Marubeni

Marubeni Washington Report

August 20, 2026

2026 U.S. Midterm Elections (3)

75 Days Until Election Day: Viewing the Midterms Through a "Generational" Lens

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Election Dashboard

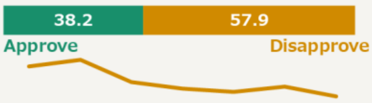
Bottom line Voters lean Democratic, Republicans lead on money; in the Senate ratings, Iowa and Texas have moved into the toss-up column, widening the Senate battleground to six seats.

Presidential approval

Net, approve minus disapprove

−19.7

Near 2nd-term low



Silver Bulletin avg · Aug 20 · line since Feb

Generic congressional ballot

National polling average

D +6.6

Democrats lead

Peak D+7.1 (Jun) → D+5.9 (Jul) → steady

Silver Bulletin avg · Aug 20 · line since Feb

Gas price, national average

Regular grade, AAA

$4.10

Up 31% y/y

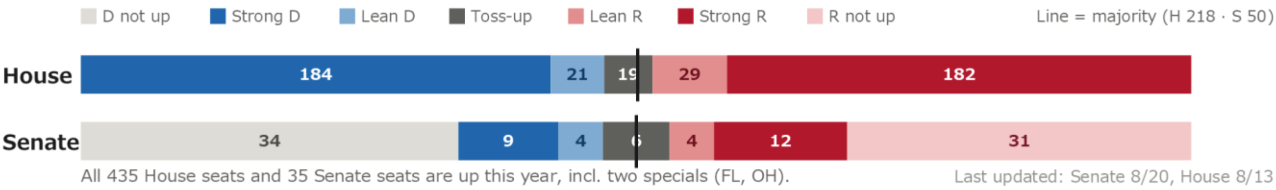
Mid-Jan $2.83; spiked on the Iran war

AAA · Aug 20 · line since Feb

House and Senate race ratings

NEW: Senate 8/20: Iowa & Texas → Toss-up (4→6)

Cook Political Report

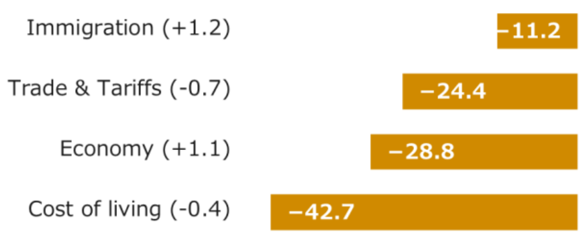


All 435 House seats and 35 Senate seats are up this year, incl. two specials (FL, OH).

Last updated: Senate 8/20, House 8/13

Approval by issue area

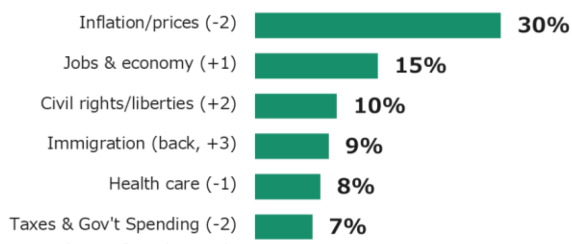
Net, Silver Bulletin



( ) denotes change from last update
Issue-area averages · Aug 20

Voters' most important issue

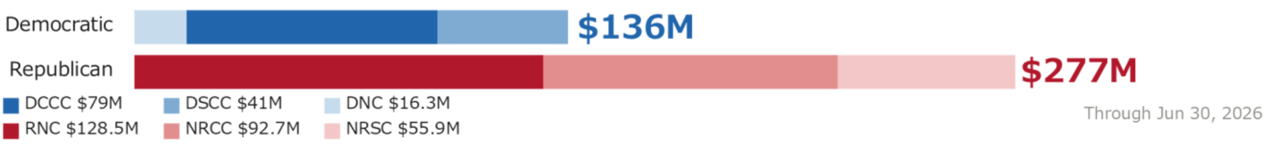
Economist/YouGov



( ) denotes change from last update
Aug 14-17 · registered voters

Party committee cash on hand (six national committees)

FEC filings



Through Jun 30, 2026

*For each party, the total combines the national committees (DNC/RNC), House campaign committees (DCCC/NRCC), and Senate campaign committees (DSCC/NRSC). Republicans hold roughly twice as much. The DNC separately reports $18.5 million in debt.

Next up Next major primary: Sep 1 Massachusetts, Sep 8 New Hampshire. **Election Day: Tue, Nov 3 · 75 days out**

Sources: Silver Bulletin (approval, generic ballot) · Cook Political Report (ratings) · Economist/YouGov (top issue) · AAA · FEC   Prepared Aug 20, 2026

- U.S. political divisions must be understood not only in terms of left and right, but also in terms of generations. For years, policies benefiting the elderly and entrenched interest groups have been repeatedly pursued, while the expectations of younger generations have not been adequately met.
- U.S. household wealth is concentrated among older people, while millennials and younger generations face economic hardship, including lower homeownership rates and growing student loan balances. At the same time, the federal legislature and corporate leadership are also aging.
- Against a backdrop of political distrust, the ranks of independents are growing. Within the Democratic Party, the radical left, and within the Republican Party, President Trump's America First movement, are both seeking to attract younger voters, but neither has gained broad support.
- Demographically, millennials and younger generations could make up nearly a majority of eligible voters by 2028 and of actual voters by 2032. Reducing economic disparities between generations is becoming an unavoidable challenge for U.S. politics and the economy.

U.S. politics, with its two-party system, is generally premised on the divide between left and right, or Democrats and Republicans. Election analysis therefore tends to focus on the two parties' policies and levels of support. Yet neither party is necessarily monolithic. Internal disagreements and the rise of emerging factions are conspicuous in both parties, and in some areas, the views and interests of the Democratic Party's left wing and the Republican Party's conservatives overlap.

One reason may be that, as traditional political approaches persist, policies favoring older people and entrenched interest groups have been repeatedly adopted, while politics has failed to adequately meet younger generations' expectations. In this midterm election, the retirements of prominent politicians in their eighties have also stood out, suggesting that politics may finally be entering a period of generational transition among its leaders. With these points in mind, this essay considers the midterm elections not through the conventional left-versus-right framework, but by focusing on differences between generations.

The Steady Aging of American Society

The United States is relatively young compared with other major countries. Its median age is 38.5, which is about 11 years lower than Japan's and about 7 years lower than the EU's, and even one year lower than China's[1]. At the same time, like other countries, it is steadily aging. Due to declining birthrates and the aging of the baby-boomer generation, the population pyramid is shifting its weight toward older age groups. The millennial generation (73 million people), once synonymous with youth, are now aged 30–45 and have entered the stage of forming the core of society. At the same time, there are also large numbers of middle-aged and older people—such as Generation X (ages 46–60, 65 million people) and the baby-boomer generation (ages 61–80, 64 million people)—and their influence in politics and the economy remains significant.

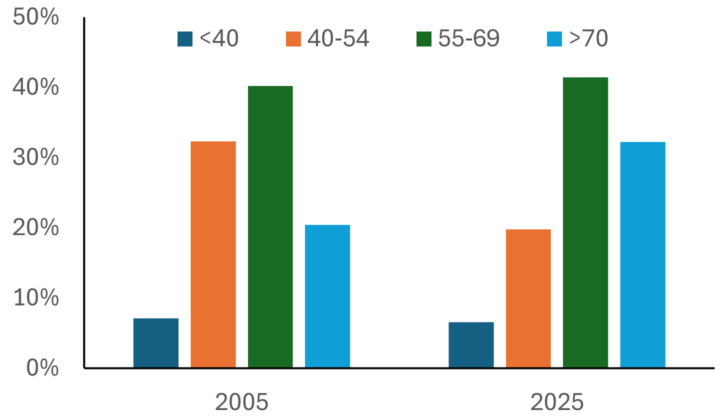
Millennials are also an unfortunate generation. The 2008 financial crisis overlapped with the timing of their student years or entry into the workforce, and they saw firsthand a sharp economic downturn and prolonged stagnation. The impact has not been temporary; it has carried over into their subsequent economic circumstances. Looking at U.S. household assets by age, those aged 55–69 hold 41% and those

[1] United Nations, World Population Prospects 2024 Revision, "Median age, as of 1 July (years)." EU figures are proxied by the "Europe" or "Western Europe" category. https://population.un.org/wpp/

70 and over hold 32%, meaning that roughly 70% is concentrated among people 55 and older[2]. Twenty years ago, people aged 40–54 held 32% of household assets, but most recently the share for this age group has fallen to 20%.

The concentration of wealth among older generations is also reflected in the declining homeownership rate among younger people. The homeownership rate for those 45 and under is 50% (down 8 percentage points over the past 20 years), and for those 35 and under it is 35% (also down 8 points), a substantial drop compared with the past[3]. Some surveys suggest that, when including those living with their parents, the homeownership rate falls by an additional 8.6 points[4]. Problems with homeownership among the middle class constitute a major social issue, and have become an electoral topic in the midterms as an intermediate element of the affordability debate; but this is primarily a problem for younger generations.

Figure 1: Share of Wealth Holdings by Age Group



(Source) Prepared by the Washington Office based on FRB data

Furthermore, millennials are also burdened by student loans. According to Federal Reserve data, the balance of U.S. federal student loans reached a record high of $1.86 trillion as of the end of March 2026[5], and by generation, millennials and the younger Generation Z (ages 14–29) each account for 35%, an overwhelmingly large share. The fact that around 15% of millennials still carry student loans is another reason they have found it difficult to accumulate savings.

Disillusionment with politics

Millennials have continually sought political change in order to transform their difficult economic situation. It was at the timing after the 2008 financial crisis that the Democratic candidate Barack Obama emerged. He shattered the heavy mood created by high unemployment at home and the ongoing Iraq War abroad

[2] Federal Reserve, Distributional Financial Accounts. https://www.federalreserve.gov/releases/efa/efa-distributional-financial-accounts.htm

[3] Census Bureau. https://www.census.gov/newsroom/press-releases/2025/families-and-living-arrangements.html

[4] Federal Reserve Bank of Minneapolis, "New Homeownership Measure Puts People First" (July 2026). Analysis based on the "homeowners-to-population ratio (HPOP)," which redefines ownership on an individual rather than a household basis. https://www.minneapolisfed.org/article/2026/new-homeownership-measure-puts-people-first

[5] Federal Reserve Board. https://www.federalreserve.gov/releases/g19/current/

with messages of "change" and "hope," and quickly became the first Black president. However, although the economy gradually began to recover, employment did not follow, and within the context of a gridlocked relationship with Congress, he was unable to carry out fundamental reforms. If anything, the fact that the government used public funds to bail out the large corporations that had caused the financial crisis led to public disillusionment and evolved into the 2011 "Occupy Wall Street" movement calling for reducing inequality. In 2012, partly because his Republican opponent was the wealthy Mitt Romney, Obama won reelection, but in 2016, the renewed demand for change led to the election of President Trump.

During this period, however, power also became increasingly concentrated in the hands of older generations. The average age of members of Congress is 64 in the Senate and 58 in the House, 3–4 years higher than twenty years ago.[6] With this election as a turning point, major figures are expected to retire, including Republican Senator Mitch McConnell (84, in office for 41 years) and Democratic Senator Dick Durbin (81, 29 years) in the Senate, and Democratic Representatives Steny Hoyer (86, 45 years) and Nancy Pelosi (85, 39 years) in the House. But there are still as many as 24 sitting members of Congress over 80.[7] Beyond legislators, there have been prominent cases, such as former Supreme Court Justice Ruth Bader Ginsburg, of people dying while in office, and criticism has arisen over clinging to power. The average age of corporate CEOs has also risen, from 51 in 2000 to 61 in 2023[8], indicating that aging is progressing in the economic sphere as well.

It can be said that millennials, having pinned their hopes on politics but failing to secure major change and feeling repeatedly betrayed, have grown increasingly distrustful of politics. This is reflected in the expansion of the unaffiliated (independent) electorate. In the United States, the share of independents has risen by 15 percentage points over the past twenty years, from about 30% to about 45%, and the proportion is especially high among younger generations. Among millennials, 52% call themselves independents, and among Generation Z, 56% do so.[9] Younger generations seek practical change rather than political ideology, and the increase in independents suggests disillusionment with the current two-party system.

At the same time, there are also problems on the side of millennials and Gen Z that help explain why politics does not change. Looking back at the 2024 presidential election, although those in the millennial generation and younger constitute a large bloc, making up about 42% of eligible voters, their lower turnout at younger ages meant they accounted for only 37% of actual votes cast. By contrast, baby boomers and older generations made up 33% of eligible voters but 37% of votes cast[10]. Overall turnout was 65%, but it reached 75% among those 65 and over, while it was only 60% for those aged 25–44 and 48% for those aged 18–24[11]. From these figures, it is to some extent rational that politics and policy are oriented toward older voters, who reliably go to the polls. However, looking ahead, a different picture also comes into view. Due to the natural decline of the elderly population and the gradual entry of Gen Z into voting age, those in the millennial generation and younger could account for nearly half of all eligible voters by 2028, and could

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[6] Pew Research Center, Congressional Research Service, Congressional Membership Profiles. https://www.pewresearch.org/

[7] NBC News, "24 members of Congress are 80 or older" (Mar 30, 2026). https://www.nbcnews.com/politics/congress/congress-oldest-members-run-reelection-80s-rcna249479

[8] Kecht et al., "Aging at the Very Top" (NBER Working Paper 35089, 2026). The sample consists of 50,510 sitting CEOs of U.S. firms (including many non-listed companies in addition to listed ones).

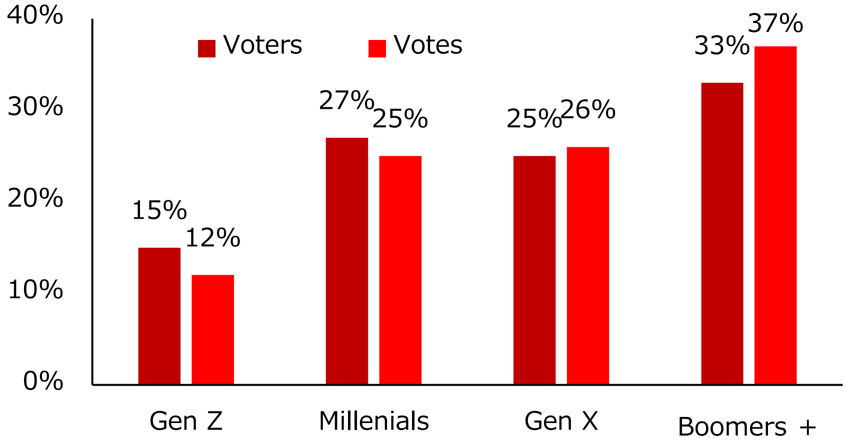
[9] Gallup, Gallup Poll Social Series (2025-26). https://news.gallup.com/poll/700499/new-high-identify-political-independents.aspx

[10] Pew Research Center; Bipartisan Policy Center; Catalist, "What Happened in 2024"

[11] Census Bureau, Current Population Survey Voting and Registration Supplement

approach half of actual voters by 2032. As they come to represent a larger share of the electorate, they are becoming a political force that cannot be ignored.

Figure 2: Share of eligible voters and actual voters by generation



(Source) Prepared by the Washington Office based on Pew Research data

The two major parties seeking to win them over

One response to the economic hardship and political disillusionment facing younger generations has been the rise, within the Democratic Party's radical left, of the Democratic Socialists of America (DSA). The DSA was a small organization with only 6,500 members in 2013, but has recently expanded to 120,000.[12] In particular, Senator Bernie Sanders, who identifies as a democratic socialist and fought Hillary Clinton to the end for the 2016 Democratic presidential nomination, attracted young people who sympathized with his pro-worker policies, and many of them are said to have joined the DSA. Well-known politicians at the national level have also emerged from its ranks, including Representative Alexandria Ocasio-Cortez, often seen as a leading young figure on the radical left, and Zohran Mamdani, who became mayor of New York in January, both of whom are DSA members. The DSA's main policies center on correcting inequality and redistribution, including universal health coverage, expanding access to homeownership, making college free, and raising taxes on the wealthy.

At the same time, a recent DSA survey shows that, although 80% of its members are highly educated with at least a college degree, 45% have an annual income of $60,000 or less[13]. In other words, a defining characteristic of its supporters is that they are "highly educated yet unable to earn sufficient income." Looking at occupations, the largest groups now include teachers and academics, white-collar workers, tech workers, NPO employees, and public servants. Whereas retirees once made up the bulk of the membership, that has changed dramatically over the past decade. At the same time, the number of people who have not benefited from their higher education has increased greatly over these ten years. For example, in the United States, the unemployment rate for recent college graduates (ages 22–27) had historically been lower than the national average, making the job market relatively favorable for them. But in the past few years, the unemployment rate for recent graduates has risen above the national average[14], and the decline in entry-level hiring has become a social problem. In fact, about 40% (41.5%) of college

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[12] Democratic Socialists of America

[13] DSA Growth and Development Committee (2021)

[14] Federal Reserve Bank of New York, "The Labor Market for Recent College Graduates". https://www.newyorkfed.org/research/college-labor-market

graduates are considered underemployed, working in jobs that do not require a college degree, and it has become clear that the long-held belief that "if you graduate from college, you can get a better job" no longer matches reality. The DSA has tapped into this sense of disappointment and expanded its political influence.

Nate Silver, a statistician well-known for his election analysis, describes the core group that makes up the DSA's membership as "Highly Educated, Downwardly Mobile." [15]He argues that the most liberal voters are those with a graduate degree or higher and annual incomes of $30,000–60,000. Referring to Peter Turchin's theory of "elite overproduction," he points out that there is a serious supply-demand mismatch[16]: the number of highly educated people vastly exceeds the number of high-income, high-status jobs available in today's economy. He also notes that this highly educated group often holds progressive values on social issues such as racial equality, environmental problems, and gender identity, and that the growing mismatch between education level and economic situation lies behind support for the DSA.

For the DSA, however, the problem is that although this "highly educated, downwardly mobile" group is growing among younger generations, it still represents only a limited share of the total population. According to recent national census data, people with a college degree or higher and incomes of $60,000 or less account for only 10% of the population. Even if we expand the income bracket to $100,000 or less for those with a college degree or higher, they still amount to only 18% of the total.[17] While the DSA has expanded its strength thanks to support from highly educated people dissatisfied with the existing political-economic system, it is not drawing significant support from either the already successful, entrenched interests or from the mass of voters in the middle- and lower-income brackets without a college degree. This is both the DSA's challenge and its limitation. For this reason, even within the Democratic Party, extreme left-wing policies are criticized, and there are arguments that more moderate, centrist policies are better able to attract independents. Likewise, from the standpoint of expanding a support base centered on the elderly, who make up the majority of voters, President Trump's "America First" stance and his anti-communist rhetoric can be seen as a rational strategy.

Figure 3: Occupational breakdown of DSA members

	2013	2017	2021
teacher, scholar, academic	11%	12%	10%
white-collar	3%	21%	13%
tech worker	-	-	9%
NPO	3%	7%	7%
public sector	4%	7%	7%
unemployed, disabled, retired	67%	20%	15%

(Source) Prepared by the Washington Office based on DSA data

[15] Nate Silver, "The DSA Sweet Spot: Highly Educated, Downwardly Mobile", Silver Bulletin (July 21, 2026)

[16] Peter Turchin's (2010) "Elite Overproduction"

[17] Census Bureau

Figure 4: U.S. population distribution by educational attainment and income

Income/Education	High School	Some College	Bachelor's	Master's and above	Total
0	16%	9%	6%	3%	35%
< $60,000	16%	11%	7%	3%	37%
< $100,000	4%	4%	5%	3%	15%
> $100,000	2%	2%	5%	5%	14%
Total	37%	26%	23%	14%	100%

= "Highly Educated, Downwardly Mobile"

(Source) Prepared by the Washington Office based on Census Bureau data

While the number of highly educated, low-income young people is growing, there are still far more people without a college degree who are struggling on limited incomes. Given that the share of Americans with at least a college degree remains at around 40%, this is only natural. However, in reality, neither the Republican nor Democratic Party has done enough to reach out to this group. The Trump administration put forward support for workers and the reshoring of manufacturing, and ideologically tried to win this group over, but failed to produce sufficient results, and in particular has been noted for losing support among Generation Z. On the Democratic side, younger generations support the DSA, but it has not succeeded in appealing to a broader swath of the public.

At the same time, looking at the demographic structure, the center of American politics is steadily shifting to the millennial generation and younger. Political dissatisfaction among these generations continues to accumulate, and the point at which the United States will be forced to tackle inequality in earnest is drawing near. This needs to be recognized as a risk factor for the U.S. economy.

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