

# Worth Their Weight

An Assessment of the Evolving Field of **Library Valuation**



Americans for Libraries Council

Funding for this project was provided  
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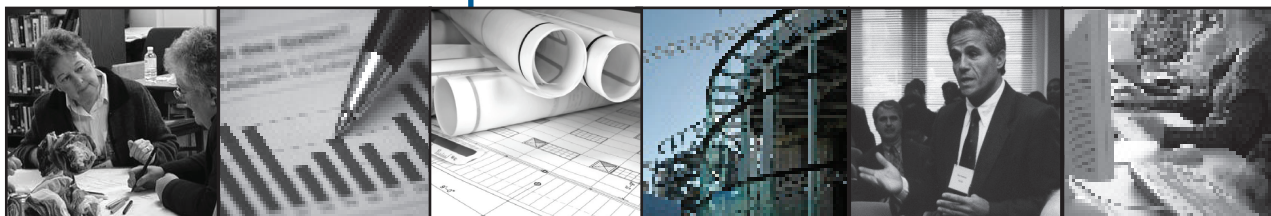
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## About Americans for Libraries Council

Americans for Libraries Council is a non-profit organization dedicated to increasing innovation and investment in the nation's libraries.

The Council's program division, Libraries for the Future, develops national programs to strengthen libraries, provides training in community librarianship, and facilitates planning for 21st century libraries.

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# Foreword and Acknowledgements

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*Worth Their Weight: An Assessment of the Evolving Field of Library Valuation* is part of “Building Knowledge for Library Advocacy,” an initiative carried out by Americans for Libraries Council with major support from the Bill & Melinda Gates Foundation. “Building Knowledge for Library Advocacy” aims to develop the knowledge necessary for strengthening advocacy for libraries and public-access computing. The components of the project are designed to empower librarians and library trustees, members of library foundations, advocates and Friends, constituency leaders, researchers, and other community members with the information they need to strengthen library advocacy.

Besides this report on the emerging field of library economic valuation, other components of the initiative are:

- *Long Overdue: A Fresh Look at Public and Leadership Opinions of Libraries*: A national opinion study carried out in 2006, in partnership with Public Agenda, a leading public interest research firm. *Long Overdue* provides insight into the views of typical Americans and their elected officials about libraries. The research included focus groups, interviews with community leaders and elected officials, and a national telephone poll.
- *Act for Libraries*: An online, interactive knowledge center designed to sharpen and strengthen library advocacy. The interactive site provides a clearinghouse of information for all concerned with the future of public libraries and public access to information and information technology. It offers ideas, research, stories, analysis, testimonials, and access to tools that, collectively, encourage and inspire action for and investment in libraries.
- Dissemination: National dissemination of the two reports, *Long Overdue: A Fresh Look at Public and Leadership Opinions of Libraries* and *Worth Their Weight: An Assessment of the Evolving Field of Library Valuation* is an ongoing process that will extend the life of “Building Knowledge for Library Advocacy” and connect individuals and organizations back to the *Act for Libraries* website as a dynamic resource for advocacy.

The components of “Building Knowledge for Library Advocacy” are complementary. They provide targeted data and recommendations for different segments of the library community and reinforce one another in format and in content. The *Act for Libraries* website unites all the pieces, offering findings from the two research projects along with additional materials.

The components of “Building Knowledge for Library Advocacy” are connected in purpose and content to a larger universe of research activities being carried out simultaneously by others in the library community. Most of these activities, whether surveys of library staff, public opinion polls, or other market research, are geared to strengthening the capacity of the field to advocate for investment in libraries and public computers. Like “Building Knowledge for Library Advocacy,” the majority of the new studies

are underwritten by the Bill & Melinda Gates Foundation, which recognizes the urgent need for libraries to reassess and reassert their image and their value in the information age.

Other key studies recently completed with the support of the Gates Foundation include *Public Libraries and the Internet 2006* (Information Use and Management Policy Institute, Florida State University, 2006) and the Urban Library Council’s *Making Cities Stronger: Public Library Contributions to Local Economic Development* (<http://www.urbanlibraries.org/jan1006makingcitiesstronger.html>). Americans for Libraries Council is proud to partner with these initiatives, which are beginning to generate the critical mass required for making a major new case for libraries and public computers.

Many people have contributed insights, expertise, and time to this project. We especially want to recognize Dr. Susan Imholz, a consultant to the Americans for Libraries Council, who is the lead author of this report with Dr. Jennifer Weil Arns of the University of South Carolina. Steve Lydenberg, CFO of Domini Social Investments, also made important contributions to the project.

The library research experts who allowed us to share their insights and those who assisted in writing the report also deserve recognition. Special thanks are due to the participants of ALC’s November 2005 forum on economic valuation: Jennifer Arns, Denise Davis, Donald Elliott, Martin Gomez, Jose-Marie Griffiths, Pearl Kamer, Bruce Kingma, Steve Lydenberg, Tim Lynch, Chuck McClure, Danielle Milam, Bob Molyneux, Joyce Ray, and Joe Ryan. We are very grateful for their time and effort, which were given freely. All of the researchers consulted have expressed their willingness to continue to work with ALC and others to help develop a firmer library research agenda. We particularly appreciate the advice and encouragement we received this January and during the follow-up discussion on January 19 during the 2007 American Library Association Midwinter meeting.

*Worth Their Weight: An Assessment of the Evolving Field of Library Valuation* and the other components of “Building Knowledge for Library Advocacy” contribute to an exciting new phase in library advocacy. We thank the Bill & Melinda Gates Foundation for the opportunity to examine the emerging field of library valuation and to contribute to the new discourse on libraries as community assets.



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# Executive Summary

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*Worth Their Weight: An Assessment of the Evolving Field of Library Valuation* takes stock of the new work being done in the field of library valuation, puts that work into context, and provides recommendations for building the field in terms of both research and applications. The assessment was carried out by Americans for Libraries Council (ALC) as part of its Building Knowledge for Advocacy Initiative, supported by the Bill & Melinda Gates Foundation and involving experts from within and beyond the library community. Coauthors of the study are Dr. Susan Imholz, consultant to ALC, and Dr. Jennifer Weil Arns, University of South Carolina School of Library and Information Science.

*Worth Their Weight* was prompted by the recognition that new approaches to library advocacy are needed and that these approaches must involve “making the case” for the public library in quantitative terms. Government officials generally expect library directors to be conversant with the language used in the business world, without realizing that library valuation is only beginning to use these sophisticated calculations and toolsets.

While the field of library valuation is still young, we have observed several salient trends which form the basis for this report’s key findings and recommendations. Our first observation is that over the past decade, public library valuation researchers *have* sought out and adopted valuation methods from the field of economics that allow the library to put a dollar value on its programs and services and show efficient use of tax dollars in cost/benefit terminology. The studies we reviewed clearly demonstrate the field’s growing sophistication, showing advancement from simple questionnaires to complex surveys, and from simple economic cost/benefit assessments to complex economic algorithms and forecasts.

Our second observation is that mastery of purely economic measures is giving way to concerns about incorporating the public library’s more intangible social dividends, and to finding new ways to express and quantify learning values and cultural benefits. We have noted that the concept of social return on investment (SROI) is gaining acceptance in the corporate world through tools such as the Balanced Score Card—which combines financial and non-financial measures to create a richer framework for evaluation—and triple-bottom-line reporting—which characterizes the social, financial, and environmental debits and credits of a business. Some of these and other concepts from the business world can be usefully applied to the valuation of public libraries. These expanded value propositions highlight the need to draw upon education research and social science expertise, and even to redefine monetary value and efficiencies in the context of sustainable, healthy communities when making the case for public libraries.

Finally, we focus on what’s needed to support the systematic growth and development of the field of library economic valuation. In its current stage, the field could benefit enormously from a formalized “collaboratory,” a web-based environment that includes forums for

sharing information, multiple datasets, and open-source experimental tools. With the participation of professional library leadership, private enterprise, and academic researchers, such a forum might catalyze the conversion of research into effective advocacy messages.

*Worth Their Weight* is based on an ongoing dialogue among valuation experts within and outside the library community that began at a meeting that ALC convened on November 10, 2005, and formally concluded in January 2007. Participants discussed the pros and cons of different research methods and approaches used in other disciplines and fields. The meetings involved representatives from the Institute of Museum and Library Studies (IMLS), Urban Library Council (ULC), American Library Association (ALA), and the library vendor community. The meetings also featured guest speakers from other disciplines who had quantified difficult-to-measure social and economic impacts. These substantive discussions have provided researchers with an opportunity to reflect on their own work and to consider the strengths and weaknesses in the field. They have also helped ALC shape this report’s main focus—the relationship between research and advocacy.

Section I of *Worth Their Weight* approaches the subject of economic valuation from three directions: (1) a discussion of recent library valuation studies that illustrate important quantitative analysis techniques and other notable characteristics, including aspects of their structure, presentation, and use; (2) a discussion of alternative social return on investment (SROI) methods as they relate to public libraries; and (3) a set of detailed action-oriented recommendations for accelerating growth in the field of library valuation and facilitating its use in advocacy settings.

Section II presents summary profiles of 17 valuation and impact studies done since 1998. While these study summaries are not a substitute for reading the full reports themselves, they offer a unique overview of the field. The profiles are abridged to essential data, including authors, algorithms and methodological approach, results, and survey questions, and include links to the full reports online. The summaries are intended to provide researchers and advocates interested in this subject with a quick and efficient means of obtaining an overall appraisal of the field without wading through hundreds of pages of research reports.

*Worth Their Weight: An Assessment of the Evolving Field of Library Valuation* does not claim to be definitive, nor could it be in such a dynamic and fast-changing field. Rather, this report provides a base for further development of the field of library valuation and to stimulate analysis of the results of valuation studies in terms of library investment. The ultimate goal is to provide meaningful answers to communities as they ask what benefits they receive by continuing to invest in a strong public library.



# Key Findings in Brief

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## 1. Talking Dollars Makes Sense

- Public and private funding communities are demanding more quantifiable results for their investment.
- Public library leaders and advocates are strongly voicing the need for new and convincing arguments that link library facts and figures to community development and social and economic prosperity.

## 2. Private Sector Tools Can Help

Private sector resources and tools are creating additional opportunities to make the case for public libraries' efficiency and many contributions.

- Data sets and software offered by library vendors are providing more timely and complex local and national statistics that will help researchers and advocates calculate the library's worth in new ways.
- SROI and new "triplebottomline" reporting practices developed by corporations and nonprofit organizations are capturing new types of "profitability" and providing a broader picture of the value of organizations to their communities.

## 3. Valuation Studies Hold Promise

Recent advances in economic valuation research suggest that this discipline can provide tools and data making a strong fiscal case for the operational efficiency of public libraries and their contributions to national prosperity.

- Initial studies conducted within the academic and public library communities demonstrate promising methodologies and reach conclusions that have been used successfully by library advocates.
- Recent cost/benefit analyses using tools developed by business and industry suggest that public libraries often outpace other sectors in the efficient use of tax dollars.
- The emergence of new tools like the Emetrics Instructional System and NCES Comparison Tool are helping libraries capture the value of their electronic services and collections and express their value more readily to legislators and decisionmakers.
- Recent investments by IMLS and the Gates Foundation are creating new opportunities to explore the value of new services such as public access computers in libraries.

## 4. A Few Barriers to Address

The library community is rich in information, but the research related to economic impacts is uncoordinated, and several barriers need to be addressed if it is to reach its potential as an advocacy tool.

- The absence of a coordinating body that can focus resources on important advocacy and research issues.
- The lack of an informational forum for sharing knowledge and lessons learned about the effective use of evaluation studies and datadriven advocacy.
- The absence of a national research agenda that would encourage consistency in methodologies and applications.
- The absence of data standards and a common vocabulary that would facilitate sharing statistical data across platforms.
- The lack of a comprehensive opensource database that could link operational and usage data to broader social issues such as education and literacy.
- The absence of the financial resources required for comprehensive metaanalysis that integrates the results of completed valuation studies.
- Limited awareness among library practitioners and advocates concerning the steps required to complete a valuation study and effectively communicate the results to important stakeholders.



# Recommendations in Brief

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## **1. Improve coordination and communication among stakeholders.**

Researchers and advocates need a forum that encourages the sharing of ideas and helps stakeholders work to one another's strengths. A Collaboratory, or an electronic interactive research forum that acts as a center without walls, would allow participants to share their research and thoughts across institutions, focus attention on key issues, and foster agreement on norms, principles, values, and rules to advance the field of library valuation and to build collective knowledge.

## **2. Develop a comprehensive research agenda that promotes systematic valuation of libraries' contribution to education, civic participation, and improved quality of life.**

The library research community should accelerate efforts to develop the conceptual models, research methods, and analytical tools required to make a unified and full case for public libraries.

## **3. Create a varied set of innovative tools.**

Library managers, trustees, advocates, and practitioners need a diverse set of tools to make persuasive advocacy arguments that bring value to discussions at multiple levels. These tools should range from sophisticated statistical studies to easily understood open-source calculators that generate reports, create ready-to-use marketing material, and provide guidance related to advocacy issues.

## **4. Take advantage of valuation and evaluation reporting lessons from other sectors and fields.**

Those conducting valuation research and those who are using this research to prove public value should take advantage of approaches developed by similar fields, including the arts, environment, and education.

## **5. Define a national library valuation research agenda as part of a research coordination infrastructure.**

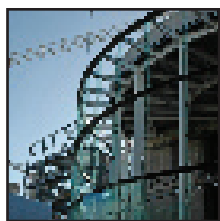
Those with an interest in valuation research need to identify issues that benefit from a national perspective and put in place mechanisms that allow individual efforts to build an argument capable of national impact.

## **6. Seek support for impact assessments enabling libraries, advocates, and researchers to work together to evaluate the impact of studies in different contexts.**

As the field of public library economic research expands and diversifies, a second stream of research should be done that assesses these studies from the viewpoint of library advocates and captures their value as part of a national advocacy policy agenda.







# 1. Introduction

“We have a huge landscape of possibilities here.... How can we hone these down to a kind ‘collective action’ program for the short and the long term to bring more cohesion to the field [of library valuation]?”

—Jose Marie Griffiths, UNC School of Information and Library Science

## 1.1 Growing Interest in Library Valuation

Americans have been making large investments in their public libraries for well over a century—investments that continue today and typically result in substantial, regular improvements in facilities, services, and technological capacity. Until recently, these expenditures reflected a general understanding that public libraries enrich the fabric of personal and community experience. Today, however, as the competition for public funding continues to intensify, legislators and others have begun asking: How much return are Americans getting from these substantial investments?

The answer to this question is somewhat speculative. Libraries can be valued in many different ways, from hard dollars to intangibles like community goodwill and historical significance (Elliott, 2005). In general discourse they are typically characterized as public goods with obvious social impact, but there is growing recognition of the need for more specific valuation. As a result, methods of economic analysis used for “intangibles” (arts, cultural organizations, environmental assets such as wetlands) have migrated to the discourse about the value of the library, and are being used to suggest benefits that frame public libraries more advantageously.

In some cases, these developments have been initiated by public library professionals engaged in conversation with policymakers and council members, who exercise the budget authority that ultimately shapes community priorities. At other times, library advocates and the many others who raise their voices in support of public libraries have made it clear that their arguments for public funding would benefit from a better understanding of the “total return” that could be expected from the support and investments they are seeking.

Not surprisingly, these valuation efforts have often differed in their methods, aims, and scope, and each has characteristic strengths and weaknesses. The multiplicity of the approaches they employ limits their use in concert and in the comparability of their findings. Nevertheless, there is substantial interest in them and a growing understanding that this work advances the field toward an information-rich environment addressing the needs of both public library administrators and public library advocates.

Libraries can be valued in many different ways, from hard dollars to intangibles like community goodwill and historical significance.

## 1.2 Goals of the Report

The report is designed to empower librarians and library trustees, members of library foundations, advocates and Friends, constituency leaders, researchers, and other community members by providing information to strengthen library advocacy. The goals of the report are to:

- Characterize public library valuation research and its tools and methods.
- Identify opportunities to expand and accelerate valuation research using techniques developed in the business and non-profit sectors.
- Suggest a public policy agenda for linking valuation research and the needs of public library advocates.

*Worth Their Weight: An Assessment of the Evolving Field of Library Valuation* is based on a multifaceted assessment. ALC staff and consultants carried out a literature search of studies conducted since 1991. Most importantly, ALC convened a panel of leaders in the field of library valuation in New York City in November 2005 to explore the nature and status of library economic valuation as a discipline. The event also involved representatives from the Institute of Museum and Library

Services (IMLS), Urban Library Council (ULC), American Library Association (ALA), and the vendor community. It featured guest speakers from other disciplines who had quantified difficult-to-measure social and economic impacts. All guest speakers supplied important insights into how their work intersects with the valuation of libraries. The three major subject areas addressed at length were (1) metrics and quantitative analysis, (2) social return on investment (SROI), and (3) recommendations for advancing the field of library valuation.

The meeting was also intended to develop a better understanding of the reasons why many library researchers, decision-makers, and advocates lack cumulative evidence concerning the changing state of the nation’s libraries, their user communities, and the costs and benefits associated with their activities. From this perspective, the meeting illuminated current options for valuation, revealing major barriers to moving the field forward and identifying steps needed to

create new tools for evidence-based advocacy. Discussion concerning the last topic focused on how the field of economic valuation needs to evolve to become more useful to library advocates. The key points of agreement included the following:

- The public library world is rich in data that could be mobilized to make the economic case for specific public libraries and the public library at the national level. The challenge lies in aggregating and synthesizing this data into a cohesive argument that meets the needs of local and national advocates.
- Although economic valuation studies of public libraries are appearing more frequently, they do not produce the comparable data needed for more effective and sustained advocacy. The next step is the development of mechanisms that facilitate these comparisons and a broader picture.
- Researchers and advocates need a better sense of how economic research can be transformed into effective messages and the contextual factors that strongly influence the public impact of this type of statistical analysis.
- Coordinated and sustained conversations with the public and elected officials are needed to turn library valuation reports into compelling advocacy tools.
- Research should not be limited to traditional economic measures. The identification and impact of social benefits needs to be included in a research agenda intended to support public library advocacy.

Working from these premises, this report begins with a review of traditional valuation methods and addresses the interests of both lay readers and experts.

Among the unique contributions of this report are the 17 Economic Valuation Study Summaries to be found in Section II, which offer a concise overview of recent research for both specialists and library professionals interested in learning more about this topic. The profiles condense hundreds of pages of reports into basic elements, including author, algorithms and methodological approach, results, and survey questions when applicable, along with URLs and references for finding the source documents.

This collection of summaries facilitates a broad assessment of the research from a developmental perspective. It is hoped that this will be a particularly useful contribution to the field of library economic valuation.

Taken together, these summaries show the progression of the field, from simple questionnaires to complex surveys, and from simple economic cost/benefit assessments to complex economic calculations and forecasts related to the perceived value of the contributions public libraries make to their communities.

### Key Finding: Talking Dollars Makes Sense

In today's climate of accountability, a better understanding of the value of public libraries is becoming essential to preserving and encouraging public and private investment.

- Public and private funding communities are demanding more quantifiable results for their investment.
- Public library leaders and advocates are strongly voicing the need for new and convincing arguments that link public library facts and figures to community development and social and economic prosperity.



## 2. Overview of Valuation Tools and Methods

“You must value yourself in today’s economy.  
If you don’t, you have no value.”

—Tim Lynch, Florida State University Center for Economic Forecasting

### 2.1 The Milieu

Auto insurance companies value human life in monetary terms. The Federal Aviation Administration has another figure for valuing a human life, and the federal Environment Protection Agency has yet another. These figures differ because their underlying actuarial calculations are different, yet they have one thing in common. They are very useful to policymakers, as would be similar guidelines for valuing public library services. Fortunately, the cornerstone for devising both public library valuation guidelines and standardized measures is beginning to be put in place as the number of valuation studies rises.

### 2.2 Terms and Concepts: Traditional Approaches to Explaining Library Value

Data and measurement form the underpinning of economic research, just as carefully selected performance measures underpin descriptions and assessments of public library activities. At one time, interviews and surveys were the primary tools employed to collect these data, and landmark studies conducted with ALA support during the 1930s and 1940s used surveys to collect data that characterized public libraries during those periods.

Despite their age, these studies are still of significant interest to librarians and public library scholars, and interviews and surveys continue to be used to collect a wide array of data, including patron perceptions of the value of library service. (Joeckel, 1935; Garceau, 1949).

Librarians and library vendors also frequently use interviews and surveys to inform product development, collection development guidelines, and important decisions related to the allocation of staff and financial resources. In some cases, library professionals gather this information by directly asking patrons to identify the types of products and services they would like to have. In others, researchers and academicians pose similar questions in an effort to develop a better understanding of user behavior and information-seeking strategies.

Two reports recently released by the Online Computer Library Center (OCLC) provide useful examples. The first, *The Environmental Scan* ([http://www.oclc.org/reports/escan/downloads/escansummary\\_en.pdf](http://www.oclc.org/reports/escan/downloads/escansummary_en.pdf)), is notable for the way it embraces market research as a strategic planning tool. Based on interviews with librarians, vendors, archivists, and others operating within the information world, and focus groups that included students, teachers, and residents across 29 countries, it renders a portrait of library users who tend to be highly technology literate and libraries that are valued as community centers and places for civic and social assembly. It also highlights aspects of library service likely to be most valued to future users: self-sufficiency, satisfaction, and seamlessness.

The second report, *Perceptions of Libraries and Information* (2005; [http://www.oclc.org/reports/pdfs/Percept\\_all.pdf](http://www.oclc.org/reports/pdfs/Percept_all.pdf)), explores the resource preferences of electronic library users and their relationship to the physical library, as well as perceptions of trust and the reliability of electronic information, knowledge of electronic resource offerings, and “library brand” issues. The report targeted students aged 16-25. Some 3,348 subjects from several countries completed the 83-question survey, which covered topics such as search engines, libraries, bookstores, online

libraries, online bookstores, and differences in perceived value between free and fee-based information.

Surveys and interviews are also used frequently to focus attention on library activities and to inform local advocacy efforts. In the recent research literature, the differences between product development and advocacy surveys appear to be becoming less and less obvious. Questions designed to inform product development typically focus directly on patron/customer behaviors and lifestyle issues and preferences. Other questions are used to give advocates insight into the library’s status in a community, its fiscal health, and its stakeholders’ perceptions. Questions of both types provide new insights into the factors that affect patron support and behavior.

## 2.3 Promising Directions

Since 1989, the National Center for Education Statistics (NCES) has provided the data most commonly used to describe and assess public library programs in the United States. It captures the data through the Federal-State Cooperative System (FSCS) and makes the data files, including more than 50 elements related to staffing, collection size, operating expenditures, programs presented, circulation, technology, and other items of substantial interest, available on the Internet in coordination with the National Commission on Library and Information Science (NCLIS). NCES also supports the *NCES Public Library Peer Comparison Tool* (<http://nces.ed.gov/surveys/libraries/compare/index.asp?LibraryType=Public>), which is often used by librarians and library administrators to create comparative assessments of service levels, usage, and the efficiency with which services are provided.

Researchers also use NCES data, sometimes combining it with information from other sources to develop national and regional snapshots of library services and performance (Arns, 2003). The data can be used similarly to track trends that suggest changes in value perceptions, such as increases in the number of visits per capita, reported in Table 1 below. The table shows that the smallest libraries (the first quartile) had more visits per capita, and the largest experienced the greatest growth.

Similar data are now readily available to public libraries through automated management and circulation systems. A number of promising tools are also associated with these sophisticated circulation systems, such as the E-metrics Instructional System, which provides guidance and tools to libraries that want to monitor and assess the use of their e-services and e-products (<http://www.ii.fsu.edu/emis/index.cfm>). This difficult task has gained significant attention. According to a recent Library Journal assessment of the automation marketplace, vendors are beginning to focus their attention on technologies that help libraries manage their electronic resources more effectively (Breeding, 2006; <http://www.library-journal.com/article/CA6319048.html>). Until recently it has been difficult to estimate this type of usage and consequently characterize its value.

Two other recent projects are producing new types of data of particular interest to valuation efforts. The first, the U.S. Public Libraries Geographic Database (PLDGB) Project (<http://www.geolib.org/PLGDB.cfm>), funded by IMLS and conducted by the Florida State University (FSU) GeoLib program (<http://www.geolib.org>), is developing a nationwide public library database system that links digital maps and U.S. Census data with NCES data elements. This new database is intended to consolidate data into a new research platform and make it publicly available over the Internet.

**Table 1: Library Visits per Capita by Size**

	First Quartile	Second Quartile	Third Quartile	Fourth Quartile	95%
■ 1990					
■ 1991	■ 5.74	■ 4.80	■ 5.14	■ 4.24	■ 3.33
■ 1992	■ 6.06	■ 4.97	■ 5.25	■ 4.57	■ 3.75
■ 1993	■ 6.03	■ 5.00	■ 5.25	■ 4.61	■ 3.84
■ 1994	■ 5.81	■ 4.78	■ 5.05	■ 4.48	■ 3.77
■ 1995	■ 5.94	■ 4.85	■ 5.18	■ 4.52	■ 3.77
■ 1996	■ 5.94	■ 4.99	■ 5.15	■ 4.51	■ 3.78
■ 1997	■ 5.88	■ 5.01	■ 5.28	■ 4.63	■ 3.89
■ 1998	■ 5.95	■ 5.04	■ 5.30	■ 4.68	■ 3.98
■ 1999	■ 5.84	■ 5.02	■ 5.39	■ 4.70	■ 4.00
■ 2000	■ 5.93	■ 5.05	■ 5.44	■ 4.70	■ 4.05
■ 2001	■ 5.96	■ 5.19	■ 5.42	■ 4.69	■ 4.09
■ 2002	■ 5.96	■ 5.37	■ 5.65	■ 4.82	■ 4.24
■ # increase, ■ 1991-2002	■ .22	■ .57	■ .51	■ .58	■ .91
■ % increase, ■ 1991-2002	■ 3.8	■ 11.9	■ 9.9	■ 13.7	■ 27.3



The second, the Normative Data Project (NDP; <http://www.libraryndp.info>), demonstrates the viability of a fully integrated database and the value it can bring to valuation research. Originally developed within the public sector, the NDP is now available from SirsiDynix on a subscription basis. Using proprietary algorithms, the NDP data combines NCES data elements with U.S. Census data and quarterly transaction data provided by contributing libraries. SirsiDynix currently lists over 350 contributing library systems ([http://www.libraryndp.info/why\\_ndp.html](http://www.libraryndp.info/why_ndp.html)) and expects this number to increase substantially in the near future. It will contribute a new statistical portrait of library use and the value of particular materials to different parts of the community.

Baker and Taylor's Bibliostat programs ([http://www.btol.com/pdfs/biblio\\_collect.pdf](http://www.btol.com/pdfs/biblio_collect.pdf)) provide a different service, helping libraries collect and gain timely access to their NCES and other operational data. The software also supports comparisons of service levels to other outlets and library systems, and it can be used to generate reports that demonstrate the relative effectiveness of different libraries. The Public Library Association (PLA) Public Library Data Service (PLDS) also collects data intended to facilitate planning and evaluation (<http://www.ala.org/PLATemplate.cfm?Section=plapubs>). Their reports include data elements similar to those collected by the FSCS for the NCES, and they provide more detailed, granular information on trends and specific library activities such as children's services and technology planning.

Cost/benefit analysis appears to be the most effective language for conveying the efficiency of investments of tax dollars in public libraries to public constituents.

## 2.4 Economic Valuation Methodologies

This report uses the term "methodologies" to refer to conceptual frameworks that support specific approaches to data analysis. The public library valuation studies we reviewed tend to rely on two types of methodologies: those that produce estimates of direct benefits and those that produce estimates of indirect benefits. These terms are applied across the spectrum of valuation methodologies.

The manner in which they apply to libraries is well presented in a statement from the Carnegie Library of Pittsburgh study, "Community Impacts and Benefits" (2006; <http://www.clpgh.org/about/economicimpact/CLPCommunityImpactFinalReport.pdf>, p. 4):

When an individual uses library services to get information, there is a direct benefit to that individual.... When a library helps someone start a business or learn to read, there are further benefits to other individuals [and to the community].

Interest in economic valuation is not an entirely new phenomenon. In 1999, an Association of Research Libraries (ARL) white paper pointed to the need for better understanding of the processes through which resources invested in academic libraries yield economic benefits to academic institutions (Deiss, 1999; <http://www.arl.org/stats/program/capacity.pdf>). Glen Holt and his colleagues (Holt et al., 2003; <http://www.slpl.lib.mo.us/using/valuationtoc.htm>) refer to similar early conversations concerning the need for methodologies that more effectively demonstrate the economic

value of public libraries to elected officials, library board members, and donors. In 1994, the Public Library Association (PLA) and the Urban Libraries Council (ULC) provided funding to the St. Louis Public Library to advance these efforts, and the resulting report (<http://www.slpl.lib.mo.us/libsrc/valuation.htm>) propelled the topic to new prominence. Since then, the IMLS has targeted significant funding to states for conducting valuation studies.

### 2.4.1 Cost/Benefit Analysis

Cost/benefit analysis (CBA), in simple and complex forms, is by far the most popular means of characterizing the direct dollar benefits that accrue to communities when they provide tax support to public libraries. It does so by assigning a cost or purchase price to a library service or collection item and comparing this amount to the value of that service or item to library patrons and their community. The resulting "benefit-to-cost ratio" measures the benefits per dollar spent. If the ratio is greater than one, the community receives benefits in excess of costs. To date, most library CBA studies have evaluated only direct benefits to library users, while enumerating and describing indirect benefits to others in the community.

Cost/benefit analysis requires that consistent measurements be used within comparisons, and while this tended to be the case in the studies we reviewed, they often used differing approaches and variables in their calculations. Despite this problem, cost/benefit analysis appears to be the most effective language for conveying the efficiency of investments of tax dollars in public libraries to public constituents. As a methodological approach, it is relatively inexpensive and the results are relatively easy to understand. Surveys of library users and data from automated library systems that record collection, staff, and operating costs can usually support this type of analysis. Once the analysis is performed, benefits per dollar of tax support can be calculated. In economic terms, a standard method used to measure the net economic benefit of a good or service in a market involves an examination of consumer and producer surplus. Consumer surplus is the difference between what each customer is willing to pay and the price of the good or service. (This definition of consumer surplus was borrowed from the environmental sciences: <http://www.csc.noaa.gov/coastal/economics/envvaluation.htm>.) Excess value is referred to as a "consumer surplus" in some of the studies we reviewed.

During the mid- to late 1990s, Glen Holt, Don Elliott, and their colleagues used IMLS funds to demonstrate the efficacy of using cost/benefit analysis and econometric measures to characterize the value of the St. Louis Public Library, the Baltimore County Public Library, the Birmingham Public Library, the Phoenix Public Library, and the King County Library (Seattle). The success of these seminal studies has encouraged others to include valuation assessments in the arguments they present when seeking funding increases and launching capital development campaigns.

## 2.4.2 Contingent Valuation

Contingent valuation is a survey methodology developed to assign value to non-market goods, such as those produced by educational and environmental organizations. In the case of library services, value is explored by presenting subjects with various funding scenarios and service levels and asking them to make hypothetical funding decisions. The resulting estimates of “willingness to pay” (WTP) more taxes or purchase public goods or the “willingness to accept” (WTA) less service, can be developed through surveys or questionnaires. Aabo’s paper, “The Value of Public Libraries,” delivered at the 2005 IFLA Conference, is an interesting example of valuation measures developed from respondents’ value perceptions (<http://www.ifla.org/IV/ifla71/papers/119e-Aabo.pdf>).

## 2.4.3 Secondary Economic Impact Analysis

Economic analysts have devised a number of formulas and algorithms for assessing the secondary economic impacts of industries; these measurements are also considered “indirect” benefits. The employment contribution that public libraries make to their local economies may be seen as an example. Indirect benefits accrue when library employees who live locally spend their wages in their community and thereby contribute to its prosperity. As these wages undergo re-spending, they multiply the effect of the original expenditures. Secondary and future forecasts of economic benefit are called the “ripple or multiplier effects” (Kamer, 2005).

Both secondary economic benefits and future forecasts can be calculated with modeling software driven by mathematical algorithms. These modeling tools are called “input-output” models. They typically use data, or inputs, available from the Bureau of Economic Analysis (BEA) at the U.S. Department of Commerce and other sources.<sup>1</sup>

Their outputs are the result of calculations generated by the specialized software algorithms. During the 1970s, the BEA developed a statistical modeling calculator known as the Regional Industrial Multiplier System (RIMS) for estimating regional economic expansion and contraction. The RIMS modeling system was updated to RIMS II (Regional Input-Output Modeling System II; <http://www.bea.gov/bea/regional/rims>) in the 1980s, and it has been used to calculate the economic impact of library employment and library spending in a number of library valuation studies (Kamer, 2005). The Department of Commerce collects statistics on more than 224 industries nationwide by region, and the BEA gathers data continuously from business sectors around the country.

Many other proprietary econometric modeling tools can be purchased from the private sector, at greater cost. One of these, the REMI input/output model<sup>2</sup> (<http://www.remi.com>), was used in the Florida taxpayer return on investment study (Griffiths et al., 2004). Like RIMS and RIMS II, REMI uses BEA data to populate its modeling algorithms with additional industry-specific “policy variables” that let experts in fields such as transportation, technology, energy, and the environment apply their observations and knowledge to the output analysis calculations. In addition to cost, REMI differs from other input-output models in its ability to calculate and forecast economic benefits forward over a span of several decades.

## 2.5 Conclusion

Over the past ten years, public library valuation research and its tools and methods have been strongly influenced by terminology and analytical tools borrowed from economics. Cost/benefit analysis was originally used by governments to assess the economic benefits of water management, transportation, and capital development projects. Contingent valuation measures, first used to assess the intangible economic impacts of wetlands, have carried over to economic analysis of arts and cultural organizations and library valuation.

What library professionals can do with their own data has also changed dramatically over the past five to seven years. The growing sophistication of library technology platforms has created a direct feedback loop between library administrators and the communities they serve. In most cases these data are easily accessible, cumulative, and quickly available for decisions related to acquisitions, product development, and fund raising. With the right expertise and guidance, libraries can do their own research and create evidence-based briefs for use in conversations with local leaders and stakeholders.

Some library researchers, however, are sensing that these traditional econometric measurements are providing limited insight into the broader social capital that libraries create and the social benefits they bestow. Consequently, researchers are beginning to turn their attention to the difficult problem of articulating a value proposition that can be expressed in social as well as economic terms and presented in credible and evidence-based advocacy arguments.

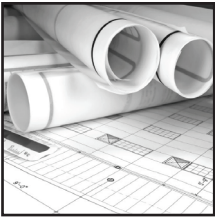
<sup>1</sup> The mission of BEA is to produce and disseminate economic accounts statistics that provide government, businesses, households, and individuals with a comprehensive picture of U.S. economic activity (<http://www.bea.doc.gov>). Bureau of Labor Statistics data covers employment, prices and living conditions, compensation and living conditions, and productivity and technology (<http://www.bls.gov/data/home.htm>). BEA and BLS data are now totally integrated.

<sup>2</sup> REMI was designed by Fred Treyze from the University of Massachusetts in 1980 and is sold by a private company.

### **Key Finding: Private Sector Tools Can Help**

Private-sector tools and resources are creating additional opportunities to make the case for public libraries' efficiency and many contributions.

- Data sets and software provided by library vendors are facilitating more timely and complex local and national value calculations.
- SROI and new “triple-bottom-line” reporting practices developed by corporations and non-profit organizations are capturing new types of “profitability” and providing a broader picture of the value of organizations to their communities.



### 3. Examples Illustrating Methodologies and Trends

“There is a lot that can be written prospectively about the library’s potential impact, given the fact that public libraries are one of the most democratically distributed physical institutions in America. What does that mean when we compare this resource to other community resources? It’s looking at the potential impact that we could have if we had more resources.”

—Bob Molyneux, SirsiDynix

Choosing a limited number of studies that illustrate current trends presents a unique challenge for a variety of reasons. As already noted, multiple approaches are used to value library services, and this multiplicity limits the ability to replicate research and apply research findings. The lack of coordination among researchers also makes it impossible to compare valuation results between and among libraries.

With these problems in mind, we reviewed the literature from the viewpoint of the library advocate. The initial four studies for discussion were selected for the following reasons:

- Each represents a different approach to the valuation process;
- Each was instigated by a different level of library leadership;
- Each addressed different constituencies.

As a group, these studies also showcase several of the methodologies, exemplify current trends and directions in research, and vary in scope as they examine libraries at the county, city, and state levels:

**(a) *Placing an Economic Value on the Services of Public Libraries in Suffolk County, New York*** This (Kamer, 2005) and three other Suffolk County library studies by Pearl Kamer in 2006 exemplify the new level of interest by a county library system director and individual library directors in deploying economic valuation to engage local stakeholders in advocacy issues.

**(b) *The Seattle Public Library Central Library: Economic Benefits Assessment*** This study (Berk & Associates, 2005; [http://www.spl.org/pdfs/SPLCentral\\_Library\\_Economic\\_Impacts.pdf](http://www.spl.org/pdfs/SPLCentral_Library_Economic_Impacts.pdf)) takes a descriptive approach to its subject, combining colorful stories from Seattle’s history with survey data and statistics related to the library’s role as a local economic generator. A combination of qualitative and quantitative methodologies makes the report popular and widely distributed among many audiences.

**(c) *State of Florida Taxpayer Return on Investment in Public Libraries*** This study (Griffiths et al., 2004; <http://dlis.dos.state.fl.us/bld/roi/publications.cfm>)

is notable for the breadth of methodologies used and its large scope. It is a good model for how to create an economic valuation study that is “advocacy-ready” with documents formatted for different audiences. It illustrates how the field is evolving in its use of multiple methodologies.

#### 3.1 Suffolk Cooperative Library System Study: Designed to Engage Stakeholders and Decision Makers

The Suffolk Cooperative Library System (SCLS) is a consortium that provides electronic and programmatic services to public libraries serving the 1.4 million residents of Suffolk County, New York, located on Long Island. The cooperative is funded by New York State and by participating membership dues from individual Suffolk County public libraries, whereas the public libraries it serves are fully supported by local tax dollars. The county itself typically does not provide support to public libraries (Kamer, 2005).

In 2004, the SCLS engaged a business and civic organization, the Long Island Association (LIA), to execute an economic valuation study that looked at the collective value of the SCLS membership libraries. The LIA is a well-regarded, 80-year-old business and civic organization with a reputation for an independent viewpoint. Its mission—to “actively advocate [for] the interests of, and promote cooperation among, the business, labor, educational, scientific, technology, and not-for-profit communities” on Long Island—made it a logical choice to conduct the study. Pearl Kamer directed the study and used the 1998 St. Louis library valuation report (Holt et al., 1998; <http://www.spl.lib.mo.us/using/valuationtoc.htm>) as a guide. To capture both direct and indirect economic benefits, she chose two econometric measures for the analysis that she considered persuasive and cost effective. These were (1) cost/benefit analysis and (2) computation of secondary economic benefits to the surrounding community.

### 3.1.1 Cost/Benefit Measures

Within this framework, the study examined the value of the services provided by 42 Suffolk Cooperative Library System libraries and compared this figure to the tax dollars used to support them. Frequently used services, such as circulation, reference, programming, and the provision of electronic resources were selected for analysis. The total value of the library collection was also included. The formula calculations used:

- the frequency with which each service was accessed;
- the market value, in dollars, assigned to each service in the New York State Annual Reports for Public and Association; and Libraries
- Other library industry sources.

However, the use of a particular methodology does not always guarantee similar ratio results, even if the same parameters are used. Any difference in the value of the variables used in a formula, such as the total cost of a library collection or the frequency of its use, would change the outcome ratio of the calculation. Add to this the variables introduced by different automated library systems that may define collection usage differently, and it becomes clearer why studies that use similar calculations cannot be compared or combined for establishing validity or creating a larger fiscal portrait of the public library world.

**Table 2: Suffolk Cooperative Library System Study Cost/Benefit Analysis**

**Services selected for analysis:**

Circulation, reference transactions, programming, and electronic resources

**Frequency of use of each key service:**

The dollar amount that users would have paid in the marketplace for services, multiplied by the frequency of use (quantified by using the New York State Annual Reports for Public and Association Libraries)

**Total value of existing library collections:**

\$338,668,897 (number of items multiplied by estimated market value)

**Algorithm for calculating tax dollar cost/benefit:**

Number of key service item uses × Market value of each service = Total Value of Library

$$\frac{\text{Total Value of Library Services}}{\text{Tax dollars supporting service}} = \frac{\$509,415,038}{\$131,647,566} = \$3.87 : 1 \text{ benefit/cost ratio}$$

A standard formula was used to determine a benefit-to-cost ratio that calculated the value of the services selected, multiplied by the number of times each service was accessed. This calculation returned the total value of library services in 2003. As indicated in Table 2, this number was divided by the total operating budget (in public tax dollars) for public libraries in the SCLS service area in that year, and rendered a benefit-to-cost ratio of 3.87:1. In other words, for every \$1 residents of Suffolk County paid for library services, they received \$3.87 of benefits.

A benefit-to-cost ratio of 3:1 or better is common among the library valuation studies ALC reviewed. Because this type of economic analysis is commonly used across industries and businesses, it puts libraries into an evaluative framework that permits comparisons with other types of organizations. When this occurs, public libraries consistently outpace other sectors, such as transportation, health, and education, on the efficient use of tax dollars.

### 3.1.2 Secondary Economic Impact Measures

Kamer used the RIMS II input-output modeler to measure the indirect, or secondary, economic impacts of SCLS's presence in the region as an employer and economic engine. She selected a customized database of economic information specific to the Long Island economy as an input to the software modeling program (Kamer, 2005). These BEA data contained statistics on 224 industries on Long Island, each with as many as 38 different parameters (i.e., wages, salaries, personal income). When this information and the Suffolk libraries' total 2003 library operating and capital expenditures were entered into the modeling algorithm, they amplified, or multiplied, the effect of the money as it circulated through the regional economy (see Table 3, next page). The secondary economic outputs were expressed as (a) jobs generated regionally by the presence of Suffolk libraries, (b) the value of goods and services generated regionally by the Suffolk libraries, and (c) other impacts such as the wages and disposable income generated by library spending.



**Table 3: Indirect or Secondary Economic Impacts**

Using a Modeling System (RIMS II)

Suffolk Cooperative Library System Study (SCLS)

INPUTS	OUTPUTS
Suffolk 2003 Budget: \$127 million	Goods and Services Generated: \$26 million, a net output increase of almost \$12.2 million
Suffolk capital expenditures: \$13.7 million	Wages and Earnings: Long Island earnings increased by more than \$50 million
	Job Creation: More than 1,200 additional jobs throughout the Long Island economy
TOTAL MULTIPLIER EFFECT OF LIBRARY SYSTEM SPENDING: \$232 million (including library system budgets)	

Kevin Verbesey, the Director of the SCLS, shared the study's very favorable results with patrons, local legislators, media outlets, and local institutions. He also discussed the study in meetings and with others who might have an interest in it.

In a recent conversation, Verbesey noted that the CBA report did not seem to impress patrons, but it did appear to be very persuasive when included in outreach efforts targeted to state senators and local legislators. He also suggested that the report seemed to raise the library's public profile and provide an additional platform for arguing for greater resources. Kamer's report was published in early fall of 2005, and SCLS had its most successful funding year ever, in terms of state aid, the following year. The study also reportedly fostered new levels of cooperation between local public service agencies. The SCLS library staff was asked to share management practices with local school systems and fire districts and to impart the secrets of its efficiency in managing money.

The Suffolk Cooperative Library System's successful use of an economic valuation study to increase state funding encouraged individual libraries within the county to commission their own valuation studies. The Long Island Association and Kamer were engaged to conduct additional studies for the Middle Country Library in Centereach (2006a), the Port Jefferson Free Public Library (2006b), and the Mastic-Moriches-Shirley Community Library (2006c), among others. Using the same methodology (cost/benefit analysis of direct economic benefits and secondary impacts of library spending using a RIMS II modeler), Kamer reported findings showing positive ROI and secondary impacts for the local economy.

Since these studies are all relatively recent, their value as advocacy tools is still an unfolding story.

Sandy Feinberg, director of the Middle Country Library, notes that "we have always tried to cost-out and compare our services to those in the marketplace.... Using a reputable person underscores the credibility of the study as opposed to 'us' doing the valuation." The library directors of the Northport, Port Jefferson, and Mastic-

Moriches-Shirley libraries report that they were motivated to do these studies to find out what their individual ROI ratios were, and to use this information in discussion with the public on a variety of issues from efficiency to assisting in the passage of bond issues and budgets.

### 3.2 Seattle: Repositioning the Library

The Seattle Central Library has undergone four major transformations since 1890, the first by fire and the next three by design. The well-known architect Rem Koolhaas executed the most recent renovation. The Seattle Public Library system's 23 branches serve a population of about 573,000. Funding comes largely from local tax dollars, with addition income from the state and foundations. In 1998, the state passed a \$196.4 million bond issue for improving services and modernizing the library system. The reconstruction of the impressive downtown Seattle Central Library was completed in 2004.

The Seattle study used survey data to determine the social and indirect economic benefits that resulted from the library's presence. Survey data developed from questions concerning the library's impact on the city's livability were combined with a literature review that focused on previous economic valuation studies. The study also surveyed 189 library patrons and 30 business owners located near the library and used systemwide circulation trends, 1997-2004, and door-count statistics from the Central Library and branches. Planned as a joint project of the Seattle Office of Economic Development and the Seattle Public Library Foundation, it received funding from both agencies.

This study was particularly notable for the way it contrasted the value of the dollars expended on the library renovation with increases in library use and traffic. Key findings were all framed in positive terms, and the results confirmed that the Central Library had become a compelling destination and had promoted economic activity in the city, enhanced the character and livability of the city, and improved the city's image to patrons. That said,

the broad claims of economic benefit must be weighed against the small number of patrons surveyed (189) and the smaller number of surveyed businesses (30) used to calculate estimates of projected dollar benefit to the local economy. Despite these issues, the methodology was sound.

From the advocacy viewpoint, The Seattle Central Library Economic Benefits Assessment study (Berk & Associates, 2005) has many attributes that make it an exemplary study. Its descriptive and historical approach offers a readable and engaging document for public consumption. Of all the studies we reviewed, it also comes closest to a work of literature in style and tone. According to Marilynne Gardener, the library's chief financial officer, the report is often used by the Central Library's director and a wide variety of constituency groups for briefings to the Library Foundation, Mayor, City Council, Convention & Visitors Bureau, the Downtown Seattle Association, donors, and business groups.

### 3.3 Florida 2004: Multiple Assessment Methods

Like the Suffolk County and the Seattle library studies, the Florida taxpayer return on investment study (Griffiths et al., 2004) deployed multiple assessment methods in its analysis. It used a statewide survey of library patrons and non-patrons, an in-library survey of users, a follow-up survey of library administrators, and surveys of local community organizations. Organizations surveyed included businesses statewide, schools, and not-for-profit organizations. Stakeholder interviews with key decision-makers included the Secretary of State, library officials, and local library leaders.

The survey population included 2,388 adults, home telephone interviews, in-library user surveys of adults, and surveys or interviews with 169 community organizations.

The study did an exemplary job of cross-referencing patron subject-matter queries with patron satisfaction measures. While surveys have a long history of use in the library profession, only recently have they queried behavior and use and contrasted them with attitudes toward the library. The study's remarkably broad scope and range of methodologies included cost/benefit analysis of tax dollar expenditures and measures of secondary economic impacts using the REMI technical regional modeling tool. The customized REMI modeler included BEA data and data on 169 industry sectors in Florida. The researchers asked many different kinds of questions and ran two different REMI scenarios: one that considered the economic impact of redistributing the revenue that funds Florida's public libraries to other government spending activities, and another scenario in which library funding revenues were removed and redistributed to "alternative" private sector businesses that would provide the same services as libraries.

In the first scenario, cost/benefit findings showed that for every tax dollar Floridians invested in their public libraries, \$6.54 of benefits was returned to them. The second scenario showed that the private sector would be a lot less efficient than the library in delivering library services, and would create higher costs to taxpayers. The REMI calculations also suggested that reallocation of Florida's public library monies would result in a net decline of \$5.6 billion in wages and a loss of 68,700 jobs across the state. Many other economic impacts were calculated as well.

**Table 4: Sample REMI Projection Assumptions from 2004 Florida Study**

Florida Library Funding Structure in 2004 (in millions)

Local: \$387.0    State: \$33.9    Federal: \$2.3    Other\*: \$19.8

Total: \$443.0

Assumptions about budget growth:	Applied to future budget growth:	Inflationary adjustment:	Expected library budget growth over 10 years to 2015:
Future growth= 7.1% for 10 years	117% projected growth 2004–2015	Assuming 40% inflation, 2004–2015, a 77% growth rate	Approximately \$785–\$963 million
Projections of growth until 2015 based on average growth in total state library budgets (for 9 years) of 7.1%			
Florida public library visits 2004: 76 million patrons	Applied to future patron visits: 58% projected growth, 2004–2015		Florida library visits anticipated in 2015: 120 million patrons

Source: Griffiths et al., 2004

Several aspects of the Florida report make it a model of best practices. In advance of deciding on the study's methodology, a daylong planning workshop was conducted with library leaders and decision makers to discuss the project's goals and desired outcomes. Detailed communication and distribution plans were also created. The results of the study were reported in two formats: an easy to read executive summary that emphasized the main findings, and a lengthier more detailed account of the methodology and findings for researchers and other experts. Local administrators, elected officials, library advisory boards, library Friends groups, and library staff received copies of the report.

The Florida state librarian's office reports using the study in several ways to gain additional public library funding support from legislators:

- As a basis for interviews with the media
- In speeches and presentations before the Chamber of Commerce
- In the annual report to the County Board of County Commissioners
- As part of exhibits, brochures, and other publications provided at the Florida League of Cities and Florida Association of Counties conferences

The study's usefulness as an advocacy instrument has been attributed to the breadth of research that went into the statistical findings and the extensive communication activities that followed its publication. It is an increasing trend with statewide valuation studies to incorporate both survey instruments and multiple forms of economic analysis (e.g., 2005 South Carolina study, 2006 Pennsylvania study. See study summaries in Section II).

### 3.4 Mastic-Moriches-Shirley Community Library: A Cautionary Tale

The Mastic-Moriches-Shirley Community Library on Long Island serves three towns with a combined population of about 50,000 residents. In response to a building boom and a 21% increase in residents across the service area since 1995, the library administration began planning for a library expansion that would be completed in 2009. To support this capital development plan, the Library Board of Trustees proposed a \$34.8 million bond to be retired over 25 years. The average taxpayer increase was determined to be approximately \$149 a year, but could be as much as \$372.

The study commissioned by the library showed a favorable \$3:1 benefit-to-cost ratio. The report was executed by Kamer (2006c) and closely mirrored the methodological implementation applied to the Suffolk Cooperative Library System Study (Kamer, 2005, p. 21). The valuation report was published only weeks before a scheduled budget vote on the bond issue. The library made the study available to many local community organizations with supplementary materials explaining the rationale for the new investment, the building plan, FAQs, and statistics explaining the project. The library also included information from the valuation study in its monthly public program guide, which is typically filled with attractive offerings such as family friendly programming, academic

and learning support services for children and adults, a "seniors' corner," and announcements about job fairs, club meetings, and workshops. Public presentations were also made.

The bond vote occurred on June 6, 2006. In a community of 50,000, only 3,000 voted, and of these 2,250 voted no. What went wrong? According to the library's director, Bill Ciccola, the defeat was explicable in hindsight. The library bond, he believes, was on a "collision course" with the needs of the schools for funding, construction, and expansion. It is difficult to tell if the library vote was defeated because it took place at an inopportune time, because of inadequate explanations to voters, or because the return on investment statistics were issued too late or phrased ineffectively. But the experience clearly suggests that a good economic valuation study is not always sufficient for gaining a yes vote or higher funding.

### 3.5 A Patchwork Field

As the discussion above suggests, library valuation studies are scattered across the dimensions of method and size. About half of recent studies have assessed library value in purely economic terms, while the other half combined both social and economic measures of the library's contributions to the fabric of society. Table 5 at right summarizes important aspects of the studies. The table also includes three atypical studies that stretch the definition of traditional economic valuation.

The first, the *Customer Survey of Maryland Residents about Public Libraries* (Potomac Inc., 2003; [http://access-somd.org/mdlibsurvey/survey\\_2003.pdf](http://access-somd.org/mdlibsurvey/survey_2003.pdf)), is an example of a well-designed and executed customer survey that includes questions asking residents to contrast the importance and value of the public library with other public services. The questions are noteworthy for the way they (1) asked residents to value the library as a community in its influence on property values, (2) asked residents if the public library was an institution they would choose to have in their neighborhood (versus other types of public services), and (3) explored perceptions of the public library as economic generator.

*Making Book: Gambling on the Future of Our Libraries* (KC Consensus, 2004; <http://www.haplr-index.com/MakingBook%20KC-Consensus%20Complete%20library%20report.pdf>) uses Hennen's American Public Library Rating Index (HAPLR Index) to draw some conclusions concerning the performance of public libraries. The HAPLR Index provides ready-made statistical arguments for library advocates at modest cost. This study also points to emerging trends in library service, changes in patron behavior, and taxing structure, and takes a comprehensive look at the evolving discussion of national standards for public libraries, particularly for Kansas and Missouri.

The third, *Economic Importance of Arts and Cultural Attractions in Louisville* (Coomes, 2000; [http://monitor.louisville.edu/arts/Arts\\_Report.pdf](http://monitor.louisville.edu/arts/Arts_Report.pdf)), looks at how a city library system compares with other cultural institutions in its use and efficiency. In the comparison, the Louisville Free Public Library system showcased its value for attendance, revenues and expenditures, employment and volunteer staffing, assets, tax receipts generated, and economic growth.

**Table 5: Study Summary Overview**

<b>STUDY NAME &amp; DATE</b>	<b>MONETARY &amp; ECONOMIC VALUE</b>	<b>SOCIAL VALUE</b>	<b>HAPLR INDEX</b>	<b>MONETARY &amp; SOCIAL</b>	<b>INDIVIDUAL LIBRARY</b>	<b>CITY OR COUNTY LIBRARY</b>	<b>STATE WIDE</b>
Economic Benefits of Public Libraries— Value for Money Southwestern Ohio <b>2006</b>	✓					✓	
Tax Payer Return on Investment in Pennsylvania Public Libraries <b>2006</b>				✓			✓
Carnegie Library of Pittsburgh: Community Impact and Benefits <b>2006</b>				✓		✓	
Placing Economic Value on the Services of the Mastic-Moriches-Shirley Community Library <b>2006</b>	✓				✓		
Placing Economic Value on the Services of the Middle Country Public Library <b>2006</b>	✓				✓		
The Economic Valuation of the Port Jefferson Free Library (NY) <b>2006</b>	✓				✓		
The Economic Valuation of the Northport Public Library (NY) <b>2006</b>	✓				✓		
The Seattle Central Public Library; Economic Benefits Assessment <b>2005</b>				✓		✓	
Placing Economic Value on the Services of Public Libraries in Suffolk County (NY) <b>2005</b>	✓					✓	
The Economic Impact of Public Libraries on South Carolina <b>2005</b>				✓			✓
Making Book: Gambling on the Future of Our Libraries (Kansas City) <b>2004</b>			✓			✓	
State of Florida Taxpayer Return on Investment in Public Libraries <b>2004</b>				✓			✓
State of Maryland: Customer Survey of Maryland Residents About Public Libraries <b>2003</b>		✓					✓
Cost Benefit Analysis of America's Medium-Sized and Smaller Public Libraries (Chicago, Houston, Seattle-Tacoma areas) <b>2003</b>	✓				✓		
Economic Benefits and Impacts from Public Libraries in the State of Florida <b>2001</b>	✓						✓
Economic Importance of Arts and Cultural Attractions in Louisville <b>2000</b>				✓		✓	
Public Library Use in Pennsylvania; Identifying Uses, Benefits, and Impacts <b>1998</b>				✓			✓

The need for a national study that summarizes the results of this work is obvious, and it often surfaces in valuation discussions, as does the need for a meta-analysis — the term used to describe the process of using statistical methods to analyze data from multiple studies in order to achieve a more comprehensive viewpoint. Meta-analysis, if undertaken in cooperation with stakeholders such as the ALA, the IMLS, academic researchers, and other professional organizations, could render a more coherent picture of national public library spending efficiencies, funding patterns, technology use, and unmet needs.

### 3.6 Encouraging Developments

Developing comparable economic assessments and learning how to execute studies effectively in a variety of settings will require collective action and experimentation. The value of comparable economic assessments has been demonstrated with the publication of *Measuring Your Library's Value* by D. Elliott, G. Holt, S. Hayden, and L. Holt (2006), which draws on work supported by grants from the IMLS. It provides tested guidance for libraries that want to undertake a valuation study and communicate the results to the community and key stakeholders and policymakers. Step-by-step instructions guide the reader through an examination of the reasons for doing a study and the preparation needed for selecting and assigning value to services, surveying patrons, designing a survey, and communicating the results to the public.

Meta-analysis could render a more coherent picture of national public library spending efficiencies, funding patterns, technology use, and unmet needs.

Experimentation has also been fruitful. The dense language of statistical calculations may be accessible to the mathematically inclined. But for most library patrons and supporters, a simple tool like the “Library Use Valuation Calculator” developed by the Massachusetts Library Association (MLA) could encourage patrons to think about the library in a new way. Easily transportable, the calculator puts a monetary value on an individual’s use of library services. It can be downloaded and adapted to local conditions, and has been adopted by the Chelmsford Library in Massachusetts ([http://www.chelmsfordlibrary.org/library\\_info/calculator.html](http://www.chelmsfordlibrary.org/library_info/calculator.html)), the Maine State Librarian’s website (<http://www.maine.gov/msl/services/calculator.htm>), Bowling Green Library in Kentucky (<http://www.bgpl.org/LibValCalc.htm>), and Bettendorf Library in Iowa (<http://www.bettendorflibrary.com/calculator.htm>).

The calculator’s underlying Excel spreadsheet contains multiplication formulas and values for services provided (<http://www.mass-lib.org/value/value.xls>) to reflect the materials and service costs incurred by a particular library. The spreadsheet can be expanded to include new categories of programs or service, or downsized to reflect a library’s service offerings.

This uncomplicated calculator upholds the cardinal rule of acknowledging that each public library has a different cost basis for its products and services, and offers the ability to adjust the underlying calculations in a manner that reflects a higher or lower return on investment (ROI). The MLA calculator has struck a chord, and

its “viral” transmission via the web shows that straightforward demonstrations of the library’s efficiency can be powerful conversation starters. Its adoption by many libraries suggests that imaginative and user-friendly valuation is welcomed in the field.

A broader public library ROI “calculator” is also in development at the School of Information and Library Science (SILS) at the University of North Carolina at Chapel Hill, using a small grant from the State Library and Archives of Florida. The data leading to the calculator are based on more than 4,000 in-library surveys conducted in 36 libraries in Florida and Pennsylvania, and more than 3,000 household telephone interviews conducted in the two states and nationally. The calculator is designed to provide individual public libraries the opportunity to conduct their own ROI analysis through in-person surveys. Specifications are provided for 27 essential questions and for how the surveys should be administered. Some standard library statistics must also be provided, including

annual wages and salaries; tax revenue; “local” purchase or rental of materials, furniture, etc.; and the annual number of in-person and remote visits. The software package automatically deals with difficult statistical issues such as response outliers and small sample responses for certain questions. The software will be made available in 2007, free of charge, through [www.ibiblio.org](http://www.ibiblio.org).

Finally, a word on cost. The cost of implementing a study is often cited as a deterrent to doing one. It is noteworthy that the individual library studies done in Suffolk County, NY, each cost approximately \$5,000. While this amount is

significant to a community library, it is not exorbitant and may be worth the outlay if the report tells a persuasive story to voters or policymakers. On the other end of the spectrum, countywide studies are said to cost \$50,000 or more, and statewide studies run into the hundreds of thousands of dollars.

### 3.7 Conclusion

If the first imperative for the evolution of library valuation is the organization of comparable data and the second is the creation of credible, targeted, evidence-based briefs for diverse public library supporters, the final step is realization of the limitations of making the business case for libraries in traditional economic terms. Some library researchers are sensing that these traditional econometric measurements are providing only limited insight into the broader social capital that libraries create and the social benefits they bestow. Consequently, researchers are beginning to turn their attention to the very difficult problem of articulating a value proposition that can be expressed in social as well as economic terms and presented in credible and evidence-based advocacy arguments.



### **Key Finding: Valuation Studies Hold Promise**

Recent advances in economic valuation research suggest that this discipline can provide tools and data making a strong fiscal case for the operational efficiency of public libraries and their contributions to national prosperity.

- Initial studies conducted within the academic and public library communities demonstrate promising methodologies and reach conclusions that have been used successfully by library advocates.
- Recent cost/benefit analyses using tools developed by business and industry suggest that public libraries often outpace other sectors (transportation, health, education) in the efficient use of tax dollars.
- The emergence of new tools like the E-metrics Instructional System are helping libraries capture the value of their electronic services and collections and express their value more readily to legislators and decision-makers.
- Recent investments by IMLS and the Gates Foundation are creating new opportunities to explore the value of new services such as public-access computers in libraries.



## 4. Adapting Techniques from Business and the Nonprofit Sector

“Libraries are inherently tied to their communities in ways that bookstores are not. The New York Public Library cannot move its operations to San Francisco if it believes there is a more avid reading public, whereas Barnes & Noble can, and will, move its stores wherever it can attract more customers.”

—Steve Lydenberg, *Domini Investments*

Conversations with public library leaders point to a growing need to articulate the value of public libraries in many dialects. Researchers who have spent considerable time and effort defining the library’s value in traditional economic terms are also encouraging the expansion of the value proposition and consideration of alternative methodologies and measures.

### 4.1 SROI: A New Method for Library Valuation

When our Panel members turned their attention to this issue, they began to discuss concepts that might be used to capture a broader value picture. One of the most promising appears to be social return on investment (SROI)—a measurement approach developed by expanding traditional cost/benefit analysis to include the economic value of cultural, social, and environmental impacts. Within this conversation, three themes related to linking the public library to the welfare of the community were initially pursued.

How should the cultural wealth created by public libraries be valued?

Public libraries are reservoirs of value to historians, centers of public access to technology, and spaces that manufacture community spirit in abundance (Lydenberg, 2005).

“I would argue that in the social realm [of the library’s impact] there’s also direct impact on individuals, organizations... and there’s bigger impact, and those can be communitywide benefits—whether it’s safe spaces, reduced crime... while the causal connection is not fully established we can at least have a conceptual model to work off of.”

—Carlos Manjarrez, *Urban Institute*

The business world does not supply these social and cultural forms of wealth, in part because it cannot value them. Surveys show that there is an abundance of goodwill for public libraries, even among those who are not library users, because people recognize public libraries as important social and cultural goods. How do we capture this type of value?

How should we take into consideration the value that public libraries contribute to larger policy objectives?

Public libraries can demonstrate and enhance their value by aligning their programs and goals with the economic and social goals of local government. This is, in fact, what public libraries have always done. Originally seen as an extension of the country’s new secondary education system, they have long been regarded as environments that nurture the minds and spirits of children and adults. More recently, they have also been described as public information portals that contribute directly to local economic development efforts. When seen from multiple perspectives, public libraries need to be valued using a broad set of measures, including descriptive benchmarks as well as econometrics.

“How does the public library create added value? By aligning its goals with the economic and social goals of the governance units within which it is embedded. By seeing other agencies as partners, rather than competitors. By understanding that it can make police work more effective by sharing resources and cooperating.”

—Jennifer Arns, *University of South Carolina*

The challenge lies in defining this broader viewpoint and creating measures that reflect the collaborative advantage that occurs and the value created when goals are shared and public agencies work together.

How should the social worth of public libraries be captured?

Evaluation is, in effect, a form of comparative valuation. It provides an opening to discuss the kinds of value that public libraries generate so well, such as a commitment to serve the children of the community, the elderly, and recent immigrants (Lydenberg, 2005). Defining parameters of excellence in areas like public-access computing, low-income access to preventative health information, or training in the use of specialized databases suggests the need for a new “grammar” for exploring these concepts. Where do we look to find these?

## 4.2 Social Responsibility Models From the Business Community

### 4.2.1 Balanced Scorecard

The corporate world has also encountered the difficulties associated with using financial calculations to describe social value, and it has devised several tools that may be of interest to public library practitioners and advocates. One of these, the “Balanced Scorecard” (<http://www.balancedscorecard.org/basics/bsc1.html>), was discussed at the November 2005 economic meeting and considered a noteworthy assessment instrument that could be adopted more widely based on its usefulness to the business community. Devised in 1987 from the “Baldrich Criteria” ([http://www.quality.nist.gov/Improvement\\_Act.htm](http://www.quality.nist.gov/Improvement_Act.htm)), the Balanced Scorecard is a strategic management process that typically conceptualizes organizational performance from a set of perspectives suggested in the SROI model.

The first perspective relates to the financial performance of the organization that is typically captured by standard accounting practices. The second relates to values that customers are likely to associate with the product or service they receive. In the case of public libraries, these might include ease of access, timeliness, accuracy, staff enthusiasm, and relevance. The third perspective relates to values associated with the efficiency of the business process. In the case of public libraries, these might include circulation per capita or number of books purchased that did not need to be returned. The last perspective characterizes the organization as an asset and examines strategies that increase its value in capacity and behaviors. In the case of public libraries, this might include the skills, knowledge, and service orientation of the staff, as well as contributions to communitywide objectives.

This combination of financial and non-financial measures provides a richer framework for valuation using either industry standards or context-based performance levels that may be specific to a given community. In the case of public libraries, we might see a decision in which one factor, such as staff development, was given particular weight and another where a public library might install self-check-out equipment in order to provide more timely service or build a branch in an underserved area to equalize community access. In each case, the strategic goals and vision articulated in the Balanced Scorecard serve as a roadmap for measuring value-based objectives and aligning vision, strategic planning, and operations (<http://www.rocketsoftware.com/portfolio/epm/balancedscorecard.htm>).

The IMLS is exploring the Balanced Scorecard’s usefulness through a National Leadership Grant to the Carlsbad City Library, in partnership with the Cerritos Library, Newport Beach Public Library, and San Diego County Public Law Library (<http://www.imls.gov/applicants/grants/nationalLeadership.shtm>). The libraries will assess the resources required to develop a Balanced Scorecard appropriate their activities and the “utility of the library scorecard for management as it seeks to communicate the value of a public library.

([http://www.imls.gov/results.asp?State=0&city=&description=on&inst=&keyword=&program=gt\\_1006&sort=year&year=9](http://www.imls.gov/results.asp?State=0&city=&description=on&inst=&keyword=&program=gt_1006&sort=year&year=9)).

### 4.2.2 Triple-Bottom-Line Accounting and the Global Reporting Initiative

In prepared remarks to the November 2005 economic meeting, Steve Lydenberg, CFO of Domini Investments, introduced another SROI concept that might lead public library administrators and advocates to a broader value perspective—triple-bottom-line accounting. Within the corporate and non-profit sectors, this practice is typically used to characterize the social, financial, and environmental debits and credits an organization incurs during a given period. The objective is to create a diverse balance sheet that reflects the manner in which a company’s organizational, fiscal, social, and environmental capital either accrue or depreciate due to its activities.

“As a policy analyst, I would suggest that what we’re trying to do is elucidate, if that’s the right term, the economic effects versus the economic impact....that the library has at the local, state, and national level....There’s a really good case to be made [for allocating tax dollars] for police, fire, schools, and transportation, but there’s an excellent case to be made for libraries as well....”

—Tim Lynch, *Economic Forecasting*

The Global Reporting Initiative (GRI) (<http://www.globalreporting.org/Home>) provides a set of voluntary guidelines designed to encourage corporations around the world to include comparable SROI calculations in their standard reporting practices. The core performance indicators focus on sustainability and examine economic, environmental, and social performance from a variety of viewpoints. Social benefits refer to contributions that organizations make to the improvement or deterioration of the lives of those involved with the organization and social conditions at the local, regional, and global levels (<http://www.grig3.org/guidelines/social.html>). Environmental benefits refer to the organization’s impact on health, biodiversity, and the environment (<http://www.grig3.org/guidelines/environmental.html>). This improved disclosure may encourage corporations to change their behavior and policies in these often-neglected areas. It is also thought the GRI may encourage the financial community to incorporate the value of such initiatives in their investing strategies.

The growing popularity of double- and triple-bottom-line reporting acknowledges that making money for shareholders is only one measure of business-generated wealth. At this time, the GRI enjoys the active participation of representatives from business, accountancy, investment, environmental, human rights, research, and labor organizations around the world. In the beginning, these efforts focused on transforming the corporate sector, but today the reporting guidelines are being adopted by business schools in their teaching practice and by non-profits in their financial reporting.

### 4.2.3 Corporate Social Responsibility Reports

In a relatively short time, the GRI has created an expectation around the world that corporations should report these issues publicly in corporate social responsibility (CSR) reports. While corporations often define social responsibility differently, the statement below captures its intentions.

Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

—WBCSD Stakeholder Dialogue on CSR, *The Netherlands*, Sept 6–8, 1998; <http://www.wbcd.org/DocRoot/RG-k80O49q8ErwmWXIwtF/CSRmeeting.pdf>

Between 1990 and 2004, the number of corporations issuing CSR reports grew from fewer than 100 to more than 1,500. Starting in 2004, French law required corporations operating in France to report on some 40 social and environmental issues in their financial statements (<http://www.legifrance.gouv.fr/WAspad/UnTexteDeJor?numjo=ECOX0000021L>). Although few corporations follow the GRI's guidelines exactly, as of early 2006 some 790 firms made specific reference to them in their CSR reports.

To date, increased CSR reporting has had two profound consequences. First, the concept of CSR is gradually winning acceptance as a legitimate part of corporate management practices. Many of the largest corporations in the world are now aggressively favoring CSR. For instance, in the United States in late 2005, General Electric launched its “Ecomagination” environmental program, Wal-Mart announced a wide range of sustainability initiatives, and Goldman Sachs became the first U.S. investment firm to “go green.”

Second, the availability of social and environmental data has prompted institutional investors around the world to incorporate these considerations into their investment decisions. Among examples, the state pension funds of Norway and Denmark began screening their portfolios on a variety of social and environmental standards in 2005, and California's Public Employee Retirement System (CALPERS) began incorporating its “Green Wave” investment policies into real estate, venture capital, and stock selections.

At the November 2005 economic valuation meeting, there was general agreement that similar practices might enhance the framework of advocacy arguments, since it is clear that public libraries create many of the economic externalities captured through these reporting procedures.

It was also recognized that the adoption of GRI practices would require time and the application of substantial resources to the process of familiarizing community members and advocates with the guidelines. But adoption, it was argued, might provide a new valuation framework combining social and fiscal efficiency arguments in a single model that could attract new investment, as it has in the corporate sector.

From an advocacy viewpoint, this combination may be exactly

what library researchers, practitioners, and advocates are seeking: its use could facilitate productive comparisons to other organizations; it could also offer unexpected benefits such as access to additional marketing and reporting tools that have proved their value within a similar climate of accountability within the business and non-profit GRI communities. Interaction with businesses and non-profits around the use of GRI reporting might, in turn, have a multiplier effect—heightening awareness of public libraries as important contributors to the social fabric of their communities and attracting new business supporters and sponsors among GRI practitioners.

### 4.2.4 Evidence-Based Policy and Practice Framework

Another approach, the evidence-based policy and practice (EBPP) framework, is gaining a remarkable foothold in the United Kingdom, where it has been incorporated into a recent British Museum initiative that explores the social benefits offered by libraries and museums. The “Inspiring Learning for All” project exemplifies this new approach. It also presents measures that can be used to document the ways in which informal learning environments like public libraries contribute to affective growth and behavioral change, as well as increased personal knowledge and confidence (<http://www.inspiringlearningforall.gov.uk>). This experiment warrants close observation, particularly for its ability to facilitate the following types of activities:

- Debating the meaning of learning in the context of museums, archives, and libraries
- Identifying evidence that demonstrates that learning goals are being met, and identifying gaps in this evidence
- Translating observations into action planning and support for advocacy work
- Assisting in the development of new advocacy strategies to support learning both internally and externally

The impetus for the development of this framework can be traced to increasing competition for tax dollars. However, the EBPP movement is also supported by the UK Economic and Social Research Council (ESRC). The Council receives funding through the government's Office of Science and Innovation, and supports research and training in social and economic issues. The ESRC spends its budget of more than £100 million to sponsor 2,500 researchers in academic institutions and policy research institutes throughout the U.K. and supports more than 2,000 postgraduate students.

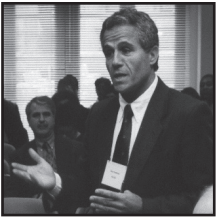
The UK Evidence Network (<http://www.evidencenetwork.org>) has become the main clearinghouse for disseminating information about evidence-based policies and practices, with the goal of bringing social science research much nearer to the policy development process in all facets of government and business decision-making. A recent book by Markless & Streatfield (2006), *Evaluating the Impact of Your Library*, dedicates several chapters to laying out the methodology that libraries can use to build impact measures into their planning processes.

### Key Finding: A Few Barriers to Address

The library community is rich in information, but the research related to economic impacts is uncoordinated, and several barriers need to be addressed if it is to reach its potential as an advocacy tool:

- The absence of a coordinating body that can focus resources on important advocacy and research issues
- The lack of an organizational forum for sharing knowledge and lessons learned about the effective use of evaluation studies and data-driven advocacy
- The absence of a national research agenda that would encourage consistency in methodologies and applications
- The absence of data standards and a common vocabulary that would facilitate sharing statistical data across platforms
- The lack of a comprehensive open-source database that could link operational and usage data to broader social issues such as education and literacy
- The absence of the financial resources required for a comprehensive meta-analysis that integrates the results of completed valuation studies
- Limited awareness among library practitioners and advocates concerning the steps required to complete a valuation study and effectively communicate the results to important stakeholders





## 5. From Research to Advocacy

“The first question out of their [the Mayor’s and City Council’s] mouth is, What is the economic value of the impact of your library? Can you tell me why more kids haven’t used your library in this last year, and if they have, what difference has it made on their reading scores or their attendance at school?”

—Martin Gomez, Urban Libraries Council

### 5.1 A Changing Library and Advocacy Landscape

Research on public libraries and advocacy for public libraries are both experiencing a period of growth and change. As discussed in prior chapters, there is new investment in research on the part of both the public and the private sectors; there are new studies being conducted at the national, state, and local levels; and there is new attention to quantitative data on the part of policymakers, private funders, and library managers. Given today’s economic and social climate, with such strong pressures on institutions of all types to justify support through quantification of their impacts and benefits, it is no surprise that the visibility of economic valuation has increased exponentially. In the past decade, more than 25 economic valuation studies of one type or another have appeared at the national, state and local levels.

Advances in library advocacy are a parallel phenomenon. Over the past decade most library supporters have come to understand that advocacy is much more than lobbying—it involves strategic communications, outreach to stakeholders, partnerships with institutional allies, and mobilization of users of all ages and types. They recognize that advocacy must be sustained throughout the year, not brought into play only for budget hearings or funding crises. They know also that advocates themselves must change and diversify to reflect the multiplicity of languages and backgrounds of library users. And most library supporters recognize the importance of library campaigns that go beyond drives for prestigious central buildings to include new technology, new programming, branch outlets, and even endowments that can ensure ongoing renewal of services to respond to community learning needs of the 21st century.

Other aspects of advocacy are changing as well. No longer confined to one library or one community, more and more advocacy or communications initiatives are being conducted at the system, county, or state levels. Other kinds of supporters, beyond library Friends and staff, are becoming more involved in advocacy, including trustees, members of library foundations, and leaders of key constituencies and allied community organizations.

Despite these changes to a more strategic, inclusive, and sustained form of advocacy, the content of library advocacy messages has un-

dergone less change than would be expected. Anecdotes, images, and phrases along the lines of “We love our libraries” continue to characterize many advocacy messages. The materials are slicker and their reach is broader, but they make the case for the public library in much the same way as a generation ago. This lack of change is particularly unfortunate because many legislators and government officials expect to discuss funding issues using the language they are most used to—the language of business.

Library advocates need to develop the same language facility if they are to become more effective. They must be able to cite real indications of value and communicate them from multiple perspectives, including—but not limited to—economic impact. Earlier chapters have suggested that library valuation research could provide a basis for a new language of advocacy. At a time when advocates are ready for new messages, the research community is beginning to provide facts and figures that link the library to the community’s economic and social fabric. This promising research could help public libraries demonstrate their value and diminish the likelihood of their being taken for granted.

What is lacking is a means of bringing about a systematic convergence between these two trends. To date, there has been very little planning of studies that could support national advocacy, almost no investment in the conversion of data for advocacy purposes, and almost no follow-up on the advocacy results of the new crop of economic valuation studies. As a result there can be no definitive answer regarding “best practices” in library valuation for advocacy. What we do have are promising indicators that the fields of library research and library advocacy are both maturing and that they are on tracks that could naturally converge. We also know that the research we have described here has the potential to create a new language of advocacy, but we don’t know yet if this new language will accomplish desired results in given situations.

### 5.2 Hints of Success

Anecdotal evidence suggests that in some cases the new language can be effective. There has been little organized or systematic follow-up to most of the studies we reviewed, but reports from the



field suggest that the research has been helpful. As noted earlier, the results of the 2004 Florida study favorably affected legislative decisions and legislators' attitudes. In the case of two of the studies that focused on Suffolk county libraries (Suffolk Cooperative Library System and the Mastic-Shirley-Moriches Community Library), the economic impact data appear to have been effective with policy-makers although possibly less so with the general public.

Two other cases support these observations. Some of the libraries that have adopted the personal-use valuation calculator developed by the Massachusetts State Library Association have indicated that they find it useful in a variety of ways. One comment indicated that raising the idea of valuing public library services from an economic perspective was valuable in itself. There were also reports of using the data in conversations with patrons, trustees, and funding bodies. A small number of libraries described efforts to extend the individually targeted calculator to create full blown assessments of services and collections. Feedback from these users indicates that a calculator would support a useful broader application. The libraries particularly valued the fact that the calculator and its results were available without further expenditures.

A recent South Carolina State Library survey indicates that many of the state's libraries have found the 2005 *Economic Impact of Public Libraries on South Carolina* study similarly helpful. The data collected for the study was obtained free of cost in cooperation with the South Carolina State Library, and the analysis was performed as a public service by Dr. Robert Williams and other faculty at the University of South Carolina's School of Library and Information Science. Survey questions concerning patrons' opinions of the usefulness of public library services were included in the research project. Although the value calculations were performed at the state level, site-specific library data was made available to individual libraries.

Responses from approximately two-thirds of the South Carolina County Library Systems indicate that they found the executive summary and findings summaries most useful and the detailed statistical reports less so. Almost 90% of the libraries reported using the data in presentations to library boards, and approximately three-quarters indicated that they had used the information with city or county council members and the press. A much smaller number, 40%, reported presenting the data to fundraisers, and only 20% indicated that they had used the data in presentations to donors.

Several other observations are worth noting. The respondents generally found the survey questions related to their opinions of the usefulness of library services as valuable as the economic impact data. They were not surprised by the findings indicating that their libraries played a significant role in the state's economy, and were pleased to see a new measure that quantified this value at a favorable \$1:4.48 benefit-to-cost ratio.

Taken together, the outcomes of the Florida, Suffolk County, and South Carolina studies—along with the Massachusetts personal-use library-valuation calculator—suggest directions for future efforts. The first concerns the many time and resource constraints

which characterize most public libraries. The low cost of the South Carolina and Suffolk County studies was apparently key to their use and adoption. Greater familiarity with these relatively low-cost studies might encourage more libraries to undertake their own valuation reports, especially if grant funds and low-cost training that accommodate busy schedules became available and part of the training focused on using the data for advocacy purposes.

The experiences also suggest that those who receive the benefits of a positive report see the results as a valuable tool to be shared with the public through the press, with their local funding agencies through data compiled for city and county councils, and with their staff through presentations that bring to light the value of their services. They did not see equal utility when it came to direct advocacy beyond this circle. A better understanding of how the results could help shape relationships with a larger community of stakeholders might facilitate negotiations and attract new members to their ranks. However, there is little guidance concerning how this might be accomplished or how successful these efforts might be.

The failure of the Mastic-Moriches-Shirley Community Library bond vote despite the dissemination of a very positive economic valuation report showcasing the library's efficiency also provides some instructive lessons. As an instrument of change and tool for advocacy, a favorable economic valuation report may have limited immediate value when community dynamics are strongly focused on other acute needs, or when there is little sense of community continuity or desire to invest in public services. A valuation assessment may more accurately be said to be a thermometer of community needs and desires.

It may be an effective way to raise perceptions of the value of the public library in the eyes of the community, yet be unsuccessful as a fund-raising argument.

A valuation assessment can be a thermometer of community needs and desires.

## 5.3 Conclusion

Being highly attuned to the economic, social, and educational priorities of the voting public is a key success factor in every aspect of library advocacy. This factor, as well as timing and the resources available, needs to be taken in consideration both when planning to conduct a valuation study and when deciding how to weave its findings into the fabric of effective advocacy messages. Our discussions with experts and our own observations suggest that it is not yet possible to make a definitive statement about the consistent value of library valuation as an advocacy tool. But as the field of library valuation is relatively young, so is the practice of converting this research into advocacy. The answer will emerge and become less speculative if both fields continue to work toward each other and maintain the momentum that has recently been created by the state libraries, private organizations, the IMLS, and interested advocates and researchers. This process can also clearly be accelerated through better coordination among stakeholders, additional funding, and the construction of a unified agenda. With these pieces in place, it appears likely that the transition that turns research into evidence-based advocacy statements will be successful.



## 6. Recommendations

“This whole field of library evaluation has been evolving from inputs, to outputs, to outcomes. Increasingly, the message has been that libraries and librarians should take charge of this evaluation process rather than have it imposed by some external agency that doesn’t understand the environment.”

—Jose Marie Griffiths, *UNC School of Information and Library Science*

The following recommendations draw on the discussions and analysis that inform the previous chapters. They emerged during the first meeting with research specialists in November 2005 and were refined a little more than a year later. Since then, they have been reviewed by other experts in the library community, including heads of library associations, library directors, and state librarians. They were presented during the ALA Midwinter meeting in January 2007 to a representative group of the research specialists invited to the original November 2005 meeting. Participants agreed on the usefulness of the recommendations and their potential contribution.

The recommendations address a range of major topics such as data collection, data and information management structures, and tool development; new directions for advocacy and valuation research; and a national valuation reporting framework incorporating both financial and social benefit measures.

### 1. Improve coordination and communication among stakeholders.

Funders of library research should address the core issue of research coordination. Greater coordination of valuation research as an academic discipline and a national advocacy initiative would enable stakeholders to work to each other’s strengths. Three new strategies could immediately advance this process:

- Create a research forum consisting of researchers and leading practitioners to begin finding common ground in vocabulary and research methodologies.
- Form a Collaboratory of researchers across institutions to provide important administrative support to research efforts through a long-term commitment to work, focus attention on key issues, and leverage knowledge.
- Develop a comprehensive open-source statistics database from fragmented sets of data.

**Discussion:** The experts and researchers said that advances in the field of library valuation research are hampered by the lack of coherent data-gathering practices. Data streams are now scattered among several types of institutions that lack strong incentives to

communicate with one another. Current individual library statistics on collections, electronic resource use, and circulation often reside with different vendors. Detailed funding data can be spread across several types of institutions, including the federal government, private foundations, and state and county governments. Federal institutions charged with aggregating data from public libraries have many priorities that are broad in scope, and they have limited resources to devote to this issue. A national statistics repository is needed, and its absence is likely to impair the further development of research.

Many areas of information science and the physical sciences have developed forums for sharing data, including web-based communities for experimentation. Such a community is sometimes referred to as a collaboratory. It has the ability to create an environment where researchers can share computational tools, discuss common interest, and co-conduct major fieldwork. The Collaboratory we are proposing would be a joint venture, undertaken by major library and information science academic institutions whose researchers would support, manage, and use the Collaboratory’s resources. The benefits to the broader public and the professional library community include the creation of an infrastructure capable of supporting effective research and policymaking, the aggregation of important data sets, and the expansion and intersection of communities of interest.

To accomplish this intersection, the members of the Collaboratory will need to come from a variety of disciplines, including economists with the skills to develop and use valuation research tools appropriately and effectively. Multiple viewpoints are particularly needed to debate the concerns and criticisms that accompany the development of any new discipline. Without them, diverse methodologies are not likely to be fully tested to see if their conclusions withstand the public scrutiny and debate needed to assure effective advocacy.

The initial goals of the Collaboratory could include: (1) the creation and dissemination of new research and knowledge, (2) the development of a web-based technology platform, and (3) the development of content resources. The infrastructure would consist of six primary components:

- **Content and Resources:** A collection of digital libraries that provide access to comparable research, collection instruments, aggregated data sets, documents, multimedia presentations, models, curricular materials, learning objects, etc.
- **Metadata:** A clearinghouse for structural metadata related to the digital libraries.
- **Middleware:** Models of security protocols, rights management practices, and human-subjects-protection practices.
- **Tools:** Metadata extraction tools; browsing tools that facilitate identifying and accessing the metadata and digital collections; tools for analyzing, manipulating and visualizing digital content; tools for capturing and creating new digital content and associated metadata, etc.
- **Collaboration services:** Electronic discussions, meetings, symposia, conferences, classes, workshops, web casts, etc., bringing together constituencies across the library world.

## 2. Develop a comprehensive research agenda that promotes systematic valuation of libraries' contribution to improvements in education, civic participation, and improved quality of life.

The research community should expand its efforts to develop the conceptual models, research methods, and analytical tools for building a national portrait that links public libraries to social benefits such as educational achievement, civic participation, and other quality-of-life factors. Three steps seem particularly promising:

- Develop publicly available programming tools that facilitate the inclusion of automated library system data in research that focuses on public library value.
- Initiate research that links user and automated system data with social issues, such as the quality of education and the continuation of learning.
- Explore geospatial modeling techniques. Such techniques have been used by urban planners and government agencies for decision making and planning and may be suitable for composing quality-of-life arguments regarding libraries.

**Discussion:** Automated library management software applications provide many opportunities for researchers to mine new data streams and capture information about the use of library collections. These relatively untapped resources include data generated by library-patron “smart” cards that communicate with collection management systems with each use. Data gathered through this type of unobtrusive observation is considered more reliable than self-reported data; and with strong privacy safeguards in place similar to those used in healthcare research, these data could produce a more accurate picture of the value of library services to different sets of users. They might also answer questions concerning the value of different aspects of a library’s collection to different segments of the community. Findings might indicate, for example, that people

are willing to pay the most in “time spent in travel” for children’s picture books, or demonstrate that certain segments of the community are experiencing substantial cost savings because they do not need to purchase expensive vehicle maintenance materials on the private market.

With permission, data from patron smart cards could also be linked to interview and survey data. This approach could improve our understanding of how variations in the use of library services might influence the value that patrons place on these services. Although survey questions have recently addressed similar issues (Griffiths, 2004a; <http://dlis.dos.state.fl.us/bld/roi/publications.cfm>), no one has linked survey and circulation data to render a new understanding of this question. Similar combinations of data could be used to support arguments that link library use with learning satisfaction, school achievement, and perceptions related to the quality of life.

## 3. Create a varied set of innovative tools.

Library managers, trustees, advocates, and practitioners need a good mix of tools that help them collect local data and use these effectively in diverse advocacy settings. Three approaches seem promising:

- Create and disseminate needs-assessment models that point to appropriate valuation methodologies and enable valuation research projects to address issues of real interest to the community.
- Develop continuing education programs that focus on techniques for using valuation research to make the local case for public libraries and specific services such as public-access computers and literacy efforts.
- Develop open-source public library valuation calculator models that might generate reports, ready-to-use marketing material, and guidance related to advocacy issues. The materials might include sample press releases, references to articles in the public domain relevant to the report analysis, spreadsheets, briefings, and pamphlets.

**Discussion:** Analytical paradigms exist for making useful calculators that can be adapted to different levels of resolution for different purposes and communities. The following previously discussed examples could be very effective in garnering public attention:

- The Massachusetts Library Association “Library Use Valuation Calculator” (<http://www.masslib.org/value/info.html>) puts a monetary value on an individual’s use of library services.
- A public library return on investment (ROI) “calculator” is in development by the School of Information and Library Science (SILS) at the University of North Carolina at Chapel Hill.

## 4. Take advantage of valuation and evaluation reporting lessons from other sectors and fields.

Benchmarks and measures from other fields provide opportunities to expand the measures provided by NCES and other library-specific sources. They might focus on the efficient use of fiscal assets, the sustainability of operational goals, and the development of social and organizational capital. Two steps deserve consideration:

- Explore additional reporting practices that advance discussions of the economic and social relevance of public libraries and bring these conclusions to a wider group of stakeholders.
- Explore triple-bottom-line reporting models that facilitate comparisons to other civic and business institutions and capture a broader benefit picture.

**Discussion:** The quiet, baseline services that libraries provide lend themselves to an “annual report” format, and many public libraries already compose well-designed annual reports for their communities. Adding an economic valuation section and using SROI reporting protocols could enhance their advocacy value. In some cases, the release could become a marketing “event,” and the enhanced report could be coordinated with annual fundraising activities. From this perspective, the report could become a gracious way of publicly thanking the entire community, including partners, donors, volunteers, board members, and staff, for their part in providing a wide range of benefits. Finally and importantly, enhanced annual reporting measures could provide additional support for grant applications or requests for tax dollars.

Gathering and reporting SROI data using comparable guidelines and measures could also promote three interrelated goals: improving the quantity and quality of data available, increasing efficiencies in the areas being measured, and generating the database necessary for the systematic economic analysis and valuation of library services. Public reporting typically encourages better management and sharper strategic focus, and new SROI measurements provide new ways to distinguish individual activities while telling a story tailored to a community. On the fiscal side, cost/benefit analysis can demonstrate how efficiently libraries have been spending their budgets, opening themselves to praise from those who have invested heavily in their buildings, materials, and services.

## 5. Define a national library valuation research agenda as part of a research coordination infrastructure.

Those with an interest in valuation research need to identify issues that will benefit from a national perspective, and put in place mechanisms that allow individual efforts to build an argument capable of national impact.

**Discussion:** With better communication among stakeholders that include ALA, IMLS, academic researchers, and other key professional library organizations, meta-analysis of recent valuation studies could render a more comprehensive portrait of the national

library landscape in regard to funding issues, unmet need for services, and spending efficiencies. Meta-analysis is the term used to describe a set of statistical methods to analyze data from different studies to generate new results.

In a recent meta-study, Griffiths (2004a) identified four potential benefits of meta-analysis:

- Extraction of additional results from further analyses of the data and other evidence gathered in each individual study
- Confirmation and reinforcement of existing findings, or identification of new findings through the aggregation and analysis of data and other evidence across studies
- Identification of relationships, dependencies, gaps and overlaps, confirmations and contradictions not otherwise evident from the individual studies by mapping the results of the original studies and the meta-analysis itself to model the environment being studied
- Improved understanding of the origins and provenance of the study results, conclusions, and implications by mapping relationships among elements of the original studies and the meta-analysis itself. Such a mapping has the potential to yield reinforced or additional conclusions and implications.

## 6. Seek support for impact assessments enabling libraries, advocates, and researchers to work together to evaluate the impact of studies in different contexts.

To move beyond anecdotal assessments of the benefits of valuation studies, the goals and objectives of assessing impacts need to be built into the development of future economic valuation studies.

**Discussion:** As the field of public library economic research expands and diversifies, there is a growing need to begin a second stream of research that assesses studies from the viewpoint of library advocates and captures their value as part of a national advocacy policy agenda. Advocates need tools and methods to accomplish their goals, and these may vary with the contexts in which they are presented. Gauging how different valuation strategies are able to meet specific goals could provide researchers with valuable information by:

- Framing additional research, based on the mapping of prior results, to develop a model of the environment addressed by new studies.
- Building awareness (on the part of funders and researchers) of the potential contributions that their studies could make to the overall knowledge of the environment being studied by moving beyond a somewhat reactive mapping of previously conducted studies to an active development of the mapping itself.
- Providing a framework for the development of collaboratories and assuring participants that their efforts will contribute to a collective effort.

## **Section II: Study Summaries**

## Study Summary Guidelines

The 17 summaries of recent economic valuation studies assembled in this section offer a starting place for researchers and advocates considering this field and a basis for planning studies with greater awareness of the options in methodology and approach. A table of contents for this section may be found at the beginning of this report.

Two caveats are in order. First, the presence of a study in this collection does not constitute an endorsement of its validity, utility, or effectiveness. Second, the following summaries are significantly condensed from the original studies. Researchers are urged to consult the original studies for complete information about methods, statistical calculations, and survey questions. An online source is provided for every study considered in these pages.

Table 5, on page 23, may help guide readers to studies of particular relevance to their own particular situations.



# Economic Benefits of Public Libraries: Value for Money

## Southwestern Ohio's Return from Investment in Public Libraries 2006

by Levin, Driscoll & Fleeter

URL: <http://9libraries.info/docs/EconomicBenefitsStudy.pdf>

### SUMMARY

Nine libraries in Ohio's four southwestern counties provide services to about 1.5 million residents. The communities served by the libraries in this **regional state study** range from the urban neighborhoods of Cincinnati and Middletown to rural communities in Clermont and Warren counties. The libraries themselves range from very large to very small. The report estimated the economic value of these libraries using a traditional cost/benefit formula applied to aggregated 2005 expenditures and services. It also dedicated a chapter to discussing the difficulty of measuring the indirect value of the libraries' work. The authors urge the library profession to come to terms with this issue, arguing that the value of reading programs, educational programs, support to job seekers, support for the blind and elderly, cultural programs, and cooperation with community programs has gone unmeasured and therefore unappreciated.

### METHODS & ANALYSIS

The study applied the following methods: cost/benefit analysis and measures of secondary economic impact using a BEA-U.S. Department of Commerce "household multiplier" for Ohio (no software was mentioned).

#### *Scope of Study*

Nine public libraries in southwest Ohio: Middletown Public Library and Lane Public Library from Butler County; Clermont County Public Library; Public Library of Cincinnati and Hamilton County; and five libraries from Warren County—Franklin Public Library, Lebanon Public Library, Mason Public Library, Salem Township Public Library, and Mary L. Cook Public Library.

#### *Summary of Methodology*

The quantification of economic returns from library services used conservative measures of value:

- book circulation value (acquisition cost minus 50% value x circulation number)
- music circulation (acquisition cost minus 50% of value x circulation number)
- recorded books (average cost of rental to provide same service)
- e-books (average download cost online for service)
- periodical circulation (\$5.00 per magazine/journal x circulation number)
- reference services (10% of average per item cost in the marketplace x patron use)
- references questions (\$5.00 per question, using an estimate of 10% of all patron visits)
- electronic database use (use number 1.2M, x marketplace value \$10.00 per access use)
- computer use (using marketplace cost - Kinkos \$10.00 per hour x patron use in 2005)
- computer training (cost of marketplace computer training, \$25.00 per hour x patron use in 2005)
- GED programs (marketplace cost)
- meeting room access (valued at \$50.00 per room reservation)

Other economic studies of library services have used list prices of library materials as a basis for measuring value. This study used the more conservative method of library acquisition costs as the basis for the valuation of many items. This approach built in the effects of deep discounts achieved through large-volume purchases.

Cost/benefit analysis: library patrons received direct benefits from library services during 2005 of about \$190.4 million. Therefore, for every dollar expended on library operations, the public received about \$2.56 in directly quantifiable benefits.

Secondary economic impacts: application of a household expenditure multiplier, as published by the U.S. Department of Commerce, BEA, for Ohio, was added to the service, program, and use value of \$190.4 million. This multiplier effect increased the libraries' value, representing direct and secondary economic impacts equal to about \$283.6 million, or about \$3.81 per dollar expended on library operations for every \$1 of investment.

## RESULTS

About 1.5 million people reside in the four counties of southwest Ohio, and the public libraries had more than 840,000 library cardholders in 2005:

- Almost 7 million patron visits occurred at the public libraries in these counties.
- Library patrons made over 1.2 million “virtual” library visits to electronic databases maintained by the libraries.
- The nine public libraries in Butler, Clermont, Hamilton, and Warren counties circulated over 22 million in items, including over 12.7 million books and periodicals.
- The nine public libraries spent \$74.4 million on operations. These expenditures included amounts for materials, database services, salaries, and other costs of operations at all main and branch libraries.
- Circulation of library materials provided over \$104 million worth of benefits, including \$58 million from the circulation of more than 12 million books

# Tax Payer Return on Investment in Pennsylvania Public Libraries 2006

by Jose-Marie Griffiths, Donald King, Sarah Aemi et al.

URL: Check State Librarian's Office in PA for publication information:  
<http://www.statelibrary.state.pa.us/libraries>

## SUMMARY

This **statewide** study was commissioned by the Pennsylvania Office of Commonwealth Libraries to determine the economic benefit of public libraries for Pennsylvanians and the extent to which residents feel the public library contributes to their economic well-being. The findings highlight economic and other benefits, assessed through four integrated surveys, cost/benefit analysis using contingent valuation, and a statewide economic input-output model (REMI) to determine secondary economic impacts.

## METHODS & ANALYSIS

Two surveys were designed to obtain information concerning public library use, reasons for use, outcomes of use, and data to determine the value of public library services. A third survey established the extent to which other types of libraries use public library services and also provided data contributing to the value of public libraries. A fourth survey of public libraries obtained information not provided elsewhere for use in the REMI economic input-output model. The surveys were conducted in spring 2006.

### *Scope of Study*

Pennsylvania: random telephone survey, survey of public libraries and community organizations (schools, university and college, businesses, and non-profits).

The four surveys used were:

- A statewide household telephone survey of adults 18 and over. This Random Digit Dial survey resulted in 1,128 complete or partial interviews.
- An in-library survey of 2,614 visitors in a sample of 19 representative public libraries and their branches.
- A survey of 226 school, university and college, and business and non-profit-organization librarians.
- A follow-up survey of 112 public libraries.

Data sources for economic analysis included survey questions regarding other resources patrons would use if there were no public libraries, and an econometric modeler.

### *Summary of Methodology*

The report describes the extent of in-library and remote use through the Internet, characteristics of those who used Pennsylvania public libraries, what services they used, factors that affected use, and the purposes for which public libraries were used. Estimates are also provided for what patrons paid to use the public libraries in time and money (e.g., for travel and parking). Of particular importance are the personal and community consequences of not having public libraries. The survey questions also posed economic contingent valuation scenarios.

Cost/benefit analysis used a contingent valuation method: dollars taxpayers would pay to replace library services (cost of time, valued at \$1,377 million) divided by the tax dollars used to support public libraries (\$249 million). The existence of Pennsylvania's public libraries caused an economic ripple effect that increases the state's gross regional product (GRP). An economic input-output model (REMI) provided a means of estimating the impact of public libraries on other economic sectors over time.

## RESULTS

### *Key Findings: Economic Analysis*

- Placing an economic value on visitors' time and adding in the other costs incurred suggests that users paid about \$574 million for library information and services.
- Users paid an additional \$109 million in time using the Internet to remotely access library information and services.
- Users would not have expended this time and money if they did not consider library information and services to be worth at least \$683 million to them.
- The total cost to use alternative sources was an estimated \$1,647 million. That compares with \$683 million that patrons spent in time and money to use public libraries.
- Thus, as a net benefit, it would have cost public library users \$964 million more to obtain needed or desired information if there were no public libraries.
- Without public libraries, library users would have lost \$84 million by not knowing where to obtain needed information.
- Without public libraries, library wages and salaries lost to the state economy would have amounted to \$180 million.
- Without public libraries, library in-state purchases lost to the economy would have amounted to \$68 million.
- Without public libraries, the revenue generated by services operated by non-library vendors and others in libraries would have been lost; the extent of this loss to the economy would have been \$1 million.
- The Pennsylvania taxpayer return on investment (ROI) in the public library was 5.5 to 1 (\$1,377÷\$249 million).<sup>1</sup>
- Results of the REMI analysis indicate that the GRP increased by \$3.79 per dollar of public funding for public libraries. The public libraries yielded a net impact of \$3.14 of GRP per dollar of public funding.

### *Patron Uses of Libraries*

- A total of 474 public libraries served a population of nearly 12 million Pennsylvanians in 2006. Of 9.1 million adults, 4.7 million (51.6%) visited a public library in the previous 12 months, and 1.2 million (13.2%) indicated that they had connected to the library remotely.
- Summing all lifelong learning visits, teacher visits, and student visits reveals that approximately 43% of all visits to the public library were education-related.
- Adults were estimated to connect to public libraries through the Internet about 11.4 million times, or 22 percent of all visits (in-person and remote).
- The five top personal or family needs addressed by public library visits were to help with a health or wellness problem, to keep up with the news or current events, to help with a hobby or fixing something, for information on culture or religion, and to learn more about personal finances. Uses of library information for personal or family purposes resulted in favorable outcomes, usually answering all questions and leading to other useful sources.
- Teachers used the libraries largely for continued learning, to keep up with the literature, to prepare for a class or lecture, and to prepare a paper. Some used the public library for home schooling. Most adult students were attending a university or college. They and other students used public libraries to keep up with the literature, as a place to study, and to get information for a specific assignment.
- Workplace or job-related needs (other than teaching) addressed through visits to the public library included research, gathering information about a person or organization, searching for marketing or sales information, and examining finance or tax issues and legal issues. The use reportedly improved work, increased productivity, sped up work, and led to other favorable outcomes.

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<sup>1</sup> The cost to users is based on a dollar value of their time. The literature on how to derive this value varies a great deal. Some say that the median income of users should be the basis. Using this approach the ROI would be 5.8 to 1. The authors chose to refine the value of people's time by the different purposes of use: personal, work-related, teaching, student use, and so on, which yielded the 5.5 to 1 ROI.

# Carnegie Library of Pittsburgh: Community Impact and Benefits 2006

by Carnegie Mellon Center for Economic Development,  
Carnegie Mellon University

URL: <http://www.clpgh.org/about/economicimpact/CLPCommunityImpactFinalReport.pdf>

## SUMMARY

This report of a **city library** system assessed both the economic and social values of the Carnegie Library (and branches). The report offers an especially readable and visually appealing presentation that uses graphs and charts to illustrate many of the major points. The combination of cost/benefit analysis with other methodologies exemplifies the growing tendency among researchers to blend monetary and social measures of the library's value.

## METHODS & ANALYSIS

The Carnegie Library study, like the Louisville 2000 study, compares library visitation data with other cultural institutions, combined with cost/benefit analysis using a consumer surplus methodology. Methods consisted of a survey, focus groups, cost/benefit analysis, secondary economic impacts, value-of-time measures, and library visitation data for 2004, along with visitation numbers for other Pittsburgh cultural attractions.

### *Scope of Study, Data Sets*

- Survey population of 1,300.
- Two focus groups, attended by 16 library users of business services and community stakeholders.
- Cost/benefit analysis for direct benefit, using a consumer surplus methodology (consumer surplus ROI defined as the sum of value of time, total number of patron library visits for 2004, operations expenditures, and patron spending divided by the total operating budget, rendering a 3:1 ROI. If only tax dollars are used as a divisor, the ratio increases to a 5.5:1 ROI). Secondary impacts of construction and operations were determined using data on library construction and operations provided by the Carnegie Library and modified by the IMPLAN modeler using Allegheny County data (data source unknown; contact authors for more information). Consumer purchasing-impacts values were determined by survey respondent reports of expenditures then annualized (by multiplying the number of patron visits expected in one year, determined by the survey).
- Value-of-time measures used median personal incomes in Allegheny County to value time spent in the library, and an IMPLAN deflator coefficient.

### *Summary of Methodology*

- Survey of online library users to assess community benefits
- Two focus groups with stakeholders
- Cost/benefit analysis of direct impacts (also referred to as the consumer surplus method) and analysis of secondary economic impacts using an IMPLAN modeler (construction and operations impacts and consumer purchasing impacts)
- Value-of-time measures
- Library visitation data was compared with other Pittsburgh cultural and recreational attendance numbers

## RESULTS

This report concludes that the public received excellent value for funding the services and programs of the Carnegie Library of Pittsburgh (introduction, p. 7). The library was able to sustain more than 700 jobs and more than \$63 million dollars in economic output in Allegheny County annually (based on 2004 data). In total value, Allegheny County received \$75 dollars worth of library benefits for each resident, and the library returned \$3 dollars of value for every \$1 dollar it spent.

### **Key Findings:**

- The Carnegie Library of Pittsburgh is the area's most visited regional asset.
- The Main Library in Oakland is the second most visited destination in the city.
- The Carnegie Library of Pittsburgh serves customers well beyond the borders of the city, reaching customers in nearly every ZIP Code in Allegheny County.
- In 2004, the Carnegie Library of Pittsburgh supported more than 900 jobs and \$80 million in economic output in Allegheny County through its operations and renovations. Even without the additional impact of these renovations, the library can be expected to sustain more than 700 jobs and more than \$63 million in economic output in Allegheny County annually.
- The library provides an economic benefit of \$3 for every dollar it spends.
- For every dollar provided by the City of Pittsburgh and the Allegheny Regional Asset District, the library provides more than \$6 worth of benefits.
- The library provides more than \$75 worth of benefits per capita for every resident of Allegheny County.
- More than half of the city's residents and nearly one out of every five residents of Allegheny County have a CLP card.
- 70% of city residents between the ages of 13 and 36 are library cardholders.
- The library is a major force in promoting literacy and has been cited as a factor in the city's high ranking in University of Wisconsin Whitewater's study, America's Most Literate Cities 2004.
- Despite interruptions from major neighborhood library renovations and other reductions in operating hours, the hourly circulation of material increased by 28% systemwide from 2002 through 2005.

## SURVEY QUESTIONS

### ***Community Impact and Benefits of the Carnegie Library of Pittsburgh Patron User Survey***

- 1) What branch do you use most frequently?
- 2) Please explain why you use that one the most.

**If your primary branch has been renovated in the last year please answer the following questions:**

- 3) Since the renovation, have you visited the library more-less-same?
- 4) Since the renovation, are you borrowing more-less-same amount of material?
- 5) How important are the renovations to your decision to visit the library?
- 6) How important are the renovations to your enjoyment of the library?



- 7) Please describe how the renovations have affected your enjoyment of the library (open ended).
- 8) Please rate the following features of the library branch that you visit most often:  
(computers, comfort, ease of use, helpfulness, safety, materials lighting, location, parking)
- 9) In your opinion, what benefit does your library provide to the local surrounding community:  
(gathering place, meeting rooms, increased property values, youth & children's programs, business services, better quality of life, career resources, literacy and learning)?
- 10) Are there any benefits that you think the library could contribute to the community but doesn't?
- 11) On a typical visit, do you go to any other services or attractions  
(museum, movies, social services, senior center, schools or day care, park or playground)?
- 12) When you visit the library do you typically patronize other nearby businesses (bank or ATM, dry cleaners, drugstore, grocery store, restaurant or coffee shop, post office, clothing store, news or book store, doctor or dentist, other)?
- 13) How do you typically get to the library?
- 14) Considering expenses, how much would you estimate you spend at nearby businesses on a visit to the library?
- 15) How much time do you actually spend at the library when you visit?
- 16) Do you ever ask a library staff member for help when you are looking for something?
- 17) Why do you use the library versus other means of getting information (i.e., Internet, bookstores)?
- 18) Check all of the library services you use (books, newspapers, magazines, music and audio materials, borrow books and reading materials, borrow music, borrow videos and DVDs, use reference materials, request help from the librarian, visit children's section, attend programs, attend meetings, use career resources, use teaching materials, use business services, other )
- 19) Check all of the electronic services you use from computers in the library (the library website, card catalog, inter-library loan services, access databases, access the Internet, access email, other)
- 20) Check all of the Carnegie Library electronic services that you use from a home or work computer (access the library website, access the card catalog, access inter-library loan services, access databases, other )

# Placing Economic Value on the Services of the Mastic-Moriches-Shirley Community Library in Suffolk County, New York 2006

by Pearl Kamer

URL: <http://www.actforlibraries.org/researchstates.php>

## SUMMARY

This **individual library study** analyzed the cost of operating the Mastic-Moriches-Shirley Community Library and compared the value of the services provided with the tax dollars used to support the library. The study also measured the secondary economic impacts of the library's operating expenditures on the community using U.S. Department of Commerce BEA data and a software modeler. It used the 1998 St. Louis economic valuation study as a guide for defining the methodology. This is one of five studies by Kamer summarized in the present report.

## METHODS & ANALYSIS

Cost/benefit analysis and an assessment of the library's secondary economic impacts. Direct impact was defined as the value of:

- circulation and reference transactions
- collections (purchase value of all books, audio/music and books, video, and DVDs)
- other electronic resources
- other library programs and services

Indirect secondary economic impact was defined as the dollar value of and jobs generated regionally by library expenditures. This measure was assessed through the Regional Input-Output Modeling System (RIMS II). The output multipliers show how much Long Island's total output of goods and services increases in response to each dollar of spending by the Suffolk public libraries. The earnings multipliers used by RIMS II amplify overall regional earnings in response to library spending. The employment multipliers used by RIMS II determine how many secondary jobs are created for every \$1 million of library spending.

### Scope of Study

The Mastic-Moriches-Shirley Community Library.

### Summary of Methodology

**Data collection**—(1) The Mastic-Moriches-Shirley Community Library fiscal data (wages and operating and capital expenditures); valuation of each class of services stated above multiplied by documented patron transactions for 2004-05. (2) Frequency of use of library services in fiscal 2004-05 was quantified by referring to the New York State *Annual Reports<sup>2</sup> for Public and Association Libraries*; other sources used for assigning value were the *Bowker Annual Library Almanac* (books), *School Library Journal* (audio recordings and books), Blockbuster Rental prices (CDs, DVDs, and software), Google Answers (reference inquiries), and AOL Internet access costs for connectivity. The value of programming referenced the 1998 St. Louis Library study estimates (which used \$9 per program per user for adult and children's programs). (3) The data used to populate the RIMS II modeler was from the U.S. Department of Commerce, BEA, on the Long Island industry sectors.

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<sup>2</sup> New York State Annual Reports: <http://www.nysl.nysed.gov/libdev/libsl/>

## RESULTS

### ***Key Findings:***

- The Mastic-Moriches-Shirley Community Library used its tax dollars very efficiently. The \$6,336,886 in state and local tax dollars received in fiscal 2004-05 generated library services valued at approximately \$18,847,699. The cost/benefit ratio of these figures is \$2.97: 1 for every dollar spent on the library, taxpayers received \$2.97 in services.
- In terms of secondary economic impacts, the library's operating and capital expenditures resulted in increased output, earnings and employment throughout Long Island but particularly in the local community. As a result of this spending, the total Long Island output of goods and services expanded by approximately \$13.083 million (including the original library expenditure). Long Island earnings increased by more than \$3.3 million, and approximately 81 support jobs were created in Long Island.
- Mastic-Moriches-Shirley Library collections and reference services were valued at \$15,454,570.
- Mastic-Moriches-Shirley Library programming services were valued at \$553,906.
- Mastic-Moriches-Shirley Library electronic services were valued at \$2,839,223.
- Mastic-Moriches-Shirley Library operating expenditures were \$6,836,499.

# Placing Economic Value on the Services of the Middle Country Public Library in Suffolk County, New York

## 2006

by Pearl Kamer

URL: <http://www.actforlibraries.org/researchstates.php>

### SUMMARY

This **individual library study** analyzed the cost of operating the Middle Country Public Library and compared the value of the services provided with the tax dollars used to support the library. The study also measured the secondary economic impacts of the library's operating expenditures on the community using U.S. Department of Commerce BEA data and a software modeler. This report used the 1998 St. Louis economic valuation study as a guide for defining the methodology. This is one of five studies by Kamer summarized in the present report.

### METHODS & ANALYSIS

Cost/benefit analysis and an assessment of secondary economic impacts. Direct impact was defined as the value of:

- circulation and reference transactions
- collections (purchase value of all books, audio/music and books, videos, and DVDs)
- other electronic resources
- other library programs and services

Indirect secondary economic impact was defined as the dollar value of and jobs generated regionally by library expenditures. This measure was assessed through the Regional Input-Output Modeling System (RIMS II). The output multipliers show how much Long Island's total output of goods and services increases in response to each dollar of spending by the Suffolk public libraries. The earnings multipliers used by RIMS II amplify overall Long Island earnings in response to library spending. The employment multipliers used by RIMS II output how many secondary jobs are created for every one million dollars of library spending.

### Scope of Study

The Middle Country Public Library.

### Summary of Methodology

**Data collection**—(1) The Middle Country Public Library fiscal data (wages, operating and capital expenditures); valuation of each class of services stated above multiplied by documented patron transactions for 2004–05. (2) The frequency of use of library services in fiscal 2004–05 was quantified by referring to the New York State *Annual Reports<sup>3</sup> for Public and Association Libraries*. Other sources used for assigning value were the *Bowker Annual Library Almanac* (books), *School Library Journal* (audio recordings and books), Blockbuster Rental prices (CDs, DVDs, and software), Google Answers (reference inquiries). The value of programming referenced the 1998 St. Louis Library study estimates (which used \$9 per program per user for adult and children's programs). (3) The data used to populate the RIMS II modeler was from the Dept. of Commerce BEA on the Long Island industry sectors.

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3 New York State Annual Reports <http://www.nysl.nysed.gov/libdev/lib/>

## RESULTS

### *Key Findings:*

- The study found that the Middle Country Library used its tax dollars very efficiently. The \$10,981,862 in state and local tax dollars that the library received in fiscal 2004-05 generated library services valued at approximately \$50,477,193. The cost/benefit ratio of these figures is \$4.59:1—for every dollar spent, taxpayers received \$4.59 in services.
- In terms of secondary economic impacts, the library's operating and capital expenditures resulted in increased output, earnings, and employment throughout Long Island but particularly in the local community. As a result of this spending, Long Island's total output of goods and services expanded by almost \$22.6 million (including the original library expenditure). Long Island earnings increased by more than \$5.7 million, and approximately 137 support jobs were created in the Long Island economy.
- Middle Country Library collections and reference services were valued at \$65,528,882.
- Middle Country Library programming services were valued at \$676,948.
- Middle Country Library electronic services were valued at \$2,839,223.
- Middle Country Library operating expenditures totaled \$11,598,887.

# The Economic Value of the Port Jefferson Free Library in Suffolk County, New York

## 2006

by Pearl Kamer

URL: <http://www.actforlibraries.org/researchstates.php>

### SUMMARY

This **individual library study** analyzed the cost of operating the Port Jefferson Free Library and compared the value of the services provided with the tax dollars used to support the library. The study also measured the secondary economic impacts of the library's operating expenditures on the Long Island economy. It used the 1998 St. Louis economic valuation study as a guide for defining the methodology. This is one of five studies by Kamer summarized in the present report.

### METHODS & ANALYSIS

The study used cost/benefit analysis and an assessment of secondary economic impacts. Direct impact was defined as the value of circulation and reference transactions, value of library collections (all books, audio/music and books, videos, and DVDs), value of other electronic resources (software), and value of other library programs and services, divided by the tax revenue used to support the library. Indirect secondary economic impact was defined as the dollar value of and jobs generated regionally by library expenditures. This was assessed by using the Regional Input-Output Modeling System (RIMS II). The output multipliers show how much Long Island's total output of goods and services increases in response to each dollar of spending by the Suffolk public libraries. The earnings multipliers used by RIMS II amplify overall Long Island earnings increases in response to library spending. The employment multipliers used by RIMS II suggest how many secondary jobs are created for every \$1 million of library spending.

#### *Scope of Study*

The Port Jefferson Free Library; secondary economic impacts assessed for Long Island.

#### *Summary of Methodology*

**Data collection**—(1) The Port Jefferson Free Library fiscal data (wages, operating and capital expenditures); valuation of each class of services stated above multiplied by documented patron transactions for 2004-05. (2) Each of the library services used to calculate the total value of the library to patrons was assigned a value using the following resources: the *Bowker Annual Library Almanac* (books), *School Library Journal* (audio recordings and books), Blockbuster Rental prices (CDs, DVDs, and software), Google Answers (reference inquiries), and AOL Internet access costs for connectivity. The value of programming referenced the 1998 St. Louis Library study estimates, which used \$9 per program per user for adult and children's programs.

### RESULTS

#### *Key Findings:*

- The Port Jefferson Free Library used its tax dollars efficiently. The \$2,223,808 in state and local tax dollars received in fiscal 2004-05 generated library services valued at \$9,198,892. The cost/benefit ratio was \$4.14: 1 — for every dollar spent, taxpayers received \$4.14 in services.



- In secondary economic impacts, the library's operating and capital expenditures resulted in increased output, earnings, and employment throughout Long Island but particularly in the local community. Total Long Island output of goods and services expanded by approximately \$5.17 million (including the original library expenditure). Long Island earnings increased by more than \$1.3 million, and approximately 33 support jobs were created.
- Port Jefferson Free Library collections and reference services were valued at \$14,535,660.
- Port Jefferson Free Library programming services were valued at \$153,945.
- Port Jefferson Free Library electronic services were valued at \$973,500.

# Placing Economic Value on the Services of the Northport-East Northport Public Library in Suffolk County, New York 2006

by Pearl Kamer

URL: <http://nenpl.org/services/aboutus/economic%20study.pdf>

## SUMMARY

This **individual library study** analyzed the cost of operating the Northport Public Library and compared the value of the services provided with the tax dollars used to support the library. Using BEA-U.S. Department of Commerce data and a software modeler, it also measured the secondary economic impacts of the library's operating expenditures on the community. The report took the 1998 St. Louis economic valuation study as a guide for defining its methodology. This is one of five studies by Kamer summarized in the present report.

## METHODS & ANALYSIS

Cost/benefit analysis, and an assessment of secondary economic impacts. The direct impacts were defined as the value of:

- circulation and reference transactions
- library collections (purchase value of all books, audio/music and books, video & DVDs)
- other electronic resources (purchase value of software)
- other library programs and services

Analysis of indirect, secondary economic impacts was defined as the dollar value and jobs generated by library expenditures on the Long Island economy. This measure was assessed through the Regional Input-Output Modeling System (RIMS II). The output multipliers show how much Long Island's total output of goods and services increases in response to each dollar of spending by Suffolk public libraries. The earnings multipliers used by RIMS II amplify overall Long Island earnings in response to library spending. The employment multipliers estimate how many secondary jobs are created for every \$1 million of library spending.

### *Scope of Study*

The Northport-East Northport Public Library.

### *Summary of Methodology*

**Data collection**—(1) The Northport-East Northport Library fiscal data (wages, operating and capital expenditures), valued by each class of services, multiplied by documented patron transactions for 2004-05; (2) frequency of use of library services in fiscal 2004-05, quantified by referring to the New York State *Annual Reports<sup>4</sup> for Public and Association Libraries*, *Bowker Annual Library Almanac* (books), *School Library Journal* (audio recordings and books), Blockbuster Rental prices (CDs, DVDs and software), Google Answers (reference inquiries). The value of programming referenced the 1998 St. Louis library study estimates (\$9 per program per user for adult and children's programs); (3) the data to populate the RIMS II modeler came from Dept. of Commerce BEA data on Long Island industry sectors.

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4 New York State Annual Reports, <http://www.nysl.nysed.gov/libdev/lib/>

## RESULTS

### ***Key Findings:***

- The Northport-East Northport Library used its tax dollars very efficiently. The \$7,304,735 in state and local tax dollars that it received in fiscal 2004-05 generated library services valued at an estimated \$24,102,808. This is equivalent to a ratio of 3.30 to 1. Thus, library users received \$3.30 in services for every tax dollar they invested in the library.
- The library's operating and capital expenditures resulted in increased output, earnings, and employment throughout Long Island but particularly in its local community. As a result of library operating and capital expenditures in FY 2004-05, the total Long Island output of goods and services expanded by \$14,669,015 including the original expenditure. Long Island earnings increased by almost \$3.7 million, and approximately 91 support jobs were created.
- Northport-East Northport Library collections were valued at \$12,079,430.
- Northport-East Northport Library circulation and references serves were valued at \$19,115,892.
- Northport-East Northport Library programming services were valued at \$448,601.
- Northport-East Northport Library electronic services were valued at \$4,538,315.
- Northport-East Northport Library operating expenditures totaled \$7,571,960.

# The Seattle Central Public Library: Economic Benefits Assessment 2005

by Berk & Associates

URL: [http://www.spl.org/pdfs/SPLCentral\\_Library\\_Economic\\_Impacts.pdf](http://www.spl.org/pdfs/SPLCentral_Library_Economic_Impacts.pdf)

## SUMMARY

This **city library study** examined the benefits that the new Seattle Central Public Library brings to the city. Measures included contributions to economic activity, community character and livability, image and identity, and a statistical analysis of foot traffic in the library system over an eight-year period. No other study offers this combination of measures. The report also features an in-depth account of the library's history that makes the document a pleasure to read.

## METHODS & ANALYSIS

Patron and visitor surveys (189) and interviews, and measurements of circulation and door count statistics, 1997-2005. Interviews with 30 local business owners, as well as developers and representatives of the tourism industry, were conducted to understand the library's role as a public space and tourism destination. A literature search was also done. The report references Holt & Elliott's St. Louis Public Library study as a model for measuring direct and indirect benefits.

### *Scope of Study*

Seattle Central Library and the city library system, Washington.

### *Summary of Methodology*

The methods were selected to capture both economic and social impacts:

- 1) Case study of the library, using a historical examination of the Central Library's building structures and services since its opening
- 2) Analysis of door and circulation numbers across the library system
- 3) Survey assessed value of library in terms of:
  - business growth and economic activity
  - community character and livability
  - community image and identity
  - value of library as an information resource

## RESULTS

### *Key Findings:*

- Systemwide, the number of people entering a library increased by 36% from 2003 to 2004.
- Circulation systemwide was up 14% for 2003 to 2004.
- At the central facility, door count rose 166%.
- From June to December 2004, the first 7 months the new building was open, door count rose 299%, and circulation 63%

***Social Impacts:***

- The library promoted economic activity in the city.
- The library enhanced Seattle's character and livability.
- The library contributed to Seattle's image and identity.

# Placing an Economic Value on the Services of Public Libraries in Suffolk County 2005

by Pearl Kamer

URL: <http://www.actforlibraries.org/researchstates.php>

## SUMMARY

This **countywide study** analyzed the value of the tax-supported services provided by 42 of the 56 libraries in the Suffolk County Library Cooperative. The report also measures the secondary economic impacts of library operating expenditures on the community using U.S. Department of Commerce BEA data and a software modeler. It took the 1998 St. Louis economic valuation study (Holt & Elliott, 1998) and the Florida 2005 taxpayer return on investment study (Griffiths et al., 2005) as guides for defining the methodology. This is one of five studies by Kamer summarized in the present report.

This report led to increased state funding for the Suffolk County Library Cooperative. As a result, several of the libraries that participated in the report were motivated to conduct their own individual CBA studies to demonstrate their efficient use of tax dollars.

## METHODS & ANALYSIS

Cost/benefit analysis, defined as direct economic impacts, and indirect secondary impacts as calculated by RIMS II modeler, were used to calculate total benefits to Suffolk County. Direct impact was defined as:

- Value of circulation and reference transactions
- Value of library collections (purchase value of all books, audio/music and books, videos, and DVDs)
- Value of programming
- Value of other electronic resources
- Other (defined as CD ROM material) was calculated as purchase value

The sum of the variables above was divided by the total tax dollars used to support the libraries to obtain the cost/benefit ratio. Indirect secondary economic impact was defined as the dollar value of and jobs generated regionally by library expenditures. This measure was assessed by multiplying the combined expenditures of the SCLC libraries by the RIMS II earnings multiplier. The output of the RIMS II multipliers estimate how much Long Island's total output of goods and services increases in response to each dollar of spending by Suffolk public libraries. The employment multiplier calculation returns both a dollar amount and a jobs creation number.

### Scope of Study

Participants: 42 of the 56 public libraries that use the services of the Suffolk County Library Cooperative.

### Summary of Methodology

**Data collection**—The frequency of use of the services selected for analysis was quantified by using the New York State *Annual Reports for Public and Association Libraries* for 2003. Each of the library services used to calculate the total value of the library to patrons was assigned a value using the following resources: the *Bowker Annual Library Almanac* for 2003 (books), *School Library Journal* (audio recordings and books), Blockbuster Rental prices (CDs, DVDs, and software), Google Answers (reference inquiries), and AOL Internet access costs for connectivity. The value of programming referenced the 1998 St. Louis Library study estimates (which used \$9 per program per user for adult and children's programs).



## RESULTS

The study found that the \$131,647,566 in tax dollars used to support the 42 public libraries studied generated \$517,125,736 in value for library services provided; the rate of benefit for taxpayers was reported as \$3.93 in services for every \$1 dollar in taxes invested.

The RIMS II modeler was used to measure the secondary economic impact of library expenditures on the community. Libraries, as major employers, inject wage and capital and operating expenditures into the local economy, causing a ripple or multiplier effect.

### ***Key Findings:***

- \$131,647,566 in tax dollars generated \$517,125,736 in library services. Cost /benefit analysis of tax dollars spent was reported to be \$3.93 in library services for every dollar invested.
- Libraries, as major employers, inject wages and capital and operating expenditures into the local economy, causing a ripple or multiplier effect (secondary economic impact). Library expenditures reportedly caused total output of goods and services in Long Island to expand by more than \$258 million. Total earnings rose by more than \$50 million and resulted in the creation of almost 1,250 Long Island jobs.

# The Economic Impact of Public Libraries on South Carolina 2005

by D. Barron, R. Williams, J. Arns, S. Bajally

URL <http://www.libsci.sc.edu/SCEIS/exsummary.pdf>

## SUMMARY

This **statewide study** employed two methodologies, survey and cost/benefit analysis of direct and indirect economic impacts. The study is notable for its scope, an entire state, and for giving greater insight into the benefits derived from library use by specific patron populations: business users, job seekers, and personal investors.

## METHODS & ANALYSIS

The authors conducted a literature search and reviewed other recent studies and study methods. The study was conducted in two phases: Web-based surveys conducted in February 2004 and analyzed in March 2004, followed by analysis of 2002 library data. The methodology and approach were similar to the methodology and approach used for the Long Island studies.

### *Scope of Study, Data Sets*

Survey sample population: 3,689 public library users throughout South Carolina. The population consisted of self-selected library users. Four separate data gathering instruments were employed:

1. General user survey
2. Business community survey
3. Investment community survey
4. Job seekers survey

Data for economic analysis was compiled by the South Carolina State Librarian's office for the year 2002.

### *Summary of Methodology*

Cost/benefit analysis of direct economic impacts and indirect economic impacts:

- Total impact of all public library expenditures
- Total non-tax funds received by public libraries
- Value of the loans of books, videos, and other materials to library users
- Value of reference assistance
- Value of in-library use of materials
- Economic value of use of facilities and equipment in all public libraries in South Carolina

Total direct economic impacts were assessed by dividing the total of all measures (1–6 above) by the total state and local income used to support the libraries, yielding a \$1:2.86 return on investment.

Indirect economic impact calculations employed a conservative multiplier for how capital travels through South Carolina's economy. The authors assumed that of every \$1 spent in a local economy, \$0.64 was retained in the regional economy, representing second-, third-, and fourth-level impacts. The return on investment or indirect economic impact is \$1:1.64.

The direct and indirect benefits were added together to yield a total ROI of \$1:4.48.

## RESULTS

- The direct economic impact of all state public library expenditures was valued at \$80 million.
- The existence of public libraries brought almost \$5 million to the state each year that it would not otherwise have had.
- The annual value of the loans and use of books, videos, cassettes, CDs, newspapers, magazines, etc., to patrons was approximately \$102 million.
- The annual value of reference services to users was approximately \$26 million.
- The total direct economic impact of public libraries was estimated at \$222 million.
- The total indirect economic impact of public library expenditures was almost \$126 million
- Total direct and indirect return on investment for every \$1 expended on the state's public libraries by state and local governments was \$4.48.

### **Key Findings:**

Among the findings:

- 92% of respondents said the public library improves their quality of life.
- 47% believed that having a library in the community increases property values.
- 38% said the library attracts new businesses.
- 44% said the library attracts patronage to local businesses.
- 73% said the library enhances their own personal fulfillment.
- 73% said the library nurtures love of learning.
- 64% said the library is a source of personal enjoyment.
- 32% said the library helps them manage their personal finances.

## SURVEY QUESTIONS

### **Adult Users**

- Do you think the presence of the library in your community improves quality of life?
- Do you think the presence of the library in your community increases property values?
- Do you think the presence of the library in your community attracts new businesses?
- Do you think the presence of the library in your community attracts patronage to local business?
- When asked about the assistance received in the most recent visit to the library, did it enhance your personal fulfillment?
- When asked about the assistance received in the most recent visit to the library, did it nurture your love of reading?
- When asked about the assistance received in the most recent visit to the library, was it a source of personal enjoyment?
- When asked about the assistance received in the most recent visit to the library, did it help you manage your finances or save money?
- When asked about the assistance received in the most recent visit to the library, did it help you obtain a new job?
- Did it make you more productive on your job?
- Since the library is viewed as an important component of the educational system, name some educational benefits of your library:
  - introduced you to new technologies
  - helped you with primary education
  - helped you with lifelong learning
  - contributed to your home schooling efforts

### **Business Users**

- Where do you obtain most of the business/research information you need to run a business or fulfill your personal role in the business?
- Has the information obtained from the library contributed to the success of your business?

- If you had to pay for it, estimate how much your business would have to pay for the services you receive at the library.
- When asked if their business would be impacted if the library stopped offering business information services, responded it would (would not) have an impact.

### ***Job Seekers***

- When asked about the sources used for a job search, responded (list).
- When asked if the library had saved them money in their job search, responded (yes/no).

### ***Investment Uses of Library***

- When asked where they obtained the information needed for making investment decisions, responded (choices—not defined).
- When asked whether their use of the investment information at the public library had contributed to their financial well being, responded (yes/no).
- If you did not have the library available to provide investment information, how much would you likely spend each year to obtain this information?
- What dollar value would you assign to the library's investment information resources?

# Making Book: Gambling on the Future of Our Libraries 2004

By Jennifer Wilding, Therese Bigelow, and Susan Rohrer

URL: <http://www.haplr-index.com/MakingBook%20KCConsensus%20Complete%20library%20report.pdf>

## SUMMARY

To determine the quality of public libraries in metro Kansas City, the KC Consensus group (<http://www.kcconsensus.org>) conducted a study of this **city public library** system using Hennen's American Public Library Rating Index (HAPLR Index). The HAPLR Index combines both input and output measures in a system that ranks libraries based on a weighted score. The Kansas City study provides one of the clearest and most thorough descriptions of how the HAPLR Index is constructed. The study also summarizes emerging trends in library service, changes in patron behavior, and taxing structure, and takes a comprehensive look at the evolving discussion of national standards for public libraries. It outlines how Missouri (1996) and Kansas (2000) developed their own library standards for service, and also suggests new national library standards (see results).

## METHODS & ANALYSIS

The HAPLR Index combines both input and output measures into a system that ranks libraries based on a weighted score. HAPLR uses data submitted to the Federal-State Cooperative Service (FSCS) by each state for each library. Data includes 15 factors related to traditional library services, focusing on circulation, staffing, materials, reference service, and funding levels. Almost 40% of the index pertains to circulation numbers, with cost per circulation, visits per capita, and revenue per capita each given three times as much weight as the lowest rated factors. Cost per circulation is rated lowest to highest, so libraries that spend the least for collections and service receive the best rating. Two-point items include: percent budget to materials, materials expenditure per capita, FTE staff per 1,000 population, collection turnover, circulation per FTE staff hour, circulation per capita, reference per capita, and circulation per hour. One-point items include: periodicals per 1000 residents, volumes per capita, visits per hour, and circulation per visit. For additional information see Hennen's American Public Library Rating Index, <http://www.haplr-index.com>.

### *Scope of Study*

The study analyzed five county-metro-area municipal libraries—Kansas City and North Kansas City in Missouri, and Kansas City, Olathe, and Bonner Springs in Kansas. It includes one county library—Johnson County—and one multi-jurisdictional library—Mid-Continent. It examined differences in size of geographic area served, and taxing structure, using the Hennen Index efficiency rankings.

### *Summary of Methodology*

The Hennen HAPLR Index ranking list is published once a year. It is a proprietary product that is available at small cost to public library systems interested in doing broad-brush analysis of their economic efficiency in comparison to other libraries around the nation. The index has data on all 50 states but is limited to discussions about 15 service attributes. Thomas Hennen was an advisor to the Kansas City project.

## RESULTS

According to the HAPLR Index, metro Kansas City libraries receive more funding from local taxes and less from state government than the national average. There is significant variation among local libraries in terms of per capita operating expenditures, size of the collection, and circulation and visits. The Mid-Continent Public Library and the Johnson County Library rank among the top ten libraries for their population in the HAPLR Index.

### ***What are the basic facts about Kansas City local libraries?***

The study reports significant variation in per capita operating expenses, size of collections, and circulation and visits among the libraries. Metro Kansas City libraries received more funding from local taxes and less from state government than the national average. Other key findings:

- Two local libraries rank among the top ten libraries for their population in the HAPLR Index: Mid-Continent Public Library and Johnson County Library.
- In 2003, based on weighted average scores for their libraries, Kansas ranked 8th and Missouri ranked 13th among the 50 states, according to the HAPLR Index.

### ***Suggestions for national library standards:***

In this study, Hennen argues for a system of national library standards that would meet the needs of both local and national library organizations. The standards, he says, should:

1. Set minima for all public libraries that only a very few could not achieve. Currently, most states have only advisory minimum standards for things like certification of library staff and hours of service.
2. Target standards that all libraries should strive for, though only some will reach. These are always advisory.
3. Offer benchmarks of excellence for libraries that only the very few achieve. They will help disseminate their best practices for all to emulate.



# State of Florida

## Taxpayer Return on Investment in Public Libraries

### 2004

by Jose-Marie Griffiths, Donald King, Julie Harrington, Thomas Lynch,  
and Christopher Tomer

URL: <http://dlis.dos.state.fl.us/bld/roi/publications.cfm>

## SUMMARY

This **statewide study** used multiple types of analysis, including traditional cost/benefit and secondary economic impacts, and placed libraries in an evaluative framework allowing their economic impact to be compared with that of other types of organizations. The project used standard models of economic value, notably the approach developed by Regional Economic Models, Inc., and the contingent valuation method. It concludes that Florida's taxpayers benefit from the considerable contribution that public libraries make to education, the economy, tourism, retirement, and improved quality of life. It also demonstrates that if public libraries did not exist, consumers and taxpayers would pay considerably more in the marketplace for the services they received from the public library.

## METHODS & ANALYSIS

The study team began by convening a two-day planning workshop with library leaders throughout Florida to discuss and determine research methods. The study used a telephone survey, an in-library survey of adult users and non users, a follow-up survey with library personnel, and a cost/benefit analysis of direct and indirect economic benefits. Standard CBA analysis was used to calculate direct benefits, and an econometric modeler (REMI) was used to assess secondary economic impacts.

### *Scope of Study*

Seventeen Florida library systems sampled: Miami/Dade, Palm Beach County, Brevard County, Tampa/Hillsborough County, Orange County, Sarasota County, Leon County, Marion County, West Palm, Suwannee Regional, Columbia County, Seminole Community, Nassau, Niceville, Winter Park, Bartow, St. Petersburg Beach.

### *Summary of Methodology*

Data collection – Telephone survey analysis based on 883 interviews of library users and non-users. The “in-library” survey of adults included 1,505 respondents from 17 public library systems. The “institutional surveys” of K-12 school administrators, college leaders, and non-profit organizations involved interviews with 138 individuals. An Internet-based follow-up survey to public libraries gathered 31 institutional responses of statistical data.

## RESULTS

The study did not confirm popular notions that libraries are used primarily for recreational purposes. Most reported adult uses were for (1) personal or family needs (i.e., health and wellness, job seeking, consumer finances), (2) educational needs on the part of students, teachers, home-schooling, and lifelong learning, and (3) to fulfill the needs of businesses or non-profit organizations.

Overall, Florida's public libraries returned \$6.54 of value for every dollar invested from all sources. Total annual investment in Florida's public libraries was \$449 million in 2003-04. Total economic return attributable to the existence of the public libraries was \$2.9 billion, based on an analysis of total direct and indirect secondary economic benefits generated by library revenue and its economic multiplier effect.

For every \$6,448 spent on public libraries from public funding sources (federal, state and local) in Florida, one job was created. For every dollar of public support spent on public libraries in Florida, GRP increased by \$9.08. For every dollar of public support for public libraries, income (wages) increased statewide by \$12.66.

## SURVEY QUESTIONS

### ***Summary of Telephone poll questions by category (883 respondents; for entire questionnaire see full report)***

1. Whether you visited a Florida public library in the past 12 months, and if so how often
2. Awareness of and use of remote access to public library services via the Internet
3. Demographic information such as age, gender/sex, race, education level, employment and household income
4. Last visit to public library
5. Time spent there, cost for the visit (transportation cost, parking) and other activities performed during visit (visits to local restaurant or store)
6. Services used (type of material, attendance at program, Internet use in the library)
7. Recreational or entertainment, or other reasons for library use
8. Was library use for personal or family needs (health, personal finances, job hunting, other problem, getting news)?
9. Was library use for educational needs (students; classroom assignment, teachers; prepare for a class)?
10. Was library use for work or job related (research, financial matters, starting or locating a business, legal issues)?
11. Ratings of the importance of info provided by the library (very, somewhat, not at all)
12. Ways the information or service were important (saved time and money, answered questions, led to favorable outcome)
13. What you would do to address the needs or reasons for the visit, if the library did not exist?
14. What it would cost to obtain the same information or service in the marketplace?
15. Regarding Internet use; what services did you use; have you purchased Internet access service during the past year, and at what cost?
16. What were the outcomes?
17. Household data: number of adults, children under 6, children 6-17
18. Preschool and school age children's use of the library
19. Purchases and expenditures for books, magazines newspapers, videos, and DVDs at home
20. If you had to pay for your library card annually, what would you be willing to pay for it?
21. If paying for your library card was substituted for your payment in taxes for library services, what would you be willing to pay?
22. How much do you think you pay in taxes for library services?
23. What other activities/stops/errands do you do when you visit the library?

### ***Questions for library staff (survey of schools, universities, non-profit libraries: 138 respondents)***

- Library staff awareness and use of Florida Electronic Library resources
- Library staff use of the public library on behalf of patrons, and type of services used
- Amount of time spent by library staff using public library staff [sense?] on behalf of the institution
- Number of documents institution obtains from public library
- Total amount of time institution spends using public library resources
- Additional time it would take to find materials if public library was not available
- Additional cost to institution to obtain materials found/used if public library was not available

### ***Internet Follow up questions for public libraries on library statistics (31 systems, 1,505 respondents)***

- Proportion of visits by (a) tourists, (b) non-English speakers, (c ) school age children K-12, (d) latchkey or after school attendance by K-12 age group
- Proportion of interlibrary loans given or received (a) in-state or out-of-state, (b) obtained from other public libraries, academic libraries, or special libraries
- Proportion of spending for in-state, out-of-state services, materials or contracts
- Proportion of income from cash, gifts, donations or other operating income received from in-state or out of state resources

- Estimate of income generated by in-library business operations like a coffeeshop, bookshop, gift shop; also from sales of books, rummage sales, etc.
- Estimate of revenue produced by services the library provides (copy machines, gift shop operated by outside vendor, coffeeshop operated by outside vendor) that do not produce revenue for the library, or cause library expenditures.

# State of Maryland: Customer Survey of Maryland Residents about Public Libraries 2003

by Potomac Inc.

URL: [http://access-somd.org/mdlibsurvey/survey\\_2003.pdf](http://access-somd.org/mdlibsurvey/survey_2003.pdf)

## SUMMARY

This **statewide study** examined the perceived social and economic value of public libraries to Maryland residents. Commissioned by the Southern Maryland Regional Library Association, the study polled both users and non-users. It also aimed to identify information that would be pertinent to public sector funders of libraries. The study showed that Maryland residents are heavy users of and think highly of their public libraries. The survey questions were noteworthy for asking residents to value the library as a community asset in terms of influence on property values; as an institution that they would choose to have in their neighborhood (versus other types of public services); and as an economic generator.

## METHODS & ANALYSIS

A telephone survey included asking questions that solicited feedback and also informed residents about public library funding. In general, the questions

- asked residents to rate the quality of library service
- solicited the perceived value of public libraries when compared with other public services (parks, recreation, police, local government)
- assessed through verbal report the return on investment of government dollars spent on libraries
- informed residents about funding realities determining the quality of service in Maryland public libraries

### *Scope of Study, Data Sets*

- 1,700 adults
- Sampling stratified across the state's 24 local jurisdictions

### *Summary of Methodology*

Survey method: 100 random telephone interviews in each of the 10 largest counties in Maryland; 50 interviews conducted randomly in each of the 14 remaining counties. Aggregate survey results were accurate within 2.4%, at a 95% confidence level.

## RESULTS

Libraries were seen as essential services, and when patrons had complaints, they were usually in regard to library collections that needed updating or library facilities that were crowded or needed improvement.

### Key Findings:

The Maryland Library Survey was notable for the following results:

- One-third of those surveyed said that they had used the public library in the last couple of months.
- About 31% of respondents identified access to the Internet, and the library as information portal, as a primary service.
- Of those surveyed 27%, said they were aware of the Library for the Blind and Physically Handicapped.
- Residents gave public libraries higher marks than schools.
- Public libraries were the most highly ranked local government services (police, parks, schools, etc).
- Respondents said if they had the choice they would like to live near a public library as a second choice to a park.
- 76% of those surveyed viewed libraries as essential services, like a school, and not amenities.
- In ranking services, residents ranked “the materials they wanted” first and knowledgeable and courteous staff second, and having a library close to where they lived, third.
- One-third of those surveyed said that libraries increase, rather than decrease, property values.
- More than 43% of respondents said that the public library functions as an economic anchor that attracts other businesses to the neighborhood.
- Nearly 78% said that the public library performs an economic development function by nurturing job skills in people.
- 90% of those surveyed said that public libraries are a good investment of tax dollars.
- Among those who voted in the 2002 elections, 93% rated libraries a good investment of tax dollars. When told that Maryland only invests 1% of local county/jurisdiction money in public libraries, 63% of respondents said it was not enough.

## SURVEY QUESTIONS

1. What is your age?
2. What is your gender?
3. Students are often given the grades of A,B,C,D, or Fail as a way to rate the quality of their work. Suppose the public schools themselves, in your community were graded in the same way. What grade would you give the public schools in your community? (A,B,C,D,F)
4. Using the same A through F scale, how would you rate each of these other services of your local government? (social services, parks and recreation, police and public safety, the efficiency of your local government, public libraries, roads and mass transit)
5. You rated public libraries ( ) why do you say that? (not enough books/information, need more libraries, closures/funding problems, just average, hours not convenient, too small, collection too old, not enough services, computer issues, other negative/positive comments, not sure)
6. If you were moving to a new neighborhood, which of these services would you most want to have on your own street? (park, public library, elementary school, police station, job center, none of above)
7. And what would be your second choice? (reference previous answer choices)
8. Withdrawn
9. Turning now to public libraries specifically, are you more likely to think of your local public library as (essential service, cultural amenity, not sure)?
10. Can you name two services that your local public library performs? (open ended; no answer other options--borrow materials, use the internet, bring a child for homework or program, research/reference librarian assistance, get information, meetings, community activities, register for a library card, classes, bookmobile)
11. When you think about your local public library, would you say it does a good job, or could do a better job at each of these? (having the materials you want and need, being open when you want to visit, having a branch close enough to your home or work, providing knowledgeable staff who are courteous and efficient)
12. I would like to read you that list again: having the materials you want and need, being open when you want to visit, having a branch close enough to your home or work, providing knowledgeable staff who are courteous and efficient, and for each one please tell me if it is very important, somewhat important, or not very important to you .....

13. Do you think having a public library located very close to your home would (increase, decrease, no difference, renter/don't own property) property values?
14. Do you agree or disagree with this idea: If a public library moved into a neighborhood, it would help attract good businesses to the area?
15. And do you agree or disagree with this idea—Public libraries improve a community by helping people learn new skills so they can get better jobs?
16. Do you agree or disagree? Public libraries help people learn new things no matter what their age?
17. Generally, do you think public libraries are a good investment of your tax dollars, or do you think those taxes would be better spent in other ways?
18. Withdrawn
19. If you knew that public libraries throughout Maryland typically receive less than 1 percent of a county's budget, would you think that this was enough, or would you think more money should be invested in public libraries?
20. If you knew that public libraries in Maryland typically receive less than four tenths of one percent of the state's budget, would you think that this was enough, or would you think more money should be invested in public libraries?
21. When was the last time that someone in your household visited a local public library in person? (week, months, last year, longer, never, not sure)
22. Do you often include other errands on your trips to the public library or not?
23. Has anyone in your household ever accessed your local public library's resources online?
24. If you were to guess, about how many times in the past 12 months has anyone in your household used the local public library system, either in-person, or online? (0–51+ times)
25. Have you ever heard of the Library for the Blind and Physically Handicapped, which is located in Baltimore?
26. Have you ever heard of a public library service called "Ask us Now"?
27. (If yes) Have you ever used "Ask us Now"?
28. What is the last grade of school you completed?
29. Withdrawn
30. Last year, did you vote in both the primary and general election for governor, just the November general election, or didn't you get a chance to vote at all last year?
31. Do you have any pre-school or school-aged children living at home?
32. Withdrawn
33. What is your race or ethnic background?



# Cost Benefit Analysis Manual For Medium-Sized And Smaller Public Libraries

## 2003

by Glen Holt, Leslie Hold, Sterling Hayden, and Donald Elliott

URL: <http://www.webjunction.org/do/DisplayContent?id=12389>

### SUMMARY

This study, done with IMLS support, assessed the cost/benefit of **nine municipal public libraries** in the Chicago, Houston, and Seattle-Tacoma areas. It followed an IMLS-funded study that applied cost/benefit analysis to five large public libraries. This study valued services of mid-size and smaller public libraries serving populations of 50,000 to 150,000 residents. In addition to calculating the cost/benefit of the nine libraries (3 in Chicago area, 3 in Houston area, and 3 in Seattle-Tacoma area), the study offers itself as a clearly presented manual for other libraries, including how to publicize study results to a community.

### METHODS & ANALYSIS

The research team met with the participating libraries on site and explained the goals, methodology, and expected products of the project. The meetings helped the researchers to design an appropriate service/user matrix based on the scope of services offered by the participating libraries. The researchers outlined the requests that would be made of the participating libraries and answered questions relating to the study and their responsibilities and expectations.

The study assessed direct benefits through CBA. The authors claim that from a methodological standpoint, it is too early in the application of CBA to libraries to estimate indirect impacts (using other methods). They calculated a conservative lower bound of benefits for each library. A service matrix was constructed for each library to determine collection and use values. The *Bowker Annual 2001* was used to put a dollar value on books and subscription services; Blockbuster rental pricing was used to value video/DVD material use.

The services/user matrix for each library was also used as the basis for questions that were asked to determine the value of consumer surplus. Changing the matrix to a survey involved the creation of survey questions about the amount of services used for each category in the library service/user matrix.

Consumer surplus and willingness to pay were used to assess direct benefits. Survey methods: multiple survey types, including telephone interviews, face-to-face interviews, and access to a computer website.

### Scope of Study

The following libraries participated in the study:

- **Illinois:** Joliet Public Library, Skokie Public Library, Schaumburg Township District Library (<http://joliet.lib.il.us/about/analysis.asp>)
- **Texas:** Sterling Municipal Library, Montgomery County Memorial Library System, Pasadena Public Library
- **Washington:** Everett Public Library, Mid-Columbia Library District, Pierce County Library System

### Summary of Methodology

Data was collected from 500 library patrons at each of the nine sites; each library provided a randomly selected database of 2,500 patrons from their main database. Each library director sent a personal letter to patrons informing them of the study and asking for their cooperation. Patrons who did not wish to receive a call were allowed to opt out. This greatly enhanced response rates. Initial screening ensured that patrons or a member of their family had used the library within the last twelve months. In addition to the telephone interviews, in one location on-site face-to-face interviews were conducted.

The team reported their statistical findings using two different value propositions:

The first value statement simply answers the question: Do library users receive more in direct benefits each year than taxpayers contribute? When benefits per annual tax dollar exceed one, a library is providing sizable community benefits. Even when a library produces direct benefits that are substantial but less than one, library leaders can claim justifiably that the institutions they represent are producing a desirable return on annual taxpayer investment.

The second measure recognizes that public libraries are the heritage of generations of public support. Each library is the steward of public assets in the form of buildings, collections, furniture, and vehicles. The second measure, therefore, asks to what extent the public's return on this accumulation of library assets is comparable to returns on private investment opportunities. The study used the estimated annual benefits to patrons to calculate a net annual return on investment for each library. These returns to library assets were compared to rates of return on private investments such as bonds and stocks to show that the funds entrusted to these public libraries were prudent social investments of capital.

## RESULTS

To find the actual published CBA calculations for the three combined municipal public library service areas (Chicago, Houston, Seattle-Tacoma) visit this website:

**Chicago/Joliet:** <http://joliet.lib.il.us/about/analysis.asp>

- Return on local library operating revenues based on WTP for the libraries expressed as a range \$1:1.02–1.24
- Return on local library operating revenues based on consumer surplus for all of the libraries expressed as a range \$1:1.24–1.87
- Return to community investment in library assets based on WTP 1–3%
- Return to community based on consumer surplus 6–10%

# SURVEY QUESTIONS

## Telephone Survey

### Introduction

1. “Hello, DIRECTOR name from database, Director of the LIBRARY name from database asked that I call. May I please speak to FIRST NAME LAST NAME?

1a. IF NO ANSWER OR IF ANSWERING MACHINE, show screen with callback message for answering machine. Record date and time of call, termination status, and proceed to the next prospective respondent.

1b. IF NO RESPONDENT IS AT HOME WHO CAN SPEAK ENGLISH, show screen to terminate the call and instruct interviewer to mark the record as “NO ENGLISH.”)

2. “My name is \_\_\_\_\_. I work for the Institute for Urban Research at Southern Illinois University. As part of a national research project, we have been asked to interview households who use the LIBRARY. Did you receive Director DIRECTOR’s letter explaining this research project?

2a. IF “Yes,” continue the interview with screen showing next bullet.

2b. IF “No,” show screen saying: “This is a telephone interview of library patrons or their parents to see which library services they use and how much they use them. Your responses will help us evaluate and improve your library services. The project is funded by a federal research grant. No local tax dollars are funding this survey.”

3. “I assure you this is a confidential survey. Your responses will help the library to understand how your household uses library services and how to serve you better. May I take about 15 minutes now to ask you some questions?”

3a. If “Yes,” show screen with next bullet.

3b. If “No,” show screen saying: “May I please call you later at a more convenient time?”

If “No,” show: “Thank you for your time, good-bye.”

If “Yes,” show: “What time would be convenient?”

(Record day/time \_\_\_\_\_ and follow-up).

4. “Because you will be responding for your household, we need to know if you are at least 18 years of age.”

IF “Yes,” go to section 1.; IF “No,” show screen: “May I speak to your parent or guardian, please?”

Start interview again. “May I ask your name, please?”

If no responsible adult is available, say: “When would be a good time to call back?”

(Record day/time \_\_\_\_\_ and follow-up).

## SECTION 1.

First we would like to know about people in your household and how they use library services.

1.1 Has someone in your household used their library card during the past 12 months?

☐ Yes ☐ No

Does anyone in your household use LIBRARY services:

1.1.1 by computer from home or work? ☐ Yes ☐ No

1.1.2 by visiting a bookmobile? ☐ Yes ☐ No

1.1.3 by going to LIBRARY? ☐ Yes ☐ No

1.1.3.1 Approximately how many minutes does it take people in your household to get to LIBRARY—a one-way trip?

Please help us to understand who lives in your household.

2.2 Are there any children under 18 in your household?

☐ Yes ☐ No

2.2.1 If V12=1, how many children are under age 5?

2.2.2 If V12=1, how many are 5-13 years old?

2.2.3 If V12=1, how many are 14-17?

Does anyone in your household ‘home-school’ any of the children who live with you?”

☐ Yes ☐ No

How many children are home-schooled?

2.2.4 How many are adults between 18 and 60?

2.2.5 How many are over 60?

1.3 Does anyone in your household have a personal computer?

☐ Yes ☐ No

1.1.1 Does the computer have Internet service?

☐ Yes ☐ No

1.1.1.1 Is your Internet service high-speed, such as cable modem or DSL?

☐ Yes ☐ No

4.4 Is there anyone in your household whose primary language is not English?

☐ Yes ☐ No

4.5 Is anyone in your household employed as a teacher?

☐ Yes ☐ No

4.6 Are any of the members of your household visually challenged? (Prompt: Anyone who has such difficulty seeing that they need large print, Braille, or audio books?)

☐ Yes ☐ No

## SECTION 2.

Now I am going to ask you about some specific LIBRARY services. We want to know how much members of your household use these services. Please answer each question based on the total amount of services used by you PLUS ALL THE OTHER MEMBERS IN YOUR HOUSEHOLD COMBINED.

PROGRAMMING NOTE: Randomize the order of the major groups of questions in section 2. Also build in consistency checks so that replacement purchase must be less than library usage.

### STAFF1

The LIBRARY staff can answer questions, help people find information and materials, or suggest things to read. About how many hours per month do members of your household spend getting help from members of the LIBRARY staff?

[IF “ZERO,” GO TO NEXT RELEVANT BLOCK]

PROGRAMMING NOTE: Convert hrs./yr. to hrs./month for storage in database.

### STAFF2

There are research companies that can be reached by phone or e-mail from your home or workplace. For a fee, you can have these companies provide answers to questions or find information for you. They charge fees according to the amount of time it takes them to research your question. How many hours of research per month, if any, did members of your household purchase from such companies during the past year?

### STAFF3

Suppose that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide staff to help you. Also, suppose that you can obtain information by phone or e-mail from a private research company for STAFFPR per research hour. How many of the STAFF1 hours per month that your household spends with LIBRARY staff would you replace by purchasing research services by phone or e-mail request for STAFFPR per research hour?

### MAG

Does anyone in your household look at magazines from the LIBRARY?

☐ Yes ☐ No

[IF NO,” SKIP ALL MAG AND MAGF QUESTIONS; GO TO NEXT RELEVANT BLOCK]

### MAG1

About how many different magazines in English do people in your household look at from the LIBRARY?

### MAG2

How many subscriptions to different magazines in English does your household pay to get per year?

### MAG3

Suppose that the LIBRARY was closed indefinitely due to storm or earthquake damage and could not provide the magazines that your household wants. Also suppose that each different magazine subscription costs MAGPR per year. How many of the MAG1 magazines that your household uses at the LIBRARY would they pay to replace at MAGPR per subscription per year?

### MAGF1

About how many different magazines in languages other than English do members of your household look at from the LIBRARY?

[IF “ZERO,” GO TO NEXT RELEVANT BLOCK]

### 2MAGF2

How many subscriptions to different magazines in languages other than English does your household pay to get per year?

### 2MAGF3

Suppose that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide the magazines that your household wants. Also suppose that each subscription to a magazine in a language other than English costs MAGFPR per year. How many of the MAGF1 magazines that your household uses at the LIBRARY would they pay to replace at MAGFPR per subscription per year?

### NEWS

Does anyone in your household read newspapers from the LIBRARY?

☐ Yes ☐ No

[IF NEWS=0, SKIP ALL NEWS AND NEWSF QUESTIONS; GO TO NEXT RELEVANT BLOCK]

### NEWS1

About how many copies of English language newspapers do your household members read at the LIBRARY? By copy we mean a specific edition of a specific paper, so count Monday's and Tuesday's edition of the same paper as 2 copies. Also, if someone reads two different papers on Monday, count each as a copy.

[IF “ZERO” AND V14=1, GO TO NEWSF1; OTHERWISE, GO TO NEXT RELEVANT BLOCK]



## NEWS2

How many copies of English language newspaper does your household buy per week?

## NEWS3

Suppose that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide the newspapers that your household wants. Also suppose that each newspaper copy cost NEWSPR. How many of the NEWS1 copies of newspapers that your household uses at the LIBRARY would your household replace by buying copies at NEWSPR each?

## NEWSF1

About how many copies of newspapers in a language other than English do your household members use per week from the LIBRARY? By copy we mean a specific edition of a specific paper, so count Monday's and Tuesday's edition of the same paper as 2 copies. Also, if someone reads two different papers on Monday, count each as a copy. [If V14=0, then NEWSF1=0]

[IF "ZERO," GO TO NEXT RELEVANT BLOCK]

## NEWSF2

How many newspaper copies in a language other than English does your household buy per week?

## NEWSF3

Suppose that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide the newspapers that your household wants. Also suppose that each newspaper copy in a language other than English costs NEWSFPR. How many of the NEWSF1 copies that your household uses at the LIBRARY would your household replace by buying copies at NEWSFPR each?

## BOOKS1

About how many different books for adult readers do your household members borrow per month from the LIBRARY?

[IF "ZERO," GO TO NEXT RELEVANT BLOCK]

## BOOKS2

How many books does your household buy per month for its adult readers?

## BOOKS3

Suppose that that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide the books that your adult readers want. Also suppose that paperback copies of similar books are available for your household to purchase at a price of BOOKPR each. How many of the BOOKS1 books that your household borrows per month from the LIBRARY would they replace by purchases at BOOKPR per book?

**NOCOMP1**

People can use computers at the LIBRARY for many different purposes: e-mailing friends and relatives, surfing the Internet, getting information about buying cars or other major purchases, tracking their stocks and investments, researching medical or legal information, learning to use computers and software, or simply doing their homework for school. About how many hours per week do your household members use computers at the LIBRARY?

[CONVERT AND STORE RESPONSE AS HRS./MONTH. IF “ZERO” OR NO RESPONSE, GO TO ENCYC]

**NOCOMP2**

Suppose that that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not meet your household's computing needs. You would have at least three options: rent, buy, or do without. Many copy centers like Kinko's and Copy Max rent computer time for word-processing, e-mail, and Internet service. Suppose that computer time costs COMPONENT per hour at a private vendor like Kinko's, OR that you could buy a computer without Internet service for about COMPBUY per month. Would you rent at

COMPONENT /hour, buy at COMPBUY /month, or do without computer services?

- ☐ Don't know/can't answer GO TO NEXT RELEVANT BLOCK.
- ☐ Do without GO TO ENCYC.
- ☐ Buy GO TO COMP2.
- ☐ Rent GO TO CMPCLS1.

**COMP1**

Do any members of your household use LIBRARY computers for high-speed Internet or the LIBRARY's electronic information sources?

- ☐ Yes ☐ No

PROGRAMMING NOTE: If COMP1=0, GO TO ENCYC.

**COMP2**

The LIBRARY computers have high-speed Internet service. Suppose that that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not meet your household's computing needs.

[If V131 is not 1]

Would your household install modem Internet service for NETMODPR per month, high-speed Internet service for NETHSPR per month, or do without Internet service?

- ☐ Modem ☐ High speed ☐ Do without [IF COMP2=“DO WITHOUT,” GO TO CMPCLS1.]

Would your household upgrade to high-speed Internet service for an additional NETHSPR-NETMODPR month?

- ☐ Upgrade to high speed ☐ No

### CMPCLS1

About how many hours per year do your household members spend taking computer classes through the LIBRARY?

\_\_\_\_\_ hrs/yr.

### CMPCLS2

How many hours of computer classes, workshops or tutorials did your household members pay to take last year?

\_\_\_\_\_ hrs/yr.

### CMPCLS3

Suppose that the LIBRARY had been closed indefinitely due to storm, fire, or earthquake damage and could not provide computer classes. Also suppose that you could pay to take computer classes, workshops or tutorials for CMPCLSPR per hour per person. How many of the CMPCLS1 hours of library computer classes last year would your household have replaced with classes elsewhere at CMPCLSPR per hour per person.

\_\_\_\_\_ hrs/yr.

### EREF1

Today many library information sources are electronic. You can use them only with a computer. As I read the following list, please say "yes" if someone in your household uses that type of electronic information from the LIBRARY. If no one does or you are uncertain, please say "no."

### EREF11

Electronic copies of articles from major newspapers and magazines

☐ Yes ☐ No

### EREF12

Electronic scientific, professional, medical, or academic journals

☐ Yes ☐ No

### EREF13

Business and investment information, directories, publications, and data (such as Wall Street Journal, Value Line, Dun and Bradstreet)

☐ Yes ☐ No

### EREF14

Genealogy (searching family roots)

☐ Yes ☐ No

[IF SUM(EREF11...EREF14)=0 OR #N/A, GO TO ENCYC.]

## EREF2

Suppose that that LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide the information services that your household wants. Your household could subscribe directly to replace electronic information services that they currently use through the LIBRARY. Answer “yes” if your household would subscribe. Otherwise, say “no.”

## EREF21

An electronic subscription providing articles from major newspapers and magazines for EPRDCLPR per month (searchable; downloadable full-text such as ProQuest, ABI Inform, Article First, First Search, Reference USA)

☐ Yes   ☐ No

## EREF22

An electronic subscription providing scientific, professional, medical, or academic journals for EJRNLP per month

☐ Yes   ☐ No

## EREF23

A electronic subscription providing business and investment directories, publications, and data for EBSFNPR per month (such as Standard and Poor's, Wall Street Journal, Dun and Bradstreet, Sorkins)

☐ Yes   ☐ No

## EREF24

A electronic subscription providing genealogy information for EGENPR per month

☐ Yes   ☐ No

[GO TO NEXT RELEVANT BLOCK.]

## ENCYC

Suppose that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage. Would your household buy a home reference collection, including an encyclopedia, dictionary, and atlas at ENCYCPR?

☐ Yes   ☐ No

## PROGRAMMING NOTE:

Divide response by 5 for recording in the database.

[GO TO NEXT RELEVANT BLOCK.]

### CDENCYC

Suppose that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage. Would your household buy an encyclopedia on CD-ROM at EREFP

☐ Yes   ☐ No

### PROGRAMMING NOTE:

Divide response by 5 for recording in the database.

[GO TO NEXT RELEVANT BLOCK.]

### CHLDBK1

About how many children's books do your household members borrow per month from the LIBRARY?

\_\_\_\_\_ #/mo.

### CHLDBK2

How many children's books does your household buy per month?

### CHLDBK3

Suppose that that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide the children's books that your household wants. Also suppose that paperback copies of similar children's books are available for your household to purchase at a price of CHLDBKPR each. How many of the CHLDBK1 children's books that your household borrows each month would you replace by buying books at CHLDBKPR per book?

### AV

Does anyone in your household borrow CDs, audiotapes, books on tape or disk, DVDs, or videotapes from the LIBRARY?

☐ Yes   ☐ No

### AV1

About how many different music CDs or tapes do your household members borrow per month from the LIBRARY?

### AV2

How many music CDs or tapes do members of your household purchase per month?

### AV3

Suppose that that the LIBRARY was closed indefinitely due to storm or earthquake damage and could not provide the music CDs or tapes that members of your household want. Also suppose that CDs and tapes cost AUDIOPR each in stores. How many of the AV1 CDs and tapes that your household borrows would you replace by buying them at AUDIOPR each?

#### AV4

How many videotapes or DVDs do your household members borrow per month from the LIBRARY?

#### AV5

How many videotapes or DVDs does your household rent per month from Blockbuster, Hollywood or other rental shops?

#### AV6

Suppose that that the LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide the videos that your household wants. Also suppose that rentals from rental shops like Blockbuster or Hollywood Videos cost VISUALPR each. How many of the AV4 that your household borrows per month would you replace by renting at VISUALPR each?

#### AV7

About how many different books on tape or disk do your household members borrow per month from the LIBRARY?

#### AV8

How many books on tape or disk do members of your household purchase or rent per month?

#### AV9

Suppose that that the LIBRARY was closed indefinitely due to storm or earthquake damage and could not provide the books on tape or disk that members of your household want. Also suppose that books on tape or disk cost BKTAPPR each to rent from stores. How many of the AV7 CDs and tapes that your household borrows would you replace by renting them at BKTAPPR each?

#### CHLDPRG1

About how many shows, storytelling programs, reading activities, plays, or other programs provided at the LIBRARY do the children in your household attend per year? Consider each child separately, so three children seeing the same show would count as attending three times.

#### CHLDPRG2

How many tickets to similar plays, programs and shows for children does your household purchase each year?

#### CHLDPRG3

Suppose that that LIBRARY was closed indefinitely due to storm, fire, or earthquake damage and could not provide children's programs. Also suppose that a ticket to a child's play, program or show elsewhere costs CHPRGPR. How many of the CHLDPRG1 programs that children in your household attended at the LIBRARY would you replace by purchasing tickets at CHPRGPR each?

#### PROG1

About how many special events such as performances, author visits, recitals, lectures, and other programs provided by the LIBRARY, do your adult household members attend per year? Consider each adult separately, so two adults seeing the same show would count as two attendances.

**PROG2**

How many tickets do your adult household members purchase per year to attend similar programs and events?

**PROG3**

Suppose that the LIBRARY was closed indefinitely due to storm or earthquake damage and could not provide programs. Also suppose that attending performances, author visits, recitals and lectures cost PROGPR per person elsewhere. How many of the PROG1 programs at the LIBRARY would your household replace by purchasing additional tickets to events elsewhere at PROGPR each?

**SECTION 3.**

My computer has totaled the amounts that you said your household would spend to replace LIBRARY services by buying additional books or magazines or other services. Based on your responses, your household would spend \$SPEND1 per year on additional purchases if these items or services were not available through the LIBRARY. Suppose that all local taxes and fees to support the LIBRARY were suspended during its closure. Is \$SPEND1 per year an amount that your household could afford and would actually spend to replace LIBRARY services, or do you wish to lower this amount?

☐ Yes ☐ No

PROGRAMMING NOTE: Formula should calculate extra spending, not consumer surplus.

If V31=1, then V32=SPEND1 and go to SECTION 4.

1.1 “Instead of \$SPEND1 per year, how much would your household spend per year for additional books, magazines, and other items to replace the materials and services that you currently use from the LIBRARY?

First, I will read a list of LIBRARY services. Then I will read each service category again and ask you the following question. In reducing the amount that your household would spend to replace LIBRARY services, would you spend less in that category?

Here are the categories of LIBRARY services and the amount that you said that your household would spend to replace that service: (interviewer: read list of services and spending for each).

In reducing the amount that your household would spend to replace LIBRARY services, would you spend less to replace...

1.1.1	[IF STAFFEX>0] <i>Help provided by <u>LIBRARY</u> staff?</i>	\$ <u>STAFFEX</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
1.1.2	[IF MAGNEWEX>0] <i>Magazines and newspapers?</i>	\$ <u>MAGNEWEX</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
1.1.3	[IF CHILDEX>0] <i>Children's books and programs?</i>	\$ <u>CHILDEX</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
1.1.4	[IF ADULTEX>0] <i>Books and programs for adults?</i>	\$ <u>ADULTEX</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
1.1.5	[IF AVEX>0] <i>CDs, DVDs, and tapes?</i>	\$ <u>AVEX</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
1.1.6	[IF COMPUTEX>0] <i>Library computer usage and classes?</i>	\$ <u>COMPUTEX</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
1.1.7	[IF ELECTEX>0] <i>Electronic information services?</i>	\$ <u>ELECTEX</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
1.1.8	[IF ENCYCEX>0] <i>Encyclopedia?</i>	\$ <u>ENCYCEX</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No



## SECTION 4

We have been discussing how your household uses the LIBRARY. This next question is very important.

Suppose that the LIBRARY and all of its buildings, books, and equipment are destroyed in an uninsurable disaster. Nothing from the library can be recovered, but no people or other buildings in your community are harmed—only the LIBRARY is destroyed. A vote will be held to establish the appropriate type and amount of local taxes to restore the LIBRARY and all of its services just as they were before the disaster. If the vote fails, the LIBRARY will no longer exist. Neither your household nor other members of your community will have access to any LIBRARY services.

**4.0** What is the maximum amount of annual local taxes and fees that you would vote for your household to pay to restore and maintain LIBRARY services? Please round your estimate to the nearest \$100. Should I repeat the question? Please take your time.

4.0.1 If 4.0=0 or “don’t know” or “can’t answer,” then show screen: Please help us to understand why you don’t know or can’t answer.

4.0.2 If  $V_{40} < V_{32}$ , you stated earlier that you were willing to spend 3.2 dollars per year to replace LIBRARY services if the library were closed indefinitely, yet you would be willing to pay only 4.0 dollars per year in taxes and fees to restore and maintain LIBRARY services. Please help us to understand why these answers differ.

4.1 ALTERNATIVE WORDING FOR SECTION 4.0: Now suppose a referendum is held to revise local taxes to restore and maintain the LIBRARY so that it can again provide the same services that you have today. If the referendum passes, your household would be required to pay \$TAX in taxes and fees each year for the LIBRARY. If the referendum fails, there would be no LIBRARY. Would you vote for or against the proposition?

☐ For   ☐ Against   ☐ Don’t know/can’t answer

## SECTION 5.

We are close to finishing. You have been very helpful. We have only a few more short questions for statistical purposes only. Remember that our research institute is legally bound to confidentiality. Once all interviews are completed, all names, street addresses, and phone numbers will be purged from the interview database.

**5.0** Which of the following categories best describes your age?

[READ CATEGORIES AND RECORD RESPONSE]

- ☐ 18-25
- ☐ 26-35
- ☐ 36-45
- ☐ 46-55
- ☐ 56-65
- ☐ 66-75
- ☐ over 75

5.1 What is the highest level of school that you completed?

READ LIST

- ☐ Some high school
- ☐ High school diploma or equivalent
- ☐ Some college/technical school or Associate's degree
- ☐ Bachelor's degree
- ☐ Advanced degree beyond Bachelor's level

5.2 IF DID NOT ANSWER 5.1, SKIP 5.2 AND GO TO 5.3. OTHERWISE, ASK:

What is the highest level of school completed by your spouse or partner?

READ LIST

- ☐ Some high school
- ☐ High school diploma or equivalent
- ☐ Some college/technical school or Associate's degree
- ☐ Bachelor's degree
- ☐ Advanced degree beyond Bachelor's level
- ☐ Don't know or not applicable

5.3 How would you describe your race or ethnic background?

DO NOT READ LIST

- ☐ African American/Black
- ☐ Caucasian/White
- ☐ American Indian
- ☐ Asian
- ☐ Hispanic/Chicano
- ☐ Other

5.4 Does your household rent or own your home?

- ☐ Rent   ☐ Own

5.5 Which of the following categories best describes your household's 2001 before-tax income?

[READ CATEGORIES AND RECORD RESPONSE]

- ☐ Less than 10 thousand dollars
- ☐ Between 10 and 15 thousand
- ☐ Between 15 and 20 thousand
- ☐ Between 20 and 30 thousand
- ☐ Between 30 and 40 thousand

IF ANY OF THESE CATEGORIES IS CHECKED [GO TO 5.5]

- ☐ Between 40 and 50 thousand
- ☐ Between 50 and 60 thousand
- ☐ Between 60 and 70 thousand
- ☐ Between 70 and 85 thousand
- ☐ Between 85 and 100 thousand
- ☐ Over \$100,000 (Because this project requires a fairly precise estimate of your household income to appropriately apply certain statistical models, would you please specify the amount to the nearest \$20,000)

[INTERVIEWER: If respondent refuses, then prompt: I assure you that we are required to keep this information confidential. IF STILL REFUSES, "I understand." THEN GO TO 5.5]

5.6 Record the respondent's gender BASED ON VOICE & DIALOGUE.

ASK only if uncertain.

- ☐ Male ☐ Female

5.7 Is there anything else you would like to say to the Library Director regarding the LIBRARY?

IF NOT – Leave Blank, IF YES, RECORD VERBATUM.

6.0 If V15=0, then say, "That concludes the survey. Thank you for your time and cooperation. The library will send you a small gift in appreciation."

If V15=1, say "May I please talk very briefly to the teacher in your household? I promise to take only a minute." [INTERVIEWER: If not available, GO TO 7.0]

"Do you use the LIBRARY to help you with your work as a teacher? ☐ Yes ☐ No

[If V60=0, go to 7.0]

**1.1** Suppose that a natural disaster caused the LIBRARY and all of its branches and services to close indefinitely. I will read a list of LIBRARY services. Consider whether the service is essential to maintaining the quality of your teaching. After each, say "YES" if it is a library service that you or your school would have to pay to replace. Otherwise, say "NO."

Check all that apply:

- |       |                               |                              |                             |
|-------|-------------------------------|------------------------------|-----------------------------|
| 1.1.1 | Staff help                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 1.1.2 | Magazines and newspapers      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 1.1.3 | Children's books and programs | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 1.1.4 | Books and programs for adults | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 1.1.5 | CDs, DVDs, and tapes          | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

- 1.1.6 Library computers or computer classes ☐ Yes ☐ No
- 1.1.7 Electronic information sources ☐ Yes ☐ No
- 1.1.8 Encyclopedias ☐ Yes ☐ No

6.2 How much more would you or your school have to spend per year to maintain the quality of your teaching if the LIBRARY were closed indefinitely?

7.0 That concludes the survey. Thank you for your time and cooperation. The library will send you a small gift in appreciation.

# Economic Benefits and Impacts from Public Libraries in the State of Florida 2001

by Charles R. McClure and John Carlo Bertot

URL: <http://www.ii.fsu.edu/~cmcclure/pasectionlinks.html>

## SUMMARY

The purpose of this **statewide study** was to identify and describe the economic impacts and benefits of Florida public libraries and to define the role of public libraries in economic development. In addition, the study explored return on investment (ROI) strategies and methods that could be applied to a quantitative ROI study for the state. The study was modeled in part on McClure and Bertot's 1998 study, *Public Library Use in Pennsylvania*.

## METHODS & ANALYSIS

The study used the following methods: literature review, focus groups, a statewide survey of public library patrons, a survey of library directors and branch managers, analysis of librarian service logs, group interviews, and economic valuation of Florida's library services using a contingent valuation questionnaire.

### *Scope of Study*

State of Florida (St. Augustine, Gainesville, Panama City, Clearwater, Palm Springs and Ft. Meyers).

### *Summary of Methodology*

**Data collection**—Two librarian service logs (for collecting library transactional data) sent to each of 12 libraries in February 2000; focus groups with library and cooperative directors at the Florida Library Association annual meeting in April 2000. The information gathered from the service logs and focus groups contributed to survey construction. Surveys were then distributed to public library outlet directors/managers and patrons in St. Augustine (St. Johns County Public Library System), Gainesville (Alachua County Library District), Panama City (Northwest Regional Library District), Clearwater (Pinellas Public Library Cooperative), Palm Springs (Palm Springs Public Library), and Ft. Meyers.

**Survey sample**—Patron and director surveys mailed to a random sample of 50% of all library systems in Florida based on geographic region and metropolitan status. Patrons were asked to identify and place a value on the services they use.

Economic impacts and benefits resulting from public library services in Florida were derived from three sources: (1) critical incidents reported in the *Public Library Use in Pennsylvania* study (McClure & Bertot, 1998); (2) economic impacts from public library use derived from the literature review for this study; and (3) content analysis of the economic impact logs kept by selected librarians in Florida for the study (Chapter 6).

## RESULTS

The study identified factors contributing to the success of public libraries' involvement in economic development and offered recommendations and strategies for how the state library and public libraries in Florida might more effectively support economic development. The key factor is widespread awareness of the library's many possible and actual roles. The report suggests that expansion in awareness begins with librarians themselves: "Librarians' awareness of their own economic influence must exist first, and it must be raised sufficiently in order for the library to fulfill its potential." As previously ignored opportunities are explored and more potentials are fulfilled, "awareness of the library's already vital role in the community will be enhanced." The other notable finding is that the discussion of this topic among public libraries is the exception and not the rule (Chapter 7). The study also addressed return-on-investment methods (ROI) and a future statistical study of Florida libraries.

## SURVEY QUESTIONS

### Part I

- 1) Age
- 2) Gender
- 3) Highest level of education completed
- 4) How often do you use this library?

Answer: 1 to 2 times a week; 2 to 3 times a month; 3 to 5 times in six months; once a year or less

The following questions were answered using the scale below:

1=Disagree 2=Somewhat Disagree 3=Neither Agree or Disagree  
4=Somewhat Agree 5=Agree

- 5) Libraries have contributed to the prosperity of the local/state community.

- 6) Libraries have been economically beneficial to local businesses.

- 7) Libraries have contributed to my personal financial well-being.

- 8) Do you think that the presence of this library in your community:  
improves overall quality of life attracts new businesses to the community?

Increases local property values? Attracts patronage to local businesses?

The following questions were answered using the scale below:

1=Improves quality of life 2=Attracts businesses to area  
3=Increases property values 4=Attracts patronage to businesses

- 9) In your recent visits to the library, has the library assisted you by providing  
information or services that was related to: [text missing here?]

The following questions were answered using the scale below:

1=Personal, 2=Your Job, 3=Civic Involvement, 4=Local Business,  
5= Computers, 6= Education, 7= Miscellaneous

- 10) What are the two most important economic benefits you have received  
from this library? (open ended)

## Part II

### Economic Benefits Questions

#### CONTINGENT VALUATION: Willingness-to-Pay questions

Placing a dollar value to programs and services

Statements A, B and C seek the realistic value you place on programs and services offered by the library. This information will help us to establish the return that taxpayers receive on their investment in Florida's public libraries.

In statement A, consider the list of library programs and services listed and assign a dollar value to each of those that you have used today, that you would be willing to pay in additional taxes annually if it were not currently available at the library.

For statement B, using the same criteria for valuing programs and services, please give some thought to any other program or service that you have used today that we have not listed, and list those along with the amount in additional taxes you would be willing to pay. If you have any questions regarding the choices and the value you wish to place on them I will be glad to answer them and give you some direction. For statement C, please indicate what you have done to obtain the program or services you used today if the library was not available.

#### CONTINGENT VALUATION: Willingness-to Accept less service questions

Placing a dollar value in tax reduction for eliminated programs and services. Statements A and B will assist us determining the programs and services that public libraries offer in terms of their importance to patrons and regardless of the return on investment the particular program or service gives to taxpayers. (consult source document for list of services)

In statement A we would like you to consider all of the programs and services listed that you have used today, and indicate the amount of tax dollar reduction annually you would accept if that program or service were not available at the library. In considering these choices please provide a reasonable dollar amount based on the worth program or service to you.

For statement B please indicate additional programs or services that are not listed that you have used today, and the amount of tax dollar reduction you would accept if that program or service were not available at the library. Again if you have any questions regarding the choices I will be glad to answer them.



## Part III

### The Overall Value of the Library

*Please fill in all that you value with a dollar amount.*

A. Of the following library programs or services that you have used today, please supply a dollar (\$) amount indicating the amount you would pay in additional taxes annually if it were not currently available at the library:

- \$\_\_\_\_\_ Assistance or information to aid your finances (e.g., save money, invest money)
- \$\_\_\_\_\_ Assistance in identifying financial aid for post-secondary programs
- \$\_\_\_\_\_ Assistance with identifying post-secondary educational programs
- \$\_\_\_\_\_ Obtaining legal information
- \$\_\_\_\_\_ Obtaining medical information
- \$\_\_\_\_\_ Assistance in learning new technology
- \$\_\_\_\_\_ Access to the Internet
- \$\_\_\_\_\_ Email account
- \$\_\_\_\_\_ Reference Desk
- \$\_\_\_\_\_ Videos (renting)
- \$\_\_\_\_\_ Newspapers
- \$\_\_\_\_\_ Magazines (e.g., *Consumer Reports*, *Time*)
- \$\_\_\_\_\_ Information for self-help or projects
- \$\_\_\_\_\_ Audio / Music
- \$\_\_\_\_\_ Tax information
- \$\_\_\_\_\_ Storytime
- \$\_\_\_\_\_ Use of research materials
- \$\_\_\_\_\_ Craft activity programs
- \$\_\_\_\_\_ Children's after-school programs or support with a job search or business opportunities
- \$\_\_\_\_\_ Information to help you be more productive on your job or in your business
- \$\_\_\_\_\_ Training to help you be more productive on your job or in your business
- \$\_\_\_\_\_ Information in improving a business
- \$\_\_\_\_\_ Information about starting a business
- \$\_\_\_\_\_ Information for educational research
- \$\_\_\_\_\_ Obtaining support with home-schooling
- \$\_\_\_\_\_ Special events (e.g., art shows, lectures)
- \$\_\_\_\_\_ Books for young adults and adults
- \$\_\_\_\_\_ Consumer purchase information (e.g., auto)

B. Are there any additional programs or services that you used today that you can indicate the amount you would pay for in additional taxes if they were not available at the library?

C. What would you have done to obtain the programs or services you used today if the library was not available?

# Economic Importance of Arts and Cultural Attractions in Louisville

## 2000

by Paul A. Coomes

URL: [http://monitor.louisville.edu/arts/Arts\\_Report.pdf](http://monitor.louisville.edu/arts/Arts_Report.pdf)

### SUMMARY

This report looks at how a **city library** system compares with other cultural institutions in terms of its use and efficiency. In the comparison, the Louisville Free Public Library system showed it has very high attendance rates, and showcased its efficiency and value. The study also emphasized the library's role in fulfilling community needs that no other cultural institutions can. This study represents a unique approach that complements other valuation methods. In combination with financial valuation (which has yet to be done), it could provide a vivid portrait of the library's true value.

### METHODS & ANALYSIS

The study used surveys, interviews, and financial analysis of Louisville cultural institutions. Interviews were conducted with executives of the arts and cultural organizations in Louisville. Financial data was collected from those interviewed. The methodology is unique for putting libraries on an equal footing with other cultural institutions.

#### *Scope of Study*

Financial and attendance analysis was conducted on the following Louisville institutions:

- Museums
- Performing arts organizations
- Heritage sites
- Nature attractions
- Louisville public libraries

Louisville data was compared with 20 other Midwestern cities; data for those cities was collected from the *Places Related Almanac, 2000*.

#### *Summary of Methodology*

**Data Collection**—Executives from 43 top arts and cultural organizations in the Louisville area provided attendance, employment, and budget data. The library budget data came from the 1999 statistical report from the Public Library Data Service. Data analysis of the following (bulleted list) was conducted, as well as comparisons between the different types of institutions within Louisville and among 20 sister cities in the Midwest.

- Attendance
- Revenues and expenditures
- Employment and volunteer staffing
- Assets
- Tax receipts generated
- Economic growth

## RESULTS

### *Key Findings:*

- Louisville public libraries accounted for 45% of all visitations to Louisville cultural institutions.
- In comparison to other organizations, Louisville libraries had the largest share of government support versus earned income or other kinds of revenue.
- Louisville libraries represented 25% of all payroll and benefits expenses among cultural institutions, and accounted for 24% of employment numbers among cultural institutions.
- Public libraries in Louisville had the lowest number of volunteers in comparison to other organizations.
- Louisville's public libraries had annual revenues of about \$12.5 million.
- Compared to other Midwestern cities of similar size, Louisville had more theater-related organizations.
- Not enough information was available to make definitive statements about the growth of Louisville's cultural institutions over the previous decade.
- Louisville library attendance ranked 14th among the 20 other cities in the sister-city comparison.

# Public Library Use in Pennsylvania: Identifying Uses, Benefits, and Impacts 1998

by Charles R. McClure and John Carlo Bertot

URL: <http://www.ii.fsu.edu/~cmclure/pasectionlinks.html>

## SUMMARY

This **statewide study** focused on identifying and describing library patrons in Pennsylvania, their uses of public library resources and services, the benefits and impacts that resulted, and the role of public libraries in supporting economic development at both the local and statewide levels. The methodology combined user surveys, site visits, and logs of selected significant user benefits and impacts. The study found that benefits and impacts included contributions to local and state economic productivity and improvements to the cultural and educational environment. Most significantly, Pennsylvania public libraries provided these and other benefits with extremely limited resources.

## METHODS & ANALYSIS

The study applied the following methods: literature review, focus groups, a statewide survey of public library patrons, a survey of library directors and branch managers, librarian service logs, and group interviews.

### *Scope of Study*

State of Pennsylvania: survey population of 30 libraries in urban, suburban, and rural libraries representing diverse geographic locations across the state. Site visits to 10 libraries throughout the state and logs of critical incidents of significant impacts were used to draw conclusions.

### *Summary of Methodology*

**Data collection**—(1) identification of patron education, age, sex, and household income; (2) patron uses of public library resources and services; (3) benefits or impacts from such use; and (4) role of Pennsylvania public libraries in supporting local and statewide economic development.

Qualitative and Quantitative Analysis: (1) A content analysis technique was employed to code and analyze the service log responses. (2) Completed surveys were scanned and analyzed with standard statistical packages consisting of frequency analysis, percentages of responses, and cross-tabulations. (3) Each site visit was analyzed to identify impacts and understand how library services affected patrons.

## RESULTS

### *Key Findings*

- Described Pennsylvania library users in their education, age, sex, and household income
- Determined the reasons for patron use of the public library
- Provided insight into how use of the public library was valuable or beneficial to patrons
- Described role of Pennsylvania public libraries in supporting local and statewide economic development
- Found that libraries provided numerous and important benefits, including: fostering economic productivity; offering programs and services not otherwise available; enhancing the quality of life; contributing to the success of local social-service agencies, literacy groups, home schooled children, and others; providing customized information services.

## SURVEY QUESTIONS

### Library Personnel Questionnaire:

- Name
- Institution
- Position
- Years in current position
- Have you served in other positions within the library aside from the one you have?
- What are the two special service programs/resources offered at your library that have the greatest impact on your service area?
- What specific types of impacts/benefits do these services/programs have on library users?
- In what areas can the library improve its services/programming?
- How might the library provide greater impact for its programs/services?

### Library User Questionnaire:

- Age
- Gender
- Occupation
- Highest level of education
- Number of people in your household
- Number of library holders in your household
- Household income
- How often do you use this library (once a week—once a year)?
- In your recent visits to the library, has the library assisted you in providing information services that
  - (a) Made you more productive on your job
  - (b) Helped you learn about new jobs or other business opportunities
  - (c) Helped you obtain a new job
  - (d) Supported starting a business on your own
  - (e) Promoted local businesses
  - (f) Contributed to your overall financial success
- What are the two most important benefits that you receive from the library?
- What are the most important benefits that you have received from this library? Please be specific.

### Focus Group Questions:

#### Library Directors

- Describe your library patron population and community
- How has your library impacted/affected your community?
- Does your library have any strategic partnerships with community organizations, businesses or agencies?
- What special programs or services does your library offer?

- How well does your library advertise its special programs and services?
- What challenges does your library face in increasing the impact of its programs and services?
- What evidence is available to document the success of the libraries programs and services?
- What strategies should be used to demonstrate to state funding officials that public libraries make a difference?

#### Library Staff

- Describe your library patron population
- What special programs or services does your library offer, and how has your library impacted/affected your community?
- How well does your library advertise its special programs and services?
- Does your library have any strategic partnerships with community organizations, businesses or agencies?
- What special programs and services would the library like to add that would have an impact on the community?
- How has your library impacted/affected your community; give examples?
- What evidence is available to document the success of the libraries programs and services?
- What suggestions do you have about how the library could have greater impact on the community?
- What challenges do you face in increasing the impact of the libraries programs and services?
- Does your library have any strategic partnerships with community organizations, businesses or agencies?
- What special programs and services would the library like to add that would have an impact on the community?
- How has your library impacted/affected your community; give examples?
- What evidence is available to document the success of the libraries programs and services?
- What suggestions do you have about how the library could have greater impact on the community?
- What challenges do you face in increasing the impact of the libraries programs and services?





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# Glossary

**ALC:** Americans for Libraries Council, a national non-profit organization dedicated to increasing innovation and investment in public libraries.

<http://www.americansforlibraries.org>

**BEA:** US Bureau of Economic Analysis

<http://www.bea.gov>

**CSR:** Corporate Social Responsibility

**GRI:** Global Reporting Initiative

**EBPP:** Evidence-Based Policy and Practice

**HAPLR Index:** Hennen's American Public Library Rating Index. "Libraries are rated, scored and ranked on 15 input and output measures."

<http://www.haplr-index.com/IMLS>

**IMLS:** The Institute of Museum and Library Sciences is a grantmaking federal agency supporting museums and libraries of all types.

<http://www.imls.gov>

**ROI:** Return on Investment

**REMI:** Regional Economic Models, Inc., a tool available for purchase that describes itself as "the leading economic forecasting and policy-analysis model."

<http://www.remi.com>

**November 2005 Economic Valuation Meeting:** A meeting convened by Americans for Libraries Council (ALC) to explore the nature and status of library economic valuation as a discipline; the discussion led to the present report.

<http://www.americansforlibraries.org>

**SROI:** Social Return on Investment

## About Americans for Libraries Council

Americans for Libraries Council is a non-profit organization dedicated to increasing innovation and investment in the nation's libraries.

The Council's program division, Libraries for the Future, develops national programs to strengthen libraries, provides training in community librarianship, and facilitates planning for 21st century libraries. Through its investment activities ALC provides resources to local library advocates and works to expand funding from the public and private sectors.

## Have you visited our websites?

ALC Home: [www.americansforlibraries.org](http://www.americansforlibraries.org)

Act for Libraries: [www.actforlibraries.org](http://www.actforlibraries.org)

EqualAccess: [www.ea.webjunction.org](http://www.ea.webjunction.org)

Family Place Libraries: [www.familyplacelibraries.org](http://www.familyplacelibraries.org)

Fit for Life: [www.lff.org/ffl](http://www.lff.org/ffl)

Lifelong Access Libraries: [www.lifelonglibraries.org](http://www.lifelonglibraries.org)



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