



# FACT SHEET

Date: August 12, 2008

Report: 2007-116

The California State Auditor released the following report today:

## **Affordability of College Textbooks**

*Textbook Prices Have Risen Significantly in the Last Four Years, but Some Strategies May Help to Control These Costs for Students*

### **BACKGROUND**

Each year the rising cost of textbooks affects about 3.2 million students that California's three postsecondary educational systems—University of California (UC), California State University (CSU), and California Community Colleges (community colleges)—serve. Based on our survey, most students purchase their textbooks through campus bookstores or a private firm if a campus leases its bookstore operations. From developing and publishing to marketing, selling, and purchasing textbooks, several entities can influence textbook costs. Centralized offices that oversee the process of textbook adoption are not normally used. Instead faculty, course coordinators, or committees generally use their discretion in making textbook adoption decisions.

### **KEY FINDINGS**

Our review of the affordability of college textbooks in California's three postsecondary educational systems disclosed the following:

- Increases in textbook prices have significantly outpaced median household income making it more likely that some students will forgo or delay attending college because of the financial burden. For the academic year 2007–08, the average textbook costs as a percentage of student fees and textbooks was 13 percent, 22 percent, and 59 percent at UC, CSU, and community colleges, respectively.
  - Textbook publishers charged retailers significantly more than did publishers of all types of books.
  - Campus bookstores add their markups to publisher invoice prices. Of the campus bookstores we reviewed, markups ranged from 25 percent to 43 percent of the publishers' invoice prices. Further, bookstores re-sell the used version of a textbook at 75 percent of the new version's retail price, even though the price students receive at buyback is below that.
- Students may be able to reduce the adverse effect of increasing textbook prices by purchasing used textbooks from the campus bookstore, selling textbooks back to the bookstore at the end of the term, or purchasing used or new books from a third party that advertises with online retailers. However, the ability to purchase or sell back used textbooks to the campus bookstore depends on whether used books are available or the campus bookstore is willing to purchase the used books.
- Although beneficial to the student, the used-textbook market may influence publishers to issue new editions more frequently even though many faculty we interviewed say revisions to textbooks are not always warranted and are minimal. For the textbooks we reviewed, publishers released a new edition every 3.9 years on average.
- Nearly all faculty members we interviewed about the state laws encouraging them to participate in efforts to reduce textbook costs were unaware of those laws.
- Campus bookstores have implemented some strategies to reduce student's textbook costs; however, they have not been consistently employed. Some campuses are exploring possible solutions for the rising costs of textbooks such as offering alternate means of content delivery from that of traditional textbooks, including open educational resources and the Digital Marketplace.

### **KEY RECOMMENDATIONS**

We made some recommendations aimed at increasing awareness and transparency about bookstore markups and policies for using bookstore profits. Further, we made specific recommendations for UC, CSU, and the community colleges to issue guidance on the process of selecting textbooks in an effort to keep costs down and to promote alternative educational resources.



