Category

Data & AI

Data Literacy for Forecasting & Scenario Modeling Playbook

Building forecasts that communicate genuine uncertainty instead of false confidence in one number

- Practitioner
- Intermediate
- Template Included

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- 4 minute(s)

Overview

A framework for building data literacy specifically around forecasting and scenario modeling — understanding model assumptions, communicating uncertainty ranges, and back-testing forecast accuracy over time — addressing the gap between producing a forecast and producing one that's genuinely trustworthy and appropriately communicated.

Isn't forecasting largely a technical modeling skill rather than a

broader data literacy issue? Building the model is technical, but genuinely using forecasts well requires broader literacy — understanding what assumptions a model rests on, communicating its inherent uncertainty honestly, and systematically checking past forecast

accuracy — skills relevant to anyone using or presenting forecasts, not just those building the underlying models.

Why is back-testing forecast accuracy specifically important?

Without systematically checking how past forecasts compared to actual outcomes, an organization has no genuine basis for trusting (or appropriately distrusting) its current forecasting approach — back- testing is what turns forecasting from an act of faith into a continuously calibrated practice.

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