

Australian Library and Information Association

# EVERY MEMBER AN ADVOCATE

## VALUED

### How we can attach dollar signs to library services

For our year of advocacy 2010, ALIA has created a number of resources for libraries to support local campaigns and activities. We have run Every Member An Advocate workshops around the country. We have gathered examples of best practice. We have talked to library and information professionals about how they might calculate a dollar value for the services they offer, and thereby describe the return on investment to senior management teams and government funders.

This document contains feedback from workshop participants, links to international research, and our own findings about library evaluation. The aim is to give our members the opportunity to create their own hard evidence about the value of their library and information service.

November 2010



Australian  
Library and  
Information  
Association

# MAKING THE CASE

## A SOFT TARGET

We started each Every Member An Advocate workshop with a question. “Who would describe their service as secure, well-funded, valued and appreciated?” In each group of 20 or so participants, there were at most one or two people who held up their hands. The sad truth is that, despite their universal popularity, libraries are often a soft target for budget cuts and low down the list of priorities when it comes to increased funding.

Although students, professionals, citizens and politicians alike proclaim their value to society, when it's a question of allocating resources, libraries frequently lose out.

- Public libraries lose out to roads, rates and rubbish.
- Education libraries lose out to teaching staff and classroom resources.
- Special libraries lose out to other departments in the funding rounds.

## HARD EVIDENCE

In the past, library and information professionals haven't always had the evidence required to push back – defending their existing budgets and making a strong business case for further investment. In Australia and worldwide, this situation is changing and, increasingly, library and information professionals are using their research and evidence-gathering skills to support their own service.

Everyone's situation is different and there is no magic formula, but there is general agreement that we should be able to demonstrate:

- Need – a strong business case
- Savings – how much we save the organisation or community
- Efficiency – how favourably we compare with other service providers
- Contribution – the added value we provide

Over the following pages you will find ideas that you can adapt and apply to your particular circumstances.

# NEED, SAVINGS, EFFICIENCY

Senior managers don't always see why we need funding to keep the collection current; to invest in more e-resources; to increase staffing levels to support a higher level of library usage.

Don't assume that people outside your library and information service understand how it operates and what your team delivers. Keep it short and simple, but make sure you give them a full picture.

## NEED

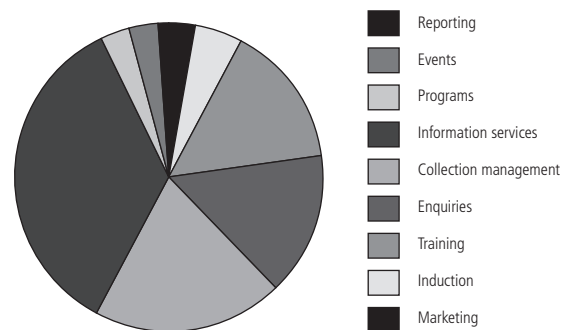
### Provide an outline description of what your library does

Here are some headings to get you started.

- Marketing the library service
- Inducting new library users
- Providing training
- Handling enquiries
- Managing the collection
- Sourcing information
- Running programs
- Hosting events
- Reporting

Show how your staff time is focused on providing services to users. Your bid for funding is more likely to be successful if it is about service delivery rather than heavily weighted towards back-of-house functions

### % of staff time (example)



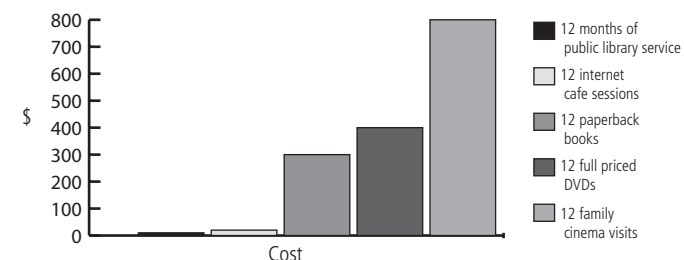
## SAVINGS AND EFFICIENCY

### Put together basic annual statistics about your library service and use figures from other sectors to set them in context

You will need to be selective with the figures – some may work in your favour, others may best be left out. For example, if your library costs a little less than the average hourly rate to operate, this could be useful. If it costs a little more, the figure could be counter-productive.

Where you don't have actual figures, use estimates – pick a typical day, do a count, and extrapolate the result across the year.

What we provide	Cost	Value comparisons
We serve a population of x,000 people	Total budget ÷ number of people = cost per head	In public libraries, relate this to what you could buy for this sum (around \$40) eg one family outing to the cinema, a book; in university libraries relate it to student fees eg less than 3% of basic tuition fees.
We are open x hours a year	Total budget ÷ number of hours = cost per hour	The average cost per hour is \$422 for public libraries <sup>1</sup> ; \$165 for university libraries <sup>2</sup> . How does your library compare?  Also look at comparisons from outside the library world eg there are 1480 public library branches and service points, with a total expenditure of \$882.3m per annum <sup>3</sup> (average of \$596K per service point); there are 886 Medicare offices and access points, with a total expenditure of \$724.2m per annum <sup>4</sup> (average \$814K).
Users can access our electronic resources 24/7 every day of the year (if you are able to give remote access)	Cost of e-resources ÷ number of times these have been used = cost per item	How much would it cost to access these e-resources on a per item basis v the price you have negotiated for an organisation-wide subscription? There should be a considerable saving for your best-used databases.



<sup>1</sup> Australian Public Library Statistics 2008-2009, NSLA – to be published shortly at <http://www.nsla.org.au/publications/statistics/>

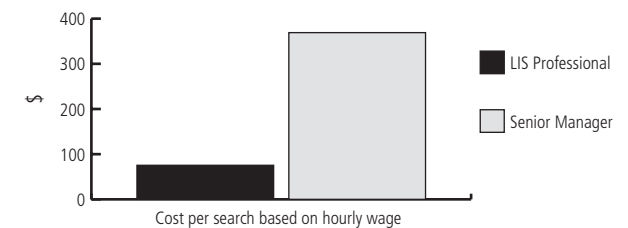
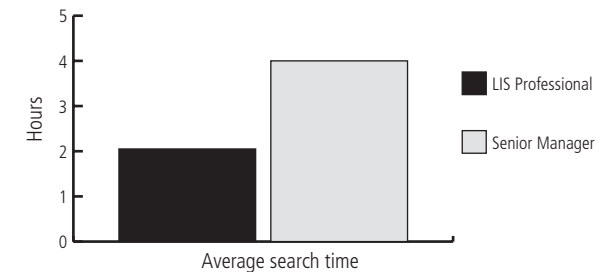
<sup>2</sup> 2008 Academic Libraries CAUL statistics <http://www.caul.edu.au/caul-programs/caul-statistics/previousyears>

<sup>3</sup> Australian Public Library Statistics 2008-2009, NSLA – to be published shortly at <http://www.nsla.org.au/publications/statistics/>

<sup>4</sup> Medicare Annual Report 2009-2010 <http://www.dhs.gov.au/publications-policies-and-plans/annual-reports/medicare/0910/downloads/Medicare-AR-0910.pdf>

## SAVINGS AND EFFICIENCY cont...

What we provide	Cost	Value comparisons
<p>We have x FTE staff</p> <p>We carry out x information searches and answer x,000 enquiries</p>	<p>Wages budget ÷ number of staff = average hourly rate</p>	<p>Take a look at the ALIA website for salary scales – according to our figures, an experienced librarian employed by government can earn \$41.80 per hour<sup>5</sup>.</p> <p>For special libraries, compare this with the hourly rate of other professionals using your service. Check out <a href="http://www.seek.com.au">www.seek.com.au</a> for an idea of the latest pay scales. You will find that senior managers can be earning as much as double the rate of you and your staff.</p> <p>Library and information professionals are more thorough, smarter and faster when it comes to searching for and sourcing information.</p> <p><b>More thorough:</b> 62% of non-professionals don't look past the first page of results when using a search engine<sup>6</sup>.</p> <p><b>Smarter:</b> Google may be the search engine of choice for non-professionals, but we use databases and electronic resources that simply don't appear in Google.</p> <p><b>Faster:</b> Ask your library users how long they think it would have taken to find the information you have provided.</p> <p>Now work out how much longer the search would have taken and how much that would have cost the organisation in terms of their hourly wage versus yours.</p>

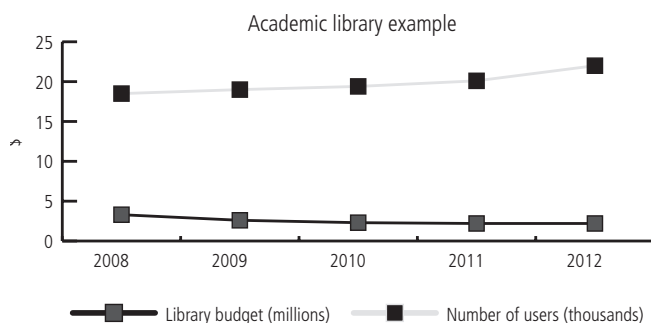


<sup>5</sup> Crown Employees (Public Sector - Salaries 2008) Award, New South Wales <http://www.alia.org.au/employment/salary.scales/roles.and.pay.html>

<sup>6</sup> White Paper on Search Engine User Behavior, iProspect, 2006 [http://www.iprospect.com/premiumPDFs/WhitePaper\\_2006\\_SearchEngineUserBehavior.pdf](http://www.iprospect.com/premiumPDFs/WhitePaper_2006_SearchEngineUserBehavior.pdf)

## Comparison over time

Look at your historical figures (if you have them) or estimates (if you don't), and see how usage has changed over the last 3-5 years. Then look at forward estimates of the population you will be serving and their likely demands – for most library and information professionals this will mean more e-resources. It may well show that while the population, and therefore demand, is rising, your budget is static or even reducing. This will help you establish the need for further investment.



## CONTRIBUTION

### Alignment with strategic priorities

Get hold of your organisation's strategic plan and work out how your services align with its priority areas. You may need to think differently about your service and use different language. For example, in a corporate setting "business growth through innovation" could be at the top of the list. How does your service support innovation in the organisation and can you assign a dollar value to what you do?

Strategic priority	Cost	Value comparisons
Business growth through innovation	Access to the latest thinking through subscriptions to journals and e-resources	How much do you save the organisation by subscribing centrally to these resources?
	Provision of information for R&D, strategists and policy makers	How much would it cost to use an external consultancy to provide this information?

### Public libraries

Public libraries help local, state and territory and federal government achieve their objectives in key priority areas such as education, health, the economy, the environment and building sustainable communities. They act as information providers across a broad range of topics and as active participants in projects involving literacy and skills.

When valuing public library services there are obvious factors such as free (or below market rates) books, music, films and games, but it also pays to think laterally, for example:

- Do you have a heritage property that enhances the town's tourism credentials?
- Do you accommodate the overspill from college libraries?
- Do you help job seekers find their way back into employment?
- Are you a promotional vehicle for authors and publishers, supporting the book trade?
- Is your library used by local business people?

Over the past decade, the search for the best way of measuring public libraries' contribution has expanded across the globe. Projects have been carried out in Australia, Canada, the US, UK and New Zealand, generating a mass of ideas and information. Looking through these reports, there are four key ways of assessing the value of public libraries and most studies have used a combination of two or more methods.

Method	Methodology	Output
Contingent Valuation (CV)	Surveys to determine Willingness To Pay (WTP) and Willingness to Accept (WTA), with additional measures such as (a) how much people are prepared to invest in time and money to use a public library and (b) how much they would have to pay for alternatives, if these were available.	The size of the consumer surplus ie the value of the public library services, over and above the cost to the taxpayer. <i>"For every \$1 invested, public libraries return \$X worth of value"</i>
Direct Economic Contribution (DEC)	A measure of how much public libraries put back into the community in terms of building works, purchases, tax levied on employees' salaries.	An absolute figure, showing how public libraries help to underpin the economy.
Market Value (MV)	What it would cost to buy the same services elsewhere, assuming they were available from other sources.	A market valuation of the services offered by public libraries. <i>"If you were to buy these services elsewhere, the cost would be X times the amount spent on public libraries."</i>
Return On Investment (ROI)	This uses a combination of factors to create a formula measuring the ROI, for example: $(DEC + MV) / \text{No of people served by public libraries} = \text{Economic contribution per capita}$ Economic contribution per capita – tax support per capita = ROI	A formula that can easily be applied to local circumstances. <i>"For every \$1 invested, this public library returns \$X worth of value."</i>

Of course, there are always challenges and each of these valuation methods has its weaknesses. Contingent Valuation for example, is based on people's hypothetical intent, not their actual behaviour. A common phrase is "this is not an exact science". Studies err on the conservative side so that, when challenged, researchers can cite other, less tangible elements, which also contribute to the overall value of public libraries.

In 2008, the Library Council of New South Wales published its report *Enriching communities: the value of public libraries in New South Wales*<sup>7</sup>, which used a variety of methods to calculate the return on investment. The headline statistic was that NSW public libraries generated at least \$4.24-worth of value for every dollar invested. A further study has been carried out in Victoria in 2009-2010 and the results will be published early in 2011.

<sup>7</sup> Library Council of New South Wales, 2008, *Enriching Communities: the value of public libraries in New South Wales* [http://www.sl.nsw.gov.au/services/public\\_libraries/docs/enriching\\_comunities\\_report.pdf](http://www.sl.nsw.gov.au/services/public_libraries/docs/enriching_comunities_report.pdf)

The 2010 ALIA National Standards and Guidelines for Australian Public Libraries, prepared by Libraries Alive! and soon to be published on the website (<http://www.alia.org.au/publiclibraries/>) provides useful benchmarks against which library managers can compare their own services.

The 2007 Americans for Libraries Council (ALC) report on library valuation stated, "A benefit-to-cost ratio of 3:1 or better is common among the library valuation studies ALC reviewed. Because this type of economic analysis is commonly used across industries and businesses, it puts libraries into an evaluative framework that permits comparisons with other types of organizations. When this occurs, public libraries consistently outpace other sectors, such as transportation, health, and education, on the efficient use of tax dollars."<sup>8</sup>

Also from America is the Massachusetts Library Association *Value of Library Service Calculator*<sup>9</sup>, which has been used by Australian public libraries to demonstrate the cost benefit to the community.

## Special libraries

The Market Value methodology can be used for all kinds of libraries and it is the easiest device to implement for library staff without the time and budget for a major piece of research. However, if you have the capacity and opportunity to carry out a survey of users, this too can provide compelling evidence of the value of your service.

An Every Member An Advocate workshop participant from a health library decided to attach two questions to each piece of information supplied to users of the service. They were along the lines of:

- Did we supply the information you required?
- How long do you think it would have taken you to find the information yourself?

From the responses, it was possible to gather quotes about the excellence, speed and accuracy of the service, and to measure the number of hours of a medical professional's time the library and information service had saved the organisation.

The Special Libraries Association produced a report in 1998 entitled *Valuing Special Libraries and Information Services*, in which the authors stated, "the users are the ideal point of leverage for assessing impact. The users are the only people in the whole corporation who see the interactions with the library, and see the purposes for those interactions, and they see the results of those interactions. That is why our study of the value of special libraries focuses on interviewing the users of those libraries."

A survey of special library users should ask about specific interactions:

- Why did you use the library?
- What did you use?
- What were the results?
- How has this had an impact on your work?

There is very little current research available about the value of special libraries, but, as an example of what can be discovered through a user survey, in 1990-1991, a study of hospital physicians in Rochester, New York, found that, "As a result of the information provided by the library, 80% of the 208 physicians who returned their questionnaires said that they probably or definitely handled some aspect of patient care differently than they would have handled it otherwise. Changes in the following specific aspects

<sup>8</sup> Susan Imholz and Jennifer Weil Arns, 2007, *Worth Their Weight, An Assessment of the Evolving Field of Library Evaluation*, Americans for Libraries Council, USA <http://www.ala.org/ala/research/librarystats/worththeirweight.pdf>

<sup>9</sup> Massachusetts Library Association, 2008, *Value of Library Service Calculator*, <http://69.36.174.204/value-new/calculator.html>

<sup>10</sup> Special Libraries Association, 1998, <http://comminfo.rutgers.edu/~kantor/SLA/PBKAug19.PDF>

of care were reported by the physicians: diagnosis (29%), choice of tests (51%), choice of drugs (45%), reduced length of hospital stay (19%), and advice given to the patient (72%). Physicians also said that the information provided by the library contributed to their ability to avoid the following: hospital admission (12%), patient mortality (19%), hospital-acquired infection (8%), surgery (21%), and additional tests or procedures (49%). The physicians rated the information provided by the library more highly than that provided by other information sources such as diagnostic imaging, lab tests, and discussions with colleagues.”<sup>11</sup>

More recently, in August 2010, Avanade commissioned a global survey about the impact of the “data deluge” on big businesses<sup>12</sup>. ALIA member Elizabeth Swan highlighted the following findings as being of use to special libraries:

- More than 25% of respondents felt they had lost business because they weren't able to access the right information
- 46% believed they had made a bad business decision because they had outdated or incorrect data
- One third of respondents thought access to even more sources of data would help them do their jobs better
- 61% wanted faster access to data

## School and academic libraries

Every Member An Advocate workshop participants from school, TAFE and university libraries, made the point that the library is often a key selling point for students and their parents. The impact on enrolment figures is hard to quantify but the library is often used by educational establishments to create a competitive advantage in the marketplace. At the very least, this is worth mentioning in budget submissions.

The Association of College and Research Libraries has published a report entitled *The Value of Academic Libraries*<sup>13</sup>, which provides an excellent summary of the latest thinking about how academic libraries can provide evidence of their contribution and value to the institution. It also sets the scene for further research in universities.

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<sup>11</sup> J G Marshall, University of Toronto, 1992, The impact of the hospital library on clinical decision making: the Rochester study <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC225641/pdf/mlab00115-0079.pdf>

<sup>12</sup> Kelton Research for client Avanade, August 2010, *Global Survey: The Business Impact of Big Data* <http://www.avanade.com/Documents/Research%20and%20Insights/Big%20Data%20Executive%20Summary%20FINAL%20SEOv.pdf>

<sup>13</sup> Association of College and Research Libraries, 2010, *The Value of Academic Libraries* <http://www.acrl.org/value/>

## USING THE INFORMATION

If you adopt some or all of these suggestions, you should find yourself with a wealth of evidence about the value of your library and information service. It is then simply a question of how to communicate these facts effectively to the funding decision-makers.

One of the suggestions which came out of the Every Member An Advocate workshops was an annual report. A short, lively document, featuring key facts and figures, which could be distributed to senior managers, library users and other stakeholders. If you need a reason for producing this, why not tie it in with Library and Information Week in May (<http://www.alia.org.au/liw/>).

### Outcomes

And what will you achieve through this initiative? We hope you will find that:

- Libraries are lower down the list of targets when budget cuts are proposed
- Senior figures are more likely to leap to the defence of libraries when there is a shortage of funds
- Influencers who instinctively believe in and promote the worth of libraries, have tangible measures to support their advocacy
- Library managers and staff can speak with confidence about the very real value of their library and information service
- Library services are able to attract new funding from alternative sources, including commercial sponsors

**For more information about the ALIA Every Member An Advocate campaign, visit <http://www.alia.org.au/advocacy/>**

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