



Want to Improve Mizzou? Look East

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Last fall, at the same time the University of Missouri announced the first decline in enrollment in 15 years, Purdue University in West Lafayette, Indiana, announced record-breaking enrollment. Tuition at Purdue has been frozen since 2012–13 and will remain unchanged through the 2017–18 school year. The cost of room and board has actually gone down since 2012–13.

T.S. Eliot said that “Immature poets imitate; mature poets steal.” The same can be true of universities. If Mizzou wants to be great, it can learn a lot from Purdue.

Under the leadership of President Mitch Daniels, Purdue has undertaken a series of projects designed to keep education affordable, research productive, and the college experience relevant in the 21st century. In addition to more traditional reforms like better budgeting and leveraging economies of scale to shave costs, Purdue continues to push the innovation envelope.

An easy way to lessen the burden of student debt is to reduce the amount of time that students must spend in the classroom altogether. Purdue has experimented with competency-based education (CBE) to achieve this. CBE is an accreditation system that grants students credit once they demonstrate mastery of a subject. Rather than waste time in the traditional 15-week classroom, students earn credit after demonstrating expertise in eight broadly defined primary competencies.

An expedited education can help more than just the student's wallet, and Purdue's Polytechnic Institute lets students work through a customized course of studies at their own pace. If they need to spend more time in a course that is especially challenging, they can. But if they can graduate faster, they face a smaller tuition bill and a quicker entrance into the workforce to earn income.

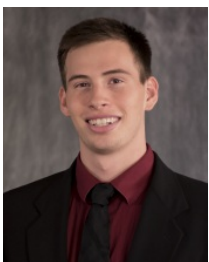
But that's not all—Purdue is also experimenting with income share agreements (ISAs) to help students finance their education. Through the "Back a Boiler" program, students can commit a percentage of their income for a set amount of years to pay back their college costs instead of taking out a lump sum loan.

ISAs protect students who find themselves graduating but unable to secure a high-paying job. If their salary is lower than expected, they aren't buried in unmanageable debt. Likewise, if students are more successful after graduation, then the school (i.e., the initial lender) will make back more money. Inherently, ISAs incentivize lenders to maximize the value a student gains from their degree, because both the school and graduates will benefit from post-graduation success

Third, Purdue embarked on an unprecedented partnership with Amazon to provide products at a much lower cost to its students. In fact, Amazon's first-ever pickup store was launched on Purdue's campus. Students are offered discounted products with expedited shipping, Purdue is given a percentage of the total profits to invest in scholarships, and Amazon is introduced to a fresh wave of users each year.

Eliot also said that "anxiety is the hand maiden of creativity." As Mizzou reels from fears of enrollment decline and a tarnished reputation, it can redouble its efforts to innovate.

About the Author



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Michael was a policy researcher at the Show-Me Institute. A native of Saint Louis, he earned a Bachelor of Science degree in business administration with emphasis in economics at Saint Louis University. Michael researched budget and tax policy with the Show-Me Institute.



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