

# *Economic Value of Public Libraries in the UK*

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This paper summarises the results of a research project which assessed the economic impact of the public library service in the UK. Emphasis is given to a general descriptive model based on combining the diverse survey results of previous research, a survey to determine user perceptions of the

value of a book loan, a model to illustrate the economic value of book buying compared to book lending in terms of the number of “reads” and estimates of the total value of the public library service to the economy. New performance indicators are also proposed.

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## *Introduction*

A number of UK government initiatives have influenced public library policies. These include: ‘Best Value’, ‘Planning and organisation’, ‘Social inclusion’, ‘Education and lifelong learning’, ‘Local regeneration’, and ‘Modernisation’. Although in public libraries ‘Best Value’ has been accepted as a management objective for several decades, more support is now available with elaborate statistics and performance measures. Government initiatives on ‘annual library plans’, ‘performance standards’ and on the user surveys involved all serve to emphasise the economic factors and analyses which form the basis of ‘Best Value’ and the core of the research project described in this paper. Emphasis on the importance of access to all regardless of race, religion, occupation or wealth is important too and is a feature of the ‘Social inclusion’ policy. The public library’s perceived neutrality is a strength as is the support for Lifelong learning, University for Industry, National Grid for Learning, and so on. Libraries have, there-

fore, a strong role in local regeneration and community development but how can the economic impact of their service be measured? It is this question that was addressed by research carried out at Loughborough University and sponsored by Resource (The Council for Museums, Archives and Libraries) (Morris et al. 2001a).

The main aim of the research was to find a way or ways of assessing the economic impact of the public library service with emphasis on its value to the user. The research concentrated principally on assessing value and economic benefit and the application of economic theory to various management issues. The examination of costs, resources, stock management and social, cultural and political aspects have received much attention elsewhere and were outside the scope of this research.

The value of library benefits varies between users – varying with age, location, education, wealth, interest and career. In most cases the user has the option of purchasing the material outright benefiting from the substantially lower cost of borrow-

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ing or temporary access when using the library. The value of this service in a commercial setting would be assessed by the price mechanism, based on market prices or differentially set prices.

In the non-commercial public library setting alternative approaches to estimate this value could be attempted by considering:

- historical experience;
- experience where charges have been introduced;
- comparisons with audio-visual lending;
- the book market;
- varied features/demands of users.

The research, detailed in this paper, examined these avenues, and others, by means of an extensive literature review of largely quantitative research, survey work and the compilations of various models. All are detailed fully in the project report (Morris et al. 2001a). The literature review involved assembling a mass of descriptive data relating to library use, value and impact. By combining the diverse survey results in an integrated way it was possible not only to demonstrate the fruits of much LIS research but also build new dimensions through linking the findings and measurements from separate pieces of research. This led to the formulation of a general descriptive model of the economic features of user demand for library services and the elements of its impact. In economic terms this describes, if not defines, a demand curve.

To complement this desk research a practical survey was undertaken to assess user perceptions of the value of book loans from libraries. Over 550 library users at four libraries were questioned when returning books related to purpose, reasons for borrowing, their enjoyment and the price they would have paid to hire or rent the book if not available from the library service.

The findings of the descriptive model and the survey were used to develop economic models that cast new light on some of the important features of the library service. One of these, the optimisation model, provides a theoretical explanation of the central public library feature – book lending. Another, the benefits generated model, extends the optimisation model and examines the benefit, as manifested by the number of book “reads”, in relation to private and public

expenditure on books in the UK. The research also attempted to estimate the total value of public library benefits. Estimated values for various aspects of the library service were derived from statistics collected for other purposes and available in the public domain. Finally, ideas for two new performance indicators to assess the value achieved by the library in its lending operation were generated.

### *Statistics and research on use and users*

The research synthesised a mass of statistical survey data that is now available to describe patterns of use, characteristics of users, and library services, the variety of which is an essential feature of their economic value (Hawkins et al. 2001). The principal sources used, however, were surveys undertaken by Book Marketing Ltd and by CIPFA PLUS. The data assembled from previous research and surveys showed that:

- Book buying and borrowing are complementary, rather than competing, activities. There is a strong positive association between library use and book buying, apart from the light buying by young adults, with the fiction genres bought being largely the same as those which enjoy the highest issues.
- Although books are sold to people in all social groups, they are bought more by those in classes AB and C1. Library book borrowing is more evenly spread across the social spectrum than is book buying.
- While not corresponding exactly to the structure of the population, library-borrowing use is spread fairly evenly across the demographic spectrum. Perceptions of overwhelming use by one group of people appear to be unfounded.
- The greatest number of users comes from social group C1. Although people in group AB are the most active users in relation to their share of total population, numerically they provide fewest users.
- Young adults (17–24), although active library users, are not heavy buyers of books. They do, however, borrow from friends. Persons aged 25–34 and 45–64 are much heavier buyers than they are borrowers. This suggests that convenience and sufficiency of means are factors in both library use and book buying.
- Books which will be used over a long period are more likely to be bought than those which readers expect to use only once or a few times.
- Although they achieve high issues, sales to public libraries form only a small proportion of the total UK book market. However, public libraries are an important market for certain categories of material, such as large print and hardback fiction.

Table 1. Amount respondent would have paid to hire

Amount	Adult Fiction %	Adult Non-fiction %
0	6	6
5–25p	25	21
30–50p	29	28
55–75p	11	11
80p–£1.00	17	23
£1.05–£2.00	7	6
£2.05–£3.00	3	3
>£3.00	2	2
Total Respondents	100	100

- The high level of homogeneity in use suggests that library use is redistributive, encourages learning throughout life and contributes to social inclusion.

### *User perceptions of value*

A survey was undertaken to assess the value placed by users on the books read, in terms of the purpose for which they were borrowed, the benefit obtained and why they were borrowed rather than bought (Morris et al. 2001b). Users, returning books, at four libraries, Bedford, Hinckley, Rugby and St Ann’s at Nottingham, were asked a series of questions related to purpose, reasons for borrowing, enjoyment or usefulness (for non-fiction books) and the price they would have paid to hire/rent the book had this been required. It was explained to the user that the survey was not a precursor to the introduction of charging but a way of assessing the value of book loans to library users.

In total, 557 valid questionnaire interviews were completed. The results showed that the weighted mean value people placed on adult fiction and adult non-fiction were 62.2p and 66.3p, respectively (see Table 1 for details).

The survey demonstrated no dramatic links between purpose and the price a borrower would be prepared to pay. Neither was there any identifiable association between the preparedness to pay by gender, or by terminal education age. However, young respondents were prepared to pay more for adult fiction than older ones. More than half of those aged between 15 and 34 were prepared to pay at least 85p to borrow a novel and 15% of 15–24 year olds would pay more than £2. The results indicate that the amount borrowers would expect to pay decreases with age. For ex-

ample, 60% of those aged 65 or over in this sample said they would pay no more than 50p. Although the issue was not found to be as clear cut for non-fiction, with amounts being more evenly spread across the age range, there was a weak tendency for young people to be prepared to pay more. The age group quoting highest figures was found to be 25–34 year olds; 10% of them were prepared to pay £2.05–£3.00, although none was prepared to pay more than £3.00. In general, for sums above £1, willingness to pay declined markedly in respect of all characteristics.

### *Optimisation model*

Most stock control models start with the decision on the size of the Book Fund and deal with mechanisms to optimise spending on different categories, and so on within that overall limit. This model attempts to indicate the level at which the overall budget should be set to achieve best value or the most economic result as between book buying and book lending.

The basis of this model is that it considers the number of book ‘reads’ rather than ‘purchases’ or ‘loans’. Buying transactions and borrowing transactions are not comparable. The ‘read’ activity, however, is common to book reading – whether the book is bought privately or borrowed from a library.

The cost of a ‘read’ of a book obtained privately is the purchase price of the book, unless it has been ‘passed on’. The cost of a ‘read’ from a library, although free for the borrower, has two cost elements: acquisition costs and circulation costs. The acquisition cost of a book is fixed and is not dependent on the number of ‘reads’. It comprises the purchase price, say £6 for a paperback, plus £3 extra to cover administration costs. The circulation cost of a ‘read’ can be calculated as 70 per cent of the Total Library Net Costs: 70% of £1.41 = £1.00. [1] Hence the circulation cost of 10 ‘reads’ would be £10.00.

Assuming that there are three reads for every two books purchased (i.e. 1.5 reads per purchased book) and that for every four issues recorded from a library there are three books read (i.e. 0.75 reads per book borrowed) [2] then costs per read can be compared (see Table 2). The initial assumption is based on the fact that people buying books often pass them on to others to read (Book

Marketing 1999). The second recognises that library users return books unread or ask for them to be renewed, so issue statistics need to be adjusted to reflect this.

The model shows the conditions in which one option is more economic. Equilibrium is reached when there is no gain in total economic wealth as measured by the costs of each option. Taking a first example from the standard formulation for paperbacks with the results for 6 reads: the buying option costs £24; the borrowing option costs £17. So the borrowing option would, in comparison with the buying option, release £7 for spending on other goods and services. It is relatively efficient or economic by this amount. At 18 reads: the buying option costs £72; the borrowing option costs £33. So the borrowing option, in comparison with buying, would release £39 for spending on other goods and services – the indication of its relative efficiency or economy.

On these assumptions all options, above atypically low levels, show borrowing as preferable in terms of total economic cost. In all options the advantages of borrowing increase with volume (or popularity). If a book is acquired for the library and is then not borrowed, the option is obviously not effective. If going to borrow books from the library is so inconvenient and unsuccessful – relative to a bookshop purchase – then the inconvenience costs to the user will outweigh the monetary and social benefit. The social gain is the sum of all the individual gains.

In the above example, it would be in the general economic interest to set a target of 6 reads (9 issues) per book and to expand the lending operation at all levels above that minimum. (When worked out in more detail the breakeven point would be nearer 4 reads.) Not to expand borrowing to this level would produce a result that is inefficient economically in social and in individual terms. Lower levels of public library lending would, in economic terms, be anti-social management. In principle, this result holds whether or not loans are charged or are free to the user. Insofar as libraries do not expand to this level the total result is more costly to society and there are fewer resources freed up for other goods and services.

The model is capable of much manipulation through challenging the assumptions for different circumstances and by applying it to different types

Table 2. Optimisation model: for paperbacks (in £s)

Number of Reads (R)	3	6	12	18	30
Buying Costs:					
2R/3 x £6	12	24	48	72	120
Borrowing Costs:					
Acquisition: one copy	9	9	9	9	9
Circulation 4R/3 x £1.00	4	8	16	24	40
Total	13	17	23	33	49
Net Gain (Loss) in Borrowing	(1)	7	23	39	71

Assumptions:

- Three actual reads of every two books bought;
- Three reads of every four books borrowed.

of book at different price levels. If £15 hardbacks were substituted for paperbacks, for example, then the results would be much more favourable to the borrowing option. Clearly the gains through lending hardback books are of a much larger order than in the paperback situation, corroborating what library managers know from experience.

These examples assume the book is read once only, as are most novels and biographies, for instance. When applied to books that have to be frequently consulted (encyclopaedias, reference books, textbooks, poetry, etc) the advantage swings to the purchase option rather than borrowing. This feature is revealed as the most critical in explaining where borrowing is relatively economic and uneconomic.

The model does not cover the whole story or explain recent history. Despite the cost benefits of borrowing displayed in the model there are increasing quantities of books, particularly paperback fiction, sold in bookshops. The explanation for this is to be found in factors external to the optimisation model but very relevant to the assessment of 'opportunity costs':

- Inconvenience costs of going to the library rather than a bookshop;
- The probability of finding what is required, or an acceptable surrogate: in its negative form the expectation of a frustrated quest;
- The most up-to-date edition may be available in the bookshop but not in the library;
- Attractiveness of the place to visit and adjacent opportunities. This includes other library services available to use on the same visit;
- Personal features: the collector instinct; bias against handling books already used; slow readers.

Table 3. Reads generated by bought and borrowed books

	Book buying		Book borrowing		Reads	
	Books bought	Reads generated @ 1.5 per book	Books borrowed	Reads generated @ 0.75 per book	Total reads	Percentage generated by libraries
	000	000	000	000	000	%
AF	90,000	135,000	246,700	185,000	320,000	58
ANF	120,000	180,000	121,700	91,000	271,000	34
Children's	110,000	165,000	112,100	84,000	249,000	34
Total	320,000	480,000	480,500	360,000	840,000	43

(BML 1999; CIPFA 1998)

Further details of the model can be found in Morris et al. (2001a).

### *Benefits generated model*

This model extends the optimisation model and examines the benefit, as manifested by the number of book "reads", in relation to public and private expenditure. Since it deals with totals and averages, it treats every "read" of every book, whether borrowed or purchased, as of equal value. Statistics on the number of books bought and borrowed from libraries were obtained from Book Marketing Limited and CIPFA PLUS survey results.

### *Reads generated by buying and borrowing*

Table 3 details "reads" generated by books borrowed from public libraries to those generated by books bought and shows the percentage of those reads arising from public library books lent out. It shows public libraries to be responsible for 43%

Table 4. Public library spending as a proportion of book trade revenues

	Consumer spending	Library book spending	Total	Spent by libraries
	£000	£000	£000	%
Adult fiction	481,000	32,600	513,600	6.3
Adult non-fiction	570,500	26,800	597,300	4.5
Reference	410,000	15,000	425,100	3.5
Children's	388,500	16,600	405,000	4.1
Total	1,850,000	91,000	1,941,000	4.7

(Book Trade Yearbook 1998, BML 1999)

of the reads, with the greatest share (58%) coming from adult fiction.

A straightforward calculation using consumer and public library expenditure on books (see Table 4) shows that the average cost of a book "read" is £3.85 (1,850,000,000/480,000,000) when the book is bought, compared with £1.41 [3] when it is borrowed from the library.

### *Spending on books*

If the reads shown above are broken down by category, the results are as set out in Table 4. The total public library spend is small, at 4.7%, although it is higher, at 6.3% for Adult Fiction. Thus it is apparent that the library's 43% of total reads comes from 4.7% of total national expenditure on books.

### *Libraries' contribution to "reads" by social class and age*

The "reads" generated can be broken down by social class and age groups. Data in Table 5 show that the percentage of library generated "reads" is higher at the lower end of the social scale, though less so in the case of Class D, and that library use is therefore redistributive in terms of social class.

Conventionally classes D and E are combined; their separation distinguishes between Class D – unskilled – and Class E – unsalaried, including those retired. The reads of the professional classes (AB) show a particularly high rate generated by purchasing (75%) as against those generated by borrowing (26%).

When "reads" are broken down by age group it shows that the highest "reads" attributable to borrowers occurs in the 17–24 age group and is

Table 5. Libraries' contribution to reads – by social class

	Books Bought	Reads generated @ 1.5 per book	Books borrowed	Reads generated @ 0.75 per book	Total Reads	Reads attributable to borrowing %
	000	000	000	000	000	
AB	99,000	149,000	67,500	51,000	200,000	26
C1	99,000	149,000	178,000	133,000	282,000	47
C2	58,000	86,000	120,000	90,000	176,000	51
DE	64,000	96,000	115,000	86,000	182,000	47
D	35,000	53,000	48,000	36,000	89,000	40
E	29,000	43,000	67,000	50,000	93,000	54
Total	320,000	480,000	480,500	360,000	840,000	43

lowest between the ages of 45–54 (Morris et al. 2001a).

Library book borrowing is shown to be not only an efficient means of generating book reads, but also to have a significant effect in redistributing income.

### *Estimated total value of public library benefits*

The estimates in this section present a preliminary approach using data that is more complete in some areas than others. While there is no question of scientific proof, the weight of circumstantial evidence found in the research supports these calculations. The calculations could, of course, be done assuming alternative values, either higher or lower; the process is transparent.

### *Total estimate*

The total cost of the Library Service is £724,000,000 (CIPFA 1998) thus it produces £91,400,000 or 12.6% more value than it costs (see Table 6). This, however, is before taking credit for those multiple benefits to society such as 'Externalities', 'Merit goods' and income redistribution effects.

The manner in which these estimates have been compiled is all-important. The arguments and calculations are given here in outline only.

### *Book lending*

The concept of relating the value of a book loan to the price of the book is reasonable and has been adopted here. The following evidence has been collected:

- Newhouse & Alexander 1972 suggested 10% of published price.

- The analysis of Boots Subscription Library subscription (Morris et al. 2001a, Moody 2000) rates suggested 7–13% of published price.
- Survey results for this project suggested 7–8% of published price.
- New Zealand's LIANZA 2000 assessments average 25.3%.

Clearly the value placed on an average book read has to be considered in the light of all these arguments and evidence: the hardback/paperback change since the 1960s, changes in the standard of living, the survey, and the New Zealand study. When account is taken of these arguments and of the many features of extra value offered by books in public libraries, this leads to the estimate that the average value of a book read, when borrowed from the modern public library and relative to the mix of books in the public library lending stock, should be put at 20 per cent of the price paid by libraries.

Table 6. Summary of value calculations

	Transactions		Value per item £	Total value £000s
	000s	Benefits (reads, inf'n*) 000s		
Book lending	480,000	360,000	1.73	622,800
Inter Library Loans	450	450	3.46	1,557
Audio-visual Mediated	37,391			
Information*:	43,819	41,819	2.00	83,638
Self found	34,851	26,309	1.33	34,991
Information*				
Other services				72,400
Total	596,511	428,578		815,386

The value of the average read used in the calculations that follow is therefore 20% of the average £8.65 price paid by libraries, i.e. £1.73. (This average covers adult fiction, adult non-fiction and children's books.)

The other variable to be estimated is the number of book reads; this is derived from the book issue statistic. The ratio of three reads from every four issues, or 0.75 issues: reads, established in the optimisation model, has been used. So:

75% of 480 million book issues = 360 million book reads.

Using these estimates, the value of public library reading can therefore be calculated as:

$360,000,000 \times £1.73 = £622,800,000$

and the cost of providing the library lending service is:

70% of £724,000,000 = £506,800,000

Based on these calculations the value received by borrowers exceeds the cost by £116,000,000 – or by 23 per cent. Put another way, the average value of a book read is estimated at £1.73 and the cost of delivering it is at £1.41.

#### *Audio-visual lending*

In the absence of cost estimates for the delivery of the Audio-visual service, it is assumed that the value of audio-visual lending is equal to the charges levied on users and that this matches the total cost of provision.

Summary annual statistics are:

Loan issues	37,391,000
Acquisitions costs	£ 13,961,000
Income received	£ 16,453,000

#### *Information provision*

The following data are available for the UK. (These are the number of activities/transactions, not money value, and are taken from the CIPFA PLUS Survey results as being more reliable and objective than the CIPFA Actuals Enquiry Count.)

Information seeking activities – total p.a. (CIPFA PLUS) = 78,670,000

Of these:

Proportion of self help activities @ 44.3 % (CIPFA PLUS) = 34,851,000

Information enquiries p.a. (= balance) = 43,819,000

Value is only derived when the required information is obtained. Therefore, totally unsatisfied enquiries must be subtracted before the value of the information function is calculated.

Percentage totally unsatisfied activities 13.4% (CIPFA PLUS)

Therefore, total unsatisfied enquiries =  $13.4 \times 78,670,000 = 10,542,000$

Of these:

19% consulted staff = 2,000,000

81% did not consult staff = 8,542,000

Total satisfied enquiries =  $43,819,000 - 2,000,000 = 41,819,000$

Total satisfied self-help information = 34,851,000  
less 8,542,000 = 26,309,000

To convert these data into money estimates it is necessary to hypothesize an average value for each. The values of £2.00 and £1.33 used are broadly in line with the value of the enquirer's time – at average earnings – as a proxy estimate but give a higher value to the mediated enquiry than to self help. Taking average hourly earnings (1998) at £10.03 and a notional 8 minutes time given up by the user per enquiry the result is £1.33. Adding 50% for mediated service gives £2.00.

On these assumptions the total value of Information received is calculated as follows:

Information enquiries (mediated) 41,819,000 @ £2.00 = £83,638,000

Information found by the user 26,309,000 @ £1.33 = £34,991,000

Total estimated value of information supplied = £118,629,000

#### *Other services*

This area is even more difficult to estimate, even hypothetically. It covers services as diverse as providing newspapers, Internet facilities and story time sessions. Here, in the absence of any data to compute a value estimate, the expenditure is taken as a surrogate. This is only satisfactory in

the very short term. In order to complete the picture it is assumed that 10% of library net total expenditure goes here (support for this figure is given in Morris et al, 2001a). This is likely to prove conservative when the value of in-house use (terminals, study/reading places, magazines, etc.) is taken into account. Thus:

$$10\% \text{ of } \pounds 724,000,000 = \pounds 72,400,000$$

### *Potential new performance indicators for book lending*

The calculations for book lending in the previous section are derived from two variables; first, the volume of lending and second, the average value of books acquired for the library. Constants are included to arrive at the final estimate using reasoning based on various historical features and other data. The result can, however, be simplified in the form of this equation:

$$V = (0.75 I) \times (0.2 P) \text{ or } V = 0.15 \times I \times P$$

Where V = value of book lending

I = book loan issues

P = average price of book acquisitions

.75 = ratio of book loans to book reads

& 0.2 = average value of a read as % of purchase price

The opportunity arises to develop this as a performance indicator to show the value achieved by the library in its lending operation.

It has a number of positive features:

- The higher the number of loans the higher the indicator result;
- Books acquired that do not get borrowed depress the indicator result;
- More expensive books have a greater impact on the indicator result (this accords with the benefit to the user as shown in the optimisation model and is an improvement on the straight Issue count);
- Paperbacks count realistically; the indicator would show the same result for 10 issues each of 3 paperback copies at £6 as for 10 issues of a £18 hardback.

The value of lending can be pushed up both by increasing issues and also by lending high price material. Stocking books that no-one borrows yields nothing; but lending a wide range of books would count for much more than simply boosting issues of popular bestsellers. The indicator would certainly overcome some of the weak-

nesses of the straight issue count and give credit to the more 'serious' books as compared to multiple copies of the most popular.

The main negative feature is that, on its own, the indicator would show a higher result if books were acquired at high prices and would give no credit for tightly managed selection and purchasing. To improve performance by paying over the odds would be a ludicrous result! That would have to be controlled – or reflected – in a second 'paired' indicator. This could well be the ratio between costs of acquisition and publishers' list prices. Publishers' prices are available on computer database files, and this in itself could be an interesting and important performance indicator to reflect the economy librarians achieve in the selection and acquisition process.

The application of these performance measures could have important benefits. It is recognised that further study of the principles and feasibility is required.

### *Discussion and conclusions*

Borrowing books, the dominant use of the public library, allows the user to get the benefit at a fraction of what it would cost to buy the book, or to read books that would be too expensive to buy. This takes different forms for people according to their education, wealth, age, and personal interest. The result is a mixture of educational, informative, cultural and recreational benefit.

Other library uses, principally Information provision, have become increasingly important and popular. Much of the value of the public library lies in integrated provision of many services, some used regularly, some occasionally. The more such variety can be offered at the public library the greater the overall benefit. Value is particularly important where there is no realistic alternative available commercially.

Assessing value in the lending operation is different from assessing value in services providing information and less tangible benefits. Both are important, but require a different approach, just as they may need to be managed differently. To pretend that services and objectives need uniform treatment is unrealistic. The variety is a fundamental strength of the public library.

Social gain is viewed principally as the sum of benefits to individuals. If some benefits can be

realistically assessed and described, then this is worth doing, even if others are less measurable. Economic analysis of such a varied and complex service is therefore necessarily a complex task and no simple formula can be expected to cover the whole. Economic models can, however, be applied to large parts of the operation with benefit.

Users pay for services in time spent and in inconvenience experienced, what economists term 'economic' or 'opportunity' costs. People will stop using the service if such personal costs outweigh their expected benefits. Library benefits to users need to be compared with the costs of commercial alternatives and/or with the negative impact of doing without. The main features are:

- Number of users involved;
- 'Economic costs' to users: time, travel, inconvenience, probable success, etc.;
- Magnitude of benefit – availability of alternatives;
- Income redistribution aspects.

These are the main features that have been addressed in this research in analysing various library services.

The wide range of services on offer in and through the public library, and the wide range of users, means that it is not possible to allocate value by type of material. Type of benefit related to material types is blurred, by limitation of categorisation *and* by different user features, such as personal and purpose. There are many overlaps between Education, Culture, Information and Recreation. All these purposes are found in books, newspapers, magazines, AV, and multimedia. Almost all have elements of merit goods, externalities, public good, etc. although in varying degrees. Such merit features apply also to books published and sold through bookshops and to commercial information providers.

The unique feature of the library is its capability to acquire and make available material on a communal basis where the borrower has a distinct economic gain. The public library is both a business and a public service and managers have to recognise this duality. The benefit to the user is both as a customer of a rental business and the recipient of services that would not be viable commercially but yield public good and merit benefits. This duality is seen in practice in the surveys

of each main service that has been undertaken. Users' activities reveal mixed motives; some represent leisure activities comparable to commercial renting, others have a high 'public good' element in promoting a better-educated and more informed community.

In assessing the value of the public library there is the straightforward gain in borrowing and use of library services, as explained by the models and the estimates proposed. The optimisation model shows a strong economic case for expanding the book lending operation to maximise the volume of lending while the benefits generated model highlights the overall gain from library borrowing. In particular it shows that libraries are an efficient means of generating book reads because, although library purchases accounts for only 4.7 percent of the UK book market, libraries generate 43 per cent of the total UK 'reads'. The economic value of UK public libraries is further evidenced by the research findings which shows that there is a value in excess of £815,000 per annum for those services that can be assessed in monetary terms. Over and above this are the intangible benefits provided through its public service and merit features. If these could be measured in some way then the two value components would need to be added together to form a complete picture.

In practice, library professionals have less difficulty with this dual approach than academics and outsiders. To maximise book issues, for example, by heavy concentration on popular best-sellers and genre fiction is frowned upon; the spread of titles across a wide range of interests and intellectual levels is accepted as important.

To conclude, the research outlined here has shown that the economic value of the public library service is thus considerable yielding both public good and merit benefits which are enjoyed by all ages and across all socio-economic groups. Undoubtedly, this value will increase as lending operations become more efficient and as developments in networked information and electronic literature modify the role of libraries in the future.

### Notes

1. The total cost of the library service in the UK was set at £724,000,000 (CIPFA 1998). At a workshop of

leading library practitioners (Morris et al. 2001a) it was accepted that 70% of total cost could be attributable to circulation costs. Thus, it can be shown that "cost per read" can be estimated at £1.41 (i.e. 70% of 724,000,000/360,000).

2. Some evidence for this can be found in Morris et al. 2001a.
3. See note 1 above.

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