Trust in Civil Society

Understanding the factors driving trust in nonprofits and philanthropy

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independentsector.org

INDEPENDENT SECTOR

About Independent Sector

Independent Sector is the only national membership organization that brings together a diverse community of changemakers, nonprofits, foundations, and corporations working to strengthen civil society and ensure all people in the United States thrive. As the vital meeting ground, we advance our mission by fostering a sense of belonging, catalyzing action, and providing policy leadership across the full breadth of the charitable sector.

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- Dan Cardinali, President and CEO
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Executive Summary

Public trust is the currency of the nonprofit sector. The public's belief that nonprofits will "do the right thing" is one of the central reasons the sector exists. Communities have relied upon nonprofits to provide trusted sources of information, life-sustaining services, environmental stewardship, and places of refuge for centuries. In today's highly polarized environment, understanding and managing trust has never been more important for organizations to own their license to operate, lead, and succeed. Given the outsized importance of trust, it is imperative to assess the status of that trust and how the sector can strengthen its most valuable asset.

Independent Sector, in partnership with Edelman Intelligence, has begun what we hope to be an annual series of surveys to explore the nuances of trust in American nonprofit and philanthropic organizations. Building on Independent Sector's four decades of bringing together the charitable community for the common good and Edelman Intelligence's experience studying trust in both the global and US context, we set out to conduct two national surveys, each of 3,000 American adults ages 18+ , to assess general population trust in the sector (philanthropy and nonprofits) and uncover the factors that drive trust in the sector.

These trust survey findings, in addition to being reported in the following document, will be factored into Independent Sector's annual "Sector Health Report," which will debut in September 2020.

Key Findings

The first annual study of trust in nonprofits and philanthropy found that while a majority of Americans are confident in the ability of the sector to strengthen American society, less than half believe the sector is actually headed in the right direction. The data show that people know what they expect from nonprofits – to serve people and communities in need and to be an effective advocate for change – but they aren't explicitly seeing or hearing these stories. To build trust and credibility, and secure the future viability and credibility of sector, nonprofits and philanthropy must be clear about their mission and purpose, demonstrate impact, and show integrity through transparency and independence. Specific findings include:

1. Broad trust in nonprofits, except among underserved communities

While 59 percent of the public report high trust in nonprofits to do what is right, that trust is concentrated among urbanites with high incomes and levels of education. Rural Americans and those with lower incomes and educational attainment are more likely to express skepticism about nonprofits. However, the most concerning finding is respondents from underserved communities most in need of support report the lowest levels of trust in nonprofits. Despite the chasm among groups generally, when asked to report on change in trust over the last ten years, people of color and younger generations report an increased level of trust.

2. Uncertainty about direction of sector

There is a disconnect between the perceived potential of nonprofits and their ability to effect change. Eighty-one percent of respondents are confident in the ability of the sector to strengthen American society, but only 47 percent believe the sector is headed in the right direction in their effort to do that work. No American institution – government, business, nonprofit – is seen as best positioned to address societal challenges today. Instead, a plurality believe everyday people are best positioned to make change.

3. Personal familiarity drives trust

The research confirms what the sector already knew anecdotally: individuals feel more positive about nonprofits when they have a personal connection to an organization. Seventy-three percent of respondents report that familiarity is a key driver in building trust in a given nonprofit.

In contrast with nonprofits, just 36 percent of the public express high trust in philanthropy. The primary determinant of trust in philanthropy is familiarity – those who are unfamiliar are twice as likely or more to report low trust. This finding supports academic literature that asserts the legitimacy of foundations often are derived from deep cultural commitments to charity, and by extension charitable institutions. In that case, public trust in philanthropy may be inextricably bound to the public's perception of nonprofits.

4. Civic engagement in reciprocal relationship with trust

Survey findings introduce the prospect that there may be reciprocal relationships between activities like voting, trust, and giving. Findings confirm that a high level of trust leads to more giving and volunteering, but positive engagement with nonprofits also reinforces trust. This builds upon previous research, like the Donor's Trust report, which found a majority of individuals cite trust as essential before making charitable gifts.

The survey findings also show voter registration and following political issues are significant factors predicting trust in nonprofits, as well as giving and volunteering. This data complements research by Nonprofit VOTE that demonstrates nonprofits are uniquely effective at encouraging voter turnout, potentially due to the public's trust in nonprofits working on behalf of community well-being rather than a partisan political interest.

5. Strengthen trust by focusing on integrity & purpose

The study uses statistical analysis of the survey data to predict what actions nonprofits may deploy to strengthen public trust. The analysis found that to build trust and credibility, and secure the future viability of the sector, nonprofits and philanthropy must be clear about their mission and purpose, demonstrate impact, and show integrity through transparency and independence. Additional key drivers nonprofits can deploy to build trust include: a relevant mission, local presence, accountability to donors, personally familiarity, and accountability to the communities an organization serves.

The research also identifies "hidden motivators" that may improve trust in nonprofits, even if respondents are reluctant to admit the strategies are effective. Trusted celebrities and public figures can be key allies for organizations looking to enhance their standing with the public. Engagement with underserved communities also may strengthen public trust, potentially reinforcing the individual and collective benefits of nonprofits publicly engaging in work to advance equity.

This report significantly deepens the sector's understanding of the current state of public trust in sector institutions, as well as key strategies organizations may deploy to improve trust. Independent Sector looks forward to engaging organizations on the implications of this report, including finding ways for the sector to leverage its role as a force for positive change in American society.

Key Research Terms

Nonprofit organizations can include churches and religious organizations, historic societies and museums, health and human services organizations, animal or environmental groups, and groups that help veterans, as some examples.

Philanthropy can include corporate philanthropy, private foundations, or high net worth individuals engaged in philanthropic efforts.

Methodology

Edelman Intelligence fielded a 15-minute online survey among 3,000 U.S. adults ages 18+.

Results were weighted to ensure the sample is nationally representative across race, income, educational attainment, gender, age, region, and urbanicity.

Audience
U.S. general population

Sample size
n=3,000

Margin of error
±1.8%

Method
15-minute online survey

Timeframe
December 2–9, 2019*

*A supplemental 15-minute online survey fielded from February 28 – March 16, 2020, to deep dive into perceptions of philanthropy with n=3,000 participants among the U.S. General Population.

Note: Percentages in this report may not always total 100% due to rounding.

Setting the Stage

Evaluating today's landscape for nonprofits and philanthropy

Nonprofits perceived to be community oriented and more likely to address the root cause of issues

These organizations are community oriented

58%
Associate with Nonprofits

22%
Associate with Philanthropy

These organizations address the root cause of issues

48%
Associate with Nonprofits

26%
Associate with Philanthropy

Q12H: Next, we are interested in your perceptions of the role of nonprofits compared to philanthropy. For each of the following statements, please indicate the degree to which you associate these more with nonprofits or philanthropy. Base size: n=3,000

Philanthropy is associated with support for the arts and a focus on short-term impact

These organizations support the arts

28%
Associate with Nonprofits

45%
Associate with Philanthropy

These organizations are short-term focused

31%
Associate with Nonprofits

37%
Associate with Philanthropy

Q12H: Next, we are interested in your perceptions of the role of nonprofits compared to philanthropy. For each of the following statements, please indicate the degree to which you associate these more with nonprofits or philanthropy. Base size: n=3,000

High public confidence in both nonprofits and philanthropy to strengthen society...

Confidence in Nonprofit organizations

Shown: Top 2 Confident/Bottom 2 Confident

Q13: How confident are you in the ability of nonprofit organizations today to help strengthen American Society? Base size: n=3,000

81%

Are confident in nonprofits to help strengthen society

Confidence in Philanthropy

Shown: Top 2 Confident/Bottom 2 Confident

Q13B: How confident are you in the ability of philanthropic organizations and individuals today to help strengthen American society? Base size: n=3,000

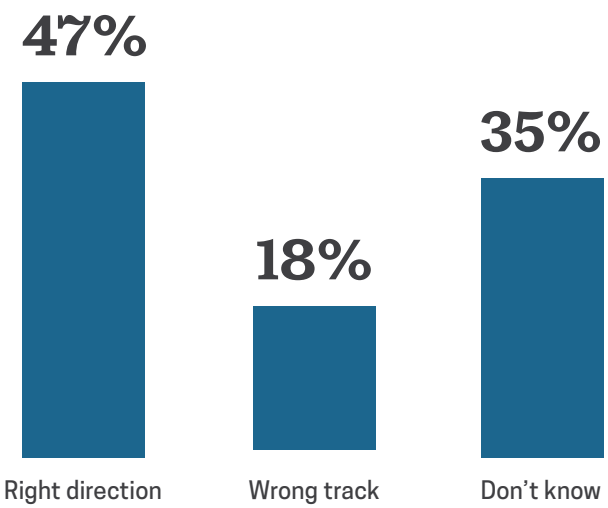
68%

Are confident in philanthropy to help strengthen society

...but, many are uncertain about the future of the sector

Direction of the Nonprofit and Philanthropic Sector

Shown: Percent selected response

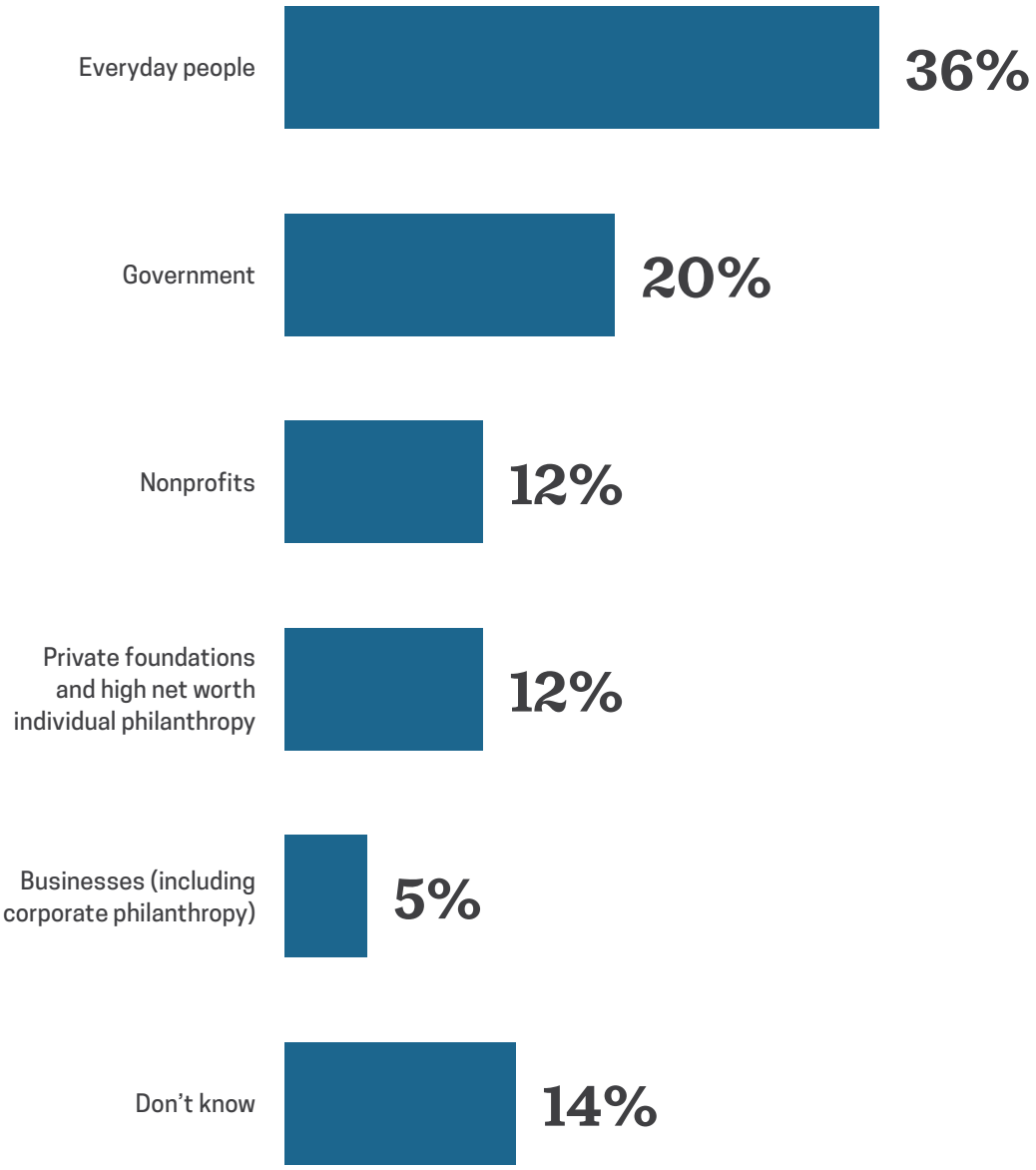


Q44. Thinking about the nonprofit and philanthropic sector overall, do you believe things are headed in the right direction, or are they off on the wrong track? Base size: n=3,000

No single institution seen as best positioned to make change today

Best positioned to address societal challenges

Shown: Percent selected response



Q43: Thinking about the country in general, who do you think is best positioned today to address societal challenges? Base Size n=3,000

Nonprofits must demonstrate how they help the underserved and advocate for change

Preferred role of nonprofit organizations in American society

Shown: Coded open-end responses

43%

Helping the less fortunate

Assisting those in need, improving the lives of the less fortunate, providing services to those in need

15%

Being effective advocates for change

Educating the community, increasing awareness, filling needs that the government cannot

9%

Leading by example

Being a leader for others, encouraging others, getting people involved, setting an example

6%

Giving back

Community service, financial support, volunteering

> "I do not believe it can take the place of appropriate government assistance, but can give people an opportunity to support causes they believe in."

> "Raising awareness for issues, helping as many people as possible and advocating for political or cultural change around an issue."

> "Be there to help those who can't help themselves or don't have the means to help themselves."

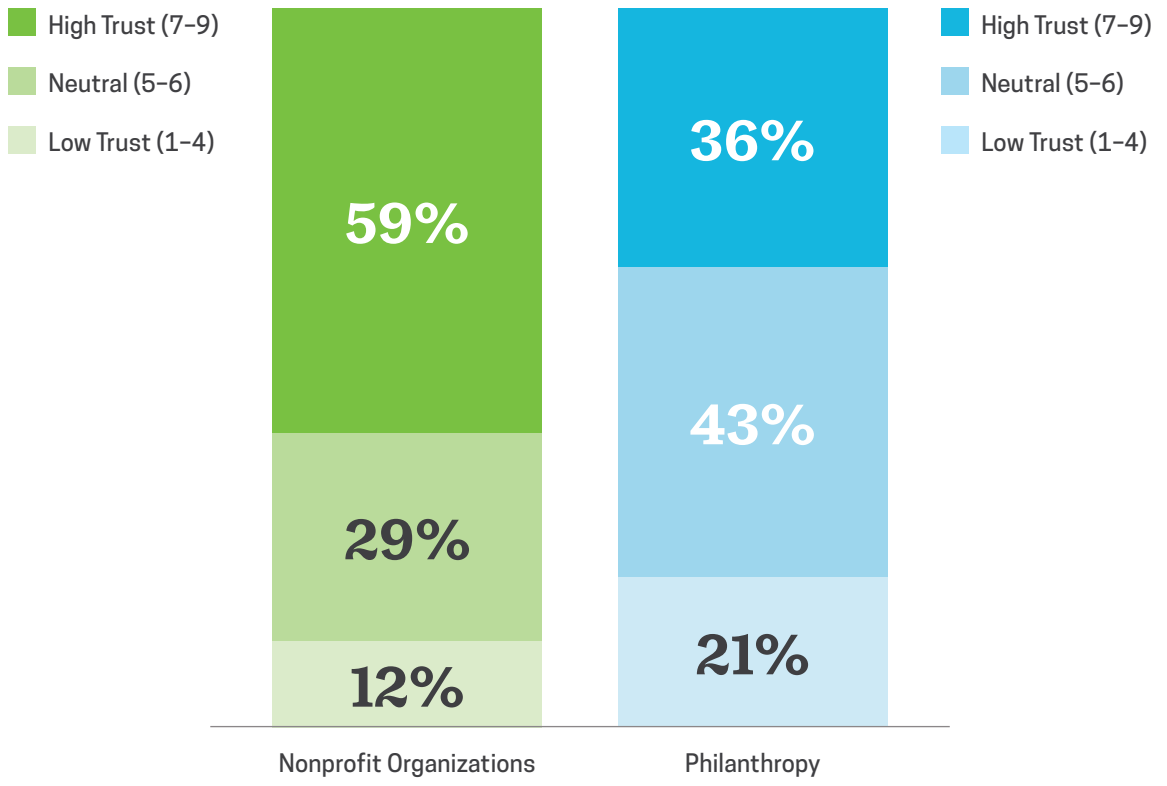
Q14: What should the role of nonprofit organizations be in strengthening American society? Base size: n=3,000

Diagnosing Trust

Trust metrics for nonprofits and philanthropy

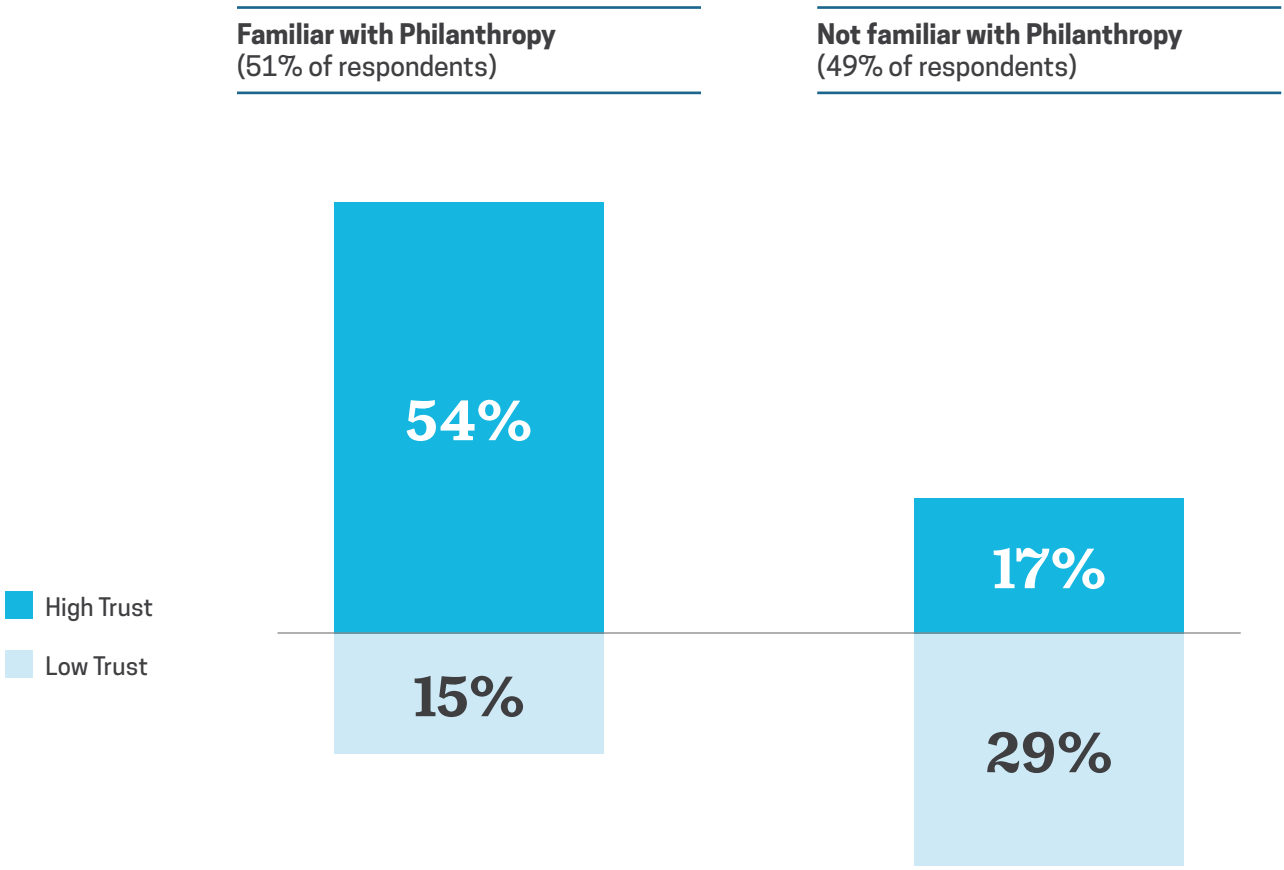
Broad trust in nonprofits, while trust in philanthropy is mixed

Based on agreement for **overall trust**: "Do you trust X to do what is right?"



Q15: How much do you trust nonprofit organizations to do what is right? Total Base size n=3,000, Top 3 Box "Agree" shown.

For philanthropy, trust and familiarity are interlinked



Q24B/31B/37B: Prior to this survey, how familiar were you with the philanthropic sector?

Q25/32/38: How much do you trust philanthropic organizations to do what is right?

Trust attributed to belief nonprofits and philanthropy benefit society

Top Reasons for Trust

59%

High Trust in Nonprofits

- Helping others for the greater good
- Strong reputation including proven history and long track records of success
- They are morally responsible
- Believe in the work that nonprofits are doing to support good causes

36%

High Trust in Philanthropy

- Motivated by doing good work, helping others
- Dedication to the causes they support
- Positive reputations incentivize those involved to be morally and ethically sound
- Benefits to society

Q16/17: Why do you trust/distrust nonprofit organizations to do what is right? Base size Trust: n=1,761; Distrust: n=350

Q26/27/33/34/39/40: Why do you trust/distrust [companies that engage in corporate philanthropy, private foundations, high net worth individuals engaged in philanthropy] to do what is right? Base size Trust: n=1,082; Distrust n=644

Distrust stems from perceived lack of transparency and financial impropriety

Top Reasons for Distrust

12%

Low Trust in Nonprofits

- Lack of financial transparency
- Potential associations with scandals and criminal behavior
- Thought of as greedy, or potentially pocketing money
- Bad personal experiences, have either heard something negative or witnessed it firsthand

21%

Low Trust in Philanthropy

- Thought of as having ulterior or non-altruistic motives for their activities
- Lack of financial transparency
- Uncertainty surrounding operations
- Primarily concerned with own reputation, not interested in helping people

Q16/17: Why do you trust/distrust nonprofit organizations to do what is right? Base size Trust: n=1,761; Distrust: n=350

Q26/27/33/34/39/40: Why do you trust/distrust [companies that engage in corporate philanthropy, private foundations, high net worth individuals engaged in philanthropy] to do what is right? Base size Trust: n=1,082; Distrust n=644

Trust in nonprofits and engagement are interlinked

Statistical analysis reveals that trust and outcomes are interlinked – high trust leads to more giving and volunteering, but engagement and positive experiences with nonprofits also enhance trust. Analysis also shows voter registration and following political issues are significant factors predicting trust in nonprofits as well as giving and volunteering.

Q16/17: Why do you trust/distrust nonprofit organizations to do what is right? Base size Trust: n=1,761; Distrust: n=350

Q26/27/33/34/39/40: Why do you trust/distrust [companies that engage in corporate philanthropy, private foundations, high net worth individuals engaged in philanthropy] to do what is right? Base size Trust: n=1,082; Distrust n=644

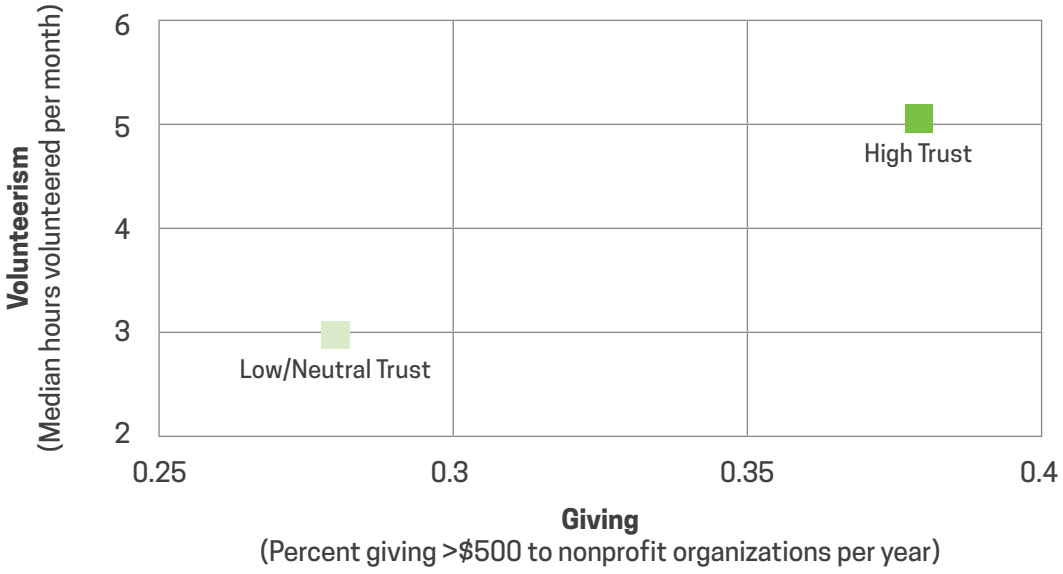
Significant Factors Predicting **Giving and Volunteering**

1. Trust in nonprofits
2. Household income $100k+
3. Following political news/issues
4. College-educated
5. Registered to vote

Significant Factors Predicting **Trust in Nonprofits**

1. Receiving nonprofit services 4x per year or more
2. Following political news/issues
3. Giving/volunteering 4x per year or more
4. Registered to vote
5. College-educated

High trust in nonprofits correlated with robust giving and volunteerism



Trust strongest among suburbanites and those with high socio-economic status

Trusters

59%
High Trust in Nonprofits

36%
High Trust in Philanthropy

Trusters are more likely to…

- Be college educated
- Have household income greater than $75k
- Live in Urban and Suburban communities
- Pay close attention to national politics
- Support the Democratic party
- Live in the Northeast

Distrusters

12%
Low Trust in Nonprofits

21%
Low Trust in Philanthropy

Distrusters are more likely to …

- Have less education
- Have household income less than $35k
- Live in Rural communities
- Be less politically active than trusting peers
- Support the Republican party
- Report low levels of familiarity with Philanthropy

Trusters defined as: selected Top 3 Box Trust in Nonprofit Organizations

Distrusters defined as: selected Bottom 4 Box in Nonprofit Organizations

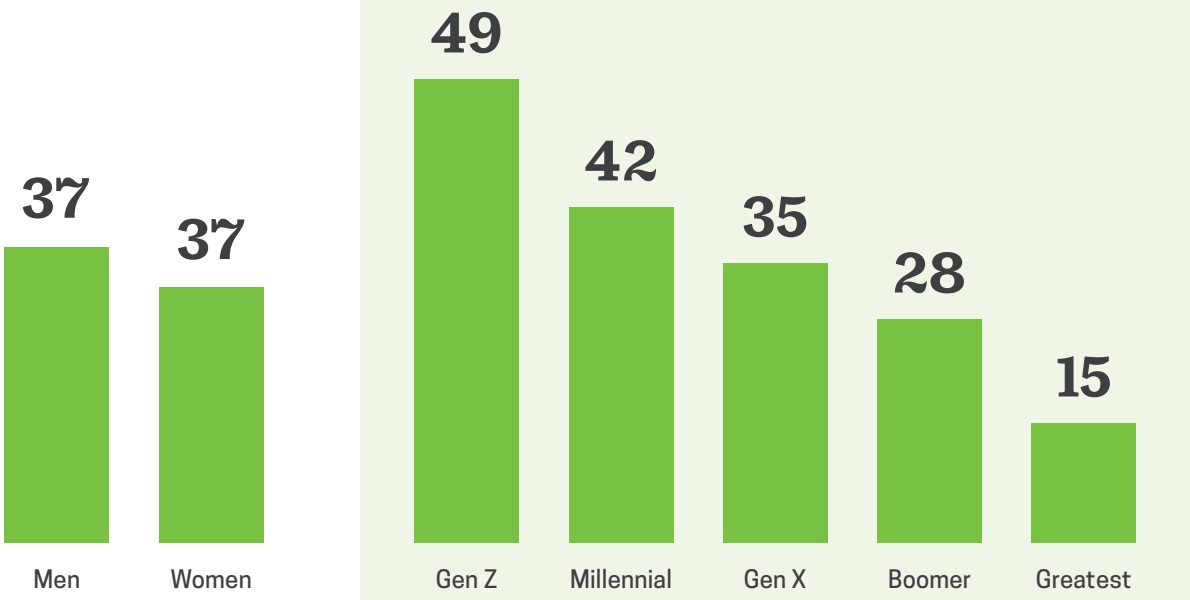
Neutral Trusters defined as the middle 2 Boxes, n=773 and are not included

Younger generations more likely to report increasing trust in nonprofits

I trust nonprofits **more** today than I did ten years ago

35%

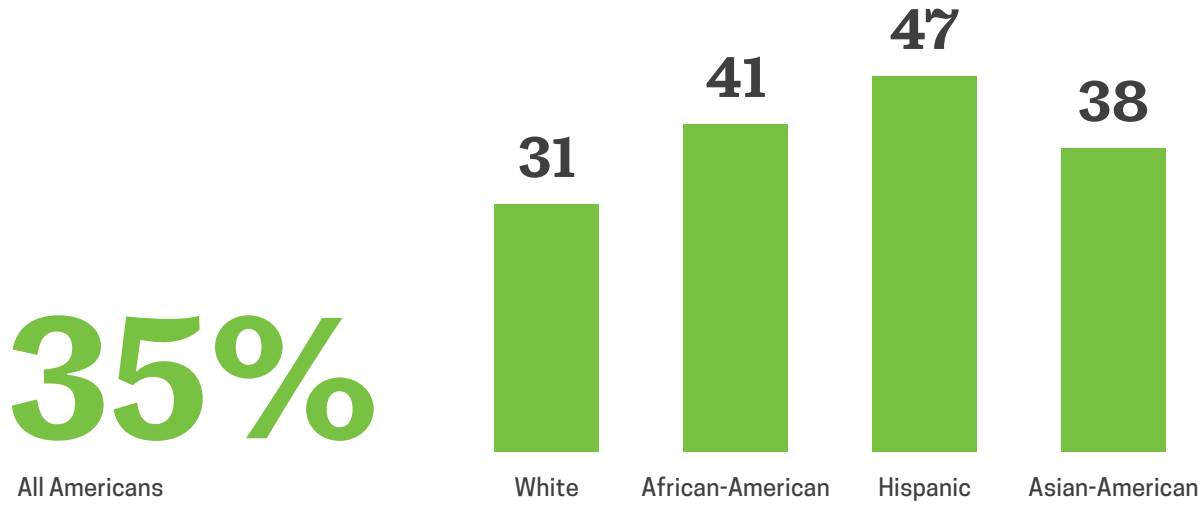
All Americans



Q21: Compared to ten years ago, do you trust nonprofit organizations more or less today? White Base size: n=2,070, African-American Base Sze n=419, Hispanic Base Size n=294, Asian-American Base Size n=138

Trust in nonprofits increasing among people of color

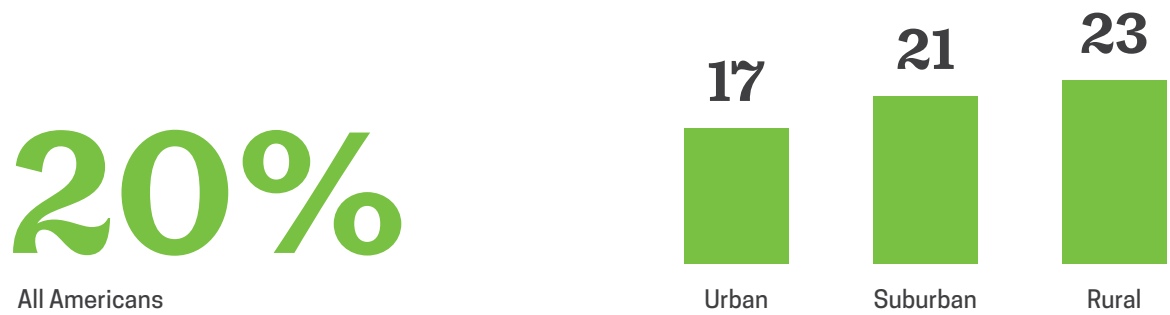
I trust nonprofits **more** today than I did ten years ago



Q21: Compared to ten years ago, do you trust nonprofit organizations more or less today? White Base size: n=2,070, African-American Base Sze n=419, Hispanic Base Size n=294, Asian-American Base Size n=138

Trust in nonprofits decreasing most in rural America

I trust nonprofits **less** today than I did ten years ago



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Building Trust

Uncovering the levers of trust capital

Trust capital is composed of four dimensions that identify strengths and weaknesses to be leveraged or addressed to unlock full trust potential.

Ability

Good at what they do

Has the skills, expertise, competencies and resources to have influence

Integrity

Is honest

Has the skills, expertise, competencies and resources to have influence

Dependability

Keeps its promises

Consistent and reliable, delivers on the commitments it makes

Purpose

Tries hard to have a positive impact on society

Wants to do good, is loyal, caring and non-opportunistic

Purpose and Integrity are critical to building trust

Contribution to overall trust, by dimension

(Quantified via statistical analysis)

	Nonprofits	Philanthropy
Purpose Tries hard to have a positive impact on society	1st	1st
Integrity Is honest	2nd	2nd
Ability Good at what they do	3rd	4th
Dependability Keeps its promises	4th	3rd

Q18: To what extent do you agree or disagree with the following statements?
Base Size n=3,000

Philanthropy receives weak ratings across all four trust dimensions

Contribution to overall trust, by dimension (Quantified via statistical analysis)

Shown: Top 2 box Agree

	Nonprofits		Philanthropy
Purpose Tries hard to have a positive impact on society	63%	"Trying hard to have a positive impact on society"	37%
Integrity Is honest	47%	"Honest"	26%
Ability Good at what they do	55%	"Good at what they do"	35%
Dependability Keeps its promises	45%	"Keeps its promises"	27%

Note: Philanthropy scores hindered by lack of respondent familiarity with their actions and behaviors

Q18: To what extent do you agree or disagree with the following statements?
Base Size n=3,000

Clearly articulate mission and values, demonstrate impact to build trust

Key Drivers of Trust

Shown: Contribution to Trust ranked by Modeled Effect

Key Drivers

The most critical levers of trust. These drivers have a strong statistical relationship to trust and are top of mind for most survey respondents.

Nonprofits

1. Has a mission that fulfills a clear need
2. Has a presence in my local community
3. Is relatable for someone like me
4. Is accountable to its donors or members
5. Has a high effectiveness rating from organizations that evaluate nonprofits

Philanthropy

1. Has clearly articulated values
2. Has a mission that fulfills a clear need
3. Has a highly skilled workforce
4. Gets things done
5. Is accountable to its donors or members

Q22:To what extent do each of the following traits impact your trust in a given nonprofit organization? Base Size n=3,000

Q29: To what extent do each of the following traits impact your trust in a given [company that engages in corporate philanthropy, private foundation, high net worth individual engaged in philanthropy]? Base Size n=3,000

Engage the underserved and leverage partnerships to further amplify trust

Hidden Motivators of Trust

Shown: Contribution to Trust ranked by Modeled Effect

Hidden Motivators

Further opportunities for enhancing trust. These drivers have a strong statistical relationship to trust but are not top of mind for many survey respondents.

Nonprofits

1. Engages underserved communities and people of color
2. Receives endorsements/support from celebrities or public figures
3. Is active all around the country

Philanthropy

1. Receives endorsements/support from celebrities or public figures
2. Partners with government
3. Partners with business

Q22:To what extent do each of the following traits impact your trust in a given nonprofit organization? Base Size n=3,000

Q29: To what extent do each of the following traits impact your trust in a given [company that engages in corporate philanthropy, private foundation, high net worth individual engaged in philanthropy]? Base Size n=3,000

Implications and Opportunities for the Nonprofit and Philanthropic Sector

1.

Impact is key — demonstrate results that substantively benefit communities.

2.

Transparency and integrity are key drivers of credibility and essential to building trust.

3.

Clarity and openness about mission and purpose is critical to establishing and maintaining trust.

4.

Engage local communities in relatable ways and demonstrate accountability.

5.

Tell the story: communicate broadly and clearly about impact, mission and values. Leverage relationships with public figures when appropriate.

Supplemental Data

Mapping Trust: The Four Dimensions and Behaviors

Nonprofit & Philanthropy Trust

Ability

- Has a high effectiveness rating from organizations that evaluate nonprofits*
- Gets things done
- Is active all around the country*
- Partners with government
- Partners with businesses
- Engages in lobbying of government officials*
- Has a highly skilled workforce
- Is staffed primarily by volunteers*
- Engages in political issue advocacy

Dependability

- Is accountable to its donors or members
- Has a long history with a proven track record
- Is accountable to the community it serves

Integrity

- Receives endorsements/ support from celebrities or public figures
- Is relatable for someone like me
- Is an organization I am personally familiar with
- Demonstrates how support leads to results
- Has clearly articulated values
- Is ethical
- Is transparent about past scandals
- Is financially transparent
- Is independent from political influence

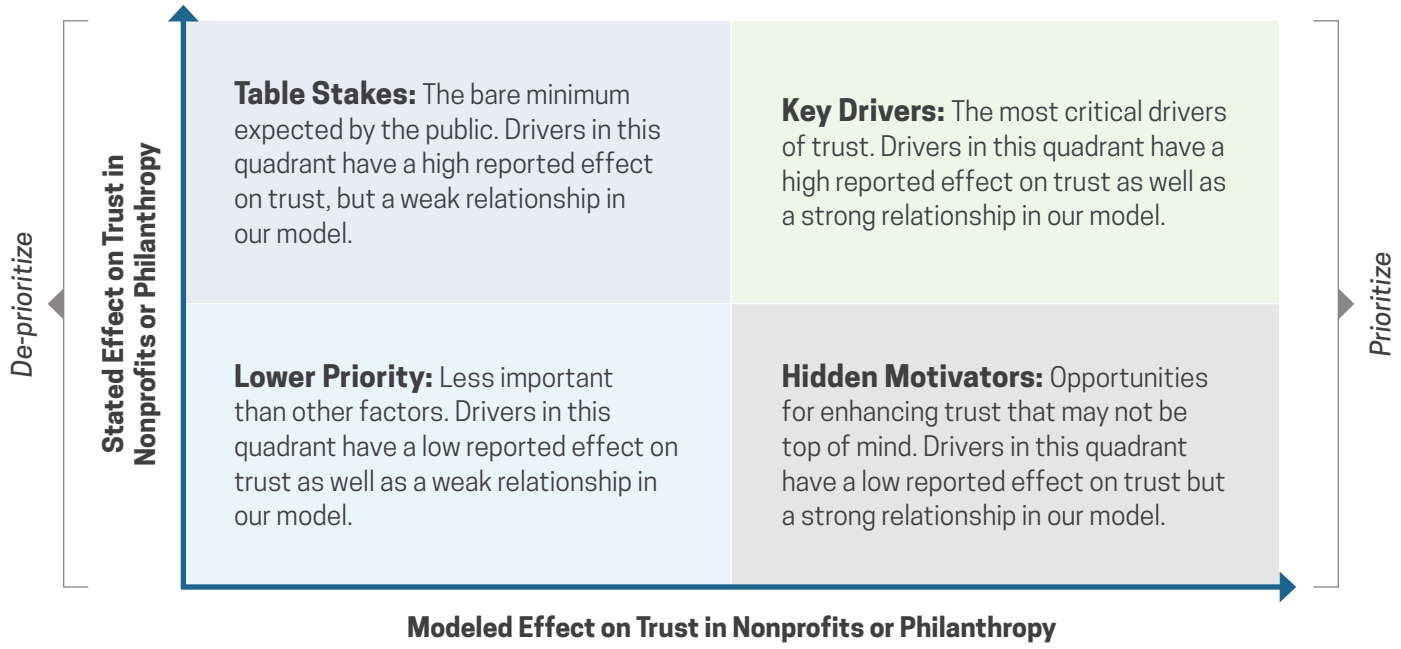
Purpose

- Has a mission that fulfills a clear need
- Engages underserved communities and people of color
- Has a presence in my local community
- Benefits my community
- Is not motivated by profit
- Represents my gender, race, sexual orientation or other identity group

*Classified as Nonprofit behaviors only

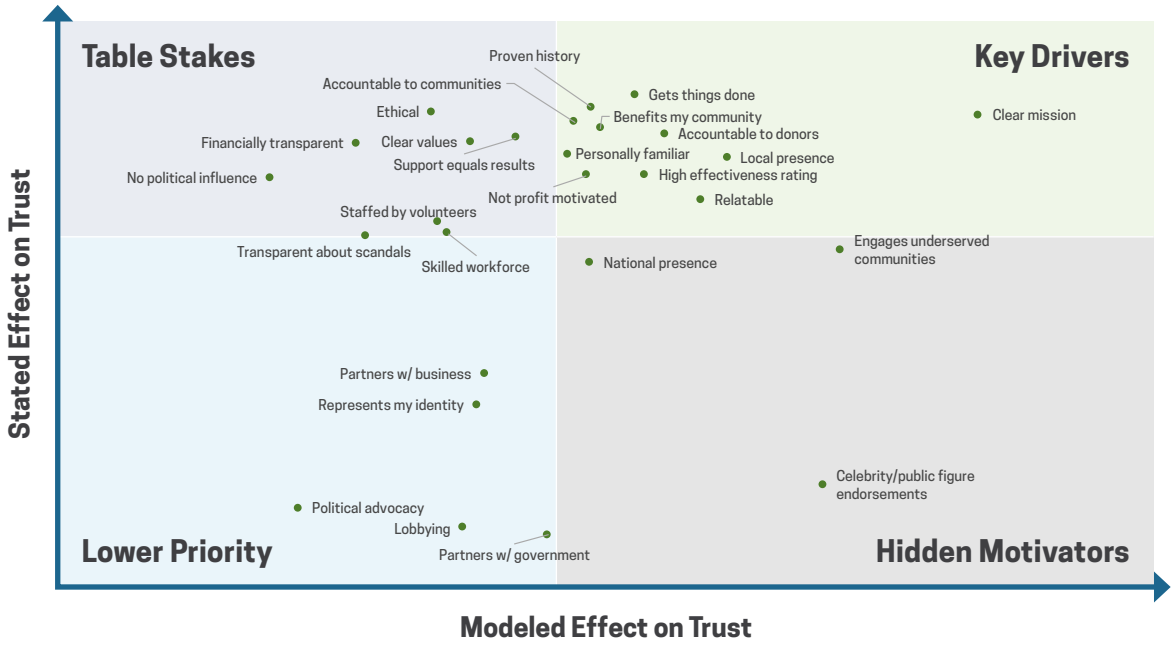
What behaviors drive trust? – Statistical analysis approach

Advanced statistical analysis uncovered the specific levers that drive trust in nonprofit organizations and philanthropy. This visualization categorizes each driver into one of four quadrants:



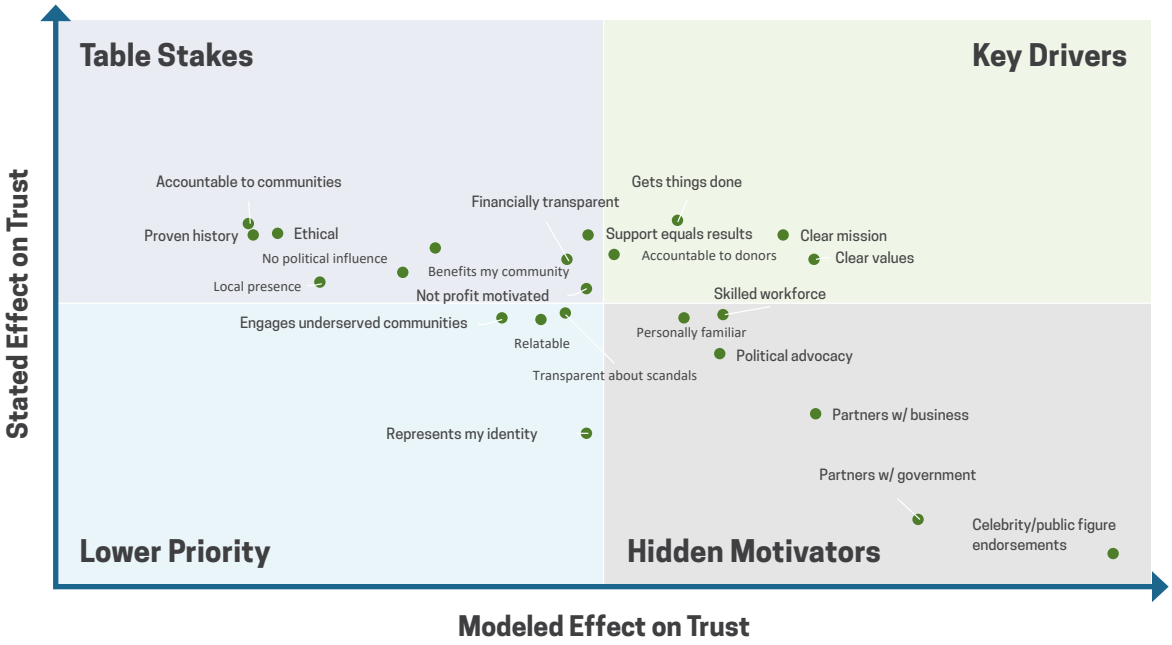
Nonprofit sector behaviors, by quadrant

High vertical positioning indicates a high reported impact on trust, while positioning further to the right of the central axis indicates a high modeled impact on trust.



Philanthropic sector behaviors, by quadrant

Getting things done, accountability and clear mission and values are key drivers of trust in philanthropy. Hidden motivators include endorsements from celebrities or public figures and partnerships with government and business.



All Key Drivers, ranked by contribution to trust

Key Drivers

Shown: Contribution to Trust ranked by Modeled Effect

Nonprofits

1. Has a mission that fulfills a clear need
2. Has a presence in my local community
3. Is relatable for someone like me
4. Is accountable to its donors or members
5. Has a high effectiveness rating from organizations that evaluate nonprofits
6. Gets things done
7. Benefits my community
8. Has a long history with a proven track record
9. Is not motivated by profit
10. Is accountable to the community it serves
11. Is an organization I am personally familiar with

Philanthropy

1. Has clearly articulated values
2. Has a mission that fulfills a clear need
3. Has a highly skilled workforce
4. Gets things done
5. Is accountable to its donors or members

All Hidden Motivators, ranked by contribution to trust

Hidden Motivators

Shown: Contribution to Trust ranked by Modeled Effect

Nonprofits

1. Engages underserved communities and people of color
2. Receives endorsements/support from celebrities or public figures
3. Is active all around the country

Philanthropy

1. Receives endorsements/support from celebrities or public figures
2. Partners with government
3. Partners with business
4. Engages in political issue advocacy
5. Is an organization I am personally familiar with

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