

## Spending More for Less...

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The newly released *ARL Statistics 1997-98* shows continuing steady increases in the costs of materials while the amount of materials purchased declines. Research library serial expenditures last year totaled \$437 million, an increase of \$25 million, or 6%, over the previous year. While median serial expenditures have increased 152% from \$1,517,724 in 1986 to \$3,818,832 in 1998, serial purchases have actually declined by 7% (about 1,000 less subscriptions per institution) during the course of these 13 years.

In the last four years, despite an annual average increase ranging from 8% to 10% in the serial unit cost, the median ARL library has managed to keep constant the level of serial subscriptions. However, this has had consequences elsewhere in the libraries' collections.

Monographic expenditures last year totaled \$207 million, an increase of \$5.5 million (2.7%) over the previous year. This part of the materials budget has also increased over the last 13 years, but only by 33% for the typical ARL library from a median \$1,120,645 in 1986 to \$1,486,764 in 1998. This level of increase was not enough to sustain library buying power when the costs of monographs were also rising. This also reflects a pattern of shifting funds from monographs to serials to meet some of the demands of increasing serial prices. Since 1986, the number of monographs purchased by research libraries fell by 25%, while the unit cost increased by 66%. The median figure of 24,761 monographs purchased in an ARL library in 1998 is a record low level since data on this trend was first presented in this time-series.<sup>1</sup>

Since 1986, the annual average increase for the serial unit cost has been 8.8% and for the monograph unit cost 4.3%, both higher than the Consumer Price Index increase (3.4%) during the same period. See [Graph and Table 1](#) for data on trends in median monograph and serial expenditures, unit costs, and acquisition patterns.

The overall financial picture of research libraries is evident in [Graph and Table 2](#), "Expenditure Trends in ARL Libraries." Apart from the large increases in the serial expenditures and library materials lines, operating expenditures, where many automation and electronic information resource expenditures are reported, are also increasing rapidly, from a median \$1,134,008 in 1986 to \$2,107,948 in 1998. A slower increase is noted for total salary expenditures, reflecting a combination of slightly increasing salaries and staff reductions. Monograph expenditures, although rising, are not increasing even as fast as general inflation.

Since 1986, total library expenditures increased at the rate of 5.2% a year for the typical ARL library with a median \$15.4 million budget in 1998. Of that total budget, salaries accounted for \$7.3 million, increasing by 4.9% a year, and library materials allocations accounted for about \$5.8 million, with an average annual growth rate of 6.6%. In 1998, serial expenditures accounted for about \$3.8 million of the median library materials budget and monographic expenditures for \$1.4 million. Since 1986, median serial expenditures has increased by 8% a year and monograph expenditures by 2.4%.

Were these trends to continue 20 years into the future with the same growth rates, serial expenditures would consume close to 90% of the materials budget, and the materials budget would require more than 50% of the total library budget. Currently, the median proportions for serials expenditures out of the materials budget is about 65% and materials expenditures as a proportion of the total expenditures budget is about 38%.

This would, in turn, impact other parts of the libraries' spending. Salary expenditures as a proportion of

the total budget would be slightly reduced if the trends continue unaltered, from about 47% to 44% in 20 years or so. Monographs would be the resource depleted fastest, as only about 10% of the materials budget would be spent on purchasing monographs by 2019 if the trends continue. The median library materials budget would be about \$25 million, out of which \$22 million would be spent on serials and only \$2 million spent on monographs.

It is still early to assert a definite answer as to how libraries and their constituencies can influence these trends. However, since reporting on last year's *ARL Statistics*, there is an important new effort underway. Aimed at expanding competition in the largely monopolistic marketplace of scientific journal publishing, the Scholarly Publishing and Academic Resources Coalition (SPARC) was launched by ARL in June 1998. Any results from SPARC and other efforts that are aimed at containing the prices of scholarly materials are not likely to be reflected so soon in the ARL data. The complexity of the problem makes a single or fast reversal of these trends unrealistic. These data therefore are best thought of as a tool for assessing short-term coping strategies and as a stark reminder of the urgent need for system-wide, strategic initiatives.

*The printed edition of the ARL Statistics 1997-98 is available from ARL Publications <pubs@arl.org> for \$70 (\$35 for members). Machine-readable datafiles for FTP or for interactive web analysis can be found at <http://www.arl.org/stats/arlstat/>.*

1. ARL has co-sponsored a conference highlighting the problems facing the specialized scholarly monograph. See <http://www.arl.org/scomm/epub/program.html>.

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