Sample ROI Calculators for Volunteer Programs

If you need to garner more support for your volunteer program, calculating the ROI is a strong way to speak the same language to potential sponsors and donors to that program.

The basic formula for ROI is = (volunteer value - program cost) / program cost

First, start with your overall annual program cost. This includes staff salaries, volunteer stipends, travel reimbursements, the costs of marketing materials, recognition activities, facilities expenses, etc.

Cost example:
Staff (25% of their time on volunteer management, $35,000/year x .25) $8,750
Benefits (25% of salary) $2,188
Advertising (newspaper ads, online posting, radio spots) $1,500
Recognition (awards, annual luncheon, etc.) $1,000
Training (in-service for staff and volunteers, conferences) $3,000
Travel (mileage, flights, meals, accommodations, etc.) $5,000
Office supplies (paper, copying, postage, pens, files, etc.) $500
Technology (software licenses, upgrades, maintenance, background checks) $500
Sub Total $22,438
Overhead (10% of overall budget to cover facilities costs) $2,243.80
Annual Program Cost $24,641.80

Then calculate the volunteer wage value. The total number of hours volunteers contributed multiplied by the estimated value per hour of volunteer time. The 2016 value according to www.independentsector.org was $24.14 per hour. For example, $24.14 x (20 volunteers x 120 hours per year each) = **$57,936**. **So, what's the ROI? ($57,936 - $24,642) / $24,642 = $1.35. For every $1 invested in the volunteer program, $1.35 is returned to the community. Wouldn't we all like to see that kind of return in our investment portfolio!**

To get more precise, instead of calculating the ***estimated value*** of a volunteer's time, calculate the ***retail value*** of services provided by volunteers, especially those in the professional services arena, who would be paid at a higher wage: architects who donate time to do site planning ($100/hr), medics who assist with emergencies during your event ($50/hour), accountants who help with cash management and event budgeting ($75/hour), attorneys who review your insurance policies and vendor agreements ($200/hour), etc. Using those professional rates for their volunteer hours and the base rate for everyone else, you will easily reach a much larger value. Let's assume that you completed this retail assessment and came up with a value of $120,000 in volunteer hours. **The ROI would then be ($120,000 - $24,642) / $24,642 = $3.87. For every $1 invested in your volunteer program, $3.87 is returned to the community. Wow!**

To get even more precise, ***add any volunteer cash and in-kind donations*** made to your organization over the last year to their wage value. On average, **volunteers donate 10 times more**, than non-volunteer donors to your event. Fidelity Charitable Gift Fund recently published a study about this: https://www.fidelitycharitable.org/giving-strategies/grant-making/volunteering-and-philanthropy.shtml
For example, $120,000 (the volunteer wage value above) + $10,000 in annual cash and in-kind donations from volunteers = $130,000. So, what's the ROI? ($130,000 - $24,642) / $24,642 = $4.28 For every $1 invested in the volunteer program, $4.28 is returned to the community. Now we're rolling!

Finally, to get even more precise, calculate the volunteer value by adding their wage value, their charitable donations, and the ***community benefit*** (i.e., money saved clients, taxpayers, etc.). Tracking and calculating community benefit isn't easy, but it can be done. As an example look at what the city would have paid to have another activity or event taking place at that venue during that time period, if they absorbed the costs. Because you produced the event, the city didn't have to expend those funds. $120,000 (the volunteer wage value above) + $10,000 in annual donations + $25,000 (the total amount the city saved in services, programming and security that weekend) = **$155,000**. **So, what's the ROI? ($155,000 - $24,642) / $24,642 = $5.29. For every $1 invested in the volunteer program, $5.29 is returned to the community. Right on!!**