

A high return of investment



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Across the European countries, the public library plays a significant role as a meeting place that offers equal opportunities for people to be active citizens and be a part of their local community, regardless of social and economic differences. In this way, the public libraries promote social cohesion by providing a non-authoritarian and non-commercial community space.

Libraries have a cultural value by providing easy access to literature, music, talks, courses and more. But they also represent an economic value. First as the role of libraries as employers (payroll subject to taxation), purchasers of books, cleaning services etc. Secondly citizen's willingness to pay for the library services – in regard to both own and other peoples use (altruistic) - represent the economic value of the library's social and cultural function.

Return on library investment

All the European economic impact studies conducted so far clearly indicate that public libraries are highly cost-effective in terms of return on investment for society. The results shown in several European ROI-studies indicate that:

For 1 € invested in public libraries the return of investment is estimated 3,2 €

The monetary value to society of the public libraries usually goes relatively unnoticed, even though they are substantial compared to the public funds they receive. In this way, the public libraries sector in Europe is providing economic benefits that greatly exceeds the expenses to the taxpayers.



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The Danish economic impact-study from 2015 assessed that the Danish population put a value on public libraries corresponding to a total level of willingness to pay up to 540 m. € a year for their existence. This is significantly more than the 330 m. € they pay for libraries via taxes.

The reason for this willingness to pay are that Danes see the libraries as having a crucial role as a cultural, social and educational institution, and are willing to pay for it – even if they do not directly use the libraries themselves. As much as 40 % of the 540 m. € can be ascribed to non-users' valuation of other people's pleasure and the library's social and cultural.

Impact Studies in Europe

All the European economic impact studies conducted so far clearly indicate that public libraries are highly cost-effective in terms of return on investment for society.

ROI-studies in Europe (a selection)

Spain: 1 € invested in them, the Spanish libraries generate at least 3 € (FESABID:2014)

UK: This UK ratio is estimated at 1:4,4 (Economic Value of Public Libraries in the UK, 2002)

Norway: This Norwegian ratio is estimated at 1:4 (Aabo, 2007)

Barcelona: The ratio is estimated at 1:4,25 (MLN, 2015)

This ROI-ratio is well in line with figures derived from economic impact studies of the public libraries in USA, Canada, Australia and New Zealand.



Economic savings from digital literacy

- libraries as digitisation
catalysts



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Reading and writing alone are no longer enough in our increasingly digitalised societies. The European citizens of today and tomorrow must be digitally literate as well. Increased digital literacy offers significant economic benefits, like providing citizens and businesses with new and more effective ways of communicating with authorities and each other.

Economic savings from library services

Public libraries provide access to essential IT-facilities and internet access to its users – but even more importantly, they help citizens improve their digital literacy and education. This strategy includes courses in digital tools

that gives people the opportunity to improve their digital skills, which in turn accelerates and eases the transition to an increasingly digital society.

Benefits from digital literacy and education

From an economic perspective, digitisation in general has two positive effects: public savings (through lower administrative expenditure) and personal financial benefits (through saving time and money when communicating with authorities, banks and others). Hereby the libraries secure economic savings by increasing citizens digital literacy through courses, IT-cafés, as well as personal assistance in digital tools.



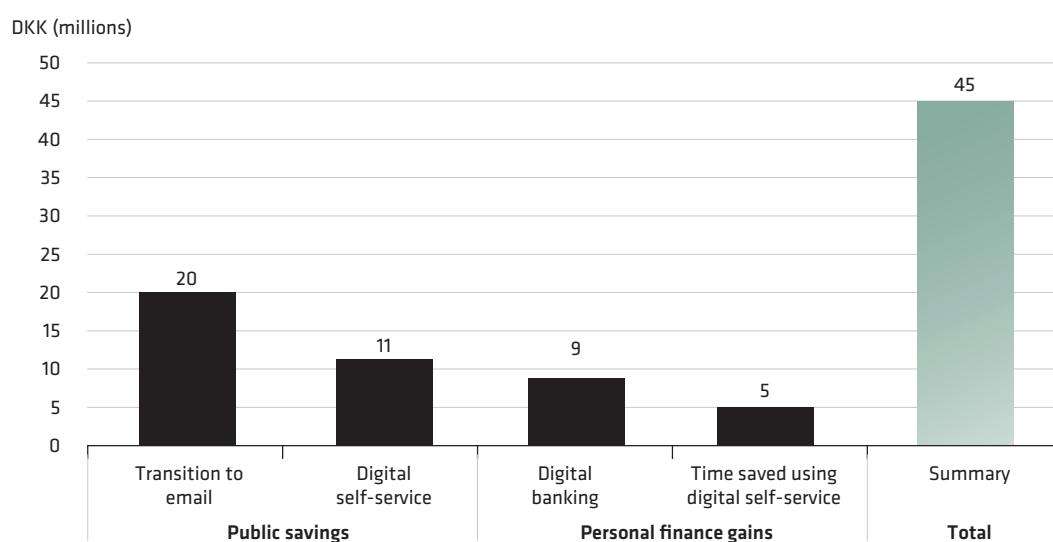
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The public libraries' contribution to digitalisation gains (in DKK)



Source: Copenhagen Economics for the Danish Think Tank Libraries of the Future: The Economic Value of Public Libraries (2015).



Health and Wellbeing Benefits

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Public libraries play an important role in users' quality of life and wellbeing. In this way, regular library-usage leads to reductions in public spending on health services and thereby a cost saving impact across Europe.

Health and wellbeing benefits - Library-users are generally healthier

A study from 2015 has shown a relation between library usage and improved general health. Library engagement is generally associated with a broad range of positive wellbeing outcomes,

such as higher life satisfaction, higher sense of purpose in life, but now also improvements in general health.

In this way, considerable savings in medical expenditures, can be ascribed to positive impacts on health from regular library visits.

The UK medical cost savings from library usage is estimated at 37 m. € per year or 1,8 € per person which is attributable to regular library usage. Existing research likewise suggests a strong correlation between reading and mental health benefits.

Reading services and health logic model:



Source: Slometrica for Arts Council England: The Health and Wellbeing Benefits of Public Libraries (2015).



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Educational benefits - economic value through reading

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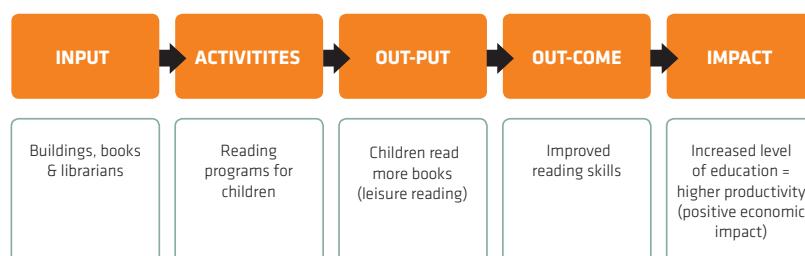
Public libraries provide a significant contribution to the economy by improving the average educational level – in particular through enhancing children's reading skills. Good reading skills are a key factor in increasing the probability of young people completing an education, and children who use libraries have been found to be more likely to complete a course of education later in life.

On average, people who take a long-term education earn 83 per cent more, taken over a lifetime, than people with only basic school education.

In 2014, a Danish survey found that being a regular library user as a child increases the likelihood of taking a higher education by 7-9 %. Moreover the survey has taken the parents' education into account as well, and reveals that public libraries are also effective in breaking down negative social inheritance cycles.

A higher educational level increases the average productivity and pay levels of the workforce. In this way, public libraries benefit the GDP. In Denmark, the economic impact through productivity benefits from higher education is equivalent to 250 m. €, or 0,1 % of total GDP.

Logic Model for Education – Economic Impact



Source: Copenhagen Economics for the Danish Think Tank Libraries of the Future 2015.



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Facts

The recent Danish Study: Economic Impact of Public Libraries 2015 indicates that 40 % of all leisure reading among Danish children is attributable to books borrowed from public libraries. Being the largest stand-alone provider of leisure reading for children, public libraries contribute significantly to the improvement of children's reading skills.

Source: Copenhagen Economics for the Danish Think Tank Libraries of the Future 2015.

