

## 4. Volunteers

### 4.19 The economic value of volunteers

#### Introduction

Volunteers make a significant contribution, in unpaid hours, to the economy of Wales. It is estimated that every year volunteers contribute 221 million hours, which is worth £2.2 billion. This is equivalent to nearly 4.6 per cent of Wales GDP (WCVA 2014)<sup>1</sup>.

Volunteering also has significant value, which is less easily defined in monetary terms, in terms of social cohesion, inclusion, economic regeneration, and the development of social capital.

#### The economic value of volunteers

Many volunteer-involving organisations are asked what the economic value is of the work their volunteers do. This may be to demonstrate the savings to a service by involving volunteers or could be for funders or grant-giving organisations that may match-fund the 'in-kind' value of the contribution of volunteers. If you need this information for a grant application, the grant-giver may specify what rates they will accept for volunteer time in different roles (see below) but others may not, so you will need to calculate this and explain how it has been calculated.

The easiest or simplest way to calculate the economic value of volunteers' contribution is to use the national hourly wage using the formula below:

*The number of volunteers x average number of hours x average hourly wage*

The gross average hourly wage for full-time employees in Wales in 2015 is £13.29. You can find this figure in the 2015 Annual Survey of Hours and Earnings which appears on the website for the [Office of National Statistics](#). In this survey you can also find average local rates of pay or levels of pay broken down by occupation, which you may prefer to use.

#### Cost of involving volunteers

You may also want to look at how much it costs to involve volunteers in your work. In order to ensure that the contribution of volunteers is of the highest standard, it is essential that they are well trained and properly equipped and that they are effectively managed and this always involves a cost. The cost, however, is far less than the value of the outcomes of their work.

<sup>1</sup>WCVA (2014). Third Sector Statistical Resource 2014

## **Areas of Investment or Cost**

Organisations which involve volunteers may incur expenses in the areas described below. Some of these costs can be described as 'essential', others are areas of good practice and others could be seen as 'extras' or 'additional costs to consider'.

### **Essential:**

- Volunteer administration, support and recognition, including office expenses, communications, meetings and gatherings, events, certificates and so on.
- Advertising and recruitment – the costs will depend on whether or not a paid-for advertisement is placed, leaflets and posters are printed and so on.
- Induction and training – for some types of volunteering this can be very basic – simply to prepare volunteers for their roles. For others this can create a substantial cost, such as the training of volunteer counsellors or advisors.
- Supplies and equipment to enable the volunteer to perform agreed tasks; this cost can be higher depending on the volunteering activity e.g. youth work or mentoring may also incur costs for undertaking activities with young people.
- Insurance – insurance should cover all liabilities to a volunteer and all liabilities which the organisation carries by virtue of involving volunteers in tasks.
- Building costs and expenses – heat and light, repairs, security and other costs need to be apportioned to all those who benefit from them, including volunteers.

### **Best practice:**

- Employing a Volunteering Coordinator or Manager, where appropriate, within an organisation -such a post can help with the retention of volunteers.
- Accommodation and food – it is good practice to cover the costs of these whilst someone is volunteering away from home.
- Time invested by any managers and other personnel in an organisation to support and manage volunteers and volunteering (apart from any Volunteering Coordinator).
- Volunteers' expenses – it is good practice to reimburse travel and other actual out of pocket expenses of volunteers and it enables people who might not otherwise volunteer to be able to do so.

### **Additional costs to consider, if relevant:**

- Accredited training for volunteers.
- IT licensing costs.
- Some organisations will reimburse childcare or caring costs.
- Cost of upgrading car insurance for business use (to cover volunteering).
- Personal safety equipment e.g. first aid, mobile phone.
- Additional costs for volunteers with special needs e.g. taxi or costs of a support worker.
- Volunteer uniform/badge.
- The cost of achieving the Investing in Volunteers Quality Standard

## Accounting for Volunteers' time in Funding applications

The cost of involving volunteers will vary significantly according to the nature of the role undertaken, the culture and size of the organisation. Some roles, for example, involve lengthy and costly training of volunteers. Some organisations' costs may be lower because they only recruit volunteers who have the required expertise, or because a lower skill level is required. Travel expense costs can vary e.g. transport costs could be high in rural areas where large geographical regions are covered.

Organisations which contract to provide services will require tighter management and regulation of volunteer activity than, for example, a community project where volunteering is valued more as a form of community engagement than as a means of service delivery.

Based on the above, it should be recognised that the cost of involving volunteers varies greatly from one organisation to another.

Volunteers' time as a financial asset has gained in importance with funders. The value ascribed, however, varies from fund to fund.

The following list of rates has been compiled as a guide to the value some funders place on volunteer time.

The **Annual Survey of Hours & Earnings** (2015) recommends for UK the median gross hourly earnings for full time work - £13.29.

The **Arts Council of Wales** usually allows £50 a day for labour, £100 a day for skilled labour and technical services, and £300 per day for professional services.

The **Big Lottery Fund** doesn't put a financial value on volunteers' time as they do not ask for match funding but applicants should refer to the relevant guidance material for the programme they are applying to.

The **Heritage Lottery Fund** has issued guidance on the costing of the value of voluntary input into projects, when assessing the contribution from these sources as partnership funding for lottery applications. It suggests: professional services – up to £350 a day; skilled labour - £150 a day; unskilled labour - £50 a day.

**Sports Wales** gives no precise figure but expects organisations to be able to justify any costings given eg voluntary labour on building work is expected to be professionally managed and certified.

**Environment Wales and Countryside Council for Wales** - have been replaced by Natural Resources Wales

## Natural Resources Wales **In-kind rates**

<b>Role</b>	<b>Hourly rate (£)</b>	<b>Per day (£)</b>
Unskilled/Admin	6.25	50
Supervisor/technical skills	12.50	100
Professional (legal scrutiny)	37.50	300

**European Structural Funds** accept volunteers' time as match funding. Hourly rates claimed must relate to the type of work undertaken and all costings must be justified.

**Volunteering Wales Grants** does not put a monetary value on volunteering but pay legitimate out of pocket expenses.

## Further information

### Volunteer Investment Value Audit

The Volunteer Investment Value Audit (VIVA) from the Institute of Volunteering Research, involves looking at the type of work done by volunteers and estimating the wage rate for that work, as well as the costs of involving volunteers, such as management time. This produces a ratio showing how much value is generated from each pound invested in volunteering.

[VIVA – The volunteer investment and value audit. A self-help guide](#) by Katherine Gaskin.

### Volunteering Impact Assessment Toolkit

The Volunteering Impact Assessment Toolkit (VIAT), developed by the Institute for Volunteering Research (IVR), helps organisations to assess the impact of volunteering, rather than simply the economic value. Organisations can assess the impact of their volunteer programme on all key stakeholders - the volunteers, the organisation, the beneficiaries and the broader community.

For more information please see the [WCVA](#) website.

### Disclaimer

The information provided in this sheet is intended for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.

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