Essay on economic forecasting

[Economics]

Economic Forecasting and Team Summary Team A: Burette Gray, Brandon Lamb, Christina Sanchez, Cameron Strong and Amelia Port's June 24, 2013 Professor Joe Attainment Historical data is past information about a company that is used to help forecast the company's future. It contains information such as revenues, growth, earnings, historical price and price/earnings ratio. Economic forecast data is the process of attempting to predict the future condition of the economy.

This process uses statistical models utilizing variables that are sometimes called indicators. These economic indicators are mostly known as include inflation and interest rates, retail sales and unemployment rates, GAP growth/decline. There are several resources that can be used to research economic data. One resource would be the U. S. Census Bureau. Through their surveys, data can be collected on several sub-categories such as: population, income andpoverty, housing, and business activity. This information can also be examined on a smaller scale (e. . By country or state). Another useful resource would be utilization of the Federal Reserve Economic Data. This resource reports on transactions that include interest ate, bank data, exchange rates, price and regional data, and monetary aggregates. All of which are important factors when attempting to forecast economic trends on domestic or global scales. The Bureau of Economic Analysis provides financial data that include national and international transactions. This data base provides statistic information that affects the economy and individuals.

The Bureau of Labor Statistics provides employment history, unemployment history, inflation rate, pay and benefits and demographic information that can be used to project growth and to cake necessary changes. The U. S. Department of Commerce is a resource that promotes economic growth. It is their mission to promote Job creation and improved living standards for all Americans. This is achieved by creating an infrastructure that promotes technological competitiveness, economic growth and sustainable development.

Another resource is known as Federal Reserve Economic Data (FRED) is a database that contains information about interest rates, employment and the consumer price index. These resources are useful for both individual and companies. Having the ability o forecast economic trends will enable companies to adequately adjust their personnel and production needs to satisfy customer demand. Because many businesses produce quarterly reports, they are able to make educated projections based on recent profits.

Because most businesses financial records are public knowledge, this also can benefit current Job seekers and investors. Showing strong financial gain and stability are qualities investors look for in a company. Also, current job seekers might become more interested in employment with potential companies that show good profitability and business practices. Some of above sources fall under the quantitative forecasting method as it is bases its forecasting methods only on historical data and previous statistics.

Though this method is consistent, many businesses prefer the qualitative method which digs deeper into the reasons why profits fluctuate. For quantitative forecasting factors, the BEA would have these forecasting factors. These factors would be government spending, net exports, and investments from different points in time. The factors mentioned are stored in the BEAK'S records which are open to the public to view. References http://www. Investigators. Com/2317/historical_data. HTML#ixzz2X5zgJV8a http:// www. Contact. Net/content_decollates. HTML U. S. Data Sources. (1999-2008) http:// www. Conklin. Org/library/sources. HTML BEA, 2013. Http://www. BEA. Gob/ newsreaders/national/gap/spinelessness. HTML. BLESS, 2013. Retrieved from http://stats. Bless. Gob/ICP/tables. HTML. Brandon Lamb's Summary: The one topic this week that I felt both comfortable with and a little unsure about was the perspectives of the " classical" and " Keynesian" theorists. I understand their principles on their solutions to short and long term solutions to help the economy improve. After further thought, I asked myself what would be considered short and long term by economical standards.

Is a five year period considered short or long term in today's economy? Or maybe short term is Just a year or two? I think many of us would have different ideas on what constitutes long and short term. Amelia Port's' Summary: In week two we discussed the Paradox of Thrift which is when people start to savemoneyand spend less. This is how a country can go into economic recession because the output NAS decreased and people lose Jobs. I understand his concept; however, we are constantly advised to save more money than we spend. E also discussed Keynesian and Classical business cycles. Keynesian focuses on short term solutions and Classical focuses on long term. I can understand utilizing both because some solutions are likegoals, they need to be short term and some need to be long term. Burette Grays Summary: This weeks objective was very challenging because the information studied does not apply to my current employment. I am still struggling with how the supply curve works, I understand why it would shift but does not know he importance of the curve.

What I took away form the supply curve is; when prices rise the curve shifts up, when prices fall the curve falls. Christina Sanchez Summary: A topic that I felt comfortable with was learning about the Classical and Keynesian theories. Keynesian believe that fluctuations can and should be controlled by government actions. Classical economists believe that government actions. Classical economists believe that government regulation will not be effective because people will anticipate what the government will do.