

Money Talks: A Guide to Establishing the True Dollar Value of Volunteer Time (Part I)

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INTRODUCTION: THE VOLUNTEER DIFFERENTIAL

"Statistics are like bikinis; they reveal what is interesting, but conceal what is essential."

(Author unknown. Quoted most recently by Susan J. Ellis at a training seminar in Virginia Beach).

The interest in quantifying the value of volunteer work has never been greater. Funding sources demand to know the return for their investment in volunteer programs. Administrators search for reliable cost-benefit formulae. Individual volunteer programs publish annual reports proclaiming the worth of their cumulative volunteer efforts, and a Gallup survey recently commissioned by the Independent Sector has received considerable attention by projecting the national product of volunteering for 1980 to be 64.5 billion

dollars.¹ This trend is a bit unsettling, but the emphasis on establishing the monetary value of volunteer time can be expected to continue for the foreseeable future. In this era of scarce resources, results-oriented management prevails, and volunteer programs cannot expect to be exempt.

Nevertheless, the preoccupation with quantifying the volunteer product presents a philosophical dilemma for volunteer administrators. First of all, fixing any dollar value to volunteer time treads dangerously on the edge of the notion of volunteers replacing paid staff--a proposition most volunteer leaders are quick to distance themselves from. Whether preferring not to collude with the elimination of their paid colleagues' jobs or simply wanting to minimize the anxiety that volunteer programs too often generate for paid staff, volunteer directors are uneasy with one-to-one comparisons of productivity. The old saw that volunteer directors are quick to employ--"volunteers supplement, not supplant, paid staff"--is as much a defensive reaction as a firmly-held belief. We have learned to skirt the issue, just as children learn to tiptoe around an irascible uncle. We would prefer that no one broach the topic at all. Some things are just best left unsaid.

Perhaps more important than the staff replacement issue is the critical

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consideration that quantification cannot possibly capture the intrinsic value of the volunteer contribution. I am aware of the story that Allen Breed, the director of the National Institute of Corrections, tells of his experiences with volunteers when he was superintendent of the Preston School Reformatory, a maximum security facility for hard-core, young male adults in California. Despite the objections of correctional officers and even some program staff, he began to use volunteers. The day after an evening of visits, he was walking beside two prisoners who asked him: "When are we going to have more of those real people back?" Intrigued, he inquired into the meaning of "real people" and learned that these prisoners saw volunteers as real people and everyone else as "keepers."² Neither Breed's example nor my experience gives cause to disparage the work of dedicated professionals, but it is clear that volunteers make a unique contribution. Dollars and cents will never capture the total contribution of a Big Brother or Big Sister, a rape crisis volunteer, a daily telephone reassurance call, a lobbyist or advocate at the State Legislature. As the too-familiar robot in a futuristic thriller would say: "It does not compute!"

So there are good reasons to avoid this whole mania, but what if there is no choice? A directive from an agency head or the city council to justify the return of the volunteer program is not easily ignored. What then? Here are two thoughts.

First, do not forgo some consideration of the intangible benefits of a volunteer program in any evaluation. Call it "the volunteer differential." Although admittedly difficult to measure, these benefits probably constitute a significant portion of the volunteer product. Insist that any analysis of the program include a serious examination of these worthwhile, albeit abstract, assets.

Start by brainstorming the advantages which volunteers uniquely bring

to achieving the agency's mission. Big Brothers and Big Sisters provide positive role models for troubled youth. Recovered victims of debilitating diseases bring to new sufferers a special empathy and understanding of the experience. Hospital auxiliaries engender an environment of caring and concern and improve patient morale. Mental health volunteers hasten the resocialization and ease the reintegration of patients preparing to return home. Volunteers in prisons build trusting relationships with offenders that elude correctional staff. Citizen involvement in public agencies improves community relations by debunking myths and exposing the public to the real problems confronting the agency. Volunteers afford sanction . . . volunteers are the best advocates and fund raisers. . . .

The potential list of benefits is limited only by the imagination of the volunteer director. Take time to articulate these contributions, carefully linking them to the primary work of the agency. Do not expect decision makers to divine these intangibles. If you overlook them, they most assuredly will, too. A strong defense of the intangible assets may tip the balance in cost-effectiveness analysis.

Second, when preparing a projection of the worth of volunteer contributions, NEVER CONCLUDE THAT VOLUNTEERS SAVED THE AGENCY "X" AMOUNT OF DOLLARS! It is unlikely that anyone ever committed to paying for these services in the first place. If they were not budgeted, there is no savings. At best, this could be considered cost avoidance. Furthermore, talk of budget savings again raises the spectre of volunteers replacing staff. Couched as a "savings," it is not much of a mental leap to conjure up notions of an even greater windfall if some or all paid staff were replaced with volunteers. Now there are some who would argue this as a defensible conclusion, but such is not a declara-

tion to make lightly. Unless you are bold and prepared to mobilize a volunteer corps to replace paid staff, or unless you are ready to accept the challenge of demonstrating where the first budgeted dollar was actually saved, it is best to conclude that **VOLUNTEERS ADDED SERVICES WORTH "X" AMOUNT OF DOLLARS.** That assertion alone is a very persuasive argument.

IF YOU MUST DO IT, AT LEAST DO IT RIGHT!

"There are three kinds of liars in this world: liars, damn liars, and statisticians."-- Benjamin Disraeli

My misgivings on the topic of quantifying the value of volunteer contributions are readily apparent to anyone who reads the introduction of this paper. Having continued this far, it is apparent that you, the reader, will persist in trying to reduce volunteering to dollars and cents, or at least have a passing interest in trying or, more likely, are forced to produce some justification for your volunteer program.

Out of sympathy for those compelled by the latter reason and because there exist no standard formats for documenting the volunteer product (and certainly none which do the end result justice) this paper will reluctantly, but without apology, try to formulate a process which can fix a true value to volunteer time. Put another way, despite the frightening example of Thomas á Becket, we will go boldly ahead and accept this unwanted mission and discharge it with a sense of pride and integrity. Let us proceed.

Most attempts at establishing a monetary value of volunteering do a great disservice by vastly underestimating the equivalent worth of volunteer work. A review of the annual report of just one agency in Virginia which enjoys a reputation for effectively involving volunteers in the criminal justice system demonstrates this point. This particular

agency had done a reasonably good job of recording its volunteer hours, had assigned an hourly value of median wage (a figure half way between the highest and lowest wages), and then proudly projected the worth of its volunteer product. The casual reader may have been impressed, but anyone so inclined could have easily consulted the income and expense statement found a few pages later in the same document and quickly deduced that the reported volunteer return was less than the monetary investment. The ratio was about four dollars of volunteer time for every five dollars committed to administering the volunteer program--clearly a case of being hoist on your own petard.

Is this agency inefficient? Is it ineffective? Should it be defunded? Taking the questions in reverse order, it probably should not be defunded, as will be substantiated later in this section, but it may well be if it continues to publish annual reports such as this.

Is it ineffective? Not necessarily. Even if the reported return is accurate, a case could be made for the additional intangible benefits of the volunteer program which might tip the balance of the cost-effectiveness ratio.

Is it inefficient? Perhaps, if one relies on its published projections; but actually not, if you delve a bit more deeply. This agency has simply miscalculated its volunteer product. The assignment of median wage as the value of volunteer work has served to grossly underestimate the equivalent worth of the volunteer service. Had a value been assigned which reflected the real purchase price of the contribution, a very dramatic cost-benefit ratio could have been reported.

The agency in the example is by no means alone; the mistake is repeated in this state and across the nation. None of the methods frequently used to compute the value of volunteer time provides a true repre-

sentation. The frequently employed method of multiplying volunteer hours by minimum wage (\$3.35 per hour) is blatantly apologetic and results in the most significant underestimations. Less apologetic, but no more precise and just as difficult to defend, is the practice of assigning the value of national median wage, estimated by VOLUNTEER to be \$6.50 per hour. A bit more progressive, but still unsatisfactory, is the methodology of projecting the product of volunteer service on the basis of average wage paid in the agency or on the hourly wage of an equivalent paid position. This equivalency option is the best starting point, but by tying the volunteer value to the agency's wage scale, both approaches overlook the factor of other employee benefit costs.

Let us examine the persuasiveness of the equivalency model and then construct another process which builds on this model to demonstrate the true value of volunteer contributions.

THE EQUIVALENCY MODEL

The equivalency model is the most precise, least apologetic, and most defensible process for establishing the true dollar value of volunteer work. The equivalency model proposes that the true value of volunteering be fixed at the fair market value or purchase price of parallel paid services.

Implicit in this approach is the premise that the value of volunteer time is the actual worth of the contribution, not the volunteer's earning power. For volunteers performing the same volunteer task, calculations misguidedly based on earning power would serve to overvalue the contribution of some citizens who happen to enjoy a high rate of compensation in their work for pay such as engineers, physicians and attorneys, while undervaluing the contribution of other volunteers such as students, women who do not work outside of the home, and retired people. At the

scene of a fire, each properly trained volunteer firefighter is essentially worth the same whether he or she is an eighteen-year-old student or a physician or an attorney. The only fair value is the worth of the volunteer work itself.

Now if the physician-turned-volunteer-firefighter performs emergency medical treatment at the scene, or if the attorney-turned-volunteer-firefighter prepares the articles of incorporation for the squad, these donated services should be valued at a different rate (again, because the monetary value of the service also changes). However, when performing the same task, a firefighter is a firefighter is a firefighter.

Some might argue that some skilled volunteers such as our aforementioned physician or attorney bring more sophistication to their volunteering even if their work is outside their professional competence. This may be true to a certain degree, but it must be recognized that any paid job classification has a range of incumbents with varying skills and competencies, all paid on the same basic scale. An examination of most any agency will reveal some employees who produce more than others similarly compensated and classified. This will also be true in volunteer programs, but the impact of the extra-skilled volunteer is negligible in establishing the true value of a particular category of volunteer work.

The equivalency model affords a measure of precision in fixing the worth of the volunteer product which cannot be obtained by using the average wage paid in the agency or the local or national median wage. Quite frankly, some volunteer tasks are rather routine and are not worthy of either wage average. Just as misrepresentative would be the assignment of some median wage to the value of the volunteers on a governing board, a prospect to be discussed later in this section.

The equivalency model is admittedly more complex to employ in volunteer programs with a wide variety of volunteer jobs, but the resulting projections will be infinitely more precise.

Comparable Jobs

To formulate an equivalency rate for a particular volunteer job, carefully assess the duties performed and the knowledge, skills, and abilities demanded by the position. This requires that all volunteer positions have specific job descriptions so they can be compared to standard employment classifications. With a sense of integrity, the volunteer job description is matched with the agency's classification system to determine an equivalent paid category.

Volunteer programs which are not a formal part of an agency or institution should try to establish their equivalency by consulting the classification structure of the system or institution they serve. The challenge is to find the paid classification which most closely parallels the volunteer responsibilities. For example, a Friends of the Juvenile Court program would most logically consult the position descriptions in the services unit of the juvenile court. Short of this option of consulting a parallel system, the local labor department or employment commission can be consulted for average wage data for the equivalent job descriptions identified.

As an example of how the equivalency model could be employed, let's return to the criminal justice program cited earlier in this section. The volunteers to be classified are carefully screened and extensively trained. They serve as one-to-one volunteers with probationers, providing counseling, making sure court dates are kept, assisting with the locating of housing, employment, and other social services. The Commonwealth of Virginia's Schematic List of Classes and Pay Plan would be consulted, and we might cautiously conclude that "Probation and Parole Of-

ficer Trainee" is the equivalent classification. (An entrance-level "Probation and Parole Officer," one pay grade higher, might just as reasonably have been selected on the basis of work performance. However, as the volunteers do not necessarily have prior experience or professional training, we have opted for the trainee category.)

ESTABLISHING THE TRUE PURCHASE PRICE

Having established an equivalent classification for a particular volunteer job, most would be content to consult the pay schedule to locate the assigned hourly wage and then to conclude that a fair value of the volunteer work has been set. In the case of our criminal justice volunteers, the Commonwealth of Virginia pay plan sets the entrance salary of a Probation and Parole Officer Trainee at the modest hourly rate of \$6.12, certainly higher than minimum wage or the median wage of \$4.76 used in the agency's annual report.

However, our task is to establish the true value of the volunteer contribution, and this work could not be purchased for this equivalent hourly figure. Our equivalent classification, the Probation and Parole Officer Trainee, costs the State much more when fringe benefits are considered. Further, the state employee is also paid for many days--holidays, annual leave, and sick leave--when he or she does not work. Since volunteers report only actual hours worked, an equivalent rate of pay should take into account the real cost to the state for every hour actually worked by our parallel classification.

The process for establishing this true purchase price is detailed for our sample criminal justice volunteer in the accompanying inset.

The true value assessment process is just that: a process. There is no absolute formula; it will vary from agency to agency, and from program to program. Our example is based on the personnel policies of the Com-

EXAMPLE 1
TRUE VALUE ASSESSMENT PROCESS
Criminal Justice One-to-One Volunteer

PROCESS

1. Having established the equivalent job category, start with annual salary at the beginning step of the classification grade.
2. Figure the value of the benefits package for that equivalent position. Consider FICA, retirement, workmen's compensation insurance, life insurance and health/hospitalization insurance. Add the dollar value of the benefits to the annual salary. The sum is the annual compensation package for that equivalent position.
3. Determine the standard number of work hours in a year for an employee used in computing hourly salaries in your agency. Standards are: 2080 for 40 hour weeks; 1950 for 37½ hour weeks; 1820 for 35 hour weeks.
4. Full-time employees are frequently paid even when they do not come to work. Consequently, it is important to the notion of equivalency to establish the actual number of hours worked annually. Compute the number of hours that employees are allowed for leave and holidays. Consider: legal holidays, annual leave and sick leave. Subtract the number of paid hours for leave and holidays from the standard number of annual hours in step #3. The remainder is the number of actual hours worked each year.
5. To establish the equivalent hourly purchase price, divide the total established in step #2 (value of wages & benefits) by the number of hours established in #4 (actual hours worked annually). The quotient is the hourly cost of the equivalent position for actual work. Since volunteers only report actual hours worked, this is the equivalent hourly value of the volunteer work.

EXAMPLE

1. *Probation and Parole Officer Trainee³*
Grade 7: Annual Salary - \$12,731.00
Hourly Wage - \$6.12
2.

FICA: \$12,731 x .0670	\$ 852.98
Retirement: \$12,731 x .0615	782.96
Health Insurance: \$91.50x12	1098.00 (a)
Life Insurance: \$12,731x .003%	38.19
Workmen's Compensation	100.00
TOTAL BENEFITS	\$ 2,872.13
Annual Salary	\$12,731.00
Benefits	+ 2,872.13
ANNUAL COMPENSATION PACKAGE	\$15,603.13
3. *Annual Work Hours for Agency = 2080 hours*
(40 hours x 52 weeks)
4.

Annual Leave @12 days per year	96 hours (b)
11 Paid State Holidays	88 hours
6 Paid Sick Leave Days (Average)	48 hours (c)
	232 hours
Annual Work Hours for Agency	2080 hours
Paid Hours Not Worked	- 232 hours
ACTUAL WORK HOURS ANNUALLY	1848 hours
5. $\$15,603. \div 1848 = \underline{\$8.44 \text{ per hour}}$

NOTES ON THE COMPUTATIONS

(a) The monthly health insurance costs to the employer range from \$67.80 for a single policy to \$122.64 for family coverage. The Department of Planning and Budget utilizes an average monthly cost of \$91.50 per employee for budgeting purposes based on user experience. (b) All annual leave days are considered an agency liability because unused annual leave balances are paid off upon termination. (c) An average sick leave usage of six days per year was utilized although employees earn 15 days per year. This figure is based on average usage and the State's liability for paying off one-fourth of unused sick leave balances of terminating employees with at least five years of State service.

monwealth of Virginia. Yours may be different. The point is to thoroughly investigate the compensation policies of the agency or institution served in order to fix the equivalent purchase price or fair market value.

In our example of the criminal justice volunteer, a creative, but thoroughly defensible assessment of the true value has elevated the assigned hourly wage of our modestly-equated position from \$6.12 an hour to \$8.44. This is an increase of 37.9%.

The intriguing aspect of the true value assessment process is that it invites variations on the theme. For example, veteran volunteers could be "paid" at a higher step on the pay scale if the equivalent experience factor can be documented. Volunteers required to work at night or on weekends could be "paid" a shift differential. The intent is to establish an equivalent value.

Remember Disraeli's wisdom. Statistics can misrepresent, and you may be colluding with the misrepresentation by failing to consider some very relevant factors. The true value assessment process requires that you be thorough, precise, and resourceful.

WHAT ABOUT THE DIFFICULT TO CLASSIFY?

The equating of the work of a criminal justice volunteer to the Probation and Parole Officer Trainee is reasonable. So might be the tying of the rate of a teacher's aide to the work of many volunteers in the classroom, but what about those volunteer assignments for which actual job parallels are not so readily apparent? How do you value the volunteer work of a board of directors? What about a conference planning committee? What about a Big Brother or Big Sister, a Scout Master, or a Little League Coach? Are there reasonable equivalents in these cases?

These particular volunteer tasks typify a whole set of volunteer assignments which might be categorized as "the difficult to classify."

We are hesitant to set a value on services for "fun" tasks or jobs which have traditionally been performed by volunteers and for which there are no paid precedents. Admittedly, these present a challenge, but any process worth its salt must meet the hardest test, so let's try to apply the equivalency model.

Consider the volunteer member of a governing board of directors. Earlier, the notion of assigning the volunteer's earning power was rejected because it did not necessarily correspond to the worth of the volunteer service. Nowhere is this more true than in service on a voluntary board. Earning power is irrelevant. The duties and responsibilities of the board must be examined.

Close scrutiny will reveal that most governing boards set policy, establish program priorities, determine budgets, and retain top executive staff--rather awesome responsibilities. What is the fair value? Why not set it, at a minimum, at the equivalent rate of the chief executive or agency director... maybe even ten or twenty percent higher? After all, the board is this person's supervisor and employer. Is this too farfetched? Not really. Members of for-profit boards in private industry are paid handsome sums for their services. They are guiding the fortunes of the business and are justly rewarded. The same rationale can be applied to the volunteer board.

To demonstrate the significant value that can be assigned to these key volunteer decision-makers, we will again illustrate our true value assessment process. This time we are establishing the equivalent value of a member of the governing board of directors of a particular medium-sized, non-profit agency in Virginia. The position identified for our equivalency computations is the Executive Director, the person the board employs and supervises. The calculations in Example 2 are based on that agency's personnel and compensation policies.

EXAMPLE 2

TRUE VALUE ASSESSMENT PROCESS

Member of the Board of Directors for a Non-Profit Agency

1. Equivalent Job Title: Executive Director
Annual Salary - \$30,000 (a)

2. FICA: \$30,000 x .0670 \$ 2,010.00
 Retirement: \$1500 lump sum per yr. 1,500.00 (b)
 Health Insurance: \$40.42 x 12 485.04 (c)
 Workmen's Compensation: \$.42 per \$100 126.00

 TOTAL BENEFITS \$ 4,121.04

- Annual Salary \$30,000.00
 Benefits + 4,121.04

 ANNUAL COMPENSATION PACKAGE \$34,121.04

3. Annual Work Hours for Agency = 2080 hours
(40 hours x 52 weeks)

4. Annual Leave @ 13 days per year 104 hours (d)
 8 Paid Holidays 64 hours
 4 Personal Leave Days 32 hours (d)
 4 Sick Leave Days (Average) 32 hours (e)

232 hours

- Annual Work Hours for Agency 2080 hours
 Paid Hours Not Worked -232 hours

 ACTUAL WORK HOURS
 ANNUALLY 1848 hours

5. \$34,121 ÷ 1848 hours = \$18.46 per hour

NOTES ON THE COMPUTATIONS

(a) This non-profit agency quotes no hourly wage for its executive director. (b) Retirement contribution for all employees is a single lump sum of \$1500 per year. (c) Health insurance is offered for single member coverage only. Extra family coverage must be assumed totally at the employee's cost. No life insurance is offered as part of the benefits package. (d) Both annual leave and personal leave are considered a liability as unused leave balances in these two categories are paid off upon termination. (e) An average usage of four days has been estimated based on prior experience. Unused sick leave balances are not paid off upon termination, and therefore are not a factor in the computations.

Several observations are in order for Example 2. First, the value established for this particular volunteer job is very substantial in monetary terms: \$18.46 an hour. It illustrates our need to be bold and unapologetic. Volunteer directors, long accustomed to having volunteers considered second-rate and too often believing it themselves, may be timid about the prospect of suggesting such a significant sum. Take heart. We must be advocates if we are going to participate in the quantification game. In ecclesiastic terms, to quote Martin Luther: "Sin boldly."

Second, the dramatic figure that can be assigned to this and other more responsible volunteer positions evidences the wide range of monetary value that volunteer time represents. Median wage projections are terribly inadequate at capturing this. Is the campaign chairman of a United Way fund drive which surpasses its annual goal worth only \$6.50 an hour? We think not.

Third, the computation of this particular example again demonstrates that there is no absolute formula for computing the true value of volunteer job worth. The private agency cited has a significantly different compensation policy from that of the Commonwealth of Virginia, which was used in our first example. The notes which accompany each example should be read carefully, and the model process given as an appendix should be consulted when you are ready for application.

Fourth, the issue of productivity, previously undiscussed, may come into account in this particular example in an inverse fashion. Be certain to consult the second installment of this article for an examination of the productivity phenomenon.

ANOTHER EXAMPLE

Let's try another "difficult to classify" volunteer job. How would we value a volunteer member of a conference planning committee? To give our example form and substance,

we will assess the planning committee for the Virginia Division of Volunteerism's Statewide Conference.

As always, the first step in the true value assessment process is to examine the duties and responsibilities in order to establish equivalency. Unlike our previous example, the conference planning committee is advisory, not governing as is a board of directors. However, in this particular case, they do more than merely advise. Members are carefully selected for their demonstrated ability, knowledge, and expertise in volunteerism. They select the conference theme, design the conference program, arrange and in some cases actually conduct workshops, select major speakers, make hospitality arrangements, and handle all aspects of conference publicity.

After reviewing the Commonwealth of Virginia's classification system, we might reasonably conclude that this level of work is equivalent to the responsibilities discharged by a Human Resource Developer B, a classification assigned to mid-level professional, nonsupervisory staff at the Division of Volunteerism. The responsibility levels are really quite parallel. Each calls for professional expertise and the ability to work relatively independently.

Having settled on an equivalent classification, we can again apply our true value assessment process. The dollar value we establish for the conference planning committee may surprise you. Look at Example 3.

A member of a conference planning committee valued at \$10.83 per hour? You better believe it, and worth every penny of it, too, if only figuratively.

Let's turn our attention to another "difficult to classify" type of volunteering: the fun jobs. What value would we assign to a Little League Coach or a Scout Master? Playing with kids . . . getting out in the fresh air for some exercise . . . reliving childhood memo-

EXAMPLE 3

TRUE VALUE ASSESSMENT PROCESS

Volunteer Member of a Conference Planning Committee

1. Equivalent Job Title: Human Resource Developer B
Grade 10: Annual Salary - \$16,631.00
Hourly Wage - \$8.00

2. FICA: \$16,631 x .0670 \$ 1,114.28
 Retirement: \$16,631 x .0615 1,022.81
 Health Insurance: \$91.50/mo. x 12 1,098.00 (a)
 Life Insurance: \$16,631 x .003 49.89
 Workmen's Compensation: 100.00
 TOTAL BENEFITS \$ 3,384.98

- Annual Salary \$16,631.00
 Benefits + 3,384.98
 ANNUAL COMPENSATION PACKAGE \$20,015.98

3. Annual Work Hours for Agency = 2080 hours
(40 hours x 52 weeks)

4. Annual Leave @ 12 days per year 96 hours (b)
 11 Paid Holidays 88 hours
 6 Paid Sick Leave Days (average) 48 hours (c)
232 hours

- Annual Work Hours for Agency 2080 hours
 Paid Hours Not Worked -232 hours
 ACTUAL HOURS WORKED
 ANNUALLY 1848 hours

5. \$20,016 ÷ 1848 hours = \$10.83 per hour

NOTES ON THE COMPUTATIONS

(a) The monthly health insurance costs to the employer range from \$67.80 for a single policy to \$122.64 for family coverage. The Department of Planning and Budget utilizes an average monthly cost of \$91.50 per employee for budgeting purposes based on user experience. (b) All annual leave days are considered an agency liability because unused annual leave balances are paid off upon termination. (c) An average sick leave usage of six days per year was utilized although employees earn 15 days per year. This figure is based on average usage and the State's liability for paying off one-fourth of unused sick leave balances of terminating employees with at least five years of State service.

ries...relieving the tedium of a nine-to-five existence. Compensation is the farthest thing from the minds of these volunteers. We don't pay people to organize play for kids, or do we?

We most certainly do. The profession is called Recreation, and baccalaureate and advanced degrees are offered in this field. The responsibilities of the Little League and Scouting officials who organize, plan, and supervise these activities might be equated with the work of a recreation specialist (an entrance level professional position), and the contribution of the individual coach or scout master might be parallel to the compensation of a playground supervisor (a paraprofessional position).

To demonstrate the application of our true value assessment process, the Chesterfield County (VA) Department of Parks and Recreation was consulted for the compensation considerations utilized in Examples 4 and 5.

The values ascribed to these two volunteer roles, \$6.45 and \$8.01 respectively, are not awesome on an hourly basis, but when multiplied by the volume of volunteer hours donated each year in Little League, Scouting, and other similar programs, the result will show an impressive volunteer product.

One note on the application of this particular example--we have stratified the value of volunteer contributions within the same program. Compensation policies for paid personnel routinely reward supervisory staff and staff who carry added responsibility with higher salaries. It is perfectly logical that we do the same in establishing the value of volunteer contributions. To do otherwise would result in underestimating the cumulative worth of the volunteer program. In other words, assign a reasonably higher value to the chief and officers of the volunteer fire department, to the chairman of the fund drive, and to any other leaders of volunteers. Our society, like it or not, rewards

management personnel monetarily. Apply the same principle in computing your volunteer product.

ONE MORE CHALLENGE

Now let's consider what may be the ultimate challenge of the "difficult to classify" type of volunteers: a Big Brother or Big Sister. Nearly everyone is familiar with the work of the volunteers in this national program. Big Brothers and Big Sisters serve as friends, counselors, companions, and positive role models for troubled children lacking a parent figure.

Our dilemma--how to value a surrogate parent? Parenting is decidedly unpaid; we take care of our own. How do we value those ball games, those cook-outs, or those heart-to-heart talks? This isn't organized recreation, this is a special kind of friendship, and no one gets paid for being a friend.

The benefits of a Big Brother/Big Sister program are admittedly of the more intangible nature, and any evaluation of its effectiveness will surely call for a strong defense of the volunteer differential suggested in the introduction. However, lest we retreat too quickly from our premise and dismiss this form of volunteering as an exception which defies quantification, let's be reminded of these considerations.

First, we are discussing the value of added services. Don't be defensive! We are not requesting payment or even suggesting someone ought to pay for these services. We are simply attempting to place a fair market value on this form of volunteering.

Second, our society is now paying for services it never dreamed of paying for a few decades before. It's not exactly true that we expect all of us to take care of our own. The complexities of our modern society have made this notion a bit passe. For example, many aging parents are no longer cared for in the homes of their children; an ever-increasing number are maintained in nursing homes sub-

EXAMPLE 4

TRUE VALUE ASSESSMENT PROCESS

Little League Coach

1. Equivalent Job Title: Playground Supervisor⁴
 Annual Salary - \$9288.00
 Hourly Wage - \$4.46

2. FICA: \$9288 x .0670 \$ 622.30
 Retirement: \$9288 x .1037 963.16
 Health Insurance: \$67.02/mo. x 12 804.24
 Life Insurance: \$9288 x .01 92.88
 Workmen's Compensation Insurance: 150.00
 TOTAL BENEFITS \$ 2,632.58

- Annual Salary \$ 9,288.00
 Benefits Package + 2,632.58
 ANNUAL COMPENSATION PACKAGE \$11,920.58

3. Annual Work Hours for Agency = 2080 hours
 (40 hours x 52 weeks)

4. Annual Leave @ 12 days per year 96 hours
 11 Paid Holidays 88 hours
 6 Paid Sick Leave Days (average) 48 hours
232 hours

- Annual Work Hours for Agency 2080 hours
 Paid Hours Not Worked -232 hours
 ACTUAL HOURS WORKED 1848 hours
 ANNUALLY

5. \$11,920.58 ÷ 1848 hours = \$6.45 per hour

EXAMPLE 5
TRUE VALUE ASSESSMENT PROCESS
Little League Official

1. Equivalent Job Title: Recreation Specialist

Annual Salary - \$11,736.00

Hourly Wage - \$5.64

2. FICA: \$11,736 x .0670	\$ 786.31
Retirement: \$11,736 x .1037	1217.02
Health Insurance: \$67.02/mo. x 12	804.24
Life Insurance: \$11,736 x .01	117.36
Workmen's Compensation Insurance:	150.00
TOTAL BENEFITS	\$ 3,074.93

Annual Salary	\$11,736.00
Benefits Package	+ 3,074.93
ANNUAL COMPENSATION PACKAGE	\$ 14,810.93

3. Annual Work Hours for Agency = 2080 hours
(40 hours x 52 weeks)

4. Annual Leave @ 12 days per year	96 hours
11 Paid Holidays	88 hours
6 Paid Sick Leave Days (average)	48 hours
	232 hours

Annual Work Hours for Agency	2080 hours
Paid Hours Not Worked	-232 hours
ACTUAL HOURS WORKED	1848 hours
ANNUALLY	1848 hours

5. $\$14,810.93 \div 1848 \text{ hours} = \underline{\$8.01 \text{ per hour}}$

sidized by Medicaid. Day care is similarly subsidized to allow mothers to work outside of the home. Mental health clinics exist to help families cope with the stresses of everyday living. The Department of Social Services purchases chore services and homemaker services for elderly and disabled adults still in their own homes. We pay not only for medical services for the poor and disabled, but we also pay for transportation to and from the health facilities--a service once provided by families and neighbors. The list of examples is endless. The point is that it is not so farfetched to begin valuing family services we once took for granted.

Third, our task is to place a fair market value on these services, and in their absence the replacement cost is awesome. If you do not believe it, just ask a working father who has lost his wife about the cost of child care, maid service, and meal preparation. The Bureau of Economic Analysis of the United States Department of Commerce has conservatively estimated the annual value of the homemaking services to be \$12,500. Now obviously, most spouses do not have the capability of purchasing these services; they are assumed as part of the marriage covenant. Nevertheless, the replacement costs are staggering, if only theoretical. It is similar with work of a Big Brother or Big Sister. Society may not have the capability of purchasing these volunteer services which shore up the family unit, but their value is no less significant.

With this understanding, let's try to establish the contribution of a Big Brother or Big Sister using the equivalency model. Big Brothers and Big Sisters of America was consulted, and it was learned that while the first months of the relationship do emphasize recreation, the purpose is to build a foundation of trust for later efforts at counseling and problem-solving. It is not recreation for recreation's sake.

Only one volunteer applicant in

three is ultimately selected for a Little Brother/Little Sister assignment. Screening is intense and the applicant's suitability for assignment carefully assessed. Some may be found ready for handling only an eight year-old, others a teenager with a drug problem or self-destructive tendencies.

The problems of the individual Little Brother/Little Sister seeking a volunteer are similarly assessed for the purpose of making the correct match. Each assignment must marry a child and his/her diagnosed problem with a volunteer possessing the appropriate problem-solving skills. Further, a treatment plan with specific behavioral objectives is established for each relationship.

For our purpose of equivalency, a strong case can be made that this form of volunteering is bona fide counseling. The Big Brothers and Big Sisters may not be degreed counselors with the fullest range of helping skills, but the unique matching process insures that the client is afforded the specific counseling/problem-solving assistance required. If the counseling objective is achieved, then counseling must be the volunteer contribution.

To apply the true value assessment process, the Fairfax County Department of Personnel was consulted for the compensation considerations used in Example 6. An Outreach Worker, a paraprofessional counseling position, has been selected as the appropriate equivalent classification. Counselor I, the entrance level professional counseling position, was rejected because the Big Brothers/Big Sisters do not necessarily have the range of counseling abilities and formal education required for this position.

Per our calculations, the value of a Big Brother/Big Sister serving in this particular jurisdiction could fairly be set at \$10.80 per hour. Of course, the value will vary from community to community. The salary schedule for Fairfax County em-

EXAMPLE 6
TRUE VALUE ASSESSMENT PROCESS

Big Brother/Big Sister

1. Equivalent Job Title: Outreach Worker⁷
 Grade 14: Annual Salary - \$16,409
 Hourly Wage - \$7.89

2. FICA: \$16,409 x .0670 \$1099.40
 Retirement: \$16,409 x .08292 1360.63
 Health Insurance: \$93.85/mo. x 12 1126.20 (a)
 Life Insurance: \$16,409 x .0036 59.07
 Workmen's Compensation Insurance:
 \$16,409 x .002 32.81

 TOTAL BENEFITS \$3678.11

- Annual Salary \$16,409.00
 Benefits Package + 3,678.11

 ANNUAL COMPENSATION PACKAGE \$ 20,087.11

3. Annual Work Hours for Agency = 2080 hours
 (40 hours x 52 weeks)

4. Annual Leave @ 13 days per year 104 hours (b)
 12 Paid Holidays 84 hours
 4 Paid Sick Leave Days (Average) 32 hours (c)

220 hours

- Annual Work Hours for Agency 2080 hours
 Paid Hours Not Worked -220 hours

 ANNUAL HOURS ACTUALLY
 WORKED 1860 hours

5. \$20,087.11 ÷ 1860 hours = \$10.80 per hour

NOTES ON THE COMPUTATIONS

(a) The monthly health insurance costs to the employer range from \$57.40 for a single policy to \$128.32 for family coverage. The Fairfax County Budget Office supplied data on actual user experience which allowed an average monthly cost of \$93.85 to be set. (b) All annual leave days are considered a liability because unused annual leave balances are paid off upon termination. (c) An average sick leave usage of four days per year was utilized although employees earn 13 days per year. This figure is a relatively conservative estimate based on experience. No data on actual usage exists. Unused sick leave balances are not paid off upon termination and therefore are not a factor in the computations.

employees is among the highest in Virginia and reflects the substantially higher living costs associated with this particular community. The value of \$10.80 per hour could not be used statewide, but it would very legitimately be utilized for this specific volunteer role in this particular jurisdiction. The significant variations in pay scales evidenced by this example further underscore the inadequacy of assigning a national median wage.

CLOSING COMMENTS

There you have it. We have tried to show that any volunteer position can be fairly, precisely, and defensibly valued, even those traditionally thought to be difficult or downright impossible to quantify. We also believe that it has been satisfactorily demonstrated that the true value assessment process will document the volunteer contribution to be a significantly higher monetary value than frequently assigned by standard approaches. The methodology for documenting true purchase price alone has swelled the hourly value of each of our six examples from 28.0% to 44.6% above the equivalent hourly wage. As a result, the hourly values calculated for the six range from \$6.45 to \$18.46, substantially more than minimum wage and usually more than median wage, and these are for the more "taken-for-granted" types of volunteering. Imagine the hourly value of the donated legal services of an attorney or the donated medical services of a physician!

Words of caution: the true value assessment process based on the equivalency model is a bold, unapologetic system. It is proposed by one who is a strong advocate of volunteerism, but it must be employed with integrity. The paid classifications utilized for the purpose of establishing equivalency must be able to stand the test of close scrutiny. It is certainly a disservice to underestimate the value of volunteer time by assigning minimum wage, but just as surely, the credibility of the

equivalency based system will be undermined if indefensibly high values are assigned. Respect for volunteerism will grow in direct proportion to the manner in which volunteer leaders manage their affairs. A businesslike approach will be modeled by thoroughness and precision in formulating any analysis of the volunteer product.

MORE TO COME . . .

We have just begun to unveil the true worth of the volunteer product. Part II of this article will appear in the next issue of The Journal of Volunteer Administration (Vol. I, No. 3, Spring 1983). In Part II we will explore other frequently overlooked phenomena in estimating the worth of volunteering.

FOOTNOTES

¹"Americans Volunteer Time Worth \$64.5 Billion a Year," UPI News Dispatch, Richmond Times-Dispatch, January 7, 1982.

²Fahy G. Mullaney, "Citizen Volunteers Are Breaking into Jail," - Corrections Today, July-August 1981, pp. 54-8.

³Compensation Plan and Schematic List of Classes, Commonwealth of Virginia, 1982.

⁴Telephone interview, Chesterfield County, Virginia Department of Personnel.

⁵Estelle Jackson, "Just How Much is Wife Worth?" Richmond Times--Dispatch, April 27, 1980.

⁶Telephone interview with Lee Daney, Big Brothers/Big Sisters of America.

⁷Telephone interview, Fairfax County, Virginia Department of Personnel.

APPENDIX
Model Work Sheet

True Value Assessment Computations

<p>I. VOLUNTEER JOBS COVERED:</p>	<p>I. EQUIVALENT PAID CLASSIFICATION:</p>
<p>II. ANNUAL SALARY FOR EQUIVALENT PAID CLASSIFICATION</p>	<p>II. SALARY:</p>
<p>III. VALUE OF BENEFITS PACKAGE</p>	<p>III. FICA: Retirement: Health Insurance: Life Insurance: Workmen's Compensation Insurance: Other Benefits: _____ _____</p> <p style="text-align: right;">+ _____ = _____</p> <p>TOTAL VALUE OF BENEFITS = _____</p>
<p>IV. VALUE OF TOTAL COMPENSATION PACKAGE</p>	<p>IV. Annual Salary = _____ Benefits Package = _____ ANNUAL COMPENSATION PACKAGE = _____</p>
<p>V. ESTABLISHED ANNUAL WORK HOURS FOR AGENCY</p>	<p>V. ___ hours/wk x 52 weeks = _____</p>
<p>VI. HOURS PAID BUT NOT WORKED ANNUALLY</p>	<p>VI. Annual Leave = _____ Paid Holidays = _____ Paid Sick Leave = _____ + _____ TOTAL HOURS PAID BUT NOT WORKED = _____</p>
<p>VII. HOURS ACTUALLY WORKED ANNUALLY</p>	<p>VII. ESTABLISHED ANNUAL HOURS = _____ HOURS PAID BUT NOT WORKED = _____ - _____ ACTUAL WORK HOURS ANNUALLY = _____</p>
<p>VIII. TRUE HOURLY VALUE</p>	<p>VIII. TOTAL COMPENSATION ÷ Actual Hours = </p>
<p>IX. NOTES ON THE COMPUTATIONS:</p>	<p>IX. NOTES:</p>