

POLITICS & GOVERNMENT

The Politics of Complexity

THE SOURCE: "District Complexity as an Advantage in Congressional Elections" by Michael J. Ensley, Michael W. Tofias, and Scott de Marchi, in *The American Journal of Political Science*, Oct. 2009.

IDEOLOGICALLY DRIVEN

gerrymandering over the past several decades has produced an increasing number of relatively homogenous congressional districts represented by legislators with little to fear from most challengers.

But anyone who thinks more diverse districts are rough-and-tumble rings of fierce political competition has another thing coming. Political scientists Michael J. Ensley of Kent State University, Michael W. Tofias of the University of Wisconsin, Milwaukee, and Scott de Marchi

of Duke University write that in districts where the political landscape is especially hard to understand, potential challengers rarely materialize, and when they do, they are more likely to lose.

The trio gauged the complexity of congressional districts by examining opinion-poll data on residents' views on economic issues such as taxation and on cultural questions—what to do about abortion, guns, and school prayer. Districts where the two areas of belief were highly correlated have "simple" political landscapes; a candidate in such a district can make accurate predictions about how constituents feel about gun control based on how they feel about taxes. In districts where people have, say, uniformly conservative economic views but heterogenous social values, potential challengers face a problem. In these "complicated" districts, putting together an accurate picture of

people's views requires a lot more polling than in a simple district (a process that can be quite expensive).

The 2000 election bore out the authors' argument. In districts with greater political complexity, a serious challenger was far less likely to emerge, and those who did fared much worse come Election Day. In the ever artless language of political scientists, "If we compare a district with a complexity score two standard deviations below the mean to a district with a score two standard deviations above the mean, there is a 2.5 percent difference in the incumbent's expected share of the vote." Simply put, the more complex a district, the better the incumbent fared. Ensley and colleagues explain, "By definition, an incumbent has done a good job of finding a successful platform at least once." Best of luck to the go-getters who want to throw their hats in the ring.

ECONOMICS, LABOR & BUSINESS

The Wrong Fix for Foreclosures

THE SOURCE: "Reducing Foreclosures" by Christopher L. Foote, Kristopher S. Gerardi, Lorenz Goette, and Paul S. Willen, in *Research Review*, Jan.-June 2009.

ONE SOLUTION TO THE RECENT surge of foreclosures has gained a lot of currency: Rewrite the lousy mortgages that are the source of this mess. It's a win-win plan: Borrowers would keep their homes, and banks would

save money they would have lost in foreclosure. Sheila Bair, chairwoman of the Federal Deposit Insurance Corporation, has estimated that this strategy could prevent 1.5 million foreclosures. Since each foreclosure is estimated to cost the lender an average of \$120,000, total savings could be as much as \$180 billion. At the end of September, 14 percent of the

nation's borrowers were either delinquent or in foreclosure. But loan modifications just aren't happening at the rate one would expect. Why not?

A new study by Christopher L. Foote and Paul S. Willen of the Federal Reserve Bank of Boston, Kristopher S. Gerardi of the Federal Reserve Bank of Atlanta, and Lorenz Goette of the University of Geneva shows that rewriting the terms of mortgages nearing foreclosure would be bad business for banks. The reason is two-fold: Banks would be overly inclusive and rewrite mortgages that wouldn't have gone into foreclosure; and of those they would rewrite, many