

A Perspective on the

ECONOMIC IMPACT

**of London Public Library
on the City of London**



November 2015

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Summary

In 2013 London Public Library (LPL) developed its 2014-2017 *Strategic Plan: Library Space is Community Place*. Five (5) strategic priorities were identified: *User First, Spaces and Places, Collections and Resources, Current and Future Technology, and Stewardship*. The goal of the *Stewardship* priority was to demonstrate LPL's leadership, value and return on investment to the citizens of London.

For many years LPL has been measuring and sharing its performance results with its Library Board, stakeholders, funders, the public and staff. These results have included usage statistics, benchmarked against other libraries in Ontario and nationally; customer feedback and anecdotal stories from patrons about how the Library made a difference to their lives; and formal customer surveys. As part of a "Value, Influence, & Positioning (VIP) Strategy" it was important to be able to expand the understanding of the value LPL brings to the community beyond basic qualitative and quantitative data to include more financially-based quantitative data. Determining the economic impact of the Library, including the return on investment (ROI) to the City of London, was an important step.

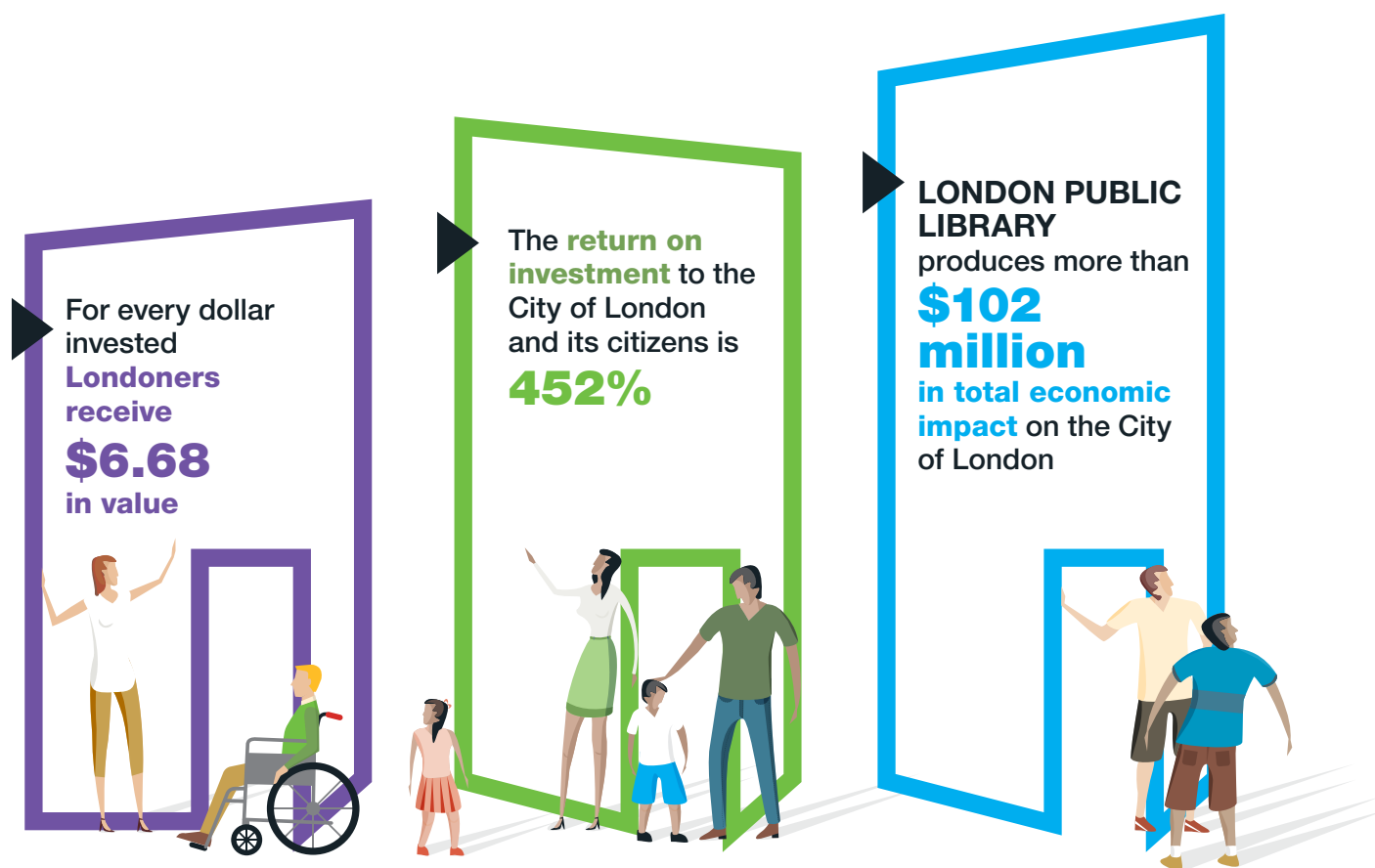
A literature review of other studies that have taken place in Canada, the United States and Europe was undertaken and revealed that various methodologies were used to evaluate different aspects of the impact of public libraries on their communities. LPL elected to use a model, based on a very comprehensive study and logical framework completed and published in December 2013 by the Martin Prosperity Institute (MPI), Rotman School of Management, University of Toronto, for the Toronto Public Library. This study is believed to be the first of its type in Canada and this model has since been used by some other Ontario libraries to calculate the economic impact their libraries have on their respective communities. Although other models certainly do have merits, this model offered an opportunity for LPL to measure in concrete terms the market value of the core services that the Library offers. Values used by LPL were very conservative and included only those services that could be reasonably measured.

"I can't live without the Library! It enriches my life immeasurably."

LPL's study revealed that the Library does indeed make the City economically stronger. Based on a conservative estimate, the Library produced more than \$102 million in total economic impact to the City of London in 2014. For every dollar invested Londoners received \$6.68 in value. The average open hour at a Library location generated \$1,657 in direct benefits at an average cost of \$475. Ultimately, the ROI to the City of London and its citizens was 452%, which is midpoint in the calculated range of 234% - 670%.

It is believed that the Library's economic impact is even greater than the significant impact this particular study reveals. Economic contributions that are known but more challenging to measure such as those impacting literacy, education, employment, small business, retail business, social and mental health, are very important to the health and success of the community.

The Library, of course, does not exist in isolation. It often shares similar or common objectives with other organizations and institutions and frequently serves the same clientele (e.g., children, newcomers and seniors). LPL partners with a variety of agencies to seek solutions to complex community-wide challenges such as illiteracy, poverty, unemployment and homelessness that can be solved by no one entity alone. More work needs to be done to discover ways to develop, document and share evidence-based, collective or shared metrics using longitudinal studies with large sample sizes that will capture additional perspectives on the socio-economic contribution LPL and its partners make to the City of London.



Background

Strategic Plan Priority

One of the strategic priorities in the *London Public Library Strategic Plan: Library Space is Community Place 2014-2017* is *Stewardship*. LPL's plan is deliberately aligned to support the goals of the *Strategic Plan for the City of London 2015-2019* and its four (4) strategic areas of focus: *Strengthening our Community, Building a Sustainable City, Growing our Economy and Leading in Public Service*. In its own Plan, the Library committed to demonstrate its leadership, value and return on investment to the citizens of London. A key initiative relating to this outcome is to enact a VIP Strategy. Calculating the economic impact of LPL on the City of London using a well thought out and researched methodology is an important component of this Strategy.

LIBRARY SPACE IS COMMUNITY PLACE

Measuring & Evaluating Library Services

LPL has been collecting and reporting statistics about Library usage for many years. Statistics such as attendance, circulation of collection materials, computer use, number of programs, etc. help to quantify just how much the Library is used by the community. However, these statistics only tell one part of the story: how much we did. According to Mark Friedman in his book *Trying Hard is Not Good Enough* about results-based accountability, to effectively evaluate and improve services it is more important to measure how well an organization did it and most importantly, did the organization make a difference.

ITEMS BORROWED
3,966,882

WEBSITE VISITS
3,868,669

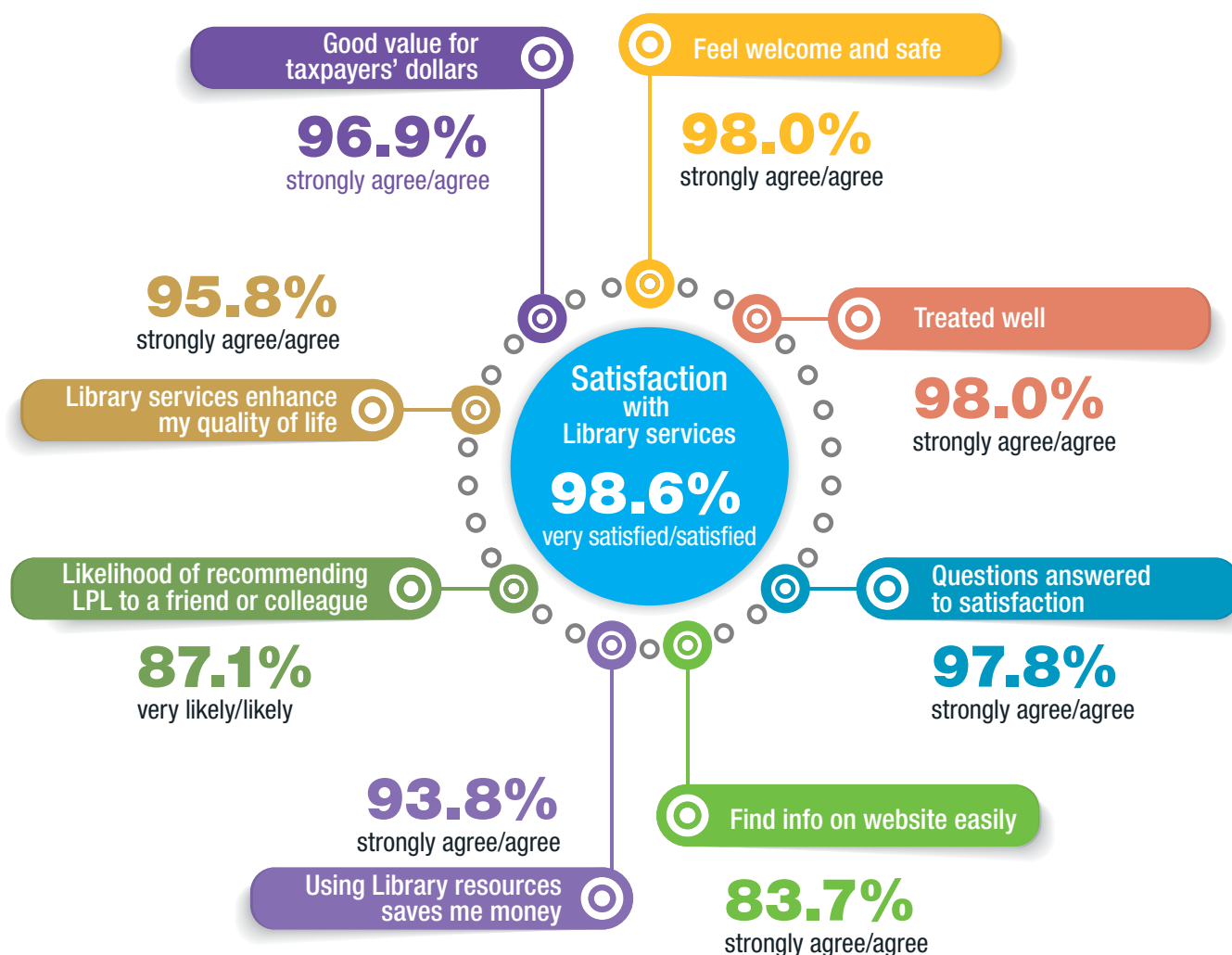
LIBRARY VISITS
2,805,778

All figures reflect 2014 data

Obtaining impact data on a large scale is challenging. At the same time, the use of customer surveys and other feedback mechanisms has substantiated the value the community puts on the Library and produced anecdotal stories from users about how the Library has made a difference to them and others. For example, a customer satisfaction survey done in 2012 and repeated in 2015 revealed the following:

- Users agree/strongly agree that they receive value for their taxpayer dollar (96.3% in 2012 and 96.9% in 2015);
- Users agree/strongly agree that using the Library saves them money (94.0% in 2012 and 93.8% in 2015);
- The overall customer satisfaction rate remains very high (97.9% in 2012 and 98.6% in 2015); and
- In 2015, 95.8% of respondents agree/strongly agree that Library services enhanced the quality of their lives.

2015 Customer Satisfaction Survey Results



Below are just a few of the comments received from respondents to the 2015 customer satisfaction survey that attest to the value proposition of LPL and the difference it makes to individual lives and the City of London:

As a mother of two I have loved the programs, the cost savings and the great friendships we have made because of the Library.

I can't live without the Library! It enriches my life immeasurably.

Our public libraries are treasures in our city. They are welcoming public spaces and provide essential access to information and other resources to people of all backgrounds and income.

The Library provides an amazing value for our family of six. We can borrow books, movies and use a computer in a safe, friendly and educational environment. Where else could you find this besides the public library?

Amazing culture of community, connectivity and entertainment. The Library is a place to connect with others where some people have nobody to connect with otherwise.

Not just for books, magazines, CDs and DVDs but for community events (concerts, speakers), art shows, butterfly garden, puzzles and the piano.

The Library is a very important part of the downtown. People from all walks of life and social class can mix and mingle and learn together.

Libraries are extremely important parts of society whether for young children, adults, parents, seniors, singles, immigrants ... they provide an opportunity to be social, surrounded by others, engage in learning and seek refuge.

The Library is great for children like me to build imagination and creativity!

I felt so relieved when I first came there because I'm a landed immigrant and totally new to the whole country!

Being alone with my family far away I find it very comforting to come and use the computers or read - just being around others!

"The Library provides an amazing value for our family of six. We can borrow books, movies and use a computer in a safe, friendly and educational environment. Where else could you find this besides the public library?"

Economic Impact Studies

A review of relevant literature revealed that several research papers and studies on the economic benefits of libraries have been done internationally, namely for the purpose of advocacy. The review revealed that studies were conducted using different hypotheses and methodologies, including:

- Surveys;
- Interviews;
- Case studies;
- Cost-benefit analysis; and
- Return on investment calculation.

Cost-benefit and return on investment studies were approached through evaluation of those benefits that are more easily quantifiable: the core service benefits a library offers to individuals and the community, i.e. collections, information, technology and programming and the economic benefits its operations bring to the community directly and indirectly generated through its human and physical resources. Two (2) approaches to calculating the benefits of core library services included:

- **Contingent Valuation:** These studies used long-term, detailed surveys of community members to elicit how much a library user was willing to pay for specific library services, or how much, hypothetically, the user would be willing to accept in compensation for the closure of a library.
- **Market Substitution:** These studies substituted the market value – what it would cost to purchase a particular library service/offering on the open market.

All studies demonstrated that libraries definitely produce economic value for their respective communities. What was not as evident was the libraries' economic contribution as a direct outcome of their work in literacy, employment, education and support for small business, etc. – things that are very challenging to quantify in terms of dollar value.

No economic study by a Canadian public library appears to have been published until 2013 when MPI conducted the first Canadian public library study to measure the economic impact of Toronto Public Library (TPL) on the City of Toronto. Since then, other Ontario libraries have used the same template to calculate the economic contribution their local libraries make to their respective communities.

In 2013, the City of London developed its *Cultural Prosperity Plan*. The Creative City Committee was established to oversee the implementation of the Creative City Task Force Report. LPL, as an important cultural hub that delivers supports and enables cultural programming, events and other related cultural offerings, had non-voting representation on this Committee. Research conducted in 2012 for the Plan identified the cultural sector, of which the Library is part, as contributing \$540 million to the City's Gross Domestic Product (GDP). Until now LPL had not undertaken an economic impact study to quantify its unique contributions to the City of London from a financial standpoint.

Methodology

The methodology used by LPL was based on that used by MPI for the TPL study. MPI conducted significant research on the topic and used accepted valuation methodologies commonly used in studies in library and public sectors and standard library statistics collected for international and Canadian benchmarks to develop their methodology.

Their study identified and analyzed three key components that together comprise total economic impact:

- Direct tangible benefits;
- Direct spending; and
- Indirect tangible benefits.

To determine these benefits the monetary value of TPL's library services was measured against the market cost for replacement of these services. A template based on MPI's work was created by the Halton Hills Public Library and generously shared with other libraries. Following MPI's original study for TPL, Ontario public libraries in Halton Hills, Stratford, Milton, Kawartha and Sault Ste. Marie completed studies based on MPI's methodology.

After careful evaluation of the template and consideration of other methodologies, it was determined that the market substitution approach used by MPI was preferable to a contingent valuation that may reflect unintentional biases, especially since most of LPL's services are provided at no or low cost. This methodology also provides a more concrete approach to assess what it would actually cost versus what someone says they would be willing to pay. Additionally, contingent valuation methodology would be challenging to enact without incurring significant cost, both in time and resources, to conduct the necessary surveys and interviews. Some adaptations were made to the template, however, in order to more accurately reflect LPL's benefits and direct expenses. 2014 usage statistics reported out to the Ministry of Culture,

Tourism & Sport and the Ontario Municipal Benchmarking Initiative (OMBI) were used for all calculations with the exception of Library materials delivered (2015 survey used). The LPL 2014 Statement of Expenditures for year ending December 31, 2014 was referenced for revenue and expense data. Various sources were used to determine the approximate market values of Library service offerings and where there were no comparators, LPL's own rates for chargeable services or small, token dollar amounts were used to ensure conservatism.

DIRECT TANGIBLE BENEFITS

- Collection use
- Programs
- Reference and database services
- Technology access
- Meeting and study space use

INDIRECT TANGIBLE BENEFITS

Indirect Tangible Benefits are the result of the multiplier effects on direct spending.

DIRECT EXPENSES

Direct Expenses (Spending) are monies spent on operations, capital improvements, employment, and collection materials.

Direct Tangible Benefits

Direct Tangible Benefits are benefits that accrue to the Library that can be reasonably estimated. These benefits include:

- Collection use;
- Programs;
- Reference and database services;
- Technology access; and
- Meeting and study space use.

Collection Use

User Perspectives on LPL's Collections

Below are just a few comments relating to LPL's collection material received from respondents in the 2015 customer satisfaction survey:

Reading has been a lifelong pleasure. The London Public Library has enabled me to pursue this hobby and I hope to enjoy this into retirement.

I strongly agree that the Library gives me good value for my tax dollar. I have saved thousands of dollars by borrowing books & not purchasing them.

Always enjoy my time at Library. Still amazes me the amount of material that is available at no cost. Invaluable!

Find great educational books for my son and books that encourage his love of reading.

Read the newspapers I do not have delivered at home.

I strongly believe a library is needed in every community. Being able to borrow means a person doesn't have to individually accumulate and can save money!

I'm in a wheelchair and the Library is a blessing as it comes to my home. Library Wagon, thank you.

Keeps my children reading and loving books! Also, getting books in from other branches so I'm not driving all over London.

Access to your large and free collection is essential to my business.

I use the digital services mostly with my Kobo and iPad.

"Reading has been a lifelong pleasure. The London Public Library has enabled me to pursue this hobby and I hope to enjoy this into retirement. "

Calculation of Collection Use Benefit

Use of LPL's collection provides a mid-point tangible benefit of \$54,877,404 and accounts for about half of the total economic impact. In order to calculate the economic benefit of LPL's collection materials, three (3) different aspects were evaluated: the circulation of all Library materials, their in-house usage and those materials delivered to any of the sixteen (16) Library locations system-wide.

Almost four (4) million items were borrowed by users in 2014. Retail values assigned to each category are from typical prices from a Canadian bookseller for specialized research items and Indigo for popular items as per TPL's 2013 study since pricing would be the same in London.

No adjustment for inflation was made in order to be conservative and help compensate for the fact that not all patrons would/could buy all materials if not available free, a concern expressed by Schrader and Brundin in the *National Statistical and Value Profile of Canadian Libraries, Report to CLA Executive Council*. Using 40-80% discount valuations helps to compensate for that fact as well as the reality that materials are not owned by the reader.

Newer digital services such as PressDisplay (newspapers), Zinio (magazines) and Indeflix (movies) were not included as volume is relatively low compared to non-electronic formats and it is a challenge to identify market values for these items that are generally only available by subscription. E-book market valuation was included. The same market value rate used for books was similarly used for use of materials within the Library.

In 2014, almost one (1) million items were put on hold by LPL patrons. Materials are pulled from the shelves and delivered to the branch location the customer has requested, saving both shopping and travel time. This service was one of the most frequently mentioned things that respondents stated they appreciated most about the Library in the 2015 LPL customer satisfaction survey. To calculate the market value of this service, the time and cost it takes to have a staff member perform this function and the cost of a London Transit Commission (LTC) one-way bus ticket were used.

Economic Benefit of Collection Materials

Category	Volume	Total Value 80% Discount (Low)	Total Value 40% Discount (Midpoint)	Total Value Without Discount (High)
Circulation	3,906,452	\$15,697,777	\$47,093,332	\$78,488,886
In-house Use	550,900	\$ 2,313,780	\$ 6,941,340	\$11,568,900
Materials Delivered	947,200	\$ 280,911	\$ 842,732	\$ 1,404,553
Total	5,404,552	\$18,292,468	\$54,877,404	\$ 91,462,339

Programs

User Perspectives on Programs

A sampling of responses received in the 2015 customer satisfaction survey about what users appreciate:

English as a second language programs.

Learn new skills and interests through programs.

Meet new people through programs offered.

Calculation of Benefit of Program Offerings

In order to calculate the economic benefit that program offerings contribute all programs were reviewed. This included programs delivered to preschoolers, children, teens and adults. In 2014 the total attendance at these programs was 201,178. Based on a review of the marketplace - what it would cost to attend a program delivered by a private entity - costs averaged \$40.00 for private literacy tutoring for a child and approximately \$20.00 to attend a program such as computer training geared to adults.

Economic Benefit of Program Offerings

Category	Attendance	Market Value	Economic Value
All Children's & Adult Programs	201,178	\$20.00 - 40.00	\$6,721,780
Total	201,178		\$6,721,780

Reference & Database Services

User Perspectives on Reference & Database Services

A sampling of responses received in the 2015 customer satisfaction survey about what users appreciate:

Ask any question, no matter how "foolish".

Research in the London Room.

Very helpful when starting a side business to learn about a new field.

Calculation of Reference & Database Services Benefit

In 2014, LPL staff answered almost 215,000 reference questions. The nature of these questions included non-directional reference questions, readers' advisory and information technology support questions. Questions relating to information technology which include how to use an e-reader or tablet or download an e-book or e-magazine are often complex and require a significant amount of staff time. For the purpose of calculating the value of a reference question, this study assumes an average reference question requires ten (10) minutes of staff time. Since no private reference service was found to be available in London, the market value was based on LPL's own private research service which is charged out at a rate of \$25.00 for thirty (30) minutes.

Library users conducted more than 350,000 searches for personal and business-related research using the databases to which LPL provides access. Since TPL's databases are similar to LPL's, the same market rate of \$25.00 per search was used. In order to be conservative, no increase was allowed for inflation since 2012. It should also be noted that most databases are only available through subscription.

Economic Benefit of Reference & Database Services

Category	# Questions/ Searches	Market Value	Economic Value
Reference Questions	214,650	\$ 8.33	\$ 1,788,035
Database Searches	350,836	\$25.00	\$ 8,770,900
Total	565,486		\$10,558,935

Technology Access

User Perspectives on Technology Access

A sampling of responses received in the 2015 customer satisfaction survey about what users appreciate:

Use desktop computers and Wi-Fi connections.

Use the internet - can't afford it. DVDs - no TV.

I don't have a computer. I can use one at the Library.

Access the technology tutors for my parents.

Calculation of Technology Access Benefit

LPL's computers are highly used: almost 600,000 times in 2014 and it is one of the most popular resources the Library provides. Customers use the computer to a maximum of ninety (90) minutes per day for a variety of reasons: to conduct job searches, create resumes, do research, keep in touch with family and friends through e-mail and Facebook, access government forms, create documents and play video games. Other Library users bring their own laptops and tablets and use LPL's wireless. Computer and wireless access is also provided in meeting rooms at no charge to booking agencies and organizations.

It is challenging to put a market value on the use of computer and/or Wi-Fi. There is no known place in London where computers and Wi-Fi services would be accessible on a fee per use basis. Job seekers and others working with agencies may have free access to computers. Free Wi-Fi is available in some areas (downtown London) and in some restaurants (Tim Hortons, McDonalds), but though free, the customer would be expected to purchase something and generally the bandwidth and software accessible would be much less robust than that provided by the Library. There is a cost to purchase a computer or laptop and in-home wireless connection is not based on a one-time offering. Based on these facts, market rates of \$3.00 for computer use and \$5.00 for wireless access as used by TPL in their 2013 study have been used here.

Economic Benefit of Technology Access

Category	Attendance	Market Value	Economic Value
Workstation Usage	569,090	\$3.00	\$1,707,270
Wi-Fi Usage	179,042	\$5.00	\$ 895,210
Total	748,132		\$2,602,480

Meeting & Study Space

User Perspectives on Meeting & Study Space

A sampling of responses received in the 2015 customer satisfaction survey about what users appreciate:

Public events, i.e. films, presentations, lecture series, etc.

My homework because I can't at home.

Completing work with all available resources.

Study in a quiet environment.

The library is always improving itself and provides a great gathering point for our community.

Calculation of Meeting & Study Space Benefit

LPL has meeting and study rooms in most of its sixteen (16) locations. Individuals, community groups, agencies and private organizations can book meeting rooms in one (1) to four (4) hour blocks and study rooms in one (1) to two (2) hour blocks. Meeting and study rooms were booked almost 15,000 times in 2014. The Wolf Performance Hall, located at the Central Branch, is an outstanding theatre and concert hall that accommodates 370 people. Its most similar competitors are the Davenport Theatre and the Palace Theatre. The Rotary Reading Garden, also located at the Central Library, is a walled, professionally landscaped garden with winding paths, seating areas and water features. Many individuals use the Garden to sit and read, enjoy the sunshine and take refuge from daily life. It is also available for private parties and business events.

LPL has different rates for non-profit organizations, private sector and out-of-town users. In addition, free community use is provided. LPL's private rates, which are competitive with others renting out rooms in the City, were used to calculate the market value.

There were almost 3,000,000 visitors to the Library branches in 2014, a large majority of whom do not book study space and instead use open Library space furnished with tables and chairs to read, study and work. These uses were not included in this calculation.

Economic Benefit of Meeting & Study Space

Category	Volume	Total Value 80% Discount (Low)	Total Value 40% Discount (Midpoint)	Total Value Without Discount (High)
Meeting Room	4,139	\$106,690	\$320,070	\$533,450
Study & Work Space	10,484	\$ 31,452	\$ 94,356	\$157,260
Total	14,623	\$138,142	\$414,426	\$690,710

Total Direct Tangible Benefits

Altogether, the total direct tangible benefits – those that can most easily be measured - amount to a conservative economic value of more than \$75 million.

Total Direct Tangible Benefits

Category	Low (\$)	Midpoint (\$)	High (\$)
Collection Use	\$18,292,468	\$54,877,404	\$ 91,462,339
Programs	\$ 6,721,780	\$ 6,721,780	\$ 6,721,780
Reference & Database Services	\$10,558,935	\$10,558,935	\$ 10,558,935
Technology Access	\$ 2,602,480	\$ 2,602,480	\$ 2,602,480
Meeting & Study Room	\$ 138,142	\$ 414,426	\$ 690,710
Total	\$38,313,805	\$75,175,025	\$112,036,244

“The library is always improving itself and provides a great gathering point for our community.”

Direct Expenses (Spending)

Direct Expenses (Spending) are monies allocated to LPL and then spent on operations, capital improvements, employment, and collection materials. In 2014 the Library received \$18,780,000 in funding from the City of London. In order to reflect a more realistic economic impact on the City of London, only those direct expenses that were spent in the community were included in the economic benefit calculation. Not all items can be purchased locally. For example, collection materials are not purchased locally and some purchases are done via consortia with other libraries to reduce costs.

Capital costs include those expenditures for key Library infrastructure - facilities and technology. It is recognized that in some years capital costs are greater than others such as when new facilities are built or major renovations are required for large locations. Therefore, those expenses incurred during the past six (6) years - 2009-2014 inclusive - were averaged to establish this expense.

Employment spending includes all wages and benefits paid to permanent full time, part-time and casual employees.

LPL also receives other sources of revenue that do not come from the City. These include operating revenue that accrues from fines, miscellaneous fees, photocopier charges, rental revenue from meeting rooms, business revenue from space rented to tenants, and a provincial grant. These revenues act as offsets to the costs incurred. If the Library did not have these additional revenue sources, more funding would be required from the City.



Indirect Tangible Benefits

Indirect Tangible Benefits are the result of the multiplier effects on direct spending. For example, monies paid to a contractor for repairs or renovations or wages paid to staff are re-spent in the community creating additional benefits. According to MPI's research findings, various multipliers have been used in such studies. For example, national and provincial multipliers from Statistics Canada noted 2.23 as a multiplier for arts, entertainment and recreation. Multipliers of 1.4 and 2.0 were applied to each indirect tangible benefit to understand the impact. To be conservative, LPL applied a 0.4 multiplier to each direct expense, added it to the direct expense and calculated a mid-value to estimate a dollar amount attributable to the re-spending.

Indirect Tangible Benefits accrue from:

- Operations Spending;
- Capital Spending;
- Employment Spending;
- Page Work Experience; and
- Collection Material Spending.

Total Indirect Tangible Benefits

	Category	Multiplier 0.4	Mid-Value	Multiplier 1.0
Operations Spending	\$ Spent (Direct Spending)	\$ 813,662	\$ 1,423,908	\$ 2,034,155
Capital Spending	Average Annual	\$ 184,099	\$ 322,174	\$ 460,248
Employment Spending	Annual Salary & Benefits Cost	\$ 5,709,751	\$ 9,992,064	\$ 14,274,377
Work Experience: Pages	\$ Value	\$ 15,944	\$ 27,903	\$ 39,861
Collection Material Spending	\$ Spent in City of London	-	-	-
Total		\$6,723,456	\$11,766,049	\$16,808,641

Operations spending includes monies spent to run the Library on a daily basis and relate to such items as purchased services, technology, utilities, facility services, financial expenses, equipment and program services. An estimation of the spending that occurred in London was done in order to calculate the intangible economic benefit to the City of London itself.

Capital spending includes facilities and technology as described in Direct Expenses (Spending) section.

Employment spending is money spent on wages and benefits for LPL staff. The majority of employees live in the City of London and it is a reasonable assumption that they are spending a significant portion of their salary locally, which supports London's economy.

London Public Library also provides employment experience to young people who are hired to work as Pages. These employees are responsible for shelving and pulling books and other miscellaneous duties. Based on a study uncovered by MPI's research that calculates a valuation of experience gained through first employment, two (2) years of job experience is worth \$1,123 in Canada. The effect of this job experience was assumed to have a diminishing value over five (5) years. The methodology of this study was applied to LPL and its Pages and resulted in an indirect tangible benefit of almost \$28,000.

During the summer months, the Library also provides employment opportunities for disenfranchised youth as well as secondary and post-secondary students who meet the criteria set out by the Canada Summer Jobs Program. Because these employment opportunities are totally or partially subsidized through government funding, this valuable work experience was not included as an intangible economic benefit although any wages paid by the Library were included as part of the overall wages and benefits.

Since no collection material is purchased from within the City of London, no intangible benefit can be attributed to Library collections.

*“ An LPL card is
the best value for
entertainment,
education, erudition
and exquisite
enlightenment.”*

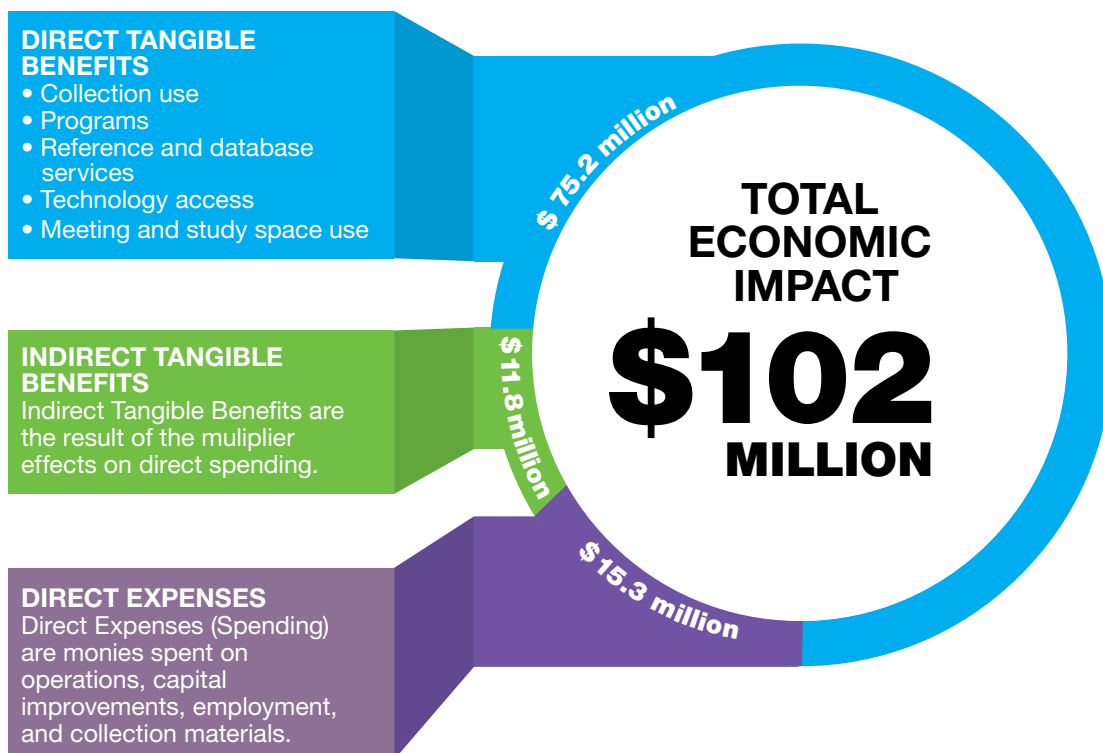
Economic Analysis

Total Economic Impact

The Total Economic Impact was determined by adding the following three elements: direct tangible benefits, direct spending and indirect tangible benefits. Using the mid-range, a conservative impact of \$102,244,552 was demonstrated.

Total Economic Impact

	Low (\$)	Mid-Range (\$)	High (\$)
Direct Tangible Benefits	\$38,312,804	\$ 75,175,024	\$112,036,244
Indirect Tangible Benefits	\$ 6,723,456	\$ 11,766,049	\$ 16,808,641
Direct Expenses (Spending in City of London)	\$15,303,479	\$ 15,303,479	\$ 15,303,479
Total Economic Benefit	\$60,340,739	\$102,244,552	\$144,148,364



Value & Cost of an Open Hour & a Library Card

It was estimated by the City of London that the 2014 population was 377,520 while the number of households stood at 173,950. During that time, almost 47% of the population had active library cards. A library card is required for borrowing of collection materials and computer and wireless use. However, many more members of the community use the Library for other reasons for which no library card is required, e.g., to study, read, meet with friends, attend meetings and/or programs, relax or seek refuge from their hectic lives. The value of a library card was calculated by dividing the total benefits by the number of Londoners who hold a card.

In 2014, London Public Library was open 38,750 hours (Sundays excluded). For the purposes of calculating the value of an open hour, the sum of benefits that are delivered while the Library is open (excludes e-books and databases that can be accessed virtually) was divided by the number of open hours. To calculate the cost of this one open hour the total direct spending, including spending outside London (less capital costs and e-books and databases that can be accessed when the library is not open) was divided by the number of open hours.

The impact per dollar spent was calculated by dividing the total economic impact by the total direct spending. The impact per London resident or household was calculated by dividing the total economic impact by the population or number of households.

London Public Library
generates **\$1,657** in
benefits **every hour** that it is
open at an average cost of
\$475

The total value of all
Library open hours is
\$64 million



Value Of An Open Hour & A Library Card

	Low (\$)	Mid-Range (\$)	High (\$)
Impact per Dollar Spent	\$ 3.94	\$ 6.68	\$ 9.42
Impact per London Resident	\$ 159.83	\$ 270.83	\$ 381.83
Impact per London Household	\$ 346.89	\$ 587.78	\$ 828.68
Value of All Library Hours		\$ 64,198,908.00	
Average Value of One (1) Open Hour at a Branch		\$ 1,657	
Average Cost of One (1) Open Hour at a Branch		\$ 475.13	
Value of a Library Card		\$ 579.94	

Return on Investment

Return on Investment (ROI) can be described as a performance measure used to evaluate the efficiency of an investment - the amount of return relative to the investment cost. London residents pay taxes to the City of London to pay for various City services, including Library services that are funded by the City and spent by the Library.

User Comments (2015 Customer Satisfaction Survey) Related to Use of Tax Dollars

I read 3-4 books each week. Libraries are a great use of taxpayer dollars.

Best “free” service paid for by tax \$ there is.

I think the library is the best deal in town! I use it often.

An LPL card is the best value for entertainment, education, erudition and exquisite enlightenment.

Without a doubt, the Library Services are the best spent tax dollars. A true investment in people and the future.

Our library system has huge resources with no charge for walking in, no \$\$ charged for borrowing. The biggest “bargain” location in our city.

What a wonderful service the London Public Library gives to the community! There are not only books & DVDs available, but also educational meetings and networking. Altogether the absolutely best service for our tax dollars.

Calculation of Return on Investment

The ROI was calculated by taking the total economic benefit (the sum of tangible and indirect benefits) to the City of London, and dividing it by the 2014 total direct spending by LPL, including spending outside the City of London (the total cost to run Library services).

Return On Investment In London Public Library

	Low (\$)	Mid-Range (\$)	High (\$)
Direct Tangible Benefits	\$38,313,804	\$ 75,175,024	\$112,036,244
Indirect Tangible Benefits	\$ 6,723,456	\$ 11,766,049	\$ 16,808,641
Total Direct & Indirect Tangible Benefits	\$45,037,261	\$ 86,941,073	\$128,844,885
Direct Expenses (Spending in City of London)	\$15,303,479	\$ 15,303,479	\$ 15,303,479
Total Economic Impact	\$60,340,740	\$102,244,552	\$144,148,364
Total Direct Expenses (All Spending)	\$19,240,248	\$ 19,240,248	\$19,240,248
Return on Investment	234%	452%	670%

“ After all is said and done, the Library enhances one’s way of life!”

Conclusions

When benchmarked against other public libraries, LPL's economic impact is similar.

Economic Impact Of Public Libraries: Comparison

Library System	Total Economic Impact*	Impact per Dollar Spent	ROI
State Library of Victoria, Australia	\$ 681	\$3.56	n/a
Santa Clara County Library District, USA	\$ 172	\$5.17	n/a
Halton Hills Public Library	\$ 18	\$4.04	304%
Stratford Public Library	\$ 14.9	\$7.48	648%
Toronto Public Library	\$1000.6	\$5.63	463%
Kawartha Lakes Public Library	\$ 11.3	\$7.05	605%
Sault Ste. Marie Public Library	\$ 9.5	\$2.36	236%
London Public Library	\$ 102.2	\$6.68	452%

*millions of dollars

With a measurable economic impact of more than \$102 million and an ROI of 452%, the results of this economic study clearly show that the London Public Library, through the provision of Library services that contribute to the City of London's priorities, is an excellent investment for its citizens and the City of London.

After all is said and done, the Library enhances one's way of life!
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