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Justin M. Markon

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THE INFLUENCE OF ECONOMIC
PERFORMANCE IN THE 2014 MIDTERMS:
A GUBERNATORIAL TUTORIAL

AN HONORS THESIS

College of St. Benedict / St. John's University

In Partial Fulfillment
of the Requirements for All College Honors
and Distinction

in the Department of Political Science

by

Justin M. Markon

1 May 2015

PROJECT TITLE: The Influence of Economic Performance in the 2014 Midterms:
A Gubernatorial Tutorial

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ABSTRACT

Who is responsible for the state economy, and does it matter in electing the state chief executive? Until now, numerous researchers have examined the influence of the economy and other factors in gubernatorial elections. However, the most recent studies at the state level did not include economic conditions or found them to be insignificant. This project will examine the thirty-six gubernatorial elections in 2014 and analyze both national- and state-level economic indicators. After investigating the economic performance factors in relation to the election results, it appears that economic conditions did not influence vote choice in the November 2014 gubernatorial elections, a conclusion supported by recent scholars.

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INTRODUCTION

Few factors play as heavily in American elections as finances, on the national, state, and “pocketbook” levels. From President Hoover’s promise of “a chicken in every pot” to the Bill Clinton campaign’s oft-repeated reminder that “it’s the economy, stupid,” those running for the nation’s top seat have consistently pointed to the economy as an important institution (Gomez and Wilson 2001). In 2014, it was still a significant issue, topping a nation-wide survey by the Pew Research Center, with 80% of respondents rating “strengthening the nation’s economy” as a top priority for the president and Congress. “Improving the jobs situation” followed with 74%. These two issues were at the top of the list in January 2009 and 2013 as well, showing that the economy continues to be salient with the American populace (Pew Research Center 2014).

The economy is obviously an important foundation in our country, affecting every person. This paper focuses on economic conditions and the elections of state-level officials, specifically the governor. Economic factors, including the unemployment rate and personal income are just some inputs that may or may not influence an electoral outcome. By examining economic factors in light of referendum voting, this paper will add to the debate of how much the economy and other factors play a role in voting for governor.

BACKGROUND INFORMATION

In the last half of the twentieth century, the importance of state government grew along with its duties. Today, governors are in a stage of “executive leadership,” which is characterized by greater strength in the party and delivery of services (Harrigan and Nice 2013). The position of governor grew in prestige as well, now the second-most recognizable politician for most Americans, following the president. With a growing bureaucracy and budgetary authority, the governor’s seat is by far the most powerful in state-level politics. Additionally, the elections for governors have changed over the past fifty years, with most governors serving four-year,

renewable terms and being elected on the off-years of presidential elections (the “midterms”) (King and Cohen 2001). As responsibilities changed, including increases in governor’s salary and staff, it should follow that they could also devote more resources to pressing issues (Chubb 1988). However, the states and their governors are still at the whim of larger political forces, such as the national government and economy. Peltzman (1987) notes that governors oversee a very open economy without access to a large central bank, thus inhibiting their control of macro-level outcomes. Later, this paper will explore federalism and who has responsibility for the economy across the country.

The recent push toward more “entrepreneurial” economic development helps states nurture existing business through public-private partnerships, investment in research and development, and broader loan programs. This development counters locational policy which can create a ‘race to the bottom’ with states lowering standards and taxes to lure companies to locate there (Hart 2008). Governors across the nation use both strategies to spur growth, create jobs, and use the information as fodder to get reelected. Whether or not it works is a topic for a different project. This paper will instead focus on economic performance and how it affects elections for governor (along with other factors that play a role). If the economy was not an important factor in state-level elections, what else could explain the election results for the 2014 gubernatorial races?

Current Landscape

It is important to understand which states were involved in the 2014 midterms and the overall economic picture. In the 2014 elections, 27 (of 37 governors elected in 2010) defended their seats, New Hampshire’s governor elected in 2012 ran for reelection, eight states had open seats, and Utah did not have an election in 2014. In the eight open races, four governors were forced out by term limits, three did not run or retired, and Hawaii’s Abercrombie lost in the

Democratic primary. In the 2014 midterm results, 25 of the 28 incumbents won their race, with Quinn (D-IL), Corbett (R-PA), and Parnell (R-AK) losing their reelection bids. In the eight open races, five seats went to the incumbent party (two to Democrats and three to Republicans), with Arkansas, Maryland, and Massachusetts falling to the challenging party, in all these cases, to Republicans (*CNN* 2010; Real Clear Politics 2014).

The economy was on most people's minds, as indicated by the Pew Research Center's poll in January 2014, but what is unclear is how much of a salient issue the national and state economies was in these three-dozen states with gubernatorial elections. National trends show a decline in the unemployment rate, from a height of 10.0% in October 2010 to 5.9% in October 2014 (Bureau of Labor Statistics 2014). Disposable personal income is on the upswing, at nearly \$13 trillion for the second quarter of 2014 (Bureau of Economic Analysis 2014). Finally, the U.S. stock markets have also done fairly well over the past year, with all three major indexes posting gains of around 5% (*The New York Times* 2014). While these trends may indicate a healthy economy, not all states see the same benefits, leading to a mixed bag of outcomes across the country. Like all data, "the devil is in the details," and this paper will explore what these trends mean for those seeking election and what it takes to win election as one of the country's top executives.

LITERATURE REVIEW

Economic conditions and how they influence national elections are well documented, but their impact on the state level is less clear (Orth 2001). This literature review will describe those patterns as well as discuss the existing literature on factors in gubernatorial job performance and elections. For this paper, elections and job approval/performance will be used, as both measures express support (or lack thereof) for the sitting governor and/or his or her party (Crew and

Weiher 1996, 2). As others have noted, the crossroads of the economy and state-level elections is contested, with studies coming to different conclusions over the past forty years (Harrigan and Nice 2013; Gomez and Wilson 2001). First, I will highlight the economic factors that play a part in gubernatorial elections and then explore other variables of interest and theories of voting behavior.

Economic Conditions

This paper is ultimately trying to determine which factors are important in electing governors. At the heart of this study is the economy and its importance across different levels of elections. The importance of the national and state economies in gubernatorial elections is not consistent, leaving much room for debate.

National Economy as Important

Over the past thirty years, scholars have sought to explain the importance of the national economy in gubernatorial elections. The findings are explained below. Peltzman (1987) found national real per capita income (RPCI) significant with positive performance boding well for candidates of the president's party (294-295). Similarly, Chubb (1988), Klarner (2012), and Hummel and Rothschild (2014) also found national RPCI statistically significant in elections. The other factor often found important is national unemployment. Crew and Weiher (1996) found national unemployment more influential than state unemployment in Californians' approval of their governor (5-6). King and Cohen (2005) also found national unemployment to be important. For every one-point increase in national unemployment, the incumbent governor lost 4.5 points in popularity, significant at 0.001 (240). Orth (2001) also found expectations of national unemployment significant, but with a much lower impact (0.03 loss) (419). Another national economic component, inflation, was much less important compared to RPCI and

unemployment. King and Cohen found national inflation significant, at 0.05, but with an impact of only a 0.39 loss in popularity for governors. Finally, Niemi, Stanley, and Vogel (1995) found personal evaluations of the national economy significant, but with a very small impact (946).

National Economy Not Important

While some scholars found national factors like income growth and unemployment important in gubernatorial elections, others found these factors statistically insignificant or unimportant. Two other national economic factors examined were national inflation and evaluations of the national economy. Incidentally, few authors who discredited the national economy as a factor in gubernatorial elections examined unemployment and personal income growth. Peltzman (1987, 296) found inflation insignificant, as did Orth (2001, 419) in her analysis of the expectations of inflation. In other studies, authors examined survey responses to evaluations of national economic conditions. Howell and Vanderleeuw (1990) found these evaluations to have very little impact on the approval of Louisiana's governor in 1987 (164-165). Similarly, in Partin's (1995) analysis of gubernatorial elections in 1990, national economic evaluations were not significant (87). These results were replicated in Atkeson and Partin (1995, 104) as well as Carsey and Wright (1998, 1001), who examined evaluations in both 1986 and 1990 gubernatorial elections.

These findings, along with those of the previous section, highlight the national economy as a factor in gubernatorial elections. Some variables, like national unemployment and income growth, were significant, although their importance differed across studies. Evaluations of the national economy and inflation were mostly insignificant in people's choice for governor. These contradictions show that it is important to know what measures are used in analyses and how

they impact evaluative outcomes of the state executive. The present analysis will focus on national unemployment and real per capita income as factors in gubernatorial elections.

State Economy as Important

State-level economic conditions have a long history of impact on gubernatorial elections. Like the studies that highlighted national economic factors, many scholars note state-level RPCI and unemployment as important factors in gubernatorial election and approval. Chubb (1988) notes that while change in state income is significant, it has one-quarter the effect of national economic factors. On the other hand, Niemi, Stanley, and Vogel (1995) found change in real per capita income to have a large effect on vote choice in the 1986 gubernatorial elections (946), while Partin (1995) found similar results for the 1990 races (87). Lowry, Alt, and Ferree (1998) found that relative income growth (state income increase compared to national growth) is also significant, but with a much smaller margin (765-766). Niemi, Bremer, and Heel (1999) examined numerous state factors including unemployment, inflation, RPCI (and its change over time), taxes, and debt. The factors with the greatest impact on elections were change in state unemployment, current RPCI for the state, and inflation.

Another factor in gubernatorial popularity is state-level unemployment. Hansen (1999, 177) as well as King and Cohen (2005, 237-238) observed that relative state unemployment was significant in gubernatorial approval, as well. Brown (2010) found that survey respondents blame the president and governor for unemployment on a partisan basis. In 2006, Republicans with a Democratic governor under President George W. Bush overwhelmingly blamed their governor for unemployment troubles, while people of both parties in states with a Republican governor were ambivalent (612-613). As a final note on unemployment, Wright (2012) explains that unemployment is considered a Democratic issue. He found that an increase of one point in the

state unemployment rate in the month before the gubernatorial election boosts the Democrat's percentage of votes by 0.515 points (695). He finds this true even in "bedrock Republican counties" (697). Additionally, even if unemployment is rising under a Democratic incumbent governor, their vote share increases, along with Democratic control in the White House. In the case of Republicans controlling the White House and governorship, Democrats can expect an increase of 0.884 points for every one point increase in state unemployment (697-698).

Economic evaluations are also important factors in gubernatorial approval. By examining surveys in Louisiana, Howell and Vanderleeuw (1990) found evaluations of the state economy as the second-most important factor in gubernatorial approval (165). Partin (1995), Atkeson and Partin (1995), and Carsey and Wright (1998a) found that state economic evaluations play a significant and substantial role in gubernatorial elections. However, Atkeson and Partin found that these evaluations were only important in incumbent races, with evaluations of the state economy not significant in open races (104). King (2001) found similar results, with state economic evaluations being significant in three of seven incumbent races (590). Finally, Orth (2001) found that evaluations of business conditions within the respondent's community are significant in gubernatorial approval for Michigan in nine of thirteen surveys (421-422). Orth notes that this measure is not ideal, but it does help characterize peoples' feelings toward the state economy (418). These results show that the state economy does influence how people view their governor. Income and unemployment are dominant factors, as are perceptions about the economy. In addition, Galbraith and Hale found minimal connection between income inequality in states and the vote for president (2008). This analysis will also include income inequality within states, as measured by the Gini coefficient, as a factor in gubernatorial elections.

State Economy Not Important

The final analysis of the economy as a whole comes from studies that found the state economy unimportant in gubernatorial elections. In contradiction to other literature, Hansen (1999) and Klarner (2012) found state real per capita income not statistically significant in gubernatorial elections. Hansen also found that income growth inhibits an incumbent's approval, a backwards notion, so she dismisses the factor (178). Klarner found state per capita income growth not significant when paired with both presidential and gubernatorial party (659). Ebeid and Rodden (2006) found that state RPCI and state unemployment have "no great impact on gubernatorial elections" (541-542).

Like Hansen, Crew and Weiher (1996) found that state unemployment is significant, but in the wrong direction. Looking at Minnesota, an increase in unemployment increases the governor's popularity, although it is unclear if this is because of Wright's (2012) conclusions on Democratic governors and unemployment (7). For Iowa's investigation, Crew and Weiher conclude that evidence on unemployment is "dissatisfying," with "no practical effect" of interaction between state unemployment and gubernatorial approval (8). Leyden and Borrelli (1995) also found state unemployment not statistically significant (283). These findings suggest that state income change and unemployment are not always significant in electoral outcomes, but the differences are worthy of further study. For now, it is noteworthy that most scholars found state economic indicators important in gubernatorial approval. For these reasons, I will include state unemployment and real per capita income in this analysis. Economic evaluations were difficult to find, thus they were left out of this paper.

Economic Geography

In addition to factors related to incumbency, partisanship, and economic outcomes, Ebeid and Rodden (2006) contend that a state's geographic position and economic history play a part in

how voters treat gubernatorial candidates. They measure this with the primary product index (PPI), which is the percentage of the state economy that comes from agriculture services, farming, hunting, and mining. By focusing on the PPI of each state, the authors hypothesize that the connection between income or unemployment and incumbent support will be strongest in states with the smaller index value. Therefore, states with the *lowest* reliance on these often volatile factors (Rhode Island, for example, at one percent PPI) can point to the real data on income and unemployment as influencing gubernatorial voting. Like other studies, Ebeid and Rodden find that economic voting is not universal, but instead conditional, in this case, based on the economic and production environment. The authors do note that their article does not prove governors are less accountable in states that rely more on primary products, but that perhaps voters are more context-dependent when evaluating the incumbent and his or her party. There is still more work to be done in this area. Economic geography will be analyzed by evaluating each state's PPI.

Tax Increases

Another factor in economic voting is the state tax and spending levels. Niemi, Stanley, and Vogel (1995) find that raising visible taxes (income, sales, and sin taxes) hurt the in-party by as much as thirteen points compared to states with no tax increases. Additionally, there is an added effect for the number of taxes raised, which compounds the suspected losses. Governors who oversaw one tax increase could expect a three-point drop, while approving four increases cost the governor eleven points. This shows that governors are in fact held accountable for their tax policies. Tax increases will not be analyzed due to limited literature and time constraints.

Incumbency

While the link between incumbency and presidential elections is well-documented (Ansolabehere and Snyder 2002), the trend was not found to be significant in gubernatorial elections until the mid-1990s. Since then, most evidence points to retrospective voting for governor, which will also be discussed in the section on referendum voting. Partin (1995) found that incumbents were heavily boosted by good economic performance, irrespective of party. In states with a Republican governor, voters who saw the economy as “much better” were 43% more likely than those who saw the economy as “much worse” to reelect their governor (91). Atkeson and Partin (1995) found similar results and showed that those with a Republican governor who saw the economy as “much better” were 87.5% likely to vote for that incumbent in the 1986 and 1990 elections. Similarly, in states with a Democrat incumbent, voters who saw the economy as “much better” were only 14% and 19% likely to vote for the Republican challenger in the 1986 and 1990 elections, respectively (105).

When looking at gubernatorial popularity, King (2001) found that in eleven separate elections, popularity had a positive and significant effect on candidate preference in both incumbent and open races. In the seven incumbent races studied, gubernatorial preference was the largest factor, more so than presidential popularity, state economy evaluations, and party identification. These findings support a state referendum hypothesis (592-593). Orth (2001) studied Michigan public opinion data which found that gubernatorial performance ratings take an incumbent-centered model. Respondents gave good marks to both the governor and president for positive economic expectations, even though they were of different parties at the time of the analysis (424). Ebeid and Rodden (2006) found that regardless of all other factors, an incumbent governor gets a 6% boost in his or her reelection (539).

The link between state economy and gubernatorial elections is not important in open races, however. Niemi, Stanley, and Vogel (1995) found that incumbent governors are judged overwhelmingly by the state economy, while it has no effect on open seats. Instead, these races have much more to do with the national economy and personal finances (951). Partin (1995) found similar results in his analysis, with the evaluation of the economy having a low impact on voters' probability of voting for the incumbent's party (91). In King's (2001) analysis, party identification was the most important of the four factors, outweighing gubernatorial popularity (593). Incumbency and positive economic performance are good for governors running for reelection, but they have little effect on races without an incumbent.

Partisanship

Another factor thought to play a part in gubernatorial elections is the partisanship of both individuals and the state. Leyden and Borrelli (1995) measured state partisanship as the percentage of voters who identify with the parties and used the incumbent party in their analysis. Partin (1995) used ANES data, which asks respondents to qualify their personal ideology on a seven-point scale. Both studies found partisanship significant and positive, meaning the party with more individual identifiers should do better at the polls. King (2001) found party identification significant in nine of twelve elections studied, with the most impact in open races, meaning that in the absence of an incumbent governor, most voters turn to their personal partisan predispositions. Finally, Brown (2010) found partisan bias to be a strong indicator of gubernatorial praise and blame for economic conditions. These studies all find personal partisanship to be a factor in gubernatorial elections, with people taking their ideological beliefs to the polls. Therefore, this analysis will include partisanship as measured by the percentage of Democrats in the state legislature (excluding Nebraska's non-partisan legislature) (Smith 1997).

Unified and Divided Government

A few studies found a link between a united or divided state government and the outcome of gubernatorial elections. Whether or not one party completely controls both legislative chambers and the governorship could weigh into people's choice for state executive. Leyden and Borrelli (1995) found that economic conditions under unified government do make a difference in electoral outcomes. If unemployment doubles under the watch of unified government, the incumbent governor can expect nine points less in the polls. Additionally, incumbent governors who run for reelection with unified control receive 3.5 points less, regardless of economic factors. These findings show that controlling all of state government can have a detrimental effect on gubernatorial outcomes.

In their research, Lowry, Alt, and Ferree (1998) find that unified party control is important only in certain economic circumstances. If state budgets experience surprise cuts in both revenues and spending, Democrats lose support. On the other hand, unexpected increases hurt Republicans. This shows that voters expect different outcomes from each party, and reward or punish accordingly. Finally, Hansen (1999) found unified control to have little impact on governors' job performance ratings, contrary to Leyden and Borrelli's research. These contradictions show that unified government may be important in limited circumstances.

Referendum Voting

Political scientist V.O. Key (1966) developed the idea of reward-punishment, an important component of voter theory that is still cited nearly fifty years later. He suggested that citizens react to past performances by the incumbent presidential administration when voting for candidates in national office. This phenomenon was also termed referendum voting, where voters disregard campaign promises and focus on what happened with the president's party in charge (Peffley 1984). In the absence of robust data, referendum voting will serve as the model for the

present analysis. In other words, it is expected that states with positive economic outcomes will be more likely to vote for the incumbent, while poor conditions will lead to the challenging candidate/party winning election.

Functional Responsibility

Those examining functional responsibility explore the effect of federalism on gubernatorial elections. As described by Peffley (1984), responsibility refers to which branch of government caused outcomes and which will fix them. Functional responsibility takes the actual role of each branch of government into consideration, highlighting the functions of national, state, and local government. Over time, these functions have been questioned, with different branches passing responsibility. This is perhaps most visible in the economy, a part of life important to all. Arceneaux (2006) gives a brief background of functional responsibilities and the effect on the economy. First, the main idea behind federalism and voting is that voters understand what the different layers of government do and respond accordingly at the polls. However, not all policy areas are clear-cut. Therefore, politicians have a greater chance to pass blame and accept praise in an arena where they have only some leverage (732). Accordingly, voters are unsure how to punish and/or reward candidates.

Some policy responsibility is clear, like national defense. Since these decisions come from the national level, voters would be wrong to tie an incumbent mayor to sending soldiers overseas. Similarly, holding an incumbent president accountable for local street repairs would be incorrect. However, the topic of the economy is one that is influenced by all levels of government, leaving voters perhaps confounded as to which level to blame or praise. Some scholars have attempted to explain responsibility voting, but contention in the literature exists.

Peltzman (1987) summarizes his findings by saying that voters understand that the federal government has a dominant effect on their personal incomes, and therefore do not tie governors to economic outcomes (294, 296). While this finding may have been true in the mid-1980s, others would say the state does have an effect on personal income, a conclusion explained above. However, Peltzman does note that voters respond to the state budget in gubernatorial elections. By punishing sitting governors (or their party) for growth in the state budget, voters “correctly” react to the functional responsibility of the governor in state policies. Stein (1990) takes Peltzman’s findings a step further by concluding that voters hold their governor “neither responsible nor accountable for the state’s economic conditions” (51). On the other hand, Chubb (1988) found that state economic conditions and gubernatorial responsibility were significant factors in electoral outcomes, but they had one-quarter the impact of national economic factors (149).

Atkeson and Partin (1995) found evaluations of state economic conditions significant in incumbent gubernatorial races but did not observe the same for national economic evaluations, directly contradicting Chubb (1988) and Stein (1990). Arceneaux (2006) observed findings like Brown’s in their effect in gubernatorial elections. He summarizes that most voters can distinguish between different levels of government and their responsibilities. However, they may not always vote accordingly, leading to perhaps a partisan bias, observed by Brown (2010).

Brown (2010) takes a different look at functional responsibility and found that partisanship plays a major factor in whom voters assign blame to for economic problems. Using the same data as Stein (1990) from 1982 exit polls, which asked respondents who they feel is to blame for economic problems in the respondent’s state, Brown breaks down the results by party preference. He finds that Democratic voters in states with a Democratic governor

overwhelmingly blamed President Reagan for economic problems. Republican respondents split blame between their Democratic governor and neither the governor nor President Reagan. Democrats in states with Republican governors split blame between President Reagan and both the president and their governor, while Republicans overwhelmingly blamed neither office for economic problems. These results show a partisan divide in economic evaluations on the state level (609). Brown also found that citizens hold their governor responsible for the economy on a partisan basis, with Democrats passing blame to President Reagan, as shown above (613).

The effect of functional responsibilities is contested in gubernatorial elections. Most scholars agree that voters understand who is responsible for the different functions of government. However, in the somewhat ambiguous control of the economy, voters may pass blame on the candidate they disagree with politically instead of holding incumbents responsible on the basis of their office. For these reasons, this paper will include both state and federal economic variables, as discussed above.

Responsibility

Pollsters consistently ask the question: “Who is responsible for economic conditions in the nation and states?” with possible answers of the president, congress, governor, state legislature, business, Wall Street, etc. Political scientists seek to know where citizens look to praise and blame for economic highs and lows. Peffley (1984) examines what responsibility means in the governing sense and who people see in those roles. He breaks down economic responsibility into three categories: causal, moral-legal, and role responsibility. I will explain each briefly, as they help clarify why people vote in certain ways.

Causal responsibility asks whether a politician’s actions caused, say, an economic downturn. Did his or her policies directly cause higher unemployment, or was it the effect of

outside (environmental) forces? Similarly, moral-legal responsibility takes into consideration how much control the politician has over policies or the economy as a whole. Finally, regardless of the causes and economic outcomes, a role responsibility model asks how the politician should fix problems that occur. Underlying all of these models is the fact that people have different perceptions of how much or how little politicians, including the governor (or senator, president, individual, etc.) should “take responsibility” for the economy and what that means for elections at all levels. To summarize, voters can ask three questions when attributing responsibility to the economy: “did the government cause the problem? does it have control over it? and what roles is the government expected to play in remedying the situation?” (Peffley 1984).

The idea of responsibility for the economy is borne out through all three levels of the economy: national, state, and local. Peffley (1984) does not focus on any level in particular, but this paper will hone in on the governor, his or her attributed responsibility for the economy, and how behavior has changed over time. It is important to remember that while there is one national government, there are fifty “laboratories of democracy,” each with its own citizenry and style of politics (Harrigan and Nice 2013).

Presidential Influence

The relationship between presidential influence and gubernatorial elections was not studied until the mid-1980s, and since then, most of the research finds that the president’s policies and party do influence vote choice at the state level. This review will discuss both those who found presidential approval an important factor in gubernatorial approval and then highlight other studies that question the president’s true impact.

President as Influential

Up until 1995, various authors found gubernatorial candidates “guilty by association” with the sitting president and his party. The earliest findings by Peltzman (1987) directly connected party affiliation and winning or losing the governorship. In contemporary analysis, by “holding gubernatorial candidates of the president’s party hostage,” voters can deal a blow to Democrats if they feel President Obama’s national policies are sending the country in the wrong direction (1987, 296). Several researchers supported these findings (Chubb 1988; Stein 1990; and Simon, Ostrom, and Marra 1991). Chubb found that presidential responsibility for national economic conditions affect elections more than gubernatorial contributions (1988, 149). Stein called the 1982 (midterm) gubernatorial elections a “referenda on the president [Reagan] and Republican economic policies,” noting that voters do not hold their governor responsible for economic conditions (both state and national), but rather the president and his party (1990, 50-51). If voters disapproved of President Reagan’s policies, they were more likely to vote against the Republican gubernatorial candidate regardless of past performance or current state economic conditions. Simon, Ostrom, and Marra found that presidential approval significantly affected elections at all levels (House, Senate, gubernatorial, and state legislature), showing that ties to the sitting president do matter in state-level races (1991, 1187). Finally, Klarner (2012) found that gubernatorial candidates of the same party as the president received 6.5 points less on average.

President as Less Influential

As opposed to the studies mentioned above, three sets of scholars challenge the notion that the president is always tied to gubernatorial races. Atkeson and Partin studied both senatorial and gubernatorial elections and found presidential approval not consistently significant in governor’s races, only turning up in two of six contests, but significant more often in Senatorial

elections (1995, 103-104). This finding points to concrete examples in which presidential approval was not significant in electing governors. Based on thirteen opinion surveys in Michigan, Orth comes to an even more distinct conclusion, finding no evidence of presidency-centered referenda voting. She finds that gubernatorial evaluations are independent of the president and his party, with voters instead focusing on other factors when deciding who to vote for, like incumbency and state economic performance (2001, 424). As an example, Michigan's governor (Republican John Engler) and Democratic president Bill Clinton were both rewarded for positive economic performance (424). Further, Ebeid and Rodden find that the president's handling of the national economy does not bear heavily on gubernatorial electoral outcomes (2006, 541).

King and Cohen divide party affiliation and presidential popularity, finding only one factor significant in gubernatorial popularity. Of eight different national and state factors, presidential popularity ranks eighth in magnitude while not even reaching statistical significance. On the other hand, sharing the same party as the president costs candidates dramatically, pointing to different influences from the same office (2005, 240-241).

Over the past thirty years, scholars have studied the influence of the president on gubernatorial popularity and elections. Some found the president very influential, while others did not. More recent authors have tried to explain the discrepancy by noting the differences in data as well as changes in electoral practices. Partin points out that reforms during the middle of the twentieth century moved gubernatorial elections to off-years (midterms) so that there would be less influence from national factors and presidential coattails (1995, 83). Others (Niemi, Stanley, and Vogel 1995 and Ebeid and Rodden 2006) echo Partin by noting that Peltzman (1987) and Chubb (1988) gather data from the 1940s to 1980s, a time in which gubernatorial

elections, duration of term, and term limits changed, leading to less influence from the national level. It is clear that the influence of the president in gubernatorial races is by no means a decided issue.

Recent Analysis

Hummel and Rothschild's (2014) recent analysis designed a model for forecasting elections at the state level. While using some variables identified by previously mentioned studies, Hummel and Rothschild rely on a multitude of additional factors. These include whether the candidate held previous office, such as senator, state legislator, statewide office, and business executive, among others. They find state income as well as past gubernatorial elections are not significant in forecasting future results. The authors conclude that state-level economic conditions do not have a significant effect on gubernatorial elections, a result also discussed by Klarner (2012).

ARGUMENT, HYPOTHESES, AND RESEARCH DESIGN

Governors' elections receive plentiful attention, and it is important to understand what may send the incumbent back to the state capital or open the governor's mansion to new tenants. Based on the literature explored, it is clear that economic conditions and their role in voters' decisions is a contested issue. Numerous authors found that both national unemployment and income were influential factors in gubernatorial elections (Chubb 1988, Klarner 2012, Orth 2001). Research in this project focused on state-level economic conditions, which were also found to be significant in voters' choices for governor (Chubb 1988, Niemi et al 1999, Brown 2010, Wright 2012). Other recent analysis by Klarner (2012) and Hummel and Rothschild (2014) concluded that there has been less support for the idea that state-level economic factors influence gubernatorial elections. However, these authors did not include as many state-level

economic conditions that were found significant by other scholars, including unemployment, the primary product index, and income inequality. This conflicted literature is the basis for the research in this project.

The goal of this paper is to examine national- and state-level economic conditions to determine whether or not they were influential in voters' choices for governor in the 2014 gubernatorial elections. Economic conditions are those measures that are seen as indicating an economy's strength or weakness or a citizen's ability to get the goods and services he or she needs to live (Business Dictionary). It is well documented that economic conditions influence national elections for Senator and President (Atkeson and Partin 1995, Hummel and Rothschild 2014), but their influence on gubernatorial elections is more conflicted. If people are satisfied with the current status of the economy, they are more likely to vote for incumbents. On the other hand, if voters are unhappy with present conditions, they are more likely to vote for a challenging candidate. This system, known as referendum voting, should dictate elections on the national and state levels (Key 1966, Peffley 1984). This paper explores whether or not referendum voting on economic performance occurred in the 2014 gubernatorial elections.

Hypotheses

- H₁: Improving state economic performance will favor the incumbent governor/party.
- H₂: Improving national economic performance will favor the president's party's candidates.
- H₃: Improving national economic performance will favor the incumbent governor/party.

Research Design

In order to achieve full representation from the 2014 gubernatorial election contests, I examined all thirty-six governors' races across the nation. These cases involved a diversity of incumbent races (28) as well as open seats (eight). This paper analyses national- and state-level

economic conditions included in recent studies like Klarner (2012) and Hummel and Rothschild (2014). However, Hummel and Rothschild only used national GDP and the change in state personal income as their economic factors. It is important to use income because it measures state residents' personal pocketbooks. On the other hand, GDP examines the amount of industry in the state, irrespective of who earns it, which could be vastly different in states like Minnesota with many iron mines and steel plants whose profits go to executives out of the state.

For personal income, Hummel and Rothschild (2014) focused on the five-quarter difference from quarter one in the year before the election to quarter one in the year of the election. Additionally, Klarner (2012) only examined state-level personal income. Both studies found personal income insignificant. Based on the literature already discussed, it is evident that the condition of the state-level economy may play a more significant role in deciding governors' races. For this reason, I will include other economic variables including unemployment, inequality, and economic geography as well as non-economic variables of interest in this analysis.

In this paper, following Hummel and Rothschild's (2014) design, personal income and unemployment change were examined over the five-quarter period from quarter one in 2013 to quarter one 2014. These measures are expressed as percentage changes to account for the variety of incomes and levels of unemployment found across the country. Additionally, the quarter three 2014 unemployment rate was included as a precise measure of the state of the economy.

As indicated in the literature review, other economic factors like inequality and economic geography were found to be significant. Income inequality was measured using the Gini coefficient, which is a measurement of statistical dispersion representing income

distribution among a state's residents. The Gini index ranges from zero, which means all residents have an equal amount of money, to one, which represents maximum inequality. Ebeid and Rodden (2006) stated that economic voting was most discernable in states that rely the least on natural resources (545). For this study, "reliance on natural resources" was measured by the total percent of industry in each state that came from agriculture, forestry, fishing and hunting, and mining, also known as primary products.

Although state and national economic evaluations were discussed in the literature review as a way to measure citizens' perceptions of the economy as they relate to their choice for governor, such data was difficult to find for this study. 2014 exit polls did not include evaluations from all states and most often asked respondents how worried they were about the national economy in the next year. While no doubt producing interesting results, they cannot be used in analyzing all thirty-six states with gubernatorial elections.

Variables of interest, including incumbency, partisanship, and unified or divided government were included as potential non-economic factors influencing a voter's choice. As indicated by the literature, incumbents receive a boost just for running for reelection (Ebeid and Rodden 2006) and are often judged on their past performance (Partin 1995). A state's partisanship was measured by the percent of Democrats in the state legislature, replicating Smith (1997). Nebraska's non-partisan legislature was excluded from this analysis. For those states with divided control, voters cannot blame one party for economic problems, leaving them conflicted on how to cast a vote for governor. These three variables were analyzed as they relate to the 2014 winners.

Data Sources

Data for this paper were gathered from numerous sources. National- and state-level personal income data came from the U.S. Bureau of Economic Analysis, while national

unemployment was taken from the U.S. Bureau of Labor Statistics. As an important note, personal income data were indexed to 2009 to take into account yearly inflation. State-level unemployment, partisanship, and unified government data were gathered from the National Conference of State Legislatures. The Gini coefficient and primary product information for each state was taken from the U.S. Census Bureau's 2011-2013 American Community Survey. Records of incumbency and results for 2014 races came from the website Real Clear Politics. See the codebook in Appendix A for a full list of variables and their sources. Data was analyzed by SPSS Statistics software. However, due to the low number of cases, I was limited to making comparisons across states based on their 2014 election results. Future research should include more election cycles to make regression analysis possible.

With the state as the unit of analysis, the data and results can be generalized to the entire country. Although this paper studied thirty-six cases in one election cycle, the states examined cover all regions of the United States and can aid in understanding the economic and election climate in states without a gubernatorial election in 2014. However, it is also obvious that each state is unique in its economy and political makeup.

FINDINGS AND ANALYSIS

This paper hypothesized that both national- and state-level economic factors should have played an important role in how voters evaluated their choice for the 2014 gubernatorial elections. I begin this section by describing the election results in each state in 2014 and then discuss economic conditions and their supposed role in the outcome of these elections. The most apparent finding from the 2014 gubernatorial election results is that incumbents rule the day. Of the thirty-six races, thirty were won by either the incumbent governor or his/her party. This leaves only six states that saw a party change in the governors' seat. Incumbency as a possible

explanation for these results will be discussed later in this section. Following is a table that highlights each state's election result.

Table 1

2014 Gubernatorial Election Winner by Category			
<i>Republican Incumbent</i>	<i>Democrat Incumbent</i>	<i>Open Race, Incumbent Party Winner</i>	<i>Challenger</i>
AL, FL, GA, IA,	CA, CO,	AZ (R)	AK (to I/D)
ID, KS, ME, MI,	CT, MN,	HI (D)	IL (to R)
NM, NV, OH,	NH, NY,	NE (R)	PA (to D)
OK, SC, SD,	OR, VT	RI (D)	<i>Open Race, Challenger Winner</i>
TN, WI, WY		TX (R)	AR (to R), MA (to R), MD (to R)

While it is well documented that incumbent candidates are reelected at high numbers across all levels of government (Ansolabehere and Snyder 2002), the 2014 governor's elections was no exception. However, did all these incumbents win because the economy was doing well in the run-up to the 2014 election? For those six states that voted in a different party, was the economy an essential factor when casting a vote? Based on the literature on referendum voting, we would expect that states with positive economic performance would reelect their incumbent governor. This would mean a greater drop in unemployment, a lower unemployment rate, and higher growth in per capita income. On the other hand, states with poorer conditions in the run-up to the election would be expected to elect the challenging candidate. If economic factors do not appear to make a large difference, we would expect incumbency and partisanship to influence vote choice. The results from these comparisons are explored in the forthcoming pages. All data for this project is included in Appendix B. As a note, the incumbents and incumbent party winners as well as challenger winners will be grouped into two categories so that they may be compared more easily.

Unemployment

Two measures of unemployment were studied in this project: the percentage change in unemployment from quarter one 2013 to quarter one 2014 and the unemployment rate at the time of the election in quarter three 2014. These two factors on the national and state level were thought to influence gubernatorial elections. Additionally, it is important to note that according to Wright's (2012) findings, states with high or increasing unemployment are more likely to elect Democrats.

Figure 1

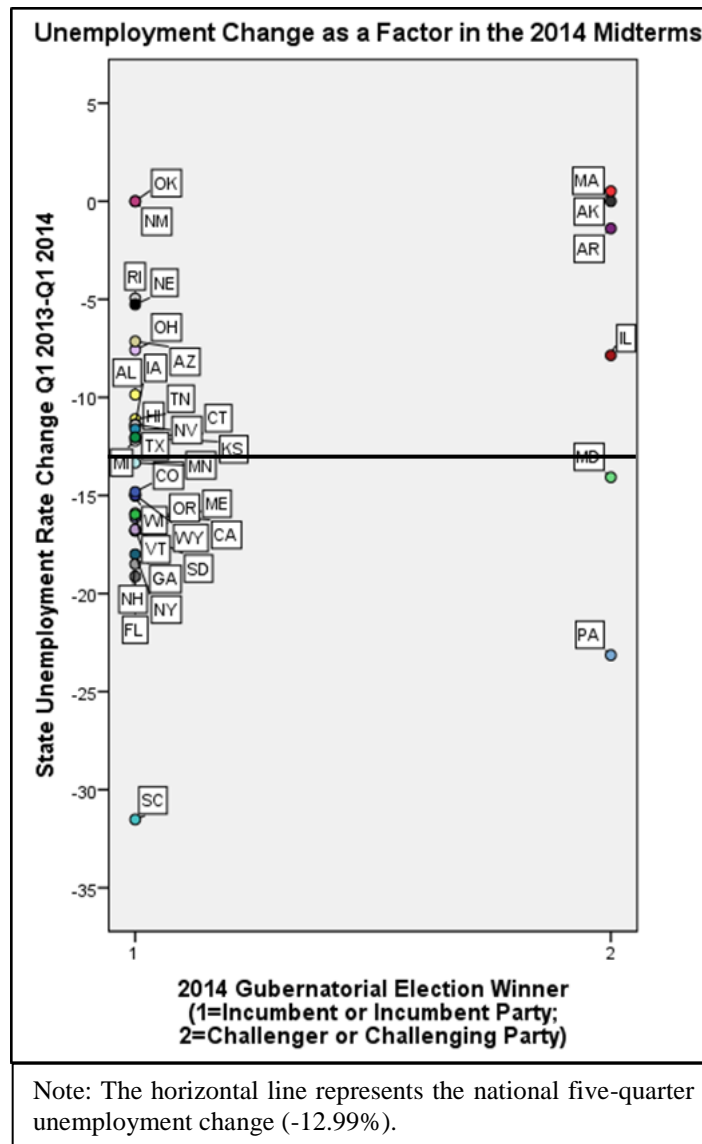


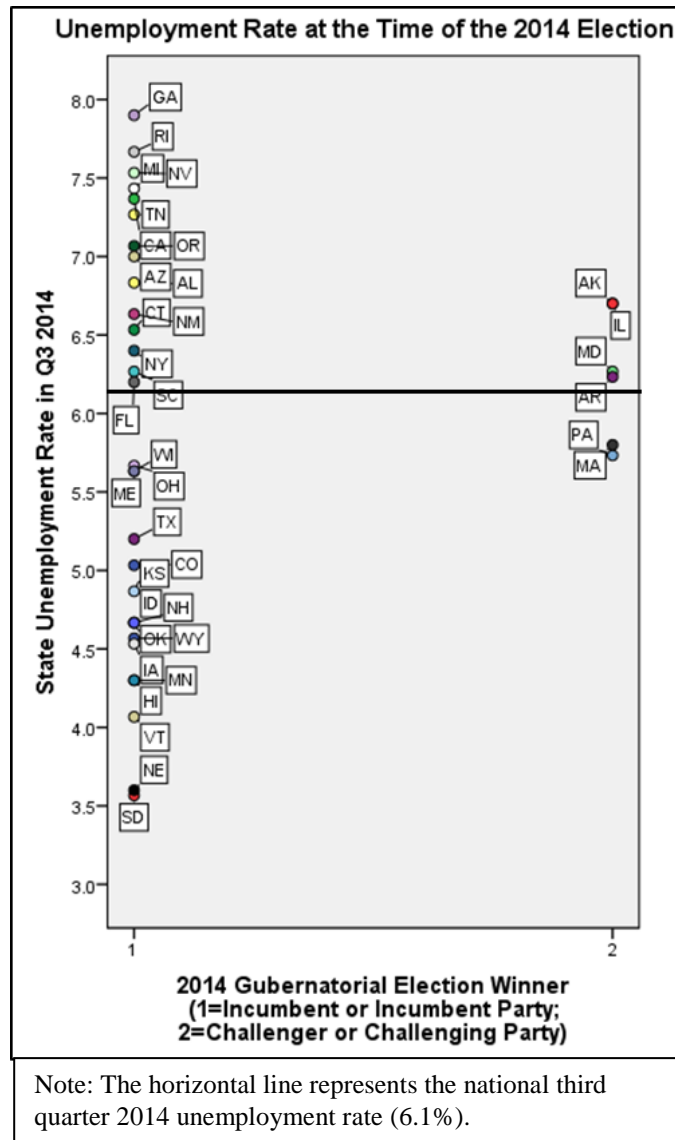
Figure 1 shows the five-quarter change in unemployment. The horizontal line represents the national average, a 12.99% drop in unemployment over the five-quarter period. As one can see, there are many states on either side of the national average, including those states where the challenging party was sent into office. For those states that re-elected their incumbent governor, the change in unemployment varies considerably, with many states mirroring those who elected challengers. On one extreme, states like Alaska, Arkansas, and Massachusetts saw a near-zero change in unemployment during the run-up to the election and then did not re-elect their governors, an anticipated result given the literature on referendum voting. On the other end, Pennsylvania had the second-highest drop in unemployment (-23.14%), a sign of a strong economy, and Maryland was just ahead of the national average.

However, voters in Pennsylvania did not reelect Tom Corbett to a second term. According to local reporters, Corbett's loss was expected but not because of an economic downturn. After troubles related to an education budget battle, pension relief, and involvement in the Penn State and Jerry Sandusky ordeal, Corbett was left "with little to convince voters that he deserved another term" (Madonna and Young 2014). In the case of 2014, there appears to be little relationship between unemployment change and election results.

In addition to unemployment over time, the data on states' unemployment rates show that there was a variety of results for quarter three 2014 unemployment. In Figure 2, there is a large swing in rates, from Nebraska's 3.6% to Georgia's 7.9%. Again, the national average unemployment rate is measured with a horizontal line at 6.1%. While most states who elected a challenger are above the national average rate, they are below many others who elected an incumbent. When comparing states in similar regions, Arkansas, a state that elected the challenging Republican candidate, had an unemployment rate above its neighbor Oklahoma but

below its other neighbor Tennessee. Like the previous discussion, Pennsylvania has a below-average unemployment rate of 5.7%, but for other reasons elected the challenging candidate.

Figure 2



These two visuals show that unemployment change and snapshot rates are varied across states, with little relationship between states with a lower change or higher rate (two negative perceptions) and electing a challenging candidate. At issue is also Wright’s (2012) conclusion that voters will choose Democrats in times of high unemployment. As can be seen in Figure 2,

states like Georgia, Nevada, Michigan, Tennessee, Alabama, and Arizona, re-elected Republican governors despite having unemployment rates at or above 7%, roughly one point higher than the national average.

Another way of framing this issue is seeing whether or not Democrats actually do a better job of bringing down the unemployment rate. In this paper, partisanship by state was measured by the percent of Democrats in the state legislature at the time of the 2014 elections. When this variable is interacted with the third quarter 2014 unemployment rate, there is negligible correlation (0.160), meaning that states with Democrat-majority legislatures seem to do only marginally better than Republican-majority states at handling unemployment.

These findings suggest that unemployment was not an important factor for voters in the 2014 gubernatorial elections, at least in the overall picture. Many states with low and moderate change in unemployment and those with a higher-than-average rate at the time of the election re-elected their incumbent governors while some states that appeared to do better on economic measures chose to elect challengers. The other predominant economic factor discussed in this paper is real per capita income change and whether it had any bearing on the 2014 election results.

Real Per Capita Income

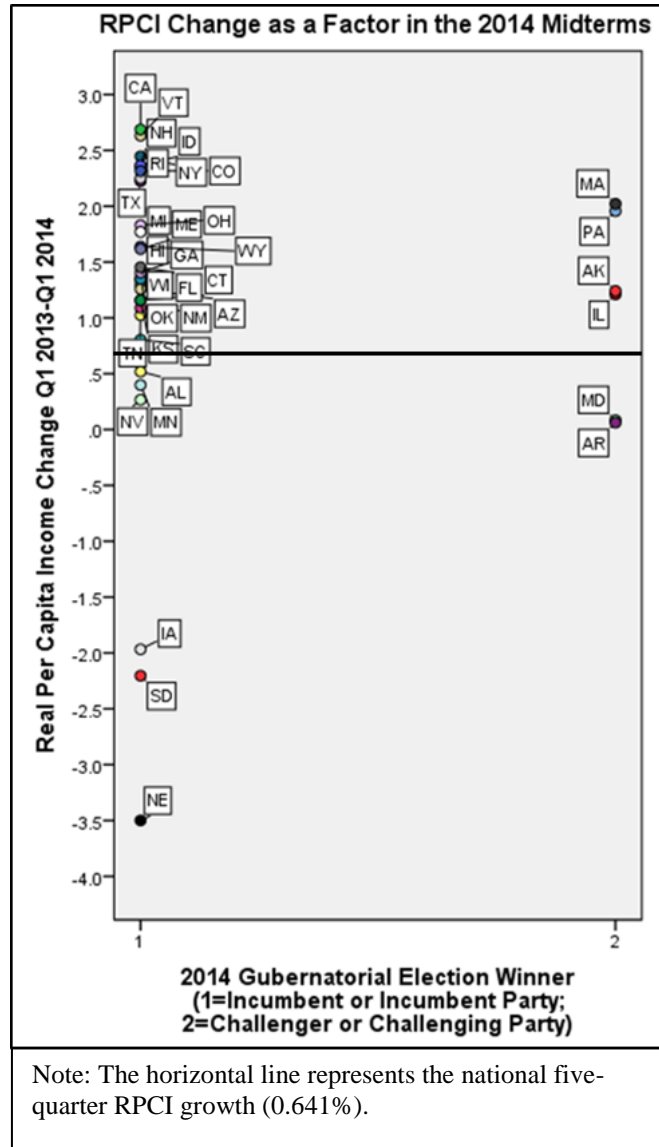
It appears that there is little relationship between unemployment and voters' choice for governor, and when examining the potential influence of another economic condition, real per capita income change, the results were similar. As with unemployment change, RPCI change was measured from quarter one 2013 to quarter one 2014. Figure 3 displays the relationship between income change and the election outcomes. Again, the horizontal line represents the national growth, 0.641%, over the five-quarter period. In this case, we see a large amount of states with growth rates between 1.0% and 2.5%. One theory as to why the national average line

appears much lower in this analysis is that the other fourteen states not represented in this study could have lower income growth but are not displayed on this graph.

However, like the unemployment analysis, there are outliers on both sides of the graph. Massachusetts and Pennsylvania registered an income growth rate of nearly two points, ahead of and even with many states who elected incumbents. We would not expect a state with this much growth in RPCI to elect a challenger (although we have seen that there were other factors at play in Pennsylvania). However, both Maryland and Arkansas had no income growth, an expected reason for voters to kick out the incumbent. While the present analysis shows that states with strong income growth generally reelected their incumbent governors, an expected outcome, some states buck the trend.

Three states, Nebraska, South Dakota, and Iowa had significant drops in per capita income, what referendum voting would point to as a prime reason for voters to choose the challenging candidate/party. However, all three states reelected their incumbents or (in Nebraska's case) the incumbent party. All three states deserve a different explanation for this behavior. South Dakota's legislature is 78% Republican, and they have had a Democratic governor for only ten years post-WWII (the most recent was an eight-year span in the 1970s). Based on this information, South Dakota is unlikely to vote in a Democrat no matter what the conditions are. However, both Iowa and Nebraska are more bipartisan. Iowa has an almost even Democrat-Republican split in its legislature, while Nebraska has had twenty-eight years of Democratic governors post-WWII. We can speculate that these two states simply have an incumbency advantage, with Branstad (IA) serving as governor from 1983-1999 and again winning in 2011 and a Republican governor in Nebraska since 1999. Incumbency effect will be noted later.

Figure 3



Economic Geography and Income Inequality

In addition to more-often studied economic factors in elections like unemployment and income, the relationship between economic geography and income inequality with electoral outcomes will be explored. Although there is not much literature on these topics, the present analysis will shed light on their influence. Both factors and their relation to vote choice will be analyzed independently.

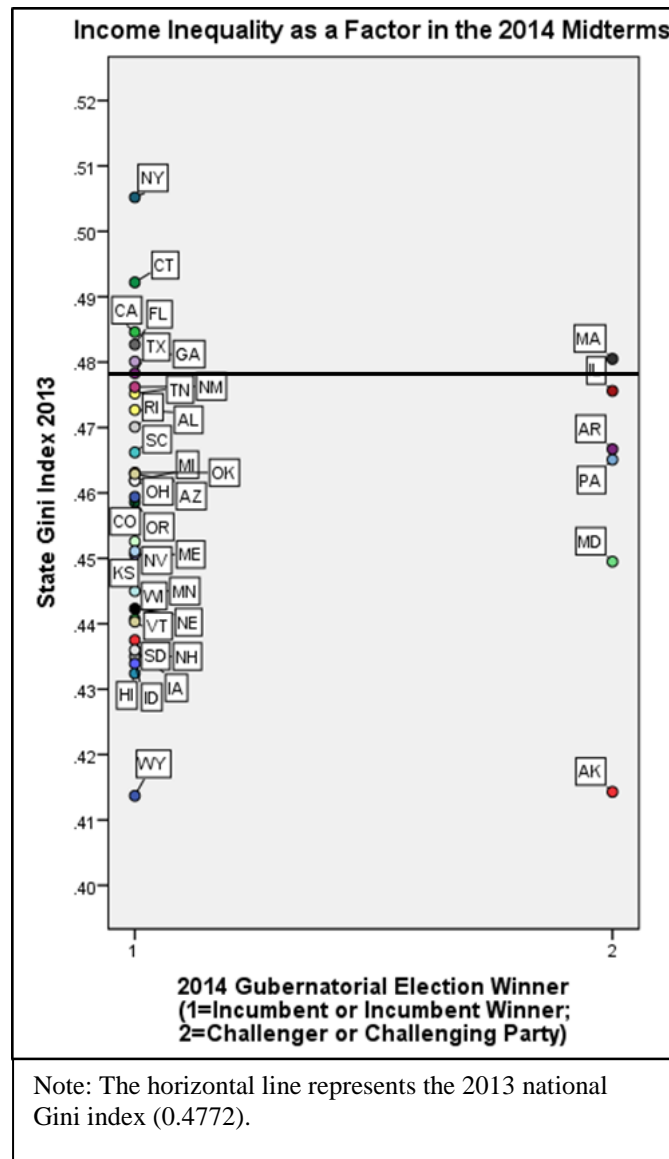
Economic geography is measured by the primary product index. A states' PPI is the amount of industry produced by agriculture, farming, hunting and fishing, and mining. Ebeid and Rodden (2006) found that as this percentage rose, a governor can shift blame to poor resource output and rely less on more robust unemployment and income data. The authors note that state-level economic voting (reliance on unemployment and income) becomes more common as states rely less on primary products. In 2013, the national average PPI was only 2.0%, showing that most states should not let economic geography influence voting. By extension, we could expect that states with poorer economic outcomes that reelected their incumbents may have a higher PPI. This did occur with South Dakota. As noted above, South Dakota had a drop in their RPCI of 2.2%, nearly three points behind the national average, although their unemployment rate at the time of the 2014 election was the lowest of the states examined. Since South Dakota had a PPI of roughly 7%, the drop in income could be outside of the governor's control (potentially from poor crop performance), leading voters to give him a break.

The opposite effect is true for the case of Maryland, which has a PPI of roughly 1%. Voters in this state, which saw no net change in income and was even with the national averages on the two unemployment factors, elected the challenging party. With such a low reliance on natural resources, this moderate performance could not be blamed on one industry's failure, leading voters to leave that factor out of their judgement of the governor's performance, therefore making the correct decision as far as economic geography is concerned.

As opposed to economic geography, which showed some relationship with economic voting, income inequality appears to have no relationship with voters' choices for governor. As can be seen in Figure 4, the 2013 national Gini index was 0.4772, and most of the states that

elected challengers or the challenging party were below that mark, meaning they were more equal. Massachusetts was the only exception. Other states, like New York, had an index of 0.5052, yet they reelected incumbent governor Cuomo. Income inequality may be a measure that most voters either do not know enough about or see as outside the governor's control. For these reasons, income inequality does not play a role in voters' decisions.

Figure 4



DISCUSSION

This limited data leads to inconclusive results, but it appears that economic factors had a limited influence on how voters evaluated gubernatorial candidates in 2014. According to referendum voting, we would expect voters to judge their sitting governor/party based on previous results from his or her term. This research hypothesized that economic outcomes would influence vote choice: reelection for governors with positive outcomes and election of a new governor in states with poor performance. These hypotheses were not supported by this analysis. None of the economic comparisons showed a clear pattern of sub-par performance leading to the replacement of a sitting governor. On the contrary, there were many cases in which a sitting governor oversaw poor outcomes yet won reelection. However, many of the comparisons explored above focus solely on the state-level economy.

Many studies also noted that the national economy has an influence on gubernatorial election results. This paper hypothesized that improving national economic conditions would favor both incumbent governors/party and governors of the president's party (Democrats in 2014). The data show that national unemployment and personal income factors display a strengthening economy over the last two years: unemployment was down nearly 13% from quarter one 2013 to quarter one 2014 and personal income rose by 0.641 percent over the same period. Meanwhile, the unemployment rate was 6.1% for the November 2014 election, the lowest since the summer of 2008 in the run-up to the Great Recession.

These positive national results should have yielded a bump for Democratic candidates and incumbents. While it is obvious that incumbents did well (with incumbent candidates or party winning thirty of the thirty-six races), it is difficult to say whether Democrats did as well because the president oversaw this upswing in the economy. Recall that Democrats won eight out of nine incumbent races and held on to two of five open races, thereby successfully

defending ten of fourteen seats. Republicans, on the other hand, only lost two of twenty-two seats, including Pennsylvania, which most commentators saw as inevitable, and Alaska, which was won by an Independent/Democrat team. In an election cycle that gave Democrats few political wins, the effect of a growing national economy under a Democratic president did not score many extra points.

However, we do not know how people felt about the economy, with perceptions being as important as the actual outcomes themselves when it comes to judging political figures and their performance. In addition, many scholars found economic perceptions to be a significant factor in referenda voting of the governor. Unfortunately, these data were difficult to find, and, when found, yielded very few cases, which were not representative of the entire state.

Noneconomic Factors

Since it appears that economic factors alone did not have a large influence in the 2014 gubernatorial elections, it is important to understand what impacted voters' decisions. Other factors like partisanship, incumbency, and unified or divided government were found in the literature to make a difference in election outcomes. However, as noted above, many states with poor economic conditions reelected their incumbent or incumbent party candidate. Keep in mind that of the thirty-six elections in 2014, thirty were won by the incumbent or incumbent party, illuminating the strong incumbency effect, which may be heightened by state partisanship, as noted earlier with states like South Dakota.

For the three states that did elect the challenger candidate over the incumbents, there are a few similarities. For example, in Illinois and Alaska, the sitting governors came to power through succession as lieutenant governors and were reelected to one full term before defeat. In Pennsylvania, Tom Corbett served one term after defeating a term-limited governor. For the states with open races that switched parties, the sitting governors were term-limited. Therefore,

in all six states that elected challengers, incumbency was not heavily established, with a maximum of two terms for the sitting party.

Two other variables of interest were discussed as possible influences on gubernatorial vote choice: partisanship and unified or divided government. Partisanship in the face of unemployment was noted in the previous sections and also ties in with incumbency. South Dakota, a state that has not elected a Democrat as governor since the 1970s, was unlikely to do so even with a 2.2% drop in per capita income in the year preceding the election. Similarly, Rhode Island, with nearly 90% Democrats in the state legislature but a 7.7% unemployment rate in quarter three 2014, was not going to elect a Republican to office. However, there were some states in the 2014 gubernatorial election that are more bipartisan and elected the challenging party. Pennsylvania's legislature is 46% Democrat, and they voted out their Republican governor. Although it seems like Corbett's demise was inevitable, perhaps it was easier for him to lose in a state that elects both Democrats and Republicans fairly evenly. One of the other states that elected a challenger, Arkansas, has a state legislature with 43% Democrats. With a moderately low economic performance (near 0% income and unemployment change) under Democrat governor Beebe, we could expect voters to tip the scales in favor of the challenging candidate. Arkansas is also a state that, before the 2014 gubernatorial election, had divided control of their state, a final factor of interest in this analysis.

Of the thirty-six states with gubernatorial elections in 2014, only six had divided control of the state, where the legislature and governor were controlled by different parties. According to the theory behind unified or divided state control, in the case of divided control, voters will have more difficulty pinning blame for economic shortcomings on either the governor of party A or the legislature of party B. On the other hand, if a state is controlled by one party and voters

are dissatisfied, they can put all the blame on that one party. In the cases of Maryland and Illinois, both states were controlled in the legislature and governorship by Democrats. However, both Democratic governors were replaced with Republicans after mediocre economic performance; both states had higher unemployment rates than the national average. Because of the limited number of examples of states with divided government, this variable cannot be further examined.

After exploring the economic and non-economic factors in the 2014 gubernatorial elections, the data yielded no definitive patterns. Neither unemployment change nor income change alone seemed to cause a sitting governor to lose their seat. Likewise, many governors who oversaw poor economic performance retained their positions. These results show that there is no silver economic bullet in gubernatorial elections. Although research prior to 2010 found the economy to play a larger role, recent analysis has found that “state-level economic conditions do not have a significant effect on the results of gubernatorial elections” (Hummel and Rothschild 2014, 132). My findings suggest a continuation of this conclusion in the 2014 elections.

At a time where citizens continue to rank “fixing the nation’s economy” as a top priority (Pew Research Center 2014), they seem to ignore their state economy when evaluating and voting for governor. These results can have far-reaching implications for gubernatorial candidates. If candidates know that in most cases voters will not hold them accountable for economic conditions, governors and state legislators may not have to defend their record. Additionally, they can take more risks while in office knowing that their economic performance will not make or break a campaign.

Conclusion

In 1992, Bill Clinton told voters, “it’s the economy, stupid,” and voters responded by electing a new party to the presidency. In 2014, voters still believed the economy was an important issue, but unlike the presidential election in 1992, they did not hold their governors accountable for economic conditions. The present analysis focused on a myriad of economic factors thought to contribute to voters’ decisions on who to vote in as governor: unemployment and per capita income change, income inequality, and economic geography. None of these factors provided a clear pattern or threshold for voters to kick out the incumbent party in 2014. Instead, incumbency and partisanship were important factors that often overshadowed economic performance.

Through this process, I have learned an extensive amount about the makeup of our country, both the political and economic landscapes. This topic originally piqued my interest as the midterm campaigns heated up in the summer of 2014. Many media sources and political commentators perceived an economic downturn in Wisconsin and thought poor performance could lead to the replacement of Governor Walker. In Minnesota, others noticed positive changes taking place, although performance in both states was contested (Johnston 2014). When comparing the states on the variables I analyzed, Wisconsin did better on both unemployment and per capita income change, but Minnesota had a lower unemployment rate at the time of the election. Each state has a different economic and electoral setting, and while it is important to understand the economic and electoral setting in each state, we can only create a limited picture based on available data.

More robust analysis could be accomplished in future projects using more than thirty-six cases. For the present research, time constraints prevented exploring previous election cycles and tax policy to enhance the analysis and run regressions. Furthermore, economic evaluations

were found to be significant by most scholars who studied them, but adequate data does not exist to be able to analyze this at the state level. Surveys and exit polls did not encompass the entire nation, making it difficult to draw conclusions. Finally, time constraints prevented the inclusion of other data on previous candidate experience and state voting history which could have further explained why some governors lost and others won.

Based on previous research, this paper hypothesized that national- and state-level economic conditions, including unemployment and income, would influence gubernatorial elections. After collecting and analyzing economic and non-economic data, I conclude that there were no such patterns in the 2014 midterms. Instead, incumbency and partisanship were the most important factors in the governors' races. While future work can shed light on the robustness of these conclusions, political observers can take a lesson from this gubernatorial tutorial.

APPENDIX A – CODEBOOK

State – States with gubernatorial elections in November 2014

Source: Real Clear Politics

2010_Winner – Governor elected in November 2010

Coded: D=Democrat; R=Republican

Source: Real Clear Politics

2010_Party – Party of 2010 gubernatorial winner

Source: Real Clear Politics

No_2014 – Reason why 2010 winner not run in 2014 election

Coded: NR=Not run; TL=Term limit; PL=Primary loss

2014_D – Name of Democrat candidate in 2014 gubernatorial election

Source: Real Clear Politics

2014_R – Name of Republican candidate in 2014 gubernatorial election

Source: Real Clear Politics

2014_Incumb – Did the incumbent run for election in 2014

Coded: 1=Incumbent ran; 0=Otherwise

Source: Real Clear Politics

2014_Winner – Winner of 2014 gubernatorial election

Coded: I=Incumbent; C=Challenger; OI=Open seat, incumbent party; OC=Open seat, challenging party

Source: Real Clear Politics

Unif_Div – Was state government all controlled by one party

Coded: 1=unified control; 0=divided control; 9=N/A

Source: National Conference of State Legislatures

Unemp_Q1_2013 – State/national unemployment rate in quarter 1 2013

Source: National Conference of State Legislatures, U.S. Bureau of Labor Statistics

Unemp_Q1_2014 – State/national unemployment rate in quarter 1 2014

Source: National Conference of State Legislatures, U.S. Bureau of Labor Statistics

Unemp_13_14 – Change in state/national unemployment rate (as a percent) from Q1 2013-Q1 2014.

Source: National Conference of State Legislatures, U.S. Bureau of Labor Statistics

Rel_Unemp – Change in state unemployment from Q1 2013 to Q1 2014, relative to U.S. change

Source: National Conference of State Legislatures

Unemp_Q3_2014 – State/national unemployment rate in quarter 3 2014, at time of the midterms

Source: National Conference of State Legislatures, U.S. Bureau of Labor Statistics

Rel_Unemp_Q3_2014 – State unemployment rate in Q3 2014 relative to national average

Source: National Conference of State Legislatures

RPCI_Q1_2013 – State/national real per capita income in quarter 1 2013

Source: U.S. Bureau of Economic Analysis

RPCI_Q1_2014 – State/national real per capita income in quarter 1 2014

Source: U.S. Bureau of Economic Analysis

RPCI_13_14 – Change in state/national RPCI (as a percent) from Q1 2013-Q1 2014.

Source: U.S. Bureau of Economic Analysis

Rel_RPCI_13_14 – Change in state RPCI from Q1 2013-Q1 2014, relative to U.S. change

Source: U.S. Bureau of Economic Analysis

Gini_Index – State income inequality as a comparison of income proportions

Source: U.S. Census Bureau

Econ_Geo – Economic geography as the percent of state's production from primary sources: agriculture, farming, and mining, aka Primary Product Index.

Source: U.S. Census Bureau

Leg_D – State partisanship measured by the percent of state legislature that is Democrat.

Coded: -9='N/A'

Source: National Conference of State Legislatures

APPENDIX B – DATA

State	2010_Winner	2010_Party	No_2014	2014_D	2014_R	2014_Incumb	2014_Winner	Unif_Div	Unemp_Q1_2013
WY	Mead	R		Gosar	Mead	1	I	1	4,900
WI	Walker	R		Burke	Walker	1	I	1	7,100
VT	Shumlin	D		Shumlin	Milne	1	I	1	4,400
TX	Perry	R	NR	Davis	Abbott	0	OI	1	6,367
TN	Haslam	R		Brown	Haslam	1	I	1	7,800
SD	Daugaard	R		Wisner	Daugaard	1	I	1	4,367
SC	Haley	R		Sheheen	Haley	1	I	1	8,567
RI	Chafee	D	NR	Raimondo	Fung	0	OI	1	9,433
PA	Corbett	R		Wolf	Corbett	1	C	1	8,067
OR	Kitzhaber	D		Kitzhaber	Richardson	1	I	1	8,333
OK	Fallin	R		Dorman	Fallin	1	I	1	5,033
OH	Kasich	R		FitzGerald	Kasich	1	I	1	7,033
NY	Cuomo	D		Cuomo	Astorino	1	I	1	8,333
NV	Sandoval	R		Goodman	Sandoval	1	I	0	9,667
NM	Martinez	R		King	Martinez	1	I	0	6,767
NH	Hassen	D		Hassan	Havenstein	1	I	0	5,767
NE	Heineman	R	TL	Hassebrook	Ricketts	0	OI	9	3,800
MN	Dayton	D		Dayton	Johnson	1	I	1	5,500
MI	Snyder	R		Schauer	Snyder	1	I	1	8,733
ME	LePage	R		Michaud	LePage	1	I	0	7,233
MD	O'Malley	D	TL	Brown	Hogan	0	OC	1	6,633
MA	Patrick	D	NR	Coakley	Baker	0	OC	1	6,533
KS	Brownback	R		Davis	Brownback	1	I	1	5,533
IL	Quinn	D		Quinn	Rauner	1	C	1	9,333
ID	Otter	R		Balukoff	Otter	1	I	1	6,233
IA	Branstad	R		Hatch	Branstad	1	I	0	4,967
HI	Abercrombie	D	PL	Ige	Aiona	0	OI	1	5,167
GA	Deal	R		Carter	Deal	1	I	1	8,567
FL	Scott	R		Crist	Scott	1	I	1	7,667
CT	Malloy	D		Malloy	Foley	1	I	1	8,033
CO	Hickenlooper	D		Hickenlooper	Beuprez	1	I	1	7,200
CA	Brown	D		Brown	Kashkari	1	I	1	9,600
AZ	Brewer	R	TL	DuVal	Ducey	0	OI	1	7,933
AR	Beebe	D	TL	Ross	Hutchinson	0	OC	0	7,200
AL	Bentley	R		Griffith	Bentley	1	I	1	7,100
AK	Parnell	R		Walker	Parnell	1	C	1	6,467
USA									7,700

Unemp_Q1_2014	Unemp_13_14	Rel_Unemp	Unemp_Q3_2014	Rel_Unemp_Q3_2014	Unemp_Q3_2014	Rel_Unemp_Q3_2014	RPCI_Q1_2013	RPCI_Q1_2014
4.167	-14.966	-1.979	4.567	-1.533	4.567	-1.533	47983.73	48769.91
6.033	-15.023	-2.036	5.633	-0.467	5.633	-0.467	39317.85	39828.74
3.700	-15.909	-2.922	4.067	-2.033	4.067	-2.033	41237.74	42322.59
5.633	-11.518	1.469	5.200	-0.900	5.200	-0.900	39602.35	40483.01
6.933	-11.111	1.876	7.267	1.167	7.267	1.167	36037.81	36406.98
3.633	-16.794	-3.807	3.567	-2.533	3.567	-2.533	42349.08	41415.50
5.867	-31.518	-18.530	6.267	0.167	6.267	0.167	32580.22	32842.32
8.967	-4.947	8.040	7.667	1.567	7.667	1.567	42759.14	43720.77
6.200	-23.140	-10.153	5.733	-0.367	5.733	-0.367	41958.12	42778.68
6.933	-16.800	-3.813	7.067	0.967	7.067	0.967	36105.34	36812.54
5.033	0.000	12.987	4.667	-1.433	4.667	-1.433	38036.62	38549.96
6.500	-7.583	5.404	5.667	-0.433	5.667	-0.433	37327.11	38010.03
6.833	-18.000	-5.013	6.400	0.300	6.400	0.300	49277.05	50483.04
8.567	-11.379	1.608	7.533	1.433	7.533	1.433	35700.27	35795.27
6.767	0.000	21.987	6.633	0.533	6.633	0.533	32818.82	33176.60
4.700	-18.497	-5.510	4.667	-1.433	4.667	-1.433	46336.99	47426.65
3.600	-5.263	7.724	3.600	-2.500	3.600	-2.500	43362.22	41844.76
4.767	-13.333	-0.346	4.300	-1.800	4.300	-1.800	43300.44	43473.10
7.667	-12.214	0.773	7.433	1.333	7.433	1.333	35615.79	36246.19
6.067	-16.129	-3.142	5.633	-0.467	5.633	-0.467	37183.63	37784.52
5.700	-14.070	-1.083	6.267	0.167	6.267	0.167	49140.72	49181.83
6.533	0.000	12.987	5.800	-0.300	5.800	-0.300	51947.79	52997.77
4.867	-12.048	0.939	4.867	-1.233	4.867	-1.233	40231.87	40697.58
8.600	-7.857	5.130	6.700	0.600	6.700	0.600	42831.68	43350.33
5.300	-14.973	-1.986	4.667	-1.433	4.667	-1.433	32659.38	33431.74
4.400	-11.409	1.578	4.533	-1.567	4.533	-1.567	41056.22	40248.81
4.567	-11.613	1.374	4.300	-1.800	4.300	-1.800	40984.49	41536.14
7.133	-16.732	-3.745	7.900	1.800	7.900	1.800	34392.29	34875.65
6.200	-19.130	-6.143	6.200	0.100	6.200	0.100	37506.48	38051.38
7.067	-12.033	0.954	6.533	0.433	6.533	0.433	55343.21	55983.82
6.133	-14.815	-1.828	5.033	-1.067	5.033	-1.067	42297.72	43276.71
8.067	-15.972	-2.985	7.367	1.267	7.367	1.267	43527.42	44697.11
7.367	-7.143	5.844	7.000	0.900	7.000	0.900	33496.92	33918.22
7.100	-1.389	11.598	6.233	0.133	6.233	0.133	33557.45	33578.22
6.400	-9.859	3.128	6.833	0.733	6.833	0.733	33285.78	33458.61
6.500	0.515	13.502	6.700	0.600	6.700	0.600	45725.99	46293.44
6.700	-12.987		6.100		6.100		40628.15	40888.70

RPCI_13_14	Rel_RPCI_13_14	Gini_Index	Econ_Geo	Leg_D
1.638	0.997	0.4137	12.6	13.33
1.299	0.658	0.4407	2.5	42.42
2.631	1.989	0.4403	2.6	66
2.224	1.582	0.4783	3.3	37.69
1.024	0.383	0.4752	1.1	24.24
-2.204	-2.846	0.4375	7	22.14
0.804	0.163	0.4662	1.1	38.11
2.249	1.608	0.4701	0.4	88.11
1.956	1.314	0.4651	1.4	45.66
1.959	1.317	0.4586	3.5	55
1.350	0.708	0.4631	5.1	26.86
1.830	1.188	0.4619	1.1	34.85
2.447	1.806	0.5052	0.6	61.06
0.266	-0.375	0.4526	1.7	58.33
1.090	0.449	0.4762	4.5	56.19
2.352	1.710	0.435	0.8	50.42
-3.499	-4.141	0.4423	4.7	-9
0.399	-0.243	0.445	2.4	56.34
1.770	1.129	0.4619	1.3	38.97
1.616	0.975	0.4506	2.5	56.61
0.084	-0.558	0.4495	0.5	73.05
2.021	1.380	0.4805	0.4	85.94
1.158	0.516	0.4511	3.5	23.2
1.211	0.570	0.4756	1.1	63.98
2.365	1.724	0.4339	5.8	19.29
-1.967	-2.608	0.436	3.9	49.5
1.346	0.705	0.4324	1.6	91.14
1.405	0.764	0.4801	1.2	32.74
1.453	0.812	0.4827	1.1	36.25
1.158	0.516	0.4922	0.4	61.62
2.315	1.673	0.4594	2.6	54.18
2.687	2.046	0.4846	2.4	69.38
1.258	0.616	0.4629	1.6	40
0.062	-0.579	0.4667	3.3	42.57
0.519	-0.122	0.4727	1.7	33.33
1.241	0.600	0.4143	5.6	35
0.641		0.4772	2	

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