

The Pick-the-Winner-Picker Heuristic: Preference for Categorically Correct Forecasts



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WHAT IS A GOOD FORECAST?

Whether we look at how JDM researchers define good forecasting,^{1, 2} how forecasting researchers formally evaluate forecast quality,^{3, 4} or how professional forecasters create models,⁵ there is a clear consensus among experts: **Good forecasts minimize continuous prediction error.**

But how do laypeople evaluate forecasts?

Because people tend to (i) evaluate prediction error in problematic ways^{6, 7} & (ii) compress continuous information into crude categories,⁸ we suspect they will instead particularly prize categorical correctness.

BASIC EFFECT: ELECTION STUDY

N = 164 (MTurk), aspredicted: YPT_JVN

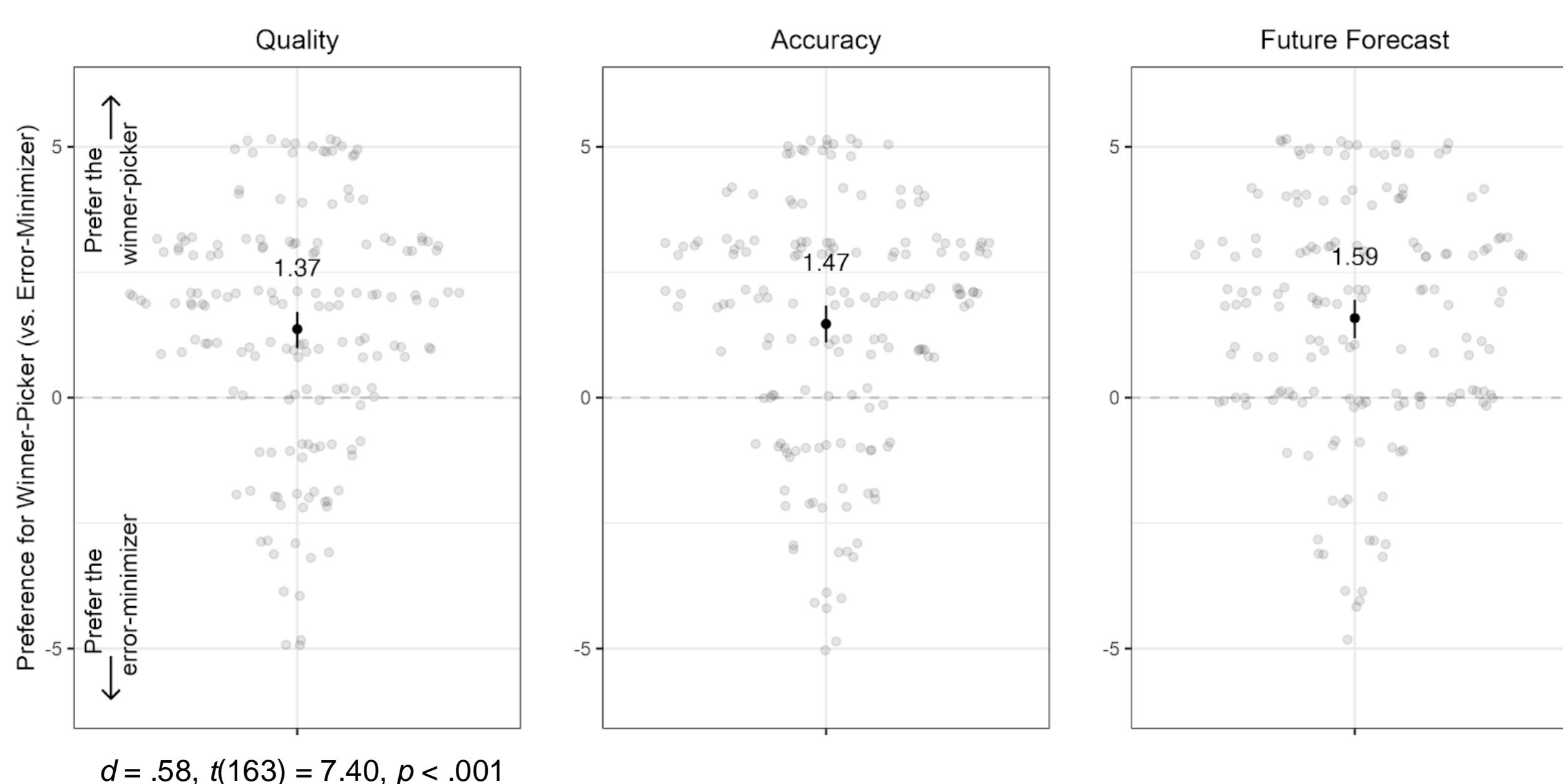
Two hypothetical election forecasts:

Pundit A predicted: Smith will win by 9%

Pundit B predicted: Jones will win by 1%

Now suppose that Smith wins by 3%

How would you evaluate these predictions?



Finding: People prefer the winner-picker.

Experts:
Good forecasts minimize continuous error.

We find:
Laypeople prefer categorically correct forecasts to those that minimize continuous error.

An example from politics:
“Winner-picker”: Smith will win by 9%.
“Error-minimizer”: Jones will win by 1%.
Reality: Smith wins by 3%.
Result: People pick the winner-picker.

READ THE PAPER:



MECHANISM TEST: HALFTIME STUDY

N = 443 (MTurk), aspredicted: VX3_3DL

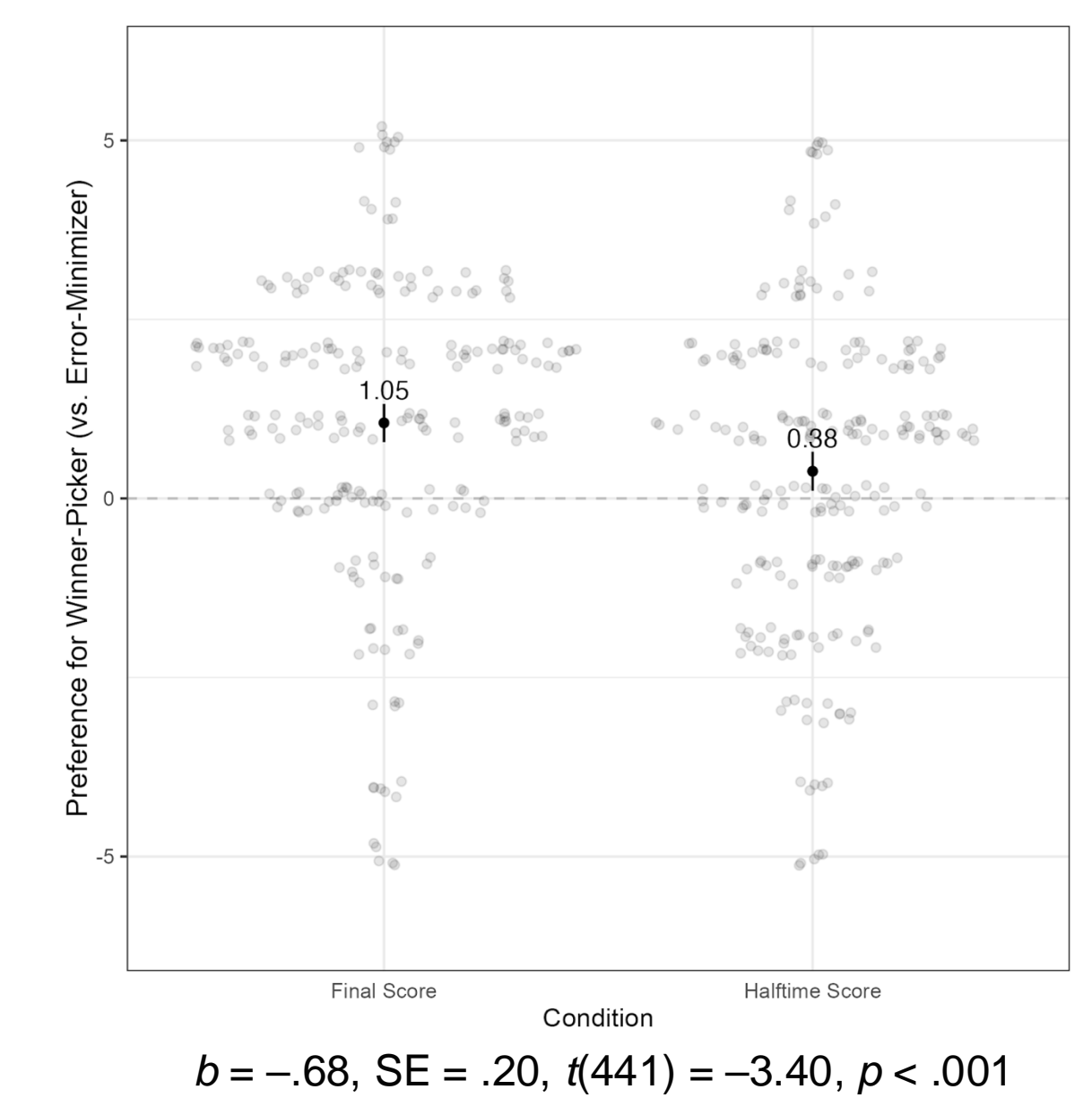
We manipulated the importance of the categorical outcome (winning team) relative to the continuous outcome (margin).

Fan A: Wildcats by 10 at full time [halftime]

Fan B: Bulldogs by 3 at full time [halftime]

In fact, Wildcats by 2 at full time [halftime]

How would you evaluate these predictions?



Finding: When we made winning less important, people preferred the winner-picker less. **People evaluate forecasts primarily by accuracy on the most important outcome** (categorical or continuous), driving use of the heuristic.

IS THE PTWP HEURISTIC A MISTAKE?

In a simulated tournament using a dataset of professional NFL forecasts,⁹ winner-pickers were (~4%) less likely than error-minimizers to pick the winner in the next game.

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