

## How Wise is the Crowd?

Aggregating, Improving and Evaluating Probabilistic Forecasts of Future Events

Thomas S. Wallsten, Mark Steyvers, Brandon Turner,  
David Budescu, Edgar Merkle

### Abstract

It is widely known that average forecasts of future events tend to be more accurate than the individual forecasts from which the average is derived. Less well agreed upon is the metric by which probabilistic forecasts taken individually or in the aggregate should be evaluated and compared. This paper summarizes (1) models for improving the aggregation process beyond simple averaging, (2) issues inherent in the evaluation process and an approach based on signal detection theory and (3) some open and interesting new questions.