Economic statistics can make dull reading. But it’s a good bet these days that one particular economic statistic gets express delivery to the desk of George Bush, now running full speed ahead for a second term. And there’s no mystery why this particular economic statistic gets the attention it does in the White House.

The Consumer Confidence Index, perhaps more than any other single fact or event, forecasts the fate of presidents up for re-election--and the fate it forecasts is inevitable defeat of an incumbent when the Confidence Index drops below 100. That stark conclusion emerges from analysis of reams of data produced over the past four decades of Consumer Confidence Surveys.

Published monthly by the Conference Board, the Consumer Confidence Index is a widely watched barometer on the health of the economy, officially designated as a leading economic indicator by the federal government. It is based on a sample of 5000 households.

Answers to five separate question domains comprise the Index. It is worth listing the five domains to get a sense of what the Confidence Index actually measures. Respondents are asked:

- Their appraisal of current business conditions
- Their expectations of business conditions in six months
- Their appraisal of current employment conditions
- Their expectations of employment conditions in six months
- Their expectations regarding total family income in six months

Going back to Richard Nixon, election year Consumer Confidence scores have ranged between a low of 57 and a high of 133. Scores of 100 or better predict victory for an incumbent or incumbent party, while scores below 100 forecast defeat for an incumbent or incumbent party.

Critical is timing. Consumer Confidence numbers prior to the election year itself don’t seem to really matter in terms of whether incumbents win or lose. What matters is what happens in election years--particularly close to the election.

Incumbents, for example, may have feeble Consumer Confidence ratings early in their term and still win re-election if they finish strong. Contrariwise, strong confidence numbers early in a term will not prevent defeat of an incumbent whose numbers flag in the election year.

A summary of the Consumer Confidence Index (CCI) numbers in October of election years since 1968 shows clearly these relationships, first for incumbents and incumbent parties who won re-election, and following for incumbents who lost.

**INCUMBENTS WHO WON**
- 1972 -Nixon: CCI = 112
- 1984 - Reagan: CCI=100
- 1988 - Bush: CCI = 111
- 1996 - Clinton: CCI = 112
2000 - Gore: CCI = 133

INCUMBENTS WHO LOST
- 1976 - Ford: CCI = 87
- 1980 - Carter: CCI = 88
- 1992 - Bush Sr.: CCI = 57

As the data show, 100 seem to be the critical number for incumbents—at 100 or above, incumbents win, below 100, they lose. The average winning CCI is 114. The average losing CCI is 77. The distance above or below 100 doesn’t seem to predict how close an election might be. In 1984, Reagan barely made the 100 threshold, but won in a landslide.

Gore's 2000 "win" by 540,000 popular votes calls attention to an important limitation of the CCI—it predicts popular vote support and not Electoral College strength. This point, prior to the 2000 election would merit no more than a footnote, since the popular vote winner and Electoral College winner were one and the same for more than a century. The 2000 election, however, dramatically reminded us that the popular vote and the electoral vote are not the same.

So, what does all this forecast about the upcoming presidential election? Will George Bush be re-elected as three of his predecessors have been since 1968 (Nixon, Reagan, and Clinton)? Or is he fated to become a one-term president as three other predecessors have been since 1968 (Ford, Carter, and Bush, Sr.)?

The economy and specifically the Consumer Confidence Index may answer this question—but not too quickly. Currently, the CCI is hovering around 92, up from 82 the previous period. There is both good news and bad news for incumbent Bush in those numbers.

The bad news is that if the election were to be held today, he could plan to soon spend more time on his Texas ranch. Incumbents with a 92 CCI lose. The good new, however, is there’s time for the confidence numbers to increase. And the growing consensus among economists is that the increase is likely to happen.

And if that magic 100 does show up, will George Bush inevitably be re-elected?

Some analysts expect that to be the case. The Consumer Confidence data back to 1968 in fact makes a strong case that incumbent presidents win or lose based on how the economy is perceived.

But a longer view suggests that non-economic issues, including scandals and foreign policy, sometimes matter even more than the economy. Jimmy Carter, for example, running for re-election, had the worst of all situations—a sagging economy and a foreign policy disaster from the Iranian hostage crisis. Certainly for 2004, the decision to go to war against Iraq, the post Iraq war reconstruction, and the fight against international terrorism, all loom as major campaign issues.

In the end, it comes down to the useful distinction between the necessary and the sufficient. Getting a good economy is the necessary prerequisite for a president up for re-election. If Bush doesn't get the good economy, he necessarily doesn't get re-elected.

But, is the good economy also sufficient? If Bush does get the good economy, will it also be sufficient to ensure his re-election? Is a good economy enough?
The 2004 election is shaping up as a rigorous test of that question.

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