

THE REFERENDUM MODEL

A 2010 CONGRESSIONAL FORECAST+

Michael S. Lewis-Beck
Department of Political Science
University of Iowa

Charles Tien
Department of Political Science
Hunter College & The Graduate Center, CUNY

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House Seat Change = Economy + Popularity + Midterm

House Seat Change = Disposable Income_{t-1} + Presidential Approval_{t-1} + Midterm_t

$$S = -41.94^* + 5.82^* I + .73^* P - 26.29^* M + e \quad (3)$$

(3.43) (3.48) (3.08) (-4.20)

$R^2 = .63$, $\text{adj. } R^2 = .59$, $\text{SEE} = 16.99$, $\text{D-W} = 2.09$, $N = 31$

S = seat change in the House of Representatives for the president's party

I = change in real disposable income during the first six months of the election year

P = Gallup presidential popularity rating in June of the election year

M = midterm dummy (0 = presidential election year, 1 = midterm election year),

figures in parentheses are t-scores,

* = statistical significance beyond .05,

R^2 = coefficient of multiple determination,

adj. R^2 = adjusted coefficient of multiple determination,

SEE = standard error of estimate

D-W = Durbin Watson statistic

N = elections between 1948 and 2008.

A Forecast for the House for 2010

To estimate seat change for 2010, we simply plug in the relevant numbers:

$$I = 2.03, P = 47, \text{ and } M = 1.$$

$$S_{2010} = -41.94 + 5.82 (2.03) + .73 (47) - 26.2 (1)$$

which leaves -22 Democratic seats.