

Report for NZFGW

Cath Sleeman

I completed my undergraduate studies at the University of Canterbury and then worked for four years as an Economist at the Reserve Bank of New Zealand. In September 2008 I began the MPhil in Economics at Cambridge University. My home was Christ's College, whose past students include Darwin and Milton. I really enjoyed 'my year at Cambridge'. I made great friends and had many wonderful experiences. I gained distinction in my final exams. From Cambridge, I am moving to London where I will join Morgan Stanley as an Economist in their Research Division. I am extremely grateful to the NZFGW for their support.

I will take many great memories with me from Cambridge. Every Tuesday, the graduates at Christ's dined in the college's formal hall. Its ceilings are as high as those of a cathedral and all along the walls are portraits of past students. Another highlight was watching 'the boat race' in London. The race brought over a quarter of a million people to the banks of the Thames. Despite the cold, the atmosphere was fantastic, with everyone wearing their college scarves and screaming for Oxford or Cambridge. More recently, I had the chance to try punting on the river Cam. My friends and I made it to Grantchester and spent the afternoon at the Orchard Tea Gardens, whose former patrons include Keynes (the economist) and Virginia Wolf. The highlight of my year was attending Queens College's May Ball. Each college throws a formal ball that begins in the late evening and finishes the following morning with breakfast and a 'survivors photo'. The ball was spread over the college's grounds and included fairground rides, a spectacular display of fireworks and the most amazing array of food and music.

Among the courses I took my favourite was Behavioural Economics. This relatively new field combines neurology and economics to examine how people make decisions. We looked at issues such as drug addiction and analysed the rate at which people 'discount the future'. For my dissertation, I examined the accuracy and the efficiency of forecasts published by the Reserve Bank of New Zealand. I found that, contrary to recent research, the Bank's interest rate projections are not biased. I did however find a bias in the inflation forecasts for horizons beyond one year. I hope that my research will help the Reserve Bank to monitor and improve the accuracy of its forecasts.