Control of Congress has had little impact on investment returns

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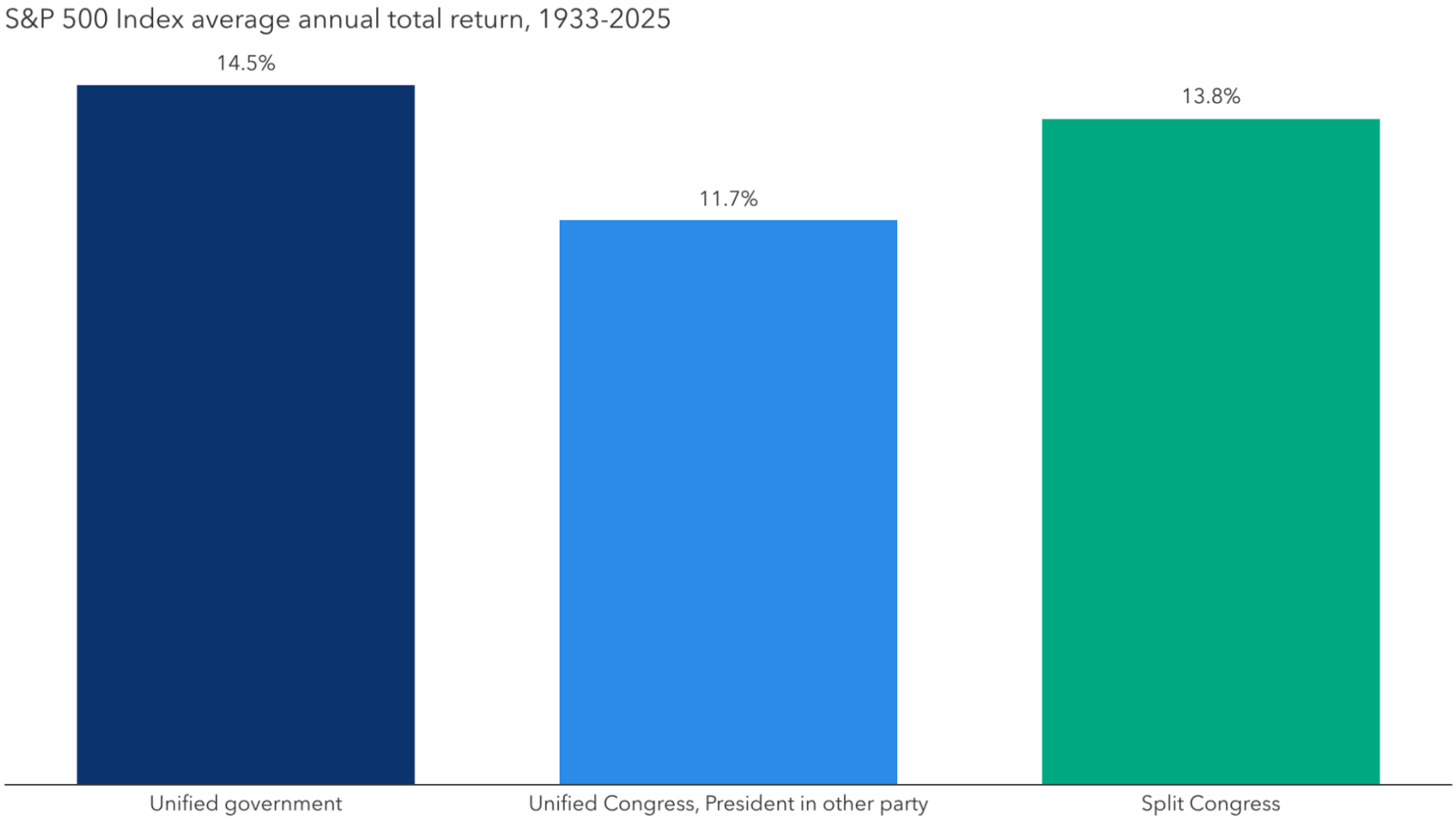
Markets have averaged double-digit returns regardless



Sources: Capital Group, Office of the Clerk - U.S. House of Representatives, Senate.gov, S&P Global. Unified government indicates White House, House and Senate are controlled by the same political party. Unified Congress indicates House and Senate are controlled by the same party, but the White House is controlled by a different party. Split Congress indicates House and Senate are controlled by different parties, regardless of the White House control. Data excludes 2001 due to Senator Jeffords switching parties mid-year. As of December 31, 2025.

Past results are not predictive of results in future periods.

Investments are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Key takeaways

There's nothing wrong with wanting your preferred candidates to win, but investors can run into trouble if they mix politics with their investment portfolios. That's because, historically, elections have had little impact on long-term investment returns. Going back to 1933, markets have averaged double-digit returns during various scenarios, including when a single party controlled the White House and both chambers of Congress as a "unified government," a split Congress and when a president's opposing party controls Congress.

Although midterm election years have exhibited these trends in aggregate over long periods, it is important to remember that each year follows its own path. Midterm elections, and politics as a whole, generate a lot of noise and uncertainty. But the reality is that long-term equity returns are generated by the value of individual companies over time. A prudent investor should look past the short-term volatility spikes that elections can bring and maintain a long-term focus.

Footnote(s)/Important information

The market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

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