

# Trust in charities, and why it matters

nfpSynergy and ACEVO report

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## Introduction

**Over the next 18 months ACEVO and nfpSynergy are partnering to provide ACEVO members and nfpSynergy clients with a comprehensive understanding of trust, and how it relates to charities. With this series of reports we hope to give you a more nuanced understanding of what trust is and why it is important for your charity.**

**In this first report, we will look at how trust in the charity sector has performed over recent years, how the public disclosure of bad practice has affected it (which demographics in particular have seen the biggest falls) and which charities are more likely to be trusted. Finally, we explore how trust will change in the modern era.**

## Five key takeaways from this report

1. Trust in charities is volatile and highly susceptible to disruption by negative media coverage. This is especially true for older age groups whose trust is most fragile.
2. When asked about charities in general, people express lower levels of trust than when asked about individual charities one-by-one.
3. Trust in charities appears to be mainly driven by whether people believe that charities are ethical and honest, and whether they believe that charities are well-run.
4. Increasingly, there are signs that institutions are no longer the main manufacturers of trust, and the decline of trust in charities should be viewed in this context.
5. The most trusted charities are the ones which provide clear, tangible services, while the least trusted are those which challenge the status quo.

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## 1. Why care about trust?

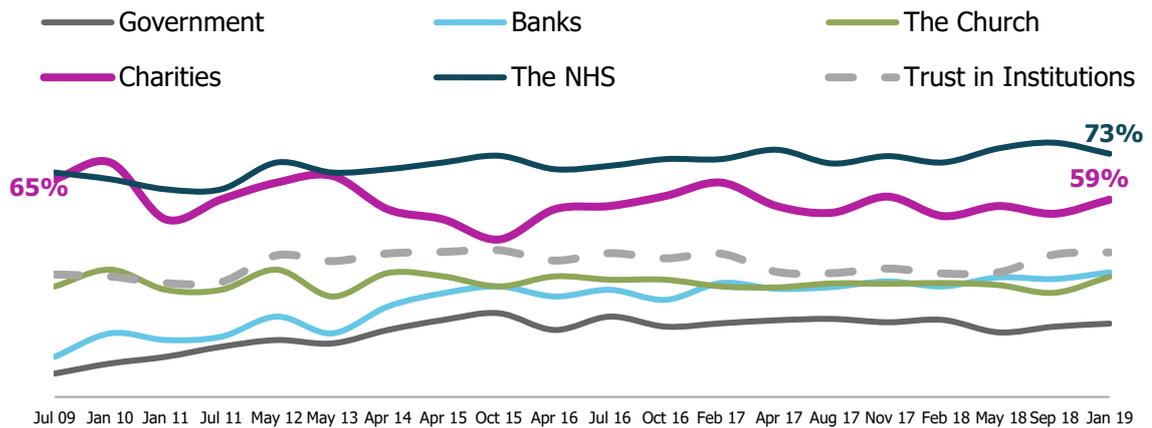
Let's start by addressing the elephant in the room. Trust can feel like a very vague measure. We are often asked the question 'what does trust really mean?' As an organisation you are likely dealing with data and 'concrete' numbers all day long – what is our voluntary income, how many volunteers have we signed up in the last month, how many people have pledged support for our campaign etc. The figure which quantifies trust in the sector or your charity can feel a lot softer and less relevant to your work.

Fundamentally, trust is the foundation of our relationship with charities. This is because their product is so intangible. While a £50 bill at a supermarket produces a basket of goods whose quality and value we can assess directly, our only ability to assess the value of a £50 donation depends solely on what the charity tells us and on our previous contextual knowledge of that charity. So while for the supermarket we have the evidence of whether our purchase matches our expectations, for charities we essentially only have trust. If trust in charities is undermined, the basis of the relationship is undermined. This is why the economist Henry Hansmann (1980) argued that we need to rely on the concept of trust to understand the role and function of charities in capitalist societies. Just as businesses can only exist if they turn a profit, charities can only exist if they earn trust.

Even though everybody tends to talk about trust as if a rise in trust is always a good thing and a drop a bad thing, a word of caution must be said. The evidence regarding tangible benefits of the rise in trust is relatively slim and very hard to obtain. We know that charities that face a crisis of trust often tend to face financial and other problems at the same time, but drawing robust sector-wide conclusions has proven hard. Trust is a useful indicator of the public mood and varying attitudes towards charities, but we must be careful when making assumptions about its ability to produce tangible benefits. It should also be pointed out that trust is a volatile measure, so when analysing it, we must not be led astray by short term dips and increases and focus on longer trends.

## 2. Trust in charities more volatile than other institutions

nfpSynergy has been tracking trust for over a decade (see Figure 1). In this time we have seen charities fluctuate between being amongst the most trusted institutions in the UK, alongside the NHS and armed forces, to falling below the police, the BBC, schools and small businesses. While trust in charities is a volatile measure (far more so than institutions such as the church or the police), the biggest changes in trust have occurred because of the negative coverage the sector has received, particularly in 2015 and early 2018. Charities are of course not the only sector to have received critical coverage in the last decade. MPs expenses, phone hacking, horsemeat lasagne, Jimmy Saville cover up at the BBC, journalists hacking phones, child abuse and grooming across numerous local authorities, child abuse in sports clubs and LIBOR rigging (to name just a few) have led to the British public being far more cynical than in the past.

**Figure 1. Trust in institutions 2009 – 2019.**

Source: Charity Awareness Monitor, 2009-2019, nfpSynergy | Base: 1,000 adults 16+ per wave, Britain

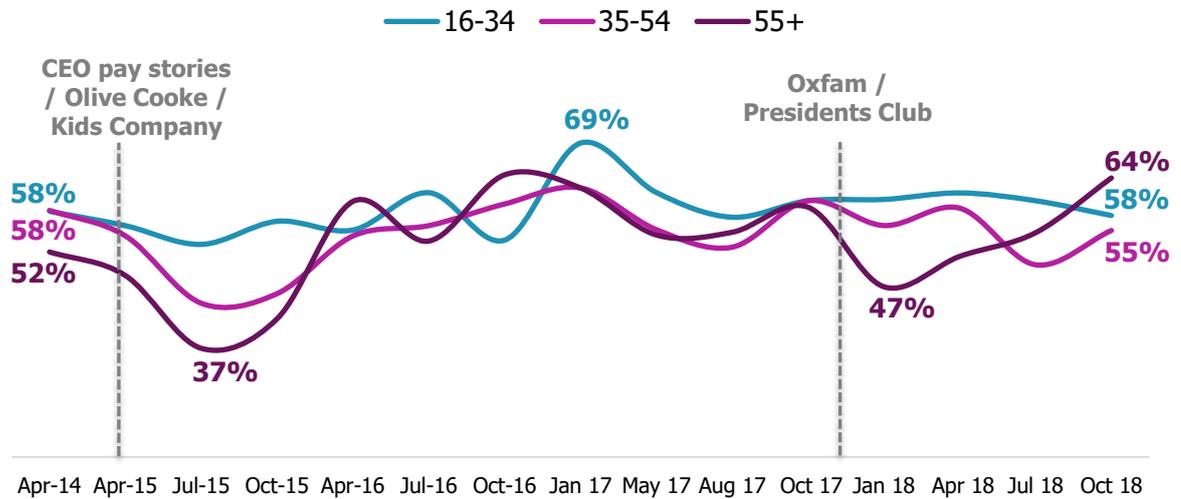
Trust in charities does recover when they are not in the news for the wrong reasons, even though this process tends to take a while. However, the fact that trust in charities was above 65% for the last time in May 2013 indicates that we are potentially facing a long-lasting crisis of trust in charities.

### 3. Who trusts charities?

Trust in charities is not equally distributed across demographics. Figure 2 shows how trust in charities in three different age segments – young, middle-aged and elderly – has been changing over the past five years. Clearly, there is no overall striking difference between how much these segments trust charities, except for the fact that young people tend to be slightly more trusting on the whole.

What is striking, however, is how quickly trust drops amongst older generations whenever there is a major charity scandal, while it remains fairly untouched amongst the youth (2015, 2018). Older people's trust therefore appears more fragile and susceptible to disruption. One possible explanation is that older people are more likely to notice negative media coverage. This could be due to their exposition to more traditional media, such as print, which are more likely to cover negative charity stories, or because older people are more aware of charities and are therefore more likely to pay more attention to stories about them. This hypothesis is consistent with our own data from early 2016, which showed that older people were much more likely to have seen something about charities in the news, and they were far more likely to say that it worsened their view of charities. Likewise, in early 2018 older people were far more likely to recall the reports about harassment and exploitation in international charities like Oxfam than younger people were. Another possible explanation for steep dips in trust among older people is that they are more invested in the institutions they trust and for that reason are more likely to feel like their trust has been betrayed when unethical behaviour occurs.

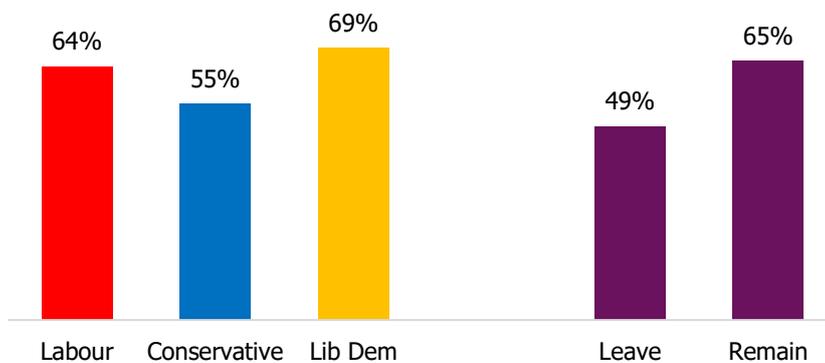
**Figure 2. Trust in charities between 2014 and 2018, broken down by age.**



Source: Charity Awareness Monitor, 2014-2018, nfpSynergy | Base: 1,000 adults 16+ per wave, Britain

We can observe significant differences in trust between people of divergent political orientations. People who voted for Brexit in the 2016 referendum express a significantly lower trust in charities than those who voted Remain, once again confirming that the vote reflected a deeper attitudinal divide in British society. This association between charities and pro-EU attitudes is consistent with the fact that almost all (9/10) charity sector workers voted to remain in the EU (The Right Ethos 2016). When it comes to the three traditional parties (Labour, Conservatives and Liberal Democrats), it is people who identify as Conservative voters that trust charities significantly less than the other two. In this respect, charities are grouped together with organizations like the NHS and schools that show the same pattern, and set aside from the police and armed forces that are trusted the most by Conservatives.

**Figure 3. Trust in charities in 2018, broken down by political orientation.**



Source: Charity Awareness Monitor, 2018, nfpSynergy | Base: 4,000 adults 16+, Britain

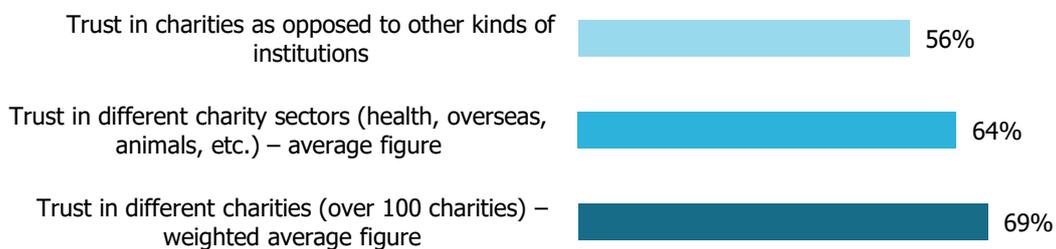
#### 4. Trust in charities depends on how you ask

Trust is a rather complex and elusive variable. This is partly because its value depends to a large extent on the context and framing in which we research it, demanding a lot of caution from the researcher. This section discusses several framing effects which play a crucial role when we try to determine the extent to which “people trust charities”.

##### 4.1. Individual charities are more trusted than the sector

Our data shows that people are most likely to express trust when the charity in question is specified to the greatest detail, whereas when people think of “charities” in a general sense, they express the most suspicion. Only 56% of people say that they trust charities when asked about charities in general. On the other hand, when you ask people whether they trust all the different charities they are aware of one-by-one and average the results, you get a much higher figure – 69%. The mid-stage is represented by an average trust in different charity sectors and in the last wave of research reached 64%.

**Figure 4. From generic to specific: trust in charities as dependent on framing.**



Source: Charity Awareness Monitor, 2018, nfpSynergy | Base: 4,000 adults 16+, Britain

Why is it the case that when people think of charities in general that they express less trust? One feasible explanation is what has been termed the *availability heuristic* (Kahneman & Tversky 1973). This refers to people’s tendency to rely on the first, most “mentally available” examples that come to mind when making judgements about a category. For example, when thinking about the category of supermarkets, I will most likely imagine the supermarkets that are based in my area. By the same token, it is likely that when people think of “charities” as an abstract category, they make judgements based on the examples of charities that they have recently seen covered in the media. Even though it is unclear whether media is biased towards covering negative stories about charities,<sup>1</sup> it is likely that these stories are more noticeable for the readers – either because they are more “shocking” or because they receive more emphasis. Therefore, people’s general judgements about charities will be more influenced by these stories and hence skewed in the negative direction.

<sup>1</sup> See Leetaru (2011) for an analysis of a general media bias towards negative stories.

**Figure 5. The availability heuristic, applied to the charity sector.**

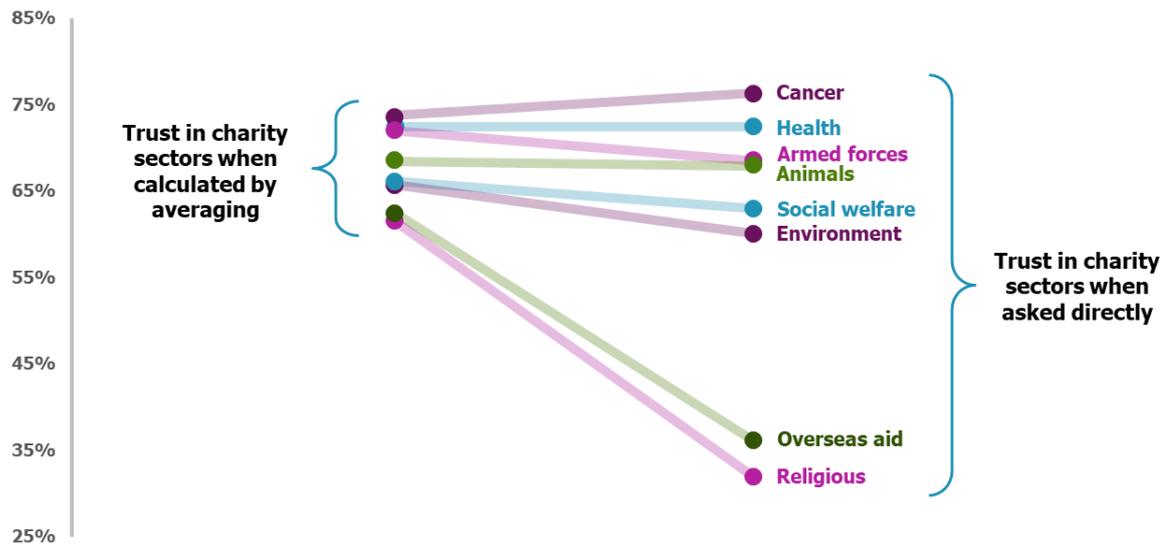


This finding – that the more fine-grained our framing is, the more trust in charities people express – can be understood as both positive and negative news for charities. It is positive as far as it means that people trust charities on a more rational level, when they get a chance to consider concrete individual organisations. However, it is also negative as far as it means that the broader, more emotional idea of a charity in people’s minds inspires less trust.

#### **4.2. Differences in trust in charity sectors are more dramatic when asked directly**

There are at least two different ways to compare trust in different charity sectors. You can either ask people directly – how much they trust health charities, how much they trust religious charities, etc. – or you can calculate these figures by averaging trust figures gathered from across all the different charity brands working in given sectors. We have employed both of these methods. Reassuringly, they both generated by and large identical ranking of charity sectors according to trust: while cancer, health and armed forces charities are the most trusted sectors, overseas aid and religious charities end up on the opposite side of the spectrum. However, as figure 6 shows, when asked directly, the different charity sectors are distributed further apart from each other. The less trusted charities appear to be trusted even less and the most trusted charities appear to be trusted even more.

This shows that trust judgements are extremely context-dependent. When making judgements about things, people always compare them with other things. In this case, when determining how much they trust a given charity sector such as religious charities directly, people compare it to all the other sectors on the menu. This comparison usually highlights the differences between these sectors in people’s minds, making them appear more distinct. This tendency for items to appear more distinctive when evaluated together has been termed the *distinction bias* (Hsee & Zhang 2004) and it explains why the dots on the right side of figure 6 are so broadly distributed.

**Figure 6. Trust in different charity sectors determined by two different methods.**

Source: Charity Awareness Monitor, 2018, nfpSynergy | Base: 4,000 adults 16+, Britain

On the other hand, when people determine how much they trust a given charity brand such as Macmillan Cancer Support, they generate a “reference class” of all the similar charities they can think of in their mind (e.g. all the cancer charities they know) and compare it to those. In the words of the cognitive scientist Dan Arieli (2008), “people not only tend to compare things with one another [when making judgements] but also tend to focus on comparing things that are easily comparable”. Items in each class are scattered across the entire trust spectrum, from low to high. However, once you average the items in each class, the resulting averages all end up clustering around the same value (as on the left side of figure 6).

## 5. Attitudes driving trust in charities

Why do some people trust charities more than others? There are clearly many different factors that could influence how much people trust in charities – experiences, upbringing, personalities, etc. One simple way of approaching this question is to look at what beliefs and attitudes trusting people have towards charities, and how these differ from beliefs and attitudes of distrusting people. We use a statistical technique known as driver analysis to calculate which attitudes best predict whether someone will trust charities. This technique enables us to numerically express the relative importance of different attitudes and beliefs when it comes to trust. We have been able to produce this analysis at an international level, across nine different countries.

The most important factor in determining trust is whether the respondent sees charities to be ethical and honest (figure 7). This underlies the importance for charities to be transparent and always make it clear that the pursuit of good is their primary purpose. The fact that this factor trumps even the perception of whether charities are well-run highlights the unique role that charities play in society: how ethical they are perceived to be is more important than their competency. It also provides a hint as to why trust in charities takes a while to recover – when you stop believing that somebody is a moral person, you need a significant amount of convincing to change your mind.

Whether charities are well run is the second most important factor determining trust. This makes sense, given how strongly the public and the media tend to react to any revelations regarding the misuse of charity funds. Interestingly, the fourth most important factor in determining trust is the opinion regarding whether charities play a vital role in society. This belief relates to a broader outlook on what society should be like and is unlikely to fluctuate significantly with various scandals and similar events. This result therefore provides us with a good reason to believe that trust in charities is not entirely volatile and will always retain some degree of stability.

**Figure 7. The drivers of trust by relative importance (%).**



Source: nfpSynergy international survey, September 2018, nfpSynergy | Base: 750 UK adults 16+

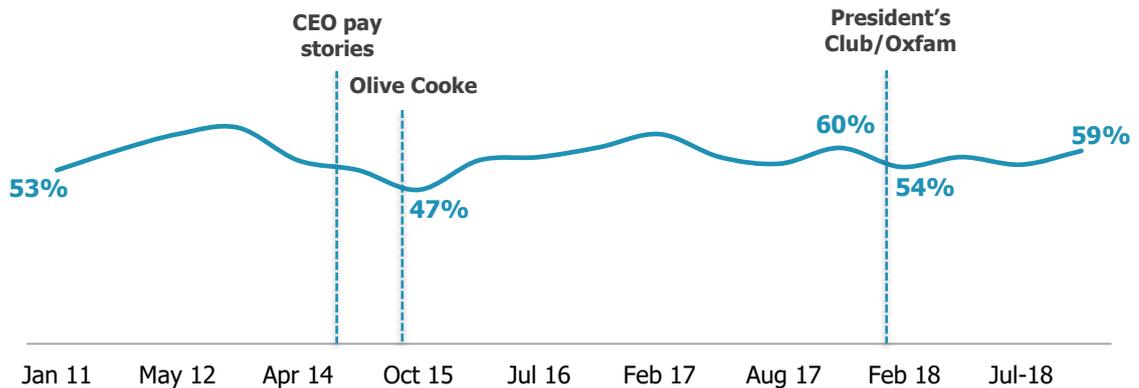
## 6. The decline of institutional trust

The decline of trust in traditional institutions is a broadly discussed phenomenon to which charities are not exempt. Rachel Botsman in her book *Who can you trust?* (2017) argues that the era of 'institutional trust' – trust generated by an aura of reliability around well-established institutions – has come to an end. This section discusses a number of factors that may have contributed to the decline of trust in non-profit institutions.

### 6.1. Increased transparency

One reason for this decline of trust is that it is harder for institutions to hide their own problematic features from the wider public. From Panama Papers to Cambridge Analytica, the media has been more successful in exposing corruption and lack of accountability within institutions and spreading the word online.

As recent revelations about the actions of Oxfam workers in Haiti and the Presidents Club showed, charities are no exception. Our data demonstrate how vulnerable public trust in charities is to such scandals (figure 8). We see clear dips in trust in the entire sector whenever a major negative story about a charity emerges. It can take a while to recover; despite the reports regarding Oxfam occurring at the beginning of 2018, trust in the sector still hasn't returned to its pre-2018 figures. Although media revelations are by no means a new phenomenon, they have certainly become more common in the digital age, causing a permanent damage to institutional trust.

**Figure 8. Trust in charities over time.**

Source: Charity Awareness Monitor, 2011-2018, nfpSynergy | Base: 1,000 adults 16+ per wave

### 6.2. Lack of factual certainty

Another challenge for traditional institutions is the phenomenon of “post-truth”. The privileged position that institutions once had depended on the existence of agreed-upon narratives that justified their existence. As Richard Edelman, the head of the Edelman Trust Barometer, argues: “[the crisis of trust in the media] is undermining confidence in all the other institutions because if you don’t have an agreed set of facts, then it’s really hard to judge whether the Prime Minister is good or bad, or a company is good or bad” (quoted by Friedman 2018). Our data shows that those charities that are especially keen to challenge the dominant cultural narratives, such as Stonewall and Greenpeace, are the least trusted ones.

However, at the same time, charities seem to be less of a victim of the fake news phenomenon than other institutions. Our February 2017 research showed that 67% of the public would trust information to be both accurate and impartial if it came from charities. Charities were higher on this measure than the BBC, a news website or a broadsheet newspaper. Lack of truthfulness therefore doesn’t appear to be the main factor in the decline of trust in charities.

### 6.3. The emergence of distributed trust

The final factor in the decline of trust in institutions is the emergence of new technologies that have enabled trust to shift elsewhere. This is what Botsman (2017) refers to as the shift from institutional to distributed trust. One of the reasons why platforms such as Airbnb and Uber have been able to take over the market is that they use a bottom-up rating system which generates reliable information about who you can trust. People now use online ratings to decide on their food choices, doctors and barbers, without the need to trust established institutions blindly. Institutions are therefore no longer the creators of trust; rather, trust has become distributed.

In the case of charities, such a system is more difficult to develop since donors don’t directly see the impact of their donation and thus cannot really provide direct feedback. However, recent years have seen an emergence of independent charity evaluators such as *Charity Clarity*, *Giving What We Can* and *GuideStar UK*, whose aim is to help donors choose their charity wisely. If the current trend continues to develop, it is possible that these evaluators will play an increasingly significant role in charity fundraising in the future.

**Figure 9. Evolution of trust: from local to institutional to distributed.**



Adapted from: Botsman (2017)

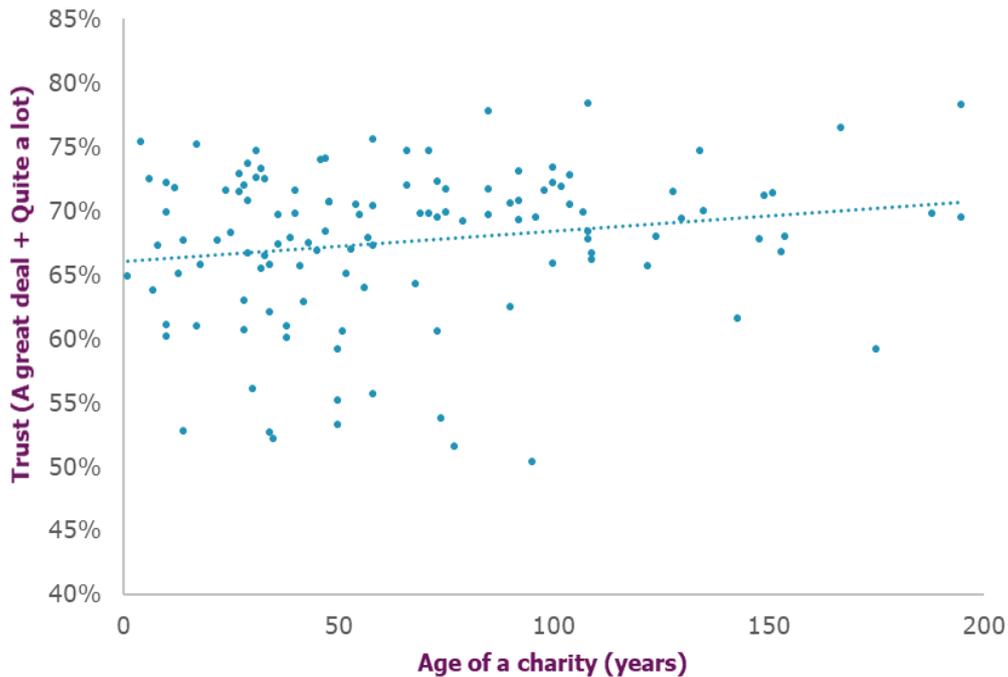
## 7. Which charities are most and least trusted?

When we look at the approximately 130 charities that we tracked throughout 2018, we see that the overall trust ranged from 50% to 78%. This data naturally gives rise to the question – which kinds of charities are trusted and which are trusted less? Every charity is unique and many are trusted or distrusted for complex cultural and historical reasons. However, it is still possible to spot broader trends when zooming out.

One striking fact is that out of the top 10 most trusted charities in 2018, nine work in the field of health, rescue services and disability. This is broadly consistent with our most recent data on trust in different charity sectors. Since the services provided by health charities are clear and tangible, and their contribution to society is hardly contestable, they find it easiest to secure the public's trust. On the other hand, we observe that campaigning charities that attempt to challenge the status quo (such as environmental or LGBT+ charities) tend to score the lowest on trust. This can be explained by the fact that people may feel like their worldview is being undermined by these charities which gives rise to feelings of fear and uncertainty.

It may come as a surprise to some that we have found no positive correlation between trust and the income of a charity. This shows that even charities with large budgets that enable them to raise awareness and mobilise their supporters find it difficult to translate their funds into trust. In fact, there is some indication that many smaller charities are actually slightly more trusted, although it is very hard to draw this conclusion: these charities tend to have lower awareness amongst the general public and the population segments aware of them tend to overlap with their support bases significantly.

However, we have found a correlation, albeit mild, between the age of a charity and how much it is trusted (see figure 10:  $r=0.2$ ). It is perhaps natural that more established institutions merit more trust, since the fact that they have survived all these years indicates a certain degree of reliability and consistency on their side. As the scatter-plot below shows, although there are many highly trusted 'new' charities, there are very few charities with a long history that people do not trust. A few exceptions are provided by historical charities whose religious affiliation has led to their loss of trust. From the bigger picture perspective, however, it needs to be pointed out that the correlation between age and trust is generally low. This aligns with the point about the decline of institutional trust that we outlined earlier.

**Figure 10. The relationship between the age of a charity and trust.**

Source: Charity Awareness Monitor, 2018, nfpSynergy | Base: 4,000 adults 16+, Britain

## Conclusion

The concept of trust is an extremely useful way of understanding the public's relationship with the charity sector and with any charity in particular. To maintain high levels of trust, charities need to focus on always showing the public that they are acting honestly and ethically, as well as being well-run. This is bound to be more difficult for certain charities, such as those campaigning for social change, which are generally less trusted. At the same time, it is more of a challenge for charities to keep the trust of older people, often the most likely to donate, whose trust levels are more volatile and susceptible to decline following scandals. It is crucial to note that despite its usefulness, trust figures need to be viewed with caution: the framing effects discussed in this report show that any trust figure is much more useful when viewed in context than as an absolute number.

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## About nfpSynergy



**nfpSynergy is a research consultancy that aims to provide the ideas, the insights and the information to help non-profits thrive.**

We have over a decade of experience working exclusively with charities, helping them develop evidence-based strategies and get the best for their beneficiaries. The organisations we work with represent all sizes and areas of the sector and we have worked with four in five of the top 50 fundraising charities in the UK.

We run cost effective, syndicated tracking surveys of stakeholder attitudes towards charities and non-profit organisations. The audiences we reach include the general public, young people, journalists, politicians and health professionals. We also work with charities on bespoke projects, providing quantitative, qualitative and desk research services.

In addition, we work to benefit the wider sector by creating and distributing regular free reports, presentations and research on the issues that charities face.

## About ACEVO



**ACEVO's vision is to see civil society leaders making the biggest possible difference.**

Together with our network we inspire and support civil society leaders by providing connections, advocacy and skills.

ACEVO is the Association of Chief Executives of Voluntary Organisations. For 30 years, we have provided support, development and an inspiring, collective campaigning voice for our members across the UK. ACEVO's network of over 1,150 individuals includes the leaders of small, community based groups, ambitious medium-sized organisations, and well known, well-loved national and international not-for-profits.

## Understanding trust in your charity

If you are interested in better understanding trust in your charity, please get in touch with Tim Harrison-Byrne or Adam Lalák on [timothy.harrison@nfpsynergy.net](mailto:timothy.harrison@nfpsynergy.net) or [adam.lalak@nfpsynergy.net](mailto:adam.lalak@nfpsynergy.net).



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