

The Economic Value of the Toronto Public Library to Toronto

Literature Review

Submitted by:

Project Lead:

Dr. Kevin Stolarick, Research Director,
The Martin Prosperity Institute

Contact Information:

The Martin Prosperity Institute
Rotman School of Management
105 St. George Street, Suite 9000
Toronto, Ontario
Canada M5S 3E6

v. 416-946-7300

e. Kevin.Stolarick@rotman.utoronto.ca



Economic Impact of Public Libraries: Literature Review

Urban policy makers are increasingly interested in quantifying the economic and social benefits of key public elements of the built environment. This paradigm shift aims to move discussions about public goods, such as libraries, beyond the traditionally “soft” benefits associated with quality of life variables to “hard” quantifiable variables such as property values, public health costs, social equity, and literacy and crime rates. Such studies of the economic and social impacts of libraries are of increasing importance both for urbanites living in municipalities keen on balancing their budgets by cutting services seen as “unnecessary” and for provincial and federal governments keen on developing highly educated, happy, and productive citizens to compete in the global marketplace.

Only very recently has the direct and indirect economic impacts of public libraries received much attention in both popular and academic media. This may largely be in part because people see libraries as essential parts of our society and so they of course should receive public funding. Studies investigating the quantitative economic impacts of libraries have recently grown in the public sphere because of increased scrutiny of municipal budgets. However, in economic downturns, it has been shown that public libraries take on an increased importance for city residents (Newman, 2012). This is because libraries “facilitate workforce development by providing access to computers and the internet, and offer technology training that helps local residents learn new skills, apply for jobs, start and grow business” (Newman, 2012). Therefore, an investigation into the economic impacts of libraries has the potential to have widespread policy implications and positive impacts on the lives of present and future library users.

In 2007 the Urban Libraries Council released the “Making Cities Stronger: Public Library Contributions to Local Economic Development” report. The report outlines 4 key economic benefits directly related to the presence of Public Libraries. First, early literacy services are contributing to long-term economic success. Second, library employment and career resources are preparing workers with new technologies. Third, small business resources and programs are lowering barriers to market entry. Finally, public library buildings are catalysts for physical development (Manjarrez, Cigna, & Bajaj, 2007). Similarly, studies in Norway (Aabø, 2005), Korea (Ko, 2012), Australia (State Library of Victoria, 2011), Florida (McClure, Fraser, Nelson, & Robbins, 2001), South Carolina (Barron, 2005), New York City (Newman, 2012), and Seattle (Berk and Associates, 2005) have all shown that the benefits of libraries to society, both quantitative and qualitative, far outweigh the costs.

In Canada, there have been few recent studies on the economic impact of public libraries. In 1996, an article by Rod Sawyer (Sawyer, 1996) documented extensive anecdotal evidence of how public libraries in Ontario provide economic benefits. A report provided by the Book and Periodical Council (Warner & Fitch, 1997) discusses the positive impacts of public libraries on local economies, pointing to anecdotal information from libraries around the world. A recent report by the Canadian Centre for Policy Alternatives (Rao, 2012) provides a history of funding for the Toronto Public Library and uses metrics to demonstrate the library system’s value to Torontonians in terms of entertainment, skills development,

social inclusion, economic support, and health, at a high level. Rao's report opens the door for a more detailed study of how public libraries impact their local economies.

Literature Review

The following articles and reports have been reviewed in preparation for the research on the Economic Impact of Toronto Public Library on the City of Toronto.

Aabø, S. (2005a). Are public libraries worth their price? *New Library World*, 106(11/12), 487–495. Retrieved from http://resolver.scholarsportal.info/resolve/03074803/v106i11-12/487_aplwtp.xml

Aabø, S. (2005b). Valuing the benefits of public libraries. *Information Economics and Policy*, 17(2), 175–198. doi:10.1016/j.infoecopol.2004.05.003

Americans for the Arts. (2012). *Arts & Economic Prosperity IV: Economic Impact of the Nonprofit Arts & Culture Industry*. Washington, DC: Americans for the Arts.

Barron, D. (2005). *The Economic impact of public libraries on South Carolina*. Columbia, SC: University of South Carolina, College of Mass Communications and Information Studies, School of Library and Information Science. Retrieved from <http://www.libsci.sc.edu/sceis/final%20report%2026%20january.pdf>

Berk and Associates. (2005). *The Seattle Public Library central library : economic benefits assessment : the transformative power of a library to redefine learning, community, and economic development*. Seattle, Washington: The Firm. Retrieved from http://www.spl.org/Documents/branch/CEN/SPLCentral_Library_Economic_Impacts.pdf

Bertot, J. C., McClure, C. R., & Jaeger, P. T. (2008). The Impacts of Free Public Internet Access on Public Library Patrons and Communities. *The Library Quarterly*, 78(3), 285–301. doi:10.1086/588445

Bundy, A. (2003). Best investment: the modern public library as social capital. Presented at the AGM of Friends of Libraries Australia, Altona, Victoria. Retrieved from <http://arrow.unisa.edu.au:8081/1959.8/40620>

Eldred, H. (1998, February). Economic and Job Creation Benefits of Public Libraries. *Library Administrator's Digest*, 33(2). Retrieved from <http://www.questia.com/read/1P3-28946455/economic-and-job-creation-benefits-of-public-libraries>

Elliott, D. S. (2007). *Measuring Your Library's Value: How to Do a Cost-Benefit Analysis for Your Public Library*. American Library Association.

Fraser, B. T., Nelson, T. W., & McClure, C. R. (2002). Describing the Economic Impacts and Benefits of Florida Public Libraries: Findings and Methodological Applications for Future Work. *Library & Information Science Research*, 24(3), 211–33.

Glass, R. H., Clifford, N., Harris, B., & Institute, U. of K. P. R. (2000). *The Role of Public Libraries in Local Economic Development*. Policy Research Institute, University of Kansas.

- Halbur, T. (2011, September 20). Public Libraries are Natural Town Squares. *Planetizen: The Urban Planning, Design, and Development Network*. Retrieved from <http://www.planetizen.com/node/51438>
- Johnson, C. A. (2010). Do public libraries contribute to social capital?: A preliminary investigation into the relationship. *Library & Information Science Research*, 32(2), 147–155. doi:10.1016/j.lisr.2009.12.006
- Ko, Y. M. (2012). An economic valuation study of public libraries in Korea. *Library & Information Science Research*, 34(2). Retrieved from <http://www.sciencedirect.com/science/article/pii/S0740818812000060>
- Kretzmann, J. (2005, December). The Engaged Library: Chicago Stories of Community Building. Urban Libraries Council. Retrieved from <http://www.abcdinstitute.org/docs/ULCReport.pdf>
- Leckie, G. J., & Hopkins, J. (2002). The Public Place of Central Libraries: Findings from Toronto and Vancouver. *Library Quarterly*, 72(3), 326–72. Retrieved from <http://www.eric.ed.gov/ERICWebPortal/detail?accno=EJ654242>
- Manjarrez, C., Cigna, J., & Bajaj, B. (2007). *Making Cities Stronger: Public Library Contributions to Local Economic Development*. Washington, DC: Urban Institute. Retrieved from http://www.urban.org/UploadedPDF/1001075_stronger_cities.pdf
- McClure, C. R., Fraser, B. T., Nelson, T. W., & Robbins, J. B. (2001). *Economic Benefits and Impacts from Public Libraries in the State of Florida. Final Report*. Retrieved from <http://www.eric.ed.gov/ERICWebPortal/detail?accno=ED449805>
- Missingham, R. (2005). Libraries and economic value: a review of recent studies. *Performance Measurement and Metrics*, 6(3), 142–158. doi:10.1108/14678040510636711
- Morris, A., Sumsion, J., & Hawkins, M. (2002). Economic Value of Public Libraries in the UK. *Libri*, 52(2), 78–87. doi:10.1515/LIBR.2002.78
- Newman, R. (2012). *Economic Impact of Libraries in New York City*. New York, NY. Retrieved from <http://www.scribd.com/doc/89640025/Economic-Impact-of-Libraries-in-New-York-City>
- Newman, W. (2008). *Third generation public libraries: Visionary Thinking and Service Development in Public Libraries (to 2020) and Potential Application in Ontario*. Toronto: Ontario Ministry of Tourism and Culture. Retrieved from http://www.mtc.gov.on.ca/en/publications/third_gen_libraries.pdf
- Ontario Libraries and Community Information Branch. (1995). *The Economic and Job Creation Benefits of Ontario Public and First Nations Libraries*. Ontario Libraries and Community Information Branch.
- Poll, R. (2012). Can we quantify the library's influence? Creating an ISO standard for impact assessment. *Performance Measurement and Metrics*, 13(2), 121–130. doi:10.1108/14678041211241332
- Rao, G. C. (2012). *The Great Equalizer: The Case For Investing In the Toronto Public Library* (p. 42). Toronto: Canadian Centre for Policy Alternatives. Retrieved from <http://www.policyalternatives.ca/publications/reports/great-equalizer>

Saskatchewan Learning Provincial Library. (2005). *Public Libraries: Contributing to the Economic, Social Well-Being and Lifelong Learning of Saskatchewan People*. Retrieved from <http://www.education.gov.sk.ca/Public-Libraries-Economic-Social-Well-Being-Lifelong-Learning>

Sawyer, R. (1996). The economic and job creation benefits of Ontario public libraries. *Bottom Line: Managing Library Finances, The, 9(4)*, 14–26. doi:10.1108/08880459610131781

Schrader, A. M., & Brundin, M. R. (2012). *National Statistical and Values Profile of Canadian Libraries: Report to CLA Executive Council*. Canadian Library Association. Retrieved from <http://www.cla.ca/AM/Template.cfm?Section=Advocacy&Template=/CM/ContentDisplay.cfm&ContentID=13783>

Senville, W. (2009). Public Libraries: The Hub of Our Communities. *Australasian Public Libraries and Information Services, 22(3)*, 97–103.

State Library of Victoria. (2011). *Dollars, Sense and Public Libraries: The landmark study of the socio-economic value of Victorian public libraries*. Melbourne, Australia: State Library of Victoria. Retrieved from http://www.slv.vic.gov.au/sites/default/files/dollars-sense-public-libraries-summary-report_1.pdf

Texas State Library and Archives Commission. (2012). *Texas Public Libraries: Economic Benefits and Return on Investment* -. Austin, Texas: Texas State Library and Archives Commission. Retrieved from <https://www.tsl.state.tx.us/roi>

Warner, J., & Fitch, L. (1997). *Dividends: The Value of Public Libraries in Canada*. The Library Action Committee of the Book and Periodical Council. Retrieved from <http://www.nald.ca/library/research/dividend/dividend.pdf>

Wells, A. (2012, October 5). Climb This Mountain of Books. *The Atlantic Cities*. Retrieved from <http://www.theatlanticcities.com/design/2012/10/climb-mountain-books/3513/>