



## **Accounting for Archiving: Who Will Pay?**

Kevin M. Guthrie  
President  
JSTOR

*Background for CNI Project Briefing, December 7-8, 2000*

JSTOR is a not-for-profit organization founded in 1995 with a broad mission to help the scholarly community take advantage of advances in electronic technologies. Its initial objective has been to build a database comprised of the back volumes of important scholarly research journals. The goal in building this central electronic archive has been to lower the system-wide costs associated with storing and preserving these academic materials while simultaneously increasing their utility. Although originally a grant project of The Andrew W. Mellon Foundation, JSTOR does not rely on the Foundation for its ongoing support; rather, it has developed an economic model designed to enable it to achieve financial self-sufficiency and to allow it to operate independently.

In its first five years, JSTOR has made remarkable progress. In fact, it has been successful beyond anyone's original expectations. As of November 2000, the database contains more than 7.5 million journal pages from 147 titles in 3 collections (Arts & Sciences I, General Science, and Ecology & Botany). Almost 900 academic institutions in over 40 countries have licensed the database, contributing fees to support the preservation and ongoing maintenance of the archive. JSTOR has delivered on its original promise and is engaged in the process of adding more journals while also reaching out to new types of participating libraries and organizations all over the world.

The introduction of electronic storage and dissemination has made it possible to separate access to scholarly materials from their geographic location. This has been a boon to a whole range of services, not only electronic journals, but also distance and online education initiatives, of which there are now many examples. In this sphere there are great challenges ahead as providers of

content and instruction adapt their traditional economic, sociological and organizational processes to fit the new, varied and increasing demands from users of their services.

Similarly, colleges and universities must adapt their financial and accounting structures to address the changing nature of expenditures that must be made in this new environment. How do the changes in the relationships between bricks and mortar and technological infrastructure get recognized in the capital and operating budgets of these institutions? The JSTOR archive provides a valuable example of how the existing systems do not account for these changes. The total costs associated with storing paper volumes of a journal appear in a variety of places in a university's accounts. There is the capital cost of building the structure and shelves to house the material. There is the ongoing maintenance cost associated with this physical infrastructure. There is the cost of acquiring the item. There is a cost associated with preparing the acquired item to be maintained, such as to bind it, label it, and locate it on the appropriate shelf. And then there are circulation costs.

The comparable costs associated with storage, access, and maintenance in the electronic environment are profoundly different, and could potentially be decreased significantly on a system-wide basis, if institutions can work collaboratively and cooperatively. It is not necessary for every institution to hold the journals on their shelves (or, in the electronic milieu, to mount local servers to store all licensed content), but if they do not, they must rely on others to insure ongoing access. Not only must central libraries and library-like organizations emerge that can take responsibility for the electronic archiving challenge, but the community must trust them to take care of that responsibility. Only then can the potential savings be realized.

But for that to be possible the financial and accounting systems must evolve to recognize the value derived from these collaborations in ways that enable their institutions to take advantage of them. It is not entirely appropriate, for example, that the funds for an archival service like JSTOR come solely from a library acquisitions budget. There is a portion of the value JSTOR provides – the central archiving service – that should accrue to the benefit of the parent institution in a budget category related to its capital investments. The mechanisms and decision-making processes need to evolve to recognize and account for this issue if electronic technologies are to fulfill their potential. This need for academic institutions to address investments in digital technologies with a broader institutional perspective may prove someday to be the most important lesson that emerges from the JSTOR experience.