



# The Economic Value of Full-Time Volunteering

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**A report for City Year UK**

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## About Pro Bono Economics

Pro Bono Economics (PBE) helps charities and social enterprises understand and improve the impact and value of their work. Set up in 2009 by Martin Brookes (Tomorrow's People) and Andy Haldane (Bank of England), PBE matches professional economists who want to use their skills to volunteer with charities.

PBE has over 500 economists on its books and has helped over 300 charities large and small, covering a wide range of issues including education, employment, mental health and complex needs.

PBE is a charity and is supported by high-profile economists, including Andy Haldane (Bank of England) and Dave Ramsden (HM Treasury) as trustees, and Kate Barker, Lord Jim O'Neill, Robert Peston, Martin Wolf and Lord Adair Turner as patrons. Lord Gus O'Donnell joined the Board of Trustees as Chair in September 2016.

## About City Year UK

City Year UK is a youth social action charity which challenges 18 to 25-year-olds to tackle educational inequality through a year of full-time voluntary service. As mentors, tutors and role models in schools, they support pupils growing up in some of the most disadvantaged communities in the UK.

City Year UK's volunteers are integral to the school day. They encourage pupils both in and out of the classroom to engage with and enjoy learning, while developing their own skills. The volunteers also meet to share experiences and benefit from a leadership development programme delivered by experts from across the education, business and voluntary sectors. This is accredited by ILM, the UK's leading provider of leadership, coaching and management qualifications.

City Year was first established in Boston, Massachusetts in 1988 and operates in 27 cities across America, as well as Johannesburg in South Africa. City Year UK launched in London in 2010 and has since expanded to the West Midlands and Greater Manchester. During this time, the organisation has partnered with almost all types of primary and secondary state schools, including academies, free, local authority and faith schools. This year, 160 volunteers are supporting pupils in 23 primary and secondary schools.

## Foreword by Rt. Hon. The Lord Blunkett

When I was 16, I volunteered to go and see an old lady called Mrs Plum every week for two years. When it was time for me to leave the school for the blind to go back to Sheffield, meaning I could no longer support her, I went to say goodbye and say that I hoped I had been some help. But as soon as I told her, she responded with, “Well, David, I really hope I’ve been some use to you over the past two years”. After all that time, Mrs Plum thought that she was the one who was helping me, not the other way around.

That relationship encapsulates the very nature of volunteering. At its best, volunteering is a reciprocal venture; we give and we gain. It builds the soft skills of young people and helps develop their understanding of the world around them. It also teaches them how much value they can give to others and how rewarding this can be. Simultaneously, it has an enormous impact on the issue or people these volunteers are serving.

That’s why I have dedicated so much of my political career to facilitating opportunities for young people to engage in full-time volunteering.

As far back as 2003 I have been calling for the Government to put civil renewal at the centre of the political agenda, seeing volunteering (particularly full-time) as the way to do that. When I was Secretary of State for Education and Employment we established the Millennium Volunteer Programme, which allowed young people to serve on a full-time basis in hospitals, classrooms and in outdoor settings conserving our environment. And in 2011, by this time in Opposition, in the wake of the London riots I called for the creation of a nine-month, full-time ‘National Volunteer Programme’ to rebuild our sense of shared values and community.

Each time I have tried to galvanise support for full-time volunteering, I have done so with renewed energy, passion and clarity of vision. That’s why I accepted the offer to become City Year UK’s Patron in 2015. They have led the way in proving that full-time volunteering can be thrive and have an impact since they were established in 2010. They have also led the charge in calling on the Government to provide full-time volunteers with the recognition and support their efforts so thoroughly deserve. Now with the Department of Digital, Culture, Media & Sport’s independent ‘Full-Time Social Action By Young People Review’ we find ourselves at a fork in the road. Use this moment to give full-time volunteers a legal status and create a National Volunteering Programme or once again miss an opportunity that could reap countless benefits for society.

The creation and growth of the National Citizen Service (which hit 100,000 participants this year) and Government-backed full-time volunteering programmes from Germany, France and the USA which can engage up to 150,000 participants per year, has taught us one thing above all else: build it and they will come. Tens-of-thousands of young people up and down the country are ready to make a meaningful contribution to their communities. They just need a mechanism through which to do so.

As a board member of the National Citizen Service I have been able to see first-hand the young people who have benefited from short term opportunities both to volunteer and to learn a little about working together. Clearly this could form a major springboard for a

substantial proportion of that number to go on and undertake full time volunteering before going on to work, apprenticeship or university.

But I must be clear, if we are serious about creating a national programme of full-time volunteering, it will require upfront investment to enable charities and young people to get involved. Look throughout history and you will see that game-changing initiatives often do. And that alone is no reason to shy away from visionary ideas - take the NHS as just one example.

But just as with the creation of the NHS, this too would be an investment in the future of our country, whether we are referring to upskilling of young people so they are prepared for the modern labour market, more integrated communities, more active citizens and stronger public services.

Pro Bono Economics has proven that should the Government decide to invest in a quality programme of full-time volunteering not only will we reap social rewards, there are significant economic gains too.

Armed with this evidence, the question must now shift from whether we can afford such a programme, to whether we can afford *not* to invest right away?



**Rt. Hon. The Lord Blunkett**

Former Secretary of State for Work and Pensions; Education and Employment  
City Year UK Patron  
National Citizen Service Board Member

## Executive Summary

Pro Bono Economics was commissioned by youth social action charity City Year UK to produce an *independent report* to investigate the potential economic benefits of a young people's full-time volunteer service programme.

This report is timed to coincide with the ongoing independent review into full-time social action (volunteering) by young people, launched by the Government in December 2016. The 'Youth Full-Time Social Action Review' is assessing how to increase participation in full-time social action by analysing the opportunities and barriers faced by organisations and young people in undertaking this kind of volunteering. The review aims to be completed and presented to the Minister of Civil Society in December.

Our analysis has focused on the potential annual net economic benefits of a full-time volunteer service for young people. Based on a series of assumptions concerning the operating costs that might pertain to a 10,000 volunteer scheme - and the benefits to the volunteer and organisations they are placed with – **annual total net benefits might be between £28 and £119 million to the UK economy** (i.e. a cost benefit ratio of 1.2 to 1.6).

### Full-time volunteering in the UK: potential for growth

Volunteering is already widespread in the UK, with an estimated 13.8 million people of all ages formally volunteering on a regular part time basis, accounting for 1.9 billion hours of unpaid work. In contrast, the number of full-time volunteers is relatively low and likely to be in the low thousands.

Full time volunteering has the **potential to be scaled up**. According to estimates in a 2015 report for City Year UK, a new service engaging 10,000 young people in full time volunteering is feasible within five years of the launch of a government-backed programme.

The report finds that international comparisons (from Germany, France, USA and Italy) are indicative of the capacity for expansion of such a programme and provide examples of the types of legal frameworks that could apply to a UK programme – and the numbers that it could attract. For example, France, with a similar population size to the UK, had 92,000 volunteers complete the Service Civique programme in 2016. Similar levels of participation in the UK could offer the opportunity for uplifts in economic and wider community benefits and, as importantly, the recognition of the positive effects of social action by and for young people.

In assessing the feasibility of any future programme, consideration will need to be given to:

- provider capacity and capabilities
- the willingness of charities and other organisations to pay for (in part) the programme and
- the availability of other sources of funding that may be required to ensure on-going sustainability.

## The economics of expanding full-time volunteering

The economic case for increasing participation in full-time volunteering is based on the benefits to the full-time volunteer, the organisations they might work with and the impacts to wider society.

The case for realising such benefits is particularly strong for specific high social cost groups such as NEETs (not in employment, education or training). Full-time volunteering might reduce such costs by providing an alternative vocational route for improving school-to-work transitions.

Specific beneficiary outcomes from full time volunteering that have been identified include:

- Improving **professional and employability skills** that help to prepare for work or moving into further education and training;
- **Developing softer skills** that are otherwise not always developed within formal education;
- Enhancing **personal skills** that can improve self-esteem and self-confidence;
- Improving **life satisfaction** through helping others;
- **Better social integration** by engaging with people of different ages, backgrounds and outlooks; and,
- Increasing interest in **future volunteering, civic engagement and community participation**

Wider societal benefits that underpin the economic case for full-time volunteering are particularly pertinent to sectors where full-time volunteers may provide (support) services that might not otherwise be able to be delivered on a paid for basis (for example education, health, social care, protecting the environment, disaster relief and homelessness).

The cost-benefit analysis presented provides an illustration of the economic value of one approach to a full-time volunteering service whereby Government would provide a financial stipend to volunteers (i.e. a flat rate of reimbursement, typically set above the rate of benefits but below national minimum wage) and contributions to overall programme costs would be secured from organisations accessing volunteer time and other match funding sources.

A stipend is suggested as various studies indicate there are financial barriers to full time volunteering participation in the UK particularly for young people from lower income and disadvantaged backgrounds. International comparisons also indicate the importance of financial incentives as well as accreditation, qualifications and training support.

In this context consideration is given to a programme cohort of 10,000 full-time volunteers, estimates of running costs including stipends and operational support provided by City Year, and benefits to volunteers in terms of employment and earnings uplift. Such a programme might generate a net benefit to the UK economy of between £28 million to £119 million (and a cost benefit ratio of between 1.2 to 1.6).

These estimates **do not** include wider societal benefits since these are specific to the sectors over which any programme might operate. Similarly, it is also assumed that substitution effects will be relatively low (given that any Government programme will – prima facie – be designed to address this issue and seek to minimize such effects evident in legislation introduced in the US, France and Germany to establish similar programmes).

# 1. Background and context

## 1.1 Background to the report

The background context for this report is an independent review, launched by Government in December 2016, into full-time social action by young people<sup>1</sup>. The review is looking at how to increase participation in full-time social action by reviewing the opportunities and barriers faced by organisations supporting young people. The advisory panel (chaired by Steve Holliday, chair of Crisis and former chief executive of National Grid) includes experts from the private and voluntary sectors. The panel is expected to make recommendations to the Minister for Civil Society by December 2017.

Volunteering fits within a broader theme of social action which the Cabinet Office defines as a practical action in the service of others. Full-time volunteers are generally young people who devote several months to a year of their time to unpaid work for the purposes of both public benefit and the enjoyment of and acquisition of useful skills by the participant. Their experiences boost their confidence, widen their skill sets, increase their income potential, and prepare them to work in teams, while their efforts have a positive impact on the lives of the people they help. All of these channels have an economic value to society.

Full-time youth volunteer numbers remain low in the UK, especially in relation to international comparisons. As most individuals have to engage in paid work to earn a living, the number of full-time volunteers is only a small fraction of the overall number of volunteers. Furthermore, UK young full-time volunteers do not have a proper legal status, meaning that they are classified as: 'not in education, employment or training' (NEET) and receive none of the benefits of those under other legal statuses (such as students, those who are unemployed, or those in part or full-time employment).

*"The only negative is that I feel the type of volunteering we do is ignored by the Government. To be classed as a NEET and having no legal status is demoralising and has a practical impact on my life. It means I lose a year of my pensions eligibility and can't receive expenses when I'm ill - which is an obvious consequence of serving in a school. Surely the Government should be doing everything they can do support young people who want to volunteer full-time to improve their community?"* **Maryam Bibi, City Year UK full-time volunteer**

This could be addressed by the government giving formal recognition and support to full-time volunteering with options for changes in policy including addressing legal status and financial barriers. This, it is argued, is what is required to provide the profile and momentum to realise the potential of full-time volunteering in the UK. Increased participation in good quality schemes could offer significant benefits both to the full-time volunteers as well as to the delivery of public services.

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<sup>1</sup> <https://www.gov.uk/government/news/call-for-more-opportunities-to-support-young-people-volunteering-in-the-community>.

While the numbers of full-time volunteers in the UK are currently low, City Year UK believes there are various reasons why there may be benefits to scaling-up:

- International comparators (such as the US, France and Germany) are indicative of the potential for expansion and provide good evidence of their programme benefits;
- In principle, as illustrated in Table 1 below, full-time commitments enable higher value, more targeted service programmes, based on activities which are harder to deliver with occasional volunteers; and,
- Full-time volunteering has a double benefit with the potential to transform both the lives of the participants (usually young adults taking something similar to a ‘gap year’) and the recipients of their service.

**Table 1: What does full-time volunteer service offer?**

*Full-time volunteering enables UK youth (18-25 year olds) to perform several months to up to a year of results-driven public service*

<ul style="list-style-type: none"> <li>✓ <b>A platform for personal and skills development</b>, both through service as well as through training, that is not available elsewhere<sup>2</sup></li> <li>✓ <b>A chance to give back to the community</b> through meaningful, full-time service</li> <li>✓ An opportunity that is <b>accessible to all</b></li> <li>✓ A means for <b>providing unique additional capability in public services</b> that cannot be provided by regular staff</li> <li>✓ The ability to <b>build a life-long network</b> by serving for a year with a like-minded cohort</li> </ul>	<p><b>Full-time volunteering is NOT:</b></p> <ul style="list-style-type: none"> <li>- <b>An unpaid internship:</b> participants serve to resolve deep social challenges in public services via service with a charitable organisation. They are integral to their programmes, which could not exist without their service, are rigorously trained to carry out their roles and receive careers guidance and development opportunities.</li> <li>- <b>A year in employment:</b> Participants are not employed to do a particular job but they add real value and impact which complements existing public service roles. They do not have the specialist skills and training to replace paid employees and their efforts would be ineffectual without working in tandem with them.</li> <li>- <b>An apprenticeship:</b> skills gained from the experience develop a range of skills which are transferable to a multitude of career paths rather than learning on the job to undertake a specific role.</li> </ul>
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Source: City Year UK

## 1.2 Aims of report

Pro Bono Economics has been commissioned by City Year UK to provide a high-level overview of the costs and benefits of a scaled-up Government-backed full-time volunteer programme by:

<sup>2</sup> Report on scaling up service years for City Year (2015) suggests that training and development for Service Leaders has 4 main aspects: skills and personal development, formal qualifications and awards, mentorship and careers guidance and networking.

- Providing an analysis of the economic value of full-time volunteering through reviewing evidence of the economic value to: (a) beneficiaries of such activity and (b) the benefits to full-time volunteers<sup>3</sup>;
- Developing a cost-benefit framework to illustrate the key costs and benefits of full-time volunteering in UK that might result from a government-backed programme and;
- Using the results of the analysis to indicate the economic case for a Government-backed full-time volunteer service.

### 1.3 Current picture of full-time volunteering in the UK

The Community Life Survey (2015-16) defines volunteering as unpaid help with a distinction made between formal (i.e. activities taking place through groups, clubs or organisations to benefit other people or the environment) and informal volunteering (such as an individual helping people who are not relatives). Volunteering fits within a broader theme of social action which the Cabinet Office defines as a practical action in the service of others. Social action can include formal or informal volunteering, the giving of time and money or simply people helping people. It can also include community action such as events, campaigns and charitable donations. Demos (2013) highlight that data relating to the number of young people taking part in social action projects, and the impact that has, is limited. Volunteering is already widespread in the UK. Using 2015 data from the Community Life Survey, the ONS estimates that 13.8 million people formally volunteer regularly (at least once a month), accounting for 1.9 billion hours of their time<sup>4</sup>. Data from the Community Life Survey (2015-16) shows that rates of volunteering by people in the 16-25 age group has one of the highest participation rates among any age group (with estimated formal frequent participation rates at 32% compared to an average of 27% participation rate for the whole population).

Voluntary service has multiple benefits for society's wellbeing from the value of the services delivered by volunteers to the community as well as the benefits to the volunteers themselves. A growing body of evidence has focused on the significant economic value of volunteering, helping to highlight a potentially under-valued resource. The Office for National Statistics (ONS)<sup>5</sup> estimated the value of voluntary activity in the UK for 2014 at £23 billion (equivalent to 1.3% of GDP) while broader analysis of the benefits of volunteering indicates that the private benefits to volunteers might be as large if not larger<sup>6</sup>. These benefits to volunteers can range from general satisfaction and wellbeing associated with helping to develop more (soft) skills, increased employability and improved health outcomes.

Research suggests that youth volunteering is overwhelmingly part time: the 2009 Ipsos MORI survey of 16 to 25 year olds found that only three per cent were working as a full-time volunteer at the time of the interview, while eight per cent had done so in the past. Of the 3

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<sup>3</sup> It is recognised that because the full-time volunteering programmes are diverse, it would be difficult to present much detail on the benefits to service users of these programmes although the paper reviews some of the key areas of focus for such programmes (e.g. schools, NHS) and expected areas of benefit to service users.

<sup>4</sup> <https://www.ons.gov.uk/economy/nationalaccounts/satelliteaccounts/articles/changesinthevalueanddivisionofunpaidcareworkintheuk/2015#time-and-participation-in-formal-volunteering-in-the-uk-between-2000-and-2015>

<sup>5</sup> ONS report, "Household satellite accounts – valuing voluntary activity in the UK".

<sup>6</sup> The social value of volunteering ", speech by Andrew Haldane, Chief Economist, Bank of England, September 2014.

per cent working full-time, the survey reported around 39% were working more than 6 months (equivalent to 1.2% of the total population).

Another source of data is the UK Understanding Society survey, which is a representative household based longitudinal survey with a sample size of 40,000 households. The unweighted statistics from this survey show that, in 2014-15, the proportion of 16-25 year olds who volunteered at least once in the last 12 months was 24% while the proportion of full-time volunteers (volunteering at least 16 hours per week on average in the last 4 weeks) was 0.5%<sup>7</sup>.

#### **1.4 International comparisons**

We have examined the framework underpinning volunteering in France, the USA, Germany and Italy – all of which have levels of full time volunteers far exceeding that in the UK. In each of these countries volunteering is underpinned and supported by a legal framework that enables such activities to be undertaken on a ‘full-time’ basis. Such frameworks include features such as protection of workers’ rights and obligations for the providers of volunteer placements. They also include requirements for the continued payment of social insurance, child allowance or unemployment benefit. In some cases, these financial arrangements may also include the payment of travel, food, accommodation costs (if the volunteer has to live away from the family home) and training expenses (if required) as well as, potentially, a stipend or ‘pocket money’.

##### **France**

The French scheme, Service Civique, was introduced in 2010. It provides opportunities for young people aged 16-25 to undertake a volunteering project for between 6 and 12 months<sup>8</sup>. A recent development (2015) saw the age limit raised to 30 for those with disabilities. The scheme allows for payment of between €580.55 and €688.21 per month depending on the individual’s circumstances. This payment comprises a basic payment from the state of €472.97 with additional payments being made by the host organization for food and transport. Social insurance is also paid for the volunteer and an additional cash payment may be made depending on the educational attainment of the volunteer.

The scheme has proved successful. In 2016 92,000 volunteers completed a programme which represented an increase of 52% over the previous year. The number of organisations offering volunteer programs reached over 9,000 in the same year. Organisations must meet strict criteria, developed by the Civic Service Agency in order to participate in the programme<sup>9</sup>. There has, however, been some recent controversy over the type of organisations involved in the program. In August 2017 there was a report of an organisation

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<sup>7</sup> These participation rates are considerably lower than those from the Community Life Survey and Ipsos Mori findings. As these are unweighted statistics which have not been corrected for sample selection, non-response bias or complex survey design, these should only be interpreted with caution. In addition, definitions and questions in the surveys vary which could affect the numbers considerably.

<sup>8</sup> All information for France is taken from the website of the Service Civique <http://www.service-civique.gouv.fr/>

<sup>9</sup> For further information on the criteria see <http://www.service-civique.gouv.fr/page/le-referentiel-des-missions>

being removed from the programme as it was substituting volunteers for full time paid employees<sup>10</sup>.

## USA

Two schemes exist in the USA under the broad heading of the Americorps programme<sup>11</sup> which was first introduced in 1993. The NCCC scheme provides volunteers for 10 months to work, full time, on community development projects in disadvantaged areas and disaster relief whilst the VISTA scheme places volunteers for 12 months on a specific project in a non-profit organization or public agency. Participants in the NCCC scheme receive a living allowance of \$4,000 and an educational award of \$5,815 should they complete their programme. Those in the VISTA scheme receive the same level of educational award but their living allowance varies depending on the location of the programme they are involved in. Numbers involved in the AmeriCorps schemes have remained at around 80,000 a year despite attempts to increase participation rates. A recent survey of AmeriCorps alumni (2015) showed clear development of career-relevant soft skills, the opening up of potential career pathways and greater sense of both community and civic engagement more generally.<sup>12</sup>

It is, perhaps, worth noting, however, that the most recent Budget proposals from the Trump administration call for the abolition of the administering body for these schemes (the Corporation for National and Community Service) and the ending of federal funding for the volunteer programmes it administers.

## Germany

Two schemes exist in Germany – the Bundesfreiwilligendienst (BFD) and the Freiwilliges Soziales Jahr (FSJ).<sup>13</sup> Both schemes usually last for between 6-18 months although, in exceptional circumstances, both can be extended to two years. The former is open to all age groups whilst the FSJ is restricted to those under the age of 27. Other differences are that the BFD includes part-time volunteers whilst the FSJ is restricted to full time and an FSJ volunteer placement can only be undertaken once whilst a volunteer can do more than one BFD placement as long as there is a five year gap between them. In addition, there is also a scheme specifically targeting environmental projects the Freiwilliges Ökologisches Jahr (FOJ).

In July 2017, the BFD had a total of 38,000 volunteers with 26,700 of these being under the age of 27. The FSJ scheme has around 65,000 volunteers under the age of 27 with the FOJ program attracting around 2,800 volunteers.

The scheme is subject to the Act to Promote Youth Voluntary Services 2008 amended in 2012. Remuneration depends on the organisation providing the scheme and usually includes pocket money, travel costs and meals with accommodation also provided for some. Social insurance is paid for and, in the absence of accommodation, additional funding is provided

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<sup>10</sup> See Agency Press Release <http://www.service-civique.gouv.fr/presse/l-agence-du-service-civique-critiquee-sur-les-reseaux-sociaux-dement-suite-aux-injonctions-et-requetes-portees-par-des-mouvements-politiques>

<sup>11</sup> All information in this section is taken from <https://www.nationalservice.gov/programs/ameri-corps>

<sup>12</sup> Corporation for National and Community Service, AmeriCorps Alumni Outcomes, Summary Report, October 2015

<sup>13</sup> All information in this section is taken from <http://www.bundes-freiwilligendienst.de/volunteering-germany/what-is-fsj.html>

for this. The Government will fund a FSJ provider with up to €200 per month towards the cost of the pocket money. However, the number of places funded in this way is limited to 35,000. Funding may also be available, to the provider, from the states (Länder) but many providers do not appear to make use of official funding and pay volunteers from their own resources. Volunteers may also receive unemployment benefits whilst they are on an FSJ scheme and, as long as they are under 25, child benefit will continue to be paid to them – either to their parents if they are living at home or to themselves if they are not.

Public awareness of the social benefits of volunteering has increased particularly since the ending of conscription in 2011. Participants are also said to benefit from a clearer sense of academic or vocational direction after having completed the scheme.

## **Italy**

Italy's full-time social action programme, Servizio Civile Nazionale, was formed around the principles of “solidarity”, promoting active citizenship and social cohesion, as well as fostering youth employment.<sup>14</sup> Volunteers are engaged in projects ranging from environmental protection to social care, education, promotion and protection of cultural and historic heritage, as well as post-event intervention in conflict or disaster-struck areas in Italy and abroad. The national civil service is regulated by a legal framework, initially introduced in 2001 and subsequently amended, after Italy abolished conscription, in January 2005.

Since 2005, participation in the service is on a voluntary basis and accessible to young people between the ages of 18-28. Since 2012 the service has been regulated by the “Department for Youth and National Civil Service” and a year later, as part of the service, a “peace civil corps” was added with the aim of deploying volunteers to areas affected by conflicts or natural disasters.

Volunteers on projects in Italy receive an allowance of €433.80 per month whilst those on overseas service receive additional daily allowances depending on the country in which the project takes place.

In 2015, of the 35,247 placements taken up, all but just over 600 were in activities and projects in Italy. This number fluctuates depending on the number of organisations that offer places via a tendering process – for instance, in 2012, no calls for tender were issued.

## **Conclusions**

All four of the countries examined have programmes which provide some form of ‘income’ for volunteers to ensure that they are not left in a financially vulnerable situation as a result of their volunteering. In addition, in those countries with social insurance schemes, payments are made, on the volunteers’ behalf, so that access to healthcare is not compromised and future pension benefits are still accrued.

Overall while the programmes do differ in their specific details they do have a number of common features which may be useful in informing the nature of any formal legal framework

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<sup>14</sup> Information on Italy is taken from <http://www.serviziocivile.gov.it/menusx/servizio-civile-nazionale/cosa-e-il-scn/>

to be adopted in the UK:

- All programmes have strict requirements for the type of organisation that volunteers are permitted to work for;
- Participating organisations must meet rigorous assessment criteria in order to be allowed to offer places;
- As part of this assessment organisations may have to prove that the position offered is not a substitute for a permanent paid position;
- All programmes involve some form of financial assistance for volunteers to offset potential food, accommodation and transport costs;
- Where countries have social insurance/national health schemes, volunteers' contributions are funded; and,
- Although volunteers are not necessarily classified as 'employees' they receive the same employment rights and protection as paid workers

## 2. The economic value of full-time volunteering

### 2.1 Framework for economic value of full-time volunteering

The potential outcomes and benefits of full time volunteering include:

- Improving professional and employability skills that help to prepare for work or moving into further education and training;
- Enhancing career exploration and guidance;
- Improving softer skills that are otherwise not always developed by formal education;
- Developing personal skills that can improve self-esteem and self-confidence;
- Increasing life satisfaction through helping others;
- Improving social integration by being exposed to people with different backgrounds and outlooks;
- Interest in future volunteering, civic engagement and community participation.

In relation to increased employability a survey for CBI/Pearson [2016]<sup>15</sup> highlights views that schools and colleges are not equipping all young people with what they need to succeed: around half of businesses are not satisfied with school leavers' work experience (56%) and their skills in communication (50%), analysis (50%) and self-management (48%). Similarly, a recent CIPD report<sup>16</sup> found that many employers recognise some of the key skills that can be developed as a result of participation in social action, with 67% reporting that entry-level candidates who have voluntary experience demonstrate more employability skills. The top three skills cited by respondents were teamwork (82%), communication (80%) and understanding the local community (45%). The report calls on employers to recognise the value of youth social action in their recruitment processes. If young people know employers value this, more will take part and more will develop the skills employers are looking for.

As reflected by the comments in the box overleaf there are also a range of wider societal benefits that might be generated from the specific services delivered by the full-time volunteers. A Demos report, "Service Nation 2020" argues that full-time volunteering can provide services that otherwise would not be delivered and can help to improve the services by making them 'more human', for example, for social care of the elderly these services can reduce isolation and loneliness and re-connect generations. In addition, a recent 2016 evaluation report from Volunteering Matters on "Enhancing youth volunteering opportunities in health and care and widening participation" highlighted that involving young people in the care and support of others is proven to have positive benefits to patients, the community and young volunteers<sup>17</sup>. In terms of fiscal benefits (i.e. benefits to government), these can arise from increased revenues and/or reductions in costs to government. Within a cost-benefit analysis, transfer payments are not included, as they are a simple transfer from one section of society to another without a corresponding gain in output. However, where there is a reduced need for the provision of 'defensive' goods and services, e.g. to provide healthcare or criminal justice, there is a gain to societal wellbeing and these benefits should

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<sup>15</sup> The Right Combination: CBI/Pearson Education and Skills Survey, July 2016

<sup>16</sup> Unlock new talent: How can you integrate social action in recruitment? CIPD, July 2015.

<sup>17</sup> <https://volunteeringmatters.org.uk/app/uploads/2016/11/Evaluation-Report-Enhancing-youth-volunteering-for-YH.pdf>

be included. For example, specific targeting of NEET young people from disadvantaged backgrounds can potentially reduce a range of social costs.<sup>18</sup>

**Feedback from full-time volunteers and service users**

*"Volunteering with City Year UK is an excellent opportunity and has completely transformed my confidence and employability. Full-time volunteering allows you to feel like you're making a difference every single day, to people who really need that difference in their lives. I'd struggle to think of a reason why people wouldn't want to do that."*

**Molly Ryan, City Year UK full-time volunteer**

*"My full time volunteering experience was the best form of personal development I have ever had – and led directly to me getting a full time salaried job in a Wildlife Trust. I found the role more impactful than any of the previous part-time volunteering and social action I had done beforehand, and more helpful for my career than my [academic] qualifications."*

**Roseanna Reed, Devon Wildlife Trust full-time volunteer**

*"... the opportunity to go into a primary school every day and be given the responsibility of mentoring pupils and mixing with different people helped me mature quickly, become mentally stronger and gave me a whole host of personal skills such as organisation, public speaking and leadership."*

**Rodney Williams, City Year UK full-time volunteer**

*"The extra resource the City Year UK team brings allows us target vulnerable pupils who would have otherwise slipped through the net. The pupils they worked with dramatically improved behaviour, progress, attendance and punctuality. However, they didn't just impact on those pupils, they had an impact on the school. One of my pupils told me, in all sincerity, 'Miss, City Year has saved my life!'"*

**Nicola Doward, Headteacher at City Year UK partner school**

*"I have had help from full-time volunteers since 2009 as part of Volunteering Matters' project 'Choices. I have a condition [...] which means I use an electric wheelchair and need support in all aspects of my day-to-day life. My first experience of having volunteer help with my disability was when I started university in 2009. Since then, I've continued to have volunteer help throughout starting a career as a journalist and moving away from home...Having the opportunity to form such close bonds with the people who support you with a disability on a day-to-day basis sets volunteering apart from other forms of care."*

**Owen, Recipient of support from Volunteering Matters full-time volunteers**

*"I was very stuck in my own circle; the people I grew up with I'd always just be with them. I wouldn't associate with people from different backgrounds; it would always just be people from the same background as me. So, I think it helped me branch out to meet different kinds of people."*

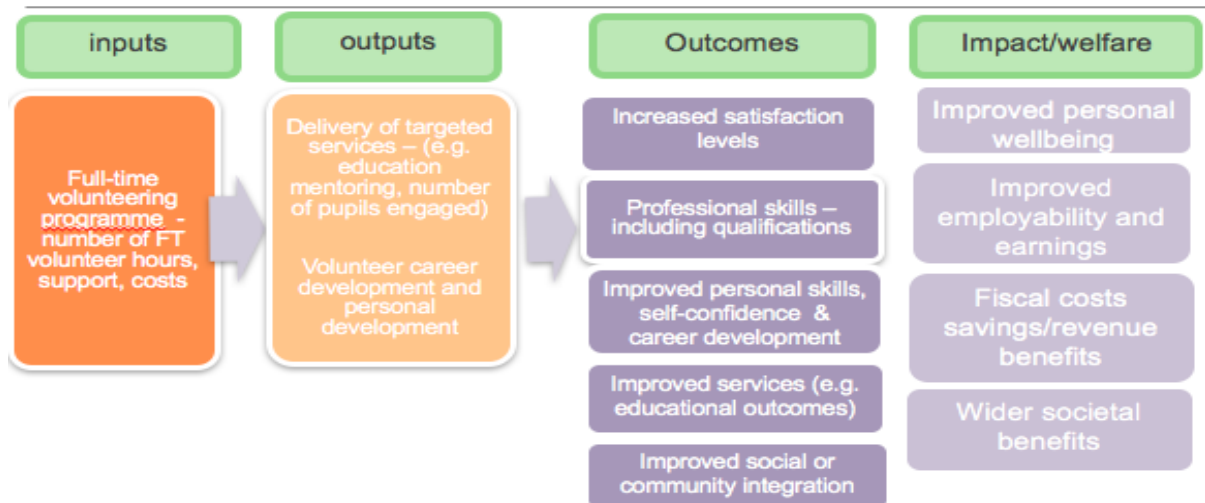
**V•Inspired Eco Talent full-time volunteer**

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<sup>18</sup> For example, estimates from New Economy database indicate the average cost per 18-24 year old NEET is £4,637 (2011/12).

An impact pathway is presented in **Chart 1** which summarises at a high-level how the inputs from full-time volunteer programmes are expected to feed through to outputs, outcomes and impacts.

Chart 1: The full-time volunteering 'impact pathway'



## 2.2 Benefits to full-time volunteers

As outlined below, and detailed in literature review at the end of this report, this section reviews the key literature and relevant economic studies of the benefits of full-time volunteering in terms of employability and earnings, improved skills, social integration and wellbeing. It is important to note, however, that many of the studies reviewed relate to general volunteering, youth social action or internships and, therefore, it is important to recognise these differences when looking at how to apply their results to future policy options.

### Improved employment and earnings potential

A report for City Year UK (Scaling up plans for a UK service year, 2015) argued that volunteering can boost lifetime income through three mechanisms: increasing human capital, signaling desirable character traits to employers and providing access to new networks. The analysis estimated a wage premium of between 4-6% on lifetime earnings of full-time volunteering which based on an earning period of 30 years translates to an increase in lifetime income of £29k-43k. These estimates are based on various studies:

- Door opener or waste of time [IZA, 2014]: Studied the causal effect of student internship experience on labour market choices and wages later in life. Wage returns to student interns estimated at 6% are driven by higher propensity of working full-time and a lower propensity of being unemployed in first 5 years of entering the labour market.
- Regional differences to labour market responses to volunteers [Devlin, 2001]: Analyses data from 18k Canadians and concludes that there is a 4% increase in earnings for volunteering compared to those who do not volunteer.
- The Economic Value of National Service [Belfield, 2013] provides an overall cost-benefit analysis of US Service Years and estimates a benefit-cost ratio of just under 4:1 for full-time youth programmes. The study reports analysis that for youths aged

16-24, incomes are approximately 12% higher across volunteers versus non-volunteers.

- “Volunteering as a pathway to Employment Report” [2013]<sup>19</sup> concluded that volunteering was associated with a 27% higher odds of employment and showed a stable association between volunteering and employment. The association remained constant across years and different unemployment rates suggested that irrespective of economic conditions, volunteering may add an advantage to the out of work seeking employment as a result of an increase in social capital and human capital and/or some volunteers may see their involvement as an entry route into an organisation they would like to work for. The study did not establish a causal link and volunteers may differ from non-volunteers by factors that drive employment that are not picked up in the analysis.

Not all research studies have demonstrated the positive impacts of volunteering on employment. “Does volunteering improve employability? Insights from the British Household Panel Survey and beyond”<sup>20</sup>, which is based on analysis of longitudinal data sets, argues that volunteering, has a significant but weak effect on employability in terms of entry into work and appears to have zero or even negative effects on wage progression; these effects were more pronounced for young people and students. The study also recognises, however, some of the limitations with use of BHPS data that are relevant for this study on full-time volunteering. For example, it does not look at the nature of volunteering, the intensity and duration of involvement of the volunteer and the different support structures that are in place for volunteers.

An example of evidence relating to the impacts of a specific UK based full-time volunteering programme is the programme evaluation of vInspired 24/24 [2013]<sup>21</sup>. vInspired 24/24 provided a structured volunteering and social action intervention programme, designed to help young people facing challenging circumstances to improve their life choices. Participants were expected to spend 24 hours per week on their placement (lasting 24 weeks) and were supported to obtain a suitable level of qualification, which was anticipated in most cases to be at Level 2. The evaluation highlighted that 90% of young people that completed their placement progressed into sustained employment, education or training.

Where there is evidence of the achievement of a formal qualification resulting from their service (for example, equivalent to level 2 as above), it is relevant to look at the evidence of the impact on employment and wage premium relating to qualification levels. A study by BIS [2015]<sup>22</sup> estimated the economic benefits to an individual from achieving qualifications in further education, specifically: employment prospects, earnings and likelihood of being on benefit. The results for vocational work-based learning (a possible proxy for qualifications gained as part of a service year) estimated that for below level 2 and level 2 qualifications,

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<sup>19</sup> Volunteering as a pathway to Employment Report: Does volunteering increase odds of finding a job for the out of work? C Spera et al. Corporation for National & Community Service [2013].

<sup>20</sup> Paine, McKay, Moro: Third Sector Research Centre, 2013

<sup>21</sup> Vinspired 24/24: Programme Evaluation, 2013, Office for Public Management (OPM)

<sup>22</sup> Estimation of the labour market returns to qualifications gained in English further education”

earnings (for a 3-5 year average) would be 5-7% higher and employability between 0-2 percentage points.

Finally, in a broader social action context, Evaluating Youth Social Action [2016]<sup>23</sup> concluded that investment in social action leads to benefits for young people taking part as well as for the intended beneficiaries. In particular, measures of impact based on the results of randomized control trials included employability where the report provided compelling and robust evidence that young people who take part in social action activities develop some of the most critical skills for employment and adulthood. While this provides strong evidence on youth social action and volunteer benefits, the evidence is not specific to full-time volunteering and focuses on 10-20 year olds.

#### Improved skills, empowerment and self-confidence

Analysis for City Year UK (2015) highlight that full-time volunteering is associated with improved self-worth as well as confidence in their employability. Evaluating Youth Social Action [2016] provides robust evidence that youth social action has a positive impact on building the skills its participants need for life and work. The evaluation of vInspired 24/24 [2013] demonstrated that the programme has supported young people to increase their confidence, self-esteem and support networks, helped them towards positive progression by providing the opportunity to gain a Level 2 qualification and other workplace skills and experience (83% of young people that completed the programme gained an appropriate qualification).

#### Improved community/social integration, increase in civic/political engagement

A range of evidence highlights that service years are associated with improved participant attitudes towards both themselves and society. Young people report better attitudes towards others after completing a service year with increased levels of trust. Evaluating Youth Social Action [2016] provides evidence of a range of wider impacts of youth social action including civic participation, health, educational engagement, safer communities, sustainability, voting, and resilience. The evaluation showed that participating consistently improved young people's level of empathy and community involvement and they seemed generally more willing to donate their time in the future. An evaluation of the City Year programme in US schools [Policy Studies, 2015] found that compared with members of comparison groups, City Year alumni exhibited higher levels of civic engagement and political participation. For example, City Year alumni were more likely to volunteer, vote, and engage in other forms of political expression and alumni reported that their experience had taught them to work effectively with others and had helped them to cultivate relationships with more diverse groups of people.

An AmeriCorps Alumni Outcomes Study<sup>24</sup>, 2016, concluded that service is found to have a significant positive effect on civic engagement; respondents were more likely to engage in all community service activities identified in the survey post-AmeriCorps compared to pre-AmeriCorps:

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<sup>23</sup> Does participating in social action boost the skills young people need to succeed in adult life?

<sup>24</sup> [https://www.nationalservice.gov/sites/default/files/evidenceexchange/AlumniMediaBriefingContent-01122017-1541\\_0.pdf](https://www.nationalservice.gov/sites/default/files/evidenceexchange/AlumniMediaBriefingContent-01122017-1541_0.pdf)

- 80% of alumni feel confident they can create a plan to address a community issue and get others to care about it.
- 93% of alumni said that after service, they felt comfortable interacting with others different than themselves, as compared to 72 percent before.
- 94% said that national service broadened their understanding of society and different communities.
- 79% of alumni are involved or plan to become actively involved in their community post-service, compared to 47 percent prior.
- 94% of alumni are registered to vote, well above the national average.

### Improved wellbeing

A study by Fujiwara et al [2013]<sup>25</sup> used the wellbeing valuation approach to estimate the value of volunteering from the perspective of the volunteer. The well-being approach measures the positive change in a person's personal well-being associated with frequent voluntary activity using data on life satisfaction from the British Household Panel Survey (BHPS) for people aged over 16 years old<sup>26</sup>. Note: frequent volunteering is defined here as volunteering weekly or at least once a month. Further research undertaken updated wellbeing values in a variety of different contexts including volunteering projects: the average value of volunteering on this basis was estimated at £3,249 per person per year and £2, 895 for <25 year olds<sup>27</sup>.

## **2.3 Benefits of services delivered**

### Wider societal benefits from services delivered

The benefits highlighted above relate to the private benefits to the volunteer and the value of services delivered. There are also wider societal benefits that should be taken into account. These relate to the value of society from the volunteer activities which can be a multiple of economic and private benefits. Table 2 below provides an illustration of some of the types of societal benefits that could be delivered in across various sectors.

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<sup>25</sup> Well-being and civil society: estimating the value of volunteering using subjective wellbeing data, Department for Work and Pensions, working paper 112, Daniel Fujiwara, Paul Oroyemi, Ewen McKinnon. 2013

<sup>26</sup> Effectively this approach estimates the increase in self-reported well-being associated with the particular good and then calculates the equivalent amount of money to give the respondent the same increase in well-being.

<sup>27</sup> Measuring the social impact of community investment: HACT, Trotter, Vine, Leach, Fujiwara (March 2014). Using updated figures, May 2016 from Social Value database.

**Table 2: Role of full-time volunteer across key sector in delivery of societal benefits**

Education
<ul style="list-style-type: none"><li>• Help vulnerable children succeed in school by supporting their learning and building positive relationships with them</li><li>• Provide positive role models for all children in school and help improve behaviour and reduce disruption</li><li>• Role of volunteers in reducing classroom disruption and 1:1 peer mentoring of children from vulnerable backgrounds</li></ul>
Health care and public health
<ul style="list-style-type: none"><li>• Build positive relationships with vulnerable patients (e.g. elderly and children) to improve their care experience</li><li>• Educate and support the public on health issues</li><li>• Role of volunteers in helping programmes to reduce obesity; other non-quantified benefits of volunteering in health care</li></ul>
Social care
<ul style="list-style-type: none"><li>• Build positive relationships with elderly to improve their care experience</li><li>• Provide mentoring to vulnerable youth to help them into education or employment</li><li>• Valuing support to ensure welfare of elderly, providing mentorship programmes for vulnerable youth.</li></ul>

### 3. A government-backed full-time volunteering programme

#### 3.1 Key assumptions

We have focused our analysis on some of the key costs and benefits of full-time volunteering through the lens of possible UK policy changes that would give formal recognition to full-time volunteering, namely legal status and a financial stipend contribution from the government of £3,000 per annum per participant.

In Table 3 below we outline the indicative costs to government of these policy changes across 10,000 participants per year.

**Table 3: Costs to government per year of potential options for a government-backed full-time volunteer scheme**

2017 prices	Cost per participant	Costs to government based on 10,000 participants
Legal status and financial stipend	£3,000	£30m

Source: PBE estimates

The cost estimates above **do not include** Government set-up, marketing, volunteer and provider organisational engagement or operational costs associated with scaling up full-time volunteering based on these policy options. It should also be noted that there may remain barriers to achieving the uptake in participation levels in practice. For example, where (low income NEET) young people face financial barriers to taking up such placements there is a question of what level of incentive is sufficient to achieve increased levels in their uptake.

#### 3.2 An illustrative cost-benefit analysis

Based on previous analysis for City Year UK, the current costs of delivery per full-time volunteer for a year is estimated at £13,455. These costs do not reflect the full opportunity cost faced by volunteers in undertaking full-time volunteering. Net of subsistence expenses (but not travel costs which would be additional) the opportunity cost faced by volunteers is estimated at just under £5,000. The provision of a financial stipend by government of £3,000 would mean that the opportunity cost faced by full-time volunteers falls to £2,000 which would be a key driver for increasing participation. The costs per full-time volunteer can then be multiplied up by the number of full-time volunteers of 10,000 full-time volunteers.

**Table 4: Estimated annual costs of 10,000 full-time volunteers, 2017 prices**

	Costs per full-time volunteer, £	Annual costs, £m, 10,000 participants
<b>Total Costs</b>	<b>£18,447</b>	<b>£185m</b>
Service delivery	13,455	135
Volunteer (opportunity cost)	1,992	20
Government	£3,000	30

Source: PBE estimates

It is assumed by City Year that the service delivery component of these costs would be paid for partly by the organisations utilising volunteer time and match funding from philanthropic and other sources.

**Assessment of benefits:** Section 2 provided a detailed overview of the evidence on the benefits of full-time volunteering. Below we summarise the approach that links to the illustrative cost-benefit analysis presented below and detailed in Appendix A.

Value of services delivered: the value of service output can be estimated using the replacement-value approach by which the value of the volunteer is proxied by its market value. We calculate the market value of these services by multiplying the number of hours worked per annum by an assumed market wage rate (i.e. if these services had to be paid for) in the sectors that the volunteers work. This is multiplied by 10,000, the target cohort size.

Value to full-time volunteer: There are a number of different benefits to the volunteer that could be potentially quantified. We can use the opportunity costs faced by volunteers as a minimum estimate of the value (volunteering must be worth at least what the person is willing to give up). In addition, there is a growing body of evidence showing that frequent volunteering improves wellbeing and this can provide an alternative for use as a minimum estimate of value. While there is much evidence across a range of studies of the positive impact of volunteering and social action on employability and earnings, there are also some mixed results in the literature. Where qualifications are gained as part of the full-time volunteer service year, this can also potentially benefit the volunteer in terms of an earnings uplift linked to recent BIS evidence on earnings based on assumptions of qualifications achieved.

Wider societal benefits: Given that there are multiple different programmes of full-time volunteering that could be undertaken in different sectors including education, health, social care and the environment, it is not possible to estimate the wider societal benefits with any degree of certainty. However, these benefits can be potentially significant, as highlighted by the box below which provides a range of illustrative examples of the types of benefits that could arise. Appendix A provides further examples of quantification of these benefits as illustrations of the potential significance.

**Overall assessment of costs and benefits:** The approach to the analysis of costs and benefits includes costs and benefits that are quantified complemented by scenario analysis of benefits of full-time volunteering that are less certain as well as a qualitative assessment of other important benefits.

The illustrative cost-benefit analysis presented at Appendix A shows that the economic case for scaling up full-time volunteering is based on a range of benefits including the value of the services delivered by the volunteer, the benefits to the volunteer and wider societal benefits. If the potential benefits from employment and earnings are included this would deliver an estimated net benefit between £28 million to £119 million and a benefit to cost ratio between 1.2 to 1.6. The wider societal benefits are not included in the analysis since these are specific to the particular full-time volunteer programmes.

The presumption in relation to the above outcomes is that the volunteering does not result in any short-term substitution effects (i.e. volunteers replacing paid for employees), nor subsequent distortion effects within local labour markets where existing employees might be “displaced” by volunteers. The former effect can be addressed within any programme design while the latter will be more difficult to control (as the demand for labour is a “derived demand” that is ultimately dependent on wider market conditions).

**Table 4: Wider societal benefits: illustrations of potential benefits**

Education benefits: one of the most significant benefits gained from full-time volunteers serving in schools could take the form of a reduction in low level disruption in classrooms – achieved by having additional staff members (volunteers) who can engage more closely with potentially disruptive individuals. Volunteers are placed in targeted secondary schools with one or two volunteers participating in each year group. All students in a class can be potentially affected by low level disruption and so any improvement in reduced disruption (valued at average cost per student per hour) can be applied to all students in the classes affected.

Health benefits: an illustrative example relates to the societal benefits from volunteering supporting obesity related support programmes. Costs of obesity are currently valued at £3,000 per obese person<sup>28</sup>. Targeted support by volunteers - for example, 10,000 obese people could be reached by 2,000 service volunteers – might contribute to reductions in these costs.

Social care: full-time volunteers are engaged to work with youth as a mentor and peer supporter. Mentorship positively impacts mentees lives by increasing school attendance and reducing substance abuse. The impacts of mentorship can help to reduce the chance of becoming NEET (Not in employment, education or training) which is associated with significant costs to society.

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<sup>28</sup> Overcoming obesity: an initial economic analysis, McKinsey. 2013

**Table 5: Summary of evidence and proposed use in the illustrative cost-benefit analysis**

Benefits	Key summary points of evidence	Proposed use in cost-benefit analysis
Improved employment and earnings potential	While there is much evidence across a range of studies of the positive impact of volunteering and social action on employability and earnings, there are also some mixed results in the literature that suggest a conservative approach to be taken in assumptions chosen. Studies on internships are not included here as full-time volunteer service is seen to be different. Evidence of earnings uplift for vocational work-based learning (a possible proxy for qualifications gained as part of a service year) also has the potential to be applied.	While it is not possible at this point to apply estimates for earnings uplift in the cost-benefit analysis with the robustness required, the analysis could be used in sensitivity analysis or to calculate switching values (i.e. what would the earnings uplift need to be for the net benefits to be greater than zero).
Improved skills, empowerment and self-confidence	Evidence that volunteers increase their confidence, self-esteem, support networks and can provide opportunities to obtain qualifications and other workplace skills and experience. Evaluations show youth social action has a positive impact on building the skills its participants need for life and work.	It is possible a key impact of improved skills and self-confidence would ultimately be reflected in the earnings uplift. These aren't included in the monetary estimates of benefits but provide supporting evidence for the benefits related to earnings.
Improved community/social integration, increase in civic/political engagement	Young people report better attitudes towards others after completing a service year with increased levels of trust. Participating consistently improved young people's level of empathy and community involvement and more willing to donate time in future. Experience taught them to work effectively with others and helped cultivate relationships with more diverse groups of people.	Use as qualitative information alongside the main monetized benefits.
Improved wellbeing	Significant body of evidence that frequent volunteering improves wellbeing (see Fujiwara (2013), Wellbeing and civil society. Wellbeing values for use including specific values for young people.	Use values for <25 year old of £2,895 per volunteer as part of sensitivity analysis.
Service delivery benefits (e.g. mentoring in schools)	Uses the replacement cost approach by which the value of the volunteer service provided is proxied by its market value. We calculate the market value of these services by multiplying the number of hours worked per annum by an hourly wage in relevant service delivery sectors.	Value of services proxied by annual estimated number of service hours worked by suitable average hourly wage rate.
	In addition to the value of services delivered above, there are expected to be wider societal benefits delivered depending on the sectors: public health (obesity reduction), education (savings from reducing NEET prevalence) and health and social care (NHS admissions avoided).	To provide examples of the types of benefits that could be delivered but not use in the main analysis.
Fiscal benefits	Allocates a proportion of various estimated benefits above to fiscal benefit - for example 20% of the income gains will be realized as fiscal revenue increase.	It would be expected that some of the societal benefits will accrue to government in terms of fiscal savings and revenue increases although this is not quantified here.

### 3.3 Key analytical challenges and evidence gaps

There are a number of key challenges for this analysis on the economic value of full-time volunteering:

- One of the most significant challenges relate to the gaps in evidence that can make it difficult to link between various outcomes and the impacts/benefit to be valued – this may highlight the need going forward to develop pilot programmes of full-time volunteering that can be evaluated over the longer term.
- In the scenario analysis, we calculate the impact on volunteer benefits of employment and earnings gains. There is a question of whether the potential benefits to the individual lead to incremental gain to society rather than substitution – for example, does the volunteer simply replace someone who would have done that job – in which case the marginal benefit from the volunteering is much lower.
- Some of the social gains are difficult to quantify — such as greater civic engagement, and the improvement in attitudes towards volunteering or people from different backgrounds. However, they are still real and can be understood as welfare-enhancing positive externalities.

## 4. Conclusion

Our analysis has focused on the potential annualised net economic benefits of a full-time volunteer service for young people. Based on a series of assumptions in regard to the operating costs that might pertain to a 10,000 volunteer scheme - and the benefits to the volunteer and organisations they are placed with – annual total net benefits might be between £28 and £119 million to the UK economy (i.e. a cost benefit ratio of 1.2 to 1.6).

It is important to note that these estimates exclude any wider societal benefits (to the “ultimate beneficiaries” of volunteer support) as these will vary across specific sectors. Similarly, it is also assumed, that substitution effects will be relatively low (given that any Government Programme will – prima facie – be designed to address this issue and seek to minimize such effects). Finally, we have excluded the set up and Government operating costs to oversee any future scheme as these will vary with the number of volunteers, providers and contracting processes that might be adopted.

We have also collated evidence on skill development for young people involved in volunteering - much of which is compelling and evidences development of some of the most critical skills needed for adulthood and employment. This evidence is supported by the case studies included throughout this report which reveal the significant transformative potential of a year of service on young people’s confidence. Their frustration when volunteering – of being classed as not in employment, with no legal status – is understandable, and only the Government has the ability to alter this.

Consequently, a robust, Government-backed programme would ensure such voluntary work does not go unrecognised and - we contend - that the economic and societal benefits discussed in this report provides one basis from which to demonstrate to policy-makers that volunteering works to benefit us all. In addition, recognition of such impacts, would not only benefit current volunteers, but might also help to recruit larger numbers in the future.

Finally, international comparisons are indicative of the capacity for expansion and provide examples of the types of legal frameworks that could apply to a UK programme – and the numbers that such a programme could attract. For example France, with a similar population size to the UK, had 92,000 volunteers complete the Service Civique programme in 2016. Similar levels of participation in the UK could offer the opportunity for uplifts in economic and wider community benefits and, as importantly, the recognition of the positive effects of social action by and for young people.

## Appendix A: An illustrative cost-benefit analysis of increasing participation in full-time volunteer service

### A.1. Overview of Cost-Benefit framework

Guidance for cost-benefit analysis from the Treasury is the Green Book and business case guidance.<sup>29</sup> The Treasury Green Book sets out rules that should be followed for the treatment of costs and benefits. In short all relevant costs and benefits to government, the public sector and society of all the options should be valued (and the net benefit and costs calculated against the status quo). ‘Relevant’ in this instance means all those costs and benefits that can be affected by the decision at hand.

Many public benefits are not priced in the market place, but non-market benefits can be important and potentially significant. Therefore, it is important to ensure these are accounted for in some way and not implicitly given a zero value. Where feasible, economists look to value these benefits in monetary terms while recognising if this is not practical to assess the impacts in quantitative or qualitative terms.

**Table A1** below sets out some of the key categories for costs and benefits of increasing uptake through an option of a financial stipend funded by government.

**Table A1: Overview of the costs and benefits of increased participation of full-time volunteers**

Additional Costs	Additional Benefits
Fiscal costs ( $C_{gov}$ ): <ul style="list-style-type: none"> <li>Cost of stipend (e.g. equivalent to JSA) and set up and operating costs of the Programme</li> </ul>	Fiscal benefits ( $B_{gov}$ ): <ul style="list-style-type: none"> <li>tax take from increased employment and higher earnings for those in employment (net of transfers);</li> <li>reduced payment of benefits (net of transfers);</li> <li>reduced costs in health, crime etc.</li> </ul>
Costs to volunteer ( $C_{vol}$ ): <ul style="list-style-type: none"> <li>Opportunity cost of volunteer time</li> </ul>	Benefits to volunteer ( $B_{vol}$ ): <ul style="list-style-type: none"> <li>Improved employment and earnings</li> <li>Increased employability, skills and self-confidence</li> <li>Improved careers guidance and exploration</li> <li>Empowerment and civic engagement</li> <li>Improved wellbeing</li> </ul>
Costs to organizations delivering volunteer service ( $C_s$ ) <ul style="list-style-type: none"> <li>Costs per volunteer/service leader</li> </ul>	Service delivery benefits ( $B_s$ ) <ul style="list-style-type: none"> <li>[education, health etc.]</li> </ul>

The costs of increased participation of full-time volunteer service should include all the additional resource costs of implementation. This will include the fiscal costs ( $C_{gov}$ ) associated with the financial stipend and Programme operation and also the costs to organisations of service delivery ( $C_s$ ) as well as the opportunity cost of volunteer time ( $C_{vol}$ ), taking care to avoid double counting.

<sup>29</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/469317/green\\_book\\_guidance\\_public\\_sector\\_business\\_cases\\_2015\\_update.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469317/green_book_guidance_public_sector_business_cases_2015_update.pdf).

**Total costs,  $C = C_{gov} + C_s + C_{vol}$**

Similarly, we can account for the additional benefits of increased participation of full-time volunteers (see Table A1 above). These benefits include benefits delivered to service users and wider society ( $B_s$ ), benefits accruing to the volunteers themselves ( $B_{vol}$ ) and fiscal benefits ( $B_{gov}$ ).

**Total benefits,  $B = B_{gov} + B_s + B_{vol}$**

In overall terms, the analysis is looking to assess whether the benefits exceed the costs of the proposal, which would demonstrate value for money in societal terms. This can be calculated in the following ways:

**Net benefits =  $B - C$**  (for net beneficial options, looking for net benefits  $> 0$ )

**Benefit Cost ratio =  $B / C$**  (for net beneficial options, looking for  $B/C > 1$ )

As a high-level illustration of the costs and benefits, we focus **only on** the annual costs of increased participation and associated benefits (effectively a snapshot of one year of increased participation in full-time volunteers without assessing Programme set up costs or ongoing operating costs to Government). This would still need to account for all the benefits over time (e.g. where the benefits of participation occur beyond the initial year). A more detailed analysis would assess the discounted stream of costs and benefits of increased participation over time and calculate the net present value (i.e. discounted net benefits). A typical time horizon would assess the costs and benefits over a 10-year time period. For the purposes of this high-level analysis, however, we focus on developing an illustrative cost-benefit analysis focusing on the costs of increased participation in one year and the associated benefits.

For a more detailed analysis, it would also be possible to look at how the costs and benefits fall to different stakeholder groups. For example, assessing the fiscal costs and benefits.  $B_{gov}$  are the gains to the taxpayer, from increases in earnings and employment for participants (or economic revenues from other activities) and lower government spending if the programmes help reduce crime, unemployment, etc.

## **A.2. Key assumptions**

The focus of the analysis below is on the provision of a financial stipend<sup>30</sup> to volunteers. The report does not provide a full cost-benefit analysis but preliminary insights on some of the key costs and benefits that a scaled-up programme might imply. **Given gaps in the evidence base, it is not possible to produce a fully quantified cost-benefit analysis at this stage; the economic case relies on a mix of both quantitative and qualitative evidence.**

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<sup>30</sup> The financial stipend could take a number of different forms. For example, it could also implicitly incorporate the financial benefits linked to provision of NIC contributions or avoiding loss of JSA payments.

**Table A2** below presents the key assumptions on increased participation of full-time volunteer service if a financial stipend is provided. It assumes that this financial stipend incentivises a greater number of full-time volunteers to participate with a target of 10,000 full-time volunteers per annum<sup>31</sup>.

Based on advice from City Year UK, we also assume that the average length of service is 12 months, and an assumed 35 hours per week (note: given personal development and other adjustments for holidays, the assumption on working hours is 25 hours per week<sup>32</sup>). These assumptions then underpin the calculations of the total number of full-time volunteer service hours delivered per annum, as set out in Table A2 below.

**Table A2: Key assumptions on financial stipend, participation numbers and hours of full-time volunteers**

Number of full-time volunteers per annum *	Costs of financial stipend per volunteer **	Assumption on length of service and number of working hours per week***	Estimated number of FT volunteer hours per annum
10,000	£3,000	12 months, 25 hours per week	13 million

\*Increased participation reflects the increased in number of full-time volunteers per annum that could be achieved in the medium and longer term. \*\* See section on costs for further detail. \*\*\* Assuming 35 hours per week but difference is accounted for by career and personal development activities.

### A.3. Costs of increasing participation

Based on previous analysis for City Year UK, the current costs of delivery per full-time volunteer for a year are estimated at £13,000 (2015 prices) which can be broken down into:

- Financial stipend/expenses: £6.1k;
- Programme staff: £2.8k;
- Training: £0.8k;
- Overhead/fixed costs: £3.1k

For the purposes of this analysis, the cost of service delivery is uprated to 2017 prices.

The current financial stipend to the volunteer is based on subsistence expenses and travel costs although it is recognised these will vary by location with these expenses lower outside of London. This does not reflect the full opportunity cost faced by volunteers in undertaking full-time volunteering which is seen as a key barrier (i.e. financial) to higher participation, particularly for those from lower income and more disadvantaged backgrounds. Based on a full-time volunteer participating for one-year, an indicative estimate of the opportunity costs (based on 35 hours per week and applying minimum wage 18-20 April 2017) is £10,200<sup>33</sup>.

<sup>31</sup> This is consistent with work undertaken for City Year by a leading management consultant (2015) which argued that a cohort size of 10,000 by 2020 was achievable given the potential demand 18-25 year olds and feasible trajectory of organisations supplying these opportunities.

<sup>32</sup> Independent report for City Year assumed that 20% of Service Year volunteer time is accounted for by training and development

<sup>33</sup> It is recognized that there are different assumptions that could be made for calculating the opportunity cost faced by a full-time volunteer which could be explored further in sensitivity analysis.

Net of subsistence expenses (but not travel costs which would be additional), the opportunity cost faced by volunteers would be £4, 992.

A summary of the key assumptions on costs per full-time volunteer is presented in **Table A3** below. The provision of a financial stipend by government of £3,000 would mean that the opportunity cost faced by full-time volunteers falls to £2,000 which would be a key driver for increasing participation.

**Table A3: Assumptions on costs per full-time volunteer (service leader), 2017 prices**

	Current baseline	Option – financial stipend
<b>Total societal costs</b>	<b>£18,447</b>	<b>£18,447</b>
Service delivery	13,455	13,455
Volunteer (opportunity cost)	4,992	1,992
Government	0	£3,000

Source: PBE estimates

*\*Estimates for the opportunity cost for a volunteer participating in a one year programme are based on minimum wage (18-20 year old April 2017) at 35 hours per week, net of financial stipend provided.*

This translates to estimates of annual costs through multiplying up by the number of full-time volunteers of 10,000.

**Table A4: Estimated annual costs of full-time volunteer programmes, 2017 prices**

£ million	Annual costs, 10,000 participants
<b>Total societal costs</b>	<b>184.5</b>
Service delivery	134.6
Volunteer (opportunity cost)	19.9
Government	30.0

Source: PBE estimates

It is possible that economies of scale could lead to lower costs per participant. For example, the costs per participant could fall as fixed costs (e.g. rents, IT, central staff) are shared across an expanding number of participants. In addition, as most programmes are still small there is also room to increase capacity without increasing overhead costs sharply. For example, staff responsible for training should be able to train 30 programme participants at a very similar cost to that of training 20 participants.

#### A.4. Benefits of increasing participation

The table overleaf provides an overview of the key benefit categories and use in the illustrative cost-benefit analysis overleaf.

**Table A5: Summary of evidence and proposed use in the illustrative cost-benefit analysis**

	Key summary points of evidence	Proposed use in cost-benefit analysis
Improved employment and earnings potential	While there is much evidence across a range of studies of the positive impact of volunteering and social action on employability and earnings, there are also some mixed results in the literature that suggest a conservative approach to be taken in assumptions chosen. Studies on internships are not included here as full-time volunteer service is seen to be different. Evidence of earnings uplift for vocational work-based learning (a possible proxy for qualifications gained as part of a service year) also has the potential to be applied.	While it is not possible at this point to apply estimates for earnings uplift in the cost-benefit analysis with the robustness required, the analysis could be used in scenario analysis or to calculate switching values (i.e. what would the earnings uplift need to be for the net benefits to be greater than zero)
Improved wellbeing	Significant body of evidence that frequent volunteering improves wellbeing (see Fujiwara (2013), Wellbeing and civil society. Wellbeing values for use including specific values for young people.	Use values for <25 year old of £2,895 per volunteer as part of sensitivity analysis.
Service delivery benefits (e.g. mentoring in schools)	Uses the replacement cost approach by which the value of the volunteer service provided is proxied by its market value. We calculate the market value of these services by multiplying the number of hours worked per annum by an hourly wage in relevant service delivery sectors.	Value of services proxied by annual estimated number of service hours worked by suitable average hourly wage rate.
	In addition to the value of services delivered above, there are expected to be wider societal benefits delivered depending on the sectors: public health (obesity reduction), education (savings from reducing NEET prevalence) and health and social care (NHS admissions avoided).	To provide examples of the types of benefits that could be delivered but not use in the main analysis.

#### A.5. Illustrative costs and benefits of increased participation

**Table A6** presents summary results for the cost-benefit analysis of 1 year of increased participation of a cohort of 10,000 full-time volunteers. Costs relate to annual costs including the costs of service delivery for 1 year, the opportunity cost to volunteers and the fiscal costs to government.

The approach to the analysis of costs and benefits includes costs and benefits that are quantified complemented by scenario analysis of benefits of full-time volunteering that are less certain as well as a qualitative assessment of other important benefits.

In particular, although there is good qualitative evidence from various evaluations of how full-time volunteering programmes have helped to improve skills that are directly related to the workplace and employment, economic studies of the link between employment and volunteering are not completely clear cut and the existing studies are not directly focused on full-time volunteering. In the table below we use some scenario analysis to quantify the impact on benefits of different assumptions on earnings uplift. We also calculate the switching value for benefits to exceed costs: this would require an assumption of 1.4% for a cost-beneficial outcome. The quantified analysis also does not include a range of important benefits that are not possible to quantify and value in the cost-benefit analysis but nevertheless are important to the overall economic case.

**Table A6: Summary costs and benefits of increased full-time volunteering**

Assumption of costs and benefits of 1 year of Service Year programmes for 10,000 participants		
£ million, 2017 prices	10,000 participants	Comments and assumptions
<b>Total Costs (annual)</b>	<b>184</b>	Assumptions:
Service delivery costs	134.6	<ul style="list-style-type: none"> <li>- government financial stipend of £3,000 per participant. While calculated for all participants, if a more targeted approach could be taken this would reduce the costs.</li> <li>- uses service delivery costs of £13,000 per participant; however, there is likely to be significant variability in terms of these costs across different programmes</li> <li>- while volunteer is provided with financial support, there remains an opportunity cost for the volunteer.</li> </ul>
Volunteer (opportunity cost)	19.9	
Fiscal costs	30.0	
<b>Benefits - partial (annual)</b>	<b>121</b>	
Service users (service delivery benefits)	101	Calculated using estimated number of full-time volunteer hours of 13 million.
Volunteer benefits (based on opportunity cost)	20	At a minimum, the volunteer benefits must at least match the opportunity cost or the volunteer would not participate
<b>Scenario analysis of benefits of full-time volunteering *</b>		
Employment and earnings - benefits @ 2% earnings uplift	91	In the above analysis, for the benefits to exceed the costs, there would have to be an earnings uplift of 1.4%
Employment and earnings - benefits @ 4% earnings uplift	183	
Volunteer benefits - wellbeing	19	Applies wellbeing values per participant from wider wellbeing studies on the relationship between wellbeing and frequent volunteering.

### ***Benefits not quantifiable***

There are a range of important benefits that are not possible to quantify and value in the cost-benefit analysis but nevertheless are important to the overall economic case. These include:

- impact on employment and earning of full-time volunteers if they achieve a qualification
- wider societal benefits in the education, health and social sector etc. linked to reductions in classroom disruption, avoided costs of NEETs, reductions in NHS costs. See illustrative examples of calculated societal benefits in accompanying text above.
- Fiscal benefits - these could accrue from increased revenue from improved employment and earnings and reductions in government spending (e.g. linked to NHS cost savings)
- Improved community/social integration, increase in civic/ political engagement.

*Source: PBE estimates*

The table shows that the economic case for scaling up full-time volunteering is based on a range of benefits including the value of the services delivered by the volunteer, the benefits to the volunteer and wider societal benefits<sup>34</sup>. The core benefits that are quantified account for two-thirds of the costs highlighting that to make the case we do need to bring in the wider set of benefits.

If the potential benefits from employment and earnings are included (as in the scenario analysis above) this would deliver an estimated net benefit of between £28 million to £119 million and a benefit to cost ratio of between 1.2 to 1.6. The switching analysis also shows that the earnings uplift assumption has to be 1.4% or above for the benefits to exceed the costs.

It is important to note that the benefit estimates are conservative because they do not include some gains that are difficult to quantify. Of particular significance, the wider societal benefits are not included in the analysis since these are specific to the particular full-time volunteer programmes. The box overleaf provides illustrations of these potential societal benefits in terms of education, health and social care. Further societal benefits could include savings due to reduced delinquency and crime or improved physical and mental health.

Finally City Year UK's external consultant-researched study of 2015 estimates that 10,000 young people could serve full-time within five years of a concerted, government-led effort to provide legal status and encourage sector growth given an estimated (potential) supply of willing and able volunteers of 200,000 people between 18-25 years of age. On the demand side the same study estimated that 64,000 young people could be supported by service partners or programme providers in education, health and social care, protection of the environment and other sectors.

Scaling up could also have other advantages. It is feasible that benefits could expand at a faster pace than costs as the number of volunteers and programmes increase. This is partly due to economies of scale — average costs per participant fall as programmes expand — but

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<sup>34</sup> Some of these societal gains will accrue to government in the form of higher tax revenues (linked to employment and earnings) or lower government expenditure (linked to reduced costs such as NHS costs).

also because of securing operational efficiencies (from learning by doing and expanding the range of organisations/participants involved) and innovation.

**Wider societal benefits: illustrations of key potential benefits**

Education benefits: the most significant benefits gained from full-time volunteers working schools will take the form of a reduction in low level disruption in classrooms – achieved by having additional staff members (volunteers) who can engage more closely with potentially disruptive individuals. We assume that volunteers would be placed in secondary schools, only and, given the potential size of the volunteer cohort, we believe that around 200 schools could be targeted with one or two volunteers participating in each year group. We assume an average school size of 800 which implies that 160,000 students can be reached through the scheme. It should be remembered that all students in a class are affected by low level disruption. We assume that around 5 minutes per hour is lost through this form of disruption and so a reduction of around 10% in disruption would imply a saving to the school of around 10-15 hours per year. We value this as an average cost per student per hour over the course of a year although we need to be aware of the fact that the impact of disruption may not be the same for all students across all schools. On this basis, we estimate that the total saving (i.e. benefit) from this form of volunteer participation could range from just over £8m to around £12.5m per annum.

Health benefits: societal benefits from volunteering supporting obesity related support programmes - assumption that 10,000 obese people could be reached by 2,000 service year volunteers and that costs of 10-20% of these people could be reduced at £3,000 per person. This translates to annual cost savings (or societal benefits) of £2-4m

Social care: one of the main aspects valued focuses on full-time volunteer activities for engaging with youth as a mentor and peer supporter. Mentorship positively impacts mentees lives by increasing school attendance and reducing substance abuse. This uses data from the Impetus report on costs of NEET (based on loss in lifetime earnings) with the low value of £50,000 relative to a peer and high value of £137,000 relative to a graduate level peer. The analysis assumes that 2,500 youth who are at risk of becoming NEET are aided through a mentorship programme with the impacts of mentorship assumed to reduce chance of becoming NEET by 5-10%

## Appendix B: Literature review of economic value of full-time volunteering

Publication	Background to study or survey	Benefit/impact category	Summary of key findings and applicability
Scaling up plans for a UK service year - unpublished report for City Year [2015]	To develop and articulate a business case to take to stakeholders and funders for increasing participation in full-time volunteering. Background recognises UK society faces a number of deep-set challenges including rising costs of health and social care, youth unemployment and disengagement, persistent inequality. Methodology: undertook stakeholder interviews, modelled costs, estimated impact, and developed business case.	Service-year volunteers, service users and fiscal benefits: Increasing lifetime net income for service year volunteers; government - increased tax revenues, reduced hospital readmissions; service users: increased income for mentored youth, improved productivity of entry level employment.	For every £1 invested, the report estimates a return between £2.7- £4.3. Detailed spreadsheet for cost-benefit analysis - has been used in the draft report and intending to be built on for the PBE report. The analysis has provided underpinning assumptions for this project but which have been subject to review.
Evaluating Youth Social Action: Does participating in social action boost the skills young people need to succeed in adult life? Behavioural Insights Team [2016]	In 2013, The Cabinet Office Centre for Social Action and the Education Endowment Foundation invited applications from organisations working with young people in Birmingham, Kent, Middlesbrough and Lancashire to receive grants from a £5 million Youth Social Action Fund. 28 organisations were given funding through the programme, working across the country on a diverse range of social action projects targeted at young people in a variety of settings. Methodology: 3 randomised control trials and one pre/post comparison to compare outcomes of those young people with those who did not participate.	Benefits to young people participating in social action (10-20 year olds): Using rigorous evaluation techniques and drawing on a mature field of research linking specific character measures to hard outcomes, such as employability, report demonstrate that – for those programmes evaluated – investment in social action leads to benefits for young people taking part as well as for the intended beneficiaries. Using Quality Framework for Youth Social Action, measures of impact including: civic participation, health, educational engagement, safer communities, sustainability, voting, resilience, employability	Report provides compelling and robust evidence that young people who take part in social action activities develop some of the most critical skills for employment and adulthood. Potential to use results to provide additional depth. Strong evidence on youth social action and volunteer benefits but not specific to full-time volunteering and focuses on 10-20 year olds.
Estimating the value of volunteering using subjective wellbeing data – WP 112, DWP and Cabinet Office, Fujiwara, Oroyemi, McKinnon [2013]	Used the wellbeing valuation approach to estimate the value to volunteer. The study presented estimates of the value that frequent volunteers place on volunteering (defined here as volunteering weekly or at least once a month). Research used data on life satisfaction from the British Household Panel Survey (BHPS) from four waves of data (2000, 2002, 2004 and 2008) for people aged over 16 years old.	Value that frequent volunteers place on volunteering. This estimate represents a net effect on life satisfaction both taking into account both losses incurred due to foregoing leisure time as well as wage losses incurred by individuals. These studies can translate the wellbeing impact of volunteering into monetary-equivalent values – effectively the money the individual would need to be given to increase their wellbeing by the same amount.	The study presented estimates of the value that frequent volunteers place on volunteering. Since then, the methodology has developed further and updated values are available (based on report for measuring the social impact of community investment): the average value of volunteering on this basis was estimated at £3,249 per person per year.

Does volunteering improve employability? Insights from the British Household Panel Survey and beyond, Third Sector Research Centre [2013]	Empirical testing of view that volunteering helps improve employability. Reviewed recent studies on links between volunteering and employment but noted that overall, the picture is mixed and somewhat confusing leaving a considerable gap in our understanding of the links between volunteering, employability and employment. Econometric analysis of longitudinal evidence from British Household Panel Survey (BHPS) 1996 - 2008 which included questions on volunteering and employment over 7 waves. This is the first study that has used such a large dataset in the exploration of the links.	Impact on employability, retention and wage progression of volunteers. Overall, the research suggested that too much has been made of the link between volunteering and employability.	Volunteering has a significant but weak effect on employability in terms of entry into work and volunteering appears to have zero or even negative effects on wage progression. Moreover, they found no positive effect of volunteering on young people (16-25) employment no matter how much volunteering. However, the study also recognises some of the limitations with use of BHPS data that are relevant for this study on full-time volunteering. For example, it does not look at the nature of volunteering, the intensity and duration of involvement of the volunteer and the different support structures that are in place for volunteers.
Publication	Background to study or survey	Benefit/impact category	Summary of key findings and applicability
Door opener or waste of time? The effects of student internships on labour market outcomes, IZA [2014]	Studies causal effect of student internship experience on labour market choices and wages later in life. Argues that student internships are a "door opener" to the labour market. Methodology: Econometric analysis of longitudinal data using variation in the introduction and abolishment mandatory internships at German universities.	Student interns: Wage returns to student interns of 6% are driven by higher propensity of working full-time and a lower propensity of being unemployed in first 5 years of entering the labour market. Based on economic theory, expect student internships to have positive wage returns - additional knowledge, skills and competences accumulated (building of human capital) as an intern, results in higher pay.	Evaluates the casual relationship between performing an internship at university and future wages. Results: (i) observes a 6% wage premium (5 years after graduation) associated with internship using several econometric analyses, driven by several factors (ii) students who do an internship are more likely to be employed full-time (iii) Interns are less likely to go onto graduate studies. Study used in preliminary City Year analysis. The results relate to Germany focused on university students and value add of internships number of key differences between this context and UK full-time volunteering.
Regional differences to labour market responses to volunteers, Devlin, University of Ottawa [2001]	Econometric analysis of the relationship between volunteering and paid labour market. Study background noted at that time there had been little empirical analysis.	Benefits to volunteers in terms of wage premium. Mechanism that volunteers acquire skills valued by the labour market leading volunteers to have higher earnings compared to non-volunteers and provide a signaling effect to employers about desirable traits in individual again leading to better employment. In addition, there may be a network effect that can help in furthering employment prospects.	Analyses data from 18k Canadians to compare the earning of those that volunteer to those who do not. Concludes that there is a 4% increase in earnings for volunteering compared to those who do not volunteer. Largely filters out effects that are present in an individuals' decision to volunteer (greater stability, income etc.) to expose the increase in income resulting specifically from volunteering itself. Regional differences range from 12.5% BC to 1.2% Atlantic Canada. Study used in preliminary City Year analysis. Results are from older study [2001] and not UK based.

Estimation of the labour market returns to qualifications gained in English further education, BIS [2015]	Paper updates findings from Buscha and Urwin (2013), estimating separately the (i) earnings, (ii) employment probability and (iii) probability of being on active benefits, for those who achieve their highest learning aim whilst studying at an English Further Education Institution (FEI), relative to those who have the same highest learning aim, but do not achieve. Methodology: uses matched administrative data (Department for Business, Innovation and Skills data and Department for Work and Pensions data) to estimate economic benefits to individual from achieving qualifications in further education: employment prospects, earnings and likelihood of being on benefit.	Economic benefits to an individual from achieving qualifications in further education, specifically: employment prospects, earnings and likelihood of being on benefit.  Closest match from this study for application would be vocational workplace based learning (separate from apprenticeships): the results show that vocational qualifications provide positive and statistically significant earnings premiums at all levels, with returns particularly high for work- based learning.	Vocational work-based learning results: below level 2 and level 2: earnings (3-5 year average): 5-7%; employability: 0- 2 pp. To be relevant, would need to demonstrate that full-time volunteers achieved vocational work-based learning qualification outcomes equivalent to moving from one level to another e.g. below Level 2 to Level 2. If this could be demonstrated, then there would be a case for applying these statistically significant results.
Access to and returns from unpaid graduate internships, IZA [2017]	Analysis of how graduates benefit from internships. Paper identifies the factors determining access to and estimate the returns from unpaid internships for sample of graduates from UK universities 2003-2009. Methodology: Econometric analysis using Destination of Leavers Survey from Higher Education (DLHE) targeting population of leavers from UK universities 6 months and 3 years after graduation.	Unpaid interns: impacts on earnings and employment prospects	Results reveal large salary penalty associated with taking an unpaid internship of around £3,500 per annum compared with those taking paid employment and £1,800 compared to those in further study. Negative returns significantly smaller with graduates who were privately schooled/come from professional families suggesting access to better internships. Arguably not so relevant and applicable to this study given its focus on unpaid internships.
<b>Publication</b>	<b>Background to study or survey</b>	<b>Benefit/impact category</b>	<b>Summary of key findings and applicability</b>
The Economic Value of National Service, Belfield, Aspen Institute [2013]	Provides cost benefit analysis for both youth programmes and senior programmes. Study conducted by the Center for Benefit-Cost Studies in Education at Columbia University. The report values the current total social benefit of youth national service at \$6.5 billion with a cost benefit ratio of just under 4 (for senior programmes, the cost benefit ratio is approx. 2 to 1). The report also looks at scenarios for increasing participation. Draws upon the results of previous cost-benefit analysis of national service: Perry and Thompson (2004) catalog 14 cost-benefit analyses (CBAs) that generally indicate the benefits exceed their costs with 8 CBAs of AmeriCorps, all with positive net benefits.	Benefits to volunteers and to service users: covers all relevant benefit categories drawing on a range of research and evidence. Reports on studies of workforce development programs and job growth programs that identify positive labor market effects (Sagawa et al., 2008; VNS, 2012b). Effects of volunteering on subsequent better health status among youth and also see much higher rates of volunteering in subsequent years by those were already volunteers. Community-wide spillover benefits have also been found from these programs. However, these benefits can be hard to measure.	Uses estimates of national service by youth at 80,450 member service years annually (covers the three AmeriCorps programs, including YouthBuild, Teach for America, and National Guard Youth Challenge). The total social benefit of youth national service – including the value of output produced and the longer-term gains from greater human and social capital – is \$6.5 billion. For society, the benefit of national youth service is 3.95 times greater than the cost. Highlights analysis that youth aged 16-24, incomes are approximately 12% higher across volunteers versus non-volunteers (sample size 13,200), comparable to the effect of an additional year of post-secondary education. Provides an US based analysis of the economic value of full-time volunteering so results strongly relevant.

Volunteering as a pathway to Employment Report: Does volunteering increase odds of finding a job for the out of work? Spera et al, Corporation for National & Community Service [2013]	US study. Introduction notes that while economists have studied strategies for unemployed persons to increase their chances of finding employment through additional training and education, very little empirical literature on extent to which volunteering can serve to maximise chances of finding employment for individuals out of work. Methodology: uses statistical techniques to test hypothesis that volunteering is associated with increased likelihood of finding employment for individuals out of work. Uses data from 2002-2012 Current Population Survey (CPS).	Benefits to volunteers for those previously out of work: increased likelihood of finding employment for individuals out of work if volunteer. Mechanism could be as a result of an increase in social capital and human capital or for some volunteers may see it as an entry route into an organisation they would like to work.	Volunteering was associated with a 27% higher odds of employment, statistically significant and showed a stable association between volunteering and employment. The association remained constant across years and different unemployment rates suggesting that irrespective of economic conditions, volunteering may add an advantage to the out of work seeking employment. The relationship was stronger for those without high school diplomas suggesting a "levelling of playing field". Caveats that does not establish a causal link. Discussion recognised that it does not look at the effect of different types of volunteering such as length of time and commitment.
Vinspired 24/24: Programme Evaluation, Office for Public Management (OPM) [2013]	Structured volunteering and social action intervention programme, designed to help young people facing challenging circumstances to improve their life choices. The programme engaged 438 young people across England in structured placements within 13 Civil Society Organisations, across three six month cohorts from July 2011 to March 2013. Participants were expected to spend 24 hours per week on their placement (lasting 24 weeks) with flexibility to accommodate individual circumstances. Participants were supported to obtain a suitable level of qualification, which was anticipated in most cases to be at Level 2.	Young volunteers (mainly 16-19 year old) in challenging circumstances: originally aimed at NEET young people but, after commissioning the 13 providers, the entry criteria were changed during negotiation with the DfE to include only NEET young people who were in additionally challenging circumstances, described in 24/24 resources as NEET+1. The aim was not only to give young people a qualification, work experience and experience of volunteering with the aim to get them into education, employment or training but also to increase their confidence, raise their aspirations and build an attainable and long-term personal development plan.	Evidence clearly shows how the programme has supported young people to enhance their wellbeing by increasing their confidence, self-esteem and support networks, helped them towards positive progression by providing the opportunity to gain a Level 2 qualification and other workplace skills and experience, and supported their transition to adulthood as they committed to the long-term programme and learnt more about their place within the local community. Key outputs: (1) 438 young people meeting selection criteria were recruited onto the programme and 71% completed placements; (2) 90% of young people that completed their placement progressed into sustained Employment, Education, or Training (3) 83% young people that competed the programme gained an appropriate qualification.

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