Inside the Crystal Ball. How to Make and Use Forecasts

Description:

A practical guide to understanding economic forecasts

In Inside the Crystal Ball: How to Make and Use Forecasts, UBS Chief U.S. Economist Maury Harris helps readers improve their own forecasting abilities by examining the elements and processes that characterize successful and failed forecasts. The book:

- Provides insights from Maury Harris, named among Bloomberg's 50 Most Influential People in Global Finance.
- Demonstrates “best practices” in the assembly and evaluation of forecasts. Harris walks readers through the real-life steps he and other successful forecasters take in preparing their projections. These valuable procedures can help forecast users evaluate forecasts and forecasters as inputs for making their own specific business and investment decisions.
- Emphasizes the critical role of judgment in improving projections derived from purely statistical methodologies. Harris explores the prerequisites for sound forecasting judgment—a good sense of history and an understanding of contemporary theoretical frameworks—in readable and illuminating detail.
- Addresses everyday forecasting issues, including the credibility of government statistics and analyses, fickle consumers, and volatile business spirits. Harris also offers procedural guidelines for special circumstances, such as natural disasters, terrorist threats, gyrating oil and stock prices, and international economic crises.
- Evaluates major contemporary forecasting issues—including the now commonplace hypothesis of sustained economic sluggishness, possible inflation outcomes in an environment of falling unemployment, and projecting interest rates when central banks implement unprecedented low interest rate and quantitative easing (QE) policies.
- Brings to life Harris's own experiences and those of other leading economists in his almost four-decade career as a professional economist and forecaster. Dr. Harris presents his personal recipes for long-term credibility and commercial success to anyone offering advice about the future.

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