

July 4, 2010

A Textbook Case for Low-Cost Books

By David W. Lewis

It is clear to anyone who looks at the state of textbooks today that the system is broken. It does not work well for anyone, but it is especially hard on students, who typically pay \$1,000 a year or more for textbooks.

Everyone with a financial stake in the textbook business is looking for a new model. That is especially true for publishers, but also for bookstores and authors. Macmillan's recent announcement of its DynamicBooks program, which provides a high degree of customization with electronic and print-on-demand capabilities, is typical. Most major textbook publishers have or are planning something similar.

Several textbook-rental companies, including Chegg.com, CollegeBookRenter.com, and BookRenter.com, have made inroads into college campuses, and major college-bookstore operators are exploring rental programs as well. Start-ups like Flat World Knowledge offer their textbooks free on the Web and sell a variety of versions of the text (print-on-demand books, printable PDF's of chapters, and MP3 files) and support materials. Connexions and numerous other groups provide platforms for a growing number of open textbooks.

After some particularly effective lobbying—especially by U.S. PIRG, which organized a campaign for affordable textbooks—Congress has weighed in. As part of the reauthorization of the Higher Education Opportunity Act, effective July 1, colleges and universities, "to the maximum extent practicable," must provide students with information about textbook requirements when they register for classes.

Colleges have, historically, been largely absent from direct involvement in the textbook market. Faculty members usually determine the textbooks needed for their courses, according to their own preferences. Publishers then sell those selected textbooks to each student through bookstores.

Further, academics frequently write textbooks for publishers. And unlike colleges' handling of patents for potentially lucrative discoveries, the institutions usually take no ownership interest in the intellectual property that their faculty members create for textbooks, even when the resulting income to the faculty member is significant. Although textbooks are important to teaching, most of the decision-making and money are outside of an institution's control.

That should change. If colleges act decisively, they can reduce costs, enhance pedagogy, increase student success, and change how textbooks and related course materials are created, distributed, and used. They can also demonstrate to students, parents, and legislators that providing an affordable path to academic success is an institutional priority. But if colleges do nothing, they leave their students vulnerable to market forces and may lose control of how teaching and learning are conducted.

Whether or not colleges act, the textbook market will change. All of the players—authors, publishers, bookstores, professors, and students—know that the status quo cannot hold. The question for college administrators is whether we will drift through the coming changes or be leaders in meeting the challenges. We can provide immediate relief to students and, in the longer term, create sustainable, responsive, and cheaper ways of producing and distributing textbooks and other course materials by taking three steps:

Encourage and embrace rental programs. They are the best way to reduce costs in the immediate term, and a variety of options, offered by textbook-rental firms and collegiate bookstores, already exist. In general, a textbook rented through such programs costs 30 percent to 40 percent of the list price. Students who purchase textbooks may pay more than the list price and get only half of that back when they resell the books at the end of the semester. Textbook-rental programs are, at their core, a way of rationalizing the

chaotic used-textbook market. Contracts with bookstores may need to be renegotiated, as bookstores will need to invest in book stock, and their profit formulas could be adversely affected. Publishers can be expected to complain, but students will save money and have their academic lives simplified.

Establish metrics for textbook costs and goals for their reduction. To make significant changes, college presidents should publicly state their commitment to reduce textbooks costs. For example, a 5-percent campuswide reduction in costs in each of the next five years is an easily achievable goal. A bolder goal would be a 10-percent reduction in each of the next five years, with the aim of reducing textbooks costs by half. Setting the bar high is likely to drive innovative practices more quickly.

As for measuring any successes, the best available metric is the total cost of textbooks to students. Because students can acquire books from many sources, the exact cost to them is impossible to establish, but the theoretical cost is usually easy to determine at the course, department, school, campus, and university levels. Most or all campus bookstores have data on expected enrollments as well as the required and recommended textbooks for all courses. With those figures, colleges can estimate how much textbooks cost their students and measure any success in reducing those costs. In order to motivate faculty members, departments, schools, and campuses to help reduce textbook expenses, their costs should be publicly disclosed.

Set up an investment fund that would allow faculty members, programs, and departments to acquire or create alternative content. If even a fraction of the money spent on textbooks by students could be directly invested by colleges for textbook development, better and cheaper content could be developed and delivered. Colleges should invest \$200 per full-time student in a three-year project to develop or purchase textbooks and other instructional materials, initially focusing on the 100 undergraduate courses with the largest enrollments.

Textbooks could be developed and deployed in a variety of ways. Universities or multi-institution groups could commission content created by faculty members that would then be owned and managed by the universities. Alternatively, universities could use their market power individually or collectively to make bulk purchases of content from publishers. It is hard to know what sort of deal the University of California system or the Council of Independent Colleges might be able to make with Pearson or McGraw-Hill, but it would certainly be better than what students get today.

Other portions of the investment fund would very likely support technology infrastructure. University presses could contribute productively to this effort by providing editorial services that support content creation. Multi-institution collaborations would be especially powerful if that content was then made open-access, to allow for sharing across colleges and universities.

After a year or two, with investment at that scale, enough content would be in place that a modest student book fee of, say, \$50 could be easily justified, and, within three to five years, that fee could rise to \$100. Students might still need to purchase textbooks on some occasions, but their costs would probably be reduced by half. The initial investment could be repaid through the student book fees, and the fund could be renewed with continued fees to allow for updating older content and developing new materials.

Another important part of such a strategy involves technological infrastructure. Today textbook publishers call for students or campuses to access content from the publishers' systems, which means that content comes from multiple platforms outside the campus, making integration with course-management systems difficult and raising concerns for privacy and security. It also positions publishers, who can observe how students interact with the content, to know more about how students behave than some colleges or professors do. Knowledge about how students use learning materials is an important byproduct of such systems, and faculty members and colleges need to have access to it.

A far better approach is for colleges to manage digital content on in-house systems that are integrated with their course-management systems. Content should be purchased, leased, or created, and loaded into such a system, and it should be licensed so that faculty members can modify it to best meet their instructional

needs. Purchased and licensed content would ideally be available as a campus site license—rather than on a per-student basis, as publishers probably prefer—to give students access to the content throughout their enrollment, not just for the time they are taking a particular course.

Textbooks are changing, and they should. Our system does not provide the most effective support for teaching or for students' financial and academic success. If colleges and universities act decisively, five years from now, we will have created a better, cheaper way of providing textbooks—one that serves the needs of students and professors, and that enhances teaching and learning.

David W. Lewis is dean of the Indiana University-Purdue University Indianapolis University Library and Assistant Vice President for Digital Scholarly Communications at Indiana University.