

FORECAST ACCURACY TRACK RECORD
KAUA'I QUARTERLY ECONOMIC OUTLOOK (KQEO)

Since its inception in the 3rd quarter of 2010, the near-term forecasting provided by the KQEO has proven highly reliable, scoring a 2% average error rate over the first ten quarters.

The table below presents the accuracy index (*1.00 = 100% accurate*) for each of ten indicators in each of the ten quarters. A forecast is considered accurate if it is within the confidence interval (*i.e., plus or minus 5%, or from 0.95 – 1.05*).

Note that, while some individual forecasts were inaccurate (*i.e., outside the confidence interval*), each indicator (*except Visitor Spending*) and each quarter (*except the most recent*) were accurate on average.

KQEO FORECAST ACCURACY TRACK RECORD											
<i>1Q Ahead: Forecast vs. Actual (1.00 = 100% accurate)</i>											
<i>NOTE: Accurate forecasts are highlighted in blue</i>											
	Q3-10	Q4-10	Q-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Avg
Jobs	1.02	1.01	0.99	1.00	1.00	0.99	1.05	0.98	1.02	0.99	1.01
Unemployed	0.94	1.00	1.08	1.00	1.06	1.04	1.01	1.00	0.95	1.15	1.02
Income	1.00	1.05	1.00	0.68	1.15	0.93	1.02	0.88	0.97	1.09	0.98
Retail	1.00	1.33	0.80	1.49	0.88	1.01	1.11	0.95	1.06	1.18	1.08
Gas	1.40	1.07	0.60	0.74	1.26	0.92	1.18	0.80	0.98	1.08	1.00
Electricity	1.02	0.99	1.03	1.03	1.03	1.01	1.03	0.94	1.02	1.01	1.01
Daily Visitors	0.90	0.98	1.03	1.05	1.03	0.99	0.97	0.96	0.96	1.04	0.99
Stay Length	1.03	0.95	1.00	0.99	0.94	1.05	0.96	1.01	1.02	0.95	0.99
Direct Flights	0.68	1.06	1.01	1.24	1.20	0.98	1.17	0.96	1.09	1.01	1.04
Visitor Spending	NA	NA	NA	1.18	0.98	0.88	0.85	1.35	0.96	1.21	1.06
Avg	1.00	1.05	0.95	1.04	1.05	0.98	1.04	0.98	1.00	1.07	1.02

This means that decision-makers who rely on KQEO can have high confidence in these quarter-ahead forecasts.