

Public Trust and Confidence in Charities: Summary

**Conducted by Horizon Research
for Charities Services New Zealand
Department of Internal Affairs
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Summary of 2014 Research: Public trust and confidence in charities

During 2014 Charities Services conducted the fourth biennial survey of the public's level of public trust and confidence in charities. The survey was undertaken on behalf of Charities Services by Horizon Research with 2,722 respondents participating. This is a summary, prepared by Charities Services, of the report that Horizon Research provided on their survey ('the report' below).

The research exercise investigated three related themes, and the discussions contained in the report overlap. The three themes are:

1. The public's level of trust in charities, and the drivers for that trust;
2. How and why people donate; and
3. Charities registration, and peoples response to charities' provision of services.

Overall trust (Pages 6 – 20 of the Report)

Since 2008 biennial surveys have been conducted on public trust and confidence in charities. The surveys are based on a rating scale of 0 (no trust at all), to 10 (complete trust). In April of this year the fourth iteration of this survey was conducted.

In 2008 the mean figure derived from the levels of trust and confidence in charities was 6.6, for 2010 this mean was 6.5, but the mean dropped in 2012 to 5.8. The 2012 drop from 6.6 to 5.8 was statistically significant. This year's survey indicated a slight rise in the public's overall trust, with the 2014 mean being at 6.0. The slight increase is reflective of the result of a small but general move to higher trust scores on a range of the factors measured. At the high end of the scoring range the percentage of respondents now ranking trust in charities at 9 or 10 ("I trust charities completely") has grown from 5% in 2012 to 8.9% in 2014.

While the high level figure of general trust is a useful point of reference, the survey also considers a range of issues driving the public's response to charities.

Drivers of trust and confidence

The 2014 exercise showed statistically significant improvements in all key areas of trust and confidence relating to charities efficiency and effectiveness.

Analysis of the answers provided in the survey was used to clarify the relationship between trust in charities with a broader set of the factors considered across the survey. The analysis indicates the base level of trust in charities is impacted by 9 key trust and motivational factors, which are in order of their relative contribution to the level of trust and confidence.

- "They make a positive difference";
- "They protect the environment";
- "Their fundraisers are ethical and honest";
- "Spend their money wisely and effectively";
- "They help women";
- "I trust charities more if I have heard of them";
- "Ensure a reasonable proportion of donations gets to the end cause."
- "They help children";
- "I trust charities that I feel a personal connection to".

While these factors all have a positive relationship with trust in charities (i.e. if they increase, overall trust in charities increases), they explain only a part of the variation in movement in trust in charities. The factors form three groups:

- The first group is related to how charities operate and their operational results; e.g. “They make a positive difference” or “They spend their money wisely and effectively” (and therefore I trust them).
- The second group is related to the charities’ area of operations; e.g. “They help women” or “They protect the environment” (and therefore I trust them), and
- The third group is awareness and connection with charities more generally.

There was no change from 2012 in the level of respondents (50%) who trusted charities to make a positive difference to the matters they address. For all other factors, however, charities were more trusted than in 2012 and, in four out the six factors measured, more trusted than in 2008.

The greatest change in comparison with 2012 was in the rating of charities letting the public know how they use their resources, including money from donations. 41% of respondents in the 2014 trusted charities to do this, up from 27% in 2012.

While 46% of respondents rated charities as trustworthy in ensuring their fundraising is ethical and honest, up from 41% in 2012, this is still lower than the 2008 level of 51%. Similarly, the 50% rating for charities making a positive difference to the matters they address is lower than the 2008 level of 55%.

Connections between trust and support for charities – (Pages 59 to 64 of the Report)

This year’s survey also focussed on the connection between people’s trust in charities at a general level and what triggers people to directly support a particular charity. Seven characteristics were selected by more than 50% of respondents overall as making them want to support a charity:

- “They make a positive difference”: 70%
- “That they spend their money wisely and effectively”: 65%
- “That they are well managed”: 57%
- “That they ensure a reasonable amount of donations get to the end cause”: 56%
- “That they are a registered charity”: 56%
- “That they let the public know how they use their resources including money from donations”: 52%
- “Their fundraisers are ethical and honest”: 52%.

In a reflective set of questions, respondents were also asked for their reasons for both supporting and not supporting particular charities. The top five reasons why people chose not to give to a charity were:

- “The way I was approached and asked for a donation”: 46%
- “I hadn’t really heard of them before”: 43%
- “They work overseas”: 36%
- “Their ethics and beliefs seem different to mine”: 35%
- “They don’t seem very effective”: 34%

To clarify responses to charities, a segmentation analysis, that classified respondents in terms of their feelings about charities, was conducted on respondents’ answers. This will be used by Charities Services to support targeting of messaging to address issues of concern around charities and their practice.

Charities, Registration and the Charities Register (Pages 72 to 77 of the Report)

In relation to the Charities Register:

- a. Registration under the Charities Act 2005 has a significant influence on trust as 55 per cent of respondents felt that being registered would lead them to be more likely to trust a particular charity. The fact a charity was registered under the Charities Act 2005 was the fifth most important driver for public trust.
- b. Awareness of the Charities Register appears to have dropped from 2012, with initial figures showing awareness down to 45 per cent from 48 per cent in 2012. This drop may be due to slight change in question structure, but this will be one matter Charities Services considers may require some further analysis.
- c. 49% had used the advanced search function on the Charities Register.

While awareness of the Charities Register may have dropped, amongst those with awareness of the register, 63% said they would refer to it in future. This is a statistically significant increase when compared to previous.

A lower percentage of respondents than in 2012 were also aware that registered charities are required to have, and make available, a charities registration number on request to prove they are a registered charity. Again, the decline in awareness is statistically significant.

69% of those who were aware of the register were also aware of the requirement for registered charities are required to have, and make available, a charities registration number on request to prove they are a registered charity.

49% of respondents said they would ask for the charities registration number in the future. There is no statistically significant change in this level since 2008.

35% of respondents were aware that information about charities registered under the Charities Act 2005 is publicly available on the Charities Register. While this is a decline from the 2012 result, the change is not statistically significant.

31.5% of respondents who were aware of the Charities Register said they had referred to it. This is not a statistically significant change from the 30% 2012 result.

58% of all respondents (including those who had not previously been aware that information on registered charities was publically available on the Charities Register) said they were likely to refer to the register in future.

84% of respondents who had referred to the Charities Register said it contained enough information. This is 6% lower than the 2012 result.

49% of respondents who had referred to the Charities Register said they had used the advanced search function, 22% higher than the 2012 result.

Charities and business activities (Pages 56 and 57 of the Report)

Overall results indicated general support of business activities being associated with charities. 65 per cent of respondents would buy products and services where that supports a charity. The majority of respondents agreed that "Charities having money in the bank for future needs is good" and "Charities running businesses to generate income is good".

Results suggests that those who agree that "Charities having money in the bank for future needs is good" are moderately likely to agree that "Charities running businesses to generate income is good",

and vice versa. It also indicates that respondents who buy products and services when respondents know that their purchase supports the charity are moderately likely to support businesses that support charities – and vice versa.

Services provided by charities (Pages 86 to 89 of the Report)

10% of respondents said they had received services from a charity in the past 12 months, up from 8% in 2012 and 2010.

Ratings of the services provided to respondents were generally down on the 2012 ratings. While 80% were either satisfied or very satisfied with the quality of service received, overall satisfaction was lower than in 2012, accelerating the decline noted between 2010 and 2012. 53% said the service was better than expected, down from 79% in 2012.

Donation practice (Pages 27 to 60 of the Report)

The report outlines how peoples' methods of donations is changing over time. Generally the use of the more mechanical methods of donating (for example posting cheques or agreeing to make a donation) in response to a postal or telephone appeal is steadily diminishing. More specifically:

- 84% of respondents said they had given to charities in the past twelve months. This is equivalent to 2,679,900 New Zealanders aged 18 years or over.
- 16%, equivalent to 518,100 New Zealanders 18 years or over, said they had not donated in the past twelve months.

Overall the survey shows use of ongoing online direct debits by respondents has dropped. However the report confirms that, as individuals trust and confidence increases, the use of direct debits is also trending upwards.

The report does indicate that people's willingness to give continues to be strong, and indicates the amount given may actually increase over the next 12 months. Responses indicate that, on average, donations to the charitable sector could be expected to rise in the next twelve months. More personal income is the primary factor with 63% of respondents saying more income would encourage them to give more to charity in the next twelve months.

Fewer respondents than in 2012, 2010 and 2008 reported donating more than \$250. The average total donation was \$183, down 21% from \$239 in 2012 and \$243 in 2010.

The average number of donation methods used by those who donate to charity has continued the decline trend noted in previous surveys. In 2008, respondents reported donating in an average of 2.9 ways. Using the same options as the 2010 and 2012 surveys, the 2014 result indicates that today's New Zealanders donate in 1.9 of these ways – a 66% decline from 2008. In terms of the number of New Zealanders donating to individual charities, for most types of charitable organisations, the longer term trend is down.

Health and medical charities remain top priority for New Zealanders, with the number donating to them returning to 2008 and 2010 levels. For donations to animal care and welfare charities, a longer term decline has been arrested in 2014, but that is not the case for international aid, education or social and community development charities.

However, analysis suggests that there is a relationship between having more personal or household income and four other factors:

- A charity with values respondents can relate to
- Knowing the money will be well used
- Helping those in need in New Zealand and
- Helping respondents' local communities.

This suggests that having more disposable income, while rating as the top factor that would encourage additional giving, is not a sole major driver for increasing donations.

Actions when donating (Pages 44 to 47 of the Report)

Respondents took the following actions when donating:

- 26% claimed a tax refund.
- 13% asked for proof of identification of the person who approached them. This is about half the level of 2008.
- 12% asked how much of the money donated would get to the charity.
- 9% found out how the charity was run.
- 8% checked on the Charities Register that it was a genuine charity. This is the same level as in 2012.
- 3% gave to a charity they had not heard of.

Fundraising organisations (Pages 64 to 71 of the Report)

Where charities used fundraising organisations, there was strong concern around some of the money donated being held by the fundraiser (70%), and concern about how much of the donations would actually get to the charity (77%). There was even stronger support for fundraising organisations disclosing how much of funds donated they would keep (81 per cent). Some very strong statements were made by respondents around how trustworthy fundraisers can be.

In a related response, only 34 per cent of respondents thought there was a role for such organisations. In relation to charities' practice, 52 per cent said they would support charities because they felt their fundraisers are ethical and honest.

23% of respondents had given to a fundraising organisation that was helping a charity to raise money. 37% said they had not, and 40% were unsure. Having had the experience of giving to a charity via a fundraising organisation changed the perception of their role: 59% of those who had given to a fundraising organisation felt that there was a role for these organisations. Correlation analysis shows no direct relationship between the feelings about fundraising organisations and overall trust in charities.

However, there is clear concern over fundraising operations. While 22% of respondents agreed that they had no concerns over giving to fundraising organisations to support the charity or charities they like, 30% disagreed, with 47% neutral.