THE NEW PRESS: A NOT-FOR-PROFIT IN AMERICAN PUBLISHING

By

Julie McCarroll
BA, Dalhousie University 1997

PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF PUBLISHING

In the Publishing Program

of the Faculty of Arts and Social Sciences

© McCarroll 2005

SIMON FRASER UNIVERSITY

Summer 2005

All rights reserved. This work may not be reproduced in whole or in part, by photocopy or other means, without permission of the author.
APPROVAL

Name: Julie McCarroll
Degree: Master of Publishing
Title of Project: The New Press: A Not-For-Profit in American Publishing

Examining Committee:

Rowland Lorimer, Senior Supervisor
Director, Master of Publishing Program
Professor, School of Communication
Simon Fraser University

Ralph Hancox
Professional Fellow, Master of Publishing Program
Simon Fraser University

Janey Tannenbaum
Director of Sales and Marketing
Smithsonian Books
New York

Date approved: April 20, 2005
PARTIAL COPYRIGHT LICENCE

The author, whose copyright is declared on the title page of this work, has granted to Simon Fraser University the right to lend this thesis, project or extended essay to users of the Simon Fraser University Library, and to make partial or single copies only for such users or in response to a request from the library of any other university, or other educational institution, on its own behalf or for one of its users.

The author has further granted permission to Simon Fraser University to keep or make a digital copy for use in its circulating collection.

The author has further agreed that permission for multiple copying of this work for scholarly purposes may be granted by either the author or the Dean of Graduate Studies.

It is understood that copying or publication of this work for financial gain shall not be allowed without the author’s written permission.

Permission for public performance, or limited permission for private scholarly use, of any multimedia materials forming part of this work, may have been granted by the author. This information may be found on the separately catalogued multimedia material and in the signed Partial Copyright Licence.

The original Partial Copyright Licence attesting to these terms, and signed by this author, may be found in the original bound copy of this work, retained in the Simon Fraser University Archive.

W. A. C. Bennett Library
Simon Fraser University
Burnaby, BC, Canada
ABSTRACT

In 1992, André Schiffrin founded The New Press as a mid-size not-for-profit publisher in hopes that it would provide a viable alternative to mainstream publishing by bringing books into the market which were not normally published by more commercial houses. The press recently celebrated its tenth anniversary in 2002, and though there are many small not-for-profit houses in the United States today, The New Press stands as one of the few mid-size not-for-profits that competes directly with mainstream houses by using similar distribution methods and seeking similar audiences.

This project examines The New Press as a not-for-profit in American publishing, beginning with a short history of Schiffrin’s experiences leading up to the founding of The New Press. Through the history of the press, its mission, operations, funding structure, and a case study of operations and funding as they apply to one “foundation” title, the strengths and weaknesses of the press are examined, concluding with an examination of the viability of the press’s mission of independence through its interaction with donors and foundations.
ACKNOWLEDGEMENTS

Thank you to all who have shared their experience and expertise with me during my time at The New Press, especially André Schiffrin. Thank you also to those who have supported and encouraged me in this work including Janey Tannenbaum, and to Rowland Lorimer and Ralph Hancox for their invaluable patience and guidance.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter/Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval</td>
<td>ii</td>
</tr>
<tr>
<td>Abstract</td>
<td>iii</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>iv</td>
</tr>
<tr>
<td>Table Of Contents</td>
<td>v</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Chapter One: The Founding Of The New Press</td>
<td>3</td>
</tr>
<tr>
<td>Chapter Two: The New Press</td>
<td>14</td>
</tr>
<tr>
<td>Chapter Three: Funding</td>
<td>23</td>
</tr>
<tr>
<td>Chapter Four: Case Study</td>
<td>35</td>
</tr>
<tr>
<td>Conclusion</td>
<td>43</td>
</tr>
<tr>
<td>Works Cited</td>
<td>47</td>
</tr>
</tbody>
</table>
INTRODUCTION

When The New Press opened its doors in 1992, it was one of the early large-scale not-for-profit publishers in the United States. The idea of publicly funded cultural enterprise in the States wasn’t a new one; public TV and radio, symphonies, ballet and galleries all continue to depend on public funding to supplement revenues. In the publishing world, MS Magazine and Harper’s had each served as nonprofits, but aside from a few small independent publishing houses, book publishing in the U.S. had come to mirror the mass media in many respects.

The New Press’s founder, André Schiffrin, hoped that an alternative structure would allow the press to stand free of the industry changes that had marked the eighties and early nineties as a time when many contemporary publishers began to fear for the future of the business, and for the fate of good books. In an increasingly corporate environment where the demands of a highly competitive marketplace seemed a necessary hazard, Schiffrin hoped that a not-for-profit publisher could operate relatively free from this pressure by drawing on public funding. With this in mind, Schiffrin began to build The New Press around a list of serious books for the smaller audiences that he felt were being neglected.

For Schiffrin, the transformation of book publishing in America was a very personal one. Schiffrin’s father had come from France to lead Pantheon Books, a small independent house that published prestigious titles by authors including Jung and Pasternak. After Jacques Schiffrin’s death, Schiffrin watched Pantheon fall into disarray without a clear successor, and observed as it was absorbed by Random House. Later, as head of Pantheon under Random, Schiffrin experienced the gradual shift in publishing sentiment as Random passed through many hands over thirty years, with each successive owner seemingly more focused on the bottom line than the
last. The tide of commercialization that had shaped Random House, and, in turn, affected Schiffrin as head of Pantheon, is of interest, especially since events at Random—one of the largest houses in the States—are emblematic of many of the changes in American publishing. On the other hand of commercialization, many of the changes Schiffrin hoped to bring about at The New Press were in direct response to this history, as may be seen in examining the press’s founding and its subsequent operations.

The New Press celebrated its tenth anniversary in 2002, and its first decade of operation confirmed Schiffrin’s early hope that a judicious mix of foundation grants, individual funding, and book sales could make large-scale not-for-profit publishing a viable alternative to midsize commercial competitors. However, as may be seen in consideration of The New Press’s experience, not-for-profit publishing presents its own set of challenges. From dealing with foundations to keeping a foothold in today’s increasingly commercial publishing environment, the status of nonprofit publishing is sometimes a difficult one, as revealed by a closer examination of the press, its history, and its successes and shortcomings in fulfilling its mission.
CHAPTER ONE:
THE FOUNDING OF THE NEW PRESS

For André Schiffrin, the founding of The New Press was a response to many of the ills of contemporary publishing in America. For many publishers including Schiffrin, the eighties were a critical period of change during which their ability to publish new ideas seemed to be diminishing steadily. Schiffrin was exposed to this directly during his time at Random House, an experience he details in his publishing memoir The Business of Books. News of corporate mergers and high-profile firings pushed the problems of contemporary publishing into public consciousness, but these problems did not necessarily begin then. Random House, where Schiffrin worked for the first half of his professional life, not only shaped Schiffrin’s experience, but also was emblematic of many of the major changes in publishing during the 20th century which he hoped to address at The New Press.

Random’s operations have spanned nearly eighty years under numerous owners, and spawned at least three different publishing memoirs including Bennett Cerf’s At Random, Jason Epstein’s The Book Business, and Schiffrin’s The Business of Books. Random House opened in 1926, taking root during what Epstein characterizes as a post-WW I cultural “ferment”, which spawned many of the large houses that remain today (Epstein 2). As Epstein observes, Bennett Cerf and Donald Klopfer acquired the Modern Library from Horace Liveright when his company Boni-Liveright ran into financial trouble. Cerf and Klopfer introduced the Random House colophon two years later, and through the next thirty years Random published authors like James Joyce and William Faulkner, and remained independent into the sixties (Epstein 36–47). (Epstein paints a cozy picture of the sixties at Random House. He recalls the Villard mansion, where the firm was located, as housing editors who treated their authors like family, including W.H. Auden,
whom he recalls dropping off a manuscript in overcoat and slippers (Epstein 5.). Cerf and Klopfer made a large profit when they sold shares in 1959, but became considerably less independent; they made a larger profit, and a greater compromise to the company’s independence, when they were acquired by RCA in 1966 (Epstein 89).

Epstein writes that Cerf and Klopfer went public and eventually sold Random House because they lacked successors (Epstein 89). Many of the independently-owned houses of the time were facing similar obstacles. New inheritance laws meant that companies were losing large sums of money in the succession process, and owners—many of whom were the original owners of the houses they founded in the twenties—preferred to take their companies public when it was time to retire (Whiteside 1). No longer responsible only to themselves, new owners often felt that they couldn’t take the same risks after going public. After its acquisition by RCA, Epstein writes, Random’s new owner Bob Bernstein received constant pressure to watch the bottom line (Epstein 91). Even still, Epstein observes that when GE acquired RCA in 1986, the company expelled Random because they were not profitable enough (Epstein 35). Advance Publications took over ownership, then S. I. Newhouse, then Bertelsmann, Random’s current owner.

Although public trading had an obvious impact on competition during the sixties, most publishers had always been attentive to profits, to some extent. Epstein describes the Doubleday of the fifties, where he worked, as a direct-mail company with little concern for literature other than to make money by selling books. Anchor Books, which Epstein founded at Doubleday in 1951, reissued expensive hardcover books in paperback for a wider public. Epstein writes that he foresaw his audience in the millions, and was always mindful of the profits and losses on each title (Epstein 60). Knopf and Random House followed suit, founding their own paperback lines. At around the same time, Schiffrin worked at a paperbacker with a similar profile: New American Library published titles that sold into the millions of copies, distributing them through “the
famous cigar stores, newsstands, drugstores, and the like", resulting in “phenomenal” sales (Schiffrin 27).

Publishing “for profit” was not a new concept: the big change was that the corporate accounting of its parent companies was now being applied to the publishing houses they owned. A new emphasis on immediate sales over long-term earnings—which was more customary in publishing—would mean more pressure to earn quickly. As they were looking for quick returns, many American companies were very likely locating a readily-accessible new market in the boomers. And since the largest market for books was not necessarily an intellectual one, the advent of pop culture very likely aided the marketing of books as “entertainment” or, “culture for the masses”. In The Business of Books, Schiffrin locates a significant social change in post-McCarthyism: namely, a post Cold-War faith in the virtues of the free market (Schiffrin 6, 38). Suddenly, the market dictated culture, an idea of “culture for sale” which has permeated the American entertainment industry ever since. Combined, post-McCarthyism and pop culture may have paved the way for the publishing ideologies of the eighties.

Through the sixties and seventies, the availability of firms for sale meant that larger companies could buy up smaller houses, as Random House bought Knopf, and with it, Pantheon in 1961. During the eighties, the heyday of commercialism in a big business environment, huge corporations were buying smaller companies—that themselves had acquired others—at an unprecedented rate. Through the eighties, Bertelsmann acquired Bantam and Doubleday and Dell; Holzbrinck acquired Holt, Rinehart and Winston; the News Corporation bought Harper and Row and William Collins; Hachette acquired Grolier, and Pearson bought Addison-Wesley, according to an online list compiled by Caroline Davis for Brookes University (Davis, The Culture of Publishing).

These companies were particularly interested in “synergy”, combining resources across a number of companies to create a cross-sectional market domination that the Federal Trade
Commission—the U.S. government regulatory body for commerce and trade—was not necessarily prepared to prevent. At first these mergers set off anti-trust alarms: in 1978, a group of authors including John Kenneth Galbraith and Archibald MaCleish publicly protested the antitrust implications of recent mergers, as Herbert Mitgang described in a *New York Times* article of the time (*New York Times*, April 1978). However, they soon become commonplace: throughout the eighties, publishing mergers numbered into the hundreds, as documented by the Brookes University list. As Robert McChesney describes in detail throughout his book *Rich Media Poor Democracy*, these takeovers transformed the industry, blurring the line between information media and entertainment not only in content but also in business structure, with the expectation of ever increasing profit margins.

Even in the midst of these acquisitions, many owners were finding their newly-acquired publishing houses disappointingly unprofitable. Owners who had no experience with the low margins that books normally produced expected unrealistic profit margins, which no amount of management shuffling would produce. (Publishing statistics on profits are varied, but in *The Business of Books* Schiffrin puts profit expectations under the conglomerates during the eighties at fifteen percent, many times higher than the four or five percent that most independent publishers aspired to just a few years before that (Schiffrin 119).) And as companies acquired a number of publishers, parent companies would inevitably find overlaps in each house’s list. The traditional business response to this has been to streamline editorial categories, retaining the more popular books and authors and shedding less profitable ones. For instance, as Jim Milliot observes in his January 2003 *Publishers Weekly* article on Ballantine’s merger with Random House, Ballantine president Gina Centrello reported that she would likely have to “cut titles from some areas” in the reorganization (*Publishers Weekly*, January 2003). However, as editorial diversity decreases within a house, competition with other houses may be more fierce, especially if most other large publishers are also working within these proven categories. As David
Kirkpatrick observes in a 2000 report to the Author’s Guild, “A handful of titles account for an ever-larger share of sales. Bestseller sales are growing exponentially; sales of midlist books have not kept pace” (Kirkpatrick 5). For example, throughout the eighties, Judith Krantz, Danielle Steele, and a number of Krantz/Steele imitators dominated the fiction market. Every year but 1981, the top ten fiction bestsellers always included titles by Krantz or Steele, and often both. Steele claimed two of the top ten spots in 1985. She published two more top-ten books in 1987, and again in 1989 (Cader Books, www.caderbooks.com). Bestsellers (like the expensive, high-advance books of Krantz and Steele just listed) compete for a limited number of sales, Kirkpatrick observes (Kirkpatrick 7). If this is true, for every success there must be many similar high-risk titles that never became bestsellers. A look at publishers’ lists circa 1990 reveals how the introduction of something slightly new—and successful—into the market, drives other publishers to follow suit regardless of the risk: after Scott Turow’s *Presumed Innocent* brought the first legal thriller into the top ten fiction bestsellers of 1987 (Cader Books, www.caderbooks.com), Ballantine followed with Richard North Patterson’s *Degree of Guilt*, and Island launched John Grisham with *A Time to Kill*. However, in the rush to catch the media’s increasingly short attention, publishers were perhaps less focused on acquiring work that would hold up over time, a practice that could endanger a house’s backlist profits.

Smaller publishers and a few independents continued to contribute valuable voices through the eighties, and some were even able to pick up larger houses’ cast-off backlist titles. New Directions, which was founded in the twenties by millionaire James Laughlin, published poets like Lawrence Ferlinghetti and Federico Garcia Lorca. Seven Stories, which opened in the late eighties, published Chomsky. But, for the most part, the publishing climate in the eighties was a difficult time for independents. Larger houses had changed the publishing environment in a way that meant that chains like Barnes & Noble could thrive by demanding—and receiving—higher discounts, and agents and authors could command much higher advances. More and more,
sales were driven by hype, high advances, big marketing campaigns, and celebrity authors. The book reviews, as part of the media industry, had presumably fallen victim to the same streamlining that publishers under umbrella companies had, since most review venues under corporate ownership seemed to be targeted to a majority audience for maximum sales. Amidst all this, there was little room for reviews of smaller, more quietly appealing books that didn’t have celebrity authors or fit all tastes. But, at times like these, the smaller publishers were more necessary than ever, and though many lost their independence through this period, many like Greywolf and W.W. Norton made it through the eighties with strengthened resolve.

It was in this environment that André Schiffrin found himself at Random House, through a circuitous path that began when his father, Jacques Schiffrin, brought the family from France when André was six years old. Jacques Schiffrin had been head of Editions de la Pleiade, an imprint of the venerable French publisher Gallimard. But, as Schiffrin writes in his publishing memoir, Jacques was forced out of Gallimard after France’s defeat by Germany in 1940—most likely, according to Schiffrin, for his status as the only well-known Jewish man at the company (Schiffrin 17). The Schiffrin family came to America via Casablanca like many other French families at the time. Once settled in New York, Jacques Schiffrin joined Pantheon, which was part of the burgeoning exile intellectual community that gathered around the New School and served as a haven for Europe’s intellectual émigrés. Pantheon published authors like Jung and Camus for a small audience that would grow beyond expectation as time went on. And, as Schiffrin points out in The Business of Books, Pantheon published the odd book that sold very well, including Dr. Zhivago, which Pantheon translated two years after his father’s death (Schiffrin 25). But, the dramatic influx of profit that Pantheon made on Dr. Zhivago divided the company. A few years after Jacques Schiffrin died, Pantheon’s management went their separate ways. Pantheon joined Knopf, and subsequently became part of Random House when Random bought Knopf in 1961.
Years later, after having spent some time in New American Library’s marketing department and there sowing the seeds of what would later become New American Library’s Signet paperback line, Schiffrin attended Oxford. Upon his return to the States, Schiffrin was hired to work for Pantheon under Random House. He started as an editor in 1961, and owners Klopfer and Cerf named Schiffrin editorial director in the same year. During the 1960s, Schiffrin writes, RCA exerted relatively little pressure on Random, and, though young, Schiffrin and his staff were given free rein to acquire the titles they chose with little concern about the bottom line. Authors like Gunter Grass, the historian E.P. Thompson, Margarite Duras, and Michel Foucault were not immediate bestsellers, but became backlist staples that would assure Pantheon a healthy future. Some of Pantheon’s list did sell very well, however: Schiffrin recalls Studs Terkel’s *Division Street* as an “immediate bestseller” when it was published, and Terkel’s later book *Working*, now considered a classic in American oral history, sold into the millions over the years (Schiffrin 56).

This was not enough, Schiffrin writes, as time went on and RCA’s profit expectations for Random House rose. Pantheon’s budget—along with the earnings of Random’s other imprints—was watched very closely, and Schiffrin reports that he and other editors began to feel pressure to acquire more commercial titles. Finally, in 1980, RCA sold Random to media mogul S. I. Newhouse. Newhouse had inherited some profitable newspaper chains, the proceeds of which he turned toward building a media empire: he and his brother Donald also shared ownership of the Condeé Nast magazine line which included *Vogue*, *Mademoiselle*, and *The New Yorker*.

Newhouse’s presence offered temporary relief, but it wasn’t long before demands for profitability became more strident than ever. Schiffrin writes that “initially claiming that he would leave editorial decisions alone, Newhouse soon made changes at Random House that moved it in a far more commercial direction ... [and] became personally involved in acquiring titles” (Schiffrin 79–80). Schiffrin goes on to describe how Newhouse went to celebrities like
Donald Trump and Nancy Regan, acquiring books from them with advances into the millions. Schiffrin writes that Random's smaller imprints, though they spent relatively little, were under pressure to earn profits similar to those of other Random imprints that took higher risks. In addition, the old rule of using a few profitable titles to enable a publisher to invest in less immediately-profitable books was off: each book on the list now had to be shown likely to pay for itself before it was published.

In response to these new pressures, Schiffrin writes, he shifted gears in an attempt to consciously acquire titles that combined high intellectual quality and mass popular appeal. One such title was a paperback called *Marx for Beginners*, which subsequently led to a series surveying the writings of major intellectuals. To bring in more money, Schiffrin also considered buying another—smaller—house. After a long period of deliberation over how to expand while continuing to handle worthwhile titles, Schiffrin decided on Schocken, a house of German-Jewish pedigree that published books of Eastern European appeal. He soon brought Schocken into Pantheon, but strove to make sure that the two remained ideologically and editorially separate.

By 1989, as Schiffrin describes in *The Business of Books*, it became clear that Random was running into trouble when Newhouse forced Robert Bernstein to resign. Amidst much media outcry—a 1989 *New York Times* article reported that the book industry was “stunned” at Bernstein’s “abrupt” dismissal—Bernstein was replaced by Alberto Vitale, a former banker and head of Bertlesmann in the States (*New York Times*, November 1989). Bernstein, who had been Cerf and Klopfer’s successor after Random went public in the 1960s, was sensitive to the value of maintaining Random’s literary reputation. But Vitale, Schiffrin observed, was a consummate businessman. Shortly after Vitale started, Schiffrin writes, rumors began to circulate that Pantheon was to be expelled from Random (Schiffrin 89).

Soon, Newhouse began to ask that Schiffrin cut Pantheon’s list, and lay off staff. Through a series of meetings in which Newhouse and Vitale were generally evasive about their
expectations for Pantheon, Schiffrin writes, it became clear to him that the rumors of Pantheon's
demise may have held some truth. Random was divided considerably by the proceedings:
Schiffrin felt that his resistance to Newhouse's policies was in the interest of Random editors, but
a few editors disagreed with him. Some, including Jason Epstein, signed a circulating a letter
which stated that management policies had done no harm to the quality of Random's lists. The
dispute spilled into the media: a March 1990 *Newsweek* article characterizes Newhouse's effect
on Random House as "brain drain" (*Newsweek*, March 1990). Schiffrin writes that, later, he was
informed that Newhouse had threatened to stop advertising in *Publishers Weekly* if *Publishers
Weekly* continued to portray Pantheon in a sympathetic light. (Traces of Random's public
relations offensive lingers even now. The company history, which is posted on Random's
website, states that after Knopf and Pantheon were brought into Random, "both were assured
complete editorial independence—a policy which continues in all parts of the company today"
(Random House online, www.randomhouse.com/about/history).) After failing to reach any
agreement, staff cuts were ever more eminent, Schiffrin writes. He and his small, close-knit staff
preferred to resign as a group rather than see Pantheon destroyed (Schiffrin 93).

Random quickly rebuilt Pantheon under a new director, but the company was having
other problems. Finally, in 1998, Newhouse sold Random to Bertlesmann. For all his efforts, it
was apparent that Newhouse had failed to make Random as profitable as he had envisioned. In an
erlier interview with *Business Week*, which Carol Felsenthal cites in her biography of S.I.
Newhouse, Vitale himself had told a reporter that "the company had won the 'publishing war'
with many bestsellers, but had lost the 'business battle' " (Felsenthal 54). Schiffrin remarks, in
*The Business of Books*, that this was more than an isolated incident: Newhouse also faced losses
close to $200 million trying to raise *The New Yorker*’s circulation. At about the same time at
HarperCollins under Rupert Murdoch, $270 million worth of unearned advances were written off.
Schiffrin writes that this prompted Harper's editors to write internal memos calling a less aggressively profit-oriented approach (Schiffrin 113).

Though Schiffrin was prevented from commenting on his dealings with Random by a gag agreement, it is interesting to observe his reaction to Ann Godoff’s recent expulsion from Random under similar circumstances. The January 18, 2003 dismissal of Godoff was announced in the same week’s edition of *Publishers Weekly*. Godoff, who was president, publisher, and editor-in-chief of Random House’s trade division, would be replaced by Ballantine head Gina Centrello; Random House Trade would be merged with Ballantine, and Centrello would run both. *Publishers Weekly* references Random House’s motives, citing chairman Peter Olson’s memo to employees which stated “despite the many core strengths of the Random House Trade Group, they have been the only Random House, Inc. publishing division to consistently fall short of their profit targets…. it has become imperative to improve the Random House Trade Group’s financial success” (*Publishers Weekly*, January 2003). Members of publishing media, for the most part, lamented the move. Weeks later, in an open letter to Ms. Centrello that appeared in *Library Journal*, *Library Journal* editor Francine Fialkoff expressed regret over the motives behind Godoff’s dismissal. Her letter, placed prominently on one of the first pages of the trade magazine, noted that “had Random House chair Peter Olson been less blunt about attributing the changes solely to the bottom line, the news might have been less alarming…” (*Library Journal*, February 2003).

Schiffrin commented on Godoff’s dismissal—which to him seemed eerily similar to Bob Bernstein’s abrupt dismissal from Random House ten years earlier—in a February 17, 2003 article in *The Nation*. First, Schiffrin points out that Olson asserted Godoff had fallen $4 million short of her unit’s sales goal. “No one,” Schiffrin writes, “asked what percentage this was of her unit’s sales goal, or what the Bertelsmann profit target was for the overall group.” In fact, Schiffrin continues, the $4 million missing from Godoff’s sales that year could be attributed to
the loss of Random’s backlist to Vintage, which had taken over Random’s paperback list (*The Nation*, February 2003). Schifffrin notes that there was such focus on big acquisitions and frontlist that it went unremarked that Random’s backlist was valued at exactly the same amount that Godoff had been accused of falling short: $4 million. As Schifffrin interprets it, backlist was what had kept Random profitable through all the high-stakes acquisitions calculated for maximum profit; without it, Random House was not as financially stable. “Presumably Olson’s goals for Godoff were based on the clearly commercial and mass-market oriented output of the rest of Random House. Godoff’s mistake was to adhere to the high standards of Random’s past,” Schifffrin writes, adding that the annual sales for each subsidiary were expected to increase by ten percent each year. “For the American holdings of Bertlesmann, which account for 40 percent of the country’s trade book sales, this would mean an additional $200 million of business each year” (*The Nation*, February 2003). Though Schifffrin draws connections between Godoff’s situation and Bernstein’s ten years earlier, he could also describe his own experience at Random House during his time there under S.I. Newhouse in similar terms. However, it was Schifffrin’s experience of this cycle first-hand that had led him out of Random House and into a unique new position of freedom.
CHAPTER TWO:
THE NEW PRESS

After his experience with Random House, Schiffrin writes in *The Business of Books*, he felt galvanized to act (Schiffrin 155). Schiffrin’s former authors and associates continued to support him, and he began to search for a way to use the rare opportunity that he felt had opened for him. To join another publisher would mean entering into the same situation he had just left at Random House. To open his own independent house, with the publishing environment as it was, would put him in competition with Random House and other well-established companies like it. And in the end, an independent house founded by Schiffrin may have suffered the same fate as many of the older independents founded in the twenties which had already been swallowed by their conglomerate competitors. Ultimately, Schiffrin decided to explore the not-for-profit world, inspired by Bill Moyers—currently the host of PBS’s influential current affairs program “NOW”—who had, years before, helped to set up PBS (Schiffrin 156).

The concept was to publish voices underrepresented in American culture as a result of the commercial pressures that were then increasingly being described as “market censorship” perpetuated by dominant American conglomerates. Schiffrin’s experience at Random House had underlined a destructive trend in publishing that he felt needed to be corrected. Under the conglomerates, literature was more an entertainment product to be bought and sold than a valuable product essential to a vital culture. By publishing innovative works of foreign fiction, alternative educational materials, contrarian voices in public policy, and generally any literary work whose value was not primarily monetary, Schiffrin hoped to open a window to the world for readers unaware that they lacked such alternatives. The American publishing landscape offered little in the way of support structure for such ideas: they were antithetical to most houses, and
opening a not-for-profit seemed the only way to avoid the market censorship that had crept into his final years at Pantheon.

For a Canadian publisher, the question of government funding in the United States may spring to mind as another option ripe for exploration by publishers like Schiffrin. For American publishers, however, many complex factors have converged that seem to rule out the option of government funding for book publishing into the immediate future. Michael Brenson’s book *Visionaries and Outcasts* details the fate of one longstanding government funding arm, and goes a long way toward explaining the unfortunate state of government arts funding in America. The National Endowment for the Arts, he explains, developed out of a complicated mass of motivations in the States during the early part of the twentieth century. Perhaps the first step was New Deal legislation in the 1930s, which provided stipends to arts practitioners as social relief during the depression years. The program ended in 1939, and with it came a near-complete loss of government interest in the arts, until the Kennedy administration. In 1961, Brenson writes, Kennedy began to develop a plan to re-involve government in American culture, which culminated in an October 1963 speech in which he asserted the key role of the arts in American culture. Kennedy’s motives were deeper, as Brenson reveals when he paraphrases part of the speech: “Without the artist, Kennedy said, it would be difficult for the United States to meet the challenge of being the ‘leader of the free world’” (Brenson 17). As Brenson observes, America’s main rival for that title at the time was the Soviet Union, which had its own system of government support of the arts. More than just a conscientious fostering of the arts for their own sake, Kennedy’s speech suggested that one possible function of government arts support might be to aid America’s offensive against ideas coming out of the Soviet Union.

President Johnson founded the National Foundation of the Arts—the body which created the National Endowment for the Arts—in 1965, and as government arts funding became a reality, its place in American culture became a topic of hot debate. For instance, in an opening remark to
an early NEA steering panel that Brenson documents, one participant located a noble impulse for arts funding in “the recognition that life is more than the acquisition of material goods” (Brenson 3). Yet, later in his talk, the same speaker observed that “the separation of culture and the arts from vital economic and political forces in American life was not... healthy for the arts themselves” (Brenson 4), suggesting that the arts draw on and enrich American politics and economics. During this period, any concern for conflating art, politics and money was almost nonexistent in the highly charged Cold War environment. For instance, Brenson quotes a Michigan congressman of the time protesting government funding for “questionable” projects in an interview with the New York World Telegram: “Modern art is communistic because it is distorted and ugly, because it does not glorify our beautiful country, our cheerful and smiling people, and our material progress” (Brenson 5). In some eyes, the conflict was not necessarily that government should keep an arm’s-length relationship with the arts, it was that the government was not being selective enough about the types of art it supported.

The debate that began shortly after the NEA was founded continues to rage, and endowments in the area of literature have slowly been whittled to exclude more and more, leaving very little save small endowments to individual authors. The NEA’s mission seems not to have evolved much during its forty years of operation, which may be a large part of its PR problem. For instance, an NEA organizational profile titled “A Great Nation Deserves Great Art” states that the agency “supports cultural activities that strengthen our economy. Nationally, nonprofit arts contribute an estimated $37 billion to the economy every year” (NEA, www.arts.gov/about/facts/ataglance.html). The NEA’s public profile remains unabashedly nationalistic, having sponsored, among other such projects, the Vietnam War memorial in DC, a popular tourist destination. The agency itself makes no pretense of objectivity: the National Council of the Arts—the NEA’s grantmaking body—describes itself as a collection of individuals
appointed by the president, who meet in one-day sessions three times a year to review pending grant applications at their discretion (NEA, http://www.nea.gov/about/NCA/About_NCA.html).

NEA decisions have been called into question regularly. In one such incident, the NEA revoked a 1999 endowment to Cinco Puntos Press for a children's book the press was launching. The NEA had learned that the author of the book was a Zapatista leader, and were concerned that the funds would go to him although the press had assured the NEA that the funds were earmarked for production costs. This action caused substantial public outcry, culminating in a letter from the Association of American Publishers and the American Booksellers Association, republished by National Writers Union, which expressed dismay that the “decision was based not on the artistic merit and social value of the work in question but on the political activities of its author” (NWU, http://www.nwu.org/pic/neal.htm). In 1997, poet Adrienne Rich refused the NEA’s offer of the National Medal for the Arts, because, as she wrote in a 1997 Los Angeles Times article, she was concerned about “the growing fragmentation of the social compact, of whatever it was this country had ever meant when it called itself a democracy” (Los Angeles Times, August 1997).

In many ways, the fate of the NEA can be seen to reflect a tendency toward suspicion of “big government” which, since the McCarthy years, has affected large parts of American culture. The impulse against government social programs like socialized healthcare or arts funding are another casualty of McCarthyism, a suspicion of anything slightly “socialist” which has become entrenched in the American psyche and society. Today, a very high proportion of American social programs have fallen to the private sector; social programs for the arts and, in particular, publishing, can’t necessarily rely on government funding in the immediate future.

Although government support was not necessarily an obvious option when Schiffrin was considering alternatives to corporate publishing, there were already a handful of successful not-for-profit publishers in operation. Island Press, founded in 1984, published books of environmental interest. Greywolf, a not-for-profit literary press, had been around since 1974.
Magazines like Harper’s, which was funded by the MacArthur foundation, and MS, which began as a “one-shot” insert in New York Magazine, had also survived as nonprofits. Nevertheless, as Schiffrin has said in many interviews, he regarded The New Press as the first full-scale not-for-profit publisher, probably because its size and broad range placed it in a realm of mainstream publishing that other niche not-for-profits could not compete in.

After having settled on not-for-profit as the most effective format for his new publishing house, practical considerations fell into place for Schiffrin over the next year. City University of New York donated office space off the Times Square hub of New York, close to the New York Times and the Condé Nast office building. W.W Norton was chosen as The New Press’s distributor, since they themselves are an independent, and their list shared many of the same strengths that Schiffrin envisioned for the New Press list. Finally, the first New Press funders were lined up, including the MacArthur Foundation and the Rockefeller Brothers Fund (Schiffrin 155–160).

The New Press published its first book in 1992, and its first list showcased many authors who had come over from Pantheon with Schiffrin. (In The Business of Books, Schiffrin reports that of all his authors, only three stayed with Random (Schiffrin 162).) The first list was relatively small, but contained important works like Race by Studs Terkel. And though a few years passed before the media took notice and belatedly heralded its arrival, The New Press was, by all accounts, a success. The Economist, in a 1995 article, reported that Schiffrin’s first book Race by Studs Terkel had hit the New York Times bestseller list, and went on to sell over seventy thousand copies over two years. The article goes on to praise Schiffrin for his “knack for finding gold in odd places”, including the National Archives, which the New Press continues to mine for historic material (Economist, October 1995). Education Week, in an article dated October 1995, praised The New Press as “one of a growing number of trade and niche publishers responding to changing demands from educators and students”, calling its books “unusual, satisfying, and in
demand" (Education Week, October 1995). More important than simply good publicity, this public response suggested that there indeed was an audience for the books that the conglomerates thought too marginal to bother with.

New Press lists averaged twenty-five books per season, including a handful of paperback reprints, which placed it in the same league as many competing midsize publishers under conglomerate ownership. The main difference was staff size, however: the New Press employed, on average, fourteen people not including interns, where many other midsize houses had staffs of twenty or more. General operations were similar to most for-profit publishers, except for a few key difference that belied Schiffrin's beliefs. For instance, Schiffrin consciously challenged the idea of "marginal" at The New Press, feeling that difference was its lifeblood. In its early years, The New Press developed an initiative in minority hiring that was praised in a May 1994 Publishers Weekly article by Calvin Reid. Schiffrin also began an internship program that was designed to draw people from a broad range of disciplines, encouraging a wider diversity of thought within a profession that normally attracted new employees of upper-middle-class background and ideologies. Schiffrin encouraged all New Press employees to come to editorial meetings and comment on manuscripts, with the expectation that the press's diverse staff would help break the editorial mold that many publishers' lists represented.

Another difference that distinguished The New Press from most other trade publishers was its staff distribution. Most of the time the press employed four editors, an associate editor, and three editorial assistants. Of the six or seven non-editorial employees, two normally worked in production, two in accounting and finance, and three in marketing. There were usually between three and five interns at any given time, and most of them devoted their three-month stay at the press to editorial projects, though those with interest in production or marketing could spend their time working for those departments. With such a small staff, and such a large proportion in
editorial positions or working for editors, The New Press was quite different from other houses in which the bulk of the staff might work in marketing, publicity, or administration.

This staff allocation was a conscious choice on Schifferin’s part, who felt that good books would reach their own audiences and didn’t always need the type of marketing or publicity attention that other publishers felt it necessary to lavish on their books beginning in the eighties and into the nineties. In the first years, The New Press had only one full-time marketing/publicity staff member, whose primary job was to communicate with the New Press’s distributor, W.W. Norton. Norton, an independent trade distributor known for its strength in the college market, carried out some of the New Press’s marketing functions in the first years, which were very minimal. Later, additional marketing staff was hired to fill the gaps for more prominent authors who were being sought for interviews.

This minimal-marketing approach meant that, throughout its first ten years, a title’s scope of appeal was never questioned at The New Press during the acquisition process, nor was its potential for sales. Every worthwhile book was published no matter how small its audience, sometimes resulting in titles with print runs as low as fifteen hundred copies. Titles were also acquired independent of any consultation with marketing staff, who would only read the book after the manuscript arrived in-house, in order to prepare marketing or publicity plans for the season. During the acquisition process, p&ls were done to see whether or not a book would break even, not how much could be made. Most p&ls were done after the contract had been signed, and if the title in question was shown likely to lose money in its first printing, the news was never greeted with any great dismay.

The New Press’s marketing and publicity functions were often focused more on outreach than moneymaking. For instance, some marketing plans simply involved bringing a title to the awareness of a small audience that was not normally considered to be book-buying group by traditional wisdom: students, for example, who would more likely buy the book secondhand than
new at a bookstore. Other campaigns involved bringing an idea into the arena for public debate, be it on gun control, racial profiling, or school reform. One New Press campaign for a book on race and education centered on a weekend workshop for urban teachers. The conference addressed a topic of perpetual debate in New York, and brought in hundreds of people, parents and teachers alike. Often, a campaign for fiction in translation would involve support from the New York City branch of the author’s native consulate. The consulate would treat the publication of a book as a cultural event rather than a sales opportunity, typically paying to bring the author from their country to New York, and throwing a party or a dinner to introduce him or her to fellow nationals participating in New York’s literary world.

While in most American houses the marketing department could be said to have significant influence over the house’s editorial program, the board is the only outside body that could be seen to have that power at The New Press. Formally, New Press board functions include hiring the publisher and conducting his or her annual reviews, reviewing the mission of the press, providing funding and management support, and tending to the press’s public image. Until recently, however, the board was more generally a fundraising body and also served as a sounding board for editorial issues. Board membership was very diverse, and included authors, columnists, professors and a visual artist, all of whom provided input in their areas of expertise on topics worthy of editorial attention, or writers worth watching. The board also included executives who might advise the press on business matters: one board member was a former CFO of New Press distributor W.W. Norton, for instance.

Last year, however, four new members were added and two retired, changing the balance of board members from authors and professors to a more executive-oriented body. At recent board meetings, fewer of the remaining authors and professors attended. The ones who were present spoke very little, leaving the floor to the executives. The effects of this change remain to be seen, but ultimately over time a more business-oriented board may be harder to convince of
the merits of publishing less-immediately profitable titles. In light of Schiffrin’s retirement this year, a new board may signal a serious change of direction in New Press’s function.
CHAPTER THREE: FUNDING

Though The New Press is a not-for-profit, at the most basic level it depends on the profits it makes: currently about seventy percent of its annual income is derived from book sales. Whether school texts or works of fiction, there are always a few books on each New Press list that have potential for decent sales, and these are sometimes the ones that see The New Press through the season. For instance, many book publishers were left struggling in the wake of September 11, 2001, The New Press included. While loans were always an option, The New Press had already taken one, and after a certain point, it seemed as though the press would have to try to hold on long enough to wait the bad financial period out. Then in 2002, Schiffrin's longtime author and friend Studs Terkel submitted a manuscript called Will the Circle be Unbroken?, a wonderfully life-affirming book on mortality inspired by the death of Terkel's wife the year before. With so many Americans mourning in the wake of September 11, the book struck a nerve; Terkel's words were a great comfort, and they also helped The New Press immeasurably during a difficult period.

Most books on any given New Press list, however, are printed in quantities of less than ten thousand (five thousand is the current average print run) in contrast to Will the Circle be Unbroken? which sold out its first printing of sixty thousand within a few months of publication—an surprisingly high number by New Press standards. While there is a small handful of books on each list that are expected to sell fairly well in their first few years driven by current events or political climate (Jews for Buchanan, for example, a humorous book on the 2000 presidential election written by Nation columnist John Nichols), there are others that the editors hope have potential to become backlist staples. Many New Press education titles fall into this
category, including Lisa Delpit’s *Other People’s Children*, a book on race in the classroom; or books by Herb Kohl, a longstanding figure in American education, who has at least five titles on the New Press list that, for the most part, sell fairly steadily. The New Press’s foreign fiction in translation has yielded mixed results. Some, including the French author Marie Darrieussecq who wrote *Pig Tales* and *My Phantom Husband*, have become popular backlist titles. Henning Mankell, author of a Swedish police procedural series centered on an unusually depressed detective named Kurt Wallander, became a surprise critical success when Schiffrin published the first American edition in the early nineties, and The New Press continues to publish the series in nearly yearly installments. Other foreign titles have passed quickly into paperback, in which form they normally sell small but steady quantities over the years. No matter what the genre, however, The New Press has remained quite faithful to a number of authors for a long period of time. Though different authors have produced different results, over time editors are able to predict fairly accurately the potential of a new book by a known author. This practice is a relatively stabilizing influence, in contrast with larger houses that continue to take big risks recruiting first-time authors who may or may not be attractive to the media.

The New Press depends on a certain excess of revenues over expenditures to stabilize operations, since grants are often hard to predict. However, like in most houses, cash flow is still the major financial concern. Current New Press practices make commissioned titles a particular concern. Like many houses, The New Press acquires a very high proportion of commissioned books, for a number of reasons. In the current conglomerate-dominated environment, many authors who are attempting to sell books will write in an area of proven appeal to publishers. Since The New Press attempts to fill gaps in public discourse by publishing on topics that are under-represented, the large majority of these ready-made books will not be appropriate for the New Press list. Another disincentive to publish ready-made books is the fact that a good finished manuscript will often have an agent attached and other larger publishers interested, with whom
The New Press cannot necessarily compete in a bidding war. Finally, New Press advances are relatively low. Since The New Press cannot afford to pay an author to take time off to research a book, New Press editors will often approach experts in certain fields who may not necessarily be career authors but have the background knowledge and financial support to develop a book with relatively low cost to the press. However, acquiring commissioned titles has a long-term disadvantage, which often appears during the production process.

The current New Press catalog schedule means that most books must be catalogued before a manuscript arrives. This means that when a manuscript does appear with an inflated word count, extra elements, or missing pieces, the production department often has trouble meeting the specs the books was catalogued under. Reformattting the book can delay production, and costs incurred by missing deadlines during production can add up quickly. Trim sizes and page counts also affect p&ls, and a new p&l reflecting the finished book’s actual trim and page count is often quite different from the initial estimate, and may effect the press’s financial plans if this happens over many books in a season. Finally, first-time authors are more likely to underestimate time-consuming processes like gathering permissions and assembling indexes—which often happen simultaneously with copyediting or proofreading—and waiting for these final pieces from an author often leads to expensive production delays. Many publishers deal with a high proportion of commissioned work. But ninety-five percent of The New Press’s list is commissioned, and the press’s editorially-driven agenda places priority on the content of the book over its production and marketing schedule. With so much hands-on work on such a high proportion of first-time authors and commissioned work, the resulting production delays have become a recurrent financial concern.

An unwelcome scenario for any publisher, including The New Press, appears if production delays, for whatever reason, push a book out of its season. The incoming revenue and cash flow that was expected for the title would disappear, and if forces conspired to bump a
number of books out of the season in this manner, serious cash flow problems wouldn’t be far behind. Delays would mean that major chain promotion costs would be wasted on late titles, with some houses charging a percentage of the promotion to change its date. If titles slipped repeatedly over a period of time, a house might experience a domino effect from which it may not recover if it wasn’t solvent enough to produce more titles. Long-term ramifications could affect the distributor, who would have to sell slipping titles in bookstores over again each season the title was rescheduled, causing stores to be understandably reluctant to order from a publisher whose titles never materialized.

The early stages of this scenario were common in publishing after September 11, 2001. Between the dismal financial climate, the temporary editorial “slippage”, and the production delays that resulted, many publishers, including The New Press, had a number of titles fall off their lists. A number of publishers were stretched very thin during 2002 and into 2003; especially since, as *USA Today* reported in a January 2003 article, holiday sales in 2002 were down twenty percent compared with Christmas the year before and didn’t provide the boost many houses were counting on. However, most publishers including The New Press weathered the season without significant incident and have been recovering slowly.

Foundation funding isn’t foolproof insurance against these types of cash flow problems, which are common to many small publishers. Because The New Press has such a high percentage of cash resources that would be drawn from sales, it is vulnerable to business cycles such as the downturn after September 11. The grant income that The New Press receives often doesn’t match the pattern of seasonal expenses. And since philanthropic funding cycles don’t match the cash flow cycles of publishing, the press is left in occasional difficulty when it comes to covering manufacturing expenses or vendors.

In order to prevent this, The New Press expends a large part of its fundraising efforts seeking increasingly rare general operating funds. (At any given time, The New Press employs
between two and four people who work on grantwriting: some full-time, others as needed). Most funders don’t provide the general operating support that businesses need to even out cash flow, perhaps most simply because it is very difficult to account for the way the money is spent, and nearly impossible to show the funder any concrete results for their donation. However, The New Press was able to land two substantial general operating grants in 2001 despite the bad economy: the Rockefeller Brothers Fund donated $250 thousand and the Overbrook Foundation gave $150 thousand. The Surdna Foundation also provided a considerable sum toward New Press operations in the form of a technical upgrade, which included phones, computers, and office equipment.

The press’s unusual good fortune may be due to the fact that, as the New York Times reported in an April 2002 article, “foundations have become a far more prominent charitable force over the past decade as more people newly enriched by the surging stock market established foundations to better control their philanthropy. Much of the spending increase last year [2001] was due to the increase in the number of foundations.” The same article goes on to report that “in 2000, 6,317 new foundations making grants were established, the largest since the Foundation Center began tracking such institutions in 1975.” Thus, while the economy may be in a downturn, foundations can continue to thrive after the boom that created them. This was, in the end, a good thing for the companies that were dependant on foundations in 2001 and 2002, but it is also another example of how philanthropic cycles can be at odds with business cycles, and a testament to the unpredictability of foundations’ outlays. For all businesses that depend on foundation funding, raising general operating support is the surest way to combat an uneven business environment, but these types of funds are ever more rare and time-consuming to raise.

Much more common are donations for specific programs. A foundation with a particular outlook will often get involved with a program in order to enhance its agenda, reputation, or reach in that area. For instance, the MacArthur Foundation, a key New Press funder, bills itself as a “major supporter of human rights, biodiversity preservation programs, population programs and
housing and community development,” as MacArthur president Jonathan Fanton told the *New York Times* in a January 2003 article. The grants that the MacArthur fund gives reflect these interests: as an example in the area of the environment, the fund has given $500 thousand grants in past years to several different institutions to develop cattle farming along economically sound methods. MacArthur grants to the New Press, however, are normally more general in focus.

Some funders have very specific programs, in which grants are given in certain areas. Irene Diamond and her husband Aaron Diamond, for instance, founded the Aaron Diamond fund, which made grants in the area of AIDS research and prevention. However, the fund paid out most of its $220 million in assets within ten years of Diamond’s death, and then closed. Out of this, Irene Diamond began her own foundation with approximately three million dollars for grantmaking with a strong focus on public health, which often gives grants in areas including gun control, AIDS research, immunology, and human rights, including grants to The New Press in some of these areas. Larger funders like the Rockefeller Foundation, another major New Press funder, have a wider reach. The Rockefeller Foundation, set up in 1913 by John D. Rockefeller, has a very general mandate to “better the situation of mankind in the world”. The foundation has a nearly three billion dollar endowment, which it breaks into the categories of creativity and culture, food security, health equity, working communities, and regional programs. The Rockefeller Brothers Fund, a branch of the Rockefeller Foundation, focuses on other, more global issues including sustainable development, peace and security, quality of life, and democracy. Though these may seem unrelated to book publishing, both the Rockefeller Foundation and the Rockefeller Brothers Fund have given large grants to The New Press. For instance, in 2002, the Rockefeller Foundation gave nearly seventy thousand dollars for a New Press title under their “working communities” endowment. The grant was for a single title, in the area of education and standards of adequacy in the education community.
Since, for the most part, foundations organize endowments into thematic groupings, most not-for-profits do the same. The New Press has a fluid set of categories in which many titles may be grouped. For instance, New Press photo books such as *Berenice Abbott: Changing New York*, a series of WPA photos of New York City, or *Bronzeville*, archival photos of Chicago’s historic South Side, fall into the category of arts and may be presented to funders interested in fine arts as the New Press Arts Program. The same could be said of New Press titles on education, public policy, or politics.

Education, a category that The New Press has been publishing since its conception, fits into many foundations’ public outreach mandates—the Rockefeller Foundation’s “working communities” endowment, for instance. The New Press’s education program works on a number of levels to challenge the governing views in education. New Press education titles generally defend public education over the privatization of schools, or explore more experimental education policy issues with an eye to sparking dialogue within schools, and among communities and policymakers. The New Press also publishes many teacher education titles—including books by Herb Kohl and Lisa Delpit—aimed at helping teachers bring about change from within the school system. In the same vein, the press publishes classroom materials to supplement traditional curriculum materials with alternative perspectives (a young adult reader, for instance, of gay and lesbian literature), or primary source material revealing an unusual point of view.

Perhaps the largest part of the New Press education publishing program, however, involves building partnerships with other organizations. Foundations interested in education are likely to encourage collaborative partnerships with other institutions in order to spread the impact of their funding as widely as possible. Since education is a tricky area to publicize or market without a staff dedicated to just that, collaboration with other groups, such as the American Museum of Natural History or *Teacher Magazine*, is also valuable outreach in the place of publicity. Many of these organizations will have a marketing or publicity staff of their own, who
can bolster New Press efforts with their own set of contacts. Collaboration with other
organizations could also mean the use of space for an event, as was the case in a partnership with
the AMNH; a bulk sale of books for distribution within an organization’s membership; or any
other measure to bring New Press books into the education community more directly than a
simple trade marketing and publicity campaign would. The press has also sought to widen its
reach by hosting an education advisory committee, drawing together teachers, librarians, and
administrators to discuss current education issues or host meetings across the States. The editorial
side of the New Press education program is normally managed by a single editor, which makes
partnering with other organizations an enormous, but invaluable, part of the education program.

The New Press’s gun violence program is another effort that fits well with funders’
agendas (the Irene Diamond foundation, for instance, has an endowment for gun control
concerns, and many other foundations’ public health or policy divisions cover this area). The
New Press positions its gun violence titles as catalysts for debate, and has received significant
foundation support in this area beginning with the publication of a book called Making a Killing:
the Business of Guns in America. (The Joyce Foundation, a Chicago-based foundation that
focuses on public policy reform, was a major funder of Making a Killing, and, subsequently, the
rest of the New Press gun violence program titles). Since the publication of the first gun title in
1999, The New Press has published two more titles in this area: Every Handgun is Aimed at You,
a strong statistical argument for banning handguns, and The Second Amendment in Law and
History, a reexamination of Americans’ constitutional “right to bear arms.”

As with its educational program, the New Press does heavy outreach for the guns
program. Gun violence is an area of significant interest to the American media, much more so
than education, and a strong publicity campaign has the potential to bring a book to the attention
of the general public. However, in order to bring the book into the hands of policymakers, the
press does a different kind of outreach. For instance, Josh Sugarman, author of Every Handgun is
Aimed at You, is the director of a not-for-profit think tank based in DC called the Violence Policy Center. The VPC has been a close partner in the publication of each of these titles—including Sugarman’s—providing mailing lists, marketing and publicity direction, and help with community outreach in the form of local events planning. As a national nonprofit based in DC, the center has longstanding relationships with members of the policy community, and helped to get the book into their hands.

Foundations’ tendencies to categorize issues and break social concerns into thematic groups is a handy fundraising tool, as seen in the previous examples of education or gun violence. However, this practice also has a strong effect on the organizations that seek foundation grants. Foundations depend on media, and many of the larger American philanthropies are often in the position of both garnering publicity and effecting news cycles, since the issues that they choose to champion are often ones that are highly visible in the news. For instance, during the late eighties and nineties, AIDS was a very popular focus for philanthropists, one that is since less often addressed. (The Irene Diamond fund, which was built out of the Aaron Diamond fund for AIDS research and prevention after it was paid out and closed, has a much smaller focus on AIDS and now looks more generally at public health.) Issues like criminal justice, gun control, and education are constants in the American news cycle at the moment, with philanthropists and grantees falling into place to support these issues, publicizing them and keeping the issue, the foundation, and the grantee in the news. However, as has been the case with AIDS, issues pass in and out of style. Since the war in Iraq, the American public has become very interested in national security and international affairs, for example. For a publisher to simply follow the foundation money, with the knowledge that demand for titles on certain issues fluctuates, puts them into a difficult position.

Normally, strong backlist sales are the backbone of small publishers. However, “issue” titles have decreasing longevity and even less long-term appeal as backlist titles, as the American
news cycle speeds along. To continue to follow foundations’ interests rather than focus on important books with staying power would mean the loss of important backlist income in the long term. This may be evident even at The New Press: the majority of its highest selling backlist titles, including *Working*, *The Good War*, and *A People’s History of the U.S.*, are not titles that lend themselves to easy categorization, or attract much interest from funders.

Perhaps in order to avoid the problem of “foundation demand”, The New Press has developed some creative ways to turn its own strengths into possible grant categories. For instance, from the time The New Press opened its doors, it has published fiction only in translation, addressing Schiffrin’s belief that the American literary world suffers from introversion and a lack of exposure to diverse voices. This practice has been fairly successful since The New Press is one of the few publishers in the States who focus on quality literature in translation, and the *New York Times Book Review* and the *Los Angeles Times* book review have carried articles on almost every new fiction title printed by The New Press. Over the past years, The New Press has had enormous support for its French translations from the Florence Gould Foundation—a fund devoted to European and particularly French humanities issues—in the form of a $450 thousand grant paid over three years since 2001.

Appealing to individuals for funding may also offer the New Press another avenue of financial support. Recently, The New Press has launched a dinner series called “Food For Thought”, in which individuals who are potential funders are introduced to The New Press. Dinners are financed by a New Press supporter and hosted by a special guest (past hosts have included Calvin Trillin, Katha Pollitt, and Bill Moyers). Advance reading material is assigned, and during dinner the host moderates a discussion on current events of related interest. This format is still a work in progress, and would require a part-time staff member to plan and carry out the ten work-intensive dinners a year The New Press projects. However, it’s proven to be an effective way to raise money on short notice (each of the fifteen dinner guests makes a mid-three-
figure contribution toward The New Press), and, though it’s still too soon to see long term results, the dinners may help to cultivate potential individual funders.

With its new focus on attracting individual funders, the press has also started an initiative called the New Press Frontlist. Any individual funder becomes a member of the Frontlist, although Frontlist membership doesn’t necessarily mean that an individual will take part in “Food for Thought” dinners. The Frontlist is a tax-deductible subscription-based membership program that offers New Press books, special offers and events in exchange for donations at a range of levels. Individual funders are known to be difficult to attract, so in the past year the press has reached out to upward of ten thousand individuals with a specially-designed membership catalog.

As the press attracts a larger number of individual funders, the challenge becomes to avoid falling into a “special interests” trap in which individuals dictate the direction of the press. (To be caught up in this cycle would be, in the end, no better fate than chasing trendy issues in order to earn foundation funding.) To this end, a number of general funds that The New Press has begun to develop may offer a solution. By setting up funds with very general categories, the press can re-focus funding efforts onto projects that highlight The New Press’s own strengths and priorities. The press is working to develop a number of funds under which to solicit donations from individuals, including a fund for young writers, and a fund for “diverse voices” meant to encourage minority writers. Over the past year, The New Press has been working on one fund in particular, with the purpose of honoring New Press author Studs Terkel, who celebrated his ninety-third birthday this year. The Studs and Ida Terkel Authors Fund was initiated with an offer by Terkel, who has committed a portion of his posthumous royalties to The New Press. The press, in turn, will spend the royalties (estimated at about $1 million over five years, including additional donations from foundations and individuals) to acquire the works of young nonfiction writers.
In the end, the high percentage of earned income to foundation funding at The New Press can be seen as a mixed blessing, since it has allowed the press to survive in times when foundation funding was scarce. Likewise, funding has helped when sales were slow. The high percentage of operation revenue resulting from cash flow from sales also means that The New Press can afford to take a long view on strategic planning for fundraising. However, the specifics of not-for-profit funding in a publishing environment contain another set of problems, which will be explored in the next chapter by examining one particular title in detail.
CHAPTER FOUR:
CASE STUDY

As described in the last chapter, the New Press looks for funding for general operations, or, more commonly, by program area. In many instances, the press will send a letter to a particular foundation contact that outlines the press’s work in areas that overlap with the foundation’s interests, in hopes of receiving general support for the program. In other cases, the press will watch for new funding programs, which may correspond with projects underway in-house or suggest new issues for the press to consider. At times, the press will generate projects in the hopes of interesting a particular foundation. Funding may also come to the press through an author or by an affiliation to another group already known and supported by a foundation. (Cultivating relationships with these foundation contacts is a full-time job for at least one person, and a part-time job for up to three or four others at the press. Not only does the press spend considerable time tracking foundation timelines and renewing existing grants, it also researches new foundations and funding opportunities, meets with prospective funders, throws dinners and cocktail parties, and completes reports to foundations—a very time-consuming process by which the press accounts for how the funder’s money was spent, detailing the impact of the grant.)

Regardless of how the grant is raised, the money itself more often than not comes into the press in the form of funding for one particular book. For instance, in a recent contribution to the New Press, the Ford Foundation gave a grant earmarked for the New Press human rights program. A grant for a specific program can’t be used on general staff or infrastructure, and so the funding normally goes toward specific projects. In this case, the money was allocated for the marketing campaign of an individual book. “Foundation titles”, as they’re called at the press, occupy a very different place on the New Press list than the other titles. Like other New Press
titles, foundation books can be found in libraries, chains and independents, and in all the other retail outlets that Norton distributes to. Foundation books appear in the semi-annual New Press catalog, and are presented to the Norton sales force with all the other titles. Foundation books also appear as part of the New Press list at trade conventions and in trade journals. But, unlike the handful of New Press books that generate profit to be put toward other, less lucrative books, foundation titles, as a rule, stand alone and sell fewer copies. On a typical list of twenty-five books, an average of two or three of these will be foundation titles. One such "foundation title", *Invisible Punishment*, had a very typical development, and is a good example of how other foundation titles fit into the practical operations of The New Press.

*Invisible Punishment* evolved out of The New Press’s criminal justice program. The New Press began to develop the program in 2002, launching it on the strength of many prior criminal justice–related titles that the press had financed out of its own general operating budget. These titles had sprung from the interest of one particular editor who developed works on topics as diverse as racial profiling, prison reform, juveniles and the law, gun violence, death penalty issues, and drug rehabilitation. The list of works the New Press published in this area grew, and with it, the press’s reputation for publishing worthwhile criminal justice titles. Soon, the press saw it as an opportunity to formalize the group into a program with which it could approach foundations for funding.

Like the New Press education or gun violence programs, the criminal justice program, as it presented itself to foundations, had some specific goals. Primarily, in order for the program to be attractive to funders, it had to identify the latest issues in a broad range of criminal justice, law, community justice, and human rights areas. The program had to be shown to catalyze public debate in these particular areas, making relevant policy and practice recommendations. By publishing pioneering works in these areas and addressing topical issues of current concern, the press could be said to take on the role of policy advocate, a position especially satisfying to
funders interested in seeing concrete results for their donations. Criminal justice in the States has been a popular topic in the news media, and there were no shortage of issues to confront. At the time of the criminal justice program’s conception, and even now, stories on the state of healthcare in prisons, police brutality, racism in the penal system, women and the law, or law and the constitution continue to cycle through the news.

As with its education and gun violence programs, the press had to show that it could maximize its reach by building partnerships with other criminal justice-oriented organizations. Ideally, the press would be positioned as a hub of criminal justice expertise, to which other organizations doing related work could be referred for information. The press had in fact made a number of such partnerships already, having worked with the Violence Policy Center on gun issues, or the ACLU on civil liberty topics, for instance, during the course of work on other, non-“foundation” titles. These affiliations were useful for organizing talks and planning panel discussions, finding candidates for special sales, and bringing a particular issue to the criminal justice community in general.

One such affiliation was with the Sentencing Project, a Washington-based research and advocacy body in the area of criminal justice. The Sentencing Project’s associate director had penned a race- and class-based analysis of mass incarceration which The New Press had published a few years before the criminal justice program had begun. A new book edited by the same author was under contract during the period that The New Press was soliciting funding for its criminal justice program, and was going into production just as the JEHT foundation approved a large grant for the program. The timing worked out so that when the grant was approved, the JEHT funds were put toward the new title, called *Invisible Punishment*.

*Invisible Punishment* was acquired as a collection of essays on incarceration policies and their impact, which included works on topics as diverse as police action, prisoner re-entry, women and crime, public policy, and crime reform. Contributors included a former vice president
of the American Society of Criminology, former director of the DC Public Defender Service, and others with similar affiliations to American criminal justice institutions. A few of the essays may have been written especially for the collection, but most were taken from contributors’ prior research, articles, or reports written for affiliate organizations or institutions. The volume editor and in-house editor worked together to choose contributors and selections, with support from the volume editor’s affiliate organization The Sentencing Project.

Though *Invisible Punishment* was a foundation title, it was acquired like other regular list books, which is not always the case. In some cases, grants are attached to certain authors and are given after the acquisition of a title. (For instance, an author with a good relationship with a funder may receive foundation support for a book to be published with The New Press, funds that the foundation may or may not have offered the press for another author.) Some grants are given before the title has been acquired, but with specific instructions on how the money is to be used. In a few cases, a funder may collaborate with an editor to offer potential contributors, especially if the funder is an organization with a reputation for expertise in a particular area. Very rarely, a funder will have access to the manuscript before it goes into production, and may suggest changes.

The bulk of JEHT’s contribution toward the New Press criminal justice program went toward marketing and publicity for *Invisible Punishment*. This is common with foundation titles, since, as mentioned, most foundations are reluctant to give general operating support because of the difficulty of accounting for how the money was spent. Likewise, since it is part of a foundation’s job to garner awareness for an issue, philanthropies are more likely to donate funds earmarked for marketing and publicity than they are for book production, for example. In this manner, if the issues explored in a title are close enough to the funder’s agenda, publicity for the title will raise awareness for the cause and, at the same time, for the funder.
This book, however, was not marketed in the same way as most non-foundation New Press titles. Most New Press books are catalogued, and distributed by Norton through standard trade channels into chain and independent bookstores. Marketing is done in the form of targeted category catalogs (education, for instance, or American history), conference attendance, special sales and promotions, and some advertising for larger titles. Publicity for most New Press titles is focused on generating book reviews, with some attention to book-related radio and TV, or print features for larger titles. Foundation titles are included in all New Press promotions, and most foundation titles are mailed to standard list of book reviewers.

Promotion for *Invisible Punishment* included all these things, but was different in a few basic ways. First, the foundation funds were used to hire two freelancers. Since this was a project that had not necessarily been accounted for in the marketing department's workload, and since the completion of a successful marketing campaign could lead to long-term funding from the foundation, temporary staff who could work full-time were necessary. For most grants that involve publicity and marketing funds, this is not unusual. Grants for marketing can be quickly spent on ads, but marketing grants are rarer than grants for publicity, which can range upward of ten thousand dollars. An average tour for a foundation book, however, rarely costs more than a few thousand dollars for travel and accommodations. Planning a four-city tour with events and media at each stop ends up costing more in in-house publicity labor than the tour itself. For this reason, most foundation grants in the area of publicity end up going to freelance publicists.

The freelance duties for *Invisible Punishment* were broken down into marketing and publicity categories. The marketing staffer was responsible for overseeing the entire project, including managing the timeline and budget, working with the freelance publicist, and directing the outreach for the book. But since this was a foundation project, there was a small difference. Not only did the book need to be marketed in such a way as to produce the standard sales figures,
the campaign—like most funded by foundations—also had to be shown to have a demonstrable social effect, since most foundations focus on effecting concrete change.

In response to the need to reach out beyond the standard book marketing venues, the marketing freelancer chose some areas of focus including the African American community, the faith community (which would also overlap with the African-American community), and appropriate legislators. Each area was approached in a different way. For instance, a press kit mailing to the National Association of Black Journalists was proposed, along with an author appearance at an upcoming NABJ conference, aimed at raising awareness among African American journalists of the issue of incarceration. A brochure was constructed for the faith community and mailed to the Progressive National Baptist Convention and Southern Christian Leadership Conference members, with information on how to get involved in criminal justice issues in the community. Members of the Congressional Black Caucus and National Black Caucus of State Legislators were mailed a brochure and press materials, in order to raise awareness among legislators of the collateral consequences of incarceration.

Publicity also took a slightly different course for *Invisible Punishment* than it would have for a non-foundation title. Standard mailings to book review venues and other traditional book media were done, the yield of which was expected to be low since most book reviewers focus on through-written books rather than collections, and trade titles rather than policy books. The freelance publicist, a former hard-news journalist who was also very familiar with public interest groups in the area of criminal justice, took a more focused approach. Rather than pitching *Invisible Punishment* as a book, the freelancer presented it as a collection of findings reported by a series of experts. From this perspective, he could pitch each contributor to the news media as an expert commentator on their individual "report" area. His focus was on editorial boards, African-American networks, columnists who wrote on race and justice, as well as investigative reporters. The freelancer set up editorial board meetings with the *New York Times* and *USA Today*, and
arranged reporter briefings to bring the issue of mass incarceration and its consequences to journalists’ attention. He also honed a few contributors’ pieces into op-eds, which were pitched to major papers in target cities. In each case, publicity efforts were meant to raise awareness of the ripple effects of mass incarceration; first in the media, then within communities and families.

As the campaign came to a close, the freelancers took stock of their efforts in a report meant to help the JEHT foundation account for the way in which their grant was spent. To all appearances, the book had done very well. The marketing effort had reached a valuable audience, and the publicity campaign had resulted in some well-placed coverage including a front-page *Washington Post* piece and a *New York Post* article, as well as some important radio and TV interviews including NPR’s “All Things Considered” and “Religion and Ethics Weekly” on PBS. Gross domestic sales jumped from 166 units to 441 in May 2003 when the book began to get publicity, and remained above three hundred through June, July, and August, before dropping again in September. From the perspective of The New Press, which had printed only about five thousand copies of the book and advanced approximately three, these sales were quite good.

However, the money spent on marketing and publicity was considerable. The New Press earned less than half of the $26.95 hardcover price after retail discounts, printing costs, and author royalties (and not counting the sale of paperback rights, which the press retained) for an approximate profit of $60 thousand over 5000 copies. The marketing and publicity costs were much higher than this, and, had they come out of the New Press budget, would have made this type of campaign untenable. *Invisible Punishment* would most likely have sold more slowly but just as steadily without the added publicity efforts (as the author’s previous books had done in the past). In the end, *Invisible Punishment*—and perhaps other books like it—may demonstrate the limitations of a huge marketing budget and its effect on sales.
From a foundation perspective, however, the value of such a campaign is measured by another set of standards. Foundations are likely to judge a successful book campaign as one that has brought publicity to an issue, and, indirectly, a funder, as well as caused a positive change that a funder can appreciate. Yet for foundations that want to see a social impact for their donation, providing evidence of such a change is very difficult in context of a book campaign, especially when the author has not necessarily conceived of the title for that purpose. For instance, when the criminal justice program was being pitched to foundations, New Press objectives included items such as raising awareness of the collateral consequences of mass imprisonment to the level of issues like racial profiling, and stimulating activism and reform on issues outlined in *Invisible Punishment*. However, making the collateral consequences of mass imprisonment into a household issue would likely take much longer than the three months’ worth of publicity allotted to the book, and would require a dramatic news hook to bring it into public consciousness with any staying power. Similarly, although the book was brought into the hands of legislators and community leaders, any kind of reform activity would require a sustained lobbying effort to produce an effect. And unlike education, which has a more manageable network that is less difficult to locate within a community or state, there are many diffuse issues in the area of criminal justice, and countless criminal justice concerns competing for the attention of the public. So, although *Invisible Punishment* was a successful book by New Press standards, it is infinitely more difficult to demonstrate the immediate social impact of a book by foundation standards.
CONCLUSION

The divergent agendas of The New Press and its funders may be one of the largest challenges that the press faces, apart from day-to-day business concerns. In the end, it is difficult for The New Press to ignore the modest bottom line required to keep the press running, and rather than freeing the press from profit concerns, foundation funding can sometimes serve to divide the press’s priorities. In that sense, the question of what foundation funding adds to The New Press, and whether or not the press has fulfilled its mission, becomes a difficult one to answer in certain terms.

From a business perspective, the press has done very well. The year 2002 marked The New Press’s tenth anniversary, and has reinforced the idea that not-for-profit publishing on a large scale is a viable option. The combination of grants and earned income helps to even out cash flow, one of the main challenges for a small or mid-sized publisher. Recent general operating grants have helped the press immensely, and foundation-supported titles usually do well, normally selling through their relatively small advances. The extra backing also allows the press to compete with other midsize trade houses under corporate ownership.

The future is changing for not-for-profits, however. Grant giving has been on a decline: an April 2004 New York Times article found that foundation giving has dropped 4.7% in the past year. Whether this is a product of the recent dismal economy, as the Times surmises, or a long-term trend as some in the not-for-profit world fear, remains to be seen. However, the reality is that of the 65,000 funders in the States today, most of the grant giving in arts is done by a handful of large foundations like the Irene Diamond Fund or the Rockefeller Foundation upon whose good graces, and good fortune, not-for-profits depend. In response, The New Press has been adapting with some creative fundraising initiatives: by cultivating individual supporters and
setting up its own trusts, as described, the press hopes to diversify its funding structure to reduce the risk of depending too heavily on a few sources of income. As the press moves away from soliciting funds from large foundations, however, fundraising becomes increasingly intensive. It is difficult, for example, to keep track of small foundations, their agendas, and staff, and considerably more time-consuming to do the same with individual donors. To support a business the size of the New Press with grants from smaller foundations would likely require a dedicated staff, one that might cost more in wages than the press could hope to raise from these sources in the long run.

As larger publishers adapt to recent hard times, some have entered territory that has normally been the domain of smaller publishers and not-for-profits. For instance, while not-for-profits turn their attention to pursuing grants from individuals, a number of large houses have started to draw regular support from large foundations. Doubleday has recently received funding from the Sloan Foundation—a major grantmaker in the areas of science and technology—for a new eight-book series on American inventors (PW Newsline, February 2004). The Sloan Foundation had also helped Simon and Schuster indirectly in 1995 when it donated $100 thousand to Pulitzer Prize-winning author Richard Rhodes for a book on nuclear science (The New York Times, August 1995). As this practice becomes more common, not-for-profit publishers may well be concerned that the high-profile authors and greater reach of large houses may be more attractive to foundations, who seek to publicize their causes as widely as possible. In this sense, The New Press has a slight advantage over other not-for-profit publishers, which tend to be very small and specialized, but are otherwise very similar in terms of interactions with foundations.

One of the press’s great strengths has been its ability to adapt to changes in the publishing environment, and it is reasonable to believe that the press will find a way to operate into the future, especially if the continuing commercialization of publishing makes interesting books ever
more scarce. However, the question remains whether The New Press can continue to publish these types of titles while dependant on foundation support.

To begin with, while The New Press shares its funders’ desire to make a difference, their agendas diverge from there. The main point of departure between The New Press and its funders concerns the way foundations deal with ideas: philanthropies are most effective when they push focused agendas rather than attempting to foster the exchange of ideas in general. (This is another reason that foundations give The New Press grants for individual titles more often than for general operating fees.) The New Press, in order to earn funding, must show a commitment to a particular foundation’s agenda. However, with so many different foundations and such a diverse range of issues, the press’s own agenda risks being lost, especially as the press continues to pursue a larger bulk of individuals and smaller funders, who tend to be even more narrowly focused than large funders.

Another difficulty lies in the fact that foundations—as bodies set up to effect social change—are most likely to give grants to organizations that can produce concrete social results. The closest that the press can come to that is to develop meaningful partnerships with organizations that do produce quantifiable change. However, the web of affiliations associated with each “issue” area is enormous, and requires constant personal contact to maintain. The press must spread its focus over many issue areas to access the largest possible number of potential funders, and the farther it stretches, the harder it is to maintain these contacts. This is an especially grim outlook, especially if competition for dwindling grant money means that higher levels of social commitment are expected of a grantee in exchange for foundation support.

Finally, the relationship between grantmaker and grantee has become more complicated as competition for grant money increases. With some foundations, especially smaller ones, the relationship may border on that of an employer to an employee, with the recent extreme of one funder having had a small amount of editorial input on a New Press title. Should a trend continue
toward allowing foundations control of editorial content, not-for-profit publishing may no longer be a viable means of combating the market censorship involved in corporate publishing. This conflict could be seen as a necessary evil if these foundation titles allowed the press to publish other titles, just as many publishers had traditionally depended on bestsellers to finance less commercial titles. With the current funding structure the hope is that, although most funds end up paying for publicity campaigns for foundation books, the publicity for a book may drive sales high enough that proceeds from a foundation title might cover costs of other titles. However, foundation titles have relatively low print runs, and the money earned from these titles—once the cost of in-house fundraising resources is taken into account—is generally not enough to re-invest in other books. (Of a possible $60 thousand profit earned for Invisible Punishment, for example, nearly all could be said to have been spent on the salary of one of three New Press fundraising staffers, unless the title becomes a backlist staple—which many don’t, as mentioned.)

There are no simple solutions, and, if foundations continue to trade in easily-categorized issues and media exposure, the challenge for the New Press into the future will be less about financial survival than about guarding against the type of market censorship that springs up in the philanthropic marketplace of ideas. As a force for concrete social change, the New Press is a tiny piece of a very large puzzle. However, as a source of new ideas, it has enormous potential if it can sustain its mission: in 2002, Schiffrin announced his intention to retire, and gradually brought in fewer titles until, last year, he moved to Paris to acquire French titles for the press. The press continues, but it is a very different place without him.
WORKS CITED


Shapiro, Laura. “Publisher at the Barricades.” *Newsweek*, March 19, 1990.


