

# Reconceptualizing The Value Of Volunteer Work<sup>1</sup>

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## What Do Volunteers Accomplish?

Insufficient attention has been paid to what volunteers actually accomplish. One of the most promising evaluation models - outcome evaluation - has become an increasingly popular approach to assessing the impact of nonprofit programs and services as organizations are increasingly pressed to justify expenditures in the face of economic restraint. Funders, rightly enough, want to know what difference their allocations have made, and that is requiring greater rigour in program evaluation and outcome measurement. Interestingly, outcome evaluation remains largely unused among volunteer programs. In fact, it is only over the last few years that we have seen much attention at all to the question "what is the value of volunteering?" and the proportion of organizations asking that question is still very small.

Much of the effort to date to assess and/or measure the value of volunteering has relied on the wage replacement approach. The wage replacement approach, simply put, adds up volunteer hours and multiplies them by some calculated paid worker wage equivalent. Commonly mistaken as a representation of the value of volunteer work<sup>2</sup>, the replacement wage approach simply produces an amount equivalent to what the organization *has not paid* for the work that volunteers have done. It really bears no connection to the actual *value* of the work itself.

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<sup>1</sup> This article was originally drafted as a companion piece to the author's Declining Profit Margin: When Volunteers Cost More Than They Return which was published in the International Journal of Volunteer Administration ( Vol. XXIV (1), 2006. The current article was referred to in the "Profit Margin" article, but was never published. In response to several recent requests, the author has assembled her original notes for the promised article on the "value" of volunteer work and prepared this offering of a new way of conceptualizing the value of volunteer work.

<sup>2</sup> For example, the VIVA model (the Volunteer Investment and Value Audit) which is perhaps the best known wage replacement method is self-described as "a way of assessing the total amount which an organization spends on its volunteers, the financial values of volunteers' work, and the relationship between the two." (Emphasis added.) Developed by the Institute For Volunteer Research and now used widely across Europe, the Institute website offers a caution that the VIVA model is only one way to measure volunteering, but still uses the phrase "Total Volunteer Value" to describe what the VIVA model captures. A Canadian version of the wage replacement model developed by David Ross in 1994 was titled, "How To Estimate The Economic Contribution of Volunteer Work" and suggests that the average wage rate can be used to calculate "the value of volunteer labour". The Independent Sector releases the equivalent figure for the United States of America each year for use by voluntary organizations in that country. They say the figure is to be used to calculate the "value of volunteer time". Duncan Ironmonger has used the same model in his "Valuing Volunteering" paper for the Government of South Australia (2002).

Consider the simple magic of a volunteer respite worker who spends forty hours at the bedside of a dying child. What benefits flow from the actions of such a volunteer?

- comfort and enhanced quality of end of life for the child
- solace and respite to the grieving family
- relief to too-busy staff who are often demoralized by their own inability to offer comfort because of increasingly severe time pressures
- a re-injection of humaneness to the pared down health care system
- a public relations boost to the hospital which is viewed as delivering compassionate and high quality care to patients and their families
- a gentler, more generous, more caring spirit of community and civility

To suggest, as the wage replacement approach does, that the value of that act of volunteering can be captured by multiplying an equivalent hourly wage of a paid companion by 40 is not only absurdly simplistic, it makes completely invisible the precious value and simple magic of the volunteer's gift. More disturbing, however, is that the wage replacement approach, actually *obscures* the multiplicity of values created through volunteer involvement.

If, for some reason, it is absolutely critical to attach monetary measures to the value of volunteering, then attempts could be made to develop models and formulae to measure the monetary value of enhanced quality of life, enhanced public relations image, improved employee morale, and so on, just as pioneering efforts have begun to conceptualize first the significance, and then value of nebulous things such as "civic engagement" and "social capital" (Robert D. Putnam, 2000; Francis Fukuyama; Peter Mayer, 2003; Baum et al., 1999).

## **Volunteer Involvement Should Not Be Above Accountability**

There is no reason for volunteer departments, volunteer programs, or volunteer involvement to be any less accountable for expenditures of public funds entrusted to the organization for the accomplishment of its mission. Despite the protests from some who would argue that attempting to capture the value of volunteering undermines the very principles of volunteering itself (c.f., Arden Brummell, 2001; Ivan Scheier, 1988), it is arguably *well-past time* for volunteer-engaging organizations to look more closely at the nature and scope of the volunteer involvement they have mobilized. Inefficient, unsafe, unsatisfying, and/or no-longer-relevant volunteering has no inalienable right to continue just because it is done by volunteers. Organizations do not exist to give volunteers a place to volunteer. Rather, volunteers are engaged, as are paid staff, in service to the mission of the organization. If the work done by volunteers does not serve the mission of the organization in a cost effective manner, what could possibly justify squandering resources which are in such a precious short supply on involvement that does not produce value? Surely volunteers do not have an entitlement to continue to volunteer, no matter what?

The close scrutiny of exactly what volunteers are doing and producing is fully in keeping with the new values of accountability and transparency in the nonprofit and public sectors. Finding an answer to the critical question “does the product justify the cost?” should be welcomed rather than shunned by volunteer program managers, because the answer to that key question will lead the field many steps closer to the decades-old dream of demonstrating to the world the indispensability of volunteer involvement.

## Calculating The Returns Of Volunteering

So how does one calculate the profit margin on volunteer involvement? Three steps are involved:

1. Calculate the fully burdened input cost of volunteer involvement.
2. Identify the outcomes of the volunteer work and estimate their value, not necessarily in monetary terms, but at least in relative terms against the outcomes of other volunteer positions.
3. Compare the results of the first two steps to generate a sense of the relative returns on investment for a range of volunteer positions.

A good base exists in the literature to guide the first step. Beginning with Susan J. Ellis’ work in *From The Top Down*, first published in 1986 and updated in 1996, a range of attempts have been made to set out the list of typical input costs associated with the operation of a volunteer program. The VIVA model (Katharine Gaskin, 1999) provides a good framework and has been extended in the exploration of “the cost of a volunteer” by the Grantmaker Forum (2003).

Of the three steps, the second is the most difficult, and the one least well understood. At this point in time, very little has been written on the actual value of volunteer work.

Very little scholarly or empirical effort has been devoted to either the identification of outcomes of volunteer work, or the estimation of the genuine and complex value of those outcomes. Consider these illustrations:

- If volunteering generates a more civil society, what is that worth?
- If volunteers bring energy and excitement and enhanced morale to a work environment demoralized by cutbacks and fears of job loss, what is that worth?
- If volunteers gain a broad range of new skills that are transferrable to their paid employment and generate increasing employability and/or advancement opportunities, what is that worth?
- If volunteers stay healthier, more active, more fit, more mentally alert, more socially connected; if volunteers experience fewer ailments, lower blood pressure, enhanced nervous system and immune system functioning; if volunteers live longer what’s that worth?
- If environmental volunteers clean up a stream bed and rehabilitate the fishery which then attracts sportsfishers into the area who stay in local accommodations, buy equipment from local stores, and eat in local restaurants, what is that worth?

- If an elderly person receives a hot meal five days per week, what is that worth?
- If an historical building is saved from the wrecking ball by the intervention of a local conservancy association, what is that worth?
- If global warming is slowed because of ongoing protests by the environmental lobby which is well “fuelled” by volunteer labour, what is that worth?
- If a volunteer firefighter saves the life of a child, what is that worth?
- If an employer finds that his or her workforce can gain valuable skills through volunteer involvement in the community, and that operating an employer supported volunteer program significantly enhances the company’s attractability to prospective employees in an increasingly competitive market, what’s that worth?

The illustrations are endless, but the point is that these are the questions we do not yet have answers to, yet these are the kinds of questions that point us to the *real value* of volunteer work.

If an organization, a government, or a charitable funder is trying to decide whether it is “worth it” to invest in the involvement of volunteers or the development of a volunteer program, these are the kinds of questions that ought to be asked. Not, “what would the replacement wage value of volunteer work be?”, but “what difference could we actually accomplish?” is the key question.

When a meaningful answer is found to these kinds of questions, then, and only then does it make sense to look at input costs and pursue the final step which is to decide if the input costs justify the outcome of the work. For example,

- Would a board member at the children’s hospital judge the input costs of a “bedside volunteer” to be worth the multiple values deriving from the 40 hours of volunteer service which generated family solace, increased staff morale, enhanced public image of the facility, and end of life comfort to the child?
- Would the town counsellor assess the cost of the volunteer fire department to be at least in part justified by the saving of a child’s life?
- Would the department of health assess the reduced health care costs for a citizenry actively involved in voluntary work to justify promoting volunteering as a healthy lifestyle choice?

## **A Multidimensional Model of Volunteer Value**

A more comprehensive model of conceptualizing and then calculating the value of volunteer work is long overdue. Any volunteer work valuation model must account for the fact that the benefits that flow out of volunteer work are not unidirectional. Rather, the benefits of volunteer work flow out in many directions, and many people and entities reap benefits from each act of volunteering.

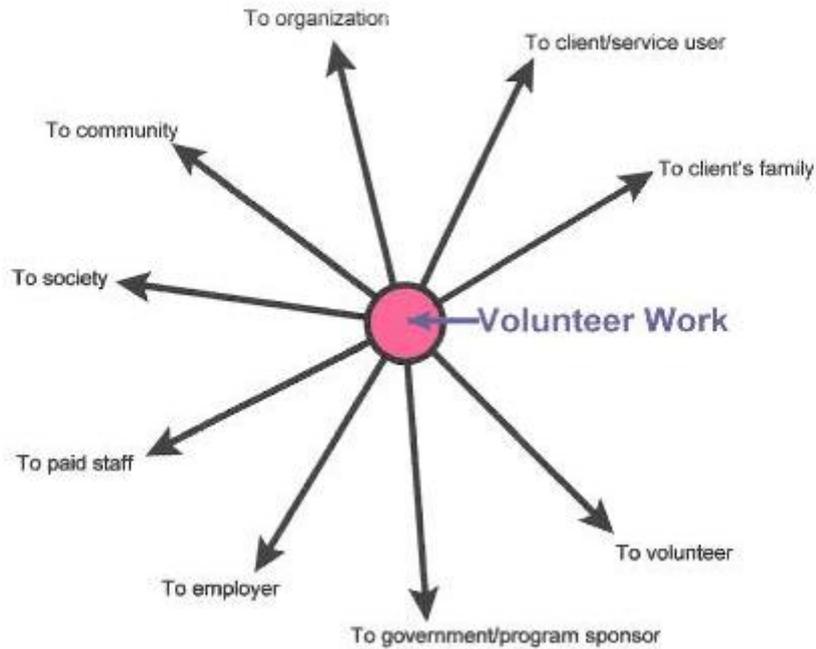


Figure 1. A Multidimensional Model Of The Value Of Volunteer Work

Figure 1. depicts a radically different conceptualization of the value of volunteering than any of the replacement wage and economic worth models that have gone before. It demonstrates the value of volunteering emanating as the spokes on a wheel with volunteering as the hub. A wide range of potential values travel outward from each act of volunteering towards a wide range of beneficiaries who gain rewards and benefits and returns of various sorts.

This simple start at conceptualizing the magnitude and complexity of the value of volunteering underscores the wide range of benefits and beneficiaries that volunteering can produce. A good deal of study will be needed before the full complexity and richness of the value of volunteer work is properly understood. A challenge is offered to the research and academic domains to move beyond the wage replacement methodology, to create a more accurate model of the extraordinarily complex values generated by volunteer involvement, and to develop accurate and respectful assessment tools that live up to their claim of assessing the value of volunteer work.

In the interim, all engagers of volunteer involvement, including nonprofit agencies, public programs and all-volunteer organizations are urged to recognize the enormous and often untapped potential of volunteering and to consciously and deliberately account for this vast and available resource as an integral component in all program and service planning work. Countries and sectors and programs that are considering the development of volunteer involvement will find this model a useful tool in the creation of a philosophy of volunteering, program objectives, and position development. It will also serve as an excellent starting point for the development of outcome evaluation programs for volunteer-based services.

When the values and benefits created by volunteering are better understood and documented, consideration of volunteer roles will benefit from an application of the notion of "profit margin" as a

way of beginning to assess whether the returns from volunteering justify the cost of generating and maintaining the involvement of volunteers in the work under review.

Adjustments to existing roles, retirement of “unprofitable” roles, and the creation of new volunteer positions that generate excellent value for reasonable investment will undoubtedly enhance the capacity of the entire nonprofit sector to maximize the vast potential of volunteer engagement. In doing so we will finally begin to truly honour and respect the rich and vast value of volunteering.

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