

2019 GIVE.ORG DONOR TRUST REPORT

STATE OF PUBLIC
TRUST IN THE
CHARITABLE SECTOR

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Authors/Contributors

State of Trust in the Charitable Sector

The way donors think and feel about charities is in a constant state of flux. BBB's Give.org believes higher trust in charities translates to higher public engagement and confidence in giving.¹ With that in mind, the Give.org Donor Trust Report tracks donor beliefs, feelings, and behavioral intentions related to charity trust and generosity.² Our reports aim to shed light on the dynamic relationship between donors and charities, with the goal of strengthening their bond.

The 2019 Give.org Donor Trust Report is the second edition of this annual survey. It explores consistent themes in donor trust, looks at incremental changes that signal shifts in donor attitudes, and identifies gender differences in charity trust. This year, BBB's Give.org also surveyed donors and charities about attitudes related to disaster relief appeals. A special issue on that topic was published earlier in the year,³ and highlights are included in this report.

We commissioned a panel survey of more than 2,100 adults across the United States. The highlights from that survey are below:

Importance of Donor Trust Endures

While a comparison of survey data from one year to the next will focus on differences, sometimes, lack of change can also tell an important story. Our survey continues to show that charities are the most trusted institution in the United States but that there is ample space to build trust in the sector. We also continue to observe that trust is malleable, suggesting that

¹In "Does Meeting BBB Accountability Standards Affect Charitable Giving?", Dr. Gregory Chen found that charities meeting all 20 BBB Standards for Charity Accountability are associated with an increase in fundraising revenue. In "Donor Retention: What Do We Know and What Can We Do About It?", Adrian Sargeant of Indiana University concludes that trust is a driver of loyalty and that passion for the future of the organization and the work it is trying to achieve may be developed by enhancing trust, enhancing two-way interactions, and developing shared values. More recently, the 2019 Edelman Trust Barometer, puts forth that trust is a tangible asset, observing that "trust is predictive in nature and converts into tangible realities" and that "high trust companies outperform their sector."

²The *Give.org Donor Trust Report: An in-depth Look into the State of Public Trust in the Charitable Sector* was released in 2018 as the first of its series. That report included data points from the Give.org Donor Trust Survey and surveys conducted in 1993 (Trend from Gallup Organization for Council of Better Business Bureaus) and 2001 (Princeton Research Associates BBB Wise Giving Alliance Donor Expectation Survey). Give.org now surveys the public every year, including a core set of questions intended to measure the health of public trust in the charitable sector and to identify shifts across time.

³*Give.org Donor Trust Special Report: Disaster Relief Donor Expectations (2019)*.

charities can play a role in shaping the way donors feel toward the sector and can gain from building trust as a collective asset. Our survey found that:

- Charities remain more trusted than other institutions, including organized religion, banks, business, media, and government. In fact, the trust preference for charities over other institutions grew moderately across the board and, in the case of organized religion, the trust gap grew from 7 percentage points in 2017 to 30 points in 2018 (with 65.1% of respondents trusting charities more than organized religion).
- 69.8% of respondents rated the importance of trusting a charity before giving as 9 or 10 (Essential) on a 10-point scale. However, only 19.0% of respondents say they highly trust charities.
- Some categories of charities are trusted more than others. When looking at the portion of respondents that highly trust different categories of charities, we observed moderate changes in high trust across charity types, with two notable exceptions. The portion of respondents that highly trust civil rights and community action organization was only 15.7% in 2018, as compared to 25.0% in 2017. Similarly, the portion of respondents that highly trust religious organizations was only 27.8% in 2018, as opposed to 32.0% in 2017.

Incremental Trust Gains

Positively, survey results show a modest rise in overall trust in the sector. Our survey found that:

- 14.3% of respondents say they trust charities today more than they did 5 years ago, a noteworthy increase from 10.0% in 2017 and returning to roughly the level observed in 2001 (16.0%) and 1993 (15.0%).
- Potential donors are also more confident that charities can be relied upon to do what they say they will do. 23.8% of respondents reported high confidence in charities in 2018, as opposed to only 15.0% in 2017.

Accomplishments are Increasingly Important

As we explore what triggers perceived trust for a charity, we found that accomplishments are reported as a top signal of trust and their importance is growing. Our survey found that:

- When asked what most signals that a charity is trustworthy, the top factors in 2017 and 2018 were: accomplishments shared by the

organization, third-party evaluations by an independent organization, and financial ratios. The portion of respondents choosing accomplishments as one of the most important signals of trust grew from 44.0% in 2017 to 53.8% in 2018.

- Triggers of trust vary across generational lines. The category “accomplishments shared by the organization” was the most frequent one chosen as signaling charity trustworthiness across generation (except for Matures).
- While the importance of charity accomplishments appears to be on the rise, the importance placed on overhead spending in the decision-making process may be decreasing. 66.4% of 2018 survey takers (as compared to 74.0% of 2017 respondents) say that the portion of the charity’s spending that goes towards charitable programs (as opposed fundraising or administrative costs) is “very important” in deciding whether the charity deserves their support.
- When assessing whether a charity is trustworthy, respondents say that they would be most influenced by third-party evaluations (32.4%), but they most frequently rely on charity websites (41.7%) to inform their decisions.

Gender Differences in Charity Trust

In 2019, the Edelman Trust Barometer showed that women trust institutions less than men. At the same time, women are driving change in society more than ever and they amplify news through their networks, showing the importance of building brand stories that inspire women to engage.⁴ Likewise, our findings show that women tend to be more skeptical than men, but we also found that in the charitable context, women place higher value on trust. Our survey found that:

- 72.4% of women (as compared to 66.9% of men) rated the importance of trust before giving as 9 or 10 on a 10-point scale. Only 17.5% of women (as compared to 20.9% of men) scored their trust in charities as a 9 or 10 on a 10-point scale. While there is ample space to build trust among both genders, the trust gap is wider for women.
- Women are more likely to say that assessing whether a charity is trustworthy is difficult (40.9% of women vs. 36.4% of men) and less likely to say it is easy (16.4% of women vs. 24.0% of men).

⁴ 2019 Edelman Trust Barometer Women and Trust

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- When asked to assess confidence in different institutions having the ability to do what they say they will do, women report lower confidence than men across government, business, criminal justice system, organized religion, and charities. The confidence gap between men and women is least pronounced for the charitable sector, suggesting that women are relatively confident in charities.
- When identifying important signals of perceived trust, both women (54.5%) and men (53.1%) identify accomplishments shared by the organization as one of three most important signals. Women are more likely than men to choose name recognition (30.5% of women vs. 23.6% of men) and opinions expressed by friend and family (24.2% of women vs. 17.4% of men). On the flip side, women are less likely to choose third-party evaluations (30.2% of women vs. 36.2% of men) and financial ratios (27.5% of women vs. 33.1% of men).
- While women are less likely to highly trust charities overall, they place relative high trust on animal welfare and social services charities.
- Only 8.9% of women, as opposed to 18.5% of men, say they would like charities to approach them more.
- When asked about disaster relief appeals, only 20.2% of women, compared to 28.6% of men, say appeals are “very clear.”

Disaster Relief Trust Highlights

Disasters are a reminder of our vulnerability and interdependence. With the rising frequency and severity of disasters, and the likely surge in natural disasters ahead,⁵ demands related to relief spending likely will increase the number of requests to potential individual donors. Our survey found that:

- Only 24.1% of potential donors say charity disaster relief appeals are “very clear.”
- 54.0% of donors say they seek out information on what specific disaster response services a charity will provide.

⁵ National Climate Assessment

- At least one quarter of charities that report raising funds for disaster relief in 2018 do not have a policy addressing how to spend any money remaining after completing a specific disaster response. Charities that report having a “remaining funds” policy say their policy allows for: other disaster relief efforts (54.1%), the affected area (43.2%), other program areas within the organization (18.9%).
- The most significant influence on disaster relief givers is news media, with 43.2% of donors and 56.6% of charities reporting news media is the strongest influence on disaster giving decisions.
- When compared to older generations, younger donors were more likely to respond to celebrity (i.e., movie, tv star, famous athlete, etc.) fundraisers for disaster relief. The most frequent reason cited for having donated to a celebrity’s disaster relief fundraiser were: being a fan of the celebrity (46.2% of men and 30.3% of women) and trust in the celebrity’s ability to choose (29.0% of men and 25.4% of women). Also, most people (83%) who donated to a celebrity’s disaster relief fundraiser said they would have otherwise donated to other relief efforts.
- Only 14.8% of charities addressing disaster relief said crowdfunding sites help increase the total amount of funds donated to charities.

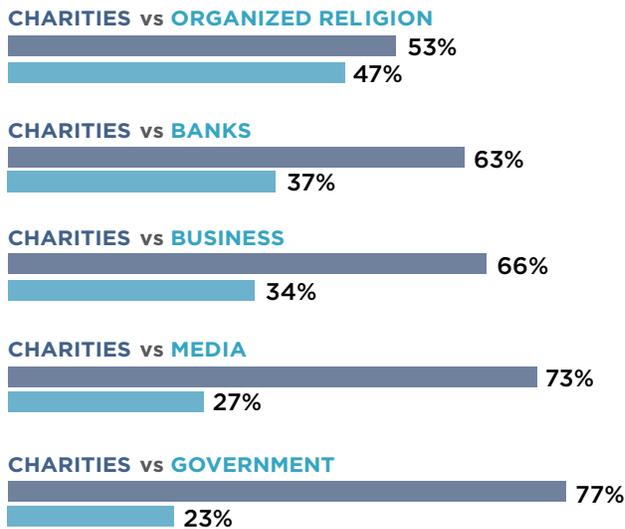
Individuals continue to represent close to 80% of total giving in the United States,⁶ stressing the need to strengthen public trust in the charitable sector and the importance of understanding how people want to engage in making a difference.

⁶ Giving USA 2018.

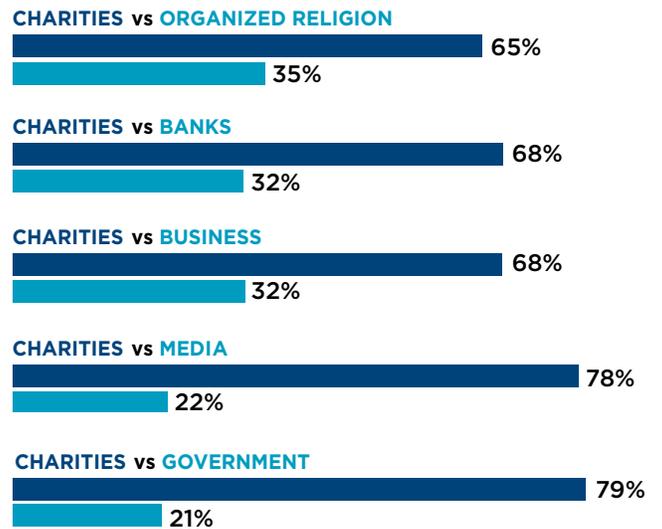
Importance of Donor Trust Endures

Our survey continues to show that charities are the most trusted institution in the United States:

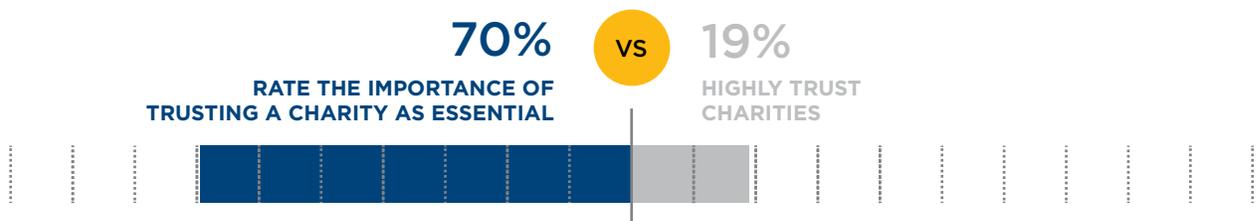
2017



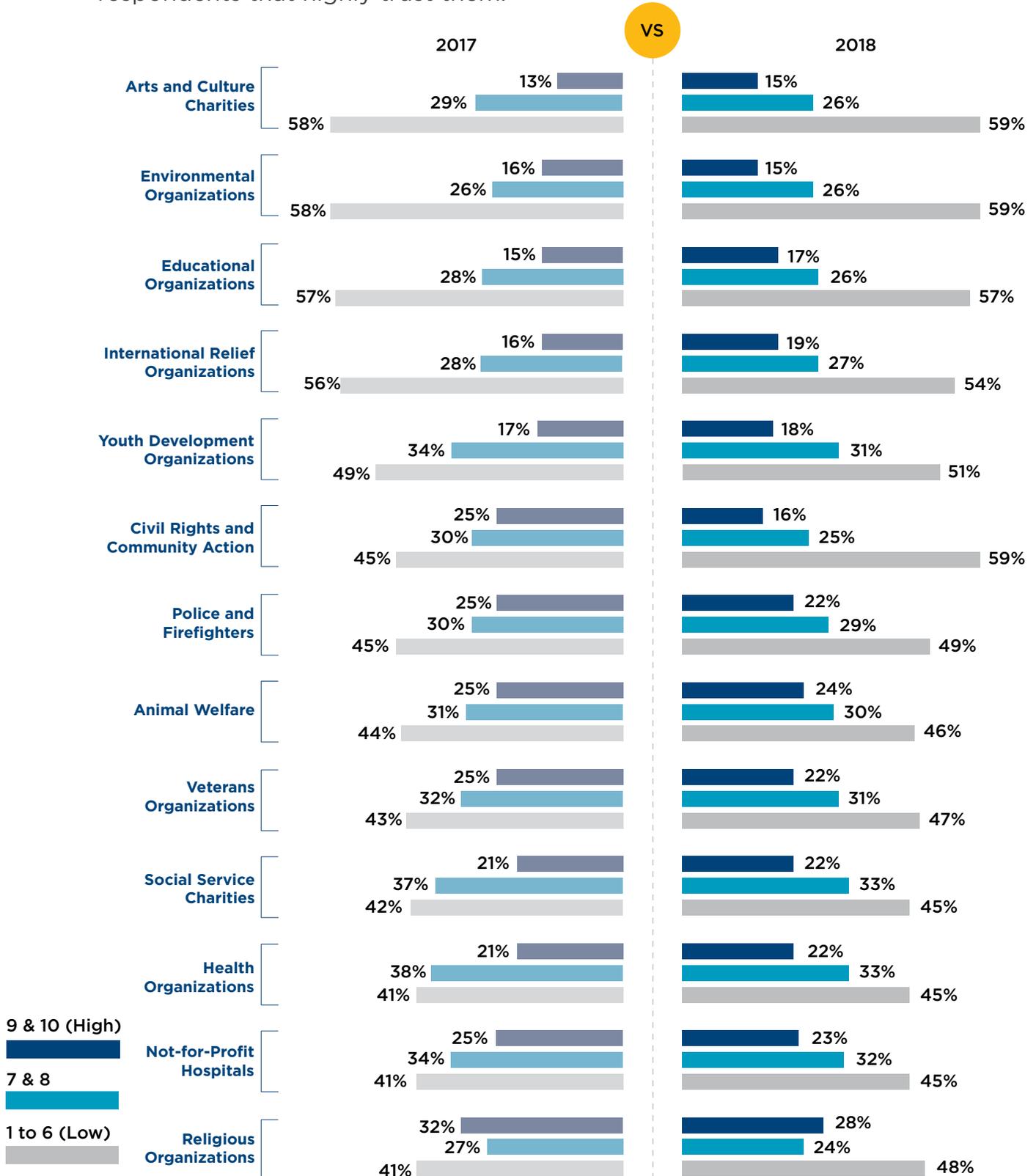
2018



But there continues to be ample space to build trust in the sector:

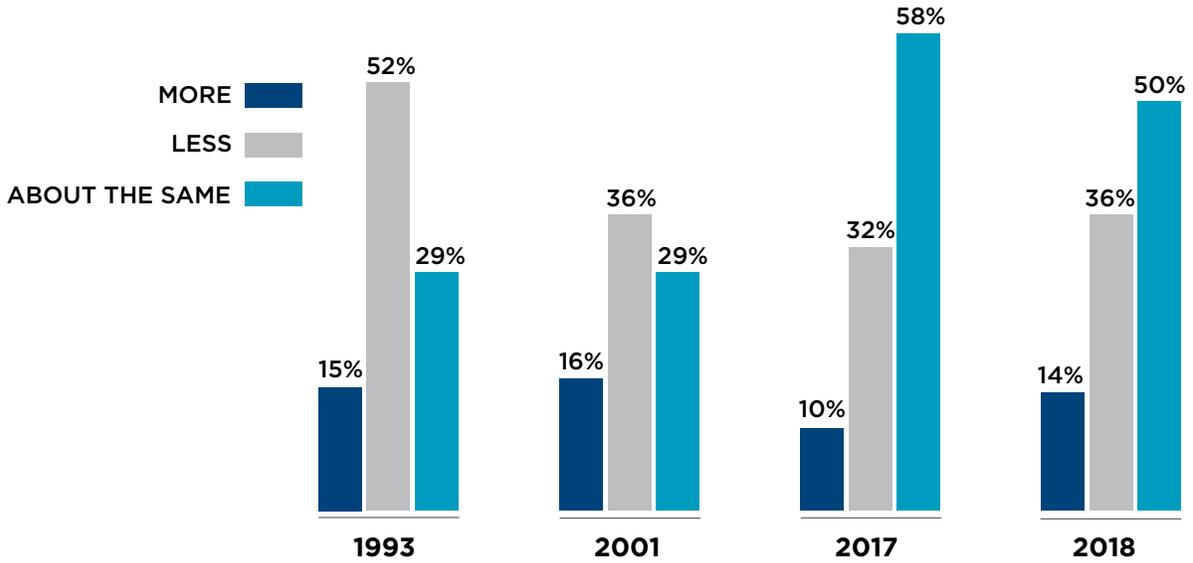


Some categories of charities are trusted more than others. During 2018, religious organizations, as well as civil rights and community action organizations experienced a noteworthy decrease in the portion of respondents that highly trust them.

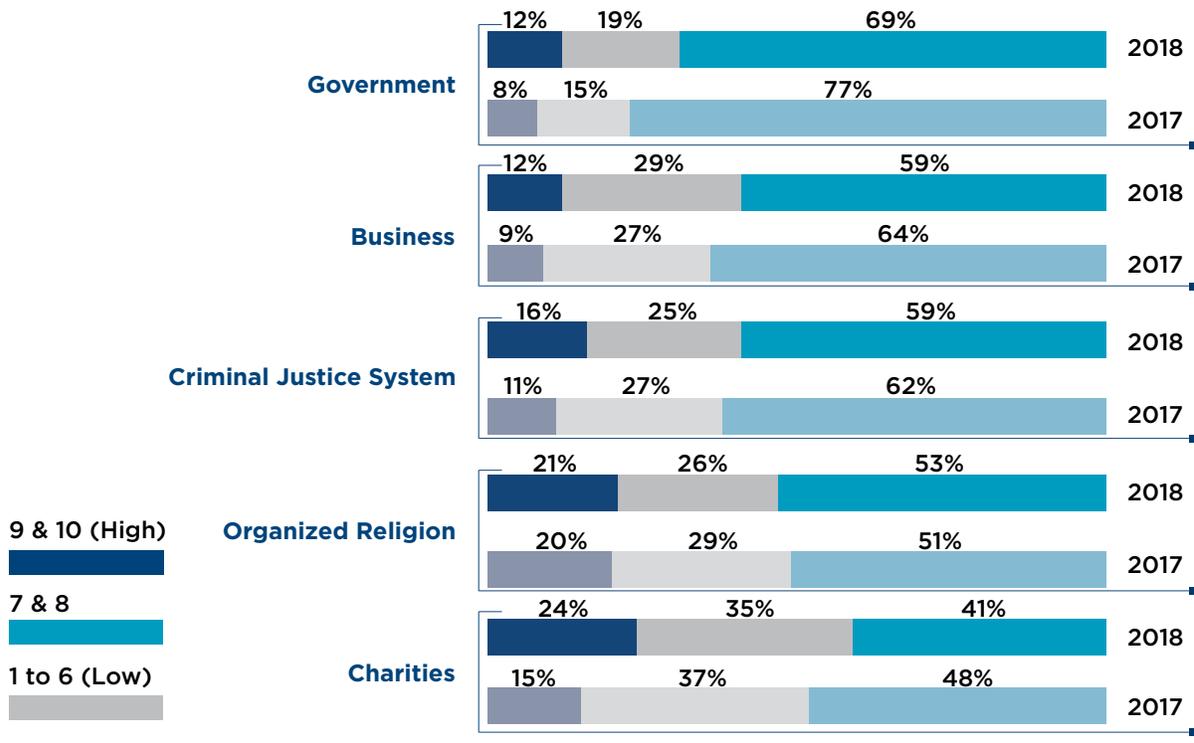


Incremental Trust Gains

During 2018, optimism in charity trust rose modestly,⁷ approaching levels observed in 2001 and 1993:



Potential donors are also more confident that charities are able to do what they say they will do and can be relied upon:



⁷ Our results are consistent with findings by 2019 Edelman Trust Barometer

Accomplishments Increasingly Important

When asked what most signals that a charity is trustworthy, the three top factors in 2017 and 2018 were:



Accomplishments
shared by the
organization

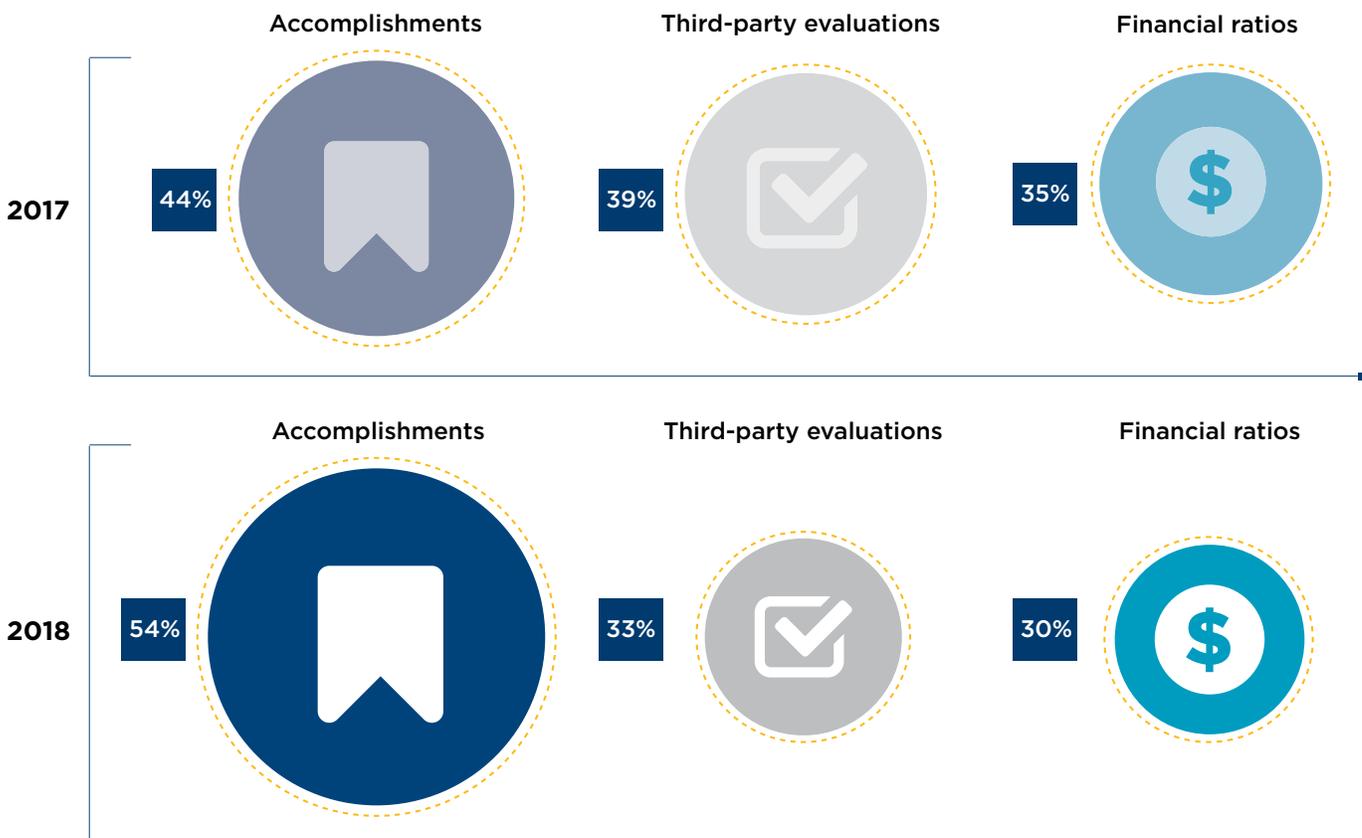


Third-party
evaluations

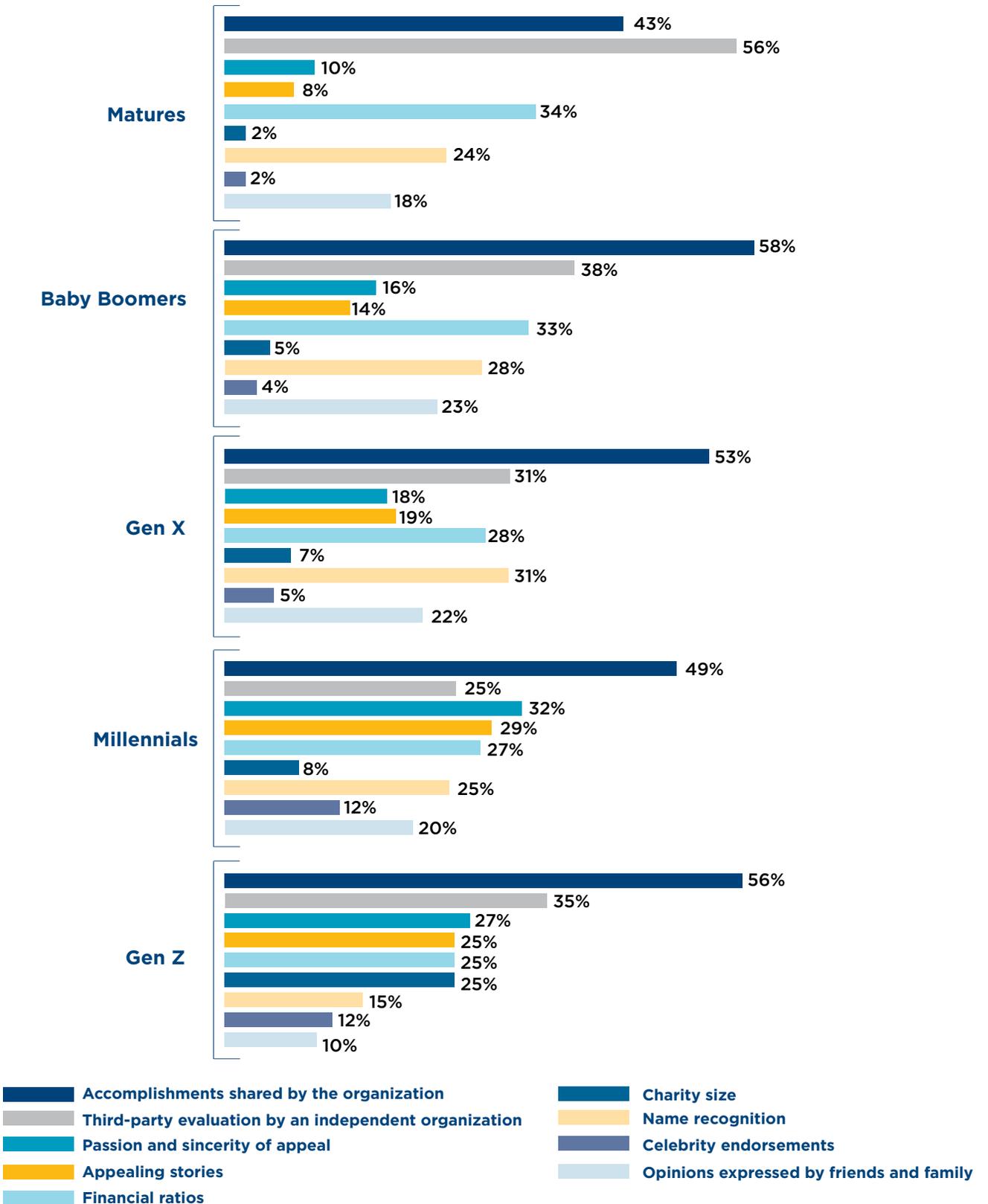


Financial
Ratios

The portion of respondents choosing accomplishments as one of the most important signals of trust grew during 2018:

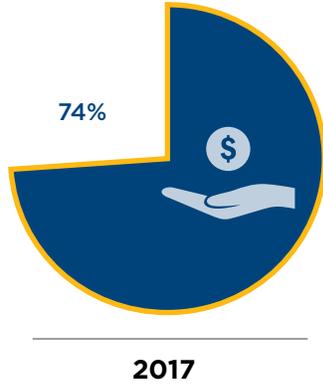


Accomplishments were most frequently chosen as signaling charity trustworthiness across generation, except by matures:



The importance placed on overhead spending may be decreasing. When thinking about giving to a charity:

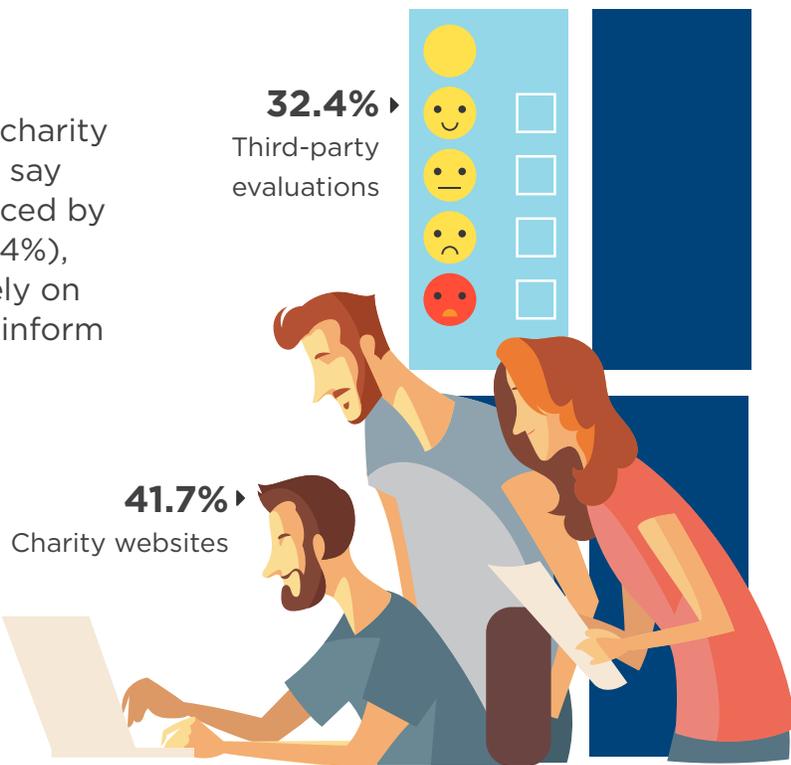
In 2017, 74% said the portion of the charity's spending that goes toward charitable programs (as opposed to fundraising or administrative expenses) is "very important."



In 2018, 66% said the portion of the charity's spending that goes toward charitable programs (as opposed to fundraising or administrative expenses) is "very important."

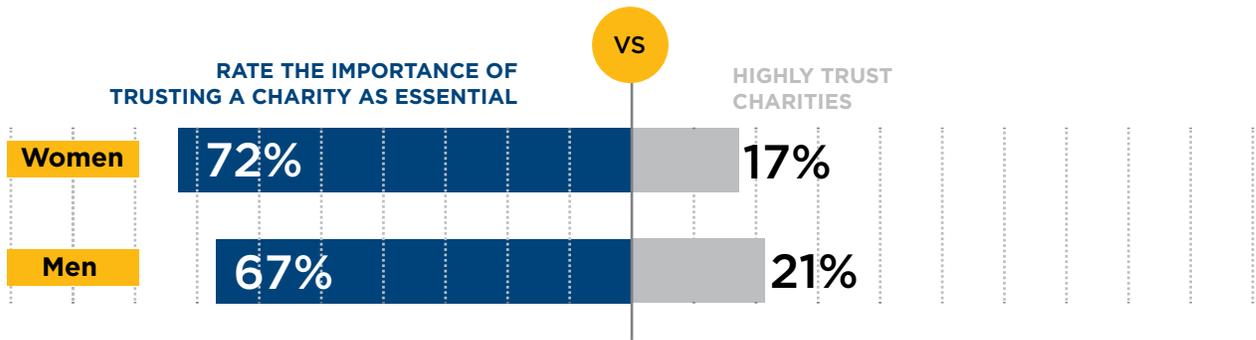


When assessing whether a charity is trustworthy, respondents say they would be most influenced by third-party evaluations (32.4%), but they most frequently rely on charity websites (41.7%) to inform their decisions.

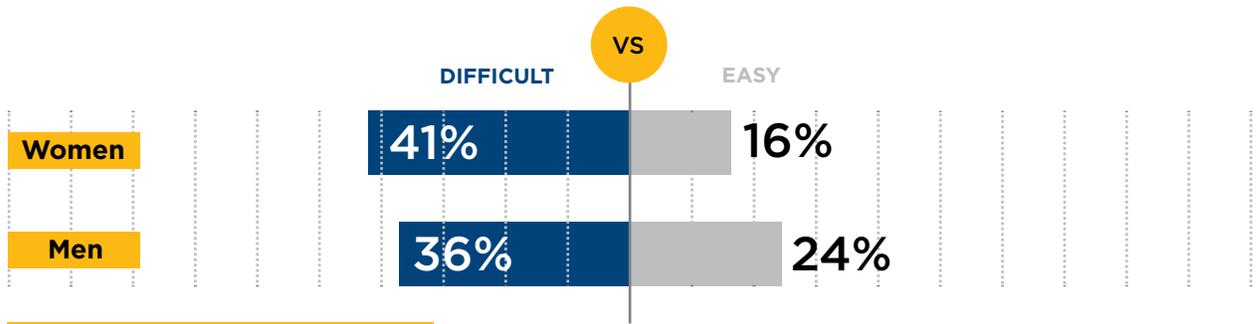


Gender Differences in Charity Trust

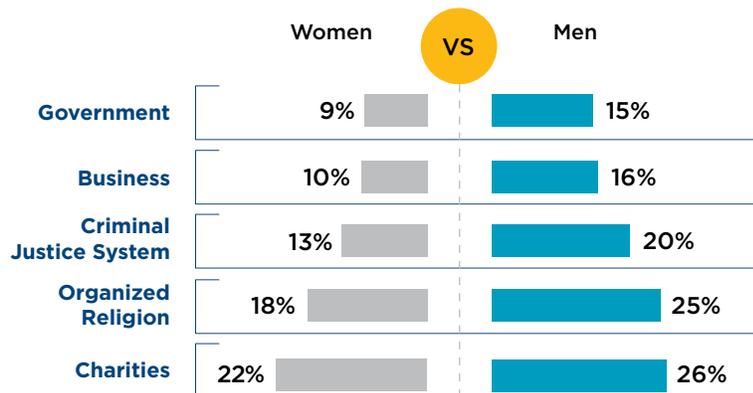
Women place higher value on trust but tend to be more skeptical of charities. While there is ample space to build trust among both men and women, the trust gap is wider for women:



Women are more likely to say assessing a charity's trustworthiness is difficult:

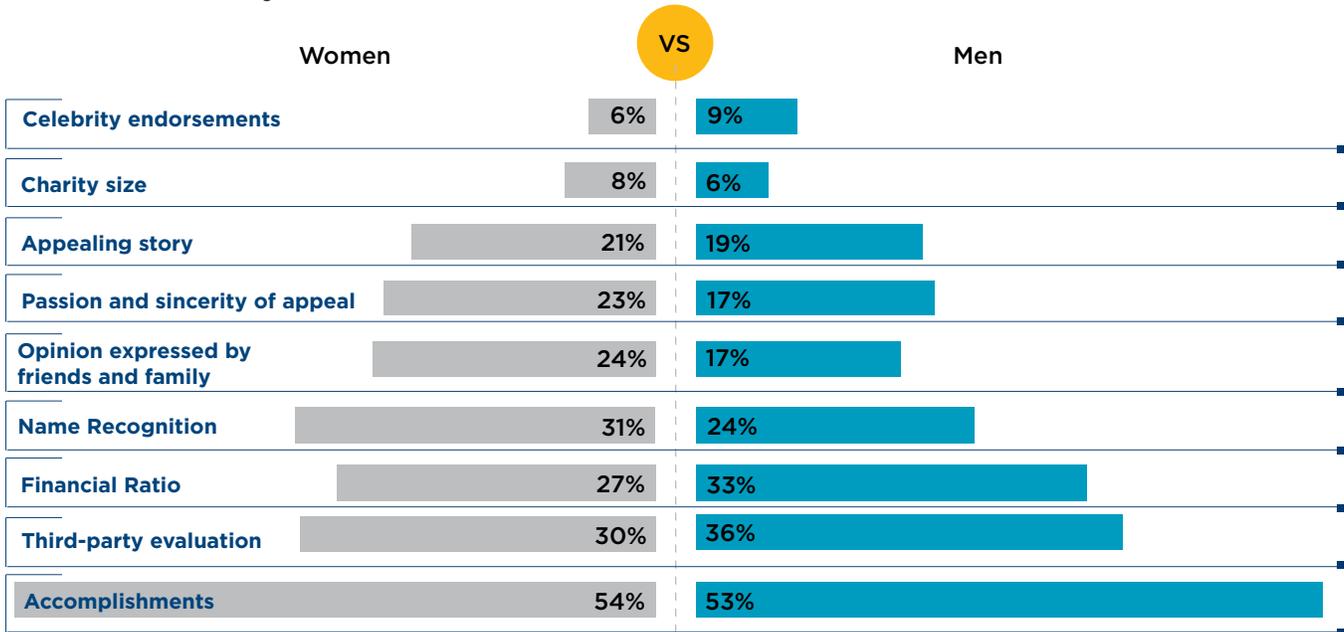


And they report lower confidence in institutions than men:

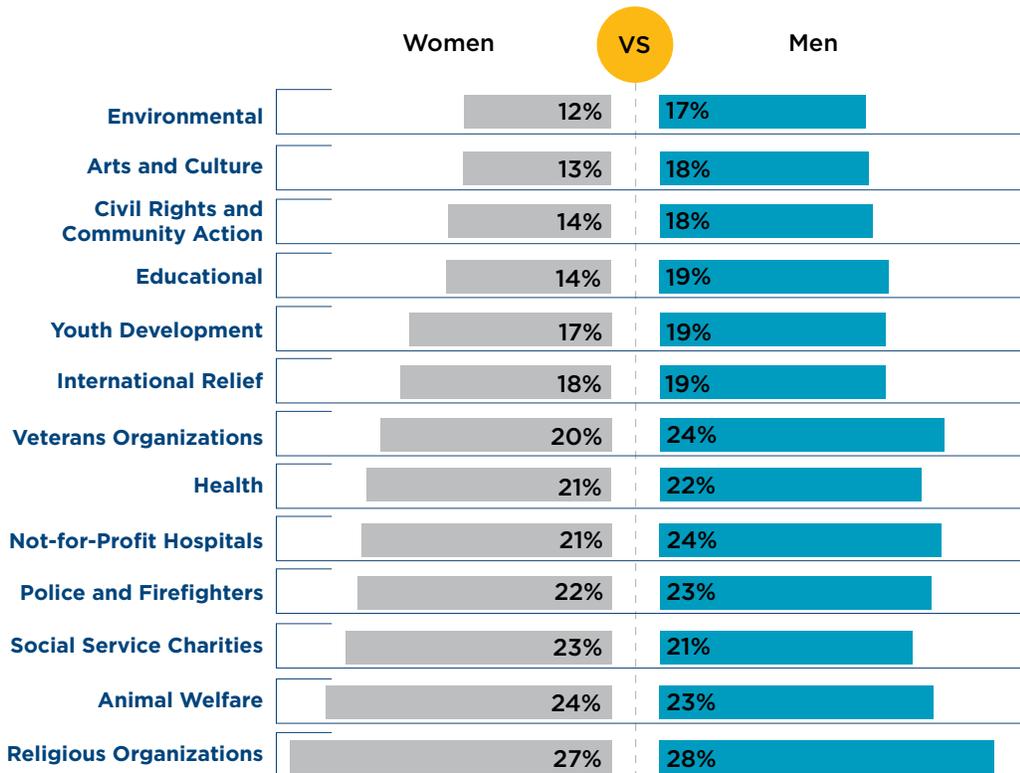


The confidence gap between men and women is least pronounced for the charitable sector.

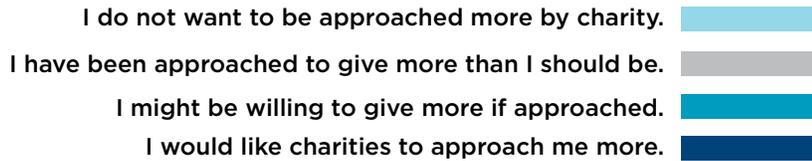
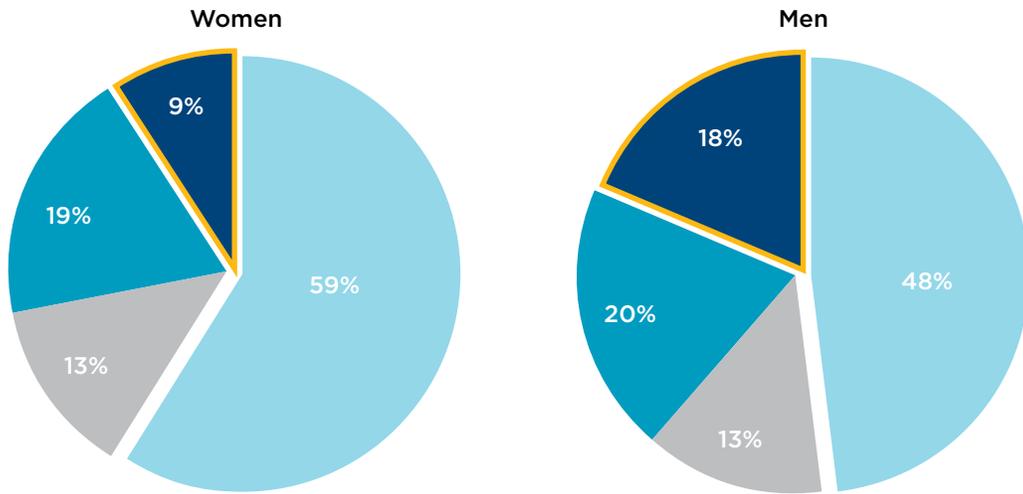
Women and Men tend to assess charity trust a little differently, with women giving more importance to name recognition and opinions expressed by friend and family.



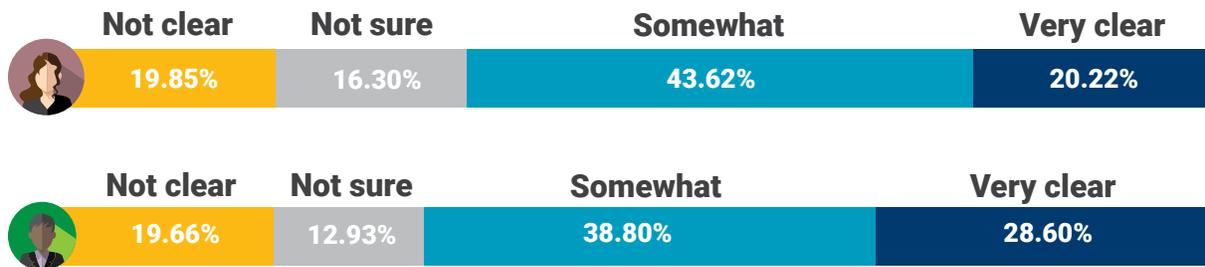
While women are less likely to highly trust charities overall, they place relative high trust on animal welfare and social services charities:



Men more frequently express a desire to be approached to give:



When asked about disaster relief appeals, women were less likely to say appeals are “very clear”:



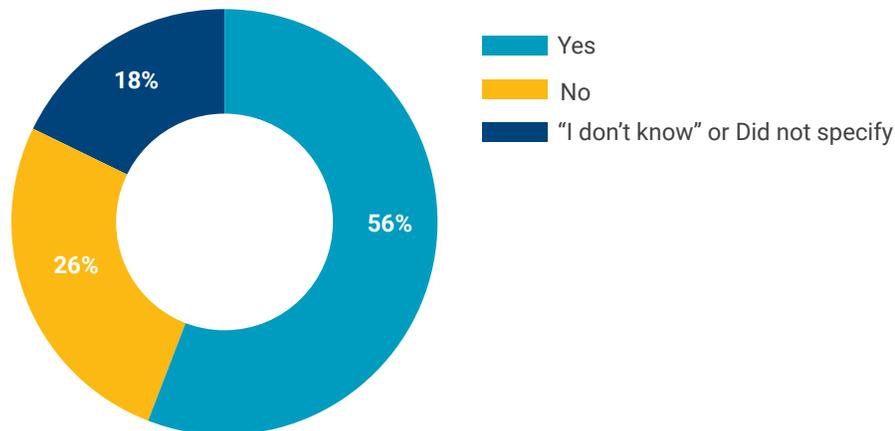
Disaster Relief Trust Highlights

Only 24.1% of potential donors say charity disaster relief appeals are “very clear”:

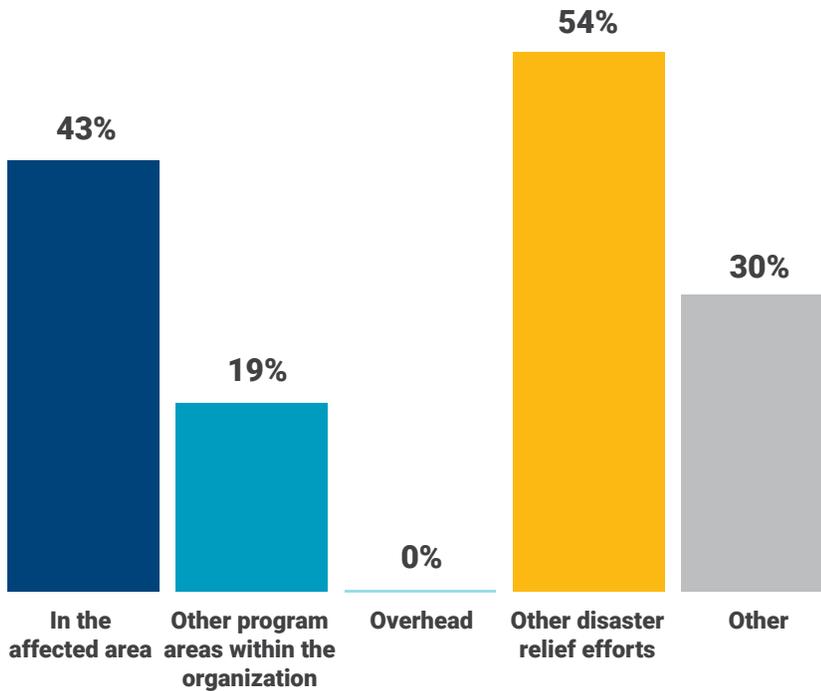


And 54% of potential donors say they seek out information on what specific disaster response services a charity will provide.

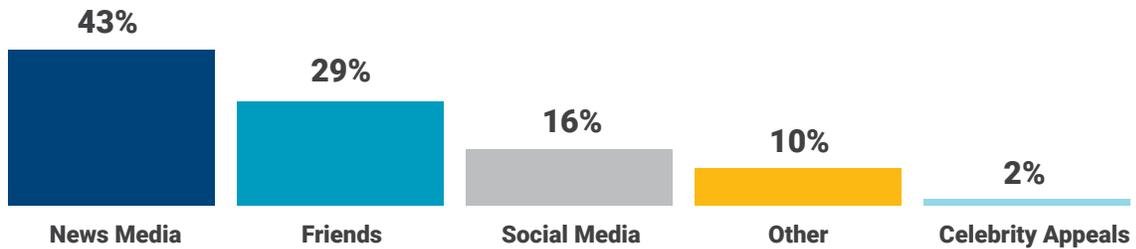
At least one quarter of charities that report raising funds for disaster relief in 2018 do not have a policy addressing how to spend any money remaining after completing a specific disaster response:



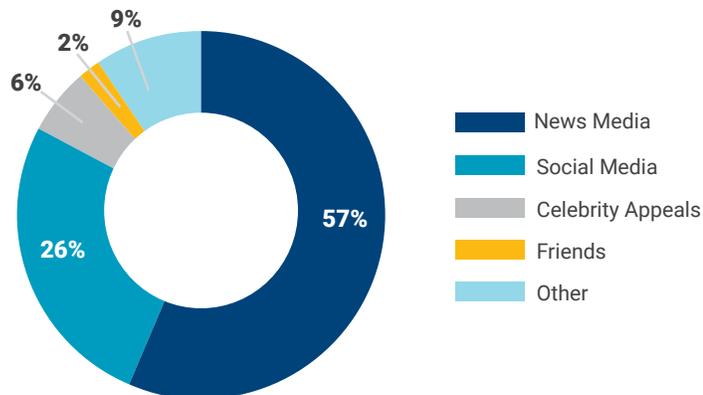
And charities that report having a “remaining funds” policy say their policy allows for:



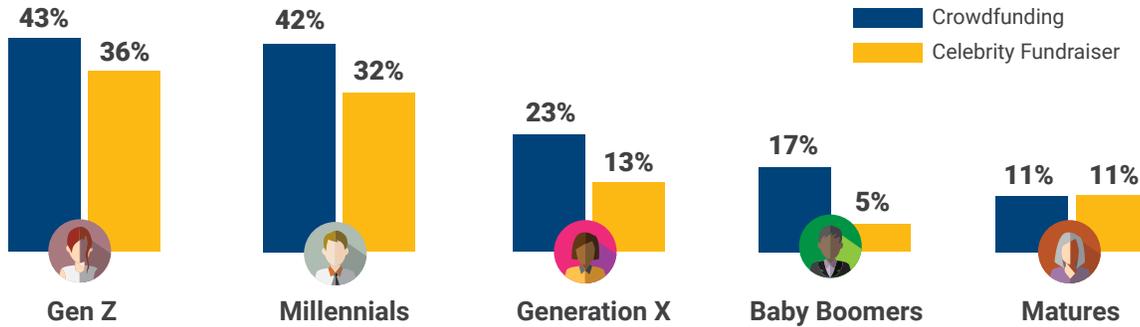
Donors and charities agree that the most significant influence on disaster relief givers is news media. Donors reported:



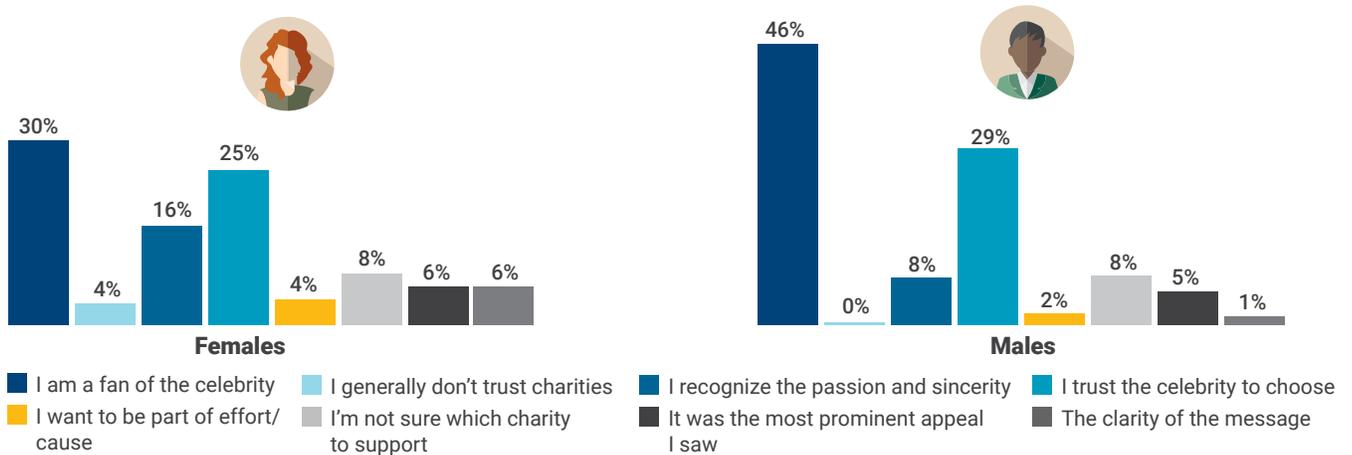
And charities said:



When compared to older generations, younger donors were more likely to respond to crowdfunding and celebrity fundraisers for disaster relief:

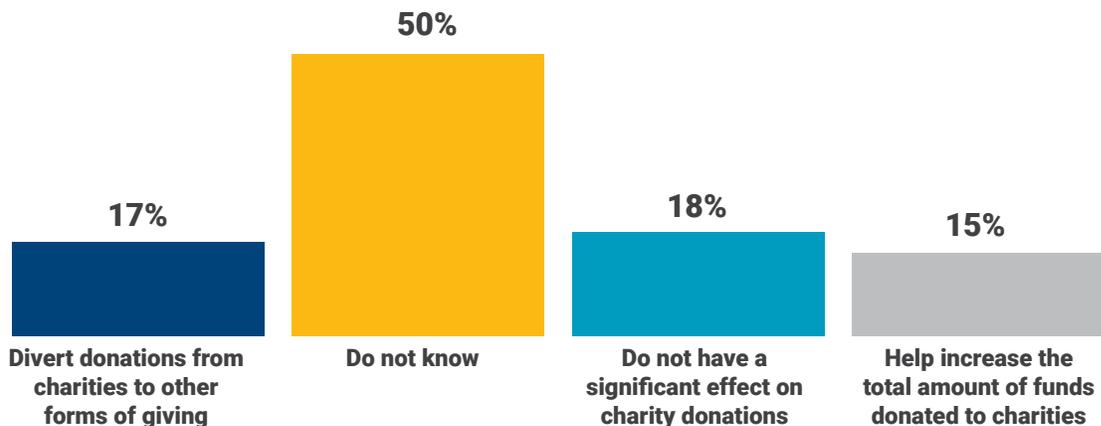


The most frequent reason cited for giving to a celebrity’s fundraising effort were fandom and trust in the celebrity’s ability to choose:



And 83% of people who donated to a celebrity’s disaster relief fundraiser say they would have otherwise donated to other relief efforts.

Disaster Relief charities say, in their experience, crowdfunding sites:



Conclusion

Donor trust affects engagement and giving. BBB's Give.org encourages charities to be deliberate in their efforts to build trust and strengthen their bond with donors. Admittedly, trust is a complex issue, as donor attitudes are varied and influenced by many factors. By monitoring donor trust, we hope to both empower charities to be trustworthy, and identify ways to elicit trust in rising (and diverse) generations.

Trends often reflect a series of incremental changes. While the shifts observed during 2018 must be analyzed in their larger context, our findings give us reason to believe that charity trust levels are returning to higher levels seen in the past. This result is consistent with other studies⁸ and we are optimistic that higher trust levels can lead to greater engagement and giving. That said, we continue to find that there is ample space to build trust, suggesting an opportunity for charities to continue to make strides.

Our survey shows that public reliance on accomplishments as a perceived signal of charity trust is growing. At the same time, reliance on financial ratios as signals of trust (and overhead spending as a central factor in the decision-making process) is diminishing. While donors' focus on financial ratios may be lessening, our findings still suggest that charities that spend an excessive amount of resources on fundraising will discourage giving. Donors' trust formulas are not black and white. Oversimplifying the issue can lead donors to a false sense of security and prompt charities to not consider diverse donor attitudes.

BBB's Give.org has long maintained that excessive focus on any one factor, like overhead spending, can be misguided and harmful to a charity's capacity to thrive.⁹ We remind donors that assessing a charity's trustworthiness takes both a keen eye and a broad view. The BBB Standards for Charity Accountability,¹⁰ for instance, consider adequate board oversight, how funds are spent, appeal accuracy, accomplishment reporting, and transparency. Each component can factor into donor considerations, but no single factor is enough to make a complete assessment.

⁸ 2019 Edelman Report

⁹ Overhead Myth

¹⁰ These Standards were developed with the help of the charitable community, regulators, accountants, foundations and other experts in philanthropy. Survey research and reactions to exposure drafts and related discussions were all considered in producing them. A description of the Standards is available at www.give.org/for-charities/How-We-Accredit-Charities/

Survey results reiterate that donor preferences are diverse. This year we took a deeper look into gender differences in charity trust. We found women are more skeptical. While there is ample space to build trust among both men and women, the trust gap is wider for women. As with other sectors in society, building brand stories that inspire women in the charitable context is important. For example, while both men and women value accomplishments and third-party evaluations as signals of trust, women give more importance to name recognition and opinions expressed by friends and family.

We also delved into donor disaster relief attitudes, both because disaster relief spending is increasing with time and because this area provides lessons that can apply to the charitable sector more broadly. While recognizing the importance of eliciting an emotional response in charitable appeals, our disaster relief survey suggests that donors also respond to specificity. Only 24% of respondents say the appeals are “very clear” and potential donors seek clarity about what disaster relief services the charity will provide and whether donations are earmarked for a specific disaster, location, or period of time. To build trust, we encourage all charities to establish clear policies about how, where, and when to use contributions and then to be specific, accurate, and respectful in their fundraising appeals.

Crowdfunding is particularly popular among younger generations and is an important new arena for the sector. However, crowdfunding is a double-edged sword. On one hand, crowdfunding sites facilitate a fresh form of engagement that can reach younger and episodic donors. On the other hand, vetting a multitude of individuals requesting funds is difficult, making it a fertile ground for fraud. When we asked disaster relief charities their views on crowdfunding, only 14.8% of charities said it helps increase the total amount of funds donated to charities.

We all rely on mental shortcuts to make everyday decisions. Experience helps train us to pick up on these signals. When a customer tries a new supermarket, they may first rely on cues like cleanliness, lighting, or customer reviews. As the customer continues to visit the supermarket, the customer can gain or lose trust depending on her satisfaction with the products and her customer experience. Charity trust has an added level of complexity because donors are usually not receiving a good or service. Instead, charities need to inspire trust that donations are in good hands so that donors can give with confidence. Charities attract donors by eliciting empathy and building brand identities but must also work to gain donor trust. Our survey confirms that donors want to trust a charity before giving, and that building trust in the charitable sector requires attention to a diverse set of signals of trust.

Methodology

To produce this report, we considered donor expectation data gathered through phone interviews by Gallup in 1993 and Princeton Survey Research Associates in 2001,¹¹ referenced a survey commissioned in December 2017,¹² and commissioned an electronic panel survey of more than 2,100 adults across the United States during December 2018 and early January 2019 (see Table 1).

Table 1 – Profile of Respondents

| By Age | | By Ethnicity | | By Annual Household Income (in Thousands) | |
|--------|-----|------------------|-----|---|-----|
| 18-35 | 28% | White/Caucasian | 72% | < 30 | 18% |
| 36-45 | 19% | African American | 12% | 30-59 | 31% |
| 46-55 | 21% | Hispanic | 12% | 60-89 | 20% |
| 56-65 | 14% | Asian | 2% | 90-119 | 11% |
| > 65 | 19% | Other | 2% | 120-149 | 7% |
| | | | | 150 or more | 11% |

| By Education | | By Religion Attendance | | By Gender | |
|--------------------|-----|------------------------|-----|-----------|-----|
| High School | 33% | Frequently | 28% | Male | 46% |
| Associate's Degree | 18% | Occasionally | 24% | Female | 54% |
| Bachelor's Degree | 28% | Rarely | 23% | | |
| Graduate Degree | 20% | Never | 24% | | |

| By Region | |
|-----------|-----|
| Northeast | 17% |
| Southeast | 26% |
| Southwest | 10% |
| Midwest | 22% |
| West | 25% |

¹¹ Trend from Gallup Organization for Council of Better Business Bureaus (August 1993) and Princeton Survey Research Associates BBB Wise Giving Alliance Donor Expectation Survey (2001).

¹² With results publishes in The Give.org Donor Trust Report: An in-depth Look into the State of Public Trust in the Charitable Sector (2018)

Through our survey, we seek to measure donor beliefs, feelings, and behavioral intentions toward charity trust and giving. Our report identifies some aggregate findings and digs into the heterogeneity of donor perceptions. For instance, we reference results based on gender, race, and age to illustrate differences in donor attitudes and gain understanding of the diversity of attitudes toward the sector.¹³ We use these measures as self-reported by survey takers. While there is no one consistent date range for generational divides, the generational ranges used in this report mirror those used by the Pew Research Center and are shown below (see Table 2):

Table 2 – Generational Ranges

| Generation | Year Born | Age (in 2018) |
|-----------------------------|-------------|---------------|
| Generation Z (18 and older) | 1998 - 2000 | 18 - 20 |
| Millennial Generation | 1981 - 1997 | 21 - 37 |
| Generation X | 1965 - 1980 | 38 - 53 |
| Baby Boomers | 1946 - 1964 | 54 - 72 |
| Silent Generation | 1928 - 1945 | 73 - 90 |

We recognize there are differences among people of the same gender and generation. By identifying differences in donor preferences and attitudes across these categories, we aim to find untapped opportunities that support the sector’s efforts to be in tune with the America of the present and future, strengthening the bond between donors and charities.

We know that survey responses reflect donor perceptions and are not necessarily an objective measure of the charitable sector’s efforts. Still, understanding donor attitudes toward charities and giving can help identify areas of misinformation and ways to better serve donors, furthering trust in the sector and generosity.

¹³ Our report joins other studies that have recognized untapped opportunities by the philanthropic community in engaging racial minorities and younger generations. For instance, Giving USA Foundation and the Lilly Family School of Philanthropy at Indiana University highlight that younger generations differ from older people in the way they prefer electronic communication, express different values, and value experiences and voicing their opinions. *Diversity in Giving: The Changing Landscape of American Philanthropy* (a 2015 report by Blackbaud) found that White donors are overrepresented, and that donor values and habits differ by ethnic or racial groups. A study by *The Chronicle of Philanthropy* found that giving patterns vary by location and income level, with red states more generous than blue states and the middle class giving a larger portion of their income than the rich.

To better understand how disaster relief donor expectations compare with charity disaster relief practices and requests for donations, we distributed a sister survey among charities. The results of these surveys are referenced in this study and more completely covered in a special report.¹⁴ The charity survey included responses from 68 charities that raised funds for disaster relief efforts during 2018. BBB Wise Giving Alliance distributed the charity survey among charities soliciting funds nationally (charities registered to raise funds in multiple states). To ensure that local and regional charities were also represented, some Better Business Bureaus across the United States distributed the survey to charities serving their local communities. Of the 68 charities that submitted information in response to the survey, 23 are national and 45 are local or regional.

While all participating charities raised funds for disaster relief during 2018, they had a diverse set of missions (including disaster relief, human services, animal protection, and human services, among others). They also varied in size. Table 3 shows respondent charity size based on contribution ranges:

Table 3 – Charity sizes

| Contribution | Portion of Respondents |
|-----------------|------------------------|
| Unknown | 4.41% |
| < \$1 Million | 10.29% |
| \$1M - \$4.9M | 30.88% |
| \$5M - \$9.9M | 13.24% |
| \$10M - \$49.9M | 11.76% |
| \$50M - \$99.9M | 11.76% |
| \$100M - \$499M | 11.76% |
| \$500M and up | 5.88% |

¹⁴ Give.org Donor Trust Special Report: Disaster Relief Donor Expectations (2019)

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