

Crystal Ball Software and Risk Analysis Tips

Bootstrapping Tips

Here are two additional tips related to the Bootstrap tool.

1. The accuracy of the forecast statistics is related to the number of trials in the sample. As you increase the number of trials, the sampling distribution will become narrower and the confidence interval around the "true" value of the sampled statistic will become tighter.
2. How many bootstrap samples are enough? Here is a rule of thumb from Efron and Tibshirani in "An Introduction to the Bootstrap." (Chapman & Hall, 1993):

"Samples = 50 is often enough to give a good estimate of the standard deviation of a statistic. Very seldom are more than Samples = 200 needed for estimating the standard deviation. Many more samples (usually 1,000 or more) are required to accurately estimate confidence intervals (e.g. 5% - 95% percentiles)."

For more information or to contact us, browse to <http://helpdesk.crystalball.com>

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