



# A “Dirty” Approach to Efficient Revenue Forecasting

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## Abstract

A “dirty forecast” refers to any forecast conducted where non-traditional, coincident indicators are included. These coincident indicators tell us about the behavior within an environment in the here and now rather than measure the environment itself. By focusing on behavior, dirty forecasts are able to pick up changes in the environment well before the changes become measurable outcomes. Dirty processes have been used for some time in economics, but their use in local government forecasting is relatively new. This paper explores the use by discussing what dirty forecasts are and how they can be used to obtain better, more efficient estimates of local government revenues and expenditures. This foundation is then demonstrated with a case study from the city of Seattle.

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"Springtime in Indiana"  
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- **From the Editors – page 1**  
*Robert J. Eger, Editor in Chief*  
*Vickie L. Edwards, Managing Editor*  
*Stephen Kleinschmit, President, Midwest Public Affairs Conference*
- **Introduction to the Indiana ASPA Symposium – page 2**  
*Dagney Faulk*  
*Charles Taylor*
- **A "Dirty" Approach to Efficient Revenue Forecasting – pages 3 - 17**  
*Bruce D. McDonald III*
- **Effective Social Media Engagement for Nonprofits: What Matters? – pages 18 - 28**  
*Julia L. Carboni*  
*Sarah P. Maxwell*
- **Could Land-Only Taxation Save Local Government in Indiana? – pages 29-42**  
*Justin M. Ross*  
*Gyeong Lee*
- **Rural Decline and Revival: State and Local Partnerships in Creating "Stellar Communities" in Rural Indiana – pages 43 - 58**  
*Joanna Mitchell-Brown*
- **Does Ignorance Matter? The Relative Importance of Civic Knowledge and the Human Tendency to Engage in Motivated Reasoning Affairs – pages 59 - 72**  
*Aaron Dusso*  
*Sheila Suess Kennedy*

 PDF

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