

THE HIGH COST OF TEXTBOOKS: A CONVERGENCE OF ACADEMIC  
LIBRARIES, CAMPUS BOOKSTORES, PUBLISHERS?

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## THE HIGH COST OF TEXTBOOKS: A CONVERGENCE OF ACADEMIC LIBRARIES, CAMPUS BOOKSTORES, PUBLISHERS?

While the attention of Oregon State University librarians, like many others around the world, has been directed to the rising costs of journals and their impact on our resources, another form of inflation has been occurring which has a much more dramatic effect on the lives of our students. This is the spiraling inflation in the cost of textbooks. In this status report we discuss issues concerned with textbook costs on campus and the possible roles of the library.

The cost of textbooks is not a new concern for our students; it has been an ongoing issue for cost conscious students. As students watch their loans increase in an era of diminished financial aid opportunities and the cost of higher education skyrocket, they are investigating every aspect of the cost of a university education. The publication of *Ripoff 101: How the Current Practices of the Textbook Industry Drive up the Cost of College Textbooks*<sup>1</sup> in January, 2004 gave greater voice to the concerns of college students across the nation. This publication was the work of the California Student Public Interest Research Group (CALPIRG) with research assistance by the Oregon Student Public Interest Research Group (OSPIRG) and was updated in a second edition in February, 2005<sup>2</sup>.

Last Summer, a Government Accountability Office report renewed interest in the cost of textbooks when it reported that the cost on average rose at a rate twice that of the annual inflation rate. The GAO report, requested by Oregon Congressman David Wu (D-

OR), noted that students on average spend \$900 on textbooks annually and that much of the pricing increase is directly related to the bundling of technology enhancements currently added to textbooks by publishers.

#### WHAT ARE THE PROBLEMS IDENTIFIED IN THE GAO REPORT?<sup>3</sup>

- Added features, instructional and technological, raise the cost of textbooks.
- College textbook prices have risen at twice the inflation rate since the 1980s, averaging 6% per year.
- New editions with minimal alterations are coming out at a faster rate compared to cycles 10 to 20 years ago.
- Customized publishing designed for specific classes raises prices and negates student ability to buy and sell used books.
- The price of U.S. textbooks is often much greater than the same book sold in international markets.
- Publishers have taken action to limit students' abilities to take advantage of these lower international prices.
- Lack of concern or knowledge of these issues on campus.

At Oregon State University (OSU), students were well aware of textbook inflation even if the librarians were not. The executive board of the Associated Students of Oregon State University (ASOSU) identified, as one of its annual goals, taking action to lower the cost of textbooks on campus. The student group first brought their concerns to the faculty in 2004 when the ASOSU President formally addressed the Faculty Senate. The students decided to draft a proposal with recommendations on how to address textbook inflation on the OSU campus. These recommendations were shared with the campus in a stirring article published in OSU's student newspaper, *The Daily Barometer*, in the Fall<sup>4</sup>. The intent was to raise awareness on campus of how the inflation in textbook prices was affecting students and suggest ways that faculty can help mitigate these cost increases.

When the story about a proposed textbook policy ran in the student newspaper the issue finally caught our attention in the library. We immediately began to consider what it would mean if the library were to buy two copies of the texts assigned for each class each term as the students suggested. It would certainly have a significant impact on the library's budget at the very least. Could we actually do

#### SUGGESTIONS FROM THE STUDENTS INCLUDED

- 2 copies of each assigned text in the library.
- Faculty should consider cost when assigning books and identify book costs in syllabi.
- Faculty should order books early so that students can investigate all purchasing options
- Incorporate textbook questions on course evaluations.
- Avoid ordering books with supplemental material or new editions when they do not contain significant changes from past edition.
- Make sure assigned readings utilize the entire text and utilize legal course packets when less than entire texts are needed.

this? How serious were the students about having all their texts available on reserve? Is this something the library should do to provide a needed service for our students?

The authors sat down and began to think about what this would mean to the library, our students, the faculty and the bookstore. We quickly came up with more questions about how library staff would manage a service this large. Of course, the first question was who would pay for this service and how much would it cost? We needed to know just how many books would be involved. Would the campus bookstore consider

donating two copies for reserve? Would departments be willing to contribute funds to this program? Would two copies be anywhere near enough for large classes when students are studying for exams? As we were formulating answers to these questions, it seemed to us most likely that the library budget would bear the burden of the plan. Beyond significant financial concerns other practical questions emerged. Even if the library somehow found the funds to support a greatly expanded textbook reserve service, was there enough space in the reserve section behind the circulation desk to shelve the books during the term they were being used? Where would the books be stored during the terms they weren't being used? Would all these textbooks need to be cataloged? And finally, how more much staff time would have to be dedicated to such a program?

We first looked at how many books were assigned as texts for classes. We took the title lists for each class offered in the fall 2005 term from the bookstore website and imported them into a spreadsheet. Then we stripped out the duplicate titles from the list and came up with a list of approximately nineteen hundred unique titles. A quick calculation based on an average cost of \$52 per book, a number reported as the average cost at our campus bookstore, we estimated that, conservatively, the library could end up spending as much as \$200,000 per quarter. Projecting that figure out over the academic year could mean a \$600,000 impact on our budget for books we normally avoid placing in our collection. Clearly we needed to talk to people about this.

The first person we contacted was the manager of the OSU bookstore to learn more about the issue since the bookstore was at the center of the students' concerns. The authors were treated to a quick lesson on the economics of textbook publishing and the delicate relationship between campus bookstores, students, publishers, and used textbook

sales. The bookstore was not in a position to donate almost 2000 textbooks to be loaned instead of purchased. The bookstore manager made it very clear that, on our campus, the bookstore was a non-profit entity. The profit margin in textbooks is 17%, nothing near the 25 – 30% mark-up Patricia Schroeder of the Association of American Publishers stated in a letter to the New York Times<sup>5</sup>.

On our campus, the bookstore was already working closely with students to keep price increases down. Students sit on the bookstore's advisory board. The bookstore management sees the best way to help students find low-cost textbooks is to make used books available as much as possible. Access to used books is dependent on faculty members ordering books in a timely manner. Bookstore staff try to work with faculty as much as they can but cannot send broadcast messages to faculty because of institutional e-mail policies. However, they are very confident that, because of its low margins, the bookstore can compete with any of the internet options that attract students. The bookstore manager had an interesting perspective on putting two copies of every assigned textbook on library reserve. The bookstore is obviously dependent on selling textbooks as a large portion of its business. If large numbers of students stopped buying books the bookstore would have to increase prices to make up for lost sales. This would work directly against what the students hoped to accomplish.

Our next step was to schedule a meeting with the student government leaders. We realized that the cost of textbooks was an important issue for students and they evidently thought the library could play a role in helping them. As Associate University Librarian for Public Services, Pollitz was invited to address the ASOSU executive board. Happily, the conversation allowed the students to understand the ramifications for the library of

what they were suggesting. It was another opportunity for librarians to learn more about how textbook inflation was hitting student education costs. The students had serious concerns about how textbooks were assigned and how textbook inflation was affecting the cost of higher education. They were very dependent on the used book market as a way to keep their costs down. If they cannot sell their books back because a faculty member decided not to continue using a certain text they are adept at using Internet sites to sell their books to a national audience. Other ingenious ways to work the system included buying books on the international market using the Internet, sharing texts, using those books already on reserve, relying on interlibrary loan, and taking a gamble by not buying the required books.

A recent New York Times editorial compared the pricing crisis in textbooks to the high price of prescription medicine. Both textbooks and various medicines cost far less when they are purchased overseas. Each product is “prescribed” by doctors, in one case PhDs. in the other MD’s. Often the doctor does not know nor is fully cognizant of the cost of the prescription.<sup>6</sup> Clearly, our faculty, who assign the textbooks, need to be more cognizant about the textbook market.

As we learned more about the textbook problem it became clear that this market is just as complex and precarious as journal publishing. As in journal publishing, the business model is based on dependent stakeholders who have come to a point where no one really trusts the other. Students suspect avarice on all sides. Publishers and college bookstores are at odds and casting blame on each other for the rising cost of texts. Bookstores have challenged the practice of selling overseas editions of textbooks at deeply discounted prices. The Association of American Publishers has defended the

practice but is working to prevent overseas editions coming back to the U. S.<sup>7</sup> This basically locks the bookstores out of re-importing textbooks on a large scale but does not preclude students from using the Internet to make individual purchases on the international market. Neither publishers nor college bookstores see any gains from this but students will use whatever means available to save money on books.

The situation is exacerbated when the used book market is added to the mix. Students depend on used books to keep their costs down. A recent study by the Book Industry Study Group reports that 75% of students' used book purchases were for material that was available new<sup>8</sup>. The number of online options for students to buy and sell textbooks have exploded recently. Between 2003 and 2004 the online book market experienced a thirty-three percent growth rate<sup>9</sup>. College bookstores see the used book market as a service to their students but also recognize that their margin on used books (34.9%) is higher than new books (22.5%)<sup>10</sup>. This puts them at odds with publishers who see the used book market as a direct threat their livelihood<sup>11</sup>.

The meeting with the student government group led us to consider what the library responsibility to students is when it comes to textbooks. What can the library do to alleviate the budgetary strains that textbook costs are placing on our students? The library already has a very active reserve system. Many professors place their own desk copies on our shelves. Some departments with sizeable enrollments in introductory classes use their operational budgets to purchase textbooks for the reserve shelves. Certainly faculty could be encouraged to make greater use of the reserve service. The library does have a process where faculty can request that the library purchase books to be placed on reserve. When this happens, subject liaison librarians evaluate the book's value to the overall collection.



Often many of the books placed on reserve are valuable beyond a specific class and not what one would consider a traditional textbook. But how do traditional textbooks fit into the library mission? Should the mission be altered to address the issue of textbook cost inflation? Our library, like many others, does not routinely purchase college textbooks. Our reasons are based on the same thing that frustrates college students; the books quickly go out of date because of publisher tendencies to issue new editions so quickly and with only minor revisions. Is this something we want to change? Do we want to take on another area where costs are inflating at an unreasonable rate? The authors consulted online collection development policies and found that many other academic libraries remained committed to the idea of not purchasing textbooks for their collections because it would limit the purchase of scholarly books and journals. This was substantiated by recent research on “no purchase” policies in academic libraries.<sup>12</sup> Some libraries and universities, however, have been attempting creative solutions to help students face the rising cost of textbooks.

#### WHAT ARE OTHERS DOING?

- The University of Wisconsin, Madison has published a brochure giving students alternatives and options that may save them money ([www.library.wisc.edu/libraries/news/ULC/textbooks.pdf](http://www.library.wisc.edu/libraries/news/ULC/textbooks.pdf)).
- At the University of Oregon, the bookstore and the library are cooperating to place extra books on reserve and experimenting with serving up 15 digital textbooks through the library’s electronic reserve system.

- During the Fall, 2005 semester at Hofstra University the library has purchased textbooks for 45 classes where there were multiple sections and the texts cost more than \$100.
- The University of Illinois, Urbana Champaign, established a similar program with \$20,000 to purchase books to place on library reserves.

At the OSU Libraries we decided to work with students to bring the issues to light and to work within the current system to help students balance their budgets. It was clear that one of our primary clientele, the students, felt the library had a role in helping address a significant problem. The ASOSU, OSU Libraries, and the OSU Bookstore will work together with the Faculty Senate to make this a more prominent issue on campus. Pollitz, as the OSU Libraries' representative contacted the president of the Faculty Senate to discuss what action had been taken on the ASOSU proposal. The Faculty Senate Executive Board will be working with the students before taking the proposal to the full senate. Library representatives have been invited to join those discussions. Library staff will be working with these groups to help faculty learn ways to mitigate the rising cost of textbooks on our campus.

On our campus librarians learned that journal prices are not the only area where inflation is affecting our constituents. While textbook costs were not on our radar screen, they quickly rose to the surface when the students identified the library as key to a partial solution to their problem. While we had reason to resist the original solution that the students proposed we believed it was important to address their concerns and explore what assistance the library could provide. In the process the authors learned more about

bookstores and publishing than we ever imagined. The economic model of textbook publication and sales is complex and generates intense feelings on all sides of the question. After our conversations with students and bookstore staff we were convinced that publishers were the problem but we soon realized that big issues are never simple. Publishers are in a business that is fraught with pitfalls. They are dependent on a highly personalized marketing structure which relies on direct contacts and relationships between sales representatives and individual faculty members. Changes in higher education and new technologies have raised the stakes in a relatively small but highly competitive market. Publishers often feel pressured to invest in new technologies, expensive to develop, to ensure their products are in tune with the latest pedagogy.<sup>13</sup>

In writing this paper the authors have attempted to introduce an issue that librarians often overlook in our pressing concerns about journal prices. Librarians often see the current publication model for scholarly journals may not be sustainable. Campus bookstores see the same situation in the current textbook economic model. Everything we have learned about textbook inflation has prompted topics for further investigation. The role of library course reserves play in the textbook question needs further consideration. How much are reserve books really used by students? What do course reserve services actually cost libraries? Do different disciplines make more use of course reserves? Does this have an effect on the fragile textbook economic model? What can be learned by further study of the delicate relationship between students, bookstores, and textbook publishers? In this paper, we have focused on students, bookstores, and publishers. But the faculty are perhaps the key player in this issue. What is the process faculty go through

when choosing textbooks? How do faculty interact with publishers? What are faculty attitudes on writing textbooks?

The cost of textbooks is another aspect of the overall crisis in scholarly publication. Librarians, faculty, and administrators should inform themselves about textbook prices with the same intensity they apply to journal costs in order to be prepared for the future as well as addressing the immediate needs of students. At OSU Libraries we won't be changing our collection development policy regarding textbooks but we have opened a dialog with student groups, the campus bookstore, and the Faculty Senate in an effort to discover ways to help students.

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<sup>1</sup> Merriah Fairchild, *Ripoff 101: How the current practices of the textbook industry drive up the cost of college textbook*, California Student Interest Research Group, January 2004, <[Calpirg.org/reports/textbookripoff.pdf](http://Calpirg.org/reports/textbookripoff.pdf)> (December 19, 2005).

<sup>2</sup> Kate Rube, *Ripoff 101, 2<sup>nd</sup> ed.*, California Student Interest Research Group, February, 2005, <[Calpirg.org/reports/textbook2ndEdition.pdf](http://Calpirg.org/reports/textbook2ndEdition.pdf)>, (December 19, 2005).

<sup>3</sup> Government Accountability Office. *College Textbooks: appear to drive the recent price increases*. Washington D. C.: United States Government Accountability Office, July, 2005, <<http://searching.gao.gov/cs.html?charset=iso-8859-1&url=http%3A//www.gao.gov/new.items/d05806.pdf&qt=GAO-05-806&col=&n=1&la=en>>, (December 20, 2005).

<sup>4</sup> Heather Heartman, "Hitting the books hard on wallet," in *Daily Barometer*, October 10, 2005:1, 3.

<sup>5</sup> Patricia Schroeder, "The price of a textbook, here and there," in *New York Times*, A4:32, October 23, 2003. *Lexis/Nexis* (February 19, 2006).

<sup>6</sup> Ian Ayers, "Just what the professor ordered," in *New York Times*, A2:27, September 16, 2005. *Lexis/Nexis* (December 19, 2005).

<sup>7</sup> John Mutter, "College stores irked by overseas editions," in *Publishers Weekly*, March, 17, 2003: 14. *Academic Search Premier EbscoHost* (December 19, 2005).

<sup>8</sup> Book Industry Study Group, Inc. *The First comprehensive report on used-book sales*, press release, February 27, 2006, <<http://www.bisg.org/news/press.php?pressid=34>> (February 28, 2006).

<sup>9</sup> Book Industry Study Group, Inc., *First comprehensive*.

<sup>10</sup> National Association of College Stores. *FAQ on Used Textbook*, <[http://www.nacs.org/common/research/faq\\_usedbooks.pdf](http://www.nacs.org/common/research/faq_usedbooks.pdf)> (March 6, 2006).

<sup>11</sup> Association of American Publishers, *New graphic illustrates where student textbook spending goes*, <<http://www.publishers.org/press/releases.cfm?PressReleaseArticleID=200>> (March 6, 2006).

<sup>12</sup> Cynthia Hsieh, & Rhonelle Runner, "Textbooks, leisure reading, and the academic library," in *Library Collections, Acquisitions, & Technical Services*, 29 (2005), 194. *Science Direct* (December 19, 2005).

<sup>13</sup> Government Accountability Office, *College textbooks*, 14.