

## **ECONOMIC VALUE OF PUBLIC LIBRARIES - RESEARCH IN GENERAL**

*This file contains Sections 1 - 6 of the summary version of 'Economic value of public libraries', a research project conducted by **Anne Morris, Margaret Hawkins & John Sumsion** for Resource (The Council for Museums, Archives and Libraries), Nov. 1999 - Nov. 2000.*

Sections 7 - 12 are in pdf file 2. The Full Report's Contents & Summary are listed in pdf file 3.

The full report, running to 374 pages, is available from the Thesis Service, British Library Document Supply Centre, Boston Spa, Wetherby, LS23 7BQ: Morris, A., M. Hawkins, & J. Sumsion, 2000. *The economic value of public libraries*. London: Resource (The Council for Museums, Archives and Libraries). ISBN: 1902394518

### **CONTENTS OF THIS FILE**

1. Aims and Objectives
2. Methodology
3. Connection with Government Policy Initiatives
4. Economic Features
  - 4.1 Economic themes illustrated
  - 4.2 The lessons of history
  - 4.3 Information provision
  - 4.4 Economic features of public library operation: location, costs
  - 4.5 Networking & IT
5. Statistics & Research on Use and Users
  - 5.1 Sources used
  - 5.2 Analysis by age
  - 5.3 Analysis by socio-economic grouping
  - 5.4 Analysis of information seekers
  - 5.5 Use by ethnic groups
  - 5.6 Size and location of libraries
  - 5.7 Summary of statistical data
6. The Economic Perspective summarised

*References*

## 1. AIMS AND OBJECTIVES

The main objectives of the research were to find a way or ways of assessing the economic impact of the public library service - its value to the user. More specifically:

- To explore how the approaches developed in the USA for library and information service in general (but mainly in special and academic libraries) can be applied to assess the value and impact of public libraries in the UK;
- To explore how far data already collected and/or published in the UK is suitable to illustrate and demonstrate this methodology;
- To summarise the evidence already available and test the feasibility of plugging gaps in the evidence;
- To modify and extend the theory as necessary - including its application to electronic and networked services;
- As an important by product of the methodological work to produce a summary estimate of the economic value of UK public libraries -derived from an organised synthesis of data already collected;
- To use these results to illuminate the 'free : charged' and 'recreation : education' debates on public library services;
- To present the results of the research for good exposure in the public library sector, to government (central and local) and to the general public.

**Scope** Some important aspects were outside the project's primary focus. It was not to examine costs/resources or stock management, since research and development of those aspects was being undertaken elsewhere. Nor was it to assess the social, cultural or political aspects - not because these are not important, but because they also have received much attention in other recent research.

The study concentrates on the position in the UK but takes account of experience in other countries where relevant and where it was found feasible to do so.

## 2. METHODOLOGY

In common with the approach of other commentators three levels or topics were identified for study. These are, in order of priority:

- assessing value and economic benefit;
- application of economic theory to various management issues;
- further consideration of the question how far users should be charged for public library services - 'Fee v. Free?'

The research has concentrated principally on the first and second of these, since the charging issue has been thoroughly debated in the past and rightly calls for political and social treatment to a greater extent than economic.

**Economists' input** In initial discussions with economists it was accepted that the value of library benefits varies between users - varying with age, location, education, wealth, interest and career. In most cases the user has the option of purchasing the material outright and benefits from the substantially lower cost of borrowing or temporary access when using the library. The value of this service in a commercial setting would be assessed by the price mechanism - whether market prices or differentially set prices.

In the non-commercial public library setting alternative approaches to estimate this value could be attempted by considering:

- historical experience;
- experience where charges have been introduced;
- comparisons with audio-visual lending;
- the book market;
- varied features/demands of users.

It was agreed to explore all these avenues and any others which arose.

An extensive **literature review** has been completed. The main work, as outlined in the proposal, has been to formulate a general descriptive model with a strategy to assemble a weight of circumstantial evidence to describe economic features of user demand for library services and the elements of its impact. In economic terms this describes, if not defines, a Demand Curve. An important incidental result of this was to bring together and demonstrate the fruits of much LIS research.

At a late stage John Sumsion formulated a specific **model** - named the Optimisation Model. Margaret Hawkins extended this to estimate features of overall economic benefit and to relate book borrowing to book buying. This appears as the Benefits Generated Model. An outline model of more parochial interest was also developed on 'Stock on Shelves and On Loan'.

The research has drawn on a large body of **quantitative research** to describe various aspects of library use and library economics. This was initially produced in the form of position papers on each aspect - which have now become chapters (of unequal length) in the Final Report.

**A consultation exercise** was held in Loughborough two thirds of the way through the project to consider the position papers in draft. This involved practising librarians, academics, and others who had had the papers in advance. There was much interest in, and support for, the interim results. As a step in the methodology this worked well. Their comments influenced the later stages of the research and the final report. They wished, in particular, to see:

- Some overall estimate of value in money terms - even if broad brush;
- More emphasis on the role of the public library in local economic development and regeneration;
- Reduced emphasis on the *Free v. Fee?* issue - since at present this was not a live issue in the UK.

**A user survey** on a modest scale has also been conducted - 'User Perceptions of Value'. The contains an analysis of questions asking users to select a hypothetical monetary value on their specific borrowing experience.

### 3. CONNECTIONS WITH GOVERNMENT POLICY INITIATIVES

There are several connections between the research and current UK government policy initiatives which include the following:

**Social inclusion** The public library ethos has always emphasised the importance of access to all regardless of race, religion, occupation or wealth. Its perceived neutrality is a strength in this context. However, the statistics also show that this pattern does not apply in the same way to the use of Information Services [*see section 4.3 below*] which are used more by the more affluent and more highly educated. This indicates there is scope for positive efforts to widen the use of public libraries for Information.

**Education and lifelong learning** Support for Lifelong learning, University for Industry, National Grid for Learning, etc. fits well with existing library objectives and practice. This implies extra emphasis and initiative, and more partnerships with other bodies, not a change in direction.

**Local regeneration** There has always been willingness to play a part in local regeneration and community development. More could have done in the last decade had budgets not been continually cut.

**Modernisation** UK public libraries through the Peoples' Network are now intensively engaged in widespread provision of Internet facilities. The number of public access Internet terminals has increased dramatically in the last two years. Conceptually, other electronic and engineering developments could all be advanced under the modernisation and 'e-Government' banners.

**Best value** In public libraries 'Best Value' has been accepted as a management objective for several decades, and is supported by elaborate statistics and performance measures. It is highly desirable to extend these to include estimates of benefits and costs for each library service.

**Planning and organisation** Government initiatives on 'annual library plans', 'performance standards' and on the user surveys involved all serve to emphasise the economic factors and analyses which form the core of this research project.

**Conclusion** The government's current policies outlined here are in line with public libraries' established objectives. Ways in which public libraries already deliver in harmony with these policies are elaborated throughout this report. The stimulus to push such developments further and faster is at the front of current development agendas.

These initiatives call for, and have received, additional resources. To develop such initiatives at the expense of traditional lending and information provision would however:

- run counter to DCMS policy guidance (*Draft Standards, Book reading sponsorship, Statements to Select Committee, &c*);
- be widely unpopular; and
- be economically wasteful.

This research shows that the value of public libraries lies in their mixture of aims and objectives and in the variety of services. These services together provide greater value at lower input cost than they would if delivered separately.

## 4. ECONOMIC FEATURES

### 4.1 Economic themes illustrated

#### Merit goods

"Merit goods are those which society thinks people should consume or receive, no matter what their incomes are." (Fischer 1998).

Public libraries are claimed to be meritorious because:

- Reading requires active participation and therefore stimulates intellectual capacities;
- They encourage the expansion of personal horizons;
- They raise the 'cultural tone' and their users' 'quality of life';
- They preserve and enable access to the country's cultural heritage;
- They enable market research on new business ideas/projects and assist (small) business generally;
- They support formal education and lifelong learning;
- They enable citizens to be properly informed and empowered;
- They promote belonging to, and ownership of, society.

In practice there is wide variety in the merit features of public library services.

Most information services and much lending material has obvious merit features - in supporting educational, cultural, community and vocational activity and in enabling users to develop their life style. How far popular fiction (and popular music) has merit features is less clear. Four aspects have been noted:

- Although the reading of recreational material is widespread, those who read nothing but genre fiction are in a minority (a third or less).
- Readers typically give many reasons for their reading and spread their reading activity across different book types. While relaxation, escapism, identity and imagination are major features of novel reading, fiction is also a significant source of information and promotes self-development. Non-fiction has much recreational benefit. The dividing line is not so clear cut as has been postulated by some commentators.
- Book reading is seen as a special activity, requiring use of the imagination and the chance to exercise judgement in a way that watching television, for instance, does not.
- Literacy development needs support at various literary levels.

## Externalities

"Externality exists when the production or consumption of a good directly affects businesses or consumers not directly involved in buying and selling it and when those spill over effects are not fully reflected in market prices."  
(Fischer)

***External benefits enjoyed by society*** - this definition implies that externalities can be enjoyed only by third parties. The external benefits claimed for public libraries include:

- An educated society is of benefit to all, not just to the recipients of education;
- Informed, educated, aware people raise the tone of individuals' contribution to community life;
- A common understanding promotes a more comfortable, tolerant society;
- Access to information helps safeguard democracy and promotes active citizenship;
- Entrepreneurship is encouraged, to the benefit of the general economy;
- As the individual's capacity both for work and for pleasure is extended, this benefits society as well as the individual;
- An intellectually stimulated population is less likely to suffer from loneliness, mental illness, dementia, thus saving money in health and social care;
- If people feel more in control of their own lives, they are less likely to behave antisocially - so saving the social costs of antisocial behaviour;
- The presence of a library in a shopping area maintains or increases footfall;
- Library use encourages a healthy and diverse publishing industry and creative writing, particularly by new authors.

***External benefits enjoyed by the user*** - In view of the above definition, can an individual user of a library service incur an external benefit from his own use? The browsing and serendipity effects of 'life at the open shelves' are a major benefit. Whether or not this fits the economists' technical definition of externalities, it is convenient to include such activities under this head:

- Use of one library service may stimulate awareness of others;
- Habitual use for one purpose (typically leisure borrowing) breaks down physical and psychological barriers to the use of other library services;
- Access to information, learning and culture may lead to fuller participation in society;
- Learning extends the individual's capacity both for work and for pleasure.

Practical and work-related information, and the support of personal learning, result in a better educated and more capable population. Libraries stimulate the imagination and critical faculties of both adults and children. They are widely accepted as being an investment in the future wellbeing of society.

Business information directly improves business performance. Active citizenship depends upon information being available. Intellectual stimulation helps counter loneliness, depression and so on.

These are all examples where the benefit affects not only the individual user but has spill over effects benefiting the whole of society. Not only are the individual services valuable in themselves, but the availability of a range of functions in one place has the potential - by offering convenience and by exposing the individual to unexpected possibilities - to increase use of them all.

### **Public v. private goods**

**Public goods** A public good is defined as "A good which, even if it is consumed by one person, is still available for consumption by others" (Fischer). Some also specify that there must be no rivalry for its consumption; others that it must be impossible to exclude anyone from its consumption. Defence of free or subsidised services is often based on the assertion that libraries are a public good.

**Private goods** One feature of private good (as compared to public goods) is the quality of rivalry. Books bought in a bookshop are rival goods because each can only be owned by one person. Street lighting is a public good because its benefit can be had by any number of people. For practical purposes most Reference directories are non rivalrous, while books for borrowing are rival products.

**How far are public libraries a public good?** The arguments are as follows:

- Their collections and information are only non-excludable in the short term and are certainly inclusive in intention;
- They are largely non-rivalrous over the long term. Popular books are rival products at any point in time; electronic sources and reference books are less so. Provision in quantities sufficient to avoid rivalry could arguably turn an item into a private good;
- Every book or information source is a rival for library funds;
- Each transaction incurs an extra cost, i.e. not at zero marginal cost.

In the view of most commentators public library services have elements of both public and private goods: this is the approach adopted in this report. Most are merit goods acquired for the benefit of a wide and unlimited audience. For most there is the alternative - actual or conceptual - of supply through the commercial free market economy. Because of the variety of services and of users the simplistic choice between a public good and a private good argument is unrealistic and only leads to unprofitable debate.

It is possible, however, to envisage a spectrum of benefits - where services at one end display more 'public good' and merit features than those at the other. An example of this approach is shown below: this is broad brush and can obviously be extended and further refined. This spectrum approach underlies the analysis of library services throughout this report.

### Public:private benefit spectrum

*PUBLIC GOOD / MERIT / EXTERNAL BENEFITS*



- Educational/cultural books
- Literature
- Children's books
- Information
- Lifelong learning
- Popular Non-fiction (DIY, hobbies, travel)
- Latest popular novels
- Videos
- Audio CDs

*PRIVATE BENEFIT / LOW MERIT / FEW EXTERNAL BENEFITS*

### Consumer surplus & charging

The theory of **consumer surplus** shows how, in a market economy, most consumers are willing to pay more than the market price when determined at the level where marginal cost equals marginal demand. The difference between what they would have been willing to pay had it been necessary and the actual marginal price paid is termed 'consumer surplus': it represents a bargain to the user in satisfaction gained. Where material is borrowed with no charge, the whole represents consumer surplus.

There is a parallel with the public library charging debate in that many or most library users would have no difficulty, if necessary, in paying something extra towards the service, but there would be problems for the less affluent and in deterring serendipitous use.

The debate on public goods v private goods is said to underlie the distinction in charging policy between books and audio-visual and also the premium service charging initiatives. This distinction is far from watertight or logical. Some videos and many CD-ROMs have high educational content, for instance.

In the UK, as in most public libraries worldwide there is no strong movement to introduce **charging for book loans**. Most librarians and many politicians feel passionately that charges are contrary to the cultural and educational mission of the public library. There are fears that use would diminish under a charging regime,

particularly in the less affluent social classes. Lower use could also reduce spending in the local economy as visits go down. With such a strong free lending tradition in its political, social and educational aspects, most economists agree that decisions on such policy priorities are most properly taken in the wider context rather than on purely economic grounds.

More instances of charging for book loans overseas were found than was anticipated. However, there are no examples of countries attempting to charge full cost recovery. Where lending charges are introduced there is still heavy public subsidy, as appropriate for 'merit goods'. The proportion of expenditure that countries attempt to recover from lending charges is typically between 10-25 per cent.

At this modest level, and given no sharp increases, the evidence is that charges do not prevent good levels of participation in borrowing and in other library services. The evidence also suggests that, with modern computer systems and the need to charge for audio-visual loans, overdues, etc. there is no great difficulty with the mechanisms and bureaucratic arrangements involved. Users can choose between an annual subscription or pay-as you-go fees. On economic grounds the arguments against charging, at modest levels, are not strong.

If the merit good and external benefit claims of libraries are accepted, and if charging reduces use to a point where these benefits are lost, then society will suffer. Fees at higher levels could well reduce lending more substantially. There is always the worry that fees would deter some users from borrowing altogether.

The main argument advanced in favour of charging starts from the position where the funding authority is unable or unwilling to provide funds for a full and effective service - so that the extra revenue is required to ensure adequate resources. Some claim that the increased accountability inherent in charging would demand more attention to service quality. Some claim that the increased accountability inherent in charging would demand more attention to service quality.

There is a worldwide trend to increase charges and revenue from other activities - audio-visual loans, reservations, overdues, etc. (LIBECON, 2000).

### **Differential pricing**

Differential pricing is difficult to apply in the book business, except at international level. Libraries benefit from this: publishers cannot charge libraries what they might afford on their own; they have to charge bookshop prices whoever the buyer may be.

With learned periodical subscriptions and in the wider information business, differential pricing is common and a widespread goal: charges frequently relate to the wealth of the buyer rather than to a standard market price. Differential pricing already plays an important role where academic libraries acquire access rights to journals and commercial databases. As public libraries increase their purchases of networked database information, differential pricing will become more common.

In the time dimension there is an economic value in getting hold of newly published content. Boots and other commercial subscription libraries charged a higher

subscription rate for this. In the book trade the high prices currently set for an original hardback version are much higher than for the paperback that follows later.

There is the opportunity for public libraries to differentiate in their terms for lending different types of material. In most countries the premium payment scheme is not a popular option, but there is scope for setting limits to the number of books in high demand that users can borrow. There is also scope to achieve similar results by shortening the loan period for categories (and/or titles) in high demand. *This opportunity is more fully explained in section 9 - the 'Stock on Loan' Model.*

### **Demand Curve**

In economic theory the typical Demand Curve relates the volume purchased to prices charged and shows that most buyers would have been willing to pay a higher price than the actual 'market price' charged. This relates the volume of material acquired to the costs incurred by the customer. There are more borrowers than there would be if the service cost money.

Traditional economic theory postulates the price paid as the principal cost to the consumer. But there are other costs incurred: for the library user these are travel costs, travel time, time not working, and what could be called 'frustration costs' of uncertainty in identifying and obtaining information or material. These economic costs to the customer limit the volume of use in a similar way to price charged. Convenience and efficiency will increase the use of library services.

Such factors are worth analysis and assessment, whether or not the service is free, and conceptually result in a notional Demand Curve. The lower the deterrents to use (technically 'economic' or 'opportunity' costs) the greater will be the volume of lending and information seeking.

The main characteristics of user demand are:

- Number of users involved;
- 'Economic costs' to users: time, travel, inconvenience, probable success, etc.;
- Magnitude of benefit - availability of alternatives.

The way these characteristics work out in relation to different library services is outlined later in section 5. In the Full Report this is referred to as the Descriptive Model. They are features that can be described (and are described in considerable statistical detail) but cannot be readily defined or measured. Two main variants are:

**Age** While public libraries are well used by people of all ages, the pattern of library use changes throughout a lifetime: seven ages of library use are identified, stretching from infancy to dotage:

Nursery - Primary school - Secondary school - Young adults -  
19-35 year olds - Mature adults - Elderly

These are not remarkable: the point is that public libraries will have a different value for the same person at different stages of life. The elderly, for example, tend to read more fiction and are not active borrowers of non-book material. They are not heavy buyers of books. Having less private transport they prefer to use smaller community libraries. At some stage, they may require large print, talking books and housebound services.

**Location** People use whichever library suits their immediate purpose. Many people use both a central and a branch library. The size of library used will vary throughout a person's lifetime.

It follows from these observations that the value of services to the user, and hence the construction of the notional Demand Curve, vary according to users' age and to the geography of service provision.

### **Income redistribution effects**

Many commentators consider the question how far the public library benefits the middle classes compared to the working class, both now and over the past 150 years. Much American writing suggests public libraries in the USA have been used predominantly by the middle class. [see 4.2 below] While historical features help in understanding this position, the debates on whether provision should be broad based or prioritised to particular social groups have typically been conducted with little reference to objective data on library use and location. It has been one of the aims of this research to assess realistically the UK position in this respect.

Although not corresponding exactly to the age or social structure of the population, library borrowing use is spread fairly evenly across the demographic spectrum. Perceptions of overwhelming use by one group of people appear to be unfounded.

*Book buying and borrowing:* Although books are sold to people in all social groups, they are much more likely to be bought by those in classes ABC1. There are significant differences between social classes in the volume and type of reading. However, library book borrowing is much more evenly spread across the social spectrum than is book buying. There is evidence that heavy borrowers in social class AB buy more and that those in social classes C2 and DE borrow more.

*Information services* When it comes to the use of libraries for information the picture is different. While 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 than those in lower socio-economic groups. This finding is significant in relation to the Social Inclusion policy objective, as the data give a strong indication of the need to focus on more widespread take up of the information services.

### **Local economic impact**

Although any new library building attracts increased use, it is clear that those situated in retail locations enjoy much greater increases. There is little documentary evidence of the value of libraries to retail developments and to schemes to regenerate city centre areas; but there is a strong belief by all parties that such value exists. An important feature is the ability to site library premises on the upper floors of shopping centres - so avoiding the huge costs associated with ground floor premises at shop window level.

Sponsorship or partnership with the commercial sector is likely to play an increasingly important role in specific library, or library-related activities, for the foreseeable future, with expected benefits to both partners.

## **4.2 The lessons of history**

The history of library operations is interesting *and relevant to this project* for several reasons.

First, and most importantly, it provides an answer to the hypothetical question ‘what would we do without the public library?’ Some people answer this with the simplistic proposition that, if there were no public library, then people would buy books instead. This proposition underlay some of the claims for Public Lending Right - though it was never advanced by its more knowledgeable and clear thinking campaigners. The true and realistic answer is that, if there were no public library, the bulk borrowing demand would be met not by increased book sales at retail but principally by commercial subscription libraries and second hand dealers. The more educated demand for advanced and rare books would probably be satisfied, but only partially, by non-commercial organisations of one sort or another.

A second reason lies in the proposition that, in historical terms, public libraries have evolved to take over services previously provided by quite different organisations. To understand the history behind this situation helps to understand the different roles played, and the different demands satisfied, by the modern public library. It adds

another facet to the various dimensions of the public library and casts doubt on the value of treating it as one homogeneous entity.

Third, it is worth considering how far the middle class nature of the Boots and W. H. Smith operations continues as a feature of public libraries today and how far this may still be of relevance or concern. Some commentators view public libraries as overly dominated by middle class values. The history is relevant to such considerations.

Fourth, there are some techniques and features in the management and operation of commercial subscription libraries that merit consideration relevant to contemporary management issues - particularly to questions of efficiency and economies of scale.

The Full Report contains a case history of the Boots Library since this continued to operate later than the others, it was most obviously 'taken over' by the free public library, and there are better statistics available. This research tried to establish the amounts that Boots subscribers were willing to pay for their book borrowing. [*see section 11*]

### **Historical antecedents and alternatives**

Public libraries as we know them are, in historical terms, a late development, but libraries in one form or another have existed for ages. In ancient Athens "it was possible to consult the works of Plato for a fee." Paris stationers carried on "an extensive rental traffic in books...in the fourteenth century". In Germany, Hanover Public Library claims to have been founded in 1440 and Martin Luther included, in 1524, "an appeal to set up libraries of books on which newly educated young men and women can exercise and extend what they have learned" with "detailed proposals for the choice of books – the principles of which are still valid" (Young, 1970)! A London bookseller, in 1661, advertised "... Histories, Romances, and Poetry which are to be sold, or read for reasonable consideration".

In the United States three types of library existed in 1762: college; public; and 'social'. The first two correspond to our 'academic' and 'public' libraries; the third - 'social' libraries - are those set up by groups of citizens or corporations on a subscription basis for their members. These were to be developed strongly in the 19<sup>th</sup> century by religious bodies and by professional bodies such as the Mechanics' Institutes.

Developments in the USA were particularly significant in that they were less dominated by historical convention, by a titled aristocracy, and by social prejudice based on wealth. The general objective of all these developments was - to quote William Rind (1762) - "to make available to persons of moderate means the sources of knowledge previously obtained solely by the wealthy". However, this objective was - until late in the 19<sup>th</sup> century - applied to benefit the middle class rather than the working class, and it was on an appropriate scale.

The conflict between serious and leisure reading seems always to have been present. Benjamin Franklin, inspired by his European experience, started the Philadelphia

'Library Company' in 1731. This was mainly for men and provided serious philosophical, technical and educational literature. In 1767, Philadelphia saw the successful launch of Nicola's Circulating Library to cater for "increasing leisure among certain classes in the city, as well as among the ladies" with "an Abundance of recreative and instructive Entertainment, calculated to guide the Youth of both sexes through the dangerous Whirlpool of agitated Passions." (Kaser.) How's that for advertising copy for Mills & Boon!

The flowering of the novel saw these circulating libraries grow and flourish. Typically, the latest titles by star authors would arrive by stage coach to be gobbled up by addict readers - keen to put one over their slower neighbours by getting ahead with the latest literary gossip. The hottest books were lent out for a few days only, a forerunner of the variable loan period or short loan collection! Their clientele was predominantly feminine. It was clear that borrowing such books was even more natural than buying them and just as socially acceptable. As a social historian wrote of a later period "to buy volumes that can be borrowed or hired is accounted wanton extravagance". Houses were generally too small to accommodate book collections, except for the private libraries of the opulent. Such was the overlap between bookshop and library that we read of some bookshops making a browsing charge for users reading on the premises!

The last 250 years have seen the development of three important types of library providing popular, serious and educational material. First was the social corporate library (Mechanics' Institutes, &c.); second, the commercial circulating library; and third the 'free' public library. Historically, the public library has taken on the roles of the others as well as extending its offer in original directions.

Should the public library cease to function there would still be an economic need for some sort of library. (There are still a score or so of privately run general libraries in existence in cities in the UK, of which the London Library is the best known.)

### **Issues in the historical context**

Within each of these types of library there has always been a tension between the provision of **light weight popular material** and the more serious kind. One feature that appears in all countries and in every generation is the demand from users to borrow recreational and leisure material from the 'public' library, regardless of the more restricted and high minded ambitions of parent institutions, founders and funders. The pressure of demand from the users have in most cases settled the issue in favour of including popular material, but, often, the librarians have been hesitant and, in consequence, less effective than commercial entrepreneurs in managing this part of the business.

The debate **whether or not to charge** for all or part of the library service has been raging for at least 150 years during which time a variety of practical options have been tried. By far the most common alternative to a free service is the annual subscription arrangement - varying according to the number of books that can be borrowed at one time and according to their newness. The alternative of short term rental has usually been available: an 18<sup>th</sup> century London bookseller charged 20/- subscription or "one penny for every shilling the book is valued at" (Kaser).

There is a parallel between the premium charged, at various times in the past, for early borrowing of a newly published book and the high prices currently set for original hardback novels, where the paperback follows later. Both represent economic value in getting hold of newly published content. The early availability of hardbacks has, however, declined since 1980 both in libraries and in the book trade.

As early as 1969 Joe Hendry advocated “a positive prejudice...to discriminate in favour of the culturally **disadvantaged**”. Such sentiment is in keeping with the original aims of the public library, but it runs against the circulating library tradition taken over by public libraries on their demise.

### **Operational features**

Many of the suggestions being put forward now as possible innovations for public libraries are not new - but feature both in the early history of the public library and/or in the nineteenth century. These include:

- Rotating collections between branches;
- Variable loan periods according to specific or anticipated demand;
- Home delivery;
- Selling off obsolete stock to boost funds;
- Ample reading and study space - “congenial conditions for study or relaxation when these are difficult to obtain at home” (Murison, p. 181);
- Opening hours into the evening and on Sundays;
- Opening hours to match shop opening hours;
- Room for groups to meet.

## Recent history

The post 1945 expansionist era continued in the UK into the early 1980s.

Since then development has continued in automation, self service, OPACs, services to the housebound and to other disadvantaged groups. The recognition of libraries' shortcomings in services offered to the physically disadvantaged has affected resource allocation and priorities particularly since 1990. There is also an increasing requirement, since about 1970, to extend the service to ethnic minorities. Information, audio-visual and other new services have expanded. New building has continued, often in conjunction with retail development, but at a slower rate in the 1990s.

Such diversification has, however, taken place without the appropriate and necessary increase in finance so that resources for traditional services have been squeezed. This effect has been most marked in large metropolitan areas including London.

Since 1985 there has been a dramatic decline in book loans - accelerating during the 1990s - to the present level of some 480 millions, or 8.14 per capita. The decline in book loans per capita can be summarised thus:

1982/83	11.6
1987/88	10.7
1992/93	9.7
1997/98	8.1

The decline has taken place largely in Adult Fiction - 39 per cent. Adult non-fiction loans declined by only 15 per cent, while loans of Children's books show a slight increase. (*LISU Annual Library Statistics*)

The broader economic background shows continually increasing consumer prosperity with more time available for leisure, a much improved health situation, and more retired people in the population. Mass market paperbacks are increasingly available - many at promotional prices. Together with advances in book distribution (computerised wholesaling, book clubs, Internet selling) this makes the book buying option ever more attractive.

Users pay for services in 'time spent' and in 'inconvenience experienced', what economists term 'economic costs'. People have to balance such personal costs of the borrowing route against the purchase price.

These 'inconvenience' costs include most obviously the time taken and any extra expenditure on travel. However, they also include the costs of the wasted journey and the frustration involved in an unsuccessful trip. It is in the non-availability of stock that the results of lower book funds bite - witness the prominence given to complaints on the inadequacy of book choice in virtually every user survey conducted.

### 4.3 The library as part of information provision

Use of information and reference services in public libraries is substantial and is increasing. Libraries are widely seen as appropriate, convenient and neutral places to seek information.

According to CIPFA's PLUS survey, information seeking is undertaken on 22% of visits, and the activity is third in popularity behind book borrowing and browsing. CIPFA statistics show an increase in enquiries of more than a third in seven years.

Although information is sought by people of all ages and social groups, there is a greater tendency for information sources to be consulted by younger people, the economically active, those in classes AB and C1, students, and people with a higher TEA. Proportionately those in classes C2 and DE make less use of the information provided: this suggests that some of those most in need are either using other sources or going without. (Book Marketing Ltd, 1997d; Marcella & Baxter, 1999.) There is a lack of awareness, even amongst library users, of the extent of information services available in public libraries. If libraries could increase knowledge of their services they would increase their value.

Almost any document can be seen as an information source - traditional reference books, leaflets, CD-ROM and on-line databases, newspapers, magazines and even novels. A major information source is the library catalogue. Many are capable of being used without staff intervention. One survey of enquiries (Blake, 1994) showed that the OPAC was used to answer almost a quarter of enquiries, and that in a library with large special collections, author/title enquiries heavily outnumbered factual ones. Much activity formally reported as an Information Enquiry proves to be more a request for help in locating books to borrow or to consult. The Information service, as it has developed, is necessarily tied to the information sources stocked in the library.

Finding the information required often means travelling some distance. Postal and telephone, and increasingly e-mail, enquiries reduce the distance handicap.

Those who use libraries for other purposes are more likely to use them to seek information than those who do not.

Seeking assistance from a member of staff significantly increases the success rate of information seeking. Even where an enquiry is not intrinsically difficult, staff intervention increases the number of satisfactory outcomes. Thus the user assistance element of enquiry and reference services is of direct and obvious value.

*Information provided:* Public libraries are seen as valuable sources of a wide range of information. In large city libraries this extends to business information and European information, often in considerable depth with added value research services. In the absence of this, and for very specialist enquiries, people will often approach a library with specialist resources and expertise, such as that of a professional body, and sometimes a charged research service. Only a few public libraries have either the resources or the market to offer such services. Similarly, for a query whose solution involves advice, other agencies are preferred.

*Community information:* Community libraries with meeting facilities are well placed to become well integrated into the communities they serve. Though expertise and information may be provided centrally, delivery is almost always local, even if the need is not unique to the community in question. Some community schemes are closely involved with reading and literacy, such as homework clubs and reading schemes, while others use library and community materials to reflect the identity of a particular racial group.

*Location and partnerships:* There are some examples where public libraries have been involved in the provision of a variety of information and advice services under one roof. Citizen's advice bureaux sometimes share premises with public libraries, and local authority one-stop information points may share accommodation.

There would be advantages to the public in having under one organisation, or at least under one roof, a range of services which might include the library, citizens' advice bureau, council information point, Business Link and health information point. Apart from the convenience to users, there are potential economies to be had in resources, in staffing, and in overhead costs.

Is such separate development a historical accident or is there an underlying reason for its occurrence? Has the relative isolation of information services offered by public libraries happened because of:

- a close relationship between information services and the materials traditionally stocked in the reference library;
- shortage of space;
- a preference on the part of the various funders to set up separate units, perhaps for reasons of professional rivalry, status and prestige;
- too little entrepreneurial spirit on the part of public librarians;
- lack of success of public librarians in forming partnerships?

Investigation of such questions has not been part of this research project, but it would be interesting to compare British experience with that of other countries (particularly Scandinavia). A wider scope, and extension of partnerships, could only enhance the economic value to the user and to the community.

## **4.4 Economic features of the public library organisation**

### **Location**

In the UK the public library organisation pattern is now well developed and stable. Smaller authorities (such as the new unitaries in England and the much smaller sized authorities in Wales) can join in local consortia for particular specialist services. Everywhere there is a balance between economies of scale and the need for local provision - with a general acceptance of the factors that need to be addressed. Some specialist services are only available in the larger city libraries or in regional centres.

In general, people use whichever library suits their purpose and many people use both a central and a branch library. Use of a library of any size will vary throughout a person's lifetime.

Leisure use, which predominates in local libraries, is also found in large libraries. It accounts for a smaller percentage of use because large libraries offer a greater variety of services. Educational use and information seeking are much higher in central libraries.

The improvements in inter-library lending supply efficiency brought about by computerisation make rationalisation of purchase possible (although the inter-library lending process is itself expensive). Only a small part of the ILL cost is passed on to the user in terms of a fee.

The historical example of centralised purchasing and acquisition practised by the commercial subscription libraries (Mudies, Boots, W H Smith) yielded great economy in the costs of management and overhead administration. It is not easy to see how this could be paralleled in the structure of local government, but the possibility of cost saving through upward devolution to the regional or national level should not be overlooked when the future of regional organisations is considered.

At local level, the balance between large and small libraries is likely to change fundamentally as ICT provision enables a wider range of services to be offered in small libraries and other outlets. There are new prospects for regional provision of electronic database material and technical services - as is already happening with Project EARL, Co-East and other developments.

### **Specialist services**

A considerable number of miscellaneous services typically require staff with specialist skills or experience, but who are not necessarily full-time on that service. They are concentrated in central libraries (or Headquarters) where management and overhead services are already available. Their supply costs less than it would in a separate stand alone operation.

Demand can be regular (music scores, play sets, homework clubs) or occasional and spasmodic (local history, special collections, exhibitions).

The Economic Value can be generalised in the simple formula

$$\text{Value} = f(C - L)(N) \quad \text{where } C = \text{cost of commercial alternative}$$
$$L = \text{charge made by library (0 if free)}$$
$$\text{and } N = \text{number of users (or audiences)}$$

It is important that all estimates of value reflect both the number of people involved and the individual value of the service provided - when compared to the cost and availability of alternatives. Regular statistics may not be practicable or necessary but these features need to be estimated locally whenever the continuance or extension of the service is challenged.

## Costs

When this research was planned, it was anticipated that an Audit Commission project would develop systems to establish functional costs of main public library services. In the event, for reasons that are not altogether clear, this part of the Audit Commission work encountered problems that are still, in practice, unresolved.

There is certainly difficulty in arriving at functional categories that are meaningful for large and small libraries and that can be applied uniformly. The set developed recently at Paderborn in Germany, for instance, appears quite different from the UK Audit Commission sets.

The limited research undertaken suggests these conclusions:

- There is a great need for more cost data than has been uncovered in the course of this research. In this context meaningful estimates are more important than accounting precision. Accountants, on their own, are unlikely to come up with meaningful analysis.
- The search for satisfactory categories for functional cost analysis could benefit from experience overseas. A side benefit would be to reveal interesting differences in the way services are managed and delivered in other countries.
- There is no equation between the resource provision and the value of the service. If 80% of resources go on the Lending operation and 15% on Information, that says nothing about their respective value! But the separate service costs can be ascribed, at least notionally, to the benefits of each service. Such questions underlie the whole of this research and need to be included in the wider Best Value agenda.
- The UK statistical evidence available points towards an estimate of 75-80 per cent of resources devoted to lending - on average. However, there is other evidence to be considered. The UK statistics are few and suspect. The American evidence points to a greater proportion of non-borrowing activity. There is evidence, from user surveys and other research, of much user activity additional to borrowing. Then there is the future trend towards Networked Information. These features have led to the adoption of a 70% figure for the proportion of resources devoted to Lending as the safest and most realistic to use, for instance, in the model described in section 8 and the estimates of total value in section 11.

The absence of useful functional cost estimates for main services has for a long time been recognised by experts as a serious weakness. The case for this - along with impact performance indicators - was presented convincingly in 1995 in the European Commission 'Toolbox Study'. It is recommended that this deficiency be rectified as soon as possible.

## **Efficiency considerations**

There is marked dichotomy in that most professional interest and effort seems to be directed to aspects of library development and management that take up only a small part of library resources. How often do we read of the excitement and satisfaction in running a smooth, efficient and responsive lending operation? But this is what most users want most and are likely to continue to need for at least the next 30 years.

Provision of space and opening hours for people to read and study requires little by way of professional expertise but can be vital especially for younger readers. Looking at the 'economic' features - attendance and cost - can be important to ensure that users' interests are balanced when compared to professional enthusiasms and political fashion.

Some progress in developing the efficiency and economy of the lending operation should not be ignored. Automated facilities for reservations, trapping, stock control data, fines charging, etc. come now with computer systems. There are several types of self-service terminal already available commercially in the UK and installed in public libraries. In addition to their other facilities self entered reservations can be made. This can be as important as the transport system in providing a speedy and responsive request service.

## **4.5 Networking & IT**

### **Economic considerations**

The provision of a book incurs acquisition and servicing costs, and each issue has its costs, as does housing the book when it is not on loan. Making the Internet available involves the capital cost of equipment and network and a telephone charge each time it is accessed. For some types of use there are physical advantages in the reference book and (short term) psychological advantages for users resistant to change. For publicly available IT Internet information there are great advantages in much wider availability, in saving the costs of acquiring print based material, and in the superior convenience of downloading to photocopying. Modelling such break even features between book issues and electronic accesses and their associated costs can be instructive. There is little evidence as yet of such research in the public library field.

Another aspect to be considered is the relationship between the value of use in the library compared to use in the home. Personal ownership of computers pre-dated the Internet, is at a high level and is expanding. Internet provision in UK libraries is recent and library use of that facility is only a tiny fraction of the whole. Access from home will increase further through digital television and reduced line charges - at the same time as library provision is expanded.

It has been demonstrated elsewhere in this report that book buying and book borrowing not only co-exist quite happily, but also stimulate each other. There may be parallels with electronic provision. It is probable that some who first use electronic sources in libraries will then get connected at home. Those pursuing a specialised enquiry at home may find their expertise inadequate and may use the library when help is needed.

Summarising likely future electronic features, it becomes clear that some of these are just as applicable to the user at home as to the user in the library (It is assumed that users at home have password access to their public library website.) The principal services are:

- Provision of equipment and network connections. *Applicable only in the library: important particularly for less affluent users.*
- Provision of advice on IT and on information sources. *More obviously available in the library, but telephone and e-mail help lines to the library allow remote provision.*
- Provision of digitised material from library collections. *Applicable in the library and at home.*
- Access to Lifelong Learning, Open Learning, National Grid for Learning. *Envisaged to be offered on library or other public premises - but could develop some home delivery.*
- Library produced Internet Resource Guides - and other Gateways to Information. *Equally useful at home or in the library.*
- Library produced Community Information. *Equally accessible, but short quick typical enquiries will be particularly appropriate from home.*
- Commercially produced Database information (and possibly e-books) where access is acquired by the library for its users. *In principle equally available in the library or at home, but there may be copyright complications.*

### **Electronic material produced commercially**

Some publishers are producing tools to enable public librarians to find from a database information which they would previously have sought from a large number of hard copy sources. Chadwick-Healey's *Know UK* and *Know Europe* are two such examples. They are searchable and designed specifically to answer public library reference queries. Other databases of this type, particularly directories, can be expected to follow. Intended for use as quick reference tools, subscribing libraries could make them available directly to their users. In academic publishing and the STM (Science, technical & medical) world the online databases and electronic journals (with electronic monographs to come) are a substantial and growing segment.

Access to commercially supplied database information via the Internet for public library users in the UK has not, to date, figured prominently in plans for the People's Network or in professional thinking. (It is, of course, well established via CD-ROMs.) This will, however, come onto the agenda before long. It is already being delivered by American public libraries (*as evidenced by the 'electronic shopping list' in the Full Report*). It is an obvious opportunity for the public librarian whose principal role has traditionally been to acquire books and information on behalf of library users.

Whether this is best done at local level or delegated upwards to consortia, regional or national organisations is an open question. Precedents already established in the academic library world point to the economic and practical advantages of high level negotiation. But, at whatever level, this is a library function to secure wide access for library users to electronic material. Not to pursue this would deprive users of benefit - economic as well as intellectual.

Typical agreements for such electronic database access involve negotiations on the number of concurrent users allowed access. So far publishers in the UK are hesitant to allow user access from home. These developments are more advanced in North America where the attitude to copyright is less restrictive.

The new *ALA Manual* (Bertot, McClure and Ryan, 2000) contains a main section to count the number of full-text databases available by subscription, serial titles and others which "may include e-books, encyclopedias, indexes and abstracts, photo archives, etc. A subscription consists of a contractual agreement or license between the library and a provider to offer one or more databases for library use under certain conditions. . . . Some agreements may not include monetary payment, for example: a local electronic full-text provider, like a local newspaper, may agree to allow the library to make the full text available . . . at no charge". Counting accesses in this situation relies heavily on data supplied by the database provider rather than collected by the library.

Acquisition of access to this type of material could have a significant bearing on the separation of academic and public libraries. At present there are barriers - buildings and location even more than of funding - to shared access to knowledge. A print volume or periodical can only be in one place. With electronic formats the physical barriers to sharing resources are removed, leaving only the organisational, commercial and intellectual property obstacles to be overcome!

### **Summary (IT)**

The economic issues relating to IT developments can be summarised as follows:

- Networked PCs allow public library users to access the Internet and specialist collections. Public and community information will be even more widely available on electronic networks. Access need not be confined to libraries. The network could be accessed from home or using a terminal sited in almost any public place.
- There is scope for public libraries to subscribe to a wide range of databases and CD-ROMS which users may access at the library or from home. This will have consequences for publishers as well as libraries. Special licence fees for public libraries will be required and consortium purchasing will develop.
- When all libraries are networked, a much wider range of reference sources will be available at the smallest library. The value of a small library as a resource will be increased.

- Access to the public library network and to the growing range of databases and digitised material from home will have medium and long-term consequences for the public library's provision of Internet terminals and for its role in knowledge provision and signposting.

## 5. STATISTICS & RESEARCH ON USE AND USERS

Much of the Full Report summarises and synthesises a mass of statistical survey data that is now available to describe patterns of use, characteristics of users, and library services the variety of which is an essential feature of their economic value. Only the most notable tables are reproduced here; but first some reference must be made to the principal sources.

### 5.1 Sources used

**Book Marketing Ltd**, the successor organisation to the Book Marketing Council, has been active in public library research now for almost a decade. Lengthy questionnaire interviews are held with a large sample representative of the population. Their clients, many of whom are big commercial publishers and booksellers, commission particular market research questions and reap the benefit in detailed survey information, much of which never gets into the public domain. The BML methodology has been modified recently to focus on households rather than on individuals, but it has otherwise remained unchanged.

Over the years questions on library use have been commissioned from BML, and paid for, by the research funding organisations - BLRDD, BLRIC, LIC. All the results are in the public domain through the medium of research reports. The main topics and findings substantiated in this way have been:

- book buying and book borrowing are complementary not competitive;
- on a broad definition of 'books' only 20 per cent (or so) of the population are not book buyers;
- 56 – 58 per cent of the population hold public library borrowing tickets;
- heavy buyers and frequent borrowers form a minority of users but their activity accounts for 70 – 80 per cent of the 'traffic';
- many people use more than one library, particularly among the young.

The most recent new association of BML with The Reading Partnership has extended questions from the mainly factual and socio-economic into the habits and motivations of those who read books. Their latest survey is full of data that goes beyond the WHAT? to cover the WHY? and WHAT FOR? This extends now to questions such as "How much time are people willing and able to devote to reading?" "What is its value to them?" "Are they reading more or less now than previously, and why?"

**CIPFA PLUS Surveys** were developed at the bequest of public librarians as a standard (though voluntary) questionnaire survey for all UK public libraries. The data is collected by participating library authorities and held by IPF Ltd. - the consultancy branch of the organisation that publishes public library statistics in the UK. The data for individual authorities is confidential to each authority, but the

aggregate data is held on the PLUS Archive and is available to researchers. For this research its importance cannot be over emphasised.

The survey is a self completion exit sample survey and has been in operation for adults since 1993. In 2000 the first results became available for the separately developed Children's Survey.

Summarised results from both BML and CIPFA appear in *Perspectives of Public Library Use* published jointly by LISU and BML - the first volume in 1995, its sequel in 1999. These also contain the results of important research by practitioners and graduate students. The overall result is that, when added to the publications of university LIS departments, a considerable volume of public library research has been published during the 1990s. One purpose of this research project is to draw attention to it: a second, and more exciting, step is to combine and synthesise results from the different sources.

## 5.2 Analysis by age

*Total Numbers:* Estimates of the population using libraries, derived from market research, show 56 - 58 % of the population holding a library ticket - with at least one ticket held in 72 % of households. More recent statistics show 21.8 million 'active borrowers', (those who have borrowed at least one item from the library during the year) which is 46 % of the adult population (16 and over). As a proportion of total population, this percentage would be lower.

A comparison of the age profile of the population and of library users reveals that contrary to popular perception, libraries are not the near monopoly of the elderly, indeed, they form a smaller percentage of users than they do of the population. This is shown in the first two columns of Table 5.1. These data, however, do not reflect proxy borrowing, nor readers served by the housebound service. This lower than expected use by the elderly may be attributable in part to failing health and eyesight, and reluctance to leave the home. The heavy use by adults aged 15-24 probably reflects the number of people in this age group engaged in formal education. Generally, the distribution of library users matches the population structure quite closely.

It is interesting to note that the material borrowed does vary by age. The right hand columns of Table 5.1 show that adults aged 15-24 read fiction and non-fiction equally. Younger adults generally, read both fiction and non-fiction, with a slight emphasis on non-fiction, while older people have a greater preference for fiction. Older people seem to read more for leisure purposes while younger ones are more purposive, possibly because of education or work requirements, and that even if their non-fiction use is for leisure, this may be for active pursuits.

**Table 5.1 Borrowing by age group**

<b>Age group</b>	<b>Population</b> %	<b>Library Users</b> %	<b>Using Fiction</b> %	<b>Using Non-fiction</b> %
15-24	15	18	15	15
25-34	21	20	18	20
35-44	16	18	18	18
45-54	14	13	14	15
55-64	13	13	14	13
65+	20	18	22	19
<b>Total</b>	<b>99</b>	<b>100</b>	<b>101</b>	<b>100</b>

(BML, 1997a)

The type of fiction read shows marked differences by age group particularly in respect of historical novels, whose popularity increases with age, and science fiction and horror, which are much favoured by young people, but not by the elderly.

Table 5.2 analyses the age profile of book buying and compares this with book borrowing from public libraries. The volume of borrowing is relatively concentrated in the under 25s and the over 65s

**Table 5.2 Volume of book buying by category**

	<b>Population</b> %	<b>Fiction</b> %	<b>Non-fiction</b> %	<b>Reference</b> %	<b><i>Borrowing by volume</i></b> %
17-24	15	8	7	7	<i>18</i>
25-34	20	30	25	24	<i>20</i>
35-44	17	13	15	12	<i>18</i>
45-54	16	20	21	16	<i>13</i>
55-64	12	17	13	17	<i>13</i>
65+	20	11	17	22	<i>18</i>
<b>Total</b>	<b>100</b>	<b>99</b>	<b>98</b>	<b>98</b>	<b><i>100</i></b>

(BML, 1997c)

A survey of non-fiction use, summarised in Table 5.3, shows how the purpose of library use varies throughout life.

**Table 5.3 Reasons for borrowing non-fiction by age group**

	Percentage of borrowers aged				
	<25	25-34	35-54	55-64	65+
Recreation	27	20	37	44	68
Hobby	21	16	26	26	39
Pleasure	6	4	12	17	29
Personal	5	12	15	17	11
learning					
Information	68	68	47	39	21
Practical	21	40	32	33	19
Study	45	20	6	4	1
Job	2	8	9	1	1

(Timperley & Spiller, 1999)

If people use whichever library they believe will satisfy their needs, it is not unreasonable to suppose from these tables that younger people will be more likely to use a central library and older people to use a branch library.

From these data, and from surveys presented in England & Sumsion (1995) and Bohme & Spiller (1999), *seven ages of library use were identified:*

**Nursery** - Children of pre-school age have limited reading skills and picture books are important to stimulate the imagination. Less than half are library members and are more likely to be taken by their parents to community than central libraries.

**Primary school** - Use increases steadily throughout the primary school stage, both for homework and for pleasure. As young children need to be accompanied to the library, they are likely to use those close to school or home.

**Secondary school** - Use begins to fall off after the age of 11 as children pursue more social activities. While they still use libraries for study purposes, reading for pleasure has started to lose its attractions.

**Young adults (15-19)** - Library use depends heavily on whether or not the individual is still in formal education. Those who are will tend to use the range of services found in town centre libraries. Students in this age group also make substantial use of libraries other than public ones.

**19-35 year olds** - These may be living with parents or in their own home, either alone or with a partner. They may have young children. These are not heavy library users for themselves, their priorities being social and consumer-oriented. Library use in this age group tends to be driven by need rather than pleasure.

**Mature adults (35-60)** - There is no single factor characterising use by this age group. Library use will depend on circumstance as well as inclination - on career and information needs, income and social grouping.

**Elderly people** - The primary use by this group is for pleasure. They read large quantities of fiction and are not active borrowers of non-book material. They are less likely to have private transport and prefer to use community libraries.

As an individual progresses through these seven ages, the value of the public library in general, and of any individual library, will change.

### 5.3 Analysis by socio-economic grouping

Data from BML have been used in the figure below. This shows use by social group to be more even than is sometimes supposed. The higher social classes do use libraries, especially non-fiction borrowing, in excess of their proportion of the population, but the differences are not vast and certainly do not suggest dominance by one group. While people in class AB are the most active library users, numerically, they provide the fewest. The largest number comes from class C1.

('Use' here refers to 'borrowing'.)

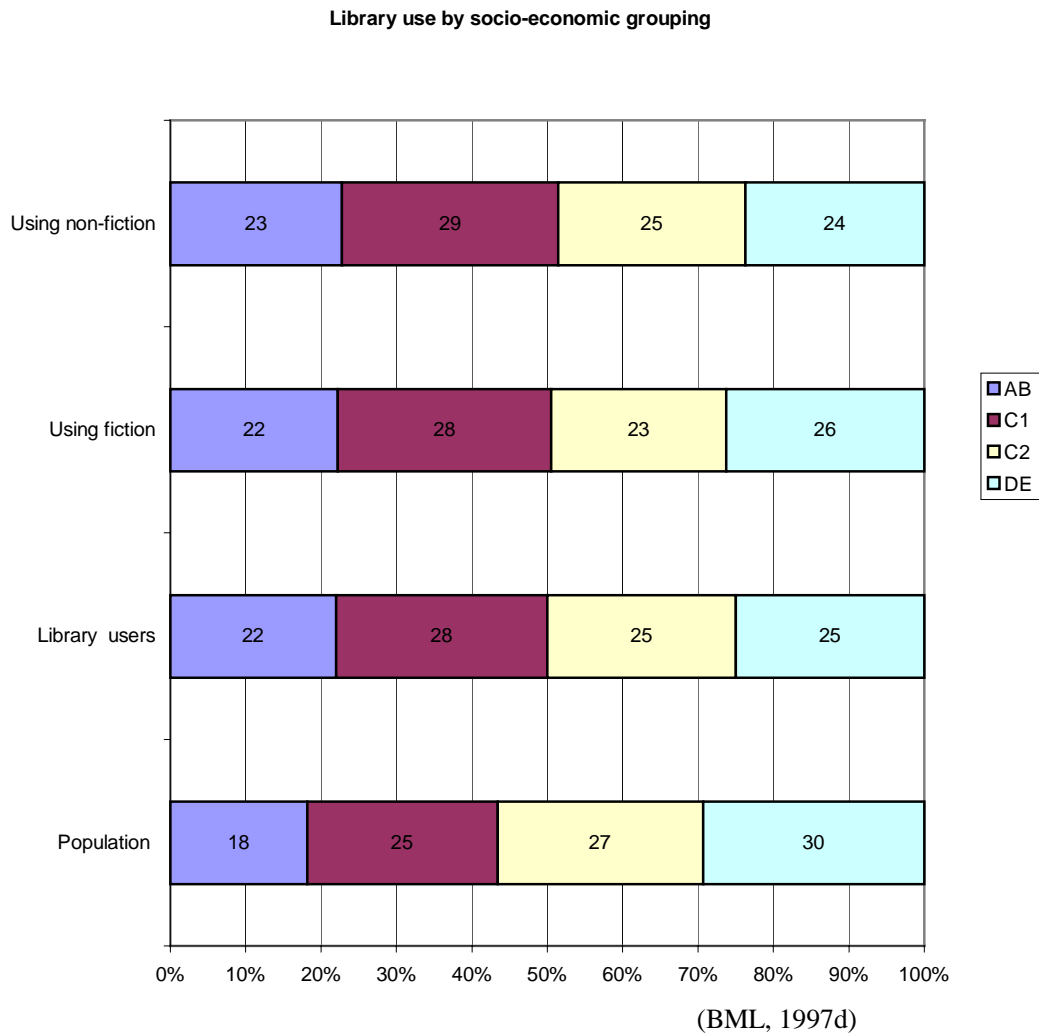


Table 5.4 points to the very significant income redistribution effect of library borrowing. This, and many similar survey results, shows classes AB and C<sub>1</sub> buying books well above the population average. But, when it comes to library borrowing, class AB, at 14%, is below its proportion of the population (17%) and a long way below its buying percentage of 26%.

**Table 5.4 Book acquisitions by social grade**

<b>Social class</b>	<b>Household Population %</b>	<b>Purchasing Value %</b>	<b>Volume Bought %</b>	<b>Volume Borrowed %</b>
AB	17	27	26	14
C1	26	34	32	37
C2	24	21	22	25
DE	33	18	19	24

(Book Marketing Ltd)

In Table 5.5 Class D (semi-skilled and unskilled workers) is shown separately from Class E (unwaged, retired). Most frequently they are combined, but this greater detail shows significant differences. Those in class D are slightly less likely to use the library at all and much less likely to be heavy borrowers.

**Table 5.5 Library use by socio-economic grouping, classes D and E separate**

<b>Class</b>	<b>#Population %</b>	<b>#Library Users %</b>	<b>*Volume borrowed %</b>	<b>*Heavy borrowers %</b>
AB	18	22	14	23
C1	25	28	37	25
C2	27	25	25	21
D	15	12	10	11
E	15	13	14	21
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>101</b>

(# BML, 1997 modified according to data from BML, 2000)

(\* BML 2000)

In Table 5.6 these data are applied to statistics of books bought and books borrowed to present the same phenomena in a different, and more dramatic, guise than percentages.

**Table 5.6 Buying and borrowing by social class**

<b>1997-98</b>	<b>Books bought</b>	<b>Books borrowed</b>
AB	71,700,000	65,150,000
C1	89,600,000	172,000,000
C2	60,650,000	116,300,000
DE	53,700,000	111,700,000
<b>Total</b>	<b>275,600,000</b>	<b>465,400,000</b>

(CIPFA, 1999; Book Trade Yearbook from *The L.I.S.T.*, 1999)

## 5.4 Analysis of information seekers

Use of information, the major non-borrowing service, is less homogenous than book borrowing. Information seeking is a substantial library activity, undertaken on 22% of visits (CIPFA *PLUS*, 1998a). Information seeking, when analysed by age in Table 5.7, is heavily biased towards younger people, particularly those aged 15-19. This appears to reflect the demands of study and career. Elderly people, by contrast, are much less active users of information.

**Table 5.7 Information seeking by age**

Age	Seeking information %	Consulted Staff	
		Yes %	No %
<=14	29.0	54.5	45.5
15-19	34.4	45.8	54.2
20-24	30.5	53.4	46.6
25-34	24.8	54.2	45.8
35-44	23.7	55.5	44.5
45-54	23.9	55.7	44.3
55-64	20.2	58.1	41.9
65-74	17.2	60.2	39.8
>=75	13.2	63.5	36.5

(CIPFA, 1998)

Marcella & Baxter (1996) looked at the use of citizenship information, a broad category, although narrower than the spectrum of information provided in public libraries. They found a social breakdown of users as shown in Table 5.8. BML's 1996 breakdown of the national population is also given. Although the two classifications do not correspond exactly, it is clear that those in lower socio-economic groups make far less use of this type of information. This is in spite of the fact that employment and welfare information were among the major topics sought.

**Table 5.8 Social class of users of citizenship information**

		UK Population %	Users of Citizenship Information %
I	Professional, etc.	6	10
II	Managerial and technical	29	39
III(N)	Skilled non-manual	22	28
III(M)	Skilled	21	10
IV	Partly skilled	16	10
V	Unskilled	6	3

## 5.5 Use by ethnic groups

There has been considerable interest and concern in the profession in the UK concerning the adequacy of resources provided for ethnic minorities. In some authorities managers are appointed to supervise this aspect of the service. There are co-operative ventures to assist the provision of foreign language material, most notably CILLA and at Bradford for the Indic languages. There are also substantial collections of material in Chinese and in Polish for those nationalities.

What has not been established statistically is how well UK public libraries are used by these minority populations. The untested feeling has been that these minority groups use the public library at a much lower level than the white population. The position has recently been clarified by the inclusion of a question on race in the CIPFA PLUS survey. The question was "Ethnicity, how would you best describe yourself?"

The results for the whole of the UK are given here. Individual library authorities will be able to assess the position in their own area.

Table 5.9 gives a summary for the overall position - from which it appears that library use is considerably higher by the ethnic groups as compared to the white population.

**Table 5.9 Use of UK public libraries by ethnic groups**

<b>Ethnic Group</b>	<b>UK Population</b>	<b>Library users</b>
	%	%
White	94.1	86.3
Named ethnic groups	} 5.9	10.3
Other	}	3.5

(CIPFA, 2000a)

In the greater detail of Table 5.10 the CIPFA *PLUS* survey shows that the type of use made by the various ethnic minority groups differs both from each other and from that of the white population.

**Table 5.10 Purpose of use by ethnic group**

	Pop'n %	Borrow/return				Read newspapers/ magazines %	Seek information %
		Books %	Cassettes %	CDs %	Videos %		
Bang'deshi	1.1	81.8	5.0	3.4	6.7	13.7	21.8
Black							
African	1.9	43.2	4.5	3.1	4.5	27.6	32.8
Caribbean	1.4	58.9	7.3	5.7	7.3	19.5	28.4
Other	0.6	56.2	8.8	6.1	6.7	21.0	29.7
Chinese	0.7	67.3	6.6	5.8	6.8	26.9	26.0
Indian	3.0	63.8	5.4	3.6	5.4	29.2	25.6
Pakistani	1.6	57.5	5.7	3.6	7.1	33.6	25.2
Other	3.5	70.0	7.0	5.0	8.3	19.8	25.2
White	86.3	81.4	6.2	3.3	6.4	10.6	17.5
	Pop'n %	Use copier %	Browse %	Sit to study %	Exhib'n/ event %	Something else %	
Bang'deshi	1.1	5.4	18.1	12.5	1.6	6.4	
Black							
African	1.9	9.2	18.2	31.2	1.7	9.2	
Caribbean	1.4	8.0	30.0	16.8	2.5	8.7	
Other	0.6	10.3	29.5	19.1	3.0	10.1	
Chinese	0.7	8.8	20.7	14.8	3.1	5.2	
Indian	3.0	7.7	24.1	16.4	2.3	7.0	
Pakistani	1.6	7.4	21.4	21.9	2.7	7.3	
Other	3.5	6.7	30.0	12.0	3.2	10.0	
White	86.3	4.5	29.5	3.9	2.3	6.5	

(CIPFA PLUS, 1998a)

It can be clearly seen from Table 5.10 that people in ethnic minorities are less likely than the white population to borrow books but more likely to use newspapers and to seek information. They are even more likely to use the library for study. These findings correspond with survey results in the USA. They deserve close attention by library managers in areas with large non white populations - particularly in respect of space planning.

For interest the position in the United States is shown in Table 5.11.

**Table 5.11 Use of US libraries by ethnic groups**

	<b>Households using</b>	
	<b>In past month</b>	<b>In past year</b>
	%	%
White	44	65
Black	45	63
Hispanic	41	58
Asian/Pacific Islander	53	72
American Indian/Alaskan Native	46	65
Other	51	66

(Lynch, 1997)

**Children** As regards tastes in book reading, it seems that ethnic background may be of less significance than for adults. In their careful study of children's reading Hall & Coles (1999) say:

"...on a general level, ethnic background makes very little difference to the type of book a child chooses to read."

JWS 7/2

## 5.6 Size and location of libraries

Most library authorities have a large number of service points, serving a wide range of urban and rural communities. Provision is on a spectrum between the comprehensive range of a central library on the one hand and the targeted provision of a small branch on the other.

Central libraries offer immediate access to a wider range of stock, services and facilities, and the opportunity to combine library use with some other purpose, such as work or shopping. Branch libraries offer familiarity, friendliness, immediate access to stock to satisfy leisure needs, and access to the full range of stock and information services if time is not crucial.

People use whichever library suits their purpose and many people use both a central and a branch library. Use of a library of any size, and therefore its value, will vary throughout a person's lifetime.

Leisure use, which predominates in local libraries, is also heavy in large libraries. It is a smaller percentage of use because large libraries offer a greater variety of services. Educational use and information seeking are much higher in central libraries.

Satisfaction is high at all libraries, but especially so at small branches, which benefit from the closer relationship they can forge with their readers.

The balance between large and small libraries may change as ICT provision enables a wider range of services, particularly information, to be offered in all libraries.

Examples of the variety of services and their relative frequency of use is provided in the next two tables.

Table 5.12 shows how use varies by library size in the large and diverse county of Essex. For example, on the average visit 76% of visitors to 'B' libraries borrowed books while 96% of visitors to the 'F' libraries did so; 27% of visitors to 'A' libraries sought information while only 15% of visitors to 'D' libraries did so. Other lines show ratios for success rates and other features.

The 'A' libraries are the three largest; 'F' and 'G' are the smallest.

**Table 5.12 Essex data by library tier: Selected features**

<b>Purpose of visit/Activity</b>	<b>County</b> %	<b>A</b> %	<b>B</b> %	<b>C</b> %	<b>D</b> %	<b>E</b> %	<b>F</b> %	<b>G</b> %
Borrow books	91	74	76	87	90	94	96	97
Borrow cassettes	7	11	9	9	7	6	5	1
Borrow CDs	2	6	6	5	3	1	1	0
Borrow videos	2	7	8	3	1	1	1	0
Read newspapers/magazines	10	18	12	14	11	8	8	0
Use photocopier	7	14	11	11	8	9	1	1
Attend exhibition/event	4	8	6	6	7	2	3	0
Place to study	5	16	11	7	5	4	3	1
Find information	15	27	22	19	15	13	11	7
Other reason	5	9	5	5	5	4	3	1
Average no. of uses	1.5	1.9	1.7	1.7	1.5	1.4	1.3	1.1
Seeking specific books	18	21	19	19	17	17	16	14
<i>Success rate %</i>	65	59	64	59	65	66	67	78
Seeking specific subject/type/author	27	31	27	28	27	26	26	22
<i>Success rate %</i>	76	75	72	70	75	77	79	82
Browsing/no response	45	48	53	53	56	57	58	64
Requests satisfied per head	0.4	0.5	0.4	0.4	0.4	0.2	0.2	0.1
Seeking information	15	27	22	19	15	13	11	7
<i>Success rate %</i>	79	82	69	77	83	80	79	74
Environment rating (5 = Good)	4.2	3.9	4.0	4.0	4.2	4.3	4.3	4.4

(England & Sumsion, 1995)

Data in Table 5.13 is derived from the *People Flows* research where Nankivell, Foster & Elkin (1999) looked at the use of local and other libraries in urban Birmingham and Sheffield. Using a different set of categories this showed central libraries as more popular for most services. Indeed, the only services more likely to be used at a branch were: borrow/return/renew books and videos, making a reservation, using open learning materials and use on behalf of another family member.

**Table 5.13 Use of central and branch libraries**

<b>Purpose</b>	<b>Central libraries</b>		<b>Branch libraries</b>	
	<b>% visits for</b>	<b>Rank</b>	<b>% visits for</b>	<b>Rank</b>
Borrow/return/renew books	61.5	1	64.8	1
Use reference books	32.8	2	16.5	2
Study and work	26.7	3	7.3	8
Ask for information	17.3	4	11	4
Borrow/return/renew CDs	14.2	5	6.2	12
Use reference journals	12.3	6	2.5	14
Use the photocopier	11.9	7	9	6
Read newspapers	11.4	8	6.6	10
Consult the library catalogue	11.1	9	6.3	11
Borrow/return/renew audio tapes	11	10	8.3	7
Borrow/return/renew videos	10.4	11	13.5	3
Meet friends	6.8	12	1.8	16
Use for another family member	6.8	12	9.9	5
Make a reservation	6.7	14	6.9	9
Borrow/return/renew journals	3.7	15	2.3	15
Use the archives	6.4	16	2.7	13
Use CD-ROMs	2.7	17	1	18
Use the Internet	2.1	18	1	18
Use word processing computers	1.3	19	0.8	20
Use on-line databases	1.2	20	0.5	21
Use open learning materials	1	21	1.3	17

(Nankivell, Foster & Elkin, 1999)

## 5.7 Summary analysis of statistical data

- Book buying and borrowing are complementary, rather than competing, activities. There is a strong positive association between library use and book buying, apart from the light buying of young adults, and 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.
- While not corresponding exactly to the structure of the population, library borrowing use is spread fairly evenly across the demographic spectrum. Perceptions of overwhelming use by one group of people appear to be unfounded.
- The greatest number of users comes from social group C1. Although people in group AB are the most active users in relation to their share of total population, numerically they provide fewest users.
- Young adults (17-24), although active library users, are not heavy buyers of books. They do, however, borrow from friends. Persons aged 25-34 and 45-64 are much heavier buyers than they are borrowers. This suggests that convenience and sufficiency of means are factors in both library use and book buying.
- Books which will be used over a long period are more likely to be bought than those which readers expect to use only once or a few times.
- Although they achieve high issues, sales to public libraries form only a small proportion of the total UK book market. However, public libraries are an important market for certain categories of material, such as large print and hardback fiction.
- The high level of homogeneity in use suggests that library use is redistributive, encourages learning throughout life and contributes to social inclusion.

## 6. THE ECONOMIC PERSPECTIVE SUMMARISED

**The plot in its simplest form:** Borrowing books, the dominant use of the public library, allows the user to get the benefit at a fraction of what it would cost to buy the book, or to read books that would be too expensive to buy. This takes different forms for people according to their education, wealth, age, and personal interest. The result is a mixture of educational, informative, cultural and recreational benefit.

Other library uses, principally Information provision, have become increasingly important and popular. Much of the value of the public library lies in integrated provision of many services - some used regularly, some occasionally. The more such variety can be offered at the public library the greater the overall benefit. Value is particularly important where there is no realistic alternative available commercially.

**Assessing value** in the lending operation is different from assessing value in services providing information and less tangible benefits. Both are important, but require a different approach, just as they may need to be managed differently. To pretend that services and objectives need uniform treatment is unrealistic. The variety is a fundamental strength of the public library.

Social gain is viewed principally as the sum of benefits to individuals. If some benefits can be realistically assessed and described, then this is worth doing, even if others are less measurable. Economic analysis of such a varied and complex service is therefore necessarily a complex task and no simple formula can be expected to cover the whole. Economic models can, however, be applied to large parts of the operation with benefit.

Users pay for services in time spent and in inconvenience experienced - what economists term 'economic' or 'opportunity' costs. People will stop using the service if such personal costs outweigh their expected benefits. Library benefits to users need to be compared with the costs of commercial alternatives and/or with the negative impact of doing without. The main features are:

- Number of users involved;
- 'Economic costs' to users: time, travel, inconvenience, probable success, etc.;
- Magnitude of benefit - availability of alternatives;
- Income redistribution aspects.

These are the main features which have been addressed in this research in analysing various library services.

The **wide range of services** on offer in and through the public library, and the **wide range of users**, means that it is not possible to allocate value by type of material. Type of benefit related to material types is blurred - by limitation of categorisation *and* by different user features, such as personal and purpose. There are many overlaps between Education, Culture, Information and Recreation. All these purposes are found in books, newspapers, magazines, AV, and multimedia. Almost all have elements of merit goods, externalities, public good, etc. although in varying

degrees. Such merit features apply also to books published and sold through bookshops and to commercial information providers.

The unique feature of the library is its capability to acquire and make available material on a communal basis where the borrower has a distinct economic gain. The public library is both a business and a public service and managers have to recognise this duality. The benefit to the user is both as a customer of a rental business and the recipient of services which would not be viable commercially but yield public good and merit benefits.

This **duality** is seen in practice in the surveys of each main service that has been undertaken. In assessing the value of the public library there is both the straightforward gain in borrowing [as explained in section 8 by the Optimisation Model] and, in addition, the less tangible benefits provided through its public service and merit features. The **two value components** have to be added together - as is shown in section 11.

In practice, library professionals have less difficulty with this dual approach than academics and outsiders. To maximise book issues by heavy concentration on popular bestsellers and genre fiction is frowned upon; the spread of titles across a wide range of interests and intellectual levels is accepted as important.

The Optimisation Model shows a strong economic case for expanding the book lending operation to maximise the volume of lending.

The myth that public libraries are used mainly by the very young and very old has been exploded, as has the myth that it is a middle class institution. **The public library clientele is broad based** with good representation by age and by socio-economic status. There is proportionately higher use of the lending service by the elderly and by the less affluent - demonstrating progressive income redistribution. Use of the Information service differs, however, in showing higher use by the professional classes.

The **wide range of services** provided should be regarded as a benefit and exploited. Users are made aware of the variety available so that take up is extended. Public library organisation by size and location, is designed to offer services in a cost effective manner. This often appears in a formal tiering approach.

Developments in **networked information** and in **electronic literature** will modify the library's role, particularly in the geography of service delivery. Recent progress in developing the efficiency and economy of the lending operation should not be ignored. Facilities for reservations, trapping, stock control data, fines charging, etc. come now with computer systems. Self service terminals are being introduced; self entered reservations can be as important as the transport system in providing a speedy and responsive request service.

A main task of library managers is to run a **smooth, efficient and responsive lending operation**. This is what users want most - and are likely to need for at least the next 20-30 years. Books may or may not continue in their traditional print format: some books will take on electronic form. The opportunity to acquire access

to intellectual property for library users on a communal basis is likely to continue indefinitely.

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