

## Valuing Volunteering

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### INTRODUCTION

We live in a world in which we need to account for every aspect of our lives. Regulation and accountability have become the watchwords of our time. And volunteering is not immune from this trend. Volunteering is increasingly having to justify its existence and prove that it is worth investing in. It is no longer sufficient to assert that volunteering is "a good thing." Evidence is required that 'volunteering works'; that it can deliver on its promises. This push for greater performance measurement has come from a variety of sources.

On the whole this trend is to be welcomed. It is surely right that volunteering should embrace the demand for greater accountability. And as Susan Ellis (1996) asserted: "No one wants to give their time for something that has no impact." But a word of warning needs sounding. In the rush to develop models for valuing volunteering we need to ensure that we don't, by default, serve to devalue its contribution.

A number of useful models have been developed for measuring the economic value of volunteering. But we should be wary of over-emphasising the monetary value of volunteering. Volunteering should not be reduced to the bottom line on a balance sheet. We should avoid at all costs the crass and damaging equation that volunteering equals money saved.

What we need we will argue is a more complete audit of volunteer performance; one

that embraces the economic dimension, but is not enslaved by it. An audit which takes account of the full range of stakeholders involved in the volunteering contract—the volunteer, the host organisation, the recipient of the service, and the wider community. And an audit which pays attention to the harder to measure, qualitative aspects, as well as the easier to measure economic impacts.

### A BIT OF THEORY

Most impact assessments of volunteering to date have tended to focus on the production of economic and physical capital — the financial saving to the organisation and the delivery of identifiable or "physical" outputs arising out of the volunteer's efforts.

In many ways these are the easy bits to measure, important though they are to the overall picture. There are other less obvious measures which also need to be considered in drawing up a complete picture of the impact volunteering makes.

Wilson (1997) has argued that in addition to generating economic and physical capital, volunteering is:

- Productive work that requires human capital;
- Collective behaviour that requires social capital;
- And ethically guided work that requires cultural capital.

A total volunteering audit needs to take into account each of these different forms of capital.

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## **Economic Capital**

Assessing the economic value of volunteering can be done in a variety of ways.

The Institute for Volunteering Research has estimated the economic value of volunteering to the UK national economy using the simple formula of number of volunteers multiplied by the average hours volunteered per week multiplied, by the average hourly wage rate, to come up with a figure of £40 billion—making the volunteering industry one of the largest contributors to the Gross Domestic Product.

However, such a calculation is of rather limited value. It tells us how much the country would have to pay if all volunteers were paid. But tells us nothing about the investment costs required by an organisation to generate this economic value—volunteering is not cost free.

The Volunteer Investment and Value Audit (VIVA) has been developed in the UK (Gaskin, 1997, 1999a, 199b) to enable us to calculate the economic return for every pound or dollar invested by an organisation in its volunteering programme. The VIVA ratio places the volunteer's wage equivalent against the total investment costs to the organisation.

The market value of volunteers' work can be calculated by breaking down a volunteer's workload into individual tasks, which can then be costed against equivalent local wage rates. Alternatively, the market value can be calculated taking volunteer job descriptions/titles and finding the wage rates for equivalent paid jobs in the local market.

Investment or expenditure costs include paid support staff (the volunteering manager), building rent, training courses (for manager and volunteers), recruitment costs, expenses and insurance.

In a comparative study between the Netherlands, Denmark and England VIVA ratios were found to vary between 1:2 and 1:13.5 (Gaskin, 1999a). In other words, for every pound that was invested in volunteers a notional return of between £2 and £13.50 was generated.

Volunteering will also have a more profound economic value that is much harder to

measure. The saving to the nation by a reduction in crime brought about by volunteering neighbourhood watch schemes; or the savings in unemployment benefit caused by the increased employability resulting from volunteering.

Despite the usefulness of such equations we need to move beyond the economic if we are to fully represent the value of volunteering and not to fall into the trap of presenting volunteering as a great way for organisations and governments to save money. Volunteering has a value which transcends economics and it is to try and get at these less easy to quantify measures that we now turn.

## **Physical Capital**

On the surface physical capital is also quite straightforward to measure. Physical capital refers to the concrete product or output produced by volunteer effort—for example the number of trees planted or the number of wells dug. To measure the contribution of volunteers in these terms merely requires the organisation to count the physical outputs of their projects, and most organisations will already keep such data as part of funding requirements.

However, the issue is not so simple. To complicate matters there is a need to consider the quality of the outputs, alongside mere numbers. Fifty trees planted which fall down in the first strong winds is worth less than ten trees which survive the storm. Somehow a quality measure needs to be introduced into the equation.

## **Human Capital**

So far we have been focusing on the value of volunteering to organisations or to the nation at large—in terms of economic and physical capital generated. Human capital turns our attention more to the volunteers themselves, as it relates to the acquisition of skills and personal development resulting from volunteering.

Studies have shown a link between volunteering and employability—both in terms of hard factors such as new skills learned, and soft factors such as increased confidence. Studies suggest that volunteering has a role to

play in countering social exclusion and helping to re-integrate marginalised groups such as the unemployed and those with disabilities into mainstream society.

But measuring this impact can be difficult. We can count the number of training courses a volunteer has attended, but we need to know what impact this has had on their personal development. Measuring such things as growth in self-confidence is difficult, not least because of the issue of causality. It is hard to disentangle whether it is the volunteering which has caused the increased confidence or whether it is the fact that confident people are more likely to volunteer.

### **Social Capital**

While physical capital is concerned with inanimate objects and human capital is concerned with individuals, social capital is about relationships and building bonds of trust between people.

Since Coleman and Bourdieu first used the concept of social capital in the 1980s it has found ever-increasing popularity, especially over the past decade following the work of Robert Putnam. Putnam (1993, 2000) defines social capital as networks, norms and trust which enable and enhance co-operation for mutual benefit.

For Putnam social capital is a component of civic virtue. It is accumulated through the contributions that people make to community life, for example, through volunteering. Through enhancing norms of reciprocity social capital increases with use. As such it is rather different to other forms of capital. Spending social capital actually increases your savings account!

However, social capital is not always positive. In some instances the creation of strong community ties can lead to certain groups in society being excluded. A distinction has been drawn between bonding and bridging social capital to emphasise the point that not all social capital is outward looking.

Social capital is, of course, broader than volunteering. It is also particularly difficult to measure. There have been a few attempts to develop tools for measurement, most based on the compilation of a range of indicators.

For example, indicators of social capital include voting behaviour, trust in government, membership of voluntary organisations and volunteering.

### **Cultural Capital**

Finally, when thinking about a total audit of volunteering, an assessment of cultural capital must also be undertaken. Cultural capital refers to assets such as a shared sense of cultural and religious identity, including language and heritage. Volunteering can play a valuable role in helping communities to develop a closer identity. Although as with bonding social capital there is a danger that some forms of cultural capital can become exclusionary and discriminative.

### **Applying the Theory**

Having looked at the different components of a total volunteering audit, at the need to measure the contribution of volunteering to the development of economic, physical, social, human, and cultural capital, we now turn to the all-important question of how to implement such an assessment. The Institute has just received funding from the Global Services Institute in the States to develop a Volunteer Audit Tool Kit to enable organisations to effectively measure the contribution volunteers are making.

It is envisaged that the Total Audit will have a number of different elements to it:

First, we would propose a questionnaire to a sample of volunteers involved with an organisation asking about the impact of the experience on their lives: in terms of such things as enhanced social networks; skills gained; health benefits; and increased confidence. This questionnaire could be supplemented by a series of focus groups or one-to-one interviews with volunteers to tease out emerging issues.

Second, the total audit should consist of a different questionnaire to key staff within the organisation to assess the impact of the volunteers on the work of the group. The questionnaire would seek evidence of the economic and physical capital generated by the volunteers.

A survey is probably not the best way of

asking recipients what impact volunteers have had on their lives; and better results will be gained from one-to-one interviews. Particular care will need to be taken when interviewing vulnerable clients, such as people with learning difficulties or mental health problems.

Perhaps the most difficult element of the audit, however, will be assessing the impact on the broader community. Some of the measures will be of a macro nature—reduced crime levels resulting from a volunteer-inspired crime prevention programme; improved health brought about by a major volunteer-led inoculation programme. Others will be of a more micro level—a new community centre being set up; an inner-city wasteland being reclaimed as a public green space. It will clearly not be possible to ask all residents what impact volunteering has had on their lives and in some instances one may need to rely on the perceptions of leading community leaders as a proxy for public opinion.

One innovative method of capturing the broader public impact is to engage in so-called participatory appraisals, whereby assessment becomes the responsibility of the community itself. Participation in the appraisal of a programme helps to engender a greater sense of ownership, and may help with the long-term sustainability of the project.

In all of this the key question is getting the indicators right. The number of possible indicators in assessing the impact of volunteering is virtually infinite. The trick is to choose a range of indicators which are robust enough to stand up to academic scrutiny, but not so complicated that they are impossible to implement.

## CONCLUSION

Volunteering is having to move with the times. It is no longer sufficient simply to assert that volunteering is a good thing. Increasingly funders, regulators, managers (and volunteers themselves) are demanding to know what impact volunteering is having. To date most attempts at measurement have focused on the economic impact—what it would cost the organisation, or the country, if all volunteers were paid. But such indicators

give a very partial picture of the total value of volunteering and, used in isolation, are potentially damaging in that they serve to reinforce the notion that volunteering is all about saving money.

In this paper we have argued that other, more sophisticated measures are required. Such a total audit would need to focus on the physical and human capital produced and the social and cultural capital generated. Developing the tools to carry out such an audit will not be easy. But it will be time and money well spent if it enables us to speak with confidence for the first time about the true value of volunteering.

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