Does the Smart Guy Win? An Individual Capability Model for Predicting Presidential Elections

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ABSTRACT

Current models for predicting US presidential elections focus on economic growth, the popularity of the current President, and incumbency. Most presume implicitly that the election is a referendum on the performance of the sitting President and his party. Characteristics of the opponent and personal characteristics of the incumbent party’s candidate are not accounted for. In this paper, we explain and test a new model drawn from the literature on the performance of corporate executives. The model relies on objective measures of the complexity with which each candidate processes information. In all presidential elections for which these measures are available, the candidate who demonstrated the greater complexity of information processing won. Adding the information processing assessment also improves the predictive performance of current models. These findings suggest that the referendum model is needlessly limited, and that voters in fact compare the expected performance of both candidates before making a decision. Copyright © 2005 John Wiley & Sons, Ltd.

Key words: cognitive science, complexity of information processing, Elliott Jaques, human information processing, requisite organization, stratified systems theory

INTRODUCTION

Effective leaders may or may not have distinctive personalities, but personality is clearly inadequate to the task of predicting presidential election outcomes. Ronald Reagan was noted for his communication skills; George W Bush is more often remembered for his tongue-tied malapropisms. George Washington allegedly never told a lie, but Richard Nixon was nearly impeached for lack of honesty. Dwight Eisenhower was the most famous and respected man in America when elected; Jimmy Carter was a peanut farmer.

The lack of consistency in the personal characteristics of successful presidential candidates has led political scholars to look beyond the candidates in
their attempts to forecast outcomes. Previous forecasters have used some combination of three classes of variables that are to some degree outside the control of the candidates (Campbell and Garand, 2000): public opinion about presidential candidates and their respective political parties; incumbency; and the status of the economy. Although each of these variables has a degree of face validity, each is problematic when held up to closer scrutiny.

Conceptually, there is little difference between public opinion polls and election returns. It seems obvious that when voters express preferences in public opinion polls, these would be expected to be accurate predictors of election results, particularly when conducted close to the end of the campaign (Brody and Sigelman, 1983; Campbell, 2000). Using polls to predict elections reveals little about voting behavior, and is nearly tautological.

The key issue here is what we want our forecasting model to accomplish. If our only interest is in accuracy, then a lack of “analytical separation between the dependent and predictor (‘independent’) variables” (Campbell, 2000, p. 182) is unimportant. If, on the other hand, we want our model to explain outcomes, not just forecast them, then our independent variables must be simultaneously accurate, distinct, and “theoretically interesting” (Campbell, 2000).

Incumbency fits this double bill a bit better. It is distinct and interesting; unfortunately, it is none too accurate. Depending on how it is operationalized, this variable also yields contrasting results. For example, forecasting models typically find that incumbent presidents have an edge when voters are satisfied with the current state of affairs (Lewis-Beck and Rice, 1984; Erikson and Wlezien, 1996), but once a party holds the White House too long, the chances of winning diminish (Abramowitz, 1988; Norpoth, 1995; Holbrook, 1996). It may be that incumbency has a place in making predictions about presidential elections, but it may only be predictive when paired with other variables.

The variables most frequently used to predict presidential elections are economic indicators. Downs (1957), Kramer (1971), and Stigler (1973) developed economic forecasting models that were formalized by Fair (1978). Forecasters have relied on their models ever since.

Briefly, all these models presume that voters compare the outcomes they associate with a Democratic administration with those they associate with a Republican administration, and vote for the party they believe will provide them with the highest utility. Financial well-being, as measured by the performance of the national economy, would be one of the elements a voter takes into account when judging which administration would offer the greatest utility. Thus, these models conclude, it is reasonable to use some kind of economic indicator to predict election outcomes.

There are three main problems with the way in which these models have been used. The first has to do with significance of the economy in the public’s mind. Although “the economy and jobs” may have been the most important issue for voters in 2004, that has not consistently been the case. In 1987, the
majority of respondents surveyed indicated that the most important problems they faced were “fear of war and international tensions.” In 1989, most people polled chose drug abuse as the most important issue. Throughout most of the 1990s, the key issues were crime and violence. Available data simply do not support the assumption that the economy is always the most significant issue in the minds of voters (Maguire and Pastore, 2002).

The second problem follows from the first. Even if the economy (or any other issue) were judged most important at any given time, evidence suggests that voters consider a wide variety of issues when making voting decisions. A recent Gallup poll surveyed registered voters to determine the degree to which the candidates’ positions on 14 issues would influence their vote for president. Thirteen of the 14 issues were deemed “extremely important” or “very important” by a majority of voters. Education, terrorism, and the economy topped the list, but healthcare, the situation in Iraq, and the federal budget deficit were judged to be extremely important or very important by 70% or more of those surveyed. Ratings were even more diffuse among independents than among those identifying with one of the two major parties (Polling Report, 2004).

Finally, although the economic models are motivated by comparisons between parties, they are typically operationalized as a referendum on the incumbent party (Lewis-Beck and Tien, 2001; Lockerbie, 2001). Only rarely do they attempt to incorporate comparisons between opposing parties (Fair, 1988). Further, they do not measure the voters’ reactions to the candidates themselves, and the voters’ perceptions of the incumbent party nominee may differ greatly from their perceptions of the incumbent himself. Bill Clinton’s approval ratings – and the performance of the economy during his tenure – did not transfer to Al Gore in 2000, for example. If voters actually make decisions about the elections by comparing candidates, then the particular opposing candidate selected makes a difference (Campbell and Winik, 1990).

As a result, exclusive emphasis on the economy or on the performance of the previous or incumbent administration may be misplaced. With so many factors for voters to keep in mind, when the presidential election is narrowed down to two major party candidates, at least some voters can be expected to vote on the effectiveness of the candidates themselves – whether they are capable, honest, and sensible.

Given the problematic nature of the three classes of variables historically used to predict presidential elections, forecasters find themselves in a quandary. Although incumbency may be helpful, it is by itself insufficient to predict election results. Whilst there may be methodological problems with using data from public opinion polls, and while the public may not consistently judge economic indicators as especially important, no alternative measures have been suggested that can compete with the accuracy of forecasts made relying on these three classes of variables, until recently.

In the 1990s, management researchers developed an assessment of an individual’s ability to develop, organize, and carry out long-range plans. This
“capability” assessment is consistently correlated to effectiveness at various levels of a corporate hierarchy (Jaques and Cason, 1994). When applied to presidential candidates – individuals vying for the role of chief executive officer (CEO) of the federal government – these measures are also clearly and consistently related to presidential election results.

In the remainder of this article, we consider these methods, show how they may be used to assess the capability of presidential candidates, and suggest some explanations for why the voters consistently choose the more capable candidate.

ASSESSING CAPABILITY

Complexity of information processing (CIP) is a construct used to describe the means by which people process information when actively engaged in the application of their judgment and discretion toward goal-directed activity. The CIP model consists of two components: a hierarchy of orders of complexity of information and a hierarchy of internal processes used to manipulate the information. The orders of complexity indicate the level of abstraction contained in the words and ideas used – the “what” of the argument. Highly abstract arguments are heavily information-loaded because they encompass multiple ideas at lower levels (Hayakawa, 1964). Internal processes are the “how” of the argument, and show how an individual uses data and ideas together to construct the argument for a particular statement of, or solution for, a problem or goal. Just as some arguments are more abstract (and thus more complex) than others, so some processes are more complex than others. CIP combines information on both to form a general index of the complexity of an individual’s problem-solving capability.

The CIP model is consistent with a half-century of experimental findings in cognitive psychology. The closest link is with the Luria–Das information processing model (Luria, 1966; Das et al., 1975). The Luria–Das model focuses on internal processes, and maintains that individuals make sense of raw data in either of two ways, through simultaneous processes and sequential processes.

The CIP model is also closely aligned with Piaget’s (1966) model of cognitive structures (Jaques and Cason, 1994). Piaget maintained that the complexity of an individual’s thinking increased over time; with each succeeding stage, individuals are able to perform more complex operations on the data available. Although the internal processes and the maturational process differ somewhat, the basic idea of Piaget’s model – that people increase in their ability to use complexity as they mature – is included in the CIP model.

We take a closer look at the CIP model, and show why it might be helpful in both evaluating the effectiveness of chief executives and predicting the outcome of presidential elections. We begin with the first component of CIP, orders of complexity.
Orders of Complexity of Information

Orders of complexity of information are closely associated with Hayakawa’s (1964) concept of abstraction. The full CIP model includes six orders of complexity, but only one is directly applicable to this study: the fourth order, conceptual abstractions. As shown below, viable presidential candidates, as well as effective corporate executives, use at a minimum, information at the fourth order. In the fourth order information is expressed in terms of abstract concepts. Individuals who use abstract concepts have created categories of categories of common groups of concepts and experiences in order to help frame and solve problems (Jaques, 2002). For the purpose of this article we will limit our example to one argument from the 1984 debates. Other examples appear in our expanded report to be published in book form in late 2005.

Consider the abstractions contained in Ronald Reagan’s answer to a reporter’s question during the first 1984 debate:

“Mr President, in 1980 you promised the American people, in your campaign, a balanced budget by 1983. We’ve now had more and bigger deficits in the four years you’ve been in office. Mr President, do you have a secret plan to balance the budget some time in the second term, and if so, would you lay out that plan for us tonight?”

Reagan: “I have a plan. Not a secret plan. As a matter of fact, it is the economic recovery program that we presented when I took office in 1981. It is true that earlier, working with some very prominent economists, I had come up, during the campaign, with an economic program that I thought could rectify the great problems confronting us: the double-digit inflation, the high tax rates that I think were hurting the economy, the stagflation that we were undergoing. Before even the Election Day, something that none of those economists had even predicted had happened, that the economy was so worsened that I was openly saying that what we had thought the basis of our plan could have brought a balanced budget; that was no longer possible. So the plan that we have had and that we’re following, is a plan that is based on growth in the economy, recovery without inflation, and reducing the share of the, that the Government is taking from the gross national product, which has become a drag on the economy. Already we have a recovery that has been going on for about 21 months, to the point that we can now call it an expansion. Under that, this year, we have seen a $21 billion reduction in the deficit from last year, based mainly on the increased revenues the government is getting without raising tax rates.” (Debating Our Destiny, 2004, p. 2)

Reagan’s argument relied on a variety of abstract ideas, including inflation, economic stagnation and growth, the gross national product, and the whole notion of an economic recovery plan itself.

Some terms can be both abstract and concrete, and it is important to consider both context and usage when determining which. If, for example, “inflation” is used only to describe an increase in prices – the colloquial sense – it is merely a category of concrete phenomena. When “inflation” refers to both rising prices and their economic causes – for example, an increasing government budget and trade deficit paid for by an increased and devalued money supply – it becomes an abstraction.
Conceptual abstractions are the common currency of presidential campaigns, and all of the presidential candidates examined below relied on them. Not everyone does, however, and the capacity to deal with abstractions matures over time. The CIP model maintains that, when individuals move up a level of abstraction (from the third order of concrete categories to the fourth order of conceptual abstractions, for example), their capacity to use this information goes through four clear stages, associated with internal processes. These stages are then repeated at the next order of complexity of information.

Internal Processes

The four processes are declarative processing, cumulative processing, serial processing, and parallel processing. In an argument, declarative processing relies on a set of unrelated elements (A, B, C) to support a position (see Figure 1). Each element is deemed and presented as sufficient by itself. Cumulative processing uses an accumulation of elements (A + B + C) to make a case. This is similar to the simultaneous processing of the Luria–Das model; all elements are needed to support the position. Serial processors use a cause and effect chain (A → B → C), similar to Luria–Das’ sequential processing. And parallel processors rely on interrelated cause-and-effect chains to support their case, interlinking two or more serial arguments.

Maturation of CIP

CIP is a dynamic model. Just as people grow in age and height, so do their CIPs mature. Empirical evidence suggests that different individuals mature at

Parallel processing
Series 1
Idea A → Idea B → Idea C
Series 2
Idea D → Idea C → Idea E
Series 3
Idea F → Idea D
Idea C → Idea D → Idea E → Position

Serial processing
Idea A → Idea B → Idea C → Position

Cumulative processing
Idea A AND Idea B AND Idea C → Position

Declarative processing
Idea A → Position OR Idea B → Position OR Idea C → Position

Figure 1. Four internal processes are used to solve problems.
different rates, depending on where they start. Figure 2 summarizes previous research on individual maturation of CIP levels. Once an individual's age and current CIP levels are known, it is possible to identify the relevant track the individual is progressing along, and project future CIP levels. "Mode," listed on the right-hand side of the figure, refers to the highest CIP level at which an individual maturing in capability within this curve can be expected to eventually solve problems.

**Validity and Reliability of CIP**

Figure 2 also shows a variety of management concepts that, taken together, show that CIP is a valid measure of effectiveness in a bureaucracy. The left-hand side of the figure represents time. Jaques (1962) found that the longest targeted completion time in a role in a hierarchy indicates the level of work in that role – longer completion times mean higher-level work. This measure of work he called "time-span of discretion." Time-spans can be used to demarcate strata – levels in the organizational hierarchy. Jaques and Cason (1994) found that all people who work effectively at a given stratum have the same CIP. Thus, CIP shows, within a range, the longest targeted completion time an
individual can be expected to meet effectively. Jaques and Cason (1994) tested the relationship between CIP and stratum. Two researchers independently assessed the CIP of 72 subordinates, using the methods described below. The subordinates, their managers, and their manager's managers ("managers once-removed" or MoRs) all assessed where in the hierarchy the subordinate could work effectively, stated in terms of stratum. As shown in Table 1, the average of the CIP judgments was highly correlated to all judgments as to the stratum in which the subordinate could work effectively.

As suggested above, outside analysts require training to specifically identify each order of complexity of information and definitive aspects of the four internal processes by reading and parsing scores of transcripts under supervision. However, in managerial systems which have begun to seriously identify levels of work complexity and strata, the managers, MoRs, and individuals being assessed do not need this training. Their assessments of the individuals in relation to levels of work complexity are even more accurate than the researchers’ – thus validating the correlation between CIP and organizational levels of work complexity as measured by time-span. (Jaques and Cason, 1994) (Table 2).

In short, CIP appears to be a reliable and valid measure of an individual’s effectiveness in a corporate bureaucracy. As a result, some organizations have used it as an effective means of screening external candidates for hiring, and as

Table 1. Validity of complexity of information processing (CIP): correlation between judgments of individual potential capability and current CIP level

<table>
<thead>
<tr>
<th>Comparative judgments*</th>
<th>n of cases</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee and reviewers</td>
<td>72</td>
<td>0.96</td>
</tr>
<tr>
<td>Manager and reviewers</td>
<td>60</td>
<td>0.93</td>
</tr>
<tr>
<td>MoR and reviewers</td>
<td>70</td>
<td>0.94</td>
</tr>
<tr>
<td>Average and reviewers</td>
<td>60</td>
<td>0.97</td>
</tr>
</tbody>
</table>

*Reviewers' estimates are average CIP estimates of two independent reviewers, based on intensive interviews. Subject, manager, and manager once-removed (MoR) estimates are expressed in terms of the highest level in a managerial system at which subjects could work effectively. (Source: Jaques and Cason, 1994, p. 59)

Table 2. Reliability of inter-rater judgments of complexity of information processing (CIP)

<table>
<thead>
<tr>
<th>Comparative judgments*</th>
<th>n of cases</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee and manager</td>
<td>60</td>
<td>0.95</td>
</tr>
<tr>
<td>Employee and MoR</td>
<td>70</td>
<td>0.96</td>
</tr>
<tr>
<td>Manager and MoR</td>
<td>58</td>
<td>0.94</td>
</tr>
</tbody>
</table>

*Subject, manager, and manager once-removed (MoR) estimates are expressed in terms of the highest level in a managerial system at which subjects could work effectively. (Source: Jaques and Cason, 1994, p. 57).
managerial assessments for development and internal promotion (Jaques, 2002).

There is evidence that the American public uses it, too. As described below, when the CIP model is applied to presidential candidates, the candidate with the highest CIP wins. This suggests that a new variable, measuring the comparative capability of the candidates, may be a valuable predictor of presidential election outcomes.

METHOD

The present study was conducted using a multiple case study design. The unit of analysis was the US presidential election. Data were available on the election of 1960, and all elections between 1976 and 2004, for a total of nine. Although this is a small number of cases, previous forecasters have relied on similar sample sizes in the past (Hibbs, 1982; Lewis-Beck and Rice, 1984).

Assessing CIP Levels

The key independent variable in this study was the CIP level of each of the two major-party candidates. In a managerial setting, job applicants are typically assessed via open-ended interviews, much like those used to assess stages of moral development (Kohlberg, 1981) or Type A behavior (Wright, 1988).

Televised debates closely mirror the open-ended interview process. Candidates must think on their feet, responding to unexpected questions and unexpected responses given by other candidates. Because candidates are regularly schooled to answer the question they want to answer, not the question they are asked, they have some control over the subject matter of the arguments they make, just as in the open-ended interview process. Although all candidates prepare for the debates, previous research in management settings suggests that no amount of preparation can help a candidate argue a position at a higher level of abstraction or greater level of internal processing than they are capable of using on their own (Jaques and Cason, 1994). Televised debates that mirror the interview process were available for the presidential election of 1960 and all elections since 1976.

It is important to note that CIP assessments are based entirely on the structure of the argument – the level of abstraction of the information used and the type of internal processing exhibited. It is not based on the position the candidate takes, the validity of the logic, or the accuracy of the facts. Two candidates may have completely different presentation styles and political philosophy and still exhibit the same CIP level.

Similarly, it is important to take each candidate’s arguments at face value, and not draw inferences or otherwise impose one’s own internal processes or biases. A valid assessment requires that the assessor’s attention stay focused on the specific ways in which the candidates themselves linked together their points of argument or position.
Current forecasting methods are already moderately accurate, predicting election results within an average margin of 2–3%. The key question is: Does knowing the CIP levels of the opposing candidates allow us to improve the accuracy of these predictions?

The current predictive models have varying accuracies. The most accurate of current models – the model developed by Abramowitz (1996) – is clearly in the Stigler–Downs–Fair tradition, and includes four variables:

- **Vote**, the dependent variable, is the proportion of the two-party vote that went to the candidate of the incumbent party.
- **GDP** is the annualized percentage change in real gross domestic product over the first two quarters of the election year. We expect a positive coefficient on GDP.
- **Change** is a dummy variable that takes on the value 1 if the party in the White House has been in office for eight years or more, and 0 otherwise. We can expect this variable to have a negative coefficient.
- **Approval** is the approval rating of the incumbent president, taken from the first Gallup poll conducted after July 1 of election year.

Abramowitz (1996) obtained data on each of these variables for 13 presidential elections and estimated the equation,

\[
\text{vote} = \alpha + \beta_1 \text{GDP} + \beta_2 \text{change} + \beta_3 \text{approval} + \varepsilon. \tag{1}
\]

He found that the resulting equation was accurate (predicting all 13 elections correctly) and tolerably well-specified (all coefficients had the expected signs, and were statistically significant). Other studies applied similar models to the same data and obtained similar (though somewhat less accurate) results (Campbell and Garand, 2000).

This provides a baseline from which to work. Let us now add a new variable to the mix:

- **CIP** is defined as the CIP level of the incumbent party's candidate minus the CIP level of his opponent. Thus it is positive if the incumbent party candidate expresses his arguments in more complex terms, negative if the opponent expresses a more complex argument, and zero if they are the same. If in fact voters are comparing between the two candidates and favor the one with the more complex arguments – the candidate our theory would describe as more capable – then CIP should have a positive coefficient.

To determine the forecasting value of CIP, we conducted the following tests.

- Does adding CIP to the Abramowitz model improve accuracy?
- Of the possible models involving these four independent variables (there are 15 in total), are the models that include CIP more accurate than those
that do not? We may measure accuracy either through the standard error of the estimate, or through the percentage of accurate predictions.

• Do the models including CIP provide qualitatively different results than those that do not? In particular, if both types of models are used to predict the outcome of the 2004 presidential election, do they offer the same or different predictions?

FINDINGS

Table 3 shows CIP level assessments for 13 presidential candidates in nine separate races. Transcripts showed that all candidates in these races were using information at the conceptual abstract level (fourth order), so only internal processes are included on the table.

Table 4 shows results of using the three variables identified by Abramowitz, plus CIP, to predict the popular vote margin. Since only four variables are available, it is convenient to conduct and present all possible subsets of the four. Models 1–4 are all the one-variable models, models 5–10 are all the two-
### Table 4. All possible subsets regression results

<table>
<thead>
<tr>
<th>Model</th>
<th>Regression coefficients</th>
<th>R²</th>
<th>Standard error of accurate forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>intercept</td>
<td>CIP</td>
<td>GDP</td>
</tr>
<tr>
<td>1</td>
<td>51.418 (1.038)</td>
<td>3.158 (1.038)</td>
<td>0.570</td>
</tr>
<tr>
<td>2</td>
<td>47.274 (1.876)</td>
<td>1.016 (0.400)</td>
<td>0.479</td>
</tr>
<tr>
<td>3</td>
<td>52.525 (2.238)</td>
<td>-2.625 (3.003)</td>
<td>0.098</td>
</tr>
<tr>
<td>4</td>
<td>35.134 (6.892)</td>
<td>0.326 (0.139)</td>
<td>0.440</td>
</tr>
<tr>
<td>5</td>
<td>49.762 (2.530)</td>
<td>2.259 (1.643)</td>
<td>0.604</td>
</tr>
<tr>
<td>6</td>
<td>53.369 (1.320)</td>
<td>3.374 (0.880)</td>
<td>-3.469 (1.760)</td>
</tr>
<tr>
<td>7</td>
<td>42.490 (6.792)</td>
<td>2.346 (1.159)</td>
<td>0.181</td>
</tr>
<tr>
<td>8</td>
<td>48.930 (1.823)</td>
<td>1.132 (0.347)</td>
<td>-3.759 (1.979)</td>
</tr>
<tr>
<td>9</td>
<td>38.876 (6.860)</td>
<td>0.685 (0.464)</td>
<td>0.197</td>
</tr>
<tr>
<td>10</td>
<td>35.606 (6.197)</td>
<td>-3.515 (2.149)</td>
<td>0.356</td>
</tr>
<tr>
<td>11</td>
<td>51.365 (2.123)</td>
<td>2.225 (1.293)</td>
<td>0.540</td>
</tr>
<tr>
<td>12</td>
<td>42.435 (7.333)</td>
<td>1.928 (1.655)</td>
<td>0.230</td>
</tr>
<tr>
<td>13</td>
<td>43.383 (4.771)</td>
<td>2.470 (0.813)</td>
<td>-3.756 (1.398)</td>
</tr>
<tr>
<td>14</td>
<td>39.919 (5.219)</td>
<td>0.780 (0.354)</td>
<td>-3.939 (1.688)</td>
</tr>
<tr>
<td>15</td>
<td>43.332 (4.911)</td>
<td>1.857 (1.106)</td>
<td>0.340</td>
</tr>
</tbody>
</table>

Figures provided are regression coefficients and (standard errors) for all possible subsets of four variables. Dependent variable is percentage of two-party vote obtained by nominee of incumbent party. "Forecast" is percentage of two-party vote predicted for George W Bush in 2004 election. Statistically significant coefficients (p<0.05, one-tailed test) are shown in italic type. Best one-, two-, and three-variable regressions are shown in bold type.
variable models, models 11–14 are all the three-variable models, and Model 15 is the four-variable model. The table includes both regression coefficients and standard errors, three measures of model adequacy ($R^2$, standard error of estimate, and percentage of accurate forecasts), and a predicted value for the 2004 presidential election, expressed in terms of the percentage of the two-party vote forecast for the incumbent party nominee (George W Bush).

The most accurate one-, two-, and three-variable models (shown in bold type in Table 4) all include CIP. That is, it is the best single predictor among the four variables (Model 1); the best two-variable predictor (Model 6) adds the change variable; the best three-variable predictor – Model 13, the most accurate model of all those considered – also adds the approval variable. Adding GDP to this model does not improve accuracy. Note also that adding CIP to a model that does not include it always improves accuracy (as measured by the standard error of the estimate), although the improvement is statistically significant ($p<0.05$) in only three of seven cases. In particular, adding CIP to Abramowitz’ three-variable model (that is, comparing models 14 and 15) reduces the average prediction error from 2.473% to 2.118%. Models that include CIP also predict the winner 72.2% of the time, somewhat more often than models that do not include CIP (only 69.8% accurate). For the nine elections for which CIP data are available, this variable appears to be a better predictor of presidential election results than economic growth, “time for a change,” and approval ratings.

Additional proving of CIP with other models using examples from the 2004 election will appear in our expanded report to be published in book form in late 2005.

DISCUSSION

Predictive accuracy is only one of the characteristics of a good forecasting model. Lewis-Beck (1985) suggests several others:

- **parsimony**, requiring as few predictor variables as possible
- **usability**, relying on well-documented procedures or publicly available data
- **theoretical clarity**
- a **long lead**, able to predict outcomes as far in advance of the election as possible
- **plausibility**, relying on variables that can reasonably be expected to affect election outcomes.

Lewis-Beck (1985) argues that the best forecasts fit all these criteria. The CIP models estimated above fit most of these criteria at least as well as most of the models in current use. As described above, forecasts including CIP are more accurate than those that do not. They are no less parsimonious (the best model presented in Table 4 includes three variables, the same as the Abramowitz...
model). The theoretical case for CIP is clear enough. And, since CIP assessments can be obtained from analysis of debates held before the presidential primaries, this variable contributes to a longer lead than most other variables.

The remaining criterion, plausibility, may be more controversial. Although the economy is not always the most important issue for voters, it is always important. The linkage between voter behavior and the key variable of the Fair model and its progeny, GDP growth, is defensible. The linkage between voting behavior and CIP is less obvious.

We can think of two classes of linkages. Two of the authors of the present paper (Brause and Cason) argue that in the most complex multinational corporations, where CEOs are dealing with a variety of “cultures and values and economies” (Jaques, 1998, p. 71), we can predict that CEOs with high CIP will be more effective in running their organizations, obtaining better results, than CEOs of lower CIP. By extension, we can expect presidents and presidential candidates with high CIP levels to have accumulated a better public service record – achieving their foreign and domestic objectives more effectively – and also to run a more effective campaign. This should translate into better assessments of their work by the public, and more votes.

The other author of this paper (Spelman) is less certain of the link between CIP level and actual managerial competence, but accepts the link between CIP and the appearance of competence. Through the debates, news stories and talk shows, word-of-mouth, and (occasionally) personal experience, voters develop a sense for which of the two candidates seem to know their stuff, think well on their feet, and present an intelligent vision of the future. Just as good managers consistently choose the more complex problem solver for higher-level management jobs, so might swing voters consistently prefer the more capable problem solver for the presidency.

CONCLUSIONS

At one level, this study merely presents a new variable for forecasters of presidential elections to consider including in their models. Preliminary investigations suggest that models relying on this new variable are more effective on a variety of criteria than those that do not.

The nature of the variable is more important than its effectiveness, however. As used above, CIP is a comparative variable, measuring the difference between two candidates. We believe this better maps the way most (non-specialist) observers think about presidential elections.

Models in the Fair tradition see elections as a referendum on the incumbent party. So long as the incumbent has done a tolerably good job, measured through approval ratings and economic growth, and so long as the incumbent party has not been in power too long, then the qualifications and issue stands of the challenger are unimportant. For better or worse, recent forecasters have
accepted the referendum model as a given, and not attempted to subject it to further testing.

Our model suggests a more complex view. Instead of a referendum on the incumbent, voters compare the competence of the two candidates and (all else being equal) choose the more competent. The winning margin is affected by the incumbent's popularity and whether he has served two terms (it is "time for a change"). Still, in eight of the nine elections studied here, the smart guy won.

The evidence for a comparative model is obviously highly speculative. It relies on unfamiliar measures, few cases, and an uncertain linkage between cause and effect. Nevertheless, when combined with the common sense view – that voters look at both candidates, not just the incumbent – the evidence is sufficiently strong to suggest that future predictive models should reconsider the 20-year-old referendum model. This may move the field toward its ultimate objective: a better understanding of how voters really behave.

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