Forecasting with state tax receipts:
a real-time series that works

2009 Revenue Estimating Conference
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Philippa Dunne
The Liscio Report

State monthly withheld tax receipts & payrolls
State monthly sales tax receipts & retail sales

Retail sales with and without essentials
Another way of looking at the housing bubble

Current Account: a deficit with no precedent
Financial crises

<table>
<thead>
<tr>
<th>a typology of business cycles</th>
<th>duration (quarter)</th>
<th>amplitude (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>recession</td>
<td>recovery</td>
</tr>
<tr>
<td>all</td>
<td>3.64</td>
<td>3.22</td>
</tr>
<tr>
<td>financial crises</td>
<td>5.67</td>
<td>5.04</td>
</tr>
<tr>
<td>non-financial</td>
<td>3.38</td>
<td>3.95</td>
</tr>
<tr>
<td>globally synchronized</td>
<td>4.54</td>
<td>4.19</td>
</tr>
<tr>
<td>other</td>
<td>3.35</td>
<td>2.82</td>
</tr>
<tr>
<td>financial and synchronized</td>
<td>7.33</td>
<td>6.73</td>
</tr>
</tbody>
</table>

The IMF study from which this is drawn consisted of 132 recessions in 21 advanced countries around the world since 1960. Row labeled “financial crises” shows results for 18 recessions associated with financial crises, as identified in a series of papers by Graciela Kaminsky, Carmen Reinhart, and Kenneth Rogoff. “Non-financial,” the other 114, “Globally synchronized” represents 37 recessions that were part of a contraction in which 10 or more of the 21 in the sample participated; “other,” the 85 others. There are 6 recessions in the sample that are both financially driven and globally synchronized. Source: IMF, World Economic Outlook, April 2008. <www.imf.org/external/pubs/ft/weo/2008/01/pdf/c3.pdf>.

Interest rates following financial crises

![Graph showing interest rates on 10-year Treasury bonds following financial crises.](image-url)
Inflation following financial crises

![Graph of CPI inflation following financial crises]

Stocks following financial crises

![Graph of stock prices following financial crises]
Employment is hard hit by financial crises

Probability of finding a job
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