



**POLICY
MATTERS**

Lifting the Weight of College Textbooks Costs

Concern over the growing cost of textbooks has reached into the halls of Congress and numerous statehouses in recent months as students, higher education officials, publishers and lawmakers look to address the rising prices of textbooks.

Context

Already strained student and family budgets are beginning to feel pressure from another source—the high cost of college textbooks. Prices have climbed to the point that a growing number of students are choosing not to buy them. According to the College Board, students spent an average of \$853 on textbooks and supplies in the 2004–2005 academic year at public four-year institutions, an increase of almost \$200 over the past five years. As a result, politicians and colleges across the country are looking for ways to ensure that all students can afford the books they need.

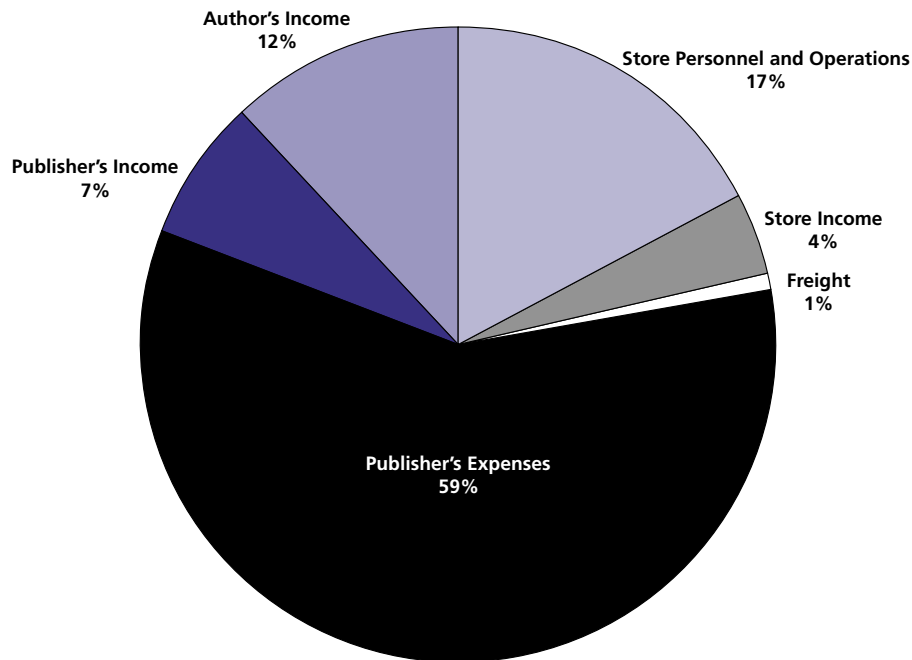
Many of these developments can be traced to a recent report by the State Public Interest Research Group (PIRG) titled *Ripoff 101: How the Publishing Industry's Practices Needlessly Drive Up Textbook Costs*. Released in February 2005, the study examined textbook prices at numerous California and Oregon campuses. The analysis found that textbook prices are increasing at more than four

times the inflation rate for all finished goods and that wholesale prices charged by textbook publishers jumped 62 percent since 1994.

Rapidly rising prices are being blamed on many publishers' practices, including frequently producing new editions of textbooks with few significant content changes. This causes older versions to be deemed outdated and prevents students from selling them for a profit or buying them used at a discounted rate. The report also found that publishers often bundle textbooks with supplemental, and often superfluous, materials and offer the same textbooks overseas at much lower prices.

In response, the Association of American Publishers disputed PIRG's findings, citing flawed methodology. The National Association of College Stores also released figures saying that college store margins and book prices have not increased significantly over the past several years.

Breakdown of Each Dollar Spent on new Textbook



Source: National Association of College Stores
College Store Industry Financial Report 2003.

As a result of these conversations, many in the publishing and policy communities have begun to look at new ways to make college textbooks more affordable.

Observations

Offering textbooks at reasonable prices is an important part of ensuring that students receive a quality and affordable education. Several states have examined ways to lower textbook costs, and institutions and students have responded.

Exempting textbook purchases from sales tax is one of the more prevalent means policymakers are using to help students and their families with the rising costs of textbooks. State policymakers in Illinois, New York, Texas, Utah and Vermont introduced similar measures in the 2005 legislative session. In Congress, the College Textbook Tax Credit Act would provide an annual tax credit of up to \$1,000 on any required college book.

Several pieces of state legislation address the issue of bundling, when publishers sell textbooks along with supplementary materials, causing drastic price jumps. According to the state PIRG groups' survey, bundled books are 10 percent more expensive than their unbundled counterparts, while 65 percent of the faculty surveyed said that they used bundled items "rarely" or "never." Working with California's PIRG, Governor Arnold Schwarzenegger signed a bill urging textbook publishers to stop bundling books with supplemental materials. Pending legislation in Connecticut and West Virginia would prohibit the practice of forcing students to purchase items that accompany textbooks.

States and publishers are also looking to control textbook prices. A Maryland bill would create a consortium of the state's public universities, enabling them to receive a volume discount. In New York, legislators are debating a bill that would create an academic review board requiring all

publishers planning to introduce a new edition of an existing textbook to justify its necessity. The group also would establish a ceiling for an acceptable cost increase of the same textbook. Additionally, publishers including Thomson Learning and Pearson Education, have recently introduced lower-cost alternatives to some of their more popular textbooks.

Working with faculty is crucial since instructors are often the decision-makers on what textbooks students must buy. The Illinois State Board of Higher Education recently recommended raising faculty awareness to cost-saving options, such as using the same textbook for several semesters, avoiding bundled textbooks and placing a copy of required texts in the library. In New York and Virginia, legislators are debating measures that would prohibit instructors from receiving incentives from publishing companies.

Institutions and students are using creative ways to tap into the used textbook market, including textbook rentals. A number of public colleges and universities, including the University of Wisconsin-River Falls and Southern Illinois University Edwardsville, offer such programs. At Southeast Missouri State University, students pay \$83.75 a semester to rent textbooks for five courses. The University of Massachusetts administration recently gave its support to a textbook rental program proposed by the school's Student Government Association. In Illinois, legislators are debating a bill that would require the state Board of Higher Education to create a statewide textbook rental program. Participating institutions would be given grants to cover start-up costs, while students attending those institutions would also be given the option of buying books with a 20 to 40 percent discount off the retail price.

Students have discovered alternative avenues to find books at lower prices online. Well-known purveyors such as amazon.com and half.com often sell textbooks at lower prices, while cheaper

books can also be found on their foreign partners' websites. Campuses can take advantage of these sites by posting information on alternatives to campus bookstores and letting students know which books they will need as quickly as possible so that students can comparison shop.

Student run online textbook exchanges are becoming more widespread. At the University of Connecticut, several students created a software company that allows students to buy and sell books directly to their peers. Similar programs were also recently established at Florida A&M University, Purdue University (Ind.) and the College of William and Mary (Va.). Students at the University of North Texas created swapsimple.com, where students from around the country can exchange books for a fee of just \$2 and the cost of shipping. Additionally, several state PIRGs collaborated to create a program called CampusBookSwap.com that is available to students at 29 schools in 20 states.

Conclusion

While rising prices of college textbooks are becoming a greater concern, college and university leaders have a role to play in ensuring that students have access to affordable academic resources, including textbooks. Movement at the statehouse level promises to continue, as policymakers strive to offer financial relief to students and parents. On campus, administrators and students will certainly continue their efforts to improve textbook affordability. Fortunately, a variety of options are available on both the state and institutional level for all types of schools and students.

Resources

The State Public Interest Research Group's (PIRG) *Ripoff 101: How the Publishing Industry's Practices Needlessly Drive Up Textbook Costs* examines textbook prices at 59 colleges and universities across the country and a number of industry practices. calpirg.org/

Testimony from the U.S. House of Representatives Committee on Education and the Workforce Subcommittee on 21st Century Competitiveness July 2004 hearing on “*Are College Textbooks Priced Fairly?*” offers viewpoints from PIRG, the publishing industry, college stores and a public institution that offers a textbook rental program to its students.

<http://edworkforce.house.gov/hearings/108th/21st/textbooks072004/wl072004.htm>

A January 2005 report by the Connecticut Board of Governors for Higher Education offers several recommendations in helping students buy textbooks at appropriate and reasonable prices.

<http://www.ctdhe.org/info/pdfs/TextbookTaskforceRecommendations.pdf>

The Illinois Board of Higher Education reported its findings on the feasibility of a textbook rental program in February 2005. The study, *Report on Textbook Rental Study*, notes the difficulties, particularly for large, research-oriented public universities, to offer such a program. The paper also offers several alternatives, including improving buy-back options, avoiding bundling and working with faculty members.

<http://www.ibhe.state.il.us/Board/Agendas/2005/February/Item%2010.pdf>