



▶ **Submission to Statistics New Zealand**

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▶ **Contact Details**

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► **About Us**

Volunteering New Zealand

Volunteering New Zealand is the “voice of volunteering” in Aotearoa. Our vision is for a New Zealand that promotes, values and supports effective volunteering for the benefit of individuals and communities – and our mission is to promote, support and advocate for volunteering.

We are the only national organisation in New Zealand that focuses purely on volunteering. We hold the ‘big picture’ and are in a position to liaise, work with, and advise volunteers, government and business sectors. This helps ensure that volunteering occurs within a positive environment where it is encouraged and fostered.

Over the past 17 years, VNZ has raised the profile of volunteer groups, activities, and management. We promote volunteering and its value to New Zealand society through advocacy, sharing stories, and producing tools like the Best Practice Guidelines and Competencies for Managers of Volunteers.

We have a membership of over 80 national and regional member organisations that involve volunteers in their work programmes. Our membership organisations are typically associations or “peak bodies” that in turn represent a large number of local and regional volunteer involving organisations. We advocate on behalf of these organisations and for other groups that are not members but are aligned to our mission and values.

New Zealand’s Voluntary Sector

New Zealand has 114,000 non-profit institutions (NPIs). NPIs contributed \$5.96 billion to GDP in 2013, the last year this was calculated. This was 2.7 percent of New Zealand’s total GDP. The same year, the value of (formal) voluntary labour in New Zealand’s NPIs was estimated to be \$3.46 billion. This is on a par with the construction industry and increases the contribution made by NPIs from 2.7 to 4.4 percent of GDP.¹

The most up-to-date data on the volunteer sector states that in New Zealand there are more than 1.2 million volunteers who give more than 157 million hours of unpaid labour to the sector. 91% of New Zealand NPIs employ no staff, and rely solely on volunteers.²

¹ Stats NZ, *Non-Profit Institutions Satellite Account: 2013* (Statistics New Zealand, 2015), 8.

² Ibid. 18, 20.

1. INTRODUCTION

Volunteering New Zealand (VNZ) appreciates the invitation to make a submission to Statistics New Zealand on the Indicators Aotearoa New Zealand project.

We propose that volunteering be included in the suite of indicators as a vital component of wellbeing. Volunteering contributes to wellbeing through an increase in personal wellbeing—something that is well-established in research—as well as towards the wellbeing of communities and Aotearoa as a whole.

VNZ also views this as an opportunity to properly value the contribution that volunteering makes to New Zealand. The economic value of volunteering in Aotearoa is approximately \$3.46 billion. Including measures of formal and informal volunteering, and mahi aroha, in the wellbeing indicators will allow us to better understand the contribution of volunteering in New Zealand and how we compare internationally.

In this document, we present robust evidence of the contribution of volunteering to wellbeing across a range of dimensions. We trust that Statistics New Zealand will give this evidence due consideration.

2. EXECUTIVE SUMMARY

VNZ is asking Statistics New Zealand (Stats NZ) that volunteering be included in the proposed suite of wellbeing indicators known as Indicators New Zealand.

A single indicator such as “proportion of the population volunteering”³ gives a good measure of civic engagement. However, it is preferable to consider multiple indicators (or sub-indicators) of volunteering.

It is important to consider the contribution of different types of volunteering as well as ways of measuring its contribution to wellbeing, to create meaningful indicators. Different types of volunteer engagement include:

- a) Formal volunteering—volunteering undertaken through organisations
- b) Informal volunteering—voluntary support directly between individuals
- c) Mahi Aroha—unpaid work embedded in whanaugatanga and manaakitanga
- d) Employee volunteering—undertaken during paid work time with the support of the employer

The ways in which volunteering can be measured or valued include:

- a) Amount of time volunteered
- b) Number and proportion of people engaged in volunteering

³ Conal Smith, *Treasury Living Standards Dashboard: Monitoring Intergenerational Wellbeing* (Kōtātā Insights, 2018), 1.

c) Economic contribution of volunteering

VNZ has reviewed the different sources of data collection employed by Statistics NZ relevant to volunteering. As snapshots of volunteering, these sources can be quite comprehensive. However, researchers are frustrated by gaps in collection and irregular data points across time. A more consistent approach will likely be necessary to get a sense of the changing picture of volunteering as it related to progress in wellbeing outcomes. We ask that other data about unpaid work, non-profit institutions, wellbeing and Māori wellbeing frameworks, formal and informal volunteering continue to be collected.

In particular, a priority should be placed on measuring mahi aroha and publishing existing measures from the 2013 and 2018 Te Kupenga survey. Mahi aroha is considered separately in order to distinguish Māori concepts of whanaungatanga (kinship or obligation) and manaakitanga (hospitality and mutual respect) from Western concepts of volunteering. The distinct contribution mahi aroha makes to Aotearoa's cultural identity—and by extension, social capital—should be given specific weight.

3. INDICATORS OF VOLUNTEERING SHOULD INCLUDE MEASURES OF DIFFERENT TYPES OF VOLUNTEERING AND DIFFERENT WAYS TO VALUE VOLUNTEERING

There are a number of ways in which volunteering can be measured. We propose that indicators include measures of the number of people engaged across different types of volunteering, the amount of time volunteered and the economic contribution of volunteering.

We propose incorporating a measure of both the **total economic contribution** of volunteering (formal, informal, mahi aroha, employee) and the **value of each volunteer hour** (as they have done in Australia).

Stats NZ has produced both a *NPISA*⁴ report and a report on *Volunteering and Donations*⁵ that gives different breakdowns of the economic contribution of volunteering. This contribution is a certainly substantial number (formal unpaid work is valued at \$3.46 billion in *NPISA*), though in the latter document, the value of volunteering hours is calculated using the minimum wage which gives a much lower per hour valuation than in Australia where the hourly value is linked to the "replacement cost per hour," derived from average weekly earnings.⁶

We propose measuring the **total number of hours** volunteered in New Zealand and totals for each of our suggested categories (formal, informal, mahi aroha, employee). The *Volunteering and Donations* report gives the total figure at 13.5 million hours of volunteering in the past four weeks.

⁴ Stats NZ, *Non-profit Institutions Satellite Account: 2013* (Statistics New Zealand, 2015).

⁵ Stats NZ, *Volunteering and Donations by New Zealanders in 2016* (Statistics New Zealand, 2017).

⁶ Duncan Ironmonger, *The Economic Value of Volunteering in South Australia* (Households Research Unit, 2011).

To best capture the number of people engaged in volunteering in New Zealand we propose calculating the **proportion of the population** that volunteers and the **mean number of hours** for each of our suggested categories (formal, informal, mahi aroha, employee). The *Volunteering and Donations* report gives the total volunteering rate at 49.8 percent or almost half the country. The formal rate is 28.2 and the informal rate is 36.4.

Distributional breakdowns for the various ways in which volunteering can be measured are also possible and would assist greatly in the goal of assessing and improving inequalities so that everyone has the opportunity to be engaged in volunteering in their communities.

In order to produce accurate measures of volunteering, it is vital that we collect accurate and full data that can be compared over time. We ask that Stats NZ include volunteering in six methods of data collection:

- a) The most detailed survey is the Time Use Survey. Any volunteering can be recorded alongside all the other activities in respondents' diaries. We ask that volunteering be categorised as an activity that can be pulled out of the data.
- b) The General Social Survey (NZGSS) is specifically designed to measure wellbeing using a mix of subjective and objective data. The inclusion of data about demographic distribution will be particularly useful. The GSS is a good source of information about volunteering but it needs to be more consistent in its questionnaire so that comparisons can be made over time (for example, the 2014 survey appears to have no questions regarding unpaid work or volunteering). We ask that the GSS questionnaire is standardised over time to include those questions relevant to volunteering that were asked in 2016 and that the survey designers test several questions in order to assess which questions are better. Given that Treasury will produce yearly reports as part of the Budget, best practice may necessitate an annual rather than a bi-annual survey.
- c) The Census is the most comprehensive survey in terms of participants, capturing the whole population of New Zealand. This has a question regarding time-use that includes volunteering. We ask that this continue.
- d) The Non-Profit Institutions Satellite Account survey (NPISA) measures the substantial economic contribution that non-profit and volunteer organisations make to New Zealand. It also includes useful information about the types of work undertaken and the economic health of the organisations themselves. We ask that the NPISA survey continue, perhaps with more regularity.
- e) The Household Labour Force Survey has, just recently, collected information about volunteering for the first time. The HLF survey is useful since it backs up findings from other surveys using a different collection method. We ask for an assurance that it continue to ask about formal and informal volunteering.
- f) Te Kupenga is a survey of Māori wellbeing taken in 2013 and 2018. This is of interest to VNZ, particularly with respect to Module 10, which has a number of questions about unpaid work. Unfortunately, the results of this module are either unpublished or inaccessible via the Stats NZ website. There is only a reference to "other information" that was due to be released in 2014. We ask that those results be made accessible. We also recommend using *mahi aroha* as the best term for volunteering in a Māori context. Manaakitanga (hospitality or mutual respect) is one reason given

for engaging in unpaid work but mahi aroha is probably best categorised by group (whānau, hapū or iwi); or by location (marae mahi aroha, for example). The continued collection of mahi aroha questions for publication in the Te Kupenga reports (at five-yearly intervals) is also recommended.

In order to maximise the utility of the various surveys, we ask that Stats NZ consolidate its web-hosted information about volunteering so both historical and recent data is easily searchable and comparable. Where gaps in the data exist, this also needs clear explanation.

4. KAUPAPA MĀORI FRAMEWORKS MUST BE REFLECTED IN THE MEASURES OF VOLUNTEERING

Mahi aroha has been defined as "work performed out of love, sympathy or caring and through a sense of duty."⁷ A Western perspective on volunteering asserts that volunteering is labour freely given. However, within Kaupapa Māori frameworks, work performed out of love, sympathy or caring is impossible to separate from whanaungatanga (kingship or obligation) and manaakitanga (hospitality). It is the holistic, communitarian sense of wellbeing that is the intended focus of the Living Standards Framework overlaps with (but should not subsume) Māori wellbeing. Mahi aroha—services provided voluntarily to whānau, hapū and iwi—not only practically improves the lives of people but enhances spirituality, the natural environment, as well as language and culture.

The measurement of mahi aroha is subject to the same limitations as other forms of volunteering. However, in addition to those human capital aspects of volunteering covered in this submission, the tikanga Māori aspect of mahi aroha should be noted. Indeed, mahi aroha cannot be understood as simply a private benefit to an individual volunteer. Many Māori make heavy personal sacrifices in order to ensure the continuity of their culture. This work may take the form of carrying out tikanga Māori practices and events, manaakitanga or host responsibility on maraes, mentoring of Māori businesses, developing policy for Māori, advocacy, or simply helping out friends and whānau.⁸

Like other forms of volunteering, mahi aroha can be valued in terms of income (the opportunity cost of unpaid labour); the value of social cohesion (counted as social capital or some other metric), or using the human capital metrics described above. Additionally, an increase in the amount of mahi aroha should be expected to show up in the progress of both the "belonging" and "self-expression" indicators in the Living Standards Dashboard.

5. OUR SUBMISSION FOCUSES ON THE CONTRIBUTION OF VOLUNTEERING TO HUMAN CAPITAL

For the most part, this document defers to the methodology and terminology of the Living Standards Dashboard, prepared for Treasury by Conal Smith of Kōtātā Insights. With some minor differences, the four capitals model used by Smith is the same as that codified some years ago by the Treasury: produced capital, human capital, social capital and natural capital.

⁷ Office for the Community and Voluntary Sector, *Mahi Aroha: Māori Perspectives on Volunteering and Cultural Obligations* (Wellington: Ministry of Social Development, 2007), 1.

⁸ Office for the Community and Voluntary Sector, 28-29.

In the Dashboard index, Smith places volunteering in the *social capital* category. He nominates the “proportion of the population volunteering” as the key indicator for volunteering and notes that volunteering is a “key fork of civic engagement.”⁹

Our submission focuses on the individual-level effects on volunteers themselves and the contribution made to individual wellbeing. By Smith’s own definition, these effects are essentially private goods that accrue to the individual as *human capital*. The main rationale for this approach is the difficulty of generalising about or comparing different forms of volunteering in terms of its societal-level effects. While it is relatively easy to measure the social impact of voluntary labour in monetary terms (replacement cost or an estimate of unpaid income), this does not express the intrinsic value of volunteering and its impact on wellbeing.

The positive individual-level effects of volunteering are well-established. Far more complex is research on the impact of volunteering on social capital or social inclusion. A 2018 report from Volonteurope admitted that even leading organisations such as the European Volunteer Centre were still working “to develop new methodologies on the measurement of social impact.”¹⁰ Similarly, social capital is in many cases defined as the network of relationships from which individuals privately benefit in terms of economic prospects or social status. According to Smith, networking is properly thought of as human capital. Rather, for Smith, the main measurement of social capital is generalised trust. Although volunteering is correlated with trusting societies (of which New Zealand is one), it has yet to be established that volunteering *creates* trust. This is likely because trust is a stable value that does not usually vary much across the lifetime of a person.¹¹

To be clear, we agree with Stats NZ when they note in their own literature that volunteering “help[s] build social connections and give[s] a sense of purpose and belonging within the community.”¹² For the purposes of this document, however, we focus on those wellbeing outcomes that are quantified and established in the research literature.

6. THE CONTRIBUTION OF VOLUNTEERING TO HUMAN CAPITAL IS WELL-ESTABLISHED

When we narrow down the question of volunteering and wellbeing to a question of human capital, the question becomes “what impact does volunteering have on the individual volunteer?” In lieu of a comprehensive literature review, we also need to narrow down our evidence base to a few representative studies.

According to a Stats NZ 2009 fact sheet based on the NZGSS, “People who do voluntary work have higher levels of life satisfaction (89.5%) compared to those who don’t do

⁹ Smith, 74.

¹⁰ Volonteurope, *Measuring the Impact of Volunteering* (Volonteurope, 2018), 29.

¹¹ Eric M. Uslander, “Trust as a Moral Value,” Paper presented at the Social Capital: Interdisciplinary Perspectives conference, University of Exeter, UK, September, 2001.

¹² Stats NZ, *Volunteering and donations 2016*, 6.

voluntary work (84.2%).” While this effect on wellbeing is strong, it does not demonstrate causality, neither does it account for self-selection effect.¹³

De Wit, Bekkers, Karamat & Verkaik (2015) is an excellent study for the following reasons:¹⁴

- it identifies and tests four very common hypotheses about volunteering
- it employs several large datasets taken from countries that New Zealand regularly compares itself to
- it is a recent study
- it controls for self-selection so that the direction of causality can be established
- it was prepared specifically for the purposes of policy-making

To the extent that we can say—outside of an experimental situation—that one variable (volunteering) causes another variable to change (wellbeing), De Wit et al., allows us to draw some robust conclusions about volunteering.

De Wit et al. test the following four hypotheses about volunteering:

- a) **Subjective wellbeing hypothesis:** Volunteering improves subjective wellbeing. This might be called the "warm glow" effect of volunteering. We expect volunteers to feel good about doing good and for their life satisfaction to improve as a result.
- b) **Health hypothesis:** Volunteering improves health among volunteers. Mental or physical health is an important but sometimes forgotten aspect of human capital. We expect volunteering to improve the self-reported health of volunteers.
- c) **Career hypothesis:** Volunteering improves career outcomes among volunteers. Skills, knowledges and competencies are an important aspect of human capital. We expect volunteering to aid employability as a result of learning through volunteering.
- d) **Networks hypothesis:** Volunteering increases the size and diversity of social networks of volunteers. As discussed above, networking is often associated with social capital. However, as per the definition in the Living Standards Dashboard, networking is taken to be a private benefit and therefore is counted as part of human capital. We expect that volunteering will lead to an expanded circle of friends and professional ties.

De Wit et al. concludes that **volunteering does indeed improve health, subjective wellbeing and social relationships**. Comparing across six panel surveys from the period 1984-2011, covering 15 countries, there were mainly positive associations between volunteering and these three outcomes, some null results, some "not applicables," but no negative associations.¹⁵

The third hypothesis regarding careers could not be substantiated conclusively. In two of the panel surveys, career outcomes were improved by volunteering but in three other surveys, a substitution effect was observed. In other words, people starting new jobs may volunteer less and vice versa.

¹³ Stats NZ, *Fact sheet: New Zealand General Social Survey* (Statistics New Zealand, 2009), 2.

¹⁴ De Wit, A., R. Bekkers, D. Karamat Ali and D. Verkaik, *Welfare impacts of participation*. Deliverable 3.3 of the project: "Impact of the Third Sector as Social Innovation" (ITSSOIN), European Commission – 7th Framework Programme (Brussels: European Commission, DG Research, 2015).

¹⁵ De Wit et al., 30.

These findings are consistent with a large body of research establishing the link between volunteering and wellbeing. However, as De Wit et al. notes, "most studies fail to adequately rule out reverse causality and suffer from omitted variable bias." According to De Wit et al., selection effects "are responsible for at least 70% of the difference in wellbeing between volunteers and non-volunteers." In other words, wellbeing influences the decision to start volunteering and to continue volunteering over a period of time. Still, while other studies may overestimate the positive effects of volunteering, it is heartening to know that volunteering can create modest enhancements in wellbeing (about 1%) even when controlling for the factors that make volunteering more likely and more enjoyable.¹⁶

De Wit et al. takes the average of six surveys. It is worth pointing out that there is a fair amount of variation depending on which dataset is used. Another study, Binder & Freytag (2013), uses a comparable methodology using a British dataset to find that the degree of change over time between volunteers and non-volunteers is very significant (about 7%) for those who volunteer weekly and significant for those who volunteer monthly or several times a year (about 3%). An effect size of 0.07 for weekly volunteers is, in their words, "sizeable." To put it in perspective, it is "one-fifth of the loss in subjective wellbeing associated with unemployment." Unemployment is among the worst predictors of wellbeing.¹⁷

Binder & Freytag make two other claims for the benefits of volunteering, one of which is supported by De Wit et al., one of which is exclusive to their study. The first is that people who start then stay in volunteering over the period of the study have the highest levels of wellbeing. According to Binder & Freytag, frequent volunteering "has a positive and sustained impact on individual wellbeing."¹⁸ The second is that a quantile analysis reveals that those who begin volunteering in the least happy quantile have the most to gain and, conversely, the happiest respondents did not gain at all. Thus Binder & Freytag supports arguments about the usefulness of volunteering in combating negative conditions such as loneliness or unemployment.

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¹⁶ De Wit et al., 6, 30.

¹⁷ Martin Binder and Andreas Freytag, "Volunteering, Subjective wellbeing and Public Policy," *Journal of Economic Psychology* 34 (2013): 108.

¹⁸ Binder and Freytag, 110.