

# A pro bono bonus: The impact of volunteering on wages and productivity

March 2024

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Pro Bono Economics uses economics to empower the social sector and to increase wellbeing across the UK. We combine project work for individual charities and social enterprises with policy research that can drive systemic change. Working with almost 500 volunteer economists, we have supported over 500 charities since our inception in 2009.

> Royal Voluntary Service is one of Britain's largest volunteering charities, with volunteers supporting the NHS and vulnerable people across the country. The charity's volunteers work with healthcare teams and in communities providing practical help and emotional support when people are struggling to cope.



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### Summary

Charities play a vital role in the effective functioning of society, often supporting the most vulnerable groups, including the youngest, the oldest and those with physical and mental health needs. In supporting these groups, charities rely on a silent volunteer army, who provide significant amounts of labour resource. More than 6 million volunteers are estimated to support the 184,000 charities registered with the Charity Commission. However, taking into account both formal and informal volunteering, including organisations not registered with the Charity Commission, the Community Life Survey for England and Wales puts the figure at 25 million for 2021/22.

For the volunteer, the experience of volunteering plays a key role in many ways, including increased confidence, connections and skills development. Evidence shows that while nearly one in four (23%) people engage in volunteering because it gives them the opportunity to apply their existing skills, more than one in seven (15%) do it with the purpose of learning new skills.<sup>1</sup> Other motivating factors include meeting new people (25%) and a small minority see it as an opportunity to help them with their career (7%). These benefits are supported by recent evidence from Royal Voluntary Service (RVS), which showed that unemployed people who volunteer, or had done so previously, experienced various benefits including gaining experience (44%), developing new skills (38%) and increased confidence (32%).

But there are also significant benefits from volunteering to the wider economy – by boosting productivity in volunteers' day jobs. Analysis by Pro Bono Economics (PBE) has used evidence of a link between volunteering and wage increase to demonstrate the contribution of volunteering to the UK economy through productivity as reflected in higher wages for volunteers. The analysis shows that there would be a benefit to the UK economy of £4.6 billion per year for new volunteers who work in professional or managerial occupations if those wage increases were realised. There would be an additional £320 million for the UK Treasury based on increased national contributions alone.

Moreover, volunteering also has the potential to help people back into work. RVS recently commissioned research among people who had been unemployed/not in education for the last six months. The findings showed that volunteers come away with more experience, new skills and increased confidence. Three out of four (74%) selected at least one benefit from volunteering related to employability. Women, in particular, benefit from volunteering through skills development and increased confidence as they make their way back into the labour market. With the UK economy flatlining and the government looking for ways to get people back into work, it would be remiss of policymakers not to ensure the social sector plays a significant role in supporting people back into work through maximising the use of volunteering opportunities. Beyond the positive effects of volunteering on skills development and productivity, there are the well-documented effects on wellbeing. A theory of change model for volunteering illustrates the

<sup>&</sup>lt;sup>1</sup> Community Life Survey, 2021/22.

mechanisms by which volunteering has an impact on the individual - with outcomes around purpose, identity and values, relationships and personal growth, which work to positively increase measures of subjective wellbeing, such as increased happiness and life satisfaction, and reduce levels of anxiety. Data from the NHS Volunteer Responders scheme, established in response to the Covid pandemic, provided a natural experiment to test the relationship between volunteering and wellbeing. The analysis showed that active volunteers benefit from improved levels of wellbeing measures, including life satisfaction, feelings of worthwhileness and social connectedness.<sup>2</sup>

Given the vital resource that volunteering provides and the benefits for both the individual, the beneficiary and the wider economy, it is important volunteering receives the recognition it deserves both in economic and policy terms for its contribution to society and the wider economy. This report sets out five recommendations designed to encourage and support volunteering across the spectrum, so that everyone has the opportunity to benefit from the individual, personal and economic gains, while also contributing to the UK economy through increased productivity. These recommendations are as follows:

- Volunteering has been shown to have positive effects for volunteers, its beneficiaries, communities and society as a whole; the government should show its full support for volunteering and invest in an activity which contributes to the nation's prosperity.
- 2. Given the positive effects on productivity, there should be a collective effort to expand employee volunteering opportunities across the entire workforce, enabling everyone at work to benefit whatever their role.
- 3. The voluntary sector should continue to develop more flexible volunteering opportunities to enable wider participation around work commitments.
- 4. The government recently announced the Back to Work Plan to help reduce economic inactivity; where appropriate, jobseekers should be provided with access to volunteering opportunities that could help them develop or utilise existing skills, or show a commitment to an organisation and its cause that might help when applying for paid work.
- 5. Organisations that provide volunteering opportunities should think about whether they could present volunteers with some type of formal recognition for their volunteering that can be used as evidence of their achievements. This would be particularly beneficial for unemployed people who are encouraged to take part in volunteering in relation to skills development, confidence-building or simply developing networks that could lead to new opportunities.

<sup>&</sup>lt;sup>2</sup> P Dolan, C Krekel, G Shreedhar, H Lee, C Marshall, A Smith, <u>Happy to help: the welfare effects of a nationwide</u> <u>micro-volunteering programme</u>, Centre for Economic Performance, Discussion Paper No. 1772, May 2021. Lawton et al demonstrate a positive effect of volunteering on wellbeing across a range of different datasets which all capture volunteering adding further weight to the evidence.

R N Lawton, I Gramatki, W Watt, <u>Happy Days: Does volunteering make us happier or is it that happier people</u> volunteer?, Academia, 2019

Accounting for both formal and informal volunteering, there were



volunteers in England and Wales in 2021/22.

Annual productivity gains from people in professional/managerial occupations volunteering are estimated to be at least

# £4,551

per volunteer.

This translates to at least



in productivity gains to the economy attributable to volunteering.

Generating an additional



for the UK Treasury based on increased National Insurance contributions alone.

### Introduction

Charities and community organisations play a vital role in supporting often the most vulnerable groups in society, including those with physical and/or mental health challenges, young people, older people, asylum seekers and countless others. Charities and other social sector organisations also support in the delivery of public services, some through commissioned services and others through the provision of volunteers. More than 6 million volunteers are estimated to support the 184,000 charities registered with the Charity Commission. However, taking into account both formal and informal volunteering, including organisations not registered with the Charity Commission, the Community Life survey for England and Wales puts the figure at 25 million for 2021/22.

Volunteering carries a significant number of possible benefits for the volunteer. These include utilising existing skills, developing news skills, gaining new experiences, making new connections or simply the reward felt by helping out another person or organisation. But there are also significant benefits for the individual, group or community the volunteer supports through their activities, as well as the wider economy. Evidence linking volunteering to wage increase demonstrates the added value, or productivity, in a volunteer's day job attributable to their volunteering activities. Yet, the economic contribution of volunteering has received relatively little attention.

Putting an economic value on the contribution of civil society, and volunteering specifically, has proved challenging. In recent years, there have been growing calls to improve methods of valuing these contributions. As Peter Drucker was once famously quoted as saying: "If you can't measure it, you can't manage it." The phrase could be tweaked to read: "If you're not measuring it, it's not really being valued." Clearer evidence about the impact of civil society and a better understanding of the economic contribution made by volunteering to the national economy could help strengthen the relationship between government and the sector, so that it is no longer seen as the poor relation in the triumvirate of government, business and civil society.

### Establishing the true economic value of civil society to the UK economy is challenging; attempts to date exclude volunteering and undervalue the sector

To date, much of the increased focus on measuring the value of civil society and volunteering has been on a civil society satellite account. As part of the Law Family Commission on Civil Society, Pro Bono Economics (PBE) called for the creation of a satellite account for civil society to help identify the contribution of civil society to the UK economy.<sup>3</sup> When the Levelling Up White Paper was published in 2022, it included a commitment that the UK government would work with partners, including the Office for National Statistics (ONS), to develop such an account that would "more fully reflect the scope of the sector and fill a longstanding gap in official statistics".<sup>4</sup> There have been calls for the satellite account to include volunteering specifically, an activity which involves no financial transactions, but which provides vast amounts of additional labour resource to ensure elements of society continue to function effectively.

Such a satellite account will, however, take time to come to fruition, and it is not yet clear how much of civil society the satellite account will capture. In the meantime, there is a need to continue growing the evidence base to understand the value of civil society and the contribution of volunteering. As this evidence base grows through better data and more rigorous analysis, it becomes easier to demonstrate the value of civil society and volunteering, as vital players in society, to policymakers

Currently, the way that civil society is measured is simplistic. One way of looking at one part of civil society is to look at the Charity Commission, which lists approximately 184,000 registered charities in the UK, employing around 1.4 million people (or approximately 6% of the overall workforce in the UK) and attracting a combined gross annual income of around £88.3 billion.<sup>5</sup> The National Council for Voluntary Organisations (NCVO) Almanac estimates the direct economic contribution of charities to the UK economy to be around £18 billion, or 0.8% of UK GDP.<sup>6</sup> But these estimates are not an accurate measure of the value or impact of civil society.<sup>7</sup> They take no account of the value generated by unpaid volunteers and there is no consideration of the value of informal volunteering. They also exclude the impact of all organisations, charities and community groups which are

<sup>4</sup> <u>Levelling Up the United Kingdom</u>, UK government, February 2022.

<sup>6</sup> National Council of Voluntary Organisations (NCVO), <u>UK Civil Society Almanac 2023</u>, accessed 19 October 2023.

<sup>&</sup>lt;sup>3</sup> A Kenley, <u>Taking account: the case for establishing a UK social economy satellite account</u>, Law Family Commission on Civil Society, July 2021.

<sup>&</sup>lt;sup>5</sup> Charity Commission, <u>https://www.gov.uk/government/organisations/charity-commission.</u>

<sup>&</sup>lt;sup>7</sup> J Martin and J Franklin, <u>Fuller Measures of Output, Input and Productivity in the Non-Profit Sector: a Proof of Concept</u>, Economic Statistics Centre of Excellence (ESCoE) Discussion Paper 2022-24, October 2022.

not currently registered with the Charity Commission. In addition, the Almanac estimates do not take into account the spillover fiscal benefits associated with charitable and voluntary activities, while there is no accounting for wider economic spillover effects generated by the sector's activity.

Volunteering can take a multitude of forms, which makes the study of volunteering and its impact more challenging, but broadly speaking there are 'formal' and 'informal' types of volunteering. Formal volunteering is usually organised by an organisation, such as Royal Voluntary Service (RVS), or charities such as Macmillan Cancer Support, or the Samaritans. The range of tasks carried out vary enormously, but they could include befriending services, retail support and event support. Informal volunteering could involve someone who might help a neighbour, or another member of the local community, with various tasks such as shopping, collecting prescriptions and so on.

A staggering number of people volunteer. The Community Life Survey, a survey of all adults aged 16+ in England, measures both formal and informal types of volunteering. Data from 2021/22 shows that 16% of adults in England engaged in some type of formal volunteering at least once per month; with 27% having formally volunteered over the previous 12 months. This amounts to just over 12 million people having volunteered formally. Levels of informal volunteering were higher, with 26% volunteering at least once a month and 46% having volunteered at least once over the previous 12 months. This equates to around 21 million people having volunteered informally. Some people get involved with both formal and informal types of volunteering. Around 25 million people in England did some form of both formal and informal volunteering over the previous year. These figures represent vast amounts of labour, but because it is unpaid, its effects go unnoticed in the wider economy. However, there are significant economic benefits generated by volunteering, both for the individual and society as a whole.

# Volunteering has a positive effect on productivity both for the individual and the wider UK economy

For the volunteer, the experience of volunteering can play a key role in skills development. Nearly one in four (23%) people engage in volunteering because it gives them the opportunity to apply their existing skills, More than one in seven (15%) do it with the purpose of learning new skills.<sup>8</sup> Other motivating factors include meeting new people (25%) and a small minority see it as an opportunity to help them with their career (7%). The mechanisms by which volunteering can impact on the volunteer have been summarised in a theory of change model for

<sup>&</sup>lt;sup>8</sup> Community Life Survey, 2021/22.

volunteering (see Annex A). The model shows outcomes for the volunteer around purpose, identity and values, relationships, personal growth and development, as well as longer-term effects on subjective wellbeing.

Where volunteering works through using and/or developing skills, this will lead to increased productivity, which contributes to Gross Value Added (GVA) in the economy in two ways. Firstly, a more productive individual typically commands a higher wage, and, secondly, in situations where employers have some market power, this will also result in additional profit (known as Gross Operating Surplus (GOS)) for the employer. This value reflects the potential increased profit (or surplus income generated) by having more productive members of staff.

Wilson et al demonstrate the effects of volunteering on wages for people in professional/managerial professions.<sup>9</sup> The evidence does not currently support a relationship for those in intermediate (or blue collar) jobs. That is not to say that there is not a relationship, but simply that a relationship has not yet been established. It is possible that the nature of professional/managerial jobs makes it easier for employees in this sector to take up volunteering opportunities, compared with intermediate jobs, but there would need to be more research exploring the nature of different sectors and the opportunities experienced.

It has been previously shown that those in professional and managerial occupations benefit financially from volunteering to a value of approximately  $\pm 2,074$ .<sup>10</sup> Analysis by PBE uses this figure as the basis for estimating a fuller measure of productivity, based on volunteering at the individual level, to find the total productivity across all volunteers in the professional/managerial occupations.

The analysis involves four steps:

• Step 1: identifying the number of new volunteers in a year who are employed within the professional/managerial occupational group.<sup>11</sup>

<sup>&</sup>lt;sup>9</sup> J Wilson, N Mantovan and R M Sauer, <u>The Economic Benefits of Volunteering and Social Class</u>, Social Science Research, 2020.

<sup>&</sup>lt;sup>10</sup> Table 3 in J Wilson, N Mantovan and R M Sauer, <u>The Economic Benefits of Volunteering and Social Class</u>, Social Science Research, 2020.

<sup>&</sup>lt;sup>11</sup> The analysis by Pro Bono Economics uses longitudinal data from Understanding Society, as used in the analysis by Wilson et al, to identify what proportion of volunteers in a professional/managerial occupation said 'no' when asked in the previous wave two years ago (questions on volunteering are asked every other year). The rationale for identifying 'new' volunteers in a year is that the evidence does not suggest that wages increase for each year that someone volunteers, but rather that volunteers can expect a pay differential at some point given their volunteering. Isolating new volunteers in a year helps to avoid double-counting the economic contribution of volunteering.

- Step 2: finding a more recent figure for wage uplift and using that to determine the level of employer contributions for National Insurance and separately pensions.
- Step 3: estimating a figure for average profit contribution based on the new salary attributable to volunteering.
- Step 4: summing these values to give increased productivity per person attributable to volunteering and multiplying by the number of volunteers employed in professional and managerial occupations.

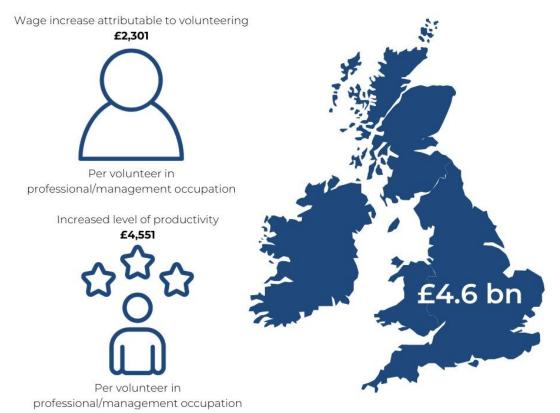
Table 1 sets out the figures calculated at each step. Through their increased productivity, the average volunteer will earn approximately £2,300 more than they did before they began volunteering.<sup>12</sup> The higher salary will generate, on average, an additional £300 in National Insurance contributions per person and additional pension contributions of around £70. This would amount to more than £320 million per year for the Exchequer based on increased National Insurance contributions alone. Returning to the idea of increased productivity by staff leading to higher levels of profit (or surplus margin), analysis by PBE estimates that there is an additional value of around £1,800 per person for the employer on the basis of an individual employee's volunteering.

This means that the volunteering activities of each new volunteer adds approximately £4,551 to the UK economy. This impact is for those people working in professional/managerial professions, but if this figure is multiplied by the total number of volunteers employed in these groups this gives a total value of added productivity attributable to volunteering of almost £4.62 billion per year.

#### Table 1

	Additional benefit
Wage increase attributable to volunteering	£2,301
National Insurance contributions	£318
Employer pension contributions	£69
Wage uprated for average profit	£1,864
Total value of added productivity - individual	£4,551
Total value of added productivity – across all	£4,620,000,000
volunteers	

<sup>&</sup>lt;sup>12</sup> The level of wage increase has been updated from the 2017 figure given by Wilson et al and is based on 2021 values, aligned to the population figures used in the estimates; see Annex B for more information, which contains details about all the calculations at each step and the assumptions made.



#### Figure 1: The effect of volunteering on wage increase and productivity

These figures have been calculated using data on volunteering rates from 2019, pre-Covid, which means that the estimates will not be affected by the unusual pattern of events that affected volunteering rates during that period.

The suggestion then is that volunteering by workers in professional/managerial positions was handing UK plc a productivity boost in excess of £4.5 billion every year prior to the pandemic. Focusing on the decade between the financial crisis and the arrival of Covid – a period marked out by the 'productivity puzzle' and the flatlining of growth – the impact equates to a cumulative boost of more than £45 billion. And of course, this figure relates only to the wage boost secured by the one group of employees for which we have concrete evidence of a volunteer-related pay effect. Adding in the likely benefit accruing to other workers, and indeed any employment-boosting effects enjoyed by unemployed people and inactive volunteers, would further increase the overall productivity gain achieved across the country.

# Volunteering can also increase UK productivity through supporting people into work

The theory of change model for volunteering illustrates the mechanisms by which volunteering has an impact on the individual, including the use and development of skills, as well as increased connections. These positive developments have a bearing on a person's sense of efficacy, self-esteem and confidence, all of which can help in both gaining and maintaining employment. It is ultimately the process of being in employment that leads to productivity for both individuals and the organisations they work for, as well as driving up productivity in the economy. There is some, albeit limited, data from the US, for example, which looks at the effect of volunteering on young people. The results from this research showed that among 21-29-year-olds those who volunteered were less likely to be unemployed six months later.<sup>13</sup>

To better understand the impact of volunteering on people who are unemployed, RVS recently commissioned new research involving 1,000 people aged between 18 and 66 not currently employed or in education for at least six months.<sup>14</sup> The research found that almost six out of ten (59%) people agreed that they would like to find employment, but most people faced challenges. As Figure 2 shows, these challenges predominantly fell into two categories: health-related and confidence and skills.

There were clear differences in how men and women experienced those challenges. Women were more likely to say that they were too unwell to work compared with men (42% versus 33%).<sup>15</sup> They were also more likely to say that "there is a lack of accessible opportunities to suit their physical/mental health needs" compared with men (32% and 26% respectively). Notably, men were more likely to cite a lack of skills or education (18%), compared with women (13%). In the workplace, men are often more likely to demonstrate heightened confidence in their abilities compared with women. This research would suggest that among those who are unemployed, the relationship between confidence and gender might be reversed. While women were more likely to report a lack of confidence (35%) compared with men (30%), the difference is not statistically significant.

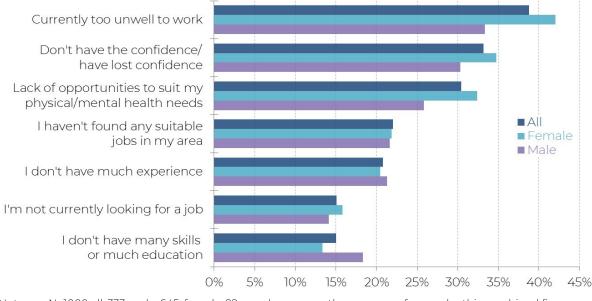
<sup>&</sup>lt;sup>13</sup> V Konstam, S Tomek, S Celen-Demirtas & K Sweeney, <u>Volunteering and reemployment Status in Unemployed</u> <u>Emerging Adults: a Time-worthy Investment?</u>, Journal of Career Assessment, 2015.

<sup>&</sup>lt;sup>14</sup> The average length of time out of work was 2.85 years, excluding those who said they have never been in work, which constituted 14% of the sample.

<sup>&</sup>lt;sup>15</sup> On gender, people were offered additional options of 'non-binary', 'other' and 'prefer not to say'. The numbers were too small to include in the analysis.

# Figure 2: Barriers to employment fall into two main categories: health-related concerns and confidence

Barriers to employment



Notes: N=1000 all, 333 male, 645, female, 22 people gave another response for gender this combined figure was too small to chart. Responses of less than 15% not shown.

Source: Censuswide for Royal Voluntary Service, fieldwork 25.09.23-02.10.23.

The benefits of volunteering at the individual level can manifest, among other things, in increased skills<sup>16</sup> - with an outcome being increased confidence.<sup>17</sup> Recent research among people who have been unemployed found that almost one in four people (23%) said that they were currently volunteering or had previously volunteered.<sup>18</sup> Of this group, just over one in four (26%) said that they had gained no benefits from the experience in relation to confidence, skills development or general employability. The remainder all felt that they had taken something positive out of the experience, as can be seen in Figure 3.

The RVS study also found more than two out of five (44%) people had not previously considered volunteering. It showed that the majority of unemployed people (68%) were interested in volunteering opportunities, while the level of interest was even higher among those aged 18-24 (74%). This could present an

<sup>&</sup>lt;sup>16</sup> For example, see: A Eberl & G Krug, <u>When and how does volunteering influence wages? – Evidence from panel data</u>, Acta Sociologica, 2021; J Wilson, N Mantovan and R M Sauer, <u>The Economic Benefits of Volunteering and Social Class</u>, Social Science Research, 2020; V Konstam, A Shantz, R Banerjee & D Lamb, <u>The Relationship Between Male and Female Youth Volunteering and Extrinsic Career Success: A Growth Curve Modelling Approach</u>, Nonprofit and Voluntary Sector Quarterly, 2019; S Tomek, S Celen-Demirtas & K Sweeney, <u>Volunteering and reemployment Status in Unemployed Emerging Adults: a Time-worthy Investment?</u>, Journal of Career Assessment, 2015; C. Spera, R Ghertner, A Nerino & A DiTommaso, <u>Volunteering as a Pathway to Employment: Does volunteering increase odds of finding a job for the out of work?</u>, Corporation for National & Community Service, June 2013

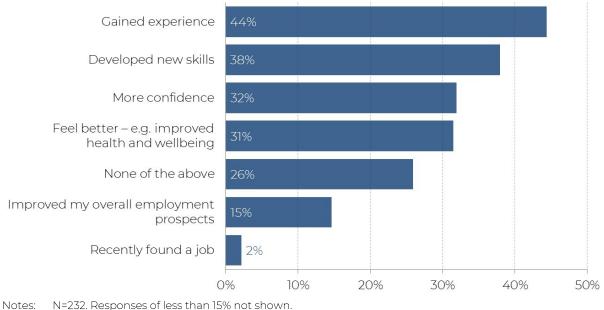
<sup>&</sup>lt;sup>17</sup> See Theory of Change model Annex A.

<sup>&</sup>lt;sup>18</sup> Research by Cenuswide for Royal Voluntary Service, 25.09.23-02.10.23

opportunity to prompt people with opportunities to volunteer which would ultimately benefit their own employment prospects.

# Figure 3: The majority of volunteers and former volunteers felt that they had gained valuable work-related experience from volunteering

Benefits gained from volunteering



Source: Censuswide for Royal Voluntary Service, fieldwork 25.09.23-02.10.23

The RVS study also found more than two out of five (44%) people had not previously considered volunteering. It showed that the majority of unemployed people (68%) were interested in volunteering opportunities, while the level of interest was even higher among those aged 18-24 (74%). This could present an opportunity to prompt people with opportunities to volunteer which would ultimately benefit their own employment prospects. Specifically, nearly four in ten (38%) said that they had developed new skills.

Among the 38% who said they had developed new skills through volunteering, there were gender differences. In total, 44% of women said that they developed new skills, compared with 28% of men.<sup>19</sup> Women were also more likely to believe that volunteering had improved their overall employment prospects compared with men (18% vs 8%) and that they had gained in confidence (34%) compared with men (28%). These findings should be treated as indicative given the small numbers of people in these groups.

<sup>&</sup>lt;sup>19</sup> With the small numbers reporting volunteering (or previously having volunteered), particularly among men (74 compared with 154 females), it is not possible to break down the data too far by subgroup, therefore gender has not been included in the chart. The text, however, reports key findings, which should be treated as indicative.

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These findings support the growing body of evidence that among unemployed people volunteering can improve skills and employment prospects, particularly for women.

#### Volunteering productivity and unemployed people: a thought experiment

Earlier estimates looking at the impact of volunteering on wages focused on just those people who are employed in professional/managerial occupations, leaving the potential impact of volunteering on unemployed people unaccounted for. There are approaching 1.4 million unemployed people in the UK and, of those, approximately 185,000 are from a professional background.<sup>20</sup> If this group volunteered at the same rate as employed professionals/managers, and the same calculations for productivity were applied to this group, there would be an additional £67.5 million of productivity attributable to volunteering in the economy. It must be stressed that the evidence does not support this at present; the estimate is simply designed to give an idea of the potential scale of the impact of volunteering in productivity terms if the relationship observed in the employed professionals/managerial group of new volunteers could be replicated for unemployed new volunteers who fall into the professional/managerial occupational group.

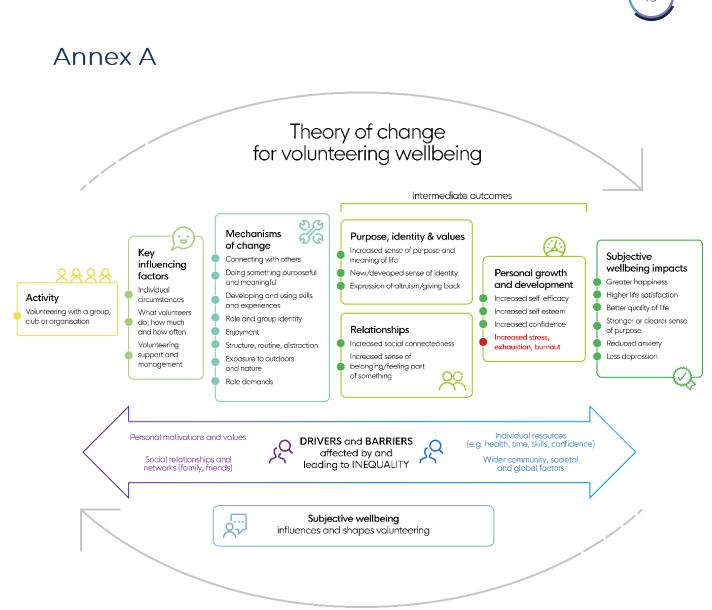
<sup>&</sup>lt;sup>20</sup> These figures are based on the economically active unemployed group, i.e. they are looking for employment. Figures for England and Wales were taken from the most recent census data and accessed via Nomis 19 October 2023.

## Conclusion

Volunteers provide a vital resource for charities across the UK, organisations that are often working to support the most vulnerable members of society. But volunteering also offers benefits for the volunteer too, including skills development and utilisation, making new connections, increased confidence and wellbeing. And some of that benefit that accrues to the individual has wider benefits for the economy, through increased productivity. Volunteering is therefore a valuable resource for the UK and one that is typically undervalued in economic terms and overlooked in policy terms. Given the many and often hidden benefits it brings, the country should be investing more in supporting volunteering than it currently does. That requires action from stakeholders – facilitation from government, encouragement by business, and efforts within the social sector itself to adapt to the changing needs and preferences of today's volunteers. It is clear that by encouraging volunteering, significant productivity benefits can be generated. The government should engage with the following recommendations, which are designed to encourage more volunteering and so garner those benefits for individuals, civil society, the economy and the taxpayer.

- 1. Volunteering has been shown to have positive effects for the volunteers, the beneficiaries, communities and society as a whole; the government should show its full support for volunteering and invest in an activity which contributes to the nation's prosperity.
- 2. Given the positive effects on productivity, there should be a collective effort to expand employee volunteering opportunities across the entire workforce, enabling everyone at work to benefit whatever their role.
- 3. The voluntary sector should continue to develop more flexible volunteering opportunities to enable wider participation around work commitments.
- 4. People keen to return to work, but who face barriers, should be offered appropriate opportunities to volunteer in appropriate and supported settings to build confidence and skills. A joined-up approach by the government and civil society has the potential to make a positive difference to individual lives and to GDP.
- 5. Organisations that provide volunteering opportunities should think about whether they could present volunteers with some type of formal recognition for their volunteering that can be used as evidence of their

achievements. This would be particularly beneficial for unemployed people who are encouraged to take part in volunteering in relation to skills development, confidence-building or simply developing networks that could lead to new opportunities.



Source: The What Works Centre for Wellbeing, 2020

# Annex B

### Step 1

Data from the Annual Population Survey for 2017 was used to find the wage uplift attributable to volunteering (£2,074.20) as a proportion of average annual net pay for 2017 (£21,615). This gives a figure of 9.6%. The same proportion of the average annual net pay for 2021 was calculated giving a wage uplift attributable to volunteering for professional and managerial occupations of £2,301 (2021 corresponds to the year for which we have used population figures by occupation type). The cost of additional National Insurance contributions based on this uplift has been calculated at a rate of 13.8%. A similar addition for pensions contributions has been added based on the minimum 3% figure employers are required to pay.

### Step 2

The wage impacts attributable to volunteering have been supplemented by adding in a figure representing the contribution of labour to average profit (or surplus) levels. This has been estimated based on £0.81 (the average over the last three years) for every £1 of salary. This is based on national accounts data.

### Step 3

This simply involves summing the first five values in Table 1 to give increased productivity per person attributable to volunteering.

### Step 4

Census data for England and Wales from 2021 was accessed via Nomis to establish the numbers of people employed in the professional/management occupations. This gives a figure of 11,730,178. Equivalent figures of 831,659 for Scotland and 154,540 for Northern Ireland were sourced to give a total population figure of 12,716,377 working in professional/managerial occupations. For Scotland it was necessary to use the 2011 figures, as the more recent data was unavailable.

Data from Understanding Society 2019 was used to establish what proportion of people employed in professional/managerial occupations had volunteered in the previous 12 months which came to 21%. Further analysis showed that, of that 21%, around 38% were 'new' volunteers, which means they answered 'no' when asked in the previous wave whether they had volunteered in the last 12 months. If these proportions were applied to the UK population figure the result would be 1,014,767 people employed in professional or managerial occupations who volunteered in the last 12 months. Multiplying this figure with the £4,551 calculated through the

preceding steps gives a total value for productivity attributable to volunteering of £4,618,587,674, or £4.6 billion.

RVSE01

