

# THE PUBLIC LIBRARY AS AN ECONOMIC GENERATOR

Public libraries benefit the entire community by providing lifelong learning opportunities to enrich, educate and entertain, but they are also catalysts for economic development.

However, what is the actual economic value of a public library? This question is being asked across North America as public libraries quantify library services and assess their direct and indirect economic impact on the community. For example:

▶ The iconic [Seattle Public Library](#) opened in 2004 and generated \$16 million in new spending in its first year of operation.



▶ The [Free Library of Philadelphia](#) economic impact study concluded that the library created more than \$30 million in economic value in 2010.

▶ The [Halifax Public Library](#) economic impact study of 2009 estimated that the central library project would create 175 permanent jobs and



provincial gross domestic product of \$11,102,394 for a typical year of operation. Their spectacular new central library opens [this fall](#).

▶ The 2007 [Urban Institute](#) study, [Making Cities Stronger](#), researched the economic impact of public libraries on cities. The report highlighted:

- Early literacy, job seeking and small business programs that contribute to local economic development
- Ways in which library construction is being used to support economic development initiatives

The study concluded that public libraries are powerful tools for cities, building strong and resilient economies.

▶ In 2013 the [Toronto Public Library](#) commissioned the first Canadian study to measure the library's economic impact on Toronto. [So much more: the economic impact of the Toronto Public library on the City of Toronto](#) concluded that:

- The total economic impact of the Toronto Public Library on the city was \$1 billion annually
- For every dollar invested in the Toronto Public Library, Torontonians receive \$5.63 in value
- The average value of services used by a Toronto Public Library customer is \$502.15 annually

# THE PUBLIC LIBRARY AS AN ECONOMIC GENERATOR

## GPL as an economic generator

Over 29 million people have used the Guelph main library in the last 49 years; it is the most frequently used recreational facility in the city. However, is it a good return on the taxpayer's investment?



For every dollar invested in the [Guelph Public Library](#) approximately \$5.33 is returned to the community in economic benefits.

## How is the ROI calculated?

The four variables to calculate library return on investment (ROI) include:

- **Budgets spent locally:** Proportionally, operating budgets of Toronto and Guelph spent locally are relatively similar at 85% and 86.5% respectively. However, Guelph is at a disadvantage in the spending of its capital budget for library specific technologies because they are generally not available in Guelph, but available in Toronto.
- **Employees living in the city:** 6.5% more Guelph Public Library staff live in the city of Guelph than do their Toronto counterparts. This is important in the ROI equation as it is reflective of employees' salaries potentially spent in the community.

- **Value of library services:** In 2012 the annual circulation of library materials in Toronto was 11.48 items per capita while in Guelph it was 17.33 items. As a result the value of library services used by residents annually in Guelph is \$673, which is 34% more than in Toronto.

## How much money do you save as a library customer?

Customers are saving money every day by using the public library. This is particularly true of [eBook readers](#) who with a library card can download the most amazing collection of front list titles.

The Guelph Public Library also provides an online [Library Value Calculator](#) that estimates monthly personal savings as a result of using the public library. How much did you save last month because you are a public library user?

From Seattle to Halifax, the public library is an economic catalyst, supporting community development and returning to the community significant economic benefit. In Guelph, Ontario for every dollar invested in the Guelph Public Library approximately \$5.33 is returned to the community in economic benefit.

The public library is a good investment.

