

Business Forecasting Roundtable

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U.S. Economic Update

Dr. Gary Santoni, Professor Emeritus

Three Recessions

Period	Real GDP Growth	Inflation	Unemp.	10 Year T-Bond	% Change in S&P 500
1973.11-1975.03	-1.4	10.0	5.9	7.4	-13.1
1981.07-1982.11	-0.9	5.9	9.1	13.5	5.5
2007.12-2008.12	-0.8	2.0	5.8	3.7	-48.8

U.S. Economy in 2009

	2008 Avg.	TIME SERIES FORECAST 2009					CONSENSUS	
		Q 1	Q 2	Q 3	Q 4	2009 Avg.	Round Table	Blue Chip
Real GDP Growth	-0.8	2.2 (-0.4)	2.5 (0.3)	5.6 (2.3)	3.5 (3.5)	3.5 (2.2)	1.5	1.4
Inflation	2.0	3.4 (1.0)	3.3 (1.7)	4.4 (2.2)	3.9 (1.3)	3.8 (1.6)	3.3	2.0
Unempl. Rate	5.8	6.9 (7.5)	7.0 (7.8)	6.8 (7.8)	6.7 (7.6)	6.9 (7.7)	7.1	6.9
10-year T-Bond	3.7	3.9 (3.3)	4.0 (3.3)	4.0 (3.3)	4.0 (3.3)	4.0 (3.3)	4.3	3.9

The Score Card (RMSE)*

YEAR	MODEL	ROUNDTABLE	BLUE CHIP
1998	0.96		1.16
1999	0.76		1.25
2000	0.50	0.33	0.66
2001	0.90	1.11	1.33
2002	1.00	0.65	0.67
2003	0.49	0.48	0.34
2004	0.36	0.53	0.72
2005	0.34	0.38	0.64
2006	0.59	0.40	0.23
2007	0.29	0.38	0.30
2008	2.24	1.81	1.70
AVERAGE	0.76	0.67	0.82

$$*RMSE = \sqrt{\sum_i (F_i - A_i)^2 / N}$$

Roundtable Forecasts

FIRST NAME	LAST NAME	GDP GROWTH	INFLATION	UNEMPLOYMENT	10-YR T-BOND	RMSE
Stefan	Anderson	2.90	2.90	4.90	4.90	1.793042108
David	Bahlmann	2.50	3.40	5.10	4.80	1.461
Steve	Bassett	2.30	2.80	5.30	4.90	1.479019946
Ken	Briner	3.20	2.60	5.10	4.80	1.854049622
Monte	Brown	3.60	2.50	5.10	4.75	2.024382622
Roy	Budd	1.80	3.00	5.20		
Brent	Close	2.80	2.10	5.10	4.80	1.638596961
Richard	Crist	3.30	2.10	4.75	4.90	1.925649241
Jack	Demaree	2.50	2.90	5.20	4.60	1.53785565
Ron	Fauquher	4.10	2.40	4.90	4.85	2.284321562
Tom	Foote	2.95	2.30	5.30	4.85	1.706971002
Douglas	Foy	2.90	3.00	4.50	4.60	1.824828759
Dave	Hahn	3.40	2.40	5.10	4.80	1.930673458
Dave	Heeter	2.40	2.80	4.80	4.80	1.563649577
Dick	Heupel	3.20	2.80	4.50	4.70	1.940360791
Ted	Jarvis	2.70	2.70	4.80	4.40	1.623268308
John	Littler	3.40	2.90	4.90	4.90	2.013082214

Roundtable Forecasts

FIRST NAME	LAST NAME	GDP GROWTH	INFLATION	UNEMPLOYMENT	10-YR T-BOND	RMSE
Rick	Lopez	3.60	3.10	4.90	4.00	2.048169915
Mike	Lunsford	3.80	2.10	4.50	4.60	2.152905014
Terri	Matchett	2.30	2.20	4.50	4.25	1.443303502
Tim	McArdle	2.80	1.90	4.80	4.50	1.630950643
Bill	McCune	3.50	2.50	5.00	5.00	2.023610634
Thomas	Miller	3.70	2.10	4.60	4.70	2.102974084
Ray	Montagno	3.00	2.80	4.70	4.40	1.785357107
Monte	Needler	2.90	2.20	4.90	4.90	1.728438602
Elizabeth	Rowray	3.30	2.60	4.80	4.90	1.948075974
Rob	Santoni	3.80	2.80	4.50	4.40	2.178875857
Steve	Smith	2.20	3.20	4.80	5.10	1.61322658
Nalitra	Thaiprasert	3.00	3.00	5.00	4.80	1.823458253
Jerry	Walker	3.40	2.70	4.60	4.80	2.015564437
Lavone	Whitmer	3.60	3.60	4.60	5.10	2.276510488
FORECASTING MODELS		GDP GROWTH	INFLATION	UNEMPLOYMENT	10-YR T-BOND	RMSE
Consensus		3.05	3.10	4.87	4.74	1.81
Model		4.1	2	5.2	4.8	2.24
Blue Chip		2.4	2.2	5	1.7	1.69
Actual		-0.2	1.9	5.8	3.7	

Golden Dart Award

Terri Matchett



