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RESEARCH UPDATES

Forecasting the 2000 Presidential Election

TAKING STOCK OF THE FORECASTS
OF THE 2000 PRESIDENTIAL ELECTION

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Taken as a whole, this was not a good election for the presidential forecasting models. The models previously published in *American Politics Quarterly* (*APQ*, October 1996) and, with one addition, updated in *Before the Vote* (Campbell & Garand, 2000) were used to generate forecasts for 2000. These were presented at the American Political Science Association (APSA) meeting around Labor Day. One of the models (Norpoth's) was significantly revised but maintained its two core (autoregressive) variables. The six other models used in 2000 were essentially unchanged from their 1996 specification. Although all of the models predicted that Gore would receive a majority of the two-party vote, and he apparently did so just barely, the prediction errors of the two-party vote decisions were large whether judged by absolute standards or by their record of out-of-sample errors. None of the predictions was within $2\frac{1}{2}$ percentage points of the actual vote, some were more than 5 points in error, and two were in a different time zone entirely.[1] What makes matters worse is that an economist, Ray Fair, produced a more accurate forecast this year than any of the seven APSA models.

That is the bad news. The good news is that this was not an easy election for anyone. Gallup Poll numbers were flailing around like a slimy carp on a slick deck of a hot fishing boat on a sweaty August morning (with apologies to Dan Rather). In the space of less than 4 days in early October, Gallup had the two-party vote shift 10 percent-

age points. On election night, based on the exit polls, all of the major networks gave Florida to Gore, then called it too close to call, then gave it to Bush and declared him the next president, and then reversed themselves again. Then, of course, there is Florida. After more than 3 weeks of dealing with voters who cannot punch ballots, election officials who cannot decide what the rules are, judges who cannot read laws straightforwardly, and election boards who cannot figure out how to count votes, after all of this, some forecasting errors do not look so bad.

On a brighter note, several of the models did not do too badly. Two (Abramowitz and Campbell) were within 3 percentage points or less of the actual vote. Nothing to write home about, but not devastating either. Beyond this, all of the models may learn from the 2000 election. This is not to say that 2000 may not have revealed some fatal flaws in some of the models, but it is only one case, and it is quite possible that a large error in a single case may be addressed by a fairly modest revision in a model. So, to the extent that the models were wrong, why? Each of the modelers will have their own interpretations in their "postmortems," but here are some possibilities that may apply generally.

First, because most of the models only go back as far as 1948 or 1952, they have little experience with open-seat presidential elections. Only four of these elections (1952, 1960, 1968, and 1988) lacked an incumbent in the race. It is certainly reasonable to suppose that an election without the incumbent would be less of a referendum on the past performance of the administration and its stewardship of the economy than one with the incumbent. With so few cases, there is not the leverage to obtain reliable estimates of interaction terms (with the economy with incumbency or approval rates with incumbency), but this may have been an important reason why the models using economy overpredicted the Gore vote. It is interesting to note that the Fair model, often thought of as an economic model, includes a personal incumbency variable worth between 4 and 5 percentage points of the vote. It is also worth noting that since 1828, the odds of a near dead-heat election (the winner having 51.5% of the vote or less) are nearly five times greater when there is no incumbent in the race.

Second, with some economic indicators reaching very high levels, the simple linearity assumption may have caused problems in some

models. It is certainly reasonable to assume that there are diminishing political returns to a good economy. The increment of votes that a candidate might expect in moving from 2% to 3% growth should be much greater than in moving from 5% to 6%. It is unclear whether the economy was so good that seriously diminishing returns set in for this year's context, but some of the error in some of the models may be traced to this. As with the above interaction problem, the small number of cases complicates dealing with the nonlinearity issue, but adjustments can be made to address the problem.

Third, some of the models might reexamine "the time for a change" component or dynamic found in several models (Abramowitz, Fair, Holbrook, Lockerbie, and Norpoth). Despite a divisive nomination contest, Republicans quickly united behind Bush (as evidenced by his summer-long poll lead), whereas Democrats remained less united, with Nader's Green Party votes predominantly coming out of their base. After 8 years out of power, Republicans were ready to set aside internal party differences, and after 8 years in the White House, some Democrats took power for granted and lost their enthusiasm and perspective about the differences between the parties.

The fourth and fifth possible reasons for the errors are ones that could not be accommodated by any revision in the models. At the time that the forecasts were made, the economic indicators for the first half of the year or the second quarter were quite strong. The gross domestic product (GDP) growth rate in the second quarter was the fourth strongest of the 14 election years since 1948. Public opinion assessments of the economy also indicated that the public appreciated this fact. However, from July through September, the economy slowed down appreciably. The Bureau of Economic Analysis indicates that GDP growth in the second quarter was 5.6%, and its estimates of growth in the third quarter dropped to just 2.2%. Unfortunately, information about third-quarter conditions are not available at the time that the forecasts were made.[2]

Finally, this year there appeared to be a substantial mismatch in the quality of the two campaigns. Based on the strong first-half economy and the public's recognition of it, one would have naturally expected Al Gore to run a retrospective, stay-the-course, consensus-oriented campaign. He did just the opposite, presumably in some ill-considered attempt to avoid entanglement with the legacy of Clinton's scandals.

Except for Norpoth's, all of the models base their predictions in part on the economy. They assume that a strong economy provides the in-party candidate to campaign on it, take credit for it, politicize it, highlight it for voters, and convert it into votes. Gore amazingly did not do so. He ran a prospective campaign and opened himself up to questions of why the problems that the various issues addressed (from prescription drug plans to tax cuts) had not already been settled. For his part, much as Clinton co-opted Republican programs, Bush co-opted Democratic issues and blunted their electoral appeal. None of this could have been anticipated by the models and undoubtedly accounted for at least part of the underperformance of Gore on election day.

NOTES

1. In order of their accuracy, the predictions of the two-party votes and their errors were as follows: Campbell predicted 52.8, an error of 2.5 points; Abramowitz predicted 53.2, an error of 2.9 points; Norpoth predicted 55.0, an error of 4.7 points; Wlezien and Erikson predicted 55.2, an error of 4.9 points; Lewis-Beck and Tien predicted 55.4, an error of 5.1 points; and Holbrook predicted 60.3, an error of 10.0 points. Of the models that reported out-of-sample errors for each election year after the 1996 election and the two models that reported out-of-sample errors prior to 1996, three (Abramowitz, Campbell, and Wlezien and Erikson) had experienced larger errors than their 2000 error in two or three prior elections. For the record, Fair's model in early October forecast a Gore vote of 50.8%, an error of only .5 percentage points. After correcting an error in his released forecast, Lockerbie indicates that his model forecast a 60.3% vote for Gore, an error of 10.0 points.

2. The correlation of third-quarter gross domestic product (GDP) growth with the in-party presidential vote from 1948 to 1996 was .46. The correlation of the vote with second-quarter growth over the same set of elections was .64.

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