



4.0 Volunteers

The Economic Value of Volunteers

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Introduction

Volunteers make a significant contribution, in unpaid hours, to the economy of Wales.

It is estimated that approximately **938,000 volunteers** contribute 145 million hours, each year, which is **worth £1.7 billion**.

This is equivalent to around 3.1% of the Wales GDP (**Welsh Government Third Sector Scheme Report 2017 -18**).

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.



Image: Group of happy volunteers

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



External Link

The gross average hourly wage for full-time employees in Wales in 2019 is £13.53. You can find this figure on the StatsWales website which also provides data for each of the local authority areas in Wales.

[StatsWales website](#)

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.

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** - 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 administration** - 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:

- **Volunteer Management** - 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 - volunteers
- IT licensing costs
- Some organisations 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 **Stats Wales** recommends the median gross hourly earnings for full time work (2019) - £13.53

The **Arts Council of Wales** supports the application of the National Minimum and Living Wage rates to their funding applications, as set out below:

Year	25 and over	21 - 24	18 - 20	Under 18	Apprentice
April 2019 (Current Rate)	£8.21	£7.70	£6.15	£4.35	£3.90
April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

The **National Lottery Community** 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 **National Lottery Heritage Fund** offers 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. For current guidance, view their website.

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

UK Annual Survey of Hours and Earnings (ASHE) - October 2018

Role	Hourly Rate (£)	Per Day (£)
Administrator	£10.42	£72.94
Project Coordinator	£13.57	£94.99
Trainer	£14.25	£99.75
Manager	£23.07	£161.49

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

by Katherine Gaskin.

<https://www.scribd.com/document/352352437/VIVA-The-volunteer-investment-and-value-audit-A-self-help-guide>

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.

Volunteering Impact Assessment Toolkit

NCVO

<https://www.ncvo.org.uk/volunteering-management/1-publications/P78-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.



Cefnogi Trydydd
Sector **Cymru**

Third Sector
Support **Wales**

Third Sector Support Wales is a network of support organisations for the whole of the third sector in Wales.

It consists of the 19 local and regional support bodies across Wales, the County Voluntary Councils (CVCs) and the national support body, Wales Council for Voluntary Action (WCVA).

For further information contact
<https://thirdsectorsupport.wales/contact/>

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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.