

## PUBLIC LIBRARIES AS FINANCIAL LITERACY SUPPORTERS

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As society's financial functions become more complex, information driven, and technology focused, public libraries and librarians may begin to play a more significant role in financial literacy—both providing trustworthy information and offering training to increase the public's capacity to navigate more complicated financial systems. This report summarizes five linked empirical studies in which we examined the activities public libraries use to increase the financial literacy of their service populations. First, we analyze the finance-related hyperlinks contained on a sample of Wisconsin public library websites. Next, we describe the findings of interviews with librarians about their perceptions of the challenges of offering financial-literacy-based information and services. We also summarize the results of on-site and remote examinations of the physical collections at each library site where interviews were conducted. We describe the results of a survey of the financial literacy programs and services offered by a nation-wide sample of public libraries. Finally, we explore the perceptions of eight participants that had partnered with libraries to offer programs and services.

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This study investigates how, in stressful economic times, public libraries serve the public's financial literacy needs. The status of public libraries as nonprofit, service oriented, and politically neutral, as well as their wide geographic availability and free resources, have long made them an attractive forum for providing financial-literacy programming. A number of national-level programs encourage financial literacy work in libraries, including the Financial Industry Regulatory Authority's (FINRA) Smart investing@your library program and the Chicago Federal Reserve's MoneySmart Week. This report describes several linked studies in which we empirically examine the roles public libraries play in increasing the financial literacy of their service populations.

### *Hyperlink Content Analysis*

The first study used content analysis to explore 1,926 financial-literacy-related hyperlinks and their target pages listed on the Web pages of a random sample of 63

Wisconsin public libraries. The number of link-target sets varied widely by library. The most popular link-target pairs were the federal Internal Revenue Service, the Wisconsin Department of Revenue, job-posting websites, and business development sites. The most common subjects of external link targets were employment, business development, investing, taxes, and consumer issues. The most common authors of sites were businesses, the federal government, formal publishers, Wisconsin state agencies, and nonprofit agencies. Surprisingly few libraries linked to the major financial literacy Web tools created by government agencies and nonprofit organizations such as FINRA, mymoney.gov, the Federal Reserve Banks, or Money Smart. Most links were external, with only a small segment of links leading to internal targets.

### *Interviews with Library Workers*

We interviewed 20 workers at 5 Wisconsin public libraries about a range of financial-literacy topics; case libraries

served communities that included significant African American, Latino, unemployed, Native American, and Hmong populations.

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Librarians varied as to whether they reported receiving many financial-based questions from patrons; tax questions were the most common expression of financial literacy needs. Virtually all subjects (95 percent) reported that their library had offered displays focused on financial topics. Most respondents (80 percent) could remember referring patrons with finance-related questions to specific agencies. The most commonly listed challenges of providing financial information were librarians' own lack of information, a lack of computer skills among patrons, and a lack of community agencies to which librarians could refer clients. In general, respondents did not have finance-related training in or after graduate school, although many could not remember whether any training of this type was included in graduate school. One respondent described the barrier presented by a lack of familiarity with particular social services: "I don't have any idea how to apply for food stamps...I've been privileged enough that I haven't had to have those issues, or face a lot of the problems that my patrons are facing." A majority of librarians (55 percent) expressed a desire to know more about financial topics.

Regarding the selection of finance-related library materials, 45 percent indicated that librarians made selections, while 45 percent stated that their libraries

used centralized selection processes. The vast majority (95 percent) were pleased with their ability to have input into the selection process. In contrast, a similar question about who selects links to websites proved difficult for respondents to answer, although in library systems that had a well-known and recognized webmaster, interview subjects were generally able to refer to that individual. Of the librarians interviewed, 45 percent felt that libraries should provide financial information as part of their role as a gateway to information resources. One librarian responded, "One of the things that [public libraries] are is a resource to help people manage the information in their lives. And to use information to manage their lives...Financial literacy is just part of it." Fifteen percent of participants felt librarians should provide financial information by helping people manage or navigate the information available.

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However, 15 percent of subjects explicitly stated that librarians did not have a particular kind of role to play regarding financial literacy.

#### *Analysis of Collections*

We conducted both on-site and remote examinations of the physical collections at each library site where interviews were conducted. With one notable exception, most of the collections were reasonably current, with the large majority of titles published in the 2000s and 2010s. One of the libraries housed a dedicated collection targeting job seekers, and another had a

collection focused on jobs, employment, and housing. However, with one exception, most of the target libraries did not have significant Spanish-language holdings. None of the libraries had any finance-based holdings in a language other than Spanish or English. Further, none of the collections included a significant proportion of books that provided financial information specifically aimed at particular racial/ethnic groups.

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#### *Financial Literacy Programming*

We conducted a survey of libraries across the nation involved in the American Library Association (ALA)/FINRA Smart investing@your library® program and the ALA/Federal Reserve Money Smart Week@Your Library® program. Fifty-seven libraries completed the survey (a 31 percent response rate). Eighteen percent had not offered any financial literacy programming, 64 percent had offered financial literacy programming/services for between two and five years, and 18 percent had offered financial literacy programming or services for more than six years.

Respondents indicated that increasing patron computer skills was the financial sub-topic that had the highest priority for future development. Librarians consider providing financial literacy services to low-income individuals important, but rather than focusing on public assistance information, they prioritize increasing financial capacity

via the topics of computer training, jobs and joblessness assistance, personal finance basics, avoiding fraud, and reducing debt.

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The most common partner organizations of public libraries were state/local government agencies, financial organizations such as investing companies, credit unions/banks, and job centers. Most libraries reported that less than 10 percent of their staff had received financial literacy training. Of those that had, the most common format was webinars (43 percent), followed by learning on the job (42 percent), and face-to-face training in the library (37 percent).

#### *Financial Literacy Partnerships*

Finally, we conducted interviews with eight participants that had partnered with libraries to offer financial literacy programs and services in the areas of small business, taxes, employment, personal finance, investing, and food security. Almost all participants reported that they made the initial approach to partner with a public library; participants were greeted with varying degrees of receptivity, suggesting that the initial approach could be a stumbling block for potential partners. Participants perceived that libraries were somewhat cautious about establishing new relationships, but in most cases the staff quickly warmed to the partnership. Most

participants had very positive comments about their relationships with librarians.

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Program formats varied, but were basically of two types: one-on-one assistance or seminar-like programs. One-on-one assistance programs included tax assistance, personal finance assistance, food security assistance, and employment programs. Seminar programs included small

business, personal finance, and employment programs. Most programming was funded through volunteer labor and library-based in-kind support services.

In general, the partners saw public libraries as good locations because they believed the public views libraries as safe, vetted, and trusted places. For example, one respondent explained that a public library is “a safe place people instinctively trust.” Participants appreciated public library marketing efforts and considered library marketing a key ingredient in successful programming. In most cases, participants were pressed to list things the libraries could do to improve the partnerships.

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## **The Financial Literacy Research Consortium**

The Financial Literacy Research Consortium (FLRC) consists of three multidisciplinary research centers nationally supported by the Social Security Administration. The goal of this research is to develop innovative programs to help Americans plan for a secure retirement. The Center for Financial Security is one of three FLRC centers and focused on saving and credit management strategies at all stages of the life cycle, especially helping low and moderate income populations successfully plan and save for retirement and other life events, including the use of Social Security's programs.

## **The Center for Financial Security**

The Center for Financial Security at the University of Wisconsin-Madison conducts applied research, develops programs and evaluates strategies that help policymakers and practitioners to engage vulnerable populations in efforts which build financial capacity. The CFS engages researchers and graduate students through inter-disciplinary partnerships with the goal of identifying the role of products, policies, advice and information on overcoming personal financial challenges.

## **For More Information:**

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