

Surveys of Consumers: The Accuracy of the Preliminary Estimates

Richard Curtin

Preliminary results from the monthly surveys are released at mid-month based on the first two-weeks of interviews. These results are intended to give an early indication of the final data figures for the month. The table below shows the differences between the preliminary and final figures, and the time-series correlations for the main indices and their components. Over the ten years that these preliminary figures have been released, the mean differences between the preliminary and final figures have been very small, and the time-series correlations very high (see the table and charts). For the Index of Consumer Sentiment, both the mean and median difference across all 139 surveys were virtually zero (both were less than 1 tenth of an Index point, the mean difference was a mere 0.02), with a time-series correlation of 0.99 between the preliminary and final figures. These data indicate that the preliminary figures have consistently provided a highly accurate estimate of the final figure.

Not only do the data show little, if any, systematic divergence, the variance or dispersion of the monthly differences has also been small. Nor were differences for one month systematically related to the observed difference in the following months. The serial correlations of the differences were virtually zero for all of the indices.

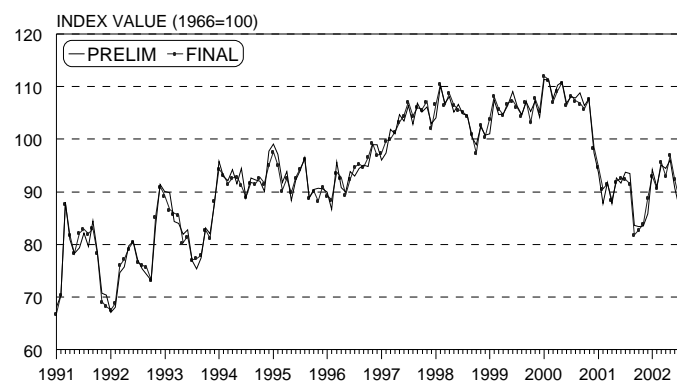
**Preliminary Versus Final Figures:
January 1991 to July 2002**

	Difference (Final-Prelim)		Absolute Difference Final-Prelim		Time Series Correlation
	Mean	Median	Mean	Median	
Index of Consumer Sentiment	0.0	0.1	1.0	0.8	0.99
Index of Consumer Expectations	0.2	0.3	1.4	1.3	0.99
Current Conditions Index	-0.2	-0.2	1.4	1.3	0.99
Current Personal Finances	0.6	0.3	2.5	2.1	0.97
Expected Personal Finances	0.7	0.8	2.1	1.7	0.94
12 Month Business Conditions	0.2	0.5	3.0	2.7	0.99
5 Year Business Conditions	-0.2	0.0	2.7	2.2	0.98
Durable Buying Conditions	-1.1	-1.1	2.5	2.0	0.98

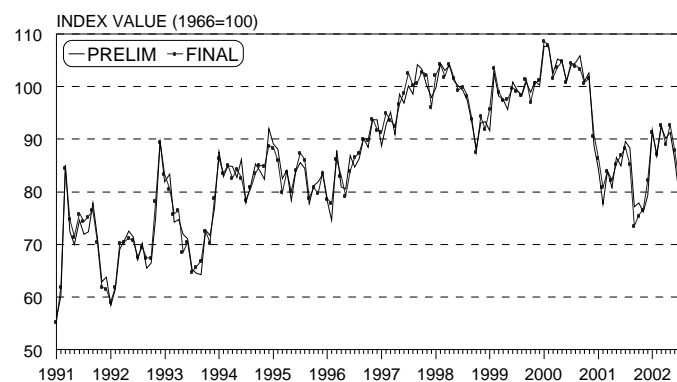
The variance of the monthly differences is indicated by the size of the absolute differences between the preliminary and final figures (which ignores whether the difference was positive or negative). For the Index of Consumer Sentiment, the absolute difference was about 1 Index-point (the mean was 1.0 and the median was 0.8). Thus, for the Index of Consumer Sentiment, the typical difference between the preliminary and final figures was about 1 Index-point, with positive as well as negative differences equally as likely. Not surprisingly, all of the component questions had slightly higher variances (the mean absolute differences ranged from 2.1 to 3.0 and the medians were between 1.7 and 2.7 Index-points).

Overall, the data indicate that the preliminary figures have proved to be reliable estimates of the final figures, despite the smaller sample sizes and mid-month changes in economic conditions.

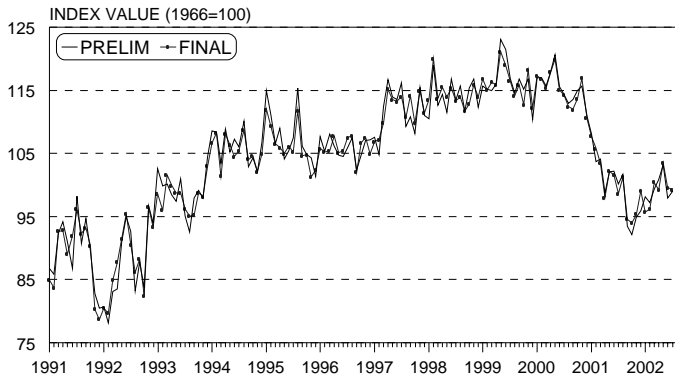
Index of Consumer Sentiment



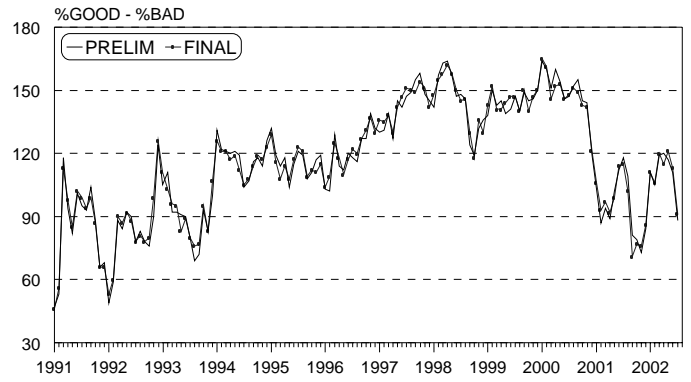
Index of Consumer Expectations



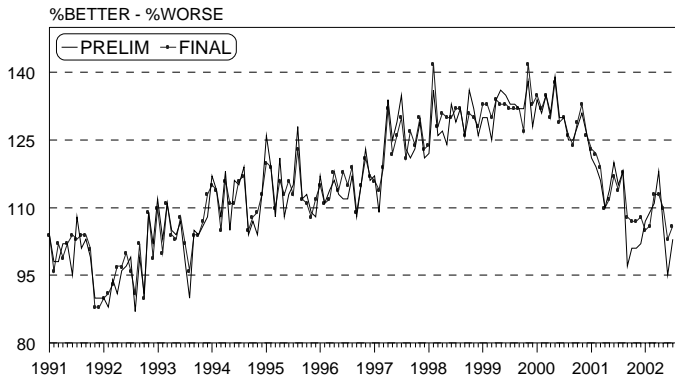
Index of Current Economic Conditions



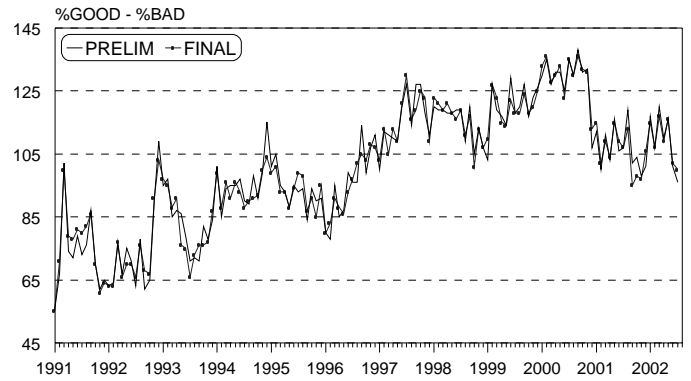
Year-Ahead Outlook for National Economy



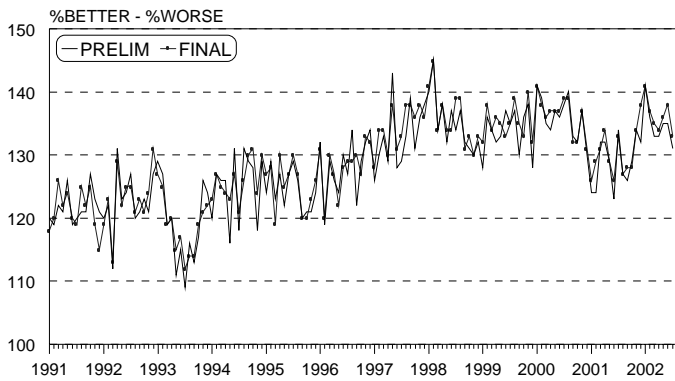
Current Personal Financial Situation



Five-Year Outlook for National Economy



Expected Change in Personal Finances



Buying Conditions For Durables

