

Presidential Economics: Al Gore in a Landslide?

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Article:

On Tuesday, voters will finally go to the polls and bring an end to months of campaign rhetoric, mud slinging, and ... opinion polls. Political consultants have been conducting so many polls over the last few months that it's a wonder every person in the country hasn't been polled twice by now.

The polls send us a clear message: nobody really knows who'll be our next president. Since the debates, the trend has been in George W. Bush's favor, but as of this writing the polls disagree as to whether his lead is comfortable or nonexistent.

To further muddy the waters, most pollsters build assumptions into their models to separate likely voters from registered voters, partisan voters from undecideds, and intensity of preference from mere preference. The upshot is that many polls aren't designed to tell us what the news media say they tell us.

In addition, most polls are irrelevant to the ultimate outcome, especially in a close race, because they add up all respondents nationwide. Such polls are at best a reflection of the national popular vote, but of course the popular vote isn't what elects the president. The electoral vote does, state by state. Twice in U.S. history, the winner of the popular vote was not the winner of the electoral vote.

But one prediction stands apart from the cacophony of standard opinion polls. The Dismal Scientist, an excellent Internet site (www.dismal.com) that combines business articles with economic data, has a statistical model of its own to predict Tuesday's winner. And according to the Dismal Scientist, it'll be Al Gore in an electoral-college landslide.

The Dismal Scientist's model emphasizes economic, not political, data. The model's basic assumption is that good economic times favor the incumbent party. Haven't we often heard that people vote according to their pocketbooks?

Political scientists and economists have long studied the extent to which economics determines political elections, but usually those models focus on national economic conditions. The Dismal Scientist's model includes economic conditions in each state to better match the electoral vote. Politics also plays a role in the model, which takes into account the state's past presidential votes.

The economic model estimates the split of the two-party vote in each state. If the predicted margin is 53 percent-47 percent or narrower, the state is called "leaning" one way or the other. A margin larger than 53 percent-47 percent is called "solid" for that candidate.

The economic model has been updated throughout the campaign, and now the final numbers are in: if each candidate wins the states that are solid for him as well as those that are leaning toward him, the economic model predicts that Al Gore will defeat George W. Bush in the electoral college, 356-182.

Enough states are predicted to be solidly pro-Gore to give him 241 electoral votes, while Bush is predicted to have only 105 solid votes. Gore would need only 29 additional votes, or about a quarter of those predicted to be leaning toward him, to give him the 270 needed for victory.

The model has picked the last six electoral-college winners. It even predicted correctly in 1992, when Bush's father, the incumbent, lost to Bill Clinton in spite of improvements in the national economy after a brief (but sharp) recession. Nationally-oriented economic models predicted the elder Bush would win, but they got it wrong.

But in 1992 there was much regional variation in the recovery from recession. Some parts of the country were slow to reap the benefits of what would soon become the amazing economic boom of the 1990s.

Had regional factors in 1992 been taken into account, as they are in the Dismal Scientist's model, the prediction would have swung back to Clinton. The parts of the country that were still hurting economically had enough electoral votes to win it for the challenger.

Now, isn't this all a fantasy? I don't know of any opinion polls that predict an easy Gore win, not even the ones that break the vote down state by state. What is this economic model telling us?

The answer can be found in the economic model's blind spots. For example, it predicts Texas to be leaning towards Bush. Just leaning? Nobody expects Gore to come close to winning Texas. Texans have probably seen as many TV ads for Gore or Bush as we have here in solidly pro-Bush North Carolina, which is to say none. (By the way, the economic model agrees that North Carolina is solidly pro-Bush.)

So the economic model ignores favorite-son preferences. It also can't take into account the disgust many voters appear to have with the Clinton administration (though not, apparently, with Clinton himself). And if some rogue country attacked the U.S. tomorrow and everyone rallied around the Democrats and voted for Gore, the model would miss that too.

In view of its limitations, what the economic model does is demonstrate the tremendous advantage of incumbency when the economy is fundamentally strong in the states with the most electoral votes. The model's success in predicting recent elections speaks for itself.

Therefore, because the race appears to be going down to the wire, the economic model implies one of two things: Either Bush has run a masterful presidential campaign, or Gore has squandered one of the greatest natural political advantages in recent memory. Which do you think it is?