

# ACCESS

# DENIED

Student  
PIRGs

**ACCESS DENIED**

# **THE NEW FACE OF THE TEXTBOOK MONOPOLY**

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## EXECUTIVE SUMMARY

*Amid rising college costs, college textbooks are often overlooked. New data from the Bureau of Labor Statistics finds that textbook prices have increased by 88% in the past decade, compared to a 63% increase in college tuition and fees. For students and families already struggling to afford college tuition, hundreds of dollars for course materials often comes out-of-pocket and can be a serious barrier to student success.*

These high prices are not without consequence. In prior reports, the Student PIRGs found that two-thirds of students skipped buying a textbook because of cost. Nearly 50% of students reported that textbook prices impact which and how many courses they were able to take. Another 33% of students reported using financial aid to purchase their textbooks.

The growth of cost-saving alternatives like used textbooks and free, openly-licensed educational resources have forced publishers to reassess their business and shift toward a new model: access codes.

In brief, access codes are serial numbers that allow students to unlock an online learning suite. These platforms often contain digital books, pre-made homework assignments, quizzes, tests, educational videos, and other multimedia content. The access code, once registered, becomes null and may not be used by any student in a different course or semester.

Given the rapid expansion of this new product in the marketplace, this report contains two pieces: a survey of critical consumer-oriented information on the potential impact of access codes, and an analysis of the transition from the student perspective.

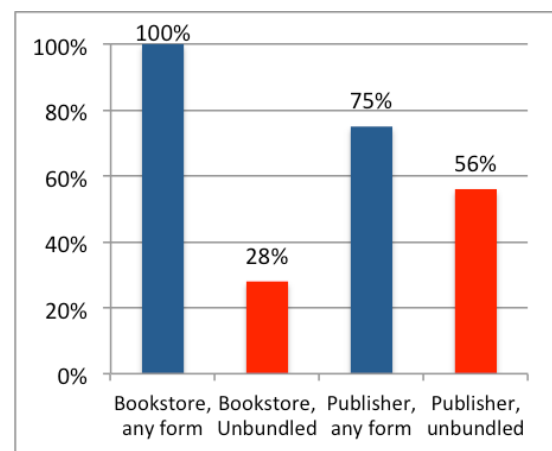
### KEY FINDINGS:

Across institutions and majors, an average of 32% of courses included access codes among the required course materials.

School Type	Courses requiring access codes
Public 4-year	25%
Private 4-year	20%
Comm. College	37.5%
<b>All Schools</b>	<b>32%</b>

At institutional bookstores, the average cost of an access code sold solo – i.e., not bundled with a textbook or primary course material of any form – was \$100.24.

In bookstores, only 28% of access codes were offered in unbundled form. Even when acquired directly from the publisher, only 56% of all required access codes were offered without additional materials bundled in, despite federal law requiring materials to be sold separately.



When purchasing access codes from third-party retailers instead of the publisher, students save less than \$4 on average, and pay \$12.45 more on average than when purchasing directly from the campus bookstore.

## CONSUMER CONCERNS:

The Student PIRGs are deeply concerned about the prospect of greater access code adoption within higher education.

The lack of consumer choice and competition in the textbook market has allowed publishers to drive up prices to unsustainable levels. However, increased prices have allowed alternative pathways to emerge that help students succeed regardless. It is this freedom of choice – the ability of a student to choose between used books, renting, sharing with a friend, borrowing from the library, or opting out entirely – that protects students from the most harmful effects of a broken market.

**The access code model, in contrast, precludes the development of these alternatives and eliminates student choice.**

### **1. Access codes eliminate no-cost pathways that students rely on.**

Because homework assignments and quizzes must be submitted through the online platform, students no longer have the ability to opt out entirely of purchasing the material.

Additionally, each access code is linked to an individual student. This means that all of the no-cost pathways that exist with print textbooks – such as borrowing from the library, sharing with a friend, etc. – are not available if assigned access codes.

If a student does not have the necessary financial means, with printed textbooks, the choice may be between sharing books or some other inconvenience and paying rent; with access codes, the student can either fail the course or drop out.

### **2. Access codes eliminate low-cost alternatives that students rely on.**

In the print world, the availability of used textbooks gave rise to a lower-priced alternative to new books. With digital course materials, publishers have the unprecedented ability to revoke students' access to their product, controlling market supply and precluding lower-cost options like used books from being an outlet for students who can't afford to pay full price.

### **3. Access codes create a direct link between the ability to pay and the ability to get good grades.**

There has been a long-standing tradition that within the context of the classroom, performance outcomes should be linked to merit. That is, work ethic and ability should be the sole determinants of student grades. The introduction of access codes breaks from that historical precedent and tie student success to money *within the classroom*.

## CONCLUSIONS:

The findings in this report reveal an alarming trend for students. More than anything, access codes are the new, dangerous face of the textbook monopoly.

Big textbook publishers have spent decades capitalizing on a broken market. The proliferation of alternatives has forced them to reconsider that business model, but they have responded with a product that is arguably worse for students than traditional printed textbooks.

The characteristics of access codes described in this report have allowed publishers to create an unfettered, unchecked marketplace devoid of protections for students consumers.

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## I. BACKGROUND

With student loan debt now at a staggering \$1.3 trillion<sup>i</sup>, students are feeling the heavy burden of increasing college costs.

Among these, the cost of college textbooks is often overlooked – but new data from the U.S. Bureau of Labor Statistics found textbook prices have increased by 88% from 2006-2016, or four times the rate of inflation. Comparatively, college tuition and fees increased 63% in the same period.<sup>ii</sup> For students and families already struggling to afford college tuition, the hundreds of dollars they must spend on textbooks often comes out-of-pocket and can be a serious barrier to student success.

### **RISING PRICES HURT STUDENTS:**

Since 2004, the Student PIRGs have published more than a dozen reports highlighting pitfalls in the college textbook industry, demonstrating the impact of ever-increasing prices on students, and exposing publishers' successful efforts to keep prices high.

These reports have shown that publishers use a variety of approaches to drive prices higher. These include bundling course materials without providing an accessible option to purchase component materials separately, publishing unnecessary costly editions, and revoke digital books after an expiration date.

These tactics are not without consequence. In “Fixing the Broken Textbook Market,” the Student PIRGs found that two-thirds of students had skipped buying a textbooks because of cost and 94% of those students recognized that doing so would impact their grade in the course. Nearly 50% of students reported that textbook prices impact both which and how many courses they were able to take. In “Covering the Cost,” one-third of students reported using financial aid to purchase their textbooks.

This research indicates that now, more than ever, students need an alternative to this broken system.

### **PROLIFERATION OF ALTERNATIVES:**

Over time, alternatives to buying a textbook “new” have increased in availability. According to the National Association of College Stores, more than 3,000 schools offered rental programs in 2014, up from 300 in 2009.<sup>iii</sup> Used and rental textbooks markets have provided a crucial but short-term relief for students from rising costs.

Students have also relied on other informal cost-saving techniques such as borrowing textbooks from the library, sharing a book with a friend, buying the book from someone who has previously taken the class, downloading an illegal copy online, and even going without the book altogether. While some of these options are morally and functionally preferable to others, the reality is that many students rely on these alternative options in order to find academic success on extremely tight budget.

Unfortunately, faced with increasing competition from these alternatives, publishers responded by actively undermining them. In order to limit the availability of used books, publishers consistently release new editions with rearranged pages and new covers. Similarly, publishers often bundle books with online access codes, which usually render the attached book worthless for resale.<sup>vi</sup>

### **OPEN EDUCATION CHANGES THE GAME:**

Used book and rental markets rely on the printed textbooks developed by publishers, and as such, are subject to the same market manipulation. As a result, students, policymakers, and advocacy groups across the country have searched for an alternative to the traditional publishing market, one insulated from the power of the big textbook publishers.

*Open educational resources are textbooks and other materials that are published under an “open” license - allowing free and unfettered public use.*

With today’s technology, it is possible to share information more easily and efficiently than ever before. Advances in the Internet and information sharing have allowed an alternative to emerge with the potential to challenge traditional textbook publishing: openly licensed educational resources.

Open educational resources (OER) are textbooks and other educational materials that are published under an “open” license - allowing free and unfettered use by the public, meaning they can be accessed, used, and copied by students at no cost.

The burgeoning movement toward open educational materials – in particular, open textbooks – is turning the traditional publishing model on its head. In direct contrast to traditional publishers, who strictly control every facet of access and use of their textbooks and materials, open textbooks are available for free online, are free to download, and are affordable in print.



In recent years, use of OER has grown significantly. Creative Commons now boasts over one billion openly-licensed works<sup>iv</sup>, OpenStax's open textbooks have been adopted by more than 2,300 institutions<sup>v</sup>, and the Open Textbook Library recently received its one-millionth visitor<sup>vi</sup>. However, while the substantial success of such alternatives should be cause for celebration, it may be short-lived.

## **THE NEW MARKET:**

As cost-saving alternatives and OER proliferate, publishers have been forced to reassess their business model. Raising costs to make up for lost revenue has only furthered the problem, causing more students to opt out of purchasing books entirely.

In 2013, Cengage filed for bankruptcy protection, around the same time that four other publishing giants – Macmillan, Wiley, Pearson, and McGraw-Hill – launched major restructurings into “digital learning companies.”<sup>vii</sup>

Since then, publishers have searched for ways to better control their content. Closed-licensed eBooks have offered some refuge in that direction, allowing publishers to effectively ‘lease’ their material to students each semester, and revoke access to the materials after the term is up. However, even with page printing limitations, device use restrictions, and other tactics, the shift to eBooks has not secured their business model enough to satisfy the publishers.

Recently, publishers have indicated a strong pivot to a new type of course material: online access codes, which are described at length in the next section. Over the past year, the CEO of McGraw-Hill has actively advocated for access codes in interviews<sup>viii</sup> and blogs<sup>ix</sup>, the 2014 Cengage Operating Plan announced that the company expects 40% of their income to come from access codes by 2018<sup>x</sup>, and the rest of the major publishers have acquired numerous startups and learning technology companies with the intent to improve their platforms.<sup>xi xii xiii</sup>

Given this strong transition toward the access code model, the Student PIRGs wrote this report to analyze this shift from a student perspective, and provide crucial consumer-oriented background information on the potential impact on the market.

## II. PARAMETERS AND LIMITATIONS

### A. PRODUCT DESCRIPTION

The term ‘access code,’ in the narrowest sense, refers to a serial code that grants a student access to a specialized online educational software suite.

For instance, a professor might assign their students a Pearson Psychology textbook, along with the accompanying online content suite that contains tests, quizzes, homework assignments, or other supplementary materials.

When the student purchases the access code for Pearson’s MyPsychLab, they receive a physical or digital readout of several letters and numbers. Via the MyPsychLab website, the student enters their code, professor name, and specific course ID number, and is assigned a unique online account that tracks their engagement and performance moving forward. The access code, once initially registered, becomes null and may not be used by a different student in a different course or semester.

In this report, the term ‘access code’ is used as a shorthand reference for not just the literal code, but for the entire purpose and function of the product and the online portal to which it is connected – that is, the practice of condensing and offering learning materials through a closed, online platform.

### B. RESEARCH LIMITATIONS

In a survey of 2,000 students conducted during the fall of 2013, the Student PIRGs found that 80% reported having been assigned an access code in at least one of their courses. While this number suggests that access codes have become widely used, it does not adequately answer the question of how prevalent access codes have become in college classrooms.

***In a survey of 2,000 students conducted during the fall of 2013, 80% of students reported having been assigned an access code in at least one of their courses.***

To follow that, this report analyzes the assigned course materials from 99 different courses in ten majors at ten different institutions representing the full range of public, private, two-year, and four-year programs a student may enroll in.

Each class was evaluated based on a combination of professor-reported data in the course catalog and the college bookstore’s listing of required materials for the course. A course was

designated as “access-code positive” if one or more of the assigned required course materials consisted of or included a solely online component that was made available to a student through the purchase of a paper or digital code. If the presence of these codes was not listed directly in the title of the required course materials, then ISBNs were used to investigate whether or not a particular course package included an access code component.

However, the following numerical analysis should be noted in the context of two crucial factors.

First, the process of finding required course materials outside of the campus bookstore is incredibly difficult and complex. Many bookstores and courses did not list ISBNs, and a number of those that were listed did not yield results on Amazon or other websites. Other catalogs failed to list any identifying information about a required access code, such as this actual description: “WHO AM I IN LIVES...CHILD?-(LL)W/ACCESS” – making it nearly impossible for a student seeking to shop via a third party site to identify the correct code to purchase with the text. Inversely, some required course materials included four or five individual components that could only be found in their custom grouping from the bookstore, like this listing: “Bundle: Business Communication: Process and Product (Book Only), Loose-leaf Version, 8th + MindTap Business Communication, 1 term (6 months) Printed Access Card (CD-ROM).”

Second, access codes are single-user and single-use, meaning they can only be resold if the original owner never logged on or activated the access code. For a student, that means incredible risk when purchasing an access code from a third-party retailer, most of whom cannot guarantee that the codes they sell will even work. As a result, most third-party retailers rarely stock access codes, severely limiting a student’s ability to shop around.

Keeping these complexities in mind, the following data illustrates a concerning trend, which is only a small piece of the larger picture. Given the difficulty that experienced researchers had in tracking down this information, it is hard to imagine that college student could successfully navigate the process even with unlimited time, never mind when facing the pressures of homework, finances, and other everyday challenges.

### III. FINDINGS

#### A. PREVALENCE

Across institutions and majors, an average of 32% of courses included access codes among the required course materials. When broken down by type of institution, prevalence did vary. Community college courses showed significantly higher rates of having assigned access codes, at 38%. Private institutions ranked the lowest, at 20% of courses requiring access codes.

School Type	Courses with required access codes
Public (Flagship)	25%
Public (State)	25%
Private	20%
Community College	37.5%
All Schools	32%

Grouping the courses by major, rather than institution, reveals even stronger patterns. Of the ten entry-level Accounting courses surveyed, nine required an access code component (90%). Intro to Psychology courses included access codes at the second highest rate, with 50% requiring an access code. In contrast, none of the Introductory History or Criminal Justice courses surveyed required access codes.

Major	Courses with required access codes (%)
Accounting	90%
Biology	30%
Business	40%
Communications	20%
Criminal Justice	0%
Education	10%
English	10%
History	0%
Nursing	40%
Psychology	50%

#### B. COSTS

While costs vary significantly across the 'access code universe,' understanding how much students will be asked to pay is crucial to estimating the potential financial impact of such products.

Since a majority of students shop for their textbooks through their campus bookstore<sup>xiv</sup>, this study uses the reported costs of required course materials as listed by the bookstore at each institution to create a price baseline for access code products.

At institutional bookstores, the average cost of an access code sold solo – that is, not bundled with a textbook or primary course material of any form (digital, loose-leaf, etc.) – was \$100.24. The vast majority of access codes, however, were not sold individually by campus bookstores, instead being offered in various bundled forms. The average cost for access code bundles was \$126.22, including all price-saving alternatives offered. Access codes bundled with new books, loose-leaf or hard cover, averaged \$144.14.

Average Bookstore Prices	
Access Code (Solo)	\$100.24
Bundle (New, Hardcopy)	\$144.14
All Bundles (Hardcopy, Digital, Loose-Leaf, Used, New)	\$126.22

It is worth noting, however, that averages alone do not adequately depict the potential costs to students. One Accounting access code bundle was priced at \$359.75, and nine other bundles were priced over \$175. On the other end of the spectrum, one English access code cost \$28.55, and the bookstore offered a used version at \$21.40 – though below average outliers such as this were significantly more rare than above-average outliers.

To further investigate costs, each access code was traced back to the individual publisher responsible for creating the content. Directly from publishers, the average cost of solo access codes was \$91.39 – only \$9 less than if purchased from the bookstore. Hard copy bundled access codes purchased from the publisher averaged \$161.96 – \$18 more than if purchased at a bookstore.

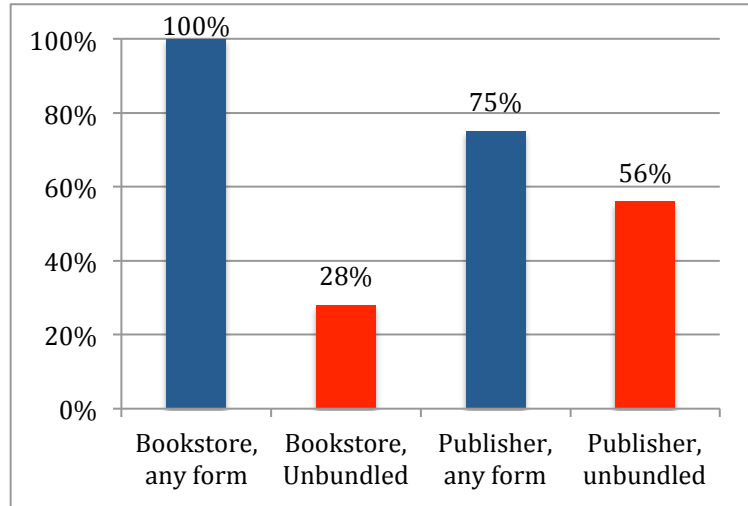
The screenshot shows the Macmillan Learning website for the textbook 'Psychology: The Science of Person, Mind, and Brain'. The page includes a book cover, author information (Daniel Cervone and Tracy L. Caldwell), and pricing details. A callout box highlights the pricing: 'For Students: \$207.99' and 'For Bookstores: \$166.00' with a 'Compare Prices' button. The page also shows the ISBN-10: 1-319-01707-X and ISBN-13: 978-1-319-01707-1, and the format: Quantity Pack.

### C. BUNDLING

As mentioned in the previous section, bundling is often the biggest determinant in the price a student will have to pay for their course material.

In bookstores, nine of 32 access codes (over 28%) were offered in unbundled form.

Only 24 of the 32 access codes (75%) were offered directly from the publisher. Of those, only 18 access codes (56% of all required access codes) were offered by the publisher without additional materials bundled in.



### D. ALTERNATIVE RETAILERS

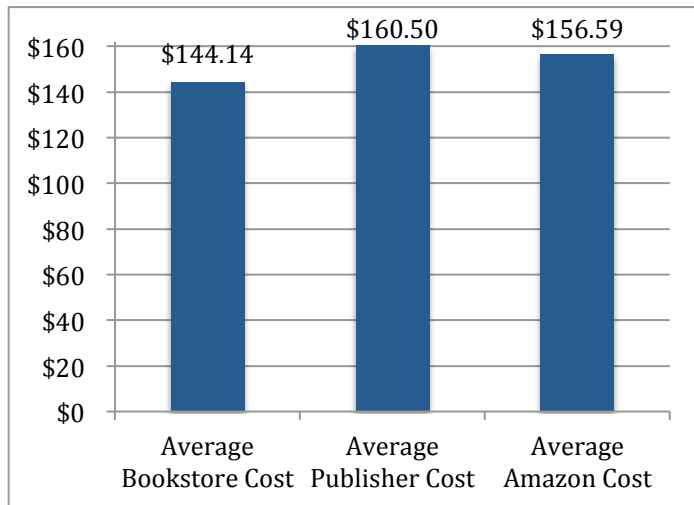
From campus-based used book programs to websites like Chegg and Amazon, an alternative market for textbooks has thrived in the recent years. These third-party retailers have provided a critical options for students looking to cut costs and save money.

As increasing percentages of students have taken advantage of these sites to reduce their course material expenses, and no analysis of the market would be complete without understanding how these alternatives change the equation.

Between the four alternative retailers surveyed for this report, access codes were reported Out of Stock or Not Carried 42% of the time. That figure does not include the dozens of instances where an alternative retailer carried the book from a particular bundle but not the access code.

The exception in this case is Amazon, which both carries, and guarantees access codes has not already been used by another student. Even Amazon, though, only carried 75% of required access codes. Perhaps the most revealing finding, however, comes from comparing the cost of access codes at campus bookstores and on Amazon.

For traditional textbooks, third-party retailers can offer students a range of savings, from a few dollars to hundreds of dollars. Of the access codes surveyed, however, purchasing comparable bundled products on Amazon yielded savings of only \$4 over the buying directly from a publisher, and was actually \$12.45 more expensive on average than purchasing directly from the campus bookstore.



## E. OTHER FINDINGS

Our survey of courses revealed a number of other significant and interesting findings on the state of the textbook market.

### Prevalence of “Special Edition” Hardcopy Textbooks

Of the 91 courses for which we were able to gather data, at least 25 included required materials that were special edition textbooks - meaning they were either loose-leaf, faculty-customized editions, or publisher-customized “value editions.” Loose-leaf books are often not accepted by textbook buyback companies due to their potential for lost pages, and customized editions are typically not resellable nor are they available from third-party retailers due to their school-, course-, and faculty-specific nature. This means, separate from the effects of bundled access codes, that an additional 27% of required course materials would typically be unavailable for purchase used or available at an alternative retailer.

### Notable Opting-Out By Professors

At the same time, it is notable that a number of professors specifically chose to opt out of assigning access codes. Six of the professors (6.5%) explicitly noted in their course catalog that students should not purchase the particular access code associated with a book, and two other professors assigned access codes as optional, but not required, for a course.

### Similar Market Concentration

In the print textbook market, just a handful of companies control a supermajority of the market, allowing them to lock out competition and drive prices higher. Similarly, our sampling shows that the access code market is concentrated in the hands of a few major publishers. 81% of the required access codes came from five publishers.

<b>Top Five Publishing Companies</b>	<b>Number of access codes (Rounded Percentage)</b>
<b>Pearson</b>	9 (28%)
<b>Wiley</b>	5 (16%)
<b>Cengage</b>	5 (16%)
<b>Macmillan</b>	4 (13%)
<b>McGraw-Hill</b>	3 (9%)

Among those, each major publisher has multiple brands or versions of their online platform, such as Pearson’s Revel and MyLab series, or Cengage’s MindTap and CengageNOW.

<b>Top Six Platforms</b>	<b>Publisher</b>	<b>Number of Codes</b>
<b>MyLab</b>	Pearson	5
<b>WileyPLUS</b>	Wiley	5
<b>LaunchPad</b>	Macmillan	4
<b>ConnectPLUS</b>	McGraw-Hill	3
<b>MindTap</b>	Cengage	2
<b>CengageNOW</b>	Cengage	2
<b>Revel</b>	Pearson	2



## IV. DISCUSSION

A prior Student PIRGs report, *The Broken Textbook Market*, outlined how the structure of the textbook market itself explains the rapid growth of prices. From that report:

The underlying cause for high prices comes from a fundamental market flaw in the publishing industry. In a typical market, there is a direct relationship between consumer and provider. The consumer exercises control over prices by choosing to purchase products that are a good value, and the competition forces producers to lower costs and meet demand. In the textbook industry, no such system of checks and balances exist. The professor chooses the book, but the student is forced to pay the price. Because of this, the student is, in essence, a captive market. Without the ability of the student to choose a more affordable option, publishers are able to drive prices higher without fear of repercussion.<sup>xv</sup>

The broken market has been critical in allowing publishers to drive up prices to unsustainable levels. However, along with this increase in prices, competitors have emerged to create alternative pathways for students to succeed. It is this freedom of choice – the ability of a student to decide between used books, renting, sharing with a friend, borrowing from the library, or opting out entirely – that has combated the harmful effects of a broken market and protected students from the worst consequences.

The access code model, in contrast, completely precludes students from exercising that freedom of choice.

***The access code model, in contrast, completely preclude students from exercising that freedom of choice.***

Access codes are continually becoming more and more pervasive. Today, most platforms host a copy of the course textbook, homework assignments, educational videos, quizzes, and more. These codes centralize all learning and assessment within an online portal that students must pay to access.

The following points analyze the impact of this centralization on students and raise serious concerns about their potential to damage accessibility and affordability in higher education.

### ELIMINATING NO-COST PATHWAYS

Two aspects of the access code model are responsible for eliminating the no-cost pathways that economically disadvantaged students rely on to be successful.

First, access codes – unlike any other product in the classroom – are exclusively necessary for success. A student might be able to find ways to succeed in a course without a calculator or laptop. Even in the print textbook market, a student has the ability to opt out entirely of purchasing the textbook. However, in an access code model, assignments are submitted through the online portal, making a student’s ability to buy the access code intrinsically tied to their grade – meaning a student must either pay for the code or drop the course.

Moreover, each code is linked to a specific, individual student. That means that all of the zero-cost pathways to accessing a book that existed in the print textbook market – borrowing from the library, sharing with a friend, etc. – are simply not available when a student is assigned an access code.

Unfortunately, for any student that does not possess the financial means to purchase the assigned access code, there are no options that lead to successful course completion.

#### **ELIMINATING LOW-COST PATHWAYS:**

Like eBooks and closed-license digital textbooks, access codes offer publishers a unique advantage over print books: the ability to revoke a user’s access.

In the print world, the availability of physical textbooks not actively being used by students gave rise to a stockpile of lower-cost used textbooks. With digital course materials, publishers have the unprecedented ability to control the supply of their product in the marketplace and revoke access to maintain artificial scarcity.

***Without the potential for alternatives to establish, a broken market could easily lead to unchecked, unending price increases.***

In this way, the broken aspects of the textbook market make access codes particularly concerning. Given the publishers’ ability to control supply, access codes are designed to preclude the possibility of alternatives ever becoming established. This arrangement, where new codes must be continually purchased, leaves students with zero options for navigating high prices.

The existence of alternative options is paramount in combating the harmful consequences of a broken market - therefore, a broken market without alternative options is a serious consumer threat. Without the potential for alternatives to establish, a broken market could easily lead to unchecked, unending price increases.

## **UNEXPECTED FINANCIAL BURDEN**

For millions of first-year students, the cost of textbooks can be an unexpected burden. Often, students finalize their financial aid requests months before the cost of their course materials are posted, leaving students guessing how much they will need to spend. Some surely overestimate and borrow more than they need, which is a concern in itself, but for many students, the unexpected cost can come down to a choice between the required course materials and other essentials, such as transportation or first month's rent.

Under the traditional print textbook model, a student might be able to use one of the aforementioned low- or no- cost pathways until they save up enough money to buy the book or finish the semester without it. Under the access code model, each day a student delays can cost them percentage points off their final grade – or worse, if the student can't come up with the money fast enough, they may be forced to drop out or make compromising financial decisions.

## **DIRECT CORRELATION**

There has been a long-standing tradition that within the context of the classroom, performance outcomes should be linked to merit. That is, work ethic and personal ability should be the determinant of student grades. In a break from that historical precedent, the introduction of access codes creates an unlevel playing field irrespective of merit between students who can afford access and those who cannot.

It is true that financial circumstances impact access to higher education. For instance, a student must pay tuition in order to enroll in classes in the first place. The issue, however, is that once a student has gained entry to the class – such as paying tuition – all that should stand between them and a top grade is hard work. The classroom has always operated on this principle, but access codes threaten this traditional ideal.

## V. CONCLUSION

The findings in this report reveal that access codes are a alarming trend for students. Access codes are quickly becoming the new, dangerous face of the textbook monopoly.

Big textbook publishers have spent decades capitalizing on a broken market. The proliferation of alternatives that challenge their business model forced them to reconsider that business model, but they have responded with a product that is arguably worse for students than traditional printed textbooks.

- By making access codes single-use and individualized for each student, publishers eliminate a student's ability to share with a friend, or borrow from the library if they don't have the financial means to buy it.
- By creating access codes that include assignments and tests, publishers lock 100% of students in a course into buying their product and eliminate a student's ability to opt-out.
- By transitioning to digital course materials, publishers now have the ability to eliminate excess supply that could lead to used book markets

Altogether, through these characteristics, publishers have constructed an unfettered, unchecked marketplace free of any protections for students.

## VI. METHODOLOGY

While this survey of courses represents a snapshot as opposed to a representative sample, significant steps were taken to ensure that results portray an accurate depiction of the current marketplace.

Courses were selected using the following method:

Of all students in the U.S., 90% are served by non-profit institutions. For-profit institutions were excluded from this survey because many rely on proprietary platforms of their own to deliver course material. The 90% of students who attend non-profit schools were then broken down by 4-year public school, 4-year private school, and 2-year public school/community college. 2-year private schools serve less than 1% of students and subsequently did not register high enough to be included in the survey. Of those categories, 40% of students attend 4-year public institutions, 40% attend 2-year community colleges, and 20% attend 4-year private schools. Selecting a limited sample, surveyed school types were chosen based on their proportion of the population: 4 four-year public schools, 4 two-year public schools, and 2 four-year private schools.

To select institutions, a sample was selected to include schools with significant variance in enrollment (small, medium, and large), significant variance in region (northeast, midwest, south, west coast, etc), and different types of schools within their categories (research institutions, state schools, etc).

The top ten majors used in this study were chosen by compiling of lists of the most popular college majors from IPEDS,

Department of Education data, LinkedIn, ACT/Georgetown surveys, and College Factual. Cross-referencing those lists, a “top ten” undergraduate majors were selected, excluding “General Studies” because there is no identifiable typical course, and Engineering, because intro-level courses for engineering are typically housed in other departments.

Using the course catalogs from those ten schools, an entry-level course was selected for each major. Courses were selected to be as close to 1000-level as possible, though the lack of consistent numbering structure between schools necessitated the selection of next-best courses at some institutions (determined by their size, course number, subject matter, and comparability to other courses at other schools). In the end, 99 entry-level courses in the top

<b>Selected Schools:</b>
<b>Rutgers University, New Brunswick</b>
<b>University of Illinois, Chicago</b>
<b>Salem State University</b>
<b>California State University, Los Angeles</b>
<b>Seattle University</b>
<b>University of Denver</b>
<b>American River Community College</b>
<b>Georgia Perimeter College, Clarkston</b>
<b>Austin Community College</b>
<b>Gateway Community College</b>

ten most common majors were selected. One class is missing because the University of Denver does not offer a Nursing program.

Finally, using a random number generator, a random section number within each course was selected to remove any skew or potential bias towards classes that require access codes.

Once the course sections were selected, we tracked the following for each section:

- Number of required materials
- Name of all required materials
- Product type of required materials
- Was an access code required?
- Was an access code the only material required?
- Bookstore cost of the solo code
- Was the access code offered in a bundle by the bookstore?
- Types of bundled codes were offered by the bookstore?
- Bookstore cost of the bundled code
- Was the code sold directly from the publisher?
- Cost of the solo code directly from the publisher
- Was the access code offered in a bundle by the publisher?
- Types of bundled codes were offered by the publisher
- Cost of the bundled code sold directly from the publisher
- Was the code carried by retailers Amazon, Chegg, AbeBooks, or Slugbooks?
- Did those retailers guarantee the code to work?
- Cost of the solo code offered by third-party retailers
- Cost of the bundled code offered by third party retailers
- Who was the publisher responsible for creating each required access code?
- Online platform on which each access code was housed

Calculations and figures in the report are based off of this data. Calculations regarding the cost variance between products offered on Amazon.com and directly from campus bookstores were made by averaging the costs of bundles and solo access codes at each retailer, removing outliers where the product offered by Amazon was missing components offered by the bookstore, and subtracting.

## VII. ENDNOTES

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- <sup>iii</sup> “Higher Education Retail Market Facts & Figures.” National Association of College Stores, 2015. <https://www.nacs.org/research/industrystatistics/higheredfactsfigures.aspx>
- <sup>iv</sup> Ryan Merkley. Creative Commons Blog, 2015. <https://www.google.com/search?q=creative+commons+1+billino+works&ie=utf-8&oe=utf-8>
- <sup>v</sup> <https://openstax.org/adopters>
- <sup>vi</sup> [https://twitter.com/open\\_textbooks/status/773193260500029440](https://twitter.com/open_textbooks/status/773193260500029440)
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- <sup>x</sup> *Ibid.*
- <sup>xi</sup> “Reactions to Pearson Buying EmbanetCompass.” Joshua Kim, *Inside Higher Ed*, 2012. <https://www.insidehighered.com/blogs/technology-and-learning/reactions-pearson-buying-embanetcompass>
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- <sup>xiii</sup> “Pearson Announces Partnership With Knewton.” *Inside Higher Ed*, 2011. <https://www.insidehighered.com/quicktakes/2011/11/02/pearson-announces-partnership-knewton>
- <sup>xiv</sup> “College CFO Survey on Textbook Delivery and Bookstore Services.” John Squires, Ingrid Ramos Nakamura, *Akados*, 2013. <http://oregonstate.edu/senate/ifs/agenda/2014/0131/CFO%20Bookstore.pdf>
- <sup>xv</sup> “Fixing the Broken Textbook Market.” <http://studentpirgs.org/sites/student/files/reports/NATIONAL%20Fixing%20Broken%20Textbooks%20Report1.pdf>