

Article: Election Forecasting: The Future of the Presidency and the House

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Election Forecasting: The Future of the Presidency and the House

This article is about a simple two-variable equation forecasting presidential election outcomes and a three-variable equation forecasting seat change in House elections. Over the past two decades a cottage industry of political forecasting has developed (Lewis-Beck and Rice 1992; Campbell and Garand 2000). At the 1994 meeting of the Southern Political Science Association, several participants offered their forecasts of the upcoming midterm House elections. Unfortunately, not one of the forecasters was within 20 seats of the actual outcome. If, however, these forecasts had been pooled, as Gaddie (1997) points out, then they would have come remarkably close to the actual seat change that occurred. Moving forward, at the 1996 APSA Annual Meeting the collection of forecasters did a much better job with that year's presidential election. The forecasters also got the overall popular vote outcome correct at the 2000 APSA Annual Meeting for that year's presidential election. We all forecasted a victory for Al Gore, with James Campbell coming the closest to the actual total (50.2%) at 52.8%. At the panel at the 2004 APSA Annual Meeting almost every fore-

caster predicted the actual outcome correctly. Forecasting elections holds us accountable—we cannot go back and change our forecast for an election after it has

occurred. Moreover, if we stick with one forecast, it is easy to judge the overall accuracy of our equations.

There are several features that go into a good forecast. Aside from the obvious one of accuracy is the issue of timeliness. How far before the event are we making our forecast? While many political pundits prove more accurate at forecasting elections than political scientists, we should note that they can keep revising their forecasts right up to Election Day. Moreover, if they offer several different forecasts over the election year, they will probably be able to find one that gets it right. Further, if they wait until the days leading up to the election or Election Day itself, it is not surprising that they come very close to forecasting the outcome. I would hazard to argue that one does not need much in the way of political insight to pick the victor the day before the election. We do not think too much of the forecasting ability of the sportscaster who forecasts a baseball game in the top of the ninth inning. It just is not that difficult. Similarly, correctly forecasting the outcome the day before the election fails to impress.¹

Influences on Election Outcomes

Several factors might influence election outcomes. An impressive body of literature argues that voters look to the state of the economy and vote accordingly (Fiorina 1981; Key 1966; Lewis-Beck 1988; Lockerbie 2008). These analyses argue that voters retrospectively evaluate the performance of the economy—if they are pleased, they vote to retain the incumbent party; if they are displeased, they vote to reject the incumbent party. There is an increasing body of evidence that argues that we look to the future when casting a ballot (Lewis-Beck 2006; Lockerbie 2008). This prospective school of thought argues that voters look to the likely economic results of having each party win the upcoming election, then vote for the party that will provide the most prosperous future.²

To look at the effects of economic evaluations on election outcomes, I used items from the second quarter of the Survey of Consumer Attitudes and Behavior.³ The *retrospective* item is: "We're interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off than you were a year ago?" The *prospective* item is: "Now looking ahead—do you think that a year from now you (and your family living there) will be better off or worse off financially a year from now, or just about the same as now?" In each instance, the score is the percentage responding worse. Unfortunately, these two items are correlated at 0.92, rendering them unfit for simultaneous inclusion in a regression equation.⁴ Given this high intercorrelation, I can only make use of one of the two items. Since the prospective items have shown themselves to be more powerful in micro-level analyses (Lewis-Beck 1988; Lockerbie 2008), I have opted to use the prospective item here.

Aside from the economy, we should also take into account the incumbent party's length of service in the White House. As Mueller (1973) has argued, the longer the incumbent party has held the White House, the greater the opportunity to have upset an increasingly large portion of the electorate. Abramowitz (2000) further argues that regardless of the president's popularity or the state of the economy, there is a desire among the electorate to change control of the White House. When a president gets into office, he must make some decisions very quickly. Those who initially only weakly approved of the president may well see their support wane. Once these weak supporters peel away from the incumbent party, the president's basis of support consists

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**Table 1
Forecasting Equations**

	Presidential Vote	House Seat Change
NYWORSE	-0.63**	-1.73**
LOGTWH	-9.40**	-1.06
OPEN		0.32**
Constant	75.92	16.88
R-squared	0.75	0.44
Standard error	3.07	18.69
N	13	26

Note: Estimates are from robust regression. ** significant at 0.01 or better, one-tailed, * significant at 0.05 or better, one-tailed. Variables are as described in the text.

of only hardcore supporters who are more difficult to pull away from the incumbent party. Consequently, I make use of logged time in the White House as my measure.

My equation is atypical amongst the forecasts in that it does not explicitly take into account presidential approval. I specifically exclude presidential approval for two reasons. First, I would argue that the same factors that lead to approval of the president also lead to the election or defeat of the incumbent party. One could build a causal model of forecasting the presidential election, but that might be a bit cumbersome with such a small N. Second, one might argue that including presidential approval is akin to putting a lagged version of the dependent variable on the right-hand side of the equation.

Presidential Election Results

How well does this model do when confronted with the data? The first equation in Table 1 shows the results of a robust regression of the incumbent party's share of the two-party vote on the economic and time in the White House items.⁵ The high R-squared (0.75) shows that the model does a reasonably good job of explaining the variation about the mean presidential vote. The coefficients show that every percentage point increase in the number of people responding that they expect the next year to be economically worse leads to approximately a two-thirds of a point loss for the incumbent president's party. Moreover, the economic item is significant at the 0.01 level, one-tailed.⁶ Second, the logged time in the White House variable works much like one would expect. Voters tend to be less enthralled with a party the longer it has held the White House.

Given the small sample size, it is possible that one case could be dominating the results. Accordingly, that is why the results from the robust regression are so important. While the Cooks' D did not indicate a serious problem with any one case, the Cooks' D for 1980 was 0.25. Table 2 shows the

results of out-of-sample forecasting. Briefly, each equation is the same as above, except that the listed year is excluded from the analysis. Then the resulting coefficients from the equation generate a prediction for the excluded year.

First, the economic item fares reasonably well. With the exceptions of 1980 and 2004, it remains significant at the 0.01 level, one-tailed. In 1980 and 2004, it is significant at 0.12 and 0.23, respectively.⁷ Second, the time variable is even more consistently significant. How good a job does the equation do in terms of actually forecasting the outcome of elections? Overall, the out-of-sample forecasts miscall two of the 13 elections. The equation forecasts a narrow Richard Nixon victory in 1960 and an even narrower Hubert H. Humphrey victory in 1968. In the remaining 11 elections, the equation forecasts the correct popular vote victor. While missing two elections is not a highlight of the equations, one should note that the average error for these two years is less than two percentage points—hardly a tremendous error. The average absolute forecasting error of the model is 2.81 percentage points. The biggest forecasting error is from the 2004 election; the equation missed by over five percentage points.

Looking at 2008, what should we expect? In short, we should see a rather impressive Barack Obama victory. First, a party going for a third term typically has a rough time of it. Second, Americans are amazingly pessimistic about the future of the economy. Fully 23% of Americans are negative about their future personal financial situation. This figure is exceeded only by the percentage in 1980, not an especially good year for the incumbent party. The average on this item is 11.5%. Putting these two pieces of information into the model yields a forecast that McCain will win 41.8% of the two-party popular vote. Given that the largest error to this point is 5.4 percentage points, we should be confident that there is less than 1 chance in 13 that the model incorrectly forecasts an Obama victory.

House Elections

We can forecast legislative elections by adapting the same model that we apply to presidential elections. While we might

**Table 2
Out of Sample Forecasting Equations: Presidential Vote**

Year	NYWORSE	LOGTWH	Constant	R ²	Forecast	Actual	Absolute Error
1956	-0.65**	-9.76**	76.92	0.76	59.5	57.8	1.7
1960	-0.66**	-8.94**	75.68	0.78	53.1	49.9	3.2
1964	-0.59**	-8.58**	73.74	0.70	57.7	61.3	3.6
1968	-0.63**	-9.29**	75.76	0.75	50.1	49.6	0.5
1972	-0.59**	-8.66**	73.90	0.67	58.3	61.8	3.5
1976	-0.64**	-9.58**	76.23	0.75	48.0	48.9	0.9
1980	-0.48 ^a	-9.77**	75.31	0.71	48.2	44.7	3.5
1984	-0.63**	-8.67**	74.24	0.75	55.3	59.2	3.9
1988	-0.63**	-9.99**	76.59	0.79	50.2	53.9	3.7
1992	-0.64**	-10.06**	77.03	0.73	45.0	46.5	1.5
1996	-0.64**	-9.85**	77.00	0.77	56.9	54.7	2.2
2000	-0.66**	-8.98**	75.70	0.77	53.1	50.2	2.9
2004	-0.25 ^a	-11.39**	76.59	0.86	56.6	51.2	5.4
2008	-0.63**	-9.40**	75.92	0.75	41.8		

Note: Estimates are from robust regression. With the exception of 1980 and 2004 Next Year Worse, everything is significant at the 0.01 level one-tailed. Next Year Worse is significant at the 0.12 level one-tailed for 1980. and .23 for 2004.

expect the same variables to be important for forecasting House elections, we should take the differing effect of incumbency on House versus presidential elections into account when making a forecast for that chamber of the legislature. Namely, in House elections incumbents have a tremendous built-in advantage in seeking reelection (Alford and Hibbing 1981; Collie 1981; Erikson 1972; Ferejohn 1977; Uslaner and Conway 1986). Even in 1994, an election year mythologized as an electoral revolution, more than 90% of the incumbents who sought reelection won. If we wish to make a forecast of seat changes in the House, we can safely assume that most incumbents will win. Open-seat contests, however, are where opportunities exist for a party to make gains. Knowing simply the number of open seats is not enough; we must know which party, if either, should be favored.

How do we assess whether any year is favorable for one party? Despite the results of the 1998 and 2002 midterm elections, a midterm loss of seats for the incumbent party has been a regular feature of American politics. How, then, do on-year contests fit into the equation? Are these good years for the party that wins the presidency? That result, of course, occurs after the election, so we could not use it in our forecast. Instead, we want information that is available well before the election we are attempting to forecast. Lewis-Beck and Skalaban (1989) show that citizens are reasonably good forecasters of presidential election outcomes. To take into account whether an on-year race is good for a party, we can simply observe whether a disproportionate share (60%+) of the people surveyed forecast a party as the victor. If so, it is a good year for that party. If more than 60% forecast a victory for the incumbent party, then the number of open seats is the score for that variable. If more than 60% forecast a victory for the opposition party, then the number of open seats is multiplied by -1 . If the percentage is less than 60 for the party predicted to be victorious, we consider that year to be a wash in terms of open seats switching, and correspondingly score that item a 0. For 1956 through 1992, I made use of the reports from the American National Election Studies. For the more recent elections, I made use of the June reports from the popular press.

How well does the modified presidential forecasting model do with legislative elections? Looking back at Table 1, we can see that it does reasonably well. As with the presidential elections, the prospective economic item is strongly significant. The time in the White House item is spectacularly insignificant. The open-seat item is strongly significant. If it is a bad year for a

Table 3
Out of Sample Forecasting Equations: House Seat Change

Year	NYWORSE	LOGTWH	OPEN	Constant	R ²	Forecast	Actual	Absolute Error
1956	-1.86**	-1.98	0.34**	21.02	0.46	16	-2	18
1958	-1.83**	0.06	0.27**	17.31	0.48	-11	-47	36
1960	-1.67*	-2.22	0.30**	17.66	0.40	3	20	17
1962	-1.74*	-1.22	0.32**	17.23	0.44	-4	-5	1
1964	-1.80**	0.40	0.17 ^a	15.82	0.40	11	37	26
1966	-1.83**	-0.23	0.28**	17.45	0.48	-9	-47	36
1968	-1.72*	-1.78	0.33**	17.61	0.43	-13	-5	8
1970	-1.72*	-0.44	0.32**	15.74	0.43	-16	-12	4
1972	-1.83*	-1.97	0.35**	20.65	0.42	26	12	14
1974	-1.63*	0.40	0.26*	14.47	0.39	-26	-48	22
1976	-1.78*	-1.72	0.32*	18.14	0.43	-9	-1	8
1978	-2.02**	1.46	0.31**	16.16	0.44	-40	-15	25
1980	-1.65 ^a	-1.08	0.33**	16.12	0.41	-32	-34	2
1982	-1.73*	-1.01	0.32**	16.80	0.43	-26	-26	0
1984	-1.80*	-0.36	0.27**	16.13	0.40	3	16	13
1986	-1.71*	-1.83	0.35**	17.43	0.45	-20	-5	15
1988	-1.81*	-0.12	0.30**	17.61	0.42	8	-3	11
1990	-1.73*	-2.14	0.33**	18.34	0.44	-15	-7	8
1992	-1.77*	-3.47	0.32**	20.43	0.44	-8	9	17
1994	-1.86**	-3.61	0.27**	23.23	0.47	-14	-54	40
1996	-1.74*	-1.88	0.35**	19.62	0.43	18	3	15
1998	-1.62*	-1.54	0.34**	16.07	0.43	-8	4	12
2000	-1.76*	-0.75	0.32**	17.01	0.43	5	1	4
2002	-1.58*	1.83	0.34**	10.24	0.45	-16	8	24
2004	-1.74*	-0.82	0.32**	16.23	0.43	-4	3	7
2006	-1.71*	-0.31	0.29*	16.25	0.41	-18	-30	12
2008	-1.73*	-1.06	0.32**	16.88	0.44	-25		

Note: Estimates are from robust regression. ** significant at 0.01 or better, one-tailed, * significant at 0.05 or better, one-tailed. ^asignificant at 0.06, one-tailed.

party, every three open seats leads to a one-seat pickup for the other party. This finding shows both how important incumbency is and that the incumbent party is advantaged when seeking to retain these seats. Nonetheless, these seats appear to be a place where the opposition party can make up some ground. See Table 3.

As with the equation forecasting presidential elections, we can also look at the out-of-sample forecasts to evaluate the equation. The prospective economic item is significant at the 0.05 level, one-tailed in every instance but one. In the equation excluding 1980, it is significant at the 0.06 level, one-tailed. The logged time in the White House is still spectacularly insignificant. In no year does it cross the significance threshold. The open-seat item is significant at the 0.05 level, one-tailed in every equation except the one that excludes 1964, where it is significant at the 0.06 level, one-tailed. How good a job does the model do in forecasting seat changes in the House? The R-squared is, on average, 0.43. Second, the average absolute value of the forecasting errors is just over 15 seats. Overall, the model does a respectable, but not quite as good, a job as the presidential equation.

What does the model forecast for the 2008 House elections? Taking the information from earlier (the pessimism of the electorate and the Republicans seeking a third term in the White House) and the fact that less than 60% of voters forecast either candidate to be victorious, the model forecasts a Democratic pickup of 25 seats.

Conclusion

This and other attempts at forecasting show that elections are predictable events. With relatively few variables, we can forecast elections with a reasonably high level of accuracy. We see some support for individual-level analyses of voting behavior.

Notes

1. See Lewis-Beck (2005) for an evaluation of the forecasting models for the 2004 presidential campaign.
2. Of course, this ignores the issue of whether voters are egocentric or sociotropic. The questions, as one can note below, focus on the individual. There is an impressive body of literature, starting with Kinder and Kiewiet (1979; 1981) that argues that voters are sociotropic. What exactly these sociotropic items are measuring is less than certain. We should note that sociotropic does not equate to altruistic. Voters could be using these items as a diagnostic tool for their own well-being. See Lane (1986) for a discussion of these items.
3. The data from the Survey of Consumer Attitudes and Behavior are available on their web site. The data for 2008 were provided by Laura Pryce

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Many political scientists have argued that voters pay a great deal of attention to the future when casting a ballot—be it at the presidential or congressional level. Here, we see evidence that is consistent with that argument.

of Reuters/University of Michigan Surveys of Consumers at the Institute for Social Research.

4. Using the percentage better did not alleviate this problem.
5. By using robust regression, the importance of outliers is minimized.
6. Actually, it is significant at the 0.001 level, two-tailed.
7. If one looks closely at 2004, one can see that the magnitude of the coefficient for the economic item drops considerably. With 2004 excluded from the data, the Cooks' D for 1980 exceeds three, and consequently it too is excluded from the analysis.

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