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How Much Do Monographs Cost? And Why Should We Care?

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Abstract

What does it cost to make a high quality, digital monograph? What may sound like an obvious question turns out to be a very knotty one, driving to the heart of the essence of scholarly publishing today. It is particularly relevant in an environment where the potential of a sustainable open access (OA) business model for monographs is being explored. Two complementary studies funded by The Andrew W. Mellon Foundation in 2015 have explored this question to understand the costs involved in creating and disseminating scholarly books.

The team at Ithaka S+R studied the full costs of publishing monographs by gathering cost data on a sample of 382 titles across 20 presses. This process involved working with directors, CFOs, and many operational staff to understand the way staff time and effort contribute to the publishing process. In parallel, a separate project at Michigan and Indiana used a top-down model to identify those costs related to monograph publishing at the University of Michigan Press and Indiana University Press. This cost study was part of a larger project in which focus groups and interviews were conducted with faculty and administrators to explore institutional openness to a flipped business model where the costs of producing a monograph would be borne by the author's parent institution.¹

The data from these two projects will help to understand how an OA monograph model could work. The studies also get at issues critical to the future of scholarly publishing: Which activities are critical to the creation of scholarly books? When does authoring end and publishing begin? How great a role do publishers play in not just producing a book, but in asserting its place in the scholarship and in current debates? A flipped model of funding monographs has major implications for publishers, libraries, and faculty, so a deep understanding of such questions is essential for the long-term health of the scholarly communication ecosystem, especially in the humanities and social sciences.

Once upon a time, in a galaxy far, far away, there was a monograph. A scholar would write a manuscript, identify what she considered to be the best presses publishing works in her field, and submit the work for review to the press. Once the manuscript was accepted, the publishing house would arrange to have the work distributed and sold to libraries, bookstores, and even through direct mail, to people who wanted to read it.

While vestiges remain, that fairy tale world is gone, transformed by new realities:

- **Sales are down.** Publishers routinely report a drop in monograph sales; from the low thousands a decade ago to today's couple of hundred lifetime units. This is unacceptable for many reasons. Publishers are still investing the same sort of effort to create the books that used to

¹ The full study is reported in James Hilton, Carolyn Walters, Paul Courant, Sidonie Smith, Meredith Kahn, Charles Watkinson, . . . Nick Fitzgerald. (2015, Sept 15). A study of direct author subvention for publishing humanities books at two universities: A report to the Andrew W. Mellon Foundation by Indiana University & University of Michigan. Retrieved from <http://hdl.handle.net/2027.42/113671>

sell 10 times more units. And the raw number of units per title in the marketplace is so low that it suggests an extremely limited potential for impact.

- **Federal mandates are up.** In the past couple of years governments not only in North America but also internationally have asserted the right of taxpayers to have access to the fruits of publicly funded research. The largest funders now make OA a requirement. While this started with the major science and medical funders, even the smaller and humanities focused funders have voiced support for such mandates, and humanities research outputs risk being marginalized if they are not included in this new environment.
- **Some evidence shows OA can work as a business.** While driven by STEM journal publishing (where grants are larger and the need for more and more current content promotes publishing innovation) successful commercial initiatives such as PLoS illustrate how OA models funded by author-side payments can work. This has prompted the question: Could it work for OA monographs as well? Could this be a path both to greater access for the work, and to a more sustainable business model for publishers of monographs?

Some important proposals have been made for funding the production of OA monographs through institutional subventions, most notably the shared proposal of the Association of American Universities and Association of Research Libraries published in spring 2014.² Should an OA model for monographs be put into motion on a large scale, it will certainly have wide-ranging impact, not just on publishers, but also on faculty authors, libraries, and university and college administrators.

The Ithaka S+R study that is the central focus of this paper is entitled “Costs of Publishing

² Raym Crow. (June 2014). AAU/ARL prospectus for an institutionally funded first-book subvention. <http://www.arl.org/storage/documents/publications>

Monographs: Toward a Transparent Model.” The title is meant to underline the notion that (1) there are many elements that comprise monograph costs; and (2) that determining which costs to include in a future business model will be the important and creative next step that lies ahead for funders, publishers, and administrators.

This study started in January 2015 and concluded with publication of the final report in December 2015. It began as a planning grant in 2014, with close support from the Association of American University Presses (AAUP) and several press directors. For the full study, Ithaka S+R worked very closely with an advisory group that included press directors and CFOs of university presses of all sizes, as well as with the AAUP. Kimberly Schmelzinger, previously CFO of Northwestern University Press and now a financial consultant to AAUP, was a key investigator on the project.

While the temptation is to look for a “bottom line” answer to the question “what does a monograph cost” and thus “how much it would cost to subsidize the cost of producing monographs, in a way that alleviates the need for publishers to recoup full costs via sales,” some almost philosophical questions need to be addressed first. For example: What should we include in the idea of the “cost?” Do we focus on just the activities needed to produce and distribute the book, or the other costs—the overheads—associated with the people and the press who actually do the work?

The issues are best demonstrated by sharing some data, in this case from University of Michigan Press (see Figure 1). The final report shares data from 20 presses, presented in aggregated form, for each of the 4 AAUP press size categories and Michigan is not necessarily typical. But the data is accessible and shareable and helps demonstrate the issues.

The study gathered costs in several ways. We looked at staff time, by actually asking staffers in five key functional areas of the press—

[/aau-arl-prospectus-for-institutionally-funded-first-book-subvention-june2014.pdf](#)

acquisitions, manuscript editorial, design, production, and marketing—how they spent their time? How much time on monographs versus other types of publishing? How much time, particularly if you acquire books, on titles that don't actually get published? We then added the direct costs in the same five core areas. Direct costs represent activities the press must pay for “out of pocket” such as using freelancers to copyedit the works, or paying for art for a jacket cover. Finally we added indirect costs, not directly applicable to any one title.

Our final cost model is therefore actually three models: a snapshot of how the cost per book (in this case, we are looking at the average of the 20 titles Michigan used in the study) showing how layers of cost accrete. The **Basic Cost** includes just those costs directly incurred when producing the book. Some have referred to this as the “incremental” cost of a press adding “one more book” to its existing publishing operation. Here, our definition includes staff time and staff overhead, from those who work in the core publishing departments of acquisitions, manuscript editorial, design, production, and marketing. It also includes what we are referring to as direct or “out-of-pocket” expenses which can be captured by title. (For the purposes of this study, this does not include departmental overheads, where publishers were not able to break out costs at the title level.) The Full Cost represents the Basic Cost, plus the press and departmental overheads. Full Cost Plus represents not only the overhead costs included above, but

even adds in in-kind contributions, the reported value of resources contributed to the project, but not paid for. These generally included contributed staff time, author-paid fees, and office space.

Among the broad findings from the complete study of 20 presses are that staff costs are the greatest expense overall, and of staff time, acquisitions claims the greatest share. The relative balance of staff versus direct costs is very similar across all sizes of presses in the study. While some factors tend to drive cost (number of illustrations, in particular), there was no significant relationship between cost and, for example, whether the press was at a public or private institution; whether the press pays rent (or enjoys this as a contribution from the university). There may well be some tied to discipline, but those tended to be linked again to the presence of heavily illustrated texts, in art history or archaeology, for example.

Conducted primarily between January and September 2015, “A Study of Direct Author Subvention for Publishing Humanities Books at Two Universities” examined the implications of moving to an institutionally funded model for monographs in the humanities and social sciences for Indiana University and the University of Michigan, two research-intensive public universities. The major focus was on building a picture through interviews with faculty and administrators of the potential implications of a flipped monograph publishing model, funded by the authors’ parent institutions, on the scholarly communications environment. While

Cost type	Category	Average cost per title		BASIC	FULL COST	FULL COST PLUS
Staff time	Acquisitions Activities	\$5,891		\$23,391	\$26,022	\$28,637
	Manuscript Editorial Activities	\$2,250				
	Production Activities	\$764	\$15,565			
	Design Activities	\$2,561				
	Marketing Activities	\$4,098				
Direct costs	Acquisitions	\$400				
	Manuscript Editorial	\$1,130				
	Production	\$83	\$3,132			
	Design	\$1,417				
	Marketing	\$102				
Staff OH	Staff Time, overhead	\$4,694	\$4,694			
G+A	General and Administrative	\$2,631	\$2,631			
In-kind	Press & Department level	\$1,523				
	Title-level	\$1,091	\$2,614			

Figure 1. University of Michigan Press: Average cost per title.

understanding the cost of monograph production was in this case a subsidiary part of the enterprise and conducted through a less intense study than that conducted by Ithaka S+R, it is encouraging that the average monograph costs reported in Appendix E of the final report was comparable (around \$27,000 at both Indiana University Press and University of Michigan Press).

Implications For Stakeholders

As noted in the introduction to this paper, a clear understanding of monograph cost is beneficial for a number of stakeholders, especially in the context of a potential move to a flipped model of funding. In this final section we explore some implications for publishers, libraries, and faculty members.

For Publishers

As university presses move toward new business models (such as “gold” open access), new tools will be needed to assess performance and success beyond sales figures. These new tools could have relevance for “administrators” broadly defined—both within and beyond individual presses—including press directors, campus-level administration charged with overseeing presses, and leadership in the university press community.

The methodology developed by the Ithaka S+R team could be adapted and used by individual presses to create internal tools for tracking and assessing costs, as it provides a straightforward method of describing both direct and indirect costs. With this methodology, presses could take a deep dive into their own lists, and potentially discover new insights about how they expend resources, how those resources translate into published works, and how the performance of those works (via sales, usage metrics, downloads, etc.) compares to their cost of production. The study particularly focuses attention on the large percentages of total expense generated by the acquisitions and marketing functions. This challenges presses to better articulate the undoubted “value add” of those two activities (and make sure that they are optimized).

Presses could also achieve a greater understanding of how the work that goes into titles which are never published (because they do not make it through peer review, are rejected by editorial boards, or are unsuccessful for some other reason) impacts the balance sheet. Perhaps there is also an opportunity for the Association of American University Presses (AAUP) to develop benchmarking tools using this methodology, which could allow presses to compare their performance to that of peer presses beyond just a reliance on sales figures and number of titles produced.

Should proposals for an institutional subvention system progress, publishers will also need to be able to transparently articulate the bases for their monograph cost estimates. These will need to be expressed in a form that institutions find acceptable, and will undoubtedly be subject to some of the same sorts of scrutiny universities already apply to other vendor invoices. As described above, the Ithaka S+R report not only provides a framework for analyzing and expressing costs, but it also provides a sense of the inner and outer bounds of “reasonable” charges.

For Faculty and Administrators

The free-rider problem in university press publishing is commonly understood as the uneven distribution of university presses across the system of higher education. While nearly all faculty in the humanities and humanistic social sciences must publish a monograph to receive tenure, a very small number of universities house presses. The home institution of the university press (not the home institution of the author) bears the cost and risk of publishing those monographs, and university presses don't typically draw their author pool from their home institution. This means that institutions where presses live are shouldering a disproportionate burden in the current system of scholarly communication. As a result, provosts, presidents, regents, and other high-level administrators have begun to ask pointed questions about financial commitments to the university presses who aren't primarily serving the needs of their respective campuses. In the long term, if universities,

consortial groups, or others within the academy hope to pursue interventions to address the free-rider problem, understanding and describing the costs associated with university press publishing will be essential.

A stronger understanding of the costs involved in university press publishing for monographs could at first seem to exacerbate these administrators' concerns, as putting a number to these financial commitments might seem to endanger the line item a press represents. However, we believe that greater transparency about the costs of monographs could help administrators on both sides of the free-rider equation understand the value that university presses provide. During interviews at Indiana and Michigan, faculty and administrators consistently identified the editorial (ensuring high-quality work) and certification (reliant on a press's reputation and imprimatur) functions of academic publishing as the most important role that monographs (and the presses who publish them) perform. If administrators begin to understand what it costs to perform these functions, press directors might have stronger footing in conversations around resource allocation.

For Libraries

Under an institutionally funded model, libraries have the opportunity to become more deeply involved in the scholarly monograph publishing enterprise. A major area of library-based support could be in the long-term storage and preservation of the digital objects produced by university presses, likely in the context of an institutional or other digital repository. In addition to providing storage space, libraries could consult

with university presses on the creation and management of metadata to maximize access to the resulting digital objects.

Libraries could also contribute to the innovation of scholarly objects. The capacity to support long-form scholarship that goes beyond the PDF and maximizes the unique capabilities of digital technologies will be increasingly desired by faculty authors. Meanwhile, there exists a tradition of technological experimentation within libraries, who have long contributed to the development of tools and platforms that facilitate new forms of scholarship. Libraries could engage in these activities alongside university presses in an effort to expand the definition and capabilities of the scholarly monograph.

If libraries serve as the official digital repository for university press monographs, libraries would need to revise their approaches to collection development. While the overall costs to purchase monographs would decrease (assuming the wide adoption of an institutionally funded model), digital storage and curation costs would increase. This market shift would require libraries to rethink their collection development budgets and strategies.

Finally, the role of libraries in education and outreach related to scholarly communications would become more critical with the adoption of subvention programs. Faculty authors will require a baseline understanding of the scholarly publishing landscape, open access, author's rights, and other relevant topics in order to participate. As experts in these areas, librarians could take an increasingly active role in discussing these issues with faculty and other constituents.