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On August 29, 70 days before the election and more than 100 days before anyone would know who would be the next president, my trial-heat and economy model for forecasting presidential elections predicted that Al Gore would receive 52.8% of the national two-party popular vote. By the actual returns, after all the recounts and court rulings were completed, Gore received 50.3% of the national two-party popular vote, 2.5 percentage points less than the model predicted. While this error is larger than normal (the mean out-of-sample error from 1948 to 1996 for the model is 1.5 percentage points), three of the last thirteen elections had larger out-of-sample errors. In short, though the performance of the forecasting model this year was well within normal bounds, the model was not quite as accurate as usual.

The Trial-Heat and Economy Model

Before evaluating the reasons for the larger than usual error, a review of the basis for my forecast might be helpful.[1] This forecasting model combines two predictors of the in-party candidate's share of the two-party vote. The first is the in-party candidate's share of preferences for the major-party candidates in the Gallup trial-heat poll available at Labor Day. Table 1 displays a ranking of these Labor Day preferences and the November vote in elections since 1948. The Labor Day poll standing of a candidate has historically been a very good clue about how Americans will vote two months later (r = .87). In the six election years in which the in-party candidate had the support of 52% or more of Gallup Poll respondents around Labor Day, the candidate went on to win in all six cases. In the seven elections before 2000 in which the in-party had a slim lead (51% or less) or trailed at Labor Day, the record is six losses and only one win (Harry Truman's fabled comeback of 1948).

This year the Gallup Poll available at Labor Day showed Gore narrowly trailing Bush with 47% of two-party preferences among likely voters (49% for Bush, 47% for Gore, and 4% for others or undecided). Although tipped slightly toward Bush, this poll was so close that it provided little guidance as to the likely winner.[2] What it suggested was that the election would be close. It is worth observing that the previous election with the most similar Labor Day poll reading to this year's was the 1960 Kennedy–Nixon near dead-heat.

The second predictor variable is the election-year economy as measured by the change in the real GDP during the second quarter of the election year. Table 2 presents the ranking of second-quarter economies and the associated in-party vote. As the figures indicate, the performance of the economy in the second quarter of the election year has offered a good clue as to how Americans have voted about four months later (r = .60), though it is not as firmly associated with the vote as the Labor Day poll. When the second-quarter economy grew at a rate of better than 2.4% (annualized), the in-party candidate's record since 1948 is seven wins and two losses. Moreover, the two losses with strong second quarters were very narrow (by one percentage point or less) and under unusual circumstances (the Vietnam War protests of 1968 and the pardon of Nixon in 1976). In the four elections in which the second-quarter economic growth rate fell below 2.4%, the in-party candidate lost on each occasion.[3]

Unlike this year's Labor Day poll, the second-quarter economic growth rate offered a clear signal about the election's outcome. The August estimate of sec-

TABLE 1
The Labor Day Preference Poll and the National Vote, 1948–2000

Year	In-Party Candidate's Standing in Gallup's Trial-Heat Poll around Labor Day (two-party %)	In-Party Vote (two-party %)
1964	69.2	61.3
1972	62.9	61.8
1996	60.7	54.7
1984	60.2	59.2
1956	55.9	57.8
1988	54.4	53.9
1960	50.5	49.9
2000	49.0	50.3
1980	48.7	44.7
1948	45.6	52.3
1952	42.1	44.6
1992	41.9	46.5
1968	41.9	49.6
1976	40.0	49.0

	Labor Day Poll Standing (excluding 2000)	
	Less than 51%	More than 52%
In-Party Won	1	6
In-Party Lost	6	0

Correlation of in-party vote and early September trial-heat poll = .87.

ond-quarter GDP growth by the U.S. Bureau of Economic Analysis indicated an annualized growth rate of 5.3%, more than twice the apparent threshold of voter expectations (see <www.bea.doc.gov/bea/dn/dpga.txt>). Since 1948, this second-quarter growth was stronger than that in 10 previous election years and only weaker than three.

The two predictor variables are combined in the forecast regression equation reported in Table 3. The equation is estimated over the 13 elections from 1948 to 1996. As various goodness-of-fit statistics indicate and as other evidence demonstrates as well, the model has a strong track record.[4] While the typical forecast by the model has been a mix of about two-thirds poll and one-third economy, because of the neutrality of this year's Labor Day poll, this year's forecast was determined by the economy. Reflecting the very strong second-quarter economy, the model forecast that Gore would receive about 52.8% of the popular two-party vote. As noted above, the error of 2.5 percentage points is well within the historical range of the model's errors, though larger than average.

How did this forecast compare to the others? All of the political science forecasting models this year, largely based on various indicators of a healthy election year economy and also on strong positive approval ratings for the Clinton administration, forecast that Gore would win the popular vote. Table 4 summarizes these forecasts. The predicted Gore popular vote (and subsequent errors) ranged from modest to very immodest proportions. All expected Gore to win with a more sizeable popular vote than he in fact received. To the extent that my model and the others overpredicted the Gore vote, why?

Seven Explanations of the Errors

There are a number of possible explanations for why the models overpredicted the Gore vote or, as forecasters might prefer, why Gore underperformed relative to the models' expectations. Because of the diversity among the models, some sources of errors may be generally applicable while others may apply to a subgroup or a single model. Still, with all of the errors on one side of the vote, the election would seem to offer some common lessons for the models. I offer seven hypotheses about the cause of forecasting errors this year, along with my assessment of their plausibility. In general, I regard the final three explanations on this list as the most plausible.

The Nader Factor

One possible explanation is that Ralph Nader's Green Party candidacy took votes directly from Gore, and that without Nader in the race the vote for Gore would been significantly closer to the forecasts. The performance of third-party candidates is not directly factored into any of the models and probably cannot be. While Nader's vote may have made a slight difference, I doubt that it accounts for more than a fraction of 1% of the error in the predictions. If Nader's votes are added to Gore's (and Buchanan's to Bush's) the result is a combined Gore–Nader vote of 51.4% of the two-party vote, 1.1 points closer to the forecasts. These calculations undoubtedly overstate the Nader effect since, without Nader in the race, some of his voters would have stayed home and some small number might even have gone to Bush. Broadening the issue to the effects of third-parties more generally, the trial-heat and economy model has done almost as well in elections with significant third-party votes as those without much third-party activity.

An Overestimated Economy

It is possible that the economy was not as good as the economic measures used by the models indicated. If so, the models incorrectly expected voters to give Gore credit for an economy that was, in actuality, not as strong as it was portrayed. This explanation does not hold up very well at all. First, though all but one of the models (Norpoth's) use economic indicators as predic-

TABLE 2
The Second-Quarter Election-Year Economy and the National Vote, 1948–2000

Year	Growth Rate in the Real GDP in the Second Quarter of the Year[a] (annualized %)	In-Party Vote (two-party %)
1984	7.1	59.2
1972	6.9	61.8
1968	6.5	49.6
2000	5.3	50.3
1976	4.7	49.0
1996	4.2	54.7
1948	3.6	52.3
1964	3.3	61.3
1988	3.2	53.9
1956	2.6	57.8
1992	1.4	46.5
1952	1.1	44.6
1960	−1.1	49.9
1980	−9.7	44.7

	Second-quarter Growth (excluding 2000)	
	Under 2.4%	Over 2.4%
In-Party Won	0	7
In-Party Lost	4	2[b]

Correlation of in-party vote and economy = .60 (.56 with 2000 included)

[a]Where possible, the GDP growth rates used are the figures the U.S. Bureau of Economic Analysis releases in August rather than later revised estimates, since the August numbers would be the latest available in time to make the forecast.

[b]Neither of the two losses were by more than one percentage point of the vote.

tors, a wide assortment of both objective and subjective (poll-based) indicators are used that measure the economy over different time spans in different ways. The six models incorporating economic indicators include seven different measures of election-year economic performance. All seven indicators showed a strong economy, including those that reflect consumer confidence and prospective consumer sentiment. Moreover, the Bureau of Economic Analysis's revised estimate of second-quarter growth indicates that the number released in August was an underestimate (rather than overestimate) of growth during this period (GDP actually grew by 5.6% rather than 5.3% as originally estimated).

Raised Economic Expectations

Had voters become so used to a good economy that they took it for granted and, therefore, failed to give Gore credit for it? Again, the evidence for this hypothesis is weak. Poll after poll, from early in the election year through to the election, indicated that voters fully appreciated that the economy was strong. For instance, a May 2000 Gallup poll found that two-thirds of Americans rated the economy as good or excellent; the number rose to 71% by October. By comparison, at about the same time in the 1996 election, only 30% of poll respondents characterized the economy in those terms. In 1992, the number judging the economy positively was only 11%. A question about satisfaction with "the way things are going in the United States at this time" found the same pattern. The public knew the economy was good in 2000 and very few people were taking it for granted.

Diminishing Returns from a Strong Economy

Contrary to the above speculations, was the economy so strong that it had reached the point of diminishing political returns? It stands to reason that, at some point, the economy could be so strong that its performance would be appreciated by all but the most die-hard supporters of the opposition. At that point, diminishing returns would set in. Just as many Democrats refuse to this day to admit that Reagan had anything to do with the strong economy of the mid-1980s, some Republicans would no more give Bill Clinton and Al Gore credit for nurturing a strong economy than they would contribute to Hillary Clinton's Senate campaign.

Had the economy reached the point of diminishing political returns in 2000? Perhaps for some of the subjective indicators, but probably not for the objective ones. GDP growth in the first half of the year (estimated in August at 4.9% annualized) was better than in eight previous election years since 1948, but there had been five stronger. However, the subjective economic indicators used in two models (Holbrook uses a consumer satisfaction indicator and Lockerbie includes a prospective consumer attitudes indicator) were at historic highs and, consequently, both models predicted a Gore landslide. Taking some leveling of effects into account might have moderated these forecasts and reduced their errors.

A Faltering Third-Quarter Economy

While it is clear that the economy in the first half of the election year was quite strong and led most of the models to predict a stronger vote for Gore as the in-party candidate, the economy in the third quarter slowed considerably and this may have dampened Gore's support. The Bureau of Economic Analysis's estimate of third-quarter growth, produced after the forecasts were generated, indicated a GDP growth rate

TABLE 3
Forecasting the 2000 Presidential Vote Using Labor Day Polls and Second-Quarter Economic Conditions, 1948–96

Predictor variables	Coefficients	2000 Value
Labor Day preference poll support for the in-party candidate	.49 (8.52)	48.96
Second-quarter growth rate for the real GDP (nonannualized)	2.29 (4.57)	1.30
Constant	25.85	
N	13	
R^2 (Adjusted R^2)	.92 (.91)	
Standard error	1.83	
Mean out-of-sample absolute error	1.50	
Median out-of-sample absolute error	1.31	
Largest absolute out-of-sample error	3.76	
Predicted Vote = 25.85 + (.49 × 48.96) + (2.29 × 1.30) = 52.8		
Out-of-sample errors larger than 2.8 percentage points		3 (23%)
Out-of-sample errors smaller than 2.8 percentage points		10 (77%)

Dependent variable: The two-party popular vote for the in-party's presidential candidate

Note: All of the coefficients are significant ($p < .01$). *T*-ratios are in parentheses. The standardized coefficients are .77 for the poll and .42 for the economy. The poll used was the latest Gallup poll available at Labor Day. The GDP growth rate was based on the August release by the U.S. Bureau of Economic Analysis.

Source: Updated from Campbell and Wink (1990) and Campbell (2000b).

of 2.2% annualized. This was less than half the growth rate of the first half or the second quarter of the election year and around the neutral point of public expectations of economic growth. While second-quarter economic performance has historically been more strongly indicative of the vote than third-quarter economic growth (r = .64 for the second-quarter GDP and .46 for the third quarter's), the economy's performance from July through September had an impact on voters. This year's sluggish third quarter may have undercut the political benefits that Gore might have otherwise received.

An Open Seat Race

While some of the models take into account the number of terms a party has been in office, none takes into account whether the race is an open-seat contest or one with an incumbent.[5] Historically, open-seat presidential elections have been much more competitive. The chances of a near dead-heat election increase nearly five times in an open-seat race, and the chances of a landslide are less than half of what they are when an incumbent runs (Campbell 2001c).

Open-seat presidential elections may not only be more competitive, they may be less of a referendum on the in-party's performance and its handling of the economy than an election with an incumbent running. In effect, Al Gore might have expected to get only part of the credit for the economy that Bill Clinton would have received had he been the candidate. In assuming that there was no difference, the models may wrongly have expected Gore to receive the full

TABLE 4
Political Scientists' Forecasts for the 2000 Election

Forecaster	Indicators (cases)	Two-Party Popular Vote % Prediction	Error
Campbell	Trial-heat poll, Economy (13)	52.8	2.5
Abramowitz	Approval, Economy, Terms (13)	53.2	2.9
Norpoth	Two Prior Votes, Primaries (21)	55.0	4.7
Wlezien and Erikson	Approval, Economy (12)	55.2	4.9
Lewis-Beck and Tien	Approval, Economy, Peace and Prosperity (12)	55.4	5.1
Holbrook	Approval, Economy, Terms (13)	60.3	10.0
Lockerbie	Economy (two), Terms (11)	60.3	10.0

Note: The indicators refer to particular classes of predictor variables. The "economy" refers to various measures from GDP and GNP measures over different time spans to an index of leading economic indicators to polling data about consumer satisfaction. Similarly, the "terms" predictors refer to various indices of the number of consecutive terms the in-party has held the presidency. "Approval" refers to presidential approval ratings measured at various time periods. For the specifics regarding these predictor variables, see Campbell and Garand (2000). At the 2000 APSA Annual Meeting, Lockerbie presented a miscalculated forecast of 52.9% for Gore.

credit due an incumbent. This seems quite plausible, though the evidence is limited (Campbell 2001a, 2001b). In the span of elections examined for most of the models, there had only been four open-seat elections (1952, 1960, 1968, and 1988), and this is not enough to obtain stable estimates of different economic (or approval) effects. Still, the history is suggestive. With an incumbent in the race, the correlation between the second-quarter economy and the vote is .69; without an incumbent, it drops to .23. The comparable correlations for the first half-year's economy and the vote are .65 with an incumbent and .41 without an incumbent.

Gore's Campaign Strategy

The final possible explanation is that the Gore campaign short-circuited the models this year. All of the models (excepting Norpoth's) are premised on the idea that one of the candidates will find it in his interest to emphasize the economic record. When the economy is in trouble, the out-party will highlight it. Reagan did so during his 1980 run against Carter and Clinton did the same in his 1992 run against Bush the elder. When the economy is strong, the in-party features that fact in its campaign. Reagan did in 1984 and Clinton did in 1996. This year, with the economy leading into the campaign in very good shape, stronger than in 1996 in fact, all of the models expected Gore to make this the centerpiece of his campaign, but he did not. Rather than running a retrospective, consensus-oriented campaign, Gore ran a prospective, class-oriented campaign. He said as much in his nomination acceptance speech at the Democratic convention.

> This election is not an award for past performance. I'm not asking you to vote for me on the basis of the economy we have. Tonight I ask for your support on the basis of the better, fairer, more prosperous America we can build together. Together, let's make sure that our prosperity enriches not just the few, but all working families. Let's invest in health care, education, a secure retirement, and middle-class tax cuts. . . . To all the families who have to struggle to afford the right education and the skyrocketing costs of prescription drugs, I want you to know this: I've taken on the powerful forces and, as president, I'll stand up to them and I'll stand up for you. (Gore 2000)

While Gore mentioned the economy in passing throughout the campaign, he did not focus on it as one would have expected. In attempting to avoid association with President Clinton and his accompanying scandals—Gore did not mention Clinton by name even once during the three presidential debates—Gore discarded his trump card and fell well short of convincing voters to give him the credit that they might otherwise have granted. Democrats may well question the wisdom of Gore's decisions not to make the record the centerpiece of his campaign and to avoid utilizing a president who had approval ratings of 57%, normally much higher than needed to return the in-party to office (Brody and Sigelman 1983; Campbell 2000a, 110; Lewis-Beck and Rice 1984; Sigelman 1979). For Republicans, who took political heat throughout and following Clinton's impeachment by the House and trial in the Senate, the political cost that Gore paid for avoiding Clinton and the Clinton economic record because of the scandals might well be appreciated as poetic justice.

In conclusion and to set the forecasting errors in perspective, we should all remember that this election has not been easy for anyone. Some of the polls were wildly erratic. The networks on election night called Florida for everybody except Ralph Nader. Thousands of Floridians could not manage to punch their ballots correctly, and their election officials could not manage to conduct an accurate and unassailable vote count. The Florida Supreme Court had tremendous difficulties interpreting Florida election laws straightforwardly. The U.S. Supreme Court felt compelled to grapple with fanciful state court rulings, despite a reluctance to become enmeshed in the political thicket. Bush struggled with open microphones and the pronunciation of "subliminal," and Gore badly misplayed what appeared to be a winning hand. So why should presidential election forecasters have had it any easier? The answer is, we didn't.

Notes

1. For thorough elaborations of the model, see Campbell and Wink (1990) and Campbell (2000a, 2000b, 2001a).

2. Although I found no significant problem with the Labor Day Gallup poll number this year (though Zogby showed Gore with a slight edge at Labor Day), erratic movements in Gallup's numbers, apparently caused by reliance on a flawed likely voter algorithm, are a matter of considerable concern and may make exclusive reliance on Gallup numbers ill-advised in the future. To illustrate, Gallup's tracking poll October 5 had Gore with 56% of major-candidate support (51% for Gore to 40% for Bush). Two days later, the poll reported that Gore had only 46% of major-candidate support (41% for Gore and 48% for Bush). This was well into the fall campaign and there was no cataclysmic event that would explain such change. The change resulted from the likely voter identification allowing the distribution of party identifiers to swing wildly. In the first poll, Democrats outnumbered Republicans by 37 to 30% (leaners counted as independents). In the second poll, Republicans outnumbered Democrats by 38 to 30%. These entirely unrealistic compositions (as compared to the very slight Democratic-tilted distributions in recent exit polls and National Election Studies) are a threat to the very validity of the preference results. Prior to the 2004 election, I plan to revise my model to ensure greater reliability of the Labor Day polls (possibly by combining the results of multiple polls).

3. The exact tipping point for voter expectations about economic growth is difficult to determine. It appears to be somewhere between 2 and 2.5% growth.

4. An analysis of out-of-sample errors and ancillary evidence supporting the model is offered in Campbell (2000b). A model oriented in terms of the Democratic rather than in-party vote, including a variable for incumbency (that is implicit in the in-party version) and an interaction of the economy with a signed dummy variable for whether Democrats or Republicans were the in-party, produces similar conclusions. The adjusted R-square of that version of the model for elections (both including and excluding 2000) was .92, and the standard error was 1.72.

5. Ironically, given all of the attention that political scientists have paid to congressional incumbency, only economist Ray Fair's model (1998) includes a variable indicating whether the incumbent was in the race.

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