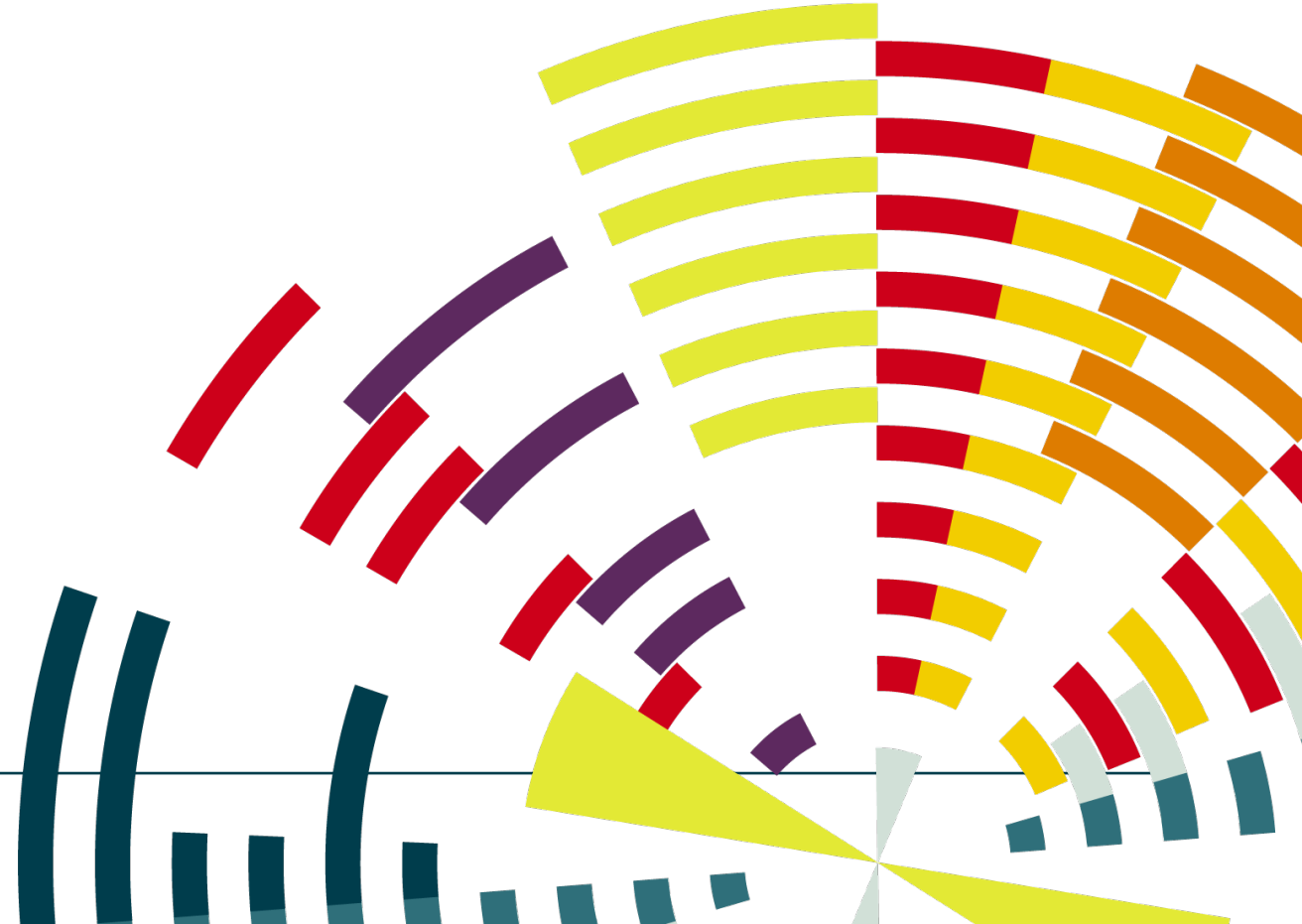


EVALUATING SERVE THE CITY'S ECONOMIC IMPACT



15 JUNE 2022



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01

KEY FINDINGS



KEY FINDINGS

CONTEXT OF THE REPORT



Serve the City (STC) is an NPO based in Brussels that runs volunteering projects and serves as a platform to connect volunteers with volunteering projects around the city. In this report Frontier has **estimated the “external” impact of STC’s activities in Brussels in 2021 (on volunteers and beneficiaries)**. Frontier also estimates the **“internal” monetary value that STC’s volunteers represent to the organisation**.

IMPACT ASSESSMENT (“EXTERNAL” IMPACT)



We quantify the impact of STC’s activities using a **logic model**. This approach identifies STC’s inputs, activities, outcomes and quantifies wider impacts to the Brussels community, where possible. See [Section 3](#).

VOLUNTEERS

€778K ca.

Impact on volunteers’ wellbeing in 2021. This is the value of increased wellbeing given by volunteering *at least* once a year for all of STC’s volunteers.

BENEFICIARIES

€242K ca.*

Monetary value of the activities delivered to beneficiaries in 2021, including hunger relief, tutoring and English classes.

MONETARY VALUE OF VOLUNTEERING (“INTERNAL” IMPACT)



To measure the monetary value of STC volunteers, we use a **replacement cost approach**, which measures what would be the cost of paying employees to replace the working time of STC’s volunteers. See [Section 4](#)

€258K ca.

This is **how much STC’s volunteering hours were worth** in 2021 (equal to the yearly cost of around 9 FTEs earning the minimum wage). It is an estimate of the cost savings produced by STC’s delivering activities relying on volunteer work.

02

STC'S WORK



OVERVIEW OF STC'S WORK



Serve the City **motivates, enables and manages volunteers**. It's a movement of people showing kindness to those in need.

It started in Brussels in 2005 as a single week of volunteering, initiated by a Christian faith community called The Well, and is now a recognised non profit organisation managing **over 45 project opportunities every week**.

Today, STC is active or starting **in 50 cities in over 30 countries around the world**.



STC **connects volunteers with opportunities to help people in need**.

The projects provide **support to marginalised people**, such as homeless people, asylum seekers and refugees, elderly people, persons with disabilities, children in need and victims of abuse.

Besides running its **own projects**, STC also **partners with other organisations** such as the Red Cross Belgium, the Salvation Army, and others. In addition, STC also **trains and sends volunteers to projects which are not led by STC**.



STC is a registered NPO (Non-profit organisation) that relies mainly on **donations** and on the income that some of its activities (**international and corporate volunteering**) bring.

Without the support provided by sponsors and donors, and, most importantly, volunteers, STC would not be able to offer the various activities that it currently does.



COVID has impacted STC's activities quite heavily, increasing the number of beneficiaries for some activities, such as food outreach, while decreasing the number of volunteers for some other projects (international and corporate volunteering). This has had a big impact on STC's financing given that a large part of their funds comes through international volunteering and corporate volunteering. A part of this impact has been compensated by governmental funding during the pandemic.

STC'S MAIN AREAS OF WORK



FOOD OUTREACH

STC provides meals to people in need. These are hot meals, lunch bags, sandwiches, fruit, amongst others, and are served almost every day of the week. Some of the projects are led by STC's volunteers ([Le Phare](#)), with food from Community Kitchen, while others are co-run with volunteers from other partner organisations.



EDUCATION

STC offers tutoring to children multiple times a week as well as [English classes](#) for refugees. STC also runs training to support in CV writing (in partnership with Oasis) and hosts information sessions to raise awareness on the importance of volunteering.



INTERNATIONAL VOLUNTEERING

STC attracts many volunteers from abroad to participate in volunteering projects in Belgium. Volunteers come from many different countries and pay a service fee to participate in this programme, as shown in the [Annex](#). This is an important revenue stream for STC.



CORPORATE VOLUNTEERING

STC organises corporate volunteering to raise funds and awareness on volunteering. Corporates can contribute by participating in weekly or special volunteer projects or paying a fee to have [team building](#) events organised by STC.



VOLUNTEERING APP

STC has launched 'ServeNow' – an app that makes it easier for volunteers to sign up to projects and facilitates overall project organisation.

03

IMPACT ASSESSMENT OF STC'S ACTIVITIES ("EXTERNAL" IMPACT)



STC'S ACTIVITIES HAVE AN IMPACT ON BOTH VOLUNTEERS AND BENEFICIARIES...

We measure the impact of STC's activities both on the **beneficiaries** of the projects and on the **volunteers** running them:

BENEFICIARIES

- Beneficiaries are directly impacted by STC's work. They receive support on a number of dimensions, such as assistance with basic needs (**hunger, health, safety**), **education** and **learning** (tutoring, English classes) and since more recently also **job coaching** (receiving help in writing CVs).
- In addition, beneficiaries joining these activities enjoy **social benefits** (as they increase their network) and can **integrate** faster in the local community and developing a "**giving back**" feeling.

VOLUNTEERS

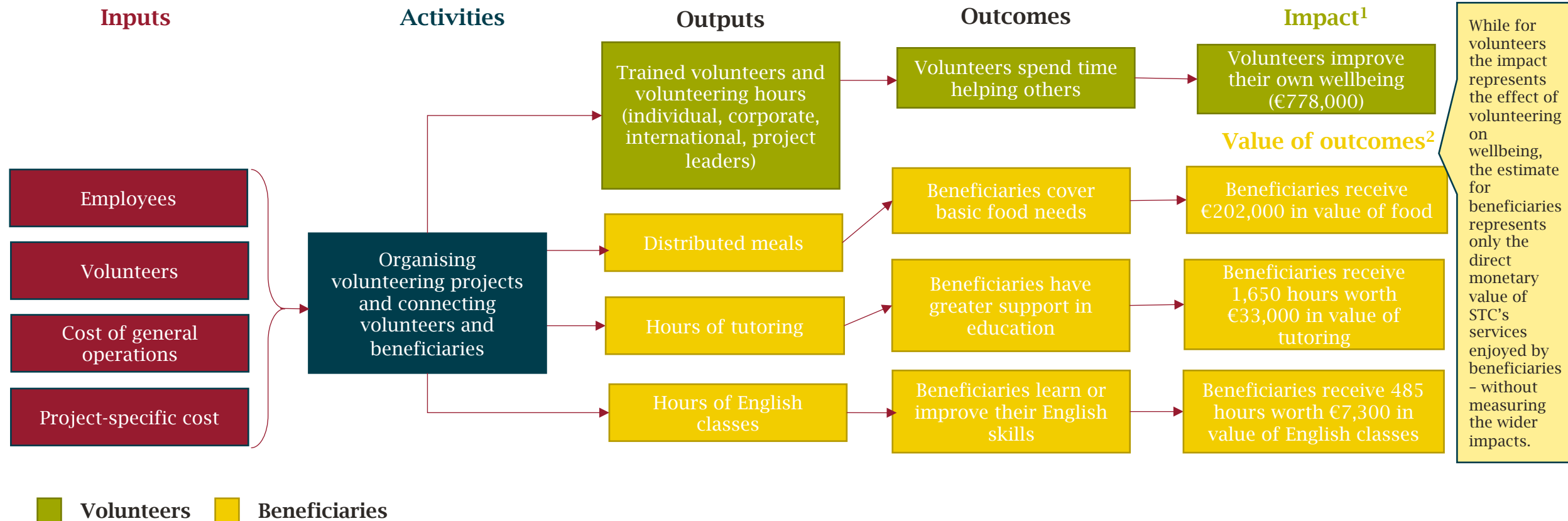
- Participating in STC projects can have a positive effect on volunteers too, mainly improving their personal **wellbeing**.
- Part of STC's mission is to serve as an "**activator**" of people that can ultimately trigger change in the society. Volunteers can build stronger **social networks**, learn from different cultures, breaking stereotypes and biases. This in turn leads to more **openness** and **inclusive behaviours** in society.
- Volunteering can also have a positive impact on other variables, such as learning new skills and increasing the likelihood of finding a job.

To estimate the impact of STC's activities, we need to assume a **counterfactual scenario**, this is a hypothetical situation of volunteers and beneficiaries in the absence of STC. For simplicity, we assume that individuals would not volunteer at another organisation, and that beneficiaries would not receive free access to these services. This is a hypothetical setting and does not necessarily reflect reality. This assumption could overestimate our findings.

Some of these effects are directly measurable, while some others are **more difficult to quantify**. We apply a **logic model** to carry out the economic impact assessment, which focuses on a **sub-sample of STC's activities where the impact/value of outcomes can be quantified in monetary terms**.

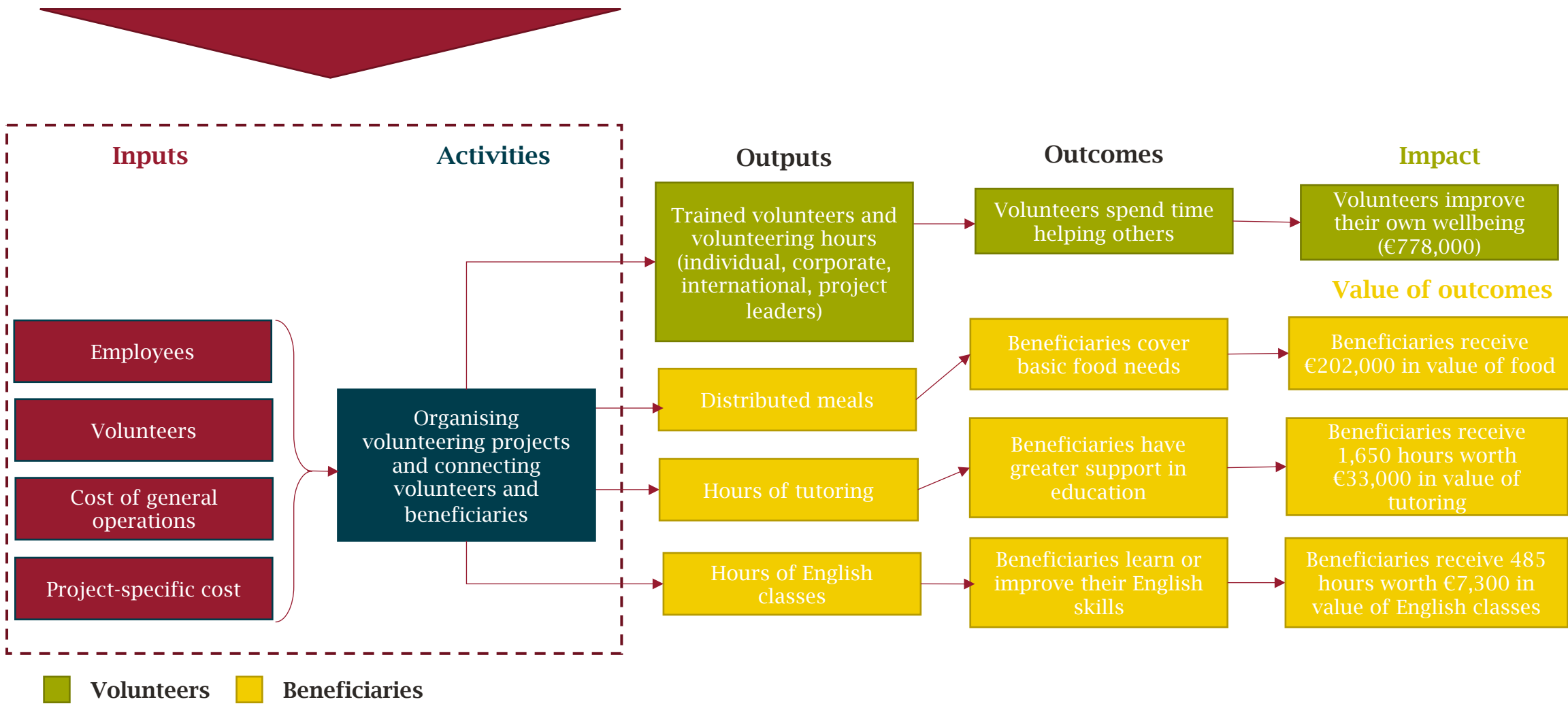
...THIS IMPACT CAN BE IDENTIFIED THROUGH A LOGIC MODEL

- The logic model identifies the mechanism through which each of STC's activities has an impact on the Brussels community. This exercise outlines the main outcomes and impacts that we seek to measure.
- We identify the different **inputs** to STC's volunteering **activities**. In turn, these inputs and activities produce **outputs**, such as goods and services distributed, which can be used to measure the wider **outcomes** and **impacts** on volunteers and **value of outcomes** for beneficiaries.



¹For **volunteers** we estimate the **impact** of volunteering on wellbeing based on existing literature (in the UK).

²For **beneficiaries**, we estimate the direct monetary value of some of the services offered by STC (which we call “**value of outcomes**”). The true impact of STC's activities on beneficiaries and wider community **can be expected to be much larger**, through, for instance, access to enhanced employment opportunities and greater integration.



THE KEY INPUT TO STC'S ACTIVITIES ARE VOLUNTEERS...

3 PART-TIME EMPLOYEES (EQUAL TO 2 FTE'S) AND
2 INTERNS (WORKING AT 80%)

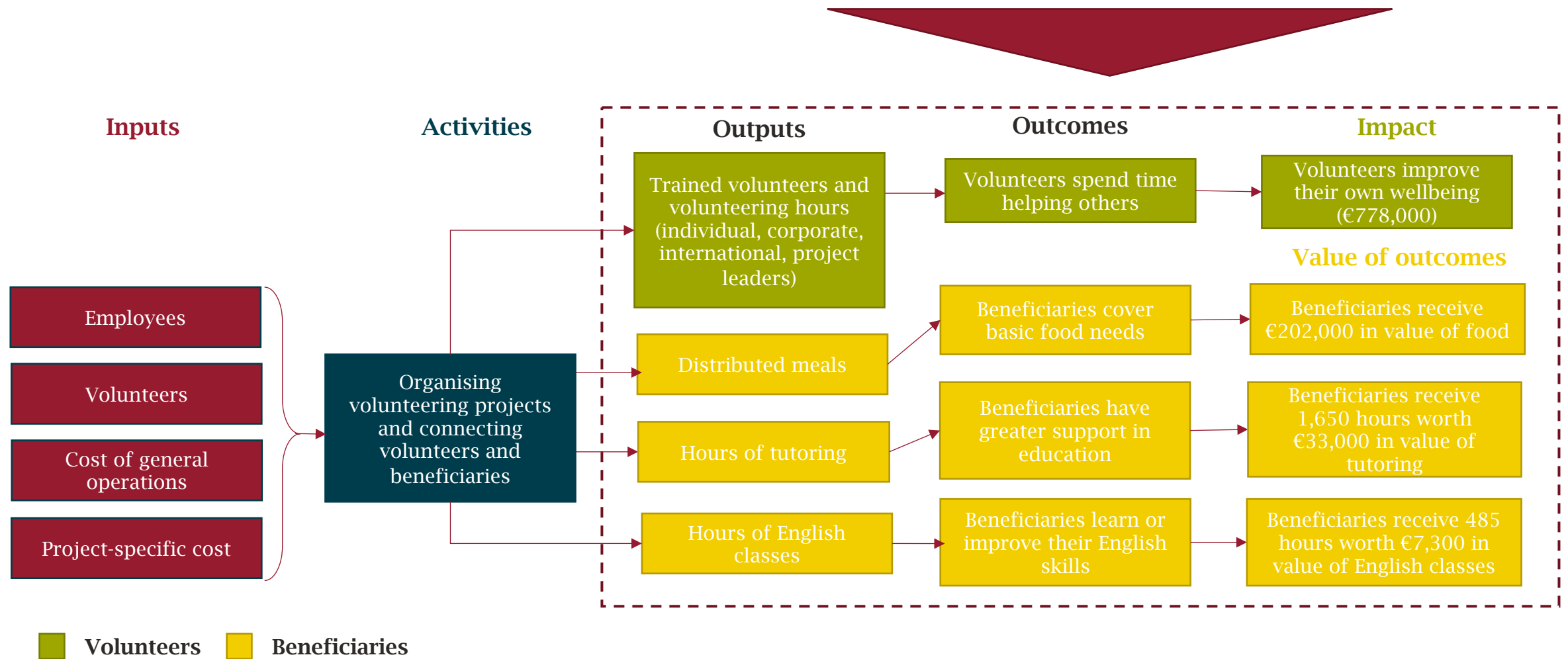
968 VOLUNTEERS SUPPORTED STC IN 2021
OF WHICH **14** WERE INTERNATIONAL VOLUNTEERS

...WHO JOINED 17 DIFFERENT WEEKLY PROJECTS IN 2021

17 WEEKLY PROJECTS WERE CARRIED OUT¹ AND
8 BIG VOLUNTEERING EVENTS , **1** VOLUNTEERING WEEK,
6 CORPORATE EVENTS

18,000+
HOURS WERE SPENT ON VOLUNTEERING ACTIVITIES

7000+
PEOPLE IN NEED BENEFITED FROM STC'S ACTIVITIES

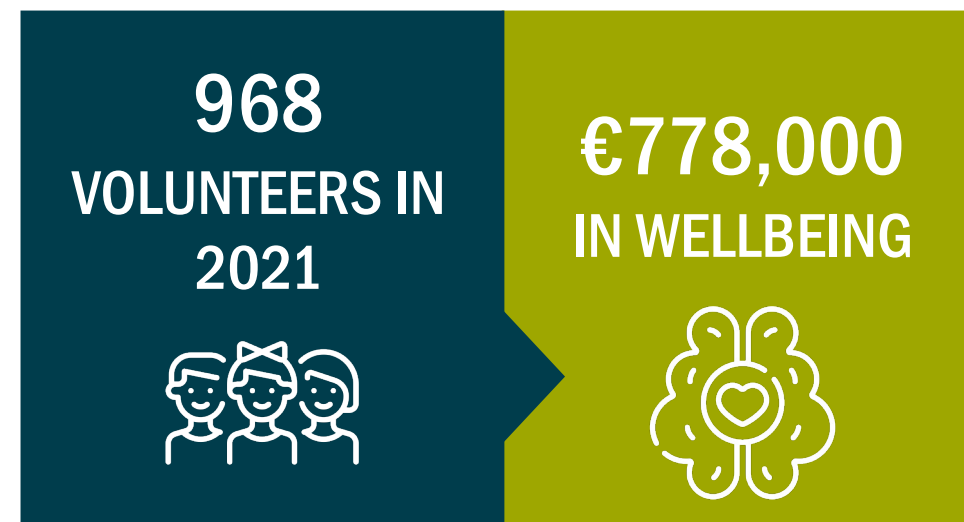


STC'S IMPACT ON VOLUNTEERS' WELLBEING

Academic literature establishes a link between volunteering and improved personal wellbeing, for instance through increased general life satisfaction or reduced mental health issues.¹

This positive impact on wellbeing associated with voluntary activity can also be quantified in monetary terms.

We estimate the approximate value of the increase in wellbeing generated by volunteering using the approach from Lawton et al. (2021). They estimate **the amount of money that a person who stops volunteering would have to receive, in order to keep the same level of wellbeing while volunteering.** Using this approach and applying the Belgian median net wage, we estimate that each of STC's 968 volunteers would need to be given **€804**, on average, to be compensated for giving up volunteering in 2021.² This amounts to approx. **€778,000** in total for all STC's volunteers in 2021, without distinguishing between longer or shorter volunteering experiences.³



¹ See Lawton et al. (2021).

² This study draws estimates from a UK sample. In reality, results may be different for the Belgian population.

³ The authors estimate the wellbeing impact of people volunteering *at least* once per year. Applying their estimator we find that 804€ is the average compensation for STC volunteers in Belgium. The average amount of hours an individual spent volunteering for STC in 2021 was 18 hours. More details on the methodology are provided in the [annex](#).

STC'S CONTRIBUTION TO HUNGER RELIEF

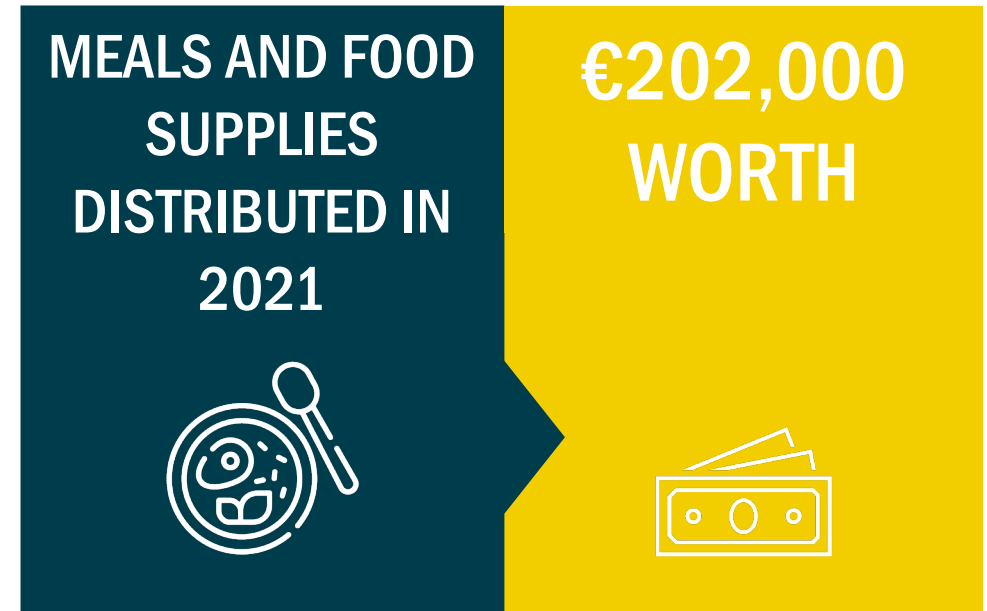
IN 2021, STC SERVED MEALS WORTH ABOUT € 202,000

As one of its main activities, STC provides food to people in need. In 2021, volunteers distributed more than **74,000 freshly prepared hot meals, 78,000 desserts, 65,000 pieces of fruit and 9,000 sandwiches** – worth approx. €202,000 in total.¹

Food was distributed **almost every day of the week** at the 'Lunch 4 All' or 'Le Phare' projects.

In other words, an individual would have been able **to save up to approx. €312** if the person was to get one hot meal six times a week over the year.

These are estimates of the direct value of the food served by STC in 2021 in its activities. Wider economic impacts of food outreach, despite not quantified in this study, are extensive. Hunger is related to impaired health and lower educational attainment, which both reduce lifetime earnings. The Perryman Group (2014) estimates that hunger costs the US economy \$461.9 bn and nearly 2.5 million permanent jobs annually.²



¹ Estimation based on conservative food cost assumptions such as €1 per hot meal.

² See [Link](#)

STC'S CONTRIBUTION TO CHILDREN'S EDUCATION

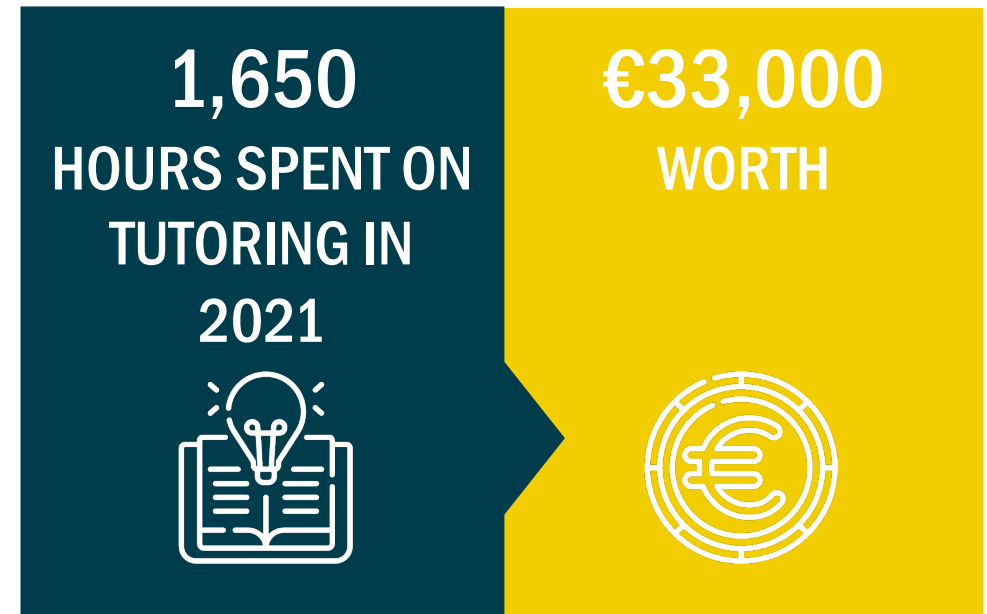
TUTORING

STC provides tutoring for children at the 'Samusocial Gulledele' homeless centre and the 'Jourdan Centre' for refugees and asylum seekers.

Each week, volunteers support children with their homework, helping them to catch up with their peers in subjects such as maths, languages (especially French) and other subjects.

In 2021, volunteers supported **60 children** with their homework during **1,650 hours**. In monetary terms, this equals approximately to **€33,000** worth of tutoring.¹

These are estimates of the direct value of STC's tutoring in 2021. Wider economic impacts of tutoring are not quantified in this study and relate to the positive impact on learning outcomes and school grades.² These effects, in turn, increase an individual's probability to find a job and their expected lifetime earnings.³



¹ Assuming €20 as hourly rate for private tutoring in Belgium. See [Link](#). For a more conservative estimate, it can be assumed that the hourly rate of tutoring in Belgium is equal to the minimum or median wage in Belgium. This would yield a value of tutoring of, respectively, €16,000 or €21,000.

²See, for example, Nickow et al. (2020) and Ritter et al. (2009)

³See Pro Bono Economics (2020) [Link](#)

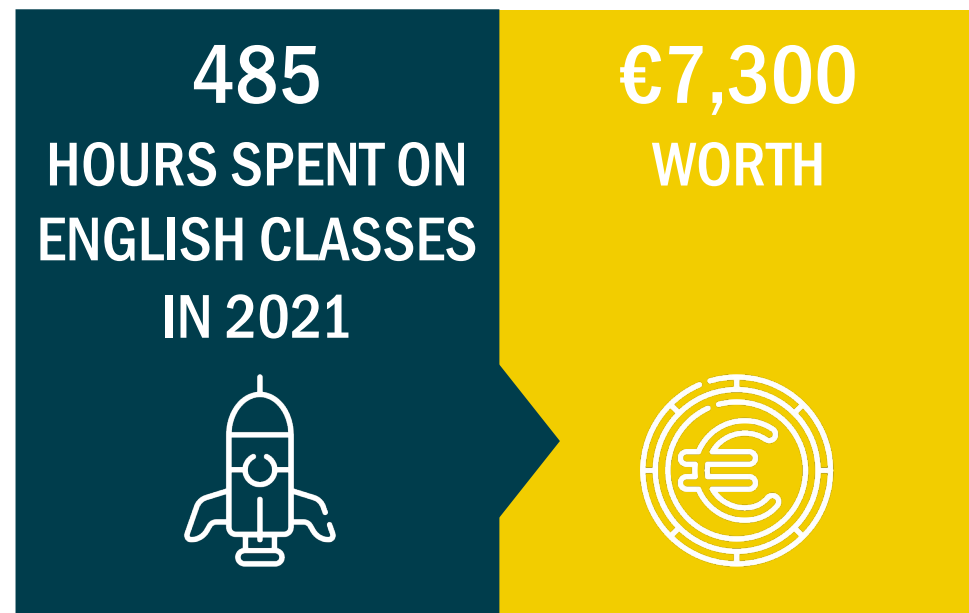
STC'S CONTRIBUTION TO REFUGEES' EDUCATION

ENGLISH CLASSES

Each week, STC provides English classes for refugees at the Red Cross Centre in cooperation with 'Welcome Home International'. The project is called "English4Refugees" and beneficiaries are offered two-levels of classes ('beginner' or 'intermediate'). Each class runs for approximately 2 hours and students have an opportunity to practice speaking, reading and writing skills.

In 2021, volunteers delivered **485 hours** of classes to **60 refugees**, equal to **€7,300 in monetary value**.¹

This is the estimate of the direct value of the English classes delivered by STC's volunteers in 2021. Wider economic impacts of learning English are not quantified in this study, but they are identified in the literature. For example, for refugees and asylum seekers, learning English has been associated with a sense of autonomy, achievement and aspirations.² Moreover, it has been shown that language training for refugees has a positive impact on employment and earnings prospects.³



¹ Assuming €15 as hourly rate for English classes in Belgium. See [Link](#)

² See Salvo et al. (2017).

³ See Arendt et al. (2020). The study looks at refugees in Denmark learning Danish. The impacts are less clear for refugees in Belgium learning English.

04

MONETARY VALUE OF VOLUNTEERING
("INTERNAL" IMPACT)



THE “INTERNAL” VALUE OF HOURS VOLUNTEERED AT STC

IN 2021, THE TOTAL HOURS VOLUNTEERED AT STC WERE EQUIVALENT TO CA.
€258,000

Volunteers bring significant value to NPOs and wider society. They help provide services that NPOs, in the absence of volunteers, would deliver with paid staff or could not carry out due to limited funds. We characterise this as the “internal” impact of volunteering¹ and estimate the value of volunteering through a **replacement cost approach**. This methodology finds what would be **the cost of paying an employee to perform the same task** that a volunteer carries out for free. Using this approach, the **18,215 hours** of activities that STC’s volunteers carried out in 2021 are valued at **approx. €258,000**. This is equal to the yearly cost of approximately **9 FTEs** earning a minimum wage.²

Unlike other NPOs who employ project managers, STC’s activities are led by **project leaders** who are highly trained and skilled individuals that work on a voluntary basis. Therefore, the above is likely to be a **conservative estimate** of the true value of volunteering at STC, if project leaders earn more than the minimum wage.



¹This relates to the cost savings produced by STC’s delivering activities relying largely on volunteer work (rather than paid staff). It differs from the “external” impact of STC’s activities (explored in Section 3) which measures the impact of STC’s projects externally both on volunteers and beneficiaries.

²We apply the yearly minimum wage from STC’s payroll simulation, which gives an adequate proxy of the actual costs that STC (or a similar NPO) would have to incur to pay an FTE (as it includes taxes). For more details see the [annex](#).

THE VALUE OF VOLUNTEERING IN 2021 WAS LARGE COMPARED TO STC'S EXPENDITURE, ALTHOUGH AFFECTED BY THE COVID PANDEMIC

- STC activities generate value in a number of ways (as shown in the previous section). To get a sense of magnitude, in 2021, the **value of volunteers alone corresponded to 130% of STC's total expenditure** in that year. In other words, if STC had to employ individuals to provide their charitable services, **it would have to more than double its total spending to carry out the same activities.**
- The Covid pandemic had a significant impact on STC's services and on hours volunteered. However, in 2021 the number of volunteering hours recovered from 2020.



05

CONCLUSIONS



CONCLUSIONS

STC is a Brussels-based NPO which **connects volunteers with projects around the city**.

STC runs its own projects, partners with other NPOs and sends trained volunteers to events organised by other NPOs

01

Frontier has carried out an economic impact assessment using a **logic model** to **measure the impact of STC's activities on both volunteers and beneficiaries**

02

We find that the benefit on the **wellbeing of volunteers** at STC was approx. €778,000 in 2021.

03

STC's work contributes towards **hunger relief** (€202,000) and to improve **beneficiaries' education** (€33,000 worth of tutoring and €7,300 worth of English classes)

04

We estimate that in 2021 the **monetary value of the hours volunteered with STC** was approx. €258,000, using a **replacement cost approach**.

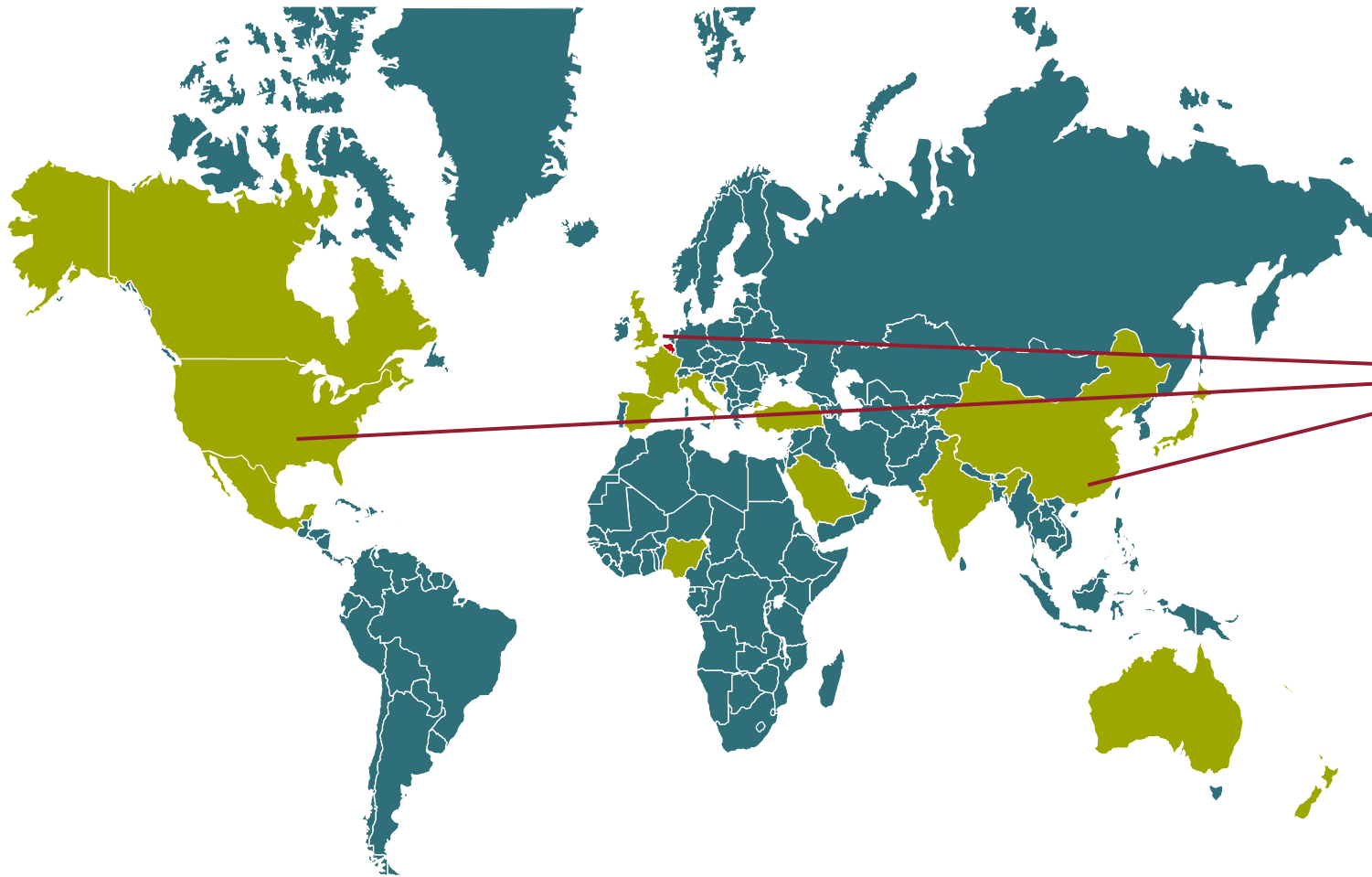
05

06

ANNEX



INTERNATIONAL VOLUNTEERING: ZOOM IN



STC has an international volunteering programme where individuals from across the world spend one or more weeks volunteering in Brussels. STC organises their accommodation in Brussels and volunteering activities during their stay against a fee.

In 2019 STC welcomed 116 international volunteers in Brussels from 23 countries, the majority coming from the US (40), China (25) and the UK (10). This figure decreased significantly in 2020 (27) and 2021 (14) due to travel restrictions during the Covid-19 pandemic.

METHODOLOGY: EVALUATING THE INCREASE IN WELLBEING FROM VOLUNTEERING

STEP 1: ESTIMATING THE IMPACT OF VOLUNTEERING ON WELLBEING

Lawton et al. (2021) measure the impact of volunteering at least once in a given year on self-reported wellbeing. They use a first-differences regression estimation, represented by the following equation:

$$\Delta Wellbeing_{it} = \alpha + \beta_1 \Delta Volunteering_{it} + \beta_2 X_{it} + \varepsilon_{it}$$

The variable $Volunteering_{it}$ is binary and indicates whether an individual i has volunteered at least once in a given year t or not. The coefficient β_1 measures the impact of volunteering on wellbeing. The study finds a coefficient of $\beta_1 = 0.034$. In comparative terms the impact of volunteering on wellbeing is lower than getting married or getting a job, but is similar to the impact of moving to a less deprived area.

STEP 2: CALCULATING THE MONETARY VALUE OF IMPROVED WELLBEING

Lawton et al. (2021) calculate the compensating surplus of volunteering combining the impact of income on wellbeing, from Fujiwara (2013), and the impact of volunteering on wellbeing (calculated in Step 1). The compensating surplus of volunteering is calculated as follows:

$$CS \text{ of Volunteering} = e^{\left(\frac{\text{Impact of Volunteering on life satisfaction}}{\text{Impact of Income on life satisfaction}} + \text{LN}(Wage)\right)} - Wage$$

Following Fujiwara (2013), we apply this formula in the Belgian context, using the Belgian median net wage in 2020 (from Eurostat). Based on this method, we estimate that the monetary value of volunteering at least once per year (through increased wellbeing) is €804 per person.

METHODOLOGY: REPLACEMENT COST APPROACH TO ESTIMATE THE VALUE OF VOLUNTEERING

WE FOLLOW AN APPROACH DEFINED BY THE OFFICE OF NATIONAL STATISTICS TO ASSESS THE VALUE OF VOLUNTEERING¹:

REPLACEMENT COST APPROACH – THEORY

- The replacement cost approach measures the gain to the recipient. It shows how much the recipient would have to pay to replace the volunteering and therefore the costs that the volunteers are foregoing.
- Each individual hour is valued at a **market wage** to show what would be the cost of paying somebody to do the same job.
- The approach assumes that the quality of voluntary work is the same as the quality of paid work and that the volunteers would be replaced with paid workers.



REPLACEMENT COST APPROACH – APPLICATION

- For market wage, we apply the yearly minimum wage from STC's payroll simulation, which gives an adequate proxy of the actual costs that STC (or a similar NPO) would have to incur to pay an FTE.
- This salary is set at EUR 28,000 per year in 2021. This corresponds to an hourly wage of approx. EUR 14.²
- By multiplying the hours volunteered with the hourly minimum wage, we obtain an estimate of the staff salaries that STC saved.
- We do not know what the actual market wage for each of STC's activities would have been. By applying STC's minimum wage, we likely underestimate the wage that STC would have had to pay to salaried employees to carry out the same activities as the volunteers.

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