



# Triple dividend: How workplace volunteering can make us happier, healthier and more productive

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




Pilotlight is a charity that amplifies the impact charities, businesses, and individuals can bring to make a better world. We create experiential programmes for our partners businesses that develop their employees and employer brand and give charities the expertise they need to thrive. Since 1996, we've helped over 1,000 charities who tackle social disadvantage to ignite change that lasts.



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## Summary

Employers are struggling to find solutions to boost both their employees' wellbeing and their productivity, as the UK economy fights to pull itself out of the doldrums. Growth is sluggish at best, and the nation's failing health is holding it back. The number of lost working days due to sickness absence has risen dramatically since the pandemic and this has significant costs for employers. The total cost of sickness absence to UK employers was around £24 billion in 2022.

Workplace volunteering – where employers use policies and processes to support their employees to participate in volunteering during work time – offers a potential triple dividend that could help to tackle this challenge: it can help employees' wellbeing; support higher productivity for employers; and help charities to tackle some of the biggest challenges facing society.

Yet between 17 million and 23 million employees do not have access to workplace volunteering opportunities. If these opportunities could be rolled out to these employees, then it could support between 1.5 million and 2.8 million additional people to participate in workplace volunteering.

This would drive up the wellbeing of those who participate. Evidence has shown that volunteering leads to an increase in wellbeing that is roughly the same as the difference in quality of life experienced by moving out of an area with sewage odour problems and into one without. This improvement in wellbeing has an economic value of between £800 and £1,300 per additional volunteer, based on HM Treasury's guidance. This means that expanding workplace volunteering opportunities to cover all employees in the UK could generate £1.2 billion to £3.6 billion in wellbeing benefits per year to the individuals themselves.

There is also a hard-nosed business case for employers when it comes to skilled volunteering. Ensuring all employees have access to volunteering opportunities could save between 1.4 million and 2.5 million working days of sickness absence. Beyond this, workplace volunteering has been shown as likely to drive up productivity through better health and improved skills, as employees learn from the experience. Even after deducting the costs of lost time and administration for volunteering schemes, these benefits could amount to net productivity gains of between £1.6 billion and £2.8

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billion to the UK economy. From the employers' perspective, workplace volunteering schemes such as those run by Pilotlight could deliver between £1.50 and £3.60 of benefits for every £1 spent.

Beyond the benefits to employees and employers, charities gain too. Right now, charities are facing staff burn-out due to rising demand for services, and challenges recruiting both volunteers and staff. The third substantial benefit of a roll-out of workplace volunteering would be an influx of new volunteers who could provide much needed additional capacity at a critical time for the sector. This would ensure that these organisations can continue to do what they do best – making a difference in our communities, tackling social injustices, and improving our environment.

Skilled volunteering offers a wealth of untapped potential for employers, individuals, and social sector organisations. A step change in employers working in partnership with charities to ensure that their employees have the opportunity to participate in volunteering activities makes good business sense for everyone involved.

17–23  
million

employees do not  
currently have access to  
workplace volunteering.

£1.2–£3.6  
billion

of wellbeing benefits per  
year from rolling out  
workplace volunteering  
to all employees.

£1.6–£2.8  
billion

of net productivity benefits  
to the economy from  
rolling out workplace  
volunteering to all.

Workplace volunteering is likely  
to provide employers with  
around

£1.50–£3.60

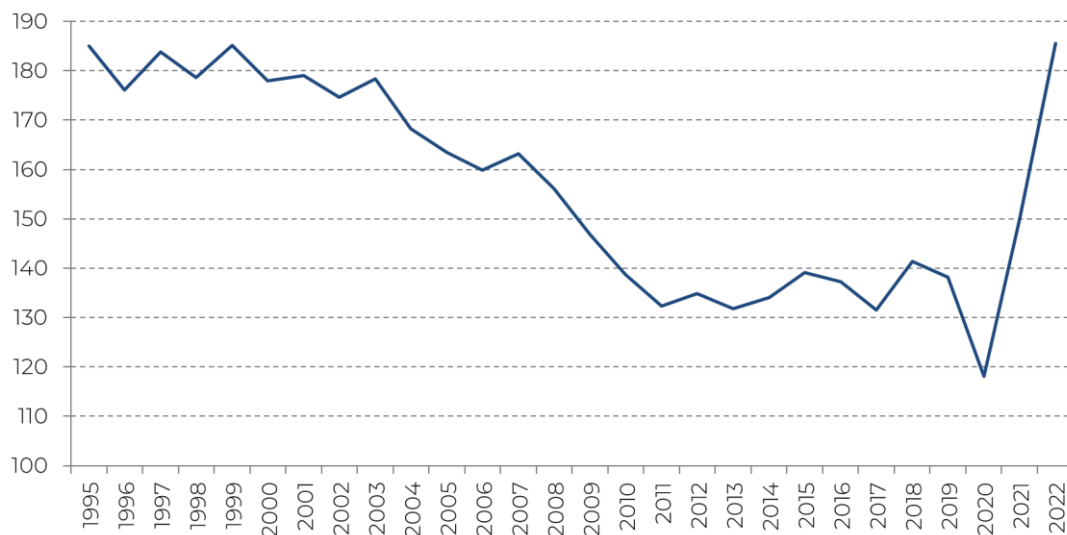
of benefits for every £1 spent.

## Improving employee wellbeing has become business critical

Since the pandemic, the number of days that employees have taken off work due to illness has risen sharply. The total number of working days lost to sickness absence hit 186 million in 2022, an increase of more than a third over its pre-pandemic 2019 level. This rise from 2019 to 2022 is the equivalent of each worker taking an additional 1.5 days of sick leave across the year.

Figure 1. Sickness days have risen sharply in recent years

Total days lost to sickness absence, UK



Source: ONS (2023): Sickness absence in the UK labour market: 2022

The most common causes for sickness absence in 2022 were minor illnesses, which accounted for 29.3% of occurrences. Respiratory conditions and 'other' causes have increased as causes of sickness absence since 2019, and now account for 8.3% and 23.8% of absence occurrences respectively.

The increase in sickness absence rates has been sharpest among employees with long-term health conditions. Since the beginning of the pandemic, long-term health conditions have been weighing ever more heavily on the economy through rising inactivity. Since the beginning of the pandemic, the number of people inactive due to long-term sickness – out of work and not expected to begin working – has risen by 700,000 to

2.8 million.<sup>1</sup> Not only are numbers rising but complexity is rising too: nearly two-fifths of those inactive due to long-term sickness have five or more health conditions.

But it is important to consider the impact of long-term health conditions on people who are working too. The percentage of hours lost due to sickness among people with long-term health conditions rose from 4.2% to 4.9% between 2019 and 2022.

These absence levels have substantial costs for employers. The total cost of sickness absence to UK employers was around £24 billion in 2022. This is roughly equivalent to the GDP generated by Newcastle.<sup>2</sup> The increase in sickness absence rates between 2019 and 2022 left this figure around £6.4 billion higher than it would otherwise have been.

The overall cost of the UK's unhealthy workforce is even higher when presenteeism is considered. These figures relate only to the time taken off by employees, but employers are also held back when employees continue to work while unwell, as they are both less productive and risk passing illnesses on to other employees. Presenteeism costs from poor mental health alone are estimated to be somewhere between £24 billion and £28 billion per year.<sup>3</sup>

As a result of these escalating costs, there is renewed focus on how to tackle absenteeism, improve worker wellbeing, and recover productivity in the workplace.<sup>4</sup> A range of workplace wellbeing initiatives have blossomed, such as support for employees' nutrition, access to facilities to support physical activity and fitness, wellness days, counselling services, and wellbeing apps.

But often the evidence for these is weak, and for some initiatives, the impact on employee wellbeing can even be negative.<sup>5</sup> This can leave employers with no clear evidence-based pathway for taking action on this

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<sup>1</sup> ONS.

<sup>2</sup> Based on the cost of those missed hours at average wage rates and compared to data from ONS, [Regional gross domestic product: city regions, April 2023](#).

<sup>3</sup> Deloitte, [Mental health and employers: The case for investment – pandemic and beyond](#), March 2022.

<sup>4</sup> See, for example: S King, [Workplace sickness absence – what can HR do to reduce it?](#), People Management, November 2023.

<sup>5</sup> W Fleming, [Employee well-being outcomes from individual-level mental health interventions: Cross-sectional evidence from the United Kingdom](#), January 2024.



growing business issue. The one exception, where the evidence is clear, compelling, and consistent over time, is workplace volunteering.<sup>6</sup>

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<sup>6</sup> W Fleming, [Employee well-being outcomes from individual-level mental health interventions: Cross-sectional evidence from the United Kingdom](#), January 2024.

## Workplace volunteering offers a proven approach to improving staff wellbeing

Workplace volunteering is often overlooked in the discussion on improving staff wellbeing, but it has been shown to make a meaningful difference. Workplace volunteering is when employers support their staff to take part in volunteering opportunities, usually during work hours.

This support can take a number of forms and intensities. The most light touch of these are policies which enable staff to take work time to volunteer; 'volunteering days' or 'volunteering hours'. The more developed forms may be tied into talent programmes, and learning and development. These offer volunteering as a form of experiential learning, where employees use their professional or occupational skills to benefit charities and learn in a structured way through the process. This in turn reflects an increasing focus on skilled, or pro bono, volunteering, which has been emerging in recent years. The proportion of recent volunteers who have used their professional skills in their volunteering has increased from 50% in 2019 to 60% in 2023.<sup>7</sup>

There is a wealth of evidence linking volunteering to improved wellbeing outcomes for individuals. Someone participating in formal volunteering is likely to report higher levels of life satisfaction using the Office for National Statistics (ONS) Life Satisfaction scale, for example.<sup>8</sup> Involvement in workplace volunteering schemes specifically has been shown to lead to better self-reported health, lower risk of depression, and higher levels of job engagement and satisfaction.<sup>9</sup> In addition, links have also been made between workplace volunteering and reductions in sickness absence, with the Evolve Workplace Wellbeing calculator estimating that participation in a workplace volunteering scheme provides an average reduction in absence of around 0.9 days per year.<sup>10</sup>

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<sup>7</sup> NCVO, [Time well spent: Employer-supported volunteering](#), June 2019. See chapter 5.

<sup>8</sup> R N Lawton, I Gramatki & W Watt, [Happy Days: Does volunteering make us happier or is it that happier people volunteer?](#), Academia, June 2019.

<sup>9</sup> P Jeffrey, S Singer & M Stepanek, [Volunteering improves employee health and organizational outcomes through bonding with coworkers and enhanced identification with employers](#), Journal of Occupational and Environmental Medicine, 64(5), May 2022, p 370-376.

<sup>10</sup> [Evolve Workplace Wellbeing calculator](#), accessed 20 March 2024.

## Case study – What you can do in a day

Pilotlight is a leading provider of volunteering as a form of experiential learning that amplifies the impact that businesses, charities, and individuals can bring to make a better world. Pilotlight Impact Day is one of the programmes they run, which offers team building experiences, with large groups of employees coming together to collaborate with colleagues across corporate grades.

On a Pilotlight Impact Day, representatives from charities table their challenge and participants from businesses are split into groups to start tackling the issue, while being expertly guided by a team of experienced facilitators.

Pilotlight Impact Day provides a way for employees to give back and develop themselves, as well as for charities to explore innovative ideas they may not have considered before. Perhaps most impressively, employees often report a deeper sense of purpose and wellbeing, despite the programme taking place in just one day.

This was true for a Pilotlight Impact Day with colleagues from the professional service network, Deloitte, in February 2024. Hosted by Deloitte's LGBTQ+ network, Proud, the programme formed part of the firm's societal impact initiative 5 Million Futures. Forty skilled volunteers from Deloitte worked alongside three charities and community interest companies: The Love Tank, Just Like Us, and Living Free UK. Amid the creative problem-solving, participants found themselves caught up deeply by the mission and impact of the charities.

As Natalie Chigairo, a member of Deloitte's Proud network commented: *"I felt really inspired and moved by the work done by the charities."*

Warren Bayliss, Associate Director at Risk and Advisory, offered a poignant perspective, drawing from his personal experiences of isolation and lack of support as a young person: *"When I was asked why I had volunteered for the programme, it reminded me of when I was growing up, and feeling very isolated... That's why I decided to come today, to give my support to people who are making their way in the world right now and need some help. The three charities that were here today are doing important work. It's great that we support that, and it's great that my employer supports it, because it*

*makes me feel proud to work for an organisation that enables these really important activities."*

Since the launch of Pilotlight Impact Day, over 1,000 professionals from global businesses such as Deloitte, Morgan Stanley, and KPMG have taken part. The outcomes are tracked for the business, charity, and employees. The learning outcomes that volunteers report are positive for their productivity and their professional development. These include outstanding improvements around what are often dubbed the 'power skills' of interpersonal interaction, from teamwork and problem solving through to collaboration and empathy.

There are also benefits in terms of personal development. Through the Pilotlight Impact Day, 80% of participants felt that their personal wellbeing had increased, because they were taking part in something that imparted so much value for a worthy cause. Moreover, 22% of participants said their stress levels had reduced, simply as a result of taking part in the day.

Workplace volunteering could therefore play an important role in helping organisations to tackle the rising rate of sickness absence among their workforces.

## Millions of employees do not have access to workplace volunteering

Despite the proven impact of workplace volunteering schemes, many employers do not currently support their staff to engage in workplace volunteering. Evidence from the National Council of Voluntary Organisations (NCVO) suggests that 51% of employees did not have access to a workplace volunteering programme in 2019, and a further 24% were unsure if they did.<sup>11</sup> This is the equivalent of between 17 million and 23 million employees that do not benefit from a programme of workplace volunteering.

Figure 2. Only 8 million employees know that they have access to workplace volunteering opportunities

Number of employees aware of workplace volunteering opportunities



Source: NCVO, Time Well Spent

<sup>11</sup> NCVO, [Time well spent: Employer-supported volunteering](#), June 2019. Range based on 51% of employed individuals surveyed stating that they did not have access to an employer-supported volunteering scheme at the low end and an allocation of the 24% of individuals that they stated they did not know at the top end.

People working for smaller businesses are disproportionately impacted. In the survey, people who were aware of workplace volunteering opportunities were more likely to work for an employer with more than 250 employees, with the highest proportion being those working for an employer with over 1,000 employees.<sup>12</sup> The most common barrier cited to establishing a workplace volunteering scheme was competing work pressures, a feeling that may be particularly acute for small organisations where the overheads of administering a system are proportionately larger and the absence of key colleagues felt even more sharply.

Culture within workplaces is often another key barrier to the establishment and uptake of opportunities for workplace volunteering. If workplace volunteering is not embedded in an organisation's culture, then employees may feel the need to "justify or legitimise the time they take out of the working day".<sup>13</sup> Even within organisations that have well established volunteering practices, there can be significant divisions between different professions. For lawyers, for example, pro bono volunteering is increasingly recognised as a form of continuing professional development.

These barriers would need to be overcome in order to broaden out access to workplace volunteering. But, with the establishment of digital services to support the matching of volunteers to opportunities, these barriers are increasingly a matter of policy, priority, and culture rather than administrative and technical.<sup>14</sup> Research by Pilotlight has suggested that employers should take steps to help employees around the options for volunteering. Over a third (38%) of employees surveyed, for example, said that an obstacle to volunteering is a lack of guidance from their employer. This is a barrier, Pilotlight suggests, that employers are able to lift, particularly if they see business benefits in terms of staff development in doing so. Of those currently involved in workplace volunteering, 79% believe that businesses themselves benefit from the practice.<sup>15</sup>

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<sup>12</sup> NCVO, [Time Well Spent: Employer-supported volunteering](#), chapter 3, June 2019.

<sup>13</sup> NCVO, [Time Well Spent: Employer-supported volunteering](#), chapter 6.2, June 2019.

<sup>14</sup> There are [a range of volunteering platforms highlighted by the NCVO](#).

<sup>15</sup> Pilotlight, [Give your culture a workout](#), October 2022, p 5,

## Expanding the availability of workplace volunteering could have a triple dividend

Supporting more employees to access workplace volunteering could help them as individuals; it could help their employers; and it could provide valuable, skilled support to the social sector.

Expanding access to workplace volunteering for all employees could substantially increase the number of individuals taking part. Evidence suggests that between one-quarter and a third of employees will take advantage of workplace volunteering when it is available.<sup>16</sup> This means that between 1.5 million and 2.8 million additional people might volunteer if workplace volunteering schemes were expanded across all employers.<sup>17</sup>

The improvement in wellbeing for employees has a substantial economic value. Previous analysis suggested that volunteering leads to an increase in life satisfaction of around 0.07 points on a scale of 0–10.<sup>18</sup> This is roughly the same wellbeing effect as moving out of an area with sewage odour problems and into one without.<sup>19</sup> HM Treasury's approach suggests that this improvement in wellbeing has an economic value of between £800 and £1,290 per additional volunteer. This means that expanding workplace volunteering to cover all employees could generate between £1.2 billion and £3.6 billion of wellbeing benefits across the additional volunteers, with a central estimate of £2.2 billion.<sup>20</sup>

As outlined above, workplace volunteering can also play a role in supporting employers to tackle the sickness absence crisis. If workplace volunteering leads to a 0.9-day reduction in sickness absence per member of staff as expected, rolling out workplace volunteering to all staff who do not currently have access to it could save between 1.4 million and 2.5 million working days of sickness absence.<sup>21</sup> This is the equivalent of around a 1% reduction in total sickness absence days in the UK.

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<sup>16</sup> CIPD, [On the brink of a game-changer?](#), November 2015, p 3,

<sup>17</sup> Further details of this estimate are available in Annex A.

<sup>18</sup> Analysis by PBE based on: W Watt, [Does volunteering make us happier or do happy people volunteer?](#), What Works Centre for Wellbeing, July 2019. See Annex A for further details.

<sup>19</sup> HM Treasury, [Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance](#), July 2021.

<sup>20</sup> See Annex A for further details.

<sup>21</sup> See Annex A for further details.

In addition, the increased job satisfaction and improved skills developed through workplace volunteering would be likely to help drive up productivity. Almost three-quarters (74%) of volunteers feel that the experience has increased their confidence, and seven in 10 (71%) feel that it improves their skills.<sup>22</sup> Still more self-report improvements in productivity following involvement in workplace volunteering schemes.<sup>23</sup>

Studies have suggested the productivity impact of workplace volunteering is significant, with high-skilled individuals who volunteer experiencing an estimated £2,300 boost to earnings. This reflects the improvement in skills they have developed.<sup>24</sup> If the estimated productivity increase was applied to all the 1.4–2.5 million additional volunteers who participated in a roll-out of workplace volunteering to all employees, then it could provide a gross productivity increase of between £2.2 billion and £3.9 billion.<sup>25</sup>

Costs would of course need to be incurred to deliver these enhanced workplace volunteering opportunities, and would arise from both a loss of staff time and the administration of schemes. Pro Bono Economics (PBE) estimates these additional costs to be between £0.6 billion and £1.1 billion. This means that rolling out workplace volunteering to all employees who do not currently have access could deliver a net productivity gain of between £1.6 billion and £2.8 billion. From an employer perspective, workplace volunteering programmes, such as those delivered by Pilotlight, could deliver between £1.50 and £3.60 of benefits for every £1 spent, dependent on how quickly increased skills and productivity are reflected in staff remuneration.

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<sup>22</sup> NCVO, [Time Well Spent: Employer-supported volunteering](#), June 2019, chapter 6.2.

<sup>23</sup> As reported in the [Evolve Workplace Wellbeing tpleool](#).

<sup>24</sup> J Jemal, [A pro bono bonus: The impact of volunteering on wages and productivity](#), Pro Bono Economics, March 2024.

<sup>25</sup> See Annex A for further details.



Figure 3. Productivity gains from rolling out workplace volunteering opportunities

PBE central estimate, rounded to nearest £0.1 billion



The benefits also have the potential to impact on communities. The influx of additional volunteers that would be provided through expanding workplace volunteering opportunities would help social sector organisations to make an even bigger difference to society. Three in 10 (30%) charities report increased rates of staff burn-out as they face the triple challenge of rising demand, difficulties recruiting volunteers, and challenges with recruitment.<sup>26</sup> This is particularly true of small charities, with almost six in 10 (59%) reporting that recruiting volunteers is a major concern for them following a long-term decline in volunteer participation rates.<sup>27</sup>

An influx of between 1.5 million and 2.8 million additional skilled volunteers could make an enormous difference to these struggling charities. In turn, this would help charities make an even bigger difference to communities. Whether it is mentoring disadvantaged children, supporting those with mental health difficulties, or arranging activities for the socially isolated, the ultimate impact of increasing volunteering would be to tackle some of the biggest challenges society faces.

<sup>26</sup> A Kenley, B Kitson & J Larkham, Pro Bono Economics, [A tale of two sectors](#), October 2023.

<sup>27</sup> NCVO, [Time Well Spent](#), June 2023, chapter 3.

## Conclusion

UK employers need evidence-based solutions that can help to tackle the growing drag of sickness absence and promote happier and more productive workplaces. There are few more effective options than workplace volunteering, which can play a valuable role in a wider mix of solutions for a high performing culture, in which learning and development is valued. Increasing access to workplace volunteering opportunities for the 17–23 million people who do not currently have the chance to get involved could be a valuable step forwards.

And this is not just about compassion for employees – there is a compelling, hard-nosed business case for considering workplace volunteering solutions. The productivity improvements from the increases in health and improved skills are significant and outweigh the costs of putting workplace volunteering programmes in place.

However, it is also important to be realistic about the challenges of rolling out workplace volunteering. There is a need to be realistic about the challenges for the charities themselves. Using volunteers effectively takes resources to manage, oversee, and support those that are giving up their time. Businesses and other funders will need to consider how they can support the underlying costs of volunteering programmes, rather than if an offer of time alone will suffice. And there is a clear need to avoid one-size-fits-all approaches.

This is not a challenge that employers need to face alone. Developing genuine partnership with charities and local social sector organisations, including through intermediaries like Pilotlight, can help to provide targeted, rewarding volunteer opportunities that are relevant to the specific needs of a business' staff.

The key actors in workplace volunteering are employees, the business, and charities. But Pilotlight has also suggested that there is a case for creative policy action by government, to consult on extending the current framework around flexible working, which gives employees a 'right to request', explicitly to cover a right to request for volunteering.

Ultimately, if solutions can be found to expand the availability of workplace volunteering to those employers that do not currently offer it, then it could

deliver a triple dividend – benefiting employees, benefiting employers, and helping to deliver even more life-changing impacts through the social sector organisations supported.

## Annex A – Methodology

### Number of potential workplace volunteers

To estimate the number of additional people who would engage in workplace volunteering if the scheme were made available to all employed people, Pro Bono Economics (PBE) carried out the following methodology:

1. Only those who are working can participate in workplace volunteering; therefore, PBE has chosen to base the calculation on the fact that the Office for National Statistics (ONS) indicates there were approximately 33 million employees in the UK in November–December 2023.<sup>28</sup>
2. To understand how many of these people do not have access to a volunteering scheme in their organisation, PBE used evidence from National Council of Voluntary Organisations' (NCVO) Time Well Spent survey.<sup>29</sup> The results suggested that 51% of respondents to the survey did not have access through their workplace, compared to 24% who reported having one, and 25% who did not know. As there is uncertainty as to what extent that last group of people did have access, scenario analysis was conducted to model three scenarios:
  - a. Low: all those who said they did not know whether they had access to workplace volunteering actually did – leaving 51% without.
  - b. Middle: the midpoint in the range between Low and High estimates, meaning 60% without workplace volunteering access.
  - c. High: the “don't know” group were split into those with access and those without, at a ratio of 24:51. This means that, on top of the 51% reported to be without access, an additional 19% who reported “don't know” in actuality did not have access. Thus, this scenario estimates 70% of employees are without access to workplace volunteering.
3. Multiplying the 33 million employees by the estimated percentage of them without workplace volunteering access above resulted in the following numbers without access to workplace volunteering:
  - a. Low scenario: 16,919,250
  - b. Middle scenario: 20,029,406

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<sup>28</sup> ONS,

[www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/mgrz/lms](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/mgrz/lms), accessed 20 March 2024..

<sup>29</sup> NCVO, [Time Well Spent: A National Survey on the Volunteer Experience](#), January 2019.

- c. High scenario: 23,139,563
4. However, not all who have access to a scheme would actually use it. To estimate how many of the 16.9–23.1 million people above actually would, PBE looked at evidence on the observed uptake of workplace volunteering for those already with access. CIPD's research suggests that between a quarter and a third of those with access to workplace volunteering actually participate.<sup>30</sup> Again, to account for the uncertainty reflected in this range, PBE created three scenarios of actual uptake, so as to apply these rates to the estimated employees without access to a workplace volunteering:
  - a. Low: 25%
  - b. Middle: midpoint between the Low and High scenarios, i.e. 29%
  - c. High: 33%
5. Participating in workplace volunteering sometimes calls for employees to apply their professional skills. According to NCVO, about 55% of workplace volunteering participants apply their professional skills in their volunteering. This again will be multiplied by the estimated number of employees without access to workplace volunteering.
6. Given how the productivity and wellbeing benefits reflect those generated by a person moving from a state of not volunteering to volunteering their professional skills in workplace volunteering, it is important to exclude those who already take up some form of volunteering outside of the workplace. According to NCVO, 10% of all who volunteered did so through work – so 90% volunteered through other means. And 38% of people volunteered at least once in the last 12 months. Multiplying 90% by 38% suggests that 34% of people would volunteer through other means even if workplace volunteering were made available to them. Therefore, 66% of those who might gain access to workplace volunteering have potential to generate the productivity and wellbeing benefits of moving from a non-volunteering to volunteering stage.
7. By multiplying the 17–23 million who do not have access to workplace volunteering by the estimated workplace volunteering uptake rates, the 55% likelihood of using professional skills when doing so, and the 66% probability of not volunteering elsewhere already, PBE estimates that an additional 1.5–2.8 million people could choose to engage in workplace volunteering if they were given the opportunity.

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<sup>30</sup> CIPD, [On the brink of a game-changer?](#), November 2015.

Figure 4. The potential additional workplace volunteering participants

Implied additional skilled volunteers if opportunity – Low	Implied additional skilled volunteers if opportunity – Middle	Implied additional skilled volunteers if opportunity – High
1,530,769	2,102,106	2,763,489

## Wellbeing valuation

PBE uses evidence demonstrating the effect of volunteering on wellbeing to derive estimates of the impact of skilled volunteering specifically for the individual volunteer. Guidance taken from HM Treasury's Green Book is used to establish monetary values for those benefits. The following steps were taken to estimate the wellbeing effects per workplace volunteering volunteer, and the total benefits scaled up across the UK working population of those who would want to take up opportunities of workplace volunteering if such opportunities were made available.

1. Lawton, Gramatki & Watt (2019) researched the relationship between volunteering and subjective wellbeing.<sup>31</sup> They analysed longitudinal Understanding Society data to understand the relationship between Life Satisfaction (in Understanding Society, this is an increasing scale with a range of 1–7) and volunteering. PBE used their fixed effects model estimate for this relationship, which suggested that volunteering had a positive 0.041-point impact in subjective wellbeing (in the Understanding Society 1–7 scale) for the average person. PBE uses this as a proxy for the impact of skilled workplace volunteering on an employee's wellbeing.
2. HM Treasury guidance allows for estimation of the impact of a change or intervention, such as moving from not volunteering to volunteering, on a person's wellbeing using the concept of wellbeing adjusted life years (WELLBYs).<sup>32</sup> A WELLBY is a one-point increase in ONS Life Satisfaction (a subjective increasing scale with a range of 0–10) and is measured per person, per year.<sup>33</sup>
3. To use this evaluation approach, PBE therefore converts the estimated 0.041 Life Satisfaction point change on the 1–7 scale to the roughly equivalent 0.068 ONS Life Satisfaction point change using the ONS 0–10 scale.

<sup>31</sup> R N Lawton, I Gramatki & W Watt, [Happy Days: Does volunteering make us happier or is it that happier people volunteer?](#), Academia, June 2019.

<sup>32</sup> HM Treasury, [Green Book supplementary guidance: wellbeing](#), July 2022.

<sup>33</sup> R Fawcett, [Converting the WELLBY](#), What Works Wellbeing, June 2023.

4. HM Treasury estimates a Low, Middle, and High value for one WELLBY in 2019 prices. Following their guidance, these values are updated to 2023 values by using data on GDP per capita and the GDP deflator.<sup>34</sup>

Figure 5. Presenting WELLBY values in 2019 and 2023 price terms

Value	Low	Middle	High
2019	£ 10,000	£ 13,000	£ 16,000
2023	£ 11,751	£ 15,276	£ 18,801

5. Multiplying the WELLBY values through by 0.068, PBE estimates the potential values of the wellbeing benefit experienced by each person who moves from non-volunteering to skilled workplace volunteering participation. By then applying these per-person estimates to the total number of potential volunteers, PBE is then able to present the potential benefits arising if workplace volunteering were available to those who did not currently have access.

Figure 6. Wellbeing benefits of workplace volunteering

Wellbeing value estimate	Low	Middle	High
Per person	£ 803	£ 1,044	£ 1,285
Additional volunteers	£ 1,229,133,868	£ 2,194,257,012	£ 3,550,317,027

## Productivity benefits

Those individuals that enter workplace volunteering also develop their skills, improving their performance and the organisation's outputs.

1. Volunteering helps to develop skills and supports better performance in the workplace. This means that an individual may

<sup>34</sup> [www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-march-2024-budget-2024](https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-march-2024-budget-2024); [www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/lhwx/pn2](https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/lhwx/pn2), accessed 20 March 2024.

produce more and higher quality output for the same amount of input. And this can lead to increased profits for the organisation. Evidence has shown that, over the longer term, this is reflected in higher remuneration commanded by people that volunteer.<sup>35</sup>

2. This increase in wages provides an indication of the improved productivity resulting from the skill and health benefits of volunteering, however, it is uncertain how quickly it is reflected in remuneration. This matters as it affects the allocation of these productivity benefits between employees and employers. Therefore, PBE models three scenarios:
  - a. Low: The scenario where individuals are more productive and are remunerated accordingly.
  - b. Middle: A central scenario as a midpoint between Low and High.
  - c. High: The scenario where individuals are more productive and are not remunerated accordingly.
3. According to previous work carried out by PBE on volunteering and productivity, the value of this productivity increase could be expressed as wage benefits of £2,301 per year for a skilled professional if they engage in volunteering for the first time.<sup>36</sup> And this benefit would only be generated for those 31% who have not volunteered before – meaning that the wage benefits would be £713 per workplace volunteering participant on average. In the Low scenario, this would be a benefit to the employee, as the organisation benefits from the value of the improved work without paying this sum to the employee. On the other hand, this would be a benefit to the employee if the salary was raised.
4. The increase in take-home pay does not reflect the full value of the productivity increase. It does not include the full costs of employment – including National Insurance contributions (NICs) and pension contributions – as well as the increase in profit received by the firm from the additional output.
5. By applying current rates of employer contributions for these to the average wage benefit, PBE estimates a £21 increase in pension contribution from the employer to the individual, and a further £98 in NICs from the employer to government.<sup>37</sup> These are benefits to the taxpayer in the Low scenario, where an individual's pay is increased,

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<sup>35</sup> J Wilson, N Mantovan & R Sauer, [The Economic Benefits of Volunteering and Social Class, Social Science Research](#), January 2020. See p 85.

<sup>36</sup> [www.probonoeconomics.com/a-pro-bono-bonus](http://www.probonoeconomics.com/a-pro-bono-bonus), accessed 20 March 2024.

<sup>37</sup> [www.gov.uk/national-insurance-rates-letters](http://www.gov.uk/national-insurance-rates-letters); [www.gov.uk/workplace-pensions/what-you-your-employer-and-the-government-pay](http://www.gov.uk/workplace-pensions/what-you-your-employer-and-the-government-pay), accessed 20 March 2024.



and will fall to the employer in the High scenario where the individual's remuneration is not increased.

6. Finally, PBE's previous work on volunteering and productivity suggests that the organisation could benefit from £578 in profits due to an individual's better performance as a result of volunteering. This is the case in both Low and High scenarios.
7. For each scenario, the per-person benefits are summed up as:
  - a. Low: £578
  - b. Middle: £994
  - c. High: £1,411

## Estimating the value for money to the employers from workplace volunteering

To understand whether workplace volunteering might deliver value for money to employers, the productivity benefits are compared to the estimated costs of the scheme.

1. Organisations providing skilled volunteering opportunities experience costs, as working time is lost directly to volunteering schemes. The losses can be expressed in the value of paid hours lost. Corporate Citizenship suggests corporate volunteers spend 11 hours a year volunteering, and average full time weekly pay is estimated to be £682. Therefore, the value of the working hours lost is estimated as £187.<sup>38</sup>
2. Organisations also bear some costs in facilitating, promoting, and running skilled volunteering schemes. Evidence suggests that, on average, 123 volunteers require 0.72 full time equivalent (FTE) worth of administration costs, so 171 volunteers require one FTE administrator. Assuming the administrator also has the average full time weekly pay above, dividing it by 171 returns a per-person administrative cost of workplace volunteering of £207.
3. Taken together, this means skilled volunteering costs businesses £395 per employee over the course of the year. While a significant investment, Figure 7 evaluates these costs and benefits and finds a resulting net benefit of £183–£1,016 to businesses for each individual who volunteers their skills.

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<sup>38</sup> Corporate Citizenship, [Volunteering – The Business Case](#), May 2010; [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2023](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2023), accessed 20 March 2024.

Figure 7. Per-person costs and benefits

Scenario	Low	Middle	High
Benefits	£578	£994	£1,411
Costs	£395	£395	£395
Net benefit	£183	£600	£1,016
BCR	1.5	2.5	3.6

4. These costs, as well as the benefits to employers outlined above, are multiplied by the number of people estimated to potentially enter workplace volunteering schemes if they were made available to all. It suggests organisations stand to experience millions, if not billions, in net benefits. The resulting Benefit-Cost Ratio (BCR) experienced by employers is reported in the main body of this report.

Figure 8. Costs and benefits to the employer

Scenario	Low	Middle	High
Benefits	£ 884,449,479.72	£ 2,090,238,017.95	£ 3,899,081,079.57
Costs	£ 604,298,803.14	£ 829,844,444.67	£ 1,090,937,074.61
Net benefit	£ 280,150,676.58	£ 1,260,393,573.28	£ 2,808,144,004.95
BCR	1.5	2.5	3.6

### Calculating net productivity benefits to society

Regardless of whether the increase in productivity of workplace volunteers is reflected in an increase in their wage, the economy as a whole sees a net productivity gain. The following steps are taken to estimate these benefits:

1. In this modelling, the productivity benefits are realised, regardless of whether the volunteer is remunerated. In this case, the per-volunteer total implied productivity benefit is the sum of the £713 average productivity impact (i.e. the wage equivalent of the increase in productivity), £98 employer NICs contribution, £21 pension contribution, and the £578 profit experienced by the employer. Therefore, the per-volunteer total implied productivity benefit comes to £1,411.

2. PBE multiplies this total implied productivity benefit by the number of additional skilled workplace volunteers if all employees had access to workplace volunteering, using the scenarios presented in Figure 4. Therefore, the aggregate total implied productivity gain is:
  - a. Low: £ 2,159,803,791
  - b. Middle: £2,965,918,794
  - c. High: £ 3,899,081,080
3. The total costs to society are as in Figure 8. Therefore, the net productivity gains are calculated as the difference between the benefits and costs as in Figure 9 below.

Figure 9. Net productivity gains to society

Scenario	Low	Middle	High
Benefits	£2,159,803,791	£2,965,918,794	£3,899,081,080
Costs	£604,298,803	£829,844,445	£1,090,937,075
Net benefit	£1,555,504,988	£2,136,074,350	£2,808,144,005

## Annex B – Assumptions

This analysis relies on a set of assumptions to simplify the complex landscape of skilled volunteering and estimate its benefits.

- Understanding the economic impact by individual characteristics such as age, gender, income, and behaviours such as volunteering frequency, were not in the scope of this work. Similarly, breaking down the impacts by organisation or workplace volunteering type was not in the scope.
- To calculate the productivity benefits, it is assumed that individuals are employed in the 'salaried' category of relatively high-skilled professionals, which may inflate the actual productivity benefits of these results.
- PBE used results from the fixed effects (FE) model of life satisfaction against volunteering in Lawton et al. as a proxy for the impact of skilled workplace volunteering on wellbeing. This is despite the fact that the same study presented Ordinary Least Squares (OLS) regression results specifically for workplace volunteering, formal volunteering, and informal volunteering. PBE used the FE result as proxy to understand the estimated impact of workplace volunteering on wellbeing because:
  - o The FE model benefited from considering more factors over time, providing a better quality estimate when doing so. The OLS results came about from cross-sectional analysis only. By using the FE model's results, PBE felt more confident that the change in wellbeing estimated could be driven by volunteering, rather than vice versa.
  - o In the OLS results, the coefficient for workplace volunteering was not found to be statistically significant, at least in part due to the small sample size. The FE result for volunteering was found to be statistically significant.
  - o The OLS model did present a statistically significant coefficient for formal volunteering, which is arguably more representative of skilled workplace volunteering than general volunteering. However, the slightly smaller magnitude and better robustness of the FE results outweighed the slight benefit here.
- PBE has assumed that historic data will be indicative of future observations, e.g. the number of employees in the UK will be roughly similar in future to now.

- Due to uncertainty in the value of wellbeing, wellbeing benefit estimates have been presented in a range as per HM Treasury guidance.
- Similarly, there is considerable uncertainty regarding the percentage of people with access to workplace volunteering schemes already, the percentage of those that take up the scheme offer, and the level of remuneration given by employers to employees to reflect their improved productivity. Scenario modelling has been done in these cases to model possible outcomes.
- This paper does not present the long-term impact of workplace volunteering on lifetime earnings or profits, in part due to the uncertain nature of wage inflation, and potential petering out of the value attached to that extra productivity as more and more people generate it.
- Finally, the analysis assumes a linear cost of operating volunteering schemes, although larger workforces may experience economies of scale. The cost of enabling a 50th skilled volunteer is likely lower than enabling the first, but this assumption is used to reach a single figure for this skilled volunteering evaluation.

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