

A RESEARCH NOTE: DIRECT FINANCIAL COSTS IN VOLUNTEERING

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ABSTRACT

Statistics New Zealand (2007) stated that more than a quarter of New Zealanders donated over 270 million hours of unpaid labour to third sector organisations in 2004. It is also estimated that 41 percent of Australians volunteered in 2005 (Lyons 2006). Volunteering is, however, not without costs. Often volunteers purchase goods or services to be used in organisations for which they volunteer and frequently they incur traveling expenses related to their volunteering role. Anecdotal evidence suggests that volunteers are not often reimbursed for these expenses and, even when they are, reimbursement does not cover the full costs incurred.

This paper reports on one aspect of a survey of New Zealand volunteers undertaken in 2007 to develop a broad understanding of active volunteers' expenses and organisational reimbursement patterns. In this paper, analysis of the impact of out-of-pocket expenses on volunteering is considered, the differences between rural and urban volunteers' expenses highlighted, and the correlation between income and expenses is assessed. While un-reimbursed costs are unlikely to stop committed volunteers donating their time, restricted budgets mean volunteers may change their availability and tasks they undertake, potentially negatively impacting organisational services. These findings are a reminder that third sector organisations should design reimbursement processes to support, rather than restrict, 'priceless' volunteers.

CONCLUSION

This paper has analysed data on volunteers' out-of-pocket expenses and organisational reimbursement practices. It found that, similarly to assertions by Lemon et al. (1972), Smith (1994), Gomez and Gunderson (2003) and Garcia-Manier and Marcuello (2007), volunteers who responded to the survey had higher levels of income than the national average. The specific focus of this survey was the relationship between travel and non-travel out-of-pocket expenses and reimbursement, as volunteers' expenses typically cannot be claimed as an income deduction for tax purposes in New Zealand or Australia. This survey found that rural volunteers were more likely to spend more on travel to and from and during volunteering, but they are also more likely to be partially or fully reimbursed for their travel and non-travel costs. In addition, this survey found that, while those on low incomes face higher dollar costs in volunteering, wealthier individuals were statistically less likely to receive partial or full reimbursement for travel costs.

Almost one-fifth of respondents argued that out-of-pocket expenses have caused them to reduce or change their volunteering and 17% of respondents noted that out-of-pocket expenses were a significant barrier to increasing their volunteering. Similarly to the US example [America Reads (Worthy et al., 2003)] when volunteers are not reimbursed for expenses legitimately incurred, they are likely to establish a budget beyond which they cannot spend and change their volunteering practice and availability to meet that budget. Therefore, while out-of-pocket expenses may not cause volunteers to stop volunteering, they are highly likely to impact an organisation's programme delivery.

Further research is needed to assess how organisations can obtain full funding for their services and be in a position to offer volunteers reimbursement for non-travel as well as travel costs and thus enable third sector organisations to achieve their missions. Meanwhile, these findings are a reminder that third sector organisations should have conversations to design reimbursement processes to support, rather than restrict, 'priceless' volunteers.