

The following is an edited version of the questions and answers given during the first Q&A session for the FDIC Academic Challenge on October 6, 2021. Thanks to all participants in the conference call for their engagement and interest.

Q: I'm enrolled at the international campus of a U.S.-based university. May I compete in the Academic Challenge?

A: Students enrolled at international campuses of U.S.-based colleges and universities may not compete in the FDIC Academic Challenge.

Q: May graduate students participate in the Academic Challenge?

A: No. The FDIC Academic Challenge is for undergraduate students. A student who has not completed an undergraduate degree before September 2021 is eligible to compete.

Q: Is it necessary for a team to use advanced statistical or econometric approaches in the written response to be competitive in the Academic Challenge?

A: No. Teams are encouraged to use whatever approach best illustrates the economic argument they are making in their response to the Challenge question. This approach may be statistical, graphical, or qualitative. A team's advisor may be a helpful resource in deciding what methods would create an effective answer for this year's question.

There is no requirement that statistical methods be part of a team's answer at any stage of the FDIC Academic Challenge. The most important thing about a team's chosen methodology is that it effectively highlights the economic trends that the team wants to bring to the judges' attention. Teams are encouraged to be creative in their choice of economic issues to highlight and their chosen methodologies for doing so.

Q: How is the provided data structured for this year's Academic Challenge?

A: FDIC is including three different files as part of the data set provided with this year's Academic Challenge. Each of these files has a slightly different structure, as the raw data are reported at different levels of aggregation and timeliness.

The ACdata_call file is at the bank-county-quarter level. That is, every observation in the dataset is for a given bank in a given county in a given quarter. However, not all variables actually change across observations at this level. For example, data from the Summary of

Deposits show the dollar amount of deposits that a bank held in a county as of June 30th, 2020. This variable does not change across quarters. Data from the Call Reports give information about a bank's loans and assets every quarter. These variables do not change across counties – the variable values are for the bank as a whole and are not county-specific. So if a bank shows a value of 1000 for agricultural loans in a given observation, this means that the bank holds \$1 million dollars worth of agricultural loans in total, not just in that particular county. Data from Johns Hopkins on COVID cases are for the given county and quarter, but do not vary across banks. That is, all banks in a given county and quarter should have the same values for the number of reported COVID cases.

The ACdata_Census file is at the state by survey date level. More precisely, the data are approximately biweekly, as they come from the Census Household Pulse survey. This survey changed its frequency during its lifetime and occasionally has small gaps when the survey was not administered, generally because the survey questions were being altered. An observation in this data set is for a given state on the given date.

The ACdata_PPP file is at the state-industry-day level. Every observation is for a given industry within a given state on a given day. These data reflect the number and quantity of Paycheck Protection Program loans given within a state and so have frequent gaps on weekends and holidays. COVID case data are provided through these gaps for continuity, though the date value is omitted in the data for days on which no PPP loans are made.

Understanding the data structure, with its resulting strengths and weaknesses, is important for using the data to draw strong conclusions. For example, comparing a bank's deposit amount for a county against the loan amount that the same bank makes across all counties is likely not a useful comparison. Groups should exercise care in handling the data properly. Doing so is an important part of the Challenge, and part of what makes it so challenging.

Q: How are PPP loans represented in the ACdata_PPP file?

A: There are two variables that indicate the number and dollar amount of loans made within a state to firms in a particular industry on a given day. The *num_loans* variable shows the number of loans made, while the *initialapprovalamount* variable shows the dollar amount of the loans. The *naics2* variable shows a two digit code that identifies the industry that received the loans on the given day in the given state. Note that if the *naics2* code is 0, then this observation represents the total number of loans and the total dollar amount of loans across all industries that were made on the given day in the given state. The codebook contains more details on the variable definitions.

Q: How are policy recommendations evaluated?

A: Teams should demonstrate an understanding of FDIC's scope and mission in regulating the banking sector when making policy recommendations. While some economic issues identified by a team might be addressed by responses clearly outside the FDIC's mandate (for example, changes in tax policy), teams should highlight the role that FDIC can play either independently or in concert with any other policy changes. The grading rubric indicates that judges will be looking for how teams relate their policy recommendations to the FDIC.

Q: Should computer code be included as an appendix to the written submissions?

A: The page limits on the written submission allow for up to 6 pages of figures and tables. Any computer code submitted will count against this limit. Teams should include the tables and figures that they feel best support the arguments that they make in the main text of their written submission.

Q: Is there a minimum length for any portion of the written submission?

A: No. The limits on the written submission all refer to maximum lengths. The limits allow teams to submit up to 6 pages of written text, up to 6 pages of self-contained figure and tables, and up to 1 page of executive summary of their findings, for a total of 13 pages across these three sections of the submission.

Note that the reference section is not subject to any limit on length. Teams should cite all sources fully and completely, using any academic citation style. To make sure that teams have room to cite all their sources accurately, there is no limit to the length of the references section.

Q: Can more than one team based at the same U.S. college or university compete in the Academic Challenge?

A: Yes. There is no limit on the number of teams affiliated with a single institution that may participate in the FDIC Academic Challenge. Judges are not aware of the college or university affiliation of a team when evaluating written submissions and presentations, so multiple teams from the same institution will be evaluated independently of one another throughout the competition.

Q: Some of the provided files have data available on different dates than other files. How should teams merge this data together if they wish to compare variables in different datasets?

A: The raw data is assembled from numerous sources, and these sources did not all contain information for the exact same set of calendar dates. Teams should read the provided codebook for the FDIC provided data and, if necessary, the raw data documentation files to understand the frequency at which different variables are reported.

Teams should use their best judgement when performing any such merges. Teams should report and justify any decisions when merging datasets with imperfect alignment of data dates. For example, the Census Household Pulse Survey data are available for March 29 and April 26 in the ACdata_Census file, while Call Report data are available as of March 31 in the ACdata_call file. Depending on the exact comparison that the team is hoping to make between the Call Report and Census data, it may be reasonable to align the Call Report data with either the March 29 or April 26 survey data. Regardless of which date the team chooses to align with the Call Report data, the team should make the reasons for the decision clear when describing their results.