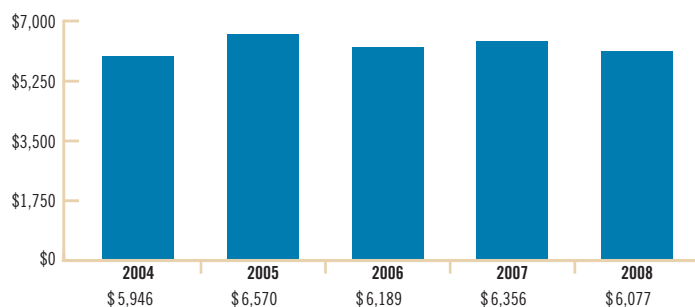


# Pre-K–12 Education: Market, Adoption States, Open Territories, and Supplemental Sales

In 2008, sales of textbooks and educational materials for the pre-K–12 school market decreased 4.4% to \$6.1 billion, according to the Association of American Publishers (AAP).

## Estimated Total Pre-K–12 Industry Net Sales

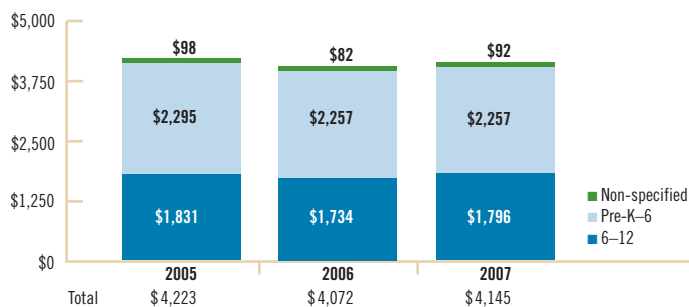
(dollars in millions)



Source: AAP. Includes sales of domestic and non-domestic products

## Total Net Elementary/High School Sales

Basal, Supplemental, and Online Materials  
(dollars in millions)



Source: AAP, as reported by 6 publishers. Includes sales of U.S. products only. Includes sales to foreign subsidiaries and third parties

## Pre-K–6 Net Sales by State

(dollars in thousands)  
Basal and Supplemental Materials

	2007	% of 2007 Total	2006	2005
1 California	\$ 292,155	16.1%	\$ 292,477	\$ 236,929
2 New York	120,119	6.6%	117,874	95,291
3 Texas	112,496	6.2%	134,175	232,302
<b>Top 3 for 2007</b>	<b>\$ 524,770</b>	<b>28.9%</b>	<b>\$ 544,526</b>	<b>\$ 564,522</b>
4 Florida	100,102	5.5%	110,529	107,867
5 Pennsylvania	74,033	4.1%	74,060	74,917
6 Illinois	72,690	4.0%	86,228	87,857
7 Georgia	72,085	4.0%	47,713	46,456
8 Ohio	68,169	3.8%	63,933	69,601
9 Tennessee	58,829	3.2%	24,992	27,610
10 New Jersey	57,615	3.2%	64,526	73,810
<b>Top 10 for 2007</b>	<b>\$ 1,028,293</b>	<b>56.6%</b>	<b>\$ 1,016,507</b>	<b>\$ 1,052,640</b>
11 Indiana	50,650	2.8%	35,708	47,559
12 Arizona	49,318	2.7%	47,143	45,566
13 North Carolina	43,253	2.4%	61,074	38,155
14 Missouri	39,434	2.2%	36,453	32,354
15 Louisiana	36,538	2.0%	27,635	29,348
<b>Top 15 for 2007</b>	<b>\$ 1,247,486</b>	<b>68.6%</b>	<b>\$ 1,224,520</b>	<b>\$ 1,245,622</b>
<b>All Others</b>	<b>\$ 569,809</b>	<b>31.4%</b>	<b>\$ 573,371</b>	<b>\$ 544,182</b>
<b>Total Domestic U.S.</b>	<b>\$ 1,817,295</b>	<b>100.0%</b>	<b>\$ 1,797,893</b>	<b>\$ 1,789,806</b>

Source: AAP, as reported by 6 publishers. Excludes supplemental and non grade-specific basal materials. State ranking varies each year in accordance with adoption cycle

## 6–12 Net Sales by State

(dollars in thousands)  
Basal and Supplemental Materials

	2007	% of 2007 Total	2006	2005
1 California	\$ 267,709	16.9%	\$ 252,435	\$ 201,519
2 Texas	193,333	12.2%	54,288	158,760
3 New York	93,904	5.9%	83,065	87,205
<b>Top 3 for 2007</b>	<b>\$ 554,946</b>	<b>34.9%</b>	<b>\$ 389,788</b>	<b>\$ 447,484</b>
4 Florida	91,543	5.8%	126,188	127,625
5 Illinois	77,890	4.9%	76,833	59,791
6 Pennsylvania	58,968	3.7%	57,645	58,536
7 Georgia	57,630	3.6%	45,322	48,135
8 Ohio	50,457	3.2%	49,621	49,236
9 New Jersey	45,331	2.9%	46,803	47,906
10 Michigan	37,278	2.3%	40,743	33,098
<b>Top 10 for 2007</b>	<b>\$ 974,043</b>	<b>61.3%</b>	<b>\$ 832,943</b>	<b>\$ 871,811</b>
11 Virginia	36,475	2.3%	51,940	62,522
12 Missouri	35,708	2.2%	36,229	35,172
13 Maryland	35,466	2.2%	39,296	37,079
14 Louisiana	34,820	2.2%	17,894	29,761
15 Arizona	32,710	2.1%	28,350	27,194
<b>Top 15 for 2007</b>	<b>\$ 1,149,222</b>	<b>72.3%</b>	<b>\$ 1,006,652</b>	<b>\$ 1,063,539</b>
<b>All Others</b>	<b>\$ 439,289</b>	<b>27.7%</b>	<b>\$ 528,033</b>	<b>\$ 539,022</b>
<b>Total Domestic U.S.</b>	<b>\$ 1,588,510</b>	<b>100.0%</b>	<b>\$ 1,534,691</b>	<b>\$ 1,602,562</b>

Source: AAP, as reported by 6 publishers. Excludes supplemental and non grade-specific basal materials. State ranking varies each year in accordance with adoption cycle

## Pre-K–6 Sales by Subject Category

(dollars in millions)

	2007	% of 2007 total	2006	% of 2006 total	2005	% of 2005 total
Reading/Literature	\$ 711	38.3%	\$ 707	38.4%	\$ 675	36.9%
Mathematics	518	27.9%	487	26.5%	493	27.0%
Science	239	12.9%	174	9.4%	133	7.3%
Social Studies	170	9.1%	194	10.5%	144	7.9%
Language Arts/English	73	4.0%	100	5.4%	101	5.5%
Music	53	2.9%	51	2.8%	92	5.0%
Religion	16	0.9%	19	1.0%	18	1.0%
All Others	75	4.1%	110	6.0%	171	9.4%
<b>Total</b>	<b>\$ 1,857</b>	<b>100.0%</b>	<b>\$ 1,841</b>	<b>100.0%</b>	<b>\$ 1,827</b>	<b>100.0%</b>

Source: AAP, as reported by 6 publishers. Excludes supplemental, non grade-specific basal, and non-domestic

## 6–12 Sales by Subject Category

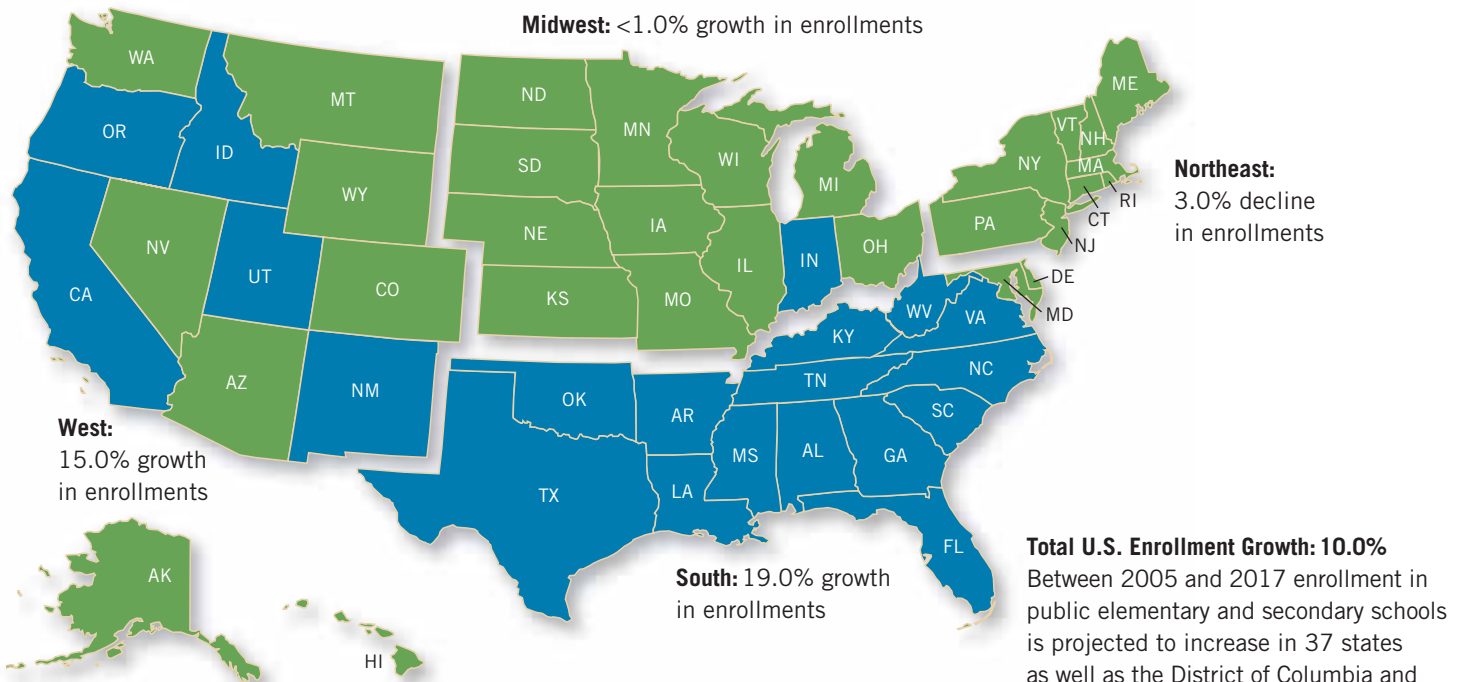
(dollars in millions)

	2007	% of 2007 total	2006	% of 2006 total	2005	% of 2005 total
Mathematics	\$ 407	25.3%	\$ 266	17.1%	\$ 301	18.5%
Science	332	20.6%	313	20.0%	272	16.8%
Social Studies	289	17.9%	317	20.3%	326	20.1%
Foreign Language	142	8.8%	113	7.3%	174	10.7%
Reading/Literature	108	6.7%	182	11.7%	162	10.0%
Language Arts/English	98	6.1%	120	7.7%	97	6.0%
Business Education	47	2.9%	51	3.3%	58	3.6%
All Others	189	11.8%	198	12.7%	233	14.4%
<b>Total</b>	<b>\$ 1,611</b>	<b>100.0%</b>	<b>\$ 1,561</b>	<b>100.0%</b>	<b>\$ 1,623</b>	<b>100.0%</b>

Source: AAP, as reported by 6 publishers. Excludes supplemental, non grade-specific basal, and non-domestic

# Growing Enrollments In Key Adoption States

Changing U.S. Pre-K–12 Enrollment by Region and State, 2005–2017



## Mapping the Adoption Process

In the adoption process, a state education board selects elementary and secondary textbooks to be placed on an approved list. To use state education funds, local school districts must choose textbooks from the approved list. In adoption states, the state board issues curriculum guidelines and schedules the purchase of new books in each subject area. In the remaining states, known as “open territories,” textbooks are purchased independently by local school districts or individual schools. There are no statewide purchasing schedules or state selected lists of textbooks.

### Adoption States (20 States):

States in which school districts must purchase educational materials that have been “adopted” at the state level in order to qualify for state funding.

### Open Territories (30 States):

States in which schools purchase educational materials independently.

#### Notes:

California: Adopts for grades K–8; grades 9–12 are open territory

Utah and Oregon: Issue state-recommended lists, but do not tie textbook purchases to funding

## Projected Enrollment Growth in Key Adoption States, 2005–2017

Texas	32.9%
Florida	28.9%
North Carolina	23.1%
Virginia	13.0%
California	8.7%

Source: U.S. Department of Education, National Center for Education Statistics, “Projections of Education Statistics to 2017”

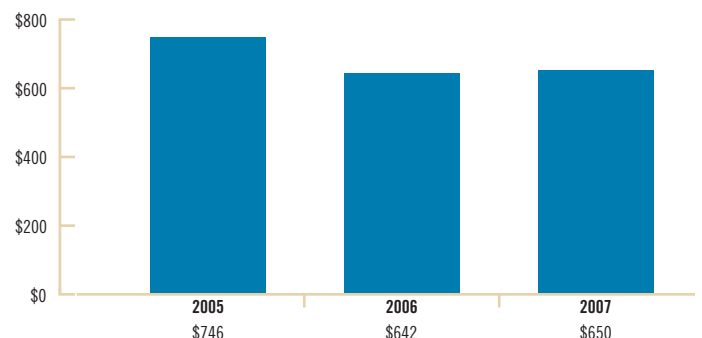
## Adoption States, Open Territories, and Supplemental Sales

Industry Textbook Sales: Adoption States, Open Territories (Pre-K–12)  
(dollars in millions)



Source: AAP, as reported by 6 publishers. Includes non grade-specific basal and supplemental materials. Excludes non-domestic sales of \$71 million, \$78 million, and \$65 million for 2007, 2006, and 2005, respectively

Supplemental Materials Market (Pre-K–12)  
(dollars in millions)



Source: AAP, as reported by 6 publishers. Includes non grade-specific materials