

4-2003

Periodiclas Price Survey 2003: Big Chill on the Big Deal

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ScholarWorks Citation

Van Orsdel, Lee and Born, Kathleen, "Periodiclas Price Survey 2003: Big Chill on the Big Deal" (2003).
Scholarly Papers and Articles. 29.

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PERIODICALS PRICE SURVEY 2003

Big Chill on the Big Deal?

By Lee Van Orsdel & Kathleen Born

IN A YEAR FILLED WITH financial scandals of worldwide proportions, the serials market experienced its own outrage. Late in December, library customers of RoweCom/Faxon, an old and established serials vendor, woke up to find that the money they had paid for 2003 subscriptions had been allegedly siphoned off by divine, inc., RoweCom's parent company. As of this writing, about \$73 million in payments are missing and presumed lost, leaving hundreds of libraries without assured journal orders and headed to court.

Publishers were also hit hard, because most of the money was headed to them. They have joined with libraries to try to salvage as much as possible from divine. An estimated quarter of the liability belongs to the four large publishers represented on the ad hoc creditors' committee: Reed Elsevier, Wiley, American Institute of Physics, and Oxford University Press. Many smaller publishers with thin margins and shallow pockets may not survive the loss of income.

The chaos has also affected the two agencies that carry the bulk of institutional subscriptions worldwide, EBSCO and Swets Blackwell. Both are working to restore trust with customers and publishers shaken by RoweCom's failure. EBSCO has begun to acquire the pieces

of RoweCom's international business. The effects of this crisis are expected to be long-term. Publishers that survive

will likely try to recoup the cost of this folly through price increases over the next few years.

Mergers, monopolies, margins, oh, my

The serials market was uneasy before the RoweCom crisis began. Plummeting budgets and rising journal costs account for much of the angst, of course. But concern about mergers, monopolies, and publisher profit margins is also widespread. The big scientific and medical publishers are being criticized openly and often by customers. Those same publishers have been pushing the so-called Big Deals, large bundles of journals sold for a combined price in multiple-year contracts that restrict cancellations. Though irresistible to many academic libraries and consortia, some of these Big Deals don't look so good two and three years into the contracts. It remains to be seen whether librarians will find a way to uncouple from the Big Deals and force publishers to give them more discretion over the purchase of their content.

As anger grows, alternative approaches to disseminating scholarly information are springing up everywhere and seem to be gathering momentum. New possibilities, such as scholars retaining copyright, open archives, and institutional repositories are creeping into the consciousness of librarians, university administrators, and scholarly societies. Commercial publishers naturally oppose these initiatives because they are

TABLE 1: AVERAGE 2003 PRICE FOR SCIENTIFIC DISCIPLINES

Discipline	Avg. Price Per Title
Chemistry	\$2,403.06
Physics	2,357.86
Engineering	1,359.52
Astronomy	1,357.23
Technology	1,200.22
Biology	1,175.68
Math & Computer Science	1,151.71
Geology	1,037.93
Zoology	1,019.57
General Science	992.52
Botany	900.62
Health Sciences	849.62
Food Science	829.44
Geography	819.45
Agriculture	630.29

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direct competition. The Association of American Publishers' Professional/Scholarly Publishing Division has launched a public relations campaign to woo librarians and researchers back into the fold (www.pspcentral.org/bulletins/fall2002_bulletin.pdf). Until something is done about the disparity between library budgets and serials prices, however, there is little reason to expect the rhetoric—or the anger at commercial publishers—to cool.

This year's periodicals price study looks at these and other factors that are shaping the serials marketplace. We also consider traditional indicators of pricing trends that will affect the cost of journals and services in 2004. Three Institute for Scientific Information (ISI)

databases—Arts and Humanities Citation Index, Social Sciences Citation Index, and Science Citation Index—provide the 6,231 titles used in the study. These databases typically reflect the subscription lists of large research libraries. For smaller academic libraries, we include an analysis of 1,068 journals in EBSCO Publishing's Academic Search Elite. Public and school libraries will find useful price data in the brief analysis of EBSCO's Magazine Article Summaries Ultra.

Cost history for the study was pulled from EBSCO's database of 308,000 serials title listings. For practical reasons, the data are limited to prepriced titles (as opposed to standing-order and bill-later titles) that can be or-

dered through a vendor. The data are current as of February 21, 2003.

Serials market declared dysfunctional

Concerned about the extremely high profit margins of commercial publishers in the sciences and the diminishing capacity of universities to purchase back their own intellectual output, the British Office of Fair Trading characterized the international serials market in 2002 as not "working well." The STM (scientific, technical, and medical) journal market is known to be inelastic, meaning that higher prices have not historically resulted in significant cancellations. Over a 15-year period ending in 2001, journal prices rose 215%. Research libraries,

TABLE 2: COST HISTORY GROUPED BY LC SUBJECT

Subject	Average No. of Titles 1999-2003	Average Cost Per Title 1999	Average Cost Per Title 2000	% of Change '99-'00	Average Cost Per Title 2001	% of Change '00-'01	Average Cost Per Title 2002	% of Change '01-'02	Average Cost Per Title 2003	% of Change '02-'03	% of Change 1999-2003
Agriculture	171	\$469.90	\$509.65	8.46	\$536.65	5.30	\$578.14	7.73	\$630.29	9.02	34.13
Anthropology	44	259.21	273.84	5.64	\$269.51	-1.58	329.79	22.37	353.44	7.17	36.35
Art & Architecture	66	98.24	101.02	2.83	\$104.29	3.24	105.74	1.39	121.64	15.04	23.82
Astronomy	22	1,074.54	1,094.78	1.88	\$1,155.22	5.52	1,290.83	11.74	1,357.23	5.14	26.31
Biology	237	902.43	973.36	7.86	\$1,031.12	5.93	1,097.09	6.40	1,175.68	7.16	30.28
Botany	64	710.92	763.92	7.46	\$794.60	4.02	834.40	5.01	900.62	7.94	26.68
Business & Economics	291	408.35	457.56	12.05	\$501.79	9.67	551.37	9.88	590.84	7.16	44.69
Chemistry	192	1,682.94	1,825.68	8.48	\$1,986.00	8.78	2,185.76	10.06	2,403.06	9.94	42.79
Education	106	207.79	230.20	10.78	\$254.71	10.65	278.50	9.34	305.73	9.78	47.13
Engineering	270	981.19	1,071.02	9.16	\$1,166.22	8.89	1,263.49	8.34	1,359.52	7.60	38.56
Food Science	17	650.23	708.06	8.89	\$767.16	8.35	799.16	4.17	829.44	3.79	27.56
General Science	75	697.93	773.15	10.78	\$852.43	10.25	929.86	9.08	992.52	6.74	42.21
General Works	81	85.69	88.11	2.82	\$88.99	1.00	95.26	7.05	105.34	10.58	22.93
Geography	63	566.11	636.44	12.42	\$686.60	7.88	775.62	12.97	819.45	5.65	44.75
Geology	82	778.55	840.59	7.97	\$898.94	6.94	972.52	8.19	1,037.93	6.73	33.32
Health Sciences	1495	626.44	677.78	8.20	\$730.52	7.78	783.34	7.23	849.62	8.46	35.63
History	246	101.72	107.60	5.78	\$113.76	5.72	120.24	5.70	137.34	14.22	35.02
Language & Literature	335	92.31	96.37	4.40	\$101.72	5.55	110.28	8.42	124.47	12.87	34.84
Law	81	140.06	148.08	5.73	\$159.51	7.72	175.66	10.12	198.22	12.84	41.53
Library & Information Science	58	222.15	233.88	5.28	\$249.86	6.83	266.69	6.74	296.25	11.08	33.36
Math & Computer Science	190	890.12	965.98	8.52	1,039.88	7.65	1,119.75	7.68	1,151.71	2.85	29.39
Military & Naval Science	9	282.33	308.11	9.13	360.56	17.02	354.20	-1.76	396.85	12.04	40.56
Music	48	87.33	89.01	1.92	91.49	2.79	94.29	3.06	104.04	10.34	19.13
Philosophy & Religion	137	123.27	131.48	6.66	136.78	4.03	148.64	8.67	169.89	14.30	37.82
Physics	205	1,747.89	1,877.86	7.44	2,016.08	7.36	2,194.09	8.83	2,357.86	7.46	34.90
Political Science	63	208.07	229.01	10.06	257.31	12.36	287.96	11.91	315.00	9.39	51.39
Psychology	154	275.93	303.44	9.97	330.60	8.95	362.54	9.66	396.04	9.24	43.53
Recreation	22	103.33	110.85	7.28	122.33	10.36	139.84	14.31	170.47	21.90	64.98
Sociology	301	252.82	278.20	10.04	306.86	10.30	336.56	9.68	365.66	8.65	44.63
Technology	211	874.66	951.13	8.74	1,030.11	8.30	1,122.85	9.00	1,200.22	6.89	37.22
Zoology	114	751.64	822.40	9.41	891.33	8.38	967.58	8.55	1,019.57	5.37	35.65

however, failed to alter their buying habits significantly in response. Their purchase of journal titles dropped by only 5.1% (per Association of Research Libraries data) over the same period. Large commercial publishers profited immensely in such a favorable market. Of course, they argue that much of the profits went into the R&D and technology costs that supported the shift to electronic publishing—which the commercials led.

Mergers, new titles, and page expansions ultimately resulted in vast consolidation of content in the hands of a few big STM publishers. Consolidation of content led to Big Deals, or portfolio pricing as it is coming to be known. Portfolio pricing has the advantage of increasing the exposure and the survival of journals in small or emerging fields, which is why many scholars support them. But it obscures journal prices and reduces competition among individual titles from different publishers, contributing to the monopolistic trend of the market. Librarians have continued to sign up because they don't have acceptable alternatives.

Dysfunction defined

A widely circulated Morgan Stanley report on the STM market (9/30/02, www.econ.ucsb.edu/~tedb/Journals/morganstanley.pdf), designed to encourage investment in STM publishers' stocks, makes chilling reading for the librarians who buy journals. Charts show Reed Elsevier dominates the scientific and medical journal markets. The report reveals that Elsevier posted a profit margin of 37% for its core titles and 22% for the medical titles it acquired from Harcourt in 2001. An officer of Elsevier is cheerfully reported to have said that he expects the profitability of the latter to rise sharply. Unfortunately, profit margins for other STM's such as Kluwer, McGraw-Hill, Taylor & Francis, Thomson, and Wiley are not reported. There is no source for that information as far as we know.

The report acknowledges that the publishers with the biggest online portfolios are going to drive many of the smaller commercial and society publishers out of business. It singles out Reed Elsevier as a key beneficiary of the trend to online. Morgan Stanley speculates that regulation is the greatest threat to the STM market and then goes on to reassure investors, with jarring optimism, that global markets like this one

TABLE 3: AVERAGE PRICE PER TITLE BY COUNTRY 2003

Country	No. of ISI Titles	Avg. Price Per Title	Country	No. of ISI Titles	Avg. Price Per Title
The Netherlands	520	\$1,975.61	Japan	81	\$294.31
Ireland	42	1,832.58	France	128	279.26
Singapore	12	1,328.33	Sweden	19	250.19
Austria	24	1,161.38	Spain	9	239.84
Germany	289	1,107.43	Scotland	12	236.24
England	1413	1,035.00	Hungary	10	202.18
Switzerland	100	816.94	Norway	12	180.41
United States	2550	561.86	Canada	109	170.19
New Zealand	31	531.90	Italy	55	133.87
Russia	29	489.15	Belgium	17	111.31
Denmark	97	445.27	South Africa	11	99.17
Australia	65	370.49	India	8	94.00
Israel	12	319.42	Taiwan	7	89.71
Czech Republic	9	299.49	Mexico	9	82.44

AVERAGE COST OF AN ISI TITLE: \$813.23

are very hard to regulate. Economists and librarians who monitor the serials market believe that these trends will continue unchecked unless agencies like the U.S. Department of Justice or the British Office of Fair Trading step in. Thus far, they have declined to do so.

Resistance—is it futile?

Unhappy with the pricing practices and the monopolistic dominance of the large commercial publishers, librarians and scholars are looking for affordable alternative methods of peer-reviewing, editing, and distributing scholarly output. Evidence of success

initiatives, alternative forms of scholarly publishing, and institutional repositories attract researchers and university administrators in increasing numbers.

BioMed Central, a nonprofit publisher with 100 prestigious university members, is surviving on an alternative model that makes its 80 peer-reviewed journals free to all. The inflow of manuscripts from scholars doubled last year. BioOne, a consortium of libraries, societies, and publishers, has successfully pulled together a bundle of 65 high-impact journals in the biosciences and expects to grow to 200. A similar project at Cornell, Project Euclid, has just launched 19 online mathematics and statistics journals. For-profit metapublishers such as Ingenta and MetaPress also continue to aid publishers looking for affordable online publishing services and content affinity.

Journal prices for 2004 are poised behind a series of huge political, economic, and industrial uncertainties

is anecdotal but growing. SPARC expanded to Europe. Organic Letters, a SPARC alternative to Tetrahedron Letters, bested its competitor in 2001 impact factors (i.e., number of times an article is cited by subsequent scholars) reported by ISI.

The alternative title costs one-third as much as the commercial competitor, a moral victory of sorts. Forums held worldwide on open access

The DSpace Federation

Last year the Massachusetts Institute of Technology (MIT) launched DSpace, the most prominent of many institutional repository initiatives underway worldwide. DSpace allows a library to capture, store, access, and distribute the digital scholarship created on its campus, sans publisher. MIT is now working with six other research institutions in the United States and with Cambridge University in England to federate the model. It in-

tends to make the system open-source and available to institutions of all sizes. According to the press releases, even small colleges will be able to create repositories with their existing budgets. The institutional repository movement, more than any other factor, appears to have set off the alarms that led a division of the Association of American Publishers to launch the public relations campaign mentioned earlier. These initiatives, however valuable and necessary, may further destabilize the troubled serials market in the short term.

Online is hot, print is not

Back at the typical academic library, the rush to online-only is accelerating. Last year's interest in flip pricing, where the majority of the price is assigned to the online component and print can be purchased as an add-on, has cooled somewhat. Faced with the imperative to cut costs, academic libraries of all sizes are abandoning print, despite the unresolved issue of archiving. Print subscriptions are now being cancelled in record numbers. These cancellations have a disproportionate effect on the publishers that are too

small to succeed in the Big Deals arena. Titles in those deals are largely protected, making other publishers' titles far more vulnerable to cuts.

Morgan Stanley's analysis revealed that publishers gain about 16% in profitability as customers move from print to online. This presumably represents savings in paper, printing, and postage. If correct, those savings are not being passed along to customers or the vendors that manage many of their orders. Pricing models for online journals, when standardized at all, are getting more complex. No

TABLE 4: COST HISTORY BY CONTINENT/COUNTRY OF ORIGIN

Continent/Country	Average No. of Titles 1999-2003	Average Cost 1999	Average Cost 2000	% of Change '99-'00	Average Cost 2001	% of Change '00-'01	Average Cost 2002	% of Change '01-'02	Average Cost 2003	% of Change '02-'03	% of Change '99-'03
NORTH AMERICA											
United States	2498	\$396.92	\$436.01	9.85	\$477.64	9.55	\$519.56	8.78	\$561.86	8.14	41.55
Canada	107	135.85	145.13	6.83	153.19	5.55	161.80	5.62	170.19	5.19	25.28
Other	12	88.36	92.78	5.00	93.98	1.30	97.13	3.35	101.74	4.75	15.14
Average for all North America	2616	384.95	422.48	9.75	462.51	9.48	503.09	8.77	543.81	8.10	41.27
EUROPE											
France *	128	244.97	236.61	-3.41	232.56	-1.71	236.79	1.82	279.26	17.94	14.00
Germany *	297	858.45	895.14	4.27	915.94	2.32	1,011.04	10.38	1,107.43	9.53	29.00
Ireland *	42	1,366.35	1,475.53	7.99	1,576.80	6.86	1,688.77	7.10	1,832.58	8.52	34.12
Italy *	54	131.02	125.48	-4.23	121.20	-3.41	119.37	-1.51	133.87	12.15	2.18
The Netherlands *	508	1,487.86	1,606.49	7.97	1,739.58	8.28	1,853.25	6.53	1,975.61	6.60	32.78
Switzerland	92	538.91	612.04	13.57	672.47	9.87	733.64	9.10	816.94	11.35	51.59
United Kingdom	1298	724.76	794.60	9.64	870.10	9.50	969.54	11.43	1,023.15	5.53	41.17
Other	209	358.87	357.92	-0.27	356.28	-0.46	384.70	7.98	434.35	12.91	21.03
Average for all Europe	2629	832.18	895.97	7.66	960.86	7.24	1,047.89	9.06	1,110.14	5.94	33.40
ASIA											
Japan	75	244.17	265.56	8.76	282.19	6.26	282.63	0.16	294.31	4.13	20.53
Other	46	411.86	448.80	8.97	475.89	6.04	497.52	4.55	515.98	3.71	25.28
Average for all Asia	121	308.12	335.06	8.75	355.44	6.08	364.74	2.62	375.70	3.00	21.93
AUSTRALIA AND NEW ZEALAND											
	79	268.59	295.14	9.88	330.23	11.89	369.94	12.03	422.61	14.24	57.35
SOUTH AMERICA											
	16	76.45	78.43	2.59	79.25	1.04	81.31	2.60	84.04	3.36	9.93
AFRICA											
	13	82.47	87.79	6.45	90.87	3.50	100.59	10.70	115.83	15.15	40.45

*Included in European Monetary Union

TABLE 5: COST HISTORY BY BROAD SUBJECT

Citation Index	Average No. of Titles 1999-2003	Average Cost Per Title 1999	Average Cost Per Title 2000	% of Change '99-'00	Average Cost Per Title 2001	% of Change '00-'01	Average Cost Per Title 2002	% of Change '01-'02	Average Cost Per Title 2003	% of Change '02-'03	% of Change 1999-2003
ARTS AND HUMANITIES CITATION INDEX											
U.S.	796	\$126.61	\$137.45	8.6%	\$149.68	8.9%	\$162.03	8.3%	\$177.94	9.8%	40.5%
NON-U.S.	958	234.86	249.45	6.2%	261.81	5.0%	283.43	8.3%	323.48	14.1%	37.7%
SOCIAL SCIENCES CITATION INDEX											
U.S.	1,401	297.89	328.31	10.2%	363.93	10.8%	394.28	8.3%	429.81	9.0%	44.3%
NON-U.S.	1,448	641.64	696.59	8.6%	755.36	8.4%	813.27	7.7%	871.18	7.1%	35.8%
SCIENCE CITATION INDEX											
U.S.	1,281	665.51	729.41	9.6%	795.35	9.0%	861.36	8.3%	933.80	8.4%	40.3%
NON-U.S.	1,959	1,089.72	1,171.45	7.5%	1,252.09	6.9%	1,351.81	8.0%	1,419.80	5.0%	30.3%

two deals look alike. In 2002 alone, EBSCO, which already had one of the world's largest serials databases, added about 750 special price entries for existing Blackwell online titles, about

1500 for existing Elsevier titles, and about 650 for existing Kluwer titles. Reports from the library community register dismay with the lack of clarity from some publishers regarding which

titles are in and which are out of their special deals. Vendors, which supplied that kind of information in the past, continue to be excluded from handling most of the Big Deals.

Periodical Prices for College and Medium-Sized University Libraries

An analysis of EBSCOhost Academic Search Elite is included for the benefit of smaller academic libraries for which the ISI indexes may be too comprehensive. Table 8 gives price history by discipline for the titles in the index. For mid-sized libraries whose collections fall

somewhere between ISI and Academic Search, Table 8 can be used in conjunction with Table 2 to establish a

range for a given discipline.

Price increases for this group of titles continue to run ahead of average increases for the ISI group of titles as a rule. The conservative estimate is that general collections will see increases between 12% and 14% for 2004 subscriptions.

TABLE 7: 2004 COST PROJECTIONS FOR TITLES IN ACADEMIC SEARCH

Academic Search	No. of Titles	% of List	2003 Cost	% of Cost	Projected % of Increase	Projected 2004 Cost	% of Cost	Projected Overall % Increase
U.S.	733	72.4%	\$118,967	45.6%	12.0%	\$133,243	45.2%	13.1%
NON-U.S.	279	27.6%	141,849	54.4%	14.0%	161,708	54.8%	

TABLE 8: COST HISTORY FOR TITLES IN ACADEMIC SEARCH

Subject	Average No. of Titles 1990-2003	Average Cost Per Title 1999	Average Cost Per Title 2000	% of Change '99-'00	Average Cost Per Title 2001	Average % of Change '00-'01	Average Cost Per Title 2002	Average % of Change '01-'02	Average Cost Per Title 2003	% of Change '02-'03	% of Change 1999-2003
Agriculture	13	\$70.00	\$75.43	7.76	\$85.33	13.12	\$89.50	4.89	\$92.83	3.72	32.61
Anthropology	16	126.52	140.49	11.04	156.85	11.64	172.71	10.11	196.64	13.86	55.42
Art & Architecture	24	130.83	141.20	7.93	157.98	11.88	169.47	7.27	196.01	15.66	49.82
Astronomy	2	37.48	41.98	12.01	37.48	-10.72	777.65	1974.84	43.98	-94.34	17.34
Biology	12	364.53	390.90	7.23	417.44	6.79	511.53	22.54	643.50	25.80	76.53
Botany	3	184.67	203.00	9.93	228.67	12.65	264.33	15.59	332.33	25.73	79.96
Business & Economics	110	142.19	155.43	9.31	175.92	13.18	197.43	12.23	214.57	8.68	50.90
Chemistry	1	660.00	719.00	8.94	784.00	9.04	911.00	16.20	993.00	9.00	50.45
Education	100	202.91	224.47	10.63	247.46	10.24	274.65	10.99	306.52	11.60	51.06
Engineering	32	233.72	268.54	14.90	314.86	17.25	340.92	8.28	390.66	14.59	67.15
Food Science	8	141.50	160.11	13.15	213.00	33.03	221.25	3.87	244.12	10.34	72.52
General Science	16	226.59	243.18	7.32	264.39	8.72	280.67	6.16	317.06	12.97	39.93
General Works	51	59.49	63.93	7.46	66.02	3.27	68.41	3.62	74.04	8.23	24.46
Geography	8	182.58	203.92	11.69	219.15	7.47	236.57	7.95	281.31	18.91	54.07
Geology	3	100.00	111.00	11.00	115.67	4.21	130.00	12.39	134.00	3.08	34.00
Health Sciences	94	246.78	272.21	10.30	291.96	7.26	366.34	25.48	431.05	17.66	74.67
History	75	97.93	107.20	9.47	118.79	10.81	128.89	8.50	149.96	16.35	53.13
Language & Literature	80	91.71	99.40	8.39	108.97	9.63	124.06	13.85	135.16	8.95	47.38
Law	18	108.02	112.40	4.05	117.57	4.60	130.65	11.13	142.35	8.96	31.78
Library & Information Science	22	112.58	120.55	7.08	127.91	6.11	136.30	6.56	145.90	7.04	29.60
Math & Computer Science	20	197.75	220.35	11.43	233.60	6.01	251.20	7.53	284.00	13.06	43.62
Military & Naval Science	7	70.99	78.12	10.04	103.33	32.27	114.49	10.80	120.16	4.95	69.26
Music	10	99.37	101.97	2.62	106.93	4.86	106.12	-0.76	111.39	4.97	12.10
Philosophy & Religion	32	75.31	81.37	8.05	80.90	-0.58	89.57	10.72	105.38	17.65	39.93
Physics	8	969.21	1,157.14	19.39	1,401.63	21.13	1,529.88	9.15	1,670.25	9.18	72.33
Political Science	37	165.59	187.51	13.24	220.91	17.81	244.68	10.76	263.81	7.82	59.32
Psychology	20	213.20	235.20	10.32	262.55	11.63	291.30	10.95	315.50	8.31	47.98
Recreation	10	52.87	54.54	3.16	56.09	2.84	61.59	9.81	131.32	113.22	148.38
Sociology	134	175.93	200.07	13.72	235.42	17.67	260.59	10.69	293.17	12.50	66.64
Technology	15	115.12	121.59	5.62	130.12	7.02	139.26	7.02	151.66	8.90	31.74
Zoology	1	65.00	65.00	0.00	65.00	0.00	65.00	0.00	65.00	0.00	0.00

Cleaning up behind the Big Deal

In the shift to online portfolios, in fact, the role of the serials agent has become a sticking point between librarians and the publishers who want to sell directly to them. Libraries need electronic invoices with titles and prices detailed. Publishers aren't able to give that information. Most of them can provide only one-line invoices. At the insistence of a few vocal customers, Elsevier and EBSCO ran a successful test this year in which EBSCO produced detailed electronic invoices priced by line, based on a rubric supplied by Elsevier, for each of the online/print journals in the Big Deal. Known for late invoicing, Elsevier got its payments early, and the customers got timely information to load into their systems. Elsevier is considering whether to extend the option of working with a vendor to other customers.

What to expect in 2004

More than 40 states report serious budget deficits. Endowed institutions are losing investment income, and library spending is being cut just about everywhere. Academic libraries face perhaps the most widespread budget losses in decades. Many Big Deals are coming up for renewal this year, and it will be interesting to see what happens given the level of criticism and the budget cutbacks.

The largest libraries are particularly resistant to widescale content bundling because they don't like paying for what patrons don't use; they would rather choose their own content. There is a perception, too, that the Big Deals actually benefit the biggest libraries the

least. In consortial arrangements, large libraries often carry smaller libraries on their backs. Some believe such a practice cannot continue. Medium-sized and smaller libraries benefit greatly from the expanded access, but even they are be-

Budget with care

Journal prices for 2004 are poised behind a series of huge political, economic, and industrial uncertainties. As we go to press, war with Iraq has begun, and North Korea is rattling its saber. The

TABLE 6: 2004 COST PROJECTIONS BY BROAD SUBJECT

Citation Index	No. of Titles	% of List	2003 Cost	% of Cost	Projected % of Increase	Projected 2004 Cost	% of Cost	Projected Overall % Increase
ARTS AND HUMANITIES CITATION INDEX								
U.S.	766	49.2	\$136,302	34.7	10.5	\$150,614	34.2	12.1
NON-U.S.	792	50.8	256,195	65.3	13	289,500	65.8	
SOCIAL SCIENCES CITATION INDEX								
U.S.	1,337	49.3	574,650	32.4	11	637,862	32.2	11.7
NON-U.S.	1,377	50.7	1,199,609	67.6	12	1,343,562	67.8	
SCIENCE CITATION INDEX								
U.S.	1,197	39.5	1,117,753	30.1	10.5	1,235,117	29.7	11.9
NON-U.S.	1,831	60.5	2,599,646	69.9	12.5	2,924,602	70.3	
PROJECTED OVERALL INCREASE FOR ALL ISI TITLES: 11.8%								

ginning to resist the limitations that come with the packages.

As the RoweCom debacle rolls on, the fallout will probably shape publishers' pricing strategies for 2004. Both libraries and publishers have much to lose. As this article goes to press, many publishers have agreed to grace issues to RoweCom customers for the first quarter of 2003. [*Library Journal*, *Publishers Weekly*, and *School Library Journal* will grace libraries for the run of the subscription paid for.—Ed.] Publishers fear, with good cause, that they will never get back their customers if subscriptions are interrupted. Yet these publishers are expecting to get much less than 50¢ on the dollar from RoweCom or divine. Either way, they will lose significant revenue, and some will not survive. Higher journal prices will hit all libraries, whether or not the institutions were RoweCom customers.

stock market, the deficit, and oil prices are fluctuating wildly. Dozens of corporate scandals like Enron, Tyco, and divine/RoweCom have yet to be resolved. And the U.S. dollar, which lost ground to both the Euro and the pound while publishers were setting prices last year, is getting even weaker.

For the last decade or so, publisher price increases have hovered in the range of 7%–10% on average, before currency factors were applied. Given the number of wild cards, we advise an extremely conservative approach to budgeting for 2004. We predict higher than usual journal increases, just under 12% overall. If some of the issues above get resolved favorably through the spring, on the other hand, next year's price increases could moderate or return to the norm. Frankly, we don't expect that to happen because of the unusually high number of negative factors at play. ■

Periodical Prices for Public and School Libraries

Titles in EBSCO Publishing's general index, Magazine Article Summaries Ultra, are selected to reflect the typical interests of schools and small public li-

braries. Table 9 provides historical price data for titles in the index. Price increases for next year are expected to be around 9%.

TABLE 9: COST HISTORY FOR TITLES IN MAGAZINE ARTICLE SUMMARIES ULTRA

Magazine Article Summaries Ultra	Average No. of Titles 1999–2003	Average Cost Per Title 1999	Average Cost Per Title 2000	% of Change '99–'00	Average Cost Per Title 2001	% of Change '00–'01	Average Cost Per Title 2002	% of Change '01–'02	Average Cost Per Title 2003	% of Change '02–'03	% of Change 1999–2003
U.S.	270	\$54.87	\$59.48	8.4	\$66.64	12.0	\$69.30	4.0	\$74.88	8.1	36.5
NON-U.S.	23	151.51	161.77	6.8	165.14	2.1	175.64	6.4	194.52	10.7	28.4