

The Upshot
THE 2016 RACE

Nate Cohn and Justin Wolfers on Donald Trump's Chances

By JUSTIN WOLFERS and NATE COHN FEB. 29, 2016

Justin Wolfers, a University of Michigan economist, and The Upshot's Nate Cohn debated the likelihood that Donald Trump would become the Republican nominee. We thought you might enjoy the conversation.

Justin: Prediction markets currently rate Donald Trump an 81 percent chance to win the Republican nomination. My first instinct is to trust the market over my own imperfect judgments. That's my second instinct, too. But even then, 81 percent seems too high to me.

Nate: It's pretty high, but I can imagine a case for it. I certainly wouldn't say someone was crazy if they thought Trump had an 81 percent chance to win. There just isn't much time to stop Trump before he amasses an insurmountable delegate lead. The window closes on March 15, when a slew of big and often winner-take-all states will vote. If Trump sweeps on that day, he's really difficult to stop.

Justin: That seems right. But as much as I don't want to be the guy to say "a week is a long time in politics," March 15 is a long, long time away. It's not that it's two weeks away, it's that this will be a very long two weeks. There's

lots of news between now and then: There are white supremacists to disown, Super Tuesday results to spin, tax returns to bury, Twitter fights to start and hints that the press narrative may turn.

Crikey, there's even the chance that the Republican Party may wake up and realize that their party is slipping away from them. And who knows where that will lead?

The point is, March 15 is only two weeks away, but there's a lot more news events in this two weeks than in the previous two months.

Nate: I think that's completely fair. There's a lot of time for the polls to shift, though a Trump sweep on Super Tuesday might make it harder.

That said, a Rubio comeback is about more than just moving polls. Rubio might need a two-way race to beat Trump, or a lot of resources for attack advertisements. By those measures, two weeks is a long time. It's hard to fund-raise during an intense stretch of campaigning, and it's not much time for Kasich or Cruz to decide to leave the race, either.

Justin: And in any normal race, you've nailed the most important considerations: Cleaning out the lanes, raising money, air wars and consolidating the vote. But this isn't any normal race. Nate Silver said it nicely this week: " 'With the exception of the 2016 election' will be a common phrase in Ph.D. dissertations in 2044." Our Upshot colleague Brendan Nyhan agreed, sagely noting: "Outliers happen. We may be living one, folks."

The point is, this race is unlike any that we've ever seen. And this brings with it greater uncertainty. When we don't have good historical precedent, then we should shade our intuitions toward admitting that anything could happen. Statisticians call this shrinkage. And so whatever you think will happen, you should shrink your estimate of the probability of Trump, Rubio, Cruz or Kasich winning toward an uninformed prior, and in this case, that would be that each has a one-in-four chance. (No one is so uninformed as to

think Carson has a chance.)

Nate: Also a great point. You're convincing me. On the other hand, Trump has defied just about every expectation of his impending demise. You could interpret Nate Silver's comment to mean that Trump has unusual and exceptional traits — more of a juggernaut at this point than a source of uncertainty. He's at 35 or 40 percent of the vote nationally, which is enough to win the nomination if the field remains split.

Another interesting question is whether there could still be a successful effort to deny him a majority of delegates, even if he swept the races on March 15. It's far too early to tell whether this could work, but it's at least imaginable.

Justin: You're warming up to my point about uncertainty: The unimaginable should now be counted as possible. In most election cycles, the job of responsible analysts is to howl down overexcited pundits who are far too quick to speculate about the possibility of a brokered convention. But this is no longer a long shot, but rather a distinct possibility. So we should count the convention as one more source of uncertainty.

By the way, this is why I'm not yet willing to completely count Mitt Romney out. Nate, is the idea of Romney somehow being drafted at the convention totally nuts?

Nate: I can't really count out anything happening at a contested convention. I don't know enough about what would happen, and I don't think anyone does. I'd give Romney a better shot than Carson, though!

So, I agree that 81 percent for Trump is probably too high — although I wouldn't say someone was wrong if they decided to put the odds around there. What kind of odds would you give Trump at this point?

Justin: Gosh, you want me to put a number out there? My intuition is always to start with the prediction markets — that's 81 percent. But I've argued

for shading toward an uninformed prior — that's 25 percent. It would be totally gutless to state a range running from 25 percent to 81 percent. And I do think he's more likely to win than not. So I'm going to go with Trump being a two-in-three chance to win the nomination. That's 67 percent.

Nate: A two-thirds chance of a Trump nomination seems pretty reasonable to me, too. There's a real chance Cruz drops out after Super Tuesday. Rubio's going to air a lot of advertisements in Florida. The party and the media is finally beginning to attack Trump. All considered, Trump might finally have to build a majority coalition in the face of sustained attacks, and it's hard to be too confident in his ability to do so. He certainly hasn't had to do it yet.

Justin: There's also uncertainty about whether Trump is actually going to pony up a substantial share of his own money. Nate, what's your guess for what share of his wealth The Donald has spent so far? And if he isn't going to risk a big chunk of it, does that change your assessment of his chances?

Nate: It doesn't seem like he's spent much at all. Then again, he may not be nearly as wealthy as he says, either. That said, he receives so much free media coverage that I'm not sure how much he needs to air television advertisements. Perhaps it might matter more once he starts to receive a heavy dose of attack ads, as I suspect he will in Florida.

Justin: You've convinced me that he hasn't needed money so far, and you're right, that's no guarantee that he won't in the future. And that's really the point I wanted to get to.

For months, we've watched as Trump has said or done things that would destroy any other candidate. Mitt Romney, for instance, just had to utter the words "47 percent" once behind closed doors to do serious damage. Yet Trump's support has stayed firm even as he has made statements that I would have thought would offend yuge numbers of people, including women, Hispanics, Muslims and the disabled.

And who knows what his latest flap will do — his clearly **untruthful** claim to not know who David Duke is, and his **initial unwillingness** to condemn the Ku Klux Klan.

More important, my friends in finance constantly remind me that past performance is no guarantee of future results. And it may just be that we're finally — after an enormous delay — entering what our colleague Lynn Vavreck calls the **scrutiny phase** of Trump's candidacy. Perhaps the next revelation will be the one that hurts him.

I think people have been too quick to dismiss this possibility. After a long string of false predictions that some incident or another would doom Trump's campaign, my sense is that pundits have gotten gun-shy in suggesting that anything could hurt him. Perhaps they're right. But perhaps he's not really the Teflon man. And so there's still a chance he simply implodes under the weight of his own offensiveness.

Nate: I think that's absolutely right. I think that both the pundits and markets are assuming Trump's support will be quite resilient, based on his resilience so far. The catch is that Trump's going to need a lot more than his tested base to win the nomination. I don't think he'll lose much or any of his core support because he refused to distance himself from the KKK, for instance. But could it make it harder for him to win a two-way race against Rubio? Absolutely.

Justin: Here's the one I'm watching closely: Trump's tax returns. His claim that he can't release them because he's being audited just doesn't wash. (Even the I.R.S. says so.) So the question is: Why not release them?

I don't think that it'll hurt him much if they show he hasn't been paying a lot in taxes (à la Romney). But if they reveal that he's not the successful businessman he's been saying he is, that could be a really big deal.

Nate: Remember, he only has to make it 16 more days! I think he can run

out the clock on this one. In the end, I don't think he'll release them if they show he's a terrible businessman.

Justin: And if voters are Bayesians, if they update their views about what's in Trump's tax returns based on the fact that he's hiding them — they'll infer that there's something pretty dark in there, and that could become a very big deal...

Nate: Well, we'll have to revisit a lot of our assumptions about the electorate if voters are Bayesians!

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