

And How Do We Pay for Public Libraries?

by Mark Merrifield

The magnitude of the issue of funding for public libraries does not easily lend itself to a one hour discourse, nor will I attempt to provide more than a cursory overview of the entire question. Rather, I will be focusing on a number of aspects of public library funding that are at the heart of this meeting on "The Future of Rural and Small Public Libraries."

In researching this topic, I discovered that public library funding has always been an issue, but not always from the perspective we may imagine. R. Kathleen Molz (1977), in her address delivered at the Centennial Celebration of the American Library Association entitled: "Libraries and the Development and Future of Tax Support," quoted from a *Library Journal* report of the 1905 American Library Association Conference. The article quoted a speaker who was addressing the topic of income in the college library:

Envious I have been [of] the public librarian, with a city's treasury at his back, wasting his substance in trumpery novels by the thousand. I have pared these college cheese rinds; made home bindings; done double duty to save a salary; stretched the eagle until Uncle Sam would not recognize his proud bird; begged, borrowed (and *almost* stolen) books from reluctant owners (p. 49).

Does this refrain sound familiar? The difference today is that all too often it is the public librarian that is envious of the resources available to the academic librarian. College libraries are now financial powerhouses, and "paring the cheese rinds" and "stretching the eagle" could now refer to the financial vagaries of many public libraries in the United States.

One cannot but pick up our professional literature today and note the plethora of articles and news summaries detailing budget cuts on massive scales, downsizing of library services, and the closing of libraries. Perhaps our poverty will serve to eliminate once and for all the past discussions of our "image," and replace it with discussions of successful financial schemes, and the leveraging of new assets to support library programs. Indeed, we have reached a critical juncture in our professional development that will be difficult for many in our field to traverse. Our

training as librarians (in the traditional sense) has not prepared us to be the financial managers and business people that we must be in order to save our institutions, public libraries. It will be most difficult for the smaller libraries, particularly in rural areas, to adopt business practices as well as new tactics to derive operational income for their libraries. Nevertheless, it is imperative that all librarians, regardless of the size of their institution or the size of their staff, be willing to become entrepreneurial, as well as willing to lobby funders to provide financially for the libraries in their communities.

THIS IS ALL WELL AND GOOD, YOU ARE SAYING, BUT WHAT CAN I DO TO HELP MY LIBRARY?

To answer this question, I refer to a Will Manley (1992) column in the "Wilson Library Bulletin," in which he talks about Daniel Pinkwater's children's book entitled *The Big Orange Splot*, which he refers to as "the definitive work on standardization, conformity, and accreditation" (p. 69). In short, the protagonist, Mr. Plumbean, lives in a neat orderly neighborhood, where everything is the same. One day a seagull drops a can of orange paint on his roof. The neighbors don't like it, but Mr. Plumbean decides that he does. One thing leads to another, and Plumbean turns his house into an explosion of colors. The neighbors are up in arms, but Plumbean persuades them all to become creative, and soon the entire street is transformed. None of the houses are the same, and everyone appears to be happier. Manley then goes on to say that:

That's the refreshing thing about public libraries. Unlike strictly regulated institutions like schools and hospitals (which do have to conform to accreditation standards), public libraries are free to be whatever their local boards and communities want them to be. The result is a rich diversity of creativity. Each public library has its own unique personality (p. 69).

The uniqueness of each library, and each community in which the library is located, will of course have a direct impact on the methods that can be used to reach the financial goals that must be met. These goals may be basic, as in being able to meet the yearly budget with no deficit...or they may be more involved...to challenge the Friends of the Library to raise enough money to underwrite a new children's summer program. The librarian's role in creatively pursuing opportunities must be

based on an understanding of the community and the needs of the people of the community. More importantly, even the smallest library in a rural area shares one important ingredient with the largest of America's public libraries...people willing to help support the library. Utilizing these supporters is the most effective tool any librarian has, and even with the uniqueness of a community to contend with, the raw material for success in bringing in financial support for the library lies with these people.

The Baker and Taylor Company (1979) (best known to many of us as a primary vendor for our books), published a guide to community-based library fundraising called *Winning the Money Game*. This slim volume offers some common sense advice, and is appropriate for librarians who are just beginning to look at what their options may be to stave off "the wolf at the door." Although it may be stating the obvious,

The rapidly changing budget picture for libraries means that diversified funding patterns are essential. Librarians have heard a great deal lately about learning to cultivate private and government grant support, and about becoming political animals who know how to influence legislative bodies at all levels.

These approaches are essential elements of any successful, diversified financial strategy. But they are not enough.

The people who vote for the legislators are right in the library's own back yard. The families a town council or school board serves are the real power of the community. And local businesses and individuals are closer to home than national foundations or federal and state governments.

The community—the people who use a library every day—can make a difference in whether it succeeds or fails in dealing with budget problems...If a library provides services the community needs and appreciates, then there are unending ways to get tangible support.

What may not be obvious to librarians in smaller libraries is that the imperative to plan must become institutionalized, regardless of the size of the library. Strategic planning, once thought to be a device used by the largest public libraries, is critically needed in libraries of all sizes. Planning for the future, setting goals, identifying the mission of the

library as well as a vision of the future must be done in order to promote the library to the people who can influence funding agencies, or who can be convinced to support the library themselves. Planning must be the backbone of any discussion of paying for public libraries. **Why?** Quite simply, knowing where you are going, and the measurable goals you have set to get there provides the framework on which you can discuss the financial implications. Responding to limited funding will require serious planning on the part of the librarian as well as the library Board. **Remember the people who vote for legislators?** Board members vote too, and are business people, parents, and taxpayers. They too have a vested interest in the community and the role that the library will play in the community. Their presence on the library Board of Trustees is an indication of their interest in the library...or it should be! The planning process is as much for them to understand the implications of where the library is going, and how much it will cost to get there as much as it is a method that invites them to support the process and the library financially as well.

With these two key elements in place, **planning** and **people**, the activities that can take place to find the money to pay for public libraries can be developed.

WHAT HAS PAID FOR PUBLIC LIBRARIES?

I think that almost everyone knows that tax supported libraries in the United States had their origin in New England in the 19th century. In his article in *Library Journal*, entitled "Funding for Public Libraries in the 1990's," Arthur Curley (1990), the Director of the Boston Public Library, states that "The idealistic origins of the public library have remained a force to shape its mission and philosophy for nearly a century and a half; unfortunately, the naiveté so characteristic of an idealistic movement placed greater reliance on noble inclinations than on a rational legal and financial framework to insure support for the infant institution, and this too continues as an operative force to our present time" (p. 65). The March 1848 Act of Authorization to Establish a Public Library in the City of Boston, although idealistic, also contained the proviso that "no appropriation for the said library shall exceed the sum of \$5000 in any one year" (p. 65). By 1875, there were one hundred and eight tax-supported libraries, and by 1887, there were six hundred and forty-nine (Davis, p.49). Ironically, many tax-supported libraries were accepted by taxpayers because of the philanthropy of leading citizens.

Not only great cities, but small ones were impelled along the road [to] tax-supported libraries by encouraging gifts and inspiring examples. In Massachusetts by 1876, sixteen libraries, not all of them public libraries, had been established by the philanthropy of individuals (Davis, p.52).

When Portland, Maine, was considering the establishment of a library, it was pointed out that no example could be found of such an institution being established which did not have its origin in the philanthropy of one or more individuals. Because no benefactor came forward in Portland, it was recommended that no tax-supported library be established!

Andrew Carnegie's philanthropy did more for public libraries than any previous efforts. "From 1886 to 1919, Carnegie gave a total of more than \$41,000,000 to 1420 towns and cities for library buildings" (Davis, p.53). What is not commonly known is that before it received the gift of a building, Carnegie required that the town promise that it would support the library "with annual tax revenue equal to one tenth of the amount of the gift received for the building. Because of this requirement many a city council found itself torn between the dictates of ostentation and economy...the bigger the gift the larger the support extracted" (Davis, p.53).

Those communities that did have Carnegie library buildings built for them, often failed to live up to the minimum pledge of tax support,

By 1915, the Carnegie Corporation began to harbor a vague suspicion that the library building program was not all that could be desired. In that year it commissioned Alvin S. Johnson, Professor of Economics at Cornell, to make an investigation. Professor Johnson, who visited a hundred Carnegie libraries, large and small, from coast to coast, concluded that generally the feeble support given to libraries in small towns was the result of lack of interest, rather than lack of money. The Carnegie Corporation ended its gifts for library buildings in November 1919 (Davis, p.55).

Apparently, local tax support for public libraries has always been problematic.

WHAT CONSTITUTES LOCAL TAX SUPPORT TODAY?

“Most local funds are from city, county, or municipality sales taxes, income taxes, or real estate taxes. They come from (a) general funds, (b) library tax levies, or (c) specially earmarked tax revenues” (Hales, 1992, p. 103). It is clear that real estate tax revenues are coming under much scrutiny around the country by taxpayers. Various taxpayer “revolts,” most notably in Massachusetts and California, underscore the potential problem for libraries. Many areas of the country now view property taxes as “unjustifiably high and burdensome” (p. 104). The competition among municipal agencies for a diminishing “slice of the pie” is also true for libraries that are not agencies of local government. In seeking annual appropriations, they are finding it more and more competitive. Increasing criminal justice costs, indigent health care costs, police, fire, and sewer services that are considered “essential,” all of these issues rank higher in the order of funding by municipal officials.

IS TAX SUPPORT STILL A VIABLE OPTION?

Most definitely. The issue of tax revolts, and declining revenues for libraries has been with us for some time. In the book *The Shrinking Library Dollar* (Quirk & Whitestone, 1982), the following statement was made:

Public libraries face a difficult psychological and economic climate as a result of public resistance to higher state and local taxes, and the fact that libraries traditionally rank far below such essential services as police and fire protection in the scramble for a share of the budget.

This statement was made ten years ago, and the climate has not gotten any better. With federal aid to states, cities and towns having dropped precipitously over the past 20 years, local agencies are pressed to be fiscally responsible for local services. With all of these factors, as well as flat funding from state agencies, it would appear that the battle for library funding is being lost. With all the recent articles on budget cuts aside, there have been victories, and even small victories count in the long run.

Using the people who support the library in your community as advocates is the most strategic element of any plan to fight budget cuts, and seek new funding. Ongoing public relations, specifically the positive

aspects of the library in your community serve to “make a case” for support to municipal officials. But even if you can make a case to keep library funding level, or even slightly increased, what about the future? Unquestionably, the issue of a local library tax should be discussed and planned. Timing is, of course, everything. Local rules governing such tax levies are all different, but in some cases, municipal officials can institute them on behalf of the library up to a certain level. Beyond that, it must go to the voters. Can you take a tax levy to voters in this tax revolt climate? Sally Gardner Reed (1992), in her book *Saving Your Library*, says that this is in fact possible if you have the backing of the people of your community. Much of the book goes into the planning of a campaign to educate library users, elected officials, and key community leaders on the advantages the library gives the community. This does mean that the library must be perceived to be a value to the community, something which a public relations campaign cannot create. The value has to be there already. What services do you provide that the people of your community respond to positively? Play on these issues, and bring them to the attention of those who can work to help you make a case for support.

WHAT OTHER RESPONSES?

Undoubtedly, in my position as a Development Officer, other forms of funding must and are considered to offset library costs. This is an issue that can be a two-edged sword for some libraries. Public libraries that receive the bulk of their funding from municipal agencies in the form of tax revenues should approach fundraising with an eye to supporting special projects. It is not unknown for municipal governments to react positively to the knowledge that a library can raise money on its own by cutting the amount that they can fund the library. There is no guarantee that this decrease will be made up, which leads the library into the business of continuing to find outside funding to meet daily operational needs that had been paid for using tax dollars. This is not to say that showing municipal officials that you are fiscally responsible is a bad thing. Rather, you want to show them that you are willing to work with them to fund the library at a level that it must be funded, using all means necessary. In other words, fundraising on your part should not mean that municipal officials should be allowed to relax their efforts in strengthening library funding.

I work in a library which receives little in the way of municipal funding. Martin Library’s budget includes a grand total of approximately 5 percent of its income from municipal “contributions.” County funding does

provide a substantial amount, but here again, it is not the bulk of the income. These factors mean that fundraising is an important part of Martin Library's activities designed to raise the funds necessary to provide library service to our community.

Some of the methods employed to raise income for the library include:

- Services for contract (SLAM, Book Purchasing program)
- Direct mail campaigns
- Grant support
- Cooperative ventures (Grants Resource Center)

It is important to note that although Martin Library is an urban library, any of these types of revenue enhancements can be developed in small libraries. It is a matter of scaling service to the community that you serve. Concurrently, beyond looking at the multitude of ways to raise new money, there exists the issue of financial management.

FINANCIAL MANAGEMENT

What is meant by financial management? Increasing the efficiency or effectiveness with which existing resources are used.

Keeping the Books: Public Library Financial Practices, edited by Jane Robbins and Douglas Zweizig (1992), for the Urban Libraries Council, is a must read. Even librarians from small libraries will learn much about modern business practice, and the methods that can be utilized to review the cost of doing business, and considerations that can be given to other options. The productivity of the library and its various operations can be determined using Output Measures. We all maintain them, but most of us do not take them and analyze the costs associated with doing the things we do.

It is obvious that many libraries continue to do things because they have been done that way "forever." No one seems to stop, ask "Why?" and analyze the reasons and the cost factors involved. What for instance is the "cost per use" of any item in the collection? What is the cost of processing each item? Can there be ways to shave those costs utilizing non-traditional means, or even the traditional volunteer? What do the various library functions cost? If you offer a story time, and only five children show up, what is the cost? Can a volunteer do the story time, freeing up the librarian to tackle other activities?

A direct outgrowth of this kind of financial management is that it aids in the development of goals and objectives that can have cost identified. Once costs for services have been identified, then it becomes easier to propose that it could be underwritten in part by a grant, or by the Friends of the Library, etc. The knowledge that it gives you provides the added benefit of giving you the ammunition that you will need when approaching municipal officials for increased funding. You should know what it costs to provide services that are favored by particular funders. If municipal officials like children's services, be able to tell them not only how great the service is, the demand, the turnover rate, but also the cost per item, cost per circulation, and how you have saved x# of dollars in the process by reviewing the vendor contracts, and have been able to negotiate a better price for the books, and are now using a volunteer to do much of the work to put covers on the books, saving x# of dollars in staff time to be able to process more new books faster. Or words to that effect.

Maximizing the use of the library's current resources includes "addressing operating inefficiencies and...stabilizing costs" (Robbins & Zweizig, p.283). This also implies the planning process that I alluded to earlier in my talk, and it is imperative that no matter what the size of the staff, the planning process must focus on these issues in order to deal with the overall management of the budget of the library. In addition, the planning process must also identify funding sources that are unused or under-used.

IDENTIFYING FUNDING SOURCES

- Endowments
- Grants
- Investments
- Contracts for service
- Annual Campaigns
- Tributes and memorials
- Gifts
- Membership campaigns (Friends)
- Fines
- Sales
- Special Events

In the book *Becoming a Fund-Raiser* (Steele & Elder, 1992), two principles of library fundraising are identified. They are:

1. Library fundraising seeks consonance between a donor's wishes and a library's needs. Hence it should proceed in an open, ethical, balanced, win-win way.
2. Fundraising is judged to be successful when it results in gifts that contribute to the strategic vision for the library; gifts should free a library to achieve its goals rather than hamper or distract it from its mission.

Clearly, many of you may not be comfortable with the idea of "becoming a fund-raiser." That's not what you went to library school for, was it? No, but it is true that every person in your library, regardless of its size, is involved in fundraising. Whether it is through the promotion of a Friends of the Library program, or by meeting with a local service club to talk about the need for more children's books, that is fundraising. Promoting the library assists in fundraising, and makes the case for support (a phrase often used in fundraising campaigns) that much easier.

SUMMATION

The question of how we pay for public libraries will have many answers depending upon the library, since each library, and each community, is different. Unquestionably, it will be through a combination of factors previously mentioned that will provide the financial backing for the library. All will depend on the creativity and resourcefulness of the librarians, trustees, staff, and library supporters that are all components in any successful campaign, whether it is a budget appeal, tax levy or millage, capital campaign, or special appeal for project funds.

Planning is of course the most important aspect that cannot be overemphasized. Goal setting, establishing priorities, and maximizing the effectiveness of funds received must be a part of the planning and implementation process. Above all, make the library a positive, forward thinking place. Be entrepreneurial, consider alliances for purchasing. All of these things must be considered in a framework for future library funding.

Noticeably absent from my discussion has been federal funding. In short, don't count on it. Consider it only as one more element in fundraising to underwrite a particular program.

I would like to conclude by quoting a passage from R. Kathleen

Molz's address delivered at the Centennial Celebration of ALA:

The look that all of us will have to take...will have to be forward to the new and unfamiliar. Legislation will have to be formulated to meet new needs. Financial support will require broader bases. Cooperation will have to assume varied forms. Measurement of library service and training for librarians will have to be adjusted to new conditions and related to a frame of reference which will illuminate, which will justify, and which will vitalize the work of the library as an American social institution of fundamental importance and worth (p. 62).

As Molz stated herself, she could not take credit for these lines, rather, they are quoted from the inaugural address of Louis Round Wilson at the ALA conference of 1936. As Molz says, "nothing changes but change itself" (p. 62).

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