What Can Be Done?

Abstract

There are two fundamental aspects to Big Deals as a problem: the extent to which bundling distorts and limits library collection policies and can distort the growth of serials publishing, and the continuing growth of serials costs at much higher rates than inflation, which forces many libraries to reduce other acquisitions and other spending. Chapter 6 of Library Technology Reports *(vol. 50, no. 4) considers some possible approaches to improving the situation.*

There are two fundamental aspects to Big Deals as a problem: the extent to which bundling distorts and limits library collection policies and can distort the growth of serials publishing, and the continuing growth of serials costs at much higher rates than inflation, which forces many libraries to reduce other acquisitions and other spending.

The first step to solving the problem is accepting that there is a problem. If your library believes that it's doing just fine with the Big Deal and other serials prices, and if this discussion hasn't changed your mind, then there's not much more to say.

You may be one of relatively few libraries that do seem to be prospering in other areas while still accommodating current serials pricing. I would suggest that you read the section Spending per Capita later in this chapter. If you come out in good shape there as well (as more than 400 libraries do), then I salute you—and hope you'll help the rest of America's academic libraries find appropriate solutions.

I am not an academic librarian and have no inside knowledge of budgeting procedures or whatever magic is likely to happen. Thus, the suggestions that follow may be naïve or unworkable—but they may also offer some real possibilities.

Transparency in Pricing

When I walk into a bookstore, I can find out what my prices will be, and any discounts should be obvious. When libraries and groups of libraries subscribe to bundles of e-journals, they frequently have to sign nondisclosure agreements before they can get a price. The result is that publishers, including the four that dominate the STM publishing field, have the upper hand: libraries can't know whether they're getting the best available price and can't tell other libraries how much they're paying. I can only assume that libraries and consortia agree to nondisclosure agreements because they think they'll get better pricing as a result—but how can they ever know?

This situation should be intolerable, and I believe there are hundreds of cases in which it's also illegal. Every state has some freedom-of-information law. Some (if not most or all) of those laws should make nondisclosure agreements regarding contracts between publishers and public institutions, such as public universities and colleges (including their libraries), invalid.

It should be possible to build and maintain a database of actual contracted prices for journal bundles by public institutions—if necessary by filing the state equivalent of FOIA requests. Such a database might still leave publishers with more power than libraries in price negotiations, but it would at least begin to level the playing field.

Once such a database is in place, it would behoove other libraries to resist nondisclosure agreements: just say no. That's easy advice that's probably hard to follow, if you believe you're getting the right kind of special treatment for keeping secrets—but it seems clear that secrecy is harmful to libraries in general, and there's a good chance you're getting the wrong kind of special treatment.

Transparency in Costs

I believe that transparency in pricing is feasible and desirable. I believe that transparency in costs is achievable only if there's a revolution in scholarly article publishing. I can't imagine any of the big publishers being willing to be this open—and, frankly, I'd be surprised if the bigger open-access publishers with article-processing charges (APCs) were ready to open the books fully.

What I have in mind is true costing for each service publishers provide so that libraries and would-be publishers can understand why the cost of serials is so high and keeps climbing so rapidly. In the days of print journals, "We're publishing more and longer papers" was a convenient answer—but it rings hollow in an era when nearly all scholarly journals are online-first or online-only.

What should it cost to handle the refereeing process? What should it cost to copyedit a scholarly paper (and are publishers actually doing this)? What should it cost to do the layout and typesetting—and, with templates and the like, are those costs justifiable? What's the actual, provable cost of hosting and dissemination bandwidth? And so on . . .

You already know—or should know—of the extraordinarily high profit margins of the biggest publishers of professional journals. I don't know of many businesses that don't have monopoly status that can even dream of 34% to 42% profit margins—but each journal is its own little monopoly.

Working with Faculty

Every academic library needs to work with its faculty so that faculty members understand serials pricing issues and alternatives. When faculty actually understand the pressures and realities, they are far more likely to support various library solutions, whether those solutions involve turning down Big Deals and canceling some journals in favor of others, encouraging open-access alternatives, or convincing the institutions to provide more money to libraries.

It should go without saying that, if libraries want faculty to support their initiatives, librarians need to listen to faculty members, not just talk to them. Dismissing the preferences and stated needs of faculty members and asserting that librarians know better seems like a sure way to lose faculty support. You say faculty members don't really use library books and therefore have no business asking that the library retain a solid and accessible book collection? It may not be that simple.

Moving Away from Pat Answers

Your institution should be unique. Your library should be unique. If that's true, then you should be wary of pat answers—statements that all libraries are finding X, therefore Y.

Academic libraries continue to see falling circulation, therefore books don't matter? Apart from the sketchy logic of that proposition, the first part is simply not universally true—indeed, for 2006 through 2012, 38% of academic libraries showed increases in circulation per student—and for any two-year increment since 2006, the percentage with growing circulation has always been at least 37% and as high as 50%. Yes, most academic libraries circulated fewer items (on an absolute or per capita basis) in 2012 than in 2006—but most is never as much as two-thirds (*ALS* 2002–2012). (More on this in the supplemental publications discussed later in this chapter.)

Moving toward Open Access

Open access in general can eventually help to ease the serials crisis, but realistically, only platinum OA seems likely to accomplish much in this area. By platinum, I mean gold OA (journals freely and immediately available for reading online) without article-processing fees: open-access journals that are funded through means other than direct payments by libraries or authors and their institutions.

I believe librarians should support OA for any number of reasons, including access to research results by those of us who are not affiliated with academic institutions, but that's a different set of discussions. I suggest my ALA Editions Special Report, *Open Access: What You Need to Know Now*, for more on OA.[1]

What specifically won't help library budget problems: the subversion of OA by the big publishers through "hybrid journals" (journals in which some articles have been made OA through steep article-processing charges) and gold OA journals with outrageous APC levels. When publishing conglomerates with profit rates north of 30% tell you about their love for OA, you can pretty much assume that the love involves a model in which the publishers will still get exorbitant profit rates—probably by raiding library acquisitions budgets for APCs several times as high as can be justified on the basis of actual costs.

It should go without saying that any substantial academic library should support or be part of a well-designed, well-funded institutional or group repository. While green OA (availability of authors' versions of papers from repositories) isn't a short-term solution to library budget problems, it may be part of the process—and a good institutional repository with strong library support can serve many other valuable functions, and if done right can help improve faculty support for libraries and library budgets.

Naturally, librarians should help educate faculty towards OA mandates—although, again, that may not have any short-term impact on spending.

There are other possible ways for libraries (and the faculty that support them) to help spread cost-effective open access, and especially platinum OA. Two of those ways follow.

Scholarly Societies and the Support of Scholarship

Scholarly societies should support scholarship. That seems like an obvious statement. One of the best ways to support scholarship is to make its results immediately and widely available in order to support more scholarship. That should also be fairly clear.

Put those together, and they say that scholarly societies should be publishing gold OA journals supported as part of the societies' missions. They also suggest that it's somewhat hypocritical of scholarly societies to rely on academic libraries to support their activities by maintaining high subscription prices or, worse, outsourcing their scholarly journals to the big publishing conglomerates. Indeed, some scholarly societies create their own Big Deals (little Big Deals?) and explicitly contribute to the continued bleeding of academic libraries.

Other than library and archival associations, I can think of no professional societies that can legitimately claim that it's appropriate to expect libraries to underwrite their activities—but that's what's happening now.

Working with faculty who are members of, and write within, scholarly societies, libraries could encourage the fixing of this absurd situation. If academic institutions need to subsidize scholarly societies, those subsidies should come out of departmental budgets and be explicitly recognized as subsidies. Hidden subsidies taken out of academic library budgets reduce accountability and just won't work in the long run.

Libraries as Journal Publishers

Some academic libraries already publish journals and monographs—sometimes becoming de facto university presses. Such activities may be in conjunction with academic departments or existing university presses or may be independent. More libraries should consider becoming publishers. While that won't directly save money, having more good open-access journals (especially ones with no article-processing charges) should in the long run help.

Turning Down the Big Deal

Ask Jenica Rogers at SUNY Potsdam: sometimes you just have to turn down the Big Deal or smaller bundle—in her case, after working closely with faculty involved. If you're not already familiar with the story of how Rogers defied the American Chemical Society's Big Deal, you might start with my own roundup of stories on the situation, "Walking Away: Courage and Acquisitions."[2]

I believe we'll see more cases like this in the future. I believe that must happen. It's not an easy road, but eventually some balance must be reached between ever-increasing serials budgets with libraries locked into bundles and libraries' ability to function as libraries, not just as licensing agencies.

More Money!

Many academic libraries aren't as well supported as they should be. I've documented that to some extent in earlier chapters, showing cases where total library spending hasn't kept up with inflation.

Once again, this goes back to working with faculty and making a clear case for why the library needs better funding, what can be done with more funds—and what may be lost without increased funding. It requires that librarians not minimize the library's mission or quietly accept an ever-declining share of campus funding. It requires advocacy.

Is Flat Books Spending Enough?

At several points in this discussion, I've noted how much a group of libraries has lost in books and other acquisitions spending since 2002, after accounting for inflation. But is keeping up with inflation good enough for books and other acquisitions, especially in an era when the number of titles is growing?

It shouldn't be, at least for libraries where the long-term mission includes some portion of retaining the records of human creativity and knowledge. This is a complicated set of issues; a complementary publication may go into how well or badly libraries are keeping up with the flow of publications. For this chapter, we'll use some simplifying assumptions to suggest what might be appropriate levels for reasonably robust non-serials acquisitions.

In every sector and Carnegie classification, there are some libraries that have increased books (etc.) spending above inflation and some that have fallen behind. As one set of data points for what non-serials spending should be, I took each sector and Carnegie classification and found the median percentage increase among those libraries that had some increase

Sector	Description	Libraries	Med.Increase	Book $ increase
1	Public four-year and above	579	37%	$215,945,388
2	Private non-profit four-year and above	1,032	36%	$142,086,665
3	Private for-profit four-year and above	131	54%	$2,882,838
4	Public two-year	785	44%	$46,178,793
5	Private non-profit two-year	28	51%	$409,336
6	Private for-profit two-year	39	51%	$601,956
Total		2,594	40%	$408,104,976

Table 6.1
Suggested non-serials spending increases by sector

(or at least no decrease; *ALS* 2002–2012).

Then, for each library below that median percentage increase, I multiplied the 2002 books (etc.) spending, adjusted for inflation, by the median increase, then subtracted the actual change for that library (thus reducing the proposed amount for libraries with some increase and enlarging it for those that have lost ground to inflation).

The results appear in table 6.1 for sectors and table 6.2 for Carnegie classifications. Overall, I'm suggesting that it would be reasonable to add roughly two-thirds of what libraries actually spent on everything other than current serials—$408 million in all.

As table 6.1 shows, the area of greatest need in absolute terms is public four-year colleges and universities, but public two-year institutions have suffered more in percentage terms.

Table 6.2 shows a much more detailed picture. While the biggest chunk of additional spending is for CC 15, Doctoral/Research Universities—Extensive, and while ARL (with a strong but not total overlap with this classification) has documented the incredible long-term trends in pricing,[3] it's far from the worst-off in percentage terms. There, the peak (albeit a very small sum) is Tribal Colleges and Universities and the second-largest dollar amount is Associate's Colleges (community colleges and others), consistent with sector figures.

These numbers are, of course, just one oversimplified suggestion and make some wildly simplistic assumptions. For example, the median increase for those liberal arts colleges that managed to increase books spending at all is only 24%, which seems low.

Spending per Capita

Throughout this report, I've looked at campus figures—but campuses are not typically static. Even where total library funding has kept up with inflation, it may not have kept up with increased enrollment. The complementary report noted later in this chapter will go into spending per capita in more detail, but for now let's look at two sets of figures.

Here's the assumption: it's reasonable for a library to spend at least as much per capita (simplified as FTE students, since it's difficult to get overall numbers) in 2012 as in 2002, adjusting for inflation—and it's reasonable to spend at least as much per capita on books and other non-serials acquisitions. This is a very granular assumption: it's based on one library's per-capita spending in 2002, not on averages or median points for any set of libraries.

I calculated the total budget and books (etc.) budget for each library by multiplying its 2012 FTE by its 2002 per-capita spending, adjusted for inflation. Then I calculated the difference between those figures and actual figures, for the cases in which the actual 2012 per-capita figures were lower (*ALS* 2002–2012). (I can't imagine why you'd tell a successful library that it should be less successful!)

In practice, there weren't all that many cases where per-capita 2012 figures were at least as high as 2002 figures with inflation: 429 libraries (17%) for overall spending and 466 libraries (18%) for books and other non-serials acquisitions. Only 191 libraries satisfy both criteria.

The results of this process, while of course highly speculative, are fascinating. They appear in table 6.3. The overall books dollar increases come out only 2% different from the suggested increases shown in tables 6.1 and 6.2—although the figures may be quite different by Carnegie classification. On the other hand, the needed overall spending increase is staggering: just under $2.2 billion—and, realistically, that doesn't take into account the hundreds of millions of dollars siphoned off for current serials price increases.

Is it even remotely possible that total academic library budgets in the United States could increase by $2.2 billion over inflation? Probably not, although that would only get libraries back to 2002 levels, already badly hit in some ways. Consider some of the numbers: the biggest research libraries may be short two-thirds of a billion dollars, community colleges more than one-third of a billion, Master's I institutions more than one-third of a billion.

Of course, if you considered serials spending as of 2002—after years of rapid increases, the point at

CC	Description	Libraries	Med. Increase	Book $ increase
15	Doctoral/Research Univ.—Extensive	144	31%	$145,531,554
16	Doctoral/Research Univ.—Intensive	98	32%	$42,804,403
21	Master's Colleges and Universities I	438	33%	$81,751,129
22	Master's (Comprehensive) Colleges	87	69%	$12,715,273
31	Liberal Arts Colleges	184	24%	$31,094,459
32	General Baccalaureate Colleges	240	28%	$14,556,932
33	Baccalaureate/Associate Colleges	29	51%	$2,523,574
40	Associate's Institutions	966	42%	$54,682,312
51	Seminaries	105	28%	$4,745,190
52	Medical schools	29	55%	$3,794,833
53	Other health professional schools	50	45%	$1,350,248
54	Engineering and technology	30	100%	$1,832,925
55	Business and management	18	21%	$1,918,493
56	Art, music and design	50	47%	$1,740,658
57	Law	13	47%	$1,170,347
58	Teachers colleges	4	47%	$208,112
59	Other specialized institutions	23	47%	$1,786,441
60	Tribal colleges and universities	18	117%	$860,038
-3	Not available	68	79%	$3,038,054
Total		2,594	40%	$408,104,976

Table 6.2
Suggested non-serials spending increases by Carnegie classification

CC	Description	Total Dollars	Book Dollars
15	Doctoral/Research Univ.—Extensive	$663,838,611	$122,840,640
16	Doctoral/Research Univ.—Intensive	$171,058,921	$45,303,837
21	Master's Colleges and Universities I	$377,759,355	$82,364,212
22	Master's (Comprehensive) Colleges II	$31,544,767	$9,322,214
31	Liberal Arts Colleges	$72,812,446	$26,298,143
32	General Baccalaureate Colleges	$57,474,860	$15,802,863
33	Baccalaureate/Associate Colleges	$5,691,768	$2,138,458
40	Associate's Institutions	$369,075,914	$63,709,672
51	Seminaries	$24,400,998	$5,069,712
52	Medical schools	$86,904,355	$4,815,256
53	Other health professional schools	$12,533,818	$1,597,105
54	Engineering and technology	$4,989,047	$2,156,422
55	Business and management	$94,276,376	$2,298,203
56	Art, music and design	$6,806,518	$1,882,257
57	Law	$10,861,782	$1,288,391
58	Teachers colleges	$153,143	$112,437
59	Other specialized institutions	$9,341,055	$1,493,745
60	Tribal colleges and universities	$3,643,714	$604,383
-3	Not available	$193,087,134	$11,382,600
Total		$2,196,254,583	$400,480,550

Table 6.3
Additional dollars and books spending to reach 2002 per-capita levels

which such increases slowed somewhat—reasonable, but also assumed that libraries would mostly like to get back to the same per-capita spending (plus inflation), the same analysis suggests that another $128 million could be available for still more serials spending, but only based on increasing overall budgets by $2.2 billion. These libraries are, in aggregate, serving 13.8 million FTE students where, a decade ago, they served 10 million. Their budgets haven't even come close to keeping pace.

Supplemental and Additional Data

I'm offering these suggestions in the hope that they'll encourage readers to find other ways to help solve the budget problem. In addition, I plan to produce a self-published book that complements this report by looking at some other aspects of academic library operations from 2002 through 2012.

That book should come out around the same time as this report. It will be announced on my blog, *Walt at Random*; in my e-journal, *Cites & Insights*; and on various social networks (FriendFeed, Twitter, Google+, Facebook). I'll also post an announcement at my personal website on the page titled Big-Deal Serial Purchasing: Tracking the Damage: Supplemental and Complementary Material.

Also around the time this report sees print, I'll add a free supplementary PDF (designed for online reading or use on a tablet) containing additional tables and graphs (and some text) for this report. That supplementary PDF will at least include tables and graphs for smaller groups of academic institutions not covered here; it will almost certainly include charts similar to figure 1.4, showing distribution of serials and books gains and losses for smaller groups of libraries.

The supplementary PDF, probably named Big Deal 2014 Supplement, will show up as a link on the same web page: Big-Deal Serial Purchasing: Tracking the Damage: Supplemental and Complementary Material.

If there are other new and additional resources to be mentioned, they'll also appear on the Big-Deal Serial Purchasing page.

Walt at Random
http://walt.lishost.org

Cites & Insights
http://citesandinsights.info

Big-Deal Serial Purchasing
http://waltcrawford.name/bd14.htm

Notes

1. Walt Crawford, *Open Access: What You Need to Know Now*, ALA Editions Special Report (Chicago: American Library Association, 2011).
2. Walt Crawford, "Walking Away: Courage and Acquisitions," *Cites & Insights: Crawford at Large* 12, no. 12 (December 2012): 25–38, http://citesandinsights.info/civ12i12.pdf.
3. "Monograph & Serial Costs in ARL Libraries," from Association of Research Libraries, *ARL Statistics 2010–2011* (Washington, DC: ARL, 2012), www.arl.org/storage/documents/monograph-serial-costs.pdf.