Syllabus
The Fed Challenge Class – Fall, 2012
Economics 437: Macroeconomic Forecasting

Class Time: Tuesday – 5:15 pm
Instructor: Ralph Gunderson
Office: Sage Hall 2410
Email: gundrson@uwosh.edu  phone: 424-7151
Office Hours: MWF 9:15 – 10:30 am, T 2-3 pm

Course Objective: The primary objective of the course is to make a macroeconomic forecast for the U.S. economy and to present a recommended monetary policy at the Federal Reserve Bank of Chicago on November 19th.

By the end of the course, there are a number of skills that will be acquired by each student.
1. Understand and be able to explain key national economic accounts
2. Understand how the macroeconomic accounts relate to each other and how they relate to monetary policy
3. Understand the use of macroeconomic models as tools to analyze economic conditions and gain insight into fiscal and monetary policy formation
4. Practice the skills required to make an economic presentation
5. Be able to explain what kind of data is needed to evaluate economic policy.
6. Be able to defend your explanation of current macroeconomic conditions and policies

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 November 6th. The winning team at the Oshkosh Fed Challenge will represent UW-Oshkosh at the College Fed Challenge at the Chicago Federal Reserve on November 19th. All other members of the class are required to attend the Fed Challenge in Chicago.

Grades: Grades are based on the instructor’s subjective evaluation of each student’s weekly preparation for class. Since the small number of students will make it easy to monitor everyone’s performance, you will be informed if your work does not reflect the level necessary to receive at least a ‘B’ grade. Consequently, class absences are significant, however, 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.

Students will be expected to make almost weekly presentations, 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 11 – Introduction to Fed Challenge

September 18 - Lecture – The Great Recession & Current Macro Conditions
   Student Presentations
   Team Selection Procedure decided by class vote/consensus
   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?
      d) Instructor Selects Teams?
      e) Class vote?

September 25 Student/Team Presentations/Discussion/Debate
October 2   Student Presentations/Discussion/Debate
October 9   Student Presentations/Discussion/Debate
October 16  Practice Team Presentations
October 23  Practice Team Presentations
October 30  Practice Team Presentations

November 6  Oshkosh Fed Challenge
November 13 Practice the Chicago Presentation
November 19 **Chicago Fed Challenge** – we leave Oshkosh at 11 am on Nov 18 (Sunday)
      Leave Oshkosh 10:30 am on Nov 18
      Arrive at Chicago Hotel – 2 pm
      Practice the presentation in hotel room – 3:30 pm
      Dinner – 6 pm? (students pay for own dinner)

November 19 Chicago Federal Reserve Bank
      Registration  8:30 am
      Team Presentation – morning
      Chicago Fed Challenge finals - afternoon
      Return to Oshkosh – Approximately 6 pm
1st Class – Topics to be covered tonight

Food – next week’s menu? Pizza?

SYLLABUS

Introductions – who are we?

Fed Challenge Introduction

The SUBPRIME PRIMER – 2 volunteers needed tonight

Fed Challenge Finals - video

Next Week’s Topics: 2 or 3 volunteers for each topic

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

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

3. 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

4. The Debt & Deficit – should we worry?

5. The Eurozone Problem – what is it and should we worry?

6. The Interest Rate – should we worry?

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