



BANK OF ENGLAND

News release

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Target 2 Point 5 - The Bank of England/Times Interest Rate Challenge Students Battle with Bank of England's Economic Policy

Across the United Kingdom students with a taste for economic decision-making are preparing to challenge the Bank of England at its own game. Some 245 schools and colleges are fielding their best economics and business studies students in the first round of the competition now in its third year. The national winner will receive the Interest Rate Trophy and a cheque for £10,000 for their school.

The Challenge helps students gain a practical understanding of the working of the economy and the Bank's role in keeping inflation low and stable. In teams of four, students take on the role of the Bank's Monetary Policy Committee, selecting what they see as the most appropriate interest rate to achieve the inflation target of 2.5%. But it's not as simple as that! A panel of judges will question each team about the reasons for their choice, looking for the team which shows the clearest understanding of the issues and which makes the best-argued case for their interest rate decision.

Between 18 and 29 November, the teams will be taking part in one of 40 regional heats of the first round being held at centres around the country. Winners from each heat move on to the area finals to be held in February next year. The national final, hosted by the Bank's Governor, Sir Edward George, will be held at the Bank of England in London in March. As well as the Trophy and £10,000 cheque for the winning team's school, the runners-up receive £5,000 and the third-placed team £2,000.

Commenting on the success of the competition, the Governor said, "The growing enthusiasm for the Interest Rate Challenge, from both teachers and students alike, is very encouraging. Previous participants tell us their economic understanding and analysis really improved. So did their team-working and communication skills. And we are always on the lookout for potential new members of the real Monetary Policy Committee!"