PBE Economics to improve lives

Civil society and volunteering:

A force for growth?

Anoushka Kenley, Jack Larkham and Josh Martin

Contents

Key takeaways

In 2024, our estimates suggest that:

£39.5 bn Civil society contributed £39.5 billion to the UK economy

1.5% Civil society represented 1.5% of the UK economy (GVA)

2.5% Civil society's paid workers and volunteers delivered 2.5% of total annual hours worked in the UK economy

1.414bn Civil society's paid workers and volunteers contributed 1.414bn hours of work to the economy

We use economics to improve lives. Through analytical expertise and our close connection with the social sector, we help charities, funders, firms and policymakers tackle the causes and consequences of low wellbeing.

Our analysts, researchers and economists work on a wide range of issues related to low wellbeing, including mental health, education, employment, financial security, poverty, disability, inequality, volunteering and civil society. Working with over 600 volunteer economists, we have supported over 600 charities since 2009.

Table 1: Summary of the economic contribution of civil society in 2024: government estimates and our adjusted estimates

	Government statistics*	Our 2024 estimate	Change since 1997	Change since pandemic***
GVA	£20.8bn	£39.6bn	+£25.8bn	+£2.1bn
Of which volunteering within civil society	N/A	£15.5bn	+£5.4bn	-£3.7bn
Share of whole economy GVA	0.8%	1.5%	-0.04pp	-0.33pp
Real GVA, growth (index 1997=100)	N/A	118	+18%	-13%
Excluding volunteering	N/A	231	+131%	+7%
Total annual unpaid hours worked	N/A	688mn	-435mn	-400mn
Total annual paid hours worked	N/A	726mn	+443mn	+19mn
Total annual hours worked	N/A	1414mn	+8mn	-381mn
% of total annual economy hours worked	N/A	2.5%	-0.5pp	-0.7pp
% of total annual economy paid hours worked	N/A	1.3%	+0.7pp	No change
Total jobs	1005k	480k**	+280k	-6k
Labour productivity, growth (index 1997=100)	N/A	117	+17%	+10%

*Government statistics are calculated following international guidance on producing national accounts data.

**Our estimate for this figure is for 2023.

***Since 2019.

Summary

Civil society and volunteering are widely recognised as important generators of social value. From food banks to cancer research, local sports teams or youth clubs, it's clear that civil society provides vital services, makes our communities stronger and boosts our wellbeing.

But civil society is rarely recognised for its economic contribution. This is a missed opportunity.

In the most direct sense, official statistics undervalue the activity of civil society by excluding the value of volunteering from measures of economic activity (as international guidelines dictate). But doing so means that official statistics exclude a massive contribution to the UK economy – around 688 million volunteer labour hours in 2024.

When we adjust how the economic contribution of civil society is measured and include the value of volunteer labour, we find its actual contribution is almost double the official measure – shifting from 0.8% of the economy's Gross Value Added (GVA) in official statistics to 1.5% in our adjusted measurement, nearly £40bn. This puts civil society's economic contribution in line with the agriculture and car manufacturing industries combined.

Even with our conceptual adjustments, the figures in this paper underestimate the economic contribution of civil society. This is due to the difficulty in identifying non-profits organisations in national accounts data. Without a civil society satellite account, which captures non-profits across all sectors, we will never know the full extent of civil society's economic contribution in the UK. International comparisons suggest the underestimate

668m

UK volunteer labour hours

Official statistics exclude a massive contribution to the UK economy – around 688 million volunteer labour hours in 2024.

could be substantial. In the 16 countries worldwide that have created their own satellite accounts, civil society and volunteering was found to make up between 1.6% and 8.1% of GDP.

The adjustments above would give us a much clearer picture of the direct economic contribution of civil society. However, by ignoring the manifold spillover benefits associated with civil society's activity, even this underestimates its overall economic impact. Civil society organisations boost people's educational outcomes, skills, physical and mental health, and financial resilience, among other things. Participation in volunteering provides opportunities to develop skills and gain experience, which can help people into work and supports higher levels of productivity for those already in work. As a result, individuals are better able to participate in the labour market, pay taxes and reduce their reliance on public services, all of which increase labour supply, reduce fiscal pressures and contribute to wider economic growth.

By underestimating civil society's economic contribution, the Government risks underestimating the economic damage of failing to address the sector's challenges. Much of the sector is under financial pressure, with organisations often pushed into unhelpful competition and short-termism, all of which holds back productivity. Meanwhile, the decline of volunteering rates in England following the pandemic has created a significant drag on civil society's growth. We estimate that declining volunteering rates have created a £38.5bn gap over the past five years (based on falling volunteer labour hours), even before factoring in the value of missed spillover benefits.

Supported with strategic investment, civil society has the potential to be a driver of future growth. As both a direct economic force, responsible for 2.5% of overall UK labour hours in 2024, and as a creator of wider economic value, civil society's economic footprint is significant.

The government needs to look beyond current official statistics to recognise the true extent of civil society's economic contribution. Doing so is a necessary first step to ensure civil society receives the attention it deserves to fulfil both its social and economic potential.

Citation: If you are using this document in your own writing, our preferred citation is:

[13] Kenley, Larkham and Martin, Civil society and volunteering: A force for growth? (PBE, 2025), https://pbe.co.uk/publications/civil-society-and-volunteering

Note on definitions and data

Unless otherwise stated, estimates in this paper define 'civil society' as: NPISH (Non-profit institutions serving households) excluding Education.

NPISH is a sector within the UK national accounts. It includes all economic entities that:

- provide goods and services, either free or below market prices;
- mainly derive their income from grants and donations; and
- are not controlled by the government.

As a result, NPISH includes much (but not all [1]) of the economic activity of charities and voluntary groups, as well as other civil society organisations, such as trade unions, religious organisations, political parties and universities.

The excluded 'Education' entities comprise (mainly) universities. We exclude universities as they are often considered separately to civil society, and the scale of their collective economic footprint means that inclusion significantly skews the results.

The use of NPISH with certain exclusions is broadly similar to both DCMS' current approach[2] and the one used by NCVO in the Civil Society Almanac.[3]

In this paper, we focus on Gross Value Added (GVA). This is a standard measure in the international system of National Accounting and is a key component of Gross Domestic Product (GDP), with the difference between the two measures accounted for by taxes and subsidies (that is, GDP equals the sum of GVA across all sectors plus taxes on products minus subsidies on products).

We focus on GVA because it is the usual means by which the contribution to overall economic growth made by a sector – in this instance, civil society – is captured. Sectoral GVA is calculated as the difference between the value of a sector's output and the value of its intermediate inputs. For reference, the UK sum of sectoral GVAs totalled £2.5 trillion in 2024, while GDP totalled £2.8 trillion.

The estimates in this paper are based on the currently available data.

1. Non-profit organisations that earn more than 50% of their income through market activities (e.g. by delivering public contracts or selling tickets) sit within the corporate sectors of national accounts. There is no straightforward way to estimate their economic contribution without building a civil society satellite account.
2. DCMS Economic Estimates: Annual GVA – Technical and quality assurance report 2025, accessed April 2025, https://www.gov.uk/government/statistics/dcms-economic-estimates-gva-2023-provisional/dcms-economic-estimates-annual-gva-technical-and-quality-assurance-report
3. NCVO, UK Civil Society Almanac 2023, https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2023/impact/

In particular, data on the number of volunteer hours from Community Life Survey (CLS) was available only up to 2020-21 at the time of this report. Volunteering participation rates were available from the CLS up to 2023-24. In the absence of available evidence, we assume a partial recovery in hours of volunteering per volunteer since the pandemic and base our estimates of 2024 volunteer labour hours (and, hence, value) on this model.

New or revised data from the CLS in future may alter estimates of volunteering value and our adjusted GVA estimates of civil society.

Further discussion of definitions and data used in this paper are in Annex A.

Civil society: A force for social good and economic growth

Civil society and volunteering are widely recognised as important generators of social value, but rarely for their economic contribution.

Much of this is due the nature of what the sector does: maximises impact rather than profit, depends on voluntary contributions and acts outside the functions of market forces. Much like the public sector, prices do not serve the same role in allocating resources or measuring output value as they do in the private sector. But, unlike the public sector, there are no official methods that try to account for this when assessing the value of outputs (see the Atkinson Review).[4]

This paper updates previous work by Martin & Franklin to start building a more accurate and comprehensive estimate of civil society's contribution to the UK economy.[5]

The total contribution of civil society to GVA is almost double official estimates

Following international guidelines, official government statistics suggest that civil society produced £20.8bn of GVA in 2024.[6] However, this approach significantly underestimates civil society's economic contribution, primarily by excluding the value of volunteering (see Box 1).

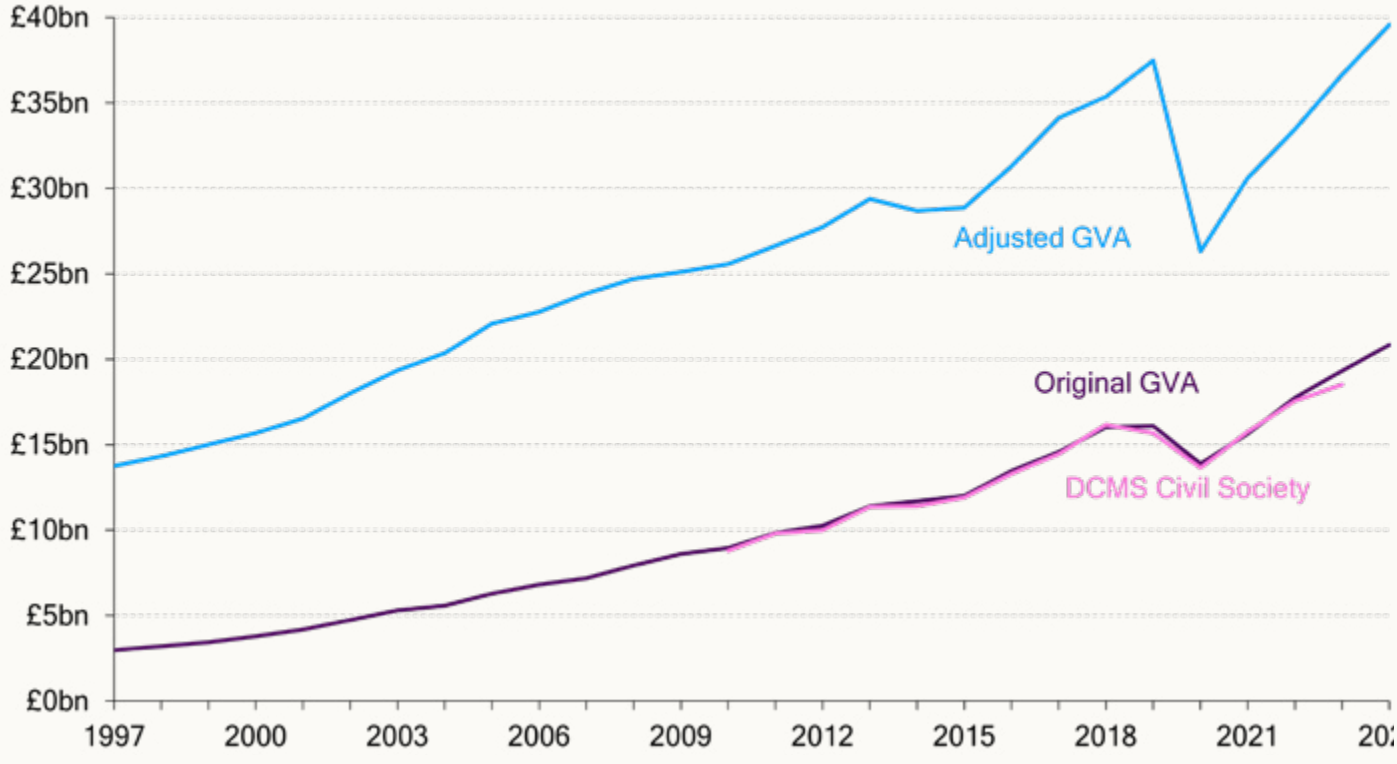
Our indicative estimates suggest civil society created nearly £40bn of GVA in 2024, almost double the official measure.

According to our adjusted estimate, civil society represents 1.5% of the whole economy adjusted GVA. This is roughly equivalent to the combined contribution of agriculture and car manufacturing to the UK economy.

4. Atkinson Review: Final report (2005), https://webarchive.nationalarchives.gov.uk/ukgwa/20160105160709/http:/www.ons.gov.uk/ons/guide-method/method-quality/specific/public-sector-methodology/articles/atkinson-review-final-report.pdf
5. Martin and Franklin, Fuller Measures of Output, Input and Productivity in the Non Profit Sector: A Proof of Concept for the United Kingdom, 2023, https://www.csls.ca/ipm/44/IPM_44_Martin_Franklin.pdf
6. Our indicative estimate for 2024 based on DCMS data. DCMS's latest published figure was £18 billion for 2022.

Figure 1: Our adjusted estimate of civil society's GVA is almost double the official government estimate.

Adjusted, original and DCMS estimates of civil society GVA, UK



Notes: 'DCMS civil society' is produced using DCMS' methodology,[7] 'Original GVA' uses PBE methodology without the conceptual adjustments set out in Box 1. 'Adjusted GVA' uses PBE methodology, including the conceptual adjustments.

7. DCMS Economic Estimates GVA 2023 (provisional), https://www.gov.uk/government/statistics/dcms-economic-estimates-gva-2023-provisional/dcms-economic-estimates-annual-gva-technical-and-quality-assurance-report

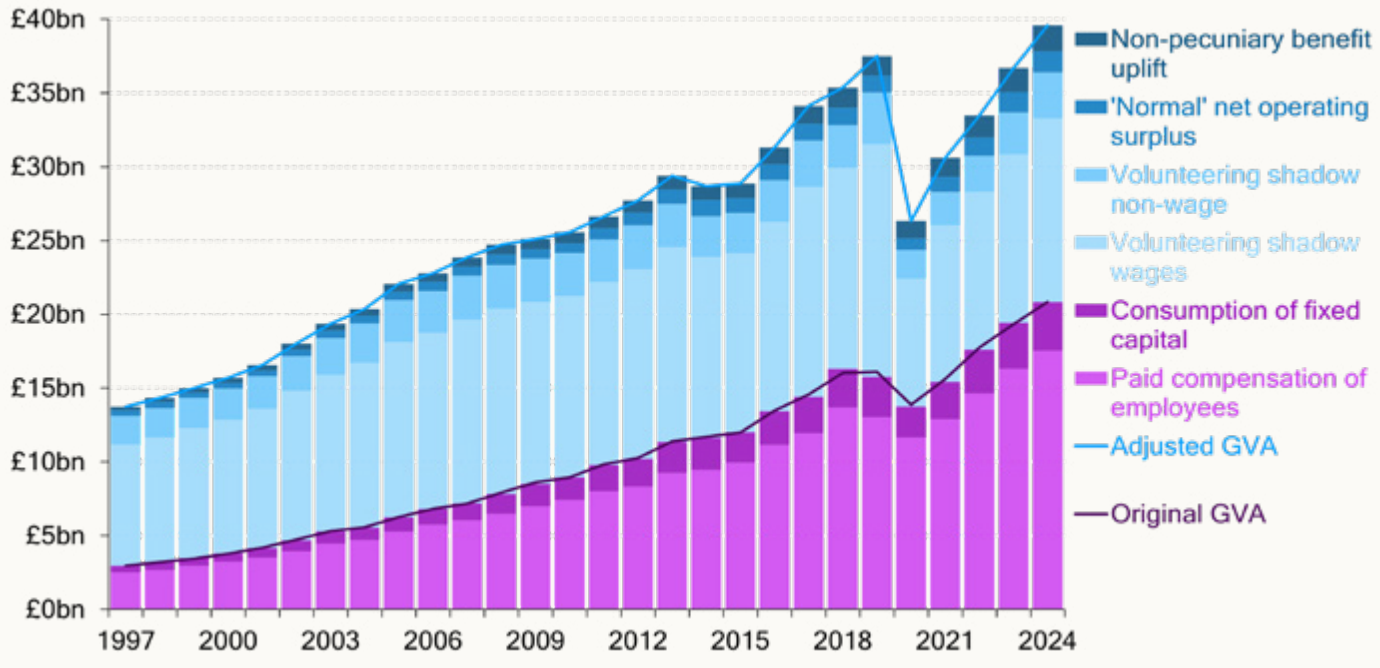
Volunteering is a major driver of civil society's economic value

Volunteers play a major role in civil society. Compared to official statistics, most of the additional value of civil society in our adjusted economic estimates derives from the value of volunteering.[8]

This includes a 'shadow' value for volunteer labour wages (i.e. the wage a volunteer would be expected to earn if they were paid for their volunteering work) and 'shadow' non-wage value, such as employers' pension contributions. We estimate that volunteers in civil society contributed £15.5bn of value in 2024.

Figure 2: Civil society's GVA is much higher when we include the value of volunteer labour.

Adjusted and original estimates of civil society GVA, by component, UK



Notes: 'Original GVA' uses PBE methodology without the conceptual adjustments set out in Box 1. 'Adjusted GVA' uses PBE methodology including the conceptual adjustments.

8. In this analysis, we only consider volunteering that happens within NPISH. We estimate that 58% of total formal volunteering, as measured in the Community Life Survey, occurs within NPISH. The remainder happens within the corporate or government sectors, or outside the national accounts boundary altogether.

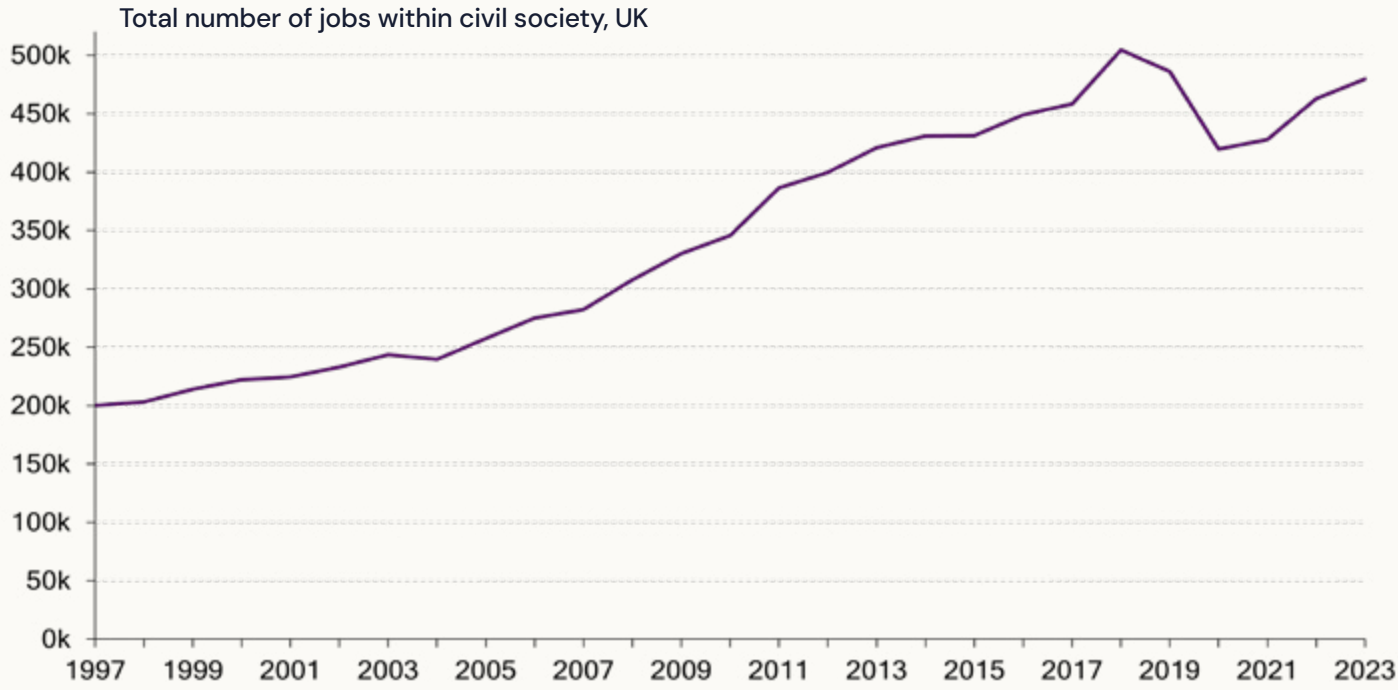
In reality, the full value of volunteering extends beyond shadow wage and non-wage value. For those out of work, volunteering can also help develop skills that support a return to paid work.[9] Workplace volunteering schemes generate net productivity gains, potentially worth billions to the UK economy,[10] through reduced days of sickness absence, improved employee skills and greater wellbeing.[11]

9. Jemal, A pro bono bonus: The impact of volunteering on wages and productivity (PBE, 2024), https://pbe.co.uk/ publications/a-pro-bono-bonus-the-impact-of-volunteering-on-wages-and-productivity/
10. Franklin et al., Triple dividend: How workplace volunteering can make us happier, healthier and more productive (PBE 2024), https://pbe.co.uk/publications/triple-dividend-how-workplace-volunteering-can-make-us-happier-healthier-and-more-productive/
11. Sykes, Employee volunteering makes good business sense (PBE, 2024), https://pbe.co.uk/insights/employee-volunteering-makes-good-business-sense/

Civil society represents 2.5% of total hours worked in the UK economy

The paid civil society workforce has now grown to around 500,000 people, according to PBE analysis. It has grown steadily, both in headcount and as a proportion of whole economy hours worked, for several years.[12]

Figure 3: Civil society's paid workforce has grown consistently over recent years.



Source: PBE analysis of ONS data on jobs by industry. See Annex A, Paid jobs, for methodology.

Civil society contributed 726mn total paid hours to the UK economy in 2024, and an additional 688mn unpaid (volunteer) hours.[13]

Overall, civil society represented 2.5% of the total share of (paid and unpaid) hours worked in the economy in 2024.

12. DCMS sector estimates of civil society's workforce, which include those working in non-profits outside NPISH, is double this – around a million people.
13. Participation rates, and average hours of volunteering per volunteer, are taken from the Community Life Survey, which applies solely to England. However, these are extrapolated to UK population totals.

Box 1: Conceptual adjustments to the measures of civil society's economic contribution

Official government statistics underestimate the economic contribution of civil society.

Official government statistics are calculated based on international guidance, which allows international comparisons of national accounts data to be made. This approach, however, omits elements of the economic contribution of civil society – most importantly, the value of unpaid work (volunteering). Government data also underestimates the value of civil society due to its non-profit structure.

Franklin & Martin (2023) make four conceptual adjustments to produce a more accurate set of economic estimates, by including:

volunteering shadow wages (the wage a volunteer would be expected to earn if they were paid for their volunteering work); and

volunteering shadow non-wage labour cost (the estimated non-wage costs of volunteer labour if it had been paid for, such as employer's pension and National Insurance contributions).

Non-pecuniary benefit uplift (the non-pecuniary value workers in the non-profit sector receive from working in that sector, which means wages may be lower than comparable jobs in for-profit organisations, even though their marginal productivity should be almost identical).

Normal net operating surplus (net operating surplus earned by non-profits will, by definition, be zero; we believe a low 'normal' rate of profit is still appropriate conceptually).

Annex A sets out further details.

This is only part of the picture: it misses non-profit organisations that sit outside NPISH

As well as conceptual limitations that prevent us from capturing the true value of civil society's contribution, measures of its economic value are limited by the difficulty of identifying non-profit organisations in national accounts data.[14]

In national accounts, civil society is split across industries and sectors.[15] In particular, while many non-profit organisations are allocated to NPISH, a non-profit that earns more than 50% of its income through market activity – such as selling tickets or delivering government contracts – falls into the corporations sector of national accounts.

This means that there is no identifiable 'civil society' sector within national accounts.

In this paper, we are limited to using NPISH data because there is no available cut of the official data that includes all non-profit organisations. Without extensive further work to identify civil society organisations outside of NPISH by building a civil society satellite account,[16] the full value of civil society in the UK remains unknown.

However, the experience of the 16 other countries that have created their own satellite accounts suggests the difference could be substantial - civil society and volunteering was found, on average, to make up around 4.5% of GDP.

14. Kenley, Taking account The case for establishing a UK social economy satellite account (PBE, 2021), https://civilsocietycommission.org/publication/taking-account-the-case-for-establishing-a-uk-social-economy-satellite-account/

15. Industries relate to what sorts of goods and services that an organisation produces, e.g. Manufacturing, Health & social work, or Wholesale and retail trade. Civil society organisations belong to a range of industries, depending on what they do. Sectors relate to the financial and ownership arrangements of an organisation, e.g. non-profit institutions serving households (NPISH), Non-financial corporations, or Government.

16. A feasibility study for a Civil Society Satellite Account (PBE and ESCoE, 2024), https://www.gov.uk/government/publications/a-feasibility-study-for-a-civil-society-satellite-account

Box 2: International comparisons

International comparisons suggest the economic contribution of civil society is much larger than official statistics indicate

A number of countries globally have undertaken a more systematic approach to measuring the economic scale and value of civil society and volunteering – by building a civil society and volunteering satellite account.[17] Those countries have generally found that civil society makes a much bigger economic contribution than standard national account measures, in some cases by a factor of five.

In the 16 countries that have undertaken more comprehensive measures, civil society and volunteering was found, on average, to make up around 4.5% of GDP, with measures varying between 1.6% and 8.1% of GDP.

These international comparison measures are not directly comparable to the estimates set out in this paper. They go further than we have by incorporating non-profit organisations that sit in the corporations sector in national accounts, as well as volunteering. This work is beyond the scope of this paper, although we have recommended that the government invests in producing comparable data in the future.[18] We would expect this more comprehensive approach to generate estimates bigger than ours. Nonetheless, it is informative that international comparisons support our central insight that current measures significantly underestimate the economic value of civil society.

17. Salamon et al., The state of global civil society and volunteering, (Johns Hopkins, 2013), https://ccss.jhu.edu/wp-content/uploads/downloads/2013/04/JHU_Global-Civil-Society-Volunteering_FINAL_3.2013.pdf
18. Kenley and Larkham A civil society satellite account: An essential step towards valuing the sector (PBE, 2024), https://pbe.co.uk/publications/a-civil-society-satellite-account-an-essential-step-towards-valuing-the-sector/

This still misses the manifold spillover benefits associated with civil society's activities

Even a comprehensive civil society satellite account, which captured civil society organisations outside NPISH, would fail to capture the wider social and economic value generated by non-profit organisations.

Civil society creates positive economic spillovers, from improving educational outcomes to providing skills training, improving people's health or creating social capital that allows businesses and government to function more effectively.[19]

The current scale and quality of the data available does not allow us to estimate, reliably, the overall return to investment for non-profits' programmes, but previous evaluations we have undertaken with hundreds of civil society organisations suggest that fiscal and economic returns of 2:1 is a reasonable, if conservative, estimate.

Understanding the spillover benefits of civil society's activities – case studies from previous PBE analyses

Case study 1: Supporting disadvantaged children with school breakfast clubs

School breakfast clubs, targeted at schools with a high proportion of disadvantaged children, are designed to drive up academic performance by improving children's energy, concentration, behaviour and overall readiness to learn.

We analysed the economic value of school breakfast clubs run by the charity Magic Breakfast.[20] We looked at long-term economic benefits, examining how academic impacts translate into reduced costs incurred for special educational needs, truancy and exclusions, as well as improvements in earnings from employment.

Our analysis suggests that this programme generates large economic and fiscal returns to investment. Over a participant's lifetime, our analysis suggests the programme returns £50 of value for each £1 spent.

19. Williams, Third pillar, not gap filler: Reimagining the role of civil society (PBE, 2021), https://civilsocietycommission.org/wp-content/uploads/2021/06/Third-pillar-not-gap-filler-1.pdf
20. Franklin et al., The economic cost-effectiveness of the Magic Breakfast model of school breakfast provision (PBE, 2021), https://pbe.co.uk/publications/the-magic-breakfast-model-of-school-breakfast-provision/

Case study 2: Supporting new mothers with their mental health

Research suggests that up to half of women with postnatal depression are not recognised as depressed by their primary health care team, with women from minority ethnic backgrounds more likely to be missed. If they are referred, waiting lists for talking therapy are long. As a result, many new and expectant mothers do not receive the support they need for mental health problems.

We analysed the value of counselling from the charity MumsAid,[21] reaching new and expectant mothers who might otherwise not receive the assistance they need.

We found that, even taking a very conservative estimate of the benefits of this change in mothers' mental health, the economic value of this improved quality of life is over £10,000 per mother supported.

Case study 3: The economic value of Football Beyond Borders

The UK is facing a crisis in children's wellbeing; an international survey from the OECD ranked the wellbeing of the UK's children 71st out of 74 participating countries. Having a relationship with a trusted adult, who can listen without judgement and support a young person in a positive way, has been shown to be one possible solution.

We analysed the economic impact of an intervention from Football Beyond Borders (FBB) to provide a trusted adult for young people who may not otherwise have one.[22] The intervention provides support within secondary schools, particularly targeted towards those at risk of exclusion, such as those with poor behaviour records, who have suffered adverse childhood experiences or who have special educational needs. The programme uses sport to build trust, combining this with one-to-one mentoring and group work to help develop children's socio-emotional awareness.

Based on the short-term wellbeing impacts alone, we estimate the FBB programme delivers £2.20 of benefits for every £1 spent. Including plausible impacts on academic outcomes highlights that the return could be closer to £4 of benefits per £1 spent. In addition, some estimates for the economic costs of permanent exclusion are so high that FBB would only need to prevent seven young people out of a total cohort of 2,401 participants per year from being excluded for the benefits of the programme to outweigh its costs.

Case study 4: How workplace volunteering can make us happier, healthier and

21. Hughson, Pregnant then blue? The value of MumsAid counselling for new and expectant mothers (PBE, 2024), https://pbe.co.uk/publications/pregnant-then-blue-the-value-of-mumsaid-counselling-for-new-and-expectant-mothers/

22. Franklin, Investing in trusted relationships: The economic value of Football Beyond Borders' impact on children's wellbeing (PBE, 2024), https://pbe.co.uk/publications/investing-in-trusted-relationships-the-economic-value-of-football-beyond-borders-impact-on-childrens-wellbeing/

more productive

The number of lost working days due to sickness absence has risen dramatically since the pandemic and this has significant costs for employers. The total cost of sickness absence to UK employers was around £24bn in 2022.

Workplace volunteering – where employers use policies and processes to support their employees to participate in volunteering during work time – can help by boosting employees' wellbeing and supporting higher productivity for employers.

We analysed the impact of workplace volunteering schemes,[23] such as those run by Pilotlight. We found that ensuring all employees have access to volunteering opportunities could save between 1.4mn and 2.5mn working days of sickness absence. Beyond this, workplace volunteering has been shown as likely to drive up productivity through better health and improved skills, as employees learn from the experience. Even after deducting the costs of lost time and administration for volunteering schemes, these benefits could amount to net productivity gains of between £1.6bn and £2.8bn to the UK economy.

From the employers' perspective, workplace volunteering schemes could deliver between £1.50 and £3.60 of benefits for every £1 spent.

23. Franklin et al., Triple dividend: How workplace volunteering can make us happier, healthier and more productive (PBE, 2024) https://pbe.co.uk/publications/triple-dividend-how-workplace-volunteering-can-make-us-happier-healthier-and-more-productive/

A full analysis of the economic impact of civil society would also consider its impact on labour supply

The UK now has 2.5mn people who are out of the labour market due to long-term sickness, and the number of people who are economically inactive – unemployed and neither seeking nor able to start work imminently – has risen by 500,000 since the start of the pandemi

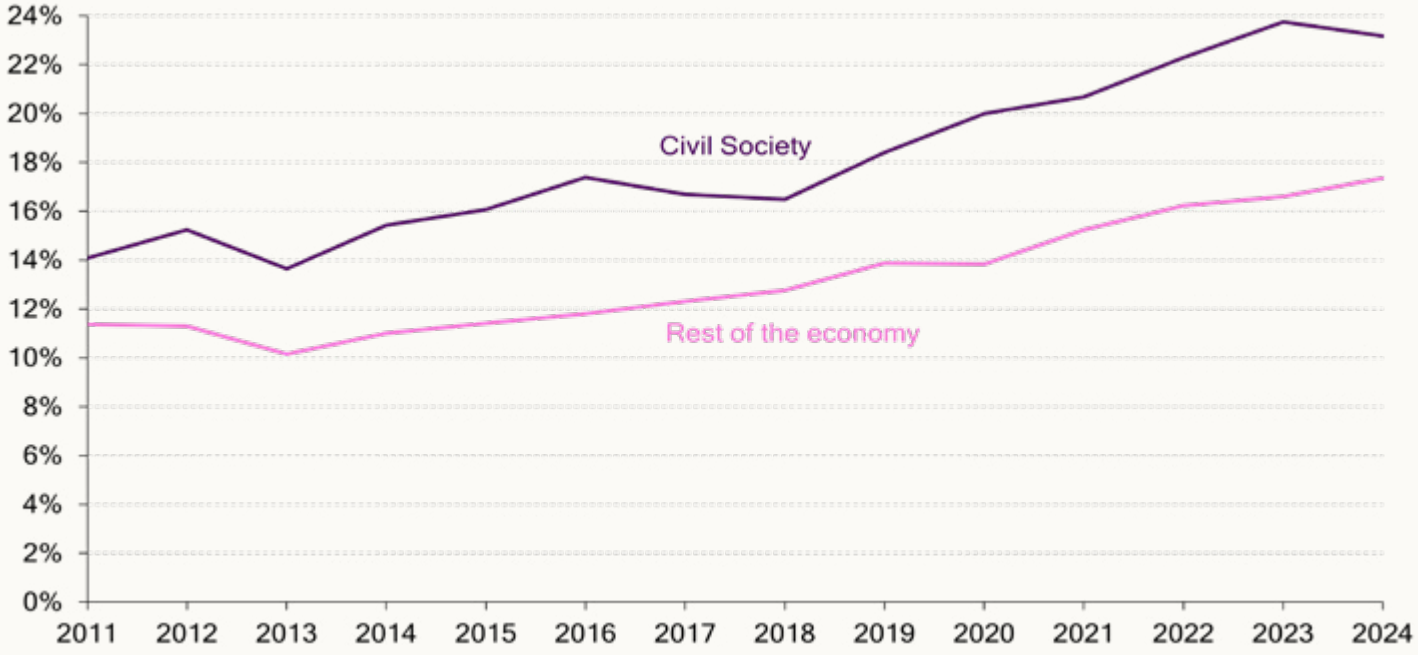
Many civil society organisations provide specialist employment support, particularly to groups furthest from the labour market. There are around 1,700 charities in the UK focused primarily on employment and training. The Prisoners' Education Trust, for example, helps incarcerated people into work by supporting their enrolment in distance learning courses before they are released from prison. On average, they increase a person's chance of finding work by 26%.[24] Many charities specialise in serving particular groups, which enables a tailoring of support that the state finds difficult. For example, the Refugee Council has established the Building Bridges partnership with the NHS to help refugee health professionals requalify in the UK.

In addition, civil society has proved itself better than the rest of the economy, on average, at employing groups who are otherwise more likely to be inactive. For example, almost one in four (23.2%) civil society sector employees has a disability, which is much higher than throughout the rest of the economy (17.2%).

24. Prisoners, Education Trust, https://prisonerseducation.org.uk/what-we-do/ accessed April 2025.

Figure 4: A larger proportion of jobs in civil society are filled by people with a disability than in the rest of the economy.

Percentage of jobs filled by a person with a disability, civil society versus the rest of the economy, UK



Notes: This is based on DCMS' analysis of the Labour Force Survey. This is a different source to the civil society total jobs estimates referred to elsewhere in this paper. See annex for details.

Source: PBE analysis of DCMS, DCMS Sector Economic Estimates: Employment

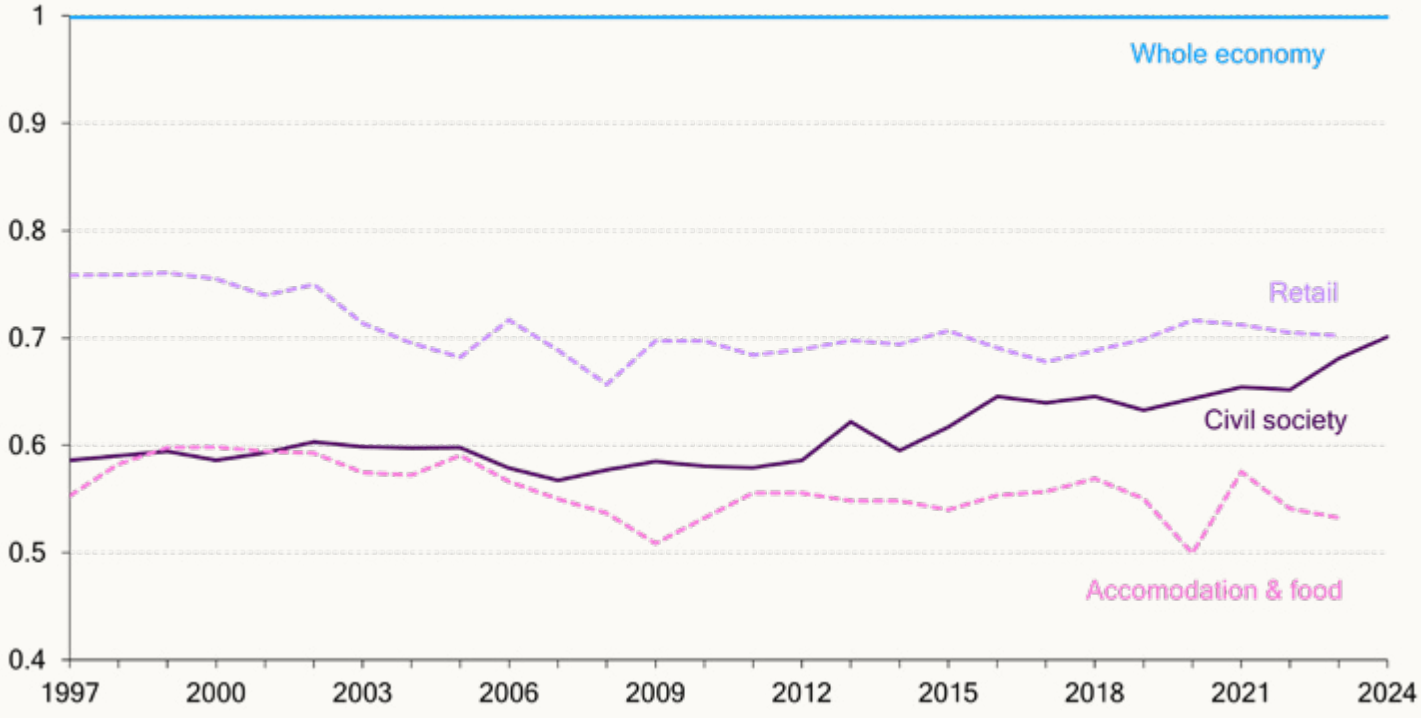
Underestimating the economic contribution of civil society means the government also underestimates the economic benefits of supporting the sector

While civil society's economic contribution is underestimated, we believe there is also the potential for it to be even greater.

Focusing on productivity, our analysis suggests that labour productivity in civil society sits below the economy-wide average. As Figure 5 shows, we estimate that output per hour worked in civil society is around 30% lower than average for the economy overall.

Figure 5: Civil society's labour productivity (output per hour worked) is lower than the whole economy level, but similar to comparable industries.

Level of labour productivity (output per hour worked) relative to whole economy level: civil society, retail and accommodation and food sectors, UK



Notes: Productivity is calculated as adjusted GVA per hour worked. See Annex A, Productivity.

In part, this is due to its structure: civil society organisations tend to be a labour-intensive sector (to prioritise need, serving the hardest to help). Civil society's productivity is comparable to other similar – in terms of low pay and being labour intensive - industries, such as retail. In addition, this measure does not include the significant positive externalities generated by civil society.

Nonetheless, more could be done to boost productivity[25] in civil society. For example, the 2024 Charity Digital Skills Report found that 68% of charities are struggling to progress digitally due to their finances, headspace and capacity. Meanwhile, charities spend just 0.5% of their annual income on leadership development and are three times less likely than private sector counterparts to invest in these critical skills.[26]

In addition, structural barriers may prevent civil society organisations from being as effective as possible. Many are capacity constrained and are working with limited resources (time, budget, staff and volunteers). This can make it difficult to look beyond day-to-day activity, invest time/money in training or take a more strategic approach to planning. Organisations may also find themselves forced to focus on short-term delivery rather than long-term objectives, either due to pressing needs from clients, or because funding is limited to specific, time-bound projects. Moreover, the competitive nature of a tight funding environment can hinder collaboration and evidence sharing. Instead of being able to work together to achieve shared goals, organisations with shared aims find themselves competing for resources and closely guarding any competitive advantage they might hold.

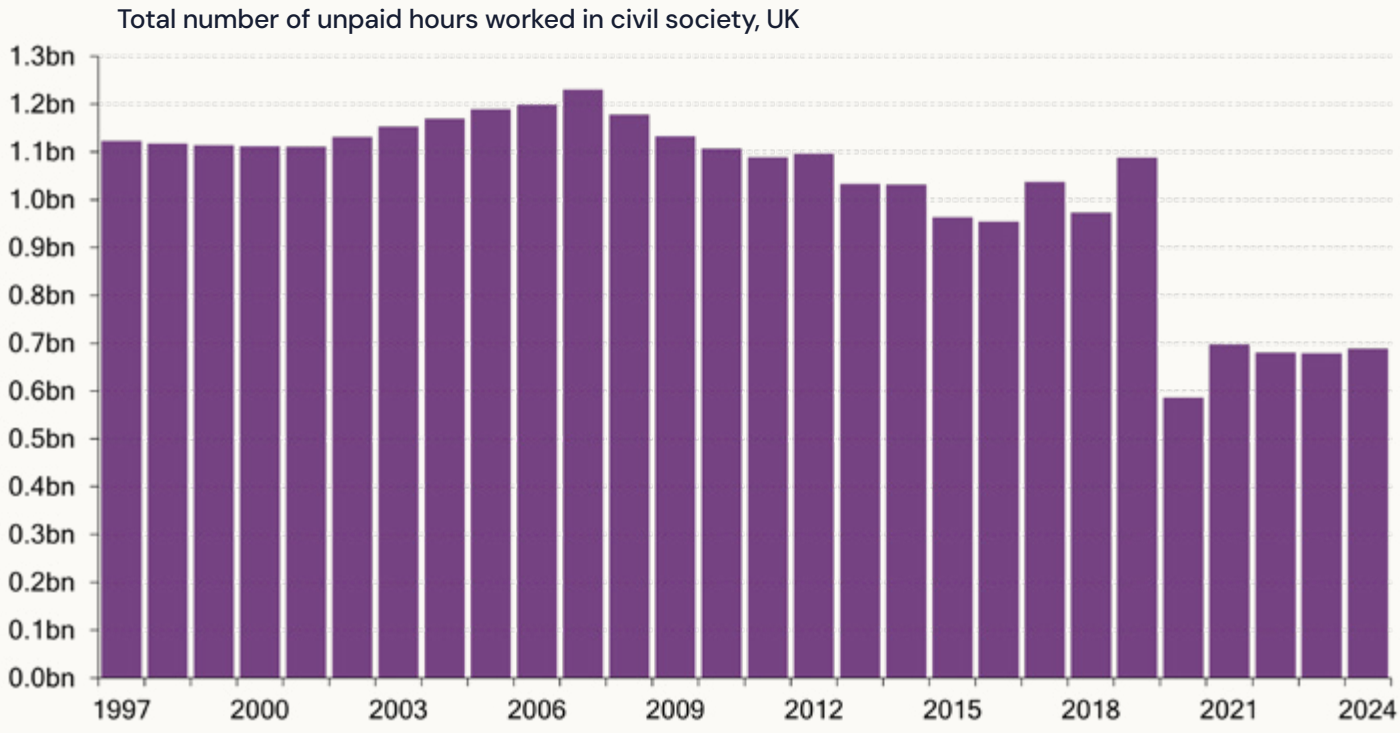
Finally, contributing to all of this, many organisations are having to maintain delivery with a shrinking pool of volunteers.

25. See for example, Larkham, Productivity of purpose: Bringing charities into the UK's productivity drive (PBE, 2023), https://civilsocietycommission.org/publication/productivity-of-purpose-charities/
26. Analysis of Employer Skills Survey 2019 from J Larkham, Productivity of purpose: Bringing charities into the UK's productivity drive (PBE, 2023)

Declining volunteering rates are preventing civil society from achieving even more

Volunteer numbers have declined significantly over the past decade. We estimate that total volunteering hours in civil society have fallen by around 400m hours per year, compared to pre-pandemic levels in 2019, a fall of 37% (see Annex A, Volunteering, for a discussion of our estimation method).

Figure 6: Volunteer working hours in civil society have declined over the long term with a significant post-pandemic drop.

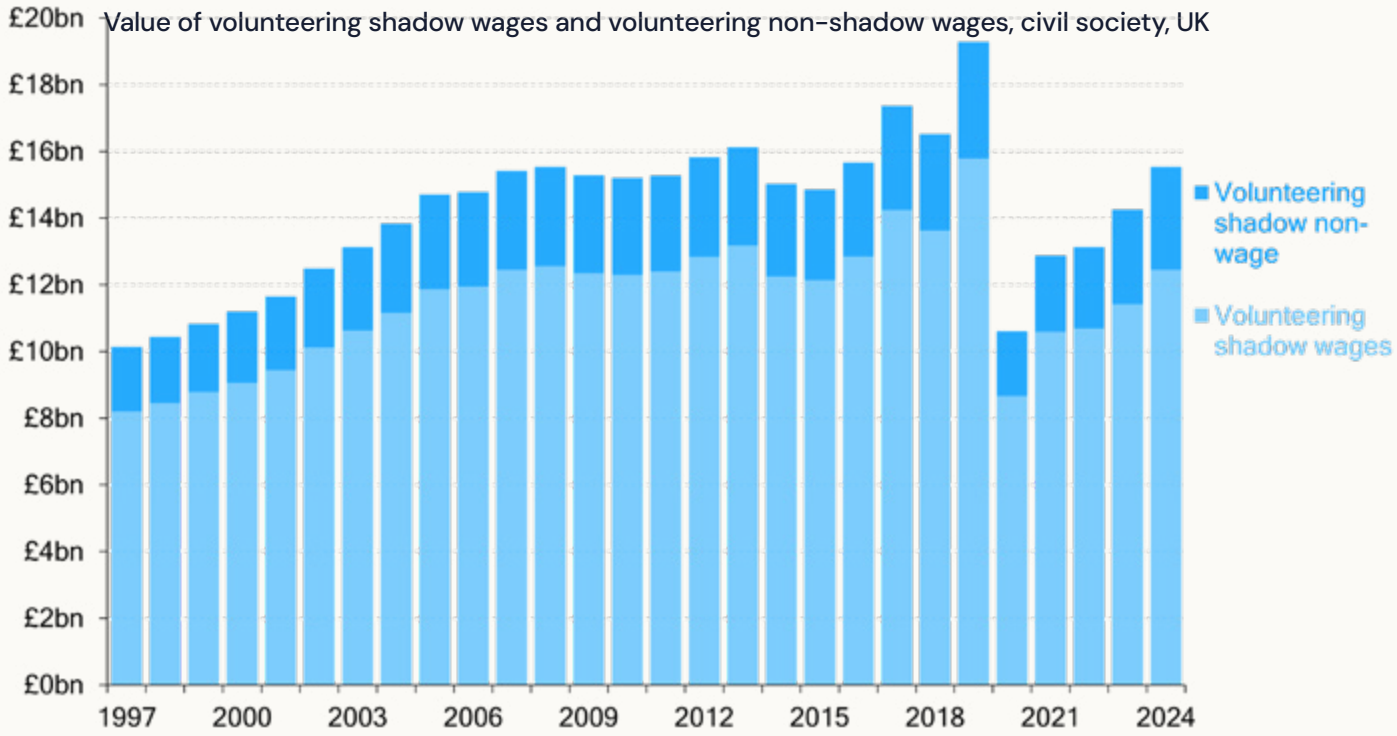


Source: PBE analysis of Community Life Survey data and other sources. See Annex A, Volunteering, for methodology.

This has reduced the economic value of volunteering in civil society to £15.5bn in 2024, down from £19.2bn in 2019, as shown in Figure 7.

As a thought exercise, it is worth considering what value the UK economy has 'missed out' on because of declining volunteering. If participation and average hours of formal volunteering had remained at 2018-19 average levels from 2020 to 2024, this would have generated a cumulative £38.5bn of additional GVA (of which £8.8bn in 2024) and 1.94bn hours of labour (of which 392mn in 2024).

Figure 7: The economic value of volunteering declined significantly during the pandemic and remains below pre-pandemic levels.

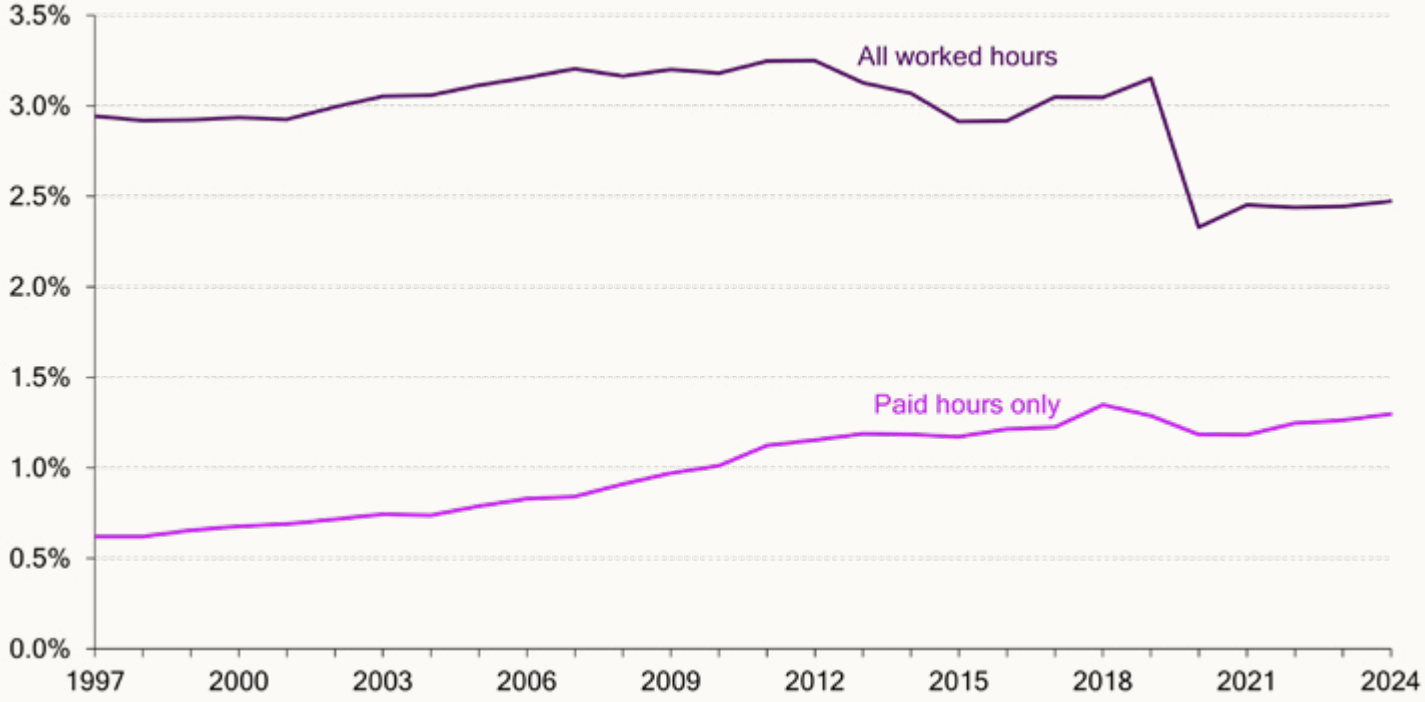


Notes: PBE analysis of data from the Community Life Survey and other sources. See Annex A, Volunteering.

The decline in volunteering has also driven civil society's declining share of the whole economy GVA: from 1.8% in 2019 to 1.5% in 2024 (see Annex B). In addition, while civil society represented 2.5% of the total share of (paid and unpaid) hours worked in the economy in 2024, this has declined from a share of 3.2% in 2019 due to falling volunteer numbers. Civil society's paid workforce has continued to represent 1.3% of total economy hours worked over the same period.

Figure 8: Civil society's paid workforce accounts for a growing proportion of total hours worked in the economy, but, including volunteer hours, a lower proportion than it did before the pandemic.

Civil society share of all hours worked in the economy, paid hours only and all worked hours, UK



Source: PBE analysis of ONS data on hours by industry. See Annex A, Hours worked for methodology.

Box 3. Volunteering

What is counted when we measure 'volunteering' and is it falling across the UK?

Estimates in this paper use a measure of regular, formal (i.e. through an organisation) volunteering in England, as captured in DCMS' annual Community Life Survey (CLS).[27] The CLS is an annual, online, self-completion questionnaire.

During the pandemic, many organisations had to pause regular, face-to-face activities that involved volunteers. This explains the sharp dip in volunteer numbers during lockdown.

Over the same period, people did more to help friends or neighbours – indicated by a slight uptick seen in CLS data on informal volunteering[28] in 2020/21. However, participation in informal volunteering has also been in decline since.

Data within the CLS does not clarify why volunteering rates have failed to return to 2019/20 levels. Adults who had not volunteered at least once a month were asked for their reasons why. The top three responses were:

"I have work commitments" – 51% in 2023/24 and 53% in 2019/20

"I do other things with my spare time" – 33% in 2023/24 and 37% in 2019/20

"I have to look after children" – 22% in 2023/24 and 26% in 2019/20

In this paper, we have focused on volunteering in England, because CLS data only covers this

27. Community Life Survey (last updated 2024), https://www.gov.uk/government/collections/community-life-survey--2

28. Community Life Survey 2023/34: Volunteering and charitable giving, 2024, https://www.gov.uk/government/statistics/community-life-survey-202324-annual-publication/community-life-survey-202324-volunteering-and-charitable-giving#informal-volunteering

nation. However, further work could be done to incorporate formal volunteering rates in the other nations, where research suggests mixed trends.

In Wales, the Volunteering (National Survey for Wales)[29] reports that 30% of people were volunteering in 2022/23, up from 26% in 2019/20.

In Scotland, Volunteer Scotland's research[30] reports a decrease from 26% adults in 2018 to 22% in 2022.

In Northern Ireland, research for the Department for Communities[31] reports stable participation rates of 27% in 2017/18, 28% in 2019/20 and 28% in 2023/24.

29. Volunteering (National Survey for Wales): April 2022 to March 2023, 2023, https://www.gov.wales/volunteering-national-survey-wales-april-2022-march-2023-html#135180
Maltman et al., Who contributes the most to volunteering in Scotland?, 2021
30. Maltman et al., Who contributes the most to volunteering in Scotland?, 2021 https://www.volunteerscotland.net/research-evaluation/research-publications/who-contributes-the-most-to-scottish-volunteering
31. Department for Communities, Experience of volunteering by adults in Northern Ireland 2023/24, 2024, https://www.communities-ni.gov.uk/publications/experience-volunteering-adults-northern-ireland-202324

Conclusion: undervalued and … under-delivering?

Current government measures significantly underestimate the economic value of civil society, particularly by failing to account for volunteering.

In this paper, we have provided updated estimates. These suggest civil society created nearly £40bn of economic value in 2024, equivalent to the combined contribution of the UK agriculture and car manufacturing sectors.

Yet, even this, a nearly two-fold increase on the official measure, is likely to be a significant underestimate of the true total economic value of civil society. We are limited to using data about non-profit organisations allocated to NPISH in national accounts, but this misses the many non-profits that generate most of their income through market activities. Developing a UK civil society and volunteering satellite account would address this and provide a much more accurate set of statistics about the economic activity in the sector. The experience of other countries suggests this would generate a value that is significantly higher than our estimates here.

Moreover, we have not attempted to capture wider spillover value generated by many non-profit organisations' activities. These range from growing workforce participation and skills, to reducing pressure on the NHS. Our work with hundreds of charities suggests these benefits could easily cost double that of the cost of running programmes.

Yet, with the right support, civil society's economic contribution could be even greater. Helping the sector to be more productive, with a focus on long-term sustainability, could be transformative. Doing more to reverse the decline in volunteering would not only generate social benefits, but also substantial economic benefits, potentially creating billions of pounds of additional value.

Acknowledging the true extent of civil society's economic value is an important first step on this journey. Strengthening civil society is a powerful way for the government to deliver on its missions and support a growing economy. It is an opportunity too good to miss.

Annex A – Methodology

The output and productivity of the non-profit sector in this report have been calculated using the methods developed in Martin and Franklin (2023),[32] updated with the latest data as of spring 2025. This Annex provides a summary of the sources, methods and concepts. For more details, please see that paper, particularly the data appendix.

Definitions

In this report, civil society is proxied by the non-profit institutions serving households (NPISH) institutional sector of the National Accounts. This is a subset and an underestimate of the true non-profit sector, which is currently hard to measure using official data. Charities and non-profit organisations that generate more than half of their income from market activities (i.e. the selling of goods and services at market prices) are classified in the market sectors of the National Accounts, following international guidance, which makes them hard to separate from for-profit businesses.

The NPISH sector in the UK also includes most UK universities, which are not traditionally considered in the scope of civil society or the non-profit sector. Universities account for a large part of NPISH as measured, but cannot be precisely removed from official published data. We, therefore, use a measure of NPISH excluding the Education industry as a way of excluding universities, which leaves a set of activity that more closely resembles civil society organisations. The economic estimates of DCMS sectors[33] use data provided by ONS on the 'the non-market charities element of NPISH', which aligns extremely closely with our 'NPISH excluding Education' measure.

Gross Value Added (GVA

Gross Value Added (GVA) is total output minus intermediate consumption. Total output in the market sector is closely related to turnover or sales, but, for the non-market sector, it is measured primarily by the costs of production. The production costs in the non-market sector include the compensation of employees (payments to labour), intermediate consumption (current expenditure on goods and services) and consumption of fixed capital (depreciation of capital assets). Once intermediate consumption is deducted, GVA is, thus, equal to the compensation of employees plus consumption of fixed capital.

Gross Domestic Product (GDP) is GVA plus taxes less subsidies on products. The main tax on products in the UK is Value Added Tax (VAT), but other taxes and duties on products also apply.

32. Martin and Franklin, Fuller Measures of Output, Input and Productivity in the Non Profit Sector: A Proof of Concept for the United Kingdom, 2023 https://www.csls.ca/ipm/44/IPM_44_Martin_Franklin.pdf
33. DCMS Economic Estimates: Annual GVA – Technical and quality assurance report 2025, accessed April 2025, https://www.gov.uk/government/statistics/dcms-economic-estimates-gva-2023-provisional/dcms-economic-estimates-annual-gva-technical-and-quality-assurance-report

Since the value of taxes on products far exceeds subsidies on products, the value of UK GDP is around 11% higher than the value of total UK GVA. The value of net taxes on products is not attributed to any industry or sector, since it is not generated by the production activities of any industry or sector – rather, it is levied on top by government, and paid by consumers. As such, it is more conceptually appropriate to think of the contribution of each industry and sector to the economy as its share of whole economy GVA. If each industry's share of GDP was added up it would total less than 100%.

We estimate GVA of the NPISH sector using industry GVA data[34] (consistent with the 2024 Q4 Quarterly National Accounts). For each industry, we take the proportion of its GVA at current prices identified in the NPISH GVA proportions published by ONS.[35] For each industry, we divide the estimated NPISH GVA between the compensation of employees and the consumption of fixed capital using industry-level data from the Supply and Use Tables.

We make a range of conceptual adjustments to NPISH output – see Martin and Franklin (2023) for more extensive discussion. These include:

1) adding the value of volunteering – since standard estimates of output of the NPISH sector are based on cost, and volunteers are unpaid, no value is added for volunteer time. We add the value of volunteering to reflect their contribution, based on the estimated number of hours of volunteering in the NPISH sector, and an imputed total labour cost per hour (shadow hourly wage and shadow non-wage labour costs);

2) imputing a rate of return on capital – following international guidance, National Accounts data does not include a rate of return on capital in the non-market sectors (NPISH and government). This undervalues capital input, which still faces financing costs and opportunity costs, even in the absence of profit making, We impute a 'normal' (low) rate of return on capital in addition to the value of depreciation; and

3) accounting for the under-valuation of labour by wages in the sector – since standard estimates of output of the NPISH sector are based on cost, the value of paid labour is based on what they are paid. There is evidence that workers in some industries and sectors, including civil society, accept wages below the market rate, since they are motivated by the non-pecuniary benefits of the work, and because the organisations are resource-constrained. We increase the estimated value of the labour services to account for this under-valuation of labour by paid wages.

When calculating the NPISH share of whole economy GVA, we adjust whole economy GVA by the same amount for consistency.

34. GDP output approach – low-level aggregates, 2025, https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/ukgdpolowlevelaggregates

35. Market sector and non-profit institutions serving households (NPISH) GVA proportions. Consistent with the 2024 Annual National Accounts and Supply and Use tables, 2025, https://www.ons.gov.uk/economy/grossvalueaddedgva/adhocs/2705

Volunteering

Estimates of the value of volunteering are based on the method used in the ONS Household Satellite Account,[36] which relies on data on formal regular volunteering from the Community Life Survey[37] to estimate the number of hours of volunteering in the UK per year. Each hour of volunteering is multiplied by a 'shadow wage', which is the wage a volunteer would be expected to earn if they were paid for their volunteering work, on average. There is limited data on the types of work done by volunteers, so the estimated shadow wage is based on a relatively simple method. Following the method used in the ONS Household Satellite Account, we take a simple average of the median hourly wage (excluding overtime) of the following occupation groups using data from the Annual Survey of Hours and Earnings:[38] 'professional occupations', 'administrative and secretarial occupations' and 'caring, leisure and other service occupations'. We bridge across various changes in the Standard Occupational Classification to produce a consistent time series of shadow wages.

We estimate the hours of formal regular volunteering using data on volunteering participation from the Community Life Survey (for England), applied to UK population totals by age group. This gives estimates of the number of people in the UK participating in regular formal volunteering by age group. We then multiply by the average hours of volunteering per volunteer by age group. This gives an estimate of the total hours of regular formal volunteering in the UK. We then multiply these estimated hours by the shadow hourly wage, described above, to give an estimate of the total value of regular, formal volunteering in the UK.

We benchmark these estimates to ONS estimates of the value of volunteering from the Household Satellite Account from 2005 to 2016 and use our series to extrapolate before and after this period.

The Community Life Survey transitioned from a face-to-face survey (up to 2015-16) to an online and telephone survey (from 2013-14), with a three-year overlap. The change in survey mode led to a sharp fall in estimated volunteering participation, which would imply a sharp fall in the value of volunteering. More recent publications of the ONS Household Satellite Account have not corrected for this methodological break, leading the estimates of the value of volunteering to be much lower from 2017 onwards than up to 2016. We use the transition period to adjust for the mode change, creating a continuous series of participation rates. As such, we do not benchmark to the ONS Household Satellite Account estimate for 2017 onwards, but instead extrapolate from the value in 2016.

At the time of this report, estimates from the CLS of the number of hours of volunteering

36. Household satellite account, UK, 2024, https://www.ons.gov.uk/economy/nationalaccounts/satelliteaccounts/datasets/householdsatelliteaccountfullukaccounts2005to2014
37. Community Life Survey, 2024, https://www.gov.uk/government/collections/community-life-survey--2
38. Employee earnings in the UK: 2024, 2024, https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2024

per volunteer for years since the pandemic were only available up to 2020-21. Volunteering participation rates were available from the CLS up to 2023-24, and show no recovery to pre-pandemic levels of volunteering participation in England. (Other data on volunteering participation for England and data for Wales, Scotland and Northern Ireland, show a mixed picture.) In the absence of available evidence, we assume a partial recovery in hours of volunteering per volunteer since the pandemic. Specifically, we take the average of the 2019-20 (pre-pandemic) and 2020-21 (pandemic) estimates of average hours of volunteering per volunteer by age group to be the level of average hours from 2021 to 2024. Taken together, lower volunteering participation and only a partial recovery in average hours of volunteering per volunteer, means that our estimate of total volunteering hours is still considerably lower than it was pre-pandemic.

Not all volunteering is carried out for organisations within the National Accounts boundary, nor for organisations in NPISH. For instance, some volunteers are with the NHS (government sector) or with local neighbourhood groups (not in the National Accounts production boundary). Martin and Franklin (2023) estimate the fraction of regular formal volunteering for organisations in the NPISH sector, based on a DCMS ad-hoc publication of CLS data, where people have reported the 'type of organisation' for which they have volunteered. They judged the extent to which each type of group was in scope of the National Accounts, and in scope of NPISH, and based on this, what fraction of total volunteering was in scope of NPISH. On this basis, they estimated that 58% of total regular, formal volunteering time in the UK is for organisations in the NPISH sector, and 54% once Education is excluded.

Deflators

To adjust for inflation, we calculate implied GVA deflators for each relevant industry and use these to deflate the NPISH GVA estimate at current prices – this assumes common price trends across the NPISH and non-NPISH components of relevant industries.

The conceptual adjustments described above add output to NPISH, which we deflate using appropriate output deflators,[39] and combine with the GVA estimates to produce adjusted GVA measures. There is considerable uncertainty about the appropriateness of various deflators that we use, so the estimates of growth in real terms should be interpreted cautiously. We have made choices that likely do not over-inflate estimates of real growth. See Martin and Franklin (2023) for a fuller discussion of deflator choices.

Hours worked

Estimates of paid hours worked in the NPISH sector use the same NPISH GVA proportions as described previously, applied to ONS data on hours worked by industry.[40] By assuming the

39. Industry deflators, https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/industrydeflators
40. Output per hour worked by division, UK, https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/

same level of labour productivity (GVA per hour worked) in the NPISH and non-NPISH parts of relevant industries, we can estimate NPISH hours worked in each industry using the same GVA proportions.

Estimates of unpaid hours worked follow from the estimates of the value of volunteering described above. Unlike for the value of volunteering, we do not have a benchmark from the ONS Household Satellite Account or any other source. However, our estimates align closely with point estimates from various independent analyses (see Martin and Franklin (2023)).

Paid jobs

Estimates of paid jobs in the NPISH sector used in this report follow the same method as for paid hours worked. We apply the NPISH GVA proportions, as described previously, to ONS data on jobs by industry.[41] By assuming the same level of labour productivity (GVA per paid job) in the NPISH and non-NPISH parts of relevant industries, we can estimate NPISH paid jobs in each relevant industry, which are then combined to give an estimate of total paid jobs in the NPISH sector.

The estimate of civil society jobs published by DCMS relies on the self-reported 'type of organisation' that respondents work for, using data from the Labour Force Survey (LFS). Respondents to the LFS who say they work are asked first whether they work for 'a private firm or business or a limited company' or 'some other kind of organisation'. Those responding with the second option are then asked what type of non-private organisation they work for, one of the options for which is 'a charity, voluntary organisation or trust'. All those giving this option are included in the DCMS estimates. This will likely cover workers of civil society organisations outside the NPISH sector, but the exact coverage and data quality is unclear as this is self-reported. Other response options relate to central and local government, health authorities and NHS trusts, and universities and other grant-funded educational establishments, so workers for these types of organisations are presumably not included. For more discussion of this data, see Annex A of 'A Feasibility Study and Preliminary Framework for a Civil Society Satellite Account' (report by Pro Bono Economics and Economic Statistics Centre of Excellence report for the Department for Culture, Media & Sport).

Productivity

We present estimates of labour productivity, calculated as adjusted GVA per hour worked (both paid and unpaid hours). For estimates of productivity growth, we use GVA in real terms (adjusted for inflation). For estimates of the level of productivity (e.g. relative to the economy as a whole), we use GVA in nominal terms (or current prices).

labourproductivity/datasets/outputperhourworkedbydivisionuk

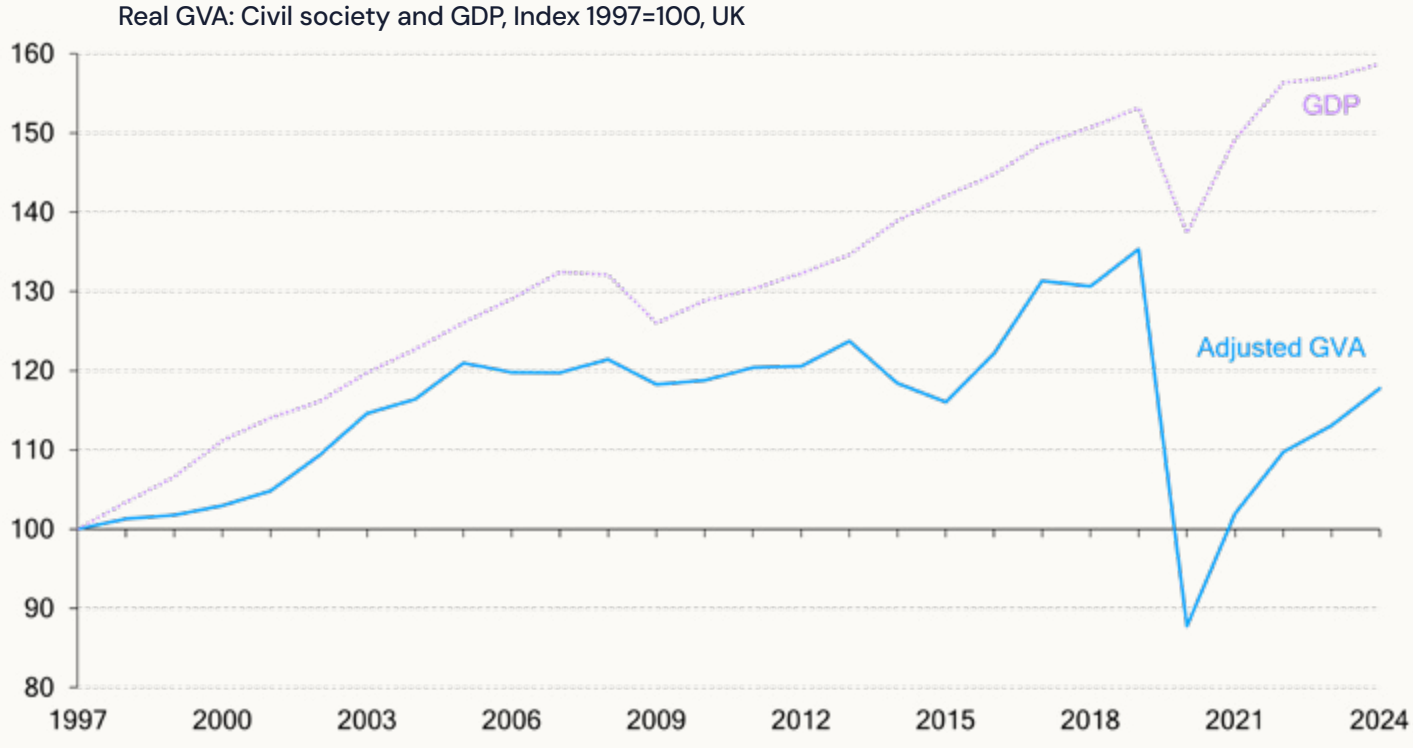
41. Ibid.

Annex B: Growth in civil society's Gross Value Added (GVA)

Real terms growth in civil society has been sporadic and considerably lower than the rest of the economy over recent years. Our central estimate of adjusted GVA figures suggests 18% real terms growth since 1997, compared to an overall economy growth of 59%.

However, there is considerable uncertainty around real terms GVA growth. Our central civil society GVA growth estimate sits within a range of possible estimates depending on which deflator is adopted (see Annex A). As such, real terms growth estimates should be treated with caution, although we have made choices that likely do not over-inflate estimates of real growth.

Figure 9: Civil society GVA has shown real terms growth since 1997, albeit sporadically and at a relatively low rate.

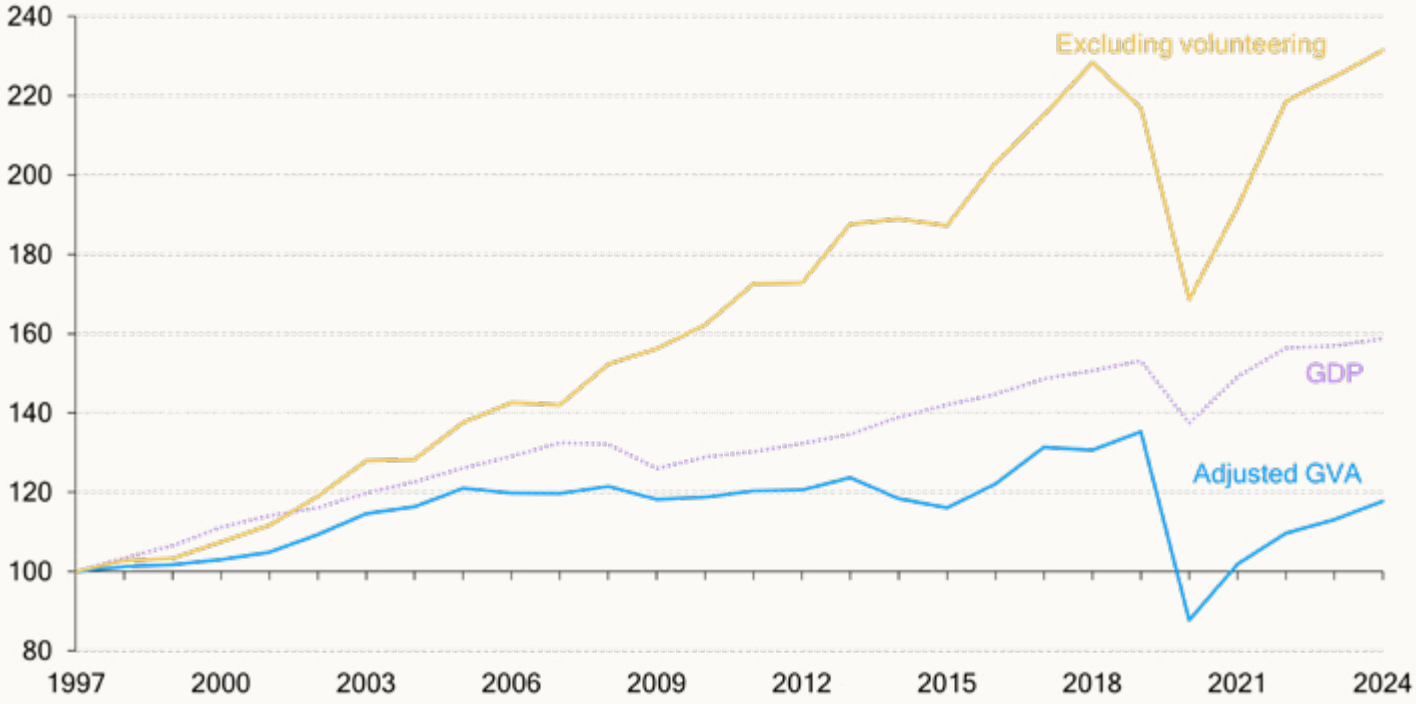


Notes: 'Adjusted GVA' uses PBE methodology, including the conceptual adjustments.

If we exclude volunteering from our analysis, civil society exhibits much faster growth since 1997. This only serves to highlight the extent to which declining volunteer rates are holding back civil society growth.

Figure 10: Civil society exhibits stronger growth if we exclude volunteering.

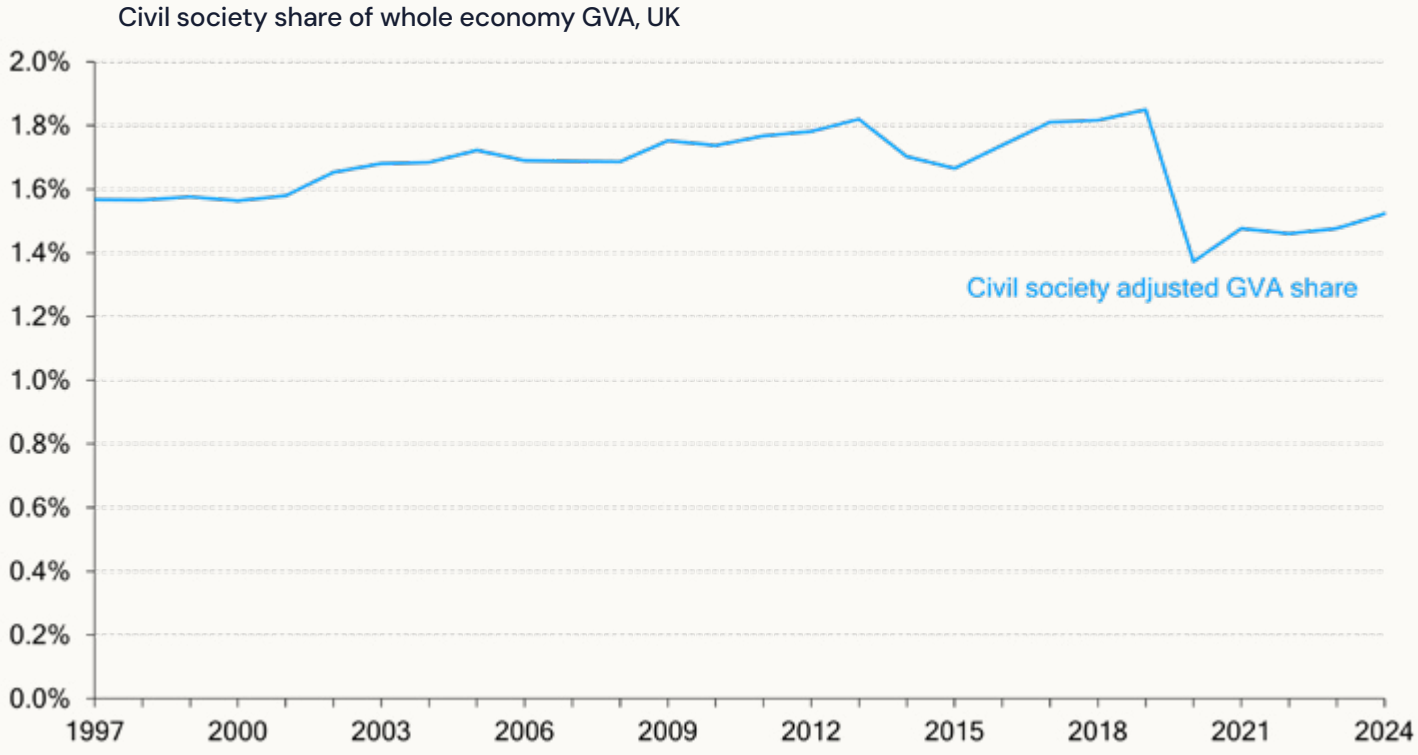
Real GVA: Civil society, civil society excluding volunteering; and GDP, Index 1997=100, UK



Notes: 'Adjusted GVA' uses PBE methodology, including the conceptual adjustments. Excluding volunteering accounts for changes to Adjusted GVA if we exclude volunteering from the calculations.

The drop in GVA growth over the pandemic was mirrored by a drop in civil society's adjusted GVA share, although this is slowly starting to recover.

Figure 11: Civil society's share of whole economy GVA (including volunteering) dropped significantly during the pandemic.



Notes: 'Adjusted GVA' uses PBE methodology, including the conceptual adjustments.

Economics to improve lives

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