**[Six (6) Common Causes of Autocorrelation](http://statconsultant.blogspot.com/2007/10/six-6-common-causes-of-autocorrelation.html)**

This is a handy list of some of the causes of autocorrelation as distilled from Gujarati, D. N. (2002), [*Basic Econometrics*](http://www.amazon.com/Basic-Econometrics-Damodar-N-Gujarati/dp/0072478527/ref=pd_bbs_2/102-7172347-1674508?ie=UTF8&s=books&qid=1193261205&sr=1-2) *1. Omitted Variable Misspecification  
2. Incorrect Functional Form Misspecification  
3. Cobweb Phenomenon (it takes the public time to adjust to a change in policy)  
4. Lags (yesterday impacts today)  
5. Manipulation of Data (creating subsets over time resulting in a systematic pattern)  
6. Data Transformations*