

# Tipping point:

## Controlling college textbook prices

### Merriah S. Fairchild

Merriah S. Fairchild is a higher education advocate for the California Public Interest Research Group (CALPIRG). Based in Los Angeles, she works with the CALPIRG student chapters on higher education issues with an eye toward increasing financial aid for college students. She got her start with the state PIRGs as a student at the University of Oregon, where she served as chair of the OSPIRG Student Chapters. She received a bachelor's degree from the University of Oregon in 2000 and then joined the staff of the state PIRGs as a campus organizer for CALPIRG.

## Executive summary

Providing the opportunity to attend institutions of higher learning is the most efficient way to develop a more educated, skilled and engaged citizenry. Given the economic challenges that face states such as California, however, the amount of state funding available for higher education is highly unlikely to meet the population's needs in the next few years. For example, tuition at the University of California will increase again in 2005-2006, a 79 percent increase since 2001-2002.<sup>1</sup> As a result, many students and their families will bear a greater portion of the cost, and other students will be excluded completely.

Now is an important time to implement new, innovative strategies for maintaining access to higher education by reducing smaller, ancillary college costs that can act as a "tipping point" for students on the economic margins. The cost of textbooks has always constituted a meaningful portion of higher education costs. In the past two decades, however, the price of textbooks has soared to unprecedented levels. According to the National Association of College Stores, the wholesale price of college textbooks has gone up 32.8 percent since 1998, almost double the 18 percent increase in the wholesale price of ordinary books over the same period.<sup>2</sup>

This dramatic increase in textbook costs, combined with increases in tuition and cuts to financial aid, has many students worried about how they will afford a college education. As a result, scrutiny of the textbook industry has intensified. In October 2003, *The New York Times* ran a feature story on the industry's opaque pricing practices, sparking news stories around the country and prompting calls from Congress and state legislatures for policy solutions.<sup>3</sup>

In January 2004, the CALPIRG Education Fund released a report entitled *Rip-off 101: How the Current Practices of the Publishing Industry Drive Up the Cost of College Textbooks*. The report found that part of the reason students pay close to \$900 on average each year for textbooks is that publishers artificially inflate the price of textbooks. They do this by adding unnecessary bells and whistles, and by forcing cheaper used books off the market in favor of new editions that are similar to the previous editions.

Based on these findings, the following recommendations summarize the reforms that the CALPIRG Education Fund is supporting and working to achieve:

- Textbooks should be priced and sold to students at a reasonable cost.
  - Publishers should keep the cost of their books as low as possible without sacrificing educational content.
  - When publishers sell textbooks bundled with other items, they also should sell the same textbook separately.
  - Publishers should pass on to students the cost savings achieved from creating online textbooks in lieu of print editions.
  - Faculty should have the right to know how their textbook choices will affect students financially.

- **Publishers, faculty and universities should build a vibrant used textbook market.**
  - Each textbook edition should be kept on the market as long as possible without sacrificing the educational content so that students can buy and sell used copies.
  - Faculty should give preference to the cheapest textbook when the educational content is equal.
  - Students should be able to secure textbooks in multiple forums.

**Because the cost of textbooks can act as a “tipping point” for many students, discussion focused on the larger challenge of increasing access to college as state and federal aid fails to keep pace with rising college costs must include strategies for controlling textbook costs.**

## Context

Providing the opportunity to attend institutions of higher learning is the most efficient way to foster the development of a more educated, skilled and engaged citizenry. Offering this opportunity to talented students is essential to the long-term economic and social health of our country and should therefore be given a high priority during the nation’s current economic struggles. However, given the economic challenges facing states such as California, the amount of state funding available for higher education is highly unlikely to increase in the next few years. For example, tuition at the University of California will rise again in 2005-2006, a 79 percent increase since 2001-2002.<sup>4</sup> As a result, many students and their families will bear a greater portion of the cost, and other students will be excluded completely.

Now is an important time to implement new, innovative strategies for maintaining access to higher education by addressing affordability and reducing smaller, ancillary college costs that can act as a “tipping point” for students on the economic margins.

## Background

The cost of textbooks has always constituted a significant portion of higher education costs. In the past two decades, however, the price of textbooks has soared to unprecedented levels. According to the National Association of College Stores, the wholesale price of college textbooks has gone up 32.8 percent since 1998, almost double the 18 percent increase in the wholesale price of ordinary books over the same period. The average annual increase was 5.9 percent

<sup>1</sup> Rebecca Trounson (2004). “UC Fee Hikes Ok’d Again,” *The Los Angeles Times*, November 19.

<sup>2</sup> California Performance Review (2004). “Make Higher Education More Affordable by Lowering the Cost of Textbooks.” A copy of the report is available at: <http://report.cpr.ca.gov/cprprt/issrec/etv/etv17.htm>.

<sup>3</sup> Tamar Lewin (2003). “Students Find \$100 Textbook Cost \$50, Purchased Overseas.” *New York Times*. October 21.

<sup>4</sup> Rebecca Trounson. (2004). “UC Fee Hikes Ok’d Again,” *The Los Angeles Times*, November 19.

for college texts, whereas other books saw an average annual increase of 3.1 percent for other books.<sup>5</sup>

The National Association of Independent Colleges and Universities reports that the national average cost of books and supplies for a first-time, full-time student was \$867 in the 2002-2003 academic year.<sup>6</sup> Some students, particularly science and math majors, spend more than \$800 in just one semester. A single chemistry text, *Solid State Chemistry and its Applications*, currently sells for \$275 at the University of California—Santa Barbara (UCSB) bookstore.<sup>7</sup>

These dramatic increases in textbook costs, combined with increases in tuition and cuts to financial aid, have many students worried about how they will afford a college education. As a result, scrutiny of the textbook industry has intensified. In October 2003, *The New York Times* ran a feature story on the industry's opaque pricing practices, sparking news stories around the country and prompting calls from Congress and state legislatures for policy solutions.<sup>8</sup> In January 2004, Sen. Chuck Schumer (D-N.Y.) urged the U.S. Department of Education to encourage schools to sell materials separately and urged publishers to sell books unbundled from CD-ROMs and other materials.<sup>9</sup> In March 2004, the Connecticut legislature directed the state Commissioner of Higher Education to investigate the publishing industry's practices.<sup>10</sup> In April 2004, Illinois Gov. Rod Blagojevich asked the Illinois State Board of Education to investigate the textbook industry for price-gouging.<sup>11</sup> In July 2004, the House Committee on Workforce and Education held a hearing called "Are Textbooks Priced Fairly?" Witnesses included

representatives of the National Association of College Stores, the Association of American Publishers and the CALPIRG Education Fund, a 501 (c)(3) organization that works to promote affordable education, consumer protection and good government in the state of California. Most recently, in September 2004, California Gov. Arnold Schwarzenegger signed a bill urging textbook publishers and universities to offer more used textbooks and change many of the practices that increase costs to students, including bundling books with expensive add-ons such as CD-ROMs.<sup>12</sup>

Meanwhile, on campus, an increasing number of students and faculty members are calling for action that will hold the textbook industry accountable and lower textbook prices. In January 2004, the CALPIRG Education Fund released *Rip-off 101: How the Current Practices of the Publishing Industry Drive Up the Cost of College Textbooks*. The report surveyed cost information about the books most widely adopted at colleges and universities in California and Oregon and surveyed faculty members who taught from those books.<sup>13</sup>

The report found that part of the reason students pay close to \$900 on average each year for textbooks is that publishers artificially inflate the price of textbooks by adding unnecessary bells and whistles. Simultaneously, they force cheaper used books off the market by producing new editions of textbooks that are very similar to the previous editions. The report also found that most faculty members surveyed think that many of the items added to the new editions do little to enhance the educational value of the book. In fact, faculty members often support efforts to

<sup>5</sup> California Performance Review (2004). "Make Higher Education More Affordable by Lowering the Cost of Textbooks." A copy of the report is available at: <http://report.cpr.ca.gov/cprprt/issrec/etv/etv17.htm>.

<sup>6</sup> California Performance Review.

<sup>7</sup> California Performance Review.

<sup>8</sup> Tamar Lewin (2003). "Students Find \$100 Textbook Cost \$50, Purchased Overseas." *New York Times*. October 21.

<sup>9</sup> Senator Schumer Homepage. January 15, 2004. [http://schumer.senate.gov/SchumerWebsite/pressroom/press\\_releases/PR02308.html](http://schumer.senate.gov/SchumerWebsite/pressroom/press_releases/PR02308.html).

<sup>10</sup> Connecticut Public Interest Research Group (ConnPIRG) Newsletter (Summer 2004). Available at: <http://connpirg.org/newsletters/CTsummer2004.pdf> pg. 2.

<sup>11</sup> *The Chicago Tribune* (2004). Editorial, "A Textbook Case of Inflation," *The Chicago Tribune*, April 16.

<sup>12</sup> Conor Dale (2004). "Governor Decides on Education Bills," *The Daily Californian*, September 20.

<sup>13</sup> Author's report. Available at: <http://www.maketextbooksaffordable.com/newsroom.asp?id2=14221>, Pg. 4

**One calculus professor from UCLA wrote about his experience with calculus textbooks:**

“The subject of calculus did not change much in the last 100 years! And there are no reasons why the textbooks have to be updated every five years or even more frequently. New illustrations are sometimes added, exercises are shuffled and so on, but these do not substantially affect teaching/learning. Textbook publishers produce new editions solely as a means to sell more books and make more profit.”<sup>14</sup>

streamline costs and extend the shelf life of current editions. Lastly, the report found that, although 91 percent of students looked for used books each semester, fewer than half actually found them. The report, which was peer reviewed by multiple academics who supported its methodology, is available online at [www.calpirgstudents.org](http://www.calpirgstudents.org) or [www.maketextbooksaffordable.com](http://www.maketextbooksaffordable.com).

Thomson Learning, one of the nation’s largest and most prominent publishers, produces a widely taught series of introductory calculus textbooks that offers a prime example of how publishers artificially inflate textbook prices. An inspection of one of its most popular books, *Calculus: Early Transcendentals*, revealed only cosmetic changes between the current edition, produced in 2003, and the previous edition, produced in 1999. However, the price difference was significant: A new copy of the current edition sells for about \$125; a used copy

of the previous edition sells for between \$20 and \$90, depending on the seller and the condition of the book.

Thomson Learning also charges American students significantly more than their British and Canadian counterparts for the same books. According to the Web site of Thomson Learning’s math and science division, Brooks/Cole ([www.brookscole.com](http://www.brookscole.com)), *Calculus: Early Transcendentals* costs American students \$125, but Canadian students pay only \$97 (\$125 C). British students pay about half the American price at \$65 (€35). Although the problem is not limited to calculus texts or to Thomson Learning, these are particularly egregious examples of publishers’ improper practices and of why student costs continue to escalate.

## Solutions

Motivated by the findings of the *Rip-off 101* report, the CALPIRG Education Fund, working in close alliance with faculty at a variety of California institutions of higher education, is advocating for change at every level. CALPIRG Education is striving to reform the views and practices of everyone involved: publishers and their sales representatives, the faculty who choose the books, the administrators and student government leaders who run the campus, bookstore managers who order and sell the books and the students themselves.

The following recommendations summarize the reforms that the CALPIRG Education is supporting and working to achieve:

- Textbooks should be priced and sold to students at a reasonable cost.
  - Publishers should keep the cost of their books as low as possible without sacrificing educational content.
  - When publishers sell textbooks bundled with other items, they also should sell the same textbook separately.

<sup>14</sup> Author’s report. Available at: <http://www.maketextbooksaffordable.com/newsroom.asp?id2=14221>, pg. 14.

- Publishers should pass on to students the cost savings achieved from creating online textbooks in lieu of print editions.
  - Faculty should have the right to know how their textbook choices will affect students financially.
  - Publishers should disclose to faculty all of the different products they sell—including both bundled and unbundled options—and list how much each of those products cost. This information should be made available to faculty and departments when they are ordering textbooks.
  - Publishers should disclose to faculty how the newest edition of each textbook is different from the previous edition. This information should also be readily available to faculty and students on an insert inside the books and posted where textbooks are sold.
- Colleges and universities should encourage students to consider using online book swaps so that students can buy and sell used books to other students.**
- Publishers, faculty and universities should build a vibrant used textbook market.
    - Each textbook edition should be kept on the market as long as possible without sacrificing the educational content so that students can buy and sell used copies.
    - Publishers should give preference to creating paper or online supplements to current editions over producing entirely new editions of the whole textbook.
    - Publishers should disclose the length of time they intend to produce the current edition so that professors know how long they can use the same book.
    - Faculty should give preference to the cheapest textbook when the educational content is equal.
  - Many avenues for students to secure needed books should be available.
  - Colleges and universities should consider implementing rental programs similar to those at several universities in Wisconsin and Illinois. In these programs, students pay a quarterly or per semester fee that would support the cost of sharing books in the same way that K-12 students do.
    - Colleges and universities should encourage students to consider using online book swaps so that students can buy and sell used books to other students and set their own prices.

### Progress to date

Recently, students and faculty have worked together to implement these recommendations at seven University of California campuses in order to test the effectiveness of the CALPIRG Education Fund platform. We have already seen progress on a number of fronts.

In addition to the action taken by state legislatures and by Congress, students and faculty are also seeing progress with the publishers. On April 6, 2004, nearly 500 mathematics faculty from 100 of the largest and most prestigious universities around the country issued a joint call to action to Thomson Learning, asking that the company make four changes to the calculus book, *Calculus: Early Transcendentals*. First, the company should continue to publish each edition until sufficient new content in the field warrants a new version of the book; second, it should establish a transparent and fair pricing policy so American students are charged the same as their counterparts in other countries; third, Thomson should ensure that its sales representatives disclose textbook prices to faculty; and fourth, it should

produce a less expensive online version of the textbook and pass the savings on to students. A full copy of the letter and the ongoing correspondence with Thomson Learning is available at [www.maketextbooksaffordable.com](http://www.maketextbooksaffordable.com).

On April 19, 2004, Thomson Learning quietly negotiated a deal with the UCLA Mathematics Department and the UCLA bookstore. The agreement reduced the cost of three calculus books by 25 percent for the 2004-2005 academic year. Thomson Learning will now sell *Calculus: Early Transcendentals* to UCLA for \$80 instead of \$101. Although Thomson Learning denies that the efforts spearheaded by CALPIRG Education Fund motivated this price change, math faculty have told the students otherwise. Immediately after Thomson Learning's negotiation with UCLA, UCSB requested a similar deal and secured a 20 percent discount on calculus texts for UCSB students. After the UCLA deal, the CALPIRG Education Fund informed all 500 of the math professors who joined the call to action in April about the contract renegotiation. Students and faculty hope this trend will continue to spread to even more campuses and more publishers.

The CALPIRG Education Fund has also made progress with other publishers. In May 2004, some of the students who researched *Rip-off 101* and staff members who authored the report met with Pearson Education, another major American publisher. Soon after the students and staff reviewed the company's new series of online textbooks, Pearson publicly launched this series of digital books, which are half the cost of the equivalent printed editions. Pearson plans to make more than 300 textbooks available online by the end of the year.<sup>15</sup>

At the same time, the students and staff of the CALPIRG Education Fund have developed alternatives to expensive new textbooks by launching numerous free campus book swaps so students can buy and sell used books directly. To date, 20 campuses in nine states (California, Colorado, Connecticut, Oregon, New Jersey, Ohio, Massachusetts, Washington and Missouri) have launched book swaps.

Faculty members are also moving forward on these issues. The University of California-Irvine (UCI) Academic Senate on Student Affairs passed a resolution in May 2003, after a group of students interning with the CALPIRG Education Fund met with the faculty chair to encourage all faculty to order textbooks unbundled and to use the same edition of the same text as long as possible so that students will be able to buy and sell used copies.<sup>16</sup> The Academic Senate at UCSB passed a similar resolution in May 2004.<sup>17</sup> At the University of Missouri, faculty members are now making a concerted effort to increase the availability of used books for students. For example, faculty submitted early orders for 85 percent of the books they used in Spring 2005. Early book orders allow the bookstore to buy more used books from students because they know in advance which books they should buy back.<sup>18</sup> Faculty members are also writing their own textbooks and offering them to the public for free by posting them online.

These are important steps in the right direction, but we still have a long road to travel before we see wholesale decreases in textbook costs for students across the country. The progress with Thomson Learning needs to spread throughout the industry. Rental programs, which hold great promise for cutting student costs by 60

<sup>15</sup> <http://www.pearsoned.com/safarix/index.htm>.

<sup>16</sup> UCI Academic Senate Committee on Student Affairs 2003-2004 Report. Available online at [http://www.senate.uci.edu/8\\_Reps&Pubs/AnnRep02\\_3/CSA.htm](http://www.senate.uci.edu/8_Reps&Pubs/AnnRep02_3/CSA.htm).

<sup>17</sup> UCSB Academic Senate Minutes May 27, 2004 Available online at <http://senate.ucsb.edu/meetings/view.cfm?VIEW=MINUTES&ID=B3967A0E938DC2A6340E258630FEBD5A>.

<sup>18</sup> Lee Logan (2004). "Bookstore Officials Anticipate Lower Costs" *The Maneater, University of Missouri Newspaper*, November 16.

**Sam Nedler, a mathematics professor at West Virginia University, wrote Thomson Learning a letter describing his new textbook:**

“I am writing a first-year calculus text that I will put on the Web for any university to adopt, free of charge. It’s my belief that mathematics has a power all its own and that, when given a choice, a book that gets at the meat of the subject in a friendly but professional way will succeed. And who benefits? The students.”<sup>19</sup>

percent or more, exist at only a handful of schools; they should be commonplace. More and more students are bargain shopping online, but it is important to provide them with nonprofit sites that allow them to go outside of the commercial market and sell books directly to each other. Instructors are highly energized to help, but only a fraction of the nation’s faculty members have taken action; most have not yet been exposed to the workable solutions being circulated by the CALPIRG Education Fund program.

The CALPIRG Education Fund is committed to implementing the reforms described in this essay. California has served as an effective testing ground

for the effort; it is manageable in size but significant enough to test the model and draw national attention. This project could expand beyond this state—and that step is vital if we are to see the type of sweeping, national change that is needed.

## Conclusion

The progress on this issue in California is just the first step. Throughout the nation, publishers, educators and students must fundamentally shift their thinking about textbooks. We need a higher standard for the production and pricing of textbooks than we do for other consumer goods because these products affect the quality and affordability of higher education. These changes will not come easily; a whole industry of publishers and bookstores profits by selling new, expensive textbooks to students. However, if all stakeholders—including students, faculty, bookstores, publishers and college administrators—come to the table determined to lower textbook costs while maintaining educational excellence, textbook costs will drop at other schools, as they have at UCLA and UCSB.

Because textbook costs can act as a “tipping point” for many students struggling to afford college, discussion focused on the larger challenge of increasing access to college must include strategies for controlling those costs. ■

<sup>19</sup> Sam Nedler (2004). Letter to Thomson Learning. April 16. A copy of the letter is available online at <http://www.maketextbooksaffordable.com/newsroom.asp?id2=13057>.