
Public Opinion and the Funding of Public Libraries

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ABSTRACT

THE THEORY OF PUBLIC CHOICE suggests that high levels of demand for public library services and positive perceptions of the quality of those services should be associated with higher levels of funding for the libraries. This investigation compared self-reported use of public libraries and public opinion about library services with levels of per-capita library funding over time. The results showed a small relationship between self-reported use of libraries and levels of library funding. There was no relationship between public opinion about libraries and funding levels. These results provide little support for the theory of public choice, and suggest that noneconomic factors may have greater impact on funding for libraries than economic factors.

INTRODUCTION

Information agencies such as libraries are frequently established as public agencies. They are funded primarily by tax revenues, and provide most services at no additional direct cost to users. Public libraries obviously fit this model. Most academic and school libraries obtain funding from the general budget of the institution, and provide services at no additional cost to members of their academic communities. In this sense, they can be considered public agencies, even if their funding does not come entirely from tax revenues. Many special libraries are funded as part of administrative and support overhead, and their services are provided to members of the firm or organization without charge to the individual user or his/her department. Again, these special libraries fit the public agency model.

Private information agencies, on the other hand, can be defined as agencies that obtain their revenues from direct charges for provision of

services. The best example is an information brokerage, in which customers pay a fee to obtain the information they require. There are other examples. Some special libraries in firms and organizations are established in such a way that the information services they provide are charged to the individual user or his/her department. In addition, there are mixed models, in which some of the agency's revenue is public in nature, and some is attributed to fees for service.

This article focuses on the effects of treating information agencies as public agencies. A comparison of public agencies with private agencies can draw attention to some of these effects. In a private information agency, income is a direct result of the amount of business done and the price charged for services. Both the amount of business a private agency conducts and the price charged for its services depend on supply and demand. Both supply and demand are associated with the quality of the service provided, as perceived by the customer. The success of such an agency can be attributed to existence of a business plan that documents the demand for information services and the agency's ability to supply such services. If a private information agency is providing information services that are valued by its users and if the magnitude of that perceived value is greater than or equal to the price charged for the services, the information agency will attract customers. Demand will remain at a high level and the profitability of the agency will be limited only by its ability to supply the demanded services. In essence, the nature of the services provided and the quality of the services provided are determined by market forces.

In a competitive marketplace for information services, there may be a number of marketing strategies that private information agencies will find successful. For example, a low-cost, low-quality service may fill a need, while a high-cost, high-quality service may fill an equally substantial (but different) need. The important point to note, however, is that quality of services plays a role in establishing both level of demand and price of services, and accordingly influences the success of the agency.

In a public information agency, political processes such as referenda determine the amount of the agency's revenue. Similarly, the services to be supplied to the user community are determined (or at least strongly influenced) by political processes. It is possible, however, that political processes are (at least in part) the expression of market forces. The synthesis of political and economic theories is known as the theory of public choice. As developed by Black (1958), Arrow (1951), Buchanan (1968), and others, this theory suggests that supply and demand and the perceived quality of services provided function in public agencies through political processes. In other words, communities demand certain information services. Communities evaluate the quality of services and assess whether the value of the services received is greater than or equal to the total tax costs associated with providing those services.

This theory of public choice is plausible in the public library setting. Many public libraries each year engage in a referendum process by which their communities establish the level of funding they will receive for services provided. This "direct democracy" approach to assessing levels of public demand, and public perception of the quality of information services, is complemented by an indirect approach referred to as the Tiebout model (Tiebout, 1956). In this model, people decide the kind of community they want to live in. It might be a low-tax community with low levels of public services, or a high-tax community with higher levels of public services. As these decisions are made, populations shift and property prices reflect the public choice of the community.

The theory of public choice suggests that market forces operating through political processes influence the nature of services that will be provided by public libraries and the quality of these services. Accordingly, the services offered and the quality of those services will determine the revenue that the library will receive. Clearly, public libraries would have a great interest in establishing and maintaining a reputation for provision of high-quality library services. Such services would, according to the theory, impact the success of public funding initiatives. In addition, high-quality public library services would attract more residents to communities and drive up property values, thus creating a larger tax base from which library funding might be derived.

Although the theory of public choice is widely accepted by economists, others question whether it can effectively explain what goes on in the funding of public agencies. They point out that communities have values that may not be expressed in economic terms and that political decisions may have dimensions that cannot be translated into terms of economics. A skeptic who rejects the theory of public choice could build an alternative view of how public libraries are funded. This view might note that public library revenues depend on the willingness of citizens to be taxed and that in many instances this willingness is extremely limited. The skeptic might also note that public library information services are likely to be influenced by the articulate voices of well-organized pressure groups within their communities and that the resulting services might tend towards the uncontroversial and politically correct. Once the political process identifies a service that will be offered, this service is supplied whether or not it is heavily demanded or used. Given limited revenues, libraries might adopt measures (such as overly restrictive bureaucratic rules and regulations) to discourage their user community from making use of the library's information services.

The services are perceived as being "free," because their price is masked from the view of the consumer by public (i.e., tax supported) funding of the services. It follows that the income of the information agency is not related directly either to the services provided or to the price of the services. Within certain obvious limits, the nature, quantity, and quality of library

services provided to the user community have no impact on the income of the agency. It follows that the financial incentives to provide demanded, high-quality services are limited.

Which of these two competing perspectives provides the best explanation for the relationship between public library funding and public library services? Does public demand, and public opinion about the quality of library services influence library funding? This article provides a preliminary approach to answering these questions. The hypothesis tested by this investigation was that public demand for library services and public opinion regarding the quality of library services have an effect on public library funding.

METHODS

To test the hypothesis stated above, measures of public opinion regarding public libraries and measures of levels of public library funding were required. The measure of public opinion was derived from a telephone survey prepared by Lake Research and conducted by Opinion Research Corporation in April of 1996. This survey, funded and sponsored by the Benton Foundation, provided one of the research components for the Benton Foundation's report *Buildings, Books and Bytes* (Weiss, 1996).

The sample for this survey was 1,015 adults living in private households in the U.S. A random sampling technique was used to select the individuals contacted and the results were deemed representative of the population of the U.S. Comparison of the demographics of the sample with those of the adult population of the U.S. allowed the responses to be weighted to achieve estimates of response percentages that were not biased by age, sex, geographic characteristics, or race.

Three questions posed by the polling organization focused directly on demand for, and public opinion about, public library services. The first was:

How many times did you, yourself, go to a public library in the past year?

Would you say—

- Not at all
- 1-5 times
- 6-10 times
- 11-20 times
- 21 times or more
- Don't know.

The second question used in this investigation was:

Let us suppose that your local library needs additional funds to continue operation. Please tell me which of the following you would favor as a possible solution:

- Increasing taxes to cover the necessary cost
- The library charging the people who use the library
- Reducing the services the library offers to the public.

The third public opinion question used in this investigation was:

As more and more information becomes available through computers, some people say that public libraries will change. Thinking about the future, as the use of computers continues to grow, do you think public libraries will become more important than they are now, less important, or that their importance will not change much?

- More important
- Less important
- No change
- Don't know.

Responses to these questions, used by permission of the Benton Foundation, were clearly representative of national demand for, and public opinion about, the quality of public library services. However, in this investigation, these responses were used for a different purpose: to estimate demand for, and public opinion about, the services of individual public libraries. The assumption that justified this use was that a randomly selected individual from a community is likely to reflect the attitudes of that community. This assumption is, of course, open to criticism. It would have been preferable to use samples randomly drawn from the residents of a sample of municipalities. Future research may adopt that approach. In this investigation, it was considered appropriate to use an approximation of local public opinion to provide a preliminary analysis of the effect of public opinion on library funding.

The respondents to the public opinion poll were identified only by zip code. Using the zip code, it was possible to identify the public library closest to each of the respondents. Having identified the public libraries, per-capita revenue was derived from the *American Library Directory*. These data were collected for 1995, the year immediately preceding the public opinion poll, and for 1999, the most recent year for which data were available.

There were, of course, a number of difficulties experienced in preparing this data set. Some poll respondents did not provide valid answers to the questions asked. The actual numbers of valid responses to the public opinion poll questions are given in Table 1.

In some instances, it was not possible to identify the local public library serving a poll respondent. There are, for example, substantial areas unserved by public libraries in a number of states. In other cases, the data provided in the *American Library Directory* was incomplete. Some libraries provided data in the 1995 directory, but were absent from the 1999 direc-

Table 1. Numbers of Responses to Poll Questions.

Self-reported number of library visits	798
Preference for source of future library funding	731
Opinion on future importance of libraries	800

tory, and vice versa. The actual numbers of libraries for which financial data were found are given in Table 2.

Table 2. Numbers of Libraries For Which Financial Data Were Found.

Per-capita income 1995	594
Per-capita income 1999	504
Change in per-capita income	478

Taking into account all of the data available from the above sources, a data set was created that contained 440 unique cases of public opinion responses paired with financial data from the local public library that served the public opinion respondent. The following analysis was based on that set of 440 cases.

FINDINGS

Based on the data set of 440 cases, the following summary statistics were derived from the public opinion data. Table 3 reports the responses regarding the self-reported number of library visits.

Table 4 reports the responses regarding the preferred sources for future library funding.

Table 5 reports respondents' views about the future importance of the public library in an era of technological change.

The summary statistics for per capita public library revenues derived from the 440 cases in the data set are given in Table 6.

The objective of this research was to investigate the association of public opinion with public library funding. To test the association of the number of self-reported library visits with library funding, a Spearman's rank-order correlation was used. The results are given in Table 7.

To test the association of preferred future sources of library funding with library funding, ANOVA was used. In no case was there a significant effect of public opinion responses on actual funding levels. For 1995 reve-

Table 3. Reported Number of Library Visits in the Past Year.

	Number of Respondents	Percent of Respondents
Not at all	131	29.8
1-5 times	132	30.0
6-10 times	56	12.7
11-20 times	44	10.0
21 times or more	77	17.5
Total	440	100

Table 4. Preferred Future Sources for Library Funding.

	Number of Respondents	Percent of Respondents
Increasing taxes to cover the necessary cost	206	46.8
The library charging the people who use the library	189	43.0
Reducing the services the library offers to the public	45	10.2

Table 5. Future Importance of the Public Library.

	Number of Respondents	Percent of Respondents
More important	158	35.9
Less important	90	20.5
No change	183	41.6
Don't know	9	2.0

Table 6. Public Library Per Capita Revenues.

	Average	Minimum	Maximum
1995	\$24.21	\$.04	\$897.27
1999	\$33.55	\$.02	\$1,314.65
Change from 1995 to 1999	\$9.34	\$-59.68	\$417.38

Table 7. Association of Number of Library Visits with Library Revenues.

	Per-Capita Revenue 1995	Per-Capita Revenue 1999	Change from 1995 to 1999
Library visits	R = .1412, $p < .01$	R = .1171, $p < .02$	R = .0214, $p > .65$

nue, $F(2,437) = 1.1937$, $p > .3$; for 1999 revenue, $F(2,437) = .855$, $p > .42$; for revenue change, $F(2,437) = .3981$, $p > .67$. Table 8 presents the average levels of public library funding for libraries whose patrons responded in different ways on the public opinion poll.

To test the association of perceived future importance of the library, ANOVA was used. In no case was there a significant effect of public opinion responses on actual funding levels. For 1995 revenue, $F(2,428) = .378$, $p > .68$; for 1999 revenue, $F(2,428) = .481$, $p > .61$; for revenue change,

$F(2,428) = .1.062, p > .34$. Table 9 presents the average levels of public library funding for libraries whose patrons responded in different ways on the public opinion poll.

Table 8. Public Library Funding Levels, Categorized According to Poll Responses.

	Libraries Where Respondents Preferred Increasing Taxes	Libraries Where Respondents Preferred Charging Users	Libraries Where Respondents Preferred Reducing Services
Per-capita revenues 1995	\$28.53	\$20.50	\$20.07
Per-capital revenues 1999	\$38.76	\$29.90	\$25.02
Change from 1995 to 1999	\$10.23	\$9.40	\$4.95

Table 9. Public Library Funding Levels, Categorized According to Poll Responses.

	Libraries Where Respondents Thought Libraries Would Be More Important	Libraries Where Respondents Thought Libraries Would Be Less Important	Libraries Where Respondents Thought Library Importance Would Not Change
Per-capita revenues 1995	\$23.26	\$20.80	\$26.72
Per-capital revenues 1999	\$29.33	\$32.31	\$37.98
Change from 1995 to 1999	\$6.07	\$11.51	\$11.26

DISCUSSION

Demand for library services, as represented in this investigation by the self-reported number of library visits in the past year, had only a modest association with public library funding. Demand for library services had the largest association with current year revenue. Yet, even in this strongest case, the correlation was only $R=.1412$. This correlation is the equivalent of a coefficient of determination (r^2) of .0199. In other words, less than 2 percent of the variation in library funding could be accounted for by demand for library services. The association of demand for services with subsequent library funding was even more tenuous. The correlation of $R=.1171$ is the equivalent of a coefficient of determination of .0137. Only slightly more than 1 percent of the variation in per-capita public library funding could be accounted for by previous levels of demand. There was no association of funding level changes with demand for library services.

Proponents of the public choice theory might argue that these modest levels of association between demand for library services and library funding support the influence of public demand on levels of service provided, and on the price of those services. However, other interpretations of these findings are possible. Perhaps higher levels of demand are generated by higher-quality services. In other words, the public may be viewed as reacting to political choices regarding library funding rather than influencing these choices. In any case, the magnitude of the association between demand and funding is so small that differences in interpretation are moot.

Other measures of public opinion regarding library services had no influence on public library funding. It is particularly noteworthy that libraries whose patrons, as represented by poll respondents, supported additional taxes to support library services did not receive a significantly higher level of revenues than other libraries. This result would seem to reflect an important lack of connection between public opinion about library funding and actual levels of library funding.

Perceived quality of library services is an equally important aspect of public opinion about libraries. In this research, perceived quality was best represented by respondents' opinions about the future importance of public libraries. Yet, this variable had no association with levels of library funding. Again, these results provide no support for the theory of public choice as applied to public library services.

These results should be taken as preliminary in nature. A full exploration of the place of public opinion in influencing public library funding would require larger-scale data collection that would include variables that reflect both the quality of the libraries and the services offered, and the political and economic contexts in which the libraries operate. Such a multivariate model would indicate the extent to which quality and demand for services are reflected in a variety of measures of library funding and performance.

CONCLUSIONS

In the private sector, demand for services and perceived quality of those services have a direct impact on the provision of services and on the price of those services. It would be nice to think that public libraries could generate higher levels of revenues by providing services that generate high demand and that are perceived as being of high quality. The theory of public choice provides a mechanism through which levels of demand and of positive public opinion can be expected to generate higher levels of revenue for public libraries.

Unfortunately, the theory of public choice was not supported in this study. Rather, it appears that higher levels of demand have very little influence on funding levels. In addition, positive public opinion about library

services appears to have no impact on public library funding. These results will probably not surprise many public librarians. They know that political decisions regarding levels of funding are always complex. It may not be enough for the library to be providing good services if other equally good services are deemed to have higher priority in funding. Higher levels of demand may be met with demands for increased cost-effectiveness rather than with higher levels of funding. In many instances, increased public library funding has been achieved through strenuous community protests, rather than through good public opinion. Further, the lack of concern about generating additional demand or being perceived as providing notoriously poor service may be taken as hallmarks of many tax-supported public agencies, and librarians might be forgiven for wondering why their agency should be different.

At the same time, public librarians have a professional commitment to providing high-quality information services to their communities. There may well be intrinsic rewards associated with providing programs and services that are demanded by patrons and in responding promptly and effectively to information needs. But the apparently minimal association between these activities and the levels of funding provided to support these activities can be disappointing. Some may wish to argue that these considerations should provide impetus for privatizing and diversifying information services. However, these findings are too preliminary in nature to support such arguments. This study was intended to provide an initial glimpse at the association between public opinion and public library funding. Additional studies must explore this association further before firm conclusions can be drawn.

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