The Value of Volunteering in Canada

Briefing presented to: Volunteer Canada

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The Conference Board of Canada
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The Economic Contribution of Volunteers

At a Glance

- Even if volunteers are unpaid, their contribution adds to economic activity through the value of services provided.
- We estimate that volunteers added over two billion hours to Canada’s work effort in 2017.
- This volunteer contribution is valued at $55.9 billion in 2017—equivalent to 2.6 per cent of GDP.
- If volunteering were an industry, it would employ nearly as many people as those currently working in education.

Each day, Canadians in every region of the country contribute both their time and money to help and improve the well-being of their communities. Financial contributions from millions of people across the country benefit important causes, including the successful operation of shelters, service organizations, and food banks. Also, contributions help to ensure that universities, research institutes, and hospitals can make key advances in scientific, medical, and other research areas. But in addition to donations, volunteering provides many important services that affect the lives of Canadians—supporting Canadians in need and contributing to sports, arts, cultural, and environmental causes are just some examples.

This briefing focuses on the multifaceted benefits to individuals, organisations, communities, and society when Canadians volunteer their time. Services provided by volunteers not only help to strengthen and empower individuals and communities, but also benefit the volunteers and their employers by expanding their experience, skills, and social and business networking opportunities.

The Economic Impact of Volunteering

The contribution of volunteering to Canada’s economy generally goes unmeasured. While Statistics Canada tracks the contribution of donations and of the non-profit sector to overall economic activity, these estimates do not include the value of non-monetary transactions. As such, the contributions of volunteers are not captured in the national accounts. But even though volunteers are unpaid, their contribution provides tangible benefits and services to many Canadians, making it appropriate to estimate the value of these services.

According to Statistics Canada, in 2013, there were 12.7 million Canadians, or 43.6 per cent of the population, aged 15 years and older who did volunteer work. Younger Canadians had high volunteer participation rates, but those aged 55 and over contributed a much higher number of hours on average. As such, and not surprisingly, the 55-and-over cohort contributes disproportionately to total volunteer time. Table 1 displays the survey results as well as our estimates of volunteering activity for 2017.

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1 Turcotte, Spotlight on Canadians: Results From the General Social Survey.
2 Please see the Technical Notes section at the end of this briefing for a detailed explanation of the methodology employed to extend data to 2017.
Table 1
Volunteer Rate and Volunteer Hours, 2017
(population aged 15 and over)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2007</th>
<th>2010</th>
<th>2013</th>
<th>2017*</th>
<th>Average growth, per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population 15 and over (000s)</td>
<td>26,021</td>
<td>27,000</td>
<td>28,206</td>
<td>29,188</td>
<td>30,537</td>
<td>1.2</td>
</tr>
<tr>
<td>Number of volunteers (000s)</td>
<td>11,773</td>
<td>12,444</td>
<td>13,249</td>
<td>12,716</td>
<td>13,304</td>
<td>0.9</td>
</tr>
<tr>
<td>Volunteer rate (per cent)</td>
<td>45.2</td>
<td>46.1</td>
<td>47.0</td>
<td>43.6</td>
<td>43.6</td>
<td>-</td>
</tr>
<tr>
<td>Total annual volunteer hours (millions)</td>
<td>1,978</td>
<td>2,062</td>
<td>2,063</td>
<td>1,957</td>
<td>2,072</td>
<td>0.4</td>
</tr>
<tr>
<td>Average annual volunteer hours (hours)</td>
<td>168.0</td>
<td>165.7</td>
<td>155.7</td>
<td>153.9</td>
<td>155.7</td>
<td>-0.6</td>
</tr>
<tr>
<td>Total number of jobs equivalent (000s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full- and part-time employment</td>
<td>1,122</td>
<td>1,166</td>
<td>1,195</td>
<td>1,127</td>
<td>1,204</td>
<td>0.5</td>
</tr>
<tr>
<td>Full-time employment</td>
<td>1,009</td>
<td>1,049</td>
<td>1,064</td>
<td>1,009</td>
<td>1,077</td>
<td>0.5</td>
</tr>
</tbody>
</table>

* Conference Board estimates

Sources: Statistics Canada, GSS GVP and CANSIM tables 282-0028, 051-0001, and 383-0033; The Conference Board of Canada.

Because volunteer hours per person have declined since the first survey in 2004, the growth in total volunteer hours has averaged 0.4 per cent annually between 2004 and 2017, roughly one-third the pace of total population growth. Still, the total volunteer work effort represents 6.5 per cent of Canada’s total work effort3 in both 2013 and 2017, down from a share of 7.0 per cent in earlier surveys.

Assuming that volunteer rates by age cohort remained stable, Canadians would have completed 2,072 million hours of volunteer work in 2017—equivalent to 1.2 million part- and full-time jobs (or 1.1 million full-time jobs) in Canada. If volunteer activity were an industry, it would employ slightly fewer people than education and, together with those remunerated in the non-profit sector, would be on par with employment in manufacturing. (See Chart 1.)

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3 This is calculated as the total number of hours of volunteer time as a share of total hours worked in Canada or, equivalently, as the share of full- and part-time employment in Canada.
We can estimate the value of volunteer work by multiplying the total number of volunteer hours in any given year by the value of work, measured as the average hourly wage in the core non-profit sector. In 2017, this wage was $27.0 per hour, roughly 76 per cent of the economy-wide average wage of $35.5 per hour. Results of this exercise are presented in Chart 2. Under conservative assumptions, the sizable work effort that Canadians put into volunteering would add nearly $56 billion to GDP (in current dollars) in 2017. This represents about 2.6 per cent of Canada’s economic activity.
Table 2 shows that the total value of volunteering has increased at an average annual pace of 3.4 per cent between 2004 and 2017, slightly below the 3.7 per cent pace of total economic growth. By way of comparison, the non-profit sector, which operates largely on charitable donations, contributed $30.6 billion to GDP in 2017. Thus, non-profit activities, augmented by volunteering, contribute $86.6 billion or roughly 4 per cent to overall economic activity.

Table 2

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2007</th>
<th>2010</th>
<th>2013</th>
<th>2017*</th>
<th>Average growth, per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value volunteer time ($ billions)</td>
<td>36.2</td>
<td>42.8</td>
<td>47.7</td>
<td>48.7</td>
<td>55.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Share of total GDP (per cent)</td>
<td>2.7</td>
<td>2.7</td>
<td>2.9</td>
<td>2.6</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Average wage in non-profit sector ($/hr)</td>
<td>18.3</td>
<td>20.7</td>
<td>23.1</td>
<td>24.9</td>
<td>27.0</td>
<td>3.0</td>
</tr>
<tr>
<td>GDP in non-profit sector ($billions)</td>
<td>17.9</td>
<td>21.4</td>
<td>22.9</td>
<td>26.4</td>
<td>30.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Non-profit sector with volunteering ($ billions)</td>
<td>54.1</td>
<td>64.2</td>
<td>70.6</td>
<td>75.1</td>
<td>86.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Share of total GDP (per cent)</td>
<td>4.1</td>
<td>4.1</td>
<td>4.2</td>
<td>4.0</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Total GDP ($ billions)</td>
<td>1,331</td>
<td>1,574</td>
<td>1,662</td>
<td>1,898</td>
<td>2,144</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Sources: Statistics Canada, GSS GVP and CANSIM tables 282-0028 and 383-0033; The Conference Board of Canada.

The Broader Benefits of Volunteering

Section Summary

- Canadians volunteer and donate because they want to make a positive contribution to the community.
- Charitable activities can improve the life satisfaction of volunteers and may improve their health.
- Research suggests that volunteers gain a range of business-relevant skills and can improve their work-related outcomes.
- More and more workplaces are encouraging their employees to volunteer.

This section reviews some of the key studies that have examined the broader impact of volunteering on the economy in Canada and elsewhere. Some studies attempted to measure the social capital derived from volunteer work as well as the effect of volunteering on the health of those individuals volunteering. The benefits to businesses from either donating money to charities and not-for-profits or encouraging their employees to get involved is also considered.
Why Canadians Volunteer
A study by the TD Bank\textsuperscript{4} surveyed Canadians about why they volunteer. Over 90 per cent reported that they volunteered because they wanted to make a positive contribution to the community. Close to 80 per cent cited the ability to use their skills and experience as reasons for volunteering, while having friends or acquaintances already doing volunteer work was another important factor. A smaller percentage (22 per cent) reported that they volunteered as a means of helping them find a job. That same report found evidence of the positive impacts of volunteering on program recipients—for example, music education programs for low-income youth led to higher school grades and reduced behavioural issues for participants. In general, youth organizations supervised by volunteers provided a positive and safe outlet for disadvantaged youths.

Statistics Canada\textsuperscript{5} found evidence of a link between volunteering and donations. In general, people who volunteer have a stronger commitment to social values, are more open to donating money, and are more likely to be solicited for a donation from friends in the volunteering community. In 2010, individuals who did more than 60 hours per year of volunteer work made donations of, on average, $784 compared with less than $300 for those who did not engage in volunteer activities.

New immigrants to Canada are also an important source of volunteers in Canada. Behnam Behnia\textsuperscript{6} from Carleton University examined the experience of immigrants who decided to volunteer and found that their reason for volunteering are in many ways similar to other Canadians in that they gain satisfaction from helping others. They also cited volunteering as an excellent way of integrating into Canadian society. Some immigrants found volunteering to be a good way to improve their chances of finding a job in Canada as it provided an excellent opportunity to improve and practise their interpersonal skills, to obtain letters of reference, and to acquire work-related skills.

Social Capital and Volunteering
The decision to volunteer and donate is also referred to as social capital—defined as the civic engagement of people in their communities. An elevated level of involvement in the community should result in greater volunteering and charitable giving. Eleanor Brown, Professor of Economics at Pomona College, and James Ferris with the Center on Philanthropy and Public Policy, examined this issue by looking at the results of a U.S. survey conducted in 2000.\textsuperscript{7} The survey, referred to as the Social Capital Community Benchmark, queried Americans from all regions of the country about their degree of engagement with their local communities. The authors concluded that social capital has a positive impact on giving and volunteering. When individuals develop bonds and relationships with others in the community, they are more likely to donate funds to charities or engage in a volunteering activity.

\textsuperscript{4} DePratto, Giving in Canada—Filling the Gaps.
\textsuperscript{5} Turcotte, Charitable Giving by Canadians.
\textsuperscript{6} Behnia, “Volunteering With Newcomers.”
In a related study, Pamala Wiepking and Ineke Maas, Professors at the University of Amsterdam, looked at the impact of social and human resources on charitable activity in the Netherlands. The influence of human resources was measured by looking at the formal education of the respondents while social resources were examined by considering network connections in the community. In general, the study found that there was a positive relationship between both social and human resources and charitable activities. The positive impact of a more extended social network on charitable donations was largely explained by the fact that people responding to the survey who were either heavily involved with the church or participated in other religious activities had more extended social networks and were, consequently, more likely to make donations.

John Wilson from Duke University notes that religious beliefs and attitudes have an impact on the decision to volunteer later in life. While education remains the strongest predictor of community involvement by young people, the exposure to religion for young people ends up being a stronger predictor of future community participation than gender, marital status, and nativity.

The link between higher donations and a greater education was partly explained by the fact that highly educated people tend to earn greater incomes and were, consequently, better able to make more generous contributions. Their research also suggests that individuals with a more formal education tend to have a better understanding of the needs in the community and are more trusting that their donations will be spent in a way that helps those individuals in need.

The relationship between education and donations discussed by Wiepking and Maas is somewhat deceptive in that, at first glance, it seems to suggest that people with lower levels of education and income do not donate as much as highly educated people. While this is true when examining the total amount of donations on a dollar-for-dollar basis, research by Statistics Canada reveals that people with the lowest income donate a higher portion of their income to charity even though the total dollar amount is less.

Statistics Canada has also examined trends in social capital and volunteering in Canada, completing two surveys on this issue, one in 2003 and another in 2013. It was found that Canadians have increased their social networks of friends and acquaintances compared with 2003, possibly because of the growing popularity of social networking sites like Facebook and Twitter. However, Canadians did not significantly change their participation in different groups and organizations, including volunteering activities.

**Health of Volunteers**

Another area of research has looked at the impact on the health of the individuals engaged in volunteering. Stanford University professor Rachel Casiday conducted a review of the numerous studies on this issue for the organization Volunteering England and the Department of Health in the United Kingdom. Overall, her review of existing studies found that volunteering had a positive impact on health.

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10. Turcotte, *Charitable Giving by Individuals*.
outcomes for volunteers. Improvements in issues like mortality, mental health, and life satisfaction were closely linked to volunteering activity. However, contextual factors were important in the health outcomes of volunteers. The review concluded that the role played by the volunteer as well as factors such as age, time commitment, support, and training were important in determining the health of the volunteers.

Caroline Jenkinson and other researchers with the University of Exeter Medical also reviewed studies dealing with volunteering and health outcomes. They concluded that volunteering had a positive impact on reducing depression and improving life satisfaction and well-being, but not on physical health. They also found that the causal link between volunteering and health outcomes was difficult to ascertain and that further research was necessary to establish the exact mechanisms involved in volunteering and health outcomes.

**Corporate Views on Volunteering**

Yet another area of research on volunteering was carried out by Andrew Wilson and Francesca Hicks with Corporate Citizenship. Their study focused on the benefits to businesses from becoming actively involved with volunteering activity. The research examined the skills and improved competencies that employees can develop when they become engaged in employer-sponsored volunteering programs.

The study examined the experience of employees in 16 firms in the City of London, England. The researchers tracked the personal development of 546 employees who volunteered their time to students and staff in schools and colleges throughout the United Kingdom. The managers of the employees who engaged in volunteer work noted that the volunteers gained numerous business-relevant skills, which improved their effectiveness in the workplace. The respondents reported that volunteering forced them to move outside of their so-called “comfort zones.” The experience enabled them to develop new skills that could be easily transferred back to their jobs. The costs of the programs for the firms were minimal and turned out to be an effective way of developing better skills for their staff. The study also pointed out that the case for firms encouraging their employees to volunteer did not rest solely on a cost comparison with other forms of training carried out by human resource departments. It was important to look at the broader benefits as part of a firm’s community investment activities.

From a U.S. perspective, Deloitte carried out a Volunteer Impact Survey in 2010 (part of an ongoing series of surveys about this issue). The goal of the survey was to understand the value that corporate America places on volunteering. The survey results revealed that corporate America strongly believes that workplace volunteerism can make a major difference in their communities. More than eight in 10 companies indicated that volunteering can help them meet long-term social goals in the community. Corporate managers revealed two main priorities when deciding on the type of workplace volunteer activities to pursue: the potential to make a difference regarding pressing social issues in the community and the ability to help non-profit organizations assisting disadvantaged individuals to operate more

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11 Jenkinson and others, “Is Volunteering a Public Health Intervention?”
12 Corporate Citizenship, *Volunteering—The Business Case.*
efficiently. Conversely, while volunteering activities were cited by respondents as boosting employee morale, issues linked to corporate interests ranked far lower. Only 13 per cent of respondents indicated that aligning with business needs was a top priority when determining volunteering activities in the company.

Statistics Canada research provides insights into the diverse ways that employers in Canada help to facilitate volunteering among their workers. They found that many firms provide formal supports that lower barriers to employee’s involvement in volunteering activities. Some of these barriers include a lack of time, scheduling conflicts, or an absence of recognition. In 2010, more than 50 per cent of employees who volunteered indicated that their employers provided some form of formal support for their activities. Employees in firms that provided some form of support ended up putting in more volunteer hours compared with those working for firms without support. The most common type of formal support was permitting employees to adjust their work hours when engaged in volunteer activities and to work fewer hours. It is clear that many employers in Canada are increasingly implementing programs and policies that enable their employees to engage in volunteering activities.

**Summary**

In addition to donations, about 44 per cent of Canadians volunteer an average of 156 hours a year. This is a massive work effort, providing services that are equivalent to 6.5 per cent of employment—about the size of employment in education. If measured, volunteering would add an estimated $56 billion to economic activity in 2017. Together with non-profit activities, the economic contribution rises to nearly $87 billion.

But the benefits of volunteering spread beyond the value of additional hours worked. Volunteering provides essential programs and services and can help bond communities. Donations and volunteering provide concrete social and economic benefits by funding research and contributing to the educational, health, and labour market outcomes of the recipients.

Canadians volunteer for a variety of reasons, including the desire to improve the local community and to develop their own skills. Volunteers gain skills and acquire knowledge that can improve their well-being and ability to perform their own jobs. Firms in Canada and elsewhere are increasingly encouraging their employees to engage in volunteering to help address social issues and needs in the community.

Volunteering often augments the skill sets and experience of volunteers, helping their own labour market success and the business success of their employers. And after helping others, volunteers often feel better about themselves, which can improve their own life satisfaction and possibly their health.

To summarize, volunteers make a valuable contribution to economic activity in Canada. While Canada is a wealthy country with generous social programs, there are millions of Canadians who benefit from the sizable services provided by volunteers. These services help communities thrive and provide valuable life experiences and skills development for the Canadians who make a commitment to helping others.
The Value of Volunteering in Canada

Technical Notes

**Volunteering:** Statistics Canada defines volunteers “as people who have provided a service, without monetary compensation, for a group or organization at least once during the 12 months preceding the survey. This includes any unpaid help provided to schools, religious organizations, sports or community associations.”

**Gross Domestic Product (GDP):** GDP is a measure of the unduplicated dollar value of the goods and services generated within a region over a given period. It can be measured in several ways—as the income accruing to labour and owners of capital or, on an expenditure basis, as the sum of household and government spending, investment, and net exports. It can also be measured as the value added by industry, calculated as the difference between total revenue and the sum of expenses on parts, materials, and services used in the production process.

**Estimating the value of volunteer hours in the economy:** As non-monetary transactions are not recorded in Statistics Canada’s System of National Accounts, the contribution of volunteer time is not captured in estimates of economic activity such as GDP. Because volunteering provides tangible benefits and services to many Canadians, it is appropriate to estimate the value of these services. We can estimate this by multiplying the total number of volunteer hours in any given year by the value of work, which is typically measured as the average hourly wage.

Statistics Canada conducts the General Social Survey—Giving, Volunteering and Participating (GSS GVP) on an occasional basis. The latest survey provides data for 2013. Prior surveys produced results for 2004, 2007, and 2010. The GSS GVP provides data on the number of volunteers by age and gender, the volunteer participation rate, and the total number of volunteer hours.

To estimate dollar value of volunteer hours, we used the average hourly wage in the core non-profit sector, which we believe gives a reasonable estimate of the value of services provided in that sector. Some past estimates have relied on the national average or median wage, which tends to be more elevated than the average wage in the core non-profit sector—as such, our estimates are conservative in comparison but, we feel, better reflect the market value of the services provided.

Average hourly wages in the core non-profit sector were obtained from Statistics Canada’s Labour Productivity and Related Measures (CANSIM table 383-0033). The value of volunteer hours for 2004, 2007, 2010, and 2013 is produced as the product of the total number of hours and the average hourly wage in the core non-profit sector.

We extended the analysis to produce estimates of the value of volunteer hours for 2017. In this case, we needed to extend the estimate of volunteer hours from 2013 to 2017, and extend average hourly wages from 2016 to 2017.

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13 The core non-profit sector, also defined as the non-profit sector serving households, excludes health and education sectors and other non-profits receiving any substantial amounts of government funding.
The number of volunteer hours was extended based on the assumption that the average volunteer rate and average number of hours volunteered by age cohort (for eight cohorts provided in the GSS GVO) remain flat at their 2013 values. These rates were then applied to the demographic composition in 2017 (Statistics Canada’s Estimates of Population, by Age Group and Sex for July 1 (CANSIM table 051-0001)). In general, volunteer rates by age cohort have been declining over the last number of surveys, but there is no solid evidence that this continued between 2013 and 2017. The average number of volunteer hours by age cohort also declined from 2004 to 2010, but remained more stable between 2010 and 2013. Moreover, it is important to note that Statistics Canada has changed the methodology in the survey and advises against strict comparison between the 2013 survey and earlier surveys.

Average hourly wages in the core non-profit sector were available from Statistics Canada’s Labour Productivity and Related Measures (CANSIM table 383-0033), up to 2016. Estimates for 2017 were produced by growing wages using The Conference Board of Canada’s estimate of total average hourly wages. The growth rate in average hourly wages in the core non-profit sector is estimated at 2.1 per cent in 2017.

The value of volunteer hours for 2017 is produced as the product of our estimates of the total number of hours and the average hourly wage in the core non-profit sector.

**Estimating employment equivalency of volunteer hours:** We relied on Statistics Canada’s Labour Force Survey estimates of average hours worked economy wide (CANSIM table 282-0028). These data are available annually through to 2017. All Canadian workers (full- and part-time) averaged 33.1 hours per week in 2017; full-time workers averaged 37.0 hours per week.
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Bibliography


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