

5-2015

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Meagan Lobnitz
Portland State University

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Recommended Citation

Lobnitz, Meagan, "Independent Publishers and Transition to Nonprofit: Distress Call or Mission-Based Evolution?" (2015). *Book Publishing Final Research Paper*. 9.
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Independent Publishers and Transition to Nonprofit: Distress Call or Mission-Based Evolution?

by

Meagan Lobnitz

Submitted in partial fulfillment of the requirements for the degree of

Master of Science in Writing:

Book Publishing

Portland State University

May 14, 2015

Research Question:

In a current trend, some small and medium independent presses are seeking nonprofit status. Will or has this increase in nonprofit independent publishers improved space for underrepresented voices in publishing?

It has been widely reported in recent years that a few independent publishing houses, which were formed as for-profit organizations, have adopted nonprofit status. Given the sheer quantity of independent publishing houses in the United States and the complexities involved with establishing and maintaining nonprofit status, it is worthwhile to explore whether or not there has in fact been growth in nonprofit publishing houses in recent years, to consider if that growth is indicative of a trend, and to inquire what factors may lead to the success or failure of nonprofit independent publishers. Furthermore, it is useful to consider the role of the independent publisher in American publishing, how that role may or may not be impacted by nonprofit status, and by that contemplate what a trend involving an increase in nonprofit publishers might mean to independent publishing overall.

To begin with, this paper will consider independent publishers in the broadest of terms, in that although many are “incorporated, they are independent of the major conglomerates that dominate the book publishing industry” and include small, mid-size, and university presses (“What is Indie”). This research also acknowledges that the concept of nonprofit publishing houses is not new. Nonprofit models for publishing have existed in America as long as the publishing industry has. What makes the topic relevant in contemporary publishing is the means by which nonprofit publishers originate. If there is an increase in independent publishers that are implementing nonprofit business models, if there is an increase in new presses that are founded as nonprofits from the onset, or even if independent publishers are adopting nonprofit status for reasons unlike those that have done so in the past, it would point toward a trend in independent publishing that is worth exploring. Such a trend could indicate a more ubiquitous inclination toward nonprofit publishing, which may serve as a comment about the current state of the industry. A good place to begin discovery is with the recent announcement by widely known

American independent publisher, McSweeney's Publishing, that the press will transition to nonprofit status.

McSweeney's was established by Dave Eggers, who remains the current publisher, as a for-profit press and has existed as such since 1998 (McSweeney's Publishing). Originating as a "literary journal that published only works rejected by other magazines," a concept that was soon abandoned, McSweeney's has continued to publish its prototypical quarterly journal and a monthly magazine, as well as comic-based books, art portfolios, children's books, and dozens of fiction, nonfiction, and poetry books. When the publisher announced the intention to switch to nonprofit status on October 15, 2014, the easy and most prevalent assumption was that the press was in financial crisis and that the move was designed to offset an inevitable and perhaps catastrophic fiscal decline. One such proclamation came from Claire Fallon of *the Huffington Post*, who stated that the "announcement . . . that independent publisher McSweeney's plans to become a nonprofit inevitably carries a note of gloom" (Fallon). The article goes on to say that "Though described as 'very good news,' it's clear that financial struggles played a large part in the decision" and that "Such a public reminder of the continuing struggles—particularly for independent presses—might naturally lead book-lovers to reflect darkly on the unhappy future of the publishing industry" (Fallon). There is an alternative to this dire narrative, however, one embodied in Michael Larsen's antithetical statement that "There has never been a better time to be a writer and a publisher. We are blessed with more good books than ever before" (Larsen). More likely, the state of publishing rests somewhere between the reductive terms used by both Fallon and Larsen, in that it is far more complicated and involves issues related to intent and desire, not merely viability and outcome.

Fallon does speak to this complexity by saying that “McSweeney’s pivot to nonprofit . . . is a reminder that profit-making always sits uncomfortably in certain ventures . . . [McSweeney’s] mission was to produce meaningful well-crafted art rather than commercially appealing products” (Fallon). Ignoring the writer’s disheartening use of past tense when referring to the press that very much still exists, Fallon raises an interesting point. How does an independent press such as McSweeney’s, one with a clearly defined mission to “[publish] outstanding new writing in a wild variety of forms,” reconcile the need to market, sell, and earn gains from that art (“McSweeney’s”)? While there is little doubt that financial concerns are part of the motivation to switch operation models, based on Dave Eggers’s statement that McSweeney’s has “always been a hand-to-mouth operation, and every year it gets just a little harder to be an independent publisher” (McMurtie), it may be hasty to attribute the decision to so pure a circumstantial reaction. In addition, without providing specific financial details, Eggers “said the company had been talking about becoming a nonprofit for five years, possibly longer,” which indicates that the decision is not rooted in desperation as much as in careful deliberation. Furthermore, it bears consideration that the establishment of nonprofit status hardly indicates a last-ditch effort to generate a working business model; not only can nonprofit organizations function well, but the steps to acquire nonprofit status are arduous and there is no quick financial relief. In fact, nonprofit status may do far more good for a publishing house long term, and less so provide immediate economical respite or rescue from the brink of financial disaster. To better understand the role that the financial state of McSweeney’s may have in Eggers’s decision to transition the company to nonprofit, it is important to identify some of the differences between the financial motivations of for- and nonprofit publishers.

There are many independent publishing houses in the American publishing industry that currently operate as nonprofit. Some, such as Graywolf Press, Heyday Books, Copper Canyon Press, and the New Press, are medium to large nonprofit publishers and have a long history of publishing successful books and maintaining solvency, while others like Milkweed Editions, Coffee House Press, White Pine Press, and Dzanc Books are smaller presses and work to maintain their diminutive publishing cycles, yet do so on an ongoing and fiscally consistent basis. In either case, much of what sustains nonprofit publishers are results of fundraising via their nonprofit missions. Nevertheless, it is critical to understand that nonprofit publishers do not abandon traditional sales and marketing strategies, nor do they operate without clear profit and loss objectives.

In reality, all publishers do seek to sell books. Heyday's editorial director, Gayle Wattawa, is clear on the issue when she states that "the change in status definitely doesn't alleviate financial pressures—it simply shifts the focus of the pressures a bit. Most nonprofit publishers make around 50% income off of book sales and 50% off of foundation grants and individual donations" (Wattawa, "Query"). Simply put, sales matter. In 2006, Graywolf Press ran an intense fundraising campaign, "with the goal of dramatically raising its profile in the industry by providing larger advances to authors" (Staff). The aim of such an operation includes increased visibility of the books issued by Graywolf, which is directly linked to sales. Targeted sales outcomes do not separate for-profit and nonprofit publishers; it is instead the channels through which those profits eventually travel that most greatly distinguish the types of presses, along with what happens when profit outcomes are negative. While for-profit houses can choose what to do with profits, nonprofit publishers are required to return sales profits to the original funding destination, since the "law does not prohibit a not-for-profit from making a profit; however, all

profits must be funneled back into the management or programming of the organization” (“Not-For-Profit”). In the case of publishing, however, what the for-profit business is free to do and the nonprofit organization compelled to do likely filters into the same basic structure: Overhead costs, salaries, general upkeep of the publishing company, and, of course, funds for marketing and publicity. Heyday founder and publisher, Malcolm Margolin, notes that Heyday is “as concerned about solvency and money as everyone else is, but it’s a problem to be solved rather than a goal” (Kinsella, “Heyday, California”), which suggests that a nonprofit publisher may view profit through a different lens, but is not dismissive of it altogether. The most interesting distinction, then, is related to losses, not gains—while for-profit houses must simply repeat the cycle of acquire, publish, sell, and gain or lose profit, nonprofit publishers have an additional option. When faced with losses or poor projections, nonprofit publishers can seek funds via channels available to companies with that status, and may tap into cultural sensitivities regarding nonprofit organizations.

As Wattawa points out, the 50 percent income that Heyday earns from book sales is critical to the press (Wattawa, “Query”). However, it is the 50 percent that is acquired via fundraising channels that distinguishes Heyday from for-profit houses. When asked about the potential pros of nonprofit status as an independent publisher, Abbey Gaterud, publisher for the nonprofit Ooligan Press and founder of small publishing company Blueroad Press, notes that grants, donations, and a different tax structure can all be viewed as positive elements (Gaterud). Asked the same question, Wattawa says that operating as nonprofit means that Heyday has been able to partner with some foundations that would not otherwise be affiliated with publishing, groups that are interested in the press’s ongoing connection to cultures and histories specific to California State. She adds that while the sales of Heyday’s titles may in many cases not support

the cost to create them, the foundations that partner with the press consider success in different terms, mainly that the titles work to highlight relevant cultural details (Wattawa, Phone). That success can be seen through unique measurements unrelated to sales figures provides insight into nonprofit publishing as a whole—outcomes are not *only* measured in terms of profitability, but also depend on adherence to the organizations' missions.

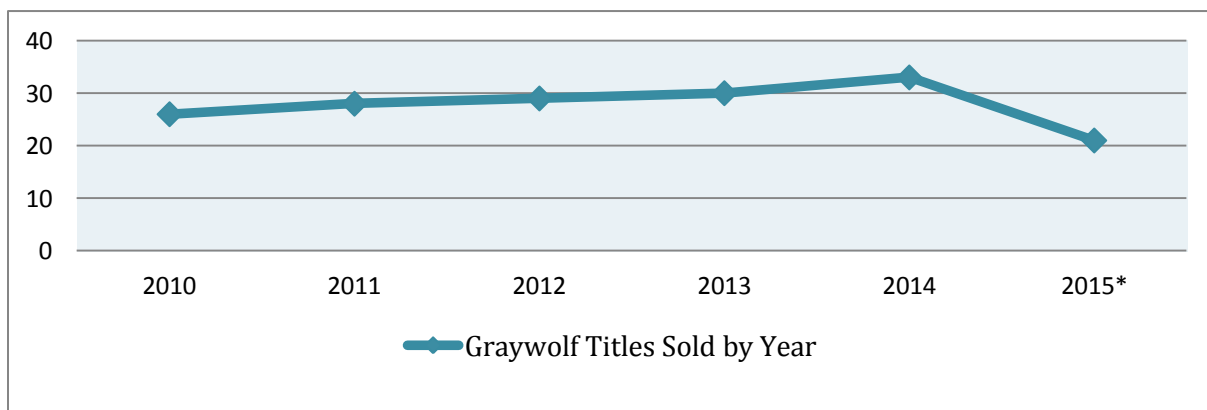
Considering the vast difficulty that all publishers experience in trying to forecast sales outcomes, the extra means by which to produce favorable financial conditions is one reason why nonprofit publishing can be seen as more, not less, economically sound than for-profit models. For this reason alone, it may be too hasty to assume that McSweeney's motivations are purely desperate; there may be an element of thoughtful consideration about how best to achieve more predictable objectives.

Indeed, Eggers comments that "It just seemed that increasingly so many of the things that [McSweeney's] wanted to do were nonprofit projects and were not really things that you could reasonably expect to break even on" (McMurtie). McSweeney's memo to the public announcing the change says "We believe that becoming a nonprofit will allow McSweeney's to sustain itself for many years to come, with the help of an expanded community of donors, writers, and readers. We want to continue to pursue a wide range of ambitious projects—projects that take risks, that support ideas beyond the mainstream marketplace, and that nurture emerging work" (McSweeney's Publishing). Based on these statements and Eggers's assertion that nonprofit status has long been on his mind, nothing about the way that this particular independent publisher arrived at the decision to transition from for-profit to nonprofit seems to be hasty or reactive. Instead, the process seems to be the end of a long period of consideration, one based in the idea that the critical outcome is survivability of McSweeney's mission over that of any

profitability. If mission sustainability is truly at the core of McSweeney’s decision to become nonprofit, might it also be the defining basis for other independent publishers that choose nonprofit models?

To better understand the outcomes experienced by nonprofit publishers, it is useful to note that such a transition often paves the way for more stable, if not entirely favorable, fiscal outcomes. Take, for instance, two of America’s longest-standing nonprofit independent publishers, Graywolf Press and Heyday Books. Both companies were founded as passion-project, for-profit independent publishers. Graywolf originated in 1974, and the founding publisher, Scott Walker, wanted to open space for the often undervalued genre of poetry; working with limited finances and a small group of colleagues, Walker published poetry chapbooks on a letterpress—the manuscripts were then hand sewn by Walker and his group. The publishing house grew, and expanded its list to include novels, short stories, memoirs, and essays. In 1984, the press transitioned to nonprofit status and has since grown to be one of the leading nonprofit publishing entities in the country (“History”). From 2010 to 2014, the press published an average of over twenty-nine books per year, at a steadily increasing rate. By May 2015 alone, Graywolf published twenty-one titles (“All Books”). This systematic growth suggests that the nonprofit model works successfully for this company.

Figure 1



Heyday's origin is not dissimilar to Graywolf's; founding publisher Malcolm Margolin established Heyday Books when he discovered how much joy it brought him to produce a book from beginning to end (his 1974 title, *The East Bay Out*), without worrying about the semantics of genre confines or other big-publisher concerns (Bancroft 67–68). From this origin, Heyday began to produce books that have a strong, unifying theme—exploration and honor of the multifaceted, multilayered cultures and landscapes of California.

The work that Margolin and his team completed early on highlighted important elements of California history that had largely been overlooked, and their efforts caught the attention of local cultural foundations, many of which expressed interest in contributing funds to similar projects. Wattawa notes that being a for-profit publishing company requires working through a fiscal receiver, which is an outside entity that bridges the gap between a nonprofit organization, the donors, and the for-profit recipient, in this case Heyday (Wattawa, Phone). In one example from 1987, the San Francisco Foundation wanted to help fund Heyday's new magazine, *News from Native California*; they gave a grant to a fiscal receiver, Intersection for the Arts, that deducted 10 percent as a service fee and gave the rest to Heyday (Bancroft 214). This type of financial transaction became increasingly common for Heyday. Eventually, Margolin notes, the publishing house "became more and more dependent on the foundations" (Bancroft 215). With much of their bottom line reliant on outside resources—funds that had nothing to do with the actual sales profits of their publications—Margolin "realized that the organization was functioning . . . as a nonprofit" (Bancroft 216). Margolin established the nonprofit Heyday Institute in 2003 (Bancroft 216). Margolin remains the publisher, and Heyday remains a force in independent publishing, releasing an average of twenty-five titles each year.

It is worthwhile to note, particularly when considering the circumstances surrounding McSweeney's recent decision, that Heyday Books was decidedly not in a stalled financial position when Margolin chose to change models. In fact, the company's "revenues [had] grown from around \$400,000 [in 1999] to \$1.5 million [in 2002]" (Kinsella, "Heyday to Become Nonprofit"). At the time, Margolin commented that "becoming a nonprofit will help support the press's editorial mandate and help secure its financial future," a prediction that seems to have been proven correct, and also reflects Eggers's concern that McSweeney's mission be paramount in the press's outcome.

From the time Margolin created and sold *The East Bay Out* from his home in 1974 until now, the publisher's mission has evolved upon the desire to "promote widespread awareness and celebration of California's many cultures, landscapes, and boundary-breaking ideas. Through our well-crafted books, public events, and innovative outreach programs we are building a vibrant community of readers, writers, and thinkers" ("Our Mission"). Of operating as a nonprofit, Margolin says "this place, Heyday, exists on the kindness of the world. It exists on people who give me money to produce books" (Bancroft 220). Margolin's attitude toward the nonprofit status of the company not only lacks any hint of Fallon's sense of gloom, it is entirely positive, even grateful.

Graywolf Press has also not strayed far from its early mission, and remains "committed to the discovery and energetic publication of contemporary American and international literature. [The press champions] outstanding writers at all stages of their careers to ensure that diverse voices can be heard in a crowded marketplace" ("History"). Speaking to the press's nonprofit status, the Graywolf website states, "88% of all donations go toward our mission, but we are also dedicated to the sustainable growth of Graywolf Press." It is clear that neither entity is on the

brink of financial ruin; rather, their nonprofit statuses over recent decades seem to have bolstered their growth and sustainability.

Heyday and Graywolf are not alone in their efforts as nonprofit independent publishers. In 1970, Allan Kornblum founded Toothpaste Press to “began publishing exclusively letterpress books and pamphlets of poetry” (New Pages). In 1983, Toothpaste Press was dissolved, and Kornblum moved to Minneapolis and opened the nonprofit publisher Coffee House Press. Speaking to his decision to operate the new press on a nonprofit model, Kornblum says the choice was about growth and the ability to reach a wider audience: “Publishing is a capital-intensive proposition. You either have to inherit the money, have investors invest the money (in which case they expect their money to come back with a share of the profits), or become a nonprofit and have people donate the money” (New Pages). Now, “Coffee House is an institution, one of a handful of elite small presses that have created a place in the book market for ‘writers of merit that don’t have quite the audience to generate [the numbers required by bigger houses]’ as Kornblum explains” (Teicher). In 2009, Kornblum determined a way to use grant money that should move the company completely out of debt over a ten-year period (Teicher). As with Graywolf and Heyday, Coffee House has been able to use its nonprofit status to secure a lasting position in the publishing arena.

As the founding editor of Archipelago Books, Jill Schoolman has also leveraged a nonprofit model to build a foundation for her press. The press focuses on publishing foreign-language works in English translation, and in just over ten years, Schoolman “published more than 100 books” (Satterlee). Schoolman attributes this outcome to her decision to run the press as a nonprofit, noting that it “has allowed [her] the flexibility to follow her eclectic tastes” (Satterlee). In 2012, the nonprofit independent publisher Feminist Press was able to acquire “the

first e-book about the Russian punk band, Pussy Riot” (Deahl), a risky venture that the nonprofit was able to undertake via donated funds. Such ventures demonstrate that the central concern for nonprofit independent publishers often lies in the desire to publish works that otherwise might not be introduced to the marketplace.

It is hard to discuss nonprofit independent publishers without mentioning Beacon Press, which is more than 161 years old. Beyond the impressive longevity of the press, however, is the relevance of its present state in relation to nonprofit models; in April of 2015, the publisher “added two senior editors to its staff, and is padding its list from 35 titles a year to 45” (Rosen), which is substantial growth—an increase of titles per year that nears 30 percent—for such an established press. As with previous outcomes, Beacon’s move to expansion suggests that nonprofit houses are successfully maneuvering within the unique industry space they occupy.

Although not as old as Beacon, the Jewish Publication Society is a nonprofit publisher that has been steadily in business for 127 years. The durability of both publishers may be related to the fact that each are overseen by separate nonprofit entities with vested interests in their vitality, both of which are religious organizations. In the case of Beacon Press and the Jewish Publication Society, the value systems of the governing religious bodies are disseminated via the materials each produces and in that way, despite their nonprofit underpinnings, these presses are closely related to a dependent press, one that requires ongoing financial sustenance from an outside body. Nevertheless, it is interesting to consider that both presses remain relevant in today’s publishing industry while existing as nonprofit organizations.

In light of the many positive nonprofit publishing outcomes reviewed here, it is possible to adopt too kind a perception of the model. In fact, there are some real drawbacks and potential dangers involved with nonprofit publishing. In September of 2011, Children’s Books Press

ceased operations due entirely to financial concerns. Former sales and marketing manager Janet Del Mundo says that this was in large part due to a “critical absence of members with publishing experience on the [press’s] board” (Werris). Dana Goldberg, the press’s executive director, also “points to the challenge inherent in running a nonprofit publishing company,” noting that the ability to seek outside donations does not mean fundraising efforts will meet expectations (Werris). Goldberg notes that since the press was a niche publisher and the vast majority of its titles were sold to schools and libraries, sweeping federal budget cuts proved more than the nonprofit could withstand. This may connect directly to Del Mundo’s claims, since the addition of seasoned publishing professionals to the board may have led to an early prediction that niche publishers need to diversify their market and resources; maybe this would have led to fundraising campaigns in areas external to the federal resources that were eliminated. It is not possible to make a firm assertion, but Del Mundo’s and Goldberg’s statements merge to one implication: A nonprofit publishing company is above all a publishing company, and should rely on an understanding of the industry.

The outlooks provided by representatives of Children’s Book Press suggest that in order for a nonprofit publisher to sustain long-term, it is crucial that the members of the board of directors be in tune with the particular demands of the industry. Otherwise, a publisher might meet the same fate as Children’s Books Press, which “became a two-headed monster,” according to Del Mundo, with “the non-profit [sic] side and the publishing side. It takes a very special person with two different skill sets to manage both of them” (Werris). The press’s mission was as targeted as Graywolf’s and Heyday’s, designed for the “specific purpose of creating a line of bilingual and multicultural books” (Werris). Given the fact that loyalty to a centralized mission seems to be at least in part responsible for the positive outcomes experienced

by other nonprofit publishers, it is reasonable to conclude that it was one element overlooked by the “two-headed monster.”

It is possible that one reason a board of directors devoid of experienced publishing professionals could falter, as did that of Children’s Books, is related to what Joseph Esposito terms the “editorial fallacy.” Esposito uses the phrase to describe the belief that the only publishing skill relevant to positive outcomes is editorial, and that if the correct content is acquired, it will automatically lead to success (Esposito). The flaw in this perception is that it ignores the “day-to-day tasks that make publishing different from the [processes] that generate its content” (Esposito). Among routine tasks that publishers face are design and digitization processes, and market research along with other sales and publicity oriented mandates, which are related to but not rooted in editorial sensibilities. Esposito clarifies that he does not suggest “that the Boards of NFP [not-for-profit] publishing entities should consist entirely of publishers,” but his extensive experience in management consulting with both for- and nonprofit publishers has led him to a conclusion similar to that of Del Mundo: “The important thing about building a Board is to have expertise from various areas represented . . . It is also important that the Board understands they are there to work in the publisher’s interest” (Esposito). The premise of editorial fallacy and the fact that the board for Children’s Books was focused on narrow funding campaigns over any concern with the press’s mission may have worked hand-in-hand with a decrease in projected resources to disable the organization.

That the purpose and mission of each nonprofit publisher should be at the forefront of its role within its community seems clear, an idea that is reinforced by the publisher and executive director of Deep Vellum Publishing, Will Evans, who states that he “started [the press] as an arts and education nonprofit organization with the mission to enhance the open exchange of ideas

among cultures through translation, and to connect the world's greatest un-translated literature with readers in original English translation" (Evans). Evans chose a nonprofit model in order to have access to arts funding that might support the risks he hopes to take, and he knew that he would face some difficulties in establishing a community and a donor base. Like Jill Schoolman before him, however, Evans's goals for the press are tied to expanding access in the United States to international literature, an ambition that seems firmly entrenched in the realm of artistic endeavor.

Apparently the connection between translated literature and art is not so clear to Evans's community in Dallas, Texas, where the publisher finds that he "fights a war on two fronts . . . defending translations (which [he] was expecting)" and "defending the value of literature itself as a necessary ingredient to a city's arts culture," which he had not anticipated (Evans). The experience of Deep Vellum speaks volumes to the role that place plays in the establishment of a nonprofit publisher.

One reason place of origin is significant is that nonprofits are established under state law, not federal, meaning that a publishing company will face different expectations, guidelines, and regulations given the location where they found a press. Also, the "degree of complexity and cost of incorporating [as a nonprofit organization] varies from state to state" ("Not-For-Profit"). A nonprofit publisher in a thriving literary community, such as Minneapolis, which houses Graywolf, Coffee House, and Milkweed, to name only a few, will by that virtue have a higher likelihood of attracting community patrons. Not only will local cultural values impact a nonprofit publisher, but the overall importance placed on literature and arts by state governments can be a factor. Minnesota again provides an example: In 2008, Minnesotans voted to create a "Legacy Fund." The legislation designates that 19.75 percent of state sales tax revenues be distributed to

arts and cultural entities in the state for a twenty-five-year period. Graywolf Press, Coffee House Press, and Milkweed Editions have all received substantial funds via the program (Kirch). Will Evans established his nonprofit press in a community that is not so focused on literary prosperity.

If anything, the difficulties faced by Deep Vellum point again to the idea that a nonprofit independent press often puts mission before all else; as with the other presses discussed, Deep Vellum's identity and purpose are well-defined, and the fact that Evans is in a community with a lack of access to the product he hopes to offer is aligned with "the mission to enhance the open exchange of ideas among cultures." Where else is in greater need of this influx of literature than a place lacking it almost entirely? Evans's belief that there is a "desperate need for more translations of world literature into English" (Evans) is a driving force in Deep Vellum's mission, and so clearly defines his goals that as he continues to express those ideas to potential donors and interested foundations, Deep Vellum may benefit in the same ways as has Archipelago Books. Evans explains that his choice to open Deep Vellum as a nonprofit was informed by the fact that he could not reasonably offer private investors the promise of return on his artistic venture, a decision that freed him: "[The] proposition of value changed immediately once I embraced becoming a nonprofit. The community became my investment partner, and the most important thing to do was to come up with a mission that reflected the cultural value I knew translated literature could bring" (Evans).

The fact that a press's mission is of great importance is not unique to nonprofit presses—it is a trait shared almost universally among independent publishers. Despite many negative predictions regarding independent publishing over the past few decades in the face of digital advancements and economic downturns, independent publishers continue to grow and many thrive. The vice president of content acquisition for Ingram Content Group, Kelly Gallagher,

comments that in “an era that has seen flat to minimal growth in recent years, small and medium-sized publishers ‘are the industry’s healthiest and fastest-growing segment’” (IBPA), an important fact since most for- and nonprofit independent publishers reside in that group. The position of small and medium-sized publishers is steady, and, according to Gallagher, “independent publishers ‘are making a significant contribution to the publishing community. . . . they are the only ones showing significant growth in all categories, revenue, units, and population’” (IBPA). As far back as 1999, the success of independent publishers has been connected with the strength of their mission statements, as stated by Grove/Atlantic Inc.’s president and publisher, Morgan Entrekin: “The most important thing an independent needs to do to be successful . . . is to develop a focused program” and to “have a strong identity” (Milliot). According to the cofounder and copublisher of Unbridled Books Fred Ramey, “Independent presses can offer a real chance to a talented writer who might not fit the formulas of the big house” (Haupt). This is in part due to the clarity of many independents’ identities, and the ability it affords such presses to match with writers who share a similar vision. Ramey contends that “independent presses are all dedicated to finding and presenting the best of books, dedicated to the books in and of themselves and to the promise of the authors” (Haupt). Jason Diamond professes that “no matter what the latest doomsday prognostication about the future of big publishing happens to be, this is an exciting time to be a fan of literature” in a 2013 article that claims this is the golden age of indie publishing (Diamond). Industry professionals continue to express enthusiasm about independent publishing and the variety of literature the presses produce, along with the environments they create that nurture new or under-recognized writers.

Among the independent publishers that Diamond directs his readers to is Publishing Genius Press, a press that “exists to make the best books by devoted members of the global

literary community, and to make them in the most interesting and progressive ways” (“About PGP”). The press’s founding editor, Adam Robinson, expands on the idea of mission statements by saying “No matter what size [a publisher is] or their business model . . . once a publisher establishes their mission statement, it’s very relevant to them, and that will form the basis for how they program their catalogue.” Robinson also makes the point, however, that “small presses generally have more flexibility to do whatever interests them at that time” while larger publishing companies create imprints through which they funnel new titles (Robinson). While an independent press has to work to create an identity with a solid understanding of all the different ways they might explore the characteristics thereof, a larger house instead splinters into many different directions.

Robert Lee Brewer, editor of *Writer’s Market*, discusses the advantages and disadvantages that authors might experience with small independent presses, and he notes that although such presses “have sales goals . . . they’re typically more willing to take risks on projects they believe have artistic merit” (Brewer). Brewer’s claim again connects with the fact that independent presses are committed to participating in the growth of a varied body of literature. Brewer goes on to say that one function of small presses is that they “offer unknown and emerging authors a place to get a foothold in their pursuit of successes by publishing those early works upon which a career is built.” Considering the widespread frustration that writers voice “over the importance of writing commercially marketable stories . . . and the lack of true risk-taking” by the large publishing houses (Brewer), providing avenues for new authors is yet another significant function of independent publishers. Unnamed Press, a new independent press, named their company in recognition of the relationship between authors and indie presses: ““There are all these unnamed people out there who are great talented voices that are getting

passed on by bigger houses, because they are scary to publish, or a little too challenging for the sales team' said [cofounder Chris] Heiser" (Gross). Heiser's business partner, Olivia Smith, adds that the establishment of Unnamed Press was not based on what is already being published and how they might add to that list, but instead was a response to "“what wasn't being published”" (Gross). Just as with nonprofit presses, the goals of these other independent presses are defined by their mission statements, which are often built on the desire to inject the book market with a wide variety of texts and authors.

When asked why independent publishing remains important in America, Adam Robinson states that "As traditional publishers are made to focus on their profit margin, they're less inclined to publish certain types of books. They focus on profit leaders, which allows for a lot of literary stuff to fall through the cracks. The good small presses are positioning themselves to publish these in a meaningful way" (Robinson). Founding editor of Burnside Review, Sid Miller, goes a step further and responds that independent publishing is "more relevant now than it's ever been," in part due to collapse or consolidation of large publishers. Miller states that this "left a ton of room. More books are being published and read than ever. That's because of independent presses filling the void. Most independent presses are being run by people who do it out of passion, not for a paycheck . . . We put out books we believe in. We're personally invested. I think it shows" (Miller). Posed the same question, Abbey Gaterud responds:

The consumer wants different, new stories and voices. There's also an element of art for art's sake in indie publishing. We are a class of starving artists, but not viewed that way. Indie publishers are generally very passionate and committed to writing of all types . . . They see themselves as a stepping stone for new voices and take that responsibility seriously. I also think there's a significant number of

delusional publishers out there, and they generally don't survive, but they start a business to publish the "good" writing of their friends and colleagues without fully understanding the process or the financial burdens that being a publisher entails. (Gaterud)

Gaterud's final point heralds back to the cautions extended by Janet Del Mundo and Joseph Esposito. The publishing industry is unique in form, and while each independent may have a unique mission and vision, it is also important that those responsible for the business of a press understand publishing as a whole. Gayle Wattawa adds that one reason independent publishing remains significant in America is that as a nation, "we are in danger of developing a monoculture of books—experimental, regional, and small presses are crucial to the development of a diverse literary canon" (Wattawa, Phone). The willingness of independent publishers to take risks on new writers and varied story forms carries another implication.

In recent years, there has been a growing cry from both consumers and industry professionals that publishing needs to incorporate greater diversity, based on content, identity of authors, and identity of those working in the field. In the spring of 2014, a Twitter campaign identified as #WeNeedDiverseBooks was launched to draw attention to the need for increased diversity in children's publishing (a great irony given the not-so-long-ago fate of Children's Books Press). The campaign is only one outcry for greater volume of books published by, for, and about diverse people. In fact, writer "Daniel José Older supports the campaign, but he doesn't think it goes far enough" (Neary). Older posits that in order to publish work with a major house, a writer typically has to make it past a white gatekeeper, an agent or an editor (Neary), whose interests may not lie in creating a diverse catalogue. This is where independent publishers can, and do, make a difference.

A great example of an independent press that seeks to alter the ratio of diversity in books is Akashic Books, the motto of which is “reverse gentrification of the literary world,” a dictum founder Johnny Temple explains as the desire to attract great racial and economic diversity in both authors and readers (Neary). The premise of Temple’s claim is that the entire publishing industry needs to actively encourage greater diversity, and if that does not occur, the literary culture will become less and less relevant to the general population. Adam Robinson states that providing space for underrepresented and diverse voices is also a direct goal for Publishing Genius (Robinson). Since it has been established that the big publishing entities prefer safe projects over those that require risk, it is easy to assume that an increase in diversity will only occur at that level when a breadth of titles expressing diversity has developed a proven sales record. For those titles to be introduced to the market, independent publishers such as Akashic and Publishing Genius will need to publish them.

Many nonprofit independent publishers share the same goal as Akashic. The New Press, for example, in spite of its small size, “has been at the forefront of issues of diversity in publishing” (Reid). Not only has the press established an internship program that actively seeks diverse candidates, but the press’s mission has evolved over its two decades “from filling a gap by publishing titles that other houses wouldn’t, to direct social change” (Reid). New Press cofounder Diane Wachtell says, “Books have a role to play. They give you a platform and allow you to create a new breed of public intellectual that can effect change” (Reid). Will Evans is similarly inspired when selecting international titles to translate and publish, stating that he “concentrated on diversity” and asked, “What does diversity mean in publishing? Diversity of nations, surely, but [he] had to take it further: Diversity in languages. In race. In gender. In sexual orientation. In experimental literatures” (Evans). The need to increase the amount and

breadth of diversity in independent publishing is the topic Susan Hawthorne undertakes in *Bibliodiversity: A Manifesto for Independent Publishing*. Hawthorne states that “the lack of media diversity and the concentration of big publishing and big bookselling reduce the possibility for a diversity of voices to be heard or read” (3). Hawthorne points out that “independent publishers help to get . . . game-changing texts out there” (Manning), books that promote social change in the long term. Echoing the purpose that so many independent publishers espouse, Hawthorne says that “Bibliodiversity . . . is not just about profits. It is about creating long-lasting and sustaining literary culture” (31). The author places the task of increasing diversity in publishing directly at the hands of independent presses when she says, “I have no doubt that independent publishing will continue even in the face of global corporatisation [sic] and megapublishing. . . . small and independent publishers will go on publishing risky, innovative and long-lasting books out of passion for literature” (Hawthorne 75). Hawthorne’s statements speak to the necessity of independent publishing, and directly to the role such presses play in creating space for diversity in publishing.

Whether for- or nonprofit, it appears that independent publishers in the United States have a defined purpose, to generate an ever-increasing influx of varied forms of literature and to serve as facilitators for new or under-recognized authors. One characterization of that mandate is that presses concerned with highlighting and answering the need for greater diversity of racial, ethnic, gender, and sexuality identities in literature, of authors, and among publishing industry professionals are likely independent publishers. Independent presses need to formulate business models that will empower them to explore their missions as fully as possible, and given the market pressures faced by modern American presses, once such model is nonprofit status.

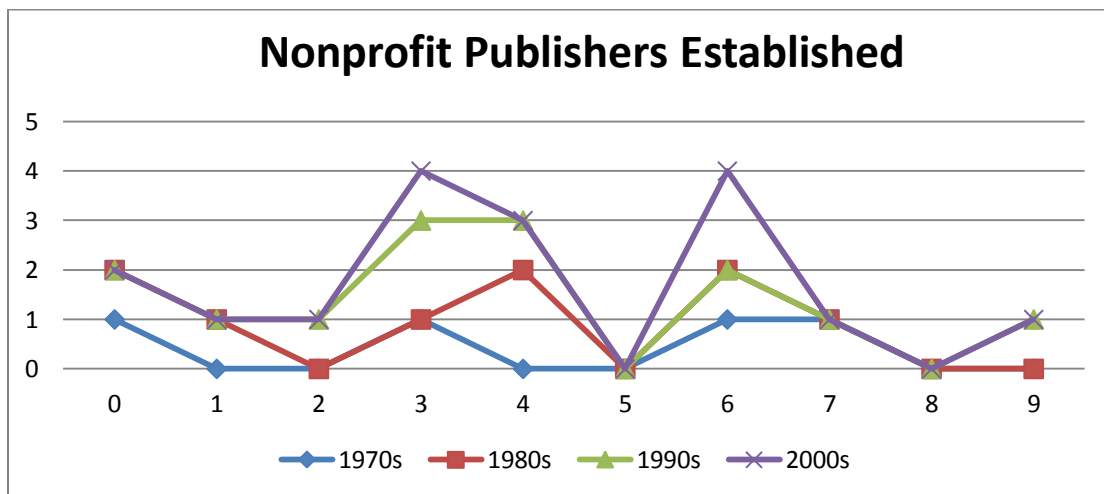
Given the relative strengths of the nonprofit model reviewed above, what prevents all independent publishers from transitioning to nonprofit? More than likely, the answer lies in more than one area. To begin with, the process for adopting nonprofit status is complex, and requires the establishment and maintenance of detailed financial records that demonstrate the organization exists for the public good rather than the financial benefit of an individual or stockholders ("Not-For-Profit"). If a nonprofit publisher also wants to be tax-exempt, the "primary requirement . . . is that an organization be both organized and operated towards the pursuit of certain education or charitable objectives that benefit the public" in specific ways ("Not-For-Profit"). This is no small undertaking, and the "principal disadvantage . . . is the increased paperwork and filings . . . and scrutiny of government agencies," which often requires a great deal of time, effort, and expense (SPARC). Holding nonprofit status also means engaging in a high level of transparency with regard to business transactions and forfeiting the right to deduct business-related expenses from personal taxes, along with the fact that a nonprofit publisher's board of directors will be the legal custodian of the organization ("Not-For-Profit"). Heyday's Margolin notes that one factor that caused him to hesitate for as long as he did was that he did not "want to give up power to anybody" (Bancroft 215). This is a reasonable fear for a publisher that is committed to a solidified mission statement; nonprofit status requires oversight from a board of directors, meaning that an outside force is the boss, not the publisher.

Tom Layton is president of the Wallace Alexander Gerbode Foundation, and has been responsible for securing a great deal of support for Heyday since the late 1990s. Layton notes that many publishers who are devoted to cultural, social, artistic, or political aims are often "basically running nonprofits without nonprofit structures. They [change] over when they [can't] bring in adequate funds through sales or through direct donations" (Bancroft 230–231). If some

independent publishers experiencing financial pressure realize that to adopt nonprofit status means to relinquish significant control, it may explain why some turn to outside foundations and fundraising even prior to actually transitioning to nonprofit models.

There are other specific challenges faced by nonprofit publishers. Will Evans has to justify the mere fact that his press *is* nonprofit; he works against a community that believes his press is not really about art. Graywolf publisher Fiona McCrae discloses the strategy involved in fundraising when she states, “Nonprofit publishing is so vital, yet it is not a common philanthropic cause . . . we [have] had to make our case by meeting people individually” (Staff). Despite the potential drawbacks, and although statistics are limited, it is hard to find a time predating the 1990s when as high a ratio of new independent presses were founded on a nonprofit model, which suggests that it may be a current, rising trend.

Figure 2



A collection of nonprofit independent presses that have been established since 1970 and remain in business as nonprofit organizations (graphed here based on the decades during which they were founded) demonstrates this trend (“Category”).

A quick glance at *Publishers Weekly*’s report on the fastest growing independent publishers in 2015 reveals that none are nonprofit. What is unifying about the twelve publishers that made the list, however, is that each “took a variety of routes to keep sales growing over the

last three years” (Milliot and Swanson). Whether this was accomplished with direct-to-consumer sales, subscription services, or by widening distribution, each publisher behaved in recognition of the shifting landscape of American publishing, and took steps to evolve in innovative ways. What is interesting is that although independent publishers like McSweeney’s may be exploring nonprofit options for the very same reasons, it is more widely assumed that such a transition is akin to clinging to a sinking raft. It might be time, instead, to consider the option of nonprofit status as not only a perfectly viable option for independent publishers, but a model with as much potential for positive outcome as any other.

A few years after Heyday transitioned to nonprofit status (mid-2005), Margolin issued a memo to his staff regarding the state of the publishing industry:

If the industry as a whole is ailing . . . we need to be wary of our dependence on it. . . . we have long questioned the viability of doing a book on speculation and putting it out into bookstores, promoting it in the conventional ways, and expecting a return sufficient to cover costs and show profit. I think our way of going about things with partners and programming and more unconventional sales and marketing is probably the only way to go. I also imagine that our nonprofit cultural institution with support from individuals and from foundations and other institutions will be increasingly necessary and beneficial in the future. . . . [sic] If we remain relatively stable and robust while others around us falter, we can expect some extraordinary opportunities in the next few years. (Bancroft 230)

In a way, Margolin’s words cast a long shadow, and although it is debatable (and will likely always be) that the industry at large is ailing, it is certain that the publishing industry has long

been in flux, a state that is likely to continue as long as technological growth remains exponential. Margolin's suggestion that a "nonprofit cultural institution with support . . . will be increasingly necessary and beneficial" is reflected in the behaviors of the previously discussed nonprofit independent publishers. Nearly ten years after Heyday's nonprofit model had been established, Margolin passed on some of his hard-won knowledge about the benefits of nonprofit independent presses, when he shared a drink with Dave Eggers after they co-sat on a conference panel. Reflecting on the conversation, Eggers says, "he and Margolin 'realized that we approached publishing from a similar perspective . . . we [want] to put out certain books, and to be able to do that was the beginning and end of it. We never expected to do anything financially that would set us up for life or anything" (McMurtie). This sheds even more light on Eggers's decision, and further suggests that while, yes, McSweeney's has been struggling financially, it is Eggers's devotion to continue the work of the press, to "put out certain books," that drives the transition to nonprofit.

Eggers's and Margolin's conversation demonstrates that beyond practical considerations that might drive more independent publishers to adopt nonprofit status in the future lies the overarching united mission of independent publishers—to remain dedicated to a particular niche, large or small. If there is any hope to increase diversity in publishing, the majority of such movement is likely to occur at the level of independent publishing houses that are operating with that level of dedication. The purpose of such presses, as discussed earlier, is often to maintain an avenue via which unknown or under-acknowledged authors can be published and by which their works can reach the public. The relationship between new writers or new writings and independent publishing is uniquely positioned to increase space for underrepresented voices in publishing. Should it prove financially unviable for an independent press to continue under a

traditional for-profit model, it is clear that transition to nonprofit status may be a practical solution; indeed, nonprofit status as a publisher may be preferable in some ways to a for-profit model, based on the benefits and increase in resources. Considering the ever-changing pressures within the publishing industry to provide avenues for independent publishing, nonprofit independent presses may continue to increase in number. This sentiment is echoed by Jonathan Kirsch, lawyer and “adjunct professor at New York University’s Professional Publishing Institute,” who states that “the shift in for-profit publishers becoming nonprofits is ‘the coming thing in publishing. It’s going to be increasingly common for certain kinds of publishing houses where something is at stake beyond making money’” (McMurtie). For independent publishers for whom the books they want to publish are “the beginning and the end,” this may be the case.

The option to adopt nonprofit status plays an important role in contemporary American publishing. Independent publishers serve a vital function as the industry risk-takers, and they provide an influx of varied authors and written works. This flow of publications is not limited to but does include the aforementioned correlation between independent publishers and ever-increasing space for underrepresented voices and books that deal with diversity. Should more independent presses choose to adopt a nonprofit model, there is every reason to believe that much of their reason for doing so will be related to an underlying loyalty to publishing missions that include wide-ranging goals, one of which may very well be the desire to increase diversity in publishing.

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