***Debate***

# Is Disclosing the Price of Textbooks the Best Way to Reduce Student Costs?

## ISSUE: Will the Higher Education Opportunity Act truly cut textbook costs for students?

As higher education costs continue to climb for American students, the price of college textbooks represents a highly visible cost that concerns students. Congress has taken the first step toward trying to make textbooks more affordable for students. With textbooks for some college courses easily reaching $200 a piece, students hope to see some relief from the escalating costs with the passage of the Higher Education Opportunity Act (HEOA).

As of July 2010, institutions are required to disclose in their course schedules the International Standard Book Number (ISBN) of every required and recommended textbook (and supplemental materials) as well as the retail price information. Publishers are required to provide faculty with information on price, copyright dates of the three previous editions, any substantial revisions between a new edition and prior revisions, whether the textbook is available in any other format, and the prices of alternative formats. The law also requires publishers to sell course materials “unbundled,” or separated from supplemental materials such as computer discs, website access, and other electronic material that are now packaged with college textbooks.

To put it simply, students will now be provided with textbooks’ ISBN numbers and retail prices when they register for a course. Because registration takes place months before classes begin, under the HEOA professors will have to decide upon required textbooks far in advance. The bill passed by lawmakers will not actually limit the costs of textbooks, which has been climbing at twice the rate of inflation for years. Rather, it will require publishers to be more transparent about their practices and pricing. The argument is that better informed professors will choose more affordable texts for their classes.

The benefits of the HEOA for students include the ability to budget ahead. Armed with information ahead of time, students are provided with what they need to plan their finances in advance for the semester. Perhaps more importantly, students can have extra time to shop for textbooks before they arrive on campus. They might lower their costs by purchasing used textbooks, searching for lower-priced textbooks from online sources, or purchasing directly from other students. Additionally, with the ISBN number in tow, students can visit the publishers’ own websites and shop for discounts, search for lower-priced editions, or even rent e-books at CourseSmart.com, a site created by publishers that offers discounts of 50 to 60 percent.

Other proponents of the new law argue that it will force professors and universities to consider the price of the books they recommend. The textbook industry has been labeled a “monopsomy”; the professor is the only “buyer,” but since he or she does not have to pay for the book, the price of textbooks is inelastic—the student still buys the necessary materials despite a rise in price. Since universities earn money on their bookstore contracts, one economics professor suggests that universities also have an added incentive to support high textbook prices. The law could cause more professors and universities to take price into account when choosing books. At the very least, it would equip students with information to make informed choices and seek alternative routes.

With any major change, however, there are always downsides. Because the cost to students is not always the primary consideration when publishers are developing textbooks, some argue that textbook price increases are not likely to slow. In addition, because publishers and retailers are profit-seeking firms, any widespread action that would attempt to lower textbook costs to students would likely harm profits and cause major changes in business practices. Students do not understand the economics of writing and publishing a textbook and the ancillaries necessary to support the book. Students often do not value books as an educational asset but view them as a necessary evil. However, publishing companies often spend millions of dollars in development, editing, overhead, sales, and royalties to bring out a new textbook. Professors demand websites, lecture aids, PowerPoints, test banks, and class management websites (that include testing, grading, etc.), which are very expensive to produce. The actual cost of manufacturing and printing the book is very small compared to the cost in developing the book and providing professor and student support materials. The belief that eliminating a supplementary item after it has been developed will reduce the cost of the book is not realistic. HEOA also creates hidden costs for schools and publishers that could result in higher priced textbooks. For instance, providing the information required by the HEOA takes time, and publishers argue that this could drive up prices by requiring publishers to issue long lists of their products and detailed accountings of the changes made to texts for each new edition.

Other critics acknowledge the high costs of textbooks, and even recognize the merits of the new law. However, they disagree as to the extent of the problem. Studies have revealed that more and more students are buying their textbooks online and/or purchasing used textbooks (constituting 44 percent of spending for printed books in spring 2010). Other research groups have revealed that student textbook spending has flattened or has actually begun declining. Others point out that textbooks are just a small part of the student cost equation; the government should instead focus on restoring aid to higher education to help alleviate tuition debt.

A final argument is that the new law could hinder the decisions of professors when trying to choose quality textbooks because price will be a prime factor now. Do we want a cheap education for students with substandard teaching materials or a quality education for a few dollars more? To implement the HEOA, registrars have to work with school bookstores to place this information in the course schedule, which takes additional time and resources. Does the possibility of lower textbook prices for students justify the potential costs? Without some sort of compromise, it is likely that some parties will benefit at the expense of others.

## There are two sides to every issue:

1. The new federal textbook law will benefit students and cut textbook costs.
2. The new federal textbook law will not actually cut textbook costs and could negatively affect publishers and educational institutions.

Sources:

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