Volunteer Labor Supply and Liability of Volunteers

Terry W. Judd

Thesis submitted to the Faculty of the Virginia Polytechnic Institute and State University in partial fulfillment of the requirements for the degree

Master of Arts in Economics

Dr. Roger Waud, Chair
Dr. Nancy Wentzler
Dr. Brian Reid
Dr. Thomas Lutton

March 30, 1998
Falls Church, Virginia

Key Words: Volunteer liability, Volunteering motivation, Tort law, Economics of volunteering, Nonprofit economics
Copyright 1998, Terry W. Judd
Volunteer Labor Supply and Liability of Volunteers

Terry W. Judd

(ABSTRACT)

This paper examines factors affecting volunteer labor supply with two specific goals: (1) a reassessment of the model and empirical process outlined by Paul Menchik and Burton Weisbrod using a larger data set from a more recent time period; and (2) an exploration of how volunteer labor supply is affected by liability exposure of volunteers, a factor which Menchik and Weisbrod did not address.

Data from a nationwide 1992 poll on volunteering conducted by the Gallup Organization and Independent Sector is applied to the quantitative approach which Menchik and Weisbrod used on data from 1977. Tobit regression analysis finds significance in some variables in the Menchik and Weisbrod model -- including variables relating to gender, offspring, education, religiosity, and parental attitudes to giving.

Volunteer liability exposure has been a subject of debate in the U.S. Congress and other public policy arenas, and the Volunteer Liability Protection Act became law in 1997. The volunteer liability factor is measured in two ways -- using the variability of certain legal protections for line volunteers among state laws and using per capita tort filings per state as a “litigiousness index.” The “litigiousness index” variable demonstrated value in predicting volunteer labor supply, which suggests that potential volunteers respond to a more generalized rather than activity-specific threat of lawsuits. Individuals’ information searches probably do not go as far as to examine legal provisions affecting their specific activities.
CONTENTS

Chapter

I. Introduction ............................................. 1

II. The Menchik and Weisbrod Model ..................... 3
    The Consumption Model
    The Investment Model
    Menchik and Weisbrod’s Empirical Approach
    Tobit or Probit Econometric Analysis?

III. Why Volunteer? Factors Affecting Volunteers ... 10
    Motivating Factors
    Considering Volunteer Liability
    Volunteer Liability Exposure Measurement
    Approaches
    The Volunteer Liability Variable

IV. Quantitative Analysis ................................. 21
    Dependent Variable
    Key Menchik and Weisbrod Variables
    Preference Vector Elements
    Volunteer Liability Variable
    Results of Regression Analysis

V. Valuing Volunteer Labor and Costing Volunteering
    Disincentives due to Liability ..................... 32

VI. Conclusions .......................................... 34

Reference List ........................................... 36

Appendix: Volunteer Liability Legal Provision Scoring . 37