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**The Upshot**  
THE 2016 RACE

# Prediction Markets: Donald Trump's Nomination Chances Better Than 50 Percent

Justin Wolfers @JustinWolfers FEB. 1, 2016

Donald Trump is now more likely than not to win the Republican nomination.

On the day of the Iowa caucuses, the political prediction markets, where traders bet on the outcome of the election, give him a 51 percent chance of becoming the G.O.P. nominee.

Although the Republican field still nominally contains an unusually large slate of candidates, prediction market traders see a four-horse race. Mr. Trump is the clear favorite. The second favorite is Marco Rubio, at 33 percent.

Ted Cruz, who appears to be Mr. Trump's most serious rival to win in Iowa, is not expected to do as well in less conservative states, and so he is

given only an 8 percent chance. The early front-runner in the race, Jeb Bush, is now given only a 6 percent chance.

Beyond this leading pack, while Chris Christie and John Kasich have each picked up important newspaper endorsements, the markets rank them essentially as 100-to-1 long shots. The markets see no real possibility that the other candidates will win, and each is rated as more improbable to win the nomination than Mitt Romney, who is not even running.

The odds that I'm citing here come from the prediction market tracker at the PredictWise website. Prediction markets have a long track record of providing accurate election forecasts, and historically have proven to be more accurate than statistical models or polls. In this race, the markets have been slow to take Mr. Trump's candidacy seriously, and he became the market front-runner only in the past couple of weeks, even as he has led national polls since mid-2015.

Mr. Trump is now rated to have a 59 percent chance to win Monday evening's Iowa caucuses, a 69 percent chance to win the New Hampshire primary and a 70 percent chance to win the South Carolina primary. He's also given a 69 percent chance to win in Nevada.

If you think that means that he's destined to coast through the early voting states, realize that these percentages will move sharply as each state votes. If Mr. Trump's supporters fail to show up in large numbers at the Iowa caucuses, expect his chances in each of these subsequent states to fall sharply.

It is also worth emphasizing that while 50 percent is often a magic number in politics — earn one vote more than 50 percent and you're guaranteed to win an election — that's not true for prediction markets. Polls describe an expected vote share; prediction markets describe the chance that a candidate will garner the most votes. And as much as I've noted that Mr. Trump has slightly better than a 50 percent chance to win the nomination,

they're also saying that there's nearly a 50 percent chance that he won't.

The race remains wide open.

**Justin Wolfers** is a professor of economics and public policy at the University of Michigan. Follow him on Twitter at [@justinwolfers](https://twitter.com/justinwolfers)

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