

PUBLIC LIBRARIES – A WISE INVESTMENT

EAGLE VALLEY LIBRARY DISTRICT



Eagle Valley 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 Eagle Valley Library District, \$4.28 of value is returned to the community.**¹

Returns on Investment Eagle Valley Library District²

- 70%** Over two-thirds of Eagle Valley Library District patrons said they would have spent \$20 or more getting their information from another source if the library did not exist.
- 77%** Three out of four Eagle Valley Library District patrons have used a library computer.
- 293,365** Patrons came to Eagle Valley Library District specifically to check out books nearly 300,000 times in the previous 12 months.
- 62%** Nearly two-thirds of Eagle Valley Library District patrons come to the library over 25 times per year.
- 44%** Almost half of Eagle Valley Library District 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.

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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.³

Table 1

Return on Investment Factors – Eagle Valley Library District⁴

Cost to Use Alternatives	\$14,187,431
Lost Use	\$780,482
Direct Local Expenditures	\$284,704
Compensation for Library Staff	\$2,135,617
Halo Spending	\$895,959
Total Return on Investment	\$18,284,193
Total Local Investment	÷ \$4,275,823
Return per Dollar Invested	\$4.28

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.

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Eagle Valley Library District at a Glance

Eagle Valley Library District is located in the heart of the Colorado Rocky Mountains. It is organized as a library district and has a legal service area population of 40,107.⁵ It consists of three branches located in Avon, Eagle, and Gypsum. The collection includes over 128,000 print volumes, 7,000 audios, 9,000 videos, and 500 periodicals. To access electronic resources, it also has 42 public access computers.

Table 2
Selected Statistics for
Eagle Valley Library District⁶

Description	Total	Ratio⁷
Circulation	124,920	9.3 per capita
Visits	345,353	8.6 per capita
Library Programs	1,957	698 Program attendees per 1,000 served
Public Access Computers	42	1.05 per 1,000 served

Funded primarily through local revenue (93.7%), Eagle Valley Library District receives \$4.3 million in funds from a district mill levy and just over \$287,000 in other operating revenue.⁸ Local revenue per capita is \$106.61. Because this study examines the return on investment for each library's community⁹, only local revenue is used in calculating the monetary contribution of community members to each library.

⁵Metropolitan 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).

⁶ 2006 Colorado Public Library Annual Report (accessible at www.LRS.org).

⁷ Per capita is figured using legal service area (LSA) population (accessible at http://www.lrs.org/pub_stats.php).

⁸ 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).

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

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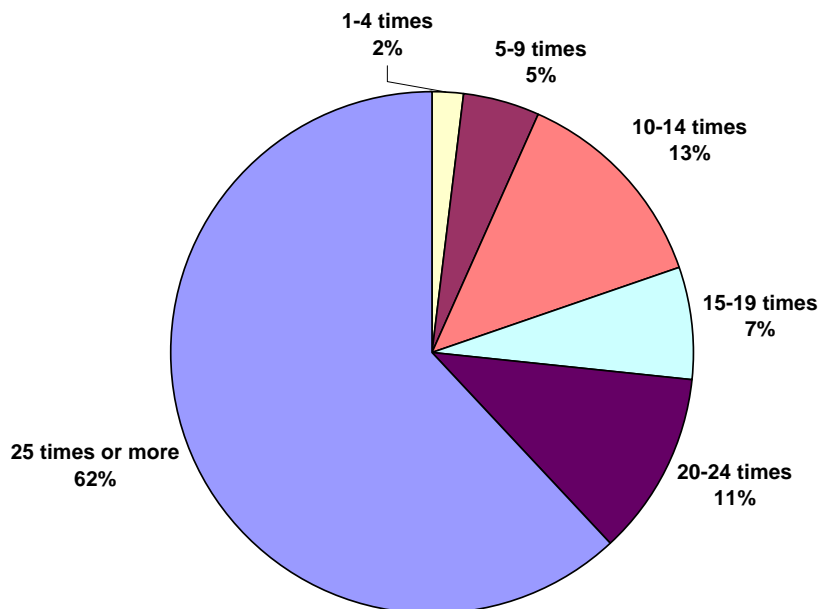
SURVEY RESULTS

Library Use

Once through the doors, visitors to Eagle Valley Library District tend to be heavy users of library resources. Of the library visitors who responded to the ROI survey, nearly two-thirds 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 31 percent had visited on about a monthly basis over the previous year - between 10 and 24 times. Only 2 percent of respondents said that they visited the library fewer than 5 times in the previous 12 months.

Chart 1

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



Eagle Valley Library District Patron Comments

"I read voraciously and eclectically. I wouldn't know what to do without the library. I make use of the research database and interlibrary loan as well as checking out books. It would easily cost me \$1000 per year (even at used book store prices and trading with friends) for the 150 or so books I read each year."

"My children and I use the library resource several times weekly and find it to be priceless."

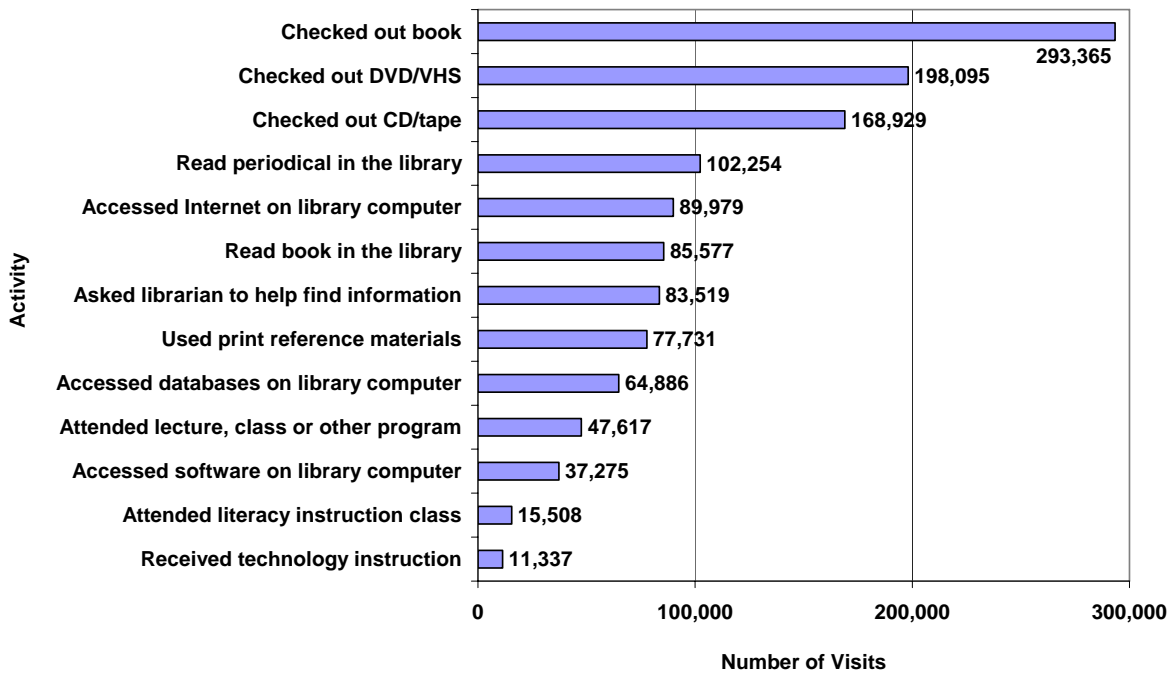
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In 2006, there were 345,353 visits to the Eagle Valley Library District. Despite the changing ways in which the public uses libraries, checking out materials remains the primary reason for library visits. Over three-quarters of these visits (293,365) resulted in the library user checking out a book (see Chart 2). Additionally, the concept of “library as place” remains strong. At least one-quarter of respondent visits included reading a book (25%) or periodical (30%) 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 26 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 - Eagle Valley Library District:
Number of Visits During Which Users Performed Specific Activities



Eagle Valley Library District Patron Comments

“Our libraries serve so many needs. There are always kids, teenagers using the facilities for study homework and a safe place for after school. It is also a place where non-English speakers can find material and classes. Some provide free baby sitting while the parents attend ESL classes. I am very impressed with our library district.”

“The Gypsum Public [branch] library is a wonderful and irreplaceable entity in our community...It is the community's host to learning, teaching, & gathering together. It is our core.”

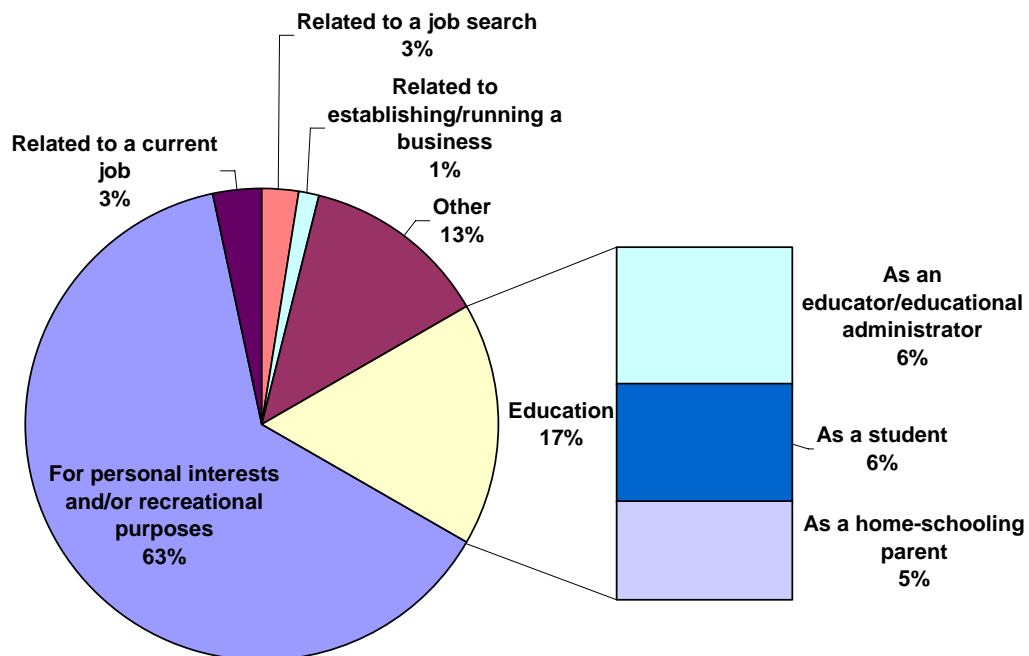
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The majority of respondents (63%) reported coming to the library primarily for personal interests and/or recreational purposes (see Chart 3). In addition, a large percentage of respondents came to the library for educational purposes (17%), meeting their needs as students, educators, and home-schooling parents. Job-related reasons also attracted visitors to the library (7%).

Chart 3

Return on Investment - Eagle Valley Library District:
Primary Reason for Respondent's Trip to Library



Eagle Valley Library District Patron Comments

"They are incredibly helpful - I did most of my PhD research with their help as a mountain community resident, they saved me numerous trips to Denver."

"I value it both from a personal perspective and an educator's."

"I love the library and can't imagine being without this library. I know whatever information or book I need, I am able to get it through the library."

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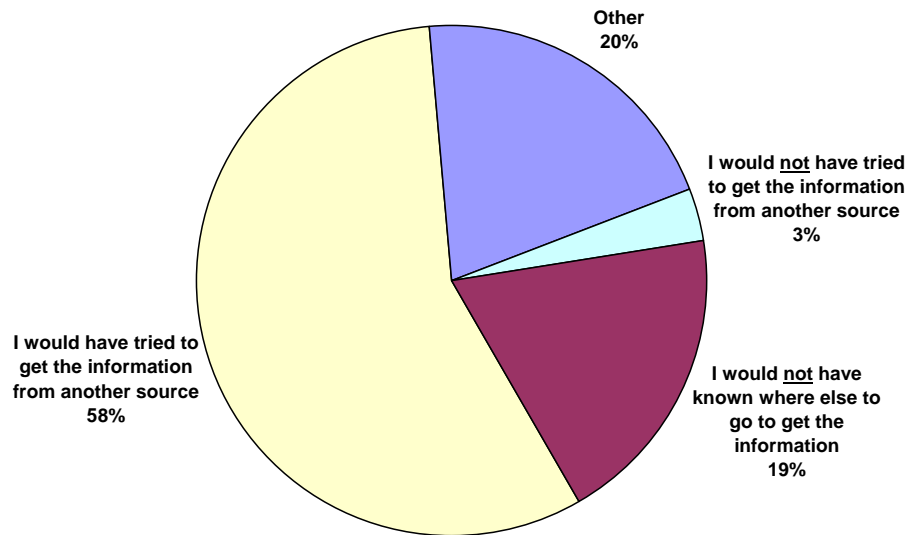
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Alternatives to Library Use

When asked what they would do to meet their information needs if the library did not exist, a majority of respondents (58%) said that they would have tried to get the information elsewhere (see Chart 4). However, 19 percent would not have known where else to go to get the information they received at the library, and another 3 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 - Eagle Valley Library District:
Respondent's Alternative Strategy for Meeting Information Needs
If Library Did Not Exist**



Eagle Valley Library District Patron Comments

“An invaluable and irreplaceable resource.”

“Libraries are indispensable to me...I am always amazed that my library has always gotten every book I've requested”

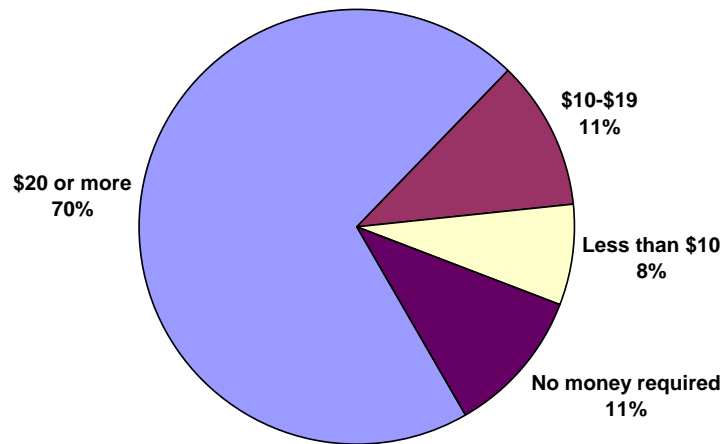
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Obtaining the information received during library visits would be expensive if acquired through alternative means. Respondents who would have tried to meet their information needs using an alternative source were asked to estimate how much money they would have spent using the other source. Over two-thirds (70%) of Eagle Valley Library District respondents said that they would have spent at least \$20 to have their information needs met elsewhere. Just over one in ten (11%) 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 - Eagle Valley Library District:
Respondent's Estimated Cost of Alternatives to Library Resources**



Eagle Valley Library District Patron Comments

“You can't possibly put a monetary value on the benefits our public libraries provide.”

“We LOVE our library! It is without a doubt the most valuable tax supported entity available to the mass public.”

“It is a vital part of the community, and a huge bargain to the taxpayers.”

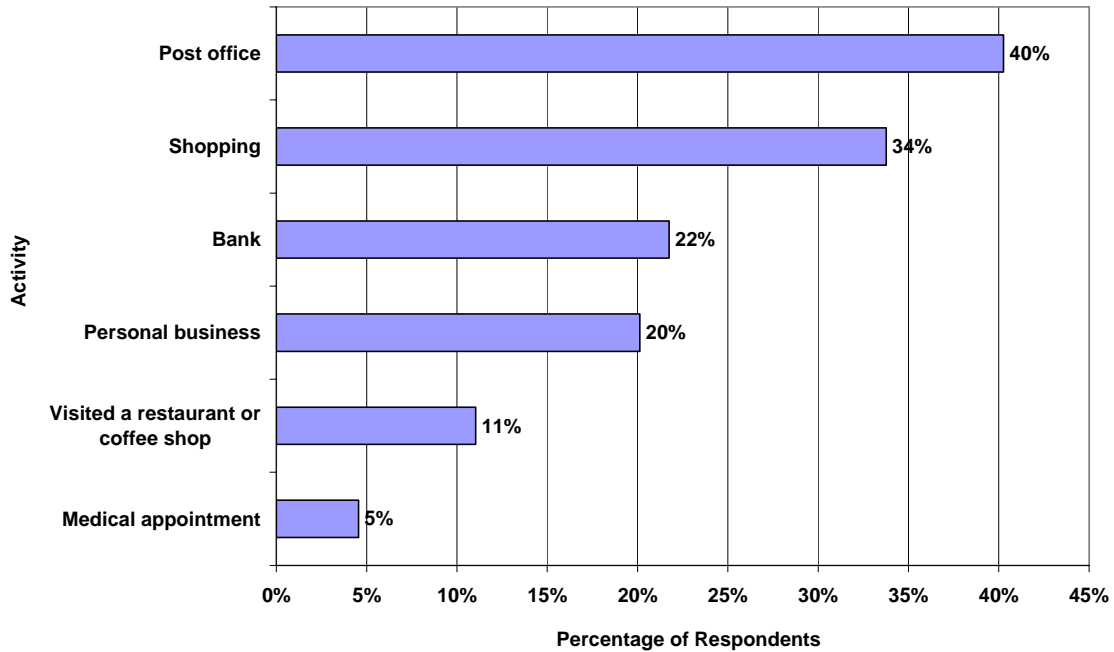
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Many respondents to the survey reported doing other activities or errands during the same trip as their visit to the library. The most likely peripheral activity, with 40 percent of respondents, was going to the post office (see Chart 6). Shopping was next most popular with 34 percent of respondents. Many respondents also reported going to the bank (22%) and attending to personal business during their trip (20%). More than one in ten said they also visited a restaurant or coffee shop (11%).¹⁰

Chart 6

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



Eagle Valley Library District Patron Comments

“I believe that it is the best public program we have.”

“I love it. Part of my consideration when I bought my home was how far away the library was.”

¹⁰ 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.

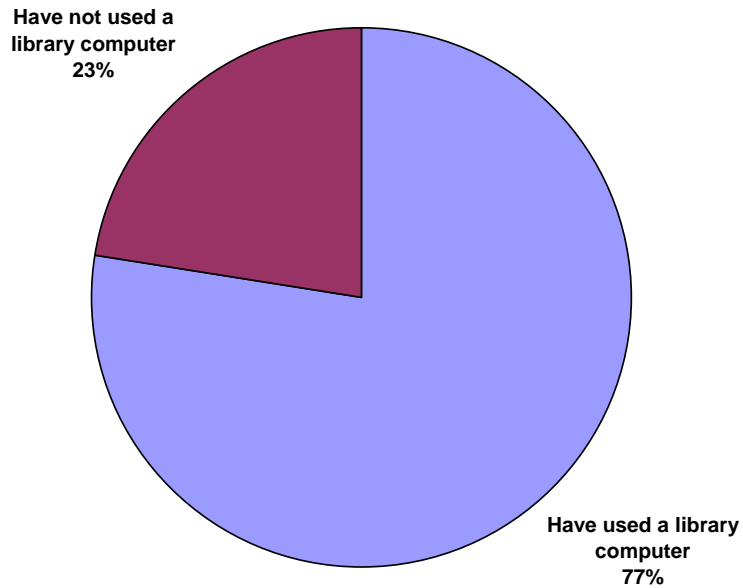
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Eagle Valley Library District's computers are extremely popular with their users. More than three out of four respondents (77%) reported having used a library computer at some point (see Chart 7). The fact that so many patrons are using computers suggests that Eagle Valley is serving as a location to bridge the digital divide.

Chart 7

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



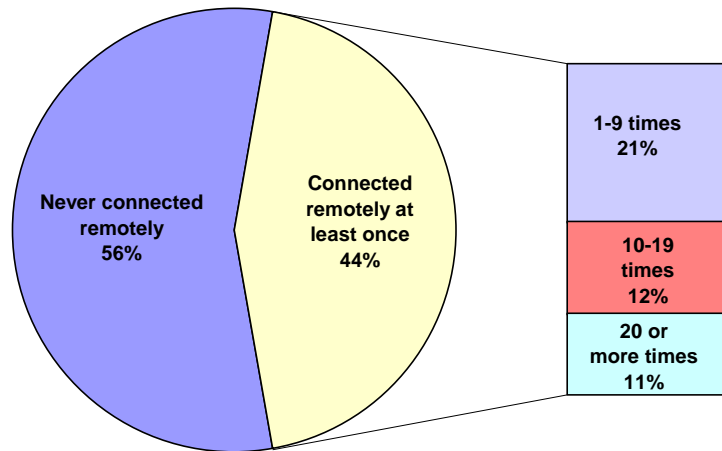
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In addition to in-library use, Eagle Valley Library District's users connect to libraries from home. Nearly half of the respondents to this survey (44%) had connected to a Colorado public library from a home computer in the past twelve months (See 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 - Eagle Valley Library District:
Number of Times Respondent Connected to a Colorado Public Library
from a Home Computer in Last 12 Months**



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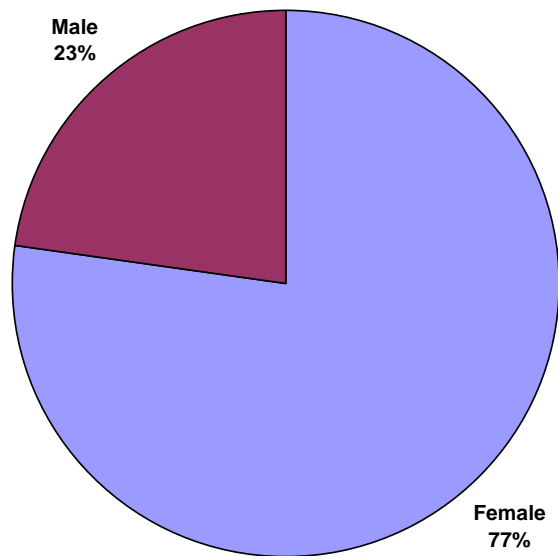
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Demographics

The following five charts illustrate the demographics of the respondents to the Eagle Valley 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 - Eagle Valley Library District:
Respondents by Gender**



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Chart 10

**Return on Investment - Eagle Valley Library District:
Respondents by Age**

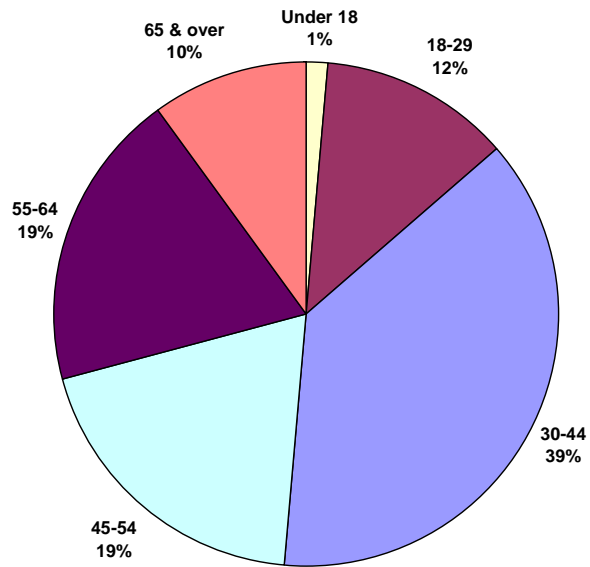
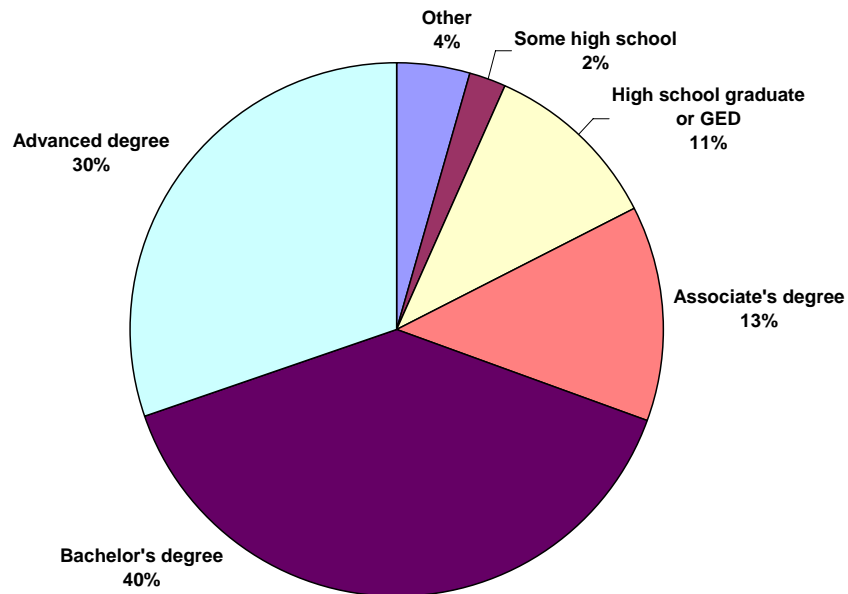


Chart 11

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

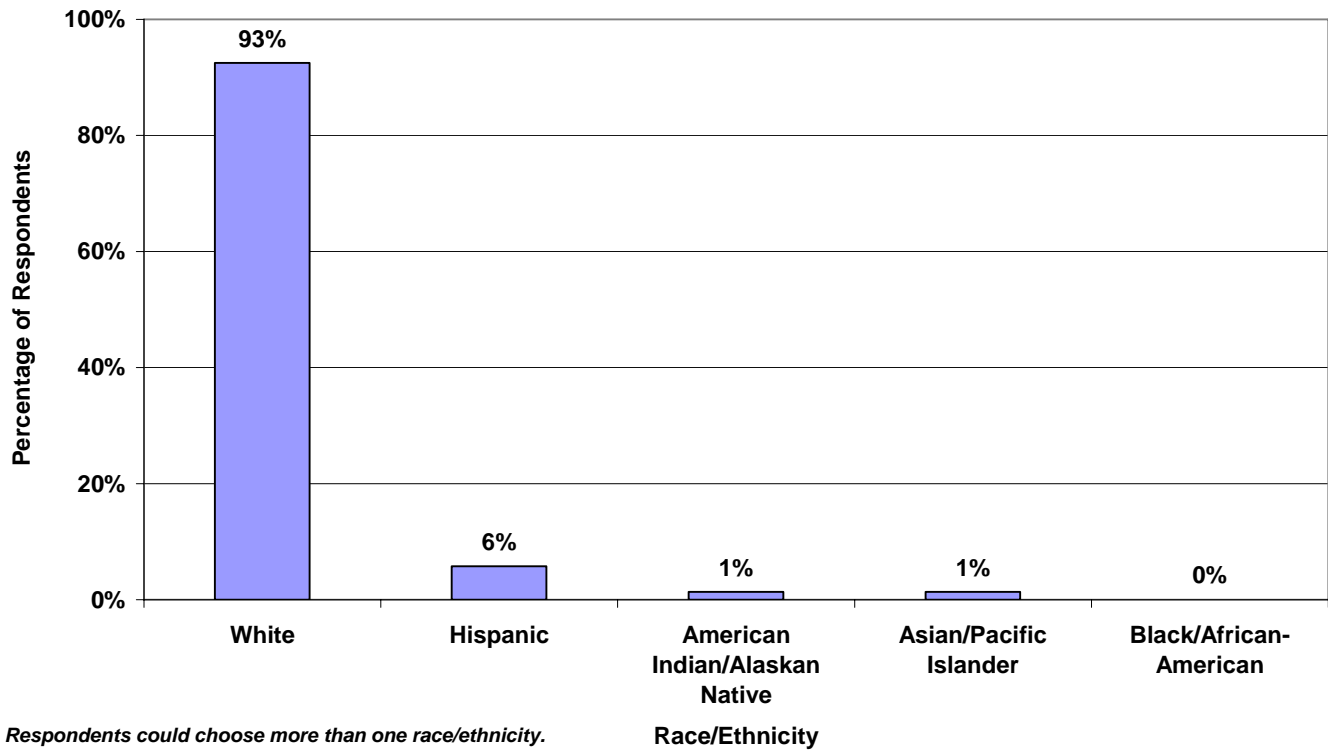


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Chart 12

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



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Chart 13

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

