



MEMORANDUM

To: Newmarket Public Library Board

From: Todd Kyle, CEO

Date: December 14, 2016

Re: Economic impact study

In late 2013, the Toronto Public Library, in partnership with the University of Toronto's Martin Prosperity Institute at the Rotman School of Management, released a report entitled *So Much More: The Economic Impact of the Toronto Public Library on the City of Toronto*. The report indicated that for every \$1 invested in library services in Toronto, the community received \$5.63 in benefits from the market value of services offered as well as from the economic stimulus from direct and indirect spending.

Since then, the study's designer, former MPI data librarian Kimberly Silk, has provided the research methodology and template to Canadian libraries and several have completed the study on their own and shared their results. Through the efforts of staff, notably our Financial Analyst, Newmarket Public Library has just completed their own study, based on data in our 2015 annual library survey, recently submitted to the province.

A snapshot of the results is as follows:

- For every \$1 invested in Newmarket Public Library, residents receive **\$7.85** in benefits.
- The value of a Newmarket Public Library membership is **\$870/year**.
- NPL creates over \$20 million in total economic impact, equating to **\$231** per resident or **\$717** per household.
- Investing in NPL results in a return on investment of **685%**.
- NPL generates over **\$5,000** in direct benefits for every hour that it is open.

The following is a chart of the results at other libraries who have done the study:

Canadian Library ROI Studies					
These studies can be accessed at the Library Research Network - http://libraryresearchnetwork.org/					
System	Year Released	Population Served (2011 census)	# of Branches (study year)	ROI	Economic Impact For Every Dollar Spent
Toronto Public Library	2013	2,615,060	98	463%	\$ 5.63
Halton Hills Public Library	2014	59,008	2	304%	\$ 4.04
Milton Public Library	2014	84,362	2	467%	\$ 4.67
Pickering Public Library	2014	88,721	3	485%	\$ 5.85
Stratford Public Library	2015	30,886	1	648%	\$ 7.48
Sault Ste Marie Public Libra	2015	75,000	3	236%	\$ 3.48

So what does NPL's high impact number mean? Note that the only other library in NPL's range is Stratford, which also is the only other library with a single location. The high impact relative to the investment likely reflects a higher efficiency of having a single location, offering a wide range of valuable services, relative to lower-than-average per-capita expenditure. According to Silk, "...you're really squeezing a lot of value out of your single branch. You could likely serve more people with a second branch, or a larger branch, but it's difficult to know where the tipping point is."

What are the next steps? Communicating this value, within the context of the high return on investment of public libraries in general, is recommended. Tactics might include a media release, information report to Council, and graphic highlights inserted into the Library's 2016-2017 Annual Report to the Community. As well, the results might be shared with the Library Research Network.

Further, it is important that the Board analyze these results in the context of overall measurements of NPL's output and community impact relative to operating and capital investment. This would give the Board the data to contextualize the community and investment impacts of expanded library service and facilities. To that end, we have contracted the Federation of Ontario Public Libraries to do a custom report comparing NPL's annual survey data to other library comparators to identify trends and benchmark performance. This service is made possible by the province's new Open Data project, which has released data from the Annual Survey of Public Libraries from 2002 to 2014 (2015 is as yet unavailable). This report should be available to the Board for its January 2017 meeting.

The following motion is recommended:

THAT the Library Board receive the report on the economic impact study;

AND THAT the Library Board authorize the sharing of the study results with the wider Newmarket and public library communities;

AND THAT the Library Board Action List to be revised to reflect the ongoing comparative measurement work as described in the report.