

The payment of volunteers

Payments to volunteers are not a new phenomenon, but raise a number of ethical and practical questions for voluntary organisations. A survey of 625 voluntary groups, carried out in 1993 by Sarah Blacksell and David R Phillips of Exeter University, gave an opportunity to look at how widespread paying volunteers is, and what it means to the group concerned.

- f** Over one-third of the groups paid some of their volunteers or had done so in the past.
- f** Usually only a few volunteers were paid in each group, so that the total of paid volunteers was small. Only 3 per cent of all volunteers in the survey were paid.
- f** Over half of the paid posts in the survey had been in existence for ten years or more. However, some voluntary group managers saw payments as only a short-term measure.
- f** Some kinds of voluntary group were more likely to pay volunteers than others. 42 per cent of groups providing services, often under contract to statutory authorities, paid volunteers. Only 19 per cent of community groups did so.
- f** 81 per cent of the voluntary groups had not put their paid volunteers on the pay roll for PAYE. Of the volunteers who were paid an honorarium worth over £1,000 a year, over half were not on the pay roll.
- f** A substantial minority of managers expressed anxieties about the legality of paying their volunteers. These concerned the possibility of fines to the employer for not declaring volunteers' earnings, or penalties to volunteers for exceeding the disregard on benefits.
- f** Other managers had found it impossible to meet the administrative burden of recording all receipts and expenses payments.
- f** However, over half of the managers interviewed said they found no problems with the practice of paying volunteers and 61 per cent definitely expected to continue payment on the same basis or to increase the number of payments or the amount paid.

Background

The term 'paid volunteer' may seem a contradiction in itself but there is no doubt that payments to volunteers, usually in the form of the 'symbolic honorarium' have for long been a part of voluntary organisations. Payments may cover a wide variety of services from keeping the books as Honorary Treasurer to providing different kinds of home help.

The status of the paid volunteer raises a number of ethical and practical questions for voluntary organisations. With the voluntary sector playing an increasingly important role in the delivery of local services, it may be time to look again at the grey area occupied by the paid volunteer. This survey, carried out at Exeter University, has tried to find out how widespread the practice of paying volunteers is, and what it means to the groups concerned.

Who pays volunteers?

The survey focused on two different kinds of voluntary groups. There are those organisations which are increasingly seen as an alternative to the statutory and private sectors under the new community care legislation. In this new world of contracting for care, it is possible that generating a sufficient supply of care may involve an expansion of 'semi-paid work' in the grey area between formal care, volunteering and paid work by employees.

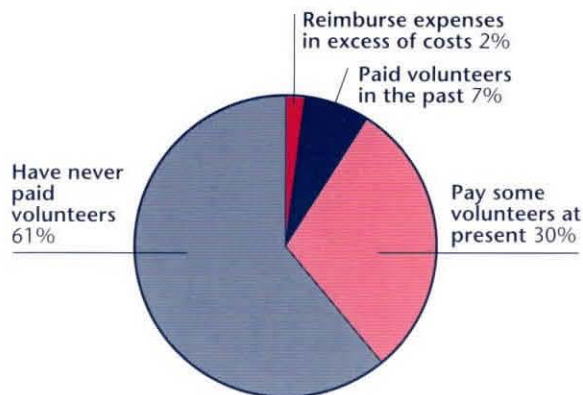
As well as the service-providing function of the voluntary sector, there is the function of participation and self-help, as exemplified by community groups.

In this survey, some quite clear contrasts were found between the two groups both in their tendency to pay volunteers and their reasons for paying them. Service-providing groups were more likely to pay volunteers than were community groups; 42 per cent of the service-providing groups paid volunteers compared to 19 per cent of the community groups.

Reliance on paid volunteers also increases with the size of the group. While only a fifth of the groups with 20 or fewer volunteers paid any of their volunteers, more than two-thirds of the groups with over 20 volunteers did so.

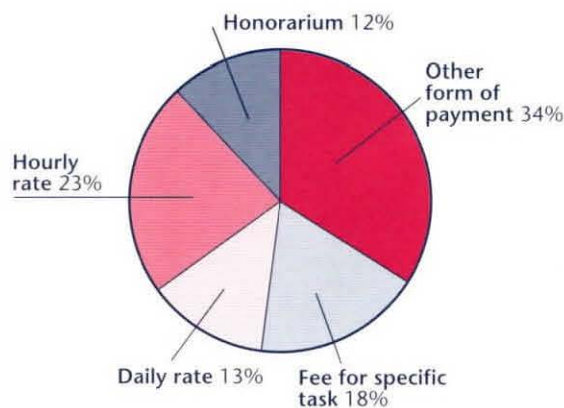
While, as a whole, community groups pay volunteers less often than service providing groups, there are some clear contrasts between different types of community groups. Those concerned with older people, disabled people and the family are least likely to pay volunteers. Presumably this is because these groups are based on active networks of people who are personally involved as carers in one way or another.

Figure 1: **Payments made to volunteers by groups in the survey**



For the purposes of this survey, paid volunteers are defined as those who are paid an honorarium, an hourly or daily rate, or a fee for a specific task. This can be paid either by the voluntary group or directly by a client. Figure 1 shows that over a third of the organisations in the survey had paid volunteers, either now or in the past.

Figure 2: **How volunteers are paid**



Payment by an hourly rate was the most common form of payment, followed by payment of a fee. The amount of money paid to individual volunteers varies according to the demand for their particular services, the ability of the voluntary group to pay, the kind of work to be done, the number of hours to be worked, and when and where the work is to be done.

The only precise data that could be collected related to the payment of honoraria. In this group, just over half of the honoraria paid were for more than £1,000 per year.

Most of the groups (84 per cent) reimbursed expenses to their volunteers, although not always in full; but 16 per cent did not do so.

Tax and benefit implications

The legality of paying volunteers caused considerable confusion. There were sometimes local disagreements between tax offices and Department of Social Security offices, over whether paid volunteers should be defined as employees or self-employed.

In general, if a volunteer is paid other than by the reimbursement of receipted expenses, based on 'reasonable' subsistence rates, he or she is regarded as a paid employee and therefore their earnings must be set against benefits or become liable for tax. It is the responsibility of the voluntary group to notify the local tax office about their paid volunteers and to complete a P46 or a P15 form for each one.

The Charity Tax Reform group is currently investigating the adequacy of the information provided to voluntary groups in this area, and the survey suggests that better guidelines are needed.

Attitudes towards paying volunteers

The survey yielded both positive and negative views about the practice of paying volunteers.

Positive attitudes towards payment included the view that it widens access to volunteering, that it empowers the volunteers, and that it provides skills and training. Some managers also saw payment as increasing efficiency and accountability.

Negative attitudes included both objections in principle to paying volunteers, the practical problems of demarcating responsibility between paid staff, paid volunteers and unpaid volunteers; and the costs to the organisation of paying volunteers.

Most of the replies were positive about paying volunteers and the majority of the managers involved in the survey intended to continue to offer payment or even to increase the amount paid or the number of volunteers paid.

Reasons for paying volunteers

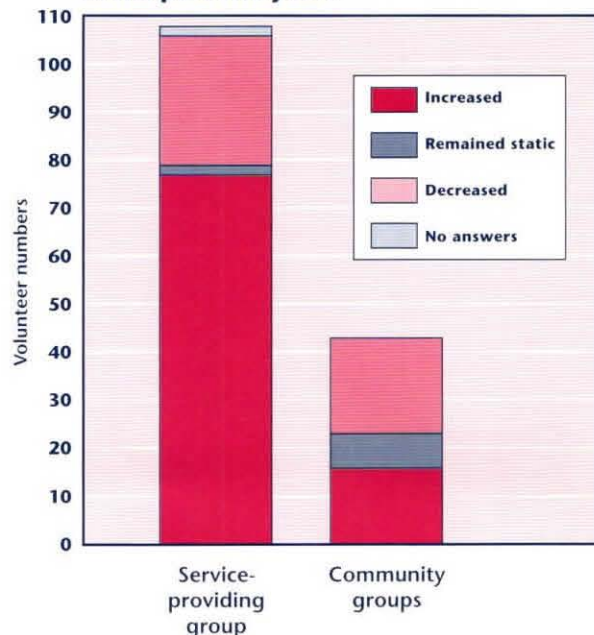
The reasons given for first offering payment for any voluntary post were usually practical: some areas of work are hard to fill without any remuneration (cooking, driving, positions of responsibility, doing lonely respite work, visiting remote rural areas or some inner city estates); many potential volunteers, particularly women, are now at work; younger volunteers expect a more reciprocal relationship; to the unemployed, working for nothing may seem like exploitation; the type of clients now referred to voluntary groups mean that volunteers have to take on heavier or more onerous work.

The survey does not suggest that the decision to pay is stimulated by any general shortage of volunteers or difficulties in recruitment, except for

particularly hard-to fill posts, at least in the service sector.

Community groups seemed to have experienced less growth, although of course they have been less exposed to recent funding and recruitment pressures, demands for service quality and more commercial management controls than have service-providing groups. Community groups seem to have felt most of the impact of reduced recruitment at a time when families and communities are under pressure, and more women are seeking paid employment.

Figure 3: Changes in volunteer numbers in the past five years



Structural reasons for paying volunteers

Among service-providing groups, paying volunteers was also connected with the structure and development of the organisation. For example, there was evidence that payment for commercial reasons had extended from separate 'commercial arms' such as shops, to selling what might be seen as the core services of some organisations. Selling goods or services often enables a group to expand its activities in response to local need. But an independent source of income is now also frequently seen as an important guarantee of financial security and independence at a time when income from statutory sector grants is being reduced, and when grants are being converted into contracts.

Payment was also linked to the growth and development of groups. Increased organisational complexity requires improved management skills, and the need to pay 'key volunteers'. Payment also seems to be linked to a movement towards fully-paid posts.

The survey found evidence that funders may see

voluntary groups as cheap alternatives to the statutory sector through their potential use of paid volunteers in three ways: by paying honoraria to co-ordinators; by not payrollling volunteers for PAYE; and by arranging for volunteers to be paid directly by clients. Competition for contracts between voluntary groups will also ensure that administrative costs and payments to volunteers do not rise. When contracts are tied to particular groups of clients, shortages of core funding may mean that support for volunteers has to be reduced. Payment to volunteers may then be a substitute for support.

Conclusion

The survey demonstrated that paying volunteers is a well established and widespread phenomenon. Many of the reasons given for offering payment refer to 'such positive motives as a desire to show respect for voluntary commitment, and the desire to increase access to voluntary action. The existence of other less exalted motives, such as an ability to recruit low paid workers and a lack of trust in traditional unpaid volunteers, should not be ignored.

Whilst paying volunteers may help equalise opportunity for volunteering, at some point a paid volunteer must become equivalent to a low-paid worker. The value of this person's contribution is then no longer measured by what is given but by what is received; pay is a comment on what an employee is 'worth', while the status of a paid volunteer carries no such connotations. A reluctance to cross this threshold may in part explain why some paid volunteers are not payrollled. It is also possible that the existence of this threshold is something which can be exploited as voluntary groups are drawn into the 'contract culture' of competing for contracts for specific services.

About the study

A postal survey of service-providing voluntary groups and community groups yielded 625 returned questionnaires, split fairly evenly between the two groups. This was followed up by 151 telephone interviews with the managers of those voluntary organisations who reported that they paid volunteers.

Further information

Further information may be obtained from the authors at the Institute of Population Studies, University of Exeter, Hoopern House, 101 Pennsylvania Road, Exeter EX4 6DT, telephone 0392 57936 or 263800. The full report, *Paid to Volunteer: The extent of paying volunteers in the 1990s*, is available from The Volunteer Centre UK, Carriage Row, 183 Eversholt Street, London NW1 1BU, Tel: 071 388 9888 (ISBN 1 897708 66 1, price £9.95, inc post and packing).

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