



SPARC*

Inclusive
Access
.org

Inclusive or Exclusive?

Examining "Inclusive Access"
Textbook Programs

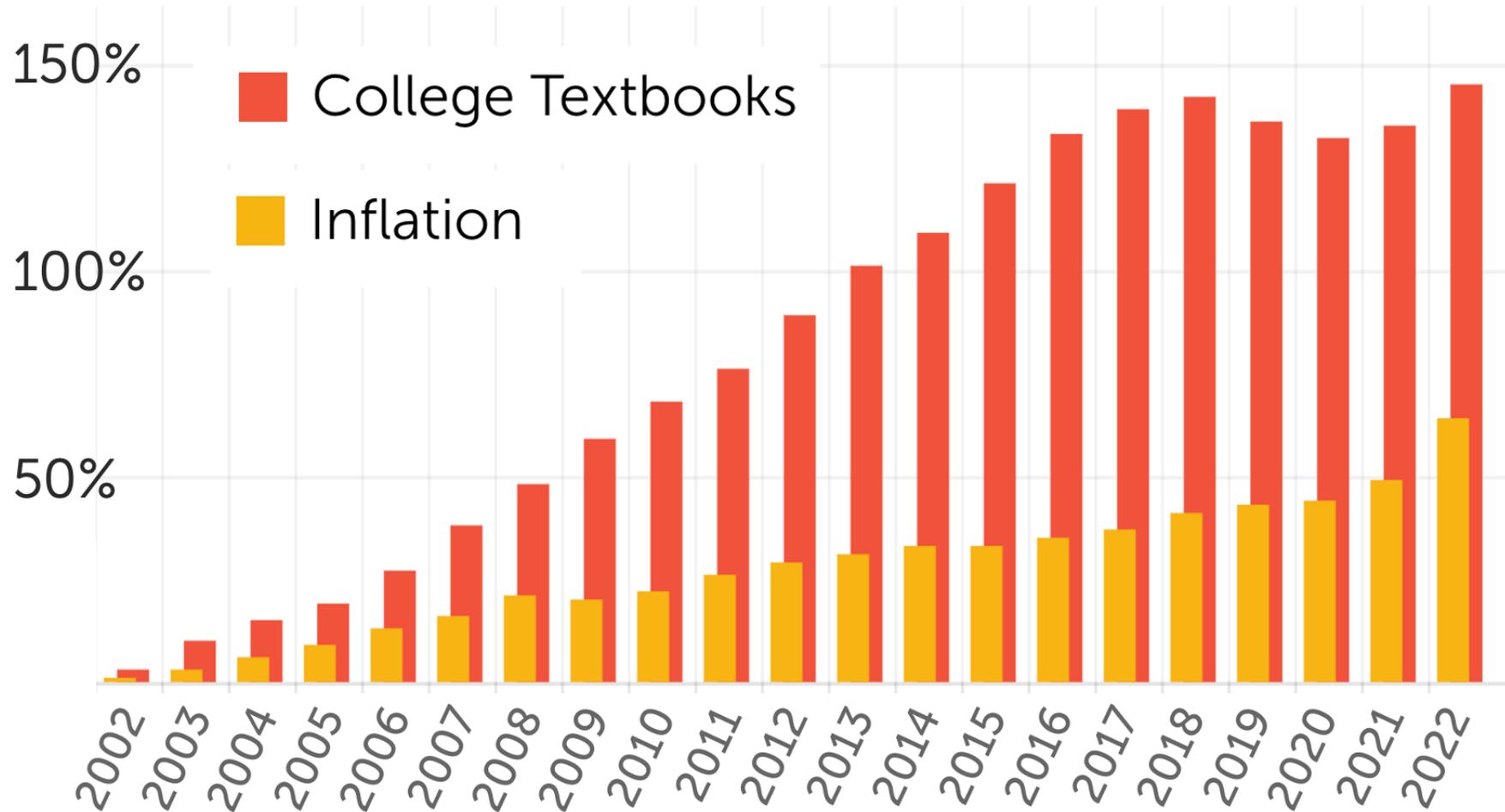


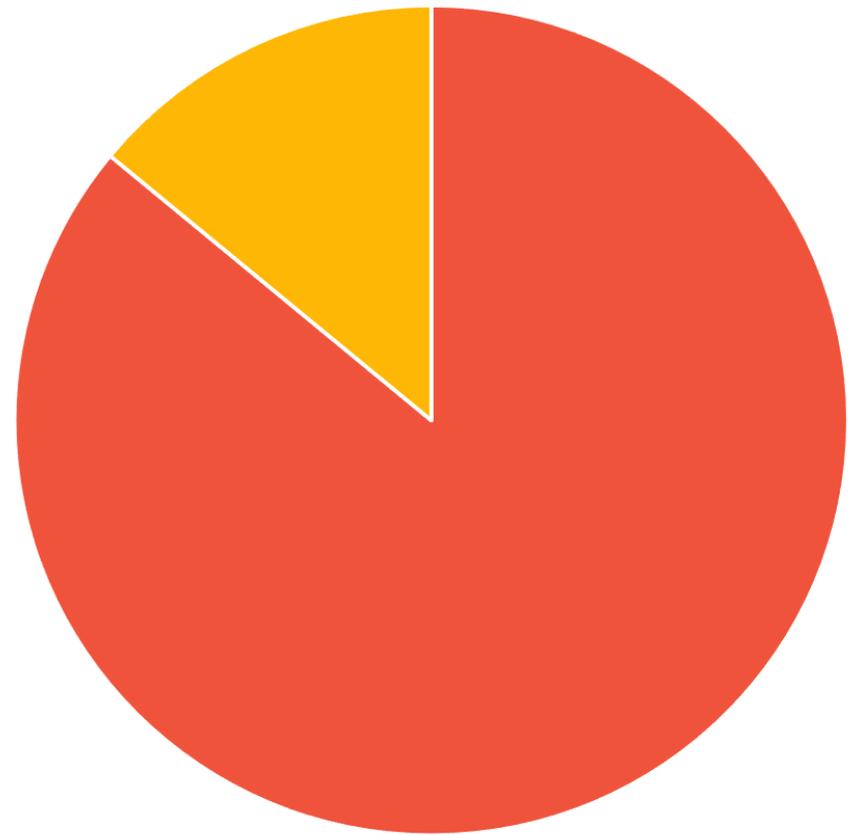
see slide notes for
exclusions

How did textbooks get so expensive?

Textbook Prices 2002-2022

Data Source: Bureau of Labor Statistics Consumer Price Index

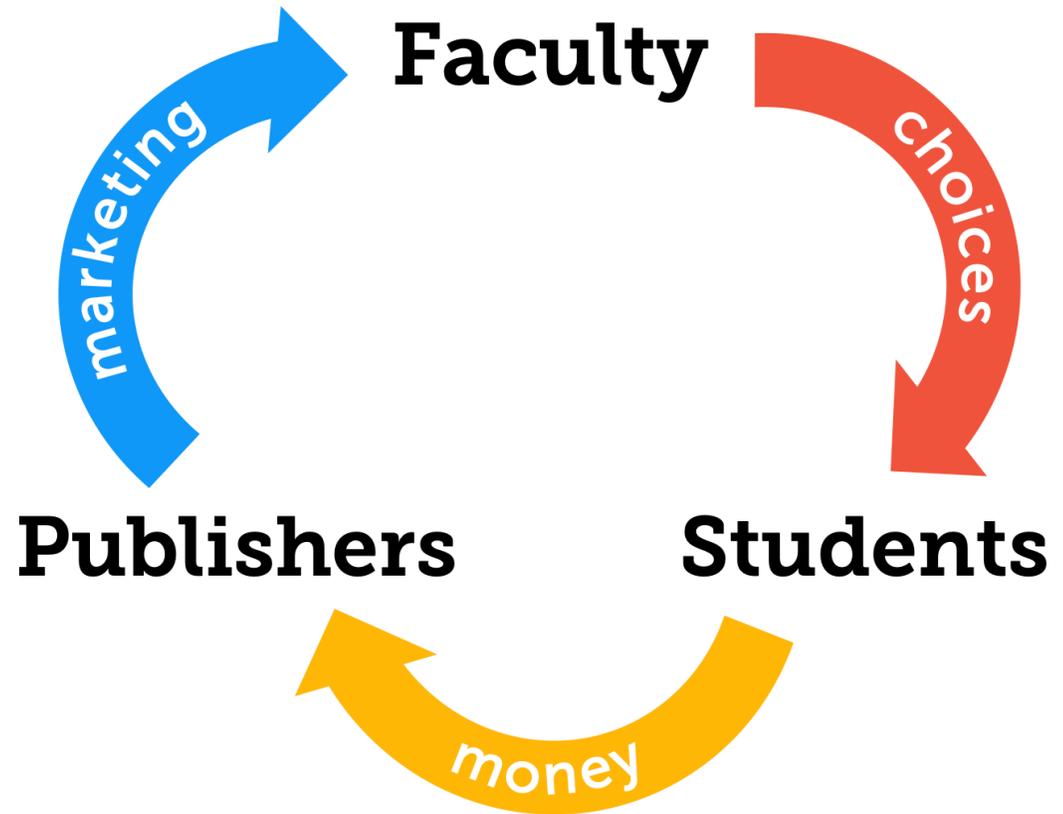




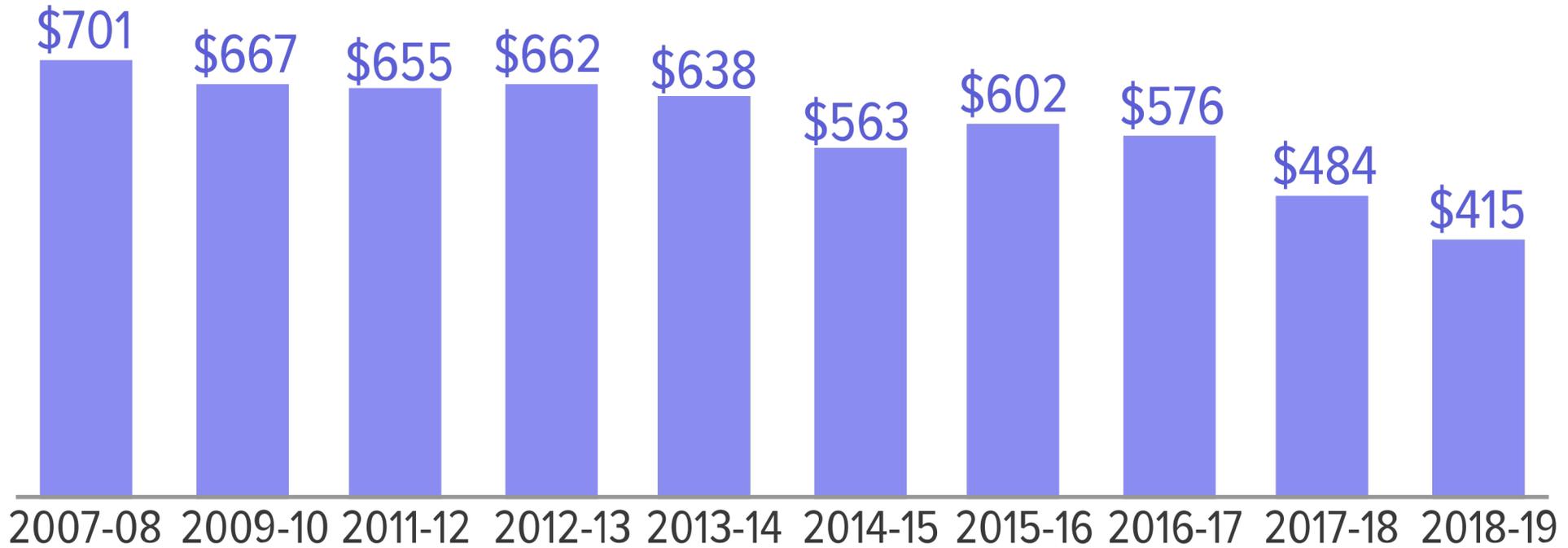
**3 major
publishers
hold 85% of
the \$3 billion
market**

Data Source: Association of American Publishers (2017) and financial reports from Cengage, McGraw-Hill, and Pearson (2019).

**Students
are
"captive"
consumers**



Course material spending per student



*The amounts represent the average spent by students at two-year and four-year schools.

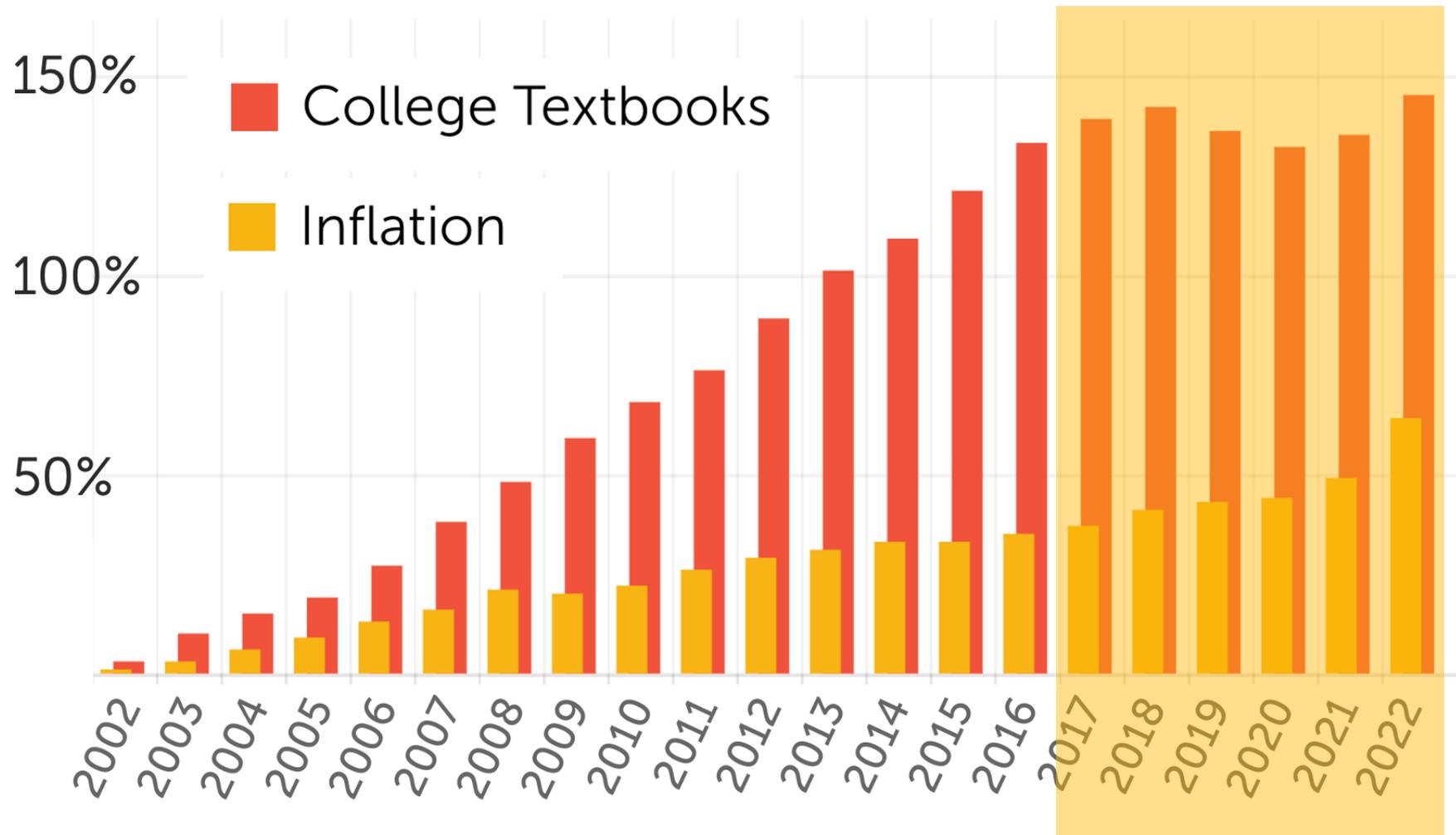
Source: National Association of College Stores

Chart by Yuxuan Xie.

“The volumes of textbooks publishers were selling declined rapidly for years. However, they always had this **magical price lever**. They could always just increase the prices, so their revenue looked relatively stable.”

- Cengage CEO Michael Hanson

When the 'Magical Price Lever' Broke





EDUCATION

Biggest Textbook Publisher Pushing Students To Ebooks Undermining Resale Market

BY **ANDREW WHALEN** ON 7/17/19 AT 6:09 PM EDT

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Pear

with high-profile sales of subsidiary companies like the Financial Times and the Economist.

Market analyst Phil Hill of the [Phil on Ed Tech blog](#), described the new strategy as a blunt move aimed at cutting off the rental market for secondhand print textbooks. "It's a bold move," Hill told [Inside Higher Ed](#). "The risk is that it could further alienate nearly all stakeholders by being so obvious in intentions. Students have benefited from the secondhand rental market in pricing, and many prefer print over digital."

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Live Updates [Faculty Strike Ends at U of Illinois at Chicago](#)

[\\$1.7 Billion in Earmarks](#) [Political Tensions at Bakersfield](#)

'Inclusive Access' Takes Off

Hundreds of colleges are signing on to publishers' programs, with apparent savings to students. Some applaud the movement, while others are skeptical.

By Lindsay McKenzie

Published November 7, 2017

Major education publishers -- including Pearson, Cengage and McGraw-Hill Education -- report that the number of colleges offering "inclusive-access" programs has grown rapidly in recent years. Where previously students might have been assigned textbooks individually, now many institutions are signing up whole classes of students to automatically receive digital course materials at a discounted rate, rather than purchasing individually. The "inclusive" aspect of the model means that every student has the same materials on the first day of class, with the charge included as part of their tuition.

For publishers with struggling print businesses, the inclusive-access model is a lifeline. Tim Peyton, vice president of strategic partnerships at Pearson, said it was no secret that publishers like Pearson had made textbooks too expensive and had seen sales drop as a result. "The print model is really a broken business model for us," he said, adding, "we're thinking about how to move away from print, and move towards digital."

What is Inclusive Access?



How does Inclusive Access work?

- Based on an agreement between an institution, a bookstore, and publishers.
- Digital content is delivered to students by the first day, typically through a LMS.
- Students have a period to “opt out” under federal regulations.
- The cost is billed to students’ tuition and fee bill or bursar account.
- After the course ends, students typically lose access to the content.

Inclusive Access

- Digital access is available by day one and students are directly billed for the cost later.
- Print rental option may be available at additional cost.
- Full access typically expires after the course ends.
- "All rights reserved" copyright prevents unauthorized use.

OER

- Digital access is available by day one at no cost to students. Access is free forever.
- Students can choose low cost print option if desired.
- Students retain access to materials forever.
- Openly licensed so faculty can adapt materials to local needs.

Inclusive Access Models

1. Course-by-Course

Students in participating courses are charged the cost of the specific materials they have been assigned.

2. Flat Fee / "Equitable Access"

All students are charged a flat amount based on how many units or credit hours they are taking, no matter what their specific materials cost.

^ Hide Search & Filters

Search for a Class

Search

Filter Classes

Clear

> Off Campus

> Gen Ed & Bachelor Degree Courses

> Multiple Gen Ed and/or

FCS 3450 - 290 Family Economic Issues

QIBF

Class Details

Class Number: 7799 | Instructor: HUNSAKER, BETH | Component: Lecture
Units: 3.0 | Wait List: Yes

Online

FCS 3500 - 290 Financial Skills

QI

Class Details

Class Number: 7800 | Instructor: TAYLOR, LORI | Component: Lecture
Units: 3.0 | Wait List: Yes | Fees: \$117.35

The course fee covers digital course materials through the Inclusive Access program. Students may request to opt out here: <https://portal.verba.io/utah/login>

Online

Course-by-Course



▶ Student Services Home

▶ Student Resources

▶ Financial Aid

▶ Advising

▶ Registrar

▶ Online Welcome Center

▶ Testing

▶ Student Life

▶ The Center for New Student Engagement and Transition

Delgado Course Complete

All your books in one complete program.

Delgado Course Complete is our new all-encompassing, affordable textbook rental program that will provide every Delgado student with all required textbooks, lab manuals, access codes and electronic book versions before the first day of class! The average student is estimated to save \$150-200 on textbooks for a semester. All Delgado students will be automatically enrolled.

PROGRAM PRICING – \$25 PER CREDIT HOUR

RESERVE YOUR BOOKS NOW!

Delgado
COMMUNITY COLLEGE



Flat Fee

Course-by-Course

- Students are billed the actual cost of their materials
- Opt-out is typically on a course-by-course basis
- Institution can negotiate prices with multiple vendors
- More often voluntary for faculty
- OER always free for students

Flat Fee / "EA"

- Students pay a flat fee regardless of what the actual cost is
- Opt-out is typically all or nothing (all courses or no courses)
- Often outsourced to one vendor
- All faculty must participate
- Students may get charged even if faculty assign OER

Inclusive Access Vendors

Bookstores & Platforms

- Barnes & Noble (First Day Complete)
- Follett (Follett ACCESS)
- VitalSource
- RedShelf
- Akademos

Publishers

- Cengage
- Pearson
- McGraw-Hill
- Others

What are the myths vs. facts?

An overhead photograph of a study group of five people sitting around a white circular table. They are looking at books and laptops. The table is cluttered with papers, sticky notes, and mobile phones. The background is a grey concrete floor.

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Get the facts.

Savings, or Spin?

Inclusive Access content is discounted compared to print prices, but not always by much, and prices can rise.

Benefits



Quality & support

The Pearson team supports you at every step of the implementation process and beyond.



Savings for students *and* institutions

Digital course materials cost up to 70% less than traditional print products, helping to lower the overall cost of a degree.



Data & insights

Get the timely, targeted information you need to increase effective intervention and improve outcomes.

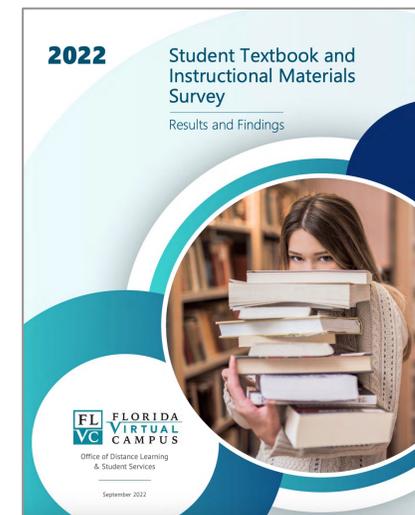
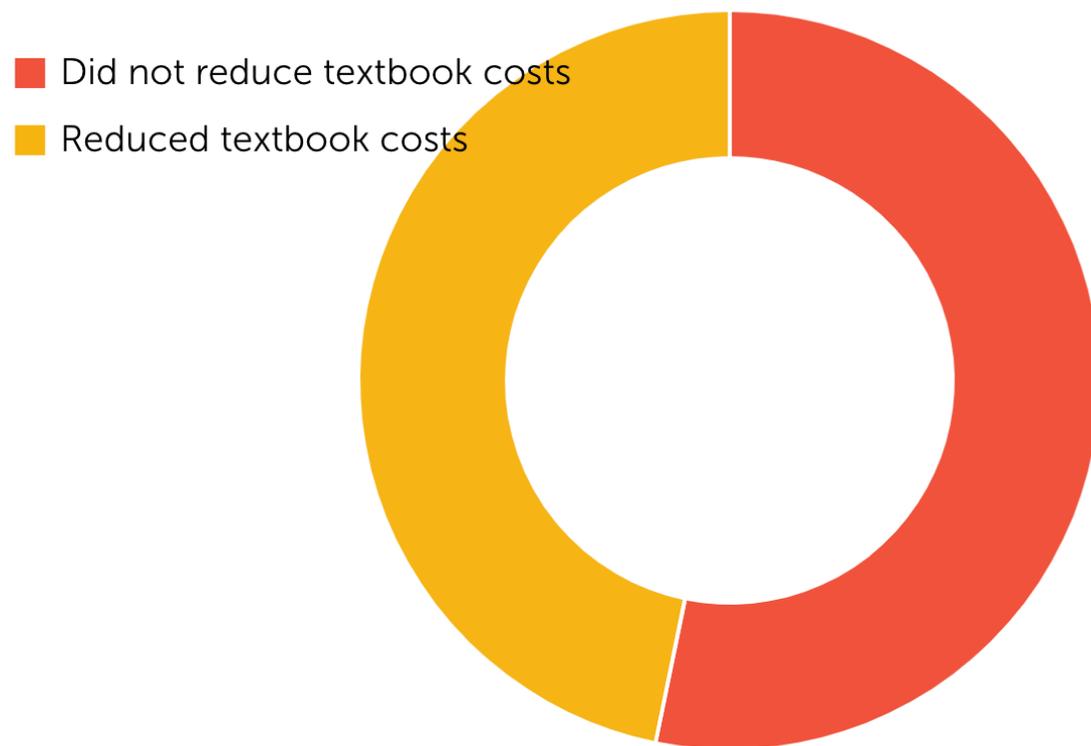


Inclusive Access Prices per Billable Enrollment:

- eBooks (delivered via an authorized Fulfillment Provider):
 - Twenty percent (20%) off the then-current Online Purchase Price for the corresponding nationally available product.
- Digital Learning Applications:
 - Twenty percent (20%) off the then-current Online Purchase Price for the corresponding nationally available product.

Pearson reserves the right to annually adjust the Inclusive Access Prices (and related Maximum Resale Prices) under this Agreement, effective at the start of Customer's next fall academic semester. Pearson agrees to communicate any such upcoming adjusted Inclusive Access Prices (and related Maximum Resale Prices) to Customer during the prior spring academic semester. Any adjustments will not increase more than an aggregate of four percent (4%) annually.

Do students believe Inclusive Access saved them money?



Source: Florida Virtual Campus (2022).
2022 Student Textbook and
Instructional Materials Survey.

“I could almost always **find them cheaper myself** and I was not pleased that they were charging me without really trying to inform me. It took way **too many steps to opt out.**”

- Florida Student



National Association
of College Stores

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EDUCATION ▾

EVENTS ▾

PUBLIC POLICY ▾

PUBLICATIONS ▾

NACS Student Watch Report: Course Materials Spending Dropped

2021-22 Average

\$339/year in 24 Years

Contact: publicrelations@nacs.org

FOR IMMEDIATE RELEASE

OBERLIN, OHIO (Aug. 23, 2022)—College students, on average, spent less on their course materials during the 2021-22 academic year even though they took more courses and acquired a slightly greater number of materials, according to the Student Watch™: Attitudes and Behaviors toward Course Materials: 2022 Report, the National Association of College Stores' (NACS) annual survey of college students. Total course material spending fell to \$339 per student for the year, the lowest amount since NACS began tracking student spending in 1998 and less than half the spending in 2007-08 when students paid \$701 on average for course materials.

***USD**

Flat-fee contracts obtained by SPARC:

**\$20-26/credit hour
or \$600-780/year**

... for required materials only!

***USD assuming 30 credit hour year**



The facts about IA savings

- Prices may be less, but students get less (short-term subscription)
- Savings largely come from replacing print with digital, which is an option students could choose on their own
- Any discounts off digital prices tend to be smaller and mean little when every IA program offers a similar discount
- Savings quickly disappear if publishers resume historical price increases



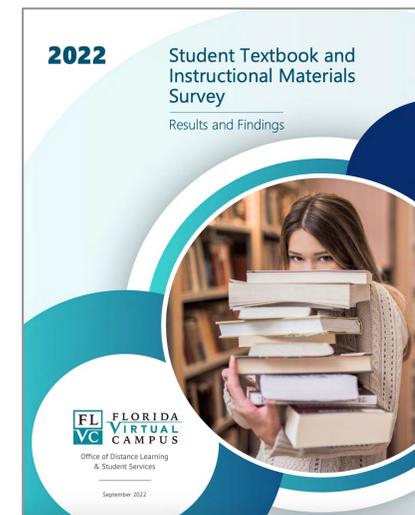
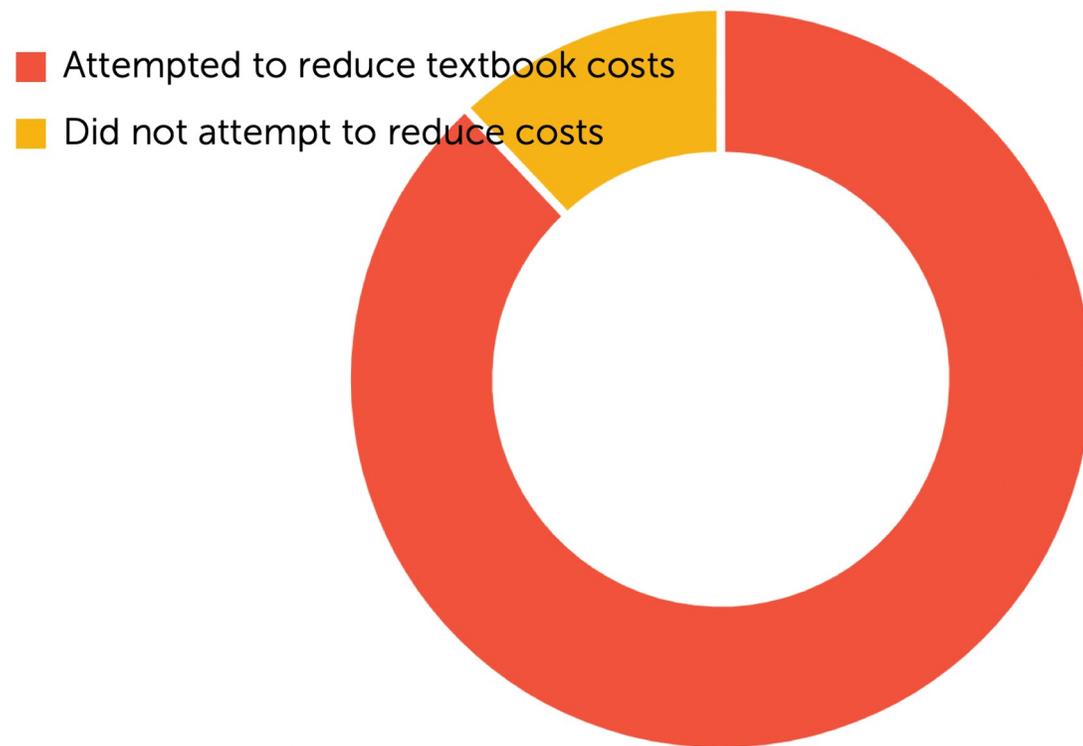
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Get the facts.

Convenient, or Confined?

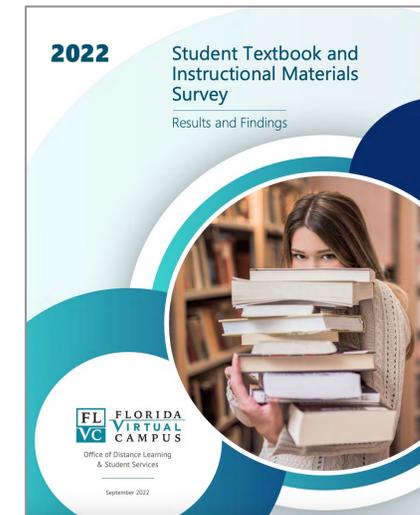
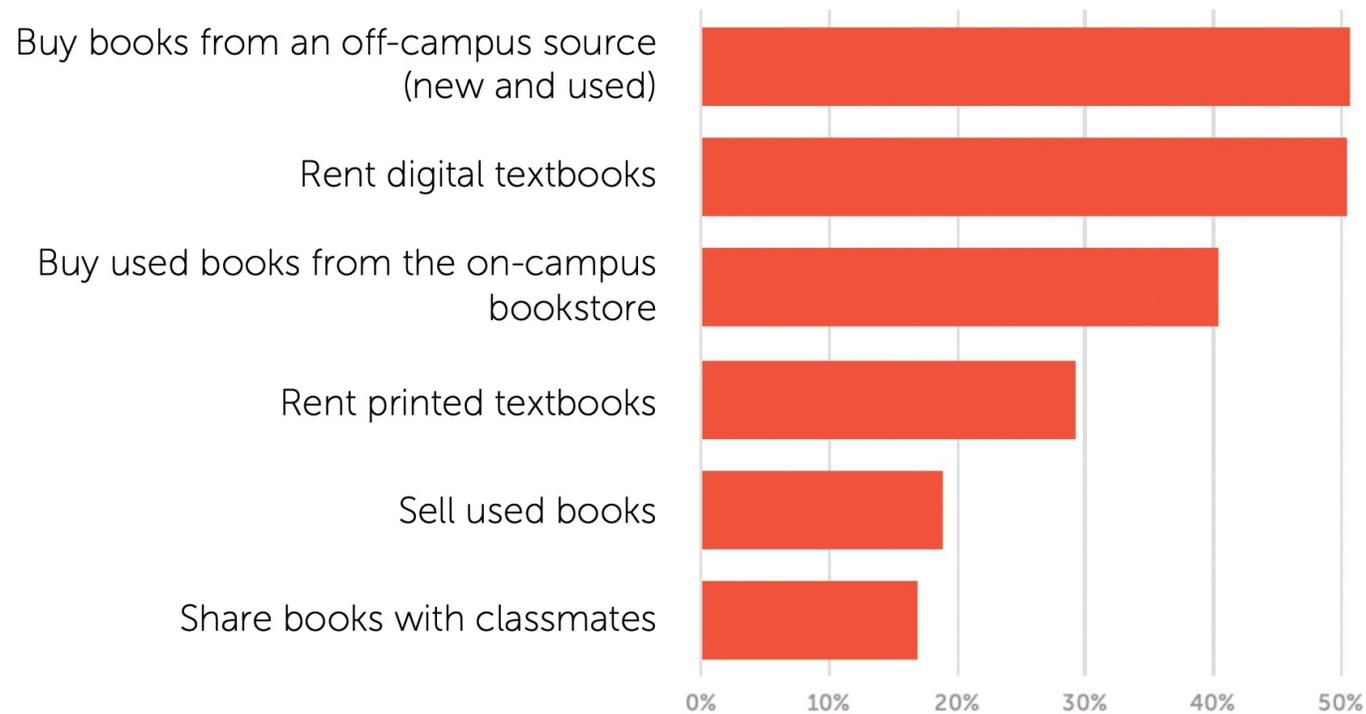
Inclusive Access can provide first-day access to content, but it constrains students' choices as consumers.

Which cost reduction strategies do students rely on?



Source: Florida Virtual Campus (2022).
2022 Student Textbook and
Instructional Materials Survey.

Which cost reduction strategies do students rely on?



Source: Florida Virtual Campus (2022).
2022 Student Textbook and
Instructional Materials Survey.

Course Materials / Select Term Department and Courses / Select Course Materials

Course Materials

[Print Book List](#)
[Continue Checkout](#)

Term: SPRING 23 | Name: FCS 3500 | Section: 003 | Instructor: B Weston | Location:



Inclusive Access

PERSONAL FINANCE, TAX UPDATE (LL)

Author: GARMAN

ISBN: 9780357438855

Book Notes:

This title is already provided digitally through Canvas with the Inclusive Access (IA) program. If you opted out or prefer a physical copy, order this print version. Special orders for physical books opens 01/02/23

♥ Summary

Garman/Forgue's Personal Finance Tax Update, 13th Edition and MindTap digital resources provide a practical, student-friendly introduction to personal financial management. With normative, value-laden suggestions on getting ahead in one's personal finances, these resources encourage students to contemplate, deliberate

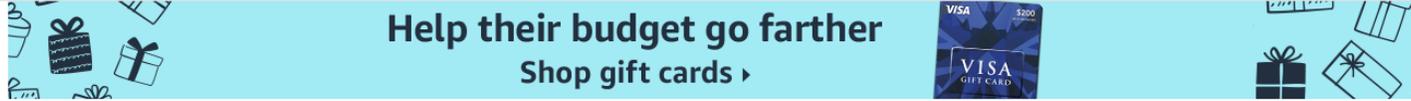
Print

\$242.00 New

\$181.50 Used

[Add to Cart](#)

This title is already provided digitally through Canvas with the Inclusive Access (IA) program. If you opted out or prefer a physical copy, order this print version. Special orders for physical books opens 01/02/23



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Personal Finance Tax Update (MindTap Course List) 13th Edition



by [E. Thomas Garman](#) (Author), [Raymond Forgue](#) (Author)

★★★★☆ 17 ratings

[See all formats and editions](#)

Kindle
\$52.49 - \$91.49

Hardcover
\$36.66 - \$101.69

Loose Leaf
\$63.91

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19 Used from \$73.06
4 New from \$101.69
3 Rentals from \$36.66

4 Used from \$63.91

There is a newer edition of this item:



[Personal Finance](#)
\$289.95
This title has not yet been released.

Discover the keys to personal financial management with the practical, reader-

Rent
\$36.66

List Price: \$289.95
Save: \$253.29 (87%)

Due Date: May 28, 2023 [Rental Details](#)

- **FREE** return shipping at the end of the semester.
- Access codes and supplements are not guaranteed with rentals.

In Stock.

Rented from [RentU](#)

Fulfilled by [Amazon](#)

FREE delivery Wednesday, February 22

Or fastest delivery **Sunday, February 19**. Order within **2 hrs 16 mins**

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 2022 OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-37499

BARNES & NOBLE EDUCATION, INC.

(Exact Name of Registrant as Specified in Its Charter)

Offering courseware sales through our inclusive access *First Day* and *First Day Complete* models is a key, and increasingly important strategic initiative of ours to meet the market demands of substantially reduced pricing to students, as well as the opportunity to improve student outcomes, while, at the same time, increasing our market share, revenue and relative gross profits of courseware sales given the higher volumes of units sold in such models as compared to historical sales models that rely on individual student marketing and sales. We expect these programs to allow us to ultimately reverse historical long-

Securities registered pursuant to Section 12(g) of the Act: None

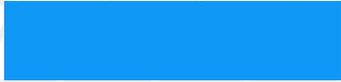
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934. Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company



The facts about IA student choice

- Students may get better deals on used book and rental options
- Opt-out processes can be complex and often deter students from cost reduction strategies
- Opting out isn't always an option when materials are mandatory for online homework
- IA reduces accountability and competition for the textbook industry



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Get the facts.

Solution, or Status Quo?

Peer-reviewed research found that Inclusive Access had no effect on academic outcomes.



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McGraw Hill Inclusive Access

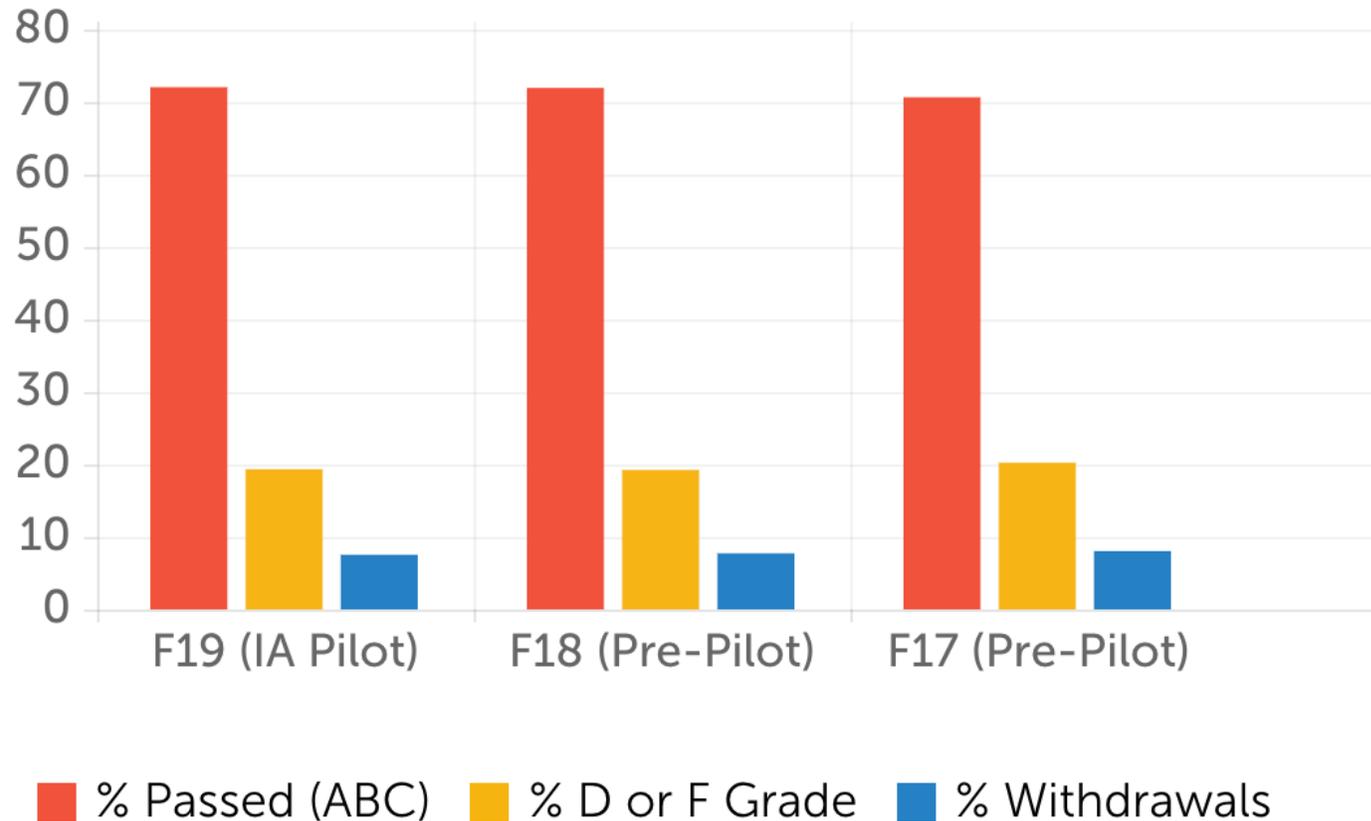
Together, we can improve student success.

Increase student access and affordability of course materials with Inclusive Access.

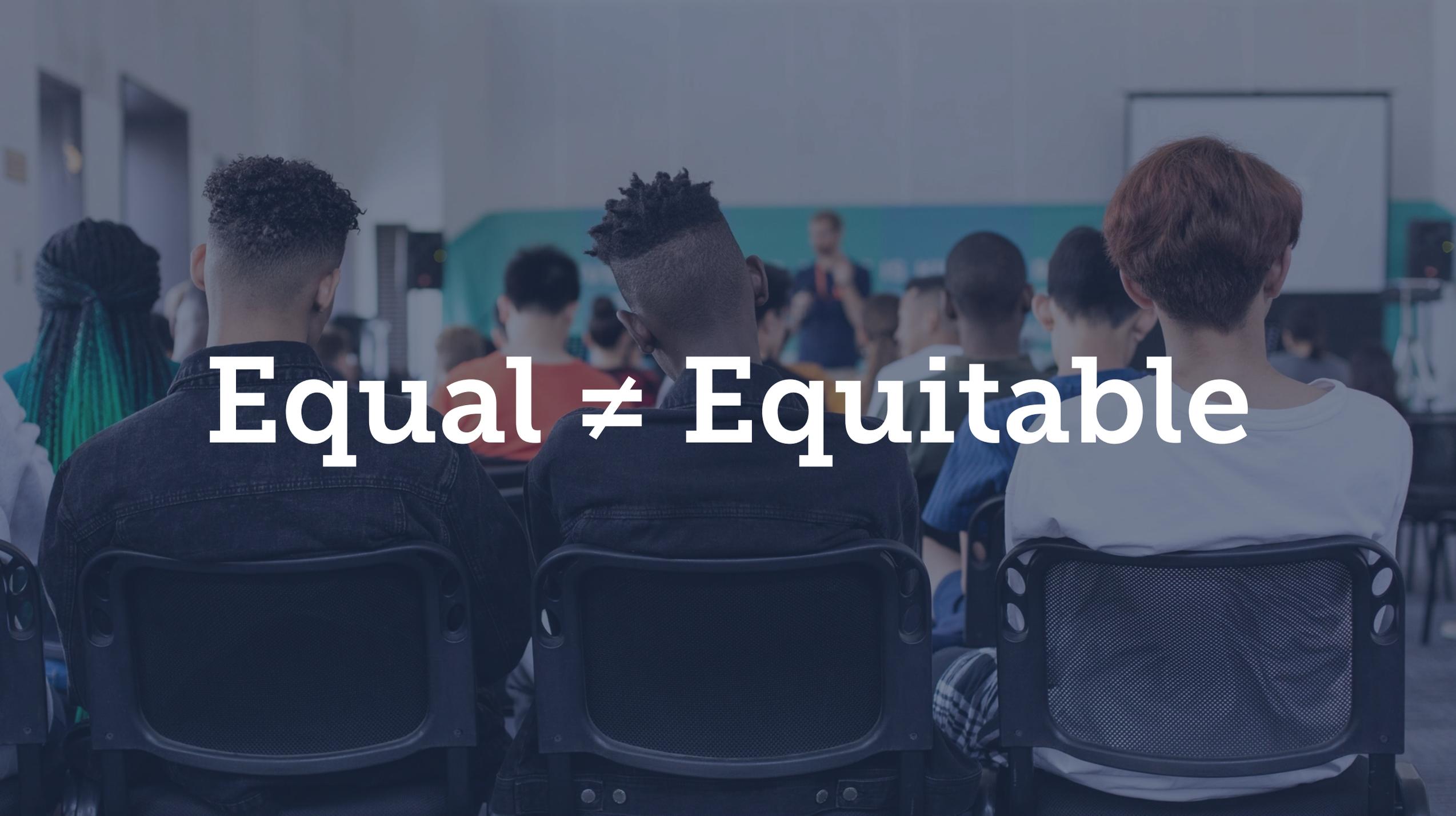
[LEARN HOW TO IMPROVE STUDENT OUTCOMES](#)



Does Inclusive Access impact academic outcomes?

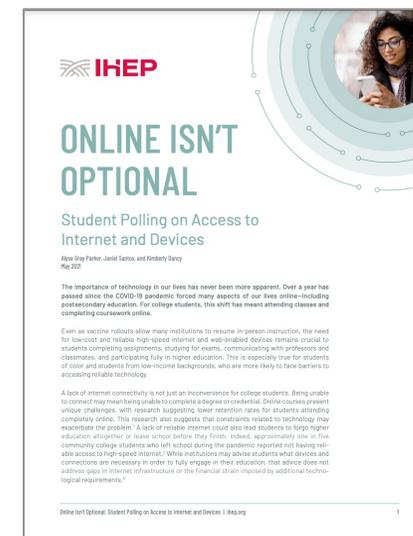
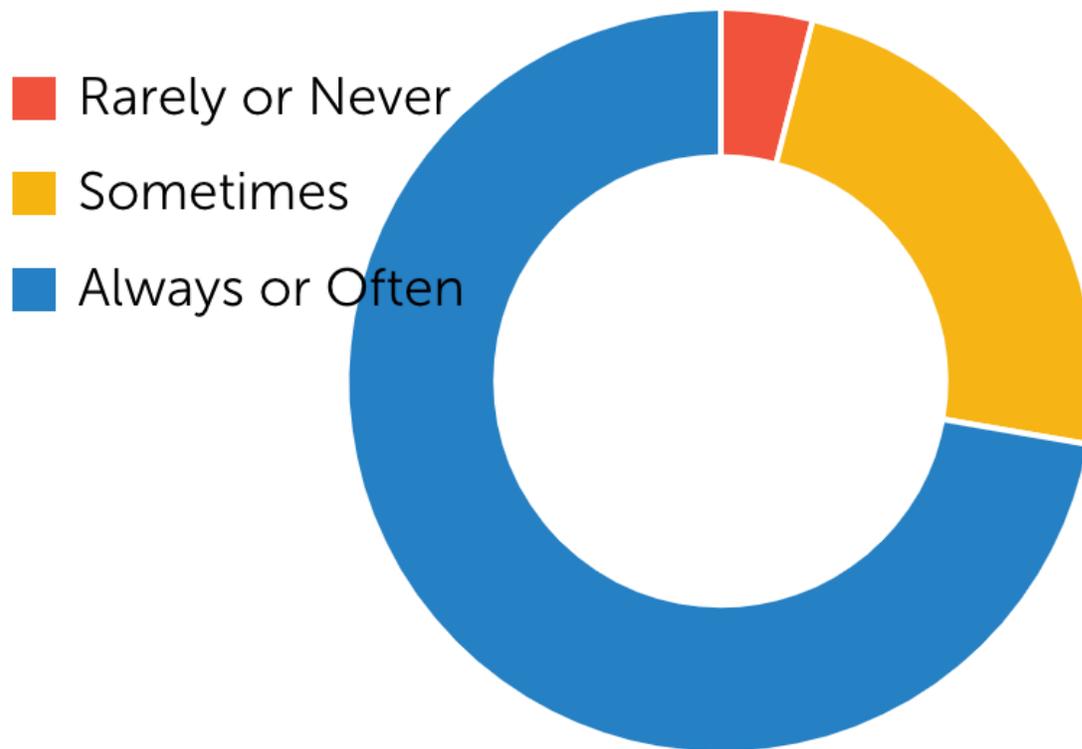


Source: Spica, E. (2021). Inclusive Access: A multi-institutional study of academic outcomes from a statewide community college automatic billing eTextbook pilot. *Community College Journal of Research and Practice*, 1-20.

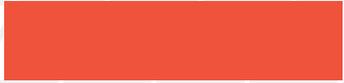


Equal \neq Equitable

Do students have reliable internet access?



Source: Institute for Higher Education Policy, Online Isn't Optional: Student Polling on Access to Internet and Devices, May 2021



The facts about IA and student outcomes

- Marketing claims for improved outcomes are often based on case studies and small sample sizes
- The only large scale peer reviewed study of IA found no evidence of improved outcomes
- IA can exacerbate barriers that offset any cost benefits including internet access, device age, and accessibility
- IA emphasizes equality not equity



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Get the facts.

Deal, or Data Mine?

Inclusive Access content can capture vast amounts of data on students and faculty.



• August 04, 2019

Pearson Hack Exposes Thousands of Students' Data

By [Lindsay McKenzie](#)

The personal information of approximately 13,000 school and university students was exposed as the result of a cyberattack, publisher Pearson confirmed July 31.

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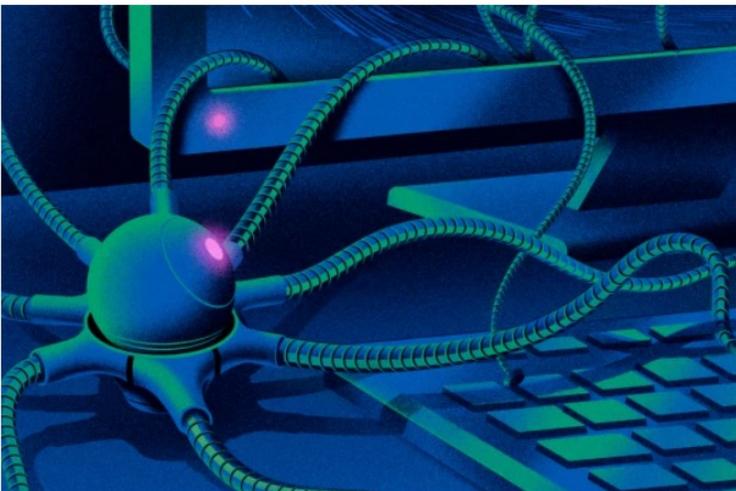


HIDDEN COSTS OF COLLEGE

Courseware Can Be Integral to a Course. Why, Then, Are Students Footing the Bill for It?

By Taylor Swaak | July 19, 2023

Advocates argue that learners shouldn't have to pay extra for products so they can complete and submit their homework.

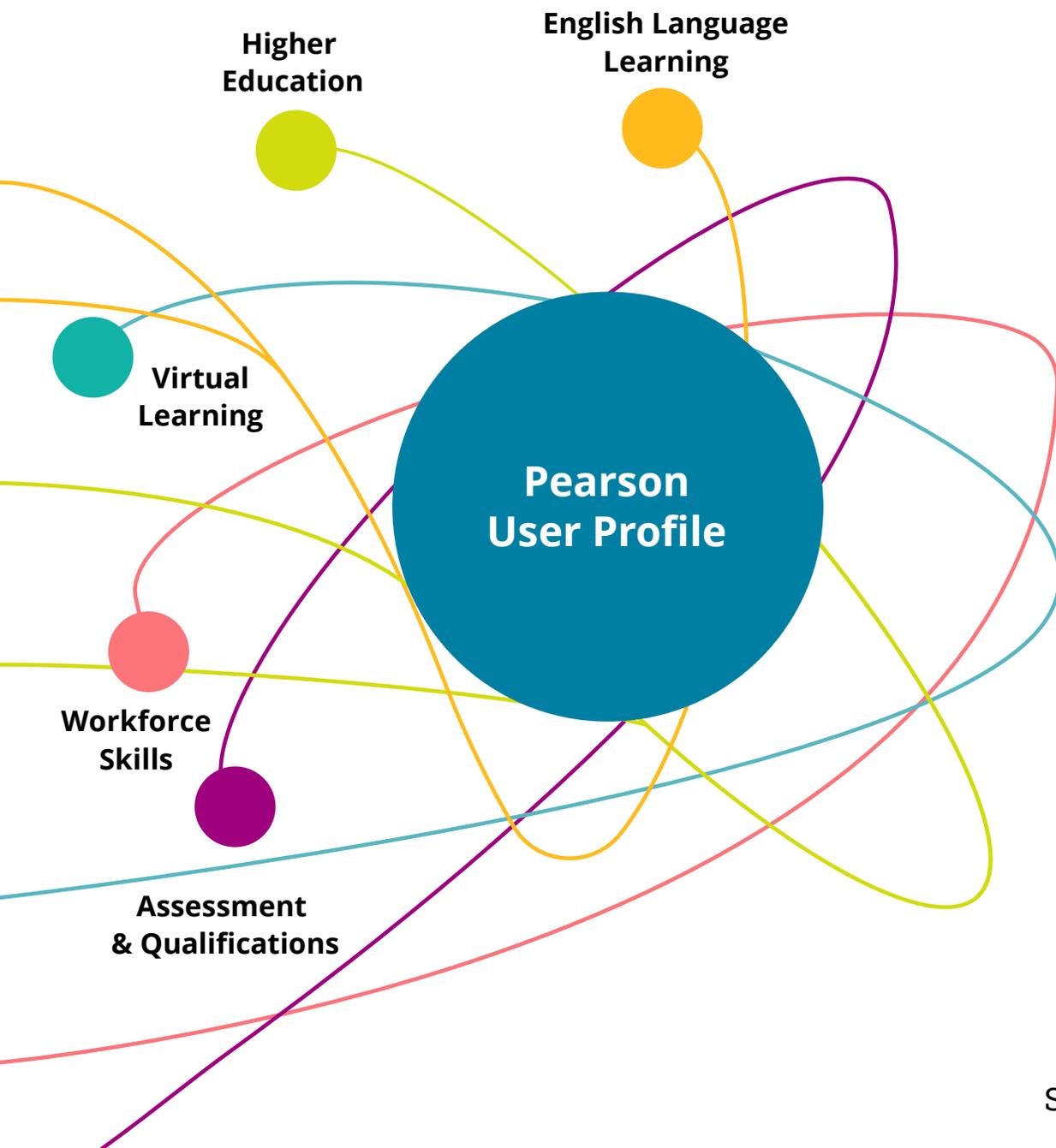


STUDENT PRIVACY

Bots Are Grabbing Students' Personal Data When They Complete Assignments

By Taylor Swaak | July 20, 2023

Using courseware has become unavoidable. So has giving up information.



“We’re now focused on integrating our business and products to form a more interconnected, lifelong learning platform. [...] “[T]his growing, engaged user base will help us recognize potential **cross-selling opportunities outside of higher education.**”

- Pearson CEO Andy Bird

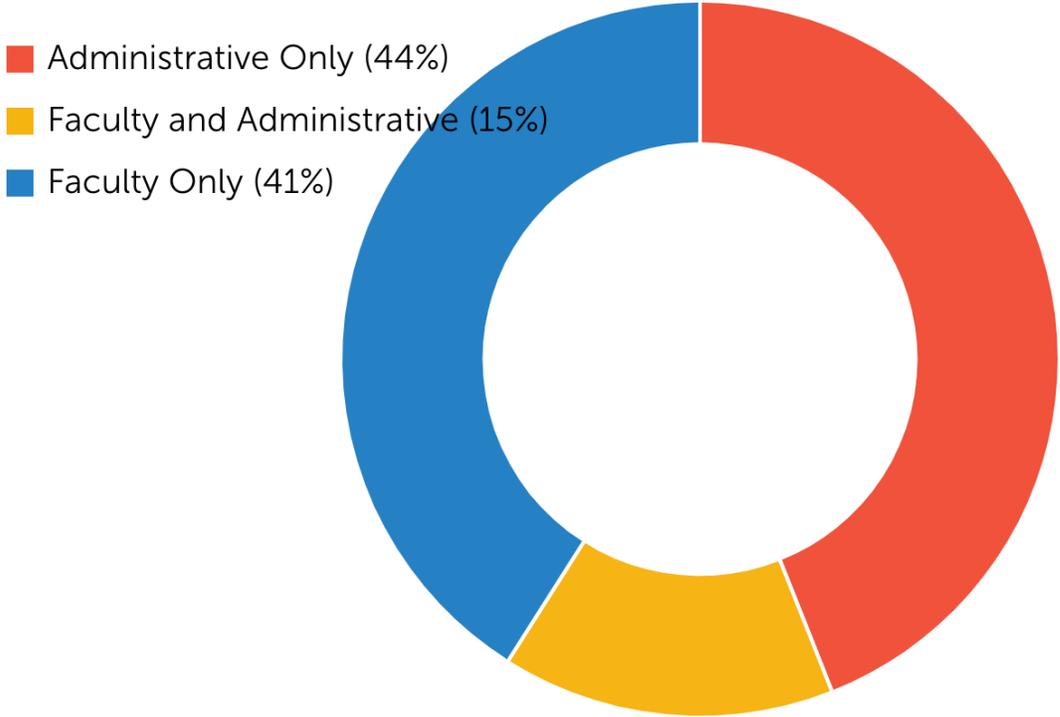


The facts about IA and data privacy

- Student data privacy is a major concern with IA vendors
- Publishing companies tout plans to investors to use student data to drive future business strategies
- The growth of AI introduces critical questions about algorithmic bias that harms marginalized students
- Outsourcing carries long-term risk

What should
campuses
consider?

When it comes to Inclusive Access, who decides?

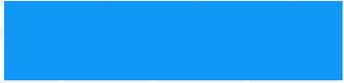


Source: Source: Bay View Analytics, Inflection Point: Educational Resources in U.S. Higher Education, 2019



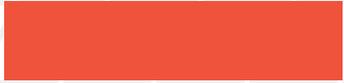
Things to consider before going Inclusive Access

- Does the model reduce costs for students who need the savings most?
- Is the model designed for the needs of students first, or vendors?
- What will the model mean for progress on true solutions like OER?
- What will the model mean for academic freedom?
- What are the long term implications?



Questions to ask Inclusive Access vendors

- What is the methodology used to calculate advertised savings?
- How do the prices compare to the current used book/rental market?
- How long are the prices guaranteed?
- Is there peer-reviewed research to back up student outcomes claims?
- Does your company monetize student data?



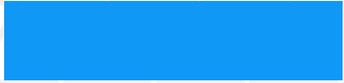
Flat-fee/ “Equitable Access” programs

- Exempt courses using 100% OER or zero-cost materials from the fee.
Don't undo your progress!
- Take a hard look at the ethics of profit-generating models. (Or commit any profit to funding OER.)
- Use actual student spending data to verify the flat fee is a better deal for students.



Course- by-course programs

- Make these programs opt-in rather than opt-out. If it's a good deal, students will choose it.
- Ensure opt-out is clearly and proactively communicated, and that it is as streamlined as possible.
- Educate faculty about the differences with OER and the implications of assigning courseware.



How to promote careful consider- ation

- Student pushback / mobilization
- Calls for more rigorous studies to ensure equity/savings
- Questions about overhead and margins
- Questions about fee authorization or policy compliance
- Questions about student data privacy and how publishers use data

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Contact:

Nicole Allen

Director of Open Education, SPARC

nicole@sparcopen.org

**Get
the
facts.**



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