



The economics of hospice volunteering

By Katharine Gaskin, Institute for Volunteering Research

Preface

Help the Hospices' Millennium Awards scheme, which was completed in June 2002, proved to be an unprecedented success - providing training and development opportunities for hospice volunteers and creating new services for patients, families, and other hospice volunteers across the UK. Over the three years of the programme, over £900, 000 was awarded to 444 volunteers working at 127 UK hospices.

With the completion of the Millennium Awards, Help the Hospices remains committed to supporting hospice volunteers and volunteering. We have since set up the Volunteering Advisory Panel to inform a programme of work that will include practical support for volunteers as well as more strategic support for volunteering.

The Panel includes representatives from InVOLve and from other key partners: the Association of Hospice and Specialist Palliative Care Social Workers; the Association for Hospice Management; the Forum of Chairmen of Independent Hospices; the National Association of Hospice Fundraisers; RCN Nurses Managing Hospices and Specialist Palliative-care Services. Hospice volunteers are also represented on the Panel.

This report is the first of two that Help the Hospices has commissioned from the Institute for Volunteering Research and which we anticipate contributing to a greater understanding of the essential role of volunteers and the needs of voluntary hospices in recruiting, managing and supporting them.

David Prail

Chief Executive, Help the Hospices

September 2003

About Help the Hospices

Help the Hospices represents the views of independent, charitable hospices to key opinion formers and decision makers. It co-ordinates UK-wide fundraising initiatives; offers information and advice; gives grants to hospice staff and volunteers; and provides and subsidizes specialist training. Help the Hospices raises awareness and understanding of hospice care and supports hospice care internationally, through the sharing of ideas, knowledge and skills between hospices in the UK and overseas.

Help the Hospices assumes no responsibility for any errors or omissions. The views expressed may not be necessarily those of Help the Hospices.

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1. Introduction

Performance measurement and accountability have become increasingly important in the sphere of voluntary action. People who work in volunteering are well aware of its benefits but the challenge is to demonstrate and prove the quality of its impact. Work is ongoing in the UK and elsewhere to devise a full impact assessment, led by the Institute for Volunteering Research and its current development of a Total Volunteer Audit Toolkit, funded by the US Global Services Institute.

A total audit of volunteering would show its value to the users or recipients, including the additional services available and the unique qualities that unpaid workers bring to their work. It would assess the contribution of voluntary work to community wellbeing and cohesion, and the larger economic and social impacts. It would highlight the value to organisations through extending their capacity, mobilising local support, cost savings and income generation, and it would cover the benefits to volunteers themselves, showing the gains of confidence, skills and social citizenship that volunteers experience.

A total audit therefore needs to take account of impacts on different stakeholders: the volunteer; the volunteer-involving organisation; the recipients/beneficiaries; the local community; and the wider society. Impacts can be conceptualised as types of 'capital': economic; physical; social; human; and cultural (Davis Smith & Ellis, 2003). Measuring these is a complex task requiring a multi-method approach that uses qualitative and quantitative methods to assess impact at both macro and micro levels.

Pending the production of the Total Volunteer Audit Toolkit, this research focuses on the economic approach, which to date has been the most developed and applied. An economic analysis provides informative and readily grasped indicators of the scale and significance of volunteering and the payback on investment in volunteers. The Volunteer Investment and Value Audit (VIVA) is a measurement tool that assesses the 'inputs' to volunteer programmes (the resources used to support volunteers) in relation to the 'outputs' (the value of volunteer time).

The economic approach focuses purely on monetary value and may be damaging if it reinforces the notion that volunteering is all about saving

money. It is therefore vital that indicators of cost-effectiveness are always considered within a full appreciation of why organisations have volunteers and the many values and benefits which volunteering produces.

In the research the VIVA method was applied to three hospices with a total of 1,358 volunteers. This report briefly describes the VIVA process before presenting the summary findings and VIVA results for each hospice in turn. It finishes with a brief conclusion.

2. The Volunteer Investment and Value Audit (VIVA)

VIVA assesses cost-effectiveness in volunteering programmes by calculating the financial value of volunteers' work, the total amount spent on volunteers by the organisation, and the relationship between the two (Gaskin, 1997 & 1999). The many organisations which have carried out a VIVA since its creation in 1996 - the Red Cross, Home-Start, Terrence Higgins Trust, the National Trust, Prince's Trust, WWF-UK and a number of NHS hospitals - have derived the following benefits from the audit process:

- Improved record-keeping and management information on volunteering
- Better strategic planning and development of volunteer programmes
- Increased budgets for volunteer programmes
- A raised profile for volunteering and improved recruitment and retention of volunteers
- Promoting the organisation and attracting new funding
- Being more accountable and transparent, both internally and externally

Key elements of VIVA

The cost of volunteering

This includes any expenditure by the organisation related to its volunteers. The key question is 'would we have to spend this if we didn't have volunteers?' If the answer is 'no', it is included as a volunteering cost.

The value of volunteering

This produces a notional volunteer wage bill - 'what would we have to pay people to do the work of the volunteers?' It covers regular volunteers who volunteer week on week, and non-regular volunteers (trustees, occasional volunteers, fundraising volunteers). Data was collected on the different volunteer roles and the number of volunteer hours in each role. The number of hours was multiplied by the hourly wage rate that an equivalent paid job would attract. Hourly wage rates were taken from the New Earnings Survey 2002, supplemented by hospices' own pay rates for specific jobs, particularly professional consultants and therapists, and from local employers.

The VIVA ratio

This is produced by dividing total volunteer value by total volunteer expenditure. The ratio shows 'for every pound we spend on volunteers, we get a return of X amount of pounds in the value of the volunteers' work'.

Other figures produced by the audit process include the total number of volunteer hours given in a year, which can be converted to a full-time equivalent, a full activity profile of the voluntary contribution to the organisation, per capita expenditure and value for an average volunteer, and a detailed breakdown of the volunteer budget.

3. Results from three hospices

The three hospices in this study have different structures which illustrate the variation in hospice organisation, but are not necessarily representative of it. The hospices are briefly described below.

Hospice A is a large single hospice with 500 volunteers. It provides an inpatient hospice and extensive outpatient and community services. The hospice has an education department and undertakes a care management role under contract to Social Services. It provides financial support to patients and their families, as well as medical, emotional and spiritual support through personal, telephone and on-line support (in development).

Hospice B is one of ten Marie Curie centres in the UK. It has 59 volunteers. The hospice's focus is on recruiting and retaining trained people with professional skills to support its outpatient emphasis. Although the hospice has two inpatient wards, admissions have declined and there is a clear trend towards short stays. Greatest emphasis is placed on the community palliative care team and volunteers are used more in rehabilitation than in ward support.

Hospice C is the largest of the three hospices and unusual in its structure. Its county-wide coverage includes five day hospices, two hospice-at-home teams and 15 shops. It has 784 volunteers involved in five volunteer management areas and 15 volunteer trustees, making a total of 799 volunteers. The five areas are:

- Satellite Day Hospices, four in the county, and two Hospice at Home teams: 150 volunteers
- Inpatient volunteers incorporating a Day Hospice in the city: 170 volunteers
- Bereavement Services: 39 volunteers
- Fundraising: approximately 75 volunteers. A few work regularly in the office, but the vast majority are loosely attached to the hospice and contribute very variable amounts of time
- Shops: 350 volunteers

The Volunteer Services Managers in the hospices collected the raw data for the VIVA's user guidelines and forms provided by the researcher. A number of details needed investigation and clarification to enable the calculations and analysis to be as accurate as possible.

VIVA ratios and averages

Table one (page five) shows the total annual figures for each hospice: total volunteer hours and average hours per volunteer; total and average expenditure; total and average volunteer value; and the VIVA Ratio.

The VIVA Ratio in the three hospices shows a considerable degree of similarity: 7.1 in Hospice A, 7.3 in Hospice B and 8.9 in Hospice C. This indicates that across the three hospices, each pound put into supporting and managing volunteers yields a return of between £7 and £9 in the value of the volunteers' work. This ratio is higher than is found in most organisations, many of which are more than happy with a three or four-fold return on their volunteer investment. Only a small number of organisations have found comparable ratios. This high level of cost-effectiveness reflects very well on the way the three hospices organise their volunteer support and management.

The VIVA method recommends adding an extra 20 per cent to the value of volunteers' time, to reflect the 'employment overheads' paid by employers, including national insurance. The adjusted ratios are 8.6, 8.7 and 10.7 respectively, indicating an even higher level of return.

The similarity of the ratios across the three hospices is somewhat unexpected in view of the different structures and scale of volunteering. It suggests that different approaches to organising and managing volunteer work in the hospices produce a broadly similar relationship between what is invested in volunteers and the payback in terms of the value of the work generated.

The higher ratio in Hospice C may be due to economies of scale and the large numbers of shop volunteers and the fact that more than half of the shops are run entirely by volunteers. However, the ratio in Hospice B holds up despite

the absence of shop volunteering because many of its volunteers are professional people who give a substantial number of hours per year and whose skills have a high market value.

The average number of hours per volunteer varies from 186 in Hospice C to 216 in Hospice A, up to 307 in Hospice B. Therefore the average weekly input per volunteer is 3.9, 4.5 and 6.4 hours respectively. The average expenditure on volunteers varies from £141 in C to £209 in A and £596 in B. This investment produces an average value per volunteer of £1,253, £1,492 and £4,340 respectively.

Table one: Total and average hours, expenditure and value across three hospices

	Hospice A	Hospice B	Hospice C
Number of volunteers	500	59	799
Total annual hours	108,081	18,100	148,514
Annual hours per volunteer	216	307	186
Total annual expenditure (pounds)	104,393	35,158	112,753
Annual expenditure per volunteer (pounds)	209	596	141
Total annual value (pounds)	746,119	256,084	1,000,796
Annual value per volunteer (pounds)	1,492	4,340	1,253
VIVA ratio	7.1	7.3	8.9
Adjusted ratio (+20per cent)	8.6	8.7	10.7

Expenditure

Table two (page seven) shows how the hospices' expenditure breaks down as percentages of the total budget. By far the largest cost is the salaries of staff who manage volunteers, although the distribution among the Volunteer Services Manager and other staff varies. This is particularly evident in Hospice A, where volunteer support and management is dispersed among 34 staff other than the hospice's overall Volunteer Manager. This high level of concentration on staff salaries, between 70 per cent and 84 per cent, reflects the pattern in other organisations' VIVA results.

The next largest proportion of the budget is spent on providing free food and drink for volunteers, and on reimbursing their expenses. Again this is a fairly common pattern.

Just a fraction of expenditure goes on advertising and recruitment. Slightly more is devoted to administration, support and recognition. This includes volunteer support meetings, socials, mailings and newsletters, certificates and awards.

The apparently low expenditure on induction and training is deceptive because virtually all of the costs of delivering training are included in the staff salary figures. This covers the required training courses for particular volunteers and ongoing, on the job training, which is overseen by a variety of paid employees in the hospice.

Only one hospice, Hospice C, was able to provide an accurate figure for insurance. The other two had very large policies which covered their entire operations, in Hospice B's case for the national Marie Curie organisation, and were not able to apportion an amount solely for volunteer coverage. Their insurance expenditure was therefore estimated from a per capita figure of £2 per volunteer, derived from Hospice C.

Many of the figures for expenditure on administration and support, supplies and equipment, and food and drink were estimated by the hospice managers, and it is possible that they are less accurate than other figures supplied.

The provision of expenditure data highlighted for the hospice managers the lack of monitoring of many cost areas and the fact that they did not have a dedicated volunteer budget from which figures could easily be extracted. This provides

some impetus to ensure better monitoring of spending. The more accurate the account of expenditure, the more useful it is as a guide for budgeting future volunteering programmes and, where relevant, for negotiating the provision of services under contract.

Table two: Expenditure, showing percentage distribution, in three hospices

Category of expenditure	Hospice A	Hospice B	Hospice C
Volunteer manager(s)	18	65.4	51
Manager's assistant	13	0	16
Other staff	39	17	17
(Total staff costs)	(70)	(82.4)	(84)
Recruitment	0.5	0.2	0.3
Induction & training	0.4	0	3
Volunteers' expenses	7.7	1.4	4
Admin & support	1	2	3
Supplies & equipment	0.5	0.3	2
Food and drink	19	13.4	2.5
Insurance	1	0.3	1.4
Total	100.1	100	100.2

4. Individual hospices

Hospice A

Expenditure: Table three (page ten)

The total annual expenditure for Hospice A is £104,393.00. Dividing this by the number of volunteers, 500, indicates that on average £209 is spent on each volunteer in a year.

Of the total expenditure, 18 per cent is spent on the salary of the volunteer manager and a further 13 per cent on the salary of her assistant. An additional 39 per cent is spent on the management and support by other staff, making a total of 70 per cent of total expenditure on staff. Amounts are allocated from the salaries of 34 staff: Director of Finance, Accounts Assistant, Chaplain, Catering and Domestic Manager, Complementary Therapies Manager, IT Manager, Day Hospice Sister, In Patient Sister, Director of Education, Database Manager, Database Assistant, Community Fundraiser, Lottery Manager, Maintenance Manager, Director of Community Nursing, Director of Patient and Family Support, Receptionists, Trading Company Managers, and 16 Shop Managers. The amounts range from £136 for the IT Manager to £6,252 for the Director of Community Nursing and £13,551 for the 16 Shop Managers.

The next largest cost is for lunches, tea and coffee provided free for volunteers. This amounts to 19 per cent of the total budget. This is approximated by assuming, for example, that each volunteer drinks two free cups per week at 30 pence each, and by estimating the numbers who are given a free lunch at £1.50 each. This figure may be an underestimate.

Reimbursing volunteers' travel expenses uses 7.7 per cent.

Spending on advertising for and recruiting volunteers is 0.5 per cent. This is spent on printing, photocopying and postage costs. All advertising through the press, radio and television costs the hospice nothing.

Induction and training costs represent just 0.4 per cent. Most of the training is provided by staff and this cost is covered in their salaries, above. The

spending on induction and training includes letters of invitation and lunches during training. The figure is estimated and may be an underestimate.

Administration, support and recognition represents one per cent. This is the volunteer manager's best estimate and includes the cost of regular departmental meetings with teams of volunteers, two social events a year, volunteer certificates, an internal newsletter, and costs associated with general administration, which includes sending out application forms, reference requests, letters of appointment, information, Criminal Records Bureau requests, and telephone calls and other office costs.

Supplies and equipment issued free to volunteers use a further 0.5 per cent, spent on clothing for maintenance volunteers, kitchen and servery assistants, supplies for therapy volunteers, and specific computing aids.

The hospice provided insurance figures totalling over £26,000 for the whole hospice, including the main hospice, shops, fleet, computer, fundraising, engineering and personal accident. An estimate was made based on an insurance cost of £2 per volunteer per year, derived from Hospice C's accurate insurance cost. This estimated figure represents one per cent of the total expenditure.

Volunteer Value: Table four (page 11)

The total value of the work of the 500 volunteers at Hospice A is £746,118.98, an average value of £1,492.24 per volunteer. The total is the 'market value' of 108,081 hours contributed to the hospice annually. This works out at an average of £6.90 wage equivalent per hour.

This figure includes 12 trustees whose contribution is estimated from attendance at six meetings per year, sub-group meetings twice a year, regular meetings of the Chair with the Chief Executive Office, and meeting preparation, reading and other duties in between meetings.

The hospice benefits from approximately 100 fundraising volunteers involved with Leagues of Friends and others 'who raise money for us on an informal basis'. It was not possible for the hospice to estimate the hours they put in, nor the amount raised.

Dividing the total number of volunteer hours by 48 and again by 40 gives an indication of the full-time equivalent which their contribution represents. This figure comes out at 56.3 FTE which says that, notionally, 56 extra staff would be needed to maintain the work if volunteers were no longer involved in the hospice.

The VIVA Ratio: Table five (page 12)

The VIVA ratio for all the volunteers at Hospice A is 7.1. So for every £1 that the hospice spends on managing and supporting its volunteers, it gets a payback of £7.10 in the value of the work that they do. This also applies to the per capita figures. Each volunteer's annual contribution of 216 hours has a value of £1,492, supported by £209 worth of organisational management.

VIVA recommends adding 20 per cent to the wage value of volunteers' time to reflect additional employment overheads, including national insurance contributions. With this adjustment, the VIVA Ratio is 8.6.

Table three: Hospice A, annual expenditure

Expenditure category	Annual amount (Pounds)
Salary of volunteer manager/co-ordinator	18,330
Salary of volunteer manager's assistant/secretary	13,978
Percentage of salary of any other staff/time spent on managing or supporting volunteers	41,010
Advertising for and recruiting volunteers	562
Induction and training given to volunteers	400
Volunteers' expenses: travel and other expenses	8,007
Administration, support and recognition: meetings, socials, certificates etc.	1,000
Supplies and equipment issued free to volunteers	522
Food provided free for volunteers	19,584
Volunteer insurance (estimated)	1,000
Total expenditure	104,393

Table four: Hospice A, annual volunteer value

Volunteer role	Paid job equivalent	Wage rate (pounds)	Hours	Value (pounds)
Receptionist	Receptionist	6.48	3,168	20,528.64
Servery assistant	Catering assistant	5.55	6,336	35,164.80
Day hospice helper	Care assistant/attendant	6.17	4,080	25,173.80
Hairdresser	Hairdresser	10.00	720	7,200.00
Musician/artist	Musician	12.17	480	5,841.60
Creative writer	Author, writer	15.59	96	1,496.64
Manicurist	Manicurist	20.00	240	4,800.00
Pet therapist	Pet trainer/therapist	15.50	192	2,976.00
Chiroprapist	Chiroprapist	25.00	111	2,775.00
Complementary therapist	Complementary therapist	25.00	1,200	30,000.00
Day hospice driver	Taxi/cab driver	6.67	5,304	35,377.68
Maintenance worker	Maintenance worker	7.59	2,688	20,401.92
Fundraiser	Minimum wage	4.20	312	1,310.40
Clerical assistant	Clerk n.e.s.	7.68	2,350	18,048.00
Librarian	Librarian	12.68	288	3,651.84
Flowers	Ward assistant	6.55	480	3,144.00
Home support	Care assistant	6.17	4,032	24,877.44
Bereavement support	Social welfare associate professional	9.53	960	9,148.80
Doctor	Medical practitioner	27.68	280	7,750.40
Gardener	Gardener	6.89	96	661.44
Shop helper	Shop assistant	6.09	67,530	411,257.70
Warehouse helper	Weigher, grader, sorter	6.76	2,470	16,697.20
Shop driver	Roundsman/woman, goods porter	7.14	3,120	22,276.80
College placement/work experience	Minimum wage	4.20	420	1,764.00
Trustee	General administrator/manager	29.96	1,128	33,794.88
Total			108,081	746,118.98

Table five: Hospice A, summary figures

Number of volunteers	500
Total expenditure (pounds)	104,393
Total value (Pounds)	746,118.98
Total volunteer hours	108,081
Average hours per volunteer	216
Expenditure per volunteer (Pounds)	208.79
Value per volunteer (Pounds)	1,492.24
VIVA ratio	7.1
Adjusted ratio (+20 per cent)	8.6

Hospice B

Expenditure: Table six (page 14)

The total annual expenditure for Hospice B is £35,158. This indicates that, on average, £596 is spent on each of the 59 volunteers in a year.

Of the total expenditure, 65 per cent is spent on the salary of the volunteer manager. There are no other staff salaries in the volunteer department. Volunteer management by other staff, namely, aromatherapist, day therapy nurse and physio-therapist, represents 17 per cent, bringing the total percentage spent on staff salaries to 82 per cent of the total volunteer budget.

The next largest item of expenditure is 13.4 per cent on lunches provided free for volunteers.

Reimbursing volunteers' travel expenses uses just 1.4 per cent.

Spending on advertising for and recruiting volunteers is 0.2 per cent. Recruitment is largely carried out through volunteer bureaux.

The hospice spends no additional money on induction and training, other than the staff time previously noted. Most involves on the job training by the professional therapy staff.

Administration, support and recognition represents 1.9 per cent. This includes the cost of postage and stationery for mailings, Volunteers Week and the Christmas lunch. Supplies and equipment issued free to volunteers use a further 0.3 per cent, chiefly spent on supplies for beautician, hairdressing and nailcare.

The hospice was unable to provide a figure for volunteer insurance, since Marie Curie Head Office pays block insurance for the whole charity. A substantial part of the £800,000 policy covers its professional staff, including indemnity insurance for doctors. Marie Curie agreed that an extrapolated figure could be used, based on the accurate insurance figure for Hospice C. Therefore, an estimated figure of £2.00 per volunteer is used. This represents 0.3 per cent of the budget.

Volunteer Value: Table seven (page 15)

The total value of the work of the 59 volunteers at Hospice B is £256,084.00, an average value of £4,340.41 per volunteer. The total is the 'market value' of 18,100 hours contributed to the hospice annually. This works out at an average of £14.15 wage equivalent per hour. This high rate is significantly due to the fact that many of the volunteers are giving professional services. Hospice B itself provided the hourly rates for the professional services on the firm basis of the rates which it has to pay to secure the services of therapists, counsellors and accountants.

Two types of volunteers are absent from Hospice B; fundraising volunteers and trustees. The hospice does not have its own fundraising volunteers. Fundraising is organised by the national charity. The vast majority of the charity's funds come from local health authorities and the Home Office. As noted, the charity's trustees oversee all of its operations in five service areas, and their input into the running of a specific hospice is insignificant. Hospice B's volunteer manager felt that even trying to estimate a percentage of their time and value would produce 'a negligible figure'.

Dividing the total number of volunteer hours by 48 and again by 40 gives an indication of the full-time equivalent which their contribution represents. This figure comes out at 9.4 FTE which says that, notionally, nearly ten extra staff would be needed to maintain the work if volunteers were no longer involved in the hospice. Of course, this is not a practical proposition because of the varied range of skills and qualifications exhibited by the volunteers, but it gives an idea of the scale of the voluntary contribution.

The VIVA Ratio: Table eight (page 16)

The VIVA ratio for all the volunteers at Hospice B is 7.3. So for every £1 that the hospice spends on managing and supporting its volunteers, it gets a payback of £7.30 in the value of the work that they do. This also applies to the per capita figures. Each volunteer's annual contribution of 307 hours has a value of £4,340, supported by £596 worth of organisational management.

The adjusted VIVA Ratio, with 20 per cent added to the wage value of volunteers' time, is 8.7.

Table six: Hospice B, annual expenditure

Expenditure Category	Annual amount (Pounds)
Salary of volunteer manager/co-ordinator	23,000
Salary of volunteer manager's assistant/secretary	0
Percentage of salary of any other staff/time spent on managing or supporting volunteers	6,000
Advertising for and recruiting volunteers	60
Induction and training given to volunteers	0
Volunteers' expenses: travel and other expenses	500
Administration and recognition: mailings, Volunteers Week, Christmas lunch	680
Supplies and equipment issued free to volunteers	100
Food provided free for volunteers	4,700
Volunteer insurance (estimated)	118
Total expenditure	35,158

Table seven: Hospice B, annual volunteer value

Volunteer role	Paid job equivalent	Wage rate (pounds)	Hours	Value (pounds)
Accountant	Chartered accountant	80.00	100	8,000
Admin support	Typist/word processor operator	7.56	2,500	18,900
Aromatherapist	Aromatherapist	35.00	3,000	105,000
Beauty therapy	Beautician and related occupations	6.52	1,000	6,520
Counselling	Counsellor	25.00	400	10,000
Driver	Taxi/cab driver	6.67	150	1,000.50
Healer	Relaxation therapist	30.00	250	7,500
Hydro assistant	Hydrotherapy assistant	6.15	100	615
Library assistant	Library assistant/clerk	7.65	500	3,825
Manicurist	Manicurist	25.00	300	7,500
Massage therapist	Massage therapist	30.00	300	9,000
Out patient support	Care assistant	6.17	3,500	21,595
Physio assistant	Care assistant	6.17	1,000	6,170
Receptionist	Receptionist (incl. Weekend rates)	8.62	800	6,896
Reflexologist	Reflexologist	30.00	450	13,500
Rosetta Life ¹	Art project assistant	12.00	750	9,000
Ward assistant	Ward assistant	6.55	1,750	11,462.50
Ward support worker	Clerk (n.e.s.)	7.68	1,250	9,600
Total			18,100	256,084

¹Rosetta Life is an independent charity which funds and places its own volunteers in IT-based artwork.

Table eight: Hospice B, summary figures

Number of volunteers	59
Total expenditure (pounds)	35,158
Total value (Pounds)	256,084
Total volunteer hours	18,100
Average hours per volunteer	307
Expenditure per volunteer (Pounds)	596
Value per volunteer (Pounds)	4,340.41
VIVA ratio	7.3
Adjusted ratio (+20 per cent)	8.7

Hospice C

The manager of each of the five management areas supplied data on their expenditure and the roles and hours done by volunteers. The VIVA results are presented separately for each management area, and for the whole hospice. The ratios should not be compared to the detriment of the service areas with lower ratios. The variation is due to the differing amounts of management and support necessary in different volunteer roles within the hospice structure. Seven of the 15 shops, for example, are run entirely by volunteers, enabling a significant amount of self-organisation and management.

Expenditure: Table nine (page 19)

The total annual expenditure for the whole hospice is £112,753. This indicates that, on average, £141 is spent on each volunteer in a year. Of the total expenditure, 51 per cent is spent on the salaries of the volunteer managers and 16 per cent on the manager's assistant/secretary. Additional volunteer management by other staff amounts to 17 per cent, the major part of which is by paid managers in seven of the shops. This brings the total percentage spent on staff salaries to 84 per cent of the total volunteer budget.

The next largest item is for reimbursing volunteers' expenses, at four per cent. This covers their travel to and from volunteering. The volunteer services manager discussed the payment of travel costs when volunteers are transporting patients and it was decided not to include these figures. This is because, if volunteers were not available, the hospice would pay for taxis. Therefore, if it did not have volunteers it would have to meet this cost. Using volunteer drivers almost certainly represents a cost saving, but this is not reflected in the figures.

Spending on advertising for and recruiting volunteers is 0.3 per cent, with only the shops and bereavement services spending small amounts on recruitment.

Induction and training consume three per cent of expenditure. Much of this is given by volunteer managers and other staff and their time is included in the salary figures.

Administration, support and recognition represents three per cent. This includes the cost of

volunteer support meetings, conferences, socials and parties, long service awards and certificates. Many of the managers estimated this expenditure.

Supplies and equipment issued free to volunteers uses a further two per cent, chiefly spent on tabards, shirts, drivers packs and name badges. Again, some of these figures were estimated.

Food and drinks provided free for volunteers amounts to 2.5 per cent of the total budget. This covers tea, coffee and biscuits taken while on duty (calculated at 50 pence per person, the price when sold to visitors in the hospice), and refreshments provided at meetings and special events.

Finally, insurance uses 1.4 per cent of the total spending on volunteers.

Volunteer Value: Tables ten a and ten b (pages 20-21)

The total value of the work of the 799 volunteers at Hospice C is £1,000,796.50, an average value of £1,253 per volunteer. The total is the 'market value' of 148,514 hours contributed to the hospice annually. This works out at an average of £6.74 wage equivalent per hour. Dividing the total number of hours by 48 and again by 40 gives an indication of the full-time equivalent which their contribution represents. This figure comes out at an impressive 77.4 FTE which says that, notionally, 77 extra staff would be needed to maintain the work if volunteers were no longer involved in the hospice.

The number of hours per management area varies markedly. In Fundraising, a total of 2,332 hours are volunteered; in Bereavement, 8,970 hours; in the four Satellite Day Hospices and the two Hospice at Home teams, 14,092 hours; in Inpatient Services including the Day Hospice, 21,552 hours; and in the 15 shops, 97,968 hours. The trustees put in 3,600 hours. Their input is estimated at five hours per week. As well as meeting bi-monthly, the trustees regularly spend time in the hospice itself, reading materials relating to governance issues and hospice operation, and in communication between meetings.

The fundraising volunteers 'assist in raising £730,000' for the hospice in a year. This figure is not included in the calculations, which focus solely on the value of their time.

The VIVA Ratio: Table 11 (page 22)

The VIVA ratio for all the volunteers at Hospice C is 8.9. So for every £1 that the hospice spends on managing and supporting its volunteers, it gets a payback of nearly £9 in the value of the work that they do. This also applies to the per capita figures. Each volunteer's annual contribution of 186 hours has a value of £1,253, supported by £141 worth of organisational management.

The ratio is affected by the fact that nearly half of the volunteers work in the hospice shops. They put in a substantial number of hours each week, and receive relatively little paid staff support. Eight of the 15 shops are managed entirely by volunteers and therefore there is a significant amount of volunteer management by volunteers.

The adjusted Ratio is 10.7.

Table nine: Hospice C, annual expenditure

Expenditure Category	Annual amount (Pounds)							
	Bereavement	Satellite day hospices	Inpatient volunteers	Fundraising	Shops	Total		
Salary of volunteer manager/co-ordinator	18,605	13,406	9,500	1,200	15,000	57,711		
Salary of volunteer manager's assistant/secretary	2,080	2,376	5,741	800	6,552	17,549		
Percentage of salary of any other stafftime spent on managing or supporting volunteers	-	2,080	1,040	300	15,790	19,210		
Advertising for and recruiting volunteers	60	-	-	-	250	310		
Induction and training given to volunteers	878	760	760	500	500	3,398		
Volunteers' expenses: travel and other expenses	-	1,200	510	1,500	1,200	4,410		
Administration, support and recognition eg newsletter, conference/socials, awards	200	80	1,750	900	600	3,530		
Supplies and equipment issued free to volunteers	60	200	333	550	1,000	2,143		
Food provided free for volunteers	100	1,150	1,642	-	-	2,892		
Volunteer insurance	-	-	-	-	-	1,600		
Total expenditure	21,983	21,252	21,276	5,750	40,892	112,753		

Table ten a: Hospice C, annual volunteer value (three services)

Volunteer role	Paid job equivalent	Wage rate	Hours and value (three services)							
			Bereavement (39 volunteers)		Satellite day hospice (150 volunteers)		Inpatient volunteers (170)		Sub-total (359 volunteers)	
			Hours	Value (pounds)	Hours	Value (pounds)	Hours	Value (pounds)	Hours	Value (pounds)
Admin assistant	Typist/word processor operator	7.56			104	786.24			104	786.24
Receptionist	Receptionist	6.48					3,276	21,228.48	3,276	21,228.48
Librarian	Librarian	12.68					208	2,637.44	208	2,637.44
Befriender	Social worker	11.87	4,680	55,551.60					4,680	55,551.60
Befriender	Care assistant	6.17	4,290	26,469.30			208	1,283.36	4,498	27,752.66
Day hospice helper	Care assistant	6.17			7,020	43,313.40			7,020	43,313.40
Hospice at home helper	Care assistant	6.17			1,040	6,416.80			1,040	6,416.80
Ward volunteer	Ward assistant	6.55					7,280	47,684	7,280	47,684
Day care helper	Care assistant	6.17					832	5,133.44	832	5,133.44
Flower lady	Ward assistant	6.55					260	1,703	260	1,703
Chaplain	Clergy	11.87					936	11,110.32	936	11,110.32
Craft teacher	Secondary education teaching professional	18.23								
Complementary therapist	Complementary therapist	25			312	7,800			780	14,219.40
Patient feeder	Care assistant	6.17					1,040	26,000	1,352	33,800
Gardener	Gardener	6.89					208	1,283.36	208	1,283.36
Driver	Taxi/cab driver	6.67					1,560	10,748.40	1,560	10,748.40
Quilt keeper	Author/writer	15.59			5,616	37,458.72	4,940	32,949.80	10,556	70,408.52
Total			8,970	82,020.90	14,092	95,775.16	21,552	176,355.16	44,614	354,151.22

Table ten b: Hospice C, annual volunteer value (two services and trustees)

Volunteer role	Paid job equivalent	Wage rate	Hours and value (two services and trustees)						
			Fundraising (75 volunteers)		Shops (350 volunteers)		Sub-total (440 volunteers)		
			Hours	Value (pounds)	Hours	Value (pounds)	Hours	Value (pounds)	
Office/cashier assistant	Counter clerk, cashier	8.69	7,230.08	832				832	7,230.08
Fundraiser	Minimum wage	4.20	6,300	1,500				1,500	6,300
Shop manager	Shop manager	8.25			14,400	118,800		14,400	118,800
Shop helper	Sales assistant	6.09			79,200	482,328		79,200	482,328
Warehouse Sorter	Weigher, grader, sorter	6.76						3,024	20,442.24
Van driver Helper	Roundsman/ woman, goods porter	7.14						1,008	7,197.12
Antique valuer	Estimator, valuer	12.94						336	4,347.84
Trustee (15)	General manager/ administrator	29.96						3,600	107,856
Total			13,530.08	2,332	97,968	633,115.20	103,900	754,501.28	

Table 11: Hospice C, summary figures

	Bereavement	Satellite day hospices (4) and hospice at home	Inpatient and volunteers and day hospice	Fundraising	Shops	Total hospice ²
Total expenditure (pounds)	21,983	21,252	21,276	5,750	40,892	112,753
Total value (pounds)	82,020.90	95,775.16	176,355.16	13,530.08	633,115.20	1,000,796.50
Total volunteer hours	8,970	14,092	21,552	2,332	97,968	148,514
Number of volunteers	39	150	170	75	350	799
Average hours per volunteer	230	94	127	31	280	186
Expenditure per volunteer (pounds)	564	142	125	77	117	141
Value per volunteer (pounds)	2,103	638.50	1,037	180	1,809	1,253
VIVA ratio	3.7	4.5	8.3	2.4	15.5	8.9
Adjusted ratio (+ 20 per cent)	4.4	5.4	9.7	2.9	18.6	10.7

²These total and average figures include 15 trustees' voluntary work.

5. Conclusions

The study of the economics of volunteering in hospices suggests the following implications and conclusions.

The VIVA results, showing ratios of between seven and nine, are very impressive for all three hospices. Aggregating the figures across the three hospices reveals that 1,358 volunteers contribute very nearly 275,000 hours each year, an average of 200 hours each or just over four hours a week. The total value of their work is more than £2 million, for a cost of £250,000. This is an overall VIVA Ratio of eight. The 'outputs' of volunteers, measured in financial terms, give a high return on the 'inputs' of money and time by the hospice.

On average each volunteer contributes £1,500 worth of work each year, and is supported by nearly £200 worth of hospice management. Making a crude extrapolation, this indicates that 90,000 hospice volunteers do more than 18 million hours a year, with a value of £133 million, in return for expenditure of £16.7 million. To verify the accuracy of this figure, it would be necessary to assess the extent to which the hospices and volunteers in this study are broadly representative of all hospice volunteers.

Differences in the organisation of volunteering and the roles for volunteers do not substantially affect the level of return. The county-wide 'umbrella' hospice, the large single hospice and the smaller hospice, part of a larger charity, all deliver good practice in the way they handle and support their volunteers. The trend evident in Hospice B of concentrating on skilled, trained people as volunteers shows that the return is comparable because their voluntary work has a high economic value.

Most of the spending on volunteers went into paying staff. Some areas may be worth examining to see if more could or should be spent, for example on recruitment, or why there is a disparity in the expenses paid to volunteers.

The hospices found it hard to produce some of the figures of what they spent, largely because they did not have a volunteer budget. This would help the volunteer services managers in their work. Similarly, there were gaps in hospices' knowledge about their volunteers' work. There is

room for improvement in the way information about volunteers is collected and recorded.

As noted in the Introduction, there are many values and impacts which should be taken into account when considering the results of the economic analysis. However, the VIVA results should give a boost to the development, monitoring and promotion of hospice volunteering. It is hoped they may assist Help the Hospices in assessing value and in determining policy and practice implications for the future.

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The economics of hospice volunteering

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