

## I.

### INTRODUCTION

The value derived by individuals who provide volunteer hours to nonprofit organizations may be from a satisfaction of helping others, and also may be from more remunerative motivations such as augmenting future income through gaining job experience.

What are the costs of such volunteer activity? Perhaps the costs to individuals are foregone wages earned and foregone leisure activity. Is there as well a rational reckoning of risk inherent in volunteer work in our litigious society? Volunteers and volunteer organizations can be sued, and state laws provide varying levels of protection for volunteer activity.

This paper considers volunteer motivations following the work of Menchik and Weisbrod.<sup>1</sup> Their approach is replicated using newer survey data, the results of a 1992 survey conducted by Independent Sector and the Gallup Organization

Also considered in this paper is liability risk for volunteers. One survey of non-profit organizations in the United States reportedly found that nearly 20 percent have experienced volunteer concern about liability exposure and that 10 percent have had volunteers withhold their volunteering due to liability concerns.<sup>2</sup> To examine volunteer liability, two forms of a volunteer liability risk variable are added to the Menchik and Weisbrod regression approach

In the following sections of this paper, the Menchik and Weisbrod model is discussed, followed by a general discussion of volunteer labor factors, including volunteer liability. The quantitative analysis and results are then

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<sup>1</sup> Paul L. Menchik and Burton A. Weisbrod, "Volunteer Labor Supply," Journal of Public Economics 32 (1987): pp. 159-183.

<sup>2</sup> Testimony by Senator Oren Hatch, Congressional Record, May 1, 1997, S3877.