



Economics

COLLEGE OF LIBERAL ARTS & SCIENCES

ECON 490

The Economics of Education

Meeting Times: Tuesday/Thursday, 9:30am-10:50am in DKH 119

Instructor: Morgan Foy (foy@illinois.edu)

Office Hours: Tuesday 11:00-12:00, Thursday 2:00-3:00, DKH 101A

Course Description

This course examines how and why we invest in education, the impact of education on long-term economic outcomes, and the design of public policies that shape the level and distribution of education resources. Topics include the returns to education, government funding in K-12 and higher ed, teacher labor markets, and school choice mechanisms.

Course Goals

By the end of the course, students should have developed an understanding of:

- 1) The impacts of education on both individuals and society
- 2) Education markets and various policy interventions
- 3) Causal inference and how it can be applied to questions in education
- 4) How to think critically about the effects of potential education policies

Prerequisites

Econ 302 or equivalent. Previous coursework in statistics/econometrics is very helpful, please meet with me if you have not taken any econometrics.

Readings

Readings will be assigned the week prior. The (recommended) textbook for this class is *Economics of Education* by Michael Lovenheim and Sarah E. Turner.

Requirements

- **Problem sets:** There will be about 6 problem sets throughout the semester, due Thursday nights at 11:59p on Canvas. No late submissions will be accepted but I will drop your lowest problem set score when determining grades. I will provide exact due dates during class.
- **Midterm:** There will be an in-class midterm on Thursday March 12.
- **Final exam:** The final exam is Tuesday May 12th at 7pm.

Grading

Grades will be on a +/- scale and may follow a curve. The grades will be determined with the following weights:

- Final exam (40%)
- Midterm (30%)
- Problem sets (20%)
- Participation (10%)
 - We will discuss readings/course material during class. Credit given for asking questions/stimulating discussion during class and/or office hours.

Course Policies

Assignment Policy: Problem sets to be turned in on Canvas by the deadline (e.g., Thursday 11:59p). No late problem sets accepted, but the lowest score will be dropped.

You are encouraged to work with others, but each student must hand in their own solutions in their own words. I ask that if you worked with others (or consulted AI) that you write that on the top of the first page.

- e.g., I worked with Lucy and consulted ChatGPT

Exam Policy: There are no make-up exams without an approved excuse. Approved excuses include 1) medical reasons, in which case you should bring a letter from a medical professional 2) death or serious illness of an immediate family member or close friend (documentation required), or 3) conflict with a religious holiday. Requests for exam make-ups should be made as far in advance as possible. I reserve the right to give the student a zero if a student misses an exam.

We will follow the university guidelines on student conflicts with final exams.

Regrades: Regrade requests must be submitted in writing within a week after an assignment or exam is returned. A regrade request must include a detailed summary of why a student believes the grade is incorrect. I will regrade the entire assignment/exam, meaning that a grade can go up or down.

Course Schedule (subject to change with advance notice)

1	Jan 20	Introduction
	Jan 22	Education markets
2	Jan 27	Education policy in the US
	Jan 29	Causal inference
3	Feb 3	Education production function
	Feb 5	Inputs: Class size / peer effects (PS1 Due)
4	Feb 10	Human capital model
	Feb 12	Signaling model
5	Feb 17	Returns to education I
	Feb 19	Returns to education II (PS2 due)
6	Feb 24	Public school finance I
	Feb 26	Public school finance II
7	Mar 3	Teacher labor markets I
	Mar 5	Teacher labor markets II (PS3 due)
8	Mar 10	Midterm review
	Mar 12	Midterm
	<i>SPRING BREAK</i>	
9	Mar 24	Teacher value added
	Mar 26	School accountability programs
10	Mar 31	School choice I
	Apr 2	School choice II (PS4 due)
11	Apr 7	Higher education I
	Apr 9	Higher education II
12	Apr 14	College costs, financial aid I
	Apr 16	College costs, financial aid I (PS5 due)
13	Apr 21	College admissions
	Apr 23	College choice I
14	Apr 28	College choice II
	Apr 30	College quality (PS6 due)
15	May 5	Wrap up, final review
	FINAL: Tuesday May 12 7-10p	

Academic Assistance

Students are encouraged to utilize the many resources we have throughout campus to assist with academics and visit the [Connie Frank CARE Center](https://economics.illinois.edu/academics/undergraduate-program/academic-student-support). We recommend that you seek them out starting early in the semester, not just in times of academic need, in order to develop good study habits and submit work which represents your full academic potential. Many resources are found on the Economics Website including details about the Economics Tutoring Center, Academic Advising, and other academic support options:

<https://economics.illinois.edu/academics/undergraduate-program/academic-student-support>

Academic Integrity

According to the Student Code, “It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions.” Please know that it is my responsibility as an instructor to uphold the academic integrity policy of the University, which can be found here: <https://studentcode.illinois.edu/article1/part4/1-401/>

Academic dishonesty may result in a failing grade. Every student is expected to review and abide by the Academic Integrity Policies. It is your responsibility to read this policy to avoid any misunderstanding. Do not hesitate to ask the instructor(s) if you are ever in doubt about what constitutes plagiarism, cheating, or any other breach of academic integrity. **Read the full Student Code at <https://studentcode.illinois.edu/>**

Students with Disabilities

To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to disability@illinois.edu. DRES Website: www.disability.illinois.edu/

Connie Frank CARE Center /Community of Care

As members of the Illinois community, we each have a responsibility to express care and concern for one another. If you come across a classmate whose behavior concerns you, whether in regards to their well-being or yours, we encourage you to refer this behavior to the [Connie Frank CARE Center](https://economics.illinois.edu/academics/undergraduate-program/academic-student-support) (217-333-0050 or <http://odos.illinois.edu/community-of-care/referral/>). Based on your report, the staff in the Connie Frank CARE Center reaches out to students to make sure they have the support they need to be healthy and safe. Further, we understand the impact that struggles with mental health can have on your experience at Illinois. Significant stress, strained relationships, anxiety, excessive worry, alcohol/drug problems, a loss of motivation, or problems with eating and/or sleeping can all interfere with optimal academic performance. We encourage all students to reach out to talk with someone, and we want to make sure you are aware that you can access mental health support at the Counseling Center (<https://counselingcenter.illinois.edu/>) or McKinley Health Center (<https://mckinley.illinois.edu/>).

For mental health emergencies, you can call 911 or walk into the Counseling Center, no appointment needed.

Disruptive Behavior

Behavior that persistently or grossly interferes with classroom activities is considered disruptive behavior and may be subject to disciplinary action. Such behavior inhibits other students' ability to learn and an instructor's ability to teach. A student responsible for disruptive behavior may be required to leave class pending discussion and resolution of the problem and may be reported to the Office for Student Conflict Resolution for disciplinary action.

Emergency Response Recommendations

Emergency response recommendations can be found at the following website:

<https://police.illinois.edu/em/planning/>. I encourage you to review this website and the campus building floor plans website within the first 10 days of class. <https://police.illinois.edu/em/building-emergency->

[action-plans/](#).

Religious Observances

The Religious Observance Accommodation Request form is available at

<https://odos.illinois.edu/community-of-care/resources/students/religious-observances/>. Submit the form to the instructor and to the Office of the Dean of Students (helpdean@illinois.edu) as soon as possible.

Family Educational Rights and Privacy Act (FERPA)

Any student who has suppressed their directory information pursuant to Family Educational Rights and Privacy Act (FERPA) should self- identify to the instructor to ensure protection of the privacy of their attendance in this course. See <http://registrar.illinois.edu/ferpa> for more information on FERPA. Student information and records will not be released to anyone other than the student unless the student has provided written approval or as required by law.

Sexual Misconduct Reporting Obligation

The University of Illinois is committed to combating sexual misconduct. Faculty and staff members are required to report any instances of sexual misconduct to the University's Title IX and Disability Office. In turn, an individual with the Title IX and Disability Office will provide information about rights and options, including accommodations, support services, the campus disciplinary process, and law enforcement options. A list of the designated University employees who, as counselors, confidential advisors, and medical professionals, do not have this reporting responsibility and can maintain confidentiality, can be found here:

<http://www.wecare.illinois.edu/resources/students/#confidential>.

Other information about resources and reporting is available here: <http://wecare.illinois.edu/>.

Student Support

The Counseling Center is committed to providing a range of services intended to help students develop improved coping skills in order to address emotional, interpersonal, and academic concerns. Please visit their website to find valuable resources and services: [https://counselingcenter.illinois.edu/..](https://counselingcenter.illinois.edu/)

Counseling Center Information: 217-333-3704

Location: Room 206, Student Services Building (610 East John Street, Champaign IL)

McKinley Mental Health Information: 217-333-2705

Location: 3rd Floor McKinley Health Center 1109 South Lincoln, Urbana, IL

Emergency Dean: The Emergency Dean may be reached at (217) 333-0050 and supports students who are experiencing an emergency situation after 5 pm, in which an immediate University response is needed and which cannot wait until the next business day. The Emergency Dean is not a substitute for trained emergency personnel such as 911, Police or Fire. If you are experiencing a life threatening emergency, call 911. Please review the Emergency Dean procedures: <https://odos.illinois.edu/community-of-care/emergency-dean>

Academic Dates and Deadlines

Students should make note of important academic deadlines for making changes to their courses (add, drop, credit/no-credit, grade replacement, etc.). <https://registrar.illinois.edu/academic-calendars>

Please check with your academic department regarding specific procedures and policies.