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## The Wisdom of Small Crowds

The “Wisdom of Crowds” is a well-known phenomenon in which an average of many opinions (the crowd) outperforms many of the more accurate individuals within the crowd. In our past work (Soll & Larrick, 2009; Larrick, Mannes, & Soll, 2012), we have shown that people are often skeptical of averaging opinions, and prefer to chase the expert instead, by adopting the opinion of a single perceived expert. In doing so people often miss out on the benefits of aggregation. Although the signature finding is that averaging beats chasing, the latter can perform well when there is high dispersion in the estimation skills of the crowd members. To be effective, a decision maker who chases the expert must identify one of the better judges within this high-dispersion context. In the present research we examine a middle strategy that averages the opinions of five top experts, who are drawn from the whole crowd. Although this small crowd strategy ignores many opinions, it has the advantage of excluding the worst judges. To compare strategies, we analyzed 90 datasets from the domains of economic forecasting and psychology experiments. We find that the small crowd is a robust strategy, in that it performs well across a wide range of environments. In contrast, neither of the competitor strategies—whole crowd and chase the expert—is robust. Our results suggest the following prescription: Rank experts based on their recent performance, and then average the opinions of the top five. This strategy is both effective and psychologically appealing.