



Report of findings of a survey of public trust and confidence in charities

Prepared by Opinion Leader Research
for The Charity Commission



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FOREWORD

Charities exist to create a better society. The 190,000 charities registered with the Charity Commission have an annual income of £32 billion, almost 600,000 paid staff and 900,000 trustees. They operate for a vast range of purposes, and in many different ways.

Our job as their regulator is to help them achieve this. By working closely with charities to ensure that they are accountable, well run and meet their legal obligations, we contribute significantly to a charity sector that enjoys a high level of public trust and confidence.

The Charities Bill, currently going through Parliament, gives the Charity Commission a new statutory objective – to increase the public trust and confidence in charities. To help us better understand what gives the public trust and confidence in charities, we commissioned a survey and report.

The results are fascinating. Three quarters of those surveyed use charities, but only one in ten realise it. And while it's encouraging that so many have pure belief in charities, it is for all of us to ensure that charities reputations stay healthy. We hope these results help stimulate discussion on what drives public trust and confidence in charities.

Charity Commission

A. EXECUTIVE SUMMARY

1. This quantitative survey produces a robust and reliable metric of overall trust in charities which can be used as a benchmark for measuring how trust changes over time. It also identifies drivers of trust.
2. The study produces an overall mean trust score of 6.3 (on a 0-10 scale). This is a moderate score: although it is not poor, it certainly does not allow for complacency and trust and confidence in charities will require careful monitoring.
3. The distribution of scores on overall trust indicates two key segments – the committed (who include those who give more to charity, those who work for charities, those who value the role of charities in society more and 35-44 year olds) and non-committals (who include those who are more ambivalent about the role of charity in society and black, minority ethnic groups). There is no substantial charity rejector group.
4. The main factor driving trust is an 'inherent belief' that charities will spend wisely and effectively, i.e. that they will employ ethical and efficient practices and enable maximum funds to reach the end cause, thereby making a positive difference.
5. This belief is grounded in faith rather than any rationally based expectation, as the majority of people do not know how charities are run and most people do not scrutinise charities when they give money.
6. Supplementary drivers of trust include the profile of larger 'brand name' charities and the perceived importance of charities' role in society.
7. Doubts about their practices only influence overall trust to a very small degree, although there are strongly held views about how charities raise and spend their funds.
8. Trust in specific individual charities is boosted by their reputation and a belief in the cause, but bad news stories and concerns for how they raise and spend money means that some individual charities are trusted less.
9. As found in previous qualitative work, people have a narrow definition of what constitutes a charity and they do not appreciate the full range of benefits that they receive from charities.

10. Finally, with regards to the Charity Commission, while there is a presumption that charities are regulated, there is low public awareness and understanding of the Commission's role. However, once informed, people regard its work as being extremely important.
11. Importantly, the study suggests that most of the key drivers of overall trust in charities (inherent belief, profile and importance placed on charities) do not necessarily fall directly within the Charity Commission's remit of responsibilities. As a result, while the Commission can indirectly bolster trust in charities by waylaying doubts, wider action may also be needed to increase public trust and confidence in charities.

B. BACKGROUND & OBJECTIVES

The draft Charities Bill includes a proposed new statutory objective for the Charity Commission '*to increase public trust and confidence in charities*'. The Charity Commission therefore identified a need to increase understanding of public trust and confidence and to develop techniques for measuring trust and confidence in charities. As a result, the Commission appointed Opinion Leader Research to conduct a major study – qualitative and quantitative – to meet this need.

This report presents the findings of a quantitative survey into what drives trust and confidence in charities amongst members of the public in England and Wales. The study tests the hypotheses generated by an initial piece of qualitative work into public trust and confidence, which was conducted by Opinion Leader Research in August 2004.

The objectives of the quantitative survey were:

- To develop a baseline metric for measuring how public trust and confidence changes over time
- To test hypotheses emerging from the qualitative research, especially regarding:
 - Trust and performance of charities
 - Trust in individual charities
 - Trust and attitudes towards charities
 - Trust and giving
 - Trust and involvement in charities
 - Trust and scrutiny of charities
 - Trust and understanding of charities
 - Trust and the Charity Commission
- To understand what drives the overall trust measure; in other words, what the most important contributing factors are to overall trust in charities

C. APPROACH

The survey involved a 15 minute telephone survey amongst 1001 members of the public across England and Wales, which was conducted between 15th – 27th February 2005.

To add value to the research, we conducted some additional statistical analysis to establish statistically significant drivers of trust, rather than simply relying on what people say makes them trust in charities. This analysis included:

- Correlation analysis to determine the relationship of individual questions and attributes
- Factor analysis to establish inter-relationships between questions and attributes
- Regression analysis to gauge which are the most important factors (clusters of questions or attributes) in driving overall trust

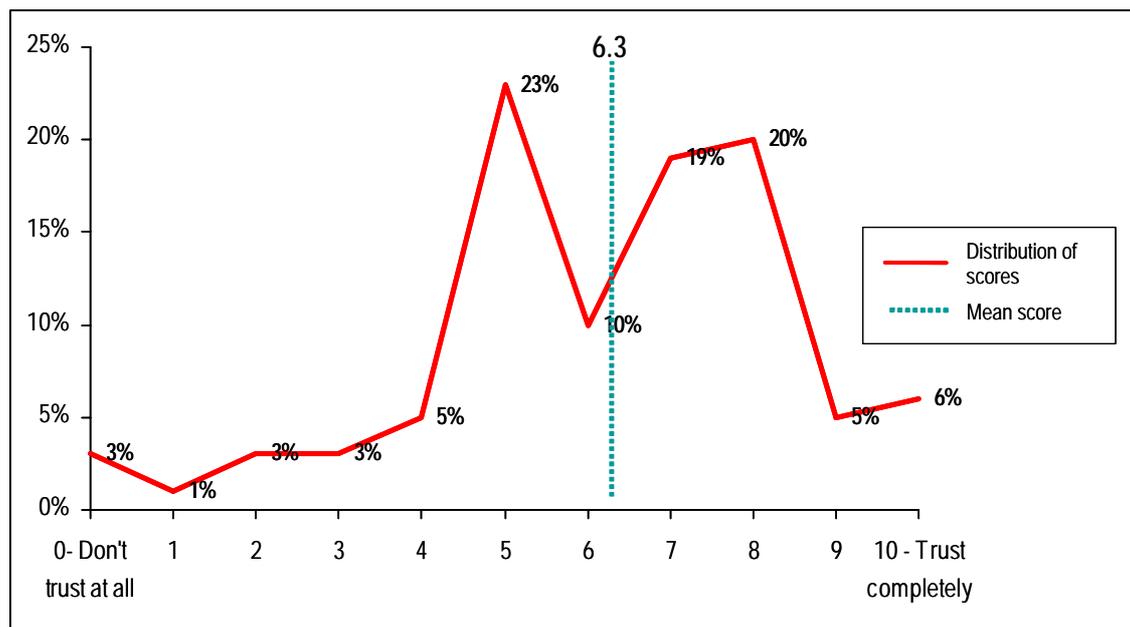
D. FINDINGS

1. Overall trust in charities

The overall trust score was determined by the first question in the survey, which asked people to rate how much they trust in charities on a scale of 0-10. This generated a mean score of 6.3.

This question produces a robust and reliable metric. First of all, the question focuses on charities, rather than comparing charitable organisations to others such as businesses and government. Secondly, the question was asked at the very start of the questionnaire, and was therefore not influenced by preceding questions.

Chart 1: Q: How much trust & confidence do you have in charities?



BASE = All respondents (1001)

A mean score of 6.3 is moderate and while it is not a poor score, it does demonstrate that there is a need to closely monitor trust in charities and to ensure it does not decline.

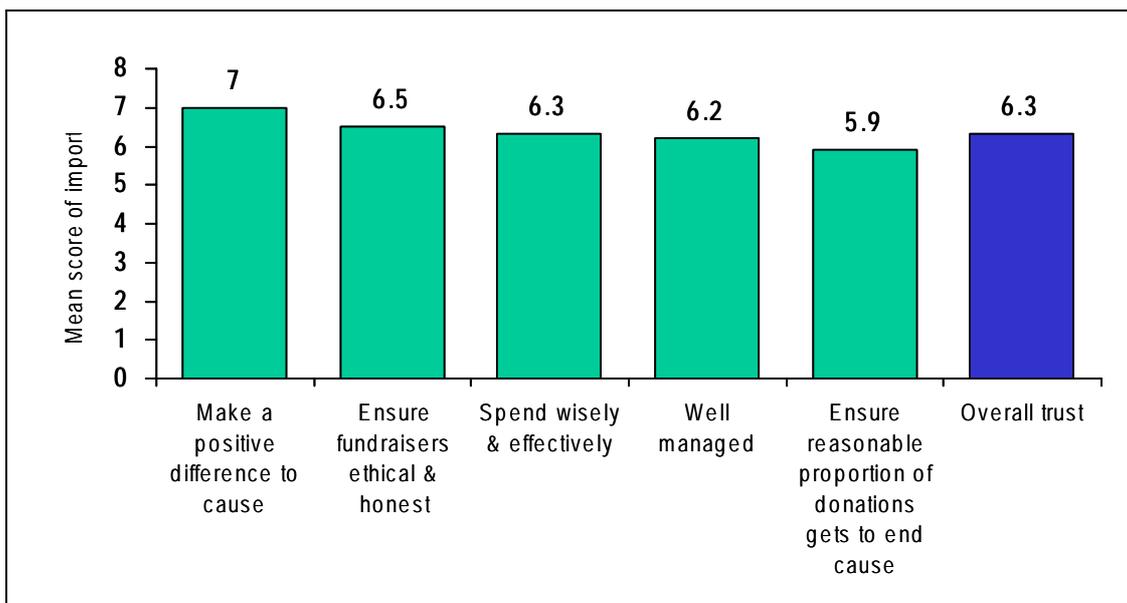
The spread of responses shows two distinct segments of people. One peak at around 5 out of 10 indicates a non-committal group with no strong feeling and a second peak at around 7 to 8 suggests a group more committed to charity. Interestingly there is no substantial charity rejector group – only 3% of people say they do not trust in charities at all.

The more committed include those who give more than £100 to charity (mean score 6.8), those who work for a charity (mean score 6.7), those who think the role of charities in society is extremely important (mean score 6.7) and people aged 35-44 (mean score 6.6). The less committed and more ambivalent include those who think the role of charities in society is only quite important or not important (mean score 5.7) and groups of black and minority ethnic origin (mean score 5.4). Further research would be necessary to establish why black and minority ethnic groups have lower trust in charities.

2. Trust and performance of charities

In terms of how charities perform, people trust most charities to make a positive difference to the end cause and to act with probity. They have least trust in charities to spend funds efficiently.

Chart 2: Q: How much, on a scale of 0-10, do you trust charities to do the following?



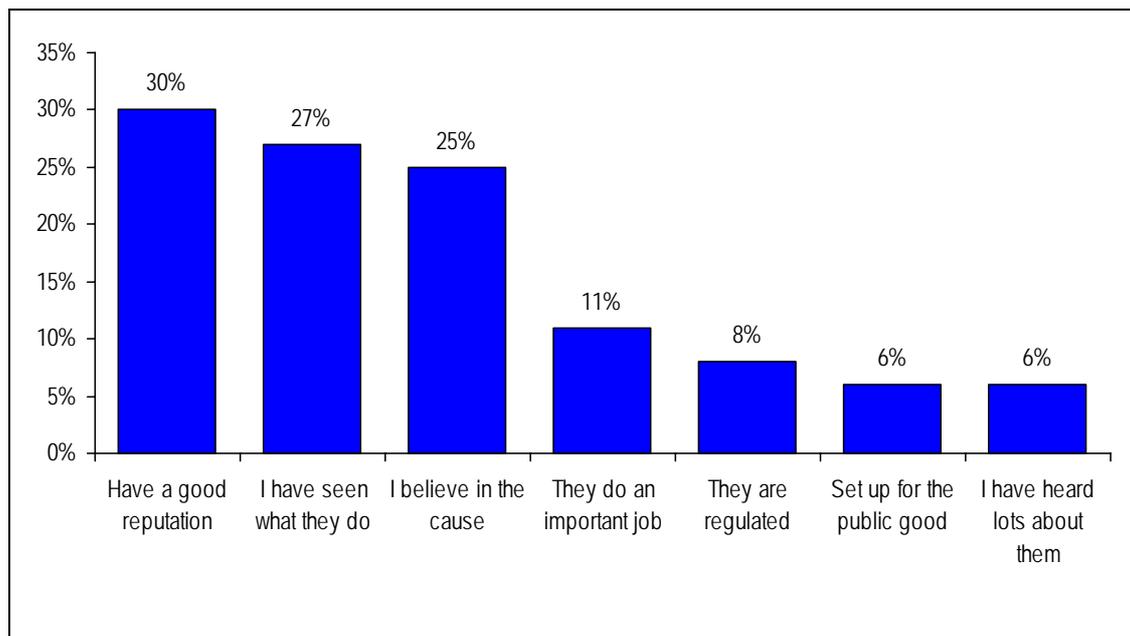
BASE = All respondents (1001)

When asked which of these characteristics is most important in making them trust in charities, 31% of people claim that ensuring a reasonable proportion of donations reaches the end cause is a priority and 28% say that the charity making a positive difference to the end cause is most important. However, statistically speaking, the wise and effective spending of donations is the single most important factor in driving trust in charities (this is discussed further in Section C on key driver analysis).

3. Trust in individual charities

50% of people mention specific charities or types of charities that they trust more than others, but there is no great consensus on charities mentioned. Those charities most often cited as ones people trust more than others include Cancer Research UK (12%), Oxfam (6%), British Red Cross/ Red Cross (4%) and NSPCC (4%). Higher trust in individual charities appears to be mostly based on their general name and reputation, witnessing or experiencing what they do, and the specific cause.

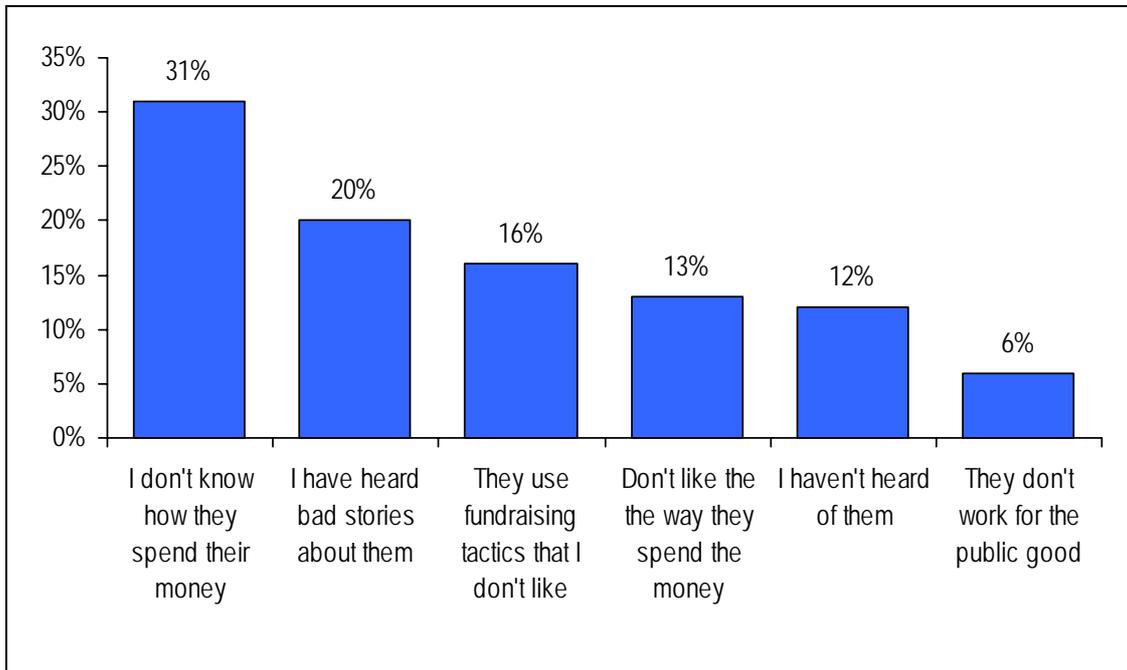
Chart 3: Why do you trust specified charity/ type of charity more than others?



BASE = All mentions of reasons for trusting specific charities/ types of charities more (725)

Only 20% cite types of charities they trust less than others. These include charities that collect on the street or door to door (3%), international charities (2%) and small charities (2%). Reasons for not trusting specific charities tend to be more rational and relate to spending, bad press and fundraising.

Chart 4: Why do you trust specified charity/ type of charity less than others?



BASE = All mentions of reasons for trusting specified charities/ types of charities less (214)

4. Trust and attitudes towards charities

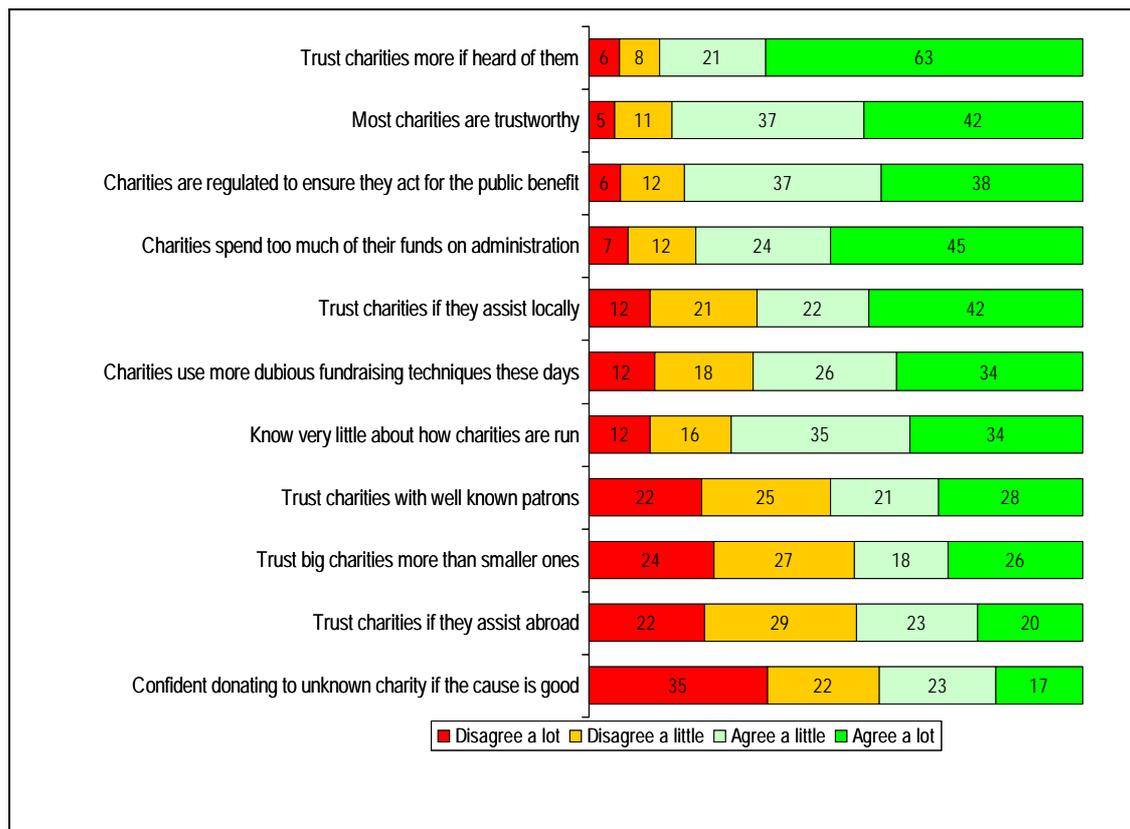
It is important here to distinguish between what people *claim* is important in them trusting charities and what *actually drives* trust in charities. We can establish *actual* drivers through statistical analysis, which is explained and discussed in detail in Section C. This section deals with *claimed* attitudes towards charities.

Most people (79%) feel that most charities are inherently trustworthy and three quarters of them believe that charities are regulated to ensure that they act for the public benefit. However, 69% admit to not knowing much about how charities are actually run.

People claim they trust local charities more than charities acting abroad, and that they trust charities more if they have heard of them. However, attitudes regarding size and the presence of well-known patrons are more mixed.

However, statistically, profile (size, name and presence of well-known patrons) does have an effect on overall trust in the sector, and doubts over how charities raise and spend funds have a slight negative effect on trust.

Chart 5: To what extent do you agree or disagree with the following?

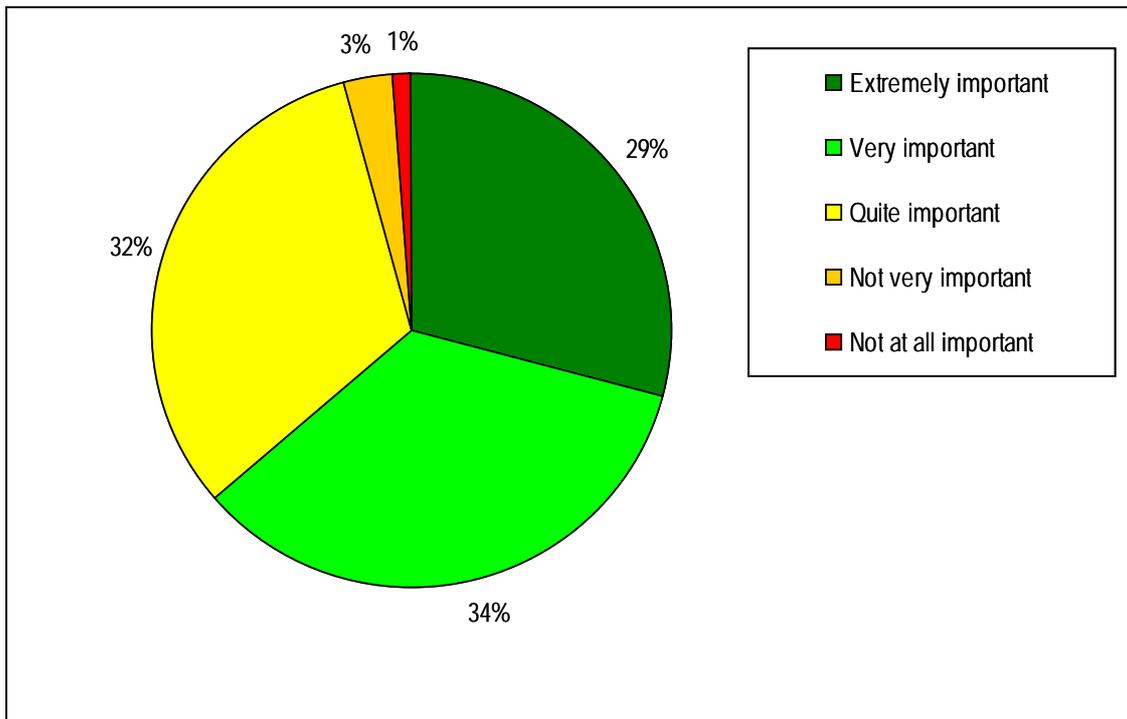


BASE = All respondents (1001)

5. Trust and perceived importance of charities

There is extremely strong endorsement of the role of charities in society today – 29% say their role is extremely important and 34% say it is very important.

Chart 6: How important a role do you think charities play in society today?



BASE = All respondents (1001)

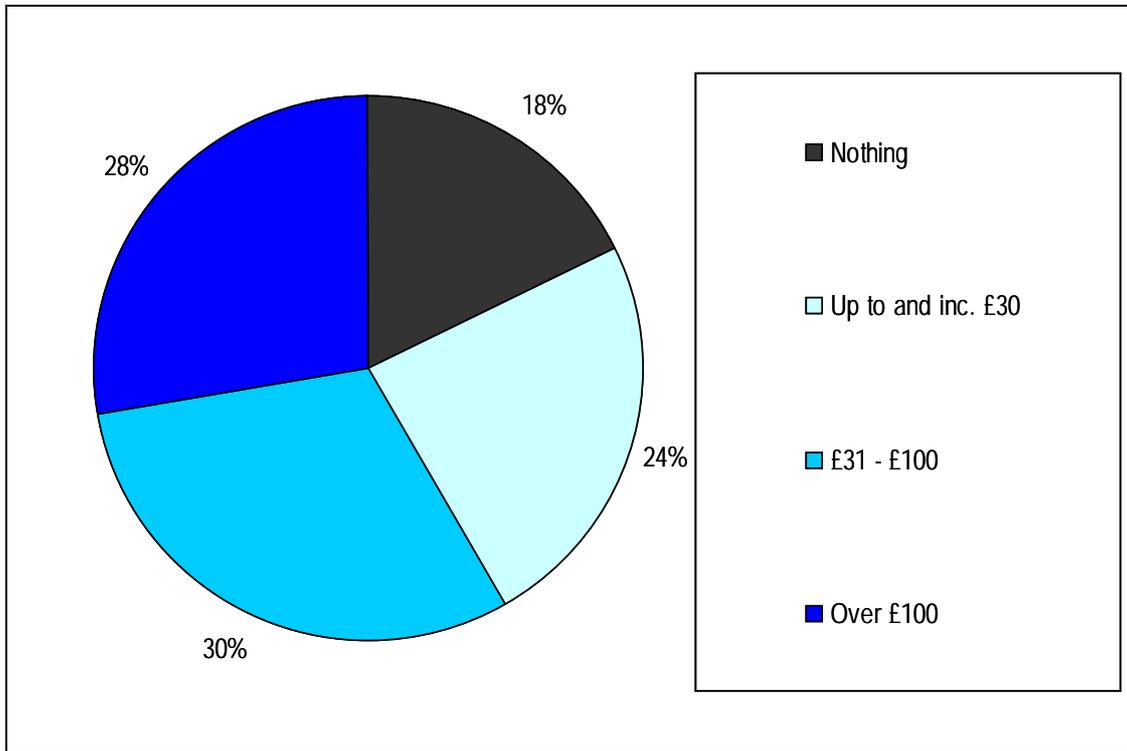
6. Levels of charitable giving

The survey covered charitable giving in order to see whether this was a statistically significant driver of overall trust in charities.

Claimed levels of charitable giving are high and only 8% say they did not give money, goods or time in the last year. Monetary donations are most common, with 85% of people stating they gave money in the last year, compared to only 37% stating they gave goods, and 23% stating they have

given time to charity over the preceding 12 months. Of money donors, almost 3 in 10 indicated they gave more than £100.

Chart 7: Approximately how much money did you donate to charity in the last year?



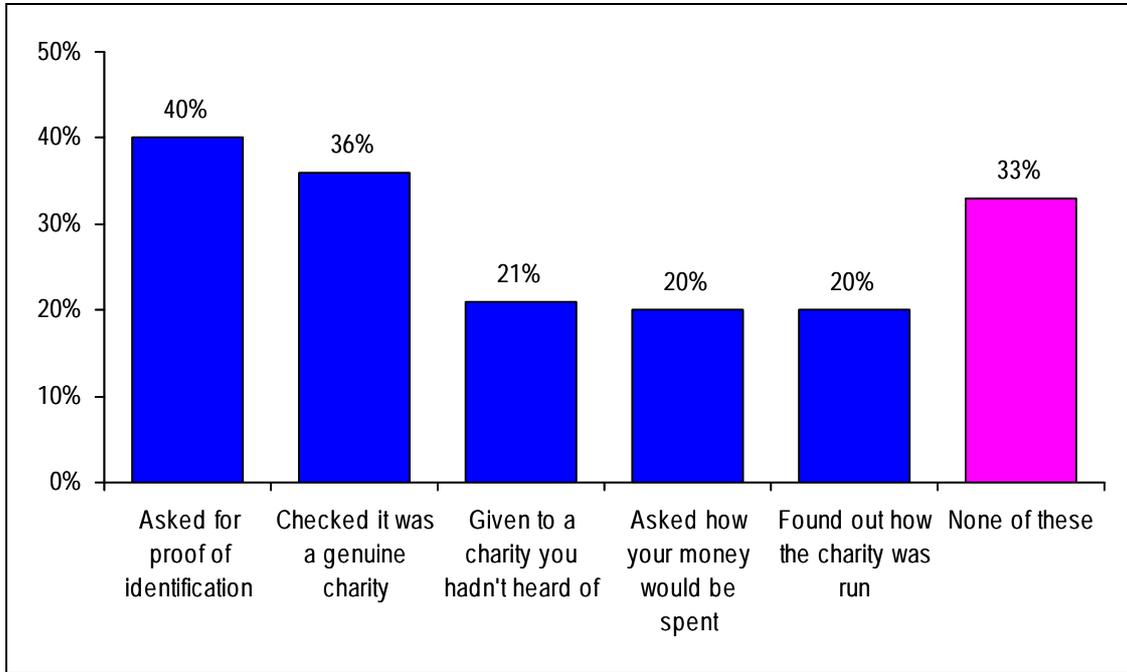
Base = All respondents, excluding DK/ refused (841)

Given the closeness in timing of the survey to the Tsunami disaster, we also asked whether people gave to the Tsunami Appeal. Of those who said they gave money over the last year, 75% claim to have given to the Appeal.

7. Trust and scrutiny of charities

Two-thirds of those who gave last year claim to have scrutinised charities in some way or other. However, 60% of last years' donors have never asked fundraisers for proof of identification, 64% have never checked whether the charity was genuine, 80% have never asked how their money would be spent and a further 80% have never found out how a charity they were giving to was run.

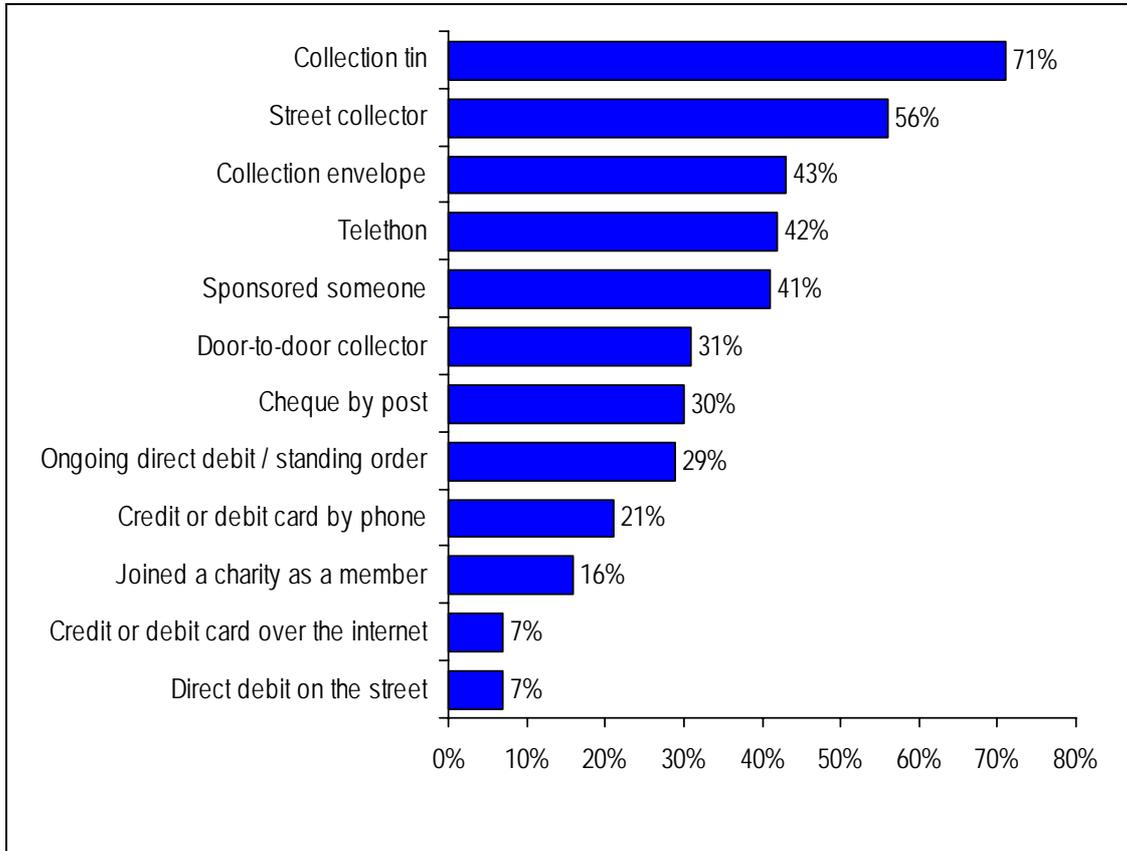
Chart 8: Q: When you have given money donations, have you ever done any of the following:



BASE = All who have given money in the last year (853)

Furthermore, in spite of claims of scrutinising, the main way of giving money was to a collection tin, a street collector or a collection envelope.

Chart 9: How people have given to charities over the last year



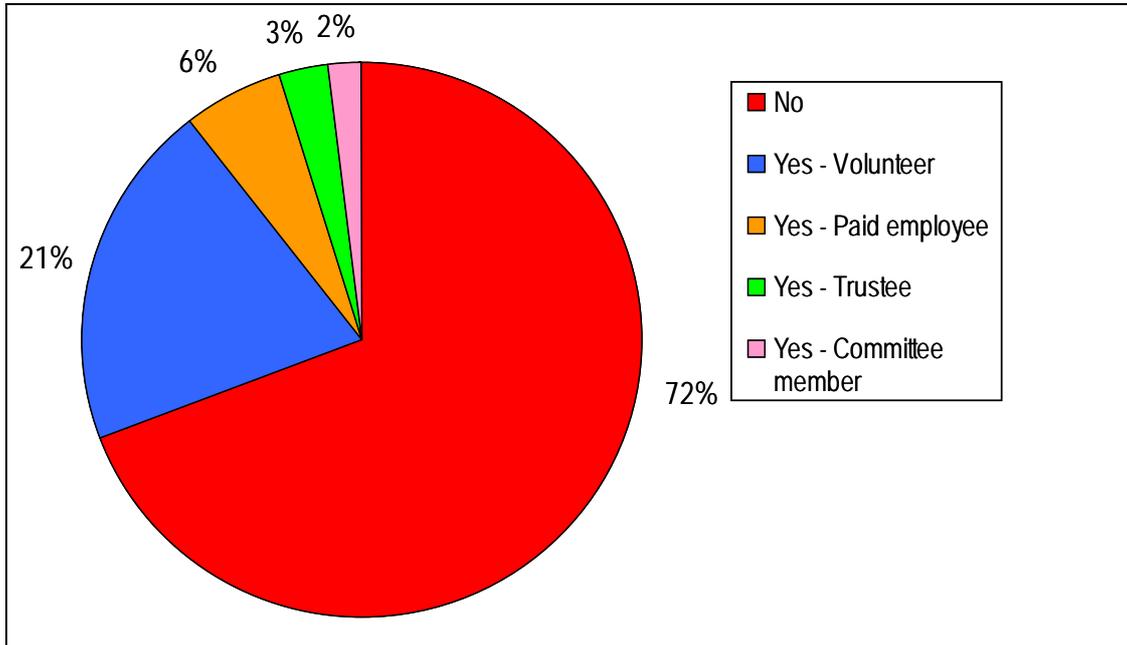
BASE = All who have given money in the last year (853)

8. Extent of active involvement in charities

We also asked people about the extent of active involvement in charities, in order to understand the impact this has on overall trust.

The majority – 72% - say that they are not actively involved in charities in any capacity, although a fifth of people claim to be involved as volunteers.

Chart 9: Extent of active involvement in charities



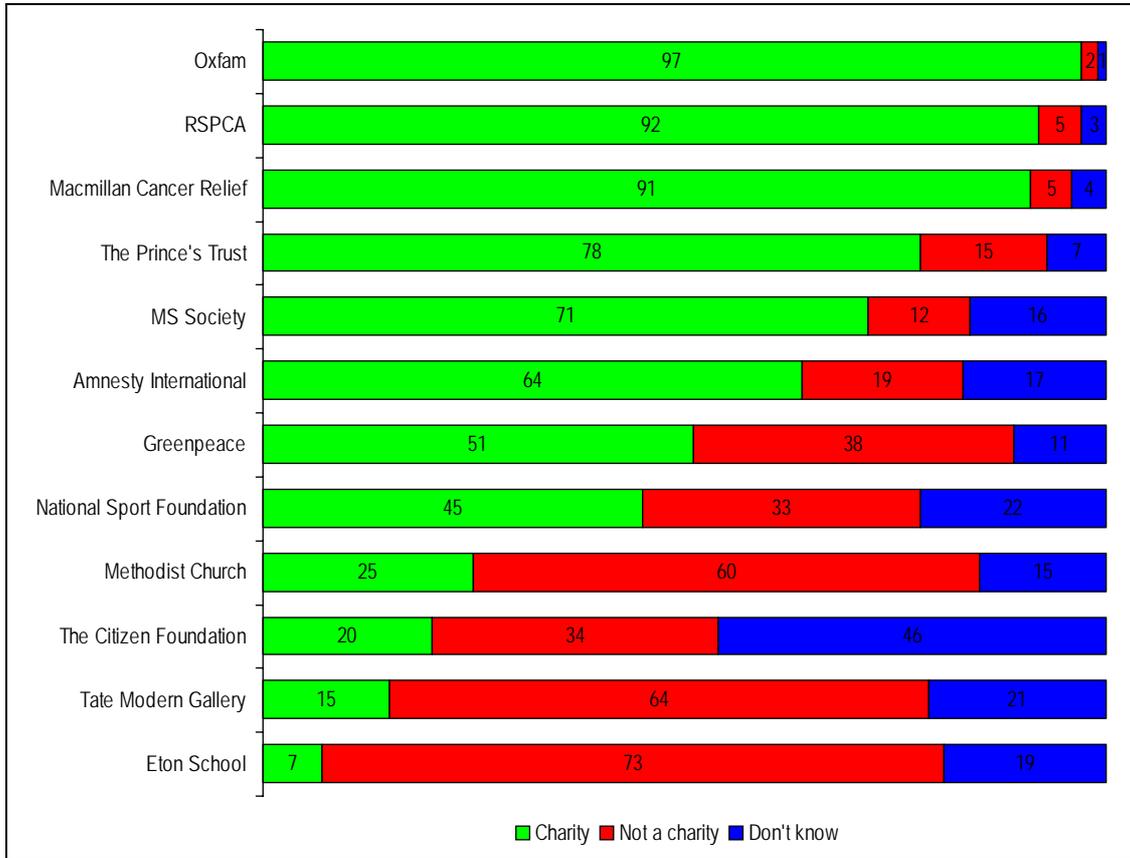
BASE = All respondents (1001)

9. Level of understanding of charities

The qualitative work suggested that people have a narrow gaze in terms of what they believe is a charity, which has implications for the extent to which they are aware that they themselves benefit from charities.

The quantitative findings confirm this. Only 25% know that the Methodist Church has charitable status and only 7% know that Eton School is a charity.

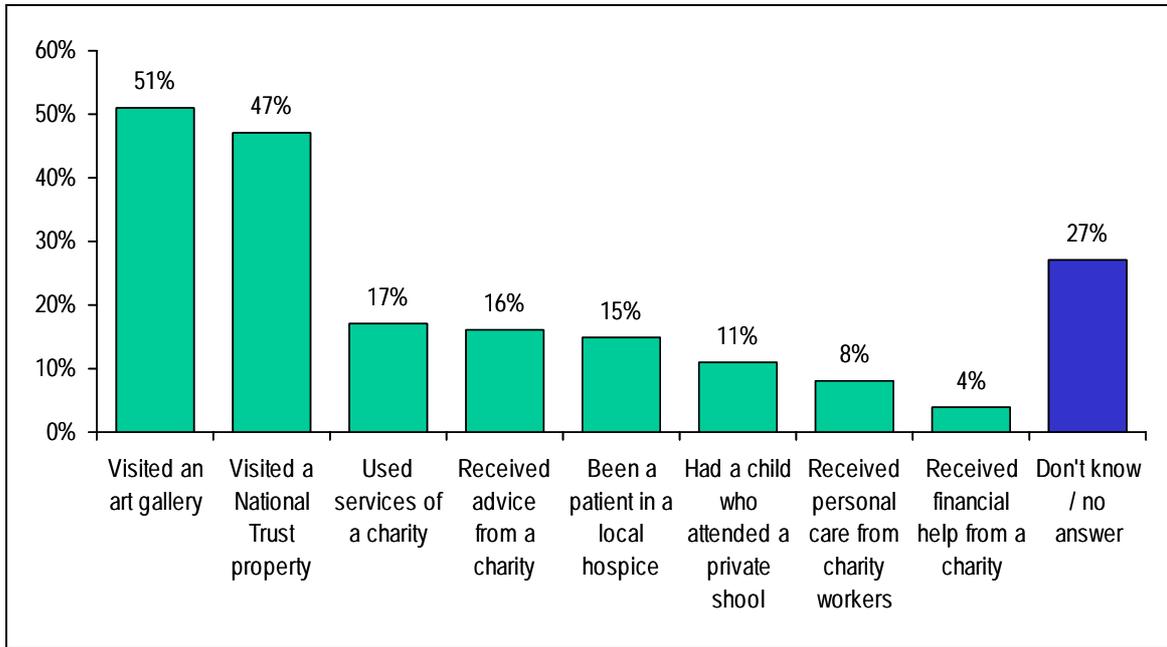
Chart 10: Public's perceptions of which organisations are charities



BASE = All respondents (1001)

When asked, 90% of the public say that they, their family and friends have not received money, support or help from a charity. However, three-quarters of the population have actually benefited from charities' services, whether by visiting art galleries or National Trust properties, or received personal care, money or financial help from charitable organisations.

Chart 11: Extent to which public has benefited from charities' services



BASE = All respondents (1001)

10. Awareness and perceptions of the Charity Commission

When asked directly whether they have heard of the Charity Commission, 54% say that they have not. Of those who have heard of the Commission, 75% feel they know little about what the Commission does. However, once it is explained, there is very strong endorsement of its function, with 82% of people saying they personally regard the Commission as performing a very or extremely important role.

C. KEY DRIVER ANALYSIS

1. Explaining key drivers

Key driver analysis finds patterns between individuals' responses to specific questions and the overall trust measure. Importantly, it can be used to distinguish what people *claim* makes them trust charities from *factors which have a statistically significant effect* on overall trust in the sector.

Three types of analysis were used on the data:

- Factor analysis: to establish which questions and attributes (such as attitudes, scrutiny, giving) influence the overall trust metric to a statistically significant level;
- Correlation analysis: to determine the inter-relationships between individual questions and attributes (e.g. finding a relationship between giving, the value placed on the role of charity in society and views on the importance of the Charity Commission's role). The correlation between these factors helps us better interpret how the factors affect trust and confidence in charities;
- Regression analysis: to gauge the relative importance of the different factors (i.e. clusters of attributes and/or questions) in determining overall trust in charities.

This analysis seeks to explain the variance between individuals' responses to the overall trust question. In this case, the questions we asked in the survey have explained 57% of the total variance between responses, i.e. we can explain 57% of the total reasons why people have higher or lower trust in charities.

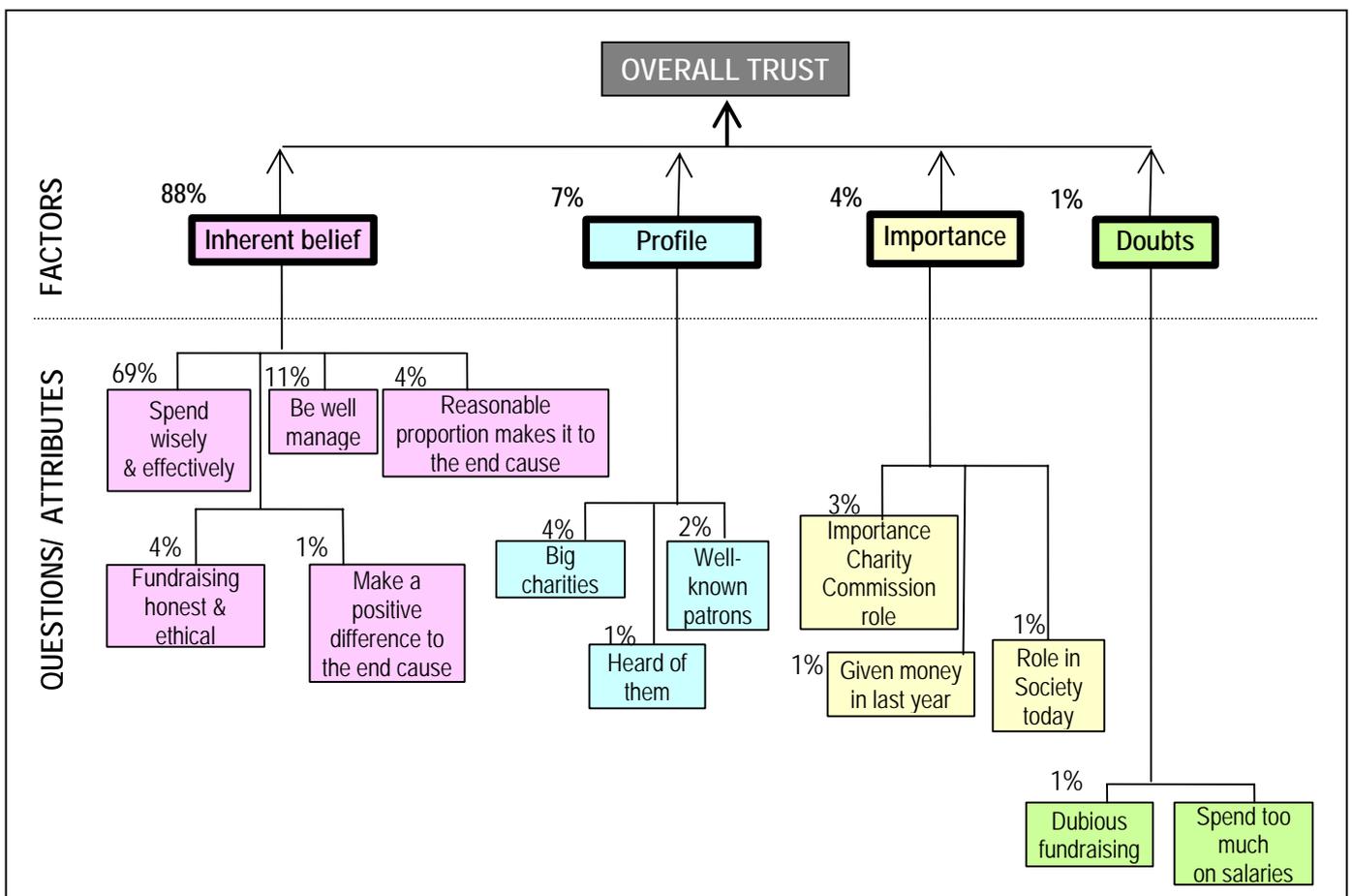
2. A model of key drivers of trust and confidence in charities

These different techniques provide us with an analytical model which explains how the driving factors (which are made up of correlated questions/ attributes) are related to one another and the extent to which they influence overall public trust in charities.

It is paramount when interpreting this model to note that the percentages given represent the proportion of total explained drivers (i.e. the extent to which that particular factor or attribute explains overall trust). Percentages do not represent the public's responses to each of the factors¹.

The analysis reveals that four key factors influence overall trust and confidence in charities – inherent belief in charities, profile of charities, the importance people place on charities and the role of the Charity Commission, and doubts in charities.

Figure1: Model of key drivers of trust and confidence in charities



¹ e.g. the correct interpretation of the 'Inherent belief' factor is to say that 88% of the total explained drivers of trust and confidence in charities is explained by inherent belief in charities, *not* that 88% of people have inherent trust in charities.

3. The principle driver: inherent belief

Statistically speaking, the single largest driver of overall trust in charities is that charities spend donations wisely and effectively. In other words, there is a strong relationship between trust and the perceived efficiency and ethics of how charities behave (such as how they are managed, how they spend money, how they fundraise and whether they make a difference to the end cause).

However, as we have noted before, this aspect of trust is based more on a hope than a rationally based expectation: 69% of people admit to knowing very little about how charities are run and managed and, out of those who have given money over the last year, 80% had never asked how their money would be spent and a similar number had never found out how the charity was run.

From this, we can conclude that the largest driver of trust in charities is inherent belief, which makes up 88% of the total explained drivers of trust.

4. Subsidiary driver: profile of charity

The profile of a charity also influences overall trust – although to a much lesser degree than inherent belief – this factor makes up only 7% of the total drivers of trust.

While less than half of people (44%) say they trust big charities more than smaller ones, the size of a charity can affect overall trust. There is also an inverse relationship between involvement with a charity and propensity to trust big charities more, i.e. those who are not actively involved with charities (as a trustee, employee, volunteer etc.) are more likely to trust bigger charities.

Well-known patrons and whether the public has heard of the charity also have some influence on overall trust in charities.

5. Subsidiary driver: value people place on charity

There is a statistical correlation between trust and a combination of charitable giving, the value placed on the role of charities in society and the importance people attribute to the Charity Commission's function. This suggests that the value that people place on charity overall influences trust in the sector, although this factor contributes only 4% of the total explained drivers of trust in charities.

6. Subsidiary driver: doubts about charities

Currently, doubts over how charities spend their money and fundraise barely affect the overall trust measure, and contribute only 1% of the total explanation of the overall trust metric.

However, doubts about how charities behave form some strongly held beliefs – 69% believe that charities spend too much of their funds on salaries and admin and 60% believe that charities use more dubious fundraising techniques these days. Additionally, these are the reasons given for trusting specific individual charities less. As a result, doubts over how charities behave must be carefully monitored.

D. CONCLUSIONS & RECOMMENDATIONS

1. This study clearly demonstrates that a large part of trust and confidence in charities is based on an 'inherent belief' in charities rather than any rational knowledge on how they operate.
2. There is a distinct lack of public scrutiny, and scant knowledge, over how charities are managed. This suggests that trust in charities could be based on shaky foundations and that it is potentially vulnerable to the same kind of decline seen in trust in the public and private sectors.
3. Additionally, a clear majority have doubts over charities – concerns that charities spend too much on salaries and that they use dubious fundraising techniques. While these doubts do not substantially affect overall trust in the charitable sector yet, they are a claimed reason for trusting some individual charities less.
4. The best course of action for the Charity Commission in increasing public trust and confidence in charities is therefore not clear cut.
5. Firstly, the study suggests most of the key drivers of overall trust in charities (inherent belief, profile and importance placed on charities) do not necessarily fall directly within the Charity Commission's remit of responsibilities, implying that wider action is needed to maintain or increase public trust and confidence in charities.
6. Secondly, overt communications may have little impact on public confidence given the expressed lack of interest amongst many in finding out more. There is also a risk that such communications may actually undermine public confidence by encouraging the public to scrutinise charities further, thereby removing their inherent belief in the sector.
7. That said, even without knowing about the Charity Commission, the public assumes that the charitable sector is regulated and controlled. Additionally, once informed, there is an

extremely strong public support of the regulatory and policing role that the Charity Commission performs.

8. The Charity Commission's activities need not be in the public eye to contribute to building trust – what it does 'behind the scenes' will have a positive impact on trust and confidence if this can:
 - Prevent mismanagement (or any other issues that the press are likely to pick up on) from occurring in the first place
 - Promote best practice in the industry
 - Address the doubts sections of the public have about charities' fundraising and management practices (only a minority influence on overall trust now, but will need to be monitored)
9. Overall, this quantitative survey provides both a benchmark metric of trust in charities and a statistical model to explain some of the key drivers underpinning trust.
10. Further waves of the research will help the Commission to identify how trust in the sector is changing and to pinpoint how the actions of both charities and it as the regulator affect overall trust and confidence.
11. In the next wave of the survey, we would recommend building on this research with:
 - Some additional questions to drill down more on the 'inherent belief' factor,
 - Some additional questions and analysis to determine how attitudes towards different clusters of individual charities affect overall trust,
 - And potentially also segmentation analysis to explore further whether particular population segments trust charities more/less.