



To: Karyne Dargan, Budget Director, Multnomah County Budget Office
Matt Nice, Principal Analyst, Budget Office Evaluation

From: Molly Raphael, Director of Libraries

Molly Raphael

Date: January 4, 2007

Subject: Library's response to Library Collection Shrinkage Report

I am very pleased to receive *Multnomah County Library Collection Shrinkage—A Baseline Report*, prepared by Matt Nice, Principal Analyst, and the Multnomah County Budget Office Evaluation staff.

Shrinkage of library collections is a matter of great concern throughout the United States, yet as your report shows, there is very little useful information available on this subject. We are deeply concerned about collection shrinkage here at Multnomah County Library and are eager to take additional cost-effective and affordable steps to address the problem. Simply responding with what seems like obvious solutions may not lead to reduced loss.

In July 2005, the library requested your independent assistance to help us conduct a statistically accurate random sample inventory of the library's collection so that we could evaluate loss in the collection and make data-based decisions regarding the costs and benefits of various loss prevention strategies. From that initial request has grown this comprehensive study, which includes an analysis of the literature on shrinkage and loss prevention in library collections and in the retail sector. This study is an important contribution to professional knowledge in library management, as well as a guide for Multnomah County Library in our collection management and loss prevention strategies.

Key Findings and the Library's response

- The Budget office was unable to find any data that identified proven theft-prevention strategies. There is no independent evidence of the effectiveness of book theft detection systems.

Library's response: The library has determined that it would cost about \$3 million dollars the first year to install working theft detection systems that protect all materials in all locations. On-going costs to maintain these systems would be about \$350,000 each year. The library is continuing to evaluate the costs and benefits of theft detection systems and is actively reviewing new technology applications that may prove to be effective.

- The report defines shrinkage three ways: unreturned items (checked out but not returned by patrons), items in missing status (identified prior to the inventory), and items missing in inventory. The data in the report cannot be used to determine an annualized shrinkage rate because of differences in methodology. Additional work is needed to obtain annualized data for cost-benefit analysis.

Library's response: The library's Inventory Planning Team will work with Budget Office Evaluation staff to complete additional work to arrive at an annualized loss rate.

- Unreturned items were the single greatest source of shrinkage. A theft detection system would not prevent this problem.

Library's response: The library already uses a collection agency to recover this material resulting in 65% recovery rate. The library's Circulation Committee has begun a comprehensive review of lending policies to determine whether additional changes are needed.

- Multimedia materials (CDs, DVDs and videotapes) had the greatest proportion of shrinkage. The library has already taken steps to secure these materials (i.e. placing DVDs and multimedia holds behind circulation counters and moving CDs to locations where staff can observe them). These steps show promising results.

Library's response: The library will continue to review its security practices for CDs, DVDs and videotapes. New technological approaches are being developed that may be promising for securing multimedia materials.

- Missing in inventory status varied significantly by location.

Library's response: The library will conduct expert assessment of the layout in library locations to determine if changes would improve security. Additional inventory work will be conducted as well.

- Young Adult and Non-fiction print materials should be reviewed for enhanced protection.

Library's response: Library staff will further review shrinkage patterns in these collections and determine appropriate strategies.

We hope to have your continued advice as we move forward with these actions. Again, many thanks for your expert assistance in the preparation of this report. We are particularly grateful to have had the sustained input of Matt Nice as we all worked to understand the shrinkage problem better and develop solutions that protect this enormous asset – the library's collection.