

PUBLIC LIBRARIES – A WISE INVESTMENT

FORT MORGAN PUBLIC LIBRARY



Fort Morgan 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 Fort Morgan Public Library, \$8.80 of value is returned to the community.**¹

Returns on Investment Fort Morgan Public Library²

- 64%** Almost two out of three Fort Morgan Public Library patrons have used a library computer.
- 54%** Over half of Fort Morgan Public Library patrons said they would have spent \$20 or more getting their information from another source if the library did not exist.
- 44%** Nearly half of Fort Morgan Public Library patrons come to the library over 25 times per year.
- 71,744** Patrons came to Fort Morgan Public Library specifically to check out books nearly 72,000 times in the previous 12 months.
- 32%** Nearly a third of Fort Morgan 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.

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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 source.

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 – Fort Morgan Public Library ⁴	
Cost to Use Alternatives	\$3,101,256
Lost Use	\$145,169
Direct Local Expenditures	\$21,015
Compensation for Library Staff	\$326,423
Halo Spending	\$277,424
Total Return on Investment	\$3,871,287
Total Local Investment	÷ \$439,858
Return per Dollar Invested	\$8.80

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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Fort Morgan Public Library at a Glance

Fort Morgan Public Library is located on the eastern plains of Colorado. It is organized as a municipal library to serve residents of the town of Fort Morgan.⁵ It has a legal service area population of 10,968. It consists of one central library to serve that population. The collection includes over 39,000 print volumes, 2,300 audios, 2,600 videos, and 90 periodicals. To access electronic resources, it also has seven public access computers.

Table 2
Selected Statistics for
Fort Morgan Public Library⁶

Description	Total	Ratio ⁷
Circulation	\$439,858	9.4 per capita
Visits	98,243	9.0 per capita
Library Programs	107	388 Program attendees per 1,000 served
Public Access Computers	7	.64 per 1,000 served

Funded almost exclusively through local revenue, Fort Morgan Public Library receives \$439,858 in city general funds and \$300 in other operating revenue.⁸ Local revenue per capita is \$40.10. 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.

Though Fort Morgan Public Library is established and funded as a municipal library, it serves many of the residents of its county beyond the city limits. Nearly half of its registered borrowers (42%) reside outside the Legal Service Area of the library. Due to this discrepancy between funding and use, Fort Morgan 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.

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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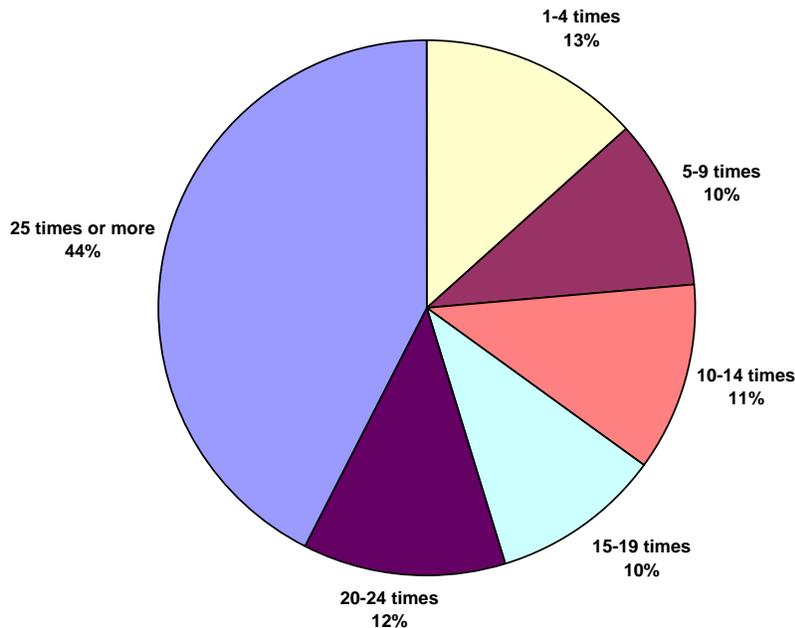
SURVEY RESULTS

Library Use

Once through the doors, visitors to Fort Morgan Public Library tend to be heavy users of library resources. Of the library visitors who responded to the ROI survey, 44 percent 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). One in three had visited on about a monthly basis over the previous year - between 10 and 24 times. Only 13 percentage of respondents said that they visited the library fewer than 5 times in the previous 12 months.

Chart 1

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



Fort Morgan Public Library Serving the Community's Educational Needs

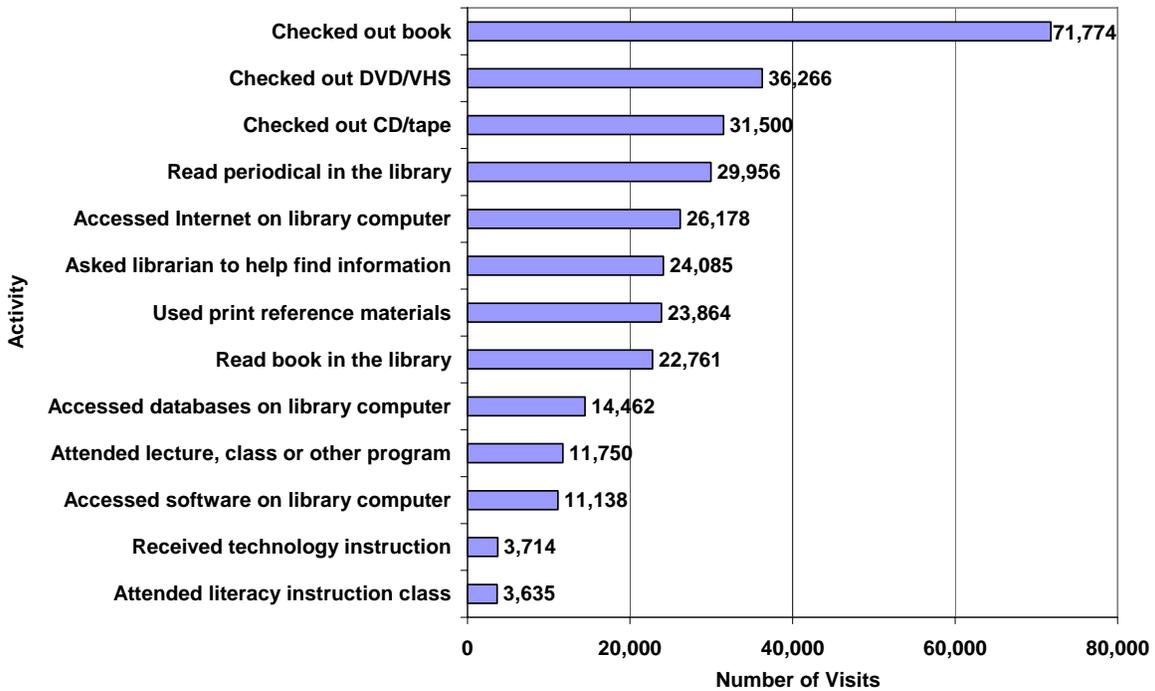
Fort Morgan Public Library is particularly active in adult education in its community. They work with Morgan Community College to provide program support for GED, ESL, and other Adult Education courses. The library provides workplace education in English and Spanish for employees of the Cargill Corporation, one of the largest employers in the county. In fact, Library Director Cathy Bosley goes to the worksite at Cargill to talk directly with employees about how the library can help them further their education. Library staff also works with Centennial BOCES in the development of their Migrant Education Program by providing Cinco de Mayo and Dia de los Muertos programs.

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In 2006, there were 98,243 visits to the Fort Morgan Public Library. Despite the changing ways in which the public uses libraries, checking out materials remains the primary reason for library visits. Nearly three-quarters of these visits (71,774) resulted in the library user checking out a book (see Chart 2). Additionally, the concept of “library as place” remains strong. A high percentage of respondent visits included reading a book (23%) 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 27 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 - Fort Morgan Public Library:
Number of Visits During Which Users Performed Specific Activities



Fort Morgan Public Library **Serving the Community’s Educational Needs**

Ft. Morgan Public Library provides many resources for children’s learning. Their Books for Kindergartners program includes a tour of the library, a craft project, and a book for the children to take home. The Books for Babies program uses board books provided by the local hospital to show new mothers how important it is to read to their children, and also provides preschool story time. Their 6-week Summer Reading program rewards kids for reading and allows them to participate in theme-related activities.

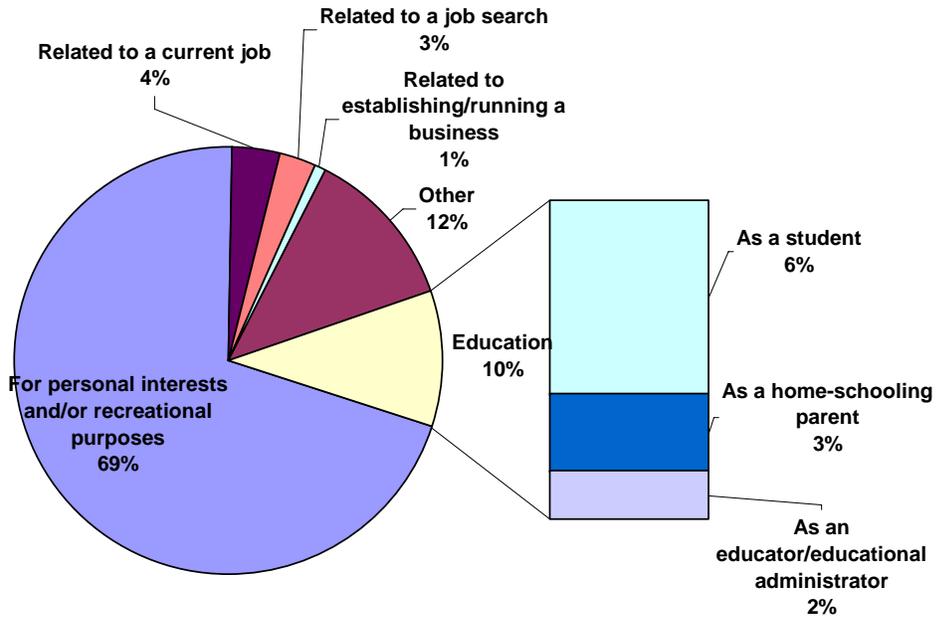
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The majority of respondents (69%) reported coming to the library primarily for personal interests and/or recreational purposes (see Chart 3). In addition, a large percentage of respondents came to the library for educational purposes (10%), meeting their needs as students, educators, and home-schooling parents. Job-related reasons also attracted visitors to the library (8%).

Chart 3

Return on Investment - Fort Morgan Public Library:
Primary Reason for Respondent's Trip to Library



Due to rounding total may not equal 100%.

Fort Morgan Public Library Patron Comments

"My children love to go to the library to pick out their "own" books to read. I am convinced they will have a better vocabulary and be better prepared for school because of the time spent reading the variety of books the library has to offer."

"As a home schooling family, we really appreciate our Fort Morgan Public Library! They have many good resources and are willing to try to accommodate our needs."

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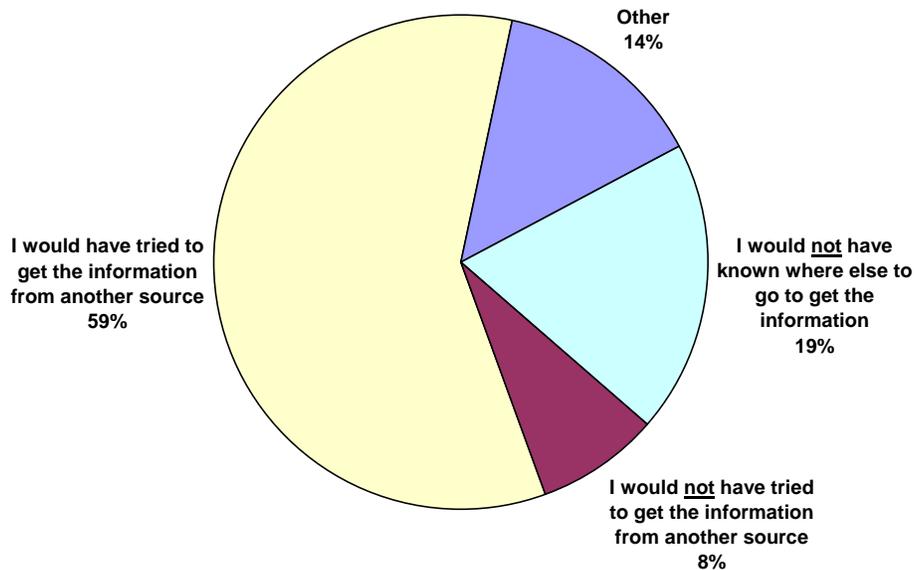
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Alternatives to Library Use

When asked what they would do to meet their information needs if the library did not exist, a majority of respondents (59%) 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 8 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 - Fort Morgan Public Library:
Respondent's Alternative Strategy for Meeting Information Needs
If Library Did Not Exist



Fort Morgan Public Library Patron Comments

"In our area - it is a must! We have no other resource for many materials."

"Our library is a marvelous asset to a smallish, semi-rural community...Its services are invaluable!"

"I believe the public library is a valuable source for information, job search, & other related purposes."

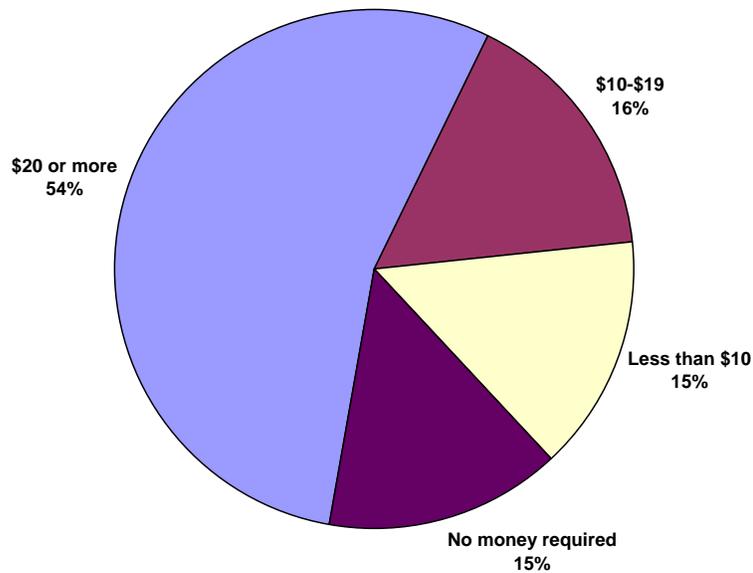
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Obtaining the information received during library visits would be expensive if acquired through alternative means. Respondents who would have tried to meet their information needs using an alternative source were asked to estimate how much money they would have spent using the other source. Over half (54%) of Fort Morgan Public Library respondents said that they would have spent at least \$20 to have their information needs met elsewhere. Fewer than one in five (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 - Fort Morgan Public Library:
Respondent's Estimated Cost of Alternatives to Library Resources**



Fort Morgan Public Library Patron Comments

“My children and I check out books and movies every week. We consider it a valuable resource that we never want to be without.”

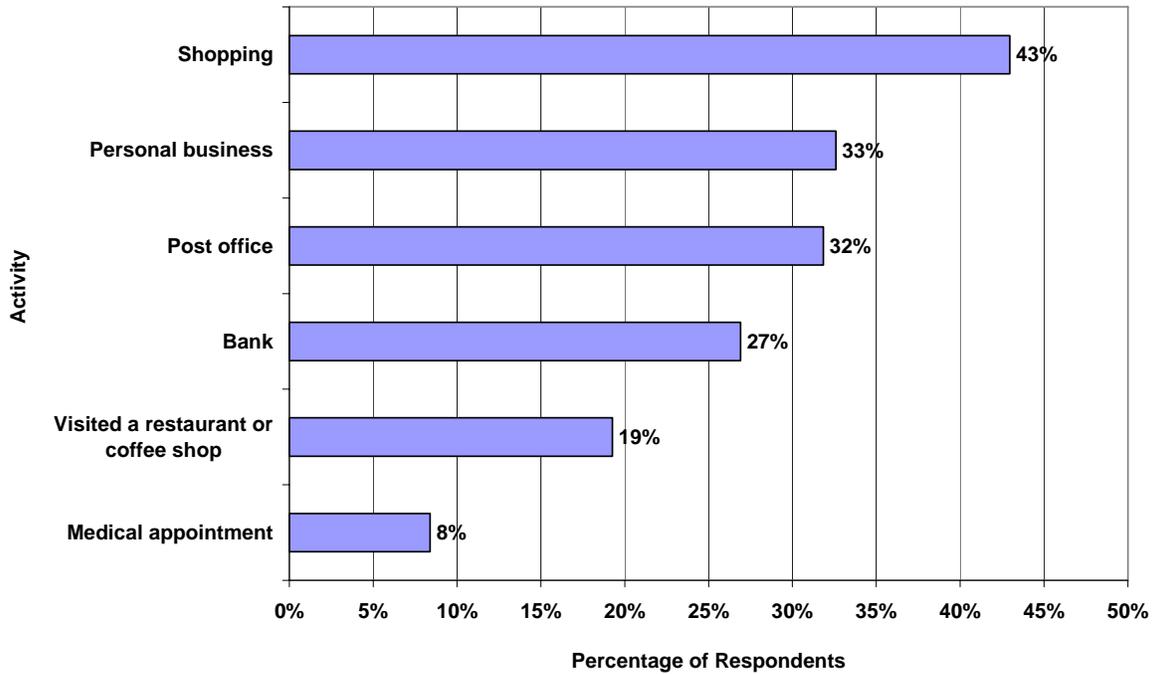
“The library is one of the greatest blessings of my life. I am so grateful to be able to have such a wonderful place where I can go and get free entertainment, check out best-selling books, find information from ample references, read my local newspapers, favorite magazines, and access the Internet. It's awesome!!!”

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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 43 percent of respondents, was shopping (see Chart 6). Many respondents also attended to personal business (33%) or went to the post office (32%) during their trip. Many reported going to the bank (27%) or going to a restaurant or coffee shop (19%).¹⁰

Chart 6
Return on Investment - Fort Morgan Public Library:
Activities Performed by Respondent on the Same Trip as Library Visit



Fort Morgan Public Library Patron Comments

“I enjoy using my public library very much, and consider it to be a valuable community resource.”

“One of the best things about my community.”

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.

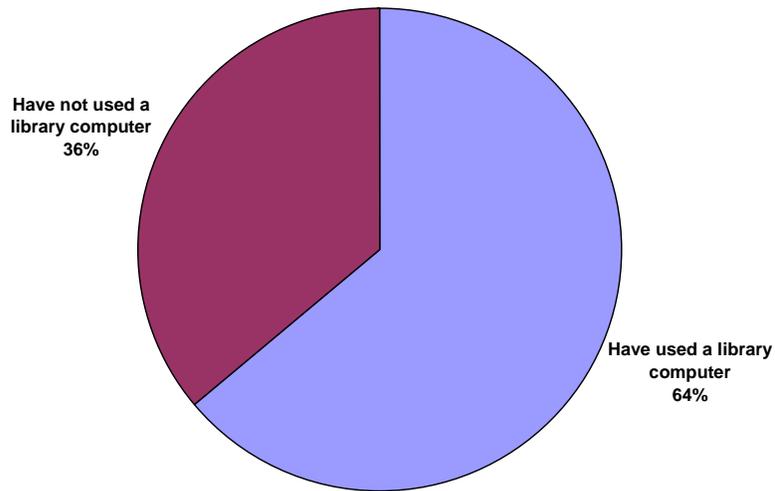
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Fort Morgan Public Library's computers are extremely popular with their users. Nearly two out of three respondents (64%) reported having used a library computer at some point (see Chart 7). The fact that so many patrons are using computers suggests that Fort Morgan Public Library is serving as a location to bridge the digital divide.

Chart 7

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



Fort Morgan Public Library Patron Comments

“Great place to look for jobs via computers.”

“It is one of the greatest assets of our community. My family could not live in a town without an active library”

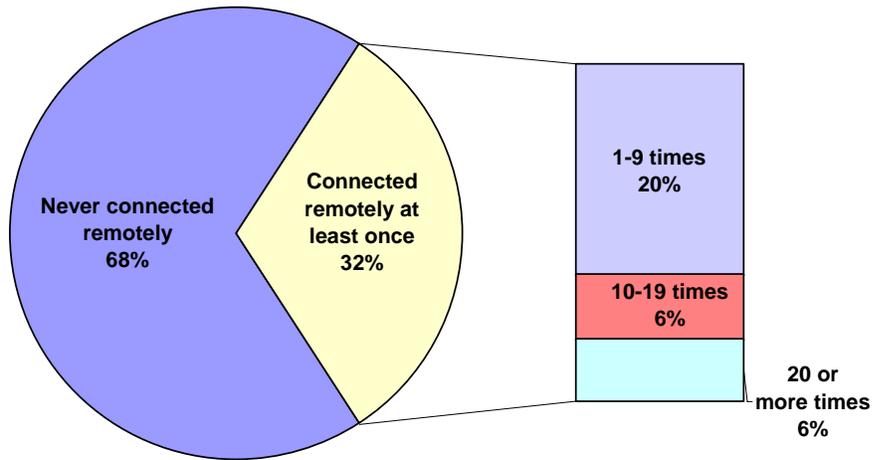
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In addition to in-library use, Fort Morgan Public Library’s users connect to libraries from home. Almost a third of the respondents to this survey (32%) had connected to a Colorado public library from a home computer in the past twelve months (See Chart 8).

Chart 8

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



Fort Morgan Public Library Patron Comments

“The library is like a piece of heaven here on earth. I can't imagine life without it.”

“I love it, and I do not know what I'd do without it!”

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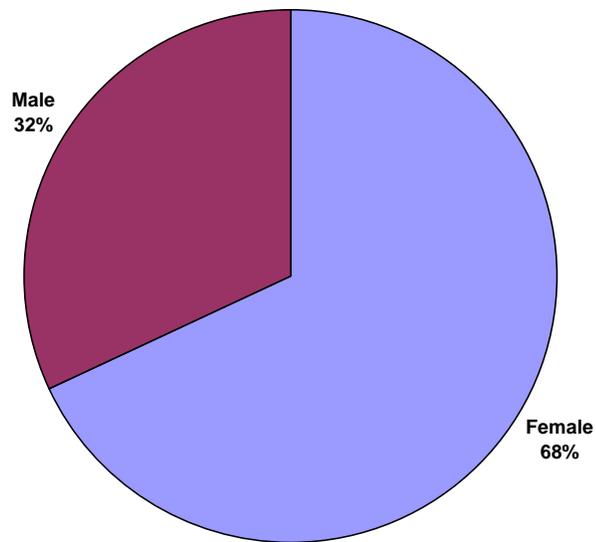
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Demographics

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



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Chart 10

Return on Investment - Fort Morgan Public Library:
Respondents by Age

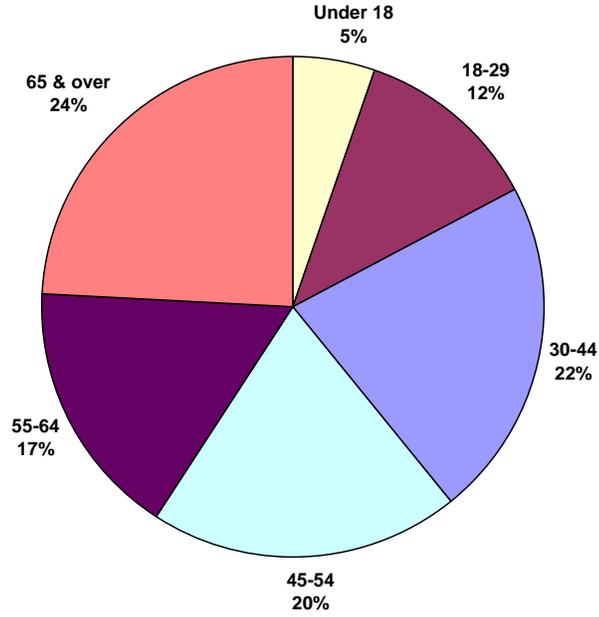
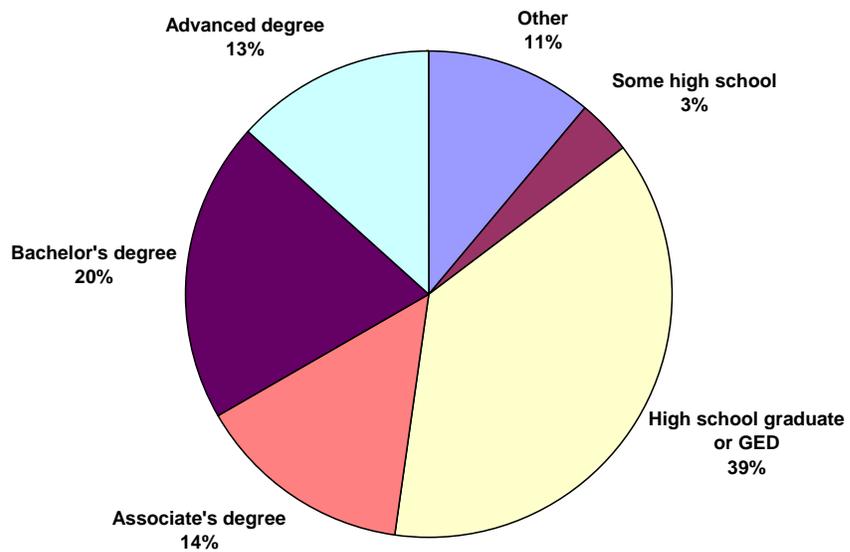


Chart 11

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

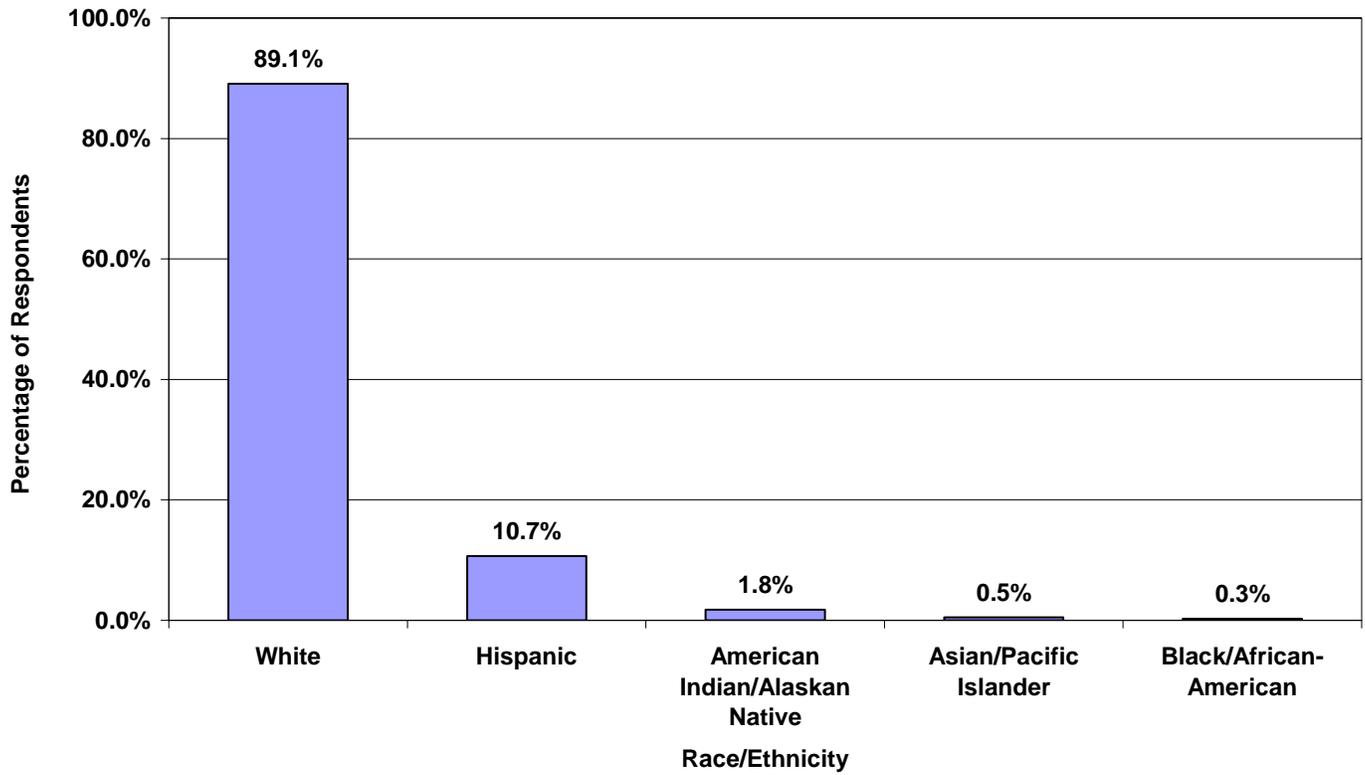


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Chart 12

**Return on Investment - Fort Morgan Public Library:
Respondents by Race and Ethnicity**



Respondents could choose more than one race/ethnicity.

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Chart 13

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

