Evaluating Public Libraries

FUTURE OF THE LIBRARY
TASK FORCE

THIRD MEETING
NOVEMBER 16, 2010

3:00-6:00 PM
MORRISON REGIONAL LIBRARY

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Measuring the Value of Public Libraries to Their Communities

"If you can't measure it you can't manage it."

An important trend in library management for decades has been the increasing use of metrics for management decision-making, planning and evaluation.

- *Assessing current levels of performance*
- *Diagnosing problem areas*
- *Comparing past, current, and desired levels of performance*
- *Monitoring progress towards mission, goals, and objectives*

Accountability

Libraries gather data not just for internal management purposes but to justify their use of public funding—how efficiently and effectively are they using taxpayer dollars to provide services.

Americans have been making large investments in their public libraries for well over a century–investments that continue today and these investments are reflected in the quality and quantity of public libraries found in the United states. It was generally understood that public libraries enrich the community in many ways and often libraries were not asked to justify their expenditures.

Making the Case

Libraries can no longer expect to be funded as a "public good" without providing evidence of how they are fulfilling their purpose.

In a era when there are many competing demands for public support there is recognition in all public libraries that new approaches to library advocacy are needed and that these approaches must involve "making the case" for the public library in quantitative terms.

How Can You Show that a Library is performing well?

What are the best methods for describing the library's performance to people and organizations outside of the library?

More and more funding agencies and government officials generally expect library directors to be conversant with the language used in the business world and libraries are beginning to respond with more sophisticated tools to measure the value of the public library.

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The most common techniques

OUTPUT MEASUREMENTS

Output measures

Most libraries collect output measures in an attempt to measure the goods and services produced by a program or organization and provided to the public.

Often these are categorized by the library's major services.

- Library Use
  - Annual Visits per capita/ door counts
  - Card holders as a percentage of people in the area served
  - Computer usage
  - Virtual visits

Output measures (cont.)

- Materials Use
  - Circulation per capita
  - In-Library Use of materials per capita
  - Turnover rate (average annual circulation per item held).
  - Collection statistics (items added, etc.)
- Materials Access
  - Title fill rate (proportion of specific titles sought found during a user's visit
  - Access to computers (how long does a patron wait)
  - Document Delivery (how long a user waits for materials not readily available.

Output Measures (cont.)

- Reference or Information Services
  - Reference transactions per capita (annual number of reference questions asked per person in area served).
  - Reference completion rate (proportion of reference questions asked that were completed on day they were asked.

- Programming
  - Program attendance per capita

- Other measures
  - Outreach visits
  - Volunteer activity (number of volunteers and volunteer hours)

Output measures are not sufficient

They measure what libraries do, not the benefits their constituents derive from them.

Funding agencies are more concerned about how much the public benefits from the resources provided to libraries, not how many volumes circulated during the last month.

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COMPARATIVE MEASURES

National Rankings

Hennen's American Public Library Ratings (HAPLR) and the Library Journal Index of Public Library Service (LJ Index) are two efforts to take multiple public library data elements that are collected nationally and distill them into a single measure of library "goodness."

National Rankings

Hennen's American Public Library Ratings (HAPLR) uses data provided by 9,000 public libraries in the United States to create comparative rankings that allow libraries to gauge where they score in comparison to other libraries of their size.
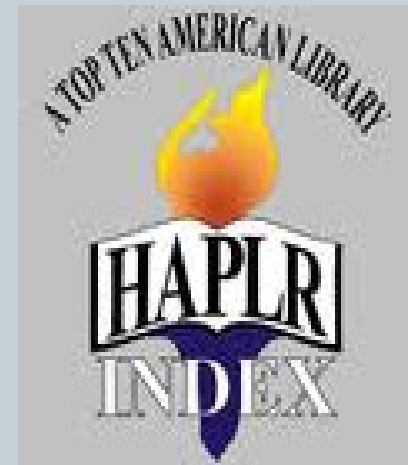
HAPLR's Inputs and Outputs

Inputs

Expenditures per capita

% of budget to materials

Materials expenditure per capita

FTE staff per 1,000 population

Periodicals per 1,000

Population

Volumes per capita

Outputs

Cost per circulation

Visits per capita

Collection turnover

Circulation per FTE staff hour

Circulation per capita

Reference per capita

Circulation per hour

Visits per hour

Circulation per visit

Another Comparative Ranking—LJ Star

Library Journal Index of Public Library Service Index uses 4 per capita measures:

1) library visits, 2) circulation, 3) program attendance and 4) public Internet computer uses.

 LJ has stated that these 4 measures were chosen because they correlate "strongly, positively and significantly."

These measures are not weighted, so each counts equally toward the library's score.

To a certain extent, both HAPLR and LJ are "beauty contests,"

Libraries that end up at the top of the list receive bragging rights. If a library scores highly, it has a good public relations opportunity to spread the word about how well it is doing.

High-scoring libraries might also be viewed as models of what good library service should bee.

However, because of the limitations of the data, a low-scoring library may be doing an excellent job of serving its community, but in ways that are not fully reflected in HAPLR/LJ. These numbers are only one part of the picture.

Benchmarking

Outside of these two national ranking systems many public libraries are systematically looking at peer libraries to make comparisons about performance. Peer libraries are typically identified as those with similar budgets, serving similar size populations.

Some are attempting to benchmark comparing their library to the performance of a "best practices" leader, and if there is a gap exploring way by which the library might close those gaps.

In 1985, the Toronto Public Library System conducted the first known library benchmarking study. Comparing Toronto practices to those of peer libraries led to a number of innovations and changes that improved efficiencies.

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COST/BENEFIT ANALYSIS

Move towards new economic approaches

Over the past ten years, public library valuation research and its tools and methods have been strongly influenced by terminology and analytical tools borrowed from economics,

A cost-benefit ratio is determined by dividing the projected benefits of a program by the projected costs. A wide range of variables, including nonquantitative ones such as quality of life, are often considered because the value of the benefits may be indirect or projected far into the future.

St. Louis PL was the first site to use CBA

Researchers there attempted to develop a methodology that large urban libraries could adapt to their own institutional settings.

With funding from the Public Library Association, the researchers tested the application of this methodology on the operations of the St. Louis Public Library (SLPL). This study demonstrated the feasibility of using CBA to measure library service outcomes.

CBA involves estimating the cost benefits

Usually focuses primarily on direct benefits to those who use or who have access to the services being measured. The library provided reading and information materials and services directly to its users. Those users benefited directly from those services.

Some have tried to look at indirect benefits but this is harder.

Elements of a CBA

Libraries categorize their library services and users into a service/user matrix. This matrix makes explicit the relationships among the components of a typical library's mission.

By identifying major classes of a library's customers (e.g., children, small business owners, educators, etc.) the matrix is customer-focused. By arraying customers against the library's portfolio of services (e.g., reference and reader's advisory adult materials, children's materials, etc.) a library's service and user categories become visually explicit

SERVICE-USER MATRIX

Taxonomy	Households	Teachers	Business
Books	x	x	x
Repair manuals	x		
Staff help	x	x	x
Financial			x
Computer	x	x	x

Elements in CBA

- This matrix becomes the basis for a series of measurements focusing on how much of which services the library's customers use and customers valuation of the services. Data is typically collected in telephone interviews.

Library Value Calculator
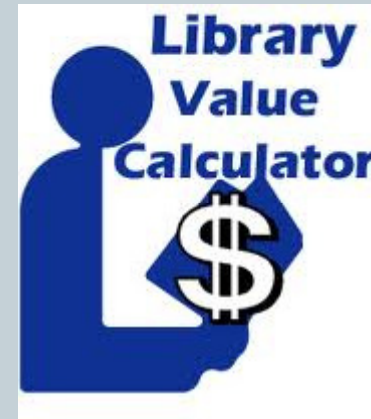
Willingness to Pay

Willingness to pay (WTP)

How much would a household pay to retain access to the library?

Example: Suppose that public libraries did not exist. How much would your household be willing to pay per year to allow you access to the books in your public library as it exists today?

Consumer Surplus

Consumer surplus measures the value that consumers place on the consumption of a good or service in excess of what they must pay to get it.

Although library services typically are free, many substitutes for library services are available in the marketplace. The willingness of library users to purchase such substitutes if the library service were not available is one indicator of the value that the user places on the particular library service.

These calculations are used to provide an estimate of total direct annual benefits for all library users measured in dollars.

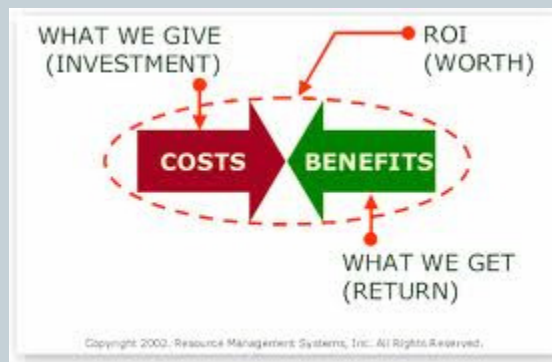# Evaluating Public Libraries
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RETURN ON INVESTMENT STUDIES

Return on Investment

Return on Investment (ROI) refers to the income, or value, received as a result of an amount invested in an asset. In terms of public libraries, ROI refers to the return on the public's investment (i.e. tax dollars) in its libraries.

Many states and cities are looking at ROI

What is the return on each taxpayer dollar used to support public libraries?

- In Florida: for every $1.00 of taxpayer dollars spent on public libraries, income (wages) increases by $12.66

- In South Carolina: In return for an investment of $77.5 million, public libraries pump $347 million into the state's economy

- **The Charlotte Mecklenburg Library returns between $3.15 and $4.57 in direct benefits for every $1.00 invested from all sources.**

Making progress toward valuation but not there yet

Identifying and communicating the economic value of our public libraries is critical to the funding, support and, ultimately, the existence of public libraries but there is no "perfect" method yet devised to precisely value public libraries.

Everyone wants a simple formula but it is not that easy:

- Libraries and their communities are not uniform
- Factors being measured are often intangible and hard to measure precisely
- Approaches used to date are not usually generalizable to other libraries

Questions?