Glossary:Forecasting

Statistics Explained

Forecasting is the process of making statements about events whose actual outcomes (typically) have not yet been observed. A common place example might be an estimation for a statistical variable of interest related to a specified future date. Examples of forecasting methods are: naive forecast , judgmental methods, qualitative vs. quantitative methods and time series methods .

Prediction is a similar but more general term. The terms "forecast" and "forecasting" are sometimes reserved for estimates of values at certain specific future times, while the term **prediction** is used for a more general evaluation of a variable. Risk and uncertainty are central to forecasting and prediction; it is generally considered good practice to indicate the degree of uncertainty attaching to forecasts. In any case, the data must be up to date in order for the forecast to be as accurate as possible.

Further information

- Handbook on Data Quality - Assessment Methods and Tools

Related concepts

- Estimation

- Naive forecast

- Point Forecast

- Time series