

Books Are Just the Beginning: On the Road to Innovation with The Free Library of Philadelphia

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Introduction

The digital age has fundamentally changed the way people search for and consume information, leaving long-standing providers of information struggling to stay financially viable and contextually important. The younger generations, and a growing number of those in older generations, consume news, conduct research, communicate with friends and relatives, and do business from their computer or mobile device. According to a recent Pew Study, one quarter of all Americans get their news on mobile devices (Duncan 2010). Clearly the physical provision of knowledge and communication has shifted, resulting in a crossroad for entities that provide news and knowledge.

The Free Library of Philadelphia is attempting to navigate its way through this crossroads as it seeks to determine the role libraries play in the information age. For decades, generations of diverse Americans have viewed the physical library as an access point for knowledge,

transformation and the opportunity for advancement and change. As President Kennedy put it, "Libraries should be open to all—except the censor."

As the electronic age propels us forward, what is the library's role? Libraries across the country have attempted to answer this question in very different manners.

Seattle's Public Library has been completely redesigned and re-visioned, with little resemblance to its previous look and feel. Now a large greenhouse-like space with no interior walls, the library has become an urban hangout for many. With a clear focus on attracting people through the sheer excellence of the building and technology services, Seattle has made stacks of books less important, and the library seems to acknowledge they will be gone in a matter of years (Rybczynski 2008). Their rebuild has served them well. Approximately 60 percent of users visit the library twice a week (Gilmore 2010).

Chicago's Public Library, also feeling the push to digitize and entice people to visit, recently renovated and "innovated" its approach. Instead of renovating to be more modern, the Chicago Public Library reworked its facility and conceptualization of space utilization in an effort to accommodate more, and different, groups of people. With a new physical space, which uses the first floor to house books, the library was free to incorporate many large loft spaces on other floors as video rooms, computer rooms, exhibition spaces, etc. The idea was based around flexibility—to build a space that changes with society

(Rybczynski 2008).

While these libraries took different approaches to attracting visitors, there is an overarching recognition among the library community that the historic role of the library has changed and that survival is directly linked to determining its role in, and adapting to, the digital information age. The Free Library of Philadelphia is currently in the process of re-examining how it interacts with its consumers to determine a path for the next 20-50 years. By providing new ways to experience information in physical settings or by providing immediate digital and comprehensive access combined with a guarantee of quality, the FLP seeks reassert its historical role.

Books Are Just the Beginning

“Books are just the beginning” is one of the many taglines used to describe public libraries. Over the past 20 years, the library has evolved into more than a book repository. Today, libraries in Philadelphia serve as community partners, working to improve literacy, workforce development and language development. For other members of the community, the libraries are a warm room in the winter, an air-conditioned resort in the summer, an intellectual gathering place, a quiet spot to get lost in work, or a stop on the way home to pick up a movie for the night. The Free Library of Philadelphia represents all of these things to the citizens of Philadelphia.

In existence since 1894, the Free Library evolved from a few rooms in City Hall to the magnificent structure we see now on the Parkway. The FLP system has 54 branches, including three large regional branches and a library for the handicapped and blind (Free Library of Philadelphia 2009), and is one of the ten largest public libraries in the United States (The Largest Libraries in the U.S. 2005). Its great size and reach generated 6.6 million visits to FLP branches in 2009. Visitors take out books, DVDs and CDs, as well as attend the many programs offered each year on subjects as diverse as language training, business intelligence and technology education. One million public computer uses are also tracked.

In addition to physical visits, the Free Library of Philadelphia receives traffic via the web at <http://www.freelibrary.org>, with over 25 million hits in 2010; this is a significant increase over 2009 traffic. The website has become a primary vehicle for promotion, connection and access. The website lists all upcoming and past events and allows members (those who have a library card) and nonmembers alike to search the library's extensive holdings of over seven million items, including books, DVDS, CDs, MP3s, audio books, digital books and archives. Apart from the "rentable" holdings, the library also offers speaker series, classes, movies, free access to computers and downloadable content.

While the FLP aims to keep track of progress measuring web hits and visitors at the main branch and satellite

branches, the library protects the privacy of its patrons and never keeps records on books borrowed, programs attended, websites visited, etc. The paradox is that by protecting patrons' privacy, the library cannot collect rich data to show measurable results.

At a Crossroads

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In order for the FLP to fulfill its core mission—to provide free access to information to all who seek it—having more detailed data is critical. As society undergoes a global digital change, what data should the library seek, and how is such data related to defining the library's role?

Ideally, the FLP would know who is using its services and what programs, books, services and content areas are in high demand. However, the FLP does not retain or collect information because of privacy concerns and therefore does not have concrete data on target audiences.

Using available data, the library has identified five core audiences to receive enhanced attention. While the Free Library is open to all citizens of Philadelphia, its core audience remains the literate. Within that audience, the FLP focuses its programs on five select groups who represent a crucial piece of the Philadelphia community at large.

1. Pre-kindergartners: A child's likelihood of graduating from high school is increased when he or she attends a high-quality early childhood program (Lynch 2005). The FLP provides fun and interactive literacy-based programs for parents and children to attend together, plus the Books Aloud! early literacy workshops for parents and teachers. These programs and others provide quality early learning experiences and ideas for families.
2. Job seekers: In uncertain economic times, the city benefits greatly when more citizens are working and able to pay taxes. With resume writing help and job hunting assistance, the library helps the unemployed become employed.
3. Small business owners/entrepreneurs: With successful small businesses come more job opportunities. The library provides services such as business plan reviews and financial statement help.
4. New Americans: According to the Brookings Institution (Singer et al. 2008), cities become stronger when they are able to successfully integrate immigrants. The library provides language classes for new Americans that teach English and help integrate them into society.
5. The digitally savvy: The digitally savvy represent the newest group of library users, those who may never enter the library. This group has the potential to reach beyond the traditional Philadelphia borders.

The library aims to become the primary information portal for these audiences, positing that if they value the FLP, they will utilize it as their preferred means for information—free, paid or both. As a free service to the Philadelphia community and a city entity, the FLP, like many other government entities, has experienced a challenging and volatile financial situation. In addition to the fundamental challenges requiring it to examine its functional and societal role over the next decade and beyond, the city's persistent structural budget problem in recent years has resulted in the city's General Fund support of the FLP being reduced from its high of \$40,650,000 in FY 2008 to \$32,970,000 in 2010. State operating funds have also been reduced from a high of \$9.4 million in 2006 to \$7.4 million today. The FLP capital budget is \$900,000 and is usually tapped for building maintenance. City and state budget challenges are not projected to ease significantly in coming years, painting a bleak picture for the FLP's ability to expect, and realistically advocate for, increased city resources. At the same time that city funding has declined, the FLP's fundraising has improved annually, with support coming from small individual gifts.

Reaching Today's Core Audiences

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By innovating, the FLP can remain relevant and provide critical value-added services that it can be sure core

audiences are able to access. Of course, during any organizational change—good or bad—many challenges arise. The library's challenges that are not related to funding require it to re-examine how it defines and reaches its core audience. This evolution, resulting from innovative reaction to challenges, creates opportunities for the FLP's future. The FLP's expanded e-book availability, movie rental and online portal are important initial adaptations that suggest the library can move forward to compete in a more digital world. The FLP has a significant opportunity to act as the connection point for those on both sides of the digital divide. With locations around the city in neighborhoods of varying socioeconomic class, the FLP can enhance digital skills for those already immersed in the digital revolution and advise those just dipping their toes into the digital waters.

Technological innovations have also changed the way individuals consume and receive information. Learning is more active, and increasing numbers of people are kinetic learners. Technology brings new experiences, and possibilities exist for all generations. From families video-chatting together while hundreds of miles apart, to children learning through web-based curricula, the experiences of connecting and learning have changed. This change is an important challenge for one of the library's long-standing roles: a place of comprehensive knowledge. Yet again, there is a significant opportunity for the FLP to be an electronic access point and center for

knowledge and lifelong learning in a city where 42 percent of homes have no Internet access and the dropout rate is over 46 percent. Less than 50 percent of residents have home Internet access, and even fewer have a high school education or equivalent.

The library's competitors are vastly different than even ten or fifteen years ago. Its chief competition is Google, with Amazon.com and Barnes & Noble trailing behind. Google has become the "go-to" information source, a role once occupied by the local librarian. Why leave home to go to the library when a Robert Frost poem can be found from one's own computer? But while it may seem as though the library has lost its place, what has changed is both the physical consumption and experience of the public consumption of knowledge. Thus, the FLP has a distinct opportunity to provide services, free of charge, to a public that may not be able to or cannot afford to be enmeshed in the digital age. Additionally, the FLP has an opportunity to become something new and to reinvent itself as a "modern" library—a place where books are just the beginning.

Moving Forward

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The FLP, through its community branches, has a presence in most city communities and can provide services to various audiences in need of information access. The

playing field has shifted; the audience and experiences have changed.

Before it defines a new role for itself, the FLP first must answer several critical policy questions: What should be the role of the FLP in today's (and tomorrow's) society? For whom should the library exist? Is it able to serve all facets of society? How can it attract additional revenues and from what sources? What is the role of the library's buildings in the city's communities?

Policy questions prove tricky for many organizations, especially those that rely on government funding. The FLP seeks to answer such challenging policy questions in a daunting environment of questionable funding sustainability, new user demands, uncertainty over its breadth and depth of services, and its own conception of self. Many organizations might begin addressing policy questions by reviewing their data to identify quantifiable strengths, opportunities, weaknesses and threats.

A review of robust performance and user data can help an organization gain insights as it seeks to evolve and adapt. Free and anonymous access to information is a hallmark and bedrock of the library's mission since its inception; protection of the user is a paramount concern to the FLP. Nonetheless, the library could openly and honestly communicate with its public about the manner in which information is collected, used, stored and deleted. Knowing its core customers and their specific needs could

assist the library greatly in being able to quantify its value and align its mission where it might not otherwise do so. The FLP has an opportunity to utilize data to help attract new funding sources, show areas of potential growth and provide new ways to think about old problems.

Without data of their own readily available, the FLP has observed other libraries around the country—such as Seattle’s and Chicago’s—that have recently innovated their traditional offerings and received an outpouring of support from the community. In a similar vein, the FLP seeks to increase community involvement in the library, beginning with a multi-step review process to examine offerings and membership. The FLP’s first step was a series of community forums called “The Library of the Future,” held in various locations around the city in 2010. Information from the forums and feedback received via the library’s website was gathered and used by board members, senior staff and other interested parties during a series of working “idea forums” to discuss how the FLP can better serve its constituency in the future and what its role should be over the next several decades. Topics from the identified five core audiences to the potential involvement of the FLP in Philadelphia schools were discussed. Significant time, thought, and energy is being spent on the look, feel and experience of information access and usage at the FLP.

Identifying core problems for which the library can provide a solution is a critical step in aligning mission to service.

The library has already begun to focus on several core audiences, as mentioned previously. Several programs currently in operation are successful, but lack the ability to define why and how they are successful. While it is true that value-added exists even if left unquantified, this lack of quantification inhibits some in government and philanthropy from further investing money in the library.

The Future of The Free Library Of Philadelphia

The Free Library of Philadelphia will be the nation's leading centers of knowledge and learning, transforming the minds and lives of all people from all places. The FLP will do this through enriching its communities by inspiring curiosity for knowledge, eliminating the technological divide, ending illiteracy, and empowering people from all walks of life to achieve their aspirations. An entrepreneurial approach will add value to residents of the Greater Philadelphia region.

Key success factors will be ensuring the FLP's sustainable infrastructure for future Philadelphians, programming to meet the immediate and changing needs of residents, and acquiring new sustainable revenue sources. Infrastructure includes operational efficiency, facility design, appropriate tools (technology) and marketing awareness.

Programming includes target audiences and needs, talent development to meet members' needs, and partnerships to leverage services for members. Sustainable revenues

include sustainable sources from government, philanthropy, earned revenues and partnerships.

The Free Library's future starts with achieving impact and creating value for its users. Examples include increasing literacy levels and ensuring school readiness for children through age 5, helping unemployed or underemployed adults find work by providing access to information, helping entrepreneurs create businesses by providing free and relevant information, and integrating new immigrants into society by offering a welcoming environment and knowledge transfer. The Free Library's strategies will forever be adapting according to the advances in technology and the residents of Philadelphia. Core to the strategies will be leveraging partnerships, since the library's most valuable asset is access to and trust of community residents and providing access to information at their convenience, whether at a physical location or online.

Social Return on Investment

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Pre-kindergartners, the digitally savvy and entrepreneurs are three core audiences that lend themselves to quantifiable examination. As mentioned earlier, the library can provide an opportunity for pre-kindergartners (up to age 5). Many Philadelphians do not have access to Head Start or pre-kindergarten; such programs are not

mandatory, and available slots may not be affordable, accessible or of high quality. Many children need help to be ready for kindergarten on time. By providing access to reading skills, books, technology and information, FLP branches in every community can serve as educational alternatives for the thousands of children who don't go to Head Start or kindergarten. With limited data, and a few realistic assumptions, the library can quantify its impact (erring on the conservative side of estimates).

The FLP knows how many individuals visit its branches every year. Extrapolating from census data (U.S. Census Bureau 2009), the FLP can assume that approximately 10 percent of visitors are children under the age of five and can gauge how many children of pre-K age might enter their facilities in a given year. Of the pre-K children, an assumed 25 percent are adequately prepared to start school (i.e., reading on grade level). Pre-K children are not generally reading before they start school. National data suggest that pre-K programming has a significant positive effect on a child's preparedness to begin school.

Acknowledging that the FLP is not a pre-kindergarten program, a 75 percent "discount rate" from the national impact can be taken. This means that the FLP might have 25 percent of the impact that a pre-K program would have. Multiplying the number of pre-K age children entering FLP facilities every year who are not adequately prepared to start school by the assumed FLP program impact rate of 25 percent provides one piece of the final

equation.

Finally, multiplying the societal cost-benefit and failure to graduate from high school (children reading on grade level entering school are more likely to read on grade level in third grade, which is a prominent predictor of high school graduation rate) by the assumed number of children taking part in the FLP pre-K programming by the assumed FLP impact rate provides a quantifiable result that can serve as the FLP's SROI for this program.

The calculation steps are as follows:

Step 1: [Number of annual visitors to FLP] x [assumed rate of 10% representing visitors under age 5] x [assumed rate of 25% who are already adequately prepared to start school (i.e., on reading level)]

Step 2: [National data on pre-K impact on child preparedness for school] x [assumed "discount rate" of 75% because FLP is not a pre-K program]

Step 3: [Assumed number of children entering FLP who are not adequately prepared for school] x [assumed FLP impact percentage]

SROI = Cost-benefit and lack of diploma attainment or job attainment (government unemployment/health insurance, etc.) x [[assumed number of children entering FLP who are not adequately prepared for school] x [assumed FLP impact percentage]]

Similar calculations can be made for the library's offering of e-books and movies as well as its programming for small businesses. To continue to create its digital presence the library might seek to quantify the value users receive when using the FLP's e-books or digital movie rentals. One way to do so would be to measure the cost avoidance by users who do not have to buy books, DVDs, MP3s, CDs, etc., from Amazon.com or other similar retailers. To a casual movie fan or music buff, the FLP can provide a savings of hundreds of dollars (or more) as consumption of entertainment increasingly moves to a digital format.

A simple formula of SROI = [Average e-book (audio book, CD, DVD, MP3) purchase price on Amazon.com] x [number of annual FLP e-book (audio book, CD, DVD, CD, MP3) rentals] yields the aggregate saved and net benefit to the community.

Individuals who are contemplating starting their own business might use the library to check out a book to teach themselves about the nuts and bolts of running a business. To assist in this process the library runs a small business seminar. The primary question for the individual might be the value of a book versus a course or a database. (Here we are assuming that the library isn't an expert on the issue, but that the program provides helpful advice and resources to the individuals.) The FLP's role as an information source is critical to the incubation of small businesses that are central to the stability and vitality of

the city's neighborhoods. The City's Commerce Department, citing a Small Business Administration report, indicates that the success rate of a small business in the City of Philadelphia is 48 percent within the first six years. Assuming that approximately 50 percent of these businesses survive over the next four years (ten years total), approximately 24 percent of all small businesses survive over 10 years. This rate runs just north of the ten-year average of 22 percent for businesses founded in 1992 that were still alive in 2002 (Shane 2008).

SROI could be stated as the success percentage of small businesses working with a small business incubation program (assuming such collaboration doubles the chance of survival over ten years to 48 percent) in Philadelphia minus the success percentage of all new small businesses in Philadelphia over ten years. The FLP does not offer programs of the caliber of a small business incubation center (nor should it be expected to), so it is appropriate to use a discounted success rate for the FLP's program to determine its impact. This difference is then multiplied by a 50 percent discount rate for the library's non-expertise.

SROI = ((Success percentage of small businesses working with small business incubator) – (success percentage of all new small businesses in Philadelphia)) x 50% discount rate SROI = (FLP impact percentage) x (Small Business Administration annual value of small businesses succeeding).

Conclusion

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While some have predicted that libraries will be extinct as soon as 2019 because of a lack of public interest and need (Slade 2010), the Free Library of Philadelphia is working hard to stay ahead of the curve by creating an innovative new library—perhaps a better version of what currently exists or perhaps something completely different. While the library of the future may take many forms, a few options to explore are the coffee shop model, private entity model and partnership model.

The coffee shop model would allow the library to become the new “bookstore coffee shop.” The Free Library already houses a coffee shop at its main branch location, offering snacks, coffee, free Internet access, and the opportunity to read books while enjoying a cup of coffee. Bookstore revenues have steadily decreased in recent years (North American Book Market 2010), and coffee shop revenues climbed in 2010 (Wikiinvest 2010). This confluence seems to suggest a good match for the FLP. An expansion of this coffee shop model with the inclusion of couches, chairs, tables and perhaps even quiet and non-quiet areas for those working on projects or meeting to chat could offer the library a new audience—those who used to congregate at coffee shops and bookstores—and long-term revenue from the coffee shop.

Another scenario entails seeking independence from city government. This would come with financial risks, but allow the library to take chances, try new programs, buy new devices, etc., without the restrictions and challenges of being part of city government, and perhaps allowing the library to better keep up with constantly changing technology. To even explore this idea would be a radical departure from the norm and would first require the FLP to ensure that alternate means of funding are secure. The city might be interested in such an option, as it would relieve several million dollars of budgetary commitments.

A simpler option would be to focus the library's current and future resources on growing partnerships. With its five core audiences, the library is well positioned to create partnerships with other organizations in the city and assist in connecting them with members, clients and potential volunteers. For instance, if the library can engage the digitally savvy through interactive web events, the library may be able to team up with the Philadelphia school system to have those digitally savvy users work with students who don't know how to utilize technology. This would in turn give the library the opportunity to generate solid statistics (e.g., 50 percent of digitally savvy members volunteer with the Philadelphia School District) and allow them to market to the new audience of the partner.

The key to any opportunity for innovation is that the library carefully act and react in response to the public's needs

and wants, while taking into account the needs of future library users. This is a difficult but necessary course for the FLP to sustain its users and funding as the FLP seeks to regain and restore its critical place in the 21st century and beyond.

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