



The Costs and Returns of Service Programs

Economics II | Minnerva Zou

The annual investment for volunteers in the Corporation for National and Community Service (CNCS) is **\$2 billion.**

[MZ22]

This funds organizations such as:

- **AmeriCorps**
- **Senior Corps**
- **Volunteer Generation Fund**

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[MZ22]

Investment by taxpayers:

\$1.4 billion [MZ14]

Investment by federal / state governments and private donations:

\$0.6 billion [MZ14]



Returns of Service Programs

Financial Returns

- **Military:** Mixed results on individual fiscal returns
 - Earnings penalty dependent on education [MZ1] [MZ2]
 - Wage/income benefits are mixed [MZ1] [MZ2] [MZ7]
- **Civil:** Mixed results on wages, fiscal benefit-cost ratio = 2.20 [MZ14]

Returns of Service Programs

Financial Returns

- Military: Mixed results on individual fiscal returns
 - Earnings penalty dependent on education [MZ1] [MZ2]
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- Civil: Mixed results on wages, fiscal benefit-cost ratio = 2.20 [MZ14]

Societal Returns

- **Civil:** Reduced delinquency, better health status among youth [MZ14]
- **Civil:** Mixed results on education attainment and the development of life skills [MZ3]

Possible Incentives in Service Programs: **Mandatory** and **Voluntary**

- **Legal repercussions**
- **Education awards
and loan assistance**
[MZ24]
- (Supplemental)
Health insurance;
childcare [MZ24]
- **Employment
opportunities** [MZ3]

77.34 million adults did some form of volunteering through an organization in 2017.

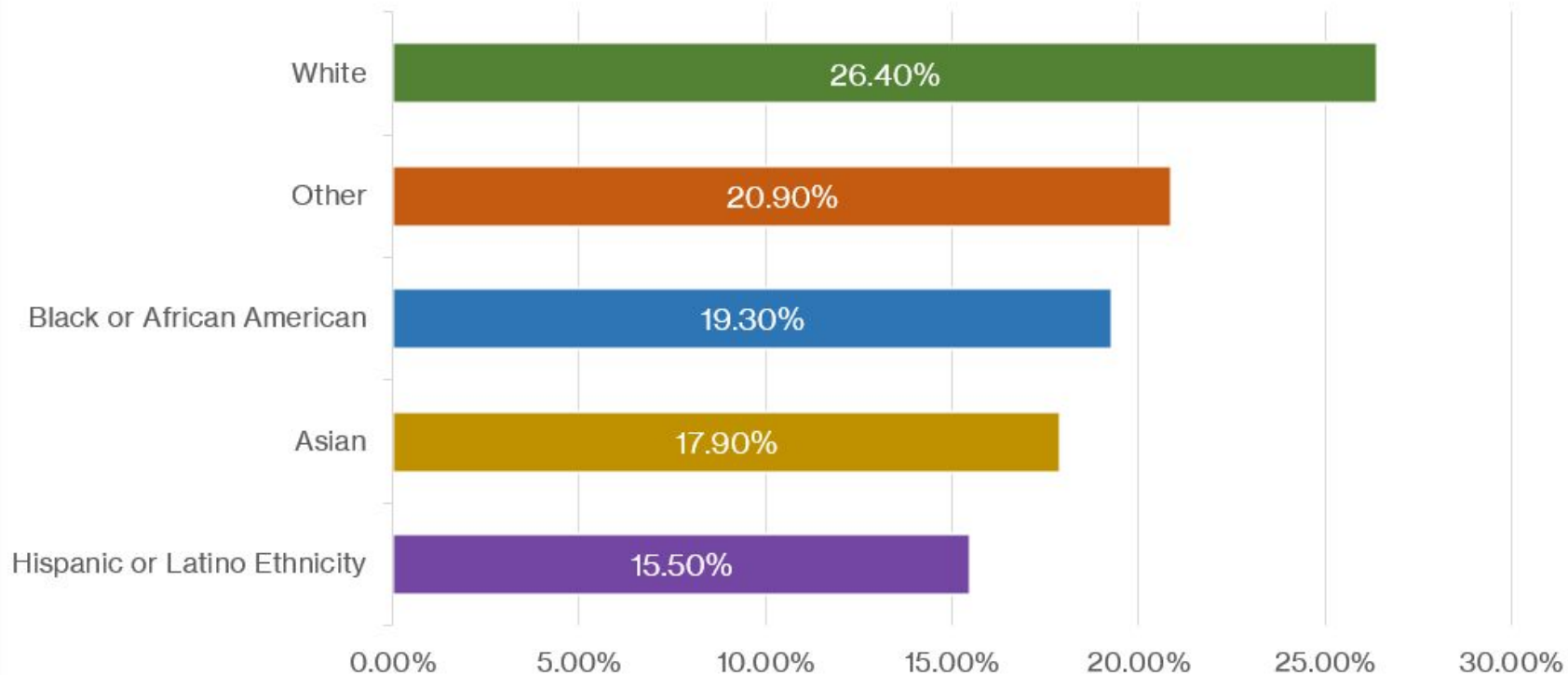
[MZ24]

Who volunteers? What are volunteers doing?

- **Parents** volunteer at rates 48% higher than non-parents [MZ24]
- **~58% female** volunteers, **~42% male** volunteers in 2021 [MZ24]
- **~36%** of volunteers raises funds for nonprofits

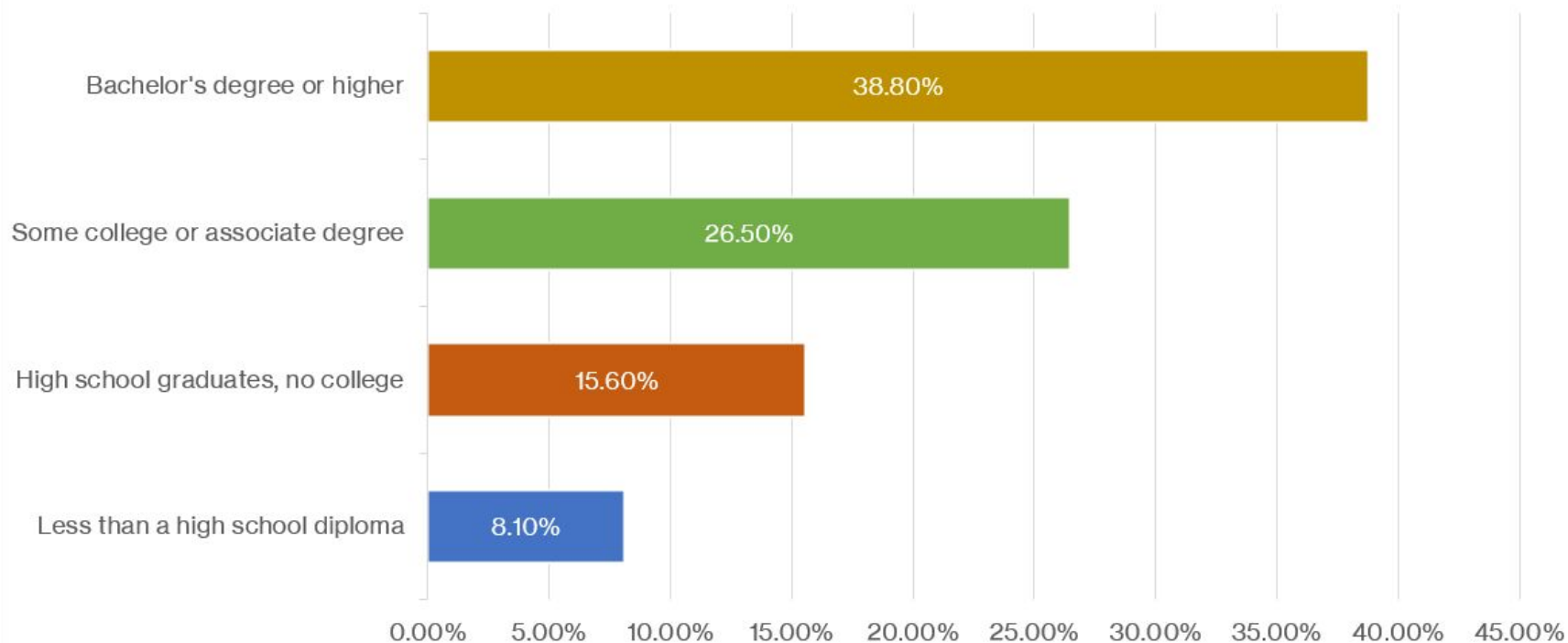
Race and Hispanic or Latino Ethnicity in Volunteers in the United States (September 2015)

■ Hispanic or Latino Ethnicity ■ Asian ■ Black or African American ■ Other ■ White



Education Attainment in Volunteers in the United States (September 2015)

- Less than a high school diploma
- High school graduates, no college
- Some college or associate degree
- Bachelor's degree or higher



Key Takeaways

- The investment for the main agency covering national service programs—the CNCS—is around **\$2 billion**.
 - **~70%** is paid by taxpayers
- There are **mixed** results for the financial returns of **military service** and **civil service**.
- **Civil service** has many **societal** returns such as reduced delinquency but **mixed effects** on education and life skill development.

Key Takeaways (Continued)

- Possible **incentives** include **legal repercussions** (in a mandatory case), **loan assistance**, supplemental **health insurance**, and **employment opportunities**.
- Volunteers are mostly:



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