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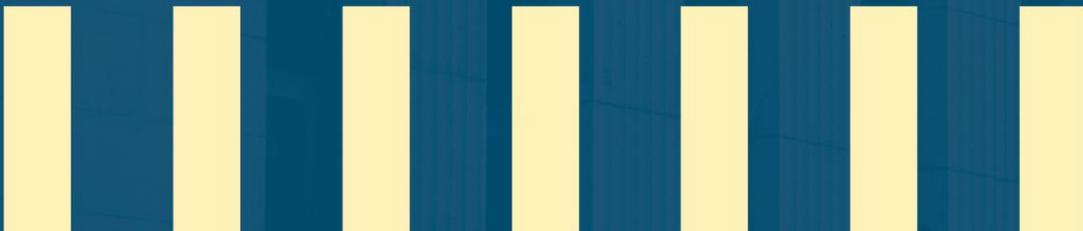
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The Governor's Challenge: A Decade of Success¹

James Chapman, Stephanie Houle, and Lawrence Schembri

The Governor's Challenge (GC) by the Bank of Canada marked its tenth year as a successful outreach and education initiative, designed to strengthen public understanding of macroeconomics and monetary policy. Since its launch in 2015–16, the competition has engaged more than 30 universities from all ten provinces, offering undergraduate students a rigorous experiential learning opportunity grounded in economic analysis and real-world policy formulation. Teams develop and defend a monetary policy recommendation, integrating global and domestic outlooks, risk assessments, and econometric modelling—skills that mirror the analytical work of Bank staff. The GC's structure, featuring a virtual first round and an in-person national final at the Bank, fosters broad participation while providing finalists with immersive exposure to the policy environment.

Introduction

The Bank of Canada has a longstanding commitment to openness, outreach, and inclusion with the Canadian public. A central contributor to its success as a central bank has been the trust and understanding it has built up with Canadians by being transparent about its policy objectives, the rationale for its decisions, and their outcomes. As the Governor's Challenge (GC) reaches its tenth anniversary, this is an opportune moment to reflect on the program's achievements and lessons learned over the past decade.

The GC is an undergraduate student team competition that embodies and contributes to the Bank's tradition of openness, outreach and inclusion. Open to all universities across Canada, the GC encourages broad participation and provides targeted support to students and faculty advisors. In this competition, university teams formulate a recommendation for the Bank's next monetary policy decision and deliver an analytical presentation explaining their economic rationale for it.

¹ This paper was written to celebrate the 10th anniversary of the Governor's Challenge. To mark the occasion a panel on Economic Education: Experiential Learning and the Governor's Challenge was organized at the 2025 Canadian Economics Association. We thank the organizers, Kim P. Huynh and James MacGee, the chair of the session, Lawrence Schembri, and the panelists Murshed Chowdhury (University of New Brunswick), Fabrice Dabiré (University of Ottawa), Max Sties (University of Alberta), Joel Wood (Thompson River University). We thank the longstanding executive sponsor for this event, Toni Gravelle. We also thank Andrew Usher and Kim P. Huynh for their contributions to this paper. Finally, we thank all the judges over the years who volunteered their time and provided students with constructive feedback on their presentations. The views expressed in this paper are solely those of the authors and do not necessarily represent those of the Bank's Governing Council. The content is not related to the economic outlook or to the direction of monetary policy.

Launched in the fall of the 2015–16 academic year following extensive consultations and planning, the GC quickly established itself as a successful initiative (**Box 1**). More than 20 universities participated in the inaugural year, exceeding the level of participation needed to make the competition viable.

Over the program’s first decade, more than 30 universities—of varying sizes and from all ten provinces—have taken part in the competition in both official languages (See **Table 1**). In most years, more than 20 teams participate. A variety of schools have made the national finals and have won the competition. Notably, neither institutional size nor external ranking have been reliable predictors of success; rather, strong engagement from faculty advisors and the dedication of student participants have been the decisive factors.

Competition Design

The GC consists of two rounds: the first round, consisting of four to five brackets of all the teams, and a final round, that brings together five or six finalists selected in the first round.²

In the first round, teams are divided into brackets either based on region or randomly; both approaches have proven effective. Presentations are virtual to allow teams from across the country to participate at roughly the same time.

The presentations typically include similar analytical sections: global and domestic outlooks, a summary of the key risks, and a clear policy recommendation. Teams often use a macro-econometric model to connect existing data with their domestic economic outlook and policy recommendation. Students demonstrate their understanding of the specification of the model, how it is estimated and why they chose it. Most teams use a linear vector autoregression model which is less sophisticated than the large macro models used by Bank staff for similar purposes.

The final round traditionally takes place in person at the Bank of Canada headquarters in Ottawa, in the boardroom where the Bank’s Governing Council meets for data briefings and policy discussions. Finalist teams deliver a 15-to-20-minute presentation followed by a 10-to-15-minute question-and-answer period.³ The final round presentations are followed by a lunch at the Bank, during which the Governor announces the winner and runner-up.

² The first round normally takes place in mid-to-late November, and the final round takes place in early February to accommodate the timetables of students and Bank staff.

³ Judges ask questions related to teams’ presentations in addition to two standard questions that are given to all teams.

Box 1: The Origins of the Governor's Challenge

Bank of Canada staff members, James Chapman, Kim Huynh, and Lawrence Schembri, took the initiative to establish the Governor's Challenge (GC). They recognized the success of the U.S. Federal Reserve's "Fed Challenge" in engaging university students and believed the Bank of Canada could achieve comparable or greater impact.

They consulted with the education team at the Federal Reserve Bank of New York (FRBNY) who was responsible for their region's participation in the Fed Challenge and adapted their approach to design the GC for the Bank of Canada. The FRBNY's large outreach at both the university and high-school level made them an ideal candidate to emulate. They had dedicated economic education team devoted to the Fed Challenge. James McAndrews, the Executive Vice President of Research at the time, aided the Bank of Canada to develop the GC. In addition, staff members from the FRBNY Adrian Franco and Anand Marri attended in-person the first National Finals.

The national Fed Challenge consists of several Federal Reserve banks who chose to participate. Given the Bank's national structure, GC would be designed as a national competition. The participation of universities from across Canada would be a priority and actively encouraged. In addition, the GC would draw primarily from Bank staff in the Economics departments to serve as judges for the competition, rather pay external experts to play these roles.

The founding committee also consulted with the Bank's Human Resources, Communications and the Economics Departments. They understood that a Bank-wide effort was needed for the GC to be a success. With the support of these departments, the committee secured the senior management's endorsement of the GC's benefits for both the students and the Bank. Not only did it provide a rich learning opportunity for the students, but it helped expand the pool of Canadians with economics training, and interest in Canadian economic policy and the work of the Bank of Canada.

On an ongoing basis the GC is sponsored by a member of the Bank's Executive Council and managed by a steering committee with representation across different departments.

Judges for both rounds use a structured rubric to evaluate different aspects of the teams' presentations and Q&A performances. While points are awarded for teamwork and team balance, the largest share of the points is awarded for their economic analysis and the clarity of their explanations. The Q&A sessions are often helpful for gauging the depth of the team's understanding of the key issues influencing their recommendation. After the first round, teams receive written feedback from the judges with constructive guidance for improvement.

The competition is overseen by two or three chairs who alternate among the staff economists, within the Bank's economic departments. Aiding them is a committee of economists and financial sector specialists, as well as Communications and Human Resources staff to ensure the event's success. Judges for the first

round are chosen based on their ability to discern the quality of presentations, and their interest and availability.

Bank Experience

Bank staff consistently report that helping in both the first and final rounds of the Governor's Challenge is intellectually invigorating. The students introduce fresh perspectives on issues that are actively debated at the Bank. Where possible, managers are invited to attend the lunch with the finalists to foster networking opportunities that may support future recruitment.

The executive sponsor—typically a Deputy Governor—guides the economics staff in organizing the event. Considerable attention is devoted to selecting the topic for the common questions. These topics are chosen to reflect issues of current relevance to the Bank, but framed broadly enough to allow diverse analytical approaches. In the past, the topic was not articulated to the schools in advance. During the pandemic students were given the general topic the common questions would be centered on to help focus their efforts. This practice proved effective and has since been adopted permanently.

Student experience

Feedback from student participants indicates the GC offers an enriching educational experience. The competition enables students to connect the abstract theoretical concepts from the classroom to real-world economic and financial issues, relevant to their everyday lives. Participants learn valuable communication skills by synthesizing complex information into clear and coherent presentations. Participants have noted the experience as a highlight of their academic studies.

For finalists the experience is even more immersive. They interact directly with Bank staff throughout the day and present their policy recommendations in a format closely resembling briefings delivered to Governing Council. Finalists also value the opportunity to meet the and have a commemorative team photo taken with the Governor, who attends the lunch and announces the winner. Participation in the Challenge appears to increase students' interest in applying to the Bank—both for Research Assistant positions and for later roles in their careers. This effect is more pronounced among finalists in comparison to non-finalists, although the difference between winning and non-winning finalists is modest.

Some notable trends

Faculty sponsors are an indispensable part of the challenge. Their guidance shapes the students' analytical approach, enhances the clarity of their presentations, and helps teams refine their economic narratives. Although students complete the vast majority of the work, the impact of the faculty guidance plays a critical role. In many universities, the importance of the challenge to the academic experience has led them to turn the experience into a class or independent study credit.

The impact of the faculty is notable in making the finals. Throughout the history of the competition, some schools will be very successful for a period followed by years of non-qualification, a trend that appears linked to turnover in faculty advisors. The persistence in the success of schools can be discouraging to new participants. It may appear for a new school that reaching the final is unattainable. However, this must be balanced against the need to reward the strongest presentations and analysis.

Participants represent a wide range of institutions across all ten provinces, and of varied size and structure. Success in the competition does not correlate with research rankings or historical hiring outcomes. In fact, schools have found greater recruitment success after participating than before. The ongoing engagement of schools that have not reached the finals underscores the Challenge's educational value.

Overall, there has been a clear upward trend in the quality of presentations and economic analysis over the past decade. This improvement is evident not only for finalists but also across many non-finalist teams. We believe this is evidence that the competition has had an overall positive impact on the way macroeconomics has been taught in Canada. In particular for time series econometrics that had declined somewhat in undergraduate curricula. This benefits both the Bank and the broader economics profession that demand these skills.

Looking to the future

On the 31 May 2025, there was a panel discussion at the Annual Canadian Economics Association Meetings. Panelists emphasized that the GC enhances interest in macroeconomics and monetary policy, fosters experiential learning, and helps broaden engagement with economics more generally. The panelists look forward to the evolution of the GC outreach and highlighted the Bank's role in promoting economic and financial literacy.

Table 1: Summary of the outreach program

Academic year	Winner	Runner-up	Number of schools	External judge
2015-2016	McGill	-	22	William Robson
2016-2017	McGill	Wilfrid Laurier	24	William Robson
2017-2018	Wilfrid Laurier	U of Toronto St. George	24	Martin Eichenbaum
2018-2019	Wilfrid Laurier	Sherbrooke	24	Martin Eichenbaum
2019-2020	U of British Columbia	McGill	24	Sylvain Leduc
2020-2021	U of Alberta	U of Ottawa	22	Sylvain Leduc
2021-2022	U de Sherbrooke	U of Alberta	22	Genevieve Verdier
2022-2023	U of Alberta	U de Sherbrooke	19	Genevieve Verdier
2023-2024	U de Sherbrooke	U of Ottawa	26	N/A - cancellation
2024-2025	U of Ottawa	Guelph U	26	Genevieve Verdier

Source: <https://www.bankofcanada.ca/research/governors-challenge/>

Annex

A1: Economic Education: Experiential learning and the Governor's Challenge

Moderator: Lawrence Schembri (Fraser Institute)

Potential Panelists:

Murshed Chowdhury (U of New Brunswick)

Fabrice Dabiré (U of Ottawa)

Max Sties (U of Alberta)

Joel Wood (Thompson River University)

Date and Time: May 31, Saturday 14:00-15:30

Motivation: The Governor's Challenge just celebrated its 10th anniversary. Since its inception in 2015, between 21 and 30 schools in Canada have participated each year. This panel provides an opportunity to take stock of how the Governor's Challenge has impacted student learning and interest in macroeconomics in Canada and what could be done to make the program more impactful for students.

Scope of panel:

- Describe experiential learning of your school.
- Suggestions for improvement.
- Scope for other case competitions?

References:

The Bank of Canada Governor's Challenge:

<https://www.bankofcanada.ca/research/governors-challenge/>

[The College Fed Challenge: A roadmap for instructors: Journal of Education for Business: Vol 98, No 5](#)

The Federal Reserve Bank of New York Economic Education:

<https://www.newyorkfed.org/outreach-and-education/economic-education>

The Federal Reserve Bank of New York Fed Challenge:

https://www.newyorkfed.org/education/fedchallenge_college

The Federal Reserve Board of Governor's Fed Challenge:

<https://www.federalreserve.gov/aboutthefed/educational-tools/fedchallenge.htm>