

Measuring Sustainable Development

The Nova Scotia Genuine Progress Index

The ECONOMIC VALUE

Of

CIVIC and VOLUNTARY WORK

In

CANADA and NOVA SCOTIA

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ATLANTIC CANADA LEADS COUNTRY IN VOLUNTARY WORK

Nationwide voluntary work loss costs Canada \$4.7 billion a year

Atlantic Canadians give more voluntary work time than other Canadians, with all four Atlantic provinces registering higher rates of voluntary activity than any other province. Nova Scotians give 183 hours a year of their time to civic and voluntary activity, the highest rate in the country and 43% more than the national average. Newfoundland has the second highest rate of voluntary work in the country

Altogether Nova Scotians contribute 140 million hours a year of voluntary work time, the equivalent of more than 83,000 full and part-time jobs. In 1992, when Nova Scotia also led the country in voluntary work, the provincial rate was 26% higher than the Canadian average. Volunteers contribute nearly \$2 billion worth of services to the Nova Scotia economy, equivalent to nearly 10% of the provincial GDP. The 4.5% increase in volunteer services since 1992 is worth \$75 million a year to the provincial economy.

In the country as a whole, however, Canadians are volunteering less than they used to, and the decline is costing the country \$4.7 billion a year in lost voluntary services. This loss does not show up in the GDP or any of the standard economic statistics that only count paid work. The average Canadian now gives 128 hours a year of civic and voluntary work time, down from 140 hours in 1992. Every province in the country saw a decline in voluntary work between 1992 and 1998 except for Nova Scotia and P.E.I.

Volunteers play key roles in providing health services and first aid; social services like food banks, soup kitchens, counseling and victim services; education and youth development, such as Brownies, Big Brothers and literacy programs; sports coaching; crime prevention and human rights protection; job counseling; religious services; arts and culture; fire-fighting; search and rescue; working for the environment and wildlife; caring for the elderly; and assisting those in need with household tasks.

GPI Atlantic, a non-profit research group that is constructing an index of sustainable development for Nova Scotia, the Genuine Progress Index, used new Statistics Canada data to calculate what it would cost to replace voluntary services for pay in the market economy. "If voluntary services disappeared," says Dr. Ronald Colman., director of GPI Atlantic, "either our standard of living and quality of life would decline dramatically, or the services would have to be replaced for pay."

"It's questionable whether every additional lawyer, broker and advertising executive improves our quality of life, but all their salaries are counted in the GDP as 'economic growth' and 'progress,' says Colman. "Volunteers contribute directly to our well-being, -- in fact, that's why they do what they do, -- but their contribution is completely ignored in our measures of progress because it's not paid. In the Genuine Progress Index, we *do* measure and count the economic value of voluntary work as a way of drawing attention to this tremendous community asset that's invisible in the economic growth statistics normally used to assess our well-being and prosperity."

"When we don't count voluntary work, it doesn't get attention or priority in the policy arena," says Colman. "Voluntary work declined by 8.7% in the 1990s and no one blinked. If paid work and GDP dropped by 8.7% we'd have a crisis and a national emergency."

Formal voluntary work down, informal up in N.S.

The new data are derived from the time use survey in Statistics Canada's 1998 General Social Survey, the only available database giving the time spent on both "formal" and "informal" voluntary work in Canada. "Formal" voluntary work is unpaid work done for charities and community organizations, while "informal" voluntary work is help given directly to individuals outside one's own household, not through any organization, like helping sick, disabled or elderly neighbours and friends. Formal voluntary work is about one-third of the total.

The results of a National Volunteer Survey released last year by Statistics Canada had already revealed a 5% decline in *formal* voluntary activity that is costing the country \$1.8 billion a year. The new data reveal that *informal* volunteering is declining at an even faster rate across the country, except in Nova Scotia and P.E.I.

In Nova Scotia, formal volunteering is down 7%, and informal volunteering is up 10%. Nova Scotia ranks only fifth in the country in formal volunteering, with Saskatchewan and Alberta occupying the top positions. Today formal volunteer work represents only 29% of total voluntary work in Nova Scotia, down from one-third in 1992. Colman speculates that the dramatic shift from hospital to home care may help account for the sharp increase in informal care-giving in Nova Scotia.

Though Nova Scotians can be justly proud of the tremendous generosity and caring that pervade this society, says Colman, the 7% decline in formal voluntary work shows that our community agencies and non-profit groups are in trouble, trying to meet more demands with fewer resources. "Because their contribution to well-being in Nova Scotia is proportionately more valuable than in any other province, we need to support our volunteers more and give them the resources they need to do their work properly."

Time Stress Hurts Voluntary Sector

GPI Atlantic found that highly educated Nova Scotians have the highest rate of volunteer participation, and that these same people are also working more unpaid overtime than ever in their regular jobs, as firms and government agencies downsize and expect more of their most talented employees. Fully 73% of university graduates in the province do some work for community and non-profit agencies, the highest rate in the country, and more than twice the rate of those with only a high school education. But university graduates also have twice the overtime rates of high school graduates, so their voluntary work time is getting squeezed.

Statistics Canada surveys show that time stress levels are rising across the country, including Nova Scotia, with 21% of women and 16% of men now experiencing "severe" time stress, an increase of more than 30% since 1992. "Studies show that the time crunch on informal caregivers caring for sick, elderly and disabled people in their own homes is particularly severe," says Colman.

"By measuring and valuing voluntary work explicitly, the GPI not only helps us appreciate the huge contribution volunteers make to our well-being, but also points to the need to support them properly so that we can protect this precious social asset." Colman points out that a strong voluntary sector is also a sign of an active "civil society," regarded by analysts as a key indicator of a viable democracy. A weak civil society, by contrast, is seen as a sign of alienation, passivity and potential unrest.

"Sometimes we so obsessed by material economic growth that we fail to appreciate our most powerful non-material assets," says Colman. "If we rely only on market statistics as indicators of progress, as at present, we can lose sight of the true richness in our society and environment that is the real source of our prosperity."

The Genuine Progress Index (GPI) uses Statistics Canada data to assess the "replacement value" of voluntary work and to determine its economic worth. In Nova Scotia the work that volunteers do brings an average of \$13.10 an hour, or about \$25,000 a year, in the market economy. In Canada it fetches about \$15.75 an hour. The GPI multiplies that shadow wage by the total number of annual volunteer hours to assess the economic value of voluntary work. In addition to the value of their labour time, the GPI also counts the estimated \$145 million a year that Nova Scotia volunteers spend out of their own pockets to do their voluntary work.

The Genuine Progress Index

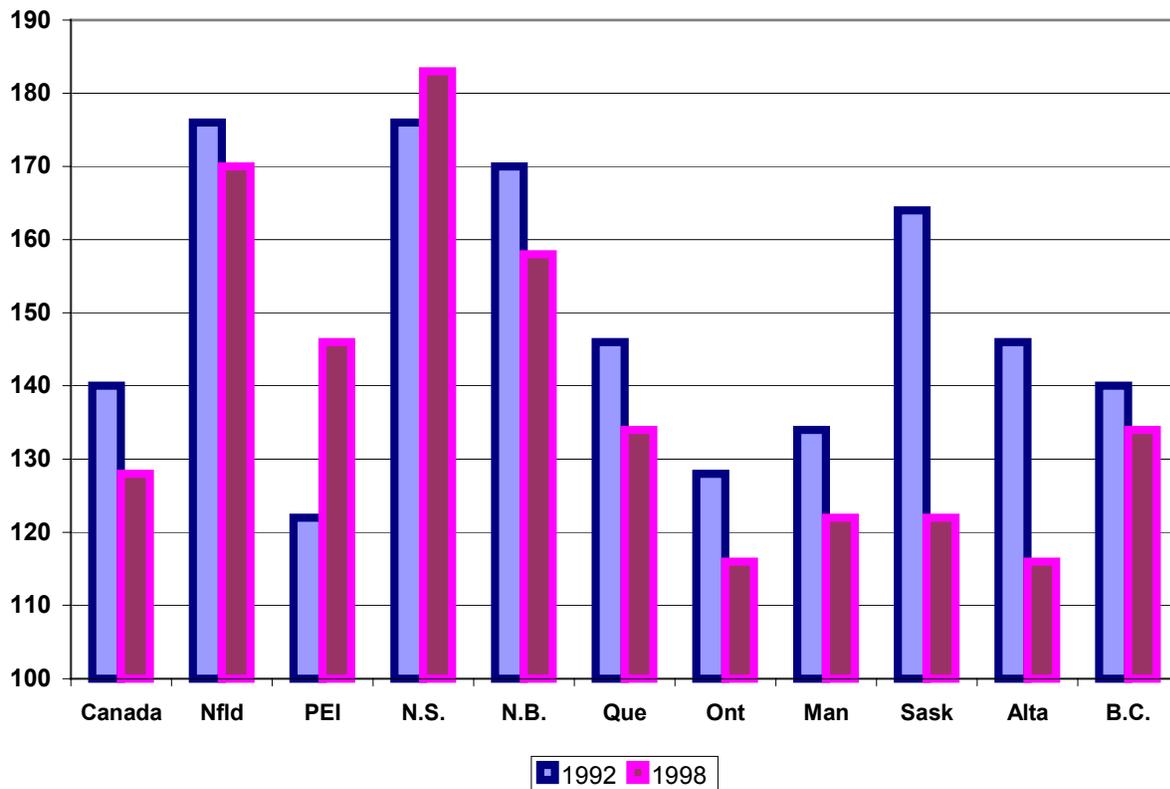
The Nova Scotia Genuine Progress Index (GPI), currently under construction, is designed to provide policy makers with more accurate measures of progress than those currently based on the Gross Domestic Product (GDP). Voluntary work is one of 20 social, economic and

environmental components in the GPI that assess the value of non-market assets not counted in the GDP.

Previous GPI reports have reported on the cost of crime in Nova Scotia, the value of unpaid housework and child care in the province, and on population health indicators. This is the second update of the GPI voluntary work valuation, with updates issued as new data become available.

In the coming months, GPI Atlantic will release results from its natural resource accounts, including assessments of the value of the province's forests, soils and fisheries. It will also release a set of greenhouse gas emission accounts, and an ecological footprint analysis assessing the environmental impact of Nova Scotians' consumption patterns. The index is slated for completion in 2001 and will then be updated on an annual basis.

Voluntary Work, 1992 and 1998, Hours per Year per Person, 15 years and older



SOURCES for this update include: Statistics Canada, 1992 and 1998 General Social Surveys; 1987 and 1997 National Volunteer Surveys; Statistics Canada, Households' Unpaid Work: Measurement and Valuation, Statistics Canada, Labour Force Surveys; Perspectives on Labour and Income; Employment, Earnings and Hours; David Ross, Economic Dimensions of Volunteer Work in Canada, Statistics Canada, Annual Demographic Statistics; Consumer Price Index.