Bookstore discount rate helps

Non-profit status shares the wealth

By RICHARD WIENS
Of the Emerald

When the University bookstore turned into a non-profit corporation giving direct discounts to students on textbook purchases, some people worried that it might not survive the change.

"It's basically a unique set-up," says Jim Williams, Bookstore manager for the past two years and assistant manager before that. "At that time, we weren't at all sure it would work."

Such fears were unfounded, however, since the bookstore has thrived the past five years. Indeed, for a non-profit organization, the bookstore has been quite lucrative. Meanwhile, students have enjoyed lower textbook prices than most of their counterparts at other universities.

While University students receive a direct 10 percent discount off the suggested retail price of text, students at UCLA and the University of California get no discount. At the University of Washington and Oregon State, students receive five and 10 percent discounts respectively, but only if they keep their receipts until the end of each fiscal year. A similar system was used here before the 1973 restructuring.

The combination of high operating costs, high shipping charges and high wholesale prices makes it impossible to sell textbooks for a profit.

Like others, the University bookstore offsets textbook losses through sales of general trade books and non-book merchandise. Indeed, 50 percent of the bookstore's total sales volume is generated by non-text items on which it makes about a 35 percent profit.

Sales of non-text items have been so successful that the bookstore has consistently accumulated excess profits. Since the bookstore is a non-profit corporation designed to serve its members (students, faculty and staff), its goal is to "minimize profitability," says Williams.

"Our goal is to have a profit margin that will meet our expenses and provide for improvements."

Williams says a $60-$70,000 annual net income is necessary to meet that goal. Over the last four years, the Bookstore has averaged over $98,000 in annual net income. In fiscal year 1976-77, its net income was $130,100.

The Bookstore's board of directors, which includes eight students and two professors, has "worked diligently to return any profits that are beyond our needs to our members," says Williams. A recent one-day sale in which almost all Bookstore items were discounted 25 percent was one effort to disburse excess profits.

Since there have been consistent excess profits for four years, why doesn't the Bookstore raise the direct textbook discount for students? Such a move would be "premature" says Williams, who points out that the Bookstore does not have a secret stash of accumulated profits.

What the Bookstore does have, thanks to its recent prosperity, is a $200,000 contingency fund in corporate investment bonds to be used only in an emergency. It also has a $50,000 general savings account.

The rest of the Bookstore's money is "tied up in inventory," says Williams. Thousands of unsold textbooks sit in an "employees only" section of the store, waiting to be sent back to the publishing company or ordered for a future class.

Steve Girsch, associate biology professor and a member of the board, agrees with Williams that a larger textbook discount is not the best answer.

"The problem is, if we raise the discount and then fall on lean times, it'll be hard to pull it away," he says. "It wasn't too long ago that the Bookstore was in the red."

Girsch would prefer the Bookstore to expand, possibly adding a student travel agency and an optometric office. He said a recent survey conducted by the board showed students most interested in the Bookstore expanding to include a record shop, a coffee bar and a florist shop.

"In the long run, students would benefit a lot more from expansion than from a higher text discount," says Girsch.

If expansion plans are stymied, however, Girsch would support an increase in the textbook discount, possibly to 12.5 percent. He says it is hard to predict what will happen until the newly-elected board of directors begins meeting in the fall, but he would not be surprised if they raise the textbook discount in spite of expansion plans.

In addition to enjoying relatively low textbook prices (and possibly still lower prices to come), the University community has the advantage of a nearby alternative bookstore, which competes hardily with the university store. The Id Book and Record Shop, 134 Alder St., has been syphoning off business from the University Bookstore since 1966. Many professors now order textbooks through the Id, and the philosophy department deals exclusively with the upstart shop.

Caroline Keutzer, associate psychology professor, orders some textbooks through the Id because she feels it provides faster service.

"I just have to call up Ken (Robbins, the Id manager) and he'll get right on it and make the phone calls," says Keutzer. She feels the University Bookstore is "too big to handle personal requests."

"The Id is good on emergency orders and substitutions," says Frances Cogan, an English dept. graduate fellow. "They're good about keeping you from being in a lurch at the beginning of the term, even if it's your fault for ordering late."

Like the University Bookstore, the Id offers a 10 percent discount and loses money on textbook sales. The school books serve to draw students into the shop, however, where they may purchase records, art prints and general trade books which afford the Id a profit, according to manager Robbins.

Both Robbins and Williams feel the competitive textbook situation is healthy. Although Williams denies it, Robbins claims that the University Bookstore was forced to start offering a 10 percent discount in 1973 because the Id was offering a similar discount. He also believes the University Bookstore's recent 25 percent off sale was patterned after a similar Id sale.

In the spirit of competition, Williams cites such improvements at the bookstore as longer hours, expanded inventory in all areas, more special-ordering of books and, beginning in the fall, a new ticket outlet. Also, the Bookstore has purchased new cash registers (not yet installed) and a bookkeeping computer.

University students will probably always complain of high textbook prices. But given the circumstances, one is certainly justified in saying "it could be worse."

Student pay under minimum

By ANN KELLY
Of the Emerald

The Oregon Office of Education (OE) has granted a waiver to the Oregon State System of Higher Education (OSSHE) permitting the College Work Study Program (CWSP) to pay student employees 15 percent below the Federal minimum wage. As of July the minimum wage is $2.65.

Since April the Oregon Student Lobby (OSL) has petitioned against the waiver. The lobby supplied up to 22 pages of documented reports and wage tables which supported their position that the lower wage paid to CWSP students is unfair and detrimental to college work study's efforts to assist financially needy students through school.

The OSL's stand on the waiver is supported by the Oregon State Scholarship Commission and the executive committee of the Oregon AFL-CIO. Both organizations sent letters along with the OSL document.

Despite thorough and ongoing documented research by the OSL, the waiver presented by the OSSHE was granted. The OE passed it without requiring the OSSHE to justify their request for the waiver. Apparently the OE's reorganization efforts did not give it time to deal with the OSL reports, says ASUO president Ramon Herrera.

"There is something wrong if we (OSL) submitted 20 pages of adequate documentation supported by the State Scholarship Commission and the Executive Committee of the Oregon AFL-CIO and the fact that OSSHE submitted 1 page, did not submit any documentation at all and got the waiver," Herrera says. "It's crazy that it passed."

The OSL continued to wage battle with the waiver and through inquiry and conversation with the Bureau of Financial Assistance, the National Student Association/Lobby, and staff Representatives of Al Ulman and Jim Weaver.