

EC454 – College Fed Challenge Course
David Gulley and Laura Jackson Young
Fall 2023
Time: **Monday 1230-150pm Thursday 1230-320pm**

Syllabus

The intent of EC454 is to expose selected students to a rigorous exploration of advanced macroeconomic and monetary economics concepts with a special emphasis on the conduct of monetary policy by the Federal Reserve. During the semester, students will read chosen articles, write policy briefings and make policy-oriented presentations. All aspects of the course will emphasize teamwork. The culminating experience of the course will be participation in the 2023 College Fed Challenge. The CFC is a prestigious competition sponsored by the Boston Federal Reserve System. Teams from area colleges make presentations to a panel of judges made up of economists from the Boston Fed.

Instructors

Laura Jackson Young
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Prerequisites

Completion of EC111 and EC112, and permission of the instructors. Although not a requirement, if possible, students are encouraged to enroll in EC441, Monetary Economics. EC225 is also preferred, but not required.

Text

Mishkin, Frederic. “The Economics of Money, Banking, and Financial Markets.” 13th edition. Mishkin will act as a basic reference text. However, the majority of readings will be from other sources, such as recent policy papers and financial news articles.

Some suggested summer reading:

“*Inside the Fed: Martin Through Greenspan to Bernanke*” by Stephen Axilrod (2011). ISBN 9780262015622 (Note: the 2009 edition is available electronically through Bentley’s Library portal).

“*Central Banking in Theory And Practice*”, By Alan Blinder, ISBN 9780262522601 (available on Brightspace).

“*Monetary Policy Strategy*”, by Frederic Mishkin, ISBN 9780262513371 (available in hardcopy at Bentley’s library – some chapters will be available on Brightspace)

Class meetings:

Location: TBD

Attendance

Given the nature of the course, attendance is expected and mandatory. Absences other than for valid reasons (illness, college sponsored event, etc.) will be penalized. Additional time for research and team preparation outside of the formal class meetings is expected. Note that the class time runs over the usual class blocks. This is intentional and necessary to provide enough class time for feedback and discussions to prepare the team. It is expected that students will block out this time without recurring, overlapping commitments.

Selection of Presenters and Alternates

During the semester, we must choose five team members to be presenters and the remaining team members to be alternates. We recognize that each team member is enrolled in EC454 with the full intention of being a presenter. However, CFC rules limit each team to five presenters during the competition. While the instructors retain the final decision on selecting presenters and alternates, team member's input will be highly weighted. Each team member will be asked to rank the team members, along with a brief discussion of the reasons for their ranking. Team members will not rank themselves.

It is crucial to note that team members chosen as alternates are full members of the team and are expected to be fully engaged in the preparation of the CFC presentation. Besides helping with the burden of preparation, ***alternates must stand ready to take the place of any presenter at any time.*** Thus, attending and participating in all classes and preparation meetings (rehearsals, etc.) is mandatory.

In order to maximize the performance of the team, after presenters are chosen, alternates will be given the important tasks of creating the script, gathering and analyzing data, conducting research, creating ancillaries, and setting up the logistics of the presentation and slides. These tasks are as important, if not more so as the team actually presenting, so it is important to underscore the point that alternates are vital and full members of the team, who are critical to the success of the team.

Grading

I.	Summer Reading Assignments*	(10%)
II.	Fed Challenge Summaries/Critiques*	(15%)
III.	Oral policy debates	(35%)
IV.	Peer evaluations	(10%)
V.	Final reflection paper	(15%)
VI.	CFC presentation score	(15%)

The grading for students will be determined according to the weights assigned above.

Because of the nature of the course and the learning experience is time-intensive and team-based, full participation in all preparation, classwork, and class meetings is absolutely necessary for all students. As a result, if students are found to be counterproductive to the team dynamic, not sufficiently contributing to the team knowledge base or success, demonstrating sufficient lack of effort, or not adequately completing summer or semester course work, students may be removed from the team, or their grades adjusted for the course (from the breakdown above) as deemed appropriate by the instructors.

I. Summer Reading Assignments

Quizzes will be required during the summer on key readings from Mishkin's Money and Banking text and Monetary Policy Strategy text to reinforce basic principles of monetary policy such as the history and structure of the Fed, basics of monetary policy, and the transmission mechanisms of monetary policy. Readings are available on the Fed Challenge Brightspace site. Quizzes will consist of short answer/essay questions. Due dates are by midnight, ET. Read the chapter completely before taking the quiz. You are allowed to use the assigned readings when taking the quizzes, however you may not discuss the quizzes with others until the due date is past. **If you miss any of the quizzes or perform poorly, this will hurt your chances of earning a presenter role.**

Chapter 13 – Central Banks and the Federal Reserve System	Due June 1
Chapter 14 – The Money Supply Process	Due June 15
Chapter 15 – The Tools of Monetary Policy	Due June 29

Chapter 25 – Transmission Mechanisms of Monetary Policy	Due July 13
Chapter 16 – The Conduct of Monetary Policy: Strategy and Tactics	Due August 3
Chapter 19 (Mishkin – Monetary Strategy text) – Everything You Wanted to Know About Monetary Policy Strategy	Due August 17

II. National Fed Challenge Summary and Critique

This project gets students exposed to what goes into a Fed Challenge presentation by viewing and analyzing performances from the 2010, 2011 and 2019 national finals competitions. You will watch videos of two teams that competed (on YouTube, see below), and provide the following **for each team you analyze**:

- **An executive summary** of their presentation and policy recommendation, no more than two pages. The executive summary should contain a synopsis of their policy recommendation, along with *their* justifications for the policy recommendation and a narrative description of key supporting data. The executive summary should be considered a formal document, so it should be organized and presented in a businesslike and professional manner.
- **A critique of each team's performance.** You should provide a brief description of at least two things that the team did "right", and two things that the team could have improved upon. In highlighting areas for improvement, you should discuss one or two suggestions for how the improvements could take place, and justify why they would improve their presentation. Be specific. The critique should be no more than two pages.
- **Identify a Q&A mistake.** For each team, you should identify and discuss a point raised in the Q&A session in which a responding presenter was inconsistent, made erroneous claims, or was flat out wrong. In doing so, you should identify and summarize the question or point they are addressing, and explain the error, omission, inconsistency, etc. and explain why it is wrong. This should be no more than one page.
- **Identify an opportunity for an alternative line of questioning in the Q&A.** For each team, develop a question that a judge could have posed, given their presentation, but did not address. Explain how you would answer the question and summarize how the team's research would support your claims. This should be no more than one page.

Due date for all critiques: **Tuesday, August 25, 2023. THIS ASSIGNMENT WILL BE TIME CONSUMING.** You can expect to spend perhaps 5 hours or more on each critique. Do not wait until the last week or so before the due date to start; it will be too late. Use the summer to complete these assignments, as there will not be any extensions, nor will there be time once classes start to complete these assignments! **If you turn in the critiques late, this will hurt your chances of earning a presenter role.**

Choosing teams to analyze:

You should choose one team from 2019 and one team from either 2010 or 2011. All the 2010 teams can be accessed from [here](#). All 2011 teams are [here](#). It is highly recommended that you watch at your leisure some of the other videos.

2019

Chicago: https://www.youtube.com/watch?v=hHQVD_VPREw

Harvard: <https://www.youtube.com/watch?v=jbfjKKnG2V8>

Loyola: <https://www.youtube.com/watch?v=mHU4P-jg5tI>

Pace: https://www.youtube.com/watch?v=ctGA4T_913Y

Penn: <https://www.youtube.com/watch?v=cWFy73J7-3o&t=15s>

III. Oral policy debates

The intent of the oral policy debates is to prepare students to discuss and defend their recommendations in front of a knowledgeable audience. Students will be graded based on the quality of the presentation as well as how they respond to unscripted questions from the instructors and classmates.

The format of the oral policy debates is as follows. Teams of 2 on 2, or 3 on 3 will be assigned opposite sides of a debate topic. Each team will make a 10 minute presentation in support of their argument. Each team will then present a five minute rebuttal of the other team's argument. At the conclusion of the rebuttals, each team will answer questions from the other team and from the audience. Debate topics will be drawn from the list above (or from other topics as events warrant). Note that the last debate is a large format debate with longer presentation/rebuttal times. See the "Debate Pairs" below for pairings for each debate. Subjects of debates have been dictated by current economic events relevant to monetary policy, and so are subject to change.

Debate pairs:

- 1 Margaret
- 2 Zack
- 3 Erik
- 4 Yinghong
- 5 Ralph
- 6 Jonathan
- 7 Lauren
- 8 Youssef
- 9 Vincent
- 0 Raine

11-Sep	Yes	No	Topic
Debate 1	123	456	Is the labor market at full employment?
Debate 2	78	90	Will inflation be a problem over the next 5 years?
14-Sep	Yes	No	Topic
Debate 1	246	801	Does the Fed have the right monetary policy framework?
Debate 2	35	79	Is the stance of monetary policy appropriately calibrated right now?

Grading will be based on the content and presentation of the material and how well group members respond to questions. Detailed feedback on all policy debates will be provided by the instructors and by fellow team members.

IV. Peer Evaluations

To encourage teamwork and effort, each student will be evaluated by their peers, which will be a part of the overall course grade. At the end of the semester, students will (anonymously) submit their grades of the other students to the instructors via email. Each student will provide a numerical grade for every other student, along with a short explanation of why they choose that grade for each person. It is expected that, when grading each other, *students provide a fair and reasonable assessment of one another*. Students will submit numerical grades based on the criteria defined in a *peer evaluation contract* which the class will draw up near the beginning of the semester and will serve as a basis for formulating peer grades.

Students are required to use the mandatory and consensus additional criteria chosen as a framework for determining each student's peer grade. When considering a numerical grade, you may weight each of the relevant criteria how you best see as appropriate (but all relevant criteria must be considered to some extent). Every student will be given a fixed numerical value of points (to be determined) to distribute to the rest of the students in class. There are a few simple rules when determining each person's grade:

- Be fair and reasonable when distributing the points. Remember, you are tasked to provide a balanced assessment of the relative and overall contribution each student provides to the class and the team.
- You do not submit a grade for yourself.
- The sum of all points you distribute to the rest of the class cannot exceed the fixed value of points allotted. (You may, however, distribute *less than* the fixed value of points allotted if you choose.)
- All numerical grades given to each student must be whole numbers.
- You specifically are not allowed to 'point discriminate' solely on the basis of the roles of the CFC final roster and the alternates.

Students should periodically review the peer evaluation contract to consider how effectively they and their peers are meeting the relevant criteria to ensure individual and team success.

V. *Final Reflection Paper*

The intent of the final reflection paper is to have the team members as a group summarize their experience in EC454. The paper should be no more than fifteen (15) pages in length and answer the following questions:

- What have you learned from EC454 and from participating in the College Fed Challenge?
- What areas of your preparation, presentation, etc. went well?
- What recommendations do you have for next year's team members in terms of preparation, presentation, etc.?
- What would you have done differently as far as your preparations, presentation, etc. are concerned?
- Did you face any particular challenges as a team? How were these overcome?
- What do you think it takes to win the CFC?
- Is there anything else that you wish to convey to next year's team?

The paper will be graded based on content and presentation, so proper grammar and professional looking work is expected. Finally, this report is a group effort and everyone will receive the same grade.

VI. *CFC Presentation Score*

The intent of the course is to prepare students for participation in the CFC. As such, the culminating experience will be the presentation at the competition. During the semester, students will choose a presentation theme, do research on current economic and financial market issues, become "experts" in several areas relevant to current policy issues, prepare a PowerPoint presentation, conduct rehearsals, and answer practice questions. Below are guidelines from the Federal Reserve regarding the competition. Presentations are limited to a maximum of 15 minutes, during which time the team is expected to:

- Analyze current economic conditions as of the day of the competition.
- Provide a near-term forecast for economic and financial conditions (e.g., inflation, unemployment, real GDP, etc.) critical to the development of monetary policy.
- Explain timely issues and risks that should receive special attention in formulating monetary policy.

- Make a real-time policy recommendation for the target fed funds rate. Include recommendations for other monetary policy tools and temporary liquidity measures, as warranted. Judges will expect the team to justify its recommendations.

The CFC presentation score is the score for the team as determined by the judges at the regional (Boston) competition. Thus, each student's grade will be determined according to the five judging guidelines below. If the team advances to the second (Sunday) round, the higher of the two CFC scores will be used to determine the graded component. If the team advances to the national competition in Washington, DC, then the average of the Sunday round score and the score from Washington, DC will be used.

Example formats

- Mock FOMC meeting
- Meeting between FOMC members and Fed staff economists
- Students preparing for an assignment
- Emergency FOMC meeting
- Consultants hired by a company
- Briefing of new BoG members/chairperson
- Meeting between Fed and other central banks
- FOMC chair giving a press briefing
- Presenting/compiling a Blue book

CFC Judges Rubric

Category	10 Points	8 – 9 Points	5-7 Points	3-4 Points	1-2 Points
1. Knowledge of the Fed, current state of the economy and monetary policy	<i>Always presents accurate information & demonstrates a thorough understanding of basic & sophisticated concepts.</i>	<i>Consistently pre- sents accurate information & demonstrates a thorough understanding of the basic concepts.</i>	<i>Frequently presents accurate information & demonstrates less than average understanding of the basic concepts.</i>	<i>Mixes accurate & inaccurate information & demonstrates less than average understanding of the basic concepts.</i>	<i>Provides little accurate information & demonstrates poor understanding of the basic concepts.</i>
2. Responses to judges' questions	<i>* Always answers to the point & shows poise under pressure. Always demonstrates ability to think quickly.</i> <i>* Extremely persuasive in defending positions that are challenged.</i>	<i>* Consistently answers to the point & shows poise under pressure.</i> <i>*Consistently demonstrates the ability to think quickly.</i> <i>* Convincing in defending positions that are challenged.</i>	<i>* Frequently answers to the point & shows poise under pressure.</i> <i>* Frequently demonstrates the ability to think quickly.</i> <i>* Adequately defends positions that are challenged.</i>	<i>* Occasionally answers to the point & shows poise under pressure.</i> <i>* Occasionally demonstrates the ability to think quickly.</i> <i>* Less than adequately defends positions that are challenged.</i>	<i>* Rarely answers to the point & shows poise under pressure.</i> <i>* Rarely demonstrates the ability to think quickly.</i> <i>* Provides poor defenses for positions that are challenged.</i>
3. Quality of the Presentation	<i>*Extremely persuasive in advocacy role. Always demonstrates logical & coherent organization.</i> <i>* Each student speaks with great confidence & with sufficient volume to be heard by all.</i> <i>*Always integrates audio-visual aids/ media appropriately.</i> <i>* Students never read from notes or script.</i>	<i>*Persuasive in advocacy role.</i> <i>* Consistently demonstrates logical & coherent organization.</i> <i>* Most students speak with great confidence & with sufficient volume to be heard by all.</i> <i>*Consistently integrates audio-visual aids/ media appropriately.</i> <i>* Students rarely read from notes or script.</i>	<i>*Frequently persuasive in advocacy role.</i> <i>*Consistently demonstrates logical & coherent organization.</i> <i>* Some students speak with great confidence & with sufficient volume to be heard by all.</i> <i>*Frequently integrates audio-visual aids/ media appropriately.</i> <i>* Students occasionally read from notes or script.</i>	<i>*Occasionally persuasive in advocacy role.</i> <i>*Occasionally demonstrates logical & coherent organization.</i> <i>* Few students speak with confidence & with sufficient volume to be heard by all.</i> <i>*Occasionally integrates audio-visual aids/ media appropriately.</i> <i>* Students frequently read from notes or script.</i>	<i>* Rarely persuasive in advocacy role.</i> <i>*Rarely demonstrates logical & coherent organization.</i> <i>* Students speak with minimum confidence & with insufficient volume to be heard by all.</i> <i>*Rarely integrates audio-visual aids/ media appropriately.</i> <i>* Students depend heavily on notes or a script.</i>
4. Research and analysis	<i>* Conclusions drawn from the data are always logical & insightful.</i> <i>*Recommendations are always supported by relevant data.</i> <i>*A wide variety of authoritative sources are used.</i>	<i>* Conclusions drawn from the data are most often logical & insightful.</i> <i>*Recommendations are consistently supported by relevant data.</i> <i>* Mostly authoritative sources are used.</i>	<i>* Conclusions drawn from the data are frequently logical & insightful.</i> <i>*Recommendations are frequently supported by relevant data.</i> <i>* Some authoritative sources are used.</i>	<i>* Conclusions drawn from the data are occasionally logical & insightful.</i> <i>*Recommendations are occasionally supported by relevant data.</i> <i>*Few authoritative sources are used.</i>	<i>* Conclusions drawn from the data lack logic & insight.</i> <i>* Recommendations are rarely supported by relevant data.</i> <i>*Authoritative sources are ignored.</i>
5. Teamwork and cooperation	<i>* Each team member plays a substantial & integral role.</i> <i>* Demonstrates extensive evidence of coordination among team members.</i>	<i>*Although some team members play a greater role than others, each student contributes significantly.</i> <i>* Demonstrates significant evidence of coordination among team members.</i>	<i>* Some team members dominate, while the others contribute to varying degrees.</i> <i>* Demonstrates some evidence of coordination among team members.</i>	<i>* Some team members dominate, while the others make modest contributions.</i> <i>* Demonstrates little evidence of coordination among team members.</i>	<i>* One or two team members dominate, while the others contribute negligibly.</i> <i>* Demonstrates insignificant evidence of coordination among team members.</i>
Category	10 Points	8 – 9 Points	5-7 Points	3-4 Points	1-2 Points

Important Dates (Subject to change)

See Fed Challenge calendar.

Peer Evaluation Contract

The purpose of this contract is to delineate performance criteria that team members are expected to live up to. Each team member will have up to 900 points to distribute among the other nine team members. No one is allowed to evaluate themselves. You should expect to score each team member differently for *fairness* reasons. If you evenly distribute points, then you will be **helping** those that contributed the least to the team, and **hurting** those that contributed the most to the team. When assessing contributions, there will always be somebody who has contributed more than everyone else (even if it is only a marginal difference), and that is who the peer evaluations should reward (even if only marginally). The peer evaluation grades will be submitted to the instructors near the end of the semester, and will be confidential to everyone but the instructors.

As a group, discuss what you think are important criteria for team success. Then list below those qualities the team agrees to use as the basis for grading each other at the end of the term (you shouldn't use all of those listed below, nor should you limit yourself to the suggestions below). Students will have up to four criteria with which to grade each student. Two criteria are mandatory (see below), and up to two other additional grading criteria may be decided on by the team as a whole. When completed, each member should sign the statement below and return it to the instructors, who will make copies and return these to team members. Throughout the rest of the semester, you should make a "mental note" of the criteria you choose, and how each group member has and is contributing to those criteria. **Be sure all group members sign below after deciding on criteria.**

Mandatory Criteria:

- Did they have an open mind about disagreements or when working with others?
- Did they give their maximum effort to the class and the competition?
- **For Presenters:** Did your alternate mirror give reasonable effort to ensure team success?
For Alternates: Did your presenter mirror treat you as a co-equal, and work with you effectively to ensure team success?

Below is a listing of some suggested criteria for up to two additional grading guidelines. These are only suggestions, so the class need not limit themselves to what is listed below.

Some Suggested Additional Criteria:

- Did this person help others understand course concepts?
- How much did this person contribute for the greater good of the team and class?
- How much did each person contribute to group and class discussions?
- How often did they attend class or out-of-class meetings?
- How much did they contribute to the final competition preparations?
- Did they have a positive attitude?
- Did they help others contribute?
- Did they exhibit patience and understanding?
- Did they give positive feedback?

Group Criteria: (two or three well-chosen criteria are probably sufficient)

We, the undersigned, promise to use the above criteria to fairly and prudently evaluate our fellow team members. That means that we will reward those that contributed the most (according to our criteria) with the highest grades. (each group member sign below)

Fed Challenge – Anatomy of a successful presentation

Necessities

- Maximum of 15 minutes
- Must integrate all 5 presenters into the presentation
- All five players should interact with the others
- Must have a platform that allows all 5 participants to engage Q & A **roughly** equally

Formal Policy Recommendation

Four main components: Overall objectives and strategy, motives behind a particular policy decision, economic outlook, and future monetary policy decisions. This would likely manifest itself in the following way:

- Summary of current economic conditions
 - Real activity
 - Inflation outlook
 - Current: Health of credit markets
- Outlook going forward (best estimate forecast of future conditions)
- Risks to the best estimate (stuff that could go wrong)
- Policy recommendation (rate recommendation and/or other tools)
- Forecast of future policy (expected policy path for the near/intermediate term)

Additional Policy Considerations

- Unwinding of Fed facilities: timing, scope and scale (inc. excess reserves)
- Interest on reserves changes
- Mechanisms/facilities to help manage composition of balance sheet

Intangibles

- Making it interesting
- Technically accurate: Fed policies, procedures, rituals, and terminology
- Data
 - Sourcing
 - “interface uniformity” – professional look/feel
 - Up to date
 - Relevance: support the recommendation
- Delivery
 - Make it pretty: visual appeal
 - Bring confidence
 - Exude knowledge
 - Teamwork and professionalism
 - Performance: rehearsed, sharp, and well timed
- Q & A: Be prepared, concise, informative – Q&A IS REALLY IMPORTANT!

ADA Information

Bentley University abides by Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 which stipulate no students shall be denied the benefits of an education solely by reason of a disability. Disabilities covered by law include, but are not limited to, learning disabilities, visual, hearing, and mobility impairments, medical conditions, psychiatric disorders, and temporary disabilities. If you have a documented disability that may have some impact on your work in this course and for which you may require academic accommodations, please speak with the Coordinator of Disability Services, in LaCava 166, so that such accommodations may be arranged. Any student eligible for and needing academic adjustments or accommodations because of a disability is required to provide documentation of such accommodations to me within the first three weeks of the semester. We are under no obligation to make accommodations if this procedure is not followed.

Zoom Etiquette

Online students are expected to attend class with a functioning microphone and camera. Cameras should be on to effectively engage in class and participate throughout the course. If you have an impediment to keeping your camera on, please let me know as soon as possible. In the Economics Department, the story of “shirtless guy” is now famous, so please remember that we can all see each other. Please also keep your mic on mute unless you are speaking. Barking dogs, ringing cell phones, arguing siblings may work to interfere with class.

Bias Incidence Response

The Bias Incident Response Team (BIRT) provides students affected by bias or bias-related incidents with access to appropriate resources. Where appropriate, BIRT assists the University in its response to situations that may impact the overall campus climate related to diversity and inclusion. Working closely with appropriate students, faculty, committees, organizations, and staff, BIRT plays an educational role in fostering an inclusive campus community and supporting targeted individuals when bias or bias-related incidents occur. More information about BIRT and how to file a bias incident report can be found at: <https://www.bentley.edu/offices/student-affairs/birt>

Diversity and Inclusion

Everyone in this class has different life experiences and perspectives, and all are valid. We are all expected to adhere to Bentley standards of appropriate conduct, known as the ‘[Bentley Core Values](#),’ for class discussion and all class assignments in and out of the classroom. If you feel that we or anyone in this class has acted outside the Bentley Core Values, please come to me so that we may discuss your experience. If you do not feel comfortable coming us with your concerns, we encourage you to speak with someone in the Office of Academic Advising: **781.891.2803**, academic_services@bentley.edu, Jennison 336. My goal is to work with all of you to create an inclusive educational environment in which different experiences and perspectives enhance learning.

SETS

SETs are important—Bentley uses information from SETs as an input in faculty tenure, promotion, and raise decisions. Completing the online SETs for this class is considered part of your course requirements

Learning Objectives

Knowledge

- How the macroeconomy works
- How monetary policy influences financial markets and the real economy
- The factors that policy makers take into account when making decisions

Skills

- Think critically about macroeconomic and monetary economics related issues
- Present high level monetary policy concepts to an informed audience
- Respond quickly and thoroughly to difficult questions
- Work well with teammates in a high pressure, high stress environment

Perspectives

- Appreciate the complex environment in which policy makers operate
- Appreciate the tradeoffs that policy makers face when making decisions
- Appreciate the uncertainty and risks that policy makers face when making decisions