

T-MINUS 14 DAYS: WHAT THE MIDTERM ELECTIONS COULD MEAN FOR BUSINESS

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With fewer than 14 days until Election Day, attention in Washington is turning to which party will control Congress in 2027. For companies, the more immediate question is what a change in control could mean for legal, regulatory, and reputational risk beginning 4 November 2026. Congressional and regulatory scrutiny does not depend on new legislation, and once it begins, companies may have little time to prepare. The 120th Congress may enact few major bills before the presidential campaign season begins, but changes in committee leadership, oversight priorities, appropriations, and confirmations could have a more immediate impact.

President Donald Trump's veto would make major legislation difficult without bipartisan support or White House agreement. But legislative gridlock would not necessarily mean policy stability. Investigations, funding decisions, enforcement actions, and hearings can change the business environment before companies have a meaningful opportunity to respond.

Three outcomes remain plausible: Democrats win both chambers; Democrats take the House while Republicans retain the Senate; or Republicans retain control of Congress. Democrats currently appear better positioned in the House, while the Senate remains unsettled. Each result would have different implications for business.

SCENARIO 1: DEMOCRATS GAIN CONTROL OF THE HOUSE AND SENATE

A Democratic sweep would bring the most significant change, though not necessarily much more legislation. It also would be historically unusual: since 1857, the president's party has lost both chambers in a midterm election only six times, most recently in 2006.¹ Democrats would control committee agendas, appropriations, presidential and judicial confirmations, and oversight backed by subpoena authority, while still facing a presidential veto. That would give hearings, appropriations, and confirmations greater weight. Hearing records may later attract the attention of regulators and investors; appropriations language can constrain agency action without changing the underlying law; and confirmation fights can shape enforcement priorities. For some companies, those tools may matter more than the legislation receiving broader public attention.

Healthcare affordability, energy, housing, labor policy, consumer protection, financial services, artificial intelligence, and data privacy would likely feature prominently in a Democratic agenda. Companies in consumer-facing sectors, emerging technology, or industries that rely on federal spending could draw interest from multiple committees. A hearing may lead to document requests, agency scrutiny, or additional reporting requirements.

With Democrats controlling Congress, President Trump would likely rely more heavily on executive action, rulemaking, and existing authorities, particularly on trade and immigration. He also would lose the support of a Republican Senate in confirming nominees and responding to congressional investigations. Even so, the White

House could pursue populist measures outside traditional Republican policy, including in payments, financial services, and healthcare.

SCENARIO 2: DEMOCRATS GAIN CONTROL OF THE HOUSE; REPUBLICANS RETAIN THE SENATE

A Democratic House and Republican Senate would reduce the likelihood of partisan legislation without diminishing the prospect of aggressive oversight. Senate Republicans could block most partisan bills and continue confirming nominees, while House Democrats could use committee authority and subpoenas to pursue investigations. Healthcare costs, consumer protection, financial services, artificial intelligence, and labor policy would likely remain under scrutiny even if the Senate had no intention of legislating. A company could face little prospect of a new law and still become the subject of a hearing with regulatory, investor, and media consequences.

Appropriations would likely become the primary forum for bipartisan negotiation. Funding levels, policy riders, and reporting mandates can shape agency conduct with less visibility than stand-alone legislation. A provision added to a must-pass funding bill can materially change an industry's legal or regulatory exposure, sometimes with little public attention or time to respond. Companies may therefore need to monitor measures outside their usual legislative focus.

A Republican Senate would give the White House some protection even as House investigations put pressure on the administration and affected industries. As it did after the 2018 midterms, the administration could respond through executive and agency action, particularly on trade and immigration, while seeking selective agreements with Democrats on issues such as payments, financial services, and healthcare.

SCENARIO 3: REPUBLICANS RETAIN CONTROL OF CONGRESS

Republican control would offer the most continuity and the clearest path for legislation, but it would not necessarily produce a lengthy legislative agenda. In mid-2025, Congress enacted the One Big Beautiful Bill,² a broad reconciliation package covering much of the administration's tax, immigration, and spending agenda. The law showed what unified government can accomplish when congressional leaders and the White House are aligned. Even so, President Trump may prefer executive and agency action when those options are available. With the 2028 election cycle approaching, Republicans would have limited time to advance any remaining priorities on tax policy, energy, permitting reform, border security, defense, and regulatory oversight.

THE LAME-DUCK SESSION: POTENTIALLY MORE CONSEQUENTIAL THAN USUAL

The period between Election Day and the start of the new Congress could be unusually active. Lawmakers may need to address year-end funding, tax provisions, healthcare, defense, nominations, and other unfinished business before control changes hands and departing members leave office. Organizations affected by federal funding, taxation, healthcare, trade, or defense should consider what may move, which provisions could become negotiating points, and whether late additions could create risk or opportunity.

A WAVE OF NEW MEMBERS, REGARDLESS OF WHO WINS

Regardless of the outcome, the next Congress will look substantially different. At least 76 House members will not return in January,³ the highest pre-election turnover in more than three decades,⁴ and at least 12 senators also will leave.⁵ Many serve on committees that are particularly important to business, including House Judiciary, Ways and Means, Appropriations, and Financial Services, as well as Senate Appropriations, Finance, Judiciary, and Armed Services. New members and committee assignments can shift priorities and change how issues move through Congress.

BIPARTISAN DEAL-MAKING AND THE 2028 FIELD MAY STILL SHAPE THE AGENDA

None of the three scenarios would rule out deals on traditionally bipartisan issues. Must-pass reauthorizations, including the Surface Transportation Reauthorization,⁶ Farm Bill,⁷ and other measures that have not historically divided along party lines could still move, especially if President Trump sees an advantage in working with the opposing party. Neither divided government nor continued Republican control would bring legislation to a halt. Companies should continue watching bipartisan vehicles that could carry provisions affecting their industries.

The 2026 session may matter beyond what ultimately becomes law. As members test policy ideas and messaging bills ahead of 2028, those proposals could help shape both parties' presidential platforms. Companies that track which ideas gain traction, and with whom, may get an early view of where the next campaign's policy debates are headed.

WHERE RISK COULD EMERGE FIRST

The election is likely to change where risk emerges first. If legislation stalls, oversight, appropriations, confirmations, agency action, and hearings may become more important. If Republicans retain unified control, timing may be the greater concern as leaders try to act before the 2028 campaign further narrows the legislative calendar.

Party control is only part of the picture. Companies should understand which committees may claim jurisdiction over their issues, which agency accounts could be affected by appropriations or rescissions, which nominees could influence enforcement priorities, and which hearings might create a record that outlasts the next session of Congress.

These risks are not limited to heavily regulated industries. A high-profile dispute, data incident, or customer complaint can attract attention, as can operating in a sector already under committee scrutiny, such as healthcare, financial services, technology, or consumer products.

Reliance on a federal grant, contract, permit, or reimbursement program may create another point of exposure, as may limited engagement in Washington or a monitoring program focused on introduced bills rather than hearings, appropriations, and agency activity. A company does not need to be a household name or involved in litigation to draw congressional or regulatory interest.

The significance of the 2026 midterms may lie less in any single legislative agenda than in who controls the institutional tools of Congress. Both President Trump in 2018 and President Joe Biden in 2022 lost the House in their first midterms while their parties retained the Senate.⁸ A Democratic sweep in 2026 would be less common and would place greater constraints on the White House. Companies that prepare now for possible changes in committee leadership, oversight, appropriations, and lame-duck activity will be better positioned once the results are known.

We are monitoring the electoral landscape, potential changes in committee leadership and priorities, lame-duck activity, and the implications for oversight, appropriations, and agency action. We will provide additional analysis as the results and their practical effects become clearer.

FOOTNOTES

¹ U.S. House of Representatives, Office of the Historian, [Party Government Since 1857](#).

² [Public Law 119-21](#) (July 4, 2025).

³ U.S. House of Representatives Press Gallery, [Departing Member List](#) (Sep. 4, 2026).

⁴ Pew Research Center, [2026 Primary Season Yields Greatest Preelection House Turnover in Over 3 Decades](#) (Sep. 16, 2026).

⁵ Associated Press, [Tracking Turnover in Congress](#) (Aug. 19, 2026).

⁶ Most recently extended as part of the Infrastructure Investment and Jobs Act, [Public Law 117-58](#) (Nov. 15, 2021).

⁷ Most recently extended through the Agriculture Improvement Act, Public Law 115-334 (Dec. 20, 2018), the authorization expired on September 30, 2026.

⁸ Associated Press, [Tracking Turnover in Congress](#) (Aug. 19, 2026).

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