

Trick or treat :

Using Economic Impact Analysis in Demonstrating value of Public Libraries



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Economic Impact studies are the new black in many European countries, because hard economic data and numbers attract the attention of both the public and politicians, at both local and national level. The Danish Think Tank Libraries of the Future has conducted the first Danish study of its kind in Denmark, and based upon our experiences in transferring analysis and economic data into the political agenda, a European project has been initiated in order to share knowledge on how to use economic data to increase political awareness of public libraries in Europe. The aim of the project is furthermore to develop common European key-messages about the economic value of public libraries, to increase awareness among the European Members of Parliament about the vital contributions of public libraries to the European countries.

Economic Impact Studies – a European project

In November 2015 the Zagreb City Libraries hosted a workshop about Economic Impact Analysis, as part of a project supported by the Reading & Writing Foundation. The aim of the project was to share knowledge on how to use economic data to increase political awareness of public libraries in Europe. Based upon these

studies, the intention is to develop a set of common European key-messages to strengthen library advocacy. A spin off of this workshop was a participation in

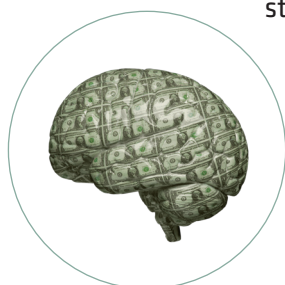
the conference in Split in December with the question: Can economic impact analysis be used in marketing public libraries? This article is a sum up of the presentation in Split.

Libraries on the political agenda?

Everywhere in Europe, the situation of public libraries is almost similar. Neither national nor local politicians give much attention to the public libraries, and discussions about their role and value in society are rarely on top of the political agenda. Not because politicians do not find libraries important, but because the voters have their focus on other important issues such as health, education, refugees, and elderly. In the end it often results in reductions in national, regional or municipal funds to cultural institutions such as libraries. And this situation is (probably) not going to change in the future.

Entering the battlefield of Economic argument

The traditional role of public libraries is changing, and therefore libraries are finding it increasingly difficult to defend their economic justification, and have an ever-increasing need to demonstrate their impact on and value for society. The libraries are in need of new advocacy arguments – user satisfaction and statistics on book loans is far from enough, if we are to find out more about how to assess the role and impact of libraries. Activity – which can be measured – is one thing; value is quite another. Therefore, new methods have to be found – new ways to demonstrate value and increase public and political awareness on the significance of



the modern public library. This is why the Danish Think Tank Libraries of the Future conducted the survey, the first of its kind in Denmark, to assess the value of public libraries in monetary terms and in relation to GDP. This is also why the Arts Council in England conducted the first study quantifying the economic value of benefits to health and wellbeing contributed by public libraries. Both studies serve as supplements to the narrative about education and culture as a value in its self. Why should libraries hesitate entering the battlefield of economic argument when others do not, and we to some extent still are in the paradigm of new public management?

Public libraries are a good business for society

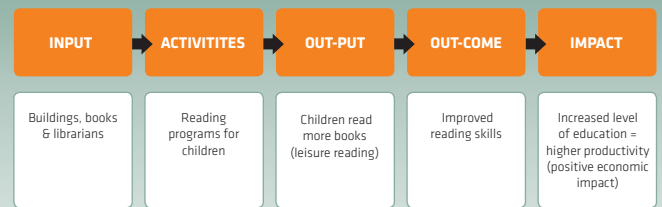
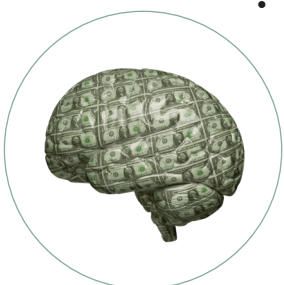
Based primarily upon the Danish, British and Barcelona study, the project identified four key-messages with an expected political resonance at both national and European level. This, however, does not necessarily imply that all the results are transferable from one national context to another, but it does draw new attention to some unexpected gains of public libraries, relevant for all European member-states. These outcome findings are both directly linked to some of the core tasks of public libraries, as well as demonstrating a new understanding of the impact of libraries in society.

4 key-messages:

1) Educational benefits

Library Reading Impact contributes to GDP because of higher educational productivity gains through three interrelated effects:

- Libraries improve children’s reading skills (as primary contributor to leisure reading)
 - Better reading skills directly affect the educational level
 - A high level of education produces greater economic benefit (Productivity gains to GDP).



LOGIC MODEL

2) Health and wellbeing benefits

Library usage is generally associated with higher life satisfaction and an improvement in general health. In this way, savings in medical costs associated with library usage can be identified (UK study).

3) Benefits from digital literacy and education

Libraries provide essential IT facilities, as well as offering internet access to users – but just as importantly help citizens with digital literacy and education (DK study).

4) Social and cultural benefits

Public libraries are one of the most visited cultural institutions in Europe, ensuring equal access to knowledge and culture, as well as improving local and social cohesion (DK and Barcelona).

Libraries on the political agenda – the DK experience

When the Danish report was launched, it attracted a great deal of public attention, due to a determined communication strategy. The results attended both national and local broadcast, newspapers etc. It placed public libraries high on the local and municipal political agendas. But the report was also criticized – and received some methodical beatings, especially from the cultural establishment. “Libraries are heroes and not supposed to be measured in dollars”, was the reaction from one former Danish Minister of Culture. But a fair share of critique was only to be expected, and a natural

reaction, since it was the first time such an attempt to estimate the economic impact of public libraries had been made in Denmark. The experience gained from the Danish project showed that economic data introduced a new set of arguments in the public debate, which placed the public libraries on the political agenda (especially on the municipal level, since public libraries are municipally funded in Denmark), and it changed both the political and professional focus from activity to impact.

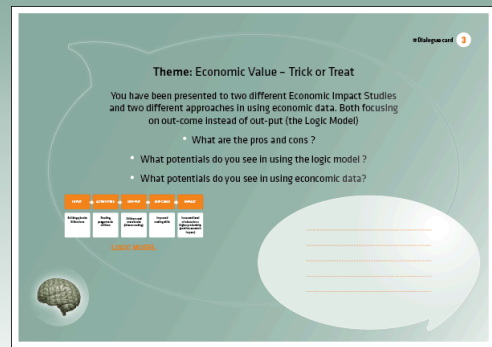
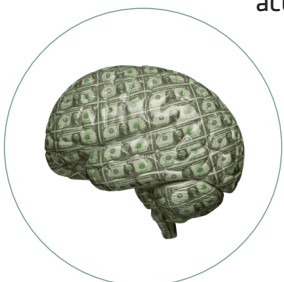
From the library professionals' point of view, the economic impact-study granted new library advocacy methods, providing a way to shift the focus of argument on the potential of libraries, from activities to impact. The project has also contributed to a more solid platform for debate about their future role, what their primary tasks should be, and how they should be measured. In fact, among the library professionals the results and conclusions of the impact study have been so well-received, that they have asked for more in the same line.

The impact study affected the perception of the public libraries both politically, professionally and in the public. It showed that the core tasks of the libraries matters – not only in a personal, local or cultural perspective, but also having a greater socio-economic impact on society, with the equivalent of several billion Kuna benefit to society every year. Hence, the question is no longer whether we can afford to invest in libraries, but whether we can afford not to.

Trick or treat?

The results and conclusions of both the British and Danish studies suggest that economic impact studies work. The power of numbers gives access to the political agenda.

It also offers the possibility of putting the libraries in a new light, by telling a different side of the story to the public, professionals



and politicians. This could lead towards a positive change in the general perception of public expenditures to the libraries – as a necessary, as well as sound economic investment, instead of just another burden on the taxpayers. Numbers, however, cannot stand alone – it needs a good story. All communication needs to be persistent and you need to keep “feeding the beast”.

When entering the economic impact arena, the need of robust quantitative evidence is essential. For that reason, it is important to have a recognized method to avoid (or minimize) any discussions about the findings. In Denmark we put a lot of time in arguing for our methodical choices.

Working with a communication strategy using new arguments is a full time job, and it requires hours and hours of planning, preparation, contacting journalist, etc. This is something managers should keep in mind. It also takes a bit of courage and toughness to bring in these new types of arguments. But when you are prepared to take some risks, and you invest the necessary time and work, economic impact data is a very effective way of increasing the awareness of public libraries - a great improvement for library advocacy. However, we still have to learn more from each other, and to keep getting wiser in advocating for public libraries in Europe.

Lotte Hviid Dhyrbye

3 European Economic Impact Studies

UK: The Health and Wellbeing Benefits of Public Libraries

Public libraries make a positive contribution to people’s health and wellbeing and can save the NHS money, according to research published by Arts Council England. The new research, commissioned by the Arts Council and carried out by SImetrica, has quantified the economic value of benefits to health and wellbeing contributed by public libraries. It shows that people value public libraries in part because of the benefits to their quality of life and that the improvements to health can save the NHS around £27.5million a year. The methodology used in the research was consistent with the HM Treasury’s Green Book guidance, the Government’s guide to properly assessing the economic value of public services.

Spain: The value of public libraries in society:

The Barcelona Province Municipal Libraries Network (MLN) experience: The value of the MLN’s libraries in society’ is complemented by the study ‘The return on investment of MLN libraries’ (Luria & Pintor, 2013). The latter study provides information on libraries’ economic benefits by calculating their return on investment for the general public. In its conclusions, it calculates that for every euro of public money invested in MLN libraries, a direct benefit of €2.25 is generated (if the indirect benefits are also included, the return on

investment is €4.25 for each euro invested). This result is comparable with other leading library networks in other countries.

Denmark: Economic Impact of Public Libraries

The understanding of the total value created by libraries in Denmark has been relatively limited. Therefore, the Danish Think Tank initiated the first analysis of its kind: “The Economic Impact of Public Libraries in Denmark”: The analysis is conducted by Copenhagen Economics and supported by the Danish Agency for Culture’s development funds.’ The result is convincing. The public libraries in Denmark are a good business for the country. The public currently pay DKK 2.5bn of this amount annually via taxes, and the study demonstrate an income of DKK 6 bn. The benefits of libraries outweigh their cost.

The analysis shows an assessment of libraries through the prism of three analyses:

- 1) Cultural and Social impact
- 2) Value through digital transition
- 3) Value through reading (libraries improve children’s reading skills > better reading skills directly affect educational level > a high level of education produces greater economic benefit (0,1 % of GDP).

