



# Canadian Labour Market and Skills Researcher Network

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### Volunteering, Income Support Programs and Disabled Persons

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# Volunteering, Income Support Programs and Disabled Persons†

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## Abstract

We study the propensity of disabled persons to engage in volunteer activity with the Participation and Activity Limitation Survey (PALS) -- a unique Canadian dataset which provides extensive information on disabled persons as well as volunteering behaviour. Our principal focus is on the effects of various income support programs on disabled person's participation in volunteer activities. We find that certain income support programs (e.g., workers' compensation) are associated with decreases in the probability of volunteering while others (e.g., Pension Plans) are associated with increases in the propensity to volunteer. The reason is that not all income support programs are identical with respect to their implications for unpaid work. There are some -- like workers compensation -- that embody strong disincentives to volunteering while others like public Pensions that explicitly encourage unpaid work. Our conclusion is that program characteristics can significantly affect volunteering. This conclusion is further supported when we look at other income support programs that embody ambiguous or no incentive effects. As one would anticipate, these 'incentive neutral' programs have no significant impact on volunteering. The relevance of these results to both theories of volunteerism and public policy is discussed.

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*Keywords:* Disability, Income Support Programs, Incentive Effects, Volunteer Activity

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## Executive Summary

We study the propensity of disabled persons to engage in volunteer activity with the Participation and Activity Limitation Survey (PALS) -- a unique Canadian dataset which provides extensive information on disabled persons as well as volunteering behaviour. Our principal focus is on the effects of various income support programs on disabled person's participation in volunteer activities.

Our main policy conclusion is that income support programs accessed by disabled persons can have substantial incentive effects on deterring or encouraging volunteer activity. The deterrent effect occurs when the recipients are monitored carefully and volunteering could serve as a signal that the disabled person is able to engage in activity that could resemble work. This type of income support creates a strong incentive not to volunteer, as this activity could jeopardize their receipt of the income support. This was the case with workers' compensation which has stringent monitoring in terms of work ability and where volunteering could easily be interpreted as being able to return to work, especially in "light" duties. In contrast, where volunteering is specifically allowed and actively encouraged, as in CPP-D, it is much more likely to occur. In income support programs that had potentially offsetting incentive effects (welfare, unemployment insurance and private insurance programs) or no incentive effects on volunteering (GIS, veteran's disability and C/QPP early retirement) no significant effects were found.

In essence, the negative or positive incentives embedded in our income support programs accessed by the disabled respectively discourage or encourage volunteering, and those programs that have no incentive effects have no effect on volunteering. Given the importance of volunteering for both the volunteers and the recipients, and the fact that volunteering can be a viable way for disabled persons to "test the waters" for engaging in more formal work activities, these incentive effects merit more attention as possible policy levers to facilitate volunteering on the part of the growing number of disabled persons in Canada and in the US.

From an analytical perspective, these results also emphasize the importance of incorporating incentive-based modelling into areas of individual behaviour that normally eschew the intrusion of economic analysis. Even after controlling for a number of significant 'warm-glow' predictors of volunteer behaviour found in the traditional literature, we still detected highly significant and empirically important effects linked to two income support programs, which clearly diverge in their promotion of volunteerism. This brings to light the need to probe as deeply as possible into the complete set of intrinsic and extrinsic factors that impact specific individual behaviour – in this case volunteerism. Our confidence in these conclusions is enhanced by the fact that our other empirical results were generally consistent with household production and social capital perspectives. This was the case, for example, with the strong positive relationship between

volunteering and such factors as education, time spent on childcare, being female, and the lesser severity of the disability.

Future research should determine the extent to which worker adaptation and flexible benefits that explicitly recognize the value of volunteer activity can improve the volunteer propensity of the disabled. A better understanding of the long-term impacts of these alternatives can be used to inform future legislation directed at improving the employability of disabled persons. Finally, the creation of a survey series that provides researchers with a comparable question by which to measure the propensity of different subgroups to volunteer would also be a major improvement.