Rutgers Students Top Competition in Fed Challenge

A seven-person team of students from the Department of Economics at Rutgers were victorious at the Second Annual College Fed Challenge held at the Federal Reserve Bank of New York on Monday, March 3, 2003. The competition brought together 6 schools from the New York/New Jersey area in a test of their ability to assess current economic conditions and offer an opinion on the appropriate interest rate policy for the Federal Reserve Open Market Committee to pursue.

In the preliminary round held Monday morning, the Rutgers team came out on top in a three-way competition against teams from Pace University and Barnard/Columbia. In the other preliminary round a team from the Stern School of Business at NYU won over teams from Queens College and Centenary College. Rutgers and NYU squared off in the finals in the main auditorium at the NY Federal Reserve Bank before a panel of judges from the Bank.

Rutgers won the coin toss and elected to go second. The NYU team made their 15 minute presentation to the panel and concluded by recommending that the Federal Reserve keep interest rates at their current level. The judges then asked the students a series of questions related to current economic conditions and the policies and procedures used by the NY Federal Reserve Bank to implement monetary policies. The Rutgers
team faced a similar set of questions after their presentation with the judges focusing on such intricacies of the economic condition as the recent changes in inventory levels during the last quarter of 2002 and the speed with which declines in the value of the US dollar might increase foreign demand for US made goods. One strong point for the Rutgers team was its ability to integrate late breaking news on consumer spending and the performance of the manufacturing sector into their presentation. Knowing this important data was to be released early Monday morning while the team was in a train heading for New York, they wisely prearranged a cell phone call with an advisor who was able to supply the critical information as it was announced.

After a lengthy deliberation that had both teams nervously chattering about what they did right and what they did wrong, the judges returned with their verdict declaring the team from Rutgers the winner.

Each team was judged on 5 criteria: knowledge of the Fed and the current state of the economy and monetary policy; response to the judge’s questions; effectiveness of presentation; research and analysis; and teamwork and cooperation.

The College Fed Challenge sponsored by the Federal Reserve Bank of New York is patterned after a national competition the Fed sponsors for high school students. Its goals are to promote greater understanding of how the Fed develops and implements monetary policy, to develop research, critical thinking, presentation and cooperation skills, and to create interest in economics and finance as a basis for a career.

The members of the Rutgers team consisted of 8 students. They were Uros Rogulja, Kevin Bielanski, Edwin Wilches, Yonatan Yohalom, Michael McDonough, Puneet Sindhi, Priya Tandon and Trinh Tran. Professor Jeff Rubin served as the team’s
faculty advisor. The Rutgers team also received valuable assistance from Dr. Ray Stone, a principal in Stone and McCarthy Research Associates in Princeton and a recipient of doctorate in economics from Rutgers in 1981.