The Rising Cost of College:
Solving the Student Textbook Problem

The refrain of "the price of college is too high" is not new. However, as college enrollment has increased over the past two decades, the cost of all facets of attendance has grown at a much faster rate. In fact, the increase in tuition and fees and the price of textbooks and other learning materials have well outpaced inflation, placing a heavy debt burden on former and current students and making the dream of college tenuous for the next generation of would-be higher-education student. To combat part of the problem, institutions have implemented measures to save students money on learning materials. This paper examines these rising costs and the programs implemented to save students money on their textbooks and other course materials, specifically "Inclusive Access" initiatives.

Introduction

Since 2000, colleges and universities across the United States have seen tremendous enrollment growth. According to the National Center for Education Statistics, during the fall semester of 2017, roughly 20.4 million students attend U.S. colleges and universities. This number represents a 5.1 million-student increase since 2000. Of those current students, seven million attend two-year institutions and 13.4 million attend four-year institutions. About 17.5 million students are enrolled in undergraduate programs and three million are enrolled in graduate programs.

Part of this Increase in enrollment can be attributed to the rise in the traditional college-age population. Between 2000 and 2015, the 18- to 24-year-old population rose from approximately 27.3 million to 31.2 million. Of that group, the percentage enrolled in college and university increased in 2015 to 40.5, up from 35.5 percent in 2000.

The growing enrollment numbers have also seen a demographic shift. Increasing numbers of black and Hispanic students are now attending college. Between 2000 and 2015, the percentage of college students who were black rose from 11.7 to 14.1 percent. The percentage of students who were Hispanic rose from 9.9 to 17.3 percent. Also, the percentage of Hispanic 18- to 24-year-olds enrolled in colleges and universities increased from 21.7 percent in 2000 to 36.6 percent in 2015, and the percentage of black 18- to 24-year-olds enrolled increased from 30.5 percent to 34.9 percent.

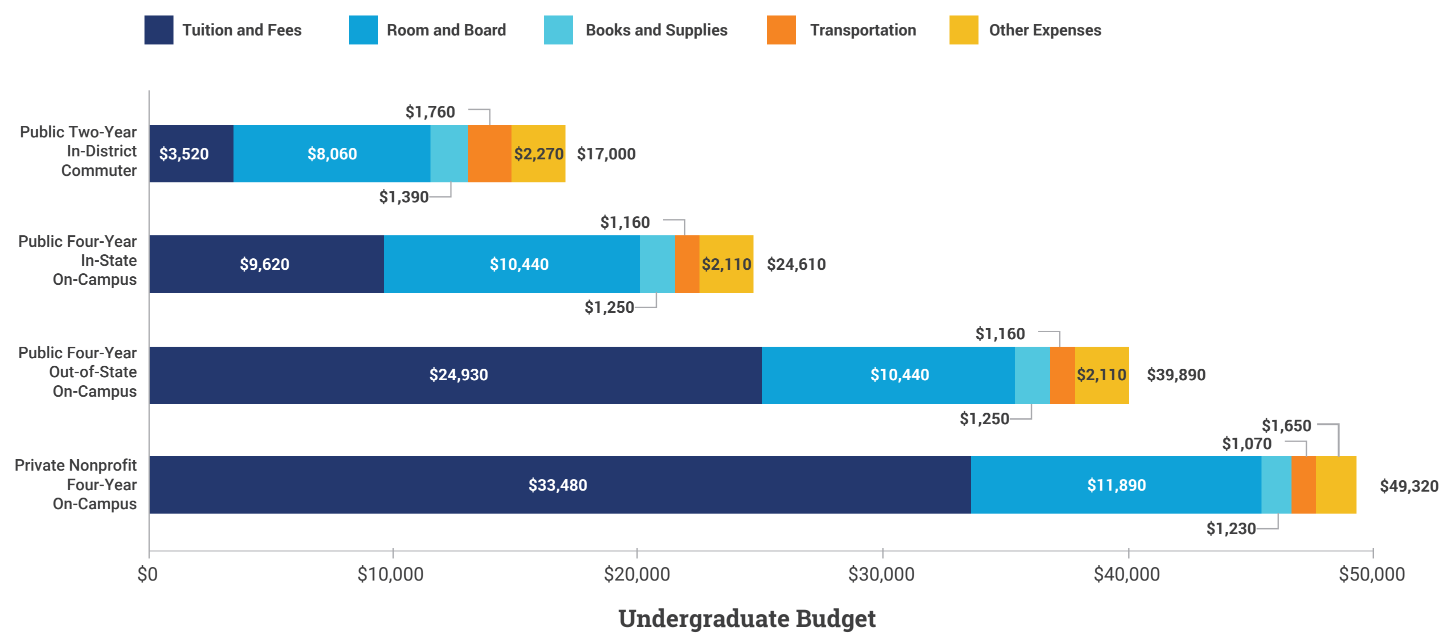
Recent data backs up these decisions to attend college. Among millennials ages 25 to 32, median annual earnings for full-time working college-degree holders are $17,500 greater than for those with high school diplomas only. That gap widened for each successive generation in the latter half of the 20th century. As of 1986, the gap for 25 to 32 year olds was $14,200; the gap is now more than twice as large as it was in 1965, when it around $7,500 (National Education Statistics 2017).

The Rising Cost of Attendance

While there has been a marked increase college participation this millennium, there has also been a large increase associated with the cost of attendance. Between 2000 and 2015, the average yearly tuition and fees for an in-state public four-year institution rose from approximately $3,500 to $9,800 (180 percent increase). For an out-of-state student, that figure rose from $9,850 to just over $24,000 (144 percent increase). During that same period, private institution tuition fees went from $13,900 to almost $39,000, a 181 percent increase (Mitchell, 2015).

By comparison, the consumer price index (CPI) rose 40 percent from 2000 to 2015 (Bureau of Labor Statistics 2015).

But tuition and fees represent only part of the cost of college attendance. Other factors include transportation cost for off-campus students, room and board for on-campus students, and child-care costs for students who are parents.



And textbooks and other learning materials.

In the 18-year period from 1998 to 2016, the American Enterprise Institute, using data from the Bureau of Labor Statistics, reported a 181 percent increase in the cost of college textbooks, compared to an overall increase in the consumer price index of 51 percent. Conversely, the price of "recreational books" has fallen 4.2 percent over the same period (Perry, 2016). For the 2016-17 school year, the average per-student, per-year spend on books, supplies and other learning material at a public two-year school was $1,390 and around $1,250 at a four-year institution (The College Board 2017).

Research recently conducted by the Florida Virtual Campus Office of Distance Learning & Student Services (Donaldson and Shen 2016) found:

> Of the (two-year) college students surveyed, 56.3 percent spent $301 or more on textbooks, compared to 50.5 percent by (four-year) university students. In addition, 12 percent of college students reported having spent $301 or more on course materials, compared to only 9.8 percent of university students.

The Whole Cost Picture and the Student-Debt Crisis

According to the College Board, in 2016-17, it cost a student at a public two-year school $17,000 a year on average to attend college. For an in-state student at a public four-year institution who lives on campus, it costs $24,610; for an out-of-state student, the price tag jumps to $38,890. At a private nonprofit four-year school the average cost of attendance (living on campus) was nearly $50,000 for the year (The College Board 2017).

To pay these costs, students are increasingly turning to loans. Of college and university students graduating from public and nonprofit private institutions in 2015, 68 percent were carrying student loan debt to the tune of $30,100 per borrower on average—a 4.2 percent increase over 2014 (The Institute for College Access &Success 2016). More than 44 million (approximately 20 percent) Americans have student loan debt. One in three millennials have student loan debt (Hiltonsmith 2017). In all, student loan debt in the U.S. totals $1.3 trillion. Today, student debt is a $140 billion-a-year industry (Consumer Reports 2016).

In the face of unemployment and underemployment of younger (25 and under) recent college graduates (Abel et al 2014), nearly 40 percent of borrowers are either in default or are more than 90-days late on their payments (Hiltonsmith 2017). Students who did not complete a degree represent 63 percent of all defaults, leading some to conclude there is not a student loan crisis, but a college completion problem (Tompor 2016). According to the 2016 Consumer Reports/Center for Investigative Reporting report, 44 percent of people surveyed said they would want to know how much student debt a person has before beginning a serious relationship; 28 percent have delayed purchasing a house because of student-loan debt; and 12 percent have delayed getting married (Steele and Williams 2016).

The Wakefield survey for VitalSource found that seven percent of U.S. students and 18 percent of Canadian students with college loans believe they will never repay their student loans. In the U.S., 16 percent of students believe it will take them more than 20 years to pay off their debt, while in Canada that number is 22 percent. That same survey found that 83 percent of current U.S. college students and 87 percent of current Canadian students believe they will have to forgo their "dream job" and prioritize finding a high-paying job due to the amount of student-loan debt they will be carrying (Wakefield 2017).

Sacrifices to Make College a Reality

While students face other barriers to college attendance and completion—lack of information and college readiness, lack of family support, health issues, poor adjustment to college, other obligations and a laundry list of other factors (Falcon 2015)—financial constraints remain the most prevalent deterrent to student success. A 2015 study by Ohio State University's Office of Student Life and College of Education and Human Ecology found nearly 70 percent of students across the U.S. were stressed about their personal finance. Nearly 60 percent said they worry about having enough money to pay for school (Grabmeier 2015).

This worry leads student to make tough financial decisions before enrolling in college. In 2017, 50 percent of students said they decided not to attend one or more colleges because the cost, up from 45 percent in 2016. In Canada, 46 percent of students made the same decision. They do not foresee the financial situation getting any better for the next generation of students: 78 percent of students in the U.S. and 76 percent in Canada felt fewer students will go to college in 10 years due to rising costs (Wakefield 2017).

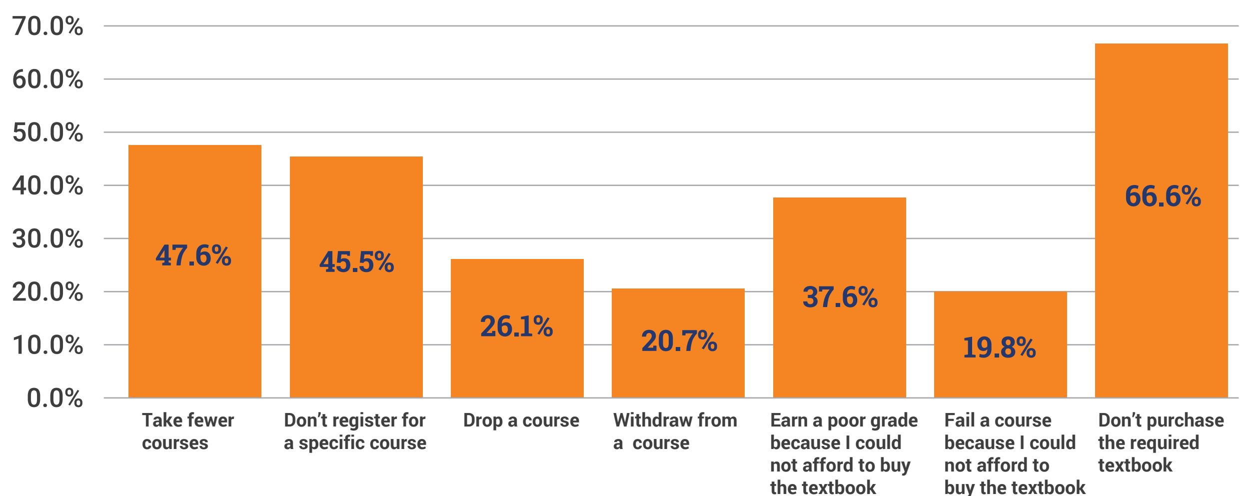
Financial need is one of the strongest predictors of students dropping out of college (Blair 2016). Lack of adequate finances have been linked to lack of student preparedness, which stifles academic success, which in turn affects student retention and persistence. In 2017, 85 percent of U.S. students (up from 80 percent in 2016) and 92 percent of Canadian students reported not having all their needed course materials at the beginning of the semester. Some chose to not buy the required books or supplies at all during the semester. Of these students, more than 90 percent cite cost as the reason for delaying or forgoing the purchase and 50 percent report a detrimental effect on their grades as a result (Wakefield 2017).

The results of the Student Textbook and Course Materials Survey (Donaldson and Shen 2016) mirror these findings:

> The findings suggest that the cost of textbooks is negatively impacting student access to required materials (66.6 percent did not purchase the required textbook) and learning (37.6 percent earn a poor grade; 19.8 percent fail a course). Time to graduation and/or access to courses is also impacted by cost. Students reported that they occasionally or frequently take fewer courses (47.6 percent); do not register for a course (45.5 percent); drop a course (26.1 percent), or withdraw from courses (20.7 percent).

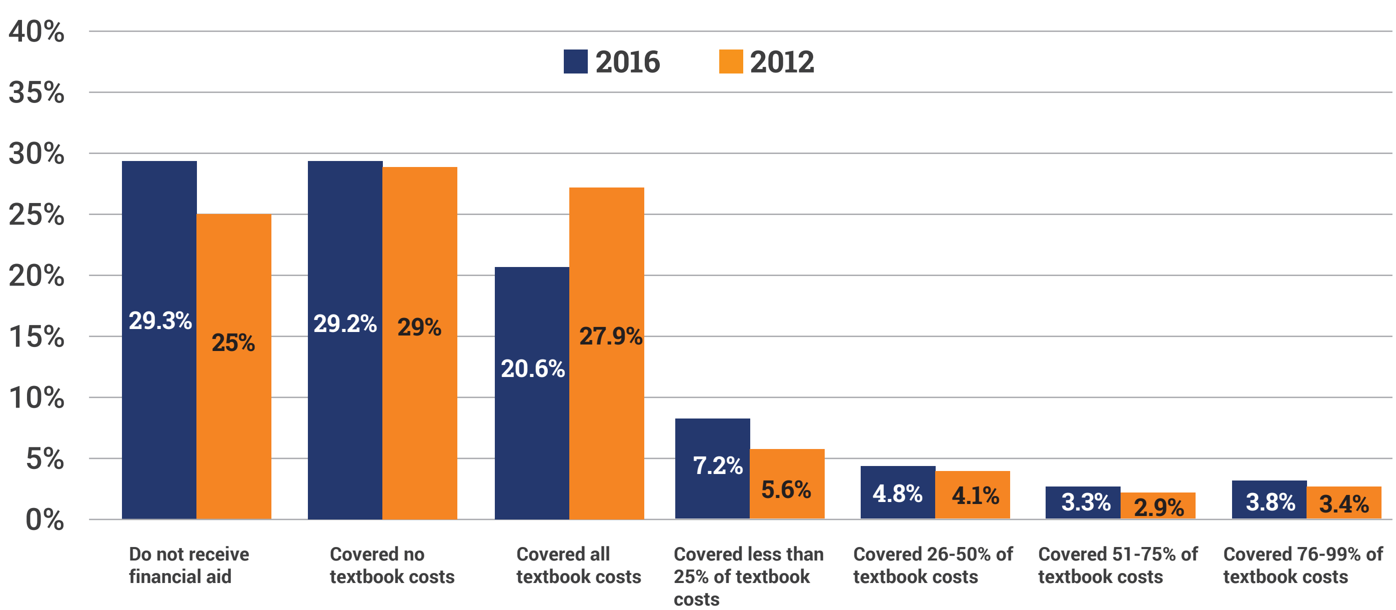
To gain access to the needed materials and books, students reported having taking measures including: purchasing

Impact of Textbook Costs on Students



Florida Virtual Campus
2016 Textbook and Course Materials Survey

Textbook Costs Covered by Financial Aid (2016 and 2012)



Florida Virtual Campus
2016 Textbook and Course Materials Survey

older versions, sharing with a classmate, getting a job or using library copies. Additionally, nearly half of students report using financial aid to purchase textbooks and materials (Wakefield 2017).

However, the Florida Virtual Campus research (2016) found a growing problem with the tactic of using financial aid for these purchases:

> For the spring 2016 term, only 70.7 percent of students reported that they received financial aid, which is down from 75% in 2012. Furthermore, of the 70.7 percent who received financial aid, nearly one-third (29.2 percent) reported that their financial aid covered none of their textbooks costs, which is slightly higher than the 29 percent reported in 2012. Of students whose financial aid did cover some portion of their textbook costs, only 20.6 percent reported that all of their textbook costs were covered, down from 27.9 percent in 2012.

Solving the Textbook Conundrum

While students are employing many different methods to put learning materials in their hands, they are also taking steps to soften the blow to their wallet to do so. To lower the cost of textbooks, students are turning to textbook rentals to reduce cost—this includes a marked increase in the rental of digital textbooks (Donaldson and Shen 2016).

Colleges and universities—along with their faculty and campus stores—are also taking steps to implement initiatives designed to save students money. Much has been said about open educational resources (OER)—a paradigm in which instructors and professors use free, open-source learning materials or create their own for their courses. While promising, OER has its limitations, including quality concerns, language and cultural barriers, sustainability issues, and the risk of intellectual property/copyright/fair use violations (Goucher College Library 2017).

Another solution that is growing in popularity among colleges and universities is the digital Inclusive Access model. In this type of learning-material program, digital versions of a student's learning materials are placed in the learning management system (LMS) and are available for student use prior to the first day of class. Students have access to the eTextbook for a set amount of time, usually the drop/add period; then, if they choose to keep it, they are billed through their institution at a reduced cost compared to print (Strausheim 2017).

The Wakefield Research study (2017) found that students have an interest in these types of programs. Of the surveyed students in U.S., 78 percent of students attending colleges not offering an Inclusive Access program were interested in paying for course materials as part of your tuition cost, rather than purchasing them separately. In Canada, 67 percent expressed interest. Students understand the buying power of their college or university when negotiating the cost of learning materials with publishers and other suppliers: 72 percent of U.S. students and 82 percent of Canadian students believe their school can reach the better deal than they can get buying on the textbook market.

The American Association of Publishers (AAP) (2017) report numerous benefits to Inclusive Access programs for students including discounts of up to 70 percent over regular print prices and first-day access to course materials, which leads to improved grades. The association cites successes at Indiana University, the University of California, Davis and Southern Illinois University Edwardsville using Inclusive Access programs:

> As a part of their strategic plan for IT, Indiana University began piloting their eText Initiative in 2009 in order to drive down costs of digital materials, give faculty access to high-quality materials, develop new tools for teaching and learning, and shape the terms to eTexts models. Just last year, the eight campuses of Indiana University distributed more than 100,000 eTexts to more than 50,000 unique students in 2,500 class sections.
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> In 2014, UC Davis piloted the Inclusive Access program with two main goals in mind: reduce the cost of course materials and improve educational outcomes for students. Since then, the award-winning program has helped 17,000 students save more than $2.3 million. Students are given free access to their course materials two weeks before the start of class. If students remain in the class, they retain access and a charge is placed on their university account. Students also have a choice to opt out and no charge is made to their account.
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> Since beginning the program in the Fall of 2014, faculty participation in Inclusive Access at Southern Illinois University Edwardsville has quadrupled—from 8 to 38. Students have materials on the first day of class and pay an average of 60 percent less than if they purchased materials using any other method.

Digital as Part of the Solution

The AAP cited the transition to digital as another benefit to the implementation of an Inclusive Access model (2017), writing "students like digital because it's portable, easy to navigate, and environmentally friendly. It also adapts to students' learning styles and focuses on areas where they need help." Wakefield (2017) explored this topic deeper and found that more than 95 percent of students in the U.S. and Canada believed digital textbooks had tools that allowed them to study more effectively. The tools identified gave them the ability to:

- Keep track of what information has been learned during study sessions,
- Take notes and highlight content in a digital textbook,
- Take quizzes on information learned during study sessions, and
- Set study goals and track my learning progress.

Of the students surveyed in Wakefield (2017), more than 90 percent identified advantages of eTextbooks over physical textbooks. Top of the list of those advantages was more interactivity, followed by convenience, affordability, and making lessons easier to remember and understand.

Most importantly, students overwhelmingly (88 percent in U.S. and Canada) felt they "would get better grades studying with tools I can interact with, rather than traditional textbooks. For example, eTextbooks that include quizzes on what I read."

Conclusion

College is expensive. The cost of college attendance has far outpaced inflation this millennium and to attain a college degree, students have to make numerous sacrifices—both in the present and in the future. Far too often financial barriers prevent students from being successful and they drop out of school without a degree carrying a heavy financial burden from student loans.

Colleges and universities and other stakeholders have banded together to promote student success and to remove barriers—through increased scholarship and other non-loan financial aid opportunities, increased student support, or by working together to lower that cost of attendance. Part of this lowering-of-the-cost has been digital Inclusive Access programs that ensure students have access to affordable course materials on or before the first day of class. As the research shows, students want to save money and they want digital that does just that while giving them the digital features to help learning. In fact, 87 percent of students cite cost as a significant reason to make the permanent switch to eTextbooks from print. Faculty members are also recognizing the value as 93 percent of U.S. students and 87 percent of students reported having a professor recommend a digital version of their textbook (Wakefield, 2017).

The stark reality is something must change to make a college education attainable to a larger segment of the population as costs skyrocket. While more research needs to be done on the efficacy of digital inclusive programs, the early returns are promising and present a possible sustainable option for driving down the cost of college attendance.

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