

The value of volunteering: how to measure economic impact and social value

This information page explains the significance and multi-faceted value of volunteering, exploring how it contributes to communities, the environment, and the economy.

Understanding how to measure this impact is important for demonstrating the true gain from volunteering, supports volunteer recruitment and volunteer satisfaction, and can strengthen funding applications. By accounting for both the financial costs and the social benefits, organisations can better articulate the essential role volunteers play in enabling an organisation or project to deliver its objectives.

If you feel that you would like some support in measuring the value of volunteering, you can contact your local Volunteer Centre.

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What is the 'true value of volunteering'?

Volunteering contributes to society far beyond simple financial figures. It builds social capital, fosters inclusion, and supports communities and the environment. To understand its total value, consideration is to be given to the following,

- **The input:** The time and effort provided by volunteers.
- **The social output:** The direct changes made in the community, to beneficiaries or the environment
- **The personal benefit:** Improvements to volunteer wellbeing and prospects for future employment.

To help bring this to life within a health and social care context, you may wish to take a look at the [Bevan Commission paper on the Values and Value of Volunteering](#).

What is the economic impact of volunteering in the UK?

While it is difficult to capture every benefit, research from 2022 highlights the massive scale of the sector. The combined value of volunteering and donations reached **£23 billion**, representing **0.8% of the UK's total GDP**. To put this in perspective, this contribution was larger than the sports and gambling sectors combined (£18.4bn). [The full report can be found here](#).

Within the Welsh context, there is [research that looks at the contribution of voluntary organisations to the health and care prevention agenda](#).

Demonstrating the impact of volunteer involvement

Being able to showcase the impact of volunteer involvement is valuable for many purposes. It is hugely beneficial for funding applications, and in the recruitment of new staff, volunteers and trustees, who may be looking to understand the difference made by organisation they intend to give their time to. Using a mix of both numbers and stories can enable organisations to show the breadth and depth of the impact made.

These two types of data collection are often referred to as;

- **Quantitative (numerical):** Calculating economic value and “countable” data to meet funding requirements i.e. number of volunteers, numbers of hours volunteered
- **Qualitative (descriptive):** Using case studies and testimonials from volunteers, service users or staff to show the “human side” of the impact i.e. the difference volunteering made to an individual or towards a specific cause

Calculating the cost of volunteering

While volunteers give their time for free, involving them is not cost-free. The cost of volunteering varies due to size and type of organisations, formality or informality of volunteering and the nature of the roles undertaken. In calculating the cost, remember to account for:

- **Planning and management:** the investment provided to plan for volunteers, develop staff, ongoing overheads for volunteer safety, equipment for volunteers, insurance costs and volunteer management activities. This could also include quality standards [such as Investing in Volunteers](#)
- **Volunteer recruitment:** the costs of recruitment processes which will include staff time, costs associated with pre-volunteer checks and induction training
- **Volunteer inclusion:** costs associated with reasonable adjustments
- **Volunteer satisfaction and retention approaches:** volunteer expenses, training, development, support, supervision time and celebratory activities

Measuring the social value of volunteering

Social value is a way of understanding the real-world worth of the changes that occur in people's lives. While economic value focuses on money, social value focuses on people, wellbeing, and community resilience.

The Third Sector in Wales generates an immense amount of social value. By measuring it, we can proudly demonstrate how volunteers create meaningful change and generate savings for public services by reducing demand—for example, by improving mental health or supporting elderly independence.

Why it matters in Wales

In Wales, we have a unique opportunity to be recognised for this impact. Our work directly supports two key pieces of legislation:

- **The Well-being of Future Generations (Wales) Act:** Proving how volunteering contributes to a more resilient, healthier, and more equal Wales.
- **The Social Services and Well-being (Wales) Act:** Highlighting the essential role the voluntary sector plays in preventative care and community support.

How to capture social value

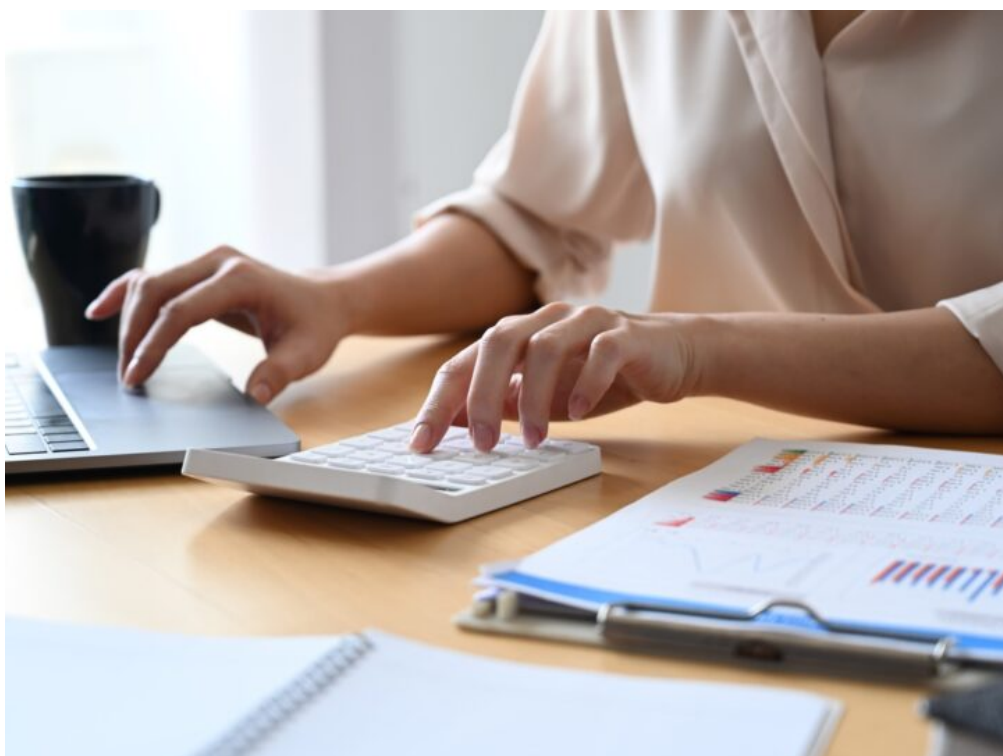
Because social value is about 'change', it is best captured by looking at the outcomes of the volunteering, rather than just the number of hours:

- **For the volunteer:** Improved confidence, reduced isolation, or new skills.
- **For the beneficiary:** Better health outcomes, increased safety, or improved access to services.
- **For the organisation:** A wider reach and the ability to offer specialised support that wouldn't be possible through paid staff alone.

By shifting the focus from "what volunteers do" to "what changes because they do it," you can tell a much more powerful story to your stakeholders and funders.

Common methodology: Social Return on Investment (SROI)

The most common tool for measuring social value is SROI. This methodology translates social and environmental outcomes into a financial ratio. For example, an SROI of £3:£1 means that for every £1 invested in a volunteer project, £3 of social value is created.



Measuring the economic value of volunteering

Volunteer involving organisations are asked to supply details about economic value of volunteering to obtain funding and for monitoring purposes or to demonstrate savings, added value and impact.

Organisations which contract to provide services will invariably be asked to calculate the economic value of volunteering and breakdown of volunteers' time as financial asset will be required by some funders.

Good practice in volunteer management makes it clear that volunteers are not staff and the gift of time they provide is different.

It would be useful for you to read the [WCVA-TUC-Document](#) to be guided by the principles in the charter.

Some funding applications request a measurement of the value of volunteering, the guidance below should help you undertake the task.

Accounting for volunteers' time

Calculating the value of volunteer time allows you to demonstrate the Return on Investment (ROI) for your project. By comparing the hours contributed to the actual cost of managing the programme, you can understand the specific value generated for every £1 invested in your volunteer project.

Choosing a calculation method

Because volunteer roles vary significantly, assigning a single hourly rate can be challenging. Many funders now urge projects to look at volunteer time as a financial asset, assigning an hourly rate to tasks when applying for funding.

To ensure your organisation remains transparent and consistent, you should choose a single process to follow for all your measurements:

- **Role-specific rates:** Use the NJC (National Joint Council) pay scales to match volunteer tasks to the hourly rate of a "similar" professional role.
- **Regional averages:** Apply the [median gross hourly earnings for Wales](#) (or your specific region) across your entire volunteer base. Note that these rates often vary by region, so you may find it helpful to review the specific 'regional medians' provided for your local area. [Stats Wales](#).
- **Standard minimums:** Use the [National Minimum Wage or Living Wage](#) for all volunteer hours to provide a clear, conservative estimate.

Whatever benchmark you select, it is important to apply it consistently and transparently. This allows you to provide a clear, honest picture of the value your team creates, making your impact easier to communicate to funders and the wider community.

Did you know?

Different funders currently make different requests around their expectation of how an organisation presents the value of volunteering. Some require that a financial value is given, and some accept volunteers'

time as match funding. It is key to read the guidance of the funder carefully.

Need some assistance?

Your local County Voluntary Council have Development Officers that can help with these calculations.

Further Information

[Social Value Cymru](#) is part of Mantell Gwynedd County Voluntary Council and provides social value support, advice and consultancy services to third sector organisations across Gwynedd and beyond.