

2004 Presidential Election Too Close to Be Forecast

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Social scientists have developed sophisticated models for forecasting the outcome of presidential elections based on measures of economic conditions and the overall political standing of the incumbent during the summer of the election year. One of the values of these statistical models is that they reveal the underlying forces that normally influence election outcomes—economic conditions and overall political strength—forces that often are overlooked in the media's preoccupation with personalities (which politician has the best smile) and fleeting events (e.g. announcement of a new temporary worker program).

The 2004 election is a toss up, according to my analysis with Charles Tien (Hunter College). The November presidential election could bring an eerie replay of the 2000 election, with one party winning the popular vote and the other winning the presidency with an Electoral College victory.

We forecast the popular vote as split, 51 percent for Bush and 49 percent for Kerry. That narrow difference makes the race too close to call. Even with a tiny margin of error of one percentage point or so, this race could go either way. While personalities and campaign strategies usually don't drive the final vote totals, this year they just might tip the outcome.

Weak popularity ratings and a poor record of job creation are the two primary factors explaining why Bush is not further ahead of his Democratic opponent going into the summer conventions. The July Gallup poll shows Bush's presidential approval standing at a comparatively mediocre 47 percent. With respect to jobs, his administration has seen less growth than any other since 1952. These modest scores, when plugged into the statistical model, offset his potential vote gains from other factors, such the advantages of incumbency and current economic growth.

Our forecasting model has an expected prediction error of about one and one-half percentage points, when used to forecast the incumbent share of two-party popular vote. Our models have correctly forecast the winner of the popular vote in the last five U.S. presidential elections. Our forecast of the razor close 2000 presidential election accurately predicted that Gore would win the majority of the popular vote, but indicated a higher final vote share than he actually received. Our current model includes slight adjustments in light of the 2000 forecast.

Appendix.

Our analysis is based on a “Jobs Model” for statistically forecasting presidential elections from 1952 to 2000. Specifically, our statistical analysis of the popular vote for the two major political party presidential candidates is a function of presidential popularity in July, change in the Gross National Product during the first six months of the presidential election year (interacted with whether or not the president is running), incumbent party advantage, and job growth over the administration. All measures are taken mid-summer of the election year. The regression model estimated over the 1952-2000 period yields an impressive R-squared of .96.

For the 2004 presidential election, we used the following values for the independent variables: 47 percent presidential popularity in the July Gallup poll, 2.1 percent change in GNP during the first six months of 2004, incumbent advantage, and 3.67 percent growth in the number of actual jobs available since the beginning of the administration. The forecast for President Bush is 51.16 percent of the two-party popular vote. Given the Standard Error of Estimate of the model (1.52), the race is clearly too close to call.