

With one week to go, presidential race remains tight

An article published by the Economist Intelligence Unit





With one week to go, presidential race remains tight

An article published by the Economist Intelligence Unit

With one week to go, presidential race remains tight

The presidential election contest has narrowed even further in recent weeks. The Economist Intelligence Unit maintains its forecast of a narrow win by Barack Obama, based on his position in opinion polls and advantages in the electoral college system, but the close nature of the race means a win from either candidate is effectively plausible.

With one week to go until the presidential election on November 6th, the race for the presidency is as tight as it has been at any time during the contest. The president, Barack Obama, and the Republican candidate, Mitt Romney, a former Massachusetts governor, are running in statistical ties in most national-level polls. However, Mr Romney holds a narrow lead in the aggregate of national-level polls that are published by RealClearPolitics, a Chicago-based political aggregation website. Immediately ahead of a series of three presidential debates, Mr Obama had led his opponent by some 4-5 percentage points in national polls, but that lead steadily collapsed after the president turned in a particularly lukewarm performance at the first debate, on October 3rd. Mr Romney, by contrast, was forceful and persuasive, and easily won the debate. Nonetheless, the subsequent improvement in his polling position has been unexpectedly sharp. The main reason is likely to have been that Mr Romney was highly effective in projecting a moderate policy stance in the debates, compared with the much more conservative one he espoused during the Republican primaries. Voters may also have had an unduly poor opinion of Mr Romney before the debates, as a consequence of heavy advertising by the Obama campaign over the summer trying to paint Mr Romney as a right-wing, out-of-touch private-equity executive. Finally, Mr Obama's polling strength before the debates (like Mr Romney's polling weakness) was probably overstated, meaning that there was a degree of mean reversion when more voters started focusing on the contest. In any case, Mr Romney succeeded in hauling himself back into contention during October. His polling surge was largely complete by the last week of the month, leaving neither candidate definitely ahead.

Electoral college calculations are key

Even with his national-level polling lead—of less than 1 percentage point on aggregate, which is within the polls' margin of error—Mr Romney is not necessarily the favourite to win. Indeed, our election forecast has for some months been that Mr Obama would pull out a narrow win in the race. This is based on the relative position of the two candidates on the only metric that really matters in the US presidential election: the electoral college. This winner-takes-all system assigns a state's electoral votes to the top vote-winner in each state. Consequently, the election effectively comes down to the election outcome in a handful of "swing states" where polls indicate that neither candidate is decisively ahead. With 538 electoral votes up for grabs, the next president needs to obtain 270 to take office. According to aggregated polling from RealClearPolitics and the known political leanings of a large number of states, Mr Obama can count on 201 electoral votes from states that are certain or



With one week to go, presidential race remains tight

An article published by the Economist Intelligence Unit

likely to vote for him (as of October 30th). Mr Romney starts from a slightly lower base of 191 solid or likely electoral votes.

Of the remaining swing states, Mr Obama holds sustained small polling leads in Michigan, Pennsylvania, Wisconsin and Nevada, which would give him 253 electoral votes. Mr Romney has similar advantages in Florida and Virginia, which would credit him with 235 electoral votes. Of the remaining swing states, Colorado and Virginia seem to be straight toss-ups, and the president holds extremely narrow polling leads in Iowa and New Hampshire. The final swing state is the most crucial: Ohio, worth 18 electoral votes. Winning this would probably be enough to take Mr Obama beyond 270 votes and return him to office for a second term. Mr Romney, like many Republican presidential candidates before him, can probably not afford to lose Ohio because, for victory, he would then need to win both toss-up states (Colorado and Virginia), take Iowa and New Hampshire by running down Mr Obama's polling lead, and take one other state that is already in Mr Obama's column. Mr Obama, by contrast, has a more plausible route to victory without Ohio, for example with victories in Iowa and Virginia. With a win in Ohio, though, Mr Romney's route to victory is more straightforward, probably with wins in two other states.

Swing states

	Electoral college votes	RCP average
Florida	29	Romney +1.4
Pennsylvania	20	Obama +4.7
Ohio	18	Obama +1.9
Michigan	16	Obama +4.0
North Carolina	15	Romney +3.0
Virginia	13	Tie
Wisconsin	10	Obama +2.3
Colorado	9	Tie
Iowa	6	Obama +2.3
Nevada	6	Obama +2.4
New Hampshire	4	Obama +2.0

Note: Polling averages from RCP as of October 30th 2012.

Source: www.realclearpolitics.com.

Ohio outcome could turn on automakers' bail-out in 2009

Our forecast of a narrow victory for Mr Obama is based on his slightly more favourable electoral college permutations, but as the above calculations reflect, either candidate could still win this race. The centrality of Ohio is not lost on either candidate, and both are lavishing considerable attention on the state in the campaign's final days. The way the state votes may well turn on the candidates' attitude to the automakers' bail-out in 2009. At the time, Mr Obama decided that the government would allow GM and Chrysler to move into bankruptcy and provide transitional financing while both firms restructured their liabilities and returned to viability. Conversely, Mr Romney wrote an opinion piece in the New York



With one week to go, presidential race remains tight

An article published by the Economist Intelligence Unit

Times urging bankruptcy for the two carmakers, with the distinction that he preferred them to rely on transitional financing from the private sector—which was not necessarily available at the time and the absence of which might have resulted in their liquidation. Either way, the automakers' bail-out is now viewed as a success and is believed to have saved around 1m jobs in the wider car industry, not least in the manufacturing-heavy state of Ohio. If Mr Obama can profit from that policy measure to secure re-election, it will have paid off in political as well as economic terms.

The candidates are likely to spend the final days of the campaign rallying voters in the swing states. A major hurricane that hit the eastern seaboard of the US on October 29th has led to a brief suspension of the contest but, given the high stakes, campaigning is likely to resume sooner rather than later. Mr Obama's management of the disaster bears downside risks for his re-election bid, notably if the federal government is seen to be mishandling the situation. Any political upside from the hurricane fallout is probably more limited; there are opportunities to show presidential leadership, but Mr Obama will want to avoid accusations of grandstanding. For Mr Romney, the situation is delicate too, as he will also want to avoid any appearance of opportunism. So, with disaster recovery still ongoing, the final countdown to election day has begun—and the race is still wide open.



Access analysis on over 200 countries worldwide with the Economist Intelligence Unit

The analysis and content in our reports is derived from our extensive economic, financial, political and business risk analysis of over 203 countries worldwide.

You may gain access to this information by signing up, free of charge, at www.eiu.com.

Click on the country name to go straight to the latest analysis of that country:

G8 Countries

- Canada
- Germany
- Japan
- United Kingdom
- France
- Italy
- Russia
- United States of America

BRIC Countries

- Brazil
- Russia
- India
- China

CIVETS Countries

- Colombia
- Vietnam
- Turkey
- Indonesia
- Egypt
- South Africa

Or [view the list of all the countries](#).

Further reports are available from Economist Intelligence Unit and can be downloaded at www.eiu.com.

Should you wish to speak to a sales representative please telephone us:

Americas: +1 212 698 9717

Asia: +852 2585 3888

Europe, Middle East & Africa: +44 (0)20 7576 8181



Media Enquiries for the Economist Intelligence Unit

Europe, Middle East & Africa

Grayling London

Tommy Allez

Tel: +44 (0)20 7592 7926

Felicity McKane

Tel: +44 (0)20 7932 1833

Mobile: +44 (0) 7808 643 021

Liam Jacklin

Tel: +44 (0)207 932 1838

Mobile: +44 (0)783 432 8661

allgraylingukeiu@grayling.com

Americas

Grayling New York

Ravi Sunnak

Tel: + 1 (646) 359-2173

Kevin Maloney

Tel: + 1 (646) 284-9417

allgraylingukeiu@grayling.com

Asia Pacific (excluding China)

The Consultancy

Tom Engel

Tel: +852 3114 6337 / +852 9577 7106

tengel@consultancy-pr.com.hk

Ian Fok

Tel: +852 3114 6335 / +852 9348 4484

ifok@consultancy-pr.com.hk

Rhonda Taylor

Tel: +852 3114 6335

rtaylor@consultancy-pr.com.hk

China

Grayling Shanghai

Harriet Gaywood

Tel: +86 21 5239 7719 / 7729 ext. 101

allgraylingukeiu@grayling.com

While every effort has been taken to verify the accuracy of this information, The Economist Intelligence Unit Ltd. cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report.

LONDON

26 Red Lion Square
London
WC1R 4HQ
United Kingdom
Tel: (44.20) 7576 8000
Fax: (44.20) 7576 8500
E-mail: london@eiu.com

NEW YORK

750 Third Avenue
5th Floor
New York, NY 10017
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
E-mail: newyork@eiu.com

HONG KONG

6001, Central Plaza
18 Harbour Road
Wanchai
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
E-mail: hongkong@eiu.com

GENEVA

Boulevard des Tranchées 16
1206 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
E-mail: geneva@eiu.com