Putting a Dollar Value on Volunteer Time

We all know the importance of volunteers. But can we put a number on the value of their work?

The answer is yes—and that number is a big one. According to nonprofit leadership network Independent Sector, the estimated value of an hour of volunteer work rose to $24.69 per hour in 2017 – an increase of over 2% from the previous year. The figure is based upon average hourly wages of non-management, non-agricultural workers.

Imagine hiring someone to collect and distribute food, help build a house, publicize a charity event, solicit donations or provide basic medical care – just a few examples of the volunteer services provided by millions of Americans every year.

Now imagine paying $24.69/hour per person for these services on a budget that’s already stretched thin. It doesn’t take long to see the impact that volunteers have on a nonprofit’s bottom line. Nonprofits can use the value of these hours to encourage people to give of their time by demonstrating this impact. They can also use it to recognize those who volunteer above and beyond the norm.

Placing a dollar value on volunteer time can serve nonprofits in a variety of ways. Sometimes people who can’t afford to give financially don’t realize that volunteering their time can have an equal or even greater impact on an organization. This hourly figure provides nonprofits with a powerful way to demonstrate the impact of helping those in need.

Additionally, this estimated hourly rate can impact financial reporting. According to the Financial Accounting Standards Board (FASB), the value of volunteer services can be disclosed in a nonprofit’s financial statements for grant proposals, annual reports and other purposes. FASB states that nonmonetary information, such as the number of donated hours or services provided by volunteers, can be helpful in assessing the success and long-term viability of a nonprofit. Using this hourly figure, an organization can put a dollar value on the community support that it receives in the form of volunteer work.

So take a few minutes to calculate the monetary impact of volunteers on your organization. While we all agree that their selflessness is priceless, you can indeed put a number on the value of their work!