

# PUBLIC LIBRARIES – A WISE INVESTMENT

## MONTROSE LIBRARY DISTRICT



Montrose Library District recently participated in a Return on Investment study conducted by the Library Research Service at the Colorado State Library. This study found a substantial return for taxpayers when investing in their local library. **For every \$1.00 invested in Montrose Library District, \$5.33 of value is returned to the community.**<sup>1</sup>

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### Returns on Investment Montrose Library District<sup>2</sup>

- 71%** More than two out of three Montrose Library District patrons have used a library computer.
- 175,501** Patrons came to Montrose Library District specifically to check out books nearly 200,000 times in the previous 12 months.
- 54%** More than half of Montrose Library District patrons come to the library over 25 times per year.
- 50%** Half of Montrose Library District patrons said they would have spent \$20 or more getting their information from another source if the library did not exist.
- 36%** Over one-third of Montrose Library District patrons connected to a Colorado public library from a home computer in the previous 12 months.

<sup>1</sup> Data was compiled from surveys of the individual libraries, the 2006 Colorado Public Library Report (accessible at [www.LRS.org](http://www.LRS.org)), and a survey in which library users were asked to estimate their cost of using alternative sources to meet their library-related needs, as well as their non-library expenditures.

<sup>2</sup> Based on responses to the ROI patron survey.

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### Why Return on Investment?

In the spring of 2006 a need was identified in Colorado to describe the variety of benefits delivered by public libraries to their patrons and to quantify the return on investment to taxpayers for monies invested in public libraries. To provide this data, the Library Research Service (LRS) undertook “What’s It Worth to You? A Return on Investment Study of Selected Colorado Public Libraries” (ROI) in May 2006. Using a multiple case study approach, this research was designed to create such information for eight public libraries, representing geographically diverse regions of Colorado. Data were gathered using a combination of questionnaires, key informant interviews, and available data sources.

### ROI Methodology

This study follows a model of contingent valuation that has been used in similar studies to determine ROI for public libraries. Contingent valuation is an economic technique often used for the valuation of non-market resources. This figure was calculated by examining the ramifications of not having a public library for the communities served. It includes:

- **Cost to Use Alternatives:** The estimated amount of money that would have been spent using an alternative information source.
- **Lost Use:** The estimated value of the lost information for users who would not have tried to attain the information elsewhere.
- **Direct Local Expenditures:** Contributions made by the library to community businesses and individuals in the form of purchasing goods and services.
- **Compensation for Library Staff:** Library staff would not receive compensation and unemployment would be a factor for at least some period of time.
- **Halo Spending:** Purchases made by library users from vendors and business that are located close to the library. A recent study found that approximately 23 percent of these purchases would not occur if the library did not exist.<sup>3</sup>

**Table 1**

#### Return on Investment Factors – Montrose Library District<sup>4</sup>

|                                   |                    |
|-----------------------------------|--------------------|
| Cost to Use Alternatives          | \$5,408,539        |
| Lost Use                          | \$498,200          |
| Direct Local Expenditures         | \$122,321          |
| Compensation for Library Staff    | \$687,735          |
| Halo Spending                     | \$615,116          |
| <b>Total Return on Investment</b> | <b>\$7,331,911</b> |
| Total Local Investment            | ÷ \$1,375,441      |
| <b>Return per Dollar Invested</b> | <b>\$5.33</b>      |

<sup>3</sup> Proctor, Richard, Bob Usherwood, and Gill Sobczyk. *What Happens When a Public Library Service Closes Down?* Library Management 18, no. 1 (1997): 59-64.

<sup>4</sup> Data were compiled from surveys of the individual libraries, the 2006 Colorado Public Library Report (accessible at [www.LRS.org](http://www.LRS.org)), and a survey in which library users were asked to estimate their cost of using alternative sources to meet their library-related needs, as well as their non-library expenditures. Estimates for alternative costs are conservative, as they do not include the value of extra time that might have been necessary to meet their needs elsewhere.

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### Montrose Library District at a Glance

Montrose Library District is located on the Western Slope of the Colorado Rocky Mountains. It is organized as a district library to serve residents of Montrose County and has a legal service area population of 37,147.<sup>5</sup> It consists of a main branch in Montrose, as well as branches in Naturita and Paradox. The collection includes over 73,000 print volumes, 3,000 audios, 4,000 videos, and 150 periodicals. To access the many electronic resources, it also has nine public access computers.

**Table 2**  
**Selected Statistics for**  
**Montrose Library District<sup>6</sup>**

| Description             | Total   | Ratio <sup>7</sup>                     |
|-------------------------|---------|--|
| Circulation             | 251,805 | 6.8 per capita                         |
| Visits                  | 217,292 | 5.9 per capita                         |
| Library Programs        | 413     | 212 Program attendees per 1,000 served |
| Public Access Computers | 9       | .24 per 1,000 served                   |

Funded primarily through local revenue (90.7%), Montrose Library District receives \$1.4 million in district mill levy funds, \$6,492 in federal funds, and \$135,357 in other operating revenue.<sup>8</sup> Local revenue per capita is \$37.03. Because this study examines the return on investment for each library's community<sup>9</sup>, only local revenue is used in calculating the monetary contribution of community members to each library.

<sup>5</sup>Metropolitan status, legal basis, and geographic area are defined by the Federal-State Cooperative System for Public Library Data and the National Center of Education Statistics (accessible at <http://nces.ed.gov/surveys/libraries/public.asp>). These definitions are also used in the Colorado Public Library Annual Report (accessible at [www.LRS.org](http://www.LRS.org)).

<sup>6</sup> 2006 Colorado Public Library Annual Report (accessible at [www.LRS.org](http://www.LRS.org)).

<sup>7</sup> Per capita is figured using legal service area (LSA) population (accessible at [http://www.lrs.org/pub\\_stats.php](http://www.lrs.org/pub_stats.php)).

<sup>8</sup> 2006 Colorado Public Library Annual Report. "Other operating revenue" refers to funds not reported under local, state or federal revenue and may include, but are not limited to, monetary gifts, donations, and grants (accessible at [www.LRS.org](http://www.LRS.org)).

<sup>9</sup> A library's community is defined as the legal service area as specified in the library's establishment documents.

# **PUBLIC LIBRARIES – A WISE INVESTMENT**

## **MONTROSE LIBRARY DISTRICT**

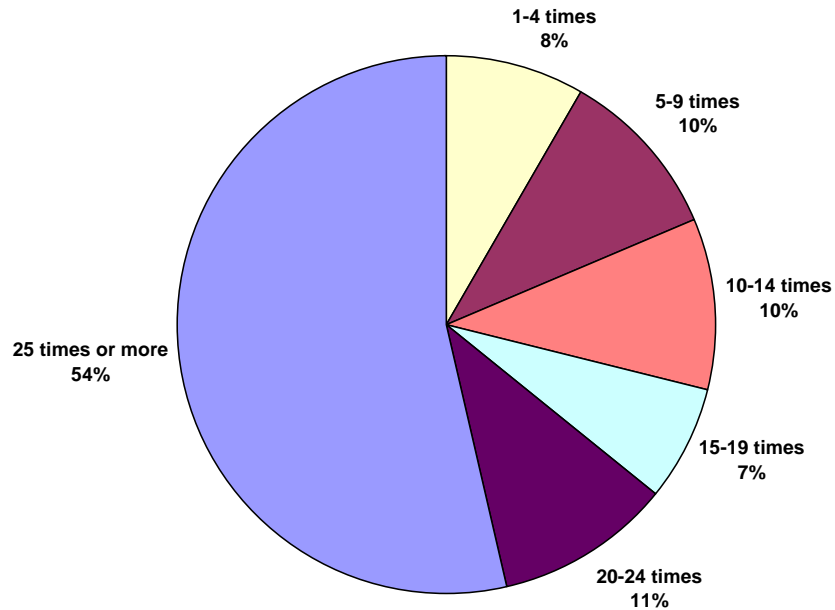
### **SURVEY RESULTS**

#### **Library Use**

Once through the doors, visitors to Montrose Library District tend to be heavy users of library resources. Of the library visitors who responded to the ROI survey, more than half had visited the library 25 times or more over the last twelve months; essentially, these patrons come to the library at least every other week (see Chart 1). One in four had visited on about a monthly basis over the previous year - between 10 and 24 times. Fewer than one in ten respondents said that they visited the library fewer than 5 times in the previous 12 months.

**Chart 1**

**Return on Investment - Montrose Library District:  
Respondent's Number of Visits to the Library in the Last 12 Months**



#### **Montrose Library District Patron Comments**

“A great resource - an important point in deciding to move to Montrose.”

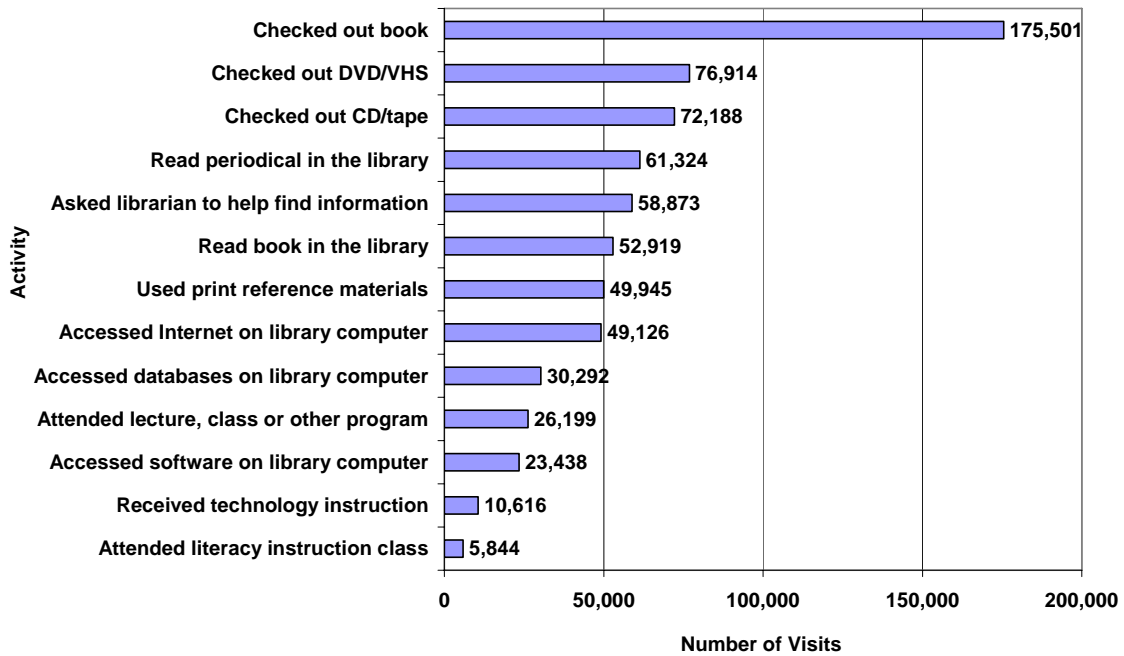
“It is the single best public service and [a] second home in town!”

# PUBLIC LIBRARIES – A WISE INVESTMENT

## MONTROSE LIBRARY DISTRICT

In 2006, there were 217,292 visits to the Montrose Library District. Despite the changing ways in which the public uses libraries, checking out materials remains the primary reason for library visits. Over four-fifths of these visits (175,501) resulted in the library user checking out a book (see Chart 2). Additionally, the concept of “library as place” remains strong. Around one-quarter of respondent visits included reading a book (24%) or periodical (28%) in the library, and programs and instruction still draw a considerable number of people into the library. However, for many of these visits, library use patterns are changing, as computer use has grown to encompass a large part of the library user’s experience. Based on responses to the survey, during 23 percent of these visits the visitor accessed the Internet on a library computer. Accessing databases and software via library computers is a large part of use as well.

**Chart 2**  
**Return on Investment - Montrose Library District:**  
**Number of Visits During Which Users Performed Specific Activities**



### Montrose Library District Patron Comments

“I have used public libraries since I was 6 yrs old. It is a very important part of my life. I was an impoverished child and if the library would not have been FREE I would not have read as much as I did and would not valued education enough to pursue a higher degree. I attribute a large part of my rise out of poverty to public libraries.”

“It is an invaluable resource. I would prefer never to live in a place without a public library and Montrose's is excellent.”

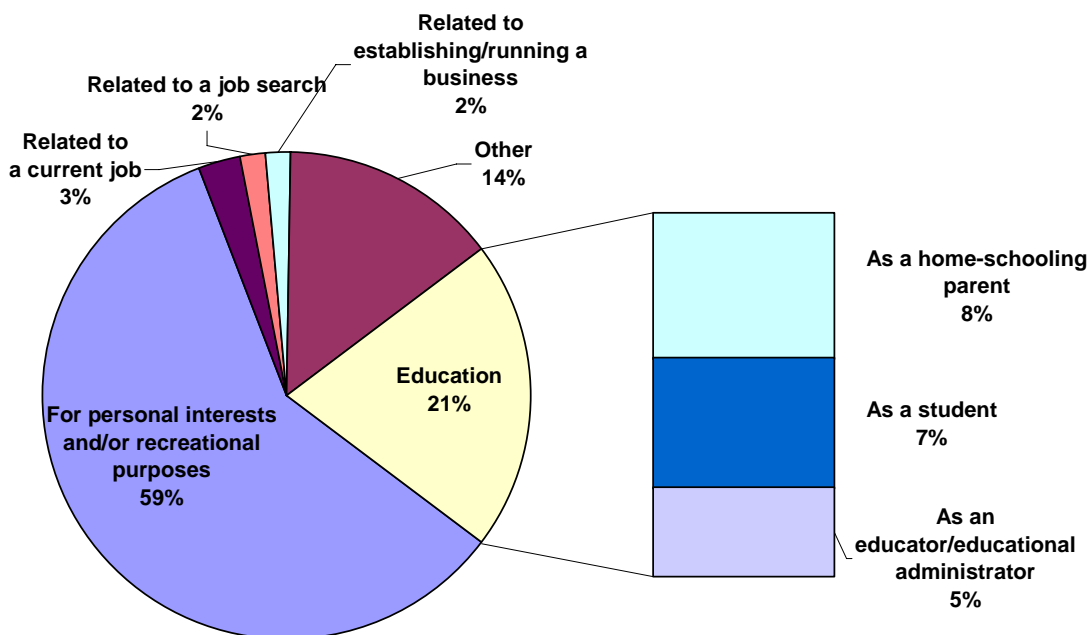
# **PUBLIC LIBRARIES – A WISE INVESTMENT**

## **MONTROSE LIBRARY DISTRICT**

The majority of respondents (59%) reported coming to the library primarily for personal interests and/or recreational purposes (see Chart 3). In addition, a large percentage of respondents came to the library for educational purposes (21%), meeting their needs as students, educators, and home-schooling parents. Job-related reasons also attracted visitors to the library (7%).

**Chart 3**

**Return on Investment - Montrose Library District:  
Primary Reason for Respondent's Trip to Library**



### **Montrose Library District Patron Comments**

“It is a wonderful place that my children love, and the summer programs they provide are priceless.”

“This library is a necessary part of my life and a wealth of information, education, and entertainment.”

# **PUBLIC LIBRARIES – A WISE INVESTMENT**

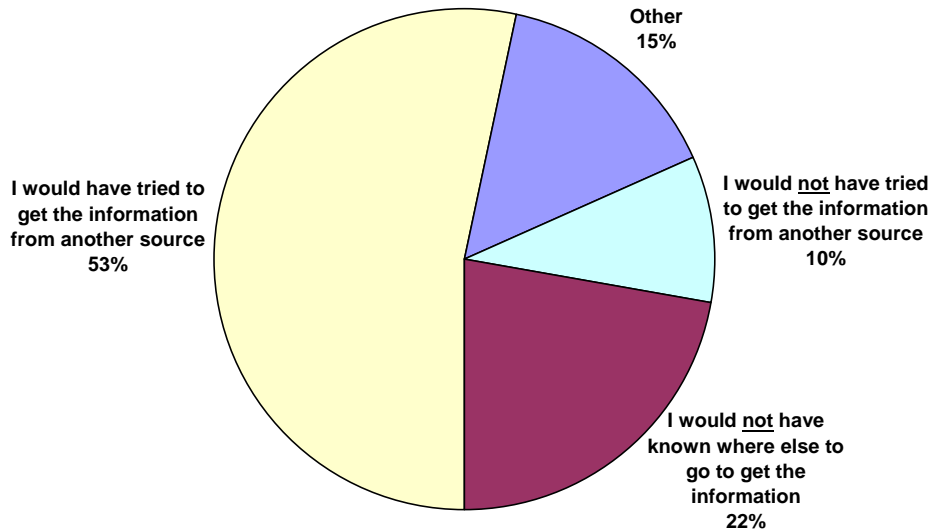
## **MONTROSE LIBRARY DISTRICT**

### **Alternatives to Library Use**

When asked what they would do to meet their information needs if the library did not exist, a majority of respondents (53%) said that they would have tried to get the information elsewhere (see Chart 4). However, 22 percent would not have known where else to go to get the information they received at the library, and another 10 percent would not have tried to get the information from another source. Without the library, the information needs of these users would not have been met.

**Chart 4**

**Return on Investment - Montrose Library District:  
Respondent's Alternative Strategy for Meeting Information Needs  
If Library Did Not Exist**



### **Montrose Library District Patron Comments**

“Very helpful. To use a college library I would have to travel 100 miles round trip and buy extra fuel.”

“It is a most valuable place for me personally and for the community as a whole.”

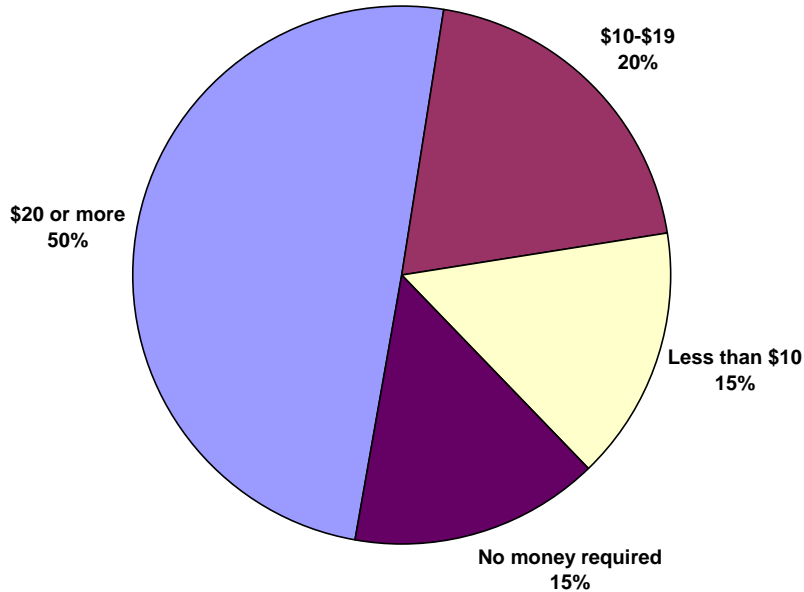
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## **MONTROSE LIBRARY DISTRICT**

Obtaining the information received during library visits would be expensive if acquired through alternative means. Respondents who would have tried to meet their information needs using an alternative source were asked to estimate how much money they would have spent using the other source. Half (50%) of Montrose Library District respondents said that they would have spent at least \$20 to have their information needs met elsewhere. Fewer than one in six (15%) said that they would not have needed to spend any money to meet their information needs with an alternative source (see Chart 5).

**Chart 5**

**Return on Investment - Montrose Library District:  
Respondent's Estimated Cost of Alternatives to Library Resources**



### **Montrose Library District Patron Comments**

“The library is an essential resource for research, continuing education and freedom of thought as well as unlimited entertainment- I NEED the library and am very grateful for it!”

“I feel the Public Library is one of the better services our tax money is spent on.”

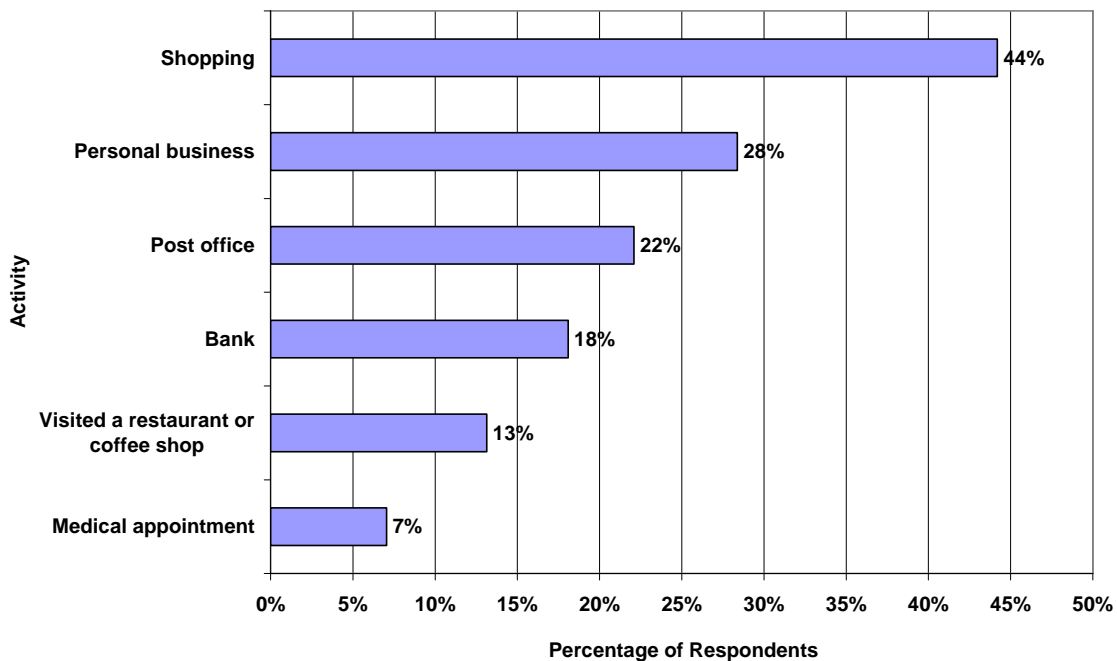
# PUBLIC LIBRARIES – A WISE INVESTMENT

## MONTROSE LIBRARY DISTRICT

Many respondents to the survey reported doing other activities or errands during the same trip as their visit to the library. The most likely peripheral activity, with 44 percent of respondents, was shopping (see Chart 6). Many respondents also reported attending to personal business (28%) or going to the post office (22%) during the trip. More than one in ten said they went to a restaurant or coffee shop (13%) and/or the bank (18%).<sup>10</sup>

Chart 6

Return on Investment - Montrose Library District:  
Activities Performed by Respondent on the Same Trip as Library Visit



### Montrose Library District Patron Comments

"It is the best place to be - we are so lucky to have such an awesome library in Montrose!"

"I LOVE the public library. I am a stay at home mom with a very fixed income. The library has become our second home. We enjoyed storytime, coloring, puppet shows and guest authors. It fosters interaction with the community."

<sup>10</sup> As noted in the section on methodology, a U.K. study reported that a portion of the spending on these "halo" activities would not have occurred if the library were not available.

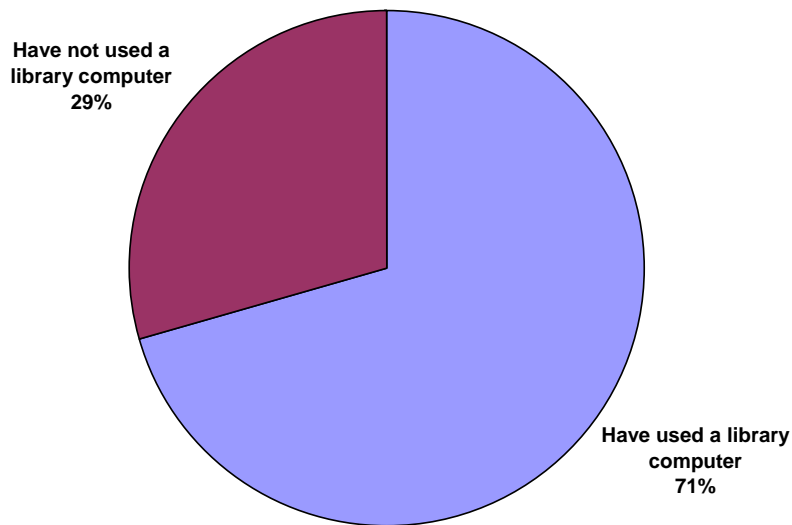
# **PUBLIC LIBRARIES – A WISE INVESTMENT**

## **MONTROSE LIBRARY DISTRICT**

Montrose Library District's computers are extremely popular with their users. More than two out of three respondents (71%) reported having used a library computer at some point (see Chart 7). The fact that so many patrons are using computers suggests that Montrose Library District is serving as a location to bridge the digital divide.

**Chart 7**

**Return on Investment - Montrose Library District:  
Percentage of Respondents Who Have Used a Library Computer**



### **Montrose Library District Patron Comments**

“It's one of the most important resources in my community.”

“It is a wealth of local historical information that can't be found elsewhere.”

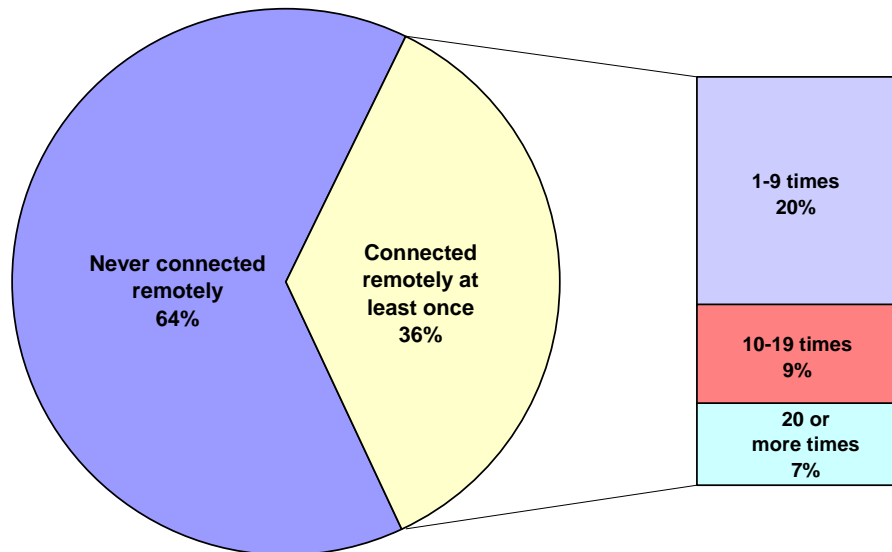
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In addition to in-library use, Montrose Library District’s users connect to libraries from home. More than one-third of the respondents to this survey (36%) had connected to a Colorado public library from a home computer in the past twelve months (See Chart 8). Not only is the library a place to visit in the community, it is a place to visit in cyberspace as well.

**Chart 8**

**Return on Investment - Montrose Library District:  
Number of Times Respondent Connected to a Colorado Public Library  
from a Home Computer in Last 12 Months**



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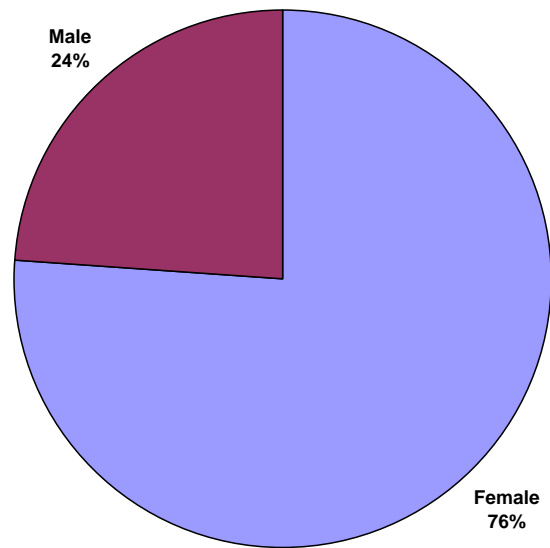
## **MONTROSE LIBRARY DISTRICT**

### **Demographics**

The following five charts illustrate the demographics of the respondents to the Montrose Library District ROI patron survey. Demographic data includes gender, age, highest level of education, race and ethnicity, and personal and household income.

**Chart 9**

**Return on Investment - Montrose Library District:  
Respondents by Gender**

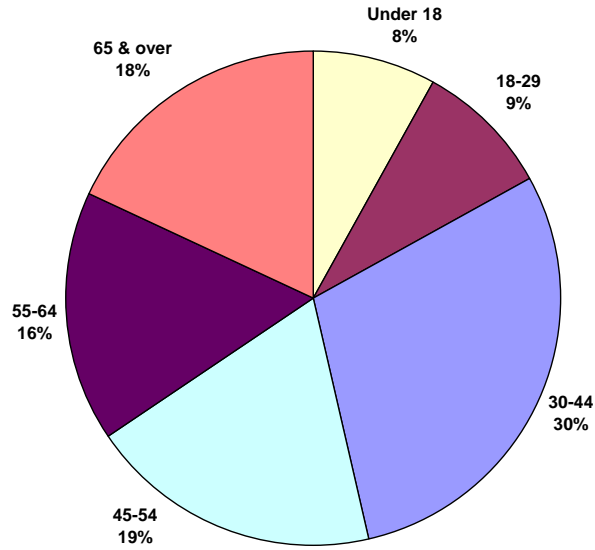


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## MONTROSE LIBRARY DISTRICT

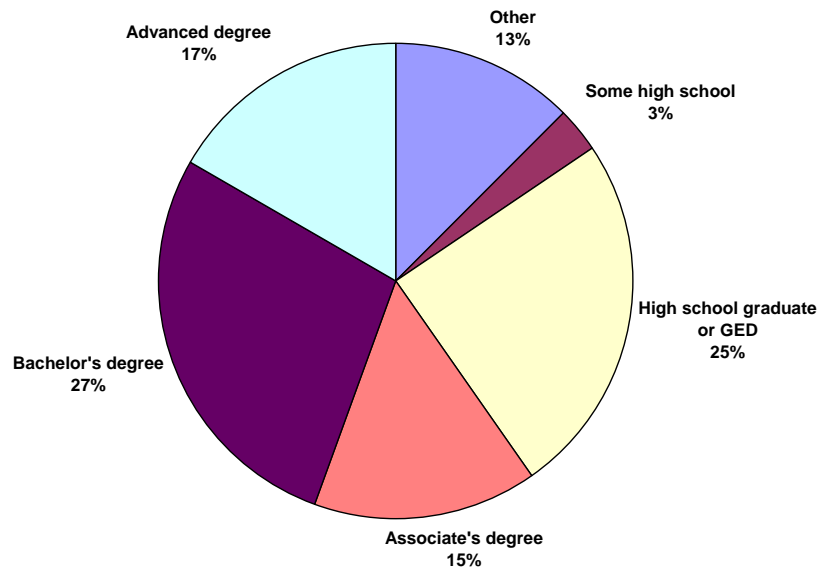
**Chart 10**

**Return on Investment - Montrose Library District:  
Respondents by Age**



**Chart 11**

**Return on Investment - Montrose Library District:  
Respondents by Highest Level of Education**

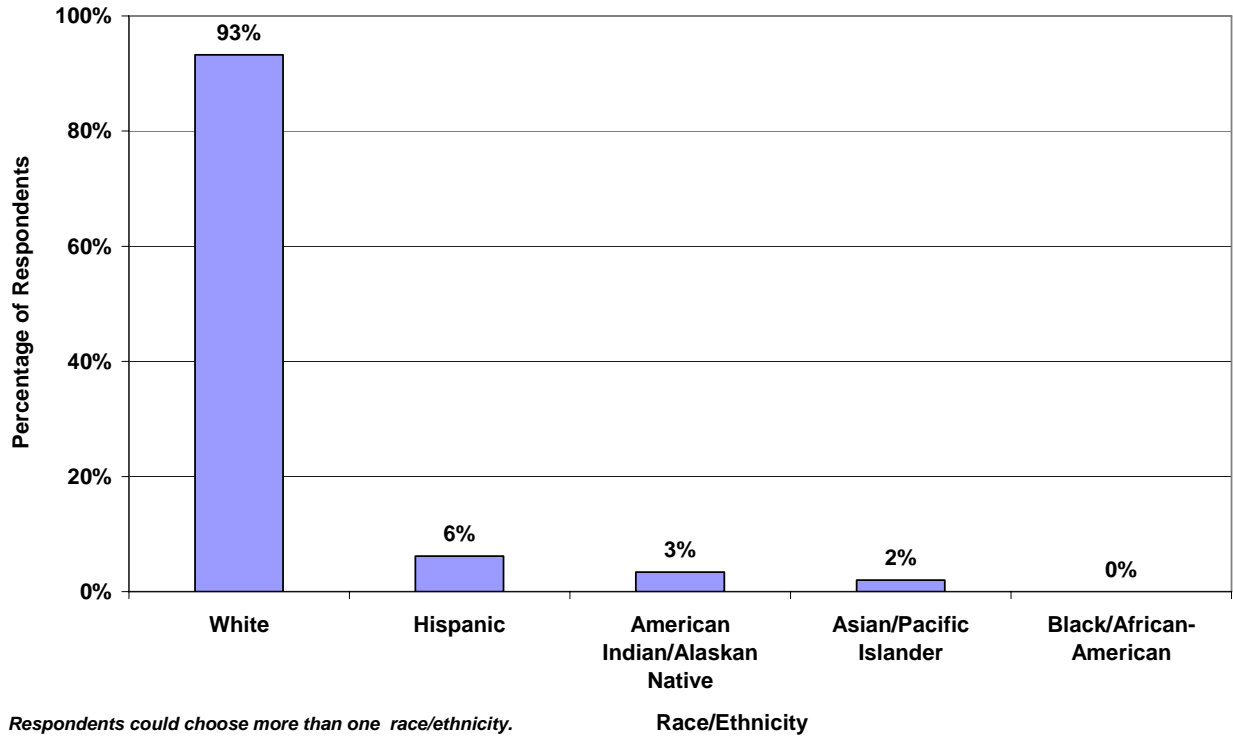


# PUBLIC LIBRARIES – A WISE INVESTMENT

## MONTROSE LIBRARY DISTRICT

Chart 12

Return on Investment - Montrose Library District:  
Respondents by Race and Ethnicity



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## MONTROSE LIBRARY DISTRICT

Chart 13

Return on Investment - Montrose Library District:  
Respondent's Personal and Household Income

