



BANK OF ENGLAND

News release

Press Office

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

10 November 2014

Target 2.0 - Students in the driving seat of the economy

The fifteenth annual Bank of England and The Times Interest Rate Challenge begins next week. More than one thousand students will be participating in the Challenge's forthcoming regional heats. Like the Bank's Monetary Policy Committee, they will have to consider many conflicting indicators in order to set monetary policy to meet the inflation target. Prospects for the UK economy remain at the centre of public debate with enormous interest shown in the Committee and its monthly decisions. The recent introduction of forward guidance means the teams will have more to consider than ever before.

The Challenge format sees teams of four students from each competing school or college analysing UK and global economic data and their possible impact on inflation and the economic outlook for the UK - just as the Monetary Policy Committee does each month. They must then decide if current monetary policy is appropriate or needs to be adjusted to meet the 2.0 per cent inflation target set by the Government. In a presentation to a panel of Bank of England judges the team explains that decision then justifies it through their answers to questions from the panel - a process that also helps the students develop both teamwork and presentational skills.

Some 314 teams will be competing in one of the 42 regional heats which run from 17-28 November. The winning team from each heat will then update their presentations ahead of competing in one of the six area finals held around the UK in February 2015. And for those six winning teams there will be the thrill of the National Final, to be held in March 2015 at the Bank of England's Head Office in Threadneedle Street, with the Challenge Trophy and a cheque for £5,000 for the winning team's school or college at stake.