

Book Reviews



Bergman, Jed I. *Managing Change in the Nonprofit Sector.* San Francisco: Jossey-Bass, 1996. 249p. \$34.95, alk. paper. (ISBN 0-7879-0138-5).

Recently, I sent a note of congratulation to a colleague who had accepted a senior position in one of the five institutions whose financial history constitutes the subject of this book. Had I read the book first, I probably would have written him a note in a different key. Sponsored by the Mellon Foundation, this study is something of a landmark. For the first time to my knowledge, we have historical financial profiles of five key independent research libraries: the Huntington, Folger, Morgan, Newberry, and American Antiquarian Society. The Mellon Foundation deserves credit for sponsoring this, the first of what William Bowen, the foundation's president, anticipates will be a series of similar analyses designed to help nonprofits better understand the dynamics of institutional success and failure. Rather than simply continuing to funnel resources to hard-pressed institutions, Mellon decided that it was time for some much-needed diagnostic work to help libraries and museums better manage their fates. This is an important and sobering work. Its subtitle might well have been: "Why Institutions Succeed and Why They Don't."

Machiavelli observed that it is easier to found states than it is to maintain them. So it seems to be with the libraries in this study. With one exception, they were created by wealthy benefactors at the end of the last century and the beginning of the present one, the cultural patrimony of industrial capitalism. The founding fathers left collections and endowments sufficient for these institutions to live off their investments until the postwar period. However, by the '60s and '70s it became clear that, in and of themselves, the core endowments could no longer meet

rising levels of expenditures. Prewar budget surpluses were replaced with deficits, and to one extent or another, each institution had to cope with the new—and ongoing—reality of red ink. Additional funding had to be found, transforming these libraries from "income spenders" into "fund-seekers." Like many other nonprofits, they joined the ranks of institutions now actively courting donors to meet program and operating costs. Some have done so better than others.

The forces behind this fundamental structural change are several, and it is the great strength of Jed Bergman's study to have gone into them in considerable detail. Probably the most salient factor was the attempt of these institutions to redefine themselves and their missions in ways that spoke to new and expanded constituencies. The changes were dramatic to say the least—from staid, gentlemanly repositories serving the privileged few to active centers of teaching, learning, and outreach. The traditional collection-centered focus of the institutions moved down on agendas that now privileged symposia, seminars, public lectures, and exhibitions. The Folger had its theatre and the Morgan its "blockbuster" shows, while the Newberry seemed poised to metamorphose into a mini-humanities university. Hand in glove with developments that brought these libraries more into the cultural mainstream of the times was the emergence of the NEH as a major catalyst for change. The NEH encouraged and supported program growth that emphasized collection use and outreach, and most of these institutions were quick to seize on the new availability of federal funding to expand the reach and range of their efforts.

The fiscal result of these new orientations was increasing levels of expenditures—in some cases quite sizeable. Moreover, new institutional missions converged with pressures for other sorts of improvements: expanding and/or upgrading facilities; professionalizing the staff and improving compensation packages; and acquiring collections en bloc, among others. At the same time, the traditional wisdom that shaped endowment investing created a dismal group of underperforming portfolios. Finally, these newcomers to the ranks of the fund-seekers had to mount ongoing development campaigns simply to meet day-to-day operating expenditures. In most cases the result has been chronic deficit spending.

How and why did institutions allow themselves to be forced into cycles of recurring, perhaps permanent, debt? These are the questions most difficult to answer in print. It is extremely difficult to avoid constructing narratives not peopled by heroes and villains. Bergman does an admirable job in trying to strike a balance: to contextualize without at the same time whitewashing. In this case, *comprendre ne c'est pas tout pardonner*. But still, it is the dead who come under critical scrutiny; the living tend to emerge as skillful mariners who will eventually guide their ships to shore. Passive, ineffectual, even refractory boards of trustees are rightly made to bear a substantial amount of the responsibility for bottom-line difficulties, although in some cases library directors were equally negligent in ignoring the warning signals. In the worst case, that of the Newberry, the two sides worked together to create an ominous fiscal scenario that may not be reversible. There, poorly contained costs, unrestrained spending practices, and development efforts over-focused on funding individual projects and programs instead of building operating endowment all coalesced in an unfortunate alchemy.

Conversely, the more successful institutions were those that heeded the warn-

ing signs, brought spending under control, and opted for moderate growth funded by a balanced approach to development. Those institutions seem healthiest which have best been able to calibrate growth with their own institutional development potential. They have been careful not to overreach themselves. As institutions, they have come—albeit perhaps belatedly—to know themselves. Although Bergman's concern is with fiscal policy and its consequences, one cannot help but conclude that all the gurus on Wall Street could not help an institution that lacks a realistic appraisal of itself and its niche. The oracle at Delphi should be the starting point of fiscal redemption.

One cannot help but be struck by the bind these institutions have found themselves in. They cannot afford not to grow, while at the same time they have been unable to grow without incurring perennial deficits. Their current stewards understand this well and have made structural and policy changes to prevent the errors of the past from recurring. They have redefined the nature of trusteeship and have refreshed their governing boards with players rather than spectators. They have professionalized staffs, introduced cost containment policies, and launched major development campaigns. Yet it took more than two decades for the gravity of the dilemma to become clear, and in some cases it may take as long or longer to restore fiscal equilibrium. There are no quick fixes.

The strength as well as the weakness of Bergman's analysis is its concentration on finances. Critically important as they are, they are not the only measures of success and failure. Bill Towner's vision of the new Newberry may have been seriously flawed, but it would be hard to find an institution as deeply involved in and committed to scholarship and the community of scholars. The Newberry has contributed enormously to the humanities, and although its fiscal picture seems dismal, it nonetheless has a strong

and substantial scholarly constituency. This makes the Newberry's case, warts and all, fundamentally different from that of the New York Historical Society. Needless to add, the same could be said of any of the other four libraries in the study.

One of the things that sets America so radically apart from Europe is the way in which our cultural patrimony is distributed among so many independent libraries and museums. It is arguable that such a decentralized approach to preserving and making accessible the past is preferable to an overly controlled, overly centralized approach. From the perspective of one who has spent his professional career within the walls of large research universities, I can only admire the ways in which these libraries have served to complement the work of the academy, through both their collections and their programs. It would be hard to imagine the pursuit of historical and humanistic scholarship without them. Anyone who cares about them, indeed anyone who is concerned about the future of nonprofits in general, should pick up a copy of this book. At the very least, it should be required reading for all trustees and officers of institutions. I hope that Mr. Bowen keeps his word and that the Mellon Foundation sponsors future case studies as readable, as provocative, and as useful as this one.—*Michael Ryan, University of Pennsylvania, Philadelphia.*

White, Howard D. *Brief Tests of Collection Strength: A Methodology for All Types of Libraries.* Westport, Conn.: Greenwood Pr., 1995. 208p. \$55. (ISBN 0-313-29753-3).

Librarians have long quested for resource sharing and cooperative collection development. The goal seemed near when, in the early 1980s, the Research Libraries Group promulgated the *Conspectus* as an instrument through which all libraries could use common categories and a common language to describe their holdings. But the expected cooperative rewards never materialized. Libraries' inconsis-

tent self-assessments figure prominently in postmortem explanations. *Conspectus* rankings have been highly subjective, and the "verification studies" that would calibrate scores across institutions have proved both difficult to prepare and expensive to implement.

Howard White has probed the evaluation dilemma for more than a decade. This book offers his solution: "a new, relatively brief test to assign libraries a score for existing collection strength in a subject area." Each "brief test" consists of forty titles, divided evenly among ten-item segments that correspond to the *Conspectus*' four collection levels ("minimal coverage," "basic coverage," "instructional collections," and "research collections"). More than three hundred sample tests, for the most part constructed and applied by White's library school students, reveal a cheap and simple approach that provides reasonably consistent results. The sample tests also evince a methodologically satisfying pattern in which a library holding more than half the test items for any particular *Conspectus* level will own that many or more items from all of the lower levels. The tests thus bear out the hypothesis that real-life collections do not combine weak holdings of basic works with a strong representation of the esoteric. A final wrinkle validates the *Conspectus* level to which test creators assign each sample title—initially a subjective process—by tallying that title's holdings on OCLC. Although many libraries own the test items associated with "basic" collections, titles that test for "research" collections are held only sparsely.

As White himself acknowledges, this innovative approach invites methodological disputation. For instance, though this short volume is blessedly free of mathematical jargon, we are given neither empirical nor statistical arguments to justify fully the choice of forty items. The author eloquently defends testing economy and common sense, but does not explain why tests with ten items for each of four *Con-*