



# **Textbook Costs**

## **Report of the Task Force on Textbook Pricing**

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**Board of Regents for the  
University System of Georgia**

**November 17, 2004**

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# **Textbook Cost Task Force:**

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# Textbook Costs

- Legislative interest in Georgia – three bills proposed in 2004 session to cap margins and require extended use of current editions
- CALPIRG report and action by the California legislature
- Federal Review – HR 3567 under consideration to direct the GAO to investigate college textbook cost and determine whether the same books are sold outside the U.S. at substantially lower cost.



# **The College Textbook Market (Facts and Figures)**

- Student expenses for books and supplies were in the range of \$745-843 in 2003-2004
- Represents some 20% of total college costs paid by students
- The PPI for College Textbooks far outpaces the Core PPI for finished goods:
  - 3.4% in 1998, compared to .9% for the Core PPI
  - 6.5% in 2002, compared to .1% for the Core PPI





# **The College Textbook Market (Facts and Figures)**

- College bookstores earn an average 22% gross margin on new textbooks (unchanged since 1998)
- College bookstores earn an average 34.4% gross margin on used textbooks
- Used textbook sales have been a much smaller share of the textbook market, represent 11.6% to 23.1% of total bookstore sales currently
- New textbooks represent 37.7% to 58.9% of total bookstore sales



# **The College Textbook Market (Facts and Figures)**

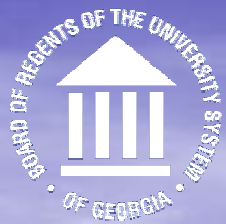
- **In 2002-2003, new texts and course materials accounted for \$5 billion of total sales**
- **Used textbooks accounted for \$1.8 billion of sales**
- **76% of textbook editions are changed every 3-4 years**
- **The average change in editions occurs every 3.8 years**





# **The College Textbook Market (Facts and Figures)**

- For every dollar spent on new textbooks, 78.6 cents is returned to the publisher (of which approximately 12 cents represents the author's income)
- College bookstores receive 21.4 cents, part of which is used to pay personnel and operating costs
- The net average income to college bookstores is approximately 4.1 cents
- Online sales account for a small portion of the college textbook market, about 2.2%



# Causes of Higher Textbook Costs

- Modern textbooks include more graphics, color and technology
- New textbooks are ‘bundled’ with supplementary materials (study aids, CD-roms, website support)
- The use of customized editions may disallow acquisition of textbooks over the internet at lower cost
- The use of customized editions limits book resales and opportunities for students to obtain used books





# Causes of Higher Textbook Costs

- Textbooks are published in new editions more frequently today
- Faculty abandon adopted textbooks after a relatively short time period.
- Textbooks are much less expensive outside the U.S. which leads to the perception that students are being “gouged”



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### **Options to Consider**

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# Options to Consider

1. Encourage textbook standardization for core curriculum and a minimum length of time for use of editions, where appropriate
2. Encourage faculty to submit textbook adoption information within an established deadline.
3. Encourage faculty to share all textbook adoption information with the campus bookstore

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# Options to Consider

4. Encourage faculty to give students the option of acquiring bundled textbooks, or purchasing the textbook alone
5. Educate the faculty to understand they are key to providing the best and most reasonably priced textbooks to their students
6. Encourage faculty to distinguish between required books and recommended books





# Options to Consider

7. Prevent faculty from reselling sample books
8. Extend invitations among academic departments to have staff involved in textbook adoption processes and serve as resources, along with bookstore personnel, during book rush
9. Discuss the issue of textbook prices, selection, etc. at new student and new faculty orientations



# Options to Consider

10. Hold forums across the state involving publishers, student groups, parents, faculty and bookstore managers to discuss the issue of textbook cost escalation
11. Use the University System of Georgia's purchasing power to leverage lower prices with national publishers
12. Seek legislative assistance in helping reduce the overall cost of textbooks such as providing sales tax exemptions or state income tax deductions

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**Questions/Comments?**

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