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## **The Upshot**

UNCONVENTIONAL WISDOM

# **Why the Time Is Now to Predict (Loudly) a Democratic Victory**

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**Justin Wolfers**

Want to be a superstar political pundit? Here's my advice: Predict the Democrats to hold the Senate. Do it now, do it loudly and do it confidently.

When pressed for reasons, mumble about technical problems with polls, say the word "fundamentals" as if it means something, and just to add that element of intrigue, say something about campaign donations and following the money.

Be sure to describe your forecast as a result of thousands of simulations you've run, because models are sexier than human intuition. Find a way to throw the words "big data" into the conversation but do it semi-ironically, because no one is really sure if it is the next big thing or just like regular data, only bigger.

Then throw in a few obscure-sounding terms like "heteroscedasticity,"

“anti-fragility” or “photosynthesis,” because people tend to really trust those experts they don’t really understand.

Do this while adjusting your cardigan, because Huey Lewis’s forecast was right, even if it was premature: By the mid-2010s, it really is hip to be square.

Forecasting the Democrats to hold the Senate sounds like a crazy idea. But it is definitely the most profitable choice. To see why, it’s worth distinguishing between consensus and certainty.

There’s a clear consensus that the Republicans are more likely to take control of the Senate. They’re favored by the fundamentals, the prediction markets, by all of the major forecast models, by human experts, as well as on-the-ground reports.

The result is that I have not found a single person in the entire country predicting a Democratic win. And the echo chamber of pundits agreeing with pundits has led them to sound increasingly certain about their predictions. That’s a mistake. Consensus is not certainty, and even if 100 percent of people agree that the Republicans have more than a 50 percent chance to win, there remains a very real chance that they lose.

Our best guess, informed by our forecasting model Leo, is that the Republicans have a 75 percent chance to hold the Senate. That means there’s a 25 percent chance the Democrats win. And that’s your profit opportunity.

By loudly predicting the Democrats, you will have a 25 percent chance to be the only pundit in the entire country who correctly predicts the race. If you’re right, you’ll be the Billy Beane of picking political talent, the Warren Buffett of electoral stocks, and the 539 of forecasting (that’s one better than fivethirtyeight).

The upside here is enormous. Think of the book contracts, the speaking engagements and the talk show gigs. Because elections are held rarely, your reputation as a wiz should persist for decades. In order to get the most mileage out of your big win, you should quietly go along with consensus for the next few election cycles, ensuring that the only thing that distinguishes your record is that one great pick in 2014.

Yes, there's a 75 percent chance this strategy backfires, but the downside is limited. If you stop talking about your blown call, it will be forgotten pretty quickly. The Democrats will win again one day, so you can just call your forecast premature. Or just put this election behind you, retool and reappear in 2016 with a whole new approach.

If we learned anything from Karl Rove's on-air meltdown on election night in 2012, it's that the costs of being wrong are pretty small. And that's reason enough to boldly call for the Democrats to hold the Senate.

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