

# The lesson from this week's election is to ignore pontificating from highly paid pundits. Put your faith in the numbers.

by Blog Admin

**John van Reenen** finds great cause for optimism in President Obama having won a second term. He argues that this election was also a vindication for quantitative social science, as the eventual results confirmed what mathematical models had predicted contrary to the instincts of pundits.



President Obama's victory this week was important for many reasons. First and foremost, the American people will continue to live under the Affordable Care Act which Mitt Romney had promised to repeal on his first day of the Presidency. [Obamacare](#) has flaws but it extends healthcare to cover almost all Americans and placed some brakes on the escalating health cost that even now absorb almost a fifth of US GDP.

Second, an experienced President without the shadow of re-election will be able to take a calmer view of foreign affairs than a newcomer. There are major challenges on the horizon especially over Iran. Mitt Romney displayed a naivety and belligerence that increased risks. Although Obama also pushed the anti-China button, Romney's vow to label China a currency manipulator would be very damaging.

Third, the challenger's insistence that long-run [deficit](#) problems can be dealt with by spending cuts alone flies in the face of economic reason. The deficit requires a medium run plan to raise tax revenues and decreasing expenditures. Obama's plans to allow the Bush tax cuts to elapse for the richest households seems eminently reasonable given the stunning rises in US [inequality](#) over the last 40 years. Now he must be bolder in removing middle class tax deductions and reforming social security.



Obama's victory speech in Wordle form

Is this too unfair on Romney? He governed Massachusetts from the centre even passing an early version of Obamacare. But in the primaries and until the weeks of the campaign he tacked far to the Tea Party right. Multiple policy flip flops made it unclear what he really believed.

But there was another lesser known winner last night: quantitative social science! Media reports of how the race was nail-bitingly close were just plain wrong. Obama has been clear favourite for a long time. Although the national polls have been tight, Obama maintained a slim but significant lead in the swing states like Ohio that are crucial to obtaining enough Electoral College votes to retain the Oval Office. [Nate Silver](#) of the New York Times has been running purely quantitative models based on pooling state-level voting intentions to predict electoral college votes. Even after the disastrous first Presidential debate, Silver still put Obama's chances of winning at a healthy 61%. On election morning he had Obama on a 91% chance of winning.

The lesson is to ignore pontificating from highly paid pundits using their "gut" in sports, business, and politics. Put your faith in the numbers.

Vive President Obama, Vive stats.

This article first appeared at the [LSE's British Politics and Policy blog](#).

*Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.*

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## About the author

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John Van Reenen is the Director of the Centre for Economic Performance (CEP), Europe's leading applied economics research centre (<http://cep.lse.ac.uk/>). He is also a Professor of Economics at the London School of Economics and Political Science. He has been a senior policy advisor to the Secretary of State for Health, Downing Street and many international organisations. In 2008-2009 he was the Denning Visiting Professor of Global Business and Economics at Stanford University. He has published widely on the economics of innovation, labour markets and productivity. Professor Van Reenen received his BA from the University of Cambridge, his MSc from the London School of Economics and his PhD from University College London. He has written over 100 articles and book chapters and frequently appears in the media. He has been a CEPR Research Fellow since 1997. In 2009 he was awarded (jointly with Fabrizio Zilibotti) the Yrjö Jahnsson Award.



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