

Journal Costs: Current Trends & Future Scenarios for 2020

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The most recent edition of the *ARL Statistics* documents the continuing rise of serial costs. While ARL libraries spent 2.7 times more money for serials in 1998-99 compared to 1985-86, they bought 6% fewer serial titles. During the past 15 years, libraries shifted expenditures from monographs to serials to meet some of the demands of increasing serial prices, reducing the number of monographs purchased by 26%. A record low median of 24,294 monographs were purchased by ARL libraries in 1998-99, while the unit cost for monographs increased by 65%. Since 1986, the average annual increase in the serial unit cost for ARL libraries has been 9.0%; that of the monograph unit cost has been 3.9%. Both increases are higher than the general inflation trends in North America during the same period.

In a recently published article on the impact of publisher mergers on journal prices, Mark McCabe presents a new portfolio theory of publisher mergers to help us understand better the remarkable inelasticity (i.e., insensitivity to price) of library demand for serials, which gives publishers "a strong incentive to increase prices faster than the growth rate of library budgets." ¹ With serial cancellations, some budget increases, and significant reductions in monographs purchased, library budgets have been able to absorb most of the serial price increases, as serial subscriptions decline only marginally compared to the price increases.

Assuming library and publisher markets continue to behave in the same way, and projecting the average annual rates of change into the future, the median ARL library will be paying \$1,632 for a journal subscription and \$107 for a monograph in 2020 (See Scenario 1 in accompanying [table](#) and [chart](#)). Such a library will lose purchasing power, buying only 13,700 serials and 15,048 monographs--16% fewer serials compared to 1986 and 54% fewer monographs. See Scenario 2 in the accompanying table for a projection for 2020 where the median library maintains its current purchasing level and Scenario 3 for a projection that shows how much the median library would have to spend in 2020 to purchase a modest 1% more serials and monographs per year over the next 20 years.

The ARL Statistics 1998-99 can be purchased in print from [ARL Publications](#) for \$79 (\$39 for members). Machine-readable datafiles are available for downloading or interactive web analysis at <http://www.arl.org/stats/arlstat/>.

Endnotes

1. Mark J. McCabe, [The Impact of Publisher Mergers on Journal Prices: An Update](#), *ARL: A Bimonthly Report on Research Library Issues and Actions from ARL, CNI, and SPARC*, no. 207 (Dec. 1999).

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