

VISUAL 6.1

COMPARING POLLS AND MARKETS

Final Pre-Election Predictions for the 2004 Presidential Election: Nine National Polls and the IEM*

Firm	When Conducted	Bush	Kerry	Nader	Other	Bush Lead
Election Result		50.7	48.3	0.3	0.7	2.4
Harris (Online)	10/29-11/1	47	50	1	2	-3.0
Fox News	10/30-10/31	46	48	1	5	-2.0
Gallup	10/31-11/1	49	49	1	1	0.0
Zogby	11/2	49.4	49.1	1	0.5	0.3
Harris (Telephone)	10/29-11/1	49	48	2	1	1.0
NBC News/ <i>Wall Street Journal</i>	10/29-10/31	48	47	1	4	1.0
ABC News <i>Washington Post</i>	10/28-10/31	49	48	1	3	1.0
CBS News <i>N.Y. Times</i>	10/29-10/31	49	47	1	3	2.0
CNN/ <i>USA Today</i>	10/29-10/31	49	47	NA	4	2.0
Iowa Electronic Market (IEM)	11/1	51.4	48.6	NA	NA	2.8

* The polling results in this table were selected from a table prepared by Michael W. Traugott, "The Accuracy of the National Pre-Election Polls in the 2004 Presidential Election," *Public Opinion Quarterly*, 69 (5), 2005. "NA" is not available. The Election Result row represents actual percentage of popular vote. All polling rows represent projected percentage of popular vote (with rounding in most cases). The IEM row is the implied probability of victory for each candidate from the IEM winner-takes-all market. The IEM vote share contracts on 11/1/2004 closed at Bush = 50.4 and Kerrey = 49.5.

VISUAL 6.2

RESULTS OF THE 2008 PRESIDENTIAL ELECTION

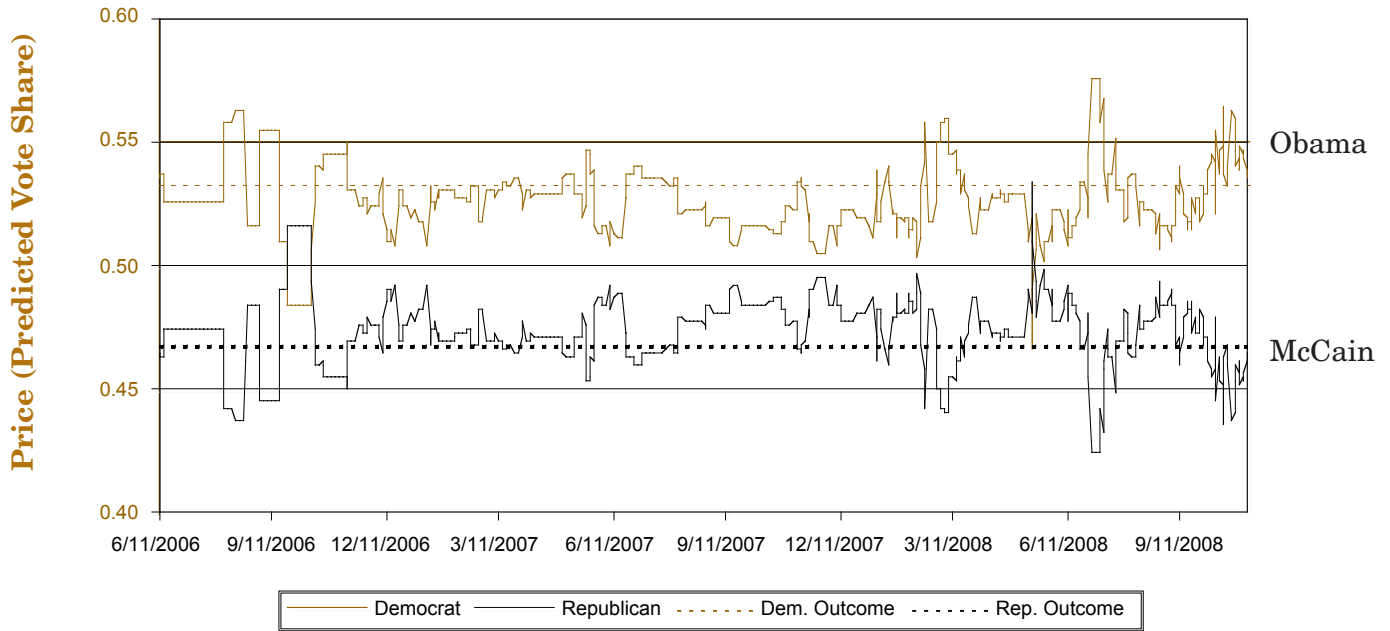
- The Iowa Electronic Markets predicted the final vote count in the 2008 presidential election to within a half percentage point.
- Prices on the IEM's Vote Share Market predicted that Barack Obama would receive 53.55 percent of the two-party presidential popular vote, and John McCain would receive 46.45.
- After the ballots were counted, Obama received 53.2 percent of the vote, and McCain received 46.8 percent, leaving an average error per contract of .3 percent.
- The average absolute error by public opinion polls, meanwhile, was 1.2 percent.

VISUAL 6.3

RESULTS FOR THE PRESIDENTIAL ELECTION: JUNE 2006-NOVEMBER 2008

- Through all the twists and turns of the primary campaign and the final campaign, the Iowa Electronic Markets consistently picked Barack Obama as the leader.
- As illustrated in the figure below, from June 2006 until November 2008, Barack Obama led by margins similar to the final election outcome.

IEM 2008 Presidential Vote Share Market



Source: The Iowa Electronic Markets, Tippie College of Business, University of Iowa. Used with permission.