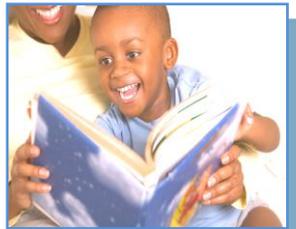
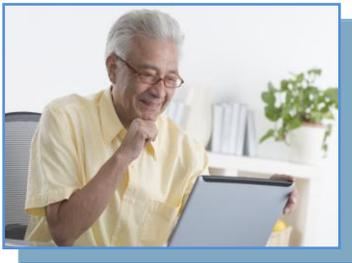


# THE ECONOMIC VALUE of the PONTIAC PUBLIC LIBRARY

*Strengthening Pontiac through Literacy Partnerships*



Report commissioned by the Pontiac Public Library  
and developed by **JADE** Strategies

Although Pontiac, Michigan, is a suburb of Detroit, it serves as the urban center and county seat of Oakland County. Pontiac enjoyed a fairly stable economy through the 1980s with the strong presence of General Motors and automotive suppliers. However, as a result of major auto plant closures in and around the city within the last 20 years, the local economy has suffered as demonstrated by rising unemployment rates, which reached a startling 28% in 2011.<sup>1</sup>

As the economy declines and unemployment rises nationwide, library usage is drastically increasing. Americans are turning to the library as a primary resource for continuing education, employment, access to technology and government services.<sup>2</sup> However, national trends also indicate that libraries continue to suffer deep state budget cuts forcing significant reductions in staff and resources. Ironically, at a time when communities have developed a greater dependence on the expanding services that a well-resourced library can provide, library resources are becoming more limited than ever.

A recent study conducted by Reading Works Detroit shows that 34% of adults in Pontiac are considered functionally illiterate, which means that they are perhaps able to read some words, but not enough to understand simple forms or instructions.<sup>3</sup> Pontiac workers, prepared to perform blue-collar labor in the auto plants for at least the last three generations, are now considered “unskilled” and unprepared to meet the challenges of new and future economies.

***The Pontiac Library is uniquely positioned to contribute significantly to the return of economic growth and development to the City of Pontiac. By serving as a leader in the movement to advance literacy across demographic lines, the Pontiac Library’s partnership is critical to the success of the city’s economic recovery plan.***

Pontiac residents need to access resources that will prepare them to move from dependence on manufacturing and service industries to proficiency in new information industries.<sup>4</sup> The Pontiac Library’s adult literacy strategy is designed to provide residents with multiple levels of support, involving basic reading skills, access to technology, job preparation and training, as well as family management skills, such as early childhood, financial and health literacies, that result in opportunities for advancement for individuals and families, and, ultimately, the city of Pontiac’s fiscal recovery.

More than 145,000 visitors passed through the Pontiac Library’s doors last year, most of them desperate for solutions to multiple challenges ranging from navigating employment options and the health and human service matrix to computer access and help with basic reading skills.<sup>5</sup> The library’s unique strategy brings a significant support system to the community in one central location through partnerships with nonprofit, commercial and civic organizations that deliver on-site services at the library.



<sup>1</sup> Michigan Department of Energy, Labor and Economic Growth

<sup>2</sup> American Library Association. “The State of America’s Libraries Report,” 2010.

<sup>3</sup> Reading Works Detroit Alliance. “Literacy Facts,” 2010.

<sup>4</sup> Urban Libraries Council. “Making Cities Stronger: Public Library Contributions to Local Economic Development,” 2007.

<sup>5</sup> In 2011, the Pontiac Library received more than 145,300 visitors; patrons spent more than 66,000 hours logged into public computers; and program attendance rose by 55% as compared to 2007 data.

**DEMOGRAPHIC DATA ON THE CITY OF PONTIAC** (US Census Bureau, 2010)

- Located at the center of Oakland County, Michigan, Pontiac covers 20 square miles and has a population of 59,515
  - About 8.5% of the population is children below age 5 and 9.3% is 65 years and older
- While the national average on individuals living below poverty is 14.5%, Pontiac's poverty level exceeds 28%
  - Pontiac's unemployment rate is 25%, compared to the national rate of 9.3%
  - 75% graduate from high school, yet only 11.5% achieve a Bachelor's degree or higher
- Racial composition: 52.1% African American/Black, 34.4% Caucasian/White, 16.5% Hispanic/Latino, and 2.3% Asian

## Greatest Return on Investment (ROI)

Relative to public institutions, such as libraries, ROI measures the economic contribution or “value” a community realizes by the investment of tax dollars in that institution measured in dollars-and-cents. ROI ratios in community studies depend on the specific application of investments, returns, services and market value multipliers. The most common factors include:

- Staff spending, operating expenses of library, construction spending to build and maintain the library, and spending of vendors;
- Services offered to businesses and consumers, based on market costs; and
- Value-add of new businesses and commercial developments established in the community as a direct result of the presence of an attractive, thriving library.

Numerous studies within the last five years indicate that investments in public libraries result in significant returns for communities. For each \$1 invested in the operation of public libraries in Colorado, for example, communities received an on-average return of \$5.00.<sup>6</sup>

*Sample ROI calculations from other studies:*

Location	ROI for each \$1
<b>Indiana</b>	\$2.38
<b>Wisconsin</b>	\$4.06
<b>South Carolina</b>	\$4.48
<b>Florida</b>	\$6.54

In a Philadelphia study conducted by the Fels Institute at the University of Pennsylvania, 979 residents found entry-level jobs in 2010 as a direct result of services provided by the library, which translated into \$30.4 million in annual earned income and generated \$1.2 million in wage tax revenue for the city.<sup>7</sup> Other findings from the Philadelphia research included the following:

<sup>6</sup> The Library Research Service, Colorado State Library. “Public Libraries – A Wise Investment: A Return on Investment Study of Colorado Libraries,” Colorado Department of Education, March 2009.

<sup>7</sup> Fels Institute of Government. “The Economic Value of the Free Library in Philadelphia,” University of Pennsylvania, 2010.

- About 10,788 people attribute their ability to read to the public library; and 14,024 people credit the library with their being able to teach someone else to read.
- 8% of survey respondents (or an estimated 8,630 businesses) reported the ability to start, grow or significantly improve their businesses as a result of free library business development services.
- The value of homes within ¼ mile of a library increased, on average, by \$9,630 creating personal assets that homeowners could borrow against to finance education, home improvements and other investments.
- The additional home values generated by proximity to a library produced an additional \$18.5 million in property taxes for the city and school district annually.

Oakland County leads an aggressive economic development strategy designed to stimulate local economies by attracting and recruiting new businesses to the area. One of the most significant draws for potential new businesses is the promise of a skilled (literate) workforce. According to a 2006 study by Public Agenda, the Americans for Libraries Council and the Bill & Melinda Gates Foundation, adult literacy programs are the foundation of successful workforce development strategies. Sixty-eight percent of surveyed participants believed adult literacy and reading programs should be a priority for the community and, specifically, the library when unemployment is high.<sup>8</sup>

## Collective Impact

Public libraries help to create significant economic value in communities where they play multiple roles. Literate people are less expensive to train, generally enjoy a higher socio-economic position, and benefit from better health, improved job prospects and increased opportunities to pursue higher education.<sup>9</sup>

The Pontiac Library's collective impact strategy involves collaboration with multiple nonprofit, for-profit and public entities designed to provide a comprehensive approach to improving literacy rates in the community and, ultimately, transforming the local economy. As a cornerstone of the Pontiac Library's strategic plan, community partners will have ***functional offices physically housed within the library*** creating one-stop access for Pontiac residents seeking support services in a central location.

The number of library visitors in 2011 nearly equaled the number of constituents who collectively passed through seven regional Workforce Development career centers. The Pontiac Library's partnership strategy aligns with the community's needs and enables community organizations to take advantage of the library's access to residents in a neutral setting.

<sup>8</sup> Public Agenda. "Long Overdue: A Fresh Look at Public and Leadership Attitudes about Libraries in the 21<sup>st</sup> Century," 2006.

<sup>9</sup> Fels Institute of Government, 2010.

## Adult Literacy

International researchers define literacy as “a complex set of abilities to understand and use the dominant symbol systems of a culture for personal and community development.”<sup>10</sup> By definition, one’s success depends on much more than one’s ability to read the printed word. In addition to improving adult reading skills, the Pontiac Library’s strategy includes focus on technology, health, financial and early literacies. Through partnerships, the Pontiac Library is prepared to help people:

- Learn to read by providing access to literature, educational programs, technology and on-site training from community partners, such as *Oakland County Literacy Council, Baker College, Oakland Community College* and *Oakland University* (reading literacy)
- Find jobs and enhance employable skills by providing access to computers, trade literature, and job skills training from community partners such as *Oakland County Michigan Works* (workforce development)
- As current and would-be entrepreneurs, gain access to online databases and market information necessary to develop sustainable businesses, and obtain on-site access to community partners such as the *chambers of commerce* (business development)
- Become literate in finances and health through program partnerships with *Lighthouse of Oakland County’s Centers for Working Families, Oakland University’s School of Nursing* and *St. Joseph Mercy Hospital* (personal and family management)
- Prepare their own children for a lifetime of learning through partnerships with *Oakland County Child Care Council, Oakland Family Services* and *Pontiac Schools* (early literacy)

Other key community organizations which have expressed interest in partnering with the library to provide on-site services include: *Accounting Aid Society; Oakland County Chamber of Commerce; Transforming Pontiac Now (TPN); The Hmong Association of Oakland County; Boys and Girls Club of Southeastern Michigan; Pontiac Creative Arts Center; Oakland County Pioneer and Historical Society*; and a collaborative which includes *Oakland Livingston Human Service Agency (OLHSA), Lighthouse of Oakland County, Common Ground, Oakland Family Services, Furniture Bank of Oakland County and Catholic Social Services of Oakland County*.

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<sup>10</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO). “Education Sector Position Paper,” 2003.

## Community Voice

Pontiac citizens clearly demonstrated their trust in the library as a catalyst for change in 2006 when voters passed a millage proposal representing a homeowners' tax of one (1) mill for a period of ten (10) years levied in the City of Pontiac for the establishment of a public library.<sup>11</sup> The proposal also reorganized the library under a self-governing Board of Directors independent from city government.

The Pontiac Library Board engaged the services of JADE Strategies to develop the library's first five-year strategic plan in 2009, along with market research firm, Intellitrends, to conduct a community survey in which more than 400 residents participated via phone interviews, paper and online surveys and focus groups. Overwhelming survey response indicated that residents expect the library to serve as a *Community Communication Center*; a place where people of all ages and backgrounds can go to learn, meet, "play," and access technology in a safe and comfortable environment.

### ***Growth through Community Insight: Pontiac Library Community Survey, 2010***

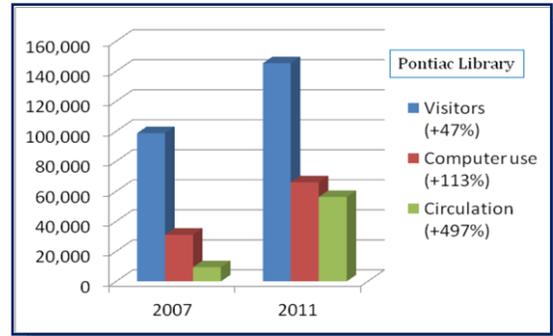
- Ninety percent of respondents agreed that the **Library is essential for maintaining a productive community** and that the **Library serves an important role in the community**
- Residents believe that the Library should **fill the void of former community centers** and be **very connected to the community** and community organizations
- 44% of residents cite **computer use** as the primary reason they use the Library; **more computers** and **longer time allowances on the computers** would greatly improve services
- Residents are not opposed to the Library moving, but want the Library to **"stay in Pontiac,"** in a **more modern building** with **better access to transportation and parking**
- Hmong and Latino focus groups want the library to be **more inclusive** by providing more **materials and programs in Spanish and Hmong**

<sup>11</sup> Michigan Law: Public Act 164, Section 10a (1877)

## **Building for Now and the Future**

Despite the fact that the survey also revealed residents' dissatisfaction with the location and condition of the current building, in 2011 the library witnessed an unprecedented **497% surge in circulation** as compared to 2007 data.

Oakland County's Workforce Development recently identified the library as an ideal partner in connecting with and providing training for constituents, mainly due to high patron traffic and access to library staff skilled in computer training. However, the current library building lacks space for an adequate computer lab, which currently accommodates only 25% of the expected 60-plus participants per class. It is evident that with the appropriate resources, the library could provide many more needed services and function as a resource hub for individuals and families.



In keeping with a five-year strategic plan, the library recently began pursuing financial resources from public agencies, foundations and private funders to assist in relocating the library to a new facility designed to accommodate the surge in demand for library services, the community's changing needs and the library's unique partnership approach. In 2011, the library received grant awards from Oakland County Main Street Project, United Way for Southeastern Michigan, and the National Historical Preservation Trust to hire Fanning Howey Architects to conduct architectural space planning and building feasibility studies.

## **Critical Next Steps**

With illiteracy and unemployment rates well above national averages, the need for a comprehensive economic recovery strategy in the City of Pontiac is beyond critical. The New Pontiac Library, with community partners on site, will serve as a community center where Pontiac residents benefit from the collective impact of one-stop access to library services and community organizations prepared to bundle solutions that address multiple challenges.

The Pontiac Library plans to pursue financial support for a new facility and further development of a strong partnership infrastructure through an aggressive capital campaign. Pontiac residents currently contribute resources to the library through a millage with a rapidly diminishing tax base. However, since it is unrealistic to rely completely on a devastated community to provide the resources necessary to rescue itself from collapse, it is imperative that the library seeks assistance from resources outside of the immediate community.