

# LIBValue

## Valuing the Academic Library

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# The Economics of Higher Education

Universities provide *private* goods & services

- Courses are exchanged for tuition
- Research is provided for research funding

Value proposition

- The value to an individual or organization determines whether payment is made for the service



# The Economics of Higher Education

Academic libraries provide **public** goods & services

- Print and online resources are shared by all patrons, typically without the exchange of payment

Value proposition

- The collective value of all users must be estimated to determine if the subscription or license should be purchased



# Things to Remember in Estimating Value

## Remember

- Estimate value not use
- Remember opportunity cost (why ROI is important)
- Estimating costs and value is difficult and a “guestimate”
  - and the future is more important than the past

## Examples

- The case of users of the late night commons space
- Use of e-resources is not value
- Commons or books?
- Electronic or print or both?

# What is Value?

- Economic (private)
  - What is the value to an individual to use the library resources?
- Environmental (externality)
  - What is the value of the environmental savings of library provision of electronic resources?
  - Have libraries gone green without knowing it?
- Social (public)
  - What is the value to the institution of the library?

# What are the methods used to estimate value? (when goods and services are not purchased)

- Size and assessed value
  - Collection size, assessed value of special collections
- Use, turnstile, downloads, and readership
  - Time spent using resources is a signal of value
  - What is the extra time it takes to get a resource from another source?
- Contingent valuation
  - Survey of willingness to pay for a service

# What are the methods used to estimate value?

- Financial, grants awarded
  - UIUC and follow up studies of link between citations and grants awarded
- Correlation and causation
  - Correlation between grants, grades, retention, or other outcomes and library funding or use

# Prior Research on the ROI of Libraries

## Public Libraries

- \$6.54; Florida ('04); Griffiths et al
- \$3.81; Ohio ('06); Levin et al
- \$5.50; Pittsburgh ('06); CMU Center for Econ Dev.
- \$4.48; South Carolina ('05); Barron et al
- \$3.87; Suffolk NY ('05); Kamer
- Imholz & Weil Arns ('07)

## Special Libraries

- \$10.2; Griffiths & King ('93)

## Academic Libraries

- \$4.28; Luther ('08)
- Oakleaf ('10)
- Tenopir ('10)



# Syracuse University

## Comprehensive Value

- Faculty survey
  - Fall 2010
- Student survey
  - Spring 2011

## Contingent Value

- In-person use
- Remote use
  - Journals
  - Books
  - Library instruction
  - Commons
  - Special collections
  - Help from professional librarians

# Faculty Survey Results (weighted)

Activity	Average frequency in the last 30 days
physical visits	2.50 visits (73%)
remote visits	12.31 visits (88%)
Total Resources Used	
during an in-person visit to the library	6.34 uses
remotely online	14.39 uses
Total Time Spent Using Resources	
in-person	64 minutes
remotely	67 minutes

# Student Survey Results (weighted)

Activity	Average frequency in the last 30 days
physical visits	5.07 visits (69%)
remote visits	4.64 visits (63%)
Total Resources Used	
during an in-person visit to the library	10.54 uses
remotely online	4.06 uses
Total Time Spent Using Resources	
in-person	159 minutes
remotely	68 minutes

# Willingness to spend time and money getting resources from other sources

In -person	Remote
Faculty	
<b>169 min</b>	<b>94 min</b>
<b>\$67</b>	<b>\$30</b>
Students	
<b>35 min</b>	<b>32 min</b>
<b>\$5</b>	<b>\$13</b>

# Value of the Academic Library

(millions of dollars)

Annual Value	In-Person Use	Remote Use
Faculty		
time	\$10.2	\$14.9
money	\$3.4	\$4.1
<b>TOTAL</b>	<b>\$13.6</b>	<b>\$19.0</b>
Students		
time	\$12.0	\$4.2
money	\$11.1	\$10.3
<b>TOTAL</b>	<b>\$23.1</b>	<b>\$14.5</b>

# Environmental Impact of Use

Getting to the Library	% of faculty	average minutes	% of students	average minutes
Walk	84%	6.29	72%	8.67
Drive	12%	4.17	11%	4.86
Bus	1%	1.68	16%	11.84
Other	2%	1.71	1%	2.09

# What if there were no online access?

	Faculty value of Time Saved	Faculty value of Resources Saved	Student value of Time Saved	Student value of Resources Saved
Walk	\$1,423,371		\$2,087,636	
Drive	\$134,805	\$57,773	\$189,885	\$569,655
Bus	\$4,526	\$194	\$671,492	\$201,448
Other	\$9,213		\$7,408	
<b>TOTAL</b>	<b>\$1,571,915</b>	<b>\$57,967</b>	<b>\$2,956,421</b>	<b>\$771,102</b>

# What if there were no shared access to journals?

	Faculty articles monthly	Faculty Annual Total	Student articles monthly	Student Annual Total
Online visit	11.63	109,077	2.85	549,030
Online in-person visit	1.02	8,304	1.45	279,331
In-person	1.29	10,502	0.55	105,953
<b>TOTAL</b>	<b>13.94</b>	<b>127,883</b>	<b>4.85</b>	<b>934,314</b>
Photocopied or printed	3.85	35,408	1.14	219,612
Read not printed		92,475		714,702



# Value of the Academic Library

(millions of dollars)

	Faculty	Students
Economic		
In Person	\$13.6	\$23.1
Remote	\$19.0	\$14.5
<b>TOTAL</b>	<b>\$32.6</b>	<b>\$37.6</b>
Environmental		
Remote access	\$1.6	\$3.7
Read not-printed	\$0.1	\$0.7
Social	?	?
<b>TOTAL</b>	<b>\$34.3</b>	<b>\$42.0</b>

# Return on Investment

Library Budget \$17.0m

Economic Value \$70.2m

**ROI 4.13**

Economic + Environmental \$76.3m

**ROI 4.49**

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# LIBVALUE STUDY

