THE ECONOMIC IMPACT OF WISCONSIN PUBLIC LIBRARIES

WAPL CONFERENCE 2008

David J. Ward, Ph.D.
Founder & President

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NorthStar Economics, Inc.
OVERVIEW

Summary:

- The Economic Context
- The Economic Contribution of Wisconsin Public Libraries
- Survey of Wisconsin Public Library Users
- Focus Groups
THE ECONOMIC IMPACT OF WISCONSIN PUBLIC LIBRARIES

WHAT TO EXPECT TODAY

NON SEQUITUR

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U.S. SECTOR EMPLOYMENT TRENDS PERSPECTIVE

(% SHARE)

- Other (IT, Health Care, Retail, Logistics, etc.)
- Private Services
- Manufacturing
- Agriculture

YEAR

1900 1950 2000
CHANGES IN SKILLS USED AT WORK BASED ON DICTIONARY OF OCCUPATIONAL TITLES


Source: K-12 Education and Economic Summit presentation by Alan B. Krueger, Princeton University
A NEW ECONOMY STORY

Founded in 1998

Google

Market Cap $130 Billion $173 Billion

Bought YouTube for $1.7 Billion

Bought DoubleClick for $3.1 Billion

5.8 times the combined Capitalized Market Value of Ford ($18 Billion) and GM ($12 Billion)
THE GLOBAL ECONOMY

World Population (Market) 6.5 Billion
U.S. Population 0.3 Billion
World Economy (GDP) $48.2 Trillion
U.S. Economy $13 Trillion
EU Economy $14 Trillion
China’s Economy $3.0 Trillion

Source: 2006 Estimates IMF and World Bank
FOUR BIG TRENDS TO WATCH

1. The nature of the economy is shifting rapidly as economic sectors expand and decline.

2. The nature of work is shifting away from manual labor to higher level analytic and interactive skills.

3. The pace of economic change has accelerated.

4. The U.S. is an important but shrinking share of the global economy.
MEDIAN FAMILY INCOME
BY EDUCATIONAL ATTAINMENT

Education = Earning Power

Source: Postsecondary Education Opportunity (using U.S. Census Bureau data)
## PER CAPITA INCOME

<table>
<thead>
<tr>
<th>2006</th>
<th>Income</th>
<th>Rank</th>
<th>Educational Attainment Rank*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota</td>
<td>$38,751</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Illinois</td>
<td>$38,297</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>United States</td>
<td>$36,629</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$34,476</td>
<td>25</td>
<td>36</td>
</tr>
<tr>
<td>Michigan</td>
<td>$33,784</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Iowa</td>
<td>$33,017</td>
<td>31</td>
<td>35</td>
</tr>
</tbody>
</table>

*Defined as the percentage of the state’s population aged 25 or older with a bachelor’s degree or higher

Sources: U.S. Department of Commerce, Bureau of Economic Analysis and the U.S. Census Bureau
## PER CAPITA INCOME
### STATUS AND PROGRESS

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Washington, New York, Illinois, California, Delaware, Alaska</td>
<td>Pennsylvania, Ohio, Michigan, Nevada, Hawaii</td>
</tr>
<tr>
<td>New Jersey, Minnesota, Maryland</td>
<td>Louisiana, Kentucky, North Dakota, West Virginia, New Mexico, Nebraska, Kansas, Florida, Texas, Vermont</td>
</tr>
</tbody>
</table>

### Below Avg. Per Capita Income Growth (1969-2001)
- Washington, New York, Illinois, California, Delaware, Alaska
- Pennsylvania, Ohio, Michigan, Nevada, Hawaii
- Georgia, Tennessee, North Carolina, Alabama, Mississippi, South Dakota, South Carolina, Arkansas, Maine, Wyoming
- Louisiana, Kentucky, North Dakota, West Virginia, New Mexico, Nebraska, Kansas, Florida, Texas, Vermont

### Above Avg. Per Capita Income Growth (1969-2001)
- New Jersey, Minnesota, Maryland
- Louisiana, Kentucky, North Dakota, West Virginia, New Mexico, Nebraska, Kansas, Florida, Texas, Vermont

Source: Glaser and Grimes, 2004
How do public libraries help Wisconsin to be competitive in the New Economy?

- Direct Economic Impact
- Value of Wisconsin Public Library Services
Overview of the Study

- **Timeline**
  - October 2007 - April 2008

- **Planning**
  - Steering Committee
  - Survey
  - Focus Groups
  - Review of Previous Studies

- **Data Gathering**

- **Field Work**

- **Analysis**

- **Writing**
Multiplier Effect:

Direct spending multiplies its impact as businesses reinvest and their employees buy goods and services.
Direct Economic Impact in 2006:

$326 Million

Spending benefits Main Street businesses and jobs.
Jobs:
Actual Wisconsin Public Library Employment

3,222 Jobs
Wisconsin Public Library spending generates an additional

3,058 Jobs*

*Full time equivalent jobs
Total jobs related to the economic impact of Wisconsin Public Libraries:

6,280 Jobs*

*Full time equivalent jobs
The Value of Wisconsin Public Library Services

- Market Value of Services
- Prior Studies
# The Value of Wisconsin Public Library Services

<table>
<thead>
<tr>
<th>Service</th>
<th>2006 Circulation or Attendance</th>
<th>Economic Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children’s materials</td>
<td>20,836,885</td>
<td>$91,682,294</td>
</tr>
<tr>
<td>Adult Materials</td>
<td>37,243,815</td>
<td>$272,997,164</td>
</tr>
<tr>
<td>Reference Transactions</td>
<td>4,760,201</td>
<td>$27,609,166</td>
</tr>
<tr>
<td>Computer/Internet Access</td>
<td>7,123,690</td>
<td>$28,494,760</td>
</tr>
<tr>
<td>Children’s Programs</td>
<td>1,471,411</td>
<td>$5,885,644</td>
</tr>
<tr>
<td>Adult Programs</td>
<td>207,551</td>
<td>$1,245,306</td>
</tr>
<tr>
<td><strong>Total Economic Value</strong></td>
<td></td>
<td><strong>$427,914,334</strong></td>
</tr>
</tbody>
</table>

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Total Economic Impact

Direct economic impact + impact of library services =

$753 Million
Additional Value Components:

- Meeting Rooms
- Career and Job Information
- Periodicals and Subscriptions
- Electronic Databases
- Specialized Materials for People with Disabilities
- Wi-Fi Access
# Return on Investment of Wisconsin Public Libraries:

<table>
<thead>
<tr>
<th>Total Economic Contribution of Public Libraries</th>
<th>$753,699,545</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wisconsin Population Served by Public Libraries</td>
<td>5,617,744</td>
</tr>
<tr>
<td>Economic Contribution Per Capita</td>
<td>$134.16</td>
</tr>
<tr>
<td>Public Tax Support Per Capita</td>
<td>$33.07</td>
</tr>
</tbody>
</table>

## Annual Return per Dollar of Public Tax Support

$4.06
Survey Questionnaire:

- Developed by NorthStar and the steering committee

- 4 Subject Areas:
  - Library Use
  - Library Alternatives
  - Attitude about Libraries
  - Demographic Information

- Distribution:
  - Available online in English and Spanish
  - Hard copies available at selected libraries
  - Distributed at focus group sessions
  - Libraries all over state posted signage driving people to the online survey
SURVEY

Geographic Distribution of Respondents:
SURVEY

Results:

- 93% regular library users
- 90% use library at least once per month
- Over 60% access libraries online
- Almost all check out books
- 82% contact reference librarians
- 56% access the Internet at the library
- 2/3 attend library events and programs
- 30% stop at other businesses
- Strong agreement that public libraries enhance quality of life in communities
- Strong agreement that funding public libraries is a good use of tax revenue
FOCUS GROUPS

Focus Group Sessions:

- 1-4 sessions held in each library system, based on size of service population
- 29 sessions held all over the state
- Sessions arranged with cooperation of system directors and library directors
- Participants represented a cross-section of community and industry sectors
- Participants asked to provide input for SWOT analysis, as well as the role of public libraries in the New Economy
Focus Group Interview Session Locations:
SURVEY

Results:

- **Strengths** - amount and variety of information, no cost, equal access, community gathering place, services, staff, Internet access, encouraging reading

- **Weaknesses / Threats** - Lack of funding, lack of physical space, people using Internet instead

- **Opportunities** - Keep collections and technology up to date, continue recruiting young readers, collaborate with other agencies and groups, reach out to business community

- **New Economy** - Libraries remain important in the information-based New Economy
OBSERVATIONS

- Value of libraries particularly evident in rural and low income areas
- Library use up among baby boomers and other demographics
- Central community gathering place very important to people
- Despite concerns, libraries are increasingly relevant in Internet age
OBSERVATIONS

- Availability of specialized knowledge databases and collections crucial
- Electronic access to library critical for information, reservations, etc.
- Important to inform the public about the mission of the public library
- Operating money and space remain top concerns
- Even in Internet age, important to maintain physical facilities and knowledgeable staff
● David J. Ward, Ph.D., President
  Phone: (608) 279-3393
  Email: dward@northstareconomics.com

● Fax: (608) 441-8064

● Web: www.northstareconomics.com