

Meg McGinn. Applying Strategy to External Funding: A Case Study of the Queens Borough Public Library. A Master's paper for the M.S. in L.S. degree. April, 2005. 34 pages. Advisor: Deborah Barreau

An increasing number of public libraries pursue external funding to supplement operating income received from state and municipal funds. To compete with other social causes and to make fundraising efforts worthwhile, public libraries must be strategic. This study examines the efforts of the Queens Borough Public Library to seek out grants from external funding sources. A content analysis of major New York newspapers examined the publicity surrounding library programs and services to determine if increased media attention attracted new contributions. While the marketing efforts of the library appear to be successful, the library must employ a greater strategy to signal future donors.

Headings:

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APPLYING STRATEGY TO EXTERNAL FUNDING: A CASE STUDY OF THE
QUEENS BOROUGH PUBLIC LIBRARY

by
Meg McGinn

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Approved by

Deborah Barreau

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Introduction

Libraries face escalating operating costs, not to mention also having to cope with technology upgrades and high-priced database subscriptions. An array of needs exist that, because of funding shortfalls, libraries cannot begin to meet. According to the American Libraries Association, library cuts within the past 18 months exceed \$111.2 million.¹ Within New York public libraries the projected cuts eat away at existing services and collections. Threats to close 52 library branches in the Buffalo and Erie County public library system were narrowly avoided, but resulted in \$2.4 million county budget cuts that significantly reduced staff and library hours.² Because of limited funds from local taxes, budget deficits continually plague operating income. The sustainability of public libraries depends on continued advocacy for more local support, but libraries must remain realistic about the limitations of local finances.

In a few cases, libraries have successfully sought outside financial support to improve library services. Funding from external sources such as federal grant programs or non-governmental foundation grants can increase the library budget of public libraries, bolstering the income from municipal or local taxes. Grant programs and contributions can provide the capital necessary to create innovative library programs or improve access to technology. Further, coordinated partnerships can provide leveraging potential to attract or initiate future funding sources. External funding and effective partnerships also benefit the granting agency by providing recognition and publicity.

¹ American Library Association, <http://www.ala.org/ala/news/libraryfunding/libraryfunding.htm>.

² Lynn Blumenstein, Norma Oder, and Michael Rogers, "Buffalo PLs OK'd, Salinas Closing, Tulsa Says No," *Library Journal* 130, no 1 (January 2005), 19.

The Queens Borough Public Library (QBPL), a private, non-profit corporation, actively seeks alternative funding to supplement operating income received by the City of New York and the state. The Queens Library Foundation provides full-time fundraising support, actively requesting contributions and applying for grants. The newest Executive Director of the Library Foundation stepped up the campaign. In 2003, the number of grant applications submitted increased significantly, membership programs were established, and the library webpage added an online contribution feature.³ Yet despite the energetic soliciting, the library faces fierce competition for private funds. In the same way that library's deal with competing interests for state and city appropriations, QBPL must fight for fewer dollars from foundation support and corporate giving. In addition, QBPL has the burden of being overshadowed by its more well-known neighbor library, the New York Public Library.

Ten years ago, Ernesto Evangelista examined the efforts of the Public Library of Charlotte and Mecklenburg County in North Carolina to increase financial support from the private sector. The results of the study showed poor marketing efforts of the library to promote their International Business Library.⁴ Following Evangelista's evaluative model, this paper will explore how in recent years the Queens Borough Public Library has been identifying itself as an innovative library, worthy of external support. The diversity of its patrons requires the library to continually provide new library services to meet the changing and growing population. The success of the programs depends on effectively promoting the services, but also on building future partnerships with the private sector to provide support.

³ Diana Chapin, "Message from the Director," Queens Borough Public Library.
<http://www.queenslibrary.org/qlf/director.asp>

⁴ Ernesto Evangelista, "A Case Study in Promoting Public Library Services: The International Business Library of the Public Library of Charlotte and Mecklenburg County," Master's Paper, University of North Carolina, Chapel Hill (1994).

Exploring annual reports and newspaper content, the study will seek to answer the following questions: How do external grant programs contribute to development library services in public libraries of New York? How does funding from external sources leverage support from other sources? How can the value of external funding on library services be increased? At the beginning of the paper, operational definitions and background information about sources of external funding will be provided, followed by an examination of the current practices from the point of view of both the funders and the libraries.

Operational Definitions

There are some common concepts that need to be explained in the context of this paper. Among them are:

- **Operating income** is the total money received from all sources that make up the library's budget.
- **City of New York Funding** describes the funding in a library's operating budget received from local government sources. It includes municipal funds allotted by municipalities for the public library.
- **State of New York Funds** refers to funding in a library's operating budget received from the state government. It includes State Aid from the Aid to Public Libraries Fund and other grants from the state of New York designated to public libraries.
- **Federal Funds** are funds in a library's operating budget received from the federal government. It includes grants from the Library Services Technology Act (LSTA) distributed to individual public libraries.
- **Foundation Grants** are funds for a specific purpose from nonprofit, nongovernmental organizations established by endowment.
- **Corporate Giving** includes funds from for-profit corporations. Unlike foundation grants, the funds come from company profits and not endowments.
- **Individual donations** are cash gifts received from individuals.

- **In-kind giving** describes tangible contributions, such as materials, equipment, or volunteer services.

Federal Funding

It is now taken for granted that almost all Americans have access to some form of library services; however, federal grants contributed greatly to the creation of early libraries in the United States.⁵ The first federal grant-in-aid program for libraries began in 1956 with the Library Services Act (LSA), P.L. 84 -597. State library agencies received funds appropriated by the federal government and channeled the money, indirectly or directly, into library service programs in rural areas of the state. In 1964, an amended version, the Library Services Construction Act (LSCA), P.L. 88-269 20 USC 351 et seq, passed into law replacing the expired LSA. Broadened to include support for urban libraries and library construction, LSCA followed the same model established in LSA. The most recent piece of legislation to provide federal aid to libraries, the Library Services and Technology Act (LSTA), P.L. 104-208, continues to focus on access to library services, but eliminated construction funds highlighted in LSCA in order to prioritize funding for technology. Again following the previous legislation models, state library agencies administer funds received from the federal government through a population-based formula. The Institute of Museum and Library Services, an independent federal agency responsible for LSTA dispersing grants, has distributed several hundred million dollars since its inception.

The legislation allows each state the flexibility to manage LSTA money as they see fit. While some states keep up to 70% of the funds for state library projects, New York provides competitive programs to which individual libraries throughout the state may apply.

⁵ Peter Fuller, "The Politics of LSCA During the Reagan and Bush Administrations: An Analysis," *Library Quarterly* 64, no 3 (1994): 296.

Funding going to public libraries in New York for 2003 amounted to over \$9 million.⁶

Specific aims of the five year plan for 2002 to 2007 include equal access to electronic sources for all New Yorkers, access to library services, availability of library programs that meet user needs, and strong public policy support.⁷

Foundation Funding and Corporate Giving

Aside from federal grant programs, the library's operating budget may also receive external funding from foundation grants. Any organization defined in Section 501(c)(3) of the Tax Code receives consideration as a foundation. The Foundation Center more clearly defines a foundation as:

an entity that is established as a nonprofit corporation or a charitable trust under state law, with a principal purpose of making grants to unrelated organizations or institutions or to individuals for scientific, educational, cultural, religious, or other charitable purposes.⁸

Private foundations can be characterized as independent, company-sponsored or corporate, and operating. Public foundations consist mainly of community foundations.⁹ Simply put, foundations can be seen as “intermediaries between the individual donors that fund them and the various social enterprises that they, in turn, support.”¹⁰

Where federal programs require strict oversight, foundations have greater freedom, politically and financially, in determining how money will be spent. Peter Fuller's examination of the politics of federal grant programs during the Reagan and Bush

⁶ New York State Library, “Will Your Constituents Have the Competitive Edge of 21st Century Library Services?” <http://www.nysl.nysed.gov/libdev/lsta/fundlsta.htm>

⁷ New York State Library, “Introduction” <http://www.nysl.nysed.gov/libdev/lsta/plan0207.htm#INTRODUCTION>

⁸ Kief Schladweiler, ed., “Foundation Fundamentals: A Guide for Grantseekers, 7th Edition,” Foundation Center, <http://fdncenter.org/learn/bookshelf/ff/text.html>

⁹ Schladweiler, <http://fdncenter.org/learn/bookshelf/ff/text.html>

¹⁰ Michael E. Porter and Mark R. Kramer, “Philanthropy's New Agenda: Creating Value,” *Harvard Business Review* 77, no 6 (November/December 1999): 121.

Administrations illustrates the problem of politics interfering with the grant programs. Both administrations wished to see the LSCA reduced or eliminated; a view in line with their beliefs of a limited federal government.¹¹ Fortunately strong support from interest groups effectively pressured Congress to continue appropriating funds to the program. On the contrary, Holcombe notes that due to earnings gained on endowments, foundations “do not have to answer to anyone for their programs, and their programs will continue regardless of the merits of the projects and programs they fund.”¹² It is within the foundations’ best interests to fund programs of merit that have social value, but Holcombe does rightly point out that foundations have more flexibility than government programs spending tax dollars. In this way, foundations may have a greater willingness to fund risky projects.

Foundations, however, are not free from government oversight. Federal regulations try to prevent foundations from completely hoarding reserves of cash. In return for tax-exempt status, foundations must donate 5% of assets from the endowment per year. On average, foundations give away 5.5% of an endowment annually.¹³

Andrew Carnegie and Bill Gates are widely recognized for the seed money given to libraries across the United States. Carnegie grants focused primarily on the construction of libraries in the early eighteenth century. In an essay entitled “The Best Fields for Philanthropy” that appeared in *North American Review*, Carnegie asked, “What is the best gift which can be given to a community?” He answered, “a free library occupies the first place, provided the community will accept and maintain it as a public institution, as much a part of

¹¹ Peter Fuller, “The Politics of LSCA During the Reagan and Bush Administrations: An Analysis,” *Library Quarterly* 64, no 3 (1994): 302.

¹² Randall G. Holcombe, *Writing Off Ideas: Taxation, Foundations, and Philanthropy in America*. (New Brunswick: Transaction Publishers, 2000), 2.

¹³ Schladweiler, <http://fdncenter.org/learn/bookshelf/ff/text.html>

¹³ Porter and Kramer, “Phillanthropy’s New Agenda,” 122.

the city property as its public schools, and, indeed, an adjunct to these.”¹⁴ Following a similar philosophy, the Bill and Melinda Gates Foundation began a five-year U.S. Library Program in 1997, providing computers, training, software, and technical assistance to provide greater internet access in underserved populations. Melinda Gates echoed Carnegie in a comment about the program, saying, “The communities have to sustain access themselves. Our role has been mainly as a catalyst. The first seed funds come from us, and that prompts other investments.”¹⁵ According the State Library of New York, Gates grants brought \$16.6 million worth of computer lab equipment to libraries in New York.¹⁶

Corporate giving closely resembles foundation funding, but utilizes a different funding mechanism. Whereas foundations remain separate from a corporation and use money from an established endowment, corporate giving uses company profits to directly fund causes and organizations. Companies can donate up to 5% of pretax earnings to charitable causes as a result of the Internal Revenue Act of 1935. Prior to the change in the tax law, companies could only donate to causes related to a company’s business interests. More recently, many companies engage in some form of corporate giving. According to a Conference Board survey of companies that contribute to social causes, approximately 28% of companies involved only give directly, while 11% use foundation giving, and 61% use a combination of both mechanisms.¹⁷

¹⁴ Andrew Carnegie, “The Best Fields for Philanthropy,” *North American Review* 149, no 397, (December 1889): 688-689.

¹⁵ Steve Lohr, “Libraries Wired, and Reborn,” *New York Times* 22 April 2004, G1.

¹⁶ New York State Library, “Gates Grant Library Initiative,” <http://www.nysl.nysed.gov/libdev/gateslib/fact04.htm>

¹⁷ Audris D. Tillman, “The Corporate Contributions Plan: From Strategy to Budget,” *The Conference Board*, Report 1192-97-RR, (1997), [iii].

The Role and Use of External Funding

Understanding the role external funding plays in the development of library services at the public library level has not been fully understood. Patrick M. Valentine commented on the lack of studies conducted on the role of philanthropy in library development.¹⁸ Similarly, Charles McClure found a need for better methods to improve evaluation of federal and state aid programs.¹⁹ Although high profile giving to libraries by the Bill and Melinda Gates Foundation and the Library Services and Technology Act spotlighted the issue of external funding in recent years, evidence of effective use of external funding for an overall budget strategy need further investigation.

Evaluations of grant programs show that external funding impacts library services. Federal grants, such as LSTA, require libraries to establish funding goals and provide project assessments at the end of the grant period. On the state level, individual libraries apply to the New York State Library for LSTA funds with a project plan and budget. At the end of the grant period, grantees submit a final report listing project activities, outcomes, outputs, and lessons learned. The data assist the state library in assessing the impact of the programs. Likewise, state library agencies must develop a five-year plan for implementation before they may receive LSTA funding. A five-year evaluation helps identify areas that need improvement. In 2002, the State Library produced an evaluation of the first LSTA years by interviewing members of the library community and examining surveys and data logs. The findings indicated positive results; however, the results on the special services to user

¹⁸ Patrick M. Valentine, "Steel, Cotton, and Tobacco: Philanthropy and Public Libraries in North Carolina, 1900-1940," *Libraries & Culture* 31 no. 2 (Spring 1996): 272.

¹⁹ Charles McClure, "Improving State Library Evaluation of Federal Programs," *Library Programs: Evaluating Federally Funded Public Library Programs* (Washington, D.C., U.S. Dept. of Education, Office of Educational Research and Improvement, 1990), 40.

populations show room for improvement. New library services tended to be innovative only in terms of the media used to deliver a service, as opposed to new library programming.²⁰

Other studies examining federal aid programs on an individual state level found the grants to be successful when examining program plans and outcomes. In research on LSCA funded programs in Wisconsin public libraries, Judith Senkevitch compared the initial grant proposals with final evaluation reports. The author concluded that most of the projects met three quarters of their initial objectives.²¹ Follow-up interviews with library directors found that 94 percent of respondents felt the programs were successful.²²

Weighing the success of set goals against the ability of the library to meet those goals gauges the impact of external funding, however, these measurements need to be taken with a note of caution. For one, simply measuring goals versus outcomes fail to account for broader social impacts and only reinforces that money was spent as intended. Secondly, evaluations completed by the grant recipients can have unintended ineffectiveness. Grant recipients hoping to seek future funds from the granting agency may provide exaggerated results in hopes of receiving future funds.²³ Supporting this opinion, a study examining the final reports from recipients of National Historical Publications and Records Commission grants cautioned that the results could downplay the negative and overstress the positive.²⁴ Unfortunately, outside evaluators would be a cost that most libraries would be unable to absorb. Several researchers have recommended including evaluation costs in the grant costs.^{25,26}

²⁰ New York State Library, "Lessons Learned," <http://www.nysl.nysed.gov/libdev/lsta/eval/overall.htm#IV>

²¹ Judith Senkevitch, "Seeking extramural funds to improve services: is it worth the effort?" *Bottom Line* 12, no 3 (1999): 104.

²² Senkevitch, "Seeking extramural funds to improve services," 104.

²³ Porter and Kramer, "Philanthropy's New Agenda," 129.

²⁴ David M. Weinberg, "The Impact of Grantsmaking: An Evaluation of Archival Records Management Programs at the Local Level," *The American Archivist* 62 (Fall 1999): 253.

²⁵ Porter and Kramer, "Philanthropy's New Agenda," 129.

Results also show that external grants allow for greater innovation and experimentation. The findings of intensive research by Bertot, McClure, and Ryan found that LSTA, e-rate discounts, and grants from the Bill and Melinda Gates Foundation had a significant impact on bringing technology to public libraries. One researcher noted, “LSTA is the principal, ongoing, source supporting innovation in public libraries today. LSTA is also the principal source of support to public libraries that cannot obtain proven innovations on their own.”²⁷ Partnerships with external sources of funding maximized the potential of a library to improve service. On a smaller scale, Gregory conducted a series of case studies, examining four state libraries to examine the implementation of LSTA. Each state handled the funds differently, but each developed programs and services applicable to the region. In “State D,” LSTA portions of the grant money went towards seed money for novel projects. State funds eventually replaced LSTA funding if the programs were successful.²⁸

Establishing the amount of leverage that external funding sources can create provides another benefit to libraries not frequently cited in the literature. A study for the National Commission on Libraries and Information Science (NCLIS) and the National Center for Education Statistics (NCES) examined the LSCA to LSTA transition, and found LSTA impacted libraries because of increased funding from the federal government and greater leverage capabilities. Funding from sources other than federal agencies also increased during the LSTA grant period examined.²⁹ The author, Bruce Kingma, later noted, “It is

²⁶ Weinberg, “The Impact of Grantsmaking,” 270.

²⁷ Charles R. McClure, Joe Ryan, and John Carlo Bertot, *Public Library Internet Services and the Digital Divide: The Role and Impacts from Selected External Funding Sources*, (Tallahassee, FL: Information Use Management and Policy Institute, School of Information Studies, 2002), 38.

²⁸ Gwen Gregory, “Refocusing Our Efforts: Case Studies on Implementation of the Library Services and Technology Act,” *Public Library Quarterly* 19, no. 3 (2001): 12.

²⁹ Bruce Kingma, Joseph F. Shubert, and Amanda Yeoh, “The Impact of Federal Funding on State Library Agencies: The LSCA to LSTA Transition,” U.S. National Commission on Libraries and Information Science and the U.S. National Center for Education Statistics, (May 2002)
<http://www.nclis.gov/statsurv/surveys/stla/reports/StLA.Policy.Paper2.2002.pdf>

the strongest evidence anyone will ever find that seed money works!"³⁰ A study of the digital divide also found that leveraging funds among different granting agencies maximized outcomes, as single sources could not give the necessary support.³¹

However, while external funding has proven to impact libraries, external grants make up an insignificant portion of a library's total operating budget. Part of the discrepancy stems from the nature of the giving. Grants and corporate giving do not generally support ongoing operations, but enable innovations and services that can be later supported by local or state funds. Secondly, the amount of money allotted from these sources is minimal. According to statistics taken by the Foundation Center in 2002, libraries and the field of library science received 1.5% of the total number of grants³² awarded by foundations.³³ Considering over 65,000 foundations contribute to nonprofits in the United States, libraries may not be tapping into these pools as effectively as they could.

Recent business literature cites the growing trend of "strategic philanthropy." That is, foundations and corporate philanthropies no longer give to random charities simply for social good, but "to address nonbusiness community issues that also benefit the firm's strategic position and, ultimately, its bottom line."³⁴ Craig Smith noted the shift in corporate giving with companies such as AT&T, IBM, and Levi Strauss in the early 1990s. The companies needed a validation for why money could be funneled into philanthropic purposes, despite significant downsizing within the same company.³⁵ As a result, companies

³⁰ John N. Berry III, "Seed money works," *Library Journal* 127, no 13 (August 2002): 8, quoting Bruce Kingma.

³¹ McClure et. al. *Pubic Library Internet Services and the Digital*, 97.

³² Grants based on awards over \$10,000. Total number of grants based on sampling of foundations.

³³ Foundation Center. "Distribution of Foundation Grants Over \$10,000, circa 2002,"

http://fdncenter.org/fc_stats/pdf/04_fund_sub/2002/10_02.pdf

³⁴ David H Saiia, Archie B Carroll, and Ann K Buchholtz, "Philanthropy as Strategy When Corporate Charity 'Begins at Home,' " *Business and Society* 42, no 2 (June 2003): 170.

³⁵ Craig Smith, "The New Corporate Philanthropy," *Harvard Business Review* 72, no 3 (May/June 1994): 105.

aligned business and giving interests, creating a long-term benefit for the company and financial or human asset support for specific social interests. While critics see the development as evidence of shameless self-promotion, supporters argue that focused support can actually impact organizations more than money from individuals or the government.³⁶ Whereas individual gifts and federal grants provide financial support, foundations and corporations potentially contribute equipment and the knowledge and skills of its employees in addition to monetary funds. By carefully defining goals, and focusing upon one area, giving has become more efficient and more geared towards community development. In addition, strategic philanthropy tends to involve larger award amounts, while reducing the number offered.³⁷

The private sector gains from philanthropic gifts, mainly in the form of positive publicity. Unlike marketing through in-kind gifts or sponsorships, where corporations pay to have their names promoted on a stadium billboard or race car, strategic philanthropy involves employee involvement.³⁸ However, like sponsorships and in-kind gifts, strategic philanthropy can improve business. In the case of Bill Gates and Microsoft, critics have accused the Gates' library program of being a marketing ploy to increase the number of Microsoft users. Gates insists that the library grants were not initiated to increase sales, but cannot deny the possibility of future Microsoft customers as a result of exposure to the products in the library.³⁹ Sales of Microsoft products could also receive a boost from the positive publicity surrounding the U.S. Library Program Grants. A survey conducted by Golin Harris indicates that 70% of Americans felt a great trust in companies that practice

³⁶Porter and Kramer, "Philanthropy's New Agenda," 125.

³⁷ Molly McKaughan, "Is corporate philanthropy drying up?" *Across the Board* 32, no 4 (April 1995): 21.

³⁸ Debbie Thorne McAlister and Linda Ferrell, "The Role of Strategic Philanthropy in Marketing Strategy," *European Journal of Marketing* 36, no 5/6 (2002), 693.

³⁹ "Bill Gates: Why He Did It," *American Libraries* 34, no 11 (December 2003): 52

corporate citizenship.⁴⁰ Therefore, a customer may feel more confident purchasing from Microsoft over a competitor not proven to be as socially responsible.

While executing strategic philanthropy requires systematic and conscious efforts, recognizing its benefits also requires thought. Phillips identified four key areas of implementation to consider: *identify potential partners*, *address community needs*, *target corporate foundations in fundraising efforts*, and *integrate corporate partners*.⁴¹ Applying these terms to public library efforts, evidence suggests that at libraries employ the first two approaches. Library-focused national programs, such as LSTA and the Bill and Melinda Gates Foundation, are widely recognized as ideal sponsors based on their current giving areas. Perhaps the easiest task, many of the libraries studied by McClure et al. failed to explore local external support and depended too heavily on national programs.⁴² Therefore, libraries must not allow themselves to only think of well-known philanthropists. Directories such as the Foundation Directory produced by the Foundation Center or similar resources that match potential funders with non-profit organizations can assist libraries to identify future partners.

The most practiced area, addressing community needs, has always been a function of library development. Examples of innovative programming and services discussed in the preceding pages demonstrate that libraries use external funding to meet these needs. For example, adding new technologies to the library such as computers and the internet serve populations formerly without access. Acknowledging the diverse population of users at the QBPL, the library began offering their catalog with English, Spanish, Chinese and Korean

⁴⁰ “America's corporate citizenship expectations continue to increase,” *Public Relations Tactics* 11, no 11 (November 2004): 4.

⁴¹ Rhonda Phillips, “The Corporate Community Builders: Using Corporate Strategic Philanthropy for Economic Development,” *Economic Development Review* 17, no 1 (Summer 2000): 10.

⁴² McClure et al., *Public Library Internet Services and the Digital*, 38.

interfaces.⁴³ Libraries must be able to identify voids within the community and think of means to support improvement.

In fewer cases, libraries systematically target corporations or foundations. The Wilton Library in Connecticut has been developing a partnership with the community for a number of years. By producing a directory of businesses and creating a community calendar, the library became a “hub.” The success of their partnerships has raised the value of the library in the eyes of many businesses, thus generating income for library services and library expansion.⁴⁴ As the example illustrates, libraries not only need to address community needs, but to market what the library can do to the larger business community. In the case of the Wilton Library, local businesses recognized the library’s value after the specific services were pushed in their direction. Increasingly, the view that libraries provide an essential service and need to be funded has fallen to the wayside. Creating an identity and utilizing intentional marketing can help capture the attention of external funding sources.

Integrating corporate partners requires developing mutually beneficial relationships. Both federal granting agencies and foundations have the ability of “signaling” to increase leveraging capabilities. An external funder can “magnify the value it creates by taking the additional steps of educating and attracting other donors.”⁴⁵ Federal grants that require matching grants are a form of signaling, the success of which was clearly demonstrated in the Kingma, Shubert, and Yeoh research. High profile philanthropies also have the potential to create interest by other donors. Before his death in 1919, Carnegie contributed \$166,445 to North Carolina libraries, which resulted in the construction of 10 new libraries and one

⁴³ Queens Borough Public Library, “History,” <http://www.queenslibrary.org/about/history.asp>

⁴⁴ Kathy Leeds, “Continuing a Century of Public/Private Partnership,” *Public Libraries* 43, no 3 (May/June 2004): 148.

⁴⁵ Porter and Kramer, “Philanthropy’s New Agenda,” 129.

library extension.⁴⁶ By 1924, local philanthropists contributed double the amount, also in the name of public libraries.⁴⁷ Patrick M. Valentine's study shows that early philanthropic efforts acted "at best as a focusing device which helped bring the resources of a community together to develop the public library."⁴⁸ However, while he found the philanthropic efforts may have "stimulated" library growth in other areas of the state, the availability of Carnegie grants may have reduced the occasions that towns sought tax money to support the creation of libraries.⁴⁹

In addition to signaling, both funders and libraries can benefit through media recognition. Advertising a library program funded by grant dollars improves a corporate image as well as publicizes the library service. Continuous recognition of programs and services then builds up credibility. The New York Public Library President and CEO, Paul LeClerc commented, "When you've gotten as much continuous press as we've gotten, that shows that libraries are great, noble institutions worthy of press attention and worthy of support."⁵⁰ In the same statement, LeClerc added, "If the NYPL is the biggest library in town, and if we can capture the attention and be newsmaking and newsbreaking, then everybody benefits."⁵¹ Libraries overshadowed by the "newsmaking" and "newsbreaking" such as the QBPL might not agree that everybody benefits. In order to secure funding, the less well known organizations need to establish a separate identity that also makes it worthy of funding.

⁴⁶ , George S. Bobinski, *Carnegie Libraries: Their History and Impact on American Public Library Development*. (Chicago: American Library Association, 1969), 17-20.

⁴⁷ Valentine, "Steel, Cotton, and Tobacco," 280.

⁴⁸ Valentine, "Steel, Cotton, and Tobacco," 285.

⁴⁹ Valentine, "Steel, Cotton, and Tobacco," 284.

⁵⁰ Evan St. Lifer, "One Big City, Three Great Libraries," *Library Journal* 121, no 10 (1 June 1996): 51,

⁵¹ St. Lifer, "One Big City, Three Great Libraries," 51

Methodology

In order to examine the relationship between external funding and the QBPL, a study of New York newspapers will be conducted. Evangelista's research incorporated an examination of Charlotte's newspaper, *The Charlotte Observer*, and a series of interviews to examine the effectiveness of marketing of the PLMC's International Business Library.⁵² While this study uses a similar method of investigating the city newspaper to gather data, all aspects of library service at the QBPL will be reviewed to gain a better understanding of how it has built an awareness of its innovations and partnerships with external agencies.

The method of study is a content analysis consisting of two parts. Part one will examine publicly available information from annual reports and previously collected data from the New York State Library, Division of Library Development. The information concerning funding from external agencies will be culled from financial reports documented in the annual reports and statewide funding disbursements from the New York State Library. Examining the fiscal years 2000 through 2004, trends in operating income by source will be evaluated. However, the results of the section must be regarded with caution, as money designated in a particular year may not always be spent fully during that fiscal year.

The second aspect of this study will be a content analysis of major New York newspapers for a period of five years also spanning from July 1, 1999 through June 30, 2004. *The New York Times*, *Wall Street Journal*, *New York Post*, *New York Observer*, *Newsday*, *New York Sun*, and *Crain's New York Business* will serve as the primary focus in part two. Although ethnic newspapers would be a resourceful tool to evaluate the marketing of the library's services to its diverse citizenship, this study will more concerned with the "signaling" of corporate partners and foundations. Research on newspaper articles will be examined for

⁵² Evangelista, 1994.

evidence of the library's promotional techniques and will be stored in an online database. The findings will be analyzed against the yearly annual reports available on the QBPL website. Each search in the newspaper database, Lexis Nexis, will be separated by fiscal year: July 1 through June 30. The search strategy will use a variety of terms to ensure that the resulting hits include information for both the central library and its branches.

The results, separated by fiscal year, will be coded to determine the nature of the content. The possible divisions are as follows: (1) Service or program at the library, includes services and programs currently at the library and those scheduled to be added; (2) Issues related to the library, includes content concerning budgets or other library matters (dress code, complaints about library collection, etc); (3) Renovations of the facilities, includes repair, construction of new branches, and additions to the building, such as improved handicap access; and (4) Other, includes all other categories that do not apply to the above three (namely mentions of the library in obituaries or mention of library in proximity to other buildings or neighborhoods in the news)

The study incorporates statistical analysis and content analysis to evaluate the value of external funding on a public library. The results only apply to one library setting and therefore may not be generalized across all public libraries. However, the study evaluates data from a period of five fiscal years, which provides a sufficient time period of review.

Results and Discussion

Initially a subscription library in 1854, in 1901 the Queens library eventually partnered with other local libraries to form the Queens Borough Public Library, funded by the city of New York. A \$240,000 grant from Andrew Carnegie contributed to the construction of seven new libraries in the borough. Currently, the QBPC serves a

population of 2.2 million through 63 branches and six Adult Learning Centers. The library frequently advertises the fact that it has “circulated more books and other library materials than any other library system in the country since 1994.”⁵³

The QBPC not only has roots in getting philanthropic grants, but continues to utilize external sources of funding to improve library services. In 1965, the library used grant money from LSCA to begin “Operation Head Start,” a reading program for preschool age children and their parents in disadvantaged areas. In 1989, the Latchkey Program was piloted by the library with the support of external funders. A grant from AT&T allowed the library to extend services to non-English speaking patrons by developing a service through WorldLinQ that annotates important online resources in Chinese, Korean, Spanish, French, and Russian.⁵⁴ Recent LSTA grants also aim to improve upon services aimed at the diverse community of ages and languages. In 2002, the library received grants for a project aimed at patrons with English as a second language. The project is known as *SPAR Speaking, Playing and Reading, A Multicultural Family Literacy*. Funding was also received for a career workshop series aimed at young adults entitled, *Good to Go: Practical Advice and Information to Prepare Young Adults for Success in the Workforce*. In the following years, QBPL received LSTA grants for an improved Spanish webpage, a multilingual program, and Interlibrary loan to non-English speaking inmates.

The QBPC conducts frequent market research services to better serve the user population. As market research from the latest survey in 2000 shows 72% of all respondents 13 and over were familiar with the name of the library in Queens.⁵⁵ The high circulation rate throughout the library system serves as evidence of the library’s successful marketing

⁵³ Queens Borough Public Library, “History,” <http://www.queenslibrary.org/About/history.asp>

⁵⁴ Queens Borough Public Library, “History,” <http://www.queenslibrary.org/About/history.asp>

⁵⁵ Queens Borough Public Library, “History,” <http://www.queenslibrary.org/about/history.asp>

capabilities. The library also provides a variety of programming and services to meet the needs of their diverse community. The Directory of Immigrant-Serving Agencies is one example of the way the library has produced a service to benefit the user population. As the former Director of the library once stated, “We didn’t become the highest circulating library in the United States today by not being relevant to our customers and communities.”⁵⁶ By identifying funding partners and addressing the needs of the community, the library has been successful in creating an awareness of the library and providing services needed by local residents.

Examining the financial statements for the fiscal year 2000 through fiscal year 2004, state and city funding remained steady, without a significant increase in funding over the period. Federal funds and contributions, however, buoyed up and down. Federal grants frequently supported library projects, although each year depended on specific library initiatives and could not necessarily be expected the following year (see Table 1). Contributions revealed the greatest percent decrease and increase between fiscal years. These amounts stem from donations from individuals, corporations, and foundations, which represents a more diverse originating pool than state, city, or federal funds. However, the drastic fluctuations between years also suggest that the QBPL needs to adopt techniques to acquire external funding. By adopting a more strategic method, the QBPL may be able to maintain crucial support even during economically stressful periods. Funding from *all* sources (including fines/fees, income from investments, use of contributed facilities/services and other) revealed a similar pattern of funding as that of city, state, federal, and contributions, but shows a more drastic imbalance between years. Clearly, fee based services have the potential to generate valuable income for the library. (See Figure 1 and Figure 2)

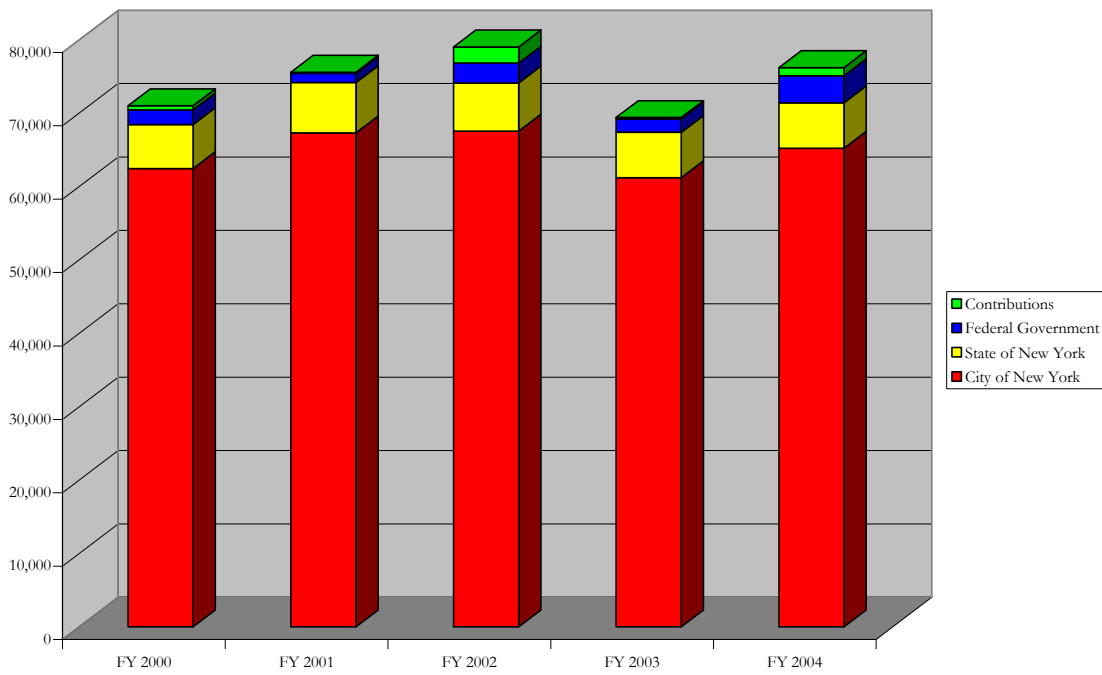
⁵⁶ Lifer, “One Big City, Three Great Libraries,” 48.

Table 1. Income from External Sources

	City of New York	State of New York	Federal Government	Contributions	Total from All Sources of Funding
FY 2000	62,447	5,995	1,995	572	86,085
FY 2001	67,304	6,857	1,245	168	91,772
FY 2002	67,555	6,555	2,705	2,215	95,930
FY 2003	61,208	6,164	1,841	194	87,052
FY 2004	65,205	6,188	3,703	1,113	94,420

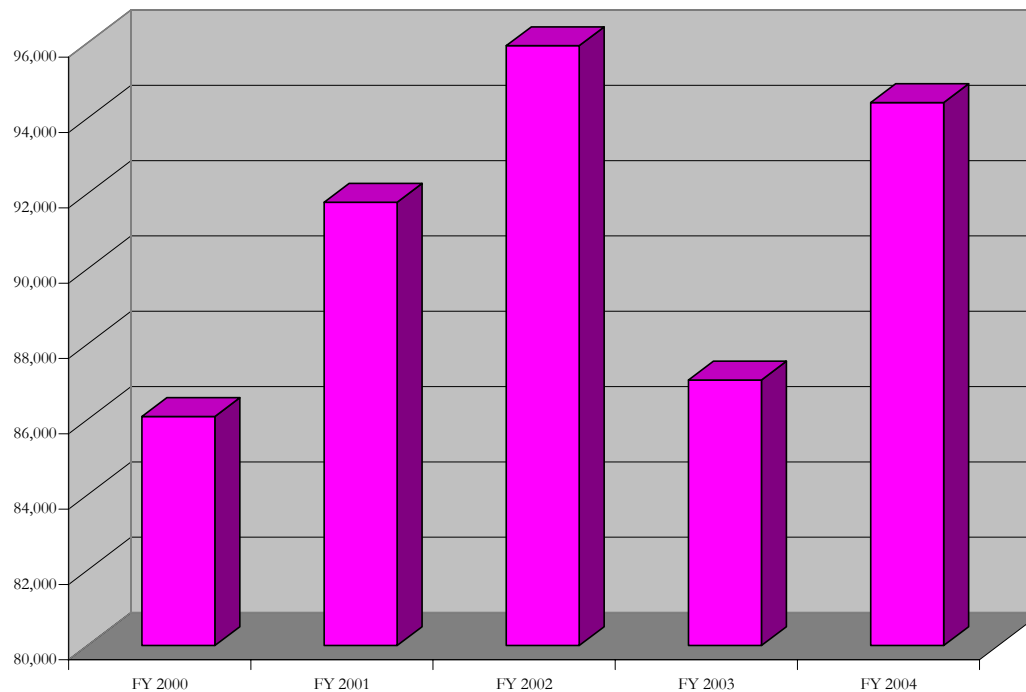
(in thousands)

Figure 1. Queens Borough Public Library Income from External Sources



(in thousands)

Figure 2. Total Funding From ALL Sources of Funding, Including Fee-Based Services



The parallels between external sources of funding from federal grants and contributions showed similarities in increases and decreases. However the flatness of city and state funding (see Figure 4), suggests that the income from external sources did little to leverage additional funding for continued programming in the following fiscal year. As Weinberg found in the NHPRC grant study, local governments rarely found *new* funds to meet matching requirements.⁵⁷ That is, matching requirements were met using funding already earmarked for the institution, regardless of the grant. Conversely, the similarities between federal funds and contributions suggest a correlation (see Figure 3). It appears that the library successfully leveraged support at the same rate as federal funding, signifying that additional funding from federal grants tend to be related to additional funding from contributions.

⁵⁷ Weinberg, 'The Impact of Grantsmaking,' 270.

Figure 3. Federal and Private Contributions

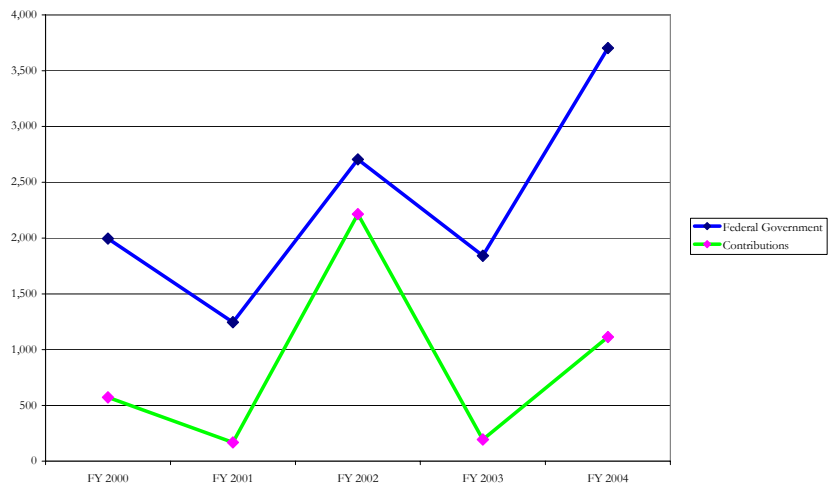
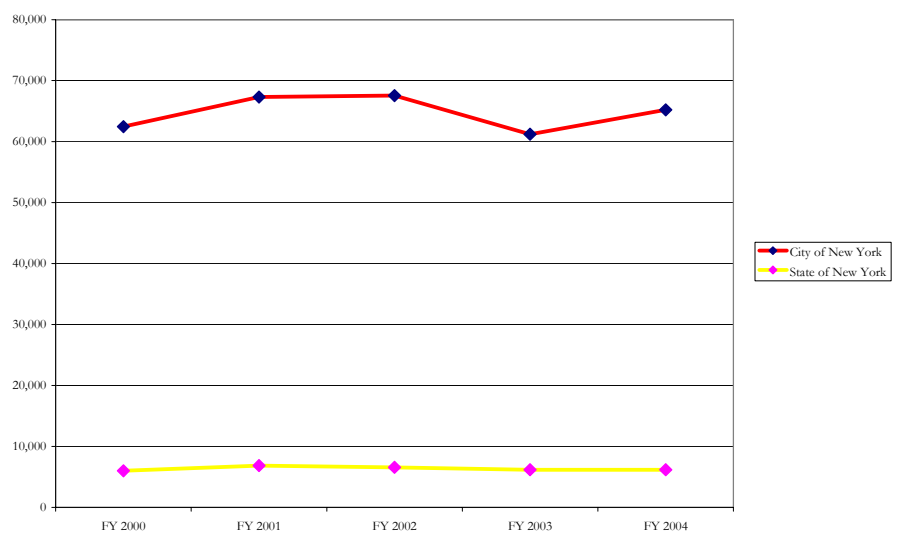


Figure 4. City and State Funding



The content analysis of part two shows interesting results. Announcements about library programs and services regularly appeared in the New York newspapers. From a marketing perspective, the library does a good job at increasing the awareness through frequent mention. Community newspapers based in Queens or ethnic newspapers would be a better resource for directly attracting the patrons who use the library and gaining individual

contributions. However, the greater New York City papers serve a broader business readership and would be a more effective vehicle to market the library to socially responsible corporations and foundations. In most cases the articles simply listed the library event with a date and time. These articles appeared in community “Bulletin Board,” “Neighborhood News,” or “Calendar” sections that regularly run in the newspaper. In the case of *Crain’s New York Business*, the QBPL received occasional mention in a listing of business resources. These announcements were relevant and appropriate marketing techniques to appeal to library users. Figure 5 and Figure 6 indicate that the frequency of announcements in the newspapers matched the expenses a library incurred for producing the programs. For

Figure 5. Contracted Program Services and Exhibits at the Library

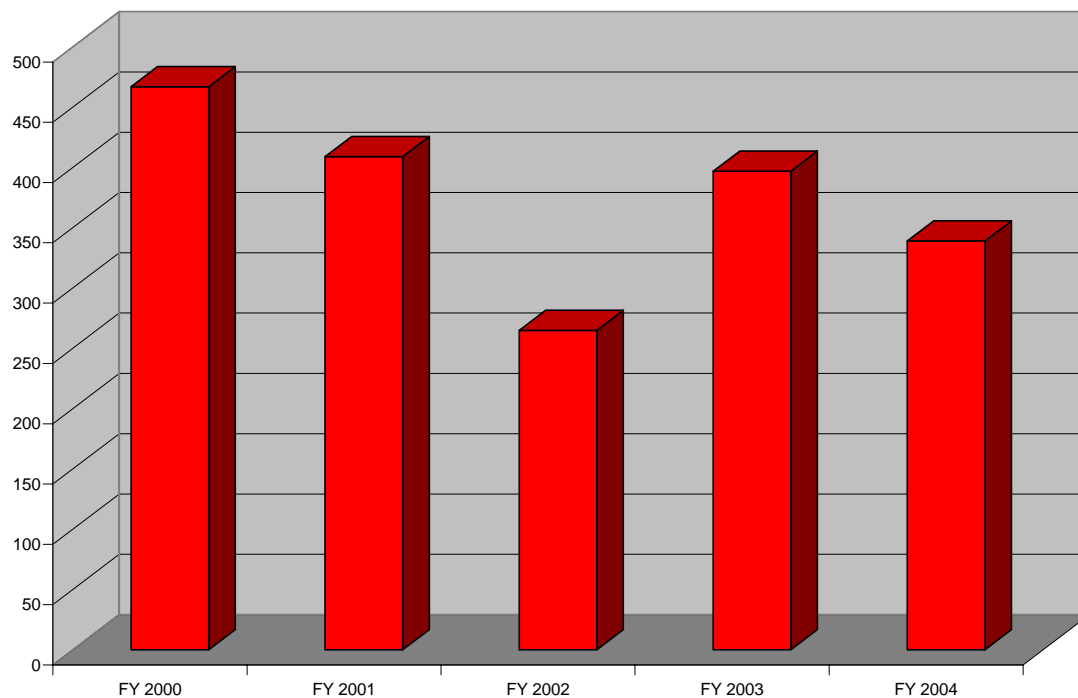
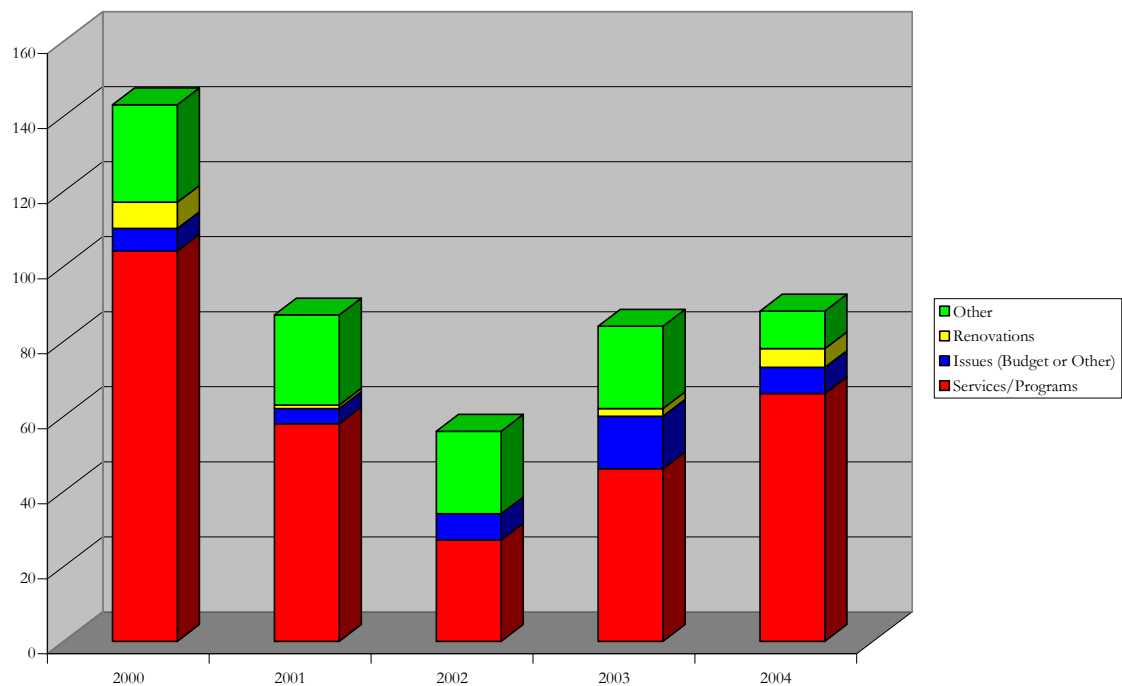


Figure 6. Library Activities Mentioned in New York Newspapers



example, in 2002 when fewer library services were advertised in the New York papers, the QBPL actually spent less money and produced fewer library programs and services. In this case, the library failed to market ongoing library programs during stagnant periods.

To a lesser extent, the articles mentioned partnerships between the library and the private sector. For example, there is collaboration between the library and Wells Fargo on a series of seminars that provides information about mortgages to Queens' residents.⁵⁸ As expected in event driven newspaper, the announcement rarely provided a follow-up mentioning the outcome of the programs. Rather, the articles focused exclusively on the scheduled times for the seminars or programs. Demonstrating the variety of ways that partnerships could work to benefit both private and public organizations could invite future relationships between the library and outside partners.

⁵⁸ Jared McCallister, "Building Home-Buying Skills," *Daily News*, 9 November 2004, 6.

In very few cases, the articles announced grants awarded to support a new program or service at the library demonstrating poor publicity. The QBPL has received a number of LSTA grants for innovative programs, but the grants did not receive any coverage in the articles examined. In 2003, the library received over \$16,000 for improved services to Spanish speakers, namely through the development of a website in Spanish. However, the only mention of the program, *Bienvenidos a Queens*, appeared in a profile of the Spanish-language collections and cultural arts manager at the library.⁵⁹ The funding source for the program received no mention. Likewise, specific grants such as the Charles Wang Foundation support for a Toddler Learning Center or the Langeloth Foundation's giving to add a medical librarian to the staff for improved medical information service did not appear by name. A rare exception, the Gladys Kriebel Delmas Foundation, was identified in association with a \$20,000 grant to the Queens Library Foundation.⁶⁰

That the QBPL receives mention in the New York City paper at all demonstrates a conscious marketing strategy and a desire to target future library patrons and community partners. The library's success in attracting active library users however has not translated into increased corporate and foundation support. The New York Public library stands out as a more recognized library – and it turns out to be more newsworthy. Looking at the same fiscal years, the New York Public Library received three to four times the number of mentions in the newspapers as did the QBPL. While content analysis was not conducted to investigate these numbers, it is reasonable to conclude that the increased attention benefits the library's image. To paraphrase New Public Library's Director, if the library is worthy of press attention it shows that it is worthy of support.”⁶¹

⁵⁹ Sheila McKenna, “Profile,” *Newsday*, 6 October 2004, A35.

⁶⁰ Neighborhood Report: Library art grant” *Daily News*, 23 May 2004, 1.

⁶¹ Evan St. Lifer, “One Big City, Three Great Libraries,” *Library Journal* 121, no 10 (1 June 1996): 51,

The results of the content analysis proved to be disappointing. The library clearly knows how to market the services and programs at its library, and to some degree, partnerships with private sector businesses received proper recognition. The poor percentage of articles mentioning grant programs or large contributions could be improved. Increased mention about the funding not only creates publicity about the library services, but has the potential to attract other funders to support library programs. Considering the non-governmental granting agencies mentioned in the annual reports almost exclusively were centered in New York City, signaling other granting agencies through New York City newspapers could prove to be effective.

Conclusions

Financial strains caused by a poor economy affect operating budgets, leaving libraries to consider alternative sources of funding to supplement local and state funds. The impact external funding can have on library programs and services prove that seeking out these awards should be considered by all libraries interested in providing innovative programs to the user populations. External grant programs allow libraries to fill voids in their service by providing necessary seed money that might be unavailable in the operating budget. The experimentation that grant money permits can greatly improve service to the community and foster innovations relevant to all public libraries. Unfortunately, the contribution programs of foundations and corporations also face reduced resources, which can hinder the organization's ability to provide many financial gifts in a given year. As a result, giving programs have become more strategic in order to cope with changing economic pressures. For libraries, this means increased competition for external funds. To effectively secure external funding, libraries must also be more proactive and strategic.

This study attempted to examine how the Queens Borough Public Library has been priming itself to attract external funding. The library has been successful in developing partnerships with corporate sponsors and applying for external grant programs. However, with external giving becoming more focused, the QBPL must target its efforts beyond its current efforts. Establishing focused priorities helps libraries set attainable goals. Market surveys conducted by the QBPL identified community issues that the library can address. Furthermore, a list of Strategic Directions offers a strategy that can be used internally by the library to focus future library initiatives and can be promoted to external sources to demonstrate shared goals and missions. These efforts help define the library when potential funders are identified.

The Conference Board, which has tracked corporate contributions since 1947, stated in a report that “Nowadays, corporations are not shy about philanthropic publicity, particularly as evidence grows that good corporate citizenship benefits employee morale and helps promote a corporation’s reputation, image, and brands.”⁶² In a similar vein, libraries must also consider increasing publicity. Libraries with name recognition, such as the New York Public Library, benefit from connection between the name and the services it provides. One cannot think of a renowned public research library without mentioning the New York Public Library. The Queens Borough Public library, although recognized for its innovative outreach to a diverse patron base, needs to improve its identity beyond the immediate community to step outside of the shadow of its neighbor library. A successful marketing plan may get users into the library, but an attempt must be made to promote the library beyond event-based announcements.

⁶² Sophia A. Muirhead, “Corporate Contributions: A View From 50 Years,” The Conference Board, Report 1249-99-RR (1999), 8.

Currently, the QBPL is a successful model of a library using external funds and community partnerships to improve library service. However, more can be done to push a proactive agenda to build future funding security. By building a identity of innovative library service, promoted through New York newspapers, the QBPL can hope to attract future gifts and encourage partnerships. Rather than stealing the funding support of neighboring public libraries and social organizations, QBPL could count itself among the ranks.

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