



## Outside Funding of Academic Libraries

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THE PAST DECADE has been one of burgeoning budgets in academic libraries. During 1950-51 a random sample of 25 college and university libraries spent a total of \$7,318,000 for general operations; in 1960-61 the same libraries spent \$18,135,000—an increase of almost 250 per cent. The total institutional operating expenditures of these same colleges and universities, however, increased so phenomenally during the period that the average percentage of their expenditures devoted to the operation of libraries moved almost imperceptibly from 4.01 per cent to 4.08 per cent. When the increase of costs during the period, especially for books and journals, is also taken into account, the apparent affluence loses some of its lustre, and it begins to appear as though academic libraries have come a long way to stand still. Yet there are probably few among us who would not feel that these libraries are coming closer to accomplishing their function today than they were a decade ago and that much of the progress has been due largely to these new dollars.

It is not the purpose of this paper to study the uses which have been made of these increased funds. Recent trends in that aspect of academic library finance are being examined and reported elsewhere in this symposium. Rather the present paper will survey the sources whence these funds have come into library budgets—especially those which lie outside the parent institutions—and will examine the effects which they have had upon library operations and activities. These sources include private donors, foundations, and government agencies.

*Private Donors.* It is a matter of record that since the beginnings of institutional libraries, private philanthropists have played a major role in their development. In the United States such names as Widener, Clements, Clark, Firestone, Sterling, and more recently Olin, are sometimes used synonymously with the word “library.” Also, great book

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collections in academic institutions are frequently associated with the names of public benefactors; among others the names of Annmary Brown and James Ford Bell come readily to mind, and almost any list could be compounded many times over. The histories of the larger library philanthropies are well known, but the stories of similar benefactions of lesser magnitude—and they are numerous—are not well known. They are documented, when at all, in dusty files of librarians' annual reports, in the yellowing pages of college catalogs, and in the crumbling newsprint of the local presses. A full-length narrative account of their very important role in library development remains to be drawn.

Yet there is a sizable corpus of literature concerning the broad area of gifts to libraries. Donald E. Thompson itemizes some three-score published reports and articles in his recent review of the state of scholarship concerning gifts,<sup>1</sup> but a glance at his bibliography reveals some interesting lacunae in the attention which has been devoted to them. In his entire survey, for example, Thompson is able to muster only five references to money gifts to libraries—and those are for public libraries. Gifts of book collections have received more generous treatment, although they too are lacking what might be considered a fair share of print. By far the majority of the references cited by Thompson concerns the handling of gift volumes after they have arrived in the library. The more important problems of how to get them there in the first place, and their meaning once there in the second place, have been almost uniformly ignored. One exception to this generalization is that articles about "Friends of the Library" groups, which seem to be about the only kind of fund-raising activity most professional librarians can envision, are perennial in their appearance and, parenthetically, almost minimal in their contributions to knowledge.

In a paper read at the last meeting of the University Libraries Section of the Association of College and Research Libraries, Ralph Hopp<sup>2</sup> examined briefly the amount of money presently being donated to the larger academic libraries of the country. His research showed that in 1960-61, eighty-two university libraries received gifts for current operations totalling some \$3.5 million. This figure amounted to approximately 7 per cent of the total operating expenditures of the same group of libraries for the same period. Whether or not this percentage could be extrapolated to apply to other and smaller academic libraries is problematic, but in any case this amount obviously represents a substantial portion of the year's work of academic libraries.

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Previous studies of this subject are practically nonexistent and permit little or no valid comparison of the situation today with that of earlier periods. One of the few earlier examinations of this topic was the pioneering effort by Benjamin E. Powell in 1958.<sup>3</sup> In results that were at considerable variance from Hopp's, he found that a sample of private institutional libraries was then deriving fully 18.5 per cent of its total operating expenditures from gifts, while a sample of public, tax-supported libraries was receiving only 2.5 per cent of its expenditures from cash gifts. (Hopp's findings were 7.3 per cent and 8.2 per cent respectively.) Of course, these two studies conducted only four years apart cannot reveal a trend, and guessing at this point would only be courting hazard. It perhaps suffices to say here that the great importance of dollar gifts to libraries has continued over a long time and that it is to be hoped that such studies as Hopp's and Powell's will be repeated and expanded in years to come so that the impact of donations upon libraries may be more readily and accurately plotted.

*Foundations.* It is trite to observe that we are living in an age of change: every age is an age of change. Yet society's patterns are ever-altering, and current ones are having marked implications for academic library financing and must be observed here. Recent tax laws have been so structured as to encourage the establishment of philanthropic foundations rather than the direct disposal of private fortunes. It is estimated that new foundations are being born at a rate of 1,000 or more per year. For this reason, appeals for outside funding are being screened with increasing frequency by the boards of dispassionate reviewers who are retained by these agencies and less often by prospective private donors, who might otherwise decide with greater dispatch and sometimes with less objectivity for or against a proposal.

Notwithstanding their less venerable antiquity, philanthropic foundations are a very important source of financing in academic libraries. In a recent study Gustave A. Harrer identified no fewer than 59 foundation grants, each in excess of \$10,000, made to academic libraries during a four-year period. These grants totalled almost \$13.5 million and were divided between private and public institutions at a ratio of approximately 70 per cent to 30 per cent respectively.<sup>4</sup>

Most foundation money has been going for capital expenditures and consequently does not directly affect the present study. An examination of Harrer's list of grants shows that only \$3,760,000 of the total amount given could be used for current purposes. No doubt a list of grants smaller than \$10,000, if one could be compiled, would add

considerably to this sum, since it is probably safe to assume that a larger percentage of them would be for current operations. Even a conservative estimate of these amounts would probably place the total annual foundation contribution to academic library operating funds in excess of a million dollars per annum. At any rate, it must be allowed that foundations, as private donors, are a major source of income to libraries.

Also as in the case of private philanthropies, one must regret the lack of accurate historical data from which to plot developing trends, but it appears that foundation giving to academic libraries is increasing and will continue to increase for some time to come. A definitive history of foundation support of academic libraries remains to be written and promises to be a challenging and fruitful area of examination for the person who ultimately attempts it. Until that time comes, however, surely an agency such as the Foundation Library would be performing a great service by publishing annually an enumeration of the year's grants to libraries, indicating the granting agencies, the grantees, the amounts granted, and the purposes for which the grants were made.

*Federal Government.* The role of the federal government in academic library development is also being rapidly changed by the flux of social circumstances. The government is, in fact, assuming a new role. Since it was learned some two decades ago that American libraries lacked adequate information about certain parts of the globe to enable our armies to wage war in them, the federal government has wondered if we have enough information for the successful waging of peace. Information is, after all, the primary weapon in the struggle for men's minds. Also, the nation has been growing increasingly uneasy during the same period about an ill informed electorate. Furthermore, the recent demands of national defense have been pressing colleges and universities for an ever larger cadre of scholars in all fields.

For these reasons the country is now beginning to look upon its network of research libraries as a vast national resource which is essential to its information needs and which ought therefore to be nourished from public funds. This is a new idea in the American scheme of things, however, and it has been slow to catch on with the forces that control the federal coffers. Unfortunately, as members of a profession, librarians have done little to gain public acceptance of this concept of social responsibility, and the generally received notion has consequently remained that libraries are a local matter and should be locally

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funded. In the eyes of most laymen the library's mission is still a very delimited one, and until libraries mount a forceful, articulate, and dynamic public relations program, it will probably deserve to remain so.

As a result, for the most part, of the comprehensive lobbying program of the American Library Association and of the propaganda efforts of the Librarian of Congress, with a critical assist from members of the scientific community, the Congress is beginning to manifest tendencies toward a willingness to learn of this inexorable dependence of the nation upon its research libraries, although it properly remains to be convinced. It has even made a few recent cautious incursions into the area of direct academic library finance. Indirect aid has, of course, long been available through such activities as document depositing and, more recently, through the establishment of technical reports centers and the implementation on a pilot level of Public Law 480. Indeed, the federal government spent almost \$100 million in fiscal 1962 in technical information activities, including indexing, abstracting, publishing and distributing reports, preparing bibliographies, and translating. Obviously libraries profit immeasurably from these activities, but they benefit only indirectly.

In 1962 when Russell Shank examined the current state and future prospects of direct government aid to academic libraries, he found a situation which appeared promising.<sup>5</sup> He was able to identify \$274,000 in the academic year 1960-61 which was budgeted to libraries under the matching provisions of the National Defense Education Act Title VI. For the same year he noted some \$6 million paid to graduate schools under NDEA Title IV which could be expended for faculty, library, or laboratory development. Because not all institutions budget these funds in an identifiable manner, the exact portion of this amount to come to libraries is not determined. In addition, \$383,000 was granted by the National Science Foundation for refurbishing or renovating departmental library and reading room space, but this outlay is of a capital nature. These amounts will no doubt increase in future years.

Universities also receive huge amounts of money from the federal government as overhead allowances on research contracts and grants, although most university administrators doubt that these sums are adequate to cover all indirect costs incurred by the fulfillment of the contract. For the most part through recent efforts of the Association of Research Libraries, government contracting officers and auditors

are now allowing a higher overhead percentage because of library costs than they did formerly. This was an essential change, especially since it is very seldom possible for book purchases to be budgeted into a contract as direct costs. It is rather assumed that library costs of a contract are indirect and should be met out of overhead, and library administrators have frequently felt that the portion of university overhead income ultimately to reach the library has been inadequate to meet the book needs of the researcher. Some few institutions, such as the University of Oregon and the University of Minnesota, actually assign to their libraries a specific percentage of contract and grant overhead, but since this is an uncommon practice it is impossible to determine the total dollar benefit derived by libraries through this kind of federal government activity. Without question, however, it is a very large amount.

In this area, as in so many others, the future looks rosier than the past. In the last Congress several provisions were considered which included direct grants to academic libraries. The Academic Facilities Construction Bill narrowly missed becoming law; it would have provided large capital sums for academic library construction. Also an amended Library Services Act was introduced into both houses which would have made \$10 million available annually as matching grants for the purchase of books in college and university libraries. Although neither of these proposals passed, the notions that prompted their consideration are still in circulation, and it appears likely that eventually academic libraries may expect to receive funds through the provisions of some similar kind of legislation.

*The Impact of Outside Funding.* The desirable results of outside funding are obvious, but as would be expected, there are some effects which are undesirable.<sup>6</sup> The old law that "the decision lies where the money lies" tends to operate here as elsewhere, but it can be controlled. Librarians long ago learned to look gift horses in the mouth, screening out bequests and donations with what sometimes appear to be crack-pot requirements. In their funding foundations and government agencies are usually more sophisticated than are private donors and profess a desire not to influence academic decisions. After all, they point out, they do not generate programs; rather they limit their work to deciding for or against proposals presented to them by academicians. This point is valid, but the influence is present nonetheless in a negative, but equally pernicious sense; that is, academic programs can become influenced by what foundations and government agencies will *not* finance.

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In its early years, for example, NDEA Title IV funds were available for a wide range of academic subjects, but recently the Congress has pushed for a stricter definition of "defense" in establishing the priorities of programs competing for fellowships. Thus, institutions have become discouraged from applying for programs in the classics, art, music, the theater, and similar disciplines. Dean Lumiansky reports that Tulane's Title IV program in Medieval and Modern European History could only be renewed last year if "Medieval" were stricken from its title.<sup>7</sup> The strength of Tulane's book collections in medieval history will no doubt suffer because of this circumstance, and most academic librarians could cite other examples from their own institutions.

Political expediency and opportunism have been evident in past library legislation and will more than likely continue to appear in future legislation. Librarians know what they need, but when they obtain outside help, it is frequently somewhat different from what would have done most good. "The purists among librarians," Shank has pointed out, "will be horrified, no doubt, to find idealistic proposals faced with noneducation influences when federal educational policy is at stake."<sup>8</sup> But these are political facts of life.

A different, but equally deleterious extra-educational influence attaches itself to some foundation giving. Foundations have an inherent problem of purpose which often arises when they try to draw a line between those deserving projects which they feel that they should fund and those which they feel that they cannot fund. This problem, however, does not arise for them when they are considering unusual or bizarre projects or projects which have not yet and may never come into the realm of normal academic activity, and foundations are therefore more likely to respond favorably to requests of a less usual nature than to those in which they have to decide among many similar presentations. Foundations can consider feasibility grants without facing this problem, or they can grant money for establishing a program and then back out, leaving the institution to seek elsewhere for funds for its continuation, or they can plant what they like to call "seed money." All American academic libraries have similar needs, but they know that they could not expect to be successful if they all went to foundations for a 25 per cent increase in operating funds. Yet this sort of increase is what such libraries need most.

These circumstances provoke the somewhat anomalous conclusion that the most successful fund-raisers may not be the best fund-raisers. Rather, they may be those with the most fertile and agile and creative

imaginations for producing exotic schemes that will present a unique appeal to foundations. The judging of fund-raisers must rest at least in part on the purposes for which they are able to elicit funds. The function of research librarians is clear: it is to furnish information needed by readers, and librarians need money most to enable them to do better what they are now doing. Unfortunately, this is the most difficult kind of money to raise.

Academic library administrators usually hold a trump card in this matter; it is that when outside or special funds are available for one project, it is frequently possible to divert funds that were previously budgeted to that project into some other deserving but lacklustre channel. Without this redeeming possibility, budgets could conceivably become intolerably distorted by outside funds. On the other side of the ledger, of course, must be recognized the fact that most university presidents and chancellors knew of this old dodge before librarians did and have been known to work the same scheme against libraries.

One important result of the developing opportunities for outside funding of academic libraries is that more and more librarians are becoming fund-raisers. The "tin cup" that has so long been a major prop for the principal officers of such institutions is becoming increasingly necessary to successful librarianship. College and university librarians are also learning, as other academic officers have learned, that this task is a difficult one for the director to delegate. The staff can develop the proposals, research the sources, and even drive the director to the airport, but the actual pitch is most successful when made by the director, since he alone can alter his proposal, tack with the changing winds, or make policy decisions in the middle of his discussion with a fund source. Also his increasing absence from his home base has implications for his organization chart, because someone obviously must "run the store"; his absence thus encourages the further development of staff management at the middle echelon. It appears likely that librarians may expect to see, again analogous to the development of the academic presidency, the future selection of library directors determined in part upon the basis of their prospective success as seekers of off-campus financial support of their libraries. The librarian is going to be increasingly called upon to keep his hand out to private donors, to keep his proposals on the desks of foundation directors, and to keep on a constant alert for such funds as might be forthcoming from the federal government.



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