

Measuring the value of unpaid work

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As a country we can't do enough to ensure that the volunteer effort that is the glue to our society is noticed. At Volunteering New Zealand we put a lot of focus on recognising the value of volunteering. But when we say value, how do we measure that? Quite simply, we rely on sketchy data.

While the new mandatory reporting standards for charities have been in place for a while, Charities Services still hasn't come up with meaningful ways to measure volunteer contribution. Charities need to specify in great detail their finances. But when it comes to the time contribution the guidelines say no more than "just take an average of your number of volunteers and the numbers they contribute".

It took nine years before the 2004 Non-profit Organisations Satellite Account was repeated. That was five years ago. The results of the 2013 Satellite Account show that the value of volunteer labour to GDP through non-profit organisations was calculated at \$3.5 billion. But we all know that volunteering through an organisation is only part of the picture. It doesn't take into account the billions of hours of unpaid work that make our nation tick. The mahi at a marae, someone plogging on a Saturday morning or mowing the elderly neighbours' lawn, helping out with writing at the local school, coaching a sports team or organising a street party for Neighbours Day.

Measuring the economic value of the goods and services that volunteers produce is only part of the picture. As Robert F. Kennedy said in 1968: "[GDP] measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile."

While volunteering is now a wellbeing indicator (partly through advocacy effort by Volunteering New Zealand), the value of volunteering as a wellbeing measure is not known.

So, I am a bit of a fan of Andrew Haldane, chief economist of the Bank of England. He is also founder of Pro Bono Economics, a matchmaker between volunteer economics and charities to work on measuring the social impact of charities' activities. In 2014 he gave a speech titled "In giving, how much do we receive? The social value of volunteering". In that speech he clearly laid out that the value of volunteering is not just to the recipient but also to the provider and to wider society.

He starts off with measuring the economic value of volunteering (basically the value of the goods and services delivered through volunteering). Then he discusses the personal benefits of people volunteering, for example increasing skills and employability or the impact it has on a person's health and wellbeing (did you know that volunteering contributes as much to someone's wellbeing as playing sports?). And finally he addresses the society impact of volunteering, the money saved to society by addressing issues.

As an example, I might take my elderly neighbour to their monthly hospital appointment. The economic value of this activity would be equivalent to what it would cost if this service was delivered for example through a taxi company, i.e., the value of the service (which is different than calculating my hourly rate at a minimum wage rate and a bit of fuel).

Through this activity I may be able to demonstrate to prospect employers that I am reliable, have good people skills and know how to deal with confidentiality. In other words, this activity could increase my employability and at the same time improves my health and wellbeing, sense of worth and purpose. This would be the personal value (to the provider of the service).

The society impact of this activity could be calculated by measuring the financial benefit because the 'did-not attend' rates at the hospital are reduced. It would also include things such as the saving on health care because the person actually received treatment and therefore doesn't require more invasive treatment as his condition was managed rather than becoming worse if he hadn't been able to complete his treatment.

Haldane explains that most charities are not good at demonstrating the true societal value of their activity as it requires a lot of expertise and time – aka money – to properly calculate this, and most charities would rather use this money to actually deliver services.

So why is this important? Civil society or the 'community glue' is something that traditionally used to be strong in New Zealand. But society is changing. While according to the World Giving Index, we are still in the top five for volunteering, we dropped from 44% of the population volunteering in 2016 (ranking number four) to 40% of the population volunteering in 2018.

But we structurally underinvest in volunteering and civil society. It is not taken seriously like the private sector, or even the public sector, because we don't measure it and therefore we need to make the sector more visible and prominent.

It will be hard, if not impossible, to leave it to the volunteering sector to demonstrate its worth so we need agencies such as Statistics NZ to measure the social contribution of the sector as a whole to highlight the value of its social contribution.

It's up to each of us to stand up for volunteers and volunteering in our own environments to ensure volunteering is impactful. For larger organisations this could mean ensuring that paid professionals work in partnership with the volunteers that come from the communities they serve, for informal settings it could mean that it is inclusive, for Volunteering New Zealand this could mean engaging with government agencies to ensure that policies support rather than hinder volunteering. For the Government this could mean developing volunteering strategy that underpins the aspiration of a country where people are working, caring, learning or volunteering.

Let's make unpaid work count.