

COLLEGE FED CHALLENGE GUIDEBOOK



**Prepared for
College Fed Challenge Participants
by the Federal Reserve Bank of Richmond**

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Introduction

The Federal Reserve System plays a crucial role in the United States and foreign economies. Despite its importance, however, the role of the Fed is often misunderstood. The College Fed Challenge has been introduced to help students become more knowledgeable about the Fed and the decision making process used by the Federal Open Market Committee (FOMC), the Federal Reserve System's monetary policymaking body. Research suggests that students acquire knowledge best through their active involvement in the learning experience. With that in mind, the College Fed Challenge asks economics and business students to undertake research, analyze data on current and near-term economic conditions, and then decide on an appropriate course for monetary policy. The teams make presentations based upon their research and analysis and make monetary policy recommendations before a panel of judges.

The Goals

The College Fed Challenge has been established with the following goals:

- To increase students' awareness and understanding of the unique role of the Federal Reserve in the economy;
- To promote greater interest in economics as a subject for undergraduate and post-graduate study, and as the basis for a future career;
- To develop students' research, cooperation, presentation and critical thinking skills; and
- To develop a closer relationship between the college community and the Federal Reserve Bank.

The Team Presentations

Teams consist of 3 to 5 undergraduate students. Each team has a maximum of 20 minutes at their Local competition to make an oral presentation that:

- Analyzes current economic conditions as of the day of the competition;
- Provides the team's projections for near-term conditions (economic, financial, and international) relevant to the formulation of monetary policy;
- Explains timely issues and risks that should receive special attention in formulating monetary policy; and
- Makes and justifies a team recommendation for Fed monetary policy, encompassing both traditional tools and newer tools as warranted.

Following the team presentation, a panel of judges asks the team questions for 10 minutes, followed by approximately 10 minutes of feedback. Typical questions cover:

- Probes into arguments made or data addressed in the team's presentation;
- How policymakers might respond to hypothetical economic scenarios;
- How the Fed makes and implements monetary policy; and
- Probes to determine depth of knowledge of economic data, theory or conditions.

Although team members should have some understanding of the history, purposes and structure of the Federal Reserve System, this information should not be the focus of their presentation. However, judges may raise questions about these subjects in determining a team's evidence of knowledge of monetary policy and the functions of the Fed (see Truth in Judging Statement and Scoring Rubric in Appendix A). A team may choose any format for its presentation, such as FOMC role play, panel or symposium discussion, etc. Consideration should be given to enhancing presentations through the use of PowerPoint. Handouts, flip charts and other paper-based exhibits may also be used. To avoid disqualification, please make sure the name of your college/university is not displayed (e.g., on PowerPoint or handouts) or known during your presentation. Do not wear any school insignia. Judges do not and will not know your college/university.

Note: For the District and National competitions, each team has a maximum of 15 minutes to deliver their presentation. Q&A will follow for a maximum of 15 minutes.

Scenario-Based Final

Depending on the number of teams in a local office competition there may be a finalist scenario-based competition to determine the winning team among a group of finalists. In this case, each finalist team will be given a scenario to read (1 minute), discuss among themselves (5 minutes), and deliver comments on the scenario to the judges (5 minutes). Up to 15 minutes of Q&A from the judges will follow.

Responding to Questions from the Panel

- Team members may refer to, but should not read from notes or scripts.
- Each team member should play a substantial role in making the presentation.
- Each team member should participate in the Q&A.
- More than one team member may answer the judge's question.
- Students may confer with each other prior to answering a judge's question; however, excessive team huddling will be penalized in the scoring.

Judge's Scoring

After each group's presentation, judges will award a maximum of 50 points to each team using the scoring rubric in Appendix A. A separate judge will score the teams on their presentation skills. Please be familiar with the *College Fed Challenge: Truth in Judging Statement* in Appendix A.

The Coach's Role

In setting monetary policy, the FOMC considers a number of factors, including but not limited to a wide variety of economic and financial indicators, and anecdotal regional reports compiled in the Beige Book. Classes preparing for the competition can find current data on these indicators from a number of sources: the business section of many newspapers and financial journals, reports issued by banks and other financial companies, and on numerous websites, including those of government agencies, the Federal Reserve Board of Governors, and Federal Reserve Banks (see Appendix B for useful resources).

It is the responsibility of the team to obtain a coach, if desired. Coaches can be selected from the school, the business community, or other sources. The coach should help explain the intricacies of monetary policy, interpret indicators, suggest sources and methods of gathering research, and shape, but not structure or write, the team's presentation.

Rehearsing the presentation is crucial as practice promotes confidence, proper timing, a good rate of delivery, and smooth transitions. It is equally important to prepare for potential questions from the judges. Both coaches and other students can help prepare the team for this integral part of the competition. Keep in mind that teams tend to separate themselves based on their Q&A responses.

The Team's Role

While some coaches choose to involve only a small number of students in the competition, the College Fed Challenge can be introduced as a class activity. Specifically, the class may be divided into teams, with each team assigned a task of making a presentation before the entire group. Once a competing team has been identified, other class members can engage in one of the following important supporting roles:

- Gathering research
- Preparing charts or other computer generated resources
- Judging practice sessions
- Brainstorming
- Interviewing
- Serving as alternates

Recognition of Winners

The top team and finalists will be awarded plaques at each Local competition. All team members will receive certificates. All teams will be notified via email about the top team from their Local competition that will move on to the District competition.

For Additional Information

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APPENDIX A
TRUTH IN JUDGING STATEMENT
SCORING RUBRIC

College Fed Challenge: Truth in Judging Statement

In comparing College Fed Challenge teams, judges seek to answer the following question:

Which team most convincingly demonstrates its understanding of U.S. monetary policy?

Components of this understanding include how and why the Federal Reserve establishes and implements monetary policy, how this policy affects the overall economy, and which issues are driving present-day policy debates.

Answering this question involves a considerable degree of subjective evaluation. In the above question, “understanding” is a key to victory, but so is “convincingly demonstrates.”

The scoring rubric requires our judges to compare teams on five dimensions:

- Knowledge of monetary policy and of the Federal Reserve’s role in its implementation;
- Responses to judges’ questions;
- Quality of the presentation;
- Quality of the research and analysis; and
- Evidence of teamwork and cooperation.

The primary thrust of College Fed Challenge is economics, not forensics, so judges tend to place the greatest weight on knowledge of monetary policy and the Fed’s role. At the same time, forensic performance is important. Winning teams are likely to be strong on all five criteria. Judges generally place the highest weight on a team’s performance in the Q&A period because this activity will most likely reveal analytical strengths or challenges. However, a strong Q&A performance will not be sufficient to carry the day if the team’s presentation is weak or analytically flawed. Teams must demonstrate a cooperative and cohesive spirit during their delivery.

The judges will use all criteria outlined in the rubric to the best of their abilities to answer the overarching question at the top of this page.

College Fed Challenge Scoring Rubric

Scoring Grid

Category	10	8-9	5-6-7	3-4	1-2
Knowledge of the Fed, current state of the economy and monetary policy	<ul style="list-style-type: none"> Always presents accurate information and demonstrates a thorough understanding of basic and sophisticated concepts. 	<ul style="list-style-type: none"> Consistently presents accurate information and demonstrates a thorough understanding of the basic concepts. 	<ul style="list-style-type: none"> Frequently presents accurate information and demonstrates average understanding of the basic concepts. 	<ul style="list-style-type: none"> Mixes accurate and inaccurate information and demonstrates less than average understanding of the basic concepts. 	<ul style="list-style-type: none"> Provides little accurate information and demonstrates poor understanding of the basic concepts.
Response to judges' questions	<ul style="list-style-type: none"> Always answers to the point and shows poise under pressure. Always demonstrates the ability to think quickly. Extremely persuasive in defending positions that are challenged. 	<ul style="list-style-type: none"> Consistently answers to the point and shows poise under pressure. Consistently demonstrates the ability to think quickly. Convincing in defending positions that are challenged. 	<ul style="list-style-type: none"> Frequently answers to the point and shows poise under pressure. Frequently demonstrates the ability to think quickly. Adequately defends positions that are challenged. 	<ul style="list-style-type: none"> Occasionally answers to the point and shows poise under pressure. Occasionally demonstrates the ability to think quickly. Less than adequately defends positions that are challenged. 	<ul style="list-style-type: none"> Rarely answers to the point or shows poise under pressure. Rarely demonstrates the ability to think quickly. Provides poor defenses for positions that are challenged.
Presentation	<ul style="list-style-type: none"> Extremely persuasive in advocacy role. Always demonstrates logical and coherent organization. Each student speaks with great confidence and with sufficient volume to be heard by all. Always integrates audio-visual aids/media appropriately. Never read from notes or a script. 	<ul style="list-style-type: none"> Persuasive in advocacy role. Consistently demonstrates logical and coherent organization. Most students speak with confidence and with sufficient volume to be heard by all. Consistently integrates audio-visual aids/media appropriately. Rarely read from notes or a script. 	<ul style="list-style-type: none"> Frequently persuasive in advocacy role. Frequently demonstrates logical and coherent organization. Some students speak with confidence and with sufficient volume to be heard by all. Frequently integrates audio-visual aids/media appropriately. Occasionally read from notes or a script. 	<ul style="list-style-type: none"> Occasionally persuasive in advocacy role. Occasionally demonstrates logical and coherent organization. Few students speak with confidence and with sufficient volume to be heard by all. Occasionally integrates audio-visual aids/media appropriately. Frequently read from notes or script. 	<ul style="list-style-type: none"> Rarely persuasive in advocacy role. Rarely demonstrates logical and coherent organization. Students speak with a minimum of confidence and with insufficient volume to be heard by all. Rarely integrates audio-visual aids/media appropriately. Always read from notes or a script.
Research and analysis	<ul style="list-style-type: none"> Conclusions drawn from the data are always logical and insightful. Recommendations are always supported by relevant data. A wide variety of authoritative sources are used. 	<ul style="list-style-type: none"> Conclusions drawn from the data are, most often, logical and insightful. Recommendations are consistently supported by relevant data. Mostly authoritative sources are used. 	<ul style="list-style-type: none"> Conclusions drawn from the data frequently are logical and insightful. Recommendations are frequently supported by relevant data. Some authoritative sources are used. 	<ul style="list-style-type: none"> Conclusions drawn from the data occasionally are logical and insightful. Recommendations are occasionally supported by relevant data. Few authoritative sources are used. 	<ul style="list-style-type: none"> Conclusions drawn from the data lack logic and insight. Recommendations are rarely supported by relevant data. Authoritative sources are ignored.
Teamwork and cooperation	<ul style="list-style-type: none"> Each team member plays a substantial and integral role. Demonstrates extensive evidence of coordination among team members. 	<ul style="list-style-type: none"> Although some team members play a greater role than others, each student contributes significantly. Demonstrates significant evidence of coordination among team members. 	<ul style="list-style-type: none"> Some team members dominate, while the others contribute to varying degrees. Demonstrates some evidence of coordination among team members. 	<ul style="list-style-type: none"> Some team members dominate, while the others make modest contributions. Demonstrates little evidence of coordination among team members. 	<ul style="list-style-type: none"> One or two team members dominate, while the others contribute negligibly. Demonstrates insignificant evidence of coordination among team members.

APPENDIX B
USEFUL RESOURCES

Useful Websites and Resources

Federal Reserve Board of Governors

<http://www.federalreserve.gov>

- Select “News and Events” for speeches, testimonies, press releases, Monetary Report to Congress.
- Select “Monetary Policy” for FOMC Statements, Meeting Minutes, Beige Book Reports.

Federal Reserve Board of Governors YouTube Channel

<http://www.youtube.com/user/FedReserveBoard>

Select the 2011 College Fed Challenge National Finals playlist to view competition presentations.

The Federal Reserve System Online

<http://www.federalreserveonline.org>

Gateway to all Federal Reserve websites.

The Federal Reserve: Purposes and Functions, 2005 edition

<http://www.federalreserve.gov/pf/pf.htm>

Official handbook on the Fed’s structure and functions. Chapters 2 & 3 cover monetary policy.

The Federal Reserve Today

http://www.richmondfed.org/publications/education/federal_reserve_today/

A detailed explanation of the functions, objectives, and organization of the Federal Reserve System.

Richmond Fed Economic Brief

http://www.richmondfed.org/publications/research/economic_brief/index.cfm

Web-exclusive essays on current economic issues and trends that are based on staff economists' ongoing research and published work.

Economic Indicators Calendar

http://www.newyorkfed.org/research/national_economy/nationalecon_cal.html

Three-month calendar of economic indicator release dates with links to current releases.

National Economic Indicators

http://www.richmondfed.org/research/national_economy/national_economic_indicators/index.cfm

Charts of economic data updated at least twice a month.

Federal Reserve Economic Data (FRED)

<http://research.stlouisfed.org/fred2/>

55,000 economic time series from 44 sources. Download, graph, and track economic data.

Fed In Print

<http://www.frbsf.org/publications/fedinprint/index.html>

Search tool to locate research articles and working papers written by Fed economists.

Federal Reserve System Publications Catalog

<http://www.newyorkfed.org/publications/>

System-wide catalog of publications, nearly all titles free of charge, many available to download.