Tipping point:
Controlling college textbook prices

Merriah S. Fairchild

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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.\(^1\) 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.\(^2\)

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.\(^3\)

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.
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. 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.

Background

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

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.6 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.7

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.8 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.9 In March 2004, the Connecticut legislature directed the state Commissioner of Higher Education to investigate the publishing industry’s practices.10 In April 2004, Illinois Gov. Rod Blagojevich asked the Illinois State Board of Education to investigate the textbook industry for price-gouging.11 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 CollegeStores, 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.12

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.13

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

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6 California Performance Review.
7 California Performance Review.
13 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.”

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), 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:

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  - 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 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.

• 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.15 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.16 The Academic Senate at UCSB passed a similar resolution in May 2004.17 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.18 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%

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17 UCSB Academic Senate Minutes May 27, 2004 Available online at [http://senate.ucsb.edu/meetings/view.cfm?VIEW=MINUTES&ID=83967A0E938DC2A603F8030FEB6A](http://senate.ucsb.edu/meetings/view.cfm?VIEW=MINUTES&ID=83967A0E938DC2A603F8030FEB6A).  
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.

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Tipping point definition is the critical point in a situation, process, or system beyond which a significant and often unstoppable effect or change takes place. Examples of tipping point in a Sentence. In sociology, a tipping point is the point in time when a group or a large number of group members rapidly and dramatically changes its behavior by widely adopting a previously rare practice. In some circles, it represents the percentage required to change the direction or behavior of a crowd. Malcolm Gladwell wrote a New York Times bestseller on this entire premise, The Tipping Point: How Little Things Can Make a Big Difference. The term tipping point refers to the moment when a predicted future change of equilibrium goes from being unlikely to being inevitable. Once a tipping point has been reached, it is usually impossible to stop the impending change. It is a term that has been bantered around in different circles since the end of World War 2. It started as a physics term to describe electrically controlled mechanical switches, then expanded in sociology research of Morton Grodzins about "white flight" from inner cities in sociology, a tipping point is a point in time when a group or many group members rapidly and dramatically changes its behavior by widely adopting a previously rare practice. The phrase was first used in sociology by Morton Grodzins when he adopted the phrase from physics where it referred to the adding a small amount of weight to a balanced object until the additional weight caused the object to suddenly and completely topple, or tip. Grodzins studied integrating American neighborhoods in the early Tipping Point is a non-profit fighting poverty in the San Francisco Bay Area by identifying and investing in the most promising interventions. In the Bay Area, 1.1 million people don't have the resources they need to meet their basic needs. Since 2005, Tipping Point has invested nearly $300 million for housing, early childhood, education, and employment solutions in the region. Our board covers 100% of our operating costs, so every dollar donated goes where it's needed most.