

UPWARD MOBILITY AND SOCIAL CAPITAL:

**BUILDING ADVANTAGE THROUGH
VOLUNTEERING**

A report for the Office for Volunteers

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Executive summary

Recent studies by Mayer (2003) and Ironmonger (2002) have drawn attention to the social and economic value of social capital accrued from taking part in voluntary activities.

At a human level there is also a growing awareness in academic and policy circles of the use of social networks to build social and cultural capital.

Social relationships can help one find jobs, or find a better job on a higher salary. Many people find paid work that increases their income by the social capital they accrue through social and voluntary activities.

This study examines the utilitarian value of social capital accrued from volunteering and membership of civic organisations. It examines data on income and employment from the Northern Adelaide Social Inclusion Survey 2005, a survey of 1999 residents of Gawler, Playford and Salisbury in South Australia .

The findings presented in this report suggest that voluntary participation in civic organisations is beneficial for the participants in important ways. While most who volunteer do so for no reward other than the satisfaction of participating it is nevertheless striking that respondents to NASIS 2005 who engaged in voluntary participation in civic organisations also secured more tangible rewards. On average those who volunteer earned more per week than those who did not, and were considerably more likely to be in paid employment.

The findings also suggest that an increase in participation in associations is linearly related to a commensurate increase in income. Simply increasing the number of associations members of the community take part in might have a significant economic impact on the State in terms of pathways to unemployment, underemployment and employment.

Taken with other recent studies that point to the social and economic benefits of social capital, these findings indicate that social policies that seek to expand civic engagement in South Australia will produce favourable social, economic and individual outcomes for the community.

Theory

A volunteer is broadly described by the Australian Bureau of Statistics (ABS 2001a) as someone who, willingly gives unpaid help in the form of time, service or skills, through an organisation or group. Robert Putnam (1993: 35) defines social capital as “a set of horizontal associations among those who have an affect on a community, and these can take the form of networks of civic engagement” and “features of social organizations such as networks, norms and truths that facilitate coordination and cooperation for mutual benefit.”

Three forms of social capital are considered to be associated with upward social mobility – ‘bonding’, ‘bridging’ and ‘linking’ (Frank, 2005: 2).

Putnam (2000) drew the initial distinction between bonding and bridging social capital. Bonding refers to relations between homogenous groups, for example, ethnic communities with the ties being likened by him to a 'sociological super glue' and identified as best suited to providing the social and psychological supports needed for everyday living. However bonding social capital brings the potential for negative consequences, such as, a stifling of individual freedom and the exclusion of outsiders. This is referred to by Putnam (2000) as the "dark side" of social capital. Nevertheless for people with few personal resources bonding social capital can provide essential support networks that enable such persons to manage their lives and participate in the life of communities.

Bridging social capital is useful to its owners in connecting to external resources and for information diffusion. Bridging social capital refers to links between people who differ on key personal characteristics such as race, ethnicity, socioeconomic status, age and political affiliation. These ties help different kinds of people in the community get to know each other, build relationships and share information. These ties can be useful in linking to work and other life opportunities. For Putnam, bridging social capital refers to the building of connections between diverse groups. Furthermore Putnam (2000) argues that bridging social capital is often fragile but is likely to create social inclusion. In this sense, bridging social capital might be seen as a source of social cohesion in the Durkheimian sense. Putnam presents both forms of social capital as interrelated, rather than as mutually exclusive categories.

Linking social capital refers to relationships between people who are interacting across power or authority social structures (Szreter et al. 2004). For example, citizens' interactions with local government and health planning authorities are representative of linking social capital. It is in a sense the relationship between members of the community and the agents of the state. Linked networks are critical for leveraging resources, ideas and information from agencies beyond normal community linkages and are, therefore, significant for economic development (Frank, 2005: 2). The important role played by government professionals (for example, teachers, social workers, legal service officers) in linking the state to local citizens means that they can make a significant difference to the success or failure of public services.

The three forms of social capital may not be present in all communities – for example, a community that is relatively disadvantaged on objective indicators of economic strength may have strong bonding or internal networks but relatively weak linking social capital. This can mean that members of that community seeking employment are supported by cohesive personal and social supports but lack the external connections that will lead them to paid work.

It is widely accepted that voluntary participation and civic engagement are important contributors to the social and economic life of the nation, as well as being associated with the formation of bonding, bridging and linking social capital. Studies by Ironmonger (2002) and Soupourmas and Ironmonger

(2002) have drawn attention to the economic value of volunteering. In a 2002 study, Ironmonger estimated that South Australians volunteered 229 million hours in the year of the 2000 Census. Ironmonger (2002) was able to place an annual value of \$4,352 on the labour of each South Australian volunteer, or an aggregate contribution to the State's economy of \$4.98 Billion in 2000. This represented no less than 11.5% of the Gross State Domestic Product.

There is also an indirect social benefit from volunteering as Mayer (2003) has pointed out. Mayer (2003) draws attention to Robert Putnam's (1993, 1995, 2000) studies of social capital in Italy and America. In his classic 1993 study of twenty years of local government in Italy, Putnam found differences in the performance and effectiveness of Italian regional governments. Putnam (1993) attributed these differences to variances in civic engagement between regions. Civic engagement was greatest where there were high levels of volunteering and voluntary participation in clubs, societies, political parties, sporting clubs and civic associations, which produced social capital. Putnam (1993) maintained that voluntary participation in civic organisations was associated with high levels of trust in others, obedience to the law and an acceptance of the legitimacy of political institutions.

In his latter studies of social capital in the USA, Putnam identified a decline in voluntary participation and civic engagement, which he attributed to the passing of "the long civic generation", that is the generation that fought the second world war. Putnam (2000) also noted that social capital could be used by some groups (eg the Mafia) to exclude or dominate outsiders. Declining

social capital, according to Putnam, is associated with a falling economy, rising crime and increasing social isolation as people increasingly prefer to “bowl alone”.

Identification with one’s own group or community can be a powerful motivational force, which Portes (1998) suggests leads to forms of solidarity bounded by the group identity. Bounded solidarity is in essence the basis for the formation of both industrial unions and business councils. While communities can use bounded solidarity as a weapon to wield against social injustice and to further the interests of the group, it can also be used to exclude others or establish dominance over other groups. For example, Waldinger (1995) discusses the control Italian, Irish and Polish migrant groups have gained over the construction trades in New York and the control exercised over key sectors of the economy of Miami by the Cuban community.

Portes (1998) refers to these processes as being founded on Marxian concepts of bounded solidarity. Marx (1957) saw such processes as related to the way a group came to see themselves as part of a group or class and thus see themselves as part of a common project (Wilson 2006).

Bourdieu (1985) took this argument a step further by separating the forms of capital acquired by social relationships into what he called the many forms of capital. These forms included the categories of social, financial and cultural

capital. Bourdieu (1985) suggested that access to each of these forms of capital had a relationship to upward social mobility.

More recently, Putnam (2000) has argued that one of these forms of capital, social capital, is in decline in the USA and might be so in other Western countries, with implications for the social mobility and economic progress.

However, there is no evidence for a decline in social capital in Australia. If volunteering is taken as an indicator, it is clear that social capital is increasing not decreasing in this country. Data from the Australian Bureau of Statistic's Voluntary Work Survey (ABS 2001a) indicates that volunteering rates in the adult population increased from 23.6% in 1995 to 31.8% in 2000. In South Australia the volunteering rate rose from 27.1% in 1995 to 38.0% in 2000 (ABS 2001b). Data from the Volunteer Survey 2006, commissioned by the Office for Volunteers in South Australia and designed in conjunction with the ABS showed that there has been a rise to 51% of the SA population who volunteer.

Indeed a survey of non-government organisations commissioned by the SA Office for Volunteers in April 2004 found the number of volunteers in these organizations and the hours they work had risen steadily over the previous three years. Increases in volunteering appeared to be partly related to the outsourcing of State and Commonwealth Government services to the not-for-profit sector, which increased the resources available to not-for-profit organisations and the opportunities for volunteer participation (Wilson et al.

2005). Active measures by the current State Government (as per the State Strategic Plan) to increase volunteering are likely to have contributed to this rise.

Mayer (2003) and Ironmonger (2002) have illustrated the social and economic value of increases in volunteering to the State. At the human level there is a growing awareness of importance of social relationships in assisting individuals to "get ahead" (Bourdieu, 1985; Coleman, 1988, Putnam, 1995,2000). Not only can having access to social capital be good for your health as Baum (1999) suggests but social relationships are crucial to finding jobs, and to finding better jobs (Granovetter, 1994, Silliker, 1993). Fernandez and Weinberg (1997) in a study of hiring at a major retail bank found applicants with a referral from a contact gained through social networks were more than twice as likely to get an interview and, when interviewed, three times as likely to get a job offer. Hanson (2000) argues that employers prefer to have trustworthy information about prospective employees, and tend to rely on contacts who can serve as references. Indeed, Baker (2000) suggests that social capital accrued through personal and business networks is the key to understanding the success of entrepreneurs. Social networks are a principal source of information for many people about employment opportunities, career changes, investment options and other paths to wealth creation. That is, social capital (particularly bridging and linking social capital) accrued from civic participation has a utilitarian value to the individual.

This study examines the personal benefits that accrue from social capital obtained through organised voluntary participation with reference to data from the Northern Adelaide Social Inclusion Survey 2005. Voluntary participation is defined as engagement in civic activities such as membership of clubs, societies, sporting associations and voluntary organisations as well as volunteering without formal organisational membership (Putnam 1995, 2000).

The Northern Adelaide Social Inclusion Survey 2005

In March 2005, the Australian Institute for Social Research at the University of Adelaide, in partnership with the SA Department of Health, the Social Inclusion Unit and the Office for the North conducted a telephone survey of 1999 residents over 16 years of age of Gawler, Playford and Salisbury (discussed hereafter as Northern Adelaide).

All households in Northern Adelaide who had a telephone number listed in the Electronic White Pages were eligible for selection in the survey sample. A random sample of 3700 numbers were drawn based on an expected contact rate of 40%. Calling continued until 1999 respondents were reached achieving a response rate of 64%.

Profile of voluntary participants in civic organisations

The results of NASIS 2005 indicate that 28.8% of residents of Northern Adelaide had volunteered with a service club, sporting association, neighbourhood or civic group or similar organisation in the last twelve months.

More than 56% were members of a service club, association, sporting club, civic organisation or similar organisation or group in the last 12 months.

Table 1 Proportion in voluntary participation in the last 12 months (2004 – 2005)

	N	Percent
Volunteer	576	28.8
Member	1131	56.6
All respondents	1999	N/A

Many respondents who indicated they were volunteers were also members of voluntary organizations. If this group is deducted from the total of volunteers and members to avoid double counting the proportion of respondents in organized voluntary participation is 62.1%. This figure represents the proportion of respondents to NASIS 2005 who were either volunteers or members of a service club, association, sporting club, civic organisation or similar organisation or group in the 12 months prior to March 2005.

Table 2 Total proportion of voluntary participants

	N	%
Voluntary participation	1242	62.1
No voluntary participation	757	37.9
Total	1999	100

Voluntary participation in civic organisations did not differ greatly between men (61.9%) and women (62.3%). Moreover, NASIS 2005 data offered little evidence for a “long civic generation” of people in their seventies or older, who Putnam (2000) suggests do most of the volunteering. More than half of all voluntary participants were aged between 25 and 54 years of age. Moreover, the 35 to 44 years age group accounted for more than a fifth (21.2%) of all voluntary participants.

Table 3 Voluntary participation by gender and age

	Male (%)	Female (%)	Persons (%)
Voluntary participation	61.9	62.3	62.1
No voluntary participation	38.1	37.7	37.9
	100	100	100
Age of voluntary participants			
16 to 19 years	3.2	3.7	3.4
20 to 24 years	4.5	5.4	4.9
25 to 34 years	15.0	15.1	15.0
35 to 44 years	21.3	21.2	21.2
45 to 54 years	17.6	16.4	17.0
55 to 59 years	12.0	9.5	10.7
60 to 64 years	7.7	7.9	7.8
65 years or over	18.9	20.9	19.9
	100.0	100.0	100.0

The benefits of voluntary participation

While it is difficult to estimate exactly how much personal benefit can accrue from voluntary participation in civic organisations, it is possible to make inferences by comparing indicator variables such as income and employment by respondents who engaged in voluntary participation by those who did not. Following Putnam, Coleman, Bourdieu et al. we investigated the hypothesis that because of the bridging and linking social capital that accrues from voluntary participation in civic organizations, respondents who engaged in voluntary participation have higher income and better employment outcomes than those who did not.

In the following sections results from NASIS 2005 are examined in relation to respondents' income and employment status.

Income

Respondents engaged in voluntary participation in civic organisations on average earned more per week than those who did not participate. For example, 49.6% of male respondents engaged in voluntary participation earned between \$300 and \$999 per week compared with 41.9% of men who were not likewise engaged. Likewise, 36.6% of females who engaged in voluntary participation earned between \$300 and \$999 per week compared 33.4% of women who were not participants.

Conversely only 27.2% of male respondents engaged in voluntary participation in civic organisations earned less than \$300 per week, compared with 41% of men who were not similarly engaged. 48.2% of female voluntary participants earned less than \$300 per week compared with 54% of women who were not engaged in voluntary participation in civic organisations.

Table 4 Income by voluntary participation by male by female

	Male (%)		Female (%)	
	Voluntary participation	No voluntary participation	Voluntary participation	No voluntary participation
Less than \$100 per week	2.1	2.1	6.5	6.5
\$100 to \$199 per week	12.2	16.7	17.2	18.2
\$200 to \$299 per week	12.9	22.2	24.4	29.4
Total less than \$300pw	27.2	41.0	48.2	54.2
\$300 to \$499 per week	10.3	9.4	17.4	15.7
\$500 to \$999 per week	39.3	32.5	19.2	17.8
Total \$300 to \$999	49.6	41.9	36.6	33.4
\$1000 to \$1,499 per week	15.4	10.6	2.8	0.2
More than \$1,500 per week	3.2	2.4	0.3	0.5
Total more than \$1k pw	18.5	13.1	3.1	0.7

Employment

Respondents who were engaged in voluntary participation in civic organisations were considerably more likely to be in paid employment than respondents who were not. More than 54% of respondents engaged in voluntary participation were in paid employment compared with 45.6% who were not participants.

Approximately 64.2 % of male respondents engaged in voluntary participation in civic organisations were in paid employment compared with 53.8% of male respondents who were not likewise engaged. A similar difference was evident for female respondents with 46.5% of female voluntary participants engaged in paid work compared with 39.3% of female non-participants.

This difference was quite marked for male full-time employees who were engaged in voluntary participation but less so for female voluntary participants who were engaged in full-time paid work. Nevertheless female participants were more likely to be employed in paid part-time labour than female non-participants. There were no marked differences between voluntary participants and non-participants who were self employed full-time or self employed part-time.

Table 5 Proportion in paid employment by voluntary participation by persons by male by female

Persons (%)				
	Voluntary participation		No voluntary participation	
In paid employment	54.1		45.6	
Not in paid employment	45.9		54.4	
	Male (%)		Female (%)	
	Voluntary participation	No voluntary participation	Voluntary participation	No voluntary participation
In paid employment	64.2	53.8	46.5	39.3
Not in paid employment	35.8	46.2	53.5	60.7
Full-time employment	48.7	35.6	18.9	16.8
Part-time employment	7.5	7.9	23.9	18.2
Self-employed full-time	7.5	7.9	2.0	1.9
Self-employed part-time	1.9	3.3	1.8	2.3

Membership of associations

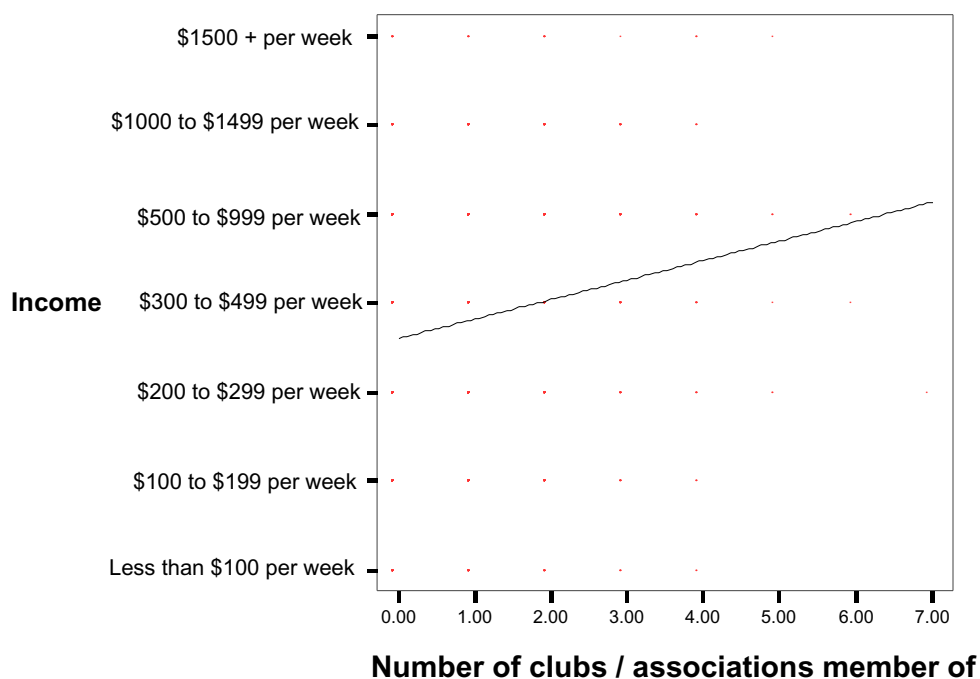
Differences in income and employment outcomes in relation to participation in voluntary activities appear to be magnified for NASIS respondents who participated in more than one form of associational activity. For example, a person who participated in a services association, a sporting club and a

professional association was more likely to be on a higher income and in employment than someone who participated in just one association.¹

Economic implications of voluntary participation

Membership of associations, clubs and societies seems to have a positive relationship with income and employment for respondents to NASIS 2005. That is, as membership in associations, societies and clubs increases, so does one's income, likelihood of employment. Income appears to have the strongest relationship with associational membership. A scatterplot below illustrates the linear nature of this relationship.

Figure 1 Income by membership of clubs and associations



Note: cases are weighted against Census data to correct for disproportionalities by age, gender, LGA and probability of selection.

¹ These findings are inferential and do not suggest that the social capital that might accrue from volunteering or participation in a civic organization will necessarily bring income and work. For many there may be no reward other than the satisfaction of participating.

Figure 1 illustrates that each additional rise in the number of associations or clubs that a respondent is a member of correlates with a rise in income. A sample regression analysis of these variables can predict what happens to individual income if voluntary participation in associations is increased.²

A respondent who belongs to no club or association earns approximately \$250 per week. A respondent who participates in 1 club or association is on average earning between \$200-299 per week. Whereas a person who is a member of two clubs is on average earning \$300 to \$499 per week. That is, an increase in the number of associations, clubs or societies that respondents volunteer to participate in appears to be associated with an increase in income.

An individual who participates in no voluntary activities might be expected to increase their income by joining a single association, club or society and would be likely to increase their income again through greater associational membership.

Similarly, if all non-volunteers were to begin to participate in voluntary activities, many of those currently reported as not in paid employment might be expected to secure employment

² Using a sample regression line (SRL) $y_i = a + bX_i$, where 'a' and 'b' are the estimators of the income constant and the count of associational membership an estimate can be obtained to predict what might happen if associational membership were increased.

Conclusion

The findings presented in this report suggest that efforts to increase voluntary participation in civic organisations can have significant social and economic as well as individual benefits. Respondents engaged in voluntary participation in civic organisations on average earned more per week than those who did not, and were considerably more likely to be in paid employment.

The findings suggest that each one-unit increase in participation in associations, clubs and societies is linearly related to an increase in income. Simply increasing the number of associations, clubs and societies members of the community take part in might have a significant economic impact on their household welfare as well as on the State economy.

Taken with other recent studies that point to the social and economic benefits of high social capital, these findings indicate that social policies that seek to expand civic engagement in South Australia, such as those contained in the State Strategic Plan, will produce favourable social, economic and individual outcomes for the community. Thus strengthening the bonding, bridging and linking social capital within a given community is a good future strategy not only for individual gain but also for the economic future of the State.

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