

*In recent years we have seen increasing interest in the whole issue of the economics of voluntary work. The research described in this article explored this aspect of volunteering in eight large voluntary organisations in the Netherlands, Denmark and England, using the Volunteer Investment and Value Audit. VIVA is an innovative technique that has been developed in the UK over the past five years through research in small voluntary organisations and consultation with national charities. This research aims both to explore the methodological viability of VIVA in large organisations and to produce data on the economics of volunteering in different European countries.*

# Valuing volunteers in Europe: a comparative study of the Volunteer Investment and Value Audit

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## **Introduction**

The project began in spring 1998 and concluded in February 1999. Co-ordinated in Britain, it has been assisted by linkpersons at the Dutch and Danish National Volunteer Centres, who recruited national non-government organisations (NGOs) to take part. Organisations were fully briefed to undertake an audit and to supply VIVA results in a standard format. They also completed an evaluation questionnaire that assessed the VIVA process, their reaction to the results obtained and any consequences or plans arising from the audit. Comparative analysis was carried out by the British researcher. A full report of the study can be obtained from the Institute for Volunteering Research (Gaskin, 1999).

## **Valuing volunteer time**

The valuing of volunteer time is 'a question of enduring interest in voluntary sector research' (Foster, 1997). Despite reservations about translating the currency of volunteering into 'monetary magnitudes', 'money can be a helpful shorthand or summary measure' (Knapp, 1990). The economics of volunteering are receiving even greater prominence and scrutiny as government enthusiasm for voluntary action reaches new heights. The prime minister launched the Giving Age and the Active Community by declaring his intention to 'invest in social capital' - the capacity of 'ordinary people' to make 'an extraordinary difference' (Blair, 1999). Meanwhile, voluntary organisations are under

increasing pressure to respond to demands for efficiency, transparency and accountability (Knapp and Kendall, 1996; Billis and Harris, 1996; NCVO, 1998) and many are turning their attention to the values and costs of their unpaid human resource - the volunteer workforce.

The valuing of volunteer time has been explored largely 'as an important component of an input measure of the value of the voluntary sector in the economy as a whole' (Banks and Tanner, 1997). In 1995, the National Centre for Volunteering, using survey data and the national average wage, estimated the value of formal volunteering as £25 billion and all volunteering as £41 billion (Volunteer Centre UK, 1995). Although noting that 'voluntary work is priceless', the Centre highlighted the advantages of quantifying the contribution it makes to the economic life of communities and the country. We are now seeing a rash of projects that aim to 'value the voluntary sector' in cities, counties and regions, including notional values of unpaid time (see, for example, LRDP, 1998; Lincolnshire TEC, 1998; Dass, 1998). The Centre noted that its gross calculations were a first step, 'a taste of what could be achieved in a more detailed analysis' (Volunteer Centre UK, 1995), a prompt that led to the development of the VIVA method (Gaskin and Dobson, 1996).

### **The Volunteer Investment and Value Audit (VIVA)**

Economic approaches to valuing volunteer time include the examination of opportunity cost (of the individual's

time) and replacement cost (to the organisation of employing someone to do the work) (Knapp, 1990; Foster, 1997). VIVA extends the latter approach to take account of the work that different volunteers do, analysing and measuring actual activities and matching them to paid work. Assigning a market value, or 'shadow wage', produces a notional 'volunteer wage bill' - the amount that an organisation would have to pay to employ people to do the work of volunteers. This figure represents volunteer value.

At the same time, VIVA addresses the issue of cost-benefit and cost-effectiveness by examining the 'inputs' to volunteer programmes (resources used to support volunteers) in relation to the 'outputs' (the value of volunteer time). It quantifies the financial investment that organisations make in their volunteers by collating all expenditures, from management staff costs to spending on advertising and recruitment, training, travel, administration, insurance, supplies and other expenses (Knapp et al, 1995). Dividing value by investment produces the VIVA Ratio, which states that for every pound invested in volunteers, there is a return of X pounds in the value of the volunteers' work (Gaskin, 1997b).

To date, the application of the VIVA method has produced positive results and a number of uses for audit data. Across a range of organisations, ratios are found generally to fall between two and eight, indicating that money spent on volunteers is more than doubled in value and that investment may even be

multiplied eightfold or more (Gaskin and Dobson, 1996; Gaskin, 1997a and 1999; Community Action, 1998).

Charities, intermediary voluntary bodies and statutory volunteer programmes have identified these benefits from VIVA: more professional practices; better strategic planning and evaluation; improved volunteer programme development; and better reward and recognition systems, improving the recruitment and retention of volunteers. They have also welcomed the public relations advantages of promoting the scale and significance of volunteers' work and their own cost-efficiency as an organisation. VIVA results have been used in the negotiation of contracts for services, and in formulating budgets and funding bids; the imputed value of volunteer time is accepted as partnership or match funding by grant bodies such as the National Lottery Boards and the European Social Fund, which specifies notional salary rates for four volunteer roles (DfEE, 1999).

Similar economic analysis of statutory volunteer programmes in the United States concludes that they are highly cost-effective and 'demonstrate enviable returns' on expenditure (Brudney, 1990). Use of such statistics 'has been influential in the US in legislative campaigns' relating to volunteer status and benefits (Cnaan et al, 1998). In Britain, the analysis of public investment in volunteering through statutory support uses gross figures to estimate 'an investment/output ratio of 1:30': that is, 'an economic payback of £30 for every

£1 invested by government on volunteering' (Davis Smith and Howlett, 1999). In presenting new government spending on carers in 1999, cost-effectiveness was a major motivation. 'Without the devoted work of carers, the government would have to spend millions caring for people' reported the BBC, concluding that 'investment in carers looks like being good value for money' (BBC television and radio news, 8 February 1999).

### **The organisations**

The organisations in the study work in the fields of conservation, HIV and AIDS, prisoners and crime prevention, scouting and guiding, emergency telephone advice, protection of the unborn child, a range of welfare services and social cafés. They have a wide range of structures and volunteer roles, and the number of their volunteers varies between 500 and 37,500. Key aspects of the organisations are outlined below.

#### *The National Trust*

Conservation of places of historic interest and natural beauty. Thirty-seven thousand, four hundred and twenty-five volunteers perform six major functions at over 400 sites; nine national Volunteers Office staff and 26 regional or property-based staff; written volunteer policy; training opportunities, some volunteer-run; volunteers report to paid staff or another volunteer.

#### *The Terrence Higgins Trust*

Working in the area of HIV and AIDS. Nine hundred volunteers working in four major areas complement paid staff's

work; volunteer roles include specialist professional work such as legal casework and policy development; a small team of paid Volunteers staff at head office; new volunteer policy; initial training for all, plus compulsory training for some roles; all volunteers managed by paid staff.

*The National Association for the Care and Resettlement of Offenders*

Assistance to prisoners and ex-prisoners, crime prevention. Three hundred and ninety volunteers in 13 Youth Activity Units; one central Head of Training and Development Services; outline volunteer policy; major focus on volunteer training; volunteers involved as mentors for young people at risk and in specialist professional roles, to complement paid staff; all volunteers managed by paid workers.

*Scouting Nederland*

The national scout and guide association in Holland. Twenty-six thousand volunteers, made up of 17,700 volunteer leaders in 1,250 local groups, and 11,000 on management boards and in other support functions (some do both tasks); decentralised, with autonomous local groups serviced by small core staff at national level; no written volunteer policy; extensive training programme, with required and optional courses; most volunteers managed by other volunteers.

*Federatie van SOS Telefonische Hulpdiensten in Nederland*

The Netherlands Federation of SOS Telephone Helplines (resembles UK's Samaritans). One thousand three hundred volunteers in 25 Telephone Emergency

Services posts across Holland, under 19 independent, self-supporting foundations; all direct services provided by volunteers; volunteer contracts and initial training; all volunteers managed by paid staff.

*Vereniging ter Bescherming van het Ongeboren Kind*

The Dutch Association for the Protection of the Unborn Child. One thousand, three hundred and four volunteers in 160 workgroups across the country; four major volunteer roles; 4.5 paid Volunteers staff at head office; volunteer policy and contracts; structured training programmes lasting from two to 16 days, depending on role; volunteers accountable to paid staff, but some self-management within groups.

*Dansk Rode Kors*

The Danish Red Cross. Seventeen thousand, nine hundred and seventy-three volunteers in 250 local branches; seven major volunteer roles; small central staffing; no written volunteer policy, but some regulations; expanding training programme; management of volunteers by local branches, and occasional paid officers.

*KFUM*

The Danish Young Men's Christian Association. Five hundred volunteers in 20 social cafés within the Social Work arm of KFUM; volunteers provide the core staffing for the cafés; written volunteer policy pending; national and local training; volunteers managed by paid café managers.

Table 1: VIVA ratios and volunteer hours, value and expenditure per annum

	NT	THT	NACRO	Scouts	SOS	VBOK	RC	KFUM
VIVA ratio	6.0	3.4	1.3	13.5	3.0	3.7	7.9	4.3
Total	37,425	900	390	26,000	1,300	1,304	17,973	253*
Total volunteer hours (000)**	2,248	59	60	7,464	304	99	3,045	101
Average hours per volunteer	60	65	153	287	234	75	169	396
Average value per volunteers	£339	£608	£1,867	£2,940	£3,247	£799	£1,588	£3,621
Average expenditure per volunteer	£57	£177	£1,420	£218	£1,083	£214	£194	£848

NT - National Trust; THT - Terrence Higgins Trust; NACRO - National Association for the Care and Resettlement of Offenders; Scouts - Scouting Nederland; SOS - Federatie van SOS Telefonische Hulpdiensten in Nederland; VBOK - Vereniging ter Bescherming van het Ongeboren Kind; RC - Dansk Rode Kors; KFUM - Danish Young Men's Christian Association

\* The audit covered a sample of eight cafés, with 253 volunteers

\*\* Rounded to the nearest thousand

## The results

The organisations produced VIVA results that captured their major inputs into volunteers and outputs in terms of volunteer value. Each VIVA is valid for its organisation, but caution is needed when assessing the results - comparisons should not be made that appear to judge one organisation as more cost-efficient than another. Rather, the different VIVA ratios show a great deal about the different types of organisation, the role of volunteers and the ways volunteers are managed.

### Ratios, average volunteer hours, value and cost

The VIVA ratio varies over a range from 1.3 to 13.5 (Table 1). The ratio means that NACRO's Youth Activity Units, for example, obtain a return of £1.30 in the value of unpaid work for every £1 they spend on volunteers, while Scouting Nederland's return is £13.50 on every pound. Most organisations multiply their expenditure at least threefold and the return for the National Trust and the Danish Red Cross is between six and eight times the investment.

The average annual input per volunteer is 60-75 hours in the National Trust, Terrence Higgins Trust and VBOK, 150-170 hours in NACRO and the Danish Red Cross, 230-290 hours in SOS and Scouting Nederland and nearly 400 in KFUM. The average hours per volunteer per year reflect to some extent the type of volunteer role predominant in the organisation, although in some organisations several volunteer roles are aggregated and there may be considerable variation between the time inputs by different types of volunteer. The average includes management committee and board volunteers, who usually contribute fewer hours over a year than other volunteers.

Average value per volunteer ranges from £339 in the National Trust to £3,621 in

KFUM. Average value is between £600 and £800 in THT and VBOK, more than £1,500 in NACRO and the Red Cross, and £3,000 or more in Scouting, SOS and KFUM. Values reflect to a large extent the number of hours worked per volunteer, but also the nature and assigned value of the work done.

The average cost per volunteer varies from a low £57, again in the National Trust, to £1,083 in SOS (when building and equipment costs are excluded) and £1,420 in NACRO. Four organisations spend between £170 and £220 per volunteer per year and KFUM spends £850. Regardless of the amount invested, there are some general patterns in expenditure, with a few outstanding differences indicating variations in organisations and practice.

Table 2: Percentage distribution of expenditure on volunteers

	NT	THT	NACRO	Scouts	SOS	VBOK	Red Cross*	KFUM
Recruitment	1.6	1.8	1.2	1.7	0.3	0.8	4.5	0.9
Training	3.7	5.9	10.8	7.7	1.4	2.1	1.5	5.8
Supplies	1.9	-	2.3	-	24.5	4.6	10.2	-
Travel	39.4	7.0	2.3	3.8	2.3	6.5	4.9	1.5
Accommodation/ food	24.7	7.2	0.9	21.9	3.9	-	0.5	19.0
Other expenses	3.4	0.7	0.2	29.3	-	9.1	-	2.2
Admin	3.9	6.9	-	4.1	0.1	11.6	25.4	1.4
Staff	21.0	70.4	75.1	6.1	47.6	62.8	52.9	67.7
Insurance	0.2	-	-	-	0.8	0.1	-	1.4
Building costs	-	-	7.0	25.4	19.0	2.4	-	-
Total**	99.8	99.9	99.8	100	99.9	100	99.9	99.9

NT - National Trust; THT - Terrence Higgins Trust; NACRO - National Association for the Care and Resettlement of Offenders; SCOUT - Scouting Nederland; SOS - Federatie van SOS Telefonische Hulpdiensten in Nederland; VBOK - Vereniging ter Bescherming van het Ongeboren Kind; Red Cross - Dansk Rode Kors; KFUM - Danish Young Men's Christian Association.

\* Central level expenditure only. Local group and joint group/central not disaggregable.

\*\* Some totals do not add up to 100 per cent because of rounding.

### *Patterns of expenditure*

When volunteer expenditure is analysed over the ten categories set out by the VTVA method, by far the most substantial investment is the payment of the salaries of staff with volunteer management responsibilities, representing between a half and three-quarters of expenditure in six of the organisations (Table 2). Only where a sizeable amount of volunteer management is done by other volunteers is this percentage significantly lower: 21 per cent in the National Trust and as low as six per cent in Scouting Nederland. Formal management volunteering (on boards and committees) represents a small proportion of total value: usually under five per cent. The exception is Scouting, where thousands of volunteers serve on boards in a highly decentralised structure and represent 40 per cent of total volunteer value.

Money spent on advertising for and recruiting volunteers is a small proportion of overall expenditure, usually one to two per cent. Training budgets are also quite modest: highest in NACRO at 11 per cent, around six to eight per cent in KFUM, THT and Scouting, and below that elsewhere. A number of organisations subsume some induction and training costs into the staff category.

Spending on volunteer supplies and equipment varies considerably depending on the work of the organisation. There is difficulty in some organisations in separating specific volunteer-related expenditure from general organisational expenses; SOS included all its building

and equipment costs as volunteer expenditure, which reduced its ratio to below the adjusted level shown in Table 1. It is argued that these are core expenses in a helpline organisation, distinct from volunteer investment costs.

Travel expenses consume between 1.5 and 7 per cent of expenditure, with the exception of the National Trust, where they represent 40 per cent, reflecting the distribution of the 400 sites of volunteer activity throughout the country and the distances covered by volunteers, particularly in rural areas. The nature of the National Trust's work also requires a high expenditure on accommodation and food for volunteers, and the same is true of Scouting Nederland and KFUM, which gives volunteer workers free meals in the cafés. Other volunteer-related expenses and administration costs represent a small fraction of expenditure in most organisations, although there are exceptions. (Scouting estimates an average annual expenditure per volunteer on telephone calls, administration, postage, etc, of nearly £100, producing a figure that represents nearly 30 per cent of total expenditure. The Red Cross's high spending on volunteer administration is largely due to the Campaign Department's expenditure on the annual National Collection, devoted to public fundraising. It should of course be borne in mind that this expenditure multiplies itself in the income generated by the collection.)

Total volunteer expenditure represents 1.2 per cent of annual turnover in the National Trust, 3.5 per cent in THT, 5.2

per cent in the Danish Red Cross and 29.7 per cent in KFUM. SOS and NACRO state that they spend virtually their entire income on supporting their helpline volunteers and mentors, indicating not only the centrality of volunteers in the delivery of their services but also the difficulty of distinguishing solely volunteer-related costs from organisational expenditure.

Leaving aside specialised volunteer-provided services and the intensive volunteer supervision required by the social cafés' reliance on unpaid staff, the figures suggest that the amount invested in volunteers can be a very small percentage of an organisation's total turnover. Expenditure by the National Trust and the Terrence Higgins Trust is in line with the estimate of 2 per cent of total income spent on volunteering by many volunteer-involving organisations (Davis Smith and Howlett, 1999).

#### *A menu of methods*

The VIVA approach is defined more by its purpose than by methodological prescription. The study offered a menu of routes to calculating expenditure and value, which individual organisations could 'mix and match' with the aim of producing estimates that are as good as possible depending on records and resources. The organisations used the full range of methods: analysis of organisational records and central accounts, estimation and extrapolation, and the collection of new data from national and regional volunteer organisers, local volunteer co-ordinators

and volunteers themselves, through surveys, questionnaires, proformas, telephone interviews and visits to local projects. KFUM and VBOK surveyed cafés and workgroups using questionnaires based on the VIVA guidelines, and THT used 'volunteer activity forms' to gather more detailed information from a sample of Buddy volunteers.

The calculation of value relies on the classification of volunteer tasks and roles and the allocation of an equivalent hourly pay rate. Organisations used different approaches to determining the 'volunteer wage bill' or notional volunteer value, most making reference to the external employment market while THT and the National Trust used their internal pay structures.

Approaches to valuing management volunteers and non-regular volunteers are discussed in the full report. The question of adding a 20 per cent 'employment overhead' is also reviewed. This is recommended in the VIVA method to capture national insurance, holiday pay and other on-costs to an employer over and above actual wage totals, but five of the organisations did not add it in, some of the overseas participants questioning the level of overheads in their countries. Adjusting the ratios to include a 20 per cent overhead increases returns on investment to, for example, 5.1 in KFUM, 7.2 in the National Trust, 9.4 in the Danish Red Cross and 16.2 in Scouting Nederland.



### **Organisations' assessment of VIVA**

Since this is the first systematic research into the use of VIVA in large organisations and outside the UK, it is encouraging that the views of participants on the process, the results and their implications were generally positive. Most found the audit process relatively straightforward, although two overseas organisations commented on the need to 'adapt the VIVA guide to our national context and to customise it to our own organisation' - which they succeeded in doing. The Danish Red Cross found it 'more time-consuming than expected, especially because we realised we did not have the figures on time spent by our volunteers'. Some participants noted the difficulty of ascertaining precise costs or value in highly decentralised structures. Auditing its far-flung volunteer activity led one organisation to comment on the challenge of 'persuading property-based staff, with a known antipathy to paperwork, to keep records!'

The predominant reaction to the results was one of satisfaction, particularly at the scale of volunteer contributions.

*The process itself has been very positive . . . We have always argued that our volunteers contribute to Danish society, but now we have an estimated value . . . We were very pleased with the results. The VIVA ratio (1:8) and the total value of the work of the volunteers were better than expected (Danish Red Cross).*

*Entertaining and educational at the same time . . . At Scouting Nederland we are very surprised about the amount of*

*money, real or fictional, that is involved if volunteers had to be paid for the amount of work they do . . . It has been very useful to have done this survey (Scouting Nederland).*

*We are very glad to have been a part of the VIVA process. It has given us new ways of looking at voluntary work in our organisation . . . a new focus. Normally we look at volunteering as qualitative but it is very good to look at the quantitative aspects (KFUM).*

Organisations gained greater understanding and new perspectives from their audits, and intend to use the results in development and planning, negotiation, volunteer information, funding bids and public relations. Some plan to make audits a regular practice and to introduce new systems of record-keeping to collect more accurate data on 'grey areas' of their volunteering. The National Trust, for example, intends to include the recording of volunteer data in new management information systems, while for the Danish Red Cross:

*The audit process has put focus on the lack of knowledge in our organisation about the amount of work our volunteers do. We will therefore in the future try to collect information on a systematic basis - information with high validity. This will enable us to do VIVA audits on a regular basis, and in that way help us to monitor the development of the different areas where the volunteers are involved.*

Participants feel that the VIVA method works in their national setting and

would be useful to other organisations:

*Yes, it is clear that an organisation of some size and with different activities must gain an insight [through] the analysis of expenses and benefits (VBOK).*

NACRO will 'certainly' recommend it to organisations working in the same field, and intends to distribute copies of its VIVA report to encourage wider use of the audit approach. KFUM's VIVA co-ordinator has promoted the project at NGO conferences, emphasising to other Danish organisations that:

*It provides a new way of looking at voluntary work. It helps you become aware of the connection between how much you invest and how much people produce (KFUM).*

The Danish Red Cross provides a good summary of the rationale for using VIVA in today's voluntary sector climate:

*I will recommend it to other organisations. Not only in Denmark, but also to other Red Cross societies. The reason is that most NGOs need to modernise their organisation and working methods, since . . . society in general and especially donors demand accountability, transparency and efficiency in the work of the NGOs. This means that the voluntary sector must become more professional in [its] work. VIVA audits are a tool in this process.*

Most organisations felt that the time and money invested in VIVA were well spent. The amount of time ranged from one

day, in SOS's desk-based audit, to 17 days spent by the Danish Red Cross on in-depth collection and analysis of data. A few days of the time and some of the money invested by overseas organisations were often taken up by translation. One to two weeks of full-time staff input appears to be an average requirement. Typical cost of an audit, including staff time, was between £500 and £2,000. This confirms that the resource implications of carrying out an audit need not be substantial.

### **Conclusions**

In general, the VIVA results show that volunteers are cost-effective in terms of the payback on expenditure. For every pound, guilder or krone invested in volunteers, good returns are received in the majority of organisations, in terms of the value of the work done by unpaid staff. But the figures underline the fact that there is no 'standard' practice in volunteering, volunteer management and deployment, but a wide range of possibilities in the way volunteers can operate and be provided for.

#### *Factors influencing cost-effectiveness*

Although all volunteers are 'cost-effective' in this sense, it is fair to say that some are more cost-effective than others. This is nothing to do with the productivity of individuals or the efficiency of the organisation. Different structures, volunteer roles and volunteer organisation affect the balance between inputs and outputs, so VIVA ratios will vary. Some types of organisation or volunteer programme should probably not expect to achieve a ratio above a certain level.

Table 3: Characteristics associated with size of VIVA ratio

	Low ratio	High ratio
Size of organisation	Smaller organisation or volunteer project, with perhaps core staffing disproportionate to volunteer numbers	Large organisation which can achieve economies of scale in its use of volunteers
Structure	Professionally led organisation which involves volunteers for specific work	Volunteer-based organisation with minimal professional staffing
Ethos	Volunteers are important but are used to deliver services in specific ways	Decentralised organisation with high levels of local volunteer group autonomy
Client group	Clients and users have complex problems and high levels of vulnerability	Generally, lower levels of client need and vulnerability
Volunteer roles	Highly structured, challenging and sensitive, requiring high supervision, support, etc	Generally, less sensitive and specialised work, needing lower levels of supervision
Volunteer skills	Volunteer work is 'low skill' and therefore equivalent to poorly paid jobs, producing lower total value	Volunteer work involves 'professional' skills, equivalent to more highly paid jobs, increasing total value
Organisation and management	Volunteers' work is organised and managed by paid staff	Significant amounts of volunteer self-organisation and management by other volunteers
Training	Specialised training is vital to provide effective services; initial and ongoing training given	Relatively little specialised training required; training provided at little cost to the organisation
Supervision and support	High levels of supervision essential; support and counselling necessary in potentially distressing work areas	Relatively little supervision and support required
Supplies and equipment	Essential supplies, equipment and facilities provided free to volunteers	Supplies, equipment and facilities not needed or volunteers pay for them
Methodological factors	Difficult to separate organisational running costs from volunteer-related costs	Difficult to capture all of the expenditure in a highly devolved organisation

We do not yet have a full picture of the factors that influence the magnitude of returns, but these results suggest that certain characteristics are associated with certain sizes of ratio. The type of organisation, its purpose and client group, the nature of volunteer roles, the structure of the volunteer workforce and the management and support systems all exert an influence, and combinations of factors may effectively put a ceiling on returns on investment. The characteristics associated with low and high ratios (Table 3) should be taken as provisional, pending further research.

#### *The uses of VTVA*

The study suggests that VIVA can be a useful technique for any voluntary organisation or volunteer programme, although it may be helpful to adapt concepts and terminology to specific national settings (the Dutch National Volunteer Centre plans to do just that, and has applied for government funding to produce a *VIVA-Netherlands Guide*). Validating the method's utility adds to the range of tools at the disposal of European NGOs. Examining the balance between costs and returns helps an organisation to assess whether it is getting the best value from its investment in volunteers. NACRO, for example, hopes to improve its training provision and feels it can increase the 'cash value' of its training expenditure. KFUM is using its VIVA results to justify even greater investment in volunteers:

*It is very good to use energy and resources in educating volunteers, and nursing them. This is one of the biggest*

*values in our organisation. As a result of VTVA, we will be spending more money on recruiting, educating and supporting volunteers (KFUM).*

Organisations noted that patterns of expenditure can offer a guide to likely costs and resource implications when preparing budgets or bids for new volunteer projects. For example, the results indicate that financing staff salaries is not in itself sufficient, as there are significant accompanying costs to involving volunteers and budgets need to reflect this. VIVA ratios may be used to set targets for existing and new volunteer programmes, by suggesting what sort of yield to aim for and how the input-output relationship can be developed, including the implications of changing practices vis-à-vis volunteers. For example, some organisations show how expenditure on staff can be kept down by having high levels of intra-volunteer management and support. Although an organisation may be thinking about increasing volunteer responsibilities for entirely non-financial reasons, audit results can illustrate the cost-effectiveness of doing so. Decisions to increase advertising and recruitment, or to offer more extensive training, can be assessed within the VIVA framework and budgets adjusted or expanded accordingly.

VIVA results can also be used to represent costs and returns to external audiences - funders, policy-makers, programme planners and the public - and to inject more accuracy into the preparation of budgets for grants and contracts. In Denmark, KFUM and the

Red Cross issued a joint press release on their findings and are promoting the substantial value of the volunteer contribution in their contacts with government, business and the public. The Red Cross's analysis of the cost efficiency of high volunteer involvement will inform new programme planning. NACRO plans to take the audit into other areas of its work, particularly voluntary placements of prisoners in half-way houses. Noting that 'funders appreciate the actual figures, the cost implications, as well as the value', it will use VIVA as a benchmark to promote the scheme in a regime of increased tagging.

External bodies can in turn use VIVA to help them to assess performance and to understand the relationship between inputs and outputs, particularly the returns on funding an infrastructure for volunteering. The feasibility of estimating volunteer value could enable the widespread use of VIVA in funding programmes in Europe, ensuring that accurate valuation of volunteer time can be used for partnership and match funds for the non-profit voluntary sector.

#### *The 'replacement' question*

Because VIVA expresses volunteer value in terms of paid equivalent, it can be misinterpreted as advocating the replacement of paid staff by volunteers or volunteers by paid staff. But VIVA is a technique, not a policy: a device for measuring the value of unvalued time, to set against the costs of enabling it to happen, and for producing an indicator of scale and significance that is readily grasped.

Even so, when VIVA results suggest that the roles of volunteers could be expanded, this perhaps raises the fear that paid staff will be replaced. This is simply not an issue for the participating organisations. They are thinking in terms of expanding their capacity - making their investment in volunteers as effective as possible - not of cutting costs. Like the majority of voluntary organisations, they are keen to make the most of the fairly meagre budgets allocated to volunteer management and support, and to maximise the effectiveness of their voluntary workforce within those constraints.

On the other hand, a low ratio could be interpreted as a reason for an organisation to cut back on volunteering. Again, none of the organisations has taken this position; the question of downsizing volunteers departments is not on the agenda, although one Head of Volunteers - despite a sizeable VIVA ratio - feared some senior managers might put it there. In those organisations with a lower ratio, there are clearly perceived reasons for the cost-intensiveness of the volunteer programme: for example, the organisation's core purpose may be to enable volunteers to provide specialised services and/or high levels of supervision and training may be needed.

This level of understanding must also extend to senior management within organisations and to external observers, particularly funders and policy makers. Although it is now generally accepted that volunteers do not come free, the

scale of the investment in them should not be used to cast doubt on the merits of having a volunteer workforce.

However, the fact that such an interpretation is possible makes it all the more important to emphasise the returns, economic and otherwise, from volunteering.

#### *A complete volunteer audit*

VIVA measures an aspect of volunteering that is quantifiable, has validity and is informative. But these indicators of cost-effectiveness should be assessed within the context of a complete appreciation of why organisations have volunteers and the qualitative benefits of a voluntary workforce. To prevent hasty conclusions that 'cheap' volunteers should replace paid staff - or, conversely, that volunteers are an expensive and expendable luxury - it is important to place the economic dimension within the framework of a broad volunteer audit.

A full social audit of volunteers would show their value to users and clients, including the unique qualities that unpaid workers bring to their work. It would assess their contribution to the wider community. It would highlight their value to the organisation in extending its capacity, grounding its work in communities and promoting the organisation through volunteer 'ambassadors'. It would refer to the cost savings and income generation that can be attributed to voluntary effort. And it would cover the benefits and costs to volunteers themselves, showing the gains of satisfaction, skills development and social citizenship that volunteers

experience. It is hoped to pursue work on a full volunteer audit in future research.

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