

What Will Matter Most in the 2026 Midterms?

From competitive races to key voter dynamics, several factors could shape the 2026 midterms and what comes next in Washington.

What You Should Know

- Democrats have more opportunities to gain ground in both chambers, but the path to control isn't straightforward. The congressional map, individual candidates, and turnout could all shape how far any gains extend.
- Recent midterms show that the president's party can lose significant ground in the House, although the size of those losses has varied considerably from one election to the next.
- Independent voters may be an important factor, but where they lean is only part of the equation. Lower motivation among these voters could limit how much their current preferences ultimately affect the results.
- A change in congressional control could shift legislative priorities and oversight, but a divided government may also limit the scope of what lawmakers can accomplish. Broader economic, policy, and geopolitical issues will remain in play regardless of the outcome.

**JT Taylor**

Chief Political Strategist
Macro Policy Sector Head
Hedgeye Potomac Research

Much of what happens in Washington over the next two years will hinge on the 2026 midterms. Control of Congress is at stake, and the results will shape both President Donald Trump's agenda and lawmakers' legislative priorities. With several races becoming more competitive, exactly what that balance of power will look like remains unsettled.

Recent developments have generally moved in Democrats' favor. They've gained ground in a number of House and Senate races, including some in traditionally Republican territory. Those shifts come against a challenging national backdrop for Republicans: Trump's approval rating recently fell to 31%,¹ while Democrats have maintained an advantage in generic congressional ballot polling.

But national trends only tell part of the story. Individual races, local dynamics, and voter turnout will ultimately determine whether Democrats' recent gains translate into a shift in control.

A Competitive House Map Puts Control in Play

Democrats need a net gain of just three seats to take control of the House, and their opportunities have been expanding. Recent race ratings show Republicans defending competitive districts and open seats in traditionally Republican territory.

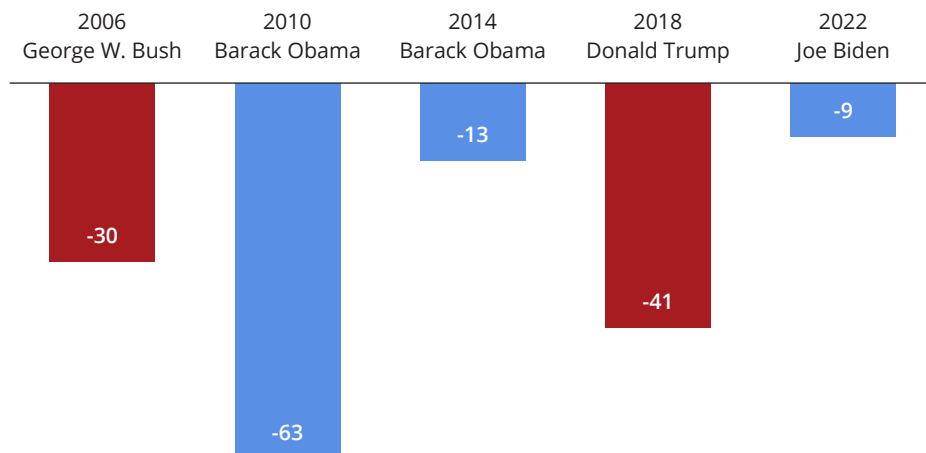
The movement isn't limited to the usual battlegrounds, though. Several districts that backed Trump by double digits in 2024 have become more competitive, while a growing number of Republican-held open seats don't have the advantage of an incumbent. That expands Democrats' path to a House majority, but it doesn't guarantee a blue wave. Republicans still benefit from the current congressional map, while candidate quality, local dynamics, and turnout could determine how far the pendulum swings.

There's plenty of historical precedent for significant midterm losses. Republicans lost 41 House seats under Trump in 2018, while Democrats lost 63 during President Barack Obama's first midterm in 2010 (FIGURE 1). But the comparison only goes so far. Increased polarization and redistricting have made today's House map less susceptible to dramatic swings, potentially putting a ceiling on Democratic gains even in a more favorable national environment.

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A broader path to a House majority doesn't guarantee a Democratic wave.

FIGURE 1
Midterms Have Historically Cost the President's Party House Seats
Net House Seat Change, 2006–2022



Source: The American Presidency Project, "Seats in Congress Gained/Lost by the President's Party in MidTerm Elections," 2026.

Several States Could Tip the Balance in the Senate

The fight for the Senate has also tightened. Republicans hold a 53–47 majority, leaving Democrats needing a net gain of four seats to take control. With competitive races stretching across an unusually broad map, the chamber is firmly in play.

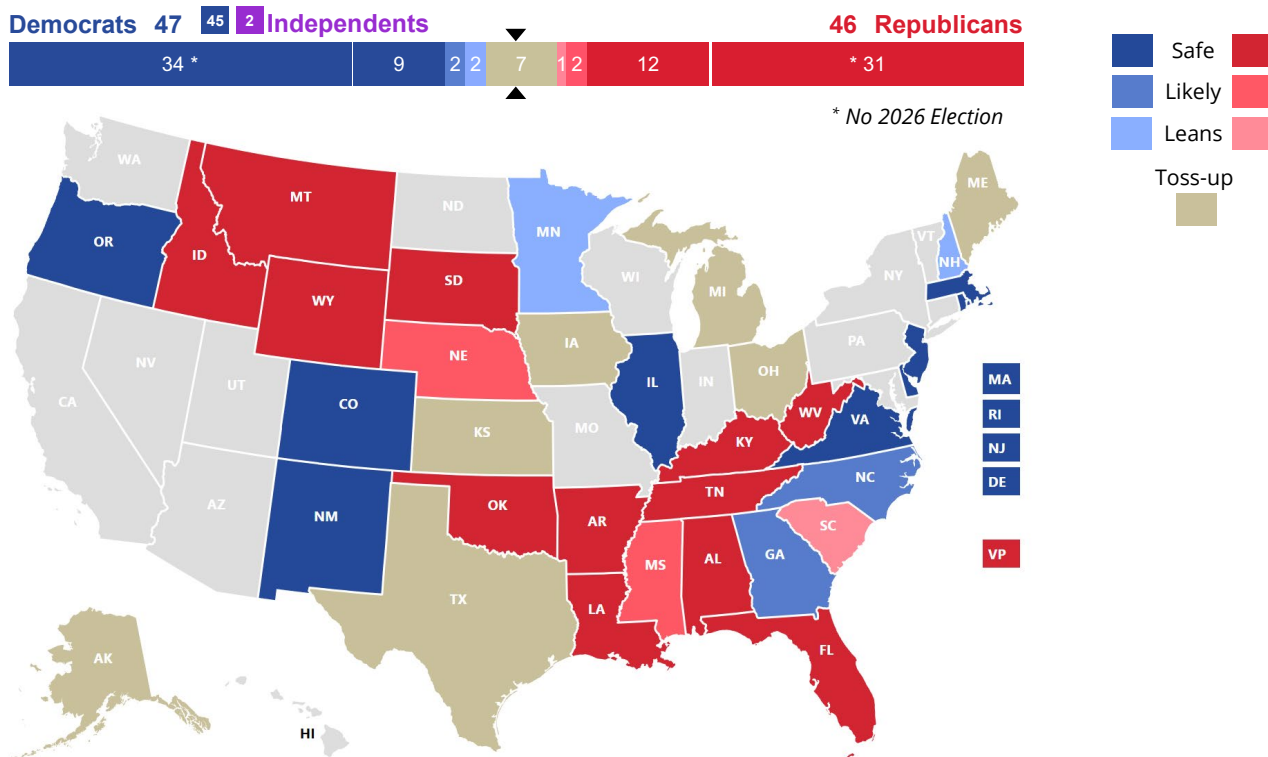
Texas has emerged as one of the cycle's most competitive and closely watched races, with Democrat James Talarico and Republican Ken Paxton essentially neck and neck. But Democrats' opportunities extend beyond Texas. Alaska, Maine, and Ohio are among the states with tightly contested races, giving Democrats several potential pickup opportunities.

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The broader map is also forcing Republicans to defend territory that would normally attract less attention. Races in states such as Kansas and Iowa have become increasingly competitive, while New Hampshire has moved toward Democrats. Even Mississippi has drawn additional Republican attention late in the race. Taken together, those developments suggest neither party can afford to focus solely on the traditional battlegrounds.

Democrats still have work to do to gain the four seats they need, and Republicans have a clear path to retaining control. But with more races in play, the battle for the Senate has expanded well beyond where it began.

FIGURE 2
A Competitive Map Keeps Senate Control Uncertain
2026 Senate Race



As of 10/23/26. Arrows above the map indicate the controlling party. In a 50-50 Senate, control is determined by the vice president (VP), who may cast tie-breaking votes. Source: Cook Political Report via 270toWin.

For Independent Voters, Turnout May Be the Bigger Question

Independent and unaffiliated voters are another group to watch closely as Election Day approaches. That's particularly true given the growing share of Americans who don't identify with either major party. If Democrats maintain their current advantage among these voters, it could have meaningful implications for the midterms.

Recent midterms show how much that margin can vary. Independents favored Democrats by 12 points in 2018, when Democrats gained 41 House seats, compared with just two points in 2022. But with a sizable share of independents still undecided,

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their impact on this year's election remains difficult to predict.

The bigger question is whether these voters show up at all. In a Change Research poll conducted late this summer, just 58% of pure independents rated their motivation to vote at eight or higher on a 10-point scale, compared with 89% of Democrats and 82% of Republicans.² More strikingly, 12% of Independents rated their motivation at zero, vs. just 2% of Democrats and 3% of Republicans. That turnout gap could ultimately matter as much as which party they favor.

What Changes After the Midterms, and What Doesn't

Whatever the outcome of the midterms, the results will help shape the legislative and regulatory environment heading into 2027.

A shift in congressional control could redirect federal spending, regulatory oversight, and the legislative agenda, while new committee leadership could reshape negotiations around taxes, healthcare, financial regulation, and emerging technologies. A divided government, however, could make sweeping legislation more difficult, leaving executive action, agency rulemaking, and state policy to play a larger role.

The election could also usher in a sizable class of new lawmakers, bringing new priorities and potentially shifting the dynamics within both parties. A Democratic majority could put greater focus on affordability and congressional oversight, while continued Republican control of one or both chambers could bring a different set of legislative priorities and internal party considerations.

The election itself will mark a shift rather than an endpoint. Trade disputes, geopolitical conflicts, and other policy challenges will continue to shape the political landscape, even as the election resets the balance of power in Washington.

Talk to your financial professional to help make sure your portfolio is prepared for whatever happens in Washington, D.C.

About the Author:

James R. (JT) Taylor serves as Chief Political Strategist and Macro Policy Sector Head at Hedgeye Potomac Research. JT has extensive experience in both government and business in Washington, D.C., with a career spanning the legislative and executive branches as well as the financial-services industry. Prior to joining Potomac Research Group, he ran Pelorus Research, the US public-markets division of the Holdingham Group based in the United Kingdom. He previously led a policy research team as Managing Director at DeMatteo Monness. From 2002-2009, he was Managing Partner of Kemp Partners, a Washington, D.C.-based strategic consulting, business development, and marketing firm he founded with former Housing and Urban Development Secretary Jack Kemp in 2002. At Kemp Partners, he oversaw day-to-day operations and business development while managing client relationships in both the corporate arena and financial-service industries.

¹ Reuters, "Trump's Approval Falls to Record Low of 31% as Midterms Near, Reuters/Ipsos Poll Finds," 10/20/26.

² Source: FiftyPlusOne, "Independents Could Decide the Midterms, and They Aren't Happy," 8/14/26; Change Research poll conducted July 13–17, 2026.

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