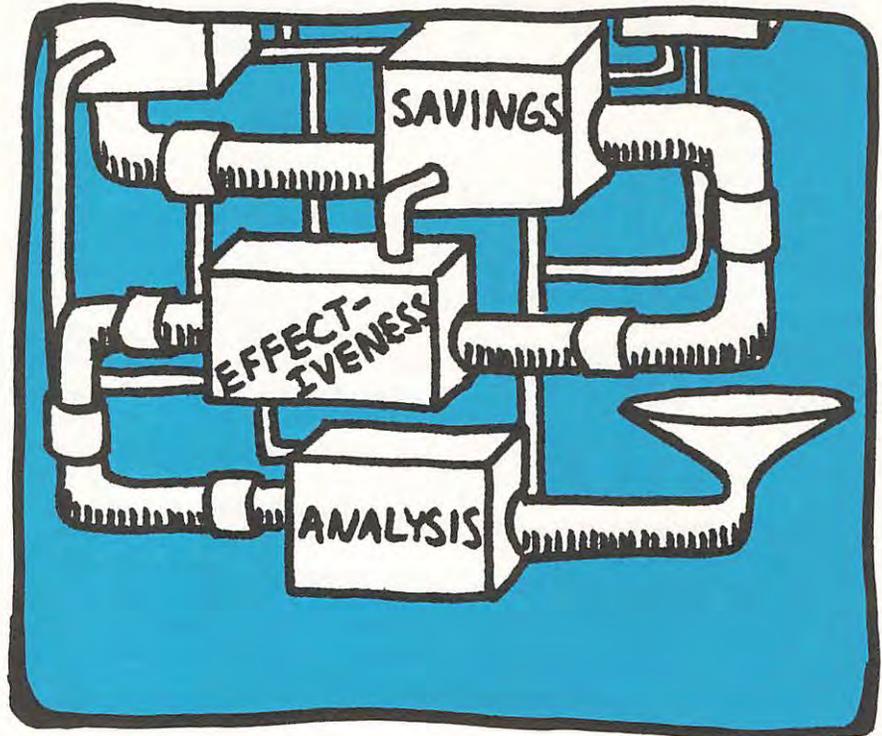


Improving Your Program

Your Program Is Worth More Than You Think

An introduction to
volunteer program
COST accountability

By R.C. Hodgkins, Jr.



IT'S COMMON KNOWLEDGE THAT citizen involvement has been and is the backbone of our democratic way of life. Yet, in recent years, it has been pushed out of the mainstream of human services. Part of the reason for—as well as the result of—this tendency has been that volunteer managers have not been equipped to evaluate their purpose, goals and objectives.

The following study provides a systematic way for the volunteer manager to determine program effectiveness and the cost of that effectiveness. Once this information is gathered, it can be a mighty tool for decision-making and comparing volunteer services to existing agency services.

TODAY A VOLUNTEER PROGRAM must be based on sound management principles, which include hard facts backing up the reason for its existence. Programs can no longer survive because they are nice to have or are a good philanthropic idea. Program accountability and program evaluation are prerequisites—both for the future and

very survival of programs.

Human service organizations today finally are learning from the business and private sectors. Today we are forced to be accountable, to market positive outcomes from the analysis of cost and benefits. Cost—dollars and cents—and benefits equal how effective our services are.

We can all become more accountable, more permanent and more productive in today's world if we know how much services cost, how effective they are and how they compare to other similar services.

There are basically five types of studies to determine the cost and quality of volunteer service programming. Different researchers use different terms; however, for this article, I am using some of the most commonly accepted terms with the sport of baseball as an analogy:

1. Determining Program Costs

This is a simple cost study, a "single" or "getting on base." The focus of this study is on one program and any

method available of deriving actual cost of the program. This involves cost data and output or statistical data on your program. Here you define what your program services are and how much they cost.

2. Determining Cost Savings

This is our "double" or cost savings. It is a comparison of different programs or one program over different periods of time. This type of study is necessary when two programs or services are involved in the analysis. They could include paid and unpaid staff doing the same job or two similar volunteer programs. You need cost and output data of two programs or one program over different periods of time.

3. Evaluation of Relative Effectiveness

This is a "double" or possibly a "double" that has been stretched to a "triple."

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Again, two programs are involved. Focus of the study is on relative effectiveness in reaching the same goals of two programs. The term "relative" suggests comparison of the effectiveness of two programs.

4. Relative Cost Effectiveness

This is our all-out "home run." Such a study measures the effectiveness programs have in achieving purpose or goals as compared to each other. This information is then linked to its costs. Simply, this is how effective you are in reaching your goals and how much it costs. A study of this type accomplishes the following:

- Focuses on ratio data (effectiveness to cost) on one program over a period of time or two programs;
- Generally looks at one program and how it compares to other programs of the same type;
- Studies efficiency (effectiveness) in terms of the number of products invested;
- Requires that only impacts of programs and their cost be found, while cost benefit analysis, our final study, requires that we put a monetary value on benefits (No. 5).

All volunteer program managers should have as their goal the results of the first four studies.

5. Relative Cost Benefit Analysis

This is our "inside the park home run." This study is a comparison of costs and benefits to society of various alternative programs for a ratio of results in dollars to cost. One is able to put a dollar figure on the benefits of the program; however, it should be noted that this is the most difficult study to conduct and is not recommended unless you have an in-house researcher. In the relative cost benefit analysis you must have an alternative to compare. Programs compared must be exact market counterparts. You must be able to measure benefits and monitor costs and you have ruled out all explanation for "skew" in your study.

The most important thing for volunteer managers to do is address their evaluation or "get up to bat." My experience is that they often do not have the confidence needed to do that. However, as volunteer managers, we need to understand and be confident in the unique function volunteer programs can provide in realizing an agency's mission. To best fulfill that role, programs must be evaluated and held accountable for their

goals and standards of cost effectiveness.

For much of the remainder of this paper, I will concentrate on cost analysis, since it is the area I have found needing the most work in our field. Evaluating goals and objectives is a much more familiar process and there are many more materials and resources available on this subject.

Cost Analysis

The prime recipients of any cost analysis are those people who have the final decision-making power and authority over staff and services (county commissioners, judges, governors, heads of corrections). In doing any cost analysis, one must first know what information is needed by decision-makers. The goal of the analysis is to present your volunteer services as an alternative that can maximize the difference between social benefits and social cost.

The following is a step-by-step method of deriving costs (program accountability). A couple of points in review before we begin: As volunteer program managers, we need to determine, first, if there is an alternative with which we can compare our program. Many social programs have no market counterparts; however, if no similar program exists, you can determine the cost and effectiveness of your program by examining it over different periods of time.

Second, a distinction must be made between *input*, *output* and *benefit*. *Input* is the dollars or program costs; *output* is the number of products produced or the number of hours of service (immediate measure). Output produces benefits; *benefits* are accomplishments, achievements and results, such as improved organizational delivery. Benefits many times defy measurement—in particular, in human service organizations because of the difficulty in isolating the effects of volunteer programs versus other contributing factors.

Most of the obvious benefits of human service volunteer programs are not measurable in monetary terms. Therefore, the little analysis that has been completed in our field relates to cost analysis and cost effectiveness. Though many of these "intangibles" cannot be assigned a monetary value, they are crucial, to the program, your agency, and those you serve.

A. Immediate Benefits

- Increased quantity and quality of services
- Improved relations between agency and community
- Improved information through volunteer feedback
- Career reentry experience
- Job creation
- Improved morale of client or patient
- Ability to watch client needs w/community pool.

B. All Encompassing Societal Benefits

- Increases participation
- Improves citizenship
- Increases attention to basic human needs
- Provides a broad educational experience.

There are many other benefit features that relate intangibly and are, therefore, hard to measure. Never discount the intangible in describing the overall benefits of your study. The benefit of your volunteer program to agency staff, taxpayers, volunteers, clients and society in general cannot be understated.

The following are my recommended steps for a program and cost study.

Phase A—Setting Up

- Step 1—Determine purpose of your evaluation.
- Step 2—Find out as much as you can about the program/services that you want to evaluate.
- Step 3—Precisely describe the programs being evaluated and the function you would like to focus your research on.
- Step 4—Establish a research team.

I've found it helpful to select people from your agency to be part of the team that advocates volunteer services; at least one of this team should be a critic. "Adversary research" has many benefits and adds a reliability factor in presenting the results.

Phase B—Planning Your Instruments

- Step 1—Decide what must be measured and what needs to be measured (cost, quality, or both).
- Step 2—Select type of study instruments (cost analysis or program evaluation, exploratory study).
- Step 3—Consolidate your concerns into a few instruments (questionnaire, interviews, tests).
- Step 4—Plan construction and design or purchase instruments.
- Step 5—Plan out your data analysis

Form A Cost Study Worksheet

Cost Category	Total Cost	*Cost to Parent Agency	Cost to Others (Gov.-Private Funds)
Personnel (paid):			
● Supervisors' Salaries			
● Volunteer Managers			
● Others			
Commodities:			
● Office Supplies & Forms			
● Photocopying			
● Food & Beverages			
● Bldg. & Equip. Maint.			
● Other			
Space & Related:			
● Office			
● Equipment			
Capital Outlay:			
● Furnishings & Equipment			
Other (Specify):			
● Janitorial Services			
● Mileage			
● Recognition Material			
● Training Material			
● Conference & Membership			
Dues			
Client Charges*			
TOTAL(S)			

Note: Transfer totals to Form B

with dates. Look at the instruments you selected, evaluating each carefully to make sure that its results are exactly what you want. This prevents wasting time or collecting the right information on a form that is impossible to use.

- Step 6—Choose evaluation designs. Again, your time frame is important. You should have a plan of who will receive the instrument, by when, etc.
- Step 7—Choose a sampling strategy

for administering instruments that are the ones that will help you measure what you need.

- Step 8—Estimate cost of evaluation.

Phase C—Collecting Data

- Step 1—Set deadlines.
- Step 2—Administer instruments, score and record them.

Phase D—Analyzing Data

- Step 1—Graph data for trends, averages and comparisons. Use

statistics that are not complex.

- Step 2—Do the analysis, averaging summary distribution scores, statistical significance, and if available, using a computer for all important considerations.

Phase E—Preparing the Report

- Step 1—Plan the report; outline and format are very important.
- Step 2—Determine methods of presentation. Decide whether the recipient

Form B Cost Effectiveness Calculations for a Volunteer Program

A. Cost Figures

I.	Total Cost	\$	
II.	Cost to Parent Agency	-	
III.	Cost to Others	+	
IV.	Net Program Cost	-	

B. Outcome Figures

V.	Total Hours Contributed	
VI.	Total Products Produced	

C. Calculations: Two types—use depends on outcome figures (V or VI) used in calculus V. *To derive cost savings of the program* (when using V, hours contributed):

1.	Total Outcome Units (V)		
2.	Multiplied by Cost for Paid Staff Equivalent to Produce One Outcome Unit x		
3.	Equals Gross Cost Savings	-	
4.	Minus Net Program Cost (I)	-	
4.	Equals Net Cost Savings	-	

OR

VI. To Derive Cost per Outcome Unit Produced: (When using products produced)

1.	Program Cost (IV)		
2.	Divided by Total Number of Outcome Units (VI)	÷	
3.	Equals Cost to Produce One Outcome Unit	=	

will get an oral, written, formal or combination report. If there is to be an executive summary, decide who will get it and what the format will be.

● Step 3—Assemble the report and distribute it.

Cost Study Exercise

Here's a chance to practice a "simple cost study." Start by reading the scenario below and assume you have completed Phase C, Step 2. Then complete computation forms A and B. This should lead you to your answer (results) found on form B, VI, 3.

The scenario is an actual cost study I completed within the Minneapolis court system, comparing the cost of a

prehearing investigation conducted by volunteers in the juvenile court with reports completed by paid probation officers. The average prehearing investigation completed by volunteers was \$120; the average cost of reports completed by paid professional probation officers was \$360.

Scenario

Flash! You have just been told by your agency director that your funding source plans to cut the agency budget by 30 percent next year—despite any service losses. She suggests that unless you can demonstrate a cost savings (as compared to paid staff) she will have to eliminate your pre-

hearing investigator program on January 1. You know that it is critical to do a program and cost evaluation of your pre-hearing investigation and submit a report to her no later than November 1. Your first step is to do a "cost study" that determines the total program costs and average cost per report. The director has told you that it costs \$360 for a paid staff member to do a pre-hearing investigation.

Your task is to use the following information and the calculus found on forms A and B to determine the average cost for a volunteer to do a prehearing report.

You select a time period for study (e.g., fiscal year 1978) and then develop several data collection methods—one-to-one research, questionnaire. The following are the results:

- Paid staff supervising volunteers on the job came to 940 hours at the rate of \$16.81 per hour.

- The director of volunteer services and on-site volunteer administrators spent 420 hours managing the program at the rate of \$16.90 an hour.

- An additional 50 hours were contributed by the agency director and the business manager at the average rate of \$17.50 per hour.

- The following commodities were costs to the agency: \$800—office supplies; \$500—photocopying; \$150—food and beverage; and, \$125—building maintenance and equipment.

- Volunteers completed a total of 227 prehearing investigations during fiscal year 1981.

- Your office and equipment rental came to \$1,000.

- That year you bought a desk, file cabinet and an audio-visual slide carousel for a total of \$500.

- Remaining encumbrances were miscellaneous administrative expenses:
 - Volunteer mileage - 10,741 at 13.5¢ per mile

- \$90 on recognition certificates

- \$200 for janitorial services

- \$75 for membership to a national volunteer organization

- \$40 for an in-service training honorarium

- The agency charged several families fees for volunteer work amounting to \$749.

Have fun, but more importantly, learn how to evaluate your program benefits and cost. Your very survival as a volunteer program may be at stake, as well as the community benefits you provide.