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## Budgets, Budgeting, and Books

Thelma Diercks

*University of Hawaii at Manoa Library, [thelma@hawaii.edu](mailto:thelma@hawaii.edu)*

Daniel P. Halloran

*Blackwell's Book Services, [dan.halloran@blackwell.com](mailto:dan.halloran@blackwell.com)*

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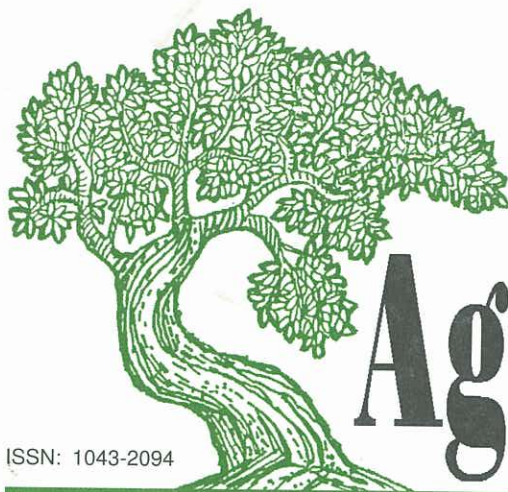
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# Against the Grain

*"Linking Publishers, Vendors and Librarians"*

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## Budgets, Budgeting, and Books

by **Thelma Diercks** (Head, Acquisitions Department, University of Hawaii at Manoa Library)  
<thelma@hawaii.edu>

**L**ike ocean tides rising and falling in response to phases of the moon, library budgets have their ups and downs. Unlike ocean tides, the rising and falling of library budgets are not as predictable as tides. Affected by both internal and external forces, increases or decreases in library budgets are often beyond the control of librarians. That portion of the total library budget allocated for the purchase of library materials, books in particular, is the focus of this issue of *Against the Grain*.

The library materials budget is the schooner navigating the rising, falling, undulating ocean waters of the budget. Rarely are the waters placid and calm, more often the seas are choppy and rough. The navigator, responding to shifting winds, must make decisions about directions — which route to take. (As I write, I am listening to **Maurice Ravel's** *Une barque sur l'océan* which, without a doubt, inspires this metaphor.)

In some distant past, the *barque* carried two primary types of cargo: monographs and serials. In addition to monographs and serials, today's materials budget may include binding, interlibrary loan, document delivery, and the heavyweight newcomer electronic resources. The challenge facing twenty-first century librarians is the loading of the sailing vessel — how many books, how many serials, how many electronic resources — as today's materials budget must be divided in at least three ways.

"When I get a little money I buy books; and, if any is left I buy food and clothes." (Desiderius Erasmus, 1466-1536) A librarian today might decide, "When I get a little money, I buy more serials and electronic resources; and, if any is left I buy some books." If, as the **2004 Charleston Conference** theme states, "All the World is a Serial," *Against the Grain* asks, "Where have all the books gone?"

Beginning in fiscal year 1986/1987, the **ALCTS/CDMDS Chief Collection Development Officers of Large Research Libraries Discussion Group (CCDO)** started collecting budget data from the 40 largest research libraries in North America using the *Library Materials Budget Survey (LMBS)*. In 1998, the LMBS was sent to the full membership of the **Association of Research Libraries**, more than one hundred libraries. Results of the Surveys can be found at <http://www.arl.org/scomm/lmbs/> for fiscal years 1996-2001. Each Survey includes a Narrative Summary Report and a Detailed Historical Spreadsheet.



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## If Rumors Were Horses

Talk about a gaffe! Just as the September *Against the Grain* was hitting mailboxes announcing the splendid **Bob Schatz'** presidency of **Franklin Book Company**, news reached us that **Franklin Book** had closed its doors abruptly on Monday, September 27! All employees of **Franklin** were told that their jobs were ended and that the company was closing immediately. But, just as we were going to press, *Against the Grain* received the news from **Stephen Wilson** (Group Managing Director, **Coutts Information Services**) <[swilson@couttsinfo.com](mailto:swilson@couttsinfo.com)> that **Coutts Information Services** has been in communication with the attorney(s) for **Mr. Manny Deckter**, **Franklin's** former CEO, **Mr. Michael Hynes**, Cozen, O'Connor Attorneys, 1900 Market Street, Philadelphia, PA 19103. Within the last few days, **Coutts Information Services** has come to an agreement that allows **Coutts** to have access to **Franklin's** systems and customer lists, including their approval plan profiles, open firm orders and

standing orders. **Coutts** is prepared, and fully capable, to fill all orders placed with **Franklin Book**, both firm and standing, and to maintain **FBC** approval plan profiles. As such, **Coutts** will be in direct contact with former **Franklin Book Company** customers in the coming days and weeks to describe how **Coutts** can assist them in their current dilemma. **Coutts** is a \$100 million company concentrated solely on bookselling and library supply, with offices in North America and Europe. The North American office is staffed by over one hundred thirty people, comprised into experienced work teams concentrating on firm orders, standing orders, comprehensive approval plans, cataloging and technical services, IT, management, and sales. As a result of discussions separate from **Franklin Book's** legal issues, **Coutts** made an offer to **Bob Schatz** to become **Coutts'** Director of New Business Development for academic libraries in the U.S. **Bob** will work with **Coutts'**

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The LMBS tracks data for the prior year's expenditures (i.e., LMBS 2000/2001 reports data from fy 1999/2000). The Survey endeavors to document library materials expenditures for monographs and serials as a ratio and in dollars. The LMBS does not always succeed in precise reporting of monographs/serials data, a result of some libraries reporting the ratio of the two formats together for a total of 100% while other libraries reported percentages for the two categories as part of the overall total budget. Electronic resources are reported as both a dollar figure and a percentage of the total library budget. Gathering of data is not easy; some figures are "best estimates".

In his concluding comments to the 2000/2001 LMBS, compiler **Robert G. Sewell** makes these observations. "Budgeting is the art of bringing policy to life by putting your money where your mouth is. From the data compiled here, there are some clear reflections of institutional policies and local exigencies. Libraries have been positioning themselves with their materials budgets in regard to the access vs ownership debate: how much to spend on mechanism for getting access to materials not owned or leased (through ILL, document delivery, bibliographic utilities) and how much to spend on acquiring and maintaining materials (print and electronic purchases, binding, etc.). These materials budget decisions do not necessarily translate into experimental vs traditional library practices. Each strategy has elements of both."<sup>1</sup>

In the tables below, the percentages are derived from Narrative Summary Reports for several LMBS years. Note: The url for the LMBS data is given in the column for fiscal year. The year of data source and fy being reported may or may not match (i.e., data for fy 1996/1997 in Table 1 is reported from LMBS 1998/1999). It is possible that updates reported in subsequent years were printed in later LMBS Narrative Summary Reports.

**TABLE 1: Electronic Resources:  
Average Percentage of Total Budget**

Fiscal Year	% of Total Budget
1995/1996 <sup>1</sup>	6.7%
1996/1997 <sup>2</sup>	7.0%
1997/1998 <sup>2</sup>	9.0%
1998/1999 <sup>2</sup>	10.0%
1999/2000 <sup>3</sup>	No report available
2000/2001 <sup>4</sup>	13.5%

1. <http://www.arl.org/scomm/lmbs/lmbs97.html> 1996/97 LMBS
2. <http://www.arl.org/scomm/lmbs/lmbs99.html> 1998/99 LMBS
3. <http://www.arl.org/scomm/lmbs/lmbs2000.html> 1999/2000 LMBS
4. <http://www.arl.org/scomm/lmbs/lmbs2001.html> 2000/2001 LMBS


**TABLE 2: Serials and Monographs:  
Average Percentage**

	Serials	Monographs
1995/1996 <sup>1</sup>	62.9%	36.2%
1996/1997 <sup>1</sup>	62.2%	35.1%
1997/1998 <sup>2</sup>	59.7%	32.6%
1998/1999 <sup>2</sup>	59.7%	32.6%
1999/2000 <sup>3</sup>	57.0%	34.2%
2000/2001 <sup>4</sup>	62.2%	33.5%

1. <http://www.arl.org/scomm/lmbs/lmbs98.html> 1997/98 LMBS
2. <http://www.arl.org/scomm/lmbs/lmbs99.html> 1998/99 LMBS
3. <http://www.arl.org/scomm/lmbs/lmbs2000.html> 1999/2000 LMBS
4. <http://www.arl.org/scomm/lmbs/lmbs2001.html> 2000/2001 LMBS

What is clear from **Table 1** is that expenditures for electronic resources, both serials and monographs, have steadily increased. Drawing conclusions from **Table 2** is less clear. **Mr. Sewell** observed, "There is a distinct change in the trend toward increasing the amount devoted to serials at the expense of monographs."<sup>2</sup>

If students and faculty members turn to online library materials before printed ones, as **Scott Carlson** reported in the *Chronicle of Higher Education*,<sup>3</sup> should we worry about how much money is spent on books? "Do Libraries Really Need Books?" was asked by the same author in an earlier *Chronicle* article. Some institutions building new libraries — the **College of Charleston**, **Duke University**, and the **Georgia Institute of Technology** named in the article — planned libraries where online resources were a top priority "to the distress of librarians and faculty members who find printed materials crucial to learning."<sup>4</sup>

In this issue of *Against the Grain*, writers explore budgets, budgeting, and the book. The articles follow the book from a publishing house (**Oxford University Press**) to a book vendor (**Blackwell's Book Services**) to librarians representing a diverse group of institutions in Canada, Guam, Hong Kong, Oregon, and Washington State. 

**Endnotes**

1. Robert G. Sewell, "Library Materials Budget Survey 2000/2001," <http://www.arl.org/scomm/lmbs/lmbs2001.html> (accessed August 16, 2004).
2. Robert G. Sewell, "Library Materials Budget Survey 1998/1999," <http://www.arl.org/scomm/lmbs/lmbs99.html> (accessed August 16, 2004).
3. Scott Carlson, "Students and Faculty Members Turn to Online Library Materials Before Printed Ones, Study Finds," *Chronicle of Higher Education*, Thursday, October 3, 2002. <http://chronicle.com/free/2002/10/2002100301t.htm> (accessed August 16, 2004).
4. Scott Carlson, "Do Libraries Really Need Books?," *Chronicle of Higher Education*, July 12, 2002. <http://chronicle.com/free/v48/i44/44a03101.htm> (accessed August 16, 2004).

**Rumors**  
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previous **ICOLC** statements. Consortia are very much concerned that the development of economic models in electronic scholarly publishing continues to fall far short of the needs of libraries and the communities that

we serve. The cost of information access continues to grow while library budgets shrink or flatten, and alternatives to greater and sustainable value continue to be limited. For example, the Update notes that the transformation to flexible pricing models, as well as to electronic-based pricing (with print becoming the optional medium), is spotty and in-

complete at best. For example, the highly controversial "big" or "package" deals must evolve to permit orderly expansion and contraction to meet fluctuation or reduction in library budgets. In consultation with library customers, publishers must develop additional progressive pricing models, if library

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