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Periodical Price Survey 1995:Serials vs. the Dollar Dilemma

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35TH ANNUAL REPORT
PERIODICAL
PRICE 1995
SURVEY

Serials vs. the Dollar Dilemma:

Currency Swings and Rising Costs Play Havoc with Prices

By Lee Ketcham & Kathleen Born

SERIAL SUBSCRIPTION lists at most institutions are in a state of siege. Successive years of serials cancellations have reduced periodical collections at many research libraries to a critical core. While budget directors are asking how many subscriptions must be cut to stay solvent, collection development managers are agonizing over issues of collection viability and access alternatives. Meanwhile, serials prices continue to rise, though the effect of currency fluctuation on the cost of European journals is increasingly discernible, as almost all European journals are now priced in U.S. dollars.

This year's periodical price survey

Lee Ketcham is Director of Libraries, University of Montevallo, Alabama, and Kathleen Born is Director, Academic Division, EBSCO Subscription Services (ESS), Birmingham, Alabama. The authors wish to acknowledge Allen Powell, Chief Financial Officer, and Laura Ralstin, Communications Coordinator, ESS, for their contributions to this article.

takes a look at pricing trends, currency fluctuation, and other predictors of 1996 serials costs that may be useful to beleaguered decision-makers. Three Institute for Scientific Information (ISI) databases—Arts and Humanities Cita-

tion Index, Social Sciences Citation Index, and Science Citation Index—provide the 4,656 titles used in the core study. Most of the tables in the article are derived from an analysis of the ISI databases and reflect the subscription lists of larger libraries. For smaller academic libraries, we have included an analysis of approximately 2000 journals indexed in EBSCO Publishing's Academic Search (p. 49). Public and school libraries will find useful data in the brief analysis of Magazine Article Summaries (p. 47), a popular-periodical index produced by EBSCO Publishing.

Cost history and other information for each of the studies was pulled from EBSCO's database of 253,000 serials title listings. For practical reasons, the study was limited to prepriced titles (as opposed to standing order or bill-later titles) that can be ordered through a vendor.

Cost trends by discipline

It is no surprise that the scientific and technical disciplines consistently dominate the top of the charts in regard to cost. Table 1 pulls the 13 costliest disciplines from Table 2 and lists them

TABLE 1:
AVERAGE 1995 PRICE FOR
SCIENTIFIC DISCIPLINES

Title	Avg. Price Per Title
Physics	\$1,126.50
Chemistry	1,020.00
Astronomy	771.32
Biology	646.96
Math & Computer Science	637.36
Engineering	585.37
Technology	536.64
Botany	503.20
Zoology	498.36
Geology	467.71
Food Science	424.35
Health Science	401.28
General Science	382.69

in descending order by average cost; all are scientific or technical in nature. What is surprising is the relative stability of the price hierarchy among these disciplines. With minor exceptions, this same hierarchy has remained intact for the last six subscription years.

Table 3A illustrates perfectly the gap between subscription costs and subscription budgets over the past five years, as seven out of every ten disciplines saw price increases in excess of 40% between 1991 and 1995. Year-to-year rate increases, as illustrated in Table 3B, continue to be volatile. A comparison with the same chart in last year's article shows the topsy-turvy nature of the market-

place. For example, Math and Computer Science titles increased at the fourth highest rate in 1994; for 1995, they had one of the lowest rates of increase. Botany titles were in the lower half of the table last year but have moved to third place in 1995. The instability of this list suggests that complex forces drive the various segments of the serials market in any given year, making it virtually impossible to determine in advance precisely what prices will do in a given discipline.

Electronic journals

Though much has been said about the emerging population of electronic journals, relatively few of them are being priced or indexed like traditional print journals, making cost

analysis or projections impossible at this time. Of the 181 electronic journals in the Association of Research Libraries' 1994 *Directory of Electronic Journals, Newsletters and Academic Discussion Lists*, for example, the vast majority are listed as being free. Although at least 73 of these publications are peer-reviewed, and therefore probably considered "serious" journals, only four of them charge a subscription fee. For 1995, subscription costs for this group ranged from a high of just under \$800 for a British engineering publication to a low of \$125 for a computer theory journal published in the United States. While we have not been able to track electronic journals this year, we plan to do so in succeeding years.

TABLE 2: COST HISTORY BY SUBJECT

Subject	Average No. of Titles 1991-95	Average Cost Per Title 1991	Average Cost Per Title 1992	% of Change '91-'92	Average Cost Per Title 1993	% of Change '92-'93	Average Cost Per Title 1994	% of Change '93-'94	Average Cost Per Title 1995	% of Change '94-'95	'91-'95 % of Change
Agriculture	167	\$221.06	\$233.13	5.46	\$270.85	16.18	\$284.78	5.14	\$316.45	11.12	43.15
Anthropology	38	109.01	118.80	8.98	127.57	7.38	139.65	9.47	156.45	12.03	43.52
Art & Architecture	58	85.89	91.91	7.01	98.61	7.29	99.54	0.94	104.93	5.41	22.17
Astronomy	23	542.66	600.12	10.59	740.86	23.45	686.52	-7.33	771.32	12.35	42.14
Biology	194	462.61	487.11	5.30	561.74	15.32	579.79	3.21	646.96	11.59	39.85
Botany	53	346.43	364.98	5.35	438.66	20.19	444.69	1.37	503.20	13.16	45.25
Business & Economics	217	159.76	174.88	9.46	198.60	13.56	213.44	7.47	247.35	15.89	54.83
Chemistry	162	678.57	806.66	18.88	916.54	13.62	923.42	0.75	1,020.00	10.46	50.32
Education	91	97.53	104.42	7.06	121.99	16.83	127.35	4.39	138.91	9.08	42.43
Engineering	210	384.37	440.82	14.63	492.86	11.86	534.42	8.43	585.37	9.53	52.29
Food Science	17	297.32	320.19	7.69	375.80	17.37	387.76	3.18	424.35	9.44	42.73
General Science	68	234.29	264.80	13.02	318.35	20.22	341.36	7.23	382.69	12.11	63.34
General Works	73	57.66	61.32	6.35	65.80	7.31	65.71	-0.14	69.98	6.50	21.37
Geography	60	194.15	221.62	14.15	242.65	9.49	265.00	9.21	290.46	9.61	49.61
Geology	70	321.57	356.17	10.76	407.51	14.41	420.31	3.14	467.71	11.28	45.45
Health Sciences	1293	281.40	307.53	9.29	345.57	12.37	361.87	4.72	401.28	10.89	42.60
History	181	62.41	68.72	10.11	73.04	6.29	78.04	6.85	85.49	9.55	36.98
Language & Literature	304	59.00	62.52	5.97	67.39	7.79	68.89	2.23	77.00	11.77	30.51
Law	91	71.15	79.68	11.99	88.49	11.06	90.38	2.14	97.33	7.69	36.80
Library & Information Science	59	117.35	132.33	12.77	142.50	7.69	150.53	5.64	167.69	11.40	42.90
Math & Computer Science	161	433.92	473.07	9.02	527.78	11.56	582.64	10.39	637.36	9.39	46.88
Military & Naval Science	8	78.50	90.75	15.61	103.63	14.19	117.13	13.03	136.75	16.75	74.20
Music	43	45.66	49.77	9.00	54.22	8.94	54.24	0.04	58.87	8.54	28.93
Philosophy & Religion	137	72.16	75.47	4.59	86.18	14.19	87.33	1.33	97.54	11.69	35.17
Physics	168	744.92	846.84	13.68	987.04	16.56	1,009.56	2.28	1,126.50	11.58	51.22
Political Science	55	96.85	104.12	7.51	118.91	14.20	124.93	5.06	141.20	13.02	45.79
Psychology	126	125.00	140.30	12.24	154.36	10.02	169.84	10.03	189.99	11.86	51.99
Recreation	17	59.54	70.05	17.65	74.47	6.31	80.07	7.52	82.62	3.18	38.76
Sociology	239	120.58	133.34	10.58	146.81	10.10	156.13	6.35	173.09	10.86	43.55
Technology	173	355.94	385.94	8.43	436.48	13.10	479.57	9.87	536.64	11.90	50.77
Zoology	95	342.36	367.65	7.39	419.29	14.05	441.85	5.38	498.36	12.79	45.57

Cost by country of origin

Until recent years, librarians who watched the international money markets were able to purchase foreign journals when exchange rates were judged to be most favorable to the U.S. dollar. Now more and more European publishers are setting their prices in U.S. dollars, taking the purchaser out of the currency exchange market and blurring the subscriber's ability to distinguish between true rate hikes and currency fluctuations. Of the major European publishers with whom EBSCO does business, for example, more than 90% of them set their 1995 rates in U.S. dollars. An advantage to libraries with this trend is that the purchase price of a given journal remains stable throughout the subscription season because it is not affected by currency fluctuations. This can result in fewer bill backs for libraries that pay for subscriptions early.

Whether the conversion rate is difficult to distinguish because it is buried in the fixed price of a journal or is easily distinguishable because the publisher sets prices in native currency, there is no denying the importance of studying its effect on the cost of acquiring periodicals for U.S. libraries. The information in Table 5 is useful in determining that effect, country by country, over the last four years.

We know that the annual inflation rate for European journals has been between 10% and 11% for the past several years. The third column from the right in Table 5 shows the actual price paid by a U.S. library for an average title from a given country in 1995, and the next column to the right shows its percentage of increase over the 1994 price. When the percentage rises above 10%, it is reasonable to assume that the U.S. dollar was weak against the currency of that country when the publisher set U.S. prices. Conversely, when the percentage of increase falls below 10%, chances are the U.S. dollar was strong enough against that currency at the time the publisher set prices to offset some of the effects of inflation.

Cost wars: Europe vs. America

Librarians in the United States have argued for the past decade about whether European publishers differentiate prices to take advantage of well-funded U.S. libraries. While it is obvious that European journals are, on average, some of the costliest

TABLE 3: PERCENTAGE OF CHANGE BY SUBJECT 1991-95

3A: 1991-95		3B: 1994-95	
Subject	% of Change	Subject	% of Change
Military & Naval Science	74.20	Military & Naval Science	16.75
General Science	63.34	Business & Economics	15.89
Business & Economics	54.83	Botany	13.16
Engineering	52.29	Political Science	13.02
Psychology	51.99	Zoology	12.79
Physics	51.22	Astronomy	12.35
Technology	50.77	General Science	12.11
Chemistry	50.32	Anthropology	12.03
Geography	49.61	Technology	11.90
Math & Computer Science	46.88	Psychology	11.86
Political Science	45.79	Language & Literature	11.77
Zoology	45.57	Philosophy & Religion	11.69
Geology	-15.45	Biology	11.59
Botany	-45.25	Physics	11.58
Sociology	-43.55	Library & Information Science	11.40
Anthropology	-43.52	Geology	11.28
Agriculture	-43.15	Agriculture	11.12
Library & Information Science	42.90	Health Sciences	10.89
Food Science	42.73	Sociology	10.86
Health Sciences	42.60	Chemistry	10.46
Education	42.43	Geography	9.61
Astronomy	42.14	History	9.55
Biology	39.85	Engineering	9.53
Recreation	38.76	Food Science	9.44
History	36.98	Math & Computer Science	9.39
Law	36.80	Education	9.08
Philosophy & Religion	35.17	Music	8.54
Language & Literature	30.51	Law	7.69
Music	28.93	General Works	6.50
Art & Architecture	22.17	Art & Architecture	5.41
General Works	21.37	Recreation	3.18

TABLE 4: AVERAGE PRICE PER TITLE BY COUNTRY 1995

Country	No. of ISI Titles	Avg. Price Per Title	Country	No. of ISI Titles	Avg. Price Per Title
The Netherlands	333	\$994.66	Singapore	7	\$185.57
Switzerland	114	873.97	Czech Republic	9	180.95
Austria	20	750.06	Comm. of Ind. States	7	163.11
Ireland	42	735.28	Israel	12	154.61
Germany	333	550.86	Norway	25	153.85
England	1,056	479.14	Spain	11	146.95
China	8	445.59	Italy	64	139.45
Denmark	53	331.34	Australia	59	131.73
Japan	79	291.95	Scotland	10	110.43
New Zealand	20	258.95	Canada	103	92.10
Russia	36	252.87	Belgium	18	88.55
France	146	250.74	Brazil	5	80.20
United States	2,125	248.66	India	12	49.83
Sweden	18	188.21	South Africa	13	43.17

AVERAGE COST OF AN ISI TITLE: 364.19

journals in the world, it is also interesting to note in Table 5 that U.S. journals have shown the largest overall increase (54.11%) during the past four years,

running significantly ahead of most of their European counterparts in rate increases.

Table 4 shows the average cost of a title from various countries around the world, based on the inclusion of five or

more titles from that country in the ISI databases. This information may be useful to libraries looking for alternative, less costly sources of scholarly information and to those trying to acquire the scholarly literature of other nations.

TABLE 5: COST HISTORY BY CONTINENT/COUNTRY OF ORIGIN

Continent/Country	Average No. of Titles 1991-95	Average Cost 1991	Average Cost 1992	% of Change '91-'92	Average Cost 1993	% of Change '92-'93	Average Cost 1994	% of Change '93-'94	Average Cost 1995	% of Change '94-'95	'91-'95 % of Change
NORTH AMERICA											
United States	2111	\$161.35	\$180.10	11.62	\$200.84	11.52	\$222.39	10.73	\$248.66	11.81	54.11
Canada	99	70.68	76.33	7.99	77.34	1.32	87.09	12.61	92.10	5.75	30.31
Other	7	38.57	42.14	9.26	46.36	10.00	55.50	19.72	56.21	1.29	45.74
Average for all N. America	2217	156.96	175.14	11.59	194.94	11.30	215.63	10.62	240.85	11.69	53.45
EUROPE											
France	144	\$189.75	\$192.76	1.59	\$217.85	13.02	\$222.77	2.26	\$250.74	12.56	32.14
Germany	318	429.79	425.57	-0.98	515.22	21.07	496.75	-3.58	550.86	10.89	28.17
Ireland	41	534.99	581.00	8.60	711.56	22.47	678.25	-4.68	735.28	8.41	37.44
Italy	63	126.10	130.08	3.16	129.10	-0.75	129.91	0.63	139.45	7.34	10.59
The Netherlands	310	701.99	741.87	5.68	918.72	23.84	949.17	3.31	994.66	4.79	41.69
Switzerland	113	662.32	635.60	-4.03	710.44	11.77	760.10	6.99	873.97	14.98	31.96
United Kingdom	1018	315.37	373.75	18.51	399.43	6.87	433.68	8.58	474.48	9.41	50.45
Other	197	195.79	216.85	10.76	251.64	16.04	229.41	-8.84	268.94	17.23	37.36
Average for all Europe	2205	380.82	418.93	10.01	480.73	14.75	494.09	2.78	542.20	9.74	42.38
ASIA											
Japan	76	\$204.32	\$209.73	2.65	\$227.82	8.63	\$280.12	22.96	\$291.95	4.22	42.89
Other	45	120.84	138.83	14.89	146.28	5.37	157.13	7.42	168.62	7.31	39.54
Average for all Asia	121	172.21	183.73	6.69	197.92	7.72	234.50	18.48	246.56	5.15	43.17
AUSTRALIA & NEW ZEALAND											
	78	\$121.07	\$131.89	8.94	\$137.65	4.36	\$149.69	8.74	\$163.94	9.52	35.41
SOUTH AMERICA											
	17	\$58.26	\$60.39	3.66	\$65.92	9.15	\$74.56	13.11	\$76.62	2.76	31.51
AFRICA											
	16	\$51.79	\$58.94	13.81	\$64.85	10.03	\$62.72	-3.29	\$66.63	6.25	28.66

TABLE 6: COST HISTORY BY BROAD SUBJECT

	Average No. of Titles 1991-95	Average Cost Per Title 1991	Average Cost Per Title 1992	% of Change	Average Cost Per Title 1993	% of Change	Average Cost Per Title 1994	% of Change	Average Cost Per Title 1995	% of Change	'91-'95 % of Change
ARTS & HUMANITIES CITATION INDEX											
U.S.	522	\$50.45	\$54.92	8.9	\$59.35	8.1	\$63.27	6.6	\$67.91	7.3	34.6
Non-U.S.	485	96.99	105.41	8.7	116.62	10.6	117.69	0.9	130.58	11.0	34.6
SOCIAL SCIENCES CITATION INDEX											
U.S.	1,372	\$118.60	\$132.38	11.6	\$147.70	11.6	\$162.37	9.9	\$180.23	11.0	52.0
Non-U.S.	1,356	264.17	289.12	9.4	325.60	12.6	340.10	4.5	372.70	9.6	41.1
SCIENCE CITATION INDEX											
U.S.	900	\$270.54	\$304.13	12.4	\$340.76	12.0	\$379.12	11.3	425.99	12.4	57.5
Non-U.S.	1,392	498.00	548.54	10.1	632.22	15.3	643.85	1.8	709.55	10.2	42.5

Role of the U.S. dollar

Chart 1 traces the percentage change in the average cost of U.S. and non-U.S. subscriptions over a four-year period and the corresponding percentage change in the exchange rate for a composite of European currencies during the renewal season. Simply stated, as the exchange rate line dips, the European currencies weaken (i.e., the U.S. dollar strengthens), and U.S. libraries pay less for European publications.

When last year's Periodical Price Survey was written in the first quarter of 1994,

the U.S. dollar had risen in value by about 6% since the summer of 1993 when foreign publishers began setting rates for 1994 subscriptions. We speculated that a strong dollar would keep cost increases for European journals well below 10% in 1995. Between February and June 1994, however,

TABLE 7: 1996 COST PROJECTIONS BY BROAD SUBJECT

	No. of Titles	% of List	1995 Cost	% of Cost	Projected % of Increase	Projected 1996 Cost	% of Cost	Projected Overall % Increase
ARTS AND HUMANITIES CITATION INDEX								
U.S.	523	46.5	\$35,516	34.9	8.0	\$38,357	32.9	14.5
Non-U.S.	601	53.5	66,205	65.1	18.0	78,122	67.1	
SOCIAL SCIENCES CITATION INDEX								
U.S.	1,424	48.0	\$248,715	31.9	12.0	\$278,560	30.8	16.1
Non U.S.	1,540	52.0	531,093	68.1	18.0	626,690	69.2	
SCIENCE CITATION INDEX								
U.S.	963	38.2	\$386,369	27.3	13.0	\$436,597	26.4	16.6
Non-U.S.	1,556	61.8	1,030,267	72.7	18.0	1,215,715	73.6	
PROJECTED OVERALL INCREASE FOR ALL ISI TITLES: 16.4%								

when European rates began to be set, the dollar entered a long slide and lost approximately 7% of its value compared to the year before. Therefore, the ultimate impact of currency on European journal prices in 1995 was minimal, as the dollar held approximately the same value in summer 1994 as it

did in summer 1993. This is clearly documented in Table 6, where the cost of these journals in all three broad disciplines shows an increase of about 10%, give or take a percentage point.

Budgeting for 1996

Many factors influence the rise of

Periodical Prices for Public and School Libraries

The titles in EBSCO Publishing's general index, Magazine Article Summaries, are those most often subscribed to by school and public libraries in the United States, based on data from EBSCO Subscription Services. Table 9 provides historical data for the more than 300 titles in the database. Although only 18 non-U.S. titles are included in the Magazine Article Summaries database, these titles have shown a predictably higher rate of increase over the last four years and more erratic fluctuations from

TABLE 8: 1996 COST PROJECTIONS FOR TITLES IN MAGAZINE ARTICLE SUMMARIES

Index	No. of Titles	1995 Cost	Projected % of Increase	Projected 1996 Cost
Mag. Article Summaries	334	\$12,999	6.9	\$13,895

year to year than their U.S. counterparts. For this reason, cost history data for the non-U.S. titles are included with that of the U.S. titles in this table. However, due to the small number of

non-U.S. titles analyzed here, 1996 cost projections are not given for this subset of titles (projections are given for the database as a whole). Because of lower subscription rates and the greater frequency of the popular magazines included in this database, postage hikes and increases in the cost of paper have the potential to affect the cost of these titles even more than they affect the cost of scholarly journals. As a result, we are projecting that price increases for popular magazines could increase by as much as 6% in 1996.

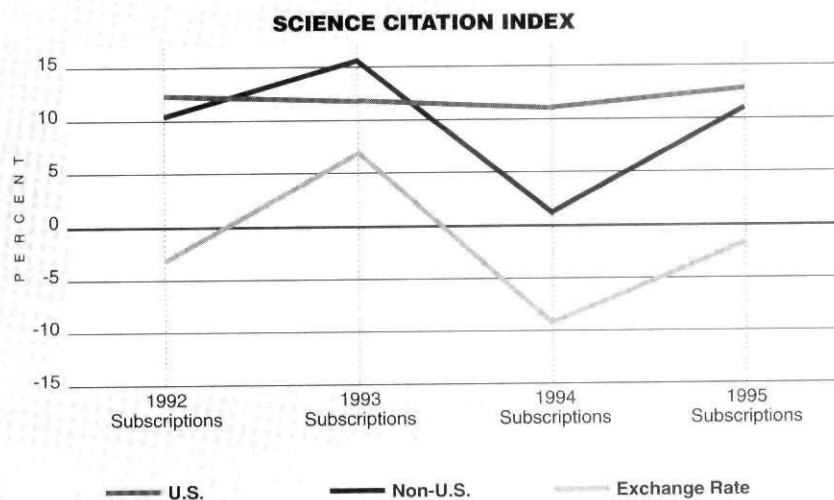
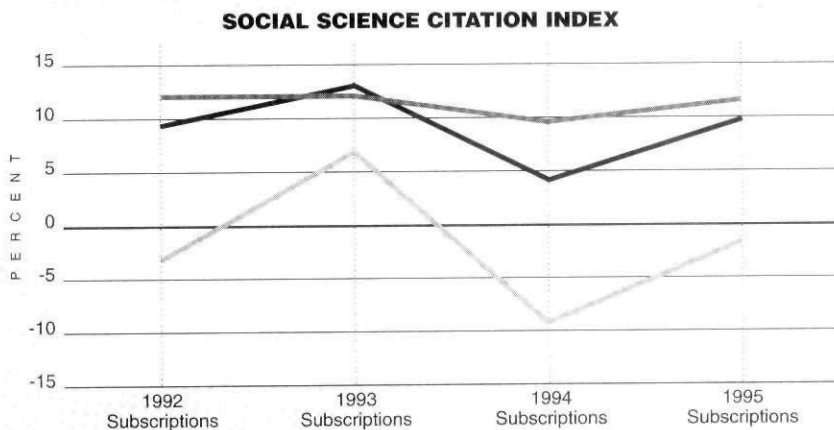
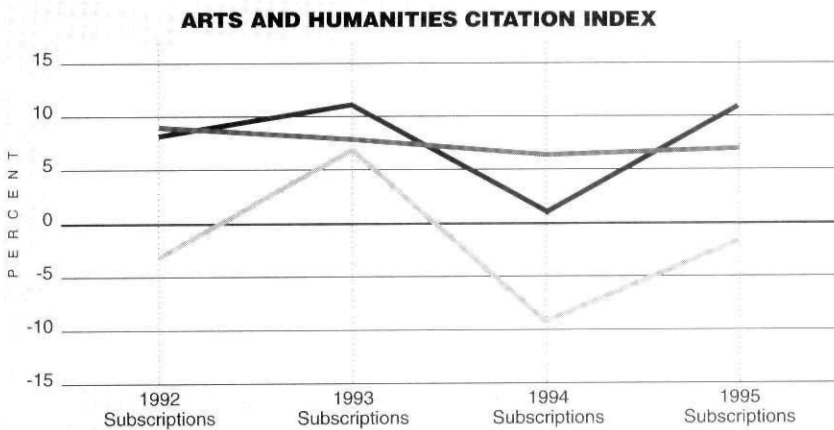
TABLE 9: COST HISTORY FOR TITLES IN MAGAZINE ARTICLE SUMMARIES

Magazine Article Summaries	Average No. of Titles	Average Cost Per Title 1991	Average Cost Per Title 1992	% of Change	Average Cost Per Title 1993	% of Change	Average Cost Per Title 1994	% of Change	Average Cost Per Title 1995	% of Change	'91-'95 % of Change
U.S.	310	\$33.28	\$35.03	5.2	\$36.65	4.6	\$37.67	2.7	\$38.58	2.4	15.9
Non-U.S.	18	33.93	37.31	9.9	34.78	-6.7	39.14	12.5	46.53	18.8	37.1

CHART 1: COST & CURRENCY FLUCTUATION BY BROAD SUBJECT

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periodical costs, but only a few of those factors are knowable in advance to both



The "exchange rate" line is based on an average of five major European currencies: the British pound; Dutch guilder; French franc; Swiss franc; and German mark. Each point on the exchange rate line represents the change in the composite currency's value as compared to the U.S. dollar (i.e. the change in how many dollars can be bought by a unit of the representative currency from one year to the next).

publishers and subscribers. Rises in the cost of paper and postage are knowable; U.S. publishers, for example, face 20%–30% hikes in paper costs and more than 10% rises in postal rates this year. General economic inflationary pressures are more or less knowable. Expansion pressures in a given discipline are generally knowable, but budget-busting details from publishers about increased pages/issues, splits, merges and twigings, and the birth of new publications may come too late to help librarians in budget planning.

Cancellation trends, on the other hand, are generally knowable among librarians, but publishers do not have hard data on future cancellations until long after their new rates are set and disseminated. Add to these factors the effects of international currency fluctuation, and the challenge of projecting periodical costs becomes formidable.

After studying cost trends by discipline and by country of origin, we are predicting an overall inflation rate of 16.4% for all titles indexed by ISI. Table 7 breaks out separate projections for the broad subject areas covered in the three ISI indexes: Arts and Humanities, Social Sciences, and Sciences. The projected increases for domestic publications of 8%, 12%, and 13%, respectively, are based on cost history for the journals in each index during the previous six years and on the possibility of increases due to the recent rise in paper and postage costs in the United States.

The 18% increase projected for non-U.S. journals in all three indexes assumes an inflationary base increase of 10%. Early in the first quarter of 1995, the dollar had eroded in value by 8% since last summer. If the dollar holds this value until European journal prices are set, U.S. libraries will experience a total inflation rate of 18% (10% base increase plus 8% currency impact). The artful budget planner will adjust these predictions to accommodate the local budgeting philosophy and will monitor currency strength between now and renewal season, continuing to refine these projections as new information emerges. ■