



How Can You Boost Donors' Trust in Your Organization?

First, learn how different generations think about trust and giving.

The good news: The nonprofit sector is still the most trusted institution in the United States. The bad: Given the current state of public distrust for all institutions, trust in the sector is very low. Results of a new survey of 2,100 adults (“Do People Trust Charities?”) by BBB’s Give.org (give.org) show that trust in nonprofits is badly eroded and continuing to drop.

Highlights of the Survey

The majority of respondents (73%) say it’s very important to trust a charity before giving. But only 19% say they highly trust charities and only 10% are optimistic about the sector becoming more trustworthy over time.

Respondents tend to perceive local and smaller charities as more trustworthy than national and larger charities. Specifically, 67% of participants said they trust local charities more than national charities, and 62% say they trust small charities more than large ones.

The highest levels of public trust are for not-for-profit hospitals, veterans’ groups, social-service charities, religious organizations, animal-welfare groups, and community-action organizations. Educational organizations and police and firefighter organizations have fallen in public trust.

The top factors that trigger people’s giving are: awareness of a need, having a connection with the cause (a cause they care about), desiring to help others, believing that giving is the right thing to do, and having a religious or spiritual faith that encourages giving. Other factors that affect people’s giving include the charity’s work record, trustworthiness, ability to do what they say, ability to show

where the money goes, and the charity’s reputation for integrity and transparency.

When asked about making a difference, respondents showed preferences for nonmonetary ways of expressing their generosity. They reported that donating items like food or clothes (in-kind donations) was the most preferred and most impactful form of giving – and a way of giving that they most wanted to increase in the future. This choice was followed (in order of preference) by: donating money, volunteering time, and giving directly to an individual in need.

Donors reported that in the past year they had been asked to give via diverse channels. The most reported solicitation channels were through direct mail (49%), by phone solicitors (36%), via TV ads (35%), by their church (33%), and through e-mail requests (32%). The least-reported solicitation methods were through participation in a fundraising event (14%), via crowdfunding (10%), and through a request to establish a bequest (4%). Seven percent of respondents reported not having been solicited through any of the listed channels. The most used giving channels: at a church (53%), as a response to a mailed appeal (28%), via the nonprofit’s website (25%), at a store’s checkout counter (24%), and when participating in a fundraising event (19%). The least-used methods: in response to TV or radio ads

“Donors yearn for a closer connection with the recipients of their gifts.”

(10%), via a bequest (6%), through a crowdfunding site (6%), and via text (4%). It's important to note that, while phone requests were the second-most-reported solicitation method (36%), and TV ads were the third-most-reported method, only 11% and 9% of respondents (respectively) reported donating in response to those appeals.

Only 14% of respondents reported that they would give less if they didn't receive tax benefits, and 22% said they would actually *increase* donations.

11% of donors want to be approached more by charities, and 22% say that they might be willing to give more if approached.

When asked what's most important in whether a nonprofit deserves support, respondents highlighted the following factors, in order of importance:

- the organization's spending on programs rather than overhead
- financial transparency
- effectiveness in achieving the organization's mission
- clarity of the organization's promotional materials. (See graph).

What Can You Do?

The survey offers very clear and helpful information you can use to craft your fundraising plans. Here are ways you can bolster trust while increasing support:

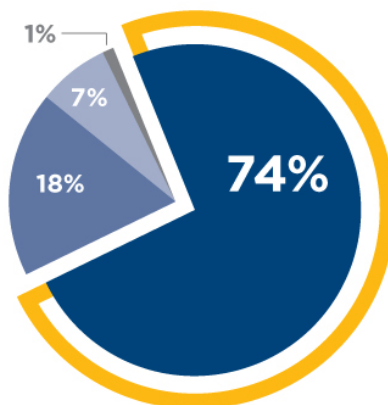
Understand how various generations and ethnic groups think about trust, engagement, and giving. For example:

- The portion of young respondents who highly trust religious organizations is meaningfully lower than among older generations. In turn, younger respondents highly trust international organizations, environmental organizations, and educational organizations. African Americans, Latinos, and Hispanics tend to be more trusting of charities than Asians and Whites.
- Older generations and White respondents tend to attribute much more importance to a nonprofit's trustworthiness before giving and tend to be less trusting of charities. Younger generations and racial minorities perceive verifying trust in a nonprofit as easier and tend to attribute more value to passion and apparent sincerity in the appeal.
- 65% of Generation Z (ages 18 and 19) respondents, compared to only 7% of the Silent Generation (ages 72 to 89), say they would give more if approached and wish charities would approach them more. Likewise, a higher portion of African American,

Factors that Help Determine Whether a Donor Thinks the Charity Deserves Support

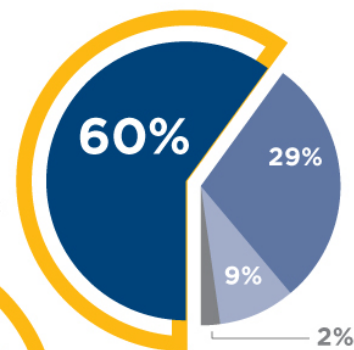
Question: Suppose you were thinking about giving to a charity. In general, how important would each of the following be in deciding whether they deserve your support?

■ % Very Important ■ % Somewhat Important ■ % Not Too Important ■ % Not At All Important

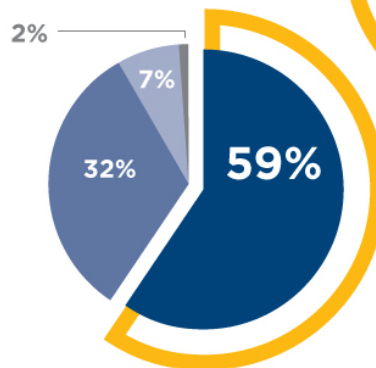


Whether the charity makes an annual report on their activities and finances available to the public

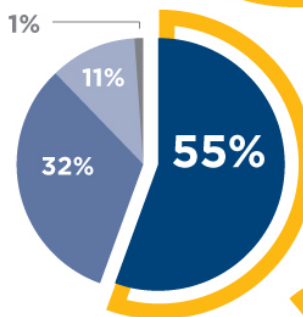
How much of the charity's spending goes toward charitable programs as opposed to fundraising or administrative costs?



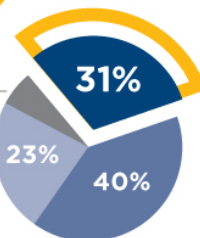
How successful the charity's programs have been in achieving their purpose or mission



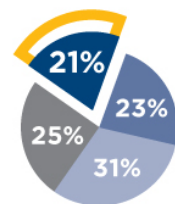
Whether the charity's advertising and promotion clearly and specifically describe who they are and what they do



Whether the charity has an active and participating Board of Directors



Whether others in my community are donating



– from BBB's Give.org survey, "Do People Trust Charities?"

Latino/Hispanics, and Asian respondents expressed a desire to be asked to give; 56% of African American respondents (compared to 24% of Whites) said they might be willing to give more if approached and would like charities to approach them more.

- Younger generations report being asked to give through fewer solicitation channels than older generations.
- Older generations more frequently identify third-party monitoring organizations (charity watchdog groups) as most signaling trustworthiness. On the flip side, younger generations attribute more importance to passion, sincerity, and appealing stories as signals of trust. Younger generations report doing research by looking into information offered by the charity itself (the solicitation appeal, charity's website, and questions asked directly to the charity) rather than looking to outside sources.
- When asked what channels they used to donate, the Silent Generation (born 1925-1945) and Baby Boomers (born 1946-1964) were most likely to give in response to a direct-mail appeal. Generation X (born 1965-1980), Baby Boomers, and members of the Silent Generation were most likely to donate through a charity's website. Gen Z (born 1998-2000) and Millennials (1981-1997) were most likely to give through social media, through door-to-door or in-person solicitations, or through text. (Gen X respondents were also very likely to give via text.) Gen Z respondents (born 1998-2000) were most likely to respond to a phone appeal. White respondents were most likely to give as a response to direct mail, checkout counter, and fundraising events. Whites, Hispanic/Latinos, and Asians were slightly more likely to give through a charity's website. Asians were more likely to donate in response to door-to-door or in-person appeals and e-mail appeals, while Hispanic/Latinos were by far most likely to give through social media appeals, and African Americans were by far most likely to give in response to phone appeals and TV and radio ads.
- Members of the Silent Generation express the strongest preference for making in-kind and monetary donations. Millennials and Gen Z expressed above-average preferences toward attending charitable events, fundraising through their networks, raising awareness among their networks, and giving through donor-advised funds. White respondents expressed an above-average preference for making in-kind and monetary donations, African Americans expressed above-average preferences for giving directly to an individual in need, and Hispanic/Latinos say they prefer attending fundraising events,

raising money for a cause through their networks, and raising awareness by engaging their networks.

Ask often and in many different ways. Engage with donors and prospects through as many channels as possible. Reach out frequently with updates about your organization's accomplishments, how donations are being spent, and the impact of those donations.

Be sure your website is donor-friendly. Your "Give" button should be large, plain, and easy to use. It should say something engaging and motivating – not just "Give" but, for instance, "Give today to be sure another child doesn't go hungry tonight."

Provide many different options to engage with your organization – not only giving money but volunteering time and donating in-kind gifts.

Don't neglect to give people information about making bequests to your organization. As the above statistics show, this is a vastly underused – and at the same time extremely profitable – funding source. It's also easy for you to begin collecting bequests. Many people would love to leave money for you in their wills if only they're reminded of the option.

Tell personal stories far and wide – on your website, in your e-newsletter, in every interaction with donors and potential donors. The more compelling and emotional you can make these stories, the more you'll forge relationships with donors. Ask your board members, staff, and clients to help you gather and tell these stories.

Be sure you're following all the prerequisites for a reputable charity, such as having an annual report, being transparent, providing accurate financial information, performing an annual audit, and putting together a well-informed board of directors. It's also vital to create and enforce good policies and plans. To maintain public trust, be diligent in keeping up-to-date policies for preventing fraud, corruption, and conflicts of interest. Also be sure you have a communication plan for responding to crises.

Put your resources into the most popular giving channels. That means using direct mail, for the numbers prove that people give as a response to mailed appeals more often than any other channel except for giving at church. It also means forgoing TV and radio ads as well as call centers, as few people report responding to those channels (although it's important to note that younger people are more likely than older ones to donate in response to phone calls). (Also note that the ineffectiveness of phoning doesn't apply to one-on-one, targeted calls from the organization's leaders to specific major-donor prospects.)

Use clear language, short words, and a large, readable type size in all your fundraising letters and materials.

Let people know how much you spend on overhead costs, but also make it clear that low overhead doesn't equal high performance. Higher administrative and fundraising

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“65% of Gen Z wish charities would approach them more often.”


expenses often lead to better outcomes. Join with groups of nonprofits who are working to make the public more aware of these facts. (See the article on overhead, referenced in “Build Trust Brick by Brick” at the end of this article.)

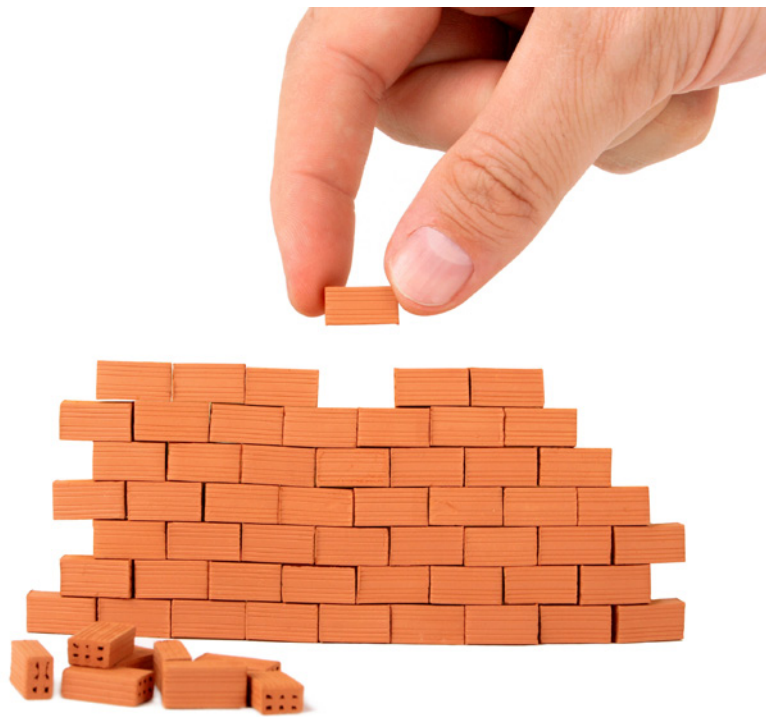
Create a strong culture of trust. Such a culture begins with those at the top. Be sure you and other leaders model integrity, honesty, and transparency. People will follow what you do, not what you say.

Don’t overlook young people or ethnic minorities when looking for new donors. The majority of young people (especially those aged 18-19) and African Americans, Latino/Hispanics, and Asians say they want to be asked to give and would give more if they were approached more often.

Forge a close connection. Implied in some responses is a yearning for a closer connection between donor and beneficiary. For instance, suggestions like “Provide a list of people affected by your organization that I can talk with” and “Ask your clients to write reviews about your organization’s impact on their lives” point to donors’ strong wish to connect with the recipients of their gifts. Other answers reinforce this desire to hear directly from beneficiaries of their gifts as well as from the organization’s leaders, clients, board members, and other stakeholders. While protecting the barrier between donor and recipient can and should be prioritized, organizations that boost the sense of connection will satisfy this donor aspiration.

Be fast in your responses. Some respondents’ answers indicate a demand for instant gratification. For example, when asked how they wanted to find information, they stated “quickly” and “right there where I am.”

More good news: Donors are optimistic about their ability to do good. Most respondents (86%) say they feel the same or more empowered to do good than they did five years ago. The report confirms that, while traditional forms of giving continue to be at the core of how donors express their generosity, the way donors think about giving and their role in bringing about change is in flux. Younger generations and technological advances are increasing the focus on volunteerism, network engagement, and giving voice to causes. Society is embracing social enterprise and civic activism as levers of change. For nonprofits to prosper in this changing landscape, they must adapt to the way people want to be engaged and understand how to signal and build trust. If nonprofits work on enacting the steps suggested by this report, they’re on the way to doing so. 



Build Trust Brick by Brick

To dive deeper into the elements of strengthening trust, begin with these articles at NonprofitWorld.org:

Six Steps to Good-Reputation Insurance (Vol. 15, No. 1)

Negative Publicity: Do Nonprofits Have a Plan? (Vol. 18, No. 6)

Here Come the Millennials — and Their Money (Vol. 34, No. 3)

How Can You Gain Your Donors’ Trust? (Vol. 21, No. 5)

Want to Avoid Fraud? Look to Your Board (Vol. 28, No. 5)

Truth Is Better than Hype (Vol. 35, No. 1)

The Power of Story: Bring Your Brand to Life (Vol. 34, No. 4)

Create a Donation Page that Rocks (Vol. 33, No. 1)

The Nonprofit Overhead Myth (Vol. 31, No. 5)

How to Build a Framework for Strategic Alliances: A Framework of Trust (Vol. 26, No. 6)

Get Ready for a Better Audit (Vol. 30, No. 2)

Top Five Tips to Improve Direct-Mail Fundraising and Cement Your Future (Vol. 29, No. 2)

Will You Be Ready when Disaster Strikes? (Vol. 18, No. 3)

Earn People’s Loyalty: Here’s How (Vol. 17, No. 5)

Generic Policies Needed (Vol. 26, No. 3)

Organizational Culture: It’s in the Walk, Not Just the Talk (Vol. 29, No. 6)

Do Your Board Members Know Their Fiduciary Responsibilities? (Vol. 33, No. 1)