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Marketing Material

## Winning numbers

In the race for the Democratic nomination, Super Tuesday marked another decisive turning point.

- Joe Biden scored victories in no less than nine, probably ten states.
- The combined performance of Sanders and his fellow left-wing Senator Elizabeth Warren has been disappointing in most states so far.
- Biden probably now stands a decent chance of securing the Democratic nomination the old-fashioned way: by winning more than half of pledged delegates.

Talk about electoral triumphs. At the time of writing, the vote count continues, notably in California (where it will take a while yet). However, it already appears clear that former vice-president Joe Biden surprisingly scored victories in no less than nine, probably ten states. Impressively, his success spans blowout victories in Southern states such as Alabama and Virginia, as well as upsets in Minnesota, Massachusetts, Texas and probably even Maine. Exit polls suggest that late-deciders overwhelmingly broke for Biden.<sup>1</sup> Meanwhile, Bernie Sanders was reduced to a handful of strongholds: his home state of Vermont, Colorado, California and Utah. (Importantly for the delegate math, he also failed to win blow-out victories anywhere other than Vermont – even in his best states, he typically only won about a third of the vote.)

For forecasting purposes, Super Tuesday has illustrated a couple of things. First, voting rules matter, especially when it comes to factional candidates, such as Senator Bernie Sanders. Back in 2016, Donald Trump was able to secure the Republican nomination against a split field, despite initially seeming unacceptable to the majority of Republican voters.<sup>2</sup> That always seemed like a much harder task on the Democratic side. Unlike Republican primaries, Democratic ones lack Winner-Take-It-All contests. Instead, candidates who get 15% or more of the votes divide delegates in proportion to their votes at the state and district level. Moreover, historically Democratic-leaning states, in terms of a state's popular vote, were weighted more heavily than swing states and Republican leaning ones.<sup>3</sup>

Second, events of the past week are a reminder that there are all sorts of different ways to succeed in politics. Joe Biden has never been particularly strong in retail politics. He has,

however, historically been a strong behind-the-scenes operator and deal-maker, who proved able to secure key endorsements at just the right moment. That should leave him well positioned to start healing a fractured Democratic party, if he should win the emerging two-way race with Bernie Sanders.

Biden's lucky streak continued into Wednesday. Alongside his polling bounce finally showing up in national surveys, Wednesday saw former New York mayor Mike Bloomberg decide to suspend his self-funded campaign and endorse Biden. Perhaps even more importantly, Bloomberg put his substantial resources, including his impressive data operation, at the disposal of the eventual Democratic nominee in order to defeat Donald Trump in November. (Bloomberg was able to win the caucuses in the small South Pacific outpost of American Samoa. Otherwise, he mostly underperformed in lackluster poll ratings.)

It is less clear that Senator Warren, who is reportedly also withdrawing, will necessarily throw her weight behind Sanders. In any case, the combined performance of Sanders and his fellow left-wing Senator Elizabeth Warren has been disappointing in most states so far. The upcoming electoral calendar and the Democrats rules of awarding delegates look set to favor Biden in coming weeks. As a result, the next stage of the contest could well see Biden consolidate moderate voters, while the left of the party might remain split, at least for a little longer. All of which suggests that if, as now seems quite likely, Sanders lags Biden in the delegate count after all the pledged delegates for Super Tuesday have been assigned, the Vermont Senator will probably struggle to make up the gap in later contests. To do so, Sanders would need to significantly expand his electoral coalition in ways not obvious

<sup>1</sup> <https://www.vox.com/policy-and-politics/2020/3/4/21164479/super-tuesday-results-exit-polls-turnout-patterns>

<sup>2</sup> <https://www.vox.com/2016/3/1/11135388/trump-general-election>

<sup>3</sup> For details, see: <https://www.thegreenpapers.com/P20/D-Alloc.phtml> and [https://ballotpedia.org/Democratic\\_delegate\\_rules,\\_2020](https://ballotpedia.org/Democratic_delegate_rules,_2020)

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from any of the data on the contests so far. (Even in California, his attempt to expand the electorate by bringing new groups of voters to the polls appears to have proved largely underwhelming, though it will, as previously mentioned, probably take a while yet until the data can be fully assessed.) Joe Biden probably now stands a surprisingly decent chance of securing the Democratic nomination the old-fashioned way: by winning more than half of pledged delegates. No wonder that financial markets reacted with some relief to the prospect of a Sanders presidency receding somewhat, with U.S. health care stocks in particular recording strong gains.<sup>4</sup>

The situation remains fluid, however, and we are not yet ready to revisit our probabilities for the November general election (for more details, see our [Macro Perspectives](#) as of January 24, 2020). We plan to do so once we have a fuller picture of the results, probably in the course of next week. However, our 65% probability for the base case of the "Mushy Middle" winning (typically epitomized by various combinations of a divided government) is unlikely to move by much, in the light of electoral results so far during the 2020 Democratic primary season.

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<sup>4</sup> <https://www.cnbc.com/2020/03/03/dow-futures-show-300-point-pop-as-early-super-tuesday-results-favor.html>

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