

# COVERING THE COST

## ConnPIRG Students



# COVERING THE COST:

WHY WE CAN NO LONGER AFFORD TO IGNORE HIGH TEXTBOOK PRICES

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THE STUDENT PIRGS  
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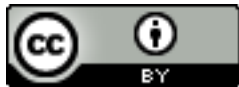
## ACKNOWLEDGEMENTS:

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The Student Public Interest Research Groups (Student PIRGs) are independent statewide student organizations that work on issues like environmental protection, consumer protection, and hunger and homelessness. For nearly 40 years, our students and staff have been making a real difference in people's lives and winning concrete changes to build a better world.

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## EXECUTIVE SUMMARY:

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***Over the last decade, the cost of college textbooks has soared. Since 2006, the cost of a college textbook increased by 73%<sup>i</sup> - over four times the rate of inflation. Today, individual textbooks often cost over \$200, sometimes as high as \$400.***

Textbook prices have increased unabatedly because the textbook market lacks two major economic forces.

Normal Market	Textbook Market
<ul style="list-style-type: none"><li>▪ Competition in the market forces prices down</li><li>▪ Consumer choice rewards companies that compete on price and quality</li></ul>	<ul style="list-style-type: none"><li>▪ Five major publishers control 80% of the market, locking out competitors</li><li>▪ The student – the consumer – has no choice in which textbook they’re assigned</li></ul>

For nearly 30 straight years, textbook publishers have exploited their unchecked power in the market through a variety of tactics designed to drive up the cost of new books, and undermine cheaper market alternatives like used textbook programs.

However: since textbook sticker prices appear small in comparison with the larger costs of tuition or room and board, they are often overlooked, and addressing this problem is often deprioritized.

At the same time, no research to date – including our own – has attempted to investigate the degree at which prices actually affect student’s financial standing and behavior. As a result, the case for prioritizing action around textbook prices has lacked urgency and potency.

The result of a nationwide survey of nearly 5,000 students, this report introduces a new dimension to our understanding of the problem: that high textbook prices are serious cause for concern about our students’ financial well-being.

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### SURVEY FINDINGS

#### FINDING 1: A SIGNIFICANT NUMBER OF STUDENTS TURN TO FINANCIAL AID TO PURCHASE THEIR REQUIRED TEXTBOOKS.

Nearly one-third (29.7%) of students replied that they had used financial aid to pay for their textbooks. This is a startlingly large result, considering that student aid is typically applied to direct expenses such as tuition, room and board before being used for textbooks and other expenses.

If applied to the enrolled undergraduate population in the United States, this finding means that over 5.2 million students rely on financial aid to purchase their textbooks.<sup>ii</sup>

#### FINDING 2: FOR THE STUDENTS THAT USE FINANCIAL AID ON BOOK, IT’S USED TO COVER A MAJOR PORTION OF THE TOTAL EXPENSE.

For those that used financial aid, the amount of financial aid dollars they put toward purchasing textbooks was more than \$300 on average per semester.

#### FINDING 3: HIGH TEXTBOOK PRICES HAVE A DISPROPORTIONATE IMPACT ON STUDENTS AT COMMUNITY COLLEGE.

When broken down by type of college, our data show that a greater percentage of community college students use financial aid to purchase textbooks:

- 28% at 4-year public colleges
- 22% at 4-year private institutions
- 50% at 2-year & community colleges

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## ANALYSIS

### **TEXTBOOK PRICES ADD UNNECESSARY FINANCIAL HARDSHIP:**

Of the students using financial aid for textbooks, the average amount used is more than \$300 per semester. That adds to \$2,400 over the course of a four-year program, and \$1,200 for two years at community college. That's nearly the cost of adding an entire extra semester for a community college student. The ultimate cost is even higher for a student who uses loans to cover that cost: a \$2,400 and \$1,200 student loan translates into \$555.55 and \$277.73 worth of interest respectively.<sup>iii</sup> Put another way, a student using loans would pay an additional \$34.72 for a \$150 textbook. While a student with the ability to buy books outright pays sticker price, a student using financial aid may actually end up paying a higher price for course materials.

### **TEXTBOOK PRICES PLAY AN NEGATIVE ROLE IN STUDENT CHOICE POINTS:**

In comparison with the tens of thousands of dollars spent on tuition or board, a few hundred dollars for textbooks is often overlooked, and written off as negligible. However, research shows that comparatively small amounts of money can have a disproportionate impact: at Morgan State University, a study showed that 10% of students dropping out for financial reasons owed the University less than \$1000.<sup>iv</sup> That's less than the amount the College Board recommends students budget for textbooks and course supplies for a single year.

### **HIGH TEXTBOOK PRICES HAVE OPPORTUNITY COST:**

These numbers suggest that students are spending around \$1.575 billion a semester, or \$3.15 billion a year, in financial aid on textbooks. Therefore, alleviating high textbook costs could free \$3.15 billion in state, federal, and local funding for use in reducing other higher education costs.

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## CONCLUSION

**This new data demonstrates that, in the broader context of increasing debt, high textbook prices are impactful enough to merit urgent, demonstrative action from policymakers on all levels to support alternatives to the traditional system of publishing.**

With today's technology, we know it is possible to share information more easily and efficiently than ever before.

A burgeoning movement toward openly licensed educational materials – in particular, open textbooks – is turning the traditional publishing model on its head. In direct contrast to traditional publishers, who strictly control every facet of access and use of their textbooks and materials, open textbooks are available for free online, are free to download, and are affordable in print.

Last year, the Student PIRGs released a report showing that open textbooks have the potential to save students more than \$1 billion per year.<sup>v</sup>

However, environmental and policy barriers have slowed the development and adoption of open educational resources. To realize the potential of openly licensed materials, these barriers and inhibitors must be overcome.

These barriers include....

1. A centralized system of textbook production that relies on major publishers to cultivate content
2. Skewed perceptions about learning materials that value frills over efficacy
3. Reliance on a legacy system of publishing that is less time consuming but also less effective

To solve the problem of high textbook prices, the higher education community must actively work to transition the environment in higher education. This report offers detailed recommendations on how institutions, policymakers, faculty, and students can do so.

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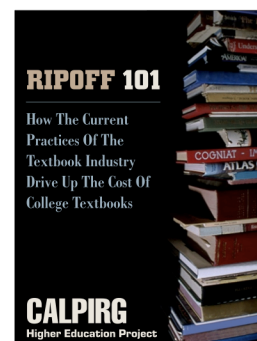
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# INTRODUCTION:

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## A HISTORY OF RESEARCH

Since 2004, the Student PIRGs have published more than a dozen research reports investigating the college textbook industry, documenting the disturbing trends in pricing, exposing publisher tactics to keep prices high, and revealing the impact of high prices on students. Over the years, we've surveyed nearly 10,000 students, interviewed almost 500 faculty members, and tracked the prices of hundreds of books.<sup>vi</sup>



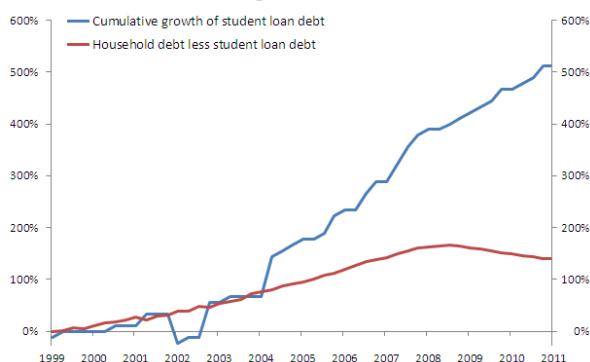
## DOCUMENTING THE PROBLEM: PRICES

Over the last decade, the cost of course materials – textbooks, specifically – has soared. Since 2006, the cost of a college textbook increased by 73%<sup>vii</sup> - over four times the rate of inflation. Overall, since 1977, the cost of textbooks has increased 1041%.<sup>viii</sup>

Today, individual textbooks often cost over \$200, sometimes as high as \$400.<sup>ix</sup>

At the same time, the cost of higher education has increased significantly over the past decade. In 2013, 7 in 10 seniors at public and private nonprofit colleges graduated with student loan debt. Among those borrowers, the average debt was nearly \$29,000.<sup>x</sup> As a nation, Americans hold over \$1.2 trillion in student loan debt.<sup>xi</sup>

Cumulative student debt growth since 1999



Source: Federal Reserve Bank of New York

## THE FORCES BEHIND HIGH PRICES

Textbook prices have increased unabatedly because the textbook market lacks two major economic forces.

- **Competition:** In a free market, companies are forced to compete with each other on price, quality, and features in order to accumulate consumers. This competition helps drive innovation and ultimately benefits the consumer. In the textbook market, however, five major publishers control over 80% of the market.<sup>xii</sup> These publishers tend to avoid publishing books in subject areas where their competitors have found success, instead focusing in on their own particular subject or issue areas. In a 2013 study, just three publishers were responsible for 74% of the top textbooks sold.<sup>xiii</sup> This tactic, and the size

of their controlled market share, gives these publishers near market monopoly and allows them to effectively lock out competition that could undercut their prices.

- **Consumer Choice:** The other market factor that regulates prices is consumer choice. In a normal market, the consumer is free to shop around, to weigh options, and to choose products that are the most suited to them in terms of price, quality, and features. In the textbook market, however, the student does not choose the book; the professor does. And while professors are slowly becoming more price sensitive, the student – the actual consumer – has no say in the book they’re assigned, meaning the publisher is free to raise prices without fear of market repercussion.

These fundamental flaws in the textbook market have allowed publishers to disproportionately raise prices for nearly thirty straight years.

## **DOCUMENTING THE PROBLEM: TACTICS**


For years, textbook publishers have exploited their unchecked power in the market through a variety of tactics designed to drive up the cost of new books, and undermine cheaper market alternatives like used textbook programs.

**Bundling:** Congress banned the practice of bundling in 2008, but publishers today exploit a loophole in the law through access codes – individual, single-use passwords that grant a purchaser access to online homework assignments or supplementary material. This new manifestation of bundling is pervasive in the market: in a 2013 survey by the Student PIRGs, over 80% of students replied that they had been required to buy an online access code for at least one of their courses. Modern bundling of access codes and activation keys also serves to undermine used and rental book markets. Most access codes are single-use, and are often not sold separately from the book, meaning bookstores can’t buyback or resell the book and students are forced to purchase a new version every time.

**New Editions:** To perpetuate the illusion of increased quality or features, and, in turn, higher prices, publishers release updated editions of popular textbooks every 2 – 4 years. Like modern bundling, new editions also undermine used book and rental markets. As new editions become available, many bookstores are obliged to stop buying back old editions, and professors are pressured to adopt the new edition, which has a slightly varied order or different page numbers, making it difficult for students to follow along in older editions.

**Customized Editions:** Publishing companies today market “custom editions” to faculty, which allow a professor to arrange sections of content into a textbook. These editions are marketed as more affordable and are often published without binding, or in black and white. While these books may offer slight savings compared to standard editions, they are also designed to undermine the used book market. Since they are specialized to a particular instructor and class, they can only be resold and reused if the same professor at the same college wants to teach the same class in the exact same way they did the semester before.






Arizona PBS  
CLATSOP  
Connecticut  
Hawaii  
Idaho PBS  
Maine PBS  
Maryland PBS  
Massachusetts  
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Minnesota  
Mississippi  
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Montana  
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Nevada PBS  
New Hampshire  
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South Carolina  
South Dakota  
Tennessee  
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Vermont  
Virginia  
Washington  
Washington State  
West Virginia  
Wisconsin  
Wyoming

**Exposing The  
Textbook Industry**

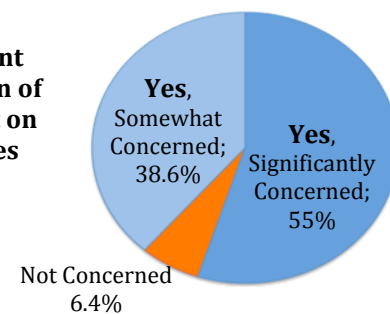
**How Publishers' Pricing Tactics  
Drive Up The Cost Of College Textbooks**



Publisher's digital textbooks have been poorly received by students, primarily because they continue many of the restrictive practices from the print market. In the review of an eTextbook pilot program at the University of Wisconsin, students actually ranked eTextbooks *below* print versions on a variety of factors.<sup>xv</sup>

## DOCUMENTING THE PROBLEM: IMPACT

### Student Concern of Impact on Grades



Research by external groups has validated these concerns about the impact of high prices, but this is merely one angle of a problem that has multi-faceted impacts. And while it does not take a great logical leap to understand the general implications of high textbook prices, little research exists yet to understand the depth and breadth of these impacts.

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## PURPOSE OF SURVEY:

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Over the last decade, the Student PIRGs have demonstrated that increasing textbook costs are a multi-dimensional problem. We have explored at length the rapid inflation of traditional textbook prices, the publisher tactics that have allowed prices to soar, and more recently, how prices impact student academic decisions. We have reported on the merits of open textbooks, showcasing their benefits in accessibility, affordability, and student success, but have yet to see widespread commitment to support that transition.

We recognize that, while the problem of high textbook prices is clear, the necessity for action is not as overt. Since textbook sticker prices appear small in comparison with the larger costs of tuition or room and board, they are often overlooked, and addressing this problem is deprioritized.

In our 2014 report, *Fixing the Broken Textbook Market*, we highlighted the ways that textbook costs impact student academic decisions, including the large proportion of students who skip buying textbooks due to the high cost. However, while such findings are extremely consequential, they elucidate only one angle of the problem.

At the same time, no research to date — including our own — has attempted to investigate the degree at which prices actually affect student's financial standing and behavior. As a result, the case for prioritizing action around textbook prices has lacked urgency and potency.

This report aims to rectify that gap.

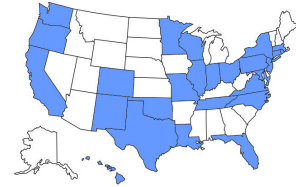
The result of a nationwide survey of nearly 5,000 students, this report introduces a new dimension to our understanding of the problem: that high textbook prices are serious cause for concern about our students' financial well being.

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## SURVEY FINDINGS:

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Over the course of the Fall 2015 semester, the Student PIRGs conducted a survey of students around textbook affordability and financial aid. This report aggregates the results of 4,704 student responses from 132 unique institutions in 25 states.



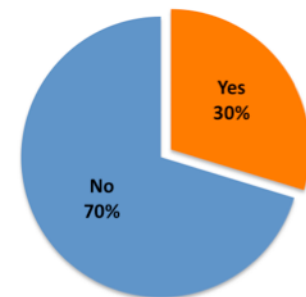
### FINDING 1: A SIGNIFICANT NUMBER OF STUDENTS TURN TO FINANCIAL AID TO PURCHASE THEIR REQUIRED TEXTBOOKS AND COURSE MATERIALS.

The survey asked student respondents if they had used financial aid to pay for their textbooks. In the question, financial aid was defined as “grants, scholarships, or loans (not including money from parents or family)”.

Nearly one-third (29.7%) of students replied that they had used financial aid to pay for their textbooks. This is a startlingly large result, considering that student aid is typically applied to direct expenses such as tuition, room and board before becoming available for use on textbooks and other expenses.

If applied to the enrolled undergraduate population in the United States, this finding means that over 5.2 million students rely on financial aid to purchase their textbooks.<sup>xix</sup>

**Students Using Financial Aid on Textbooks**



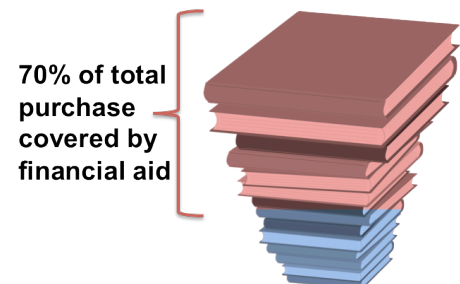
### FINDING 2: FOR THE STUDENTS THAT USE FINANCIAL AID ON BOOK, IT'S USED TO COVER A MAJOR PORTION OF THE EXPENSE.

With nearly one in three students using financial aid to afford their textbooks, it is important to understand the depth at which students are using financial aid.

To further investigate, students were asked to quantify how much of their textbook expenses they covered with financial aid, both in terms of dollars spent and as a percentage of the total textbook expense per semester.

For students using financial aid, 70% of their total textbook expenses were covered by financial aid on average.

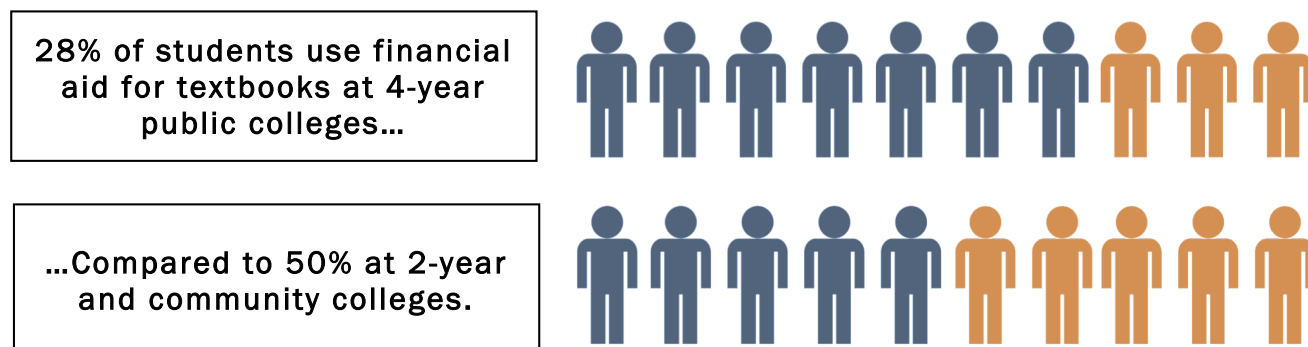
The same respondents reported that, for those that used financial aid, the amount of financial aid dollars they put toward purchasing textbooks was more than \$300 on average per semester.



For perspective, that is roughly equal to the *total* amount a student spends on textbooks each semester based on the National Association of College Stores' measurement,<sup>xx</sup> and roughly *half* the College Board's recommended semester budget for textbooks and supplies.<sup>xxi</sup> Each of these statistics has their merits and flaws, but can serve as boundaries by which these findings are evaluated.

### FINDING 3: HIGH TEXTBOOK PRICES HAVE A DISPROPORTIONATE IMPACT ON STUDENTS AT COMMUNITY COLLEGE.

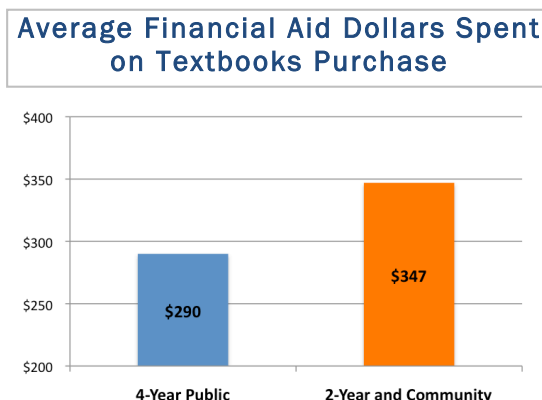
When broken down by type of college, our data show that a greater percentage of community college students use financial aid to purchase textbooks:



At the same time, community college students use financial aid for textbooks at higher percentages than students at 4-year institutions.

Of community college students using financial aid, 65% said that they used financial aid to cover their entire textbook expense, compared to just 50% at 4-year schools.

And, on average, community college students who used financial aid used \$347 of financial aid for textbook expenses, compared to an average of \$290 at 4-year state schools.



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## CONNECTICUT STATE FINDINGS:

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Over the course of the Fall 2015 semester, ConnPIRG Students conducted a survey of students around textbook affordability and financial aid. From the state of Connecticut, there were 428 respondents.

### **FINDING 1: A SIGNIFICANT NUMBER OF STUDENTS TURN TO FINANCIAL AID TO PURCHASE THEIR REQUIRED TEXTBOOKS AND COURSE MATERIALS.**

The survey asked student respondents if they had used financial aid to pay for their textbooks. In the question, financial aid was defined as “grants, scholarships, or loans (not including money from parents or family)”.

Almost one-quarter (21%) of students replied that they had used financial aid to pay for their textbooks. This is a startlingly large result, considering that student aid is typically applied to direct expenses such as tuition, room and board before becoming available for use on textbooks and other expenses.

### **FINDING 2: FOR THE STUDENTS THAT USE FINANCIAL AID ON BOOK, IT’S USED TO COVER A MAJOR PORTION OF THE EXPENSE.**

To further investigate, students were asked to quantify how much of their textbook expenses they covered with financial aid, both in terms of dollars spent and as a percentage of the total textbook expense per semester.

For students using financial aid, 54% used financial aid to cover their total textbook expense.

The same respondents reported that, for those that used financial aid, the amount of financial aid dollars they put toward purchasing textbooks was more than \$392 on average per semester.

\*\*Please note that the following analysis is based on the national, not state, results.

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## ANALYSIS:

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Despite increased access to alternatives, student spending on textbooks has been relatively stagnant in recent years. But with other costs rising and more students feeling the pinch, maintaining the status quo is not enough.

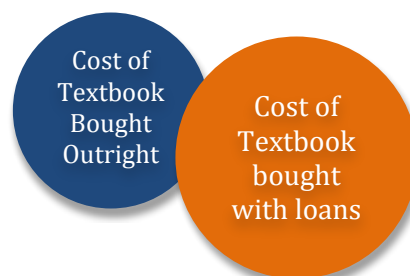
### TEXTBOOK PRICES ADD UNNECESSARY FINANCIAL HARDSHIP:

Before presenting the implications of our findings, there are a few important notes. First, that our survey grouped scholarships, grants, and loans in the definition of financial aid. This means we cannot accurately generalize the amount of debt textbooks are responsible for. However, we can model the total debt accumulation for a hypothetical student who does not have financial aid in the form of a grant or scholarship.

Most commonly, financial aid is applied to tuition and room and board before other costs. Grants and scholarship money is applied first, leaving loans to cover the balance of those costs. If a student expects to have trouble covering other costs – like textbooks – they may request additional financial aid, but may end up paying out of pocket.

Given the previously stated context of increasing student debt, and knowing that a likely scenario is one in which student respondents are using loans to purchase textbooks, our findings should be of serious concern. Approximately 30% of the 5,000 surveyed students indicated that they used, either in full or in part, financial aid—which includes loans—to pay for their textbooks.

Of the 30% of students using financial aid for textbooks, the average amount used is more than \$300 per semester. That adds up to \$2,400 over the course of a four-year program, and \$1,200 for two years at community college. The ultimate cost is even higher for students who borrow that money: a \$2,400 and \$1,200 student loan translates into \$555.55 and \$277.73 worth of interest payments respectively.<sup>xxii</sup> Put another way, a student using loans would pay an additional \$46.39 for a \$200 textbook. While a student with the ability to buy books outright pays sticker price, a student using financial may actually end up paying a higher price for books.



Similarly, to purchase a single, \$200 textbook, a student would need to work nearly 28 hours in a minimum wage job. If a student were to buy only \$600 worth of textbooks every year, that would amount to an additional 2 hours of work per week for the entire year.



In context, to afford yearly in-state tuition at a public school, a student would need to work nearly 991 hours at a federal minimum-wage job.<sup>xxiii</sup> That's a 40-hour a week, full-time job for half the year. Add the average cost of room and board at a 4-year public institution, and even a

year-round full-time job would leave that student in a financial deficit. High textbook prices unnecessarily pile on top of that deficit.

For many students, particularly those who rely on financial aid, the high cost of textbooks necessitates a lose-lose choice: purchase the necessary textbook and add to their financial hardship, take time away from studying to work extra hours, or go without the book and accept the impact on their ability to learn and perform well.

## **TEXTBOOK PRICES PLAY AN NEGATIVE ROLE IN STUDENT CHOICE POINTS:**

Between 2003 and 2013, average tuition and fees increased more than 30%. Average cost of room and board increased over 20%.<sup>xxiv</sup> This increase in cost means that the average college-seeker today faces significant financial barriers to attaining a degree. These financial barriers create discouraging choice points throughout a degree-seeking, or potential degree-seeking student's career.

On their own, the sticker shock of tuition and room and board causes many students to opt out of enrolling entirely. In a recent study of non-college going students by the McKinsey Center for Government, 48% cited an inability to pay as the reason they weren't attending school, and 16% cited their need to spend time working.<sup>xxv</sup> High textbook prices only serve to aggravate this problem.

In comparison with the tens of thousands of dollars spent on tuition or board, a few hundred dollars for textbooks is often overlooked, and written off as negligible. However, research shows that seemingly small amounts of money can have a disproportionate impact: at Morgan State University, a study showed that 10% of students dropping out for financial reasons owed the University less than \$1000.<sup>xxvi</sup> That's less than the amount the College Board recommends full-time students budget for textbooks and course supplies for a single year.

To add further perspective, at a community college, the cost of textbooks can be nearly as large a barrier as the cost of enrolling in a course itself. The tuition and fees for a 3 credit hour *Principles of Microeconomics* course at the Virginia Community College system would be \$436.<sup>xxvii</sup> The price of the most popular Microeconomics textbook<sup>xxviii</sup> is \$225.66 new, \$100.06 on Amazon. In this instance, the book would cost between 52% and 23% of the cost of enrollment.

In the current environment, it's clear today's textbook prices are no longer just an inconvenience – they are high enough to be a significant barrier to college enrollment.

## **HIGH TEXTBOOK PRICES HAVE OPPORTUNITY COST:**

Beyond the immediate burden on students, high textbook prices also create an opportunity cost in terms of available funding.

Survey results show that 30% of students use financial aid for textbooks, at an average of \$300 per semester. Further, there are an estimated 17.5 million enrolled undergraduate students in the United States.<sup>xxix</sup>

These numbers suggest that students are spending around \$1.575 billion a semester, or \$3.15 billion a year, in financial aid on textbooks. Therefore, alleviating high textbook costs could free \$3.15 billion in state, federal, and local funding for use in reducing other higher education costs.

## **AN UNSUSTAINABLE TREND:**

One thing is clear – the current state of the textbook market is unsustainable. Unnecessarily high textbook prices contribute to student economic hardship, and are a drag on enrollment, completion, and student success.

This new data demonstrates that, in the broader context of increasing debt, high textbook prices are impactful enough to merit urgent, demonstrative action from policymakers on all levels to support alternatives to the traditional system of publishing.



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## A POWERFUL SOLUTION

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With today's technology, we know it is possible to share information more easily and efficiently than ever before. Capitalizing on these advances, an alternative with the potential to challenge traditional textbook publishing has emerged: openly licensed educational resources.

Open licenses, the most common of which are the Creative Commons Licenses,<sup>xxx</sup> allow for intellectual property – like educational materials – to be accessed, used, copied, and even adapted for free by the public.

A burgeoning movement toward openly licensed educational materials – in particular, textbooks – is turning the traditional publishing model on its head. In direct contrast to traditional publishers, who strictly control every facet of access and use of their textbooks and materials, open textbooks are available for free online, are free to download, and are affordable in print. This difference may seem small, but by their nature, open textbooks have the potential to alleviate the ill consequences of an uncompetitive market on students, making them a serious challenge to publishers' status quo business models.

### COMPARED TO TRADITIONAL PUBLISHING

**Price:** A 2015 report by the Student PIRGs found that if every undergraduate student in the U.S. had just one of their traditional textbooks displaced by an open textbook, it would save students over \$1 billion per year. On average, students save more than \$100 per course, per semester when assigned an open textbook in place of a traditional one.<sup>xxxi</sup>

**Competition:** Open textbooks have the potential to reintroduce competition into the textbook industry because they are produced and published in new and innovative ways, separate from the traditional system. Instead of concentrating market power in the hands of publishers, the decentralized aspect of open textbooks gives more power to students and faculty, which will refocus competition on important characteristics like efficacy and clarity.

**Flexibility in Access:** Open textbooks alleviate issues of access to course materials because they offer students flexibility and choice. Open licensing allows a student, if they prefer to read online or can't afford to purchase a hard copy, to legally access the textbook online at no cost. Additionally, open licensing allows a student that prefers reading on a physical copy to print a chapter, or the entire book, for a few dollars at the local library. Finally, if the student prefers a hard-copy, bound book, most stores can arrange to have the book in stock or available through a print-on-demand service for a cost of \$20-60 – still 80% cheaper than the average cost of most traditional books.<sup>xxxii</sup>

**Vs Rentals:** Once a book is openly licensed, it remains open and free forever. Unlike a rental book, a student that downloads an open textbook can legally keep that copy forever.

**Vs Used Books:** Open textbooks would eliminate most of the need for used books. While there may be some market for the print copies of open textbooks, for the most part, students would be able to afford the textbooks they need without having to sell back their books. Additionally, while used books in subjects such as medicine or history have only a short shelf life before becoming outdated, digital openly licensed materials can be updated quickly to include advancements in science, changes in history, and correct errors.

**Vs eTextbooks:** In their current manifestation, eTextbooks are digital textbooks made to act like traditional textbooks. Open textbooks, on the other hand, are demonstrative of ways to leverage technology that benefit the learner, rather than the publisher. Unlike eTextbooks, open textbooks have no printing caps, limits on the number of devices on which a student can access their book, or other restrictive characteristics that make students see traditional eTextbooks more hassle than they are worth. Open textbooks are free online, can be retained forever, and can be made accessible in many formats at low cost to the student.

## **TREMENDOUS POTENTIAL, YET UNTAPPED**

Open textbooks, and openly licensed resources in general, are growing in both volume and use, but, despite their merits, they have yet to fully disrupt and upend the traditional market.

However, environmental and policy barriers have slowed the development and adoption of open educational resources. Before the potential of openly licensed materials can be realized, these barriers and inhibitors must be overcome.

## **A CENTRALIZED SYSTEM OF PRODUCTION**

While there are no costs associated with adopting open textbooks for students, there are “work costs” in the production and development of open materials. Producing a textbook takes a significant time investment, and although many dedicated professors have opted to do so without compensation, greater access to development funding would stimulate supply.

Right now, nearly all infrastructure for creation and design of educational materials is centralized in a few major publishing companies. As a result, higher education is dominated by closed-license, high cost, rigid materials.

To produce high-quality educational content, faculty members need time, energy, and resources. To produce high quality content that is scalable, they need access to supportive infrastructure. At the local level, however, neither the support infrastructure, nor the resources are available. Major publishers control access to content developers, editors, and designers through the traditional publishing model. Similarly, local funding for the development of openly licensed educational materials is sporadic at best, and many professors are unaware that funding exists at all.

While there has been some progress toward supporting localized content development and to create support systems for faculty interested in publishing openly, it hasn't been enough to overcome challenges in production and turn the cultural lethargy in education on its head.

## **SKEWED PERCEPTIONS ABOUT LEARNING MATERIALS**

Years of dominance by profit-maximizing publishers have created a value system around false measures of quality. Traditional textbooks face no standardized test of efficacy, or student success – instead, publishers rely on fancy covers, high profile authors, and cultivated systems of reviewers to make their case.

At the same time, open textbooks face higher levels of scrutiny and are often misjudged, because the formatting is not as tidy or the pictures as high resolution. In a multi-institutional study of the impact of open textbook adoption on the learning outcomes of post-secondary students, researchers found that students using openly licensed resources did the same, or better, as students using traditional textbooks. These findings have been backed up by nearly a dozen other studies.<sup>xxxiii</sup>

## **CONTINUED RELIANCE ON LEGACY SYSTEMS**

While traditional textbooks prices have dramatically changed over time, industry practices have not. Simply put, higher education – like most societal systems or institutions – is relatively change-averse. As such, many systems within higher education actually serve to maintain the status quo.

For example, the higher education community – including publishers – has employed the same model of textbook selection for decades. The process for textbook selection heavily favors large companies that have the resources to deliver their book directly to faculty and to provide supplementary materials along with it. As materials today come typically to professors, the search, and therefore the opportunity to experience or engage with open content, is often missed. At the same time, with research requirements and heavy course loads, many time-strapped faculty struggle to dedicate time toward changing curriculum and turn towards the least time consuming options.

On the departmental level, there are often tenuous processes for selecting new books and initiating reviews of existing resources, causing a tendency to remain with particular books and lag behind most recent developments in the market. Many campuses enter into exclusivity agreements or partnerships with particular stores or publishers, which restrict the ability of alternatives to take root.

In all, this reliance on traditional systems means that new, innovative alternatives like open textbooks are often not given the opportunity to showcase their effectiveness and benefits.

This report highlights the necessity of changing these systems to allow open textbooks the opportunity to reach their full market potential.

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## CONCLUSION:

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The case for action on high textbook prices is clear: even in the context of a broader increase in college costs, textbook prices can have an outsized negative impact on students' financial well being.

Open textbooks represent the best possible solution. Open textbooks have the ability to lower costs, improve market competition, and increase student access, but so far, environmental and policy barriers have prevented full market transition. With students facing more and more of a financial pinch, we can no longer afford to accept the publishing status quo.

Therefore, if we are ever to solve the threat of high textbook prices, we must fully realize the potential of open licensing to revolutionize educational content, and invest accordingly.

Some actors in the community have already taken steps to help increase access to openly licensed educational materials, but there must be a far broader commitment to transitioning the environment in higher education. The following recommendations offer steps forward toward that end.

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## RECOMMENDATIONS

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### FOR INSTITUTIONS:

Institutions are both perfectly suited, and well equipped to take ownership over solving high textbook prices. Through their libraries and support staff, institutions have the infrastructure and personnel to provide training and professional development opportunities for their faculty around open textbooks, and have the resources to support faculty interested in developing, adapting or creating their own openly licensed course materials.

1. Convene faculty, students, librarians, and other support staff to examine opportunities to expand open textbook use on campus
2. Pass policies that demonstrate administrative acceptance and encouragement of, but do not mandate, open textbooks as a viable choice for course materials
3. Launch programs that provide training and coaching around open textbook adoption, adaptation, and development
4. Provide faculty with release time or stipends to explore open materials and incorporate them into their classes
5. Identify or task a specific individual or body with the coordination of these efforts

### FOR FACULTY:

Faculty members are the key decision-makers when it comes to textbook options. While respecting academic freedom and the right of faculty to choose whatever course materials they think best; faculty should consider cost and accessibility along with effectiveness.

Faculty could:

1. Explore existing open textbooks through the Open Textbook Library ([open.umn.edu/opentextbooks](http://open.umn.edu/opentextbooks)) or OpenStax ([openstaxcollege.org](http://openstaxcollege.org)), among other examples
2. Incorporate other, unpackaged openly-licensed content into course materials
3. Consider publishing materials you develop under an open license
4. Contribute to, or author, an open textbook
5. Advocate for and support professional development around openly licensed materials for your peers to campus administrators
6. Promote OER to fellow faculty and encourage them to pilot it in their courses

### FOR POLICYMAKERS AND LEGISLATORS:

Policymakers can use their unique positions of leadership to encourage higher education stakeholders in their states or districts to take action on high textbook prices and launch programs that encourage the adoption of open textbooks. Policymakers can also support

efforts to create a balanced marketplace by investing funds in programmatic support for faculty or institutions that are switching to open textbooks.

1. Publicly support educators that are interested in publishing, adapting, and adopting openly licensed textbooks and open educational resources more broadly
2. Enact policies that support institutions that are working to provide faculty with professional development and training around open textbooks and open licensing
3. Look beyond tuition and room & board when considering free community college plans or changes to financial aid, and include steps to cover the cost of course materials

## **FOR STUDENTS:**

Be a textbook affordability advocate on your campus. Student leaders have inspired some of the most successful open textbook and textbook affordability programs in the nation. As a student, you are the consumer – the one paying for textbooks, and that gives you a powerful platform to advocate for change. Students can:

1. Join or form an organization to advocate for smart textbook affordability solutions
2. Ask student government leaders to engage campus administrators about policies support open textbooks and open educational resources on campus
3. Meet with your professor about open textbooks and direct them to resources like the Open Textbook Library ([open.umn.edu/opentextbooks](http://open.umn.edu/opentextbooks)) or OpenStax ([openstaxcollege.org](http://openstaxcollege.org)), among other examples
4. Engage librarians and support staff as sources of knowledge and open licensing champions

## **FOR PUBLISHERS:**

With their sizeable infrastructure and experience in educational content management, textbook publishers could capitalize tremendously on the greater availability of open textbooks and openly licensed course materials. Publishers could use the available content to provide real consumer-friendly, cost effective materials to students, instead of using their market share to maintain a captive market. Publishers should:

1. Support greater development of openly licensed course materials, and use that content to deliver low-cost or free textbooks to students
2. Address student and consumer frustrations around bundling, access code, and other unmerited use restrictions
3. Partner with open textbook providers to provide low-cost supplementary materials and services like homework help and study materials around open textbooks.

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## METHODOLOGY

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### Student Survey

This report uses data collected through a survey conducted during September and October of 2015. The survey was anonymous, using multiple choice and open-ended response questions. The poll consisted of 3 demographic questions (name of school, type of school, number of courses enrolled) and 14 issue-based questions. 4,704 responses were collected from 132 unique schools in 26 states. This large sample was used to create a general snapshot of student opinions. Of the sample, 86.7% of respondents identified as attending a 4-year public institution, 9.1% attending a 2-year or community college, and 3.1% attending a 4-year private institution. The remainder identified as “other”.

### Collection

Survey responses were collected through two primary methods that emphasized a large number of responses from a range of institutions. Students and staff used the mall-intercept method at busy locations on college campuses to collect nearly 4,000 of the responses, employing a standard script during interactions to avoid biasing responses. To diversify results, outreach was conducted via email to students at additional campuses. While these methods did not yield a truly random sample that would support more rigorous scientific analysis, the sample represents a large and diverse snapshot of the student population from which we can draw meaningful conclusions.

### Calculations

Outliers created by data entry errors and mathematical improbabilities were removed from the data set post collection. Only respondents who answered a particular question are included in the statistical analysis presented here.

It is important to note that the data collected by this survey is non-scientific but because of its size, it is a relatively accurate estimate. The authors note that the findings are slightly skewed toward 4-year students, because they represent a disproportionately large percentage of the respondents. As a result, the estimate of the number of students using financial aid is conservative, since community college students show higher rates of financial aid use but are underrepresented here. Using averages by type of institution, this data was extrapolated to apply to a proportional student population, and found that the number of students using financial aid for textbooks increased slightly to 34%, up from 30%.

Calculations regarding inflation and change in costs over time were made using the Bureau of Labor Statistics Consumer Price Index. Calculations regarding broader impact on student populations were made using total undergraduate student enrollment data from the National Center for Education Statistics. This was the most appropriate population because the survey was administered to enrolled students, notwithstanding their financial aid or full-time status.

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## ENDNOTES

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- <sup>xvi</sup> *Fixing the Broken Textbook Market*. Student PIRGs (2014)
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- <sup>xviii</sup> *2010 Florida Student Textbook Survey*. Florida Distance Learning Consortium (2011). [http://www.openaccesstextbooks.org/pdf/2012\\_Florida\\_Student\\_Textbook\\_survey.pdf](http://www.openaccesstextbooks.org/pdf/2012_Florida_Student_Textbook_survey.pdf)
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