK: So I think one of the myths is that people who are angry always turn out. Now, people who are angry certainly tend to turn out in higher numbers than people who are not angry, but the idea that an issue this divisive naturally translates into a certain level of turnout among certain groups just necessarily isn't the case, or it doesn't have to be the case. And so I think people take for granted certain aspects of issues driving turnout. But the reality is parties still have to work very hard to turn voters out. Now, all that said, you're right that voter turnout is lower in midterms than it is in presidential elections. We also

have evidence that among certain groups, like young people, that lower turnout is enhanced, that is even lower than we would expect. What that does however, is it creates a liability and an opportunity for Democrats. The liability is if this midterm in 2018 looks a lot like the last midterm in 2014 it's going to be tough for Democrats, that is if turnout is the same.

But the opportunity is that you can mobilize voters around certain issues and among young people, among women, among Latinos, among African-Americans, there are a lot of issues to point to. Whether it is the detention of children at the U.S.-Mexico border, whether it is the elevation of Brett Kavanaugh to the Supreme Court, whether it is the day to day issues such as student loan debt, gun violence in schools, there are so many issues that Democrats can connect to these nontraditional voters with, that they almost have a treasure chest of them. The reality though, is Democrats can fail miserably at messaging. They're actually really good at failing miserably at messaging. And if they fail this year, they risk not taking the House back, or they risk taking the House backed by a small margin, but what they risk most is a really historic opportunity to do well in the polls against a President who is historically unpopular. And if they pass this up, I think it raises questions about the party's viability in 2020 and in elections moving forward.

DEWS: I feel like we should address the issue of voting procedures that have been enacted in a lot of states that tend to make it more difficult for certain demographics to vote. So that despite all the enthusiasm that might exist on the Democratic side to mobilize people, all of the issues they can respond to, if they find that because of voter ID laws or voter registration issues, that they can't actually vote, then all that enthusiasm won't matter because they can't overcome those institutional barriers. What are your thoughts on that?

HUDAK: I wouldn't go so far as to say that all that enthusiasm wouldn't matter because there will certainly be people who were enthused by issues who go to vote, and they will be able to vote, even if they are in nontraditional voting groups, or as you said

voting groups that tend to be disproportionately affected by these types of voter registration challenges or voter disenfranchisement efforts. Those groups tend to be poor Americans, they tend to be Americans of color and they tend to be younger people, those who are most disproportionately affected by voter ID laws, changing voter ID laws, picture requirements on IDs, and voter registration purging, those are the ones that tend to hurt people the most.

We saw stories from 2016 where there were voters in places like Wisconsin, by the tens of thousands who were showing up to the polls and they weren't registered, they weren't registered properly, their voter registration had been purged, or for whatever reason they were unable to vote. In a state that was decided by a couple of 10,000 votes, that can be a meaningful outcome. And so there are two types of voters who face this challenge. One are voters who are what I would say being discriminated against. That is there is a purposeful, partisan effort to make sure that people who look a certain way or vote a certain way cannot vote. That is really I think politics at its most despicable. There's another group of voters though, and there is some overlap especially among younger people and others who simply don't put in the time, or don't put in the effort, or don't work to understand what voter I.D. rules require, even if they have the time, even if they have the knowledge, and even if they have the opportunity to comply with voter registration laws, they simply choose not to. And then they go to the polls, and they try to vote, and they can't. And so those are two very different camps of people in terms of where blame rests.

But ultimately, people aren't voting because of what happens, whether it's their own fault, or whether it's a more coordinated political campaign. Either one has political implications. Either one has consequences. And so in the lead up to the polls, to the election in November, people need both to understand who the candidates are and what they stand for, but they also need to understand whether they register to vote, whether they have the proper identification, whether they bring that proper identification with them to the

polls, and if they are facing discriminatory events, who to reach out to in a pinch if they're at the polls and they're turned away improperly from voting.

DEWS: I want to wrap up this conversation, John, by asking you to reflect on what you will be looking at, what trends what issues you're going to be looking at over the next few weeks in the run up to the midterm elections.

HUDAK: So there's really three issues that I'm going to be looking out. One is the economy. As we're taping this, the Dow has come off its third worst point loss in history. The futures this morning pointed to a stock market that was opening much lower. And I won't say that that's necessarily indicative of a forthcoming recession. David Wessel, who's going to be speaking on this program later, will have a much better wrap of the current state of the economy. But from a purely political perspective, perception is everything. And if voters perceive that the economy is softening, even if it is not softening, the president and his party are held to account. So let me give you a good example of this happening in 1992, the U.S. economy was in recession, and incumbent President George H.W. Bush was running for re-election. On Election Day, the recession was actually over, the American economy was in recovery. The problem for President Bush was nobody knew. And so if you look at perceptions of the American economy in November of 1992, they were pretty poor. President Bush was hurt badly by this. Months and months and months later, when you looked at the economic numbers from the fall of 1992, you saw that the economy was actually doing well. And so that disconnect between perception and reality can really hurt a president. And so depending on how the month of October goes, if it ushers in a period of bad stock market numbers which the president takes credit for good stock market numbers, he puts himself in a tough position. And if there's any other negative economic news, that can really hurt the president's party.

The second is how the conversation around issues that are relevant to women proceed. If the type of conversation around sexual harassment and sexual assault that

was made so raw by the Brett Kavanaugh nomination continues to take hold of the American political conversation, that is something that will certainly hurt Republicans because it will motivate women to come out to vote and to vote against the party that has a much worse record on this issue.

The third issue I'm going to be looking at, and this would be sort of an election night issue is to look at some key bellwether states in bellwether races. If you see incumbent Republicans losing seats on election night early on in states with early poll closures in places where they weren't expected to be competitive, if you see a place like Texas' Senate race breaking for the Democrat, you're going to see a very difficult night for Republicans. That said, if you see a place like Virginia's 10th for instance, breaking toward the Republican, that's going to mean a long night for Democrats. That's going to mean that Democrats have not done an effective job at turning out the people they need to turn out, or capturing the political conversation in the way that they need to. And so looking at those states in those races early on oftentimes gives us a pretty good idea of what is going to happen. If you rewind to election night 2016, when you look at some of the earlier states that were supposed to go toward Hillary Clinton pretty early like Pennsylvania and Ohio, and you saw that they were not that, they were too close to call. When you saw that states that Clinton should have easily won were too early to call after polls closed, that suggested something was happening in the electorate. And what did we see? We saw a red wave, we saw a wave toward Trump where it seemed like every state was breaking toward Trump. That tends to happen in elections that things break in a certain way. And my guess is 2018 is going to be no different. I don't know which way they're going to break. History suggests that they should break toward Democrats, but those early seats, early in the night if you're starting to see a trend develop that is either unanticipated, unanticipated can go in two directions: one being a movement toward Republicans or one being just an overwhelming blue wave unprecedented by the standards we're expecting, that can point

toward what the rest of the country is going to do throughout the rest of the night.

DEWS: Well John I want to thank you for sharing your time and expertise. This has been a great way to kick off our 2018 Midterm election podcast series so thank you.

HUDAK: Thank you.

DEWS: For more analysis from Brookings experts on the upcoming election you can go to [Brookings.edu/2018-midterms](https://www.brookings.edu/2018-midterms). And now, here is Senior Fellow David Wessel with his thoughts on the Federal Reserve recent action on interest rates.

WESSEL: I'm David Wessel, and this is my economic update. Some things in Washington are surprises these days, but some are predictable. Here's one of the latter. When the stock market went up, President Trump took credit. When the stock market went down as it did this week, President Trump blamed the Federal Reserve. The Fed, he said, is crazy. Now, the Fed of course is raising interest rates after years of holding them at extraordinarily low levels. That has annoyed the president who, by his own description, is a low interest rate person, as most real estate developers are and frankly as most US presidents have been. Let's get one thing out of the way. The Fed may be making a mistake, but it is not crazy. Here's how the world looks to Jay Powell, the man who was appointed Fed chair by President Trump. It was a long slog, but the economy has finally recovered from the Great Recession. Inflation has finally come close to the Fed's two percent target. And at three point seven percent unemployment, the economy is at or very near to full employment. Given the short term boost to the economy from the Trump tax cut, the economy is growing at what is probably an unsustainably fast pace. In other words, demand is growing faster than supply, and that is likely to push up the pace of price increases, inflation.

So the Fed figures it's time to take its foot off the gas pedal and it has lifted its key benchmark short term interest rate to between 2 percent and 2 and a quarter percent, which is around zero if you adjust for inflation. The Fed has not put its foot on the brake

pedal yet, though several Fed officials would like to tap the brakes next year unless the economy slows substantially. This is all pretty standard textbook monetary policy. Sure, everyone would prefer an economy that grows faster and creates more good paying jobs. But the Fed's job is to look ahead and to say that a little restraint now, even if it means fewer jobs and higher mortgage rates is better than letting the economy overheat. And forcing the Fed to slam on the brakes and cause a recession.

Here's the tricky part. Forecasting the economy is always hard. Forecasters and the models they use basically try to draw lessons from the past and apply them to today. But the past is not always prologue. Based on history, for instance, we would have expected wages to be going up much faster today than they are. So maybe the economy has changed so much, perhaps workers have less bargaining power so that employers don't have to raise wages now. Maybe the economy has changed so much that the Fed shouldn't worry so much about incipient wage inflation. Perhaps the spread of online shopping has made it so much harder for companies to raise prices that the Fed shouldn't worry so much about incipient price inflation. Perhaps the safe speed limit for the economy, the pace at which supply increases as fast as demand, is a little faster than most of us anticipated, so the Fed should relax, but perhaps the good times are just about over. Maybe Trump's trade war with China or something else is going to hurt the economy in the coming months.

None of that means the Fed should hold interest rates where they are today. They're still very low given the state of the economy. But, this does influence how far and how fast the Fed should be raising rates. Monetary policy is often made to be more complicated than it really is. Right now, Jay Powell and his colleagues at the Fed are trying to avoid two big mistakes. One, raising interest rates too much and choking off economic growth unnecessarily, perhaps even causing an unwanted recession. Two, raising interest rates too slowly so we end up with an unwelcome burst of inflation. And then thinking

about that, Fed officials are asking themselves what are the consequences of being wrong? What's worse: raising rates too much and risking a recession or raising rates too little and risking inflation? In Fed speak, this is called risk management. If you listen to Fed officials talk about the interest rate outlook these days, what you hear is a disagreement about which risk is worse.

One side wants to be very cautious, moving rates slowly to avoid overkill. The other side wants to be more aggressive, moving rates up faster so inflation won't appear. In the U.S., as in nearly all capitalist democracies, politicians decided wisely in my view, not to make these decisions themselves. But instead to give the central bank some clear objectives: price stability and maximum sustainable employment in the US, put some smart people in charge. And let them decide what's best given all the inevitable uncertainties and complications. And that is what the Fed is doing with more care and more thoughtful deliberation and we see these days either in the White House or in the Congress.

DEWS: "The Brookings Cafeteria" podcast is the product of an amazing team of colleagues, including audio engineer and producer Gaston Reboredo, with assistance from Mark Hoelscher. The producers are Brennan Hoban and Chris McKenna. Bill Finan, Director of the Brookings Institution Press, does the book interviews, and Jessica Pavone and Eric Abalahin provide design and web support. Our interns this semester are Churon Bernier and Tim Madden. Finally, my thanks to Camilla Ramirez and Emily Horne for their guidance and support. "The Brookings Cafeteria" is brought to you by the Brookings Podcast Network, which also produces "Intersections" hosted by Adriana Pita, "5 on 45", and our events podcasts. E-mail your questions and comments to me at BCP@Brookings.edu. If you have a question for a scholar, include an audio file and I'll play it and the answer on the air. Follow us on Twitter @policypodcasts. You can listen to "The Brookings Cafeteria" in all the usual places. Visit us online at

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