

## ECO 216: Presentation Guidelines

Your presentations (both for the specific topic and overall presentation) might seek to include the following elements):

1. Data. The Federal Reserve is an empirically focused institution and you should work to incorporate relevant economic data into your presentations. Aim to provide a limited amount of data that enhances your presentations. Avoid providing so much that your message gets lost. If you are describing the unemployment situation, for example, you likely want one or two charts, not fifteen showing every measure of labor market performance (U1-U6, labor force participation, wages, etc.). Some of the worst presentations that I have seen feel like they are competing to show as many time-series as possible. Note that the Fed is especially interested in new data since the last FOMC meeting.

2. Analysis. By itself, data do not establish causal relationships among macroeconomic factors. It may be important, for example, to explain why unemployment is falling slower or faster than expected. Here you might refer to 1) related economic theory (*e.g.* the models that you have seen in other economics courses), or 2) statistical/econometric studies. You may either conduct your own analysis or cite existing work.

3. Policy. A common mistake in proposing policy recommendations is to focus only on the benefits of your proposals, and not their costs. There are few easy choices in economic policy and a better approach is to clearly lay out both the advantages and disadvantages of your position, and then articulate why the benefits outweigh the costs or vice-versa. Try to explain how sensitive your recommendations are to alternate assumptions. Good policies generally lead to acceptable outcomes under all contingencies.

4. Format. The competition gives you license on the nature of your presentation. Some students pretend it is an actual FOMC meeting, sometimes even casting students as specific FOMC members. Most keep it simple and content to represent themselves as students giving a presentation. I have yet to see a group do their presentation entirely in haiku.

5. The **minutes** from the last FOMC meeting may be a helpful example of how the Fed staff conducts this sort of analysis. The most recent **economic projections** may also be useful.

Here are some specific questions that each of the group presentations might try to address. I offer these as starting points, you should not treat these as checklists. Likewise, you should address other relevant questions that are not listed below.

### **Current Macroeconomic Environment**

Note. Keep in mind that the Fed's Congressional mandate is limited to price stability and full employment. Other factors may matter indirectly if they influence these two.

1. Is the labor market better or worse off than suggested by the headline (U3) unemployment rate?
2. How rapidly is the labor market improving?
3. Have recent declines in unemployment been evenly distributed across different demographic groups?
4. How do overall and core inflation data differ?
5. Are inflationary expectations well anchored around 2%?
6. Are solvent firms able to obtain credit at relatively low interest rates.
7. Is the Commons still overdoing it with the Shepherd's Pie?
8. Are delinquencies, foreclosures, and bankruptcies at levels which pose a threat to the recovery?
9. Are any other financial indicators at notable levels? Examples might include debt levels, credit spreads, asset prices, etc.
10. How do the investment and consumption outlooks differ?

11. How is the strength/weakness of the U.S. dollar impacting the economy?

12. How are recent changes in fiscal policy affecting the economy?

13. Are covid-19 cases impacting economic regions differently?

### **Economic Forecast**

1. Under current policies, what are the most likely paths of inflation and unemployment over the several years?

2. How much uncertainty, compared to historical norms, is there regarding these predictions?

3. How might different covid-19 outcomes affect future economic conditions?

4. When will the new Chipotle in Auburn open?

5. How does the outlook depend on whether Congress provides additional fiscal support?

6. How does the outlook depend on different Fed policies?

7. If economic conditions continue to improve, are these gains likely to be distributed evenly across different economic groups.

8. How sensitive is the outlook to potential change in asset prices: stocks, housing, the dollar, etc.

### **Risks Facing the Economy**

1. What is the potential economic harm from a fall/winter resurgence of covid-19 cases or public health measures taken to combat the pandemic?

2. How does the risk of a new economic crisis compare to historical norms?

3. Are household and firm leverage ratios unusually high?

4. What economic risks are posed by potential fiscal contractions, including at the state and local level?
5. How vulnerable is the economy to a major decline in asset prices or financial conditions?
6. What would the economic fallout be from a new Nickleback album?
7. How could a resurgence of trade tensions impact the economy?

### **Monetary Policy Recommendations**

1. Should the FOMC change the Federal Funds Rate target?
2. If no, what guidance should the Fed provide about when it might eventually raise rates? Specific dates? Specific conditions that must be met?
3. Should the Fed change its pace of asset purchases (Quantitative Easing)?
4. Should the Fed consider negative interest rates?
5. Should the Fed spend part of its \$7 trillion balance sheet to sign Milwaukee Bucks forward Giannis Antetokounmpo in order to improve its offensive rebounding?
7. Should the Fed change the terms associated with its Municipal Lending Facility, Main Street Lending Program, or any of its other lending facilities?
8. Should the Fed be more explicit about suggesting economic policy measures to Congress?
9. How should the Fed implement its average inflation targeting policy?

**Group Presentations:** Each group should address the above questions which they deem relevant, as well as any others that come to mind. Plan on presenting for about half an hour. Not all members group must speak, but all are expected to pull their weight in the preparation process.

I ask each group to make their slides and research available to the class. I will set up a Google drive folder. This will create a common set of materials that all groups can draw from when preparing their final presentations.

**In-Class Fed Challenge Presentations:** Each group should review the instructions for the actual Fed Challenge and make an equivalent presentation to the class. Plan on 15 minutes for the presentation and 15 for questions.