

ECONOMIC VALUE OF PUBLIC LIBRARIES - CONTENTS & SUMMARY of FULL REPORT

*This file contains the contents pages and brief summary of the full report - 'Economic value of public libraries', which details a research project conducted by **Anne Morris, Margaret Hawkins & John Sumsion** for Resource (The Council for Museums, Archives and Libraries), Nov. 1999 - Nov. 2000.*

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A fuller summary version of the research report is contained in pdf file1 and pdf file 2.

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SUMMARY OF 'FULL REPORT'

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The 37 chapters of the Full Report are arranged in generic groups.

The **INTELLECTUAL BACKGROUND** (Chapters 4 -7) includes a standard literature review from which the research strategy was developed.

Chapter 4 contains an extensive Literature Review. Chapter 5 sets out the issues that were addressed and the approaches taken.

Chapter 6 presents a descriptive model of the benefits of public library use. This provides a framework for the main part of the project - to describe the economic features of the public library operation. It describes the value and economic benefit of public libraries and the application of economic theory to the management of public library functions.

Chapter 7 on 'Charging' adds some particular perspectives from work on museums and experience overseas to the theoretical arguments already covered exhaustively in the literature.

HISTORICAL AND ECONOMIC FEATURES are explored in Chapters 8-11 and add in some depth the historical perspective which seemed ever more important as the research developed.

Chapter 8 looks at the operation of the commercial subscription libraries which existed until the 1960s to seek an answer to the question "What would we do without the public library?" They provide concrete evidence of what people were prepared to pay to borrow a book, but these prices were for a much narrower service. Although well placed to provide the latest fiction and non-fiction titles, subscription libraries did not offer reference and information services, study spaces or an extensive back catalogue.

Chapter 9 describes developments since the war and looks at the steady decline of book loans, which has been more than compensated for by the increased use of information, audio-visual and other services.

Developing cost estimates was outside the project's terms of reference, so Chapters 10 & 11 do not set out to cover these topics comprehensively, but only to establish their connection to the economic value assessment.

Chapter 10, Economic and cost features, briefly outlines attempts to identify the allocation of library resources to its various functions, in terms of:

- Government initiatives;
- Audit Commission investigations;
- Cost data available from some local authorities;
- Consideration how far electronic services will incur similar costs.

The proportion of total resources devoted to lending are estimated at 70 per cent.

Chapter 11 outlines some significant changes as the concept of Best Value as it has developed. Its scope and methodology are compared to the economic principles and features which are the focus of this research.

Analysis of **LIBRARY USERS** (Chapters 12-14) examines existing research results to establish the diversity in the user population and hence the extremely variable value received. This data also establishes the affinity in buying and borrowing behaviour and identifies some contrasts.

Chapter 12, Users of public libraries, shows that book reading is spread over all ages and social classes. In spite of forecasts of decline book reading has maintained its popularity in the face of the counter attractions of TV and travel. The myth that public libraries are used mainly by the very young and very old is exploded, as is the claim that it is overwhelmingly a middle class institution. The public library clientele is broad based with good representation by age and by socio-economic status.

While well spread over the whole population, reading is strongest in the middle and professional classes (ABC₁s). However, when patterns of book buying and book borrowing are compared, it is clear that the professional classes (ABs) buy more and the less affluent (C₁C₂DEs) borrow more. Thus public library lending is shown to be income redistributive.

This redistributive pattern is not repeated for information provision - where middle class use is significantly higher. This suggests that librarians' efforts to improve Social Inclusion needs to focus more on information than on lending.

Recent surveys show public library use by the ethnic minority population to be substantially higher than their share of the population. Their use of service on the premises, particularly of newspapers and magazines and study places, features strongly.

Chapter 13 looks at library use by adults and children, and identifies what might be called "the seven ages of library use". Individuals of all ages use public libraries, but the type and intensity of that use varies throughout life as study, self-development and recreational needs change in importance. It is also affected by the amount of time and money available to the user at any stage. The value of public libraries to individuals changes, therefore, throughout the life cycle.

Chapter 14 reveals that Book buying and borrowing are complementary, rather than competing, activities. . People who buy books are also keen borrowers. There is a strong positive association between library use and book buying. Apart from the light buying of young adults the fiction genres bought are largely the same as those which enjoy the highest issues.

Although books are sold to people in all social groups, they are much more likely to be bought by those in classes AB and C1. Library book borrowing is more evenly spread across the social spectrum than is book buying.

The **LIBRARY SERVICES** section (Chapters 15-25) covers, for completeness, all the public library's main services. Recreational Reading (Chapter 15), Information Services

(Chapter 18), and Unrecorded Use (Chapter 22) are treated in greater depth because of their importance in the total assessment of economic value.

Chapter 15 shows Recreational reading to be a complex activity, offering stimulation to the reason, as well as the imagination and it should not be assumed that its value is limited to the provision of amusement. Although recreational reading is widespread, those who read nothing but genre fiction are in a minority. Readers choosing genre fiction do so to find relaxation, escapism, identity and imagination. There is no evidence to suggest that fiction readers confuse fantasy with reality.

It is over simplistic to equate recreation with fiction and non-fiction with educational benefit. All kinds of book are capable of providing enjoyment; many also provide mental stimulation and broaden the reader's emotional and cultural experience.

Chapter 16 refers to recent research and the statistics of Non-fiction borrowing by adults.

Chapter 17 outlines public library services to Children - on which substantial research results are available elsewhere.

Chapter 18 shows a widespread appreciation amongst the public of the value of accurate, unbiased and up-to-date information. Use of information and reference services in public libraries is substantial and growing. However, although people from across the social spectrum use public libraries to obtain information, this use is not uniform. Students, younger adults and those in higher socio-economic groups are much more active users of information services than those in lower socio-economic groups. Information use from people in ethnic minorities appears to be above average.

Chapter 19 analyses the different Audio-visual services, whose common feature is that adults are generally charged for their use.

Chapters 20 and 21 cover, respectively, Inter Library Lending and Other common services. Although these are often neglected in formal reports and statistics, they form important components of the total economic value provided by the public library.

Chapter 22 examines the type and level of unrecorded use made of public libraries. Such use furnishes benefit for which the library receives no credit in the UK reported statistics. It includes unassisted information seeking, use of newspapers and magazines, sitting to study and visiting an exhibition. Data suggest that as many as 39% of activities undertaken during visits to UK public libraries in a year may involve unrecorded use.

INTERACTION AND PARTNERSHIPS is the generic heading for Chapter 23, Lifelong Learning, Chapter 24, Business, and Chapter 25, The Arts. These are areas where the public library contributes - as partner - to the values principally assessed outside the LIS world: Education, Business, and Culture. It is recognised that such partnership activity is increasing in importance.

Three chapters (26-28) consider economic issues surrounding the **SIZE AND LOCATION** of libraries and their effect on the **LOCAL ECONOMY**.

Chapter 26 looks at the use made of libraries of different size and in different locations. It finds that people use whichever library suits their purpose and that many people use both a branch and a central library. Use of a library of any size will vary throughout a person's lifetime.

Chapter 27 refers to the economic features of very small libraries, the mobile service, and services to the housebound, homes and hospitals.

Chapter 28 examines the idea that the presence of a library at the heart of a shopping area has benefit for the retailers as well as for the library.

Chapter 29 on **NETWORKING PROSPECTS** examines, as some traditional services move into the networked arena, those economic features that are likely to continue and those that are likely to change. Networking will change the balance between central and local libraries, while remote access will impact on the relationship between the library and the user. The growth of electronic sources may enhance the library's role in signposting the user to the most appropriate sources.

Moving from the descriptive to the speculative, Chapters 30-32 present three new **ECONOMIC MODELS**.

The Optimisation Model (Chapter 30) attempts to indicate the level at which the overall budget should be set to achieve the most economic result as between book buying and book lending. It is a cost:effectiveness model, designed to illustrate the fact that users appreciate and take the opportunity to borrow books which would be expensive, or impossible, to buy. Its purpose is to illustrate underlying economic features and concepts, not to predict or to claim statistical precision.

For many types of book society's economic interest (to minimise total cost) is met by expanding the lending operation to the limit of consumer demand. They show that the relative advantage of borrowing books over buying them is particularly strong where the book is only available in hardback. There are differences between books typically read through once only and books that the user needs to consult on many occasions. Reader preferences may, however, outweigh the strictly economic factors.

The Benefits Generated Model (Chapter 31) compares the number of book 'reads' generated by books bought and books borrowed from libraries. It looks at benefit, as manifested by the number of reads, in relation to public and private expenditure. Even when the costs of acquiring and issuing books are taken into account, book lending is economically cost-effective.

The model is also worked through in socio-economic terms and shows that, as those at the higher end of the social spectrum are more likely to buy books, library borrowing has a significant income redistribution effect.

The Stock on Loan Model (Chapter 32) shows the effect on shelf stock when the number of books on loan to the individual changes. The more generous the permitted number, the less

stock is available for users to select from. To increase or protect the quality and extent of stock on the shelves, the alternatives are to spend more on acquisitions or reduce the number of books allowed.

A generous allocation of books produces economics for the user in that fewer journeys to the library are necessary, and the facility to browse at home is popular. However, this has to be balanced against diseconomies in stock utilisation and the more likely creation of future dead stock.

Chapter 33 - **USER PERCEPTIONS OF VALUE** - describes a survey to test some of the theoretical concepts against practical user reaction. It sought to establish the value placed by the user on books read in terms of the purpose for which they were borrowed, the benefit obtained and why they were borrowed rather than bought.

Readers were asked to place a monetary figure on that value, which they were able to do. The lowest price option was not the most popular, which shows that library book borrowing is felt to have significant value.

The **CONCLUSIONS** in Chapter 34 revisit the intellectual background of Chapters 4, 5 and 6. Economic concepts outlined there are taken as headings for practical conclusions drawn from the mass of evidence reviewed. Summarising the research, the combination of economic theory with pragmatic research yields important conclusions and recommendations.

Chapter 35 **CONNECTIONS WITH GOVERNMENT POLICY INITIATIVES** relates the conclusions and recommendations set out in Chapter 34 to particular policy initiatives currently promoted by the UK government.

Chapter 36 **ESTIMATE OF TOTAL VALUE OF PUBLIC LIBRARY BENEFITS** contains a preliminary estimate valuing those elements of the public library service that can be quantified in monetary terms. A similar assessment in New Zealand is shown to be a relevant comparison. The methodology is directly applicable to ways in which library authorities can demonstrate the multi-dimensional nature of the benefits they deliver. In this context two new performance indicators are proposed.

TOPICS FOR FURTHER RESEARCH (Chapter 37) include recommendations for research. This includes those that could not be undertaken in the time scale of this project as well as those that were outside its scope.