Textbook Report for Faculty and Chairs

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A Board of Governors Subcommittee began investigating the increasing cost of textbooks in 2006. Their report, issued in March 2007, contained recommendations for all of the campuses. This was followed by directives from President Bowles which gave campuses two choices for reducing textbook costs: adopt a textbook rental system or institute a guaranteed buyback. This report will address both issues. But first let me begin by discussing textbook costs from the student perspective. For 2006-2007, the average new textbook cost for an undergraduate student at Carolina was about $451 for Fall and $487 for Spring, for an annual total of $938.

Many undergraduate students understandably want to buy used textbooks and then sell them back to the bookstore at the end of the course, in order to minimize their textbook expenses. In terms of cost to the student, the optimal case in such a purchase/sell model is that a student buys a *used* book, and then turns around and sells it back to the bookstore *when the bookstore knows that the textbook will be used again the next semester*. The pricing formula we use is the industry standard: we sell used books at 75% of the new textbook price, and we pay 50% of the new price for a used book *if* the book will be used on campus again.

So if *used* textbooks are available, what does it cost a student to purchase books for fall and spring? Instead of $938 for new books, used textbooks would cost $704, a savings of $234 for one year.

What if we intend to use all of the books again next semester? Unlikely of course, but it completes the optimal case analysis. The net cost to the student after using a used textbook and then selling it back to the bookstore in the best case scenario is down to 25% of the new price: bought for 75% of new; sold at 50% of new. In this case, then, the annual cost of textbooks would be only 25% of the cost of new books, down from $938 (all purchased new with no buyback) to only $234 (all purchased used and sold with knowledge of future UNC use), a savings of $714.

In contrast, if the book will not be used again next semester on our campus, Student Stores can only offer a national wholesale price, on average, about 15% of the new book price. Most purchase/buyback transactions fall somewhere between the two extremes—and usually closer to the upper limit, because students buy a mixture of new and used textbooks; some students keep their books; and some used textbooks have little value.

Our goal is to create conditions that optimize the number of student textbook transactions which fall under the ideal case umbrella, without limiting faculty textbook choices. We can approach this goal through more timely textbook adoptions by faculty. Note that Student Stores has to ask for Fall adoptions as early as the last week in March, and for Spring adoptions as early as the last week in October, in order to constructively participate in the national used textbook market. In searching for used textbooks, we are competing with thousands of other bookstores for a limited supply of used books, and only by placing our orders early can we locate and maximize the number of used textbooks available to our students at the start of the semester.

Early adoption is especially important when a textbook is used for the first time on our campus, because in that case there is no supply of used textbooks locally. Adoption dates remain important right up to the buyback period since, as noted, we pay 50% for titles which will be reused, but only an average of about 15% for titles that won't be used. Long story short, early identification of texts to be used next semester helps optimize used book utilization at both ends: it enables our store to purchase more used books from wholesalers to sell to our students (that's good) and it allows our store to pay students more for their used textbook at buyback (and that's good).

As a measure of progress, General Administration is requesting textbook adoption percentages by the last day of classes. In a new initiative, UNC Chapel Hill has asked Student Stores to create a weekly report by department, beginning the first week of April and running through the last day of classes in May, concerning Fall 2008 textbook adoptions. This report will list the percentage of adoptions received, plus courses and faculty who have yet to communicate with the bookstore. This will give departments the information they need to achieve the highest possible adoption rate by the last day of classes. These results will be reported to GA.

To implement President Bowles instruction regarding rental and guaranteed buyback, the University appointed a textbook committee, chaired by Executive Associate Provost Steve Allred. The committee contained faculty, students, and bookstore representatives. The committee focused on textbooks for introductory courses in the College of Arts and Sciences, and agreed to work towards implementing a guaranteed buyback program rather than opting for a rental plan. So for us the General Administration requirement is that students taking large introductory courses be offered a guaranteed book buyback.

In a guaranteed buyback program departments agree to use the same textbook for multiple semesters. Student Stores has piloted this program for Spring 2008, and we are working with the Provost's office to have it fully implemented for Fall 2008. Student Stores will also report on the status of guaranteed buyback adoptions by department in the weekly adoption percentage report to be sent to departments.

So, in addition to early identification of textbooks, the second major pillar of the textbook cost reduction effort here at Chapel Hill is a guaranteed buyback program for large introductory sections. Student Stores is creating a textbook handbook for faculty, which will answer many questions and should be available in March, both in paper and on-line. And I am always available, as is our textbook manager, Ms. Kelly Hanner, for any questions you or your department may have. Our phone numbers and email addresses are below.

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