

## **Economic Value of Libraries Toolkit Guidance**

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## 1. WHAT IS ECONOMIC VALUE?

Economic value is becoming increasingly important to establish for our publically provided services. In essence, there is a need to consider whether the economic benefits of a given service, such as libraries, outweigh the costs. This toolkit provides a way of calculating the economic benefits of libraries in terms of their economic value.

Economic value within the current work is associated with three factors:

- the amount of expenditure by a library and jobs provided by a library within a locality as well as the indirect expenditure and jobs this produces along the supply chain;
- the average monetary value of an individual visit to a library; and
- the average annual monetary saving of visitors to a library through use of services provided.

The process involves surveying a sample of visitors to the library or libraries of interest and inputting the necessary data obtained from survey results and library financial records in the spread sheet: <2013\_libraries\_value\_calculator.xlsx>, as shown in this Guidance (pp 4-11). In addition, data for multiple libraries or local authorities can be summarised using the spread sheet: <2013\_libraries\_value\_summary.xlsx>, (in this Guidance, pp 12-13).

This toolkit was commissioned by ALMA-UK to establish a consistent approach to impact assessment across the sector. It has been developed with an emphasis on maximising usability and usefulness, providing a tool that can be applied by an individual organisation but also allow for summarising more widely across the sector.

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## 2. GUIDE TO USING THE LIBRARIES SURVEY

The first stage necessary for using this toolkit is to carry out the associated survey of libraries to be included in the value calculation. There is no doubt that libraries are valued in many different ways by those who use them. This survey specifically seeks to quantify the economic value of library services to local people and local economies across the UK.

A representative sample of libraries should be chosen taking into account factors such as the library size, location (urban, rural etc.) and, if possible, demographics of visitors.

### SAMPLING STRATEGIES

An approximate guide as to how many surveys should be completed at various types of library is as follows: 150 to 200 responses from large urban (city) libraries, 50 to 100 from smaller urban (town) libraries and 30 to 50 for smaller branches.

Whilst these guidelines for sampling are not prescriptive, we have provided some suggestions for good practice. When distributing surveys it is recommended that you attempt to select those to be surveyed as randomly as possible, as this will allow for the results to be more representative of the population as a whole.

Some suggested methods are:

- Asking one person every hour / half hour / nth hour to complete the survey, throughout the day, each day of the week, ensuring different days were covered, and over a number of weeks.
- Asking every 3rd / 10th / nth person through the door to complete the survey, ensuring different days, weeks and times of day are covered.
- Randomly select people to complete the survey from a list, e.g. of registered library users. Every person on the list should have an equal chance of being selected from the list. However, this will only provide a random sample of *borrowers* and does exclude first time visitors to the library, making this approach less desirable.

If none of these methods is viable then it would be workable to leave questionnaires and ask everyone who enters the library to complete the survey; however, in this case it is advisable to ensure surveys are completed at various times of day on each day of the week in order to give a representative sample. This might mean in practice surveying more people than outlined above as all times and days should be covered.

It is important to ensure that you do not, for example, only survey the first 50 people into the library on a Monday morning, or only ask a school group / interest group, or only ask 50 regular library visitors, as none of these approaches would provide a representative sample of all users of the library.

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### 3. GUIDE TO USING THE ECONOMIC VALUE CALCULATOR



#### OVERVIEW

This economic value calculator has been developed to help libraries to estimate the value of their institution on the local economy. It is possible to use the calculator for a single library to calculate its individual economic value to users, or for several libraries within a local authority, in order to gain an understanding of the value across the local authority (see the notes on sampling in Chapter 2 of this Guide).

#### SECTIONS OF THE ECONOMIC VALUE CALCULATOR

The calculator is divided into four sections:

1. Introduction
2. Indirect Impact
3. Survey Input
4. Survey Analysis

Within each section there are a series of yellow  cells and a series of blue  cells. You should only enter information into yellow cells. The blue cells will automatically calculate value figures based on the numbers you have entered.

#### 1. INTRODUCTION

The introduction gives a brief overview of the toolkit and also provides some contact numbers if questions should arise whilst using the calculator.

#### 2. INDIRECT IMPACT

##### *Local Authority*

On the indirect impact worksheet (worksheet 1), please provide the name of the local authority area in which the library or libraries are based in cell D2.

##### *Procurement Expenditure*

Procurement expenditure relates to all annual expenditure that is not related to the payment of salaries for existing staff (part time, temporary or full time). Spend incurred in your local area will, in turn, generate subsequent spend elsewhere within the area (for example, if you were to spend money on a local cleaning firm, your spending would contribute to the cleaners' earnings, allowing them to spend their money locally).

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These knock-on effects of spending are referred to as the 'indirect' and 'induced' impact of the expenditure.

Calculate the total annual expenditure (excluding salaries) for the last financial year for the entire local authority and enter this into cell C6. This will then calculate the indirect and induced expenditure in cell D6, with the total in E6 and C13.

### ***Employees Supported***

The next box focuses on the expenditure on personnel/staff employed by your organisation. You need to calculate the full time equivalent (FTE) number of employees employed by your organisation. Full Time Equivalent (FTE) jobs comprise all full time employees plus the number of days per year worked by part time/seasonal staff divided by 250. Alternatively, calculate as all full time employees plus one third of the number of part time employees.

Write the figure for FTE in cell C10. As with procurement, there are indirect and induced effects of employment, as the expenditure of people employed in an area supports other jobs in the area (such as the cleaner's job in the previous example). These effects are calculated in cell D10, with the total shown in E10 and C14.

## **3. SURVEY INPUT**

Worksheet 3 is where you will input the results of the surveys carried out. It is very important that these results are inputted in the correct way, as detailed below.

One survey response should be entered on each new line of the worksheet. Therefore, you will complete as many lines in the worksheet as there are surveys.

### ***Library Name***

Question 1: Library name. This is an essential item that **must** be included for every individual survey response that is included on a single row of the worksheet. It is necessary for the calculations on the following worksheet, as it provides the total number of survey responses that have been included in the calculations.

### ***Survey Question Responses***

The survey question responses should be codified as follows, providing a single whole number in each cell where an answer has been provided by the respondent. Numbers will range from 1-16 dependent on the question.

It is not necessary that every cell is completed and in cases where more than one answer for a question is possible (when told to tick as many answers as appropriate) there are additional cells provided for this.

The coding for each individual question is as follows. Write the number in **(bold brackets)** in the cell column relating to that question.

Question 2: Why are you using the library today? (tick all that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> Brought a child to use library <b>(1)</b> | <input type="checkbox"/> For personal leisure <b>(2)</b>  |
| <input type="checkbox"/> For education-related purposes <b>(3)</b> | <input type="checkbox"/> Work-related purposes <b>(4)</b> |
| Other <b>(5)</b>   |   |

(Note: this question can have multiple responses, if more than one box is ticked then add the response in the next response cell along on the same row, ensuring this is still under Question 1 (e.g. Response 1, Response 2 etc.))

Question 3: How often do you use a public library?

- |   |  |
|---|--|
| <input type="checkbox"/> Five or more times a week <b>(1)</b> | <input type="checkbox"/> Two to four times a week <b>(2)</b> |
| <input type="checkbox"/> Once a week <b>(3)</b>               | <input type="checkbox"/> Once a fortnight <b>(4)</b>         |
| <input type="checkbox"/> Once a month <b>(5)</b>              | <input type="checkbox"/> Once every few months <b>(6)</b>    |
| <input type="checkbox"/> Once or twice a year <b>(7)</b>      | <input type="checkbox"/> First visit <b>(8)</b>              |

Question 4: Approximately how long does it **usually** take you to get to the library?

- |   |   |
|---|---|
| <input type="checkbox"/> Less than 5 minutes <b>(1)</b> | <input type="checkbox"/> Nearer 15 minutes <b>(2)</b> |
| <input type="checkbox"/> Nearer 30 minutes <b>(3)</b>   | <input type="checkbox"/> Nearer 45 minutes <b>(4)</b> |
| <input type="checkbox"/> Nearer an hour <b>(5)</b>      | <input type="checkbox"/> More than an hour <b>(6)</b> |



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Question 5: What is usually your **main** means of getting to the library?

- Walk **(1)**                       Car / Motorcycle **(2)**  
 Bicycle **(3)**                       Public Transport **(4)**

Question 6: **Including all travel expenses** (fuel, parking, bus fares etc.), how much does it **usually** cost you to get to the library?

- Nothing **(1)**                       Up to 50p **(2)**  
 Up to £1 **(3)**                       Up to £2 **(4)**  
 Up to £5 **(5)**                       £5 or more **(6)**

Question 7: For how long do you **usually** stay at the library?

- Half an hour or less **(1)**                       About an hour **(2)**  
 About an hour and a half **(3)**                       At least 2 hours **(4)**

Question 8: When visiting the library, **on average**, what would you spend in local shops/ cafés etc.?

- Nothing **(1)**                       Up to £5 **(2)**  
 Up to £10 **(3)**                       Up to £25 **(4)**  
 Up to £50 **(5)**                       More than £50 **(6)**

Question 9: **Over the past year**, which of the following services have you used at the library? (tick all that apply)

Borrowing Books <b>(1)</b>	<input type="checkbox"/>
Borrowing eBooks <b>(2)</b>	<input type="checkbox"/>
Borrowing films/music <b>(3)</b>	<input type="checkbox"/>
Access to internet <b>(4)</b>	<input type="checkbox"/>
Other computer use <b>(5)</b>	<input type="checkbox"/>
Local/family history <b>(6)</b>	<input type="checkbox"/>
Local information <b>(7)</b>	<input type="checkbox"/>
Business information <b>(8)</b>	<input type="checkbox"/>
Careers/jobs information <b>(9)</b>	<input type="checkbox"/>
Reference services (including online subscription) <b>(10)</b>	<input type="checkbox"/>
Attending arts, culture and heritage events <b>(11)</b>	<input type="checkbox"/>
Using community space <b>(12)</b>	<input type="checkbox"/>
Formal/informal IT training <b>(13)</b>	<input type="checkbox"/>
Other formal/informal training <b>(14)</b>	<input type="checkbox"/>
Helping family/someone else to use the library <b>(15)</b>	<input type="checkbox"/>
Other <b>(16)</b>	<input type="checkbox"/>

Question 10: If the library no longer existed, how else would you have accessed services?

<b>Library Service</b>	Buy new books(1)	Buy second hand books (2)	Borrow from friend/relative (3)	Wouldn't bother (4)
Obtaining Books				
Obtaining eBooks				
Obtaining films/music				

<b>Library Service</b>	Buy computer/internet service (1)	Use community centre etc. (2)	Use a friend's/relative's (3)	Wouldn't bother (4)
Access to internet				
Other computer use				

<b>Library Service</b>	Go to other known source (1)	Try to find another source (2)	Wouldn't bother (3)
Local/family history			
Local information			
Business information			
Careers/jobs information			
Reference services/online subscriptions			
Formal/informal IT training			
Other formal/informal training			

<b>Library Service</b>	<b>Go to other known venue (1)</b>	<b>Try to find another venue (2)</b>	<b>Wouldn't bother(3)</b>
Arts, culture and heritage events			
Community space			

Question 11: By using the library how much money do you estimate you save over a year?

- |  |   |
|--|---|
| <input type="checkbox"/> Nothing <b>(1)</b>    | <input type="checkbox"/> Up to £25 <b>(2)</b>       |
| <input type="checkbox"/> Up to £50 <b>(3)</b>  | <input type="checkbox"/> Up to £75 <b>(4)</b>       |
| <input type="checkbox"/> Up to £100 <b>(5)</b> | <input type="checkbox"/> Up to £150 <b>(6)</b>      |
| <input type="checkbox"/> Up to £200 <b>(7)</b> | <input type="checkbox"/> Up to £250 <b>(8)</b>      |
| <input type="checkbox"/> Up to £300 <b>(9)</b> | <input type="checkbox"/> More than £300 <b>(10)</b> |

#### **4. SURVEY ANALYSIS**

This final worksheet compiles the responses in Worksheet 3 and provides averages and percentage splits across respondents for each question.

Near the bottom of the worksheet two key figures are presented:

- Average economic value per visit; and
- Average annual savings per visitor.

Both of these values are in Pounds Sterling (£) and can be used to further calculate the annual value of the library service on the basis of the number of visits received in a year.

In addition, there is a table in which the libraries can be added against location typology (urban, rural etc.) in order to allow for comparisons between typologies. This final stage is not necessary and the toolkit will function as well with or without it.

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## 5. PASSWORD

The survey is locked, meaning that when downloaded only certain cells (those in yellow) can be changed or completed. If for any reason you need to adjust values within the calculations that are carried out in the worksheets, you will need to <Unprotect> the worksheet. The password to do this is (in capitals):

ALMA-UK
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The actual process for unlocking a worksheet varies between versions of Excel, so please follow the instructions given on screen in order to reach the password input window.

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## **4. GUIDE TO USING THE ECONOMIC VALUE SUMMARY SHEET**

### **OVERVIEW**

This second workbook is intended to help library services to summarise the findings of individual libraries, or multiple local authorities.

### **SECTIONS OF THE ECONOMIC VALUE SUMMARY SHEET**

The toolkit is divided into two sections:

1. Introduction
2. Summary Sheet

#### **1. INTRODUCTION**

The introduction gives a brief overview of the toolkit and also provides some contact numbers if questions should arise whilst using the summary sheet.

#### **2. SUMMARY SHEET**

The summary sheet (Worksheet 2) can be used in one of two ways. It can be used to summarise up to 15 libraries' results within a particular local authority. In this case each new row of the worksheet should correspond to the results obtained in the Economic Value Calculator: Survey Analysis (worksheet 4) for an individual library. It can also be used to summarise overall data from multiple local authorities, in which case each row will correspond to the total economic values calculated for all libraries sampled in that local authority.

Most of the columns to be completed on the summary sheet are fairly self-explanatory. You have the option of adding some additional information towards the start of the row, including population of the locality or local authority and number of users at that library or in that local authority.

Additional information is obtained from the Economic Value Calculator: Indirect Impact (worksheet 2); and Survey Analysis (worksheet 4). These include the statistics for direct and indirect expenditure and FTE from worksheet 2, and the full set of results found in worksheet 4.

Once completed, the summary sheet will provide a simple average based upon the number of libraries across down the rows, as well as a weighted average that takes into account the number of surveys that were received from each of the libraries.

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