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# Annual Reports to Shareholders: Historical Collections in Libraries

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**Title: Annual Reports to Shareholders: Historical Collections in Libraries**

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**Abstract:**

The purpose of this article is to describe the scope and depth of the historic corporate annual report collections in twelve academic/research libraries in North America. For many decades a few major academic business libraries have been collecting and preserving corporate Annual Reports (ARS), the reports sent to shareholders documenting the financial status and future plans of the company. Today these historic collections provide more than a record of the companies' finances; they provide a glimpse into the social and cultural thoughts from the past and the corporate stories of individual companies. Digitization of these reports has only just begun, so except for less than 900 companies, most that have been on the Fortune 500 list, the companies included in these historic annual report collections are not available electronically. The combined collection of the twelve libraries includes reports from nearly 38,000 different companies. Stanford, Harvard and Western Ontario have the largest collections. Harvard and Columbia have collections with significant historic depth, while Purdue has a collection with important late twentieth century holdings. The overlap of the collections is much smaller than was anticipated. The two largest collections, Stanford with over 18,000 companies and Harvard with over 11,000 companies, have only 3,668 companies in common. The overlap of companies between the largest five collections is only thirty-three companies. This research identifies these collections as unique and therefore valuable to the study of specific company histories and the industrial development in

North America. Librarians need to preserved these collections and work toward digitizing them.

**Background on Library Collections of Corporate Annual Reports to Shareholders:**

For nearly 180 years companies have been sending shareholders an annual report on the financial situation of the company. Ever since business colleges have existed, librarians have been collecting these annual reports to shareholders, commonly referred to as ARSs. Although heavily used by students and researchers in university libraries in the past, the size, depth, and overlap of these collections have never before been measured. The purpose of this research paper is to describe the scope and depth of the collections at twelve major research libraries that have collected printed annual reports and to measure the overlap of these collections. The twelve libraries included in this study are:

1. Angelo Bruno Business Library at the University of **Alabama**
2. Baker Library, **Harvard** University
3. C.B. "Bud" Johnston Library, University of **Western** Ontario
4. Dewey Library for Management and Social Sciences, Massachusetts Institute of Technology (**MIT**)
5. J. Hugh Jackson Library, **Stanford** University
6. Lippincott Library, University of **Pennsylvania**
7. Management & Economics Library, **Purdue** University
8. Management Library, **Cornell** University
9. Science, Industry & Business Library of The New York Public Library (**NYPL**)
10. Thomas J. Long Business Library, University of California, **Berkeley**
11. Watson Library of Business & Economics, **Columbia** University
12. Yale University Libraries, **Yale** University

Throughout the article, libraries will be referred to by the bold words in the preceding list.

**Literature Review:**

Only two major research studies of the ARS reports in North American libraries exist; one from 1986 and the other from 2000. Both studies focus on the importance of

the reports to libraries not the size or depth of the collections. Twenty-three years ago, Judith Bernstein conducted the first survey of 500 academic libraries, and found that 75% of them collected printed ARSs with most focusing on Fortune 500 companies. She recommended that major university libraries maintain permanent archives but that most schools need only retain the reports for five years.<sup>i</sup> In a similar follow-up survey of 121 Association of Research Libraries in 2000, Lisa O'Connor reported that libraries still found the convenience of the printed report valuable despite the fact that digital reports were available, with 55% still collecting printed reports.<sup>ii</sup> The major reasons for this drop in percentage were the availability of electronic financial information in commercial databases and the availability of ARSs on company web sites on the World Wide Web.

An important finding of these two research projects is that only a few of these libraries have archived their printed ARS reports while most retained them for less than five years. Bernstein's survey reported that thirty-one libraries retain Fortune 500 company reports indefinitely, and O'Connor found that only ten libraries retain ARS reports indefinitely. (O'Connor surveyed fewer libraries but the set of large U.S. academic libraries was very similar in both surveys.) So between 1986 and 2000 the number of libraries collecting ARSs had dropped, but the more important point for this article is that the number of libraries archiving the printed reports had dropped from thirty-one to ten.

In the field of library science, besides these two research articles, there are only three other articles on ARSs, and none are investigations of the size and depth of the collections. Martha Jo Sani's article, "Does the Corporate Annual Report have a Future?" written in 1991 includes a brief history on ARSs and outlines the usefulness of the reports

as a communication tool for companies.<sup>iii</sup> Steven J. Bell's article, "Corporate Change: Impact on Corporate Documents Collections," discusses the problems that company name changes cause for libraries in their efforts to organize these reports.<sup>iv</sup> The most recent article authored by Cynthia L. Cronin-Kardon discusses the digitization of fifty annual reports at the University of Pennsylvania.<sup>v</sup> So despite the fact that many libraries have invested staff time and library space to ARS collections, research on these collections is sparse.

### **Current Status and Usefulness of Archives of Historic Annual Report Collections in Electronic and Print Format:**

Based on the research of Bernstein and O'Connor, between 1986 and 2000 at least twenty-one libraries have stopped archived collections and in several cases withdrawn the reports. The major reasons given for discarding these reports is the perception that they are available in electronic format or that they are available in other libraries. However this research study indicates that both these perceptions are inaccurate. The uniqueness of the existing ARS collections is the focus of this article and will be discussed at length later in this article.

As to the perception that these reports are available in electronic format, in reality a major percentage of these historic reports have not been digitized. Between the late 1990's and 2003 Lippincott Library at the University of Pennsylvania experimented with scanning and digitizing ARS reports from fifty publicly owned companies. This project is described in an article by Cynthia L. Cronin-Kardon and Michael Halperin.<sup>vi</sup> Very recently Columbia University announced a digitization project called "Historical

Corporate Reports Online Collection” which has the ARS reports from thirty-six New York City-based companies from the Columbia Business Library's collection ranging from the 1850s through the early 1960s.<sup>vii</sup> Both these projects include a very small percentage of the reports in either library. *ProQuest Historical Annual Reports* is the only large database that has digitized pre-1996 reports. This database preserves in electronic format the reports of the Fortune 500 companies dating back to 1844. It is of enormous importance to history scholars, especially those interested in the development of U.S. companies and industries; however it is limited to those companies that were listed on the Fortune 500, about 800 companies. The major research libraries that have collected ARS reports have much deeper collections.

It is true that much of the information in ARSs since the 1980's that is used for financial analysis can be obtained more easily from databases that extract the data from the reports and repackage it in financial databases such as *Mergent Online*, *Compustat* or Standard and Poor's *Net Advantage*, so researchers in the fields of finance and accounting do not need to use the ARS as they did in the past. However, like newspaper articles, ARS reports are primary research resources for historic information. Historians are not generally searching for financial data; they are looking for social, economic and cultural information. Since the reports were written in layman's terms, clearly identified the companies' goals, and included pictures and charts, they have become a major source of information on the corporate stories of individual companies and the development of the U.S. industries. The fact that they were intended to be public relation tools from the companies only enhances their usefulness to historians. The impact of historical events on companies, industries and the entire culture can be traced. Examples include the

country's response to World War II including such social changes as women entering the workforce in huge numbers and how companies supported the war efforts. Another example is the changing preferences of the consumer and how companies marketed to the consumer. For example: the Pillsbury Doughboy, known as Poppin' Fresh, is chronicled in their ARS report.

Each report gives us a glimpse into the past, illustrating what each company was doing that year, and how it wanted the public to perceive it. A look at one report, *Columbia Broadcasting Service Annual Report* for 1950 will illustrate this. Long before color television was a consumer product, research was in progress.

.... (even though the Korean War had begun): "Your companies 10-year effort to bring color television to the public came to a climax when the Federal Communications Commission adopted the CBS color system as standard for the industry."<sup>viii</sup>

The same 1950 *Columbia Broadcasting Service Annual Report* reveals that Steve Allen, Jack Benny, Burns and Allen, Gary Moore, Ken Murray, and Frank Sinatra all made their debuts that year on television. Sports television was changing too. Films of a Saturday game were developed on Saturday night, edited and scripted Sunday morning and shown early Sunday afternoon with Sports Director Red Barber pointing out key plays and developments. Using such information, historians can trace many trends and developments if they have access to strong collections of ARS reports.

**Compiling the list of ARS Reports in Twelve Libraries:**

The purpose of this article is to identify the strengths of twelve North American research libraries that have historic ARS collections; the twelve libraries are listed at the beginning of the article. The research began as a result of concerns voiced by the Academic Business Library Directors,<sup>ix</sup> a group of fifty librarians that manage the largest academic business libraries in North America. The original opinion of the members was that the collections were highly duplicated, i.e., that we were all unnecessarily collecting reports from the same 800-1,000 companies. Therefore, a compilation of company names and dates would determine how much overlap there was.<sup>x</sup> An inventory of the combined collections could be used to locate needed reports for researchers when there were gaps in local collections. In addition the inventory could be a guide to libraries that need to reduce their collection, as unique reports could be retained or offered to another library in the group. The list could also serve as a resource for a major digitization project; another goal of the group. Every librarian in the group was encouraged to send a list of the company names and dates in their collection; any format was acceptable. Yale University and New York Public Library did not have lists or the resources to compile lists, so their numbers in the charts below do not truly reflect the size of their collections. These reports were merged into a single database of nearly 64,000 records.

To do the analysis, the list was then consolidated into one record for each company name with separate fields for each library's holdings. The lack of authority control on the company names presented the major obstacle in the project; this was not surprising as it has been a long term problem for business librarians as documented in Stephen Bell's article.<sup>xi</sup> The major problem was the inconsistent format for common words or abbreviations for company, corporation, and incorporated. So all these words

were removed and the records were consolidated. Although there is some chance of two unaffiliated companies being merged together, the outcome for comparison sake is more valid. This merged database of approximately 38,000 records was used for this analysis.

### **Results of the analysis:**

#### **Collections sizes:**

The analysis revealed several interesting and some surprising facts. The first is the sheer size of the combined collection or number of companies. Together we have reports on 37,976 individual companies; even after merging to one record per company. The second surprise is that the largest collection, in terms of number of companies, is at Stanford University with 18,249 companies, and Baker Library at Harvard University's collection, long thought to be the most comprehensive, is second in size with 11,504 companies. (This is just a comparison of number of companies, Harvard certainly has the deepest collections in years covered for each company.) Combining the collections of Harvard and Stanford Universities would produce a collection of 28,626 companies. Third in size is University of Western Ontario's collection with 4,513 companies. Combining Harvard, Stanford University and University of Western Ontario would result in 32,151 companies or eight-five percent of the total reports in the twelve libraries. Certainly these are the key collections in North America; the future archive of printed reports relies on three universities, and one of them is Canadian. Next in importance are the collections at Columbia University's and Purdue University: Columbia University because of its historic depth, and Purdue University because of its more current reports. Adding these collections would bring the size of a combined collection to 34,781 or over ninety-one percent of the total. The five libraries at Harvard University, Stanford

University, University of Western Ontario, Columbia University, and Purdue University form the major libraries with ARS collections and will be used in this article for benchmarking the other collections.

[insert table one: Total Number of Companies by Library, ranked by size of collection]

### **Historic Depth of Collections:**

The historic collections are of greatest interest for archiving as reports since 1996 are available in a number of commercial databases such as *Mergent Online*. Only a few libraries have collections in the 1800's. A look at the data shows, that as expected, Harvard has the deepest historical collection, but the Columbia University, New York Public Library and Massachusetts Institute of Technology (MIT) historic collections are noteworthy and very valuable.

[Insert table 2: Number of companies at each library by time period, ranked by number of pre-1900 reports]

As the table above indicates, many libraries stopped collecting in the 1960's or 1970's when microform reports became available, so those that continued to collect printed reports have valuable collections even if their historic depth is not significant. Columbia University has a rich and deep collection, but stopped adding reports about 1966; New York Public Library's collection focuses on dates prior to 1966 also. University of Alabama and Yale University stopped adding printed reports in 1979/1980 and University of California-Berkeley and University of Pennsylvania both stopped collecting in the mid 1980's. Cornell discarded their U.S. company reports but maintained their

foreign company reports from 1978-1985 making this a rather unique collection.

Harvard University, Stanford University, University of Western Ontario and Purdue University have strengths in the second half of the twentieth century. An example of the importance of reports after 1985 is that Proquest needed the Fortune 500 company reports between 1986 and 1995 to build the *Proquest Historic Annual Report* database. Only these four libraries among the twelve could supply these reports.

### **The Myth of Overlap or Duplication of Collections:**

The most surprising and important result of the analysis is that the collections are not heavily duplicated. The two largest collections, Harvard University and Stanford University only have 3,668 companies in common and this figure only considers the names of the companies. If we compared names and dates there would be even less overlap. Adding the University of Western Ontario to the Harvard/Stanford list brings the duplication number down to 236 companies. The overlap of companies among the big five collections is only thirty-three companies. Below is a comparison of each collection in the study with each of the five major collections.

[Insert table 3: **Overlap** of companies with each major collection by library]

### **Conclusion:**

So where do we stand today? There are only few libraries that have strong holdings of printed annual reports collections. Looking at the data for the twelve libraries that submitted their holdings to the combined index, Harvard University, Stanford University, University of Western Ontario, Columbia University, and Purdue University

forms the major libraries with ARS collections: Four libraries have deep historic collections: Harvard stands out in this group, but Columbia University, New York Public Library and MIT have important companies to supplement the Harvard collection. Late twentieth century collections, i.e. post 1980, are available at Harvard, Stanford, Western Ontario and Purdue. The overlap of these twelve collections is very low; this is contrary to the expectations of the business librarians with these collections. In the recent past several libraries that had historic collections have eliminated their reports because of the perception that their collection was not very unique. Before another collection is discarded, librarians should consult with the libraries with strong holdings. The database upon which this article is based can be used to analyze which reports should be preserved. The author of this article is willing to prepare comparisons of collections and identify unique companies within a collection upon request. With a group effort these valuable historic reports can be preserved for use by scholars.

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Table 1: **Total Number of Companies by Library, ranked by size of collection.**

<b>University/ Library</b>	<b>Number of companies submitted</b>	<b>Total number of companies after merge</b>
<b>Stanford</b>	<b>23,422</b>	<b>18,249*</b>
<b>Harvard</b>	<b>13,377</b>	<b>11,504</b>
<b>Western</b>	<b>4,826</b>	<b>4,513</b>
<b>Purdue</b>	<b>5,166</b>	<b>3,705</b>
<b>Columbia</b>	<b>4,674</b>	<b>3,491</b>
MIT	2,407	2,295
Berkeley	2,257	1,328
Alabama	1,963	1,104
Penn	1,558	884
Cornell	507	435
NYPL	652	289
Yale	149	36

\*Note: Stanford's collection included reports that were only retained for 5 years; these were removed in the figure in column 3.

Table 2: **Number of companies at each library by time period, ranked by****number of pre-1900 reports:**

<b>Library</b>	<b>Total Number of Companies</b>	<b>Number of pre-1900 Companies</b>	<b>Pre-1900 Overlap with Harvard</b>	<b>Overlap Percent w/ Harvard</b>	<b>Number of pre-1940 Reports</b>	<b>Number of Post-1980 Reports</b>
<b>Harvard</b>	11,504	1,161	---	---	6,079	1,454
<b>Columbia</b>	3,491	247	100	8.6%	2,781	0
<b>NYPL</b>	289	141	56	4.8%	262	3
<b>MIT</b>	2,295	117	7	0.6%	597	497
<b>Stanford</b>	18,249	33	14	1.2%	1,796	9,115
<b>U of Alabama</b>	1,104	10	2	0.2%	565	412
<b>Purdue</b>	3,705	9	4	0.3%	668	2,424
<b>UC-Berkeley</b>	1,328	0	0	0.0%	116	31
<b>Western</b>	4,513	2	1	0.1%	19	3,294
<b>Cornell</b>	435	0	0	0.0%	0	409
<b>Penn</b>	884	4	3	0.3%	243	81
<b>Yale</b>	36	1		0.0%	31	0

Table 3: **Overlap of companies with each major collection by library:**

	<b>Number of Companies</b>	<b>Columbia</b>	<b>Harvard</b>	<b>Purdue</b>	<b>Stanford*</b>	<b>Western</b>
<b>Alabama</b>	1,104	324	509	359	459	53
<b>Berkeley</b>	1,328	200	747	550	757	84
<b>Columbia</b>	3,491	---	1,484	483	1,287	133
<b>Cornell</b>	435	17	95	29	73	65
<b>Harvard</b>	11,504	1,484	---	1,608	3,668	371
<b>MIT</b>	2,295	99	166	91	84	37
<b>NYPL</b>	289	133	163	99	125	10
<b>Penn</b>	884	242	470	337	461	28
<b>Purdue</b>	3,705	483	1,608	---	1,546	302
<b>Stanford*</b>	18,249	1,287	3,668	1,546	---	644
<b>Western</b>	4,513	133	371	302	644	---
<b>Yale</b>	36	36	32	36	32	8

\*Eliminating all with Stanford holdings of "Latest 5 years".

## End Notes

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<sup>i</sup> Judith R. Bernstein, "Corporate Annual Reports in Academic Business Libraries," *College & Research Libraries* 47, no. 3 (1986).

<sup>ii</sup> Lisa O'Connor, "Managing Corporate Annual Reports," in *SPEC Kit*, ed. Lee Anne George (Washington, D.C.: Association of Research Libraries, 2000).

<sup>iii</sup> Martha Jo Sani, "Does the Corporate Annual Report Have a Future?," *Colorado Libraries* 17(1991).

<sup>iv</sup> Steven J. Bell, "Corporate Change: Impact on the Corporate Documents Collection," *Special Libraries* 79, no. 4 (1988).

<sup>v</sup> Cynthia L. Cronin-Kardon, Michael Halperin, and Di Su, "Annual Reports: Preserving and Disseminating a Source for Business History," *Acquisitions Librarian* 19, no. 37/38 (2007).

<sup>vi</sup> Ibid.

<sup>vii</sup> (Available at [www.columbia.edu/cu/lweb/indiv/indiv/business/CorpReports.html](http://www.columbia.edu/cu/lweb/indiv/indiv/business/CorpReports.html)) [Accessed 21 September 2010]

<sup>viii</sup> Columbia Broadcasting Service, Inc. *1950 Report to Stockholders*, New York: Columbia Broadcasting Systems, Inc., 1950.

<sup>ix</sup> "Academic Business Library Directors," <http://www.abld.org/>. [Accessed 21 September 2010]

<sup>x</sup> Barbara Mento, "Academic Business Library Directors' Meeting," *Journal of Business & Finance Librarianship* 3, no. 1 (1997).

<sup>xi</sup> Bell, "Corporate Change: Impact on the Corporate Documents Collection."