

The New York Times | <http://nyti.ms/210rJgG>

The Upshot
THE 2016 RACE

Betting Markets Weigh the Odds of Vice President Christie

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Chris Christie's surprise endorsement of Donald Trump on Friday immediately set tongues wagging about what's in it for him. After all, Mr. Trump has said of Mr. Christie that "there could certainly be a place for him" as his running mate.

Betting markets seem to think that there's something to this idea. At Ladbrokes, the only major bookmaker betting on the No. 2 slot, Mr. Christie's odds of being the Republican nominee for vice president were 8 to 1 before a few bets alerted it to the endorsement. The British oddsmaker immediately slashed the odds to 5 to 1, then 4 to 1, and after a flurry of more bets, has further cut Mr. Christie's odds to 5 to 2. (If you find British odds a mystery, note that this translates to a two-in-seven, or 29 percent, chance.)

That said, in lightly traded markets like this, the bookmaker builds in a large profit margin, which exaggerates these probabilities. As such, it's probably better to say that Mr. Christie's chances are around 10 to 15 percent.

Of course, these odds factor in the uncertainty of Mr. Trump's becoming the Republican nominee, but Mr. Christie's endorsement also led bettors to revise their views about that. Mr. Trump's odds of winning the Republican nomination rose to 73 percent in the hours after Mr. Christie's endorsement, from 70 percent just prior to that, according to David Rothschild, a keen analyst of prediction markets. It's a useful bump after a difficult Republican debate, and Mr. Rothschild noted that this three-point rise "is about half the value he lost last night." (Full disclosure: I was Mr. Rothschild's doctoral adviser.)

Mr. Christie is now the market favorite to be the Republican running mate. John Kasich, Marco Rubio and Nikki Haley are the other most likely picks. Matthew Shaddick, head of political odds at Ladbrokes, also noted that he's "been seeing a bit for money" for Mike Huckabee, whose odds have moved to 10 to 1 from 33 to 1. The next most likely contenders are Sarah Palin and Carly Fiorina.

Mr. Shaddick noted in an email that "back in 2008 when Palin was McCain's pick, she'd been second or third favorite with us for several weeks beforehand." When Mr. McCain announced his pick, it came as a surprise to many political commentators, but Mr. Shaddick wrote that "if they'd simply looked at the odds, it would have come as no real surprise."

As for Mr. Christie's chances, Mr. Shaddick admitted that the odds "are probably too short, but I find that people can overreact to this sort of news."

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