

Chapter IV. Summary of Quantifiable Economic Impacts

Public libraries in the State of Texas generate significant economic impacts. In FY2015, more than 11,000 jobs in Texas were dependent on public library expenditures. When analyzed as business and organizational entities, public libraries produced \$976 million in local economic activity. In addition, the total value of eight public library services was conservatively estimated at \$1.652 billion.

TABLE 4.1. STATEWIDE VALUES OF PUBLIC LIBRARY SERVICES, FY2015

Service	Value
Reference Services	\$40,814,812
Programs	\$48,795,845
Volunteers	\$20,159,826
In-Library Use	\$32,805,863
Computer Terminals	\$293,652,405
Wireless Internet Access	\$104,159,505
Electronic Databases	\$150,167,176
Circulation (All Formats)	\$962,349,635
Total All Services	\$1,652,905,067

Total economic benefits from Texas' public libraries in FY2015, therefore, were approximately \$2.629 billion.

Spending by public libraries in FY2015 totaled \$566.0 million: \$504.0 million in operating expenditures and \$62.0 million in capital expenditures.³⁴

Overall, with economic benefits of \$2.629 billion and expenditures of \$566 million, there was an ROI of 4.64—for every dollar, there was \$4.64 in statewide economic activity.

Table 4.2 shows the financial benefit ratio (return on investment) for recent prior studies of library impacts. Comparisons of these ratios across different jurisdictions must be conducted with caution and, in some instances, may be inappropriate due to different types of services and other localized conditions. Nonetheless, the Texas ratio appears in line with the ratios evident elsewhere.

³⁴ The operating expenditure total includes \$2.65 million from TSLAC for its share of the TexShare electronic databases.

TABLE 4.2. RETURN ON INVESTMENT IN RECENT REPORTS

Jurisdiction	Year	Return on the Dollar
STATES		
Minnesota	FY2010	\$4.62
COUNTIES		
Salt Lake County, UT	2012	\$5.47-\$6.07
Santa Clara County, CA	2012	\$2.50-\$5.17
Toledo Lucas County, OH	2015	\$3.87
CITIES		
Toronto	2012	\$4.63
Texas	FY2015	\$4.64

Table 4.3 on the next page shows the respective ROI figures as reported in the earlier 2012 report. Again, Texas appears in line with many other jurisdictions.

TABLE 4.3. RETURN ON INVESTMENT IN SELECTED EARLY REPORTS

Jurisdiction	Return on the Dollar
STATES	
Colorado	\$4.99
Florida	\$8.32
Indiana	\$4.76
South Carolina	\$4.48
Texas – Statewide 2011	\$4.42
Wisconsin	\$4.06
CITIES	
Charlotte	\$4.61
Southwestern Ohio	\$3.81

Note: Summary statistics were unavailable for Philadelphia and Seattle.

Compared to the earlier analysis performed in late 2012 for FY2011, the ROI increased by 5%, with most of that due to inclusion of new service values. The ROI

would have increased by a greater percentage but total economic impact is quite dependent on the mixture of spending. Compared to FY2011, overall spending increased in FY2015, although there were fewer capital expenditures and more operating expenditures.³⁵

The impact of Texas public libraries is still underestimated. Public libraries serve their communities by making information and learning readily accessible to any individuals who choose to enter a library's doors or, in recent years, use a library's online portal. The individuals who use the libraries directly benefit by gaining knowledge and ideas. Even those who choose not to use their local public library benefit by being part of a more educated community. Substantial research has concluded that economic growth and leadership is highly correlated with highly educated communities. Public libraries offer every person an opportunity to improve his or her education and every business an opportunity to improve their productivity. Public libraries are an overlooked factor in economic leadership among states.

³⁵ Capital expenditures, for instance, construction outlays, have high multipliers and greater "ripples" in terms of economic impacts.