



# How Does the Stock Market Respond to Midterm Elections?

The market tends to go up regardless of election results, although it may be rocky immediately after a vote. In the last 15 midterms, the S&P 500 fell four times within the first three months post-election. But in every election since 1962, the market was up six and 12 months later, regardless of who won or which party controlled Congress.

Year of midterm	President	Party	President's party: House Seats	President's party: Senate Seats	Before-midterm S&P 500 price performance Nov. 1 - Oct. 31 (12 months)**	S&P 500 price performance Nov. 1 - Jan. 31 (3 months)	S&P 500 price performance Nov. 1 - Apr. 30 (6 months)	S&P 500 price performance Nov. 1 - Oct. 31 (12 months)	
1962	John F. Kennedy		-4	+3	-17.6%	17.1%	23.5%	30.9%	
1966	Lyndon Johnson		-47	-4	-13.2%	8.0%	17.2%	17.1%	
1970	Richard Nixon		-12	+2	-14.4%	15.1%	24.8%	13.0%	
1974	Gerald Ford		-48	-5	-31.8%	4.2%	18.1%	20.5%	
1978	Jimmy Carter		-15	-3	0.9%	7.3%	9.2%	9.3%	
1982	Ronald Reagan		-26	+1	9.7%	8.7%	23.0%	22.3%	
1986	Ronald Reagan		-5	-8	28.5%	12.3%	18.2%	3.2%	
1990	George Bush		-8	-1	-10.7%	13.1%	23.5%	29.1%	
1994	Bill Clinton		-52	-8	1.0%	-0.4%	9.0%	23.1%	
1998	Bill Clinton		+5	0	20.1%	16.5%	21.5%	24.1%	
2002	George W. Bush		+8	+2	-16.4%	-3.4%	3.5%	18.6%	
2006	George W. Bush		-30	-6	14.2%	4.4%	7.6%	12.4%	
2010	Barack Obama		-63	-6	14.2%	8.7%	15.2%	5.9%	
2014	Barack Obama		-13	-9	14.9%	-1.1%	3.3%	3.0%	
2018	Donald Trump		-40	+2	5.3%	-0.3%	8.6%	12.0%	
<b>Average seat change:</b>			<b>-23</b>	<b>-3</b>					
					<b>Midterm average:</b>	<b>0.3%</b>	<b>7.3%</b>	<b>15.1%</b>	<b>16.3%</b>
					<b>Non-midterm average*:</b>	<b>10.7%</b>	<b>2.9%</b>	<b>4.2%</b>	<b>6.4%</b>

Data source: Bloomberg data, Oct. 31, 1961 to Dec. 31, 2021.

\* The average monthly price return of the S&P 500 in three-month, six-month and 12-month increments, starting in the month of November of every year since 1963 where there wasn't a midterm election held in that November

\*\* The average 12-month price return of the S&P 500 in the 12 months preceding a midterm election, where the last date of the price close as of Oct. 31 is several days before the November midterm election

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