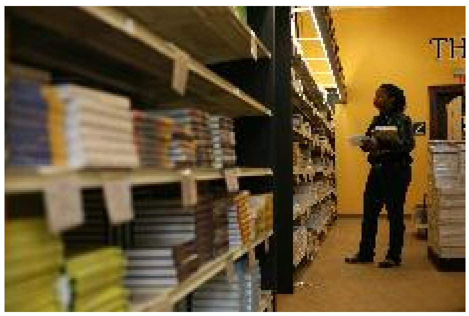
CoB News, 16 January 2009

“[A] festering wound that would not heal”

The quote above is how USM provost Robert Lyman recently described the customized textbook scandal at USM – one that began a few months ago, but will not seem to go away. Lyman’s quote above was captured for Lesley Walters’ 13-Jan-09 news story for *The Student Printz* entitled “Custom textbooks hinder buybacks.”



According to Lyman, the use of the controversial customized textbooks may indeed be partially responsible for the high price of textbooks at USM’s Barnes & Noble store. Despite this recognition, Lyman seems somewhat confused about the issue when he tells Walters: “In most cases, customized textbooks are just maybe a buck or more than non-customized texts, and that doesn’t seem to be the real problem. The inability to sell them back, I think, is probably the largest problem.” According to an outside consultant, Lyman’s “goofy” quote above is attributable to the fact that he does not understand how to interpret/measure the true “price” of textbooks. Here’s an example:

Customized Marketing Text		Non-Customized Marketing Text	
\$126	B&N retail	\$125	B&N retail
− \$ 0		− \$ 60	
\$126	“effective price”	\$ 65	“effective price”

The insert above looks at a hypothetical marketing text at USM’s Barnes & Noble store (marketing is chosen given some of the details of the recent customized textbook scandal at USM). Assuming that the retail price of a non-customized book is \$125, then a customized version might retail for \$126 (using Lyman’s statement). Given that B&N would pay half (about \$60 in this case) for the book if returned by the student after the semester ends, what is called the “effective price” for the non-customized book is \$65. Without a buy-back opportunity on the customized version, the “effective price” equals the B&N retail price, meaning that the “effective price” of the customized version is *about 1.94 times* that of the non-customized version. By being slow to catch on, or purposely obtuse, Lyman clouds the issue.

Walters goes on to write that Lyman addressed this issue with the Faculty Senate in Nov-08, which was a meeting that B&N General Manager Kathy Haymen also attended. "Both encouraged faculty members to exhaust all other possible alternatives before 'adopting' texts that were ineligible for sell-back," according to Walters' article. According to Haymen, customized texts are partly responsible for the steady decline in monies given back to students from B&N through its buy-back program.

CoB Faculty Facing Bleak Fiscal Situation

From the looks of events throughout the Mississippi and U.S. economies, CoB faculty will not face (in the foreseeable future) much of a chance of seeing how new CoB dean Lance Nail plans to reform, if at all, the CoB's merit raise process. According to Emily Wagster Pettus' news report in the 15-Jan-09 issue of *The Hattiesburg American*, Mississippi Governor Haley Barbour just cut $158.3 million from the state's budget. Barbour was also forced to cut $42 million from the state budget back in Nov-08, and he expects that the state's revenue shortfall could grow to $310 million by 30-June-09.

Given this dismal picture, today was a good day for the CoB's Bureau of Business & Economic Research, directed by William Gunther, to host its annual economic symposium. *THA*'s Emma James was on hand to provide a live blog for *THA* readers. According to James, about 150 people ventured into USM's Thad Cochran Center for the event, including:

- Betsy Rowell, Historic Hattiesburg Downtown Association
- Dennis Pierce, PierCon
- Ron Tharp, Area Development Partnership
- Andy Stetelman, London & Stetelman
- Glen Myatt, Hattiesburg Cycles
- Kathleen Williams, *The Hattiesburg American*
- David Johnson, The First

Also according to James, CoB dean Lance Nail's report was "remarkably optimistic," revealing Nail's belief that the national economy will have regulated by 2013 or 2014. According to Nail (via James), the U.S. economy is in a "U-recession" driven by an overinflated real estate market. In one of his presentations, Gunther expressed the opinion that GDP will decline in the first and second quarters of 2009 before any fiscal stimulus can take effect. According James, Gunther predicts that GDP will drop by 2.5% -- the largest drop since 1947. Gunther also believes that about 3 million jobs will be lost in 2009, and that the unemployment rate will climb above 9%.

James' blog states that the conference, which ended with a speech by Dennis P. Lockhart, President and CEO of the Federal Reserve Bank of Atlanta, was "depressing." How much depression hits CoB faculty over the next few months and years remains to be seen.