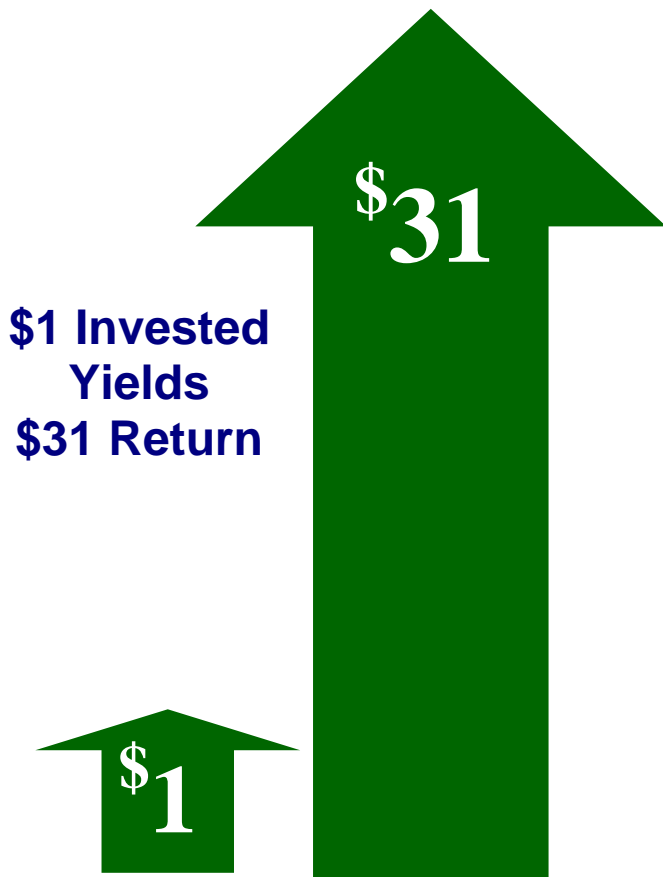


PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY



Cortez Public Library 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 Cortez Public Library, \$31.07 of value is returned to the community.**¹



Returns on Investment Cortez Public Library²

- 66%** Two-thirds of Cortez Public Library patrons said they would have spent \$20 or more getting their information from another source if the library did not exist.
- 54%** Over half of Cortez Public Library patrons come to the library over 25 times per year.
- 67%** Two-thirds of Cortez Public Library patrons have used a library computer.
- 150,000** Patrons came to Cortez Public Library specifically to check out books over 150,000 times in the previous 12 months.
- 33%** One-third of Cortez Public Library patrons connected to a Colorado public library from a home computer in the previous 12 months.

¹ Data was compiled from surveys of the individual libraries, the 2006 Colorado Public Library Report (accessible at 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.

² Based on responses to the ROI patron survey.

PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY

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.³

Table 1

Return on Investment Factors – Cortez Public Library ⁴	
Cost to Use Alternatives	\$8,307,410
Lost Use	\$818,878
Direct Local Expenditures	\$61,169
Compensation for Library Staff	\$231,030
Halo Spending	\$713,518
Total Return on Investment	\$10,132,005
Total Local Investment	÷ \$326,128
Return per Dollar Invested	\$31.07

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

⁴ Data were compiled from surveys of the individual libraries, the 2006 Colorado Public Library Report (accessible at 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.

PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY

Cortez Public Library at a Glance

Cortez Public Library is located in the mountainous southwest corner of Colorado. It is organized as a municipal library to serve residents of the city of Cortez. Its legal service area population is 8,550. It consists of one central library in Cortez. The collection includes over 58,000 print volumes, 3,700 audios, 4,700 videos, and 80 periodicals. To access online resources, it also has ten public access computers.

Table 2
Selected Statistics for
Cortez Public Library⁵

Description	Total	Ratio ⁶
Circulation	138,994	16.3 per capita
Visits	184,800	21.6 per capita
Library Programs	64	178 Program attendees per 1,000 served
Public Access Computers	10	1.17 per 1,000 served

This study examines the return on investment for each library's community.⁷ Therefore, only local revenue is used in calculating the monetary contribution of community members to each library. Several factors used in the calculation of the return on investment are driving a remarkably high ROI ratio for CPL.

Cortez Public Library (CPL) is established and funded as a municipal library, meaning the city of Cortez is considered its legal service area. Therefore, CPL is funded almost exclusively by city general funds totaling \$315,128. In addition, CPL receives \$11,000 in county general funds. The residents of Cortez fund the library at a rate of \$36.86 per capita, and those of unincorporated Montezuma County fund it at a rate of 77¢ per capita.

Though the library is funded primarily by the city, more than half of its registered borrowers (55%) reside outside of Cortez. Additionally, CPL has an unusually high number of visits for a library of its size. This, combined with its small Legal Service Area population in relation to the number of people it actually serves, gives them a visits per capita ratio of 21.6. This is the highest ratio in CPL's population range (5,000 to 9,999) and higher than all other non-resort public libraries serving more than 1,500 people in Colorado.

Due to this discrepancy between funding and use as well as the high visit ratio, CPL has an exceptionally high return on investment figure in comparison to other libraries that participated in this survey, which tended toward a number around \$5.

⁵ 2006 Colorado Public Library Annual Report (accessible at www.LRS.org).

⁶ Per capita is figured using legal service area (LSA) population (accessible at http://www.lrs.org/pub_stats.php).

⁷ A library's community is defined as the legal service area as specified in the library's establishment documents.

PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY

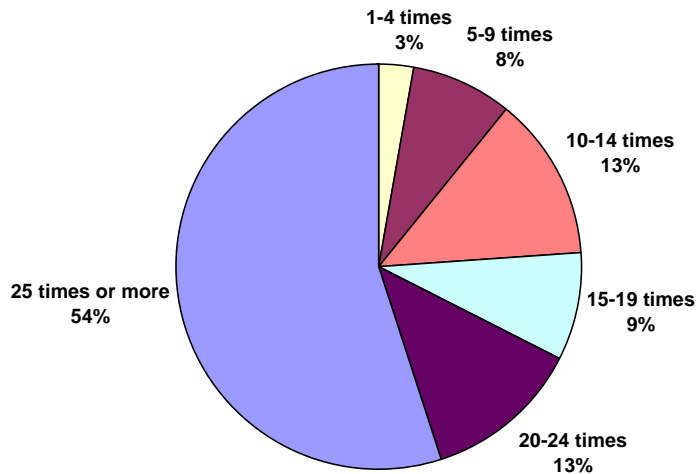
SURVEY RESULTS

Library Use

Once through the doors, visitors to Cortez Public Library tend to be heavy users of library resources. Of the library visitors who responded to the ROI survey, more than half of them 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). Another third had visited on about a monthly basis over the previous year - between 10 and 24 times. Only 3 percent of respondents said that they visited the library fewer than 5 times in the previous 12 months.

Chart 1

Return on Investment - Cortez Public Library:
Respondent's Number of Visits to the Library in the Last 12 Months



Cortez Public Library Helping Businesses Succeed

Marcy Cummins, Executive Director of the Cortez Chamber of Commerce, praises the library for its role in the community, "The chamber utilizes the library for a business planning course called LEAD. As a part of the class, students walk over to the library (about a block and a half from the Chamber) to do research and learn what resources are available to the local business person. Because of lack of funding, the business section of the library is not extensive, but they will order anything the students want, which arrive quickly. There are publications too costly for individual businesses to own that can be accessed through the library.

Many of our members do not have Internet access and use the library for that purpose. We have several areas of our county that only have dial-up Internet access, which is unworkable for most people...We also use the library's conference room for community meetings."

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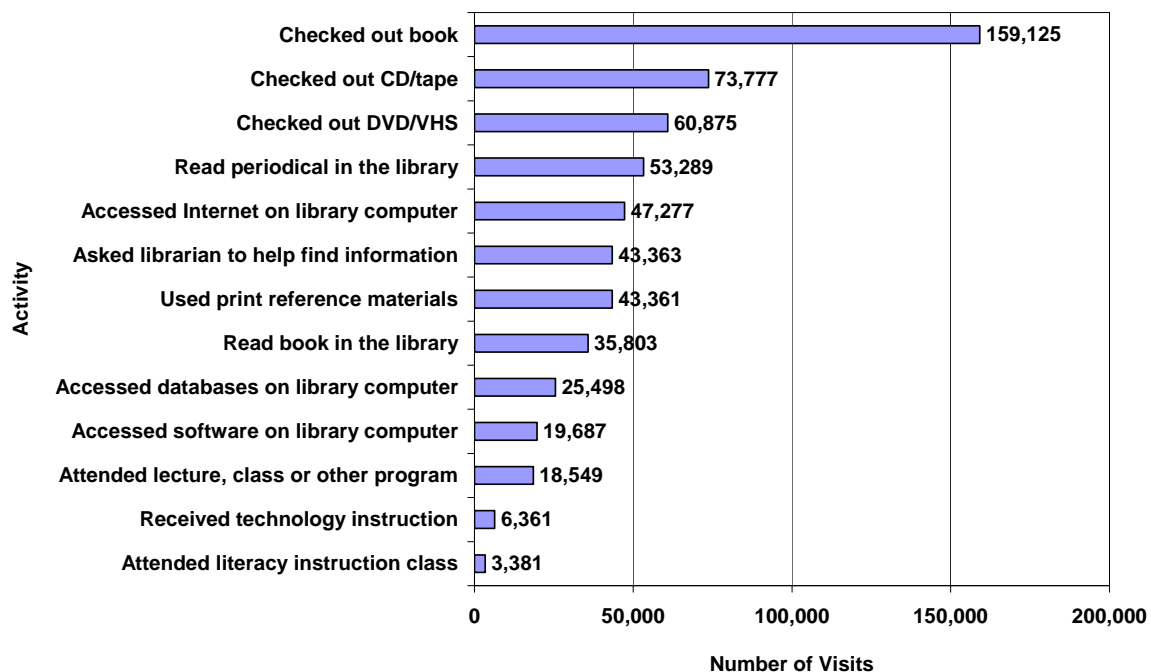
PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY

In 2006, there were 184,800 visits to the Cortez Public Library. 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 (159,125) resulted in the library user checking out a book (see Chart 2). Additionally, the concept of “library as place” remains strong. A large percentage of respondent visits included reading a book (19%) or periodical (29%) 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 over a quarter (26%) 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 - Cortez Public Library:
Number of Visits During Which Users Performed Specific Activities



Cortez Public Library Helping Businesses Succeed

The geographic placement of Cortez makes the library even more critical to the community. Ms. Cummins points out, “The kinds of things we access [at the library] are available for people via bookstores or the library by Fort Lewis College in Durango, CO (50 miles away). Most of the people taking our classes are also running their own businesses. Making a trip to Durango to access that library would be difficult. The Cortez Area Chamber of Commerce is a small organization serving the needs of businesses that have only limited funds for dues. Because of that, we would have to do without rather than purchase the business stacks ourselves.”

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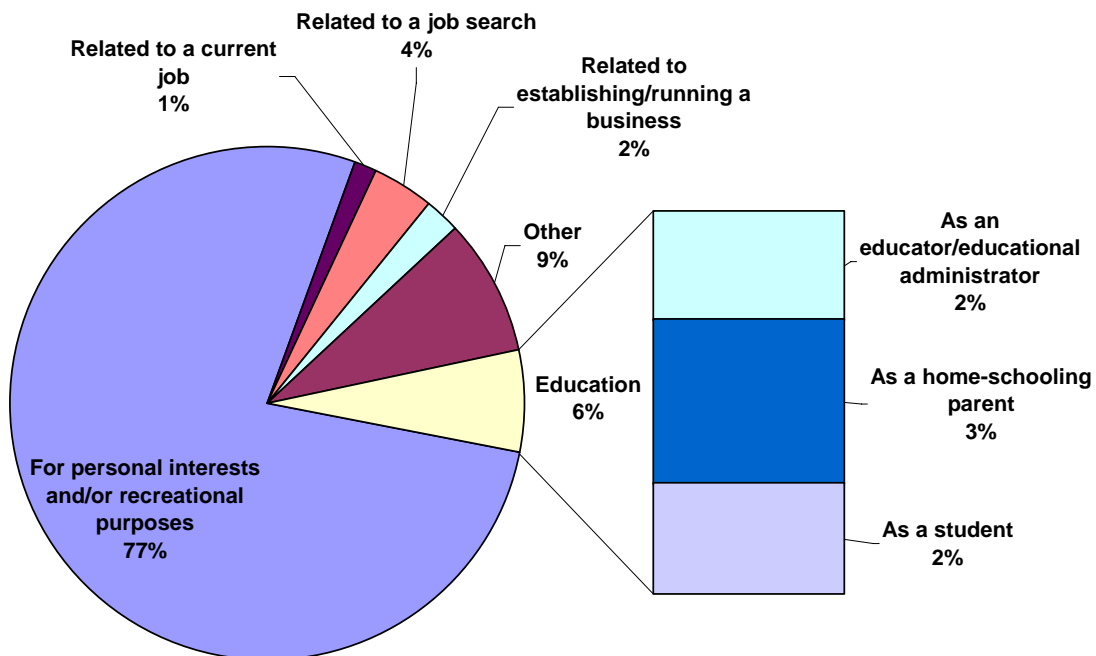
PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY

The majority of respondents (77%) reported coming to the library primarily for personal interests and/or recreational purposes (see Chart 3). In addition, respondents came to the library for educational purposes (6%), 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 - Cortez Public Library:
Primary Reason for Respondent's Trip to Library



Note: Due to rounding, percentages may not add up to 100%.

Cortez Public Library Serving the Community

Cortez Public Library reaches out to patrons of all ages. In 2006, kids logged 14,800 hours of reading during their Summer Reading Program. A weekly pre-school story hour draws younger children. Each year all 7th graders and kindergartners visit the library to get library cards. The library's Thursday programs featuring professional performers draw an average of 260 people. It is the official academic library for Pueblo Community College's branch in Cortez.

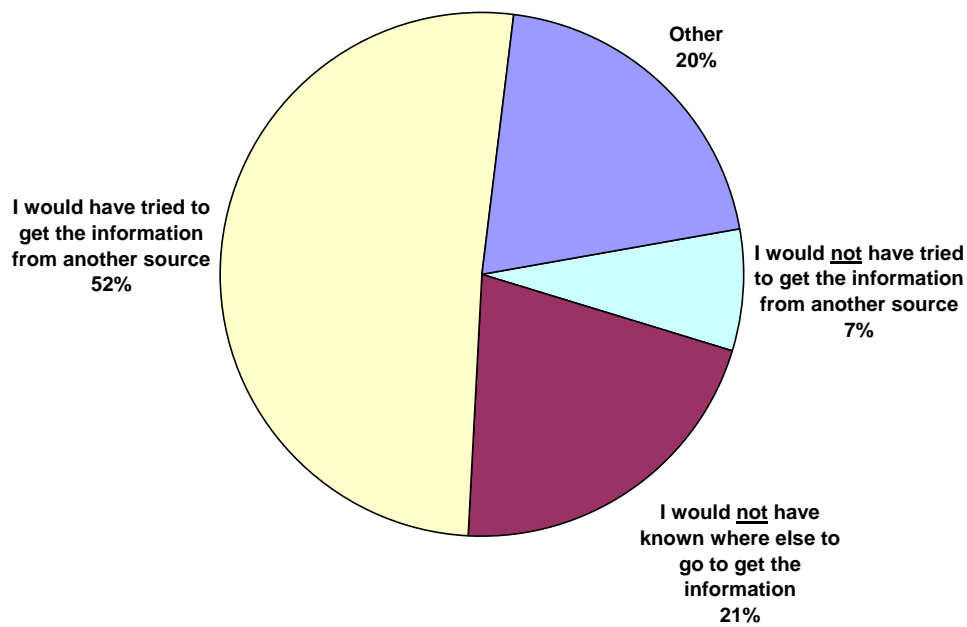
PUBLIC LIBRARIES – A WISE INVESTMENT

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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 (52%) said that they would have tried to get the information elsewhere (see Chart 4). However, 21 percent would not have known where else to go to get the information they received at the library, and another 7 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 - Cortez Public Library:
Respondent's Alternative Strategy for Meeting Information Needs
If Library Did Not Exist



Cortez Public Library Patron Comments

"Libraries are an important part of a society. The form libraries take may change over time, but access to credible information for a society is crucial."

"It's very essential for many reasons to have library access and near to where I live. I use the library every week for one purposes or another and could not afford to resort to purchasing books because of lack of resources in libraries!"

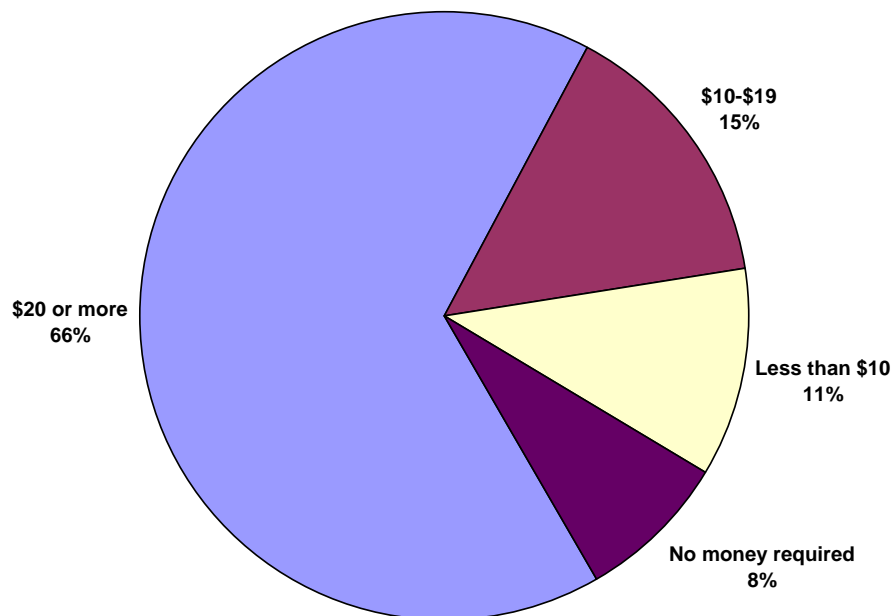
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CORTEZ PUBLIC LIBRARY

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. Two-thirds (66%) of Cortez Public Library respondents said that they would have spent at least \$20 to have their information needs met elsewhere. Fewer than one in ten (8%) 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 - Cortez Public Library:
Respondent's Estimated Cost of Alternatives to Library Resources**



Cortez Public Library Patron Comments

“Libraries should not be evaluated in financial terms. They are worth more to us as people than money can every buy. My library card is worth a fortune but only because it's free!”

“Our library is a vital resource in our rural area.”

“I think of the many things that taxes are used for, our public libraries and universities are essential uses of tax dollars as hallmarks of advanced cultures.”

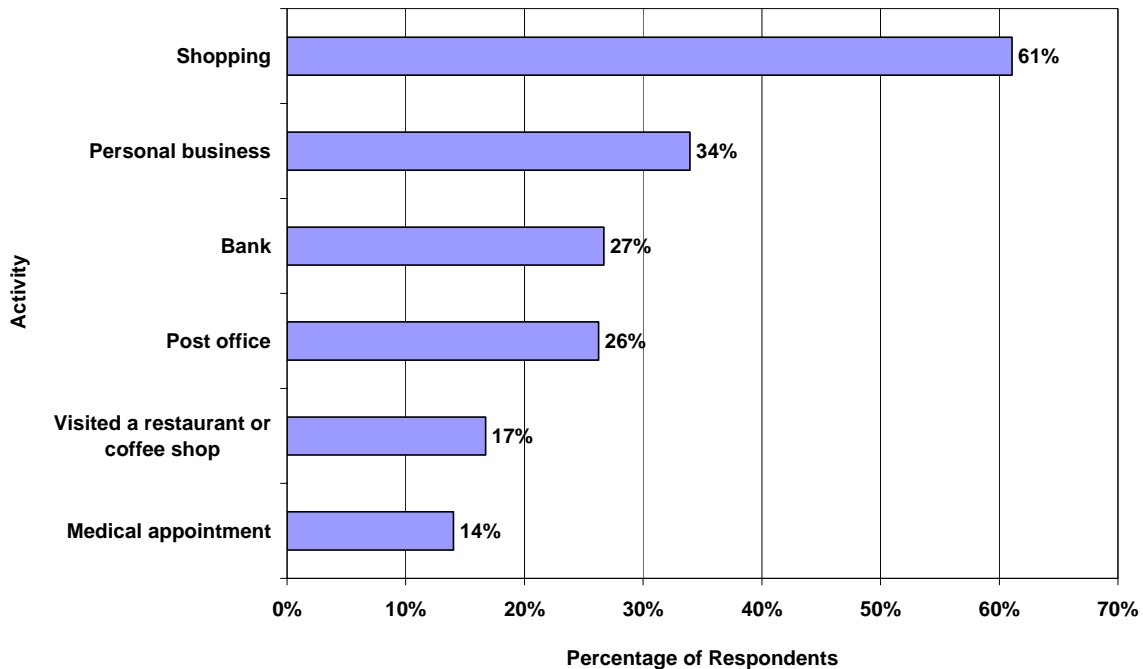
PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY

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 61 percent of respondents, was shopping (see Chart 6). Many respondents also reported attending to personal business during their trip (34%), going to the bank (27%), or stopping by the post office (26%). More than one in ten said they visited a restaurant or coffee shop (17%) or went to a medical appointment (14%).⁸

Chart 6

Return on Investment - Cortez Public Library:
Activities Performed by Respondent on the Same Trip as Library Visit



Cortez Public Library Patron Comments

“My public library helps me be more human - or a better human. Fills a need beyond books - reflects a more interesting community.”

“One of my favorite stops in town. Great asset to the community.”

“An important asset to Cortez (Rate A+).”

⁸ 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.

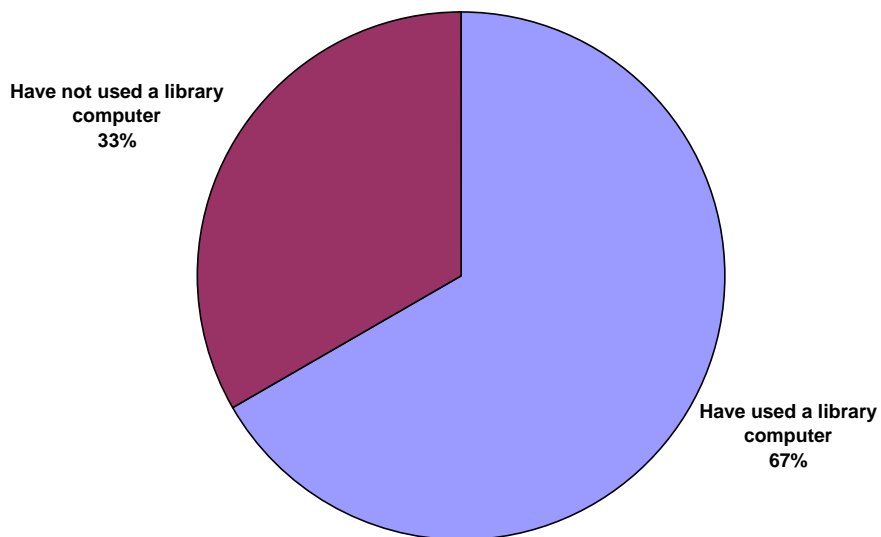
PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY

Cortez Public Library's computers are extremely popular with their users. Two out of three respondents (67%) reported having used a library computer at some point (see Chart 7). The fact that so many patrons are using computers suggests that Cortez Public Library is serving as a location to bridge the digital divide.

Chart 7

**Return on Investment - Cortez Public Library:
Percentage of Respondents Who Have Used a Library Computer**



Cortez Public Library Patron Comments

“The public library has been invaluable to me and my family. It is our main source of leisure time- reading that is. We seldom buy books but visit our library at least once a week. My husband uses the internet there. We are retired and can't imagine our lives without this wonderful source.”

“Next to schools and hospitals, libraries are the most important service a community can provide to its residents.”

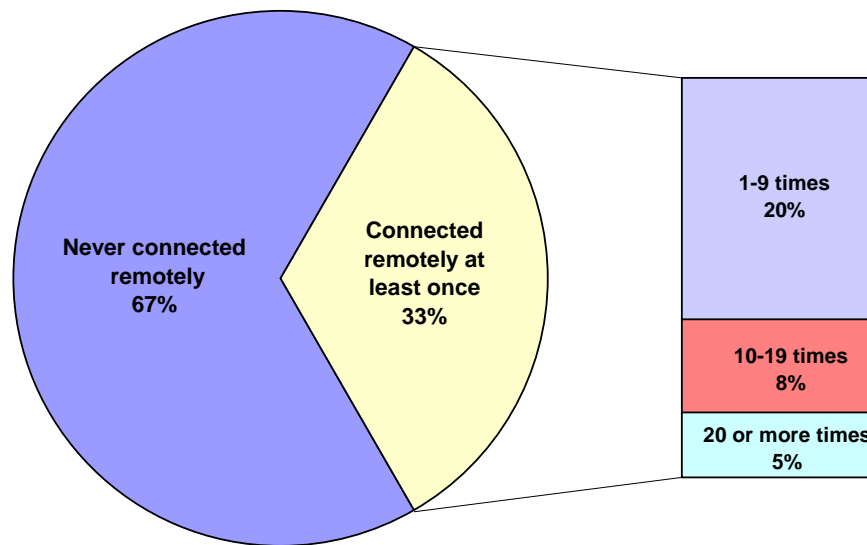
PUBLIC LIBRARIES – A WISE INVESTMENT

CORTEZ PUBLIC LIBRARY

In addition to in-library use, many of Cortez Public Library’s users connect to libraries from home. One-third of the respondents to this survey (33%) had connected to a Colorado public library from a home computer in the past twelve months (See Chart 8). Most users connected to a library 1 to 9 times within the last 12 months. 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 - Cortez Public Library:
Number of Times Respondent Connected to a Colorado Public Library
from a Home Computer in Last 12 Months**



Cortez Public Library Public Comments

“The Cortez Library is extremely good for this community. I see students on computers and in the book and audio aisles every time I am in the Library. I find the selection appropriate, the staff knowledgeable and helpful. Our library is an asset to this town and is being used and appreciated frequently by all types of residents of Cortez, young, older, students, homemakers and those seeking to use the books available.”

“Our public library is operating on a TINY budget, but still manages to have incredible services and materials.”

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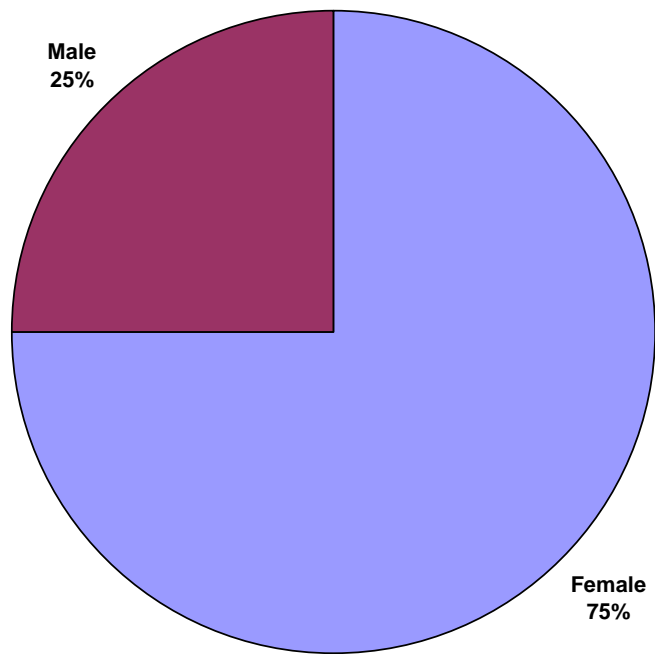
CORTEZ PUBLIC LIBRARY

Demographics

The following five charts illustrate the demographics of the respondents to the Cortez Public Library 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 - Cortez Public Library:
Respondents by Gender**



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CORTEZ PUBLIC LIBRARY

Chart 10

Return on Investment - Cortez Public Library:
Respondents by Age

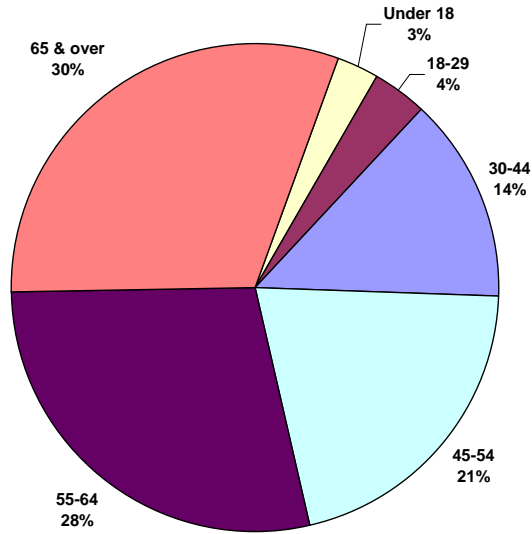
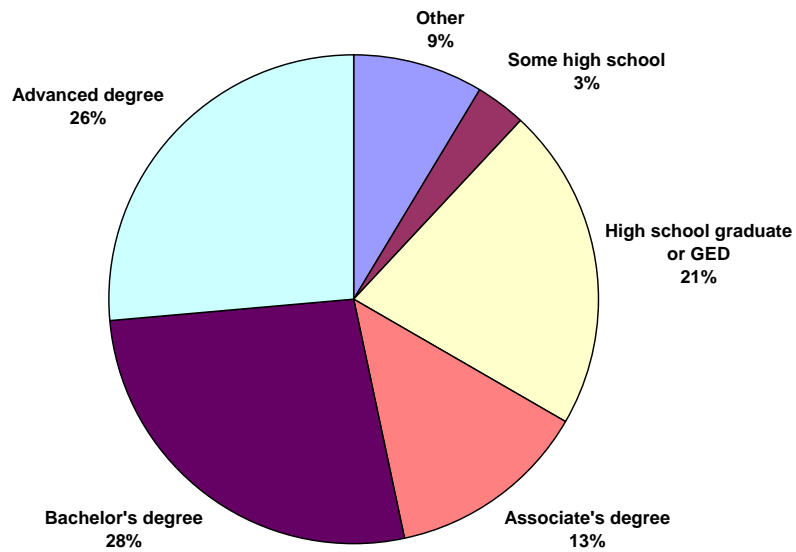


Chart 11

Return on Investment - Cortez Public Library:
Respondents by Highest Level of Education

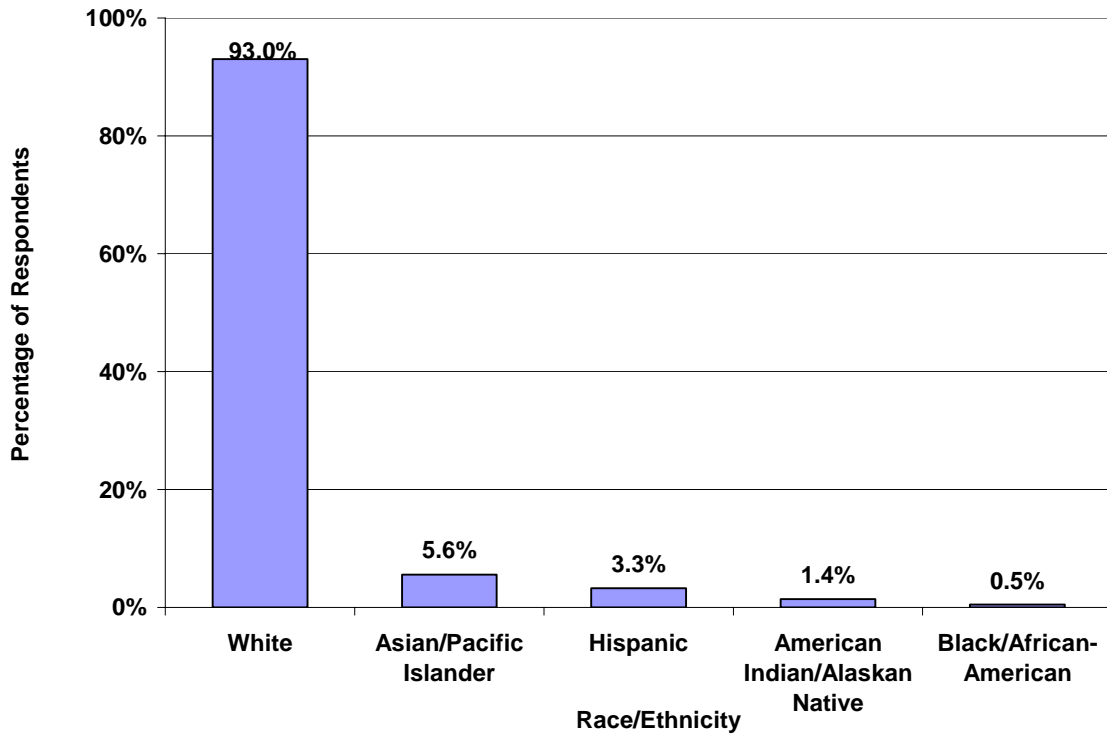


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Chart 12

Return on Investment - Cortez Public Library:
Respondents by Race and Ethnicity



Respondents could choose more than one race/ethnicity.

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Chart 13

Return on Investment - Cortez Public Library:
Respondent's Personal and Household Income

