Syllabus – Fall 2010
Macroeconomic Forecasting - Economics 437
(The Fed Challenge Class)

Instructor: Ralph Gunderson
Office: CF 331
Email: gundrson@uwosh.edu   phone: 424-7151
Office Hours: MWF 9:15 – 10:30 am, T 2-3 pm

Reading Materials:
The reading list will continue to grow as the semester progresses because the coursework is based on current economic developments.

Course Objectives: By the end of the course, there are a number of skills that will be acquired.
1. Understand and be able to explain key macroeconomic measures
2. Understand how the macroeconomic measures relate to each other and how they relate to monetary policy
3. Understand the use of macroeconomic models to analyze economic activities and gain insight into policy formation
4. Make a macroeconomic forecast for the economy and present it to the Federal Reserve Bank of Chicago on November 1st.
5. Understand the skills required to make an economic presentation
6. Be able to explain what kind of data is needed to evaluate economic policy

Students will analyze how the government’s monetary and fiscal policies are shaped by current macroeconomic conditions. Teams will be responsible for evaluating current economic conditions, providing a forecast of the national economy and making a set of monetary policy recommendations at the Oshkosh Fed Challenge on October 26th. The winning team at the Oshkosh Fed Challenge will represent UW-Oshkosh at the College Fed Challenge at the Chicago Federal Reserve on November 1st. All other members of the class are required to attend.

Grades:
The instructor expects grades to be high. There are only 7 class meetings plus the trip to the Chicago Fed. Consequently, class absences are significant. One absence will not affect your grade – things happen. Your grade will be unaffected if you are not a member of the presenting team. Failure to participate in the Chicago Fed trip will reduce your grade by one letter.

Almost each week, each student will be required to make a presentation, individually or with a partner(s). Students will be expected to be thoroughly familiar with Federal Reserve policy and operations as well as having up-to-date statistical information and to be able to answer questions about the data. Students will be expected to be very familiar with macroeconomic events and issues that occur during the semester.
Course Schedule

September 13 – Introduction to Fed Challenge
    Lecture – The Financial Crisis
September 20 - Lecture – Current Macro Conditions
    Student Presentations
    Team Selection Procedure decided by class vote
    Teams will be determined by Sept 21st
    Formation of Teams – procedure to be determined on September 20
        a) Random Drawing of Names
        b) Self-selection
        c) Instructor chooses Team Captains – Captains draft team members (silent draft)
        d) Instructor Selects Teams

September 28  Student/Team Presentations/Discussion/Debate
October 5    Student Presentations/Discussion/Debate
October 12   Student Presentations/Discussion/Debate
October 19   Practice Team Presentation
October 26   **Oshkosh Fed Challenge** - winning team gives their presentation in Chicago
    Selection Criteria -  Instructor Ranking of Teams – 1/3 weight
    Faculty Ranking of Teams – 1/3 weight
    Student Ranking of Teams – 1/3 weight
    (students will submit rankings by email to the instructor)

October 30   **Chicago Fed Challenge** – we leave Oshkosh at 11 am on Oct 30 (Sunday)
    Leave Oshkosh 10:30 am on Oct 30
    Arrive at Chicago Hotel – 2 pm
    Practice the presentation in hotel room – 3:30 am
    Dinner – 6 pm? (students pay for own dinner)

November 1   Chicago Federal Reserve Bank
    Registration 8:30 am
    Team Presentation – TBA
    Return to Oshkosh – Approximately 6 pm unless UW-Oshkosh is in the Finals

Note: students should expect the workload of the course to be significantly increased in the days leading up to October 26 and October 30 (for the winning team)
1st Class – Topics to be covered tonight

Food – next week’s menu? Pizza?

2009 Chicago Trip - PowerPoint

SYLLABUS

Class Cards for the Econ Department

Introductions – who are we?

Fed Challenge Introduction

Fed Challenge Handbook

The SUBPRIME PRIMER – 2 volunteers needed

Financial Crisis

Next Week’s Topics: 3 or 4 volunteers for each topic

Inflation/Deflation Is this an important issue?
Historical perspective.
Who says what?
Sources of information: FRED, economagic.com, the FED,

Unemployment How bad is it?
Can Monetary Policy do anything about it?
NAIRU still 5%?
Previous unemployment trends after the end of recessions

Economic Growth How bad is it?
Historical patterns from previous recessions
How long does it take to return to pre-recession GDP?

Current Policy Issues The Debt & Deficit
The Dollar
The Interest Rate

FOMC Members Who is on the FOMC and what do they think about monetary policy?

Assignment: Make a 4 minute presentation on your topic
The objective is to start developing an understanding of these issues.