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THE ECONOMIC CONTRIBUTION OF THE RACINE PUBLIC LIBRARY TO THE ECONOMY OF THE REGION

For every taxpayer dollar of investment in the Racine Public Library, the local economy receives a return on investment of \$3.50 and a total economic contribution to the community of over \$12 million, according to a study by NorthStar Economics, Inc. based on 2006 figures.

NorthStar looked at the direct economic contribution to Racine including jobs created by the Racine Public Library, library staff and visitor spending in the community, and the amount of money spent for library operations in the region. The Racine Public Library directly employed 51.5 full time employees in 2006. An additional 47.5 jobs are created indirectly, for a total of 99 jobs in the region.

The jobs created by the Racine Public Library are taxed through personal income and sales tax generating income and spending equal to \$423,127.

The study takes into account the market value of such services as children's storytimes, adult programs, answering reference questions, Internet access, and the cost of providing a collection of books, DVDs, and CDs.

A statewide study was conducted in 2008 by NorthStar, and the library board contracted with NorthStar to study Racine separately.

The Executive Summary follows; the full study is available on the library's website http://www.racinelibrary.info/PDFS/Programs/12_09_NorthStar%20Study.pdf.

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EXECUTIVE SUMMARY

The Racine Public Library contributes substantially to the regional economy, just as public libraries in general contribute to the overall state economy. The total economic contribution of the Racine Public Library to the regional economy is over \$12 million. The return on investment in library services is \$3.50 for each dollar of taxpayer investment.

Direct Economic Contribution

The direct economic contribution made by the Racine Public Library to the regional economy is over \$5 million. This economic contribution comes from spending by staff, spending on library operations and construction, and spending by visitors. The table below summarizes the economic contribution that comes from spending.

Total Economic Contribution - Fiscal Year 2006

Contributor	Regional Economy
Library Operations	\$ 1,604,820
Staff Spending	3,528,808
Visitor Spending	236,953
Total Contribution	\$ 5,370,581

Job Generation

The money that the Racine Public Library spends on payroll, benefits, construction, operating costs and services generates jobs in four ways: the direct staff jobs at the Racine Public Library, jobs generated by non-payroll library expenditures, jobs that result from people that serve the public library workforce in their professional and private lives, and jobs generated by visitor spending. The Racine Public Library directly employed 51.5 full time employees in 2006. An additional 47.5 jobs are created indirectly, for a total of 99 jobs in the region.

Income and Sales Tax Revenue Generation

The income from jobs created by the Racine Public Library generates income and spending, which are taxed through personal income and sales taxes. The total regional income, sales, and property tax revenue generated by public library economic activity in the Racine totaled \$423,127 in 2006.

The Market Value of Racine Public Library Services

This study takes a market value approach to determine the economic value of Racine Public Library services. The value of each type of library service to a library user is measured in terms of what it would cost users to buy the same services in an open marketplace.

The total economic value of those library services covered in the statistics of the annual Wisconsin Public Library Service data report and attributable to Racine is \$6.57 million. This economic contribution does not include a host of other services such as community meeting space that provide real economic value but currently lack a statistical database. The table below summarizes the market value of public library services:

Summary Table: The Economic Value of Racine Public Library Services

	2006 Circulation or Attendance	Economic Value
Children’s materials	445,133	\$1,958,581
Adult Materials	496,495	\$3,639,298

Reference Transactions	88,304	\$522,031
Computer/Internet Access	77,998	\$384,799
Children's Programs	14,202	\$56,808
Adult Programs	1,301	\$7,806
Total Economic Value		\$6,569,323

Return on Investment

The total economic contribution of the Racine Public Library, including the direct economic contribution and the market value of public library services is \$11,939,904. Public library services are largely supported by public tax dollars. The return on investment in library services for Racine is \$3.50 for each dollar of taxpayer investment. The table below shows the per capita economic benefit of the Racine Public Library, the per capita amount of taxpayer support and the return on investment for every dollar of taxpayer support.

The Return on Investment of Racine Public Library Services in 2006

Total Economic Contribution of Racine Public Library	\$11,939,904
Population Served by Racine Public Library	139,637
Economic Contribution Per Capita	\$85.51
Local and County Tax Support Per Capita	\$24.43
Dollar Annual Return Per Dollar of Public Tax Support	\$3.50

Conclusion

The Racine Public Library is a significant driver of the regional economy, contributing nearly \$12 million to the regional economy on an annual basis, and returning a benefit of \$3.50 to taxpayers for each dollar spent, both of which are conservative estimates.

This study was conducted by NorthStar Economics, Inc., University Research Park, 510 Charmany Drive, Suite 275C, Madison, WI 53719