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# Be Careful What We Wish For! The Cost-Benefit Analysis of Volunteering

By [Linda L. Graff](#)

September  
2000

**A Note from Susan:** *Linda Graff and I had an interesting telephone conversation last week about her recent encounters with similar client requests. I said: "You know, you ought to write this month's Hot Topic about this." And so she did. Thanks for the challenge, Linda!*

It's not really that they've called our bluff because quite clearly we haven't been bluffing, but I have found myself wondering over the past four months or so whether something major is happening-- something that we have been wanting for at least two decades that might actually be materializing. If it is: beware!

I have been in the business of volunteering for over twenty years, and in all that time I have been engaged with my colleagues across North America in the struggle (that's not an over stated term, is it?) to encourage policy makers, funders, boards and senior administrators (and I suppose society as a whole) to understand volunteering, its importance, and its contributions to community life and the human service delivery system. Volunteerism is STILL largely taken for granted.

At the same time, funders are pushing organizations to deploy volunteers. They want numbers, numbers, numbers. The words "Let's get volunteers to do it!" ring out in board rooms and at planning tables across the continent. Since most of the time these planners have no idea of what volunteer involvement actually entails, leaders in the volunteer movement have been forced into a defensive position, educating and advocating for appropriate strategies.

Okay, none of this is new, but here's what might be.

I have seen three big organizations in the last 6 months fund contracts that were, in essence, aimed at concretely assessing the value of volunteering. The RFPs from these three national level organizations asked the projects to identify and articulate exactly what volunteers do throughout their respective systems, and actually try to assess what volunteers' contributions are worth.

This emphasis on “worth” is the big change. In the past, we have seen efforts to increase volunteer productivity or system efficiencies. Now we seem to be moving into the area of cost-benefit analysis. Organizations want to know, in concrete terms, what volunteers cost and what they contribute--and they want both of these calculations to be in monetary terms. While there is some recognition that volunteers contribute to organizational culture and give gifts that are intangible, these organizations are looking for a bottom line answer to the question: "Are volunteers worth it?"

Now before ringing an alarm bell, I must admit that these are the most preliminary of observations, and the sample is admittedly small. But I think I may be detecting a pattern and if so, it could be really significant. Let me ask you: a) if you have noticed this, too and b) if there is some basis in reality to my thinking, what you think the implications might be.

While we've been asking organizations to take a good look at what volunteers contribute, I don't think we meant for it to go like this. I think we wanted leaders to recognize the value of volunteering (to recognize its indispensability like we do; it's so obvious to us in the business) so that they would open the purse strings and finally fund managers of volunteers and volunteer department budgets to the level that they really deserve. We didn't mean to say: "Take a close look at volunteering to make sure that it's worth any investment at all."

Now I'm not suggesting that we should be above scrutiny. And I'm not saying that the volunteer department should be exempt from the same kind of fiscal accountability that other departments must endure. BUT...when any other paid staff department is called on to account for their expenditures or to justify their budgets, there is a completely taken-for-granted assumption that the labor is valuable and returns a product. Personnel and program evaluations may turn up evidence of how services delivered by paid workers might be made more effective and how individual performance might be enhanced, but the underlying assumption is that the work is useful and is worth (generally) what it is paid.

At first glance, when an organization says let's do a cost-benefit analysis on volunteer involvement, it seems a reasonable thing to do. There are hard costs associated with volunteering and an organization is simply being accountable when it asks, "What are we getting in return for that investment?" In truth, too many organizations have emphasized the size of their volunteer corps over the impact of the volunteer work performed. It is not worth time or money to coordinate anything that is not helpful to service delivery.

But here's the rub: We don't know how to measure the value of volunteering.

Since everything in our society is measured in monetary terms, we automatically attempt to construct a money-based measurement tool and assign a monetary value. Since work is valued by what it is paid, we apply the same thinking to volunteering. This generates the simplistic “replacement value” approach: add up the hours of volunteer work, assign some replacement value (what it would cost if you had to pay a person to do that same work), cut that replacement value by at

least a third (because you don't ever want to be accused of inflating the value of volunteers work so you underestimate it) and report that figure in the justification for the next year's volunteer program budget.

We supplement the replacement value approach by counting everything that's countable: how many volunteers, how many hours, how many drives, how many meals delivered, how many calls taken, how many clients seen, how many children taught, how many ....., how many ... . We want to be scientific and counting generates numbers that seem scientific. We measure success by achieving bigger numbers this year than last year. The problem with the counting approach is that it shows we are very busy, but it hides whether we have accomplished anything!

Herein lies the promise of "outcomes-based" evaluation. It puts us in touch with what volunteers actually contribute. It is new, it requires a new mind set that is difficult to acquire, but it is slowly spreading through volunteer programming in North America. Outcomes-based evaluation is a very useful process since it pushes organizations to really identify what they think volunteers should achieve. But I fear that outcomes-based evaluation won't be nearly enough for the boards and finance directors who want to attach a dollar value to the outcomes that volunteers produce. (For more about "outcomes-based" evaluation, see Melissa Eystad's book, *Measuring the Difference*)

We can say that the presence of volunteers enhances the morale of a department, or that volunteers bring their own unique enthusiasm, creative ideas, energy, and vitality. We can say that volunteers at the bedside contribute to the quality of life in the last few days in the life of a child who is dying-- invaluable solace, attention, and comfort that overworked staff cannot provide. And on and on. While such things are true, and maybe even documentable and measurable, we can't easily assign a dollar value to them. You and I might know that without the presence of volunteers in the system, human services and community life as we know it would become a vast and barren wasteland. But what's that worth? And how do we communicate its worth to a board that is pushed to the financial wall, pressed to justify every expenditure, and desperate to find cost-savings wherever they can be found?

So we did want them to pay attention and value volunteering. But is this the attention we wanted? Are we seeing the very beginnings of something that could sweep through our sector? Might we soon see boards everywhere asking the apparently reasonable question: "Well, what ARE we getting from those volunteers anyway?"

That's why I say "beware!" We could be in deep trouble. We may have loosed an interest in volunteerism that we cannot respond to in a way that will be acceptable. I am not trying to make a big deal out of nothing, but I do wonder if this resonates with others in the field and whether others might be able to advance our thinking on this one.

- Have you been seeing an increase in questions about the monetary value of volunteers?

- How do we, right now, respond to the cost-benefit analysis inquiries in a way that honors volunteering and its complex and unique contributions?
- Anybody know of a cost-benefit analysis tool that can truly measure the dollar value of the solace provided to a dying child or the mentoring of a teenager that helps her or him to stay unabused and drug-free?

Lots and lots of comments invited.

Related Topics: [Evaluation](#) | [Program Assessment](#) | [Image of Volunteering](#) | [Monetary Value of Volunteer Time](#) | [Profession of Volunteer Management](#)

Posted 9/26/00

**Submitted by Alfredo Behrens, CEO, Datametrica, Sao Paulo, SP, BRAZIL**

An important article which has elicited a substantial amount of informed and useful responses. Indeed, one would want to measure and show results if one is asking for contributions to support our voluntary work. This requirement is intertwined with the accountability that one requires from authorities regarding the use of our tax money. Complying with this requirement taxes volunteer resources, no doubt, but it should be an intrinsic part of our work. The replacement value approach, to measure value of service rendered, is sound when measurable. Even then, when voluntary work is large enough, or focused enough, such as in the case of nurses - brought up by Janet Lassman (CARE), the replacement value may underestimate the value of volunteers. For instance, in extreme cases, too many volunteers may depress the wage of employed nurses which is used to measure the value of the volunteers. Not that CARE may be extreme, but it must have some impact on the wages of nurses, so the benchmark would be flawed.

Lucas Meijs, from the Netherlands, brings up another interesting angle to the issue: What about the renewed societal vigor of a society that engages in volunteer work? Should those positive outcomes not be worked into the value of funding volunteer work? Lucas is right. There is very important evidence that volunteer work, as part of increased community networking, renders a more vigorous political system. For a brief insight into Robert Putnam's work please see [[link no longer available, 2014](#)]. Yet important as that societal contribution may be it still leaves the initial question unanswered: how to measure? Besides, it still introduces another question: why would a company want to fund it?

Jeannie, of Marketing, rightly complained about obtuse middle-management who can only see the company bottomline. Yet that is what those people are paid to do, they are accountable. If we are to elicit their favors we must argue along their lines, which should also be ours. If such-and-such a company were to fund volunteer work, it should stand to earn something out of it, otherwise we should be asking the money from the shareholders. We should be looking into ways in which their company money is also put to work for them. Perhaps we could offer them better terms than simply advertising. We should elicit the volunteer favors of advertising people and get their help in measuring the publicity, fidelity, recall or other desired impact of company-funded volunteer

program. Surely this effort would cut on the direct benefits we seek from our volunteer work, increasing the managerial share of our budgets. But it would allow us to value volunteer work more effectively. Perhaps it would even value volunteer work more handsomely, because advertising is very expensive. Furthermore, it would have the benefit of bringing the add people closer to volunteerism, and it should be in everybody`s benefit.

*Posted 9/25/00*

***Submitted by Jean Strating, Volunteer Program Specialist, Public Library , Florida, USA***

I am a little concerned about the language we use when we refer to the cost benefit of volunteers. "Cannot be replaced with a dollar value," "the magic that is created by having volunteers involved," "human value" etc. True there is no way to value what a person contributes in caring and generosity, but aren't paid staff expected to have those same qualities? I think cost benefit and evaluation of tasks performed have to go hand in hand as we try to advance the professionalism of our vocation. If we continue to use terms that are deemed as warm fuzzies in our reports and Board rooms we will continued to be seen as pseudo-professionals. This may seem a bit harsh, but after finally making some headway being considered professionals in a meaningful field. We have to acquire a more professional language and practice. If you look at the Job Postings on this web page you can see that there are to many volunteer positions that are being offered at less than professional wages. We have to convince management that we are more than add on's to a good program.

*Posted 9/26/00*

***Submitted by Cindy J. Fairs, Okanagan Volunteer Management Services, Kelowna, British Columbia, Canada***

Interestingly this topic comes at a good time, having recently completed some work for the Voluntary Sector Governance Task Group. As I worked with the agencies and promoted the importance, accountability and identified ways to determine measurable outcomes, I too internalized "where is all of this going and where is it going to lead us in the future?" It is rather obvious in our own minds for those of us who work with volunteers, that the work of volunteers cannot be replaced with a dollar value no matter how great. However, as we scrutinize and tabulate the contributions of our volunteers and their efforts, we gather factual information which becomes measurable. In looking at the scope of the bigger picture this is 'what substantiates the existence of volunteers and the programs and agencies within which they serve!

*Posted 9/11/00*

***Submitted by Peter Radloff, Assistant Director, Volunteer Services - Northern Virginia Training Center, Fairfax, VA***

We have used the monetary system in the past quarter or two as a supplement to our hours and completed projects report. Only, I mean only to supplement. You cannot place the dollar value of a volunteer. Sure you can transform hours served into a dollars and cents figure, but there is only one sure way to determine the worthiness of a program. That is to get feedback from the people

volunteering, and to attain feedback from those being served. Since we are a facility for adults with Mental Retardation, our recipient-based feedback is markedly lower. Therefore, we have to rely on other sources, such as parents, and paid staff to supply us with the "value" of the volunteer program. As a supplement, and possible justification for expanded funding, I think that dollar value is useful. But the bottom line to boards, and senior staff should be the feedback received. We keep written feedback reports from parents and staff on file for these purposes.

*Posted 9/11/00*

***Submitted by Lindajoy Vantrease, Volunteer Coordinator, Redwood Empire Food Bank, Santa Rosa, CA, USA***

What a great Hot Topic. I find that everyone wants the volunteer hours information--the Board, the grant givers, the volunteers themselves. We publish the total hours and the dollar value in our newsletter. Everyone likes to know that they are valuable, knowing how valuable is a treat. The information gives the Board of Directors invaluable information and lets the grant givers know how much the community supports us. Thanks again for the timely topic.

*Posted 9/11/00*

***Submitted by Kate Munro, Mater Community Integration Manager, Newcastle Mater Hospital, New South Wales, Australia***

As a manager of volunteers (and of course lots of other projects!) in a Cancer/Palliative Care Hospital -budget conversations rule the day! I keep statistics (some you listed). I only keep them for the administration -not for the volunteers. I can engage with the admin people about the dollar value because that's often the only common link we can engage in when I talk about volunteering. I find most of these people have no access to the "magic" that is created by having Volunteers involved -the measurable outcomes that we all know but find difficult to put into words.

I feel the Volunteer movement has a new challenge -not necessarily one of converting Volunteer contributions into dollar values but one of how to language the almost impossible task of enrolling the funding bodies and administrators into seeing the "human value" and the enrichment of everyone's life by being of service to others. I often say that I am not the person who changes peoples' views -its the Volunteers by doing what they do, give people access to the joy of helping each other. Thanks for a great hot topic.

*Posted 9/8/00*

***Submitted by Marsha Riddle, Western Carolina Center, Morganton, North Carolina***

How times change in our professional world as well as the world around us and in society. I have never really considered the value of volunteers and volunteerism in our society as measurable by financial terms only. My grandmother's Webster's Home and School Dictionary defines value simply as "that which renders anything useful or estimable". The definitions today are much more detailed and certainly put usefulness almost out of the definition. I much prefer to think of the value of the volunteer in terms of their usefulness.

How can one measure one's concern for one another? How can we measure self esteem, joy and happiness? How can we forget that we are all trying to return to a time when neighbors care about neighbors and children become good caring citizens? This is not done by pouring money alone into schools and communities which are poor in spirit and caring? It can only be done when there is a genuine involvement of people who will volunteer their time, their voices of advocacy, and their personal efforts to make their communities better.

There is great value in holding the hand of a child in need, visiting the lonely senior, and raising awareness as well as funds to support organizations who battle to bring healthy babies into the world, feed the hungry, clothe the cold and provide them shelter, protect the abused, and bring a smile to the face of a handicapped child as they are cheered on in Special Olympic competition. There will never be enough money to take the place of the volunteer nor is there a good method to evaluate their intrinsic worth.

***Posted 9/8/00***

***Submitted by Gloria Deucher, Director, Volunteer Services at Thirteen/WNET, New York City, N.Y.***

Several times a year, various departments throughout my organization will call and ask for volunteer statistics. They need the numbers for grant proposals they are writing. Foundations and other funding sources pay attention to the amount of volunteer support (be it hours or numbers of volunteers) an organization receives. It's an indication of community support which, in turn, is some indication of an organization's importance to the community it serves. Just as in the for-profit world, funders want to invest their money wisely, too. Inquiring about volunteer support is an integral part of their analysis. Although our volunteer programs can't take complete credit for all the grants our organizations receive, as volunteer administrators we can certainly bring the role we do play to our management's attention.

***Posted 9/8/00***

***Submitted by Arlene Osborn, Outreach Coordinator, Wyoming Congressional Award Council, Wyoming, USA***

Maybe we should look at it in the reverse--what do we have without the services the volunteers provide. Will the CNA or the floor nurse deliver a book or magazine or a cup of juice to the patient? Will there be as many CPR classes taught? Can we afford to pay a staff person to do what the volunteer is doing if we determine that the service, even though it is not essential, is something which enhances the other services we provide. What kind of reputation do we want to have as a non-profit, one of products provided on our terms, or one of providing personal involvement which makes a person feel more comfortable?

Many non-profits depend upon volunteers to do essential clerical duties, as an example. I have often thought that if that service is one where there is little customer contact, heavy on duty and time, then it should be a paid position. Because if it is that necessary then it is a disservice to the volunteer to be put under that much responsibility and time to keep the business going. But, if the volunteers are

using their skills which they have gained over a lifetime then it offers them the opportunity to continue using them.

Volunteerism is also a valuable way for people to learn new skills which then can make them employable, which should be an obligation of the non-profit to see that they become. The hazard though, is that when a volunteer becomes employable through working for free as a volunteer, the non-profit will either take advantage of the situation and keep them on, or not hire them, or not help them find employment. I think it is important to look at the mission of the non-profit to determine if the use of volunteers is what will continue to enhance the business. Can the mission be accomplished by paying a staff, or would it be impossible to provide good quality service without volunteers, no matter how many staff you have. People volunteer because they want to. Staff work because they (usually) need a paycheck. Where is the heart?

*Posted 9/8/00*

***Submitted by Ada Nanning , Coordinator of Volunteer Resources , Albert***

Your article was so timely.... I will be presenting a workshop on this topic at AVA...There are tools which can be considered in assessing worth... As Volunteer managers professionalize, we will be required to bring in more accountability to our actions... I anticipate more interest in this topic area, as funders grapple with gaining a return on their investment...

*Posted 9/8/00*

***Submitted by Marge Wilson, Volunteer Coordinator, Columbia River Mental Health Services, Washington, USA***

You present some challenging questions. Our agency does come under scrutiny about cost-benefit issues of the volunteers. One way that we see the volunteer "value" is to semi-annually open up our spreadsheet of volunteer hours that we track and to each volunteer's assignment we affix a wage value for their services. If we had to pay a nurse for the hospice care, or a case manager, or a tutor etc. etc. Those wages totals are added up and we can say our agency had \$10,000 in equivalent working wages contributed by our volunteers....in essence saving our agency \$10,000! Not the ultimate answer perhaps, but this tracking method also helps with grant applications to demonstrate community partnering and involvement, and of course we know how grants like statistics like # of hours volunteered annually and the wage value contributed. Another minor benefit of the volunteer is their help with fundraising and the money they generate for the agency...plus many businesses like volunteerism and will donate to our agency to support volunteer projects. So it is a great "goodwill" outreach to the community as a whole.

*Posted 9/8/00*

***Submitted by Ken Becotte, , Executive Director, United Way of the Fraser Valley, British Columbia, Canada***

I believe the issue of cost-benefit analysis is one that goes far beyond the realm of volunteerism. It is a challenge for the entire not-for-profit sector to determine what is the value of our work. This not only includes volunteers, but also applies to a large range of intangible assets. What is the value of developing a donor? What is the value of an information and referral program? What is the value of



the training given staff and volunteers? These questions of the value of intangible assets are also being asked in the for-profit sector. An article titled "New Math for a New Economy" in issue 31 of Fast Company Magazine by Alan M. Webber covers it in more detail at <http://www.fastcompany.com/38859/new-math-new-economy>. What we need to be working on is an accounting that values the intangibles as assets.

*Posted 9/8/00*

**Submitted by Janet Lassman, RN, Director of Volunteer Services, Emergency Nurses CARE, Virginia, USA**

In our national organization which is all volunteer with a minimum of staff we do try to put a dollar amount on what our volunteers do because without them we would be out of business. We are pretty focused on who our volunteers are, as well. They have to be emergency nurses or paramedics so we can use a replacement figure. The figure based on numbers of programs presented and numbers of hours spent then becomes part of our budget and audit. I think our organization is probably different from many in that way. We are interested in doing outcome studies as well. The nurses present injury prevention programs to the public about drinking and driving, safety belts and other injury prevention topics.

*Posted 9/5/00*

**Submitted by Jeannie, Marketing, GA**

We've suggested several volunteer efforts that could be pursued by employees at my company. The response from upper-management was negative. Their question: How will this help productivity? So...I would say that you are right on target. Beware and get ready for a steady withdrawal from those medium-sized corporations whose narrow-minded managers see value only in the bottom line.

*Posted 9/5/00*

**Submitted by Lesley Dunn, Executive Director, Volunteer Resource Centre, Halifax, Nova Scotia Canada**

Last Year in Nova Scotia Ron Coleman released the GPI Atlantic Report that looked at the Economic Value of Volunteering in Nova Scotia. It was a huge success with our governments. What happened after the release of the report? Nothing! The report was based on information from Statistics Canada and placed a dollar value on volunteer activities. The Volunteer Resource Centre in Halifax put to use some of the information in news releases and letters to government. For example "news flash, 285,000 Nova Scotians leave the work force, \$2.2 billion impact on the provincial economy." This stirred interest, but again we were still tasked with the numbers game. Even our governing boards want numbers. Many of us spend hours nurturing potential volunteers through their selection process, and then we spend an equal number of hours ensuring groups and organizations have a positive environment within which volunteerism will flourish. None of this is measured of course. It is a shame that providing love, friendship and support to a fellow citizen is viewed as nothing more than a numbers game. It certainly leaves you with a disturbing feeling inside.

*Posted 9/1/00*

**Submitted by Lucas Meijs, Researcher and Consultant, The Netherlands**

Indeed the pressure to prove the monetary value of volunteers is increasing. Also internationally! In

the UK, Katherine Gaskin has developed the so called VIVA (Volunteer Investment and Value Audit), basically a method to measure the ratio of replacement value by organizational costs made for volunteers. It has been used in a small sample in Europe for national organizations (see Voluntary Action, vol. 2, nr. 1). In the Netherlands, we currently are developing a measurement instrument to find out the value of volunteering on two other issues which also are part of the value for society of volunteers. The first issue is what volunteers get out of it themselves. This is of course based upon the functional approach to volunteer motivation but this time tries to measure not what they want to get out of it but what they really get out of it in terms of pleasure, career possibilities, good feelings etc. (This is I think the easy part...) The second issue is on the social-political level. By volunteering, volunteers could become more involved citizens which makes the functioning and governing of democracy and society easier. (This is the difficult part). To summarize: If we need to prove the value of volunteers (and we need to), we need to not only prove the value volunteers have from the point of view of direct services (reduces costs and higher quality) we also need to look at the value volunteering has for society at large. Volunteering makes people stronger (we hope) which makes them 'better' people, both individually as collective. Brr! What a normative statement!

Posted 9/1/00

**Submitted by Holly McDonough, Dir. Volunteer Services, SE MN RSVP, Minnesota**

The National Senior Service Corps requires its Senior Programs (Retired and Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), and Senior Companion Program (SCP) to complete *Programming for Impact Statements* which address the issue of volunteer accomplishments and impact. These statements, although initially difficult to wrap our minds around, have been very beneficial as volunteer recruitment tools and show current and potential funders the reality of what volunteers can do outside of the confines of dollar value.

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