

The value of public libraries: a socio-economic analysis

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By Svanhild Aabø, Oslo University College

Introduction

The global financial crisis is still threatening citizens' welfare and jobs, and thus their possibilities to access and use private and public services. In tight economic times people are especially conscious of spending their tax dollars wisely. Public libraries receive public funds which are scarce and, therefore, need to prove how the taxpayers' money is used to benefit both the individual citizens and the communities in which they operate. The current political and economic situation entails a strong pressure to document the value of public libraries.

Moreover, public libraries are facing fundamental changes internationally caused by fundamental changes of society, especially the IT development and digitizing, the growth of multiculturalism and fragmenting of local communities and, not least, the continuous economic pressure on the public sector. The financial crisis has a heavy impact on all these issues and is increasing the stress on the public economy dramatically.

How public libraries have impact and value in the digitized and multicultural communities are being explored in contemporary research as well as by the field of professional librarians.

Previous research has shown that public libraries have social and economic impact and play a role in community building (Aabø, 2005; Debono, 2002; Kerslake & Kinnel, 1998). They contribute to economic development by supporting early literacy and school readiness (Southern Ontario Library Service, 2007), by encouraging workforce participation by providing employment information and ICT skills (Sawyer, 1996), by being a buying power in publishing markets and by increasing local prosperity through regeneration of town centers (Greenhalgh et al. 1995; Burton et al., 1996). Public libraries do have impact on the community in which they operate. They sustain local community and identity, support people whose main activities are out of the labour market, foster cultural enrichment and diversity, promote a sense of social cohesion, develop confidence in individuals and communities, stimulate imagination and creativity, health and well-being (Debono, 2002; Matarasso, 1997).

The wide range of the public library impact demonstrates a fundamental characteristic of public libraries, namely their complexity. In contrast to other public institutions such as schools or hospitals that produce educational and health care services respectively, public libraries, although they are mainly small institutions, provide a wide range of services directed towards very different spheres of life – towards children and adults, local businesses, services to disabled or elderly people, and the whole educational sector from kindergartens to universities. They also provide a range of services for leisure time activities, personal cultivation and development of personal and civic skills. In addition, public libraries have impact and value by being a physical place, a cultural and social meeting place, a public room, and a place for studying and contemplation.

Such a complex institution needs to be studied from several perspectives, and in determining the value of public libraries both their cultural, educational, informational, social, political, and economic dimensions are of great importance.

In my research I have focused on the economic dimension. In the restrained economic situation in the public sector the controversy of how to prioritize public funds hardens. It is necessary to be able to determine and measure the value of public libraries. Clear, accurate and verifiable figures are needed to substantiate the usefulness and value of public libraries in monetary terms – to show politicians as well as the population, or taxpayers, the results from the public funding of the libraries. Some studies have met this challenge.

Return on investment (ROI) studies

During the last ten years a new research field has evolved. This new field is library valuation research and the number of valuation studies and return on investment studies is fast expanding. In a meta-analysis published last year, I looked closely at the subgroup of these studies that reports a return on investment figure (ROI) or a cost-benefit ratio (Aabø, 2009). A much used formulation is to report that the ROI ratio is, for instance EUR 1: EUR 3.50, meaning that for each euro of taxpayers' money invested in the library, the library returns a value of 3.50 EUR to the citizens. This is an effective way to communicate to politicians and taxpayers that for each euro invested by public funding the libraries return a value that is higher.

Table 1: Published library valuation studies reporting a ROI figure.

Year	No of studies	Country	No of studies	Library Type	No of studies	Scope	No of studies	
1995	1	United States	30	Public	32	National	5	
1999	1	U.K.	2	Academic	2	State	6	
2000	4	Australia	2	Special	2	Regional	1	
2001	2	New Zealand	1	National	2	County	7	
2002	2	South Korea	2			Individual library	18	
2003	1	Norway	1					
2004	3							
2005	5							
2006	12							
2007	3							
2008	4							
Total	38		38		38		37 ^a	

^aOne study could not be categorized after scope.

I found 38 published studies that report a ROI figure, see Table 1. The variable ‘Year’ depicts the publishing year of the empirical studies and shows a small but steady growth of studies during the last decade¹. With regard to the countries where the studies are conducted, United States is clearly the dominating nation with as many as 30 studies out of the total of 38. The same asymmetry is shown by the variable ‘Library type’. Public libraries are the predominating library type, counting 32 studies.

Thus, for academic, special and national libraries too few library valuation studies are yet conducted to make statistical analyses of all library types. For public libraries, however, there are 32 studies, a number that is high enough to draw a tentative conclusion. The results shown in these studies indicate that for each dollar of taxpayers’ money invested in public libraries, the libraries on average return a value to the citizens of four to five times more. This conclusion is drawn on basis of a considerable amount of studies of public libraries, which

¹ The exception is 2006, when the number of studies reaches a top score with as much as twelve studies published. The high number is partly explained by Colorado State Library, which conducted individual return on investment studies of eight public libraries that year.

have strong similarities all over the world. This is a strong message with policy implications. “Money speaks”, as the American saying goes. Promoting the value of the libraries in the community also through economic statements can be quite effective. Speaking in terms of dollars and cents seem to have a heavy impact on people, both politicians and ordinary citizens, who may not register the value of library services otherwise.

The value of public libraries in Norway

The value of the Norwegian public libraries was explored in a large scale study I undertook in 2005, based on a contingent valuation survey of a representative national population sample (Aabø, 2005). The study aimed to measure the value of Norwegian public library benefits to the population in monetary terms and to determine if the benefits of public libraries outweigh the costs to provide them. The purpose was to provide a better understanding of their total value and to demonstrate their instrumental as well as democratic and cultural value. The survey included a measure instrument developed by the research group and was administered by a professional opinion company. One thousand individuals were interviewed in their homes as representatives for their households.

By law, all Norwegian municipalities shall have a public library and the 430 municipalities of Norway all have public libraries, comprising 800 library units, but only two thirds of these are managed by a professional qualified chief librarian. The libraries are widely used: 52 % of all citizens visit a public library during a year and, except for cinemas, this is the highest percentage of any cultural institution. On average each inhabitant visits the library five times a year. Total operating costs are EUR 33 per inhabitant (ABM-utvikling, 2009). The citizens’ satisfaction with the libraries is also high. Out of 52 public services evaluated by a national population sample, library services were ranked as number three (TNS Gallup, 2003).

The conclusion of my survey in which the population was asked to value their local library was that the Norwegian public libraries are worth four times more than they cost. For every Euro paid in taxes to the public libraries on a national basis the citizens get fourfold back, which is well in line with the average ROI result from the meta study.

This was the aggregate result. However, the respondents' willingness-to-pay varied considerably, from zero to high bids. Are there socio-economic factors that can explain why some value the public library highly while others do not? From a multivariate regression analysis we found interesting results. First, some factors that did *not* explain why some value the public library highly. The independent variables gender, age, and size of family were put into the analysis. From previous studies of general library use I beforehand supposed that women would value the library higher than men; that young people would value it less than the middle aged and elderly; and that families with several children living at home would value it more than households without children living at home. This was not the case in my study, however, these explanatory factors turned up *not* to be statistical significant.

So, which independent variables did explain why respondents value the library highly? People who are active users of the cultural activities in their local communities are more likely to value the public library higher than people who are less cultural active, when controlled for the other explanatory factors. The library is valued higher by respondents with high household income. The distance to the library from the family home was found to be important; the valuation of the library decreased for each kilometer the distance increased. People living in cities tend to value the library higher than people living at the countryside and in smaller towns. People with high education are more likely to value the library higher than those with low education. Library users value it higher than non-users. The same do respondents who had used the library as a child, and people living in a municipality where the library had a professionally qualified chief librarian.

The public libraries were shown to have value for the library users and as well for citizens who do not use the library themselves. Most of the respondents were motivated both by self-interest and by benefits accruing to others and the community. The value that the library accrues to oneself and one's close family is greatest and made up 60% of the total value. Of special interest is it the respondents stated that as much as 35-40% of the total value of public libraries was legitimized by cultural and social motivations.

This blend of social motivations and self-interest shows that the library is seen as a public good and a community institution. People found that the library is important for themselves and their family but they also value that other people use the library, that it disseminates

culture and knowledge, takes care of our literary heritage and promotes democracy and equality.

The value of the public library as a meeting place across cultural, social and ethnic belongings

During the last years I have participated in a research project called PLACE: Public Libraries – Arenas for Citizenship. This project is exploring the public library as a meeting place and as an institution with the potential to build community and citizenship. This issue is essential because society is becoming more and more complex and fragmented due to the growth of multiculturalism, digitization and the economic pressure. Citizenship presupposes that there exist arenas in the community for fostering a minimal degree of communality in values, norms and bridging social capital. There is a need for meeting places to promote communication across cultural, ethnic, generational, and social lines. Creating such arenas is a far from a trivial task. Does the public library, as an institution used by most segments in society, have potential in this respect? This is the general research agenda of the PLACE project.

As a first step the research group posed these research questions (Aabø, Audunson & Vårheim, 2010):

1. Are the public libraries used as meeting places, and if so, what kinds of meetings take place in the library? Do they function as low-intensive meeting places, where participants are exposed to the community in all its complexity? Do they function as a high-intensive meeting place where a person lives out his or her interests together with friends and colleagues? Do they function as a part of the public sphere, promoting citizenship and civic skills?
2. What can explain why some people report to have experienced many different kinds of meetings in the public library whilst other report zero or only a few? Are socio-economic variables important also in explaining variations in use of the library as a meeting place? What about users' ethnic and linguistic background?
3. Which categories of meetings take place in the library, and what can explain variations in the use of different kinds or categories of meetings?

We wanted to explore these questions empirically and surveyed a representative sample of the inhabitants of three urban districts in Oslo which are distinctly different: (1) a gentrified community in the eastern part of the inner city, (2) a multicultural suburb south of the city center, and (3) a middle class community in the western part of the city.

Table 2 shows that the library is used as a meeting place to a great extent. It presents the different kinds of meetings in order of popularity. The terms *meeting* and *meeting place* have many dimensions and are here used in a wide sense.

Table 2: Use of the library as a meeting place: 750 respondents from three urban districts in Oslo were asked to tick off the different ways they've used the library as a meeting place.

Can you remember that as a library user you have:	Yes (N=750)	Percentage
1. Observed people with a different background	293	39%
2. Accidentally met neighbors or friends	240	32%
3. Got into conversations with strangers	208	28%
4. Learned about organizations or activities in the local community	189	25%
5. Met with friends or colleagues to work on a common task or a leisure activity	157	21%
6. Used the Internet for social purposes, such as discussion groups	125	17%
7. Learned about local matters or social issues that you are involved in	117	16%
8. Participated in meetings such as author's nights, lectures, etc.	107	14%
9. Made appointments to meet family or friends in the library before going to a movie, into the city, to shops, etc.	78	10%

The fact that the public libraries are used as meeting places to this great extent can at first seem surprising. Recent studies in Denmark and Norway have however documented that the

majority (55-60%) of library users do *not* borrow or deliver books, films, or other library materials but use the library for other activities (ABM-utvikling, 2008; Kommunernes Landsforening, 2004). These library users are mostly men and many are immigrants. A number of these users stay for hours in the library and visit it very frequently, 4-5 days a week. What do they do in the library? Participating in different kinds of meetings is now shown to be a central activity.

The socio-economic analysis of respondents who take the library into use as a meeting place shows some results that differ from what are usually found in studies of general library use. Most striking is it that the variable *household income* is highly significant and negative, showing that respondents with lower household income use the library for more kinds of meetings than people with higher household income. People with lower household income are shown to use the library more both as a public sphere, for virtual meetings, e.g. meetings on the internet, and for joint activities, e.g. meeting at the library with friends, classmates, or colleagues to work together on a common assignment or a leisure time activity.

People with low *education* were found to use the library more as a square, e.g. as a place for chance meetings with friends and neighbors, for entering into conversations with strangers, making appointments to meet at the library to go somewhere else, and encounters with people different from themselves. People with low education also used the library more for joint activities with friends or colleagues.

Another important finding is that young people, immigrants, and people with low household income tend to use the library for social purposes more than people who are older, with a Norwegian background, and a higher household income. Each of these explanatory factors is statistically significant when controlled for the other independent variables.

We found a constant correlation in the data between having a low income, having a non-Western linguistic and cultural background, and having a low education and using the library as a meeting place. These findings must be seen in connection with the fact that public libraries are used by most segments of society; general library use increases with higher education. The library is a centre of knowledge and culture as well as a public space. It is a junction where different cultures as well as different spheres of life - education, leisure & entertainment, work and business – meet. It has a potential for being a vital part of a local community. Our research indicates that the library as a meeting place plays a substantial role

in equalizing the possibilities of being an active citizen across social, economic, and ethnic differences. The value of public libraries as a contributor to community building increases when they function well as meeting places. These findings could contribute to reflections on how to develop further this dimension of public librarianship.

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