In today’s tight financial climate, common ground on college budget issues can be hard to find among students, faculty, administrators and lawmakers. Yet, there is at least one area where virtually everyone agrees—textbook costs are out of control.

Over the last 25 years, textbook prices have more than quadrupled and continue to rise faster than inflation. The average text for an introductory-level course costs $175, and many spike into the $200, or even $300, range. According to the College Board, the average student at a four-year public institution spends $1,200 annually on books and supplies.

High textbook costs are beginning to undermine student success. A recent survey by the Student Public Interest Research Groups (PIRGs) found that seven in 10 undergraduates skipped buying one or more required textbooks because the cost is too high, and three-quarters of those students believed that doing so could hurt their grades.

Digital technology has long symbolized a possible light at the end of the tunnel for textbook costs. However, the $8.8 billion publishing industry has proved resistant to transformation, even as change has swept through similar sectors like trade books and music. The recent explosion of new technology, products, business models and players suggests that the transition to digital textbooks has finally begun.

The question now is, what is the future of digital textbooks? Will it become the solution higher education has been waiting for? Or, will it come full circle back to prices that students can’t afford?

The answer depends upon whether digital textbooks successfully harness the power of technology and the Internet to control costs and expand access. Not all publishing models are created equally, and to maximize the potential of digital textbooks, the industry needs to retool its core business model and the role of copyright within it.

By Nicole Allen

E-Textbooks

The dominant digital textbook model among traditional publishers is “e-textbooks,” digitized alternatives to printed texts that students read on a laptop or tablet. Similar to PDF documents, e-textbooks enable students to annotate, highlight and search. The cost is 40-50 percent of the print retail price, and access expires after 180 days.
E-textbooks, like print textbooks, use a business model based on selling individual copies of the text. This model was successful for centuries when printing and shipping physical books was the primary way to disseminate knowledge. It has not translated well into the 21st century, where a single text can be shared with an infinite number of people at virtually no cost over the web. To make this model work in the digital world, e-textbooks use copyright enforcement, strict license terms and digital rights management (DRM) controls to lock down e-textbooks and prevent unauthorized use. These restrictions inherently short-circuit the most advantageous features of today’s technology.

So far, e-textbooks have been slow to catch on. Despite being widely available since 2008, e-textbooks comprise only 3 percent of annual sales. Pilot programs continue to produce lukewarm results, pointing to the relatively high cost and general lack of interactivity that students expect from digital resources. Studies show that three-quarters of students still prefer to use printed books.

As traditional publishers continue to evolve, models that depend on restricting access rather than enabling it cannot be the solution. A future defined by e-textbooks will only amount to trading one broken system for another.

Open Textbooks

Newer models use copyright to unleash, rather than to restrict, the use of content. Known as open educational resources (OERs) and open textbooks, these materials are freely distributed online under a “some rights reserved” (as opposed to “all rights reserved”) copyright license that grants blanket permission to reuse, revise, remix and redistribute the content. Unlike e-textbooks, users can engage with OER content in the myriad ways possible in the digital environment—copying, mixing, matching, sharing, printing, editing and more.

Open textbooks are gaining traction as more faculty seek alternatives that all students can afford. Open textbooks are in use by more than 3,000 faculty and hundreds of thousands of students this year alone. The University of Minnesota recently launched an online, peer-reviewed catalog of open textbooks that makes finding high quality options easier than ever.

The University of Minnesota created an online directory of open textbooks that is curated by faculty and offers peer reviews evaluating the quality of each text. This resource is available to colleges nationwide and addresses the most fundamental challenge faculty face: where to find high-quality open textbooks (open.umn.edu).

Virginia State University redesigned its business curriculum using open textbooks from Flat World Knowledge. Over the last two years, VSU has improved the student success rate in Accounting I—a key gatekeeper course—from just over 50 percent to more than 80 percent.

The Washington State Board for Community and Technical Colleges is building a library of open course materials for the system’s 81 largest courses. After discovering that millions of state financial aid went toward buying textbooks, the state legislature contributed $750,000 to the project, and the first 42 courses alone have already eliminated $1.2 million in textbook costs—more than the original investment.

A national movement has emerged around OERs, encompassing everything from MIT’s OpenCourseWare program to Khan Academy to a $2 billion federal grant program. Several states are investing in OERs as a cost-saving measure; California, for instance, launched a $5 million program to develop 50 open textbooks, and Washington’s library of free online courses saves students more than $1 million per year. At the same time, startup companies are entering the marketplace. Evidence from other industries demonstrates that generating revenue around a free product is not only possible, but can be highly successful.

The momentum will only intensify as new research links OERs with better student success. Last year, an OER pilot program at the Virginia State University business school resulted in 30-40 percent higher GPAs and more than $200,000 in student savings across nine core courses using open textbooks. A forthcoming study on Project Kaleidoscope, a pilot funded by the Next Generation Learning Challenge, documents improved success rates in gatekeeper courses, especially for low-income students.

Imagine if every institution implemented an open textbook pilot program with similar results. How many more students would advance beyond gatekeeper courses? How many more students would reach graduation? How many millions—or billions—of dollars would be saved?

As opportunities to bring new learning technologies on campus abound, the choice each institution must make is which model to prioritize. The imminent transition from print to digital is a singular opportunity to trade the existing broken market for one that better serves the needs of students. Higher education should not pass it up.

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