

The Economic Impact of Public Libraries on South Carolina

Executive Summary

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Executive Summary and Key Findings

Taxpayers rightfully want to understand what benefits they receive from the tax dollars that they entrust to South Carolina governments. Public libraries are one of the institutions supported by these tax dollars. The purpose of the study reported here was to determine economic benefit of public libraries for South Carolinians and to what extent they feel the public library contributes to their overall economic wellbeing.

A variety of approaches have been used in the United States and internationally to study the benefits that public libraries bring to those who fund or support them. These efforts also have a variety of names: economic impacts, economic benefits, return on investment (ROI), taxpayer benefit, and so forth. The study techniques have generally involved analysis of surveys of users/non-users of public libraries, analysis of use statistics collected by the libraries, and a combination of the two techniques. This study used a combined approach.

The study consisted of two phases. The first phase was to gather and analyze data directly from users to determine their perceived value of South Carolina public libraries in four areas: General Use, Use for Business, Use for Personal Investment, and Use for Job Seeking. This was a general population, self-selected sample of individuals who came into public libraries or visited the public library web sites during March 2004. The argument for using this sample is that the perceptions of those who make use of a service provide a good measure of its value. The actual value or impact of such services would be difficult if not impossible to identify or measure with available methodologies. March was selected because it usually is considered to be an “average use” month with fewer holidays, school opening or closing, and other special events that could affect the use of public libraries during other months.

Among the findings are indications that the public library:

- Improves overall quality of life: 92% said yes
- Increases local property values: 47% said yes
- Attracts new businesses to the community: 38% said yes
- Attracts patronage to local businesses: 44% said yes
- Enhanced personal fulfillment: 73% said yes
- Nurtures a love of reading: 73% said yes
- Is a source of personal enjoyment: 64% said yes
- Helps manage personal finances or saved money: 32% said yes

- Helped to obtain a new job: 11% said yes
- Helped improved or start business: 15% said yes
- Helped with a business opportunity: 25% said yes
- Assisted workers to be more productive their job: 37% said yes
- Introduced users to new technologies: 28% said yes
- Helped users with primary education work: 18% said yes
- Helped users with life-long learning: 47% said yes
- Contributed to their home schooling efforts: 12% said yes
- 49% of business users indicated that they obtained most of the business/research information from their public library
- 78% of business users indicated that information obtained from the public library contributed to the success of their business
- Without access to the information in their public library, 23% of the business users indicated that they estimated their cost would increase between \$500 and \$5,000 and 7% estimated costs would increase by \$5,000
- 41% of business users said that if they did not have access to the public library it would have some negative impact and 33% said it would have a major negative impact on their business
- 59% of personal investors said they obtained the information needed for making investment decisions from their public library
- 48% said “definitely” the investment information at the public library had contributed to their financial well-being and 34% said “somewhat”
- 32% of the respondents said the dollar value of the information obtained from the public library was between \$10,000 and \$1 million and 2% said over \$1 million

In the second phase of the project, the Study Team used existing data from the South Carolina State Library to demonstrate a monetary equivalent of the services provided by South Carolina libraries. Among those findings are the following:

- (1) The direct economic impact of all SC public library expenditures is \$80 million
- (2) The existence of SC public libraries brings to the state (from federal and private sources) almost \$5 million each year that it would not otherwise have.
- (3) The value of the loans and use of books, videos, cassettes, CDs, newspapers, magazines, etc. to users each year is approximately \$102 million.
- (4) The value of reference services to users in SC each year is approximately \$26 million.
- (5) The total direct economic impact of SC public libraries is estimated at \$222 million, while the actual cost of these services to the state and local governments

is only \$77.5 million. This means that for every \$1 spent by state and local governments on SC public libraries the return on investment is \$2.86.

- (6) The indirect economic impact of SC public library expenditures (wages, supplies, books and related materials, construction, etc.) on the state's economy is almost \$126 million. This means that for every \$1 expended by SC public libraries, the state receives \$1.62 of indirect economic impact.
- (7) The total direct and indirect return on investment for every \$1 expended on the state's public libraries by SC state and local governments is \$4.48—almost 350%!