# Economic Value of Public Libraries

Following reports on the economic value of libraries conducted in the US and the UK, Toronto Public Library (TPL) and the Martin Prosperity Institute (MPI) conducted a similar study in 2013 – the first of its kind in Canada – to measure the impact of public library services in Toronto in economic terms.

The study demonstrated that TPL had a total economic impact of over $1 billion, which equated to $955 per household and $358 per capita. For every $1.00 invested in TPL, Torontonians received $5.63 in value and the return on the City of Toronto’s investment in TPL was 463%. These figures were a remarkable way to demonstrate that the money invested into the library was providing tangible benefits to the city and its residents in both direct and indirect ways. The TPL Board of Trustees was under much scrutiny at the time with a mayor who appeared to be intent on gutting library services in the name of cost savings. The final report entitled “So Much More: The Economic Impact of the Toronto Public Library on the City of Toronto” was released just as Toronto, like all other Ontario municipalities, was gearing up for an election year.

In 2014, Halton Hills Public Library (HHPL) used the MPI tool and developed a template for public libraries to determine their own economic value and return on investment. HHPL’s Financial Analyst reviewed the TPL report and the template they created allows libraries to adjust calculations according to their own particular sense of circumstances. For example, TPL’s calculations related to direct spending arising from capital projects would be higher than most libraries due to their large number of branches and their robust renovations and undertaking of new projects. Like HHPL, WPL also made an adjustment to the percentage of re-spending to include the broader GTA and beyond.

Our current situation could not be more different than TPL’s was in 2013, with a supportive Council who recognize the value of library services. However, putting that value into concrete terms will demonstrate to our Council and other stakeholders that funding for the library is not a drain on a municipal budget that continues to be under extraordinary pressure, but instead offers our residents an excellent return on investment of their tax dollars. And just as importantly, strong library services support Council goals and help Whitby become the “community of choice” for both residents and businesses. The investment made in library services provides outstanding value.

Our analysis found that:

* WPL creates over $39 million in total economic impact, which equates to $865 per household and $320 per capita.
* For every $1.00 invested in WPL, residents receive $6.95 in benefits. Like TPL, this is based on a conservative market value of services delivered (direct tangible benefits) and the stimulus to the Whitby’s economy from WPL’s direct spending and the re-spending of staff, vendors, suppliers, etc. (indirect tangible benefits).
* The return on the Town of Whitby’s investment in WPL is 595%, which is the midpoint of a range very conservatively estimated to be 258% and comfortably shown to reach as high as 931%.
* The direct tangible benefits range from $29 million up to $46 million, with access to collections conservatively valued at $25 million. The remainder of the direct tangible benefits represent the value of programs ($173,000), the value of reference and database services ($2.4 million), the value of technology access ($886,000) and the value of meeting/study space ($447,000).
* The indirect tangible benefits range from to $9.7 million up to $11.5 million, of which $5.6 million represents direct spending by WPL on capital projects, collection purchases, and staff to deliver services. The remaining $4.1 million represents the value of re-spending in the community by staff, vendors and suppliers and others paid by WPL.
* The value of a WPL membership is calculated to be $776. This is based on the $18 million in direct tangible benefits and the Ministry of Tourism, Culture and Sport’s definition of an ‘active user.’
* The average open hour at a branch generates $2851 in direct benefits, which are only possible because the branch is open (which excludes resources like ebooks and Freegal which are available 24/7). The average benefit is almost 6 times the average cost of an open hour.
* It is important to note that there are numerous intangible benefits generated through our partnerships which have not been quantified through this process. We work with Community Development Council of Durham, Chamber of Commerce, Brain Injury Association of Durham, Ontario Early Years, Whitby Seniors’ Activity Centre, Station Gallery, and so many more.