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Libraries Investing in the Future First--Some Practical Suggestions

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"Muddling through" is what we mostly do most of the time. It is a reasonable strategy for bridging the gap between present resources and future expectations--providing expectations are in a reliably upward direction.

"Muddling through" is problematic though if we are entering a period of diminishing resources. The short-term result is unsatisfactory and--since it consumes resources leaving little to invest in longer-term solutions--ensures a poor outcome for the long run as well.

The Project on the Future of Higher Education anticipates significant loss of budget and purchasing power over the foreseeable future--five to ten years.[1] Some of our colleagues gathered in Arizona in 2003 to consider what the project's findings mean for research libraries. In an article on their deliberations, our Arizona colleagues urge us to think carefully about which courses of action are "muddling through," as opposed to those that can be seen as "transitioning" and those that may lead to a "transformed" library.[2]

This essay offers some practical suggestions for implementing transformative strategies for libraries, with a focus on using the materials budget as an investment fund.

To ensure that mediocrity does not become an ever more apt description of our collections, and to meet the needs of present and future users, libraries must move transitioning and transformative options to the top of the priority list. These options look expensive only if judged against the marginal increases in our materials budget--if weighted more correctly, as an amount judged in the context of the total costs of research collections, they loom less large.

Think about library material prices in the broadest context

Compare price increases in dollars, rather than as percentages

We need to think very clearly about what things cost. It is difficult and labor-intensive to deal with very long lists of relatively small numbers, such as serials lists. Decision makers are tempted into generalizations, and it becomes most manageable to talk about prices in terms of the percentage increase each year. This is a mental model that can lead to faulty reasoning in cancellation decisions.

On this model, the price of a $1,000 journal with a $50 increase appears to have gone up less than a $300 journal with a $25 increase. Libraries may come to the decidedly odd conclusion that a $1,050 journal is not part of the problem, but a $325 journal may be. We need to explicitly remind ourselves that a $50 increase is twice as big as a $25 one. And that the money we spend for a $1,000 journal would purchase three $325 ones.

This temptation to think in percentages is seldom a problem in personal finances. Tickets to the local opera cost just what they've cost for some years. Movie tickets have gone up substantially. I am not, however, tempted to believe that the fact that the opera did not increase its price makes it the more fiscally conservative choice.

Focus on total cost and project costs for the future

The problem is the price, not the price increase. Because the library is already paying the base price--whatever that is--but needs new funding for the increase, we look at the increase rather than at the total cost. If a $1,000 title goes up by $50, we know where to find the $1,000--it was already in last year's budget. So we focus on the $50 of new money. We should focus instead on the fact that this title costs $1,050 and ask whether or not it is worth $1,050.

Looking only at the increase obscures the fact that libraries purchase essential titles (or collections that include them) that would be priced lower if produced by other publishers.

We need to scrutinize the price increase, but must not confuse it with the price. Paying high dollar increases on a few thousand titles penalizes publishers who kept prices low and now find cancellations rising because libraries have little funding left after the big bills are paid. It also reinforces the (at this point, justified) belief that libraries will complain, but will not cancel.

Turn ongoing costs back into (mostly) one-time costs

The transformation of one-time costs, especially for reference materials, into ongoing costs is increasingly problematic for libraries. The number of titles we can afford drops dramatically as we pay every year for the same titles over and over again.

To regain flexibility in our budgets by moving some of these expenditures back to one-time costs would be highly desirable. Though there is no such thing as a library acquisition that is one-time only--even books require continued expenditures for buildings, shelves, and staff--it is possible to turn the bulk of some expenditures back to one-time.

There is currently a proposal that libraries come up with enough funding over the next three years to endow the *Stanford Encyclopedia of Philosophy* to ensure that it will remain an open-access tool. Even reasonably priced subject encyclopedias cost large institutions a few thousand dollars per year apiece and are inaccessible to many small institutions. Endowing this and similar titles would save libraries money in the long run.

The proposal from ARL to digitize retrospective U.S. government documents would have a similar outcome--the expenditures are not one-year costs, but, like purchasing a set of books on a standing order, they do eventually end and you do receive new content each year for your investment.

Be aware of the dangers of tying library budget requests to journal price increases

It is troubling that so much of our analysis focuses on price increases. One might suppose that if prices stopped rising, academic library collections could meet user needs- without further funding increases.

This focus also feeds the perception that the library is a "black hole." Campus administrators despair of effecting long-term improvements in their libraries because, no matter how often money is found, the library needs more the next year.

There has to be a return to our institutions beyond simply stopping cancellations. We need to look for ways to show that the investment of new funding brings new titles and/or a new level of service.

Consider the cost to the institution as a whole

The institutional cost is not just the library's subscription cost. The cost is what is being paid across campus. In some cases, the institution is paying both page charges and a subscription price. In others, the institution may pay for multiple copies across campus--with titles such as *Nature* and *Science*. A campus license that moves all of these expenditures onto the library budget may or may not be more expensive for the university than scattered print subscriptions.

There are also new types of titles such as *ARTStor*, which in effect outsources the provision of images for teaching art history classes from the art department to the library--and which may or may not be a more expensive way for the institution as a whole to provide this function.

Buy bundles only when they contain quality content and are cost effective by saving staff time

"Bundles" of serial titles are a mixed blessing. If the bundled titles are high value and inexpensive, it is cost effective to handle the titles as a bundle--to pay a one-line invoice and enter one set of MARC records. This is true whether the bundled titles are serials, e-books, music scores, art images, or any other format.

But if the titles are expensive, a bundled contract is a very serious investment. In each year that budgets are flat and prices go up (even by a small percentage) the bundle consumes an ever larger share of the budget. There has been much argument about whether or not the titles added in "big deals" are worth the cost. It is pointed out that users do use the new titles made available as part of the bundle. However, the concomitant change is that libraries cancel journals from other publishers to cover the price increases in bundles. Do we know how many uses this prevents? Are we sure the new titles in big deals are more important to users than the titles canceled to fund bundle price increases?

The effects of bundling are known. The advent of aggregated general journal packages has made that clear. Aggregated packages added titles to everybody's serial list and caused the number of subscriptions some research libraries report in the *ARL Statistics* to grow by several thousand titles. These packages did not, however, seem to have a concurrent effect on user satisfaction, perhaps because many of the "new" titles in the bundles were not titles we would have chosen.

There is a store in Albuquerque selling American Indian arts and crafts. For the past 30 years, it has prominently displayed a sign that says, "All prices half off all the time." Two for the price of one is a good deal when you were planning to buy both items. But if it entices you to spend more money than you can afford on desirable but not first-choice purchases, it's a dubious "bargain."

Support all publishers who demonstrate good practices

Commercial publishers are not the problem--the great majority has produced outstanding and reasonably priced serials for many years. Libraries need to support such publishers as wholeheartedly as they do new scholarly communications initiatives from the nonprofit sector.

Libraries use the term "commercial" as shorthand for a group of publishers that one of our librarians has named Elseviley Verlag. This is a subset of the commercial world whose prices are noticeably higher than those of most other publishers. Different publishers are likely to be listed by different librarians as belonging to this group, but we all agree that there are a great many commercial publishers who are not part of the problem.

Nor does it follow that every not-for-profit publisher is part of the solution. Some nonprofits seem in their pricing practices ever closer to joining the Elseviley Verlag group.

The most troubling aspect of the current situation is that new titles are being started by the wrong players, and that scholarly societies needing assistance with their journals are finding help in the wrong places. Large and well capitalized publishers are well positioned. Their representatives visit faculty seeking salable ideas for titles and they can afford to develop new titles and sell them at a loss for some years until they become established and can support themselves.

Publishers of lower priced journals are not in a position to compete. They lack capital, staff, and infrastructure to start new journals, or to offer new homes to established journals whose editorial boards would like to move, or to become part of a larger group to handle the digital demands now being made of them.

Libraries complain about all price increases, even those that are high as a percentage of the journal price, but low in dollars. This deprives less expensive publishers of the opportunity to grow. It is bad for libraries when the big guys can grow and the small ones can't.

Invest in transformative initiatives that need to grow to realize their full potential

Libraries have been right in encouraging transformative initiatives that can show the way to affordable models of scholarly communication. But this support needs to be sustained long enough for new initiatives to realize their potential.

For example, Public Library of Science and BioMed Central are marketing "institutional memberships" to libraries. Are such memberships the ultimate form that institutional sharing of costs with funding agencies might take? No one yet knows. Until the norm becomes clear, membership programs are a worthy experiment.

Realize that canceling print subscriptions penalizes publishers differentially

Libraries asked publishers to decouple subscriptions for print and electronic serials and many did so. Big publishers "flipped" to a pricing model in which the bulk of the price is for the electronic version and the print is an incremental add-on. Smaller societies agreed to put electronic versions of their journals into larger bundles from aggregating agencies. The price of such bundles covers only the add-on electronic costs, and the bulk of the society's income continues to lie with print subscriptions.

Only now are we realizing that there is a critical difference in the impact the cancellation of print copies has on these two sorts of publishers.

When the library cancels print copies of titles included in large single-publisher bundles, we know what happens. The library does not save much money and the publisher does not lose much income. Since the publisher can then each year raise prices by large dollar amounts but small percentages, the publisher does not face a loss of income in the long run.

When the library cancels the print copy of a BioOne journal, on the other hand, the library saves the entire subscription cost of the print journal. The publisher, of course, loses that same amount. The small add-on that the publisher receives from BioOne does not and will not in the foreseeable future replace that income.

For libraries, groups such as BioOne and MUSE constitute one of the very best long-term investments. We need to give them the capacity to keep working with small society publishers to make the transition to a new business model and for the e-services to expand by adding new titles as quickly as possible. We need to take print subscriptions from such publishers off our cancellation lists until we can safely cancel without endangering the survival of the enterprise. And we need to tell BioOne and MUSE that it is fine with libraries for them to raise their price to cover adding as many titles as they can convince to join them.

Help scholarly societies directly

Faculty find scholarly societies important to their professional lives--a philosopher I know says of the American Philosophical Association, "If it didn't exist, it would have to be invented." Unfortunately, with the decline of print journals as a motivation for paying dues, it is now possible to enjoy most of the benefits of a scholarly association without actually joining.

Societies are understandably worried by the combination of falling memberships and print journal cancellations. They may prefer to publish with a library-friendly initiative, but an offer from a more well-to-do publisher with its attendant fiscal surety can be hard to resist. It is in the best interests of libraries to find ways to help them resist such attractive offers.

Libraries object to subsidizing journal production with the acquisitions budget, but our institutions must find a way to support the scholarly societies that our faculty need. Wayne Peay, the Director of the Eccles Health Sciences Library at the University of Utah, suggests that we might consider directly helping these societies--offering to pay a membership fee--and in return asking for a direct voice in the planning and production of the society's journals. In a way, this strategy is just another example of viewing the prices of library materials in the broadest context, considering the costs to the institution as a whole now and in the future.

Recognize that some new options will seem strange from a library-oriented view

Publishers are trying new options that I suspect librarians would not have suggested. For example, hybrid approaches that combine the open access publishing model with the subscription model. Oxford University Press, hearing from some of its authors of their support for open access (and hearing from others about their disinterest in it), polled authors and, in accordance with their wishes, is experimenting with open access in *Nucleic Acids Research*, with some issues open access and some not, and even with some of the articles in a single issue open access and some not. The *Proceedings of the National Academy of Science* is also experimenting with open access for individual articles.

In the best of all possible worlds, faculty, as well as researchers outside academia, would publish where they wish--and the journals they choose would be journals libraries can afford for the long run. Some of these journals would be open access. Others would likely charge a subscription for current issues and open back files freely after a reasonable period. Others will be new sorts of emerging intellectual entities shaped more by the processes of scholarship and less by the demands of the distribution technology.

Recognize that the answer to meeting user needs may not be more subscriptions

The answer to user complaints about lack of access to a specific journal may be to subscribe if possible. But it does not follow that the answer to lots of user complaints about access to the journal literature is to subscribe to lots of new journals. The first may be right--the second is not.

We are increasingly aware that user frustration over finding articles is a serious part of the problem. Twelve to fifteen percent of our ILL requests are for articles that we own. Users may cope well with familiar titles--where they are confident of recognizing what they want when they find it. But many have difficulty navigating outside this domain. They really only know that if they find a citation, sometimes there is a button to click for full text and sometimes there is not. If the button isn't there, they are increasingly unclear about their options.

Because the problem lies at the intersection of several systems--the catalog, the serials list, the digital resources list, the linking program, the indexes, the Scholars Portal--it will not be solved soon, at least not by libraries alone.

To find the *Journal of Philosophy* from my desk I have two options. One is to Google the title, which takes me directly into JSTOR and seamlessly into the content. The other is to figure out whether I should click on *Catalog*, *Article Databases*, *Electronic Journals*, or *Digital Resources* on the library home page. When I find a title this way, multiple databases are often listed and each database often gives two entries for each title--one for the backfile and one for more current issues. Sometimes, JSTOR makes yet another entry.

There are other barriers along most paths for most users. For instance, if we have a print-only subscription, we are willing to scan the article and e-mail the user a PDF file, but you have to have an account set up on ILL and to get an account you have to know your university ID number and your NID number and....

None of these barriers are high--mostly they are trivial--but there are too many of them and we believe that many users give up in frustration (or with good intentions about figuring it out later on). Increasingly we see the need for a librarian to take over when a user isn't sure what to do next. It's possible we will see as much improvement in user satisfaction from adding a sort of "concierge" service for journals to our ILL department and reference desks as from adding subscriptions.

Consider an institutional repository as part of your investment strategy

It's difficult to see the appeal of adding a whole new operation requiring staffing and technological expertise to already overloaded budgets and to-do lists. It may also, though, be inevitable.

Aside from the issue of actual publications, libraries are increasingly responsible for very large quantities of all sorts of material--raw research data, preprints and postprints, course materials and syllabi, faculty and committee Web sites, educational programming, image collections, and other materials stored in offices and labs. As faculty and staff retire or their filing space reaches capacity, they send their materials to the university archives, which, at least at the University of Utah, is the library. It seems likely that the library will go on being the archives, even as formats change.

Google plans to index educational content in a separate context that will include searching through institutional repositories, out-of-copyright titles, and a range of other materials. Google's new e-mail system can store and index personal collections of articles, a capability which will be attractive to faculty. It might follow logically that we can get closer to open access by telling faculty members to publish wherever they like, but retain their right to post a copy of their article in their institutional repository. Most of them won't know how to do this, and those who do will be unreliable. It follows that libraries will need harvesting mechanisms to gather pre- and postprints from across campus into the institutional repository. Google as a partner is perhaps the new front-end to our collections--it's free, it works, it's all anybody uses anyway.

Though the path ahead for institutional repositories is not entirely clear, it does seem that on many campuses they may form part of a transformed system of scholarly communication.

Librarians are investors

Librarians have always been entrusted to invest our institutions' limited resources wisely so that future libraries will meet future needs. With the changed environment and marketplace however, the time-tested strategies that libraries have used no longer serve us well. We need new mental models for making decisions about how to invest limited resources. Year-to-year decision making no longer works; we need to act strategically for the long term.

Almost all of our electronic purchases are calculated risks. Some of them we "own"--though in what sense this ownership is meaningful is hard to know and varies widely. Viewed as investments, there are a growing number of new ventures that may prove viable, each perhaps in solving a particular small corner of the problem. These are possibilities worth risking quite a lot for. And for the most part, the sums of money we need to risk are not large. But we need to take these risks--even if it is very difficult to find the money. It would be much riskier in the long run not to.

Footnotes

1. Alan E. Guskin and Mary B. Marcy, "Dealing with the Future Now: Principles for Creating a Vital Campus in a Climate of Restricted Resources," *Change* 35, no. 4 (July/August (2003): 13–14, <http://www.pfhe.org/>. *back to text*
2. Joseph M. Brewer, Sheril J. Hook, Janice Simmons-Welburn, and Karen Williams, "Libraries Dealing with the Future Now," *ARL Bimonthly Report*, no. 234 (June 2004): 1-9, <http://www.arl.org/newsltr/234/dealing.html>. *back to text*

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Landesman, Margaret M. "Libraries Investing in the Future First--Some Practical Suggestions." *ARL*, no. 234 (June 2004): 10-13. <http://www.arl.org/newsltr/234/investing.html>.

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