



FED CHALLENGE

The Federal Reserve System's Academic Competition

Developing a winning
Fed Challenge team



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Disclaimer

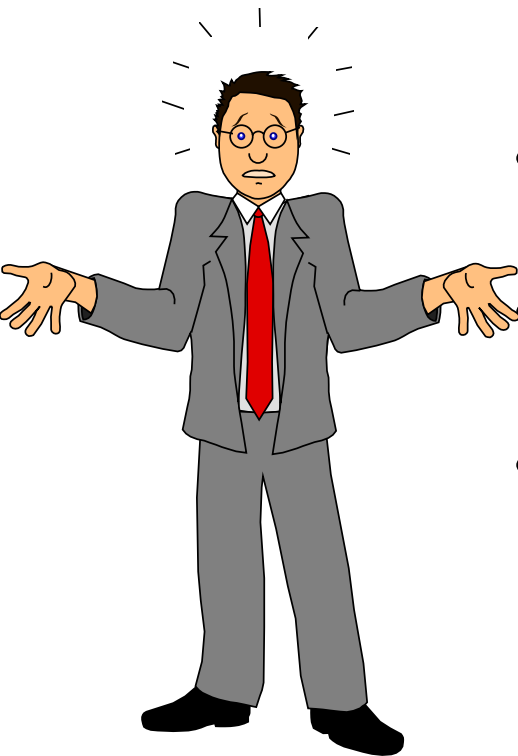
The following program is merely an attempt to offer a framework for getting started in developing a fed challenge team and presentation. There are many ways to construct your team and presentation. This presentation intends to offer a few helpful hints and suggestions for first-time and seasoned participants alike.



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Where do I begin?????



- Develop a plan
- Create a timeline
- Watch previous Fed Challenge competitions
 - Motivates students
 - Creates a list of questions
- Evaluate existing resources
- Identify needs



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How do I plan?

Create a Time Line Considering:

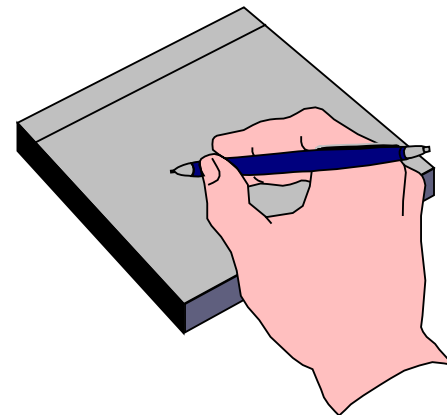
- Curricular goals
- Competition deadlines
- Other academic concerns (teacher & student)

Include as part of your curriculum

- Don't alter your teaching order too greatly. (We don't want the tail to wag the dog...)

Emphasize:

- Economic Research
- Writing
- Speaking



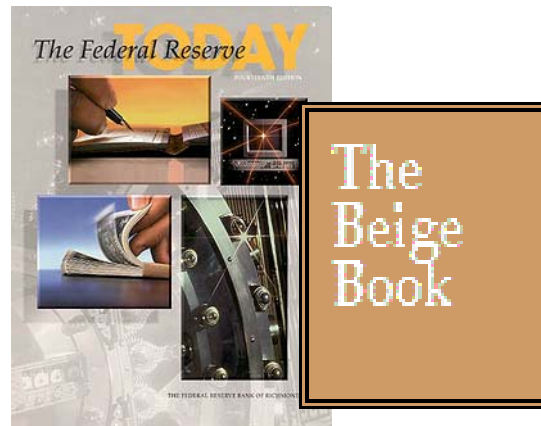


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What resources are available?

- The Internet
- Daily newspapers
- Weekly periodicals
- Historical tables in economic texts
- Fed publications





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What should I look for in a coach?

- Someone who knows monetary policy & economic data
 - Sources - colleges, community colleges, VCEE centers, banks
- Someone who can critique presentation skills
 - Sources - drama departments, debate clubs, Toastmasters

CAUTION

Do not over-coach your team

- Students must know material & be conversant in it. Q&A session often separates winners from losers.
- Only way to coach for Q&A is to be sure students understand the material.



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What other people may be helpful?

- Other teachers & administrators:
 - English (Writing & research skills, grammar)
 - Business (Technology skills)
 - Drama (Public speaking and presentation skills)
 - Administrators (Support for your work & community contacts)
- Parents
 - Practice Judges (present in front of parents' civic organizations)
- Other students
 - Research
 - Technology
 - Feedback



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What kind of technology should I use?

POWER POINT

•Strengths

- Can demonstrate technical skill
- Can be visually pleasing

•Weaknesses

- Can have computer incompatibility
- Can break down easily
- Can overpower presentation

OVERHEAD

•Strengths

- Easy to make
- Readily available technology

•Weaknesses

- Awkward/cumbersome to change
- Technological skills not well demonstrated



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How do I select the team?

- Get a balance of
 - Students with knowledge of economics: source = AP classes
 - Students with public speaking skills
 - Students who can think quickly on their feet
- Look for
 - Combination of students who can: function as a team
Complement each others' strong & weak points

Hint

- You may want to delay the selection of the actual team members in order to assess the points mentioned above



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How do we prepare for Fed Challenge?

- Expand your knowledge base in economics
 - Correct mistakes
 - Study, study, study
- Involve a group larger than the team itself
 - Alternates, research assistants, classmates, observers
 - Live it, live it, live it



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How do we prepare for Fed Challenge?

continued

- Time all presentations
 - Fit each part into allotted time
 - Practice, practice, practice
- Anticipate questions
 - Decide approach to take when answering
 - Formulate answers
 - Practice, practice, practice





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How do we prepare for Fed Challenge?

continued

- Videotape your presentation
 - Watch as a group and individually
 - Watch with other teachers (drama, English, business)
 - Critique, critique, critique
- Be the featured program
 - PTA, Drama Club, Econ classes (college & high school)
 - Ask for comments & suggestions
 - Practice, practice, practice



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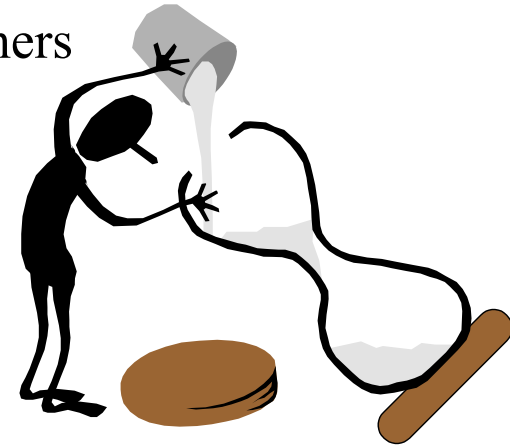
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How do we develop the presentation?

- Emphasize economics
 - Presentation skills and theatrics are less important
 - Q & A often separates 1st place teams from the others
- Remember time restrictions
 - Presentation may be no longer than 15 minutes
 - Q&A is limited to 15 minutes

Goal

Presentation should set up questions you are prepared for and want to answer.





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What are the goals & targets of the Fed?

REMEMBER:

Open Market Operations (and the associated Fed Funds Rate) is the most practical and frequently used tool in modern monetary policy making.



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How is monetary policy determined?

- Study FOMC minutes
- Understand leading, lagging, coincident indicators
- Examine monetary aggregates
- Understand the Fed's goals and use of policy tools
- Familiarize yourself with the basics of modern monetary economics



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What economic indicators should we study?

Leading

- Avg weekly hours of production workers
- Avg. weekly initial claims for unemployment
- Orders for new plant & equipment
- S&P 500
- Money Supply (M2)
- Index of consumer expectations

Coincident

- Employees on non-agricultural payrolls
- Personal income less transfer payments
- Industrial production
- Manufacturing & trade sales

Lagging

- Avg. duration of unemployment
- Change in index of cost labor per unit of output
- Avg. Prime Rate
- Outstanding commercial loans
- Change in CPI for services



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Should we be familiar with any
other concepts?

- Global market considerations
- U.S. regional issues
- Conflicts between multiple goals
- The Fed's political autonomy



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Presentation Content Do's & Don'ts

Do

- Focus on
 - Recent history
 - Forecasts & predictions
 - Understanding theory
 - Economizing language
 - Tools the FOMC uses

Don't

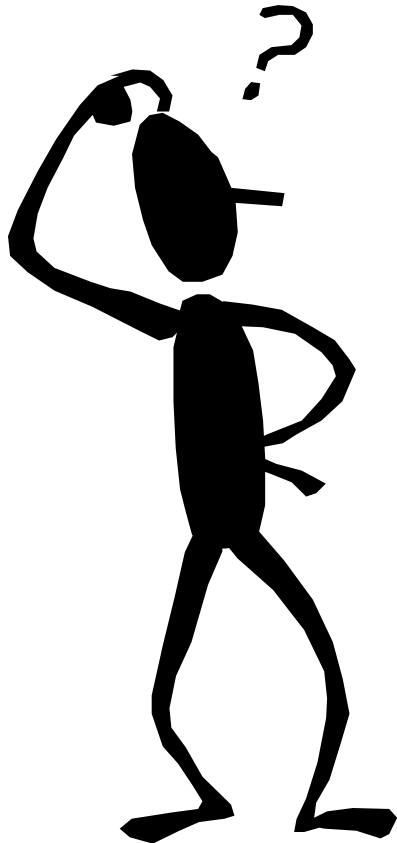
- Memorize facts
- Numb the audience with numbers
- Get too complicated
- Rush presentation - talk too fast
- Have a “one-man show” - all team members should participate equally



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Which presentation model should we
use?



- FOMC role play
- Business-style presentation
- TV news panel



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FOMC role play

Strengths

- Authentic emphasis on the way decisions are made
- Provides means of interaction instead of a series of speeches
- National winners for the past several years have used this method

Weaknesses

- Timing of interaction difficult to implement without memorization
- Theatrics can become more of an emphasis than content





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Business-style presentation

Strengths

- Very straightforward and direct way to present complex material
- Allows students to focus on economic issues
- Can allow team members to focus on individual roles during presentation

Weaknesses

- De-emphasizes teamwork for initial 15 minute presentation
- Can lend itself to recitation of numbers and facts rather than analysis





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TV-style presentation

Strengths

- Lively, potentially interactive and entertaining
- Can lend itself nicely to use several forms of multimedia
- Can show reasoned dissent effectively, since there is **ABSOLUTELY** no right answer in monetary policy

Weaknesses

- “McLaughlin Group” syndrome could develop
- Can de-emphasize economics
- Timing can be difficult without memorization





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Final thoughts

- Use as many community resources as you can find
- Ask as many questions to as many people as possible
 - Use the Teacher's Guide to the Fed Challenge

RELAX

We want you to learn, but more than that - we want you to enjoy your Fed Challenge experience.



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Good Luck!!

